



TEXAS DEPARTMENT OF AGRICULTURE  
COMMISSIONER SID MILLER

# ANNUAL FINANCIAL REPORT

For the Year Ended August 31, 2023





TEXAS DEPARTMENT OF AGRICULTURE  
COMMISSIONER SID MILLER

November 20, 2023

Honorable Greg Abbott, Governor  
Honorable Glenn Hegar, Texas Comptroller  
Jerry McGinty, Director, Legislative Budget Board  
Lisa Collier, State Auditor

To Governor Abbott, Comptroller Hegar, Director McGinty, and State Auditor Collier:

We are pleased to submit the annual financial report of the Texas Department of Agriculture for the year ended August 31, 2023, in compliance with Texas Government Code Annotated, Section 2101.011, and in accordance with the requirements established by the Texas Comptroller of Public Accounts.

Due to the statewide requirements embedded in Governmental Accounting Standards Board (GASB) Statement 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, the Comptroller of Public Accounts does not require the accompanying annual financial report to comply with all the requirements in this statement. The financial report will be considered for audit by the state auditor as part of the audit of the State of Texas Comprehensive Annual Financial Report (CAFR); therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

If you have any questions regarding the Annual Financial Report, please contact Robert MacFarland at (512) 463-1701 or Sarah Shaw at (512) 463-7451 for questions related to the Schedule of Expenditures of Federal Awards.

Sincerely,

Terry Keel  
Deputy Commissioner



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Exhibit and schedule numbers are dictated by the State Comptroller's Annual Financial Reporting Guidelines. Not every schedule is needed by TDA; therefore, some numbers may be intentionally skipped.



# **COMBINED FINANCIAL STATEMENTS**

**TEXAS DEPARTMENT OF AGRICULTURE**

**Exhibit I — Combined Balance Sheet/Statement of Net Position — Governmental Funds**

**August 31, 2023**

	Governmental Fund Types				
	General Funds	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds
<b>ASSETS</b>					
Current Assets:					
Cash and Cash Equivalents (Note 3)					
Cash on Hand	-	-	-	-	-
Cash in Bank	20,000.00	-	-	-	-
Cash in Transit/Reimburse from Treasury	-	-	-	-	-
Cash in State Treasury	33,607,412.40	2,090,605.17	-	-	6,147,205.50
Short Term Investments (Note 3)	-	-	-	-	-
Securities Lending Collateral	-	-	-	-	-
Legislative Appropriations	27,824,394.44	-	-	-	-
Receivables from:	-	-	-	-	-
Accounts Receivable	8,727,412.15	-	-	-	-
Taxes	-	-	-	-	-
Federal	64,896,088.29	-	-	-	-
Investment Trades	-	-	-	-	-
Other Intergovernmental	-	-	-	-	-
Interest and Dividends	-	-	-	-	-
Gifts, Pledges and Donations	-	-	-	-	-
Other	-	-	-	-	-
Due From Other Funds (Note 12)	-	-	-	-	-
Due From Other Agencies (Note 12)	3,172,037.75	-	-	-	-
Interfund Receivable (Note 12)	-	-	-	-	-
Consumable Inventories	153,526.54	-	-	-	-
Merchandise Inventories	542,994.31	-	-	-	-
Prepaid Items	-	-	-	-	-
Loans and Contracts	-	-	-	-	-
Restricted:	-	-	-	-	-
Cash and Cash Equivalents (Note 3)	-	-	-	-	-
Cash on Hand	-	-	-	-	-
Cash in Bank	-	-	-	-	-
Short Term Investments (Note 3)	-	-	-	-	-
Other Current Assets	-	-	-	-	-
Non-Current Assets:	-	-	-	-	-
Gifts, Pledges and Donations	-	-	-	-	-
Interfund Receivable (Note 12)	-	-	-	-	-
Investments (Note 3)	-	-	-	-	4,300,635.49
Loans and Contracts	-	-	-	-	-
Restricted:	-	-	-	-	-
Cash and Cash Equivalents (Note 3)	-	-	-	-	-
Cash on Hand	-	-	-	-	-
Cash in Bank	-	-	-	-	-
Short Term Investments (Note 3)	-	-	-	-	-
Receivables	-	-	-	-	-
Investments (Note 3)	-	-	-	-	-
Loans and Contracts	-	-	-	-	-
Other Assets	-	-	-	-	-
Hedging Derivative Asset (Note 7)	-	-	-	-	-
Intangible Assets – Service Concession Arrangements (Note 27)	-	-	-	-	-
Capital Assets (Note 2):	-	-	-	-	-
Non-Depreciable or Non-Amortizable	-	-	-	-	-
Depreciable or Amortizable, Net	-	-	-	-	-
Subscription Assets	-	-	-	-	-
Other Non-Current Assets	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 138,943,865.88</b>	<b>\$ 2,090,605.17</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,447,840.99</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred Outflows of Resources (Note 28)	-	-	-	-	-
<b>Total Deferred Outflows of Resources</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



## TEXAS DEPARTMENT OF AGRICULTURE

## Exhibit I — Combined Balance Sheet/Statement of Net Position — Governmental Funds

August 31, 2023

	Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Other Adjustments	Statement of Net Position
<b>ASSETS</b>					
Current Assets:					
Cash and Cash Equivalents (Note 3)					
Cash on Hand	-	-	-	-	-
Cash in Bank	20,000.00	-	-	-	20,000.00
Cash in Transit/Reimburse from Treasury	-	-	-	-	-
Cash in State Treasury	41,845,223.07	-	-	-	41,845,223.07
Short Term Investments (Note 3)	-	-	-	-	-
Securities Lending Collateral	-	-	-	-	-
Legislative Appropriations	27,824,394.44	-	-	-	27,824,394.44
Receivables from:	-	-	-	-	-
Accounts Receivable	8,727,412.15	-	-	-	8,727,412.15
Taxes	-	-	-	-	-
Federal	64,896,088.29	-	-	-	64,896,088.29
Investment Trades	-	-	-	-	-
Other Intergovernmental	-	-	-	-	-
Interest and Dividends	-	-	-	-	-
Gifts, Pledges and Donations	-	-	-	-	-
Other	-	-	-	-	-
Due From Other Funds (Note 12)	-	-	-	-	-
Due From Other Agencies (Note 12)	3,172,037.75	-	-	-	3,172,037.75
Interfund Receivable (Note 12)	-	-	-	-	-
Consumable Inventories	153,526.54	-	-	-	153,526.54
Merchandise Inventories	542,994.31	-	-	-	542,994.31
Prepaid Items	-	-	-	-	-
Loans and Contracts	-	-	-	-	-
Restricted:	-	-	-	-	-
Cash and Cash Equivalents (Note 3)	-	-	-	-	-
Cash on Hand	-	-	-	-	-
Cash in Bank	-	-	-	-	-
Short Term Investments (Note 3)	-	-	-	-	-
Other Current Assets	-	-	-	-	-
Non-Current Assets:	-	-	-	-	-
Gifts, Pledges and Donations	-	-	-	-	-
Interfund Receivable (Note 12)	-	-	-	-	-
Investments (Note 3)	4,300,635.49	-	-	-	4,300,635.49
Loans and Contracts	-	-	-	-	-
Restricted:	-	-	-	-	-
Cash and Cash Equivalents (Note 3)	-	-	-	-	-
Cash on Hand	-	-	-	-	-
Cash in Bank	-	-	-	-	-
Short Term Investments (Note 3)	-	-	-	-	-
Receivables	-	-	-	-	-
Investments (Note 3)	-	-	-	-	-
Loans and Contracts	-	-	-	-	-
Other Assets	-	-	-	-	-
Hedging Derivative Asset (Note 7)	-	-	-	2,344.90	2,344.90
Intangible Assets – Service Concession Arrangements (Note 27)	-	-	-	-	-
Capital Assets (Note 2):	-	-	-	-	-
Non-Depreciable or Non-Amortizable	-	223,807.50	-	-	223,807.50
Depreciable or Amortizable, Net	-	6,039,539.55	-	-	6,039,539.55
Subscription Assets	-	1,547,268.21	-	-	1,547,268.21
Other Non-Current Assets	-	1,202,352.80	-	-	1,202,352.80
	-	-	-	-	-
Total Assets	\$ 151,482,312.04	\$ 9,012,968.06	\$ -	\$ 2,344.90	\$ 160,497,625.00
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred Outflows of Resources (Note 28)	-	-	-	-	-
Total Deferred Outflows of Resources	\$ -	\$ -	\$ -	\$ -	\$ -

## TEXAS DEPARTMENT OF AGRICULTURE

## Exhibit I — Combined Balance Sheet/Statement of Net Position — Governmental Funds

August 31, 2023

	Governmental Fund Types				
	General Funds	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Current Liabilities:					
Payables from:					
Accounts	72,638,267.67	-	-	-	105,000.00
Investment Trade	-	-	-	-	-
Other Intergovernmental	-	-	-	-	-
Payroll	4,224,121.90	-	-	-	-
Federal	-	-	-	-	-
Interest	-	-	-	-	-
Contracts	-	-	-	-	-
Other	73,694.05	-	-	-	-
Contract Retainage Payable	-	-	-	-	-
Due To Other Funds (Note 12)	-	-	-	-	-
Due To Other Agencies (Note 12)	863,061.34	-	-	-	-
Due To Component Units	-	-	-	-	-
Interfund Payable (Note 12)	-	-	-	-	-
Unearned Revenues	4,434,112.94	-	-	-	-
Obligations/Reverse Repurchase Agreement	-	-	-	-	-
Obligations Under Securities Lending	-	-	-	-	-
Short Term Debt	-	-	-	-	-
Employees' Compensable Leave (Note 5)	-	-	-	-	-
Claims and Judgments (Note 5)	-	-	-	-	-
Capital Lease Obligations (Note 5, 8)	-	-	-	-	-
Notes and Loans Payable (Note 5)	-	-	-	-	-
Subscription Liability	-	-	-	-	-
Liabilities Payable from Restricted Assets	-	-	-	-	-
Funds Held For Others	1,738,064.19	-	-	-	-
Other Current Liabilities	-	-	-	-	-
Non-Current Liabilities	-	-	-	-	-
Interfund Payable	-	-	-	-	-
Employees' Compensable Leave (Note 5)	-	-	-	-	-
Claims and Judgments (Note 5)	-	-	-	-	-
Capital Lease Obligations (Note 5, 8)	-	-	-	-	-
Notes and Loans Payable (Note 5)	-	-	-	-	-
Liabilities Payable from Restricted Assets	-	-	-	-	-
Subscription Liability	-	-	-	-	-
Assets Held for Others	-	-	-	-	-
Other Non-Current Liabilities	-	-	-	-	-
Total Liabilities	83,971,322.09	-	-	-	105,000.00
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Inflows of Resources (Note 28)	-	-	-	-	-
Total Deferred Inflows of Resources	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Fund Financial Statement</b>					
Fund Balances (Deficits):					
Nonspendable	696,520.85	-	-	-	(1,464,513.79)
Restricted	33,722,676.38	1,959,385.35	-	-	10,342,840.99
Committed	-	-	-	-	-
Assigned	20,000.00	-	-	-	-
Unassigned	20,533,346.56	131,219.82	-	-	1,464,513.79
Total Fund Balances	54,972,543.79	2,090,605.17	-	-	10,342,840.99
Total Liabilities, Def Inflows of Resources & Fund Balanc	\$ 138,943,865.88	\$ 2,090,605.17	\$ -	\$ -	\$ 10,447,840.99
<b>Government-Wide Statement of Net Position</b>					
Net Position					
Net Investment in Capital Assets					
Restricted For					
Debt Service					
Capital Projects					
Funds Held as Permanent Investments:					
Expendable					
Nonexpendable					
Other					
Unrestricted					
Total Net Position					

The accompanying notes to the financial statements are an integral part of this statement

## TEXAS DEPARTMENT OF AGRICULTURE

## Exhibit I — Combined Balance Sheet/Statement of Net Position — Governmental Funds

August 31, 2023

	Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Other Adjustments	Statement of Net Position
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURC</b>					
Current Liabilities:					
Payables from:					
Accounts	72,743,267.67	-	-	-	72,743,267.67
Investment Trade	-	-	-	-	-
Other Intergovernmental	-	-	-	-	-
Payroll	4,224,121.90	-	-	-	4,224,121.90
Federal	-	-	-	-	-
Interest	-	-	-	-	-
Contracts	-	-	-	-	-
Other	73,694.05	-	8,012.90	-	81,706.95
Contract Retainage Payable	-	-	-	-	-
Due To Other Funds (Note 12)	-	-	-	-	-
Due To Other Agencies (Note 12)	863,061.34	-	-	-	863,061.34
Due To Component Units	-	-	-	-	-
Interfund Payable (Note 12)	-	-	-	-	-
Unearned Revenues	4,434,112.94	-	-	-	4,434,112.94
Obligations/Reverse Repurchase Agreement	-	-	-	-	-
Obligations Under Securities Lending	-	-	-	-	-
Short Term Debt	-	-	-	-	-
Employees' Compensable Leave (Note 5)	-	-	2,980,011.07	-	2,980,011.07
Claims and Judgments (Note 5)	-	-	-	-	-
Capital Lease Obligations (Note 5, 8)	-	-	544,694.78	-	544,694.78
Notes and Loans Payable (Note 5)	-	-	-	-	-
Subscription Liability	-	-	891,891.40	-	891,891.40
Liabilities Payable from Restricted Assets	-	-	-	-	-
Funds Held For Others	1,738,064.19	-	-	-	1,738,064.19
Other Current Liabilities	-	-	-	-	-
Non-Current Liabilities	-	-	-	-	-
Interfund Payable	-	-	-	-	-
Employees' Compensable Leave (Note 5)	-	-	2,117,501.37	-	2,117,501.37
Claims and Judgments (Note 5)	-	-	-	-	-
Capital Lease Obligations (Note 5, 8)	-	-	737,454.80	-	737,454.80
Notes and Loans Payable (Note 5)	-	-	-	-	-
Liabilities Payable from Restricted Assets	-	-	-	-	-
Subscription Liability	-	-	664,780.43	-	664,780.43
Assets Held for Others	-	-	-	-	-
Other Non-Current Liabilities	-	-	-	-	-
Total Liabilities	84,076,322.09	-	7,944,346.75	-	92,020,668.84
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Inflows of Resources (Note 28)	-	-	-	-	-
Total Deferred Inflows of Resources	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Fund Financial Statement</b>					
Fund Balances (Deficits):					
Nonspendable	(767,992.94)	-	-	-	(767,992.94)
Restricted	46,024,902.72	-	-	-	46,024,902.72
Committed	-	-	-	-	-
Assigned	20,000.00	-	-	-	20,000.00
Unassigned	22,129,080.17	-	-	-	22,129,080.17
Total Fund Balances	67,405,989.95	-	-	-	67,405,989.95
Total Liabilities, Def Inflows of Resources & Fund Balanc	\$ 151,482,312.04				
Government-Wide Statement of Net Position					
Net Position					
Net Investment in Capital Assets		8,195,663.54	(1,887,514.07)	-	6,308,149.47
Restricted For					
Debt Service		-	-	-	-
Capital Projects		-	-	-	-
Funds Held as Permanent Investments:					
Expendable		-	-	-	-
Nonexpendable		-	-	-	-
Other		817,304.52	(720,305.62)	7,955.16	104,954.06
Unrestricted		-	(5,336,527.06)	(5,610.26)	(5,342,137.32)
Total Net Position		\$ 9,012,968.06	\$ (7,944,346.75)	\$ 2,344.90	\$ 68,476,956.16

The accompanying notes to the financial statements are an in

**TEXAS DEPARTMENT OF AGRICULTURE**  
**Exhibit II — Combined Statement of Revenues, Expenditures and Changes in Fund Balances/Statement of**  
**Activities — Governmental Funds**  
**For the Fiscal Year Ended August 31, 2023**

	General Funds	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds
<b>REVENUES</b>					
Legislative Appropriations					
Original Appropriations (GR)	52,706,843.00	-	-	-	-
Additional Appropriations (GR)	6,879,180.51	-	-	-	-
Taxes (GR)	-	-	-	-	-
Federal Revenue (PR - Operating or Capital)	885,480,146.39	-	-	-	-
Federal Grant Pass-Through Revenue (GR)	29,081,896.42	-	-	-	-
State Grant Pass-Through Revenue (GR)	-	-	-	-	-
License, Fees & Permits (PR)	935,928.24	59,501.92	-	-	-
Interest and Other Investment Income (PR)	-	-	-	-	-
Interest and Other Investment Income (GR)	4,113,894.74	72,461.90	-	-	88,897.30
Net Increase (Decrease) in Fair Value (PR)	-	-	-	-	-
Net Increase (Decrease) in Fair Value (GR)	4,062,348.55	-	-	-	-
Land Income (PR)	-	-	-	-	-
Settlement of Claims (PR)	-	-	-	-	-
Settlement of Claims (GR)	-	-	-	-	-
Sales of Goods and Services (PR)	39,913.97	-	-	-	-
Other (PR - Chg for Serv, Operating or Capital)	6,118,289.58	-	-	-	-
Other (GR)	-	-	-	-	-
<b>Total Revenues</b>	<b>989,418,441.40</b>	<b>131,963.82</b>	<b>-</b>	<b>-</b>	<b>88,897.30</b>
<b>EXPENDITURES</b>					
Salaries and Wages	40,016,985.70	-	-	-	19.92
Payroll Related Costs	11,917,605.65	-	-	-	8,359.07
Professional Fees and Services	1,176,827.76	-	-	-	-
Travel	1,450,819.82	-	-	-	-
Materials and Supplies	2,582,136.10	-	-	-	-
Communication and Utilities	857,374.92	-	-	-	-
Repairs and Maintenance	1,342,415.39	-	-	-	-
Rentals and Leases	1,003,996.84	-	-	-	-
Printing and Reproduction	382,722.05	-	-	-	-
Claims and Judgments	15,677.90	744.00	-	-	-
Federal Grant Pass-Through Expenditures	3,793,567.81	-	-	-	-
State Grant Pass-Through Expenditures	1,677,449.61	-	-	-	-
Intergovernmental Payments	235,792,675.41	-	-	-	-
Public Assistance Payments	657,398,897.01	-	-	-	507,389.24
Employee Benefit Payments	-	-	-	-	-
Other Expenditures	9,760,026.15	-	-	-	1.36
Debt Service:					
Principal	1,337,390.05	-	-	-	-
Interest	-	-	-	-	-
Other Payments for Refunding	-	-	-	-	-
Capital Outlay	2,460,155.27	-	-	-	-
Depreciation and Amortization Expense	-	-	-	-	-
<b>Total Expenditures/Expenses</b>	<b>972,966,723.44</b>	<b>744.00</b>	<b>-</b>	<b>-</b>	<b>515,769.59</b>
Excess (Deficiency) of Revenues over (under)					
Expenditures	16,451,717.96	131,219.82	-	-	(426,872.29)

**TEXAS DEPARTMENT OF AGRICULTURE**  
**Exhibit II — Combined Statement of Revenues, Expenditures and Changes in Fund Balances/Statement of**  
**Activities — Governmental Funds**  
**For the Fiscal Year Ended August 31, 2023**

	<b>Governmental Funds Total</b>	<b>Capital Assets Adjustments</b>	<b>Long-Term Liabilities Adjustments</b>	<b>Other Adjustments</b>	<b>Statement of Activities</b>
<b>REVENUES</b>					
Legislative Appropriations					
Original Appropriations (GR)	52,706,843.00	-	-	-	52,706,843.00
Additional Appropriations (GR)	6,879,180.51	-	-	-	6,879,180.51
Taxes (GR)	-	-	-	-	-
Federal Revenue (PR - Operating or Capital)	885,480,146.39	-	-	-	885,480,146.39
Federal Grant Pass-Through Revenue (GR)	29,081,896.42	-	-	-	29,081,896.42
State Grant Pass-Through Revenue (GR)	-	-	-	-	-
License, Fees & Permits (PR)	995,430.16	-	-	-	995,430.16
Interest and Other Investment Income (PR)	-	-	-	-	-
Interest and Other Investment Income (GR)	4,275,253.94	-	-	7,955.16	4,283,209.10
Net Increase (Decrease) in Fair Value (PR)	-	-	-	-	-
Net Increase (Decrease) in Fair Value (GR)	4,062,348.55	-	-	-	4,062,348.55
Land Income (PR)	-	-	-	-	-
Settlement of Claims (PR)	-	-	-	-	-
Settlement of Claims (GR)	-	-	-	-	-
Sales of Goods and Services (PR)	39,913.97	-	-	-	39,913.97
Other (PR - Chg for Serv, Operating or Capital)	6,118,289.58	-	-	-	6,118,289.58
Other (GR)	-	-	-	-	-
<b>Total Revenues</b>	<b>989,639,302.52</b>	<b>-</b>	<b>-</b>	<b>7,955.16</b>	<b>989,647,257.68</b>
<b>EXPENDITURES</b>					
Salaries and Wages	40,017,005.62	-	(233,582.85)	-	39,783,422.77
Payroll Related Costs	11,925,964.72	-	-	-	11,925,964.72
Professional Fees and Services	1,176,827.76	-	-	-	1,176,827.76
Travel	1,450,819.82	-	-	-	1,450,819.82
Materials and Supplies	2,582,136.10	-	-	-	2,582,136.10
Communication and Utilities	857,374.92	-	-	-	857,374.92
Repairs and Maintenance	1,342,415.39	-	-	-	1,342,415.39
Rentals and Leases	1,003,996.84	-	-	-	1,003,996.84
Printing and Reproduction	382,722.05	-	-	-	382,722.05
Claims and Judgments	16,421.90	-	-	-	16,421.90
Federal Grant Pass-Through Expenditures	3,793,567.81	-	-	-	3,793,567.81
State Grant Pass-Through Expenditures	1,677,449.61	-	-	-	1,677,449.61
Intergovernmental Payments	235,792,675.41	-	-	-	235,792,675.41
Public Assistance Payments	657,906,286.25	-	-	-	657,906,286.25
Employee Benefit Payments	-	-	-	-	-
Other Expenditures	9,760,027.51	-	1,064.89	-	9,761,092.40
Debt Service:					
Principal	1,337,390.05	-	315,258.02	-	1,652,648.07
Interest	-	-	-	-	-
Other Payments for Refunding	-	-	-	-	-
Capital Outlay	2,460,155.27	(2,460,155.27)	-	-	-
Depreciation and Amortization Expense	-	2,279,727.98	-	-	2,279,727.98
<b>Total Expenditures/Expenses</b>	<b>973,483,237.03</b>	<b>(180,427.29)</b>	<b>82,740.06</b>	<b>-</b>	<b>973,385,549.80</b>
Excess (Deficiency) of Revenues over (under)					
Expenditures	16,156,065.49	180,427.29	(82,740.06)	7,955.16	16,261,707.88

**TEXAS DEPARTMENT OF AGRICULTURE**  
**Exhibit II — Combined Statement of Revenues, Expenditures and Changes in Fund Balances/Statement of**  
**Activities — Governmental Funds**  
**For the Fiscal Year Ended August 31, 2023**

	General Funds	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds
<b>OTHER FINANCING SOURCES (USES)</b>					
Bond and Note Proceeds	-	-	-	-	-
Increase in Obligations Under Capital Leases	1,652,648.07	-	-	-	-
Sale of Capital Assets	12,505.80	-	-	-	-
Insurance Recoveries	-	-	-	-	-
Transfer In	26,578,785.97	1,958,641.92	-	-	2,288,346.25
Transfer Out	(35,321,038.96)	(1,958,641.92)	-	-	(396,960.17)
Legislative Transfer In	1,421,250.00	-	-	-	-
Legislative Transfer Out	(1,421,250.00)	-	-	-	-
Gain (Loss) on Sale of Capital Assets	-	-	-	-	-
Inc (Dec) in Net Position Due to Interagency Transfe	-	-	-	-	-
Total Other Financing Sources (Uses)	(7,077,099.12)	-	-	-	1,891,386.08
Net Change in Fund Balances/Net Position	9,374,618.84	131,219.82	-	-	1,464,513.79
<b>Fund Financial Statement - Fund Balances</b>					
Fund Balances, September 1, 2022	46,894,426.51	1,959,385.35	-	-	8,878,327.20
Restatements	-	-	-	-	-
Fund Balances, September 1, 2022	46,894,426.51	1,959,385.35	-	-	8,878,327.20
Appropriations Lapsed	(1,296,501.56)	-	-	-	-
Fund Balances, August 31, 2023	\$ 54,972,543.79	\$ 2,090,605.17	\$ -	\$ -	\$ 10,342,840.99

**Government-Wide Statement of Net Position**

Net Position/Net Change in Net Position

Net Position, September 1, 2022

Restatements

Net Position, September 1, 2022, as Restated

Net Position, August 31, 2023

The accompanying notes to the financial statements are an integral part of this statement.

**TEXAS DEPARTMENT OF AGRICULTURE**  
**Exhibit II — Combined Statement of Revenues, Expenditures and Changes in Fund Balances/Statement of**  
**Activities — Governmental Funds**  
**For the Fiscal Year Ended August 31, 2023**

	<b>Governmental Funds Total</b>	<b>Capital Assets Adjustments</b>	<b>Long-Term Liabilities Adjustments</b>	<b>Other Adjustments</b>	<b>Statement of Activities</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Bond and Note Proceeds	-	-	-	-	-
Increase in Obligations Under Capital Leases	1,652,648.07	-	-	-	1,652,648.07
Sale of Capital Assets	12,505.80	(12,505.80)	-	-	-
Insurance Recoveries	-	-	-	-	-
Transfer In	30,825,774.14	-	-	-	30,825,774.14
Transfer Out	(37,676,641.05)	-	-	-	(37,676,641.05)
Legislative Transfer In	1,421,250.00	-	-	-	1,421,250.00
Legislative Transfer Out	(1,421,250.00)	(1,500.70)	-	-	(1,422,750.70)
Gain (Loss) on Sale of Capital Assets	-	14,006.50	-	-	14,006.50
Inc (Dec) in Net Position Due to Interagency Transfe	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(5,185,713.04)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,185,713.04)</b>
<b>Net Change in Fund Balances/Net Position</b>	<b>10,970,352.45</b>	<b>180,427.29</b>	<b>(82,740.06)</b>	<b>7,955.16</b>	<b>11,075,994.84</b>
<b>Fund Financial Statement - Fund Balances</b>					
Fund Balances, September 1, 2022	57,732,139.06	-	-	5,610.26	57,737,749.32
Restatements	-	-	-	-	-
Fund Balances, September 1, 2022	57,732,139.06	-	-	5,610.26	57,737,749.32
Appropriations Lapsed	(1,296,501.56)	-	-	-	(1,296,501.56)
Fund Balances, August 31, 2023	\$ 67,405,989.95	\$ 180,427.29	\$ (82,740.06)	\$ 13,565.42	\$ 67,517,242.60
<b>Government-Wide Statement of Net Position</b>					
Net Position/Net Change in Net Position		180,427.29	(82,740.06)	7,955.16	-
Net Position, September 1, 2022	\$ 8,195,663.54	\$ (7,224,041.13)	\$ (5,610.26)		966,012.15
Restatements	\$ 636,877.23	\$ (637,565.56)	\$ -		-
Net Position, September 1, 2022, as Restated	8,832,540.77	(7,861,606.69)	(5,610.26)		965,323.82
Net Position, August 31, 2023	\$ -	\$ 9,012,968.06	\$ (7,944,346.75)	\$ 2,344.90	\$ 68,482,566.42

The accompanying notes to the financial statements are an

**TEXAS DEPARTMENT OF AGRICULTURE**  
**Exhibit VIII — Combined Statement of Net Position —**  
**Discretely Presented Component Units**  
**August 31, 2023**

	<b>Component Units</b> <b>(Exhibit K-1)</b>
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents (Note 3)	
Cash on Hand	1,900.00
Cash in Bank	73,337,798.00
Cash in Transit	-
Cash In State Treasury	17,921,930.02
Securities Lending Collateral	-
Short Term Investments (Note 3)	-
Restricted:	
Cash and Cash Equivalents (Note 3)	
Cash on Hand	-
Cash in Bank	23,877,721.00
Cash in Transit	-
Cash Equivalents	-
Short Term Investments (Note 3)	-
Receivables from:	
Federal	-
Other Intergovernmental	3,204,651.00
Interest and Dividends	38,204.70
Accounts Receivable	37,383.00
Taxes	-
Gifts, Pledges and Donations	-
Other	-
Interfund Receivables (Note 12)	-
Due From Other Funds (Note 12)	-
Due From Primary Government (Note 12)	-
Due From Component Unit	-
Consumable Inventories	8,126,961.00
Merchandise Inventories	-
Prepaid Items	1,497,328.00
Loans and Contracts	165,000.00
Other Current Assets	3,625.26
Total Current Assets	<u>128,212,501.98</u>
Non-Current Assets:	
Restricted:	
Cash and Cash Equivalents (Note 3)	
Cash on Hand	-
Cash in Bank	-
Cash in Transit	-
Cash Equivalents	-
Short Term Investments (Note 3)	-
Receivables	-
Investments (Note 3)	849,742.00
Loans and Contracts	-
Other Assets	-
Loans and Contracts	827,000.00
Investments (Note 3)	-
Interfund Receivables (Note 12)	-
Capital Assets (Note 2):	
Non Depreciated or Amortized	-
Depreciable and Amortizable, Net	5,652,239.00
Other Non-Current Assets	497,603.00
Total Non-Current Assets	<u>7,826,584.00</u>
Total Assets	<u>\$ 136,039,085.98</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Outflows of Resources	-
Total Deferred Outflows of Resources	<u>\$ -</u>



**TEXAS DEPARTMENT OF AGRICULTURE**  
**Exhibit VIII — Combined Statement of Net Position —**  
**Discretely Presented Component Units**  
**August 31, 2023**

	<b>Component Units</b> <b>(Exhibit K-1)</b>
<b>LIABILITIES</b>	
Current Liabilities:	
Payables from:	
Accounts	167,838.51
Federal	-
Other Intergovernmental	-
Payroll	442,348.57
Contracts	-
Other	-
Interfund Payable (Note 12)	-
Due To Other Funds (Note 12)	-
Due To Primary Government (Note 12)	-
Unearned Revenue	-
Short Term Debt	-
Notes and Loans Payable (Note 5)	-
Revenue Bonds Payable (Note 5, 6)	-
General Obligation Bonds Payable (Note 5, 6)	-
Claims and Judgments (Note 5)	-
Employees' Compensable Leave (Note 5)	841,467.47
Capital Lease Obligations (Note 5, 8)	-
Contract Retainage Payable	-
Liabilities Payable from Restricted Assets	-
Obligations/Reverse Repurchase Agreement	-
Obligations Under Securities Lending	-
Other Current Liabilities	75,102.00
Total Current Liabilities	<u>1,526,756.55</u>
Non-Current Liabilities	
Interfund Payable	-
Employees' Compensable Leave	-
Claims and Judgments	15,378.11
Capital Lease Obligations	-
Notes and Loans Payable	-
Revenue Bonds Payable	-
General Obligation Bonds Payable	-
Liabilities Payable from Restricted Assets	-
Assets Held for Others	-
Other Non-Current Liabilities	1,030,093.00
Total Non-Current Liabilities	<u>1,045,471.11</u>
Total Liabilities	<u>\$ 2,572,227.66</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Inflows of Resources	-
Total Deferred Inflows of Resources	<u>\$ -</u>
<b>NET POSITION</b>	
Invested in Capital Assets, Net of Related Debt	4,788,159.00
Restricted For	-
Debt Retirement	-
Capital Projects	-
Funds Held as Permanent Investments:	-
Expendable	-
Nonexpendable	-
Other	23,585,047.00
Unrestricted	105,093,652.32
Total Net Position	<u>\$ 133,466,858.32</u>

The accompanying notes to the financial statements are an integral part of this statement.

**TEXAS DEPARTMENT OF AGRICULTURE**  
**Exhibit IX - Combined Statement of Revenues, Expenses and Changes**  
**in Net Position - Discretely Presented Component Units**  
**For the Fiscal Year Ended August 31, 2023**

	<u><b>Total Component Unit (Exhibit K-2)</b></u>
<b>OPERATING REVENUES</b>	
Sales of Goods and Services	-
Tuition Revenue	-
Professional Fees	-
Auxiliary Enterprises	-
Unemployment Taxes	-
Other Sales of Goods and Services - Pledged (PR)	-
Other Sales of Goods and Services - Non-Pledged (PR)	12,333,810.75
Other Sales of Goods and Services - Discounts and Allowances	-
Premium Revenue (PR - Charges for Services)	-
Interest and Investment Income (GR)	-
Net Increase (Decrease) in Fair Value (GR)	-
Federal Revenue (PR - OP Grants/Contributions)	9,150,112.00
Federal Grant Pass-Through Revenue (PR - OP Grants/Contributions)	-
State Grant Revenue (PR - OP Grants/Contributions)	2,709,232.00
State Grant Pass-Through Revenue (PR - OP Grants/Contributions)	-
Other Contract and Grants (PR - OP Grants/Contributions)	-
Land Income (PR - Charges for Services)	-
Contributions to Retirement System (PR)	-
Other Operating Revenue (GR)	-
Total Operating Revenues	<u>24,193,154.75</u>
<b>OPERATING EXPENSES:</b>	
Cost of Goods Sold	-
Salaries and Wages	12,434,034.29
Payroll Related Costs	147,231.19
Professional Fees and Services	2,979,812.00
Travel	161,058.25
Materials and Supplies	4,812,372.83
Communication and Utilities	326,161.00
Repairs and Maintenance	496,568.00
Rentals and Leases	349,157.00
Printing and Reproduction	165.00
Federal Grant Pass-Through Expense	-
State Grant Pass-Through Expense	-
Depreciation and Amortization	1,936,089.00
Bad Debt Expense	3,417.00
Interest Expense	7,855.69
Scholarships	-
Lottery Prize Payments	-
Employee/Participation Benefit Payments	-
Claims and Judgments	2,608.00
Other Expenses	3,477,006.09
Total Operating Expenses	<u>27,133,535.34</u>
Operating Income (Loss)	<u>(2,940,380.59)</u>

**TEXAS DEPARTMENT OF AGRICULTURE**  
**Exhibit IX - Combined Statement of Revenues, Expenses and Changes**  
**in Net Position - Discretely Presented Component Units**  
**For the Fiscal Year Ended August 31, 2023**

	<b>Total Component Unit (Exhibit K-2)</b>
<b>NONOPERATING REVENUE (EXPENSES)</b>	
Federal Revenue (PR - Grants/Contributions)	-
Federal Grant Pass-Through Revenue (PR - Grants/Contributions)	-
State Grant Pass-Through Revenue (PR - Grants/Contributions)	-
Gifts, Pledges and Donations (PR - Grants/Contributions)	-
Investment Income (Expense) (GR)	1,835,271.64
Loan Prem/Fees Securities	-
Investing Activities Expenses	-
Interest Expenses and Fiscal Charges	-
Borrow Rebates & Agent Fees	-
Gain (Loss) on Sale of Capital Assets	1,142,660.00
Inc (Dec) in Net Assets Due to Interagency Transfer of CA	-
Net Increase (Decrease) in Fair Value (GR)	-
Settlement of Claims	-
Other Nonoperating Revenues (Expenses)	2,296,768.00
Total Other Nonoperating Revenues (Expenses)	<u>5,274,699.64</u>
Income (Loss) Before Capital Contributions, Endowments and Transfers	<u>2,334,319.05</u>
<b>CAPITAL CONTRIBUTIONS, ENDOWMENTS AND TRANSFERS</b>	
Capital Contributions	-
Special Items	-
Extraordinary Items	-
Transfer In	-
Transfer Out	-
Total Capital Contributions, Endowments and Transfers	<u>-</u>
Change in Net Position	<u>2,334,319.05</u>
Net Position, September 1, 2022	131,199,408.78
Restatements	-
Net Position, September 1, 2022	<u>131,199,408.78</u>
Net Position, August 31, 2023	<u>\$ 133,533,727.83</u>

The accompanying notes to the financial statements are an integral part of this statement.

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# **NOTES TO THE FINANCIAL STATEMENTS**

## NOTES TO THE FINANCIAL STATEMENTS

<b>NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</b>
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### Entity

The Texas Department of Agriculture (TDA) is an agency of the State of Texas, and its financial records comply with state statutes and regulations. This includes compliance with the Texas Comptroller of Public Accounts Reporting Requirements for state agencies.

The department operates under the authority of the Texas Agriculture Code Annotated (Vernon Supplemented, 1996). The functions of the department are to:

- 1) broaden agricultural markets;
- 2) provide assistance to Texans engaged in farm and ranch production;
- 3) encourage the organization of agricultural societies and farmer institutes;
- 4) aid and advance agriculture in Texas;
- 5) collect and publish statistics and other information;
- 6) investigate disease and insects injurious to crops;
- 7) protect consumers;
- 8) assist Texas communities and business people in expanding the rural Texas economy;
- 9) ensure that all children in Texas have excellent nutrition; and
- 10) execute all applicable laws relating to agriculture.

Due to the statewide requirements embedded in Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, the Comptroller of Public Accounts does not require the accompanying annual financial report to comply with all the requirements in this statement. The financial report is considered for audit by the State Auditor as part of the audit of the State of Texas Annual Comprehensive Financial Report (ACFR). Therefore, an opinion has not been expressed on the financial statement and related information contained in this report.

### Fund Structure

The accompanying financial statements are presented on the basis of funds, each of which is considered a separate accounting entity.

### **Governmental Fund Types & Government-Wide Adjustment Fund Types**

#### General Fund

The General Fund is the primary operating fund used to account for most of the state’s general activities. It accounts for all financial resources except those accounted for in other funds. The General Fund includes General Revenue Fund appropriations, Texas Economic Development (Fund 0183), federal grant funds, and monies collected for activities related to the production of HEMP (GR Dedicated Fund 5178).

#### Special Revenue Fund

The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The term “proceeds of specific revenue sources” establishes that one or more specific restricted or committed revenue source is the foundation for a special revenue fund.

<b>NOTE 1:        <i>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(CONTINUED)</i></b>
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The Produce Recovery Fund (0974) collects fees from license holders and fines imposed on license holders. The Produce Recovery Fund reimburses produce growers and dealers who do not receive payment for Texas-grown commodities sold on consignment or credit.

Permanent Funds

Permanent Funds are used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the state's programs.

The Permanent Endowment Fund – Rural Communities Health Care Investment Program (0364) is a special fund in the treasury outside of general revenue created from the receipts collected pursuant to the comprehensive Tobacco Settlement Agreement and available earnings from the Account. The fund is used for the rural communities' health care investment program to provide stipends and loan reimbursements for health professionals.

The Permanent Fund for Rural Health Facility Capital Improvement (5047) is used to record receipt of money transferred to TDA from the receipts collected pursuant to the comprehensive Tobacco Settlement Agreement and the available earnings from the account. The fund is used for grants and loans to improve hospital infrastructures.

Capital Assets Adjustment Fund Type

The capital assets adjustment fund is used to convert governmental fund types' capital assets from modified accrual to full accrual.

Long-Term Liabilities Adjustment Fund Type

The long-term liabilities adjustment fund is used to convert governmental fund types' debt from modified accrual to full accrual.

**Component Units**

The fund types of the individual discrete component units are available from the component units' separately issued financial statements. Additional information about component units can be found in Note 19.

Proprietary Component Units are used to account for the discretely presented component units, which follow proprietary fund measurement focus and accounting principles. Component Unit 1, the Texas Agricultural Finance Authority (TAFA), operates the Texas Agricultural Fund (0683) as a Proprietary Component Unit of TDA. Component Unit 2, the Texas Boll Weevil Eradication Foundation, Inc. (TBWEF) operates from local funds as a Proprietary Component Unit of TDA. Financial data for these two Component units are included in *Exhibits VIII and IX*.

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***Basis of Accounting***

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The basis of accounting determines when revenues and expenditures or expenses are recognized in the accounts reported in the financial statements. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

Governmental fund types are accounted for using the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized in the period that they become both measurable and available to finance operations of the fiscal year or liquidate liabilities existing at fiscal year-end.

The State of Texas considers receivables due at the end of the fiscal year and collected within 60 days after fiscal year-end to be available and recognizes them as revenues of the current year for fund financial statements prepared on the modified accrual basis. Expenditures and other uses of financial resources are recognized when the related liability is incurred.

Basis conversion adjustment fund types convert modified accrued basis to full accrued basis of accounting. The following activities are recognized in these fund types:

- Capital assets
- Accumulated depreciation
- Unpaid employee compensable leave
- Outstanding debt service principal on long-term liabilities
- Leases
- Long-term claims and judgments
- Full accrual revenues and expenses
- Pension amounts in governmental activities

Proprietary fund types (enterprise funds and internal service funds) and fiduciary fund types (pension and other employee benefit trust funds, external investment trust funds and private-purpose trust funds) except agency funds are accounted for on the full accrual basis of accounting. Under the full accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time liabilities are incurred.

Proprietary funds distinguish operating from non-operating items. Operating revenues and expenses result from providing services or producing and delivering goods in connection with the proprietary funds' principal ongoing operations. Operating expenses for the enterprise and internal services funds include the cost of sales and services, administrative expenses, and depreciation on capital assets.

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***Budget and Budgetary Accounting***

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The budget is prepared biennially and represents appropriations authorized by the legislature and approved by the Governor (the General Appropriations Act). Unencumbered appropriations are generally subject to lapse 60 days after fiscal year-end for which they were appropriated.



## **Assets, Liabilities, and Fund Balances/Net Positions**

### **Assets**

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#### Cash and Cash Equivalents

Short-term highly liquid investments with an original maturity of three-months or less are considered cash equivalents.

#### Securities Lending Collateral

Investments are generally stated at fair value with certain exceptions in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*.

Invested security lending collaterals are measured at fair value.

Securities lent are reported as assets on the balance sheet. The costs of securities lending transactions are reported as expenditures or expenses in the operating statement. These costs are reported at gross.

#### Restricted Assets

Restricted assets include monies or other resources restricted by legal or contractual requirements. These assets include proceeds of enterprise fund general obligation and revenue bonds and revenues set aside for statutory or contractual requirements.

#### Inventories and Prepaid Items

Inventories include both merchandise inventories on hand for sale and consumable inventories. Inventories are valued at cost, generally using the last-in, first-out method. Inventories for governmental fund types are the consumption method of accounting. The consumption method of accounting is used to account for inventories that appear in the proprietary fund types and the government-wide statements. The cost of these items is expensed when the items are used or consumed.

#### Capital Assets

Assets that meet the reporting threshold and useful life are capitalized. The capitalization threshold and the estimated useful life vary depending on the asset type. These assets are capitalized at cost or at appraised fair value as of the date of acquisition. Purchases of assets by governmental funds are reported as expenditures. Depreciation is reported on all "exhaustible" assets. "Inexhaustible" assets (such as works of art and historical treasures) are not depreciated. Road and highway infrastructure is reported on the modified basis. Assets are depreciated over the estimated useful life of the asset using the straight-line method.

All capital assets acquired by proprietary funds or trust funds are reported at cost or estimated historical cost if actual historical cost is not available. Donated capital assets are reported at fair value on the acquisition dated. Depreciation is charged to operations over the estimated useful life of each asset using the straight-line method.

#### Other Receivables – Current and Noncurrent

The disaggregation of other receivables as reported in the financial statements is disclosed in Note 24.

<b>NOTE 1:       SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(CONTINUED)</b>
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***Liabilities***

Accounts Payable

Accounts Payable represents the liability for the value of assets or services received at the balance sheet date for which payment is pending.

Other Payables – Current and Noncurrent

The disaggregation of other payables as reported in financial statements is disclosed in Note 24.

Employees' Compensable Leave Balances

Employees' compensable leave balances represent the liability that becomes "due" upon the occurrence of relevant events such as resignations, retirements and uses of leave balances by covered employees. Liabilities are reported separately as either current or noncurrent in the statement of net position. These obligations are normally paid from the same funding source from which each employee's salary or wage compensation was paid.

Lease Liabilities

Lease liability represents the amount recognized by a lessee on its financial statements regarding its leases. It is initially measured at the present value of lease payments and is remeasured whenever there is a change in lease payments or lease modification. Liabilities are reported separately as either current or non-current.

Bonds Payable – General Obligation Bonds

General obligation bonds are accounted for in the long-term liabilities adjustment column for governmental activities and in proprietary funds for business-type activities. These payables are reported as current (amounts due within one year) and non-current (amounts due thereafter) of long-term liabilities in the statement of net position. The bonds are reported at par, net of unamortized premiums, discounts, and gains/(losses) on bond refunding activities.

For governmental activities, bond proceeds are accounted for when received as an "other financing source" in the governmental fund receiving the proceeds. Payment of principal and interest is an expenditure recorded in the debt service fund. All bond transactions and balances for business-type activities are reported in proprietary funds.

Other Liabilities

Texas Boll Weevil Eradication Fund (Component Unit) has other liabilities relating to deferred compensation that is disclosed in Note 10.

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***Fund Balance/Net Position***

"Fund Balance" is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources on the governmental fund statements. "Net Position" is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources on the government-wide, proprietary, and fiduciary fund statements.

Fund Balance Components

The fund balance amounts for governmental funds were reclassified in accordance with GASB 54. Amounts previously reported as reserved and unreserved are now reported as non-spendable, restricted, committed, assigned, or unassigned.

<b>NOTE 1:           SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(CONTINUED)</b>
--

Non-spendable Fund Balance

Non-spendable fund balance includes amounts not available to be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.

Restricted Fund Balance

Restricted fund balance includes those resources that have constraints placed on their use through external parties – such as creditors, grantors, contributors, laws, or regulations of other governments – or by law through constitutional provisions or enabling legislation.

Committed Fund Balance

Committed fund balance can be used only for specific purposes pursuant to constraints imposed through legislation passed into law by a formal action of the Texas Legislature, the state’s highest level of decision-making authority.

Assigned Fund Balance

Assigned fund balance includes amounts constrained by the state’s intent to be used for specific purposes, but the constraints do not meet the requirements to be reported as restricted or committed. Intent is expressed by (1) the Texas Legislature or (2) a body (for example, a budget or finance committee) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance

Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that was not restricted, committed, or assigned to specific purposes within the general fund.

**Net Investment In Capital Assets**

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bond, notes and other debt that are attributed to the acquisition, construction, or improvement of those assets.

**Restricted Net Position**

Restricted net position results when constraints placed on net resources are either externally imposed by creditors, grantors, contributors and the like or imposed by law through constitutional provisions or enabling legislation.

**Unrestricted Net Position**

Unrestricted net position consists of net resources that do not meet the definition of the two preceding categories. Unrestricted net position often has constraints on resources that are imposed by management but can be removed or modified.

**Interfund Activities and Transactions**

The agency has the following types of transactions among funds:

- 1) Transfers – Legally required transfers that are reported when incurred as “Transfers In” by the recipient fund and as “Transfers Out” by the disbursing fund.

<b>NOTE 1:</b>	<b>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(CONTINUED)</b>
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- 2) Reimbursements – Reimbursements are repayments from funds responsible for expenditures or expenses to funds that made the actual payment. Reimbursements of expenditures made by one fund for another that are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund. Reimbursements are not displayed in the financial statements.
- 3) Interfund Receivables and Payables – Interfund loans are reported as interfund receivables and payables. If repayment is due during the current year or soon thereafter, the balance is classified as “Current.” Balances for repayment due in two (or more) years are classified as “Noncurrent.”
- 4) Interfund Sales and Purchases – Charges or collections for services rendered by one fund to another that are recorded as revenues of the recipient fund (interfund services provided) and expenditures or expenses of the disbursing fund (interfund services used).

The composition of the agency's Inter-fund activities and balances are presented in Note 12

<b>NOTE 2:</b>	<b>CAPITAL ASSETS</b>
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A summary of changes in Capital Assets in Governmental Funds for the year ended August 31, 2023 is presented below:

<b>GOVERNMENTAL ACTIVITIES</b>						
	Balance 9/01/2022	Adjustments	Completed CIP	Additions	Deletions	Balance 8/31/2023
<b>Non-depreciable Assets</b>						
Land and Land Improvements	223,807.50	-	-	-	-	223,807.50
Construction in Progress	1,929,000.00	-	(1,929,000.00)	-	-	-
<b>Total Non-depreciable/Non-Amortizable Assets</b>	<b>2,152,807.50</b>	<b>-</b>	<b>(1,929,000.00)</b>	<b>-</b>	<b>-</b>	<b>223,807.50</b>
<b>Depreciable Assets</b>						
Building and Building	3,811,346.42	-	1,929,000.00	-	-	5,740,346.42
Furniture and Equipment	4,431,142.14	24,500.00	-	393,920.20	(6,685.00)	4,842,877.34
Vehicles, Boats, and Aircraft	5,924,896.67	-	-	413,587.00	(17,621.31)	6,320,862.36
Other Capital Assets	-	-	-	-	-	-
<b>Total Depreciable Assets</b>	<b>14,167,385.23</b>	<b>24,500.00</b>	<b>1,929,000.00</b>	<b>807,507.20</b>	<b>(24,306.31)</b>	<b>16,904,086.12</b>
Less Accumulated Depreciation For:						
Building and Building	(2,578,684.37)	-	-	(78,950.16)	-	(2,657,634.53)
Furniture and Equipment	(3,087,335.83)	(24,500.00)	-	(288,826.47)	6,685.00	(3,393,977.30)
Vehicles, Boats, and Aircraft	(4,258,428.58)	-	-	(572,127.47)	17,621.31	(4,812,934.74)
Other Capital Assets	-	-	-	-	-	-
<b>Total Accumulated Depreciation</b>	<b>(9,924,448.78)</b>	<b>(24,500.00)</b>	<b>-</b>	<b>(939,904.10)</b>	<b>24,306.31</b>	<b>(10,864,546.57)</b>
<b>Depreciable Assets, Net</b>	<b>4,242,936.45</b>	<b>-</b>	<b>1,929,000.00</b>	<b>(132,396.90)</b>	<b>-</b>	<b>6,039,539.55</b>
<b>Amortizable Assets-Intangible</b>						
Computer Software	1,684,382.78	-	-	-	-	1,684,382.78
Other Capital Intangible Assets	-	-	-	-	-	-
<b>Total Amortizable Assets-</b>	<b>1,684,382.78</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,684,382.78</b>
Less Accumulated Amortization For:						
Computer Software	(1,684,382.78)	-	-	-	-	(1,684,382.78)
Other Capital Intangible Assets	-	-	-	-	-	-
<b>Total Accumulated Amortization</b>	<b>(1,684,382.78)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,684,382.78)</b>
<b>Amortizable Assets, Net</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Governmental Activities</b>	<b>6,395,743.95</b>	<b>-</b>	<b>-</b>	<b>(132,396.90)</b>	<b>-</b>	<b>6,263,347.05</b>

<b>NOTE 2: CAPITAL ASSETS (CONTINUED)</b>
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A summary of changes in Intangible Right to Use Assets in Governmental Funds for the year ended August 31, 2023 is presented below:

<b>GOVERNMENTAL ACTIVITIES</b>					
	Balance 9/01/2022	Adjustments	Additions	Deletions	Balance 8/31/2023
<b>Amortizable Assets-IRTU</b>					
Building and Building Improvements	2,125,788.16	(7.77)	-	-	2,125,780.39
Land and Land Improvements	535,165.14	(131.24)	-	-	535,033.90
Subscriptions	-	739,047.92	1,652,648.07	-	2,391,695.99
<b>Total Amortizable Assets-IRTU</b>	<b>2,660,953.30</b>	<b>738,908.91</b>	<b>1,652,648.07</b>	<b>-</b>	<b>5,052,510.28</b>
Less Accumulated Amortization For:					
Building and Building Improvements	(779,413.70)	2.14	-	(554,570.36)	(1,333,981.92)
Land and Land Improvements	(81,620.01)	21.92	-	(42,881.48)	(124,479.57)
Subscriptions	-	(102,055.74)	-	(742,372.04)	(844,427.78)
<b>Total Accumulated Amortization</b>	<b>(861,033.71)</b>	<b>(102,031.68)</b>	<b>-</b>	<b>(1,339,823.88)</b>	<b>(2,302,889.27)</b>
<b>Total Governmental Activities</b>	<b>1,799,919.59</b>	<b>636,877.23</b>	<b>1,652,648.07</b>	<b>(1,339,823.88)</b>	<b>2,749,621.01</b>

<b>NOTE 2: CAPITAL ASSETS (CONTINUED)</b>
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A summary of changes in Capital Assets in Proprietary Funds for the year ended August 31, 2023 is presented below:

<b>COMPONENT UNIT ACTIVITIES/PROPRIETARY FUND (9999)</b>					
	Balance 9/01/2022	Adjustments	Additions	Deletions	Balance 8/31/2023
<b>Non-depreciable Assets</b>					
Land and Land Improvements	-	-	-	-	-
Construction in Progress	-	-	-	-	-
Other Intangible Capital Assets	-	-	-	-	-
Total Non-depreciable/Non-Amortizable Assets	-	-	-	-	-
<b>Depreciable Assets</b>					
Building and Building Infrastructure	-	-	-	-	-
Facilities and Other Improvements	413,832.00	-	14,275.00	-	428,107.00
Furniture and Equipment	1,491,573.00	-	80.00	(6,000.00)	1,485,653.00
Vehicles, Boats, and Aircraft	9,404,099.00	-	2,851,658.00	(2,206,700.00)	10,049,057.00
Other Capital Assets	-	-	-	-	-
Total Depreciated Assets	<b>11,309,504.00</b>	-	<b>2,866,013.00</b>	<b>(2,212,700.00)</b>	<b>11,962,817.00</b>
Less Accumulated Depreciation For:					
Building and Building Infrastructure	-	-	-	-	-
Facilities and Other Improvements	(413,368.00)	-	(1,179.00)	-	(414,547.00)
Furniture and Equipment	(820,949.00)	-	(211,452.00)	6,000.00	(1,026,401.00)
Vehicles, Boats, and Aircraft	(4,982,691.00)	-	(1,655,652.00)	1,513,307.00	(5,125,036.00)
Other Capital Assets	-	-	-	-	-
Total Accumulated Depreciation	<b>(6,217,008.00)</b>	-	<b>(1,868,283.00)</b>	<b>1,519,307.00</b>	<b>(6,565,984.00)</b>
<b>Total Component Unit Activities</b>	<b>5,092,496.00</b>	-	<b>997,730.00</b>	<b>(693,393.00)</b>	<b>5,396,833.00</b>

<b>COMPONENT UNIT ACTIVITIES/PROPRIETARY FUND (9999)</b>					
	Balance 9/01/2022	Adjustments	Additions	Deletions	Balance 8/31/2023
<b>Amortizable Assets-IRTU</b>					
Building and Building Improvements	-	-	317,454.54	-	317,454.54
Equipment	-	-	5,838.46	-	5,838.46
Subscriptions	-	-	-	-	-
Total Amortizable Assets-IRTU	-	-	<b>323,293.00</b>	-	<b>323,293.00</b>
Less Accumulated Amortization For:					
Building and Building Improvements	-	-	(66,524.00)	-	(66,524.00)
Equipment	-	-	(1,363.00)	-	(1,363.00)
Subscriptions	-	-	-	-	-
Total Accumulated Amortization	-	-	<b>(67,887.00)</b>	-	<b>(67,887.00)</b>
<b>Total Component Unit Activities</b>	-	-	<b>255,406.00</b>	-	<b>255,406.00</b>

<b>NOTE 3: DEPOSITS, INVESTMENTS &amp; REPURCHASE AGREEMENTS</b>
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**Deposits of Cash in Bank**

As of August 31, 2023, the carrying amount of deposits was \$97,237,419 presented below:

Governmental and Business-Type Activities	
Cash in Bank – Carrying Value	\$20,000
<b>Cash in Bank per AFR (See attached Exhibit A-1)</b>	<b>\$20,000</b>

Discrete Component Unit	
Cash in Bank – Carrying Value	\$73,339,698
<b>Cash in Bank per AFR (See attached Exhibit K-1)</b>	<b>\$73,339,698</b>

Discrete Component Unit	
Cash in Bank – Restricted	\$23,877,721
<b>Cash in Bank per AFR (See attached Exhibit K-1)</b>	<b>\$23,877,721</b>

**Investments**

The Texas Department of Agriculture is authorized by statute to make investments listed in Chapter 2256 of the Texas Government Code following the “prudent person rule.” There were no significant violations of legal provisions during the period.

Component Unit Boll Weevil consists of restricted investments of money market accounts, mutual funds, and stocks. The investment allocations are directed by the participants of the deferred compensation plan. As of August 31, 2023, the balance of these investments was \$849,742.

As of August 31, 2023, the fair values of investments in Permanent Fund are presented below:

<b>Types of Security</b>	<b>Fair Market Value</b>
Mutual Funds	35,629.90
Externally Managed Funds Domestic	4,179,346.34
Externally Managed Funds International	85,659.25
Repurchase Agreements (Texas Treas)	0.00
(Texas Treasury Safekeeping Trust Co.)	4,300,635.49



<b>NOTE 3: DEPOSITS, INVESTMENTS &amp; REPURCHASE AGREEMENTS (CONTINUED)</b>
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The \$4,300,635.49 in Fund 0364 represents the amount in the Permanent Endowment Fund for the Rural Communities Healthcare Investment Program (RCHIP). These invested funds are held on behalf of the Texas Department Agriculture by the Texas Treasury Safekeeping Trust Co.

Foreign Currency Risk for investments is the risk that changes in exchange rates will adversely affect the investment. The agency's policy is to limit investments subject to foreign currency risk to 5 percent of total investments. The exposure to foreign currency risk as of August 31, 2023 is as follows:

Fund Type	GAAP Fund	Foreign Currency	Intl Ext Managed Investments
19	0364	Euro	\$85,659.25

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The general investment policy of the agency limits investments in debt securities that are not in the top three investment grade ratings issued by nationally recognized statistical rating organizations to 5 percent of total investments. As of August 31, 2023 the agency's credit quality distribution for securities with credit risk exposure is as follows:

Standard & Poor's

Fund Type	GAAP Fund	Investment Type	AAA
19	0364	Extl Managed Funds Domestic	\$525,973.32

Unrated

Fund Type	GAAP Fund	Investment Type	AAA
19	0364	Fair Value of Debt Security Not Subject to Investment Credit Risk	\$3,774,662.17

<b>NOTE 4: SHORT-TERM DEBT</b>
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This note is not applicable to the Texas Department of Agriculture.

<b>NOTE 5: LONG-TERM LIABILITIES</b>
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**Changes in Long-Term Liabilities**

During the year ended August 31, 2023 the following changes occurred in liabilities:

Governmental Activities	Balance 9/1/2022	Additions	Reductions	Balance 8/31/2023	Amounts Due Within One Year
Employees' Compensable Leave - Fund 0001	5,331,095.29	4,960,665.19	(5,194,248.04)	5,097,512.44	2,980,011.07
Right to Use Lease Obligations - Fund 0001	1,887,514.07	(74.55)	(605,289.94)	1,282,149.58	544,694.78
Right to Use Subscription Obligations - Fund 0001 & 5009	-	1,652,648.07	(95,976.24)	1,556,671.83	891,891.40
	7,218,609.36	6,613,238.71	(5,895,514.22)	7,936,333.85	4,416,597.25

See Exhibit I

The following changes occurred in proprietary fund liabilities for TDA's discrete component units, the Texas Agriculture Finance Authority (Fund 0683) and Texas Boll Weevil Eradication Foundation, Inc. (Fund 3152):

Component Units	Balance 9/1/2022	Additions	Reductions	Balance 8/31/2023	Amounts Due Within One Year
Employees' Compensable Leave - Funds 0683 and 3152	815,719.24	83,076.63	(41,950.29)	856,845.58	841,467.47
Right to Use Lease Obligations - Fund 3152	323,293.00	-	(67,887.00)	255,406.00	75,102.00
Total Component Unit Activities	1,139,012.24	83,076.63	(109,837.29)	1,112,251.58	916,569.47

See Exhibit K-1

The Texas Agriculture Finance Authority has issued commercial paper to provide funds for loans on agricultural activity. The commercial paper is refunded generally every 90 days, but it may range from 1-270 days throughout the year determined by the financial markets. TAFE incurred interest rates varying from 0.37% to 0.73%

**Claims & Judgments**

The department had no unpaid judgments at August 31, 2023. (See Note 15: Contingencies and Commitments).

<b>NOTE 5: LONG-TERM LIABILITIES (CONTINUED)</b>
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**Employees' Compensable Leave**

If a state employee has had continuous employment with the state for at least six months, the state employee is entitled to be paid for all unused vacation time accrued in the event of the employee's resignation, dismissal, or separation from state employment. Expenditures for accumulated annual leave balances are recognized in the period paid or taken in governmental fund types. For these fund types, the liability for unpaid benefits is recorded in the Statement of Net Assets. An expense and liability for proprietary fund types are recorded in the proprietary funds as the benefits accrue to employees. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits. This obligation is usually paid from the same funding source(s) from which the employee's salary or wage compensation was paid.

<b>NOTE 6: BONDED INDEBTEDNESS</b>
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This note is not applicable to the Texas Department of Agriculture.

<b>NOTE 7: DERIVATIVE INSTRUMENTS</b>
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Derivative investments are managed by the Texas Treasury Safekeeping Trust Company for the Rural Community Health Care Investment Program Fund 0364.

Derivatives are financial instruments whose value is derived, in whole or part, from the value of any one of more underlying securities or assets, or index of securities or assets, such as stocks, bonds, commodities, or currencies. The Endowment funds use derivatives as part of the portfolio hedging and overlays program. The objective of the program is to facilitate risk management and provide efficiency in the implementation of various investment strategies. Permitted applications of the portfolio hedging and overlays program are: to implement strategies in a low cost and efficient manner; to hedge and control risks; to alter the Endowment funds' market (systemic) exposure without trading the underlying cash market securities; to construct portfolios with risk and return characteristics that could not be created with cash market securities; or to facilitate transition trading.

Through the use of derivatives, the risks that are bound together in traditional cash market investments can be separated and managed independently. The primary intent of the Endowment funds' investment in derivative instruments is to manage and implement investment strategies more effectively and at a lower cost than would be possible in the cash market. All of the Endowment funds' derivative instruments are considered investment derivatives and therefore are measured and reported at fair value.

The fair value, changes in fair value, and notional value of the Fund's derivatives investments, classified by derivative type, are displayed in the following table as of August 31, 2023.

**NOTE 7: DERIVATIVE INSTRUMENTS (CONTINUED)**

Derivative Investments	Fair Value	Changes in Fair Value Gain/(Loss)	Notional Value \$
<b>Futures</b>			
Commodities Futures	\$ -	-	-
Equity Index Futures	-	-	-
<b>Total Futures</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Swaps</b>			
Total Return Swap - Fixed Income	(1,671.85)	(21,596.28)	325,061.34
Total Return Swap - Equity	4,016.75	19,016.75	373,450.05
<b>Total Swaps</b>	<u>2,344.90</u>	<u>(2,579.54)</u>	<u>698,511.39</u>
<b>Total Derivatives</b>	<u><u>2,344.90</u></u>	<u><u>(2,579.54)</u></u>	<u><u>698,511.39</u></u>

Investment Derivative Instruments	8/31/2023	(Level 1)	(Level 2)	(Level 3)
Futures	-	-	-	-
Swaps	2,344.90	-	2,344.90	-
Total Investment Derivative Instruments	2,344.90	-	2,344.90	-

*Fair Value Measurements:*

**Level 1** — Quoted Prices in Active Markets for Identical Assets

**Level 2** — Significant Observable Inputs

**Level 3** — Significant Unobservable Inputs

**NOTE 8: LEASES AND SUBSCRIPTION BASED INFORMATION TECHNOLOGY ASSET**

Included in the expenditures reported in the financial statements are the following amounts for rent paid or due under lease liability:

<b>Fund Type</b>	Amount
General Fund	644,803.77
Fund 3152	82,380.00

Future Lease Payments Year Ending August 31, 2023

Year	Primary Government			Discretely Presented Component Units		
	Governmental Activities					
	Principal	Interest	Total Future Min. Lease Payments	Principal	Interest	Total Future Min. Lease Payments
2024	544,694.78	26,689.77	571,384.55	75,102.00	7,070.00	82,172.00
2025	229,120.56	16,666.28	245,786.84	77,652.00	4,512.00	82,164.00
2026	187,419.57	10,150.30	197,569.87	74,874.00	1,889.00	76,763.00
2027	45,577.52	7,341.36	52,918.88	27,778.00	137.00	27,915.00
2028	46,602.10	6,316.79	52,918.89	-	-	0
2029-2033	208,930.07	15,303.39	224,233.46	-	-	0
2034-2038	19,804.98	248.82	20,053.80	-	-	0
2039-2043	-	-	-	-	-	0
Totals	1,282,149.58	82,716.71	1,364,866.29	255,406.00	13,608.00	269,014.00

Included in the expenditures reported in the financial statements are the following amounts for right to use subscriptions paid or due under SBITA license liability:

<b>Fund Type</b>	Amount
General Fund	786,118.00
Fund 3152	-

Future SBITA Payments Year Ending August 31, 2023

Year	Primary Government			Discretely Presented Component Units		
	Governmental Activities					
	Principal	Interest	Total Future Min. Lease Payments	Principal	Interest	Total Future Min. Lease Payments
2024	891,891.40	34,644.42	926,535.82	-	-	0
2025	496,090.54	13,165.46	509,256.00	-	-	0
2026	168,689.91	1,062.09	169,752.00	-	-	0
2027	-	-	-	-	-	0
Totals	1,556,671.85	48,871.97	1,605,543.82	\$0.00	\$0.00	\$0.00

**NOTE 9: PENSION PLANS**

The state has joint contributory retirement plans for all its employees. The Texas Department of Agriculture participates in the plans administered by the Employees Retirement System of Texas (ERS). Future pension costs are the liability of the ERS. The ERS does not account for each state agency separately. Annual financial reports prepared by the ERS include audited financial statements and actuarial assumptions and conclusions.

**NOTE 10: DEFERRED COMPENSATION**

The state of Texas offers the Employees Retirement System (ERS) Texa\$aver 401(k) / 457(b) Program to all state employees. The Texa\$aver Program is a deferred compensation plan and is another employee benefit. Per Texas Government Code (TGC) Chapter 609.502, the board of trustees of ERS establishes the rules for any deferred compensation plan. The state of Texas does not contribute to either plan in the Texa\$aver Program. These plans are established in accordance with Internal Revenue Code (IRC), Section 457(b) and IRC, Section 401(k). All costs of administering and funding these programs are the responsibility of plan participants. The assets of the two plans remain the property of the contributing employees and are not presented in the accompanying financial statements. The state makes no contributions to either plan, the assets do not belong to the state and the state has no liability related to the plans.

**Texas Boll Weevil Eradication Foundation Component Unit**

Effective January 1, 2012, the Foundation adopted a 457(b) deferred compensation plan to provide an investment alternative for a select group of management and highly compensated employees who are restricted from fully participating in the Foundation's 401(k) plan due to IRS limitations. This plan is intended to constitute an "eligible deferred compensation plan" of a tax-exempt entity. During a plan year, the Foundation will contribute to each participant's account an amount equal to the lesser of 12% of includible compensation or the Annual Deferred Compensation Limit prescribed by law. In accordance with the plan, the Foundation holds the investments related to all employer contributions and participants are fully vested in these. The Foundation's contribution for the year ended December 31, 2022, was \$61,371 and the total balance was \$849,742 on December 31, 2022. This balance is included on the statement of net position as restricted investments with an offsetting liability.

**NOTE 11: POST EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**

This note is not applicable to the Texas Department of Agriculture.

**NOTE 12: INTERFUND ACTIVITY AND TRANSACTIONS**

As explained in Note 1 under Interfund Activities and Transactions, there are four types of transactions between funds. As of August 31, 2023, the amounts to be received or paid are reported as Interfund Receivables or Interfund Payables, and Legislative Transfers-In or Legislative Transfers-Out.

The agency experienced routine transfers with other state agencies, which were consistent with the activities of the fund making the transfer.

DUE TO/DUE FROM		
	Due FROM Others	Due TO Others
Agency 300, Fund 7026	\$3,060,094.13	
Agency 555, Fund 7999		207,409.96
Agency 556, Fund 7999		310,090.89
Agency 644, Fund 0240		270,921.55
Agency 732, Fund 7999		21,647.96
Agency 733, Fund 7999		15,398.64
Agency 754, Fund 7999		4,900.38
Agency 755, Fund 7999		5,575.92
Agency 772, Fund 0090		15,263.59
Agency 785, Fund 7999		11,852.45
Agency 802, Fund 0923	111,943.62	
Totals, Due To/Due From	\$3,172,037.75	\$863,061.34

**NOTE 13: CONTINUANCE SUBJECT TO REVIEW**

Senate Bill 703, 87<sup>th</sup> Leg., was approved with final results in June 2021 relating to the continuance of the Texas Department of Agriculture for another 12 years. TDA is subject to Chapter 325 of the Texas Government Code cited as the Texas Sunset Act. Unless continued in existence as provided by that chapter, the department is abolished September 1, 2033. If abolished, the agency may continue until September 1, 2034, to close out its operations.

While abolition of TDA would impact continued operations of TAFE, S.B. No. 11, 65<sup>th</sup> Leg., C.S. (1977) recognized the state's continuing obligation to pay bonded indebtedness incurred by the TAFE and provides for such bonded indebtedness to be paid in accordance with its terms.

**NOTE 14: ADJUSTMENTS TO FUND BALANCES/NET ASSETS**

During fiscal 2023, certain accounting changes and adjustments were made that required the restatement of fund balances or net position. The restatements are presented below.

	<b>Capital Asset Adjustments</b>	<b>Long Term Liabilities</b>
Change in Net Position September 1, 2022	\$ 8,195,663.54	\$ (7,224,041.13)
Current Year's Restatements	636,877.23	(637,565.56)
<b>Change in Net Position September 1, 2022 as Restated</b>	<b>\$ 8,832,540.77</b>	<b>\$ (7,861,606.69)</b>

Restatement is required due to the implementation of GASB 87 which reclassifies right to use leased assets to long-term liabilities.

Restatement is required due to the implementation of GASB 96, which requires the restatement for Subscription-Based Information Technology Arrangements to long term liabilities.

**NOTE 15: CONTINGENCIES AND COMMITMENTS**

**Contingencies**

Unpaid Claims and Lawsuits

As of August 31, 2023, certain lawsuits were pending against TDA. The lawsuits, which may present contingent liabilities, are displayed below.

<b>Claimant/ Plaintiff</b>	<b>Defendant Name</b>	<b>Type of Litigation</b>	<b>Damages Sought</b>	<b>Probability or Liability</b>	<b>Possible Loss</b>	<b>Description of Case</b>
Gilberto Elizondo	TDA	Tort- personal injury	Between \$31,500 and \$136,119	Probable	Unknown	Motor Vehicle Accident with TDA employee.

**Commitments**

TAFAs Commitments:

TAFAs previously provided direct loans to eligible rural municipal projects through the Rural Development Finance Program. While this program no longer exists, there are remaining performing loans associated with the program. Total outstanding direct commitments on August 31, 2023 were \$992,000.00.



**NOTE 16: SUBSEQUENT EVENTS**

This note is not applicable to the Texas Department of Agriculture.

**NOTE 17: RISK MANAGEMENT**

The Texas Department of Agriculture is exposed to a variety of civil claims resulting from the performance of its duties. It is the agency’s policy to periodically assess the proper combination of commercial insurance and retention of risk to cover losses to which it may be exposed.

The agency assumes substantially all risks associated with tort and liability claims due to the performance of its duties. Currently there is no purchase of commercial insurance nor is the agency involved in any risk pools with other government entities.

The agency’s liabilities are reported when it is both probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include the amount for claims that have been incurred but not reported. Liabilities are re-evaluated periodically to consider current settlements, frequency of claims, past experience and economic factors.

There were no significant reductions in insurance coverage in the past year and losses did not exceed funding arrangements during the past three years.

Changes in the balances of the agency’s claims liabilities during fiscal 2022 and 2023 were:

<b>Note 17 Risk Management</b>				
Claims and Judgements				
	Beginning Balance	Increases	Decreases	Ending Balance
2023	\$ -	\$16,446.90	(\$16,446.90)	\$ -
2022	\$ -	\$32,123.47	(\$32,123.47)	\$ -

**NOTE 18: MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)**

GASB 87 was implemented in fiscal year 2022. The Texas Department of Agriculture is now required to recognize certain leases as assets and liabilities that were previously classified as operating leases.

GASB 96 was implemented in fiscal year 2023. The Texas Department of Agriculture is now required to recognize certain subscription-based information technology arrangements as assets and liabilities that were previously classified as operating expenses.

<b>NOTE 19: THE FINANCIAL REPORTING ENTITY</b>
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The Texas Department of Agriculture includes within this report all component units as determined by an analysis of their relationship to the department.

The Texas Agricultural Finance Authority, which was created within TDA, is discretely presented as a separate component unit in TDA 's financial statements. The Texas Boll Weevil Eradication Foundation, Inc. (a non-profit agency) is discretely presented as a separate component unit in TDA 's financial statements.

Blended Component Units

No component units have been identified which should have been blended into an appropriate fund.

Discrete Component Units

These component units are legally separate entities but are financially accountable to the state or have a relationship with the state such that exclusion would cause the financial statements to be misleading or incomplete. The component unit columns of the financial statements include the financial data of these entities.

- Component Unit 1 is the Texas Agricultural Finance Authority (TAFA), created within the Texas Department of Agriculture. Nine board members including seven members being appointed by the Commissioner of the Texas Department of Agriculture govern TAFA. This Component Unit has the following funds: Young Farmer Fund 5002 which was converted from a governmental fund to a proprietary fund by the 81<sup>st</sup> Legislature and proprietary funds named Agriculture Fund 0683 and Farm and Ranch Fund 0575.
- Component Unit 2 is the Texas Boll Weevil Eradication Foundation, Inc. (TBWEF). Twenty-one board members govern the TBWEF with five members appointed by the TDA Commissioner. In addition, TDA approves the TBWEF budget and assessment fees, and the Foundation cannot incur debt without TDA approval. This Component Unit has Fund 5998 and Appropriated Fund 9999. The fiscal year end for TBWEF was December 31, 2022, which is different from TDA's fiscal year end of August 31, 2023.

Related Parties

**Relationship with Texas Cooperative Inspection Program**

Texas statutes have provided for the inspection of fruits and vegetables since 1917, with the costs being borne by growers, shippers, and shippers' agents, rather than the state. Since 1935, the Texas Department of Agriculture has been authorized by state law to execute cooperative agreements with the United States Department of Agriculture (USDA), adopt federal grading standards as the Texas standard, and, since 1955, to execute cooperative agreements with USDA and any Texas firm, corporation or association which provides for the inspection of fruits, vegetables and other products.

In February of 1992, the department entered into a cooperative agreement with the USDA to conduct inspections of fruits and vegetables, effective May of 1992. Under this agreement, inspections are conducted through the Texas Cooperative Inspection Program (TCIP). TCIP is a self-supporting program, operating from fees levied on participants and without appropriations from either the federal or state governments. The cooperative agreement calls for the department to receive up to 15 percent of the inspection fees collected in order to cover the department's program and administrative costs in overseeing the day-to-day operation of TCIP.

<b>NOTE 20: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY</b>
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The unrestricted net position of the Texas Agricultural Fund 0683 is \$8,998,069.45. S.B. 1016, 81<sup>st</sup> Legislature, established the following set of self-sustaining TAFA programs: the Agriculture Loan Guarantee Program; the Agriculture Interest Rate Reduction Program (previously the Linked Deposit Program); the Young Farmer Interest Rate Reduction Program; and the Young Farmer Grant Program. All programs are funded by the Texas Agriculture Fund utilizing the farm vehicle tag fees and interest income.

<b>NOTE 21: N/A</b>
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This note is not applicable to the Texas Department of Agriculture.

<b>NOTE 22: DONOR-RESTRICTED ENDOWMENTS</b>
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This note is not applicable to the Texas Department of Agriculture.

<b>NOTE 23: EXTRAORDINARY AND SPECIAL ITEMS</b>
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This note is not applicable to the Texas Department of Agriculture.

<b>NOTE 24: DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES</b>
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Receivables and Payables as of August 31, 2023 are detailed as follows:

<b>Federal Receivables Program – Current</b>	<b>Amount</b>
Government Fund Type:	
United States Department of Agriculture	\$476,755,422.58
US Department of Commerce	\$0.00
US Department of Housing & Urban Development	\$2,998,661.11
US Department of Treasury	\$3,547,093.23
Small Business Administration	\$210,977.26
Environmental Protection Agency	\$417,884.45
Food & Drug Administration	\$238,618.30
US Department of Health & Human Services	\$2,012,187.23
Total Federal Receivable (See Exhibit A-1)	\$486,180,844.16

<b>Accounts Receivable</b>	<b>Amount</b>
Current:	
Component Unit (See Exhibit K-1)	\$37,383.00
Total Current Assessment Receivable	\$37,383.00
Non-Current:	
Component Unit (See Exhibit K-1)	\$0.00
Total Non-Current Assessment Receivable	\$0.00

<b>Intergovernmental Receivable</b>	<b>Amount</b>
Intergovernmental Receivable – Current	
Component Unit-Federal (See Exhibit K-1)	\$0.00
Component Unit-Other (See Exhibit K-1)	\$3,204,651.00
Total Intergovernmental Receivable	\$3,204,651.00

<b>Other Payables – Component Unit – Current</b>	<b>Amount</b>
Payroll Payable	\$442,348.57
Other Payable	\$0.00
Accounts Payable	\$167,838.51
Total Component Unit Other Liabilities (See Exhibit K-1)	\$610,187.08

**NOTE 25: TERMINATION BENEFITS**

This note is not applicable to the Texas Department of Agriculture.

**NOTE 26: SEGMENT INFORMATION**

Proprietary segments of the Texas Department of Agriculture include the Texas Agricultural Finance Authority (0683) and the Texas Boll Weevil Eradication Foundation (5998). See Exhibits K-1 and K-2.

The Texas Agricultural Finance Authority (TAFA) provides financial assistance for the expansion, development, and diversification of producing, processing, marketing, and exporting Texas agricultural products. TAFA works in conjunction with financial institutions to offer loan guarantees and interest rate reduction assistance to creditworthy individuals and businesses working to enhance a current agricultural operation or to establish a new one. The current products offered through this program include Young Farmers Grant, Interest Rate Reduction, Young Farmers Interest Rate Reduction, and Agricultural Loan Guarantee.

The Texas Boll Weevil Eradication Foundation was established for the exclusive purpose of promoting and carrying out boll weevil and pink bollworm eradication and suppression. Authority exists for the Foundation to carry out programs for eradication and/or diapause to eliminate the boll weevil and the pink bollworm from cotton in the state of Texas in the Texas Agriculture Code Title 5, Subtitle B, Chapter 74, Subchapter A, Sec 74.001.

**NOTE 27: SERVICE CONCESSION ARRANGEMENTS**

This note is not applicable to the Texas Department of Agriculture.

**NOTE 28: DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES**

In fiscal 2023, Texas Department of Agriculture reported deferred inflows of resources in connection with derivative instruments invested with Texas Treasury Safekeeping Trust Company.

<b>Business-Type Activities</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Derivatives (Note 7)	\$2,344.90	
Total	\$2,344.90	

Deferred outflows of resources of \$2,344.90 in business-type activities were related to investment derivatives in a liability position.

<b>NOTE 29: TROUBLE DEBT RESTRUCTURING</b>
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This note is not applicable to the Texas Department of Agriculture.

<b>NOTE 30: NON-EXCHANGE FINANCIAL GUARANTEES</b>
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TFAA's Agricultural Loan Guarantee Program provides for the following in regards to a maximum loan guarantee amount:

- \$250,000 or 90% of the loan amount, whichever is less
- \$500,000 or 80% of the loan amount, whichever is less
- \$750,000 or 70% of the loan amount, whichever is less

The duration of a loan guarantee approved by TFAA must not exceed the useful life of the assets being financed or 10 years, whichever is less.

TFAA is under no obligation to purchase the guaranteed percentage of the outstanding principal balance of the Loan until Lender has exhausted all possible collection activities concerning the Loan, including, but not limited to, foreclosure of collateral, obtaining a monetary or other judgment against borrower enforcing the terms of the Loan, and taking commercially reasonable steps to enforce and collect such judgment. Once Lender has completed all possible collection activities concerning the Loan, and all repayment proceeds, including proceeds from the sale or liquidation of collateral, have been applied to the Loan, Lender may demand in writing that TFAA purchase the guaranteed percentage of the outstanding principal balance of the Loan unless such amount is zero dollars or less. Lender must include in its demand its calculation of the outstanding principal balance of the Loan (showing a positive amount due by TFAA), a transcript of the Loan account, and any other Loan records requested by TFAA.

As of August 31, 2023 TFAA had \$3,683,481.73 in outstanding loan guarantees related to agriculture producer or agriculture-related business loans with various commercial banking or Farm Credit System institutions. TFAA does not currently anticipate and has not recognized any liabilities or payments related to the loans guaranteed under its Agricultural Loan Guarantee Program as of August 31, 2023.

<b>NOTE 31: Tax Abatements</b>
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This note is not applicable to the Texas Department of Agriculture.

**NOTE 32: Fund Balances**

TDA has the following restrictions/covenants causing fund balances to be restricted:

<b>GAAP Fund</b>	<b>Fund</b>	<b>AFR 54 Class</b>	<b>Amount</b>	<b>Citation</b>	<b>Comments</b>
0001	0001	Restricted	\$8,727,630.51	Federal	Related to the Food and Nutrition Accounts Receivable for Federal Funds owed back
0001	0001	Assigned	\$20,000.00	Texas Govt Code Sec. 403.248	Cash in bank includes travel advance
0183	0183	Restricted	\$23,686,049.06	H.B. No. 2004 85 <sup>th</sup> Leg. R. S.	Texas Economic Development Fund
0364	0364	Restricted	\$4,703,792.80	Texas Govt Code Sec. 487.559	Permanent Endowment Fund for Rural Community Health Care Investment Program
5047	5047	Restricted	\$5,744,048.19	Texas Govt Code Sec. 403.1065	Rural Health Facility Capital Improvement
5091	5091	Restricted	\$1,308,557.35	Federal 42 C.F.R. Part 412.	Community Development Block Grant Fund
0974	0974	Restricted	\$2,090,605.17	Texas Agriculture Code Sec 103.002	Produce Recovery Fund

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# **COMBINED FINANCIAL STATEMENTS**

**TEXAS DEPARTMENT OF AGRICULTURE**  
**Exhibit A-1 — Combining Balance Sheet — All General and Consolidated Funds**  
**August 31, 2023**

	General		Consolidated Accounts				
	Fund 1 (0001) U/F (0001)	Texas Economic Dev't Fund (0183) U/F (0183)	Coronavirus Relief Fund (0325) U/F (0325)	License Plate Trust Fund (0802) U/F (0802)	CDBG Fund (5091) U/F (5091)	Hemp Production Account (5178) U/F (5178)	Total
<b>ASSETS</b>							
Current Assets:							
Cash and Cash Equivalents							
Cash on Hand	-	-	-	-	-	-	-
Cash in Bank	20,000.00	-	-	-	-	-	20,000.00
Cash in Transit/Reimb from Treasury	-	-	-	-	-	-	-
Cash in State Treasury	486,114.82	23,708,246.57	2,035,700.37	-	6,469,792.68	907,557.96	33,607,412.40
Short Term Investments	-	-	-	-	-	-	-
Securities Lending Collateral	-	-	-	-	-	-	-
Legislative Appropriations	27,824,394.44	-	-	-	-	-	27,824,394.44
Receivables from:							
Accounts Receivable	8,727,412.15	-	-	-	-	-	8,727,412.15
Taxes	-	-	-	-	-	-	-
Federal	56,259,551.62	-	5,637,875.56	-	2,998,661.11	-	64,896,088.29
Investment Trades	-	-	-	-	-	-	-
Other Intergovernmental	-	-	-	-	-	-	-
Interest and Dividends	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-	-
Due From Other Agencies	111,943.62	-	3,060,094.13	-	-	-	3,172,037.75
Interfund Receivable	-	-	-	-	-	-	-
Consumable Inventories	153,526.54	-	-	-	-	-	153,526.54
Merchandise Inventories	542,994.31	-	-	-	-	-	542,994.31
Prepaid Items	-	-	-	-	-	-	-
Loans and Contracts	-	-	-	-	-	-	-
Restricted:							
Cash and Cash Equivalents	-	-	-	-	-	-	-
Cash on Hand	-	-	-	-	-	-	-
Cash in Bank	-	-	-	-	-	-	-
Cash in Transit/Reimb from Treasury	-	-	-	-	-	-	-
Cash in State Treasury	-	-	-	-	-	-	-
Short Term Investments	-	-	-	-	-	-	-
Other Current Assets	-	-	-	-	-	-	-
Non-Current Assets:							
Gifts, Pledges and Donations	-	-	-	-	-	-	-
Interfund Receivable	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-
Loans and Contracts	-	-	-	-	-	-	-
Restricted:							
Cash and Cash Equivalents	-	-	-	-	-	-	-
Cash on Hand	-	-	-	-	-	-	-
Cash in Bank	-	-	-	-	-	-	-
Cash in Transit/Reimb from Treasury	-	-	-	-	-	-	-
Cash in State Treasury	-	-	-	-	-	-	-
Short Term Investments	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-
Loans and Contracts	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-
Other Non-Current Assets	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 94,125,937.50</b>	<b>\$ 23,708,246.57</b>	<b>\$ 10,733,670.06</b>	<b>\$ -</b>	<b>\$ 9,468,453.79</b>	<b>\$ 907,557.96</b>	<b>\$ 138,943,865.88</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Deferred Outflows of Resources	-	-	-	-	-	-	-
<b>Total Deferred Outflows of Resources</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**TEXAS DEPARTMENT OF AGRICULTURE**  
**Exhibit A-1 — Combining Balance Sheet — All General and Consolidated Funds**  
**August 31, 2023**

	General		Consolidated Accounts				
	Fund 1 (0001) U/F (0001)	Texas Economic Dev't Fund (0183) U/F (0183)	Coronavirus Relief Fund (0325) U/F (0325)	License Plate Trust Fund (0802) U/F (0802)	CDBG Fund (5091) U/F (5091)	Hemp Production Account (5178) U/F (5178)	Total
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>							
Liabilities							
Current Liabilities:							
Payables from:	-	-	-	-	-	-	-
Accounts	54,564,954.57	-	9,752,138.20	-	8,320,076.77	1,098.13	\$ 72,638,267.67
Investment Trade	-	-	-	-	-	-	-
Other Intergovernmental	-	-	-	-	-	-	-
Payroll	4,098,187.83	25,134.51	2,174.86	-	98,624.70	-	4,224,121.90
Federal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Contracts	-	-	-	-	-	-	-
Other	73,694.05	-	-	-	-	-	73,694.05
Contract Retainage Payable	-	-	-	-	-	-	-
Due To Other Funds	-	-	-	-	-	-	-
Due To Other Agencies	803,693.89	-	59,367.45	-	-	-	863,061.34
Due To Component Units	-	-	-	-	-	-	-
Interfund Payable	-	-	-	-	-	-	-
Unearned Revenues	3,615,966.94	-	817,846.00	-	-	300.00	4,434,112.94
Obligations/Reverse Repurchase Agrmt	-	-	-	-	-	-	-
Obligations/Securities Lending	-	-	-	-	-	-	-
Short Term Debt	-	-	-	-	-	-	-
Employees' Compensable Leave	-	-	-	-	-	-	-
Claims and Judgments	-	-	-	-	-	-	-
Capital Lease Obligations	-	-	-	-	-	-	-
Notes and Loans Payable	-	-	-	-	-	-	-
Revenue Bonds Payable	-	-	-	-	-	-	-
General Obligation Bonds Payable	-	-	-	-	-	-	-
Liabilities Payable from Restricted Assets	-	-	-	-	-	-	-
Funds Held For Others	1,738,064.19	-	-	-	-	-	1,738,064.19
Non-Current Liabilities	-	-	-	-	-	-	-
Interfund Payable	-	-	-	-	-	-	-
Employees' Compensable Leave	-	-	-	-	-	-	-
Claims and Judgments	-	-	-	-	-	-	-
Capital Lease Obligations	-	-	-	-	-	-	-
Notes and Loans Payable	-	-	-	-	-	-	-
Revenue Bonds Payable	-	-	-	-	-	-	-
General Obligation Bonds Payable	-	-	-	-	-	-	-
Liabilities Payable from Restricted Assets	-	-	-	-	-	-	-
Assets Held for Others	-	-	-	-	-	-	-
Total Liabilities	64,894,561.47	25,134.51	10,631,526.51	-	8,418,701.47	1,398.13	83,971,322.09
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred Inflows of Resources	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balances (Deficits):							
Nonspendable	696,520.85	-	-	-	-	-	696,520.85
Restricted	8,728,069.97	23,686,049.06	-	-	1,308,557.35	-	33,722,676.38
Committed	-	-	-	-	-	-	-
Assigned	20,000.00	-	-	-	-	-	20,000.00
Unassigned	19,786,785.21	(2,937.00)	102,143.55	0.00	(258,805.03)	906,159.83	20,533,346.56
Total Fund Balances	29,231,376.03	23,683,112.06	102,143.55	0.00	1,049,752.32	906,159.83	54,972,543.79
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 94,125,937.50	\$ 23,708,246.57	\$ 10,733,670.06	\$ 0.00	\$ 9,468,453.79	\$ 907,557.96	\$ 138,943,865.88

**TEXAS DEPARTMENT OF AGRICULTURE**  
**Exhibit A-2 — Combining Statement of Revenues, Expenditures and Changes in Fund Balances —**  
**All General and Consolidated Funds**  
**For the Fiscal Year Ended August 31, 2023**

	General		Consolidated Accounts				Total
	Fund 1 (0001) U/F (0001)	Texas	Coronavirus	License Plate	CDBG Fund	Hemp	
		Economic Dev't Fund (0183) U/F (0183)	Relief Fund (0325) U/F (0325)	Trust Fund (0802) U/F (0802)	(5091) U/F (5091)	Production Account (5178) U/F (5178)	
<b>REVENUES</b>							
Legislative Appropriations							
Original Appropriations (GR)	52,706,843.00	-	-	-	-	-	52,706,843.00
Additional Appropriations (GR)	6,879,180.51	-	-	-	-	-	6,879,180.51
Taxes (GR)	-	-	-	-	-	-	-
Federal Revenue (PR - Operating or Capital)	786,853,239.88	-	33,083,168.87	-	65,543,737.64	-	885,480,146.39
Federal Grant Pass-Through Revenue (GR)	-	-	29,081,896.42	-	-	-	29,081,896.42
State Grant Pass-Through Revenue (GR)	-	-	-	-	-	-	-
License, Fees & Permits (PR)	623,295.94	-	-	64,557.50	-	248,074.80	935,928.24
Contribution to Employee's Benefit Funds (PR)	-	-	-	-	-	-	-
Interest and Other Investment Income (PR)	-	-	-	-	-	-	-
Interest and Other Investment Income (GR)	64,745.39	3,973,640.05	71,483.84	4,025.46	-	-	4,113,894.74
Net Increase (Decrease) in Fair Value (PR)	-	-	-	-	-	-	-
Net Increase (Decrease) in Fair Value (GR)	-	4,062,348.55	-	-	-	-	4,062,348.55
Land Income (PR)	-	-	-	-	-	-	-
Settlement of Claims (PR)	-	-	-	-	-	-	-
Settlement of Claims (GR)	-	-	-	-	-	-	-
Sales of Goods and Services (PR)	39,913.97	-	-	-	-	-	39,913.97
Other (PR - Chg for Serv, Operating or Capital)	6,118,289.58	-	-	-	-	-	6,118,289.58
Other (GR)	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>853,285,508.27</b>	<b>8,035,988.60</b>	<b>62,236,549.13</b>	<b>68,582.96</b>	<b>65,543,737.64</b>	<b>248,074.80</b>	<b>989,418,441.40</b>
<b>EXPENDITURES</b>							
Salaries and Wages	38,690,459.49	262,152.97	83,333.20	-	853,344.86	127,695.18	40,016,985.70
Payroll Related Costs	11,569,728.47	60,289.18	26,759.93	-	255,828.79	4,999.28	11,917,605.65
Professional Fees and Services	1,155,132.76	2,500.00	16,150.00	-	3,045.00	-	1,176,827.76
Travel	1,391,313.04	223.97	56,574.06	-	626.22	2,082.53	1,450,819.82
Materials and Supplies	2,540,902.92	-	38,811.13	-	0.84	2,421.21	2,582,136.10
Communication and Utilities	857,374.92	-	-	-	-	-	857,374.92
Repairs and Maintenance	1,253,375.59	-	-	-	89,039.80	-	1,342,415.39
Rentals and Leases	953,214.52	-	50,782.32	-	-	-	1,003,996.84
Printing and Reproduction	382,667.05	-	55.00	-	-	-	382,722.05
Claims and Judgments	15,677.90	-	-	-	-	-	15,677.90
Federal Grant Pass-Through Expenditures	3,507,738.19	-	285,829.62	-	-	-	3,793,567.81
State Grant Pass-Through Expenditures	1,677,449.61	-	-	-	-	-	1,677,449.61
Intergovernmental Payments	168,169,981.12	-	3,293,330.44	-	64,329,363.85	-	235,792,675.41
Public Assistance Payments	600,129,314.41	-	57,196,657.45	72,925.15	-	-	657,398,897.01
Employee Benefit Payments	-	-	-	-	-	-	-
Other Expenditures	8,585,932.80	36,075.02	1,116,782.14	-	12,488.28	8,747.91	9,760,026.15
Debt Service:							
Principal	1,337,390.05	-	-	-	-	-	1,337,390.05
Interest	-	-	-	-	-	-	-
Other Financing Fees	-	-	-	-	-	-	-
Other Payments for Refunding	-	-	-	-	-	-	-
Capital Outlay	2,460,155.27	-	-	-	-	-	2,460,155.27
<b>Total Expenditures</b>	<b>844,677,808.11</b>	<b>361,241.14</b>	<b>62,165,065.29</b>	<b>72,925.15</b>	<b>65,543,737.64</b>	<b>145,946.11</b>	<b>972,966,723.44</b>
Excess (Deficiency) of Revenues over Expenditures	8,607,700.16	7,674,747.46	71,483.84	(4,342.19)	-	102,128.69	16,451,717.96

**TEXAS DEPARTMENT OF AGRICULTURE**  
**Exhibit A-2 — Combining Statement of Revenues, Expenditures and Changes in Fund Balances —**  
**All General and Consolidated Funds**  
**For the Fiscal Year Ended August 31, 2023**

	General		Consolidated Accounts				Total
	Fund 1	Texas	Coronavirus	License Plate	CDBG Fund	Hemp	
	(0001)	Economic	Relief Fund	Trust Fund	(5091)	Production	
U/F (0001)	Dev't Fund	(0325)	(0802)	(5091)	Account		
	U/F (0183)	U/F (0325)	U/F (0802)	U/F (5091)	U/F (5178)		
<b>OTHER FINANCING SOURCES (USES)</b>							
Bond and Note Proceeds	-	-	-	-	-	-	-
Bonds Issued for Refunding	-	-	-	-	-	-	-
Premiums on Bonds Issued	-	-	-	-	-	-	-
Payment to Escrow for Refunding	-	-	-	-	-	-	-
Increase in Obligations Under Capital Leases	1,652,648.07	-	-	-	-	-	1,652,648.07
Sale of Capital Assets	12,505.80	-	-	-	-	-	12,505.80
Insurance Recoveries	-	-	-	-	-	-	-
Transfers In	8,642,280.97	15,417,939.29	42.22	518,523.49	2,000,000.00	-	26,578,785.97
Transfers Out	(17,406,220.61)	(15,417,939.29)	17,302.24	(514,181.30)	(2,000,000.00)	-	(35,321,038.96)
Legislative Transfers In	-	-	-	-	-	1,421,250.00	1,421,250.00
Legislative Transfers Out	-	-	-	-	-	(1,421,250.00)	(1,421,250.00)
Total Other Financing Sources (Uses)	(7,098,785.77)	-	17,344.46	4,342.19	-	-	(7,077,099.12)
Net Change in Fund Balances	1,508,914.39	7,674,747.46	88,828.30	0.00	-	102,128.69	9,374,618.84
<b>Fund Financial Statement - Fund Balances</b>							
Fund Balances, September 1, 2022	29,018,963.20	16,008,364.60	13,315.25	-	1,049,752.32	804,031.14	46,894,426.51
Restatements	-	-	-	-	-	-	-
Fund Balances, September 1, 2022	29,018,963.20	16,008,364.60	13,315.25	-	1,049,752.32	804,031.14	46,894,426.51
Appropriations Lapsed	(1,296,501.56)	-	-	-	-	-	(1,296,501.56)
Fund Balances, August 31, 2023	\$ 29,231,376.03	\$ 23,683,112.06	\$ 102,143.55	\$ 0.00	\$ 1,049,752.32	\$ 906,159.83	\$ 54,972,543.79

**TEXAS DEPARTMENT OF AGRICULTURE**  
**Exhibit B-1— Combining Balance Sheet — Special**  
**Revenue Funds**  
**August 31, 2023**

	<b>Produce Recovery Fund (0974)</b>	
	<b>U/F (0974)</b>	<b>Totals</b>
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents		
Cash on Hand	-	-
Cash in Bank	-	-
Cash in Transit/Reimburse from Treasury	-	-
Cash in State Treasury	2,090,605.17	2,090,605.17
Short Term Investments	-	-
Securities Lending Collateral	-	-
Legislative Appropriations	-	-
Receivables from:	-	-
Accounts Receivable	-	-
Taxes	-	-
Federal	-	-
Other Intergovernmental	-	-
Interest and Dividends	-	-
Gifts, Pledges and Donations	-	-
Other	-	-
Due From Other Funds	-	-
Due From Other Agencies	-	-
Interfund Receivable	-	-
Consumable Inventories	-	-
Merchandise Inventories	-	-
Prepaid Items	-	-
Loans and Contracts	-	-
Restricted:	-	-
Cash and Cash Equivalents	-	-
Cash on Hand	-	-
Cash in Bank	-	-
Cash in Transit/Reimburse from Treasury	-	-
Cash in State Treasury	-	-
Short Term Investments	-	-
Other Current Assets	-	-
Non-Current Assets:	-	-
Gifts, Pledges and Donations	-	-
Interfund Receivable	-	-
Investments	-	-
Loans and Contracts	-	-
Restricted:	-	-
Cash and Cash Equivalents	-	-
Cash on Hand	-	-
Cash in Bank	-	-
Cash in Transit/Reimburse from Treasury	-	-
Cash in State Treasury	-	-
Short Term Investments	-	-
Receivables	-	-
Investments	-	-
Loans and Contracts	-	-
Other Assets	-	-
Other Non-Current Assets	-	-
Total Assets	\$ 2,090,605.17	\$ 2,090,605.17
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Outflows of Resources	-	-
Total Deferred Outflows of Resources	\$ -	\$ -

**TEXAS DEPARTMENT OF AGRICULTURE**  
**Exhibit B-1— Combining Balance Sheet — Special**  
**Revenue Funds**  
**August 31, 2023**

	<b>Produce Recovery</b>	
	<b>Fund</b>	
	<b>(0974)</b>	
	<b>U/F (0974)</b>	<b>Totals</b>
<hr/>		
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>		
Liabilities		
Current Liabilities:		
Payables from:		
Accounts	-	-
Other Intergovernmental	-	-
Payroll	-	-
Federal	-	-
Contracts	-	-
Other	-	-
Contract Retainage Payable	-	-
Due To Other Funds	-	-
Due To Other Agencies	-	-
Interfund Payable	-	-
Unearned Revenues	-	-
Obligations/Reverse Repurchase Agreement	-	-
Obligations Under Securities Lending	-	-
Short Term Debt	-	-
Employees' Compensable Leave	-	-
Claims and Judgments	-	-
Capital Lease Obligations	-	-
Notes and Loans Payable	-	-
Revenue Bonds Payable	-	-
General Obligation Bonds Payable	-	-
Liabilities Payable from Restricted Assets	-	-
Funds Held For Others	-	-
Non-Current Liabilities	-	-
Interfund Payable	-	-
Employees' Compensable Leave	-	-
Claims and Judgments	-	-
Capital Lease Obligations	-	-
Notes and Loans Payable	-	-
Revenue Bonds Payable	-	-
General Obligation Bonds Payable	-	-
Liabilities Payable from Restricted Assets	-	-
Assets Held for Others	-	-
 Total Liabilities	 -	 -
<hr/>		
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Inflows of Resources	-	-
Total Deferred Inflows of Resources	\$ -	\$ -
<hr/>		
Fund Balances (Deficits):		
Nonspendable	-	-
Restricted	1,959,385.35	1,959,385.35
Committed	-	-
Assigned	-	-
Unassigned	131,219.82	131,219.82
Total Fund Balances	<hr/> 2,090,605.17	<hr/> 2,090,605.17
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 \$ 2,090,605.17	 \$ 2,090,605.17
<hr/>		

**TEXAS DEPARTMENT OF AGRICULTURE**  
**Exhibit B-2 — Combining Statement of Revenues, Expenditures and Changes in Fund Balances —**  
**Special Revenue Funds**  
**For the Fiscal Year Ended August 31, 2023**

	<b>Produce Recovery Fund (0974) U/F (0974)</b>	<b>Totals</b>
<b>REVENUES</b>		
Legislative Appropriations		
Original Appropriations (GR)	-	-
Additional Appropriations (GR)	-	-
Taxes (GR)	-	-
Federal Revenue (PR - Operating or Capital)	-	-
Federal Grant Pass-Through Revenue (GR)	-	-
State Grant Pass-Through Revenue (GR)	-	-
License, Fees & Permits (PR)	59,501.92	59,501.92
Contribution to Employee's Benefit Funds (PR)	-	-
Interest and Other Investment Income (PR)	-	-
Interest and Other Investment Income (GR)	72,461.90	72,461.90
Net Increase (Decrease) in Fair Value (PR)	-	-
Net Increase (Decrease) in Fair Value (GR)	-	-
Land Income (PR)	-	-
Settlement of Claims (PR)	-	-
Settlement of Claims (GR)	-	-
Sales of Goods and Services (PR)	-	-
Other (PR - Chg for Serv, Operating or Capital)	-	-
Other (GR)	-	-
Total Revenues	<u>131,963.82</u>	<u>131,963.82</u>
<b>EXPENDITURES</b>		
Salaries and Wages	-	-
Payroll Related Costs	-	-
Professional Fees and Services	-	-
Travel	-	-
Materials and Supplies	-	-
Communication and Utilities	-	-
Repairs and Maintenance	-	-
Rentals and Leases	-	-
Printing and Reproduction	-	-
Claims and Judgments	744.00	744.00
Federal Grant Pass-Through Expenditures	-	-
State Grant Pass-Through Expenditures	-	-
Intergovernmental Payments	-	-
Public Assistance Payments	-	-
Employee Benefit Payments	-	-
Other Expenditures	-	-
Debt Service:	-	-
Principal	-	-
Interest	-	-
Other Financing Fees	-	-
Other Payments for Refunding	-	-
Capital Outlay	-	-
Total Expenditures	<u>744.00</u>	<u>744.00</u>
Excess (Deficiency) of Revenues over Expenditures	<u>131,219.82</u>	<u>131,219.82</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Bond and Note Proceeds	-	-
Bonds Issued for Refunding	-	-
Premiums on Bonds Issued	-	-
Payment to Escrow for Refunding	-	-
Increase in Obligations Under Capital Leases	-	-
Sale of Capital Assets	-	-
Insurance Recoveries	-	-
Transfers In	1,958,641.92	1,958,641.92
Transfers Out	(1,958,641.92)	(1,958,641.92)
Legislative Transfers In	-	-
Legislative Transfers Out	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>131,219.82</u>	<u>131,219.82</u>
<b>Fund Financial Statement - Fund Balance</b>		
Fund Balances, September 1, 2022	1,959,385.35	1,959,385.35
Restatements	-	-
Fund Balances, September 1, 2022	<u>1,959,385.35</u>	<u>1,959,385.35</u>
Appropriations Lapsed	-	-
Fund Balances, August 31, 2023	<u>\$ 2,090,605.17</u>	<u>\$ 2,090,605.17</u>



**TEXAS DEPARTMENT OF AGRICULTURE**  
**Exhibit E-1— Combining Balance Sheet — Permanent**  
**Funds**  
**August 31, 2023**

	Permanent Fund (0364) U/F (0364)	Permanent Fund (5047) U/F (5047)	Totals
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents			
Cash on Hand	-	-	-
Cash in Bank	-	-	-
Cash in Transit/Reimburse from Treasury	-	-	-
Cash in State Treasury	403,157.31	5,744,048.19	6,147,205.50
Short Term Investments	-	-	-
Securities Lending Collateral	-	-	-
Legislative Appropriations	-	-	-
Receivables from:			
Accounts Receivable	-	-	-
Taxes	-	-	-
Federal	-	-	-
Other Intergovernmental	-	-	-
Interest and Dividends	-	-	-
Gifts, Pledges and Donations	-	-	-
Other	-	-	-
Due From Other Funds	-	-	-
Due From Other Agencies	-	-	-
Interfund Receivable	-	-	-
Consumable Inventories	-	-	-
Merchandise Inventories	-	-	-
Prepaid Items	-	-	-
Loans and Contracts	-	-	-
Restricted:			
Cash and Cash Equivalents			
Cash on Hand	-	-	-
Cash in Bank	-	-	-
Cash in Transit/Reimburse from Treasury	-	-	-
Cash in State Treasury	-	-	-
Short Term Investments	-	-	-
Other Current Assets	-	-	-
Non-Current Assets:			
Gifts, Pledges and Donations	-	-	-
Interfund Receivable	-	-	-
Investments	4,300,635.49	-	4,300,635.49
Loans and Contracts	-	-	-
Restricted:			
Cash and Cash Equivalents			
Cash on Hand	-	-	-
Cash in Bank	-	-	-
Cash in Transit/Reimburse from Treasury	-	-	-
Cash in State Treasury	-	-	-
Short Term Investments	-	-	-
Receivables	-	-	-
Investments	-	-	-
Loans and Contracts	-	-	-
Other Assets	-	-	-
Other Non-Current Assets	-	-	-
<b>Total Assets</b>	<b>\$ 4,703,792.80</b>	<b>\$ 5,744,048.19</b>	<b>\$ 10,447,840.99</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows of Resources	-	-	-
<b>Total Deferred Outflows of Resources</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**TEXAS DEPARTMENT OF AGRICULTURE**  
**Exhibit E-1— Combining Balance Sheet — Permanent**  
**Funds**  
**August 31, 2023**

	Permanent Fund (0364) U/F (0364)	Permanent Fund (5047) U/F (5047)	Totals
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities			
Current Liabilities:			
Payables from:			
Accounts	30,000.00	75,000.00	\$ 105,000.00
Other Intergovernmental	-	-	-
Payroll	-	-	-
Federal	-	-	-
Contracts	-	-	-
Other	-	-	-
Contract Retainage Payable	-	-	-
Due To Other Funds	-	-	-
Due To Other Agencies	-	-	-
Interfund Payable	-	-	-
Unearned Revenues	-	-	-
Obligations/Reverse Repurchase Agreement	-	-	-
Obligations Under Securities Lending	-	-	-
Short Term Debt	-	-	-
Employees' Compensable Leave	-	-	-
Claims and Judgments	-	-	-
Capital Lease Obligations	-	-	-
Notes and Loans Payable	-	-	-
Revenue Bonds Payable	-	-	-
General Obligation Bonds Payable	-	-	-
Liabilities Payable from Restricted Assets	-	-	-
Funds Held For Others	-	-	-
Non-Current Liabilities	-	-	-
Interfund Payable	-	-	-
Employees' Compensable Leave	-	-	-
Claims and Judgments	-	-	-
Capital Lease Obligations	-	-	-
Notes and Loans Payable	-	-	-
Revenue Bonds Payable	-	-	-
General Obligation Bonds Payable	-	-	-
Liabilities Payable from Restricted Assets	-	-	-
Assets Held for Others	-	-	-
<b>Total Liabilities</b>	<b>30,000.00</b>	<b>75,000.00</b>	<b>105,000.00</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows of Resources	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Fund Balances (Deficits):			
Nonspendable	126,102.70	(1,590,616.49)	(1,464,513.79)
Restricted	4,673,792.80	5,669,048.19	10,342,840.99
Committed	-	-	-
Assigned	-	-	-
Unassigned	(126,102.70)	1,590,616.49	1,464,513.79
<b>Total Fund Balances</b>	<b>4,673,792.80</b>	<b>5,669,048.19</b>	<b>10,342,840.99</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 4,703,792.80</b>	<b>\$ 5,744,048.19</b>	<b>\$ 10,447,840.99</b>

**TEXAS DEPARTMENT OF AGRICULTURE**  
**Exhibit E-2 — Combining Statement of Revenues, Expenditures and Changes in Fund Balances —**  
**Permanent Funds**  
**For the Fiscal Year Ended August 31, 2023**

	<b>Permanent Fund (0364) U/F (0364)</b>	<b>Permanent Fund (5047) U/F (5047)</b>	<b>Totals</b>
<b>REVENUES</b>			
Interest and Other Investment Income (PR)	-	-	-
Interest and Other Investment Income (GR)	88,897.30	-	88,897.30
Net Increase (Decrease) in Fair Value (PR)	-	-	-
Net Increase (Decrease) in Fair Value (GR)	-	-	-
Other (GR)	-	-	-
<b>Total Revenues</b>	<b>88,897.30</b>	<b>-</b>	<b>88,897.30</b>
<b>EXPENDITURES</b>			
Salaries and Wages	-	19.92	19.92
Payroll Related Costs	-	8,359.07	8,359.07
Materials and Supplies	-	-	-
State Grant Pass-Through	-	-	-
Public Assistance Payments	215,000.00	292,389.24	507,389.24
Professional Fees and Services	-	-	-
Other Expenditures	-	1.36	1.36
<b>Total Expenditures</b>	<b>215,000.00</b>	<b>300,769.59</b>	<b>515,769.59</b>
Excess (Deficiency) of Revenues over (under) Expenditures	(126,102.70)	(300,769.59)	(426,872.29)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer In	313,599.74	1,974,746.51	2,288,346.25
Transfer Out	(313,599.74)	(83,360.43)	(396,960.17)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>1,891,386.08</b>	<b>1,891,386.08</b>
<b>Net Change in Fund Balances</b>	<b>(126,102.70)</b>	<b>1,590,616.49</b>	<b>1,464,513.79</b>
<b>Fund Financial Statement – Fund Balances</b>			
Fund Balances, September 1, 2022	4,799,895.50	4,078,431.70	8,878,327.20
Restatements	-	-	-
Fund Balances, September 1, 2022	4,799,895.50	4,078,431.70	8,878,327.20
Appropriations Lapsed	-	-	-
<b>Fund Balances, August 31, 2023</b>	<b>\$ 4,673,792.80</b>	<b>\$ 5,669,048.19</b>	<b>\$ 10,342,840.99</b>

**TEXAS DEPARTMENT OF AGRICULTURE**  
**Exhibit K-1 — Combining Statement of Net Position —**  
**Discretely Presented Component Units**  
**August 31, 2023**

	Texas Agricultural Fund (0683) U/F (0683)	TX Boll Weevil Eradication Foundation (3152) U/F (5998)	Totals
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents			
Cash on Hand	-	1,900.00	1,900.00
Cash in Bank	-	73,337,798.00	73,337,798.00
Cash in Transit	-	-	-
Cash In State Treasury	17,921,930.02	-	17,921,930.02
Securities Lending Collateral	-	-	-
Short Term Investments	-	-	-
Restricted:			
Cash and Cash Equivalents (Note 3)			
Cash on Hand	-	-	-
Cash in Bank	-	23,877,721.00	23,877,721.00
Cash in Transit	-	-	-
Receivables from:			
Federal	-	-	-
Other Intergovernmental	-	3,204,651.00	3,204,651.00
Interest and Dividends	38,204.70	-	38,204.70
Accounts Receivable	-	37,383.00	37,383.00
Taxes	-	-	-
Gifts, Pledges and Donations	-	-	-
Other	-	-	-
Interfund Receivables	-	-	-
Due From Other Funds	-	-	-
Due From Primary Government	-	-	-
Due From Component Units	-	-	-
Consumable Inventories	-	8,126,961.00	8,126,961.00
Merchandise Inventories	-	-	-
Prepaid Items	-	1,497,328.00	1,497,328.00
Loans and Contracts	165,000.00	-	165,000.00
Other Current Assets	3,625.26	-	3,625.26
<b>Total Current Assets</b>	<b>18,128,759.98</b>	<b>110,083,742.00</b>	<b>128,212,501.98</b>
Non-Current Assets:			
Restricted:			
Cash and Cash Equivalents			
Cash on Hand	-	-	-
Cash in Bank	-	-	-
Cash in Transit	-	-	-
Cash Equivalents	-	-	-
Short Term Investments	-	-	-
Receivables	-	-	-
Investments	-	849,742.00	849,742.00
Loans and Contracts	-	-	-
Other Assets	-	-	-
Loans and Contracts	827,000.00	-	827,000.00
Investments	-	-	-
Interfund Receivables	-	-	-
Gifts, Pledges and Donations	-	-	-
Capital Assets:			
Non-Depreciable or Non-Amortizable	-	-	-
Depreciable and Amortizable, Net	-	5,652,239.00	5,652,239.00
Assets Held in Trust	-	-	-
Other Non-Current Assets	-	497,603.00	497,603.00
<b>Total Non-Current Assets</b>	<b>827,000.00</b>	<b>6,999,584.00</b>	<b>7,826,584.00</b>
<b>Total Assets</b>	<b>\$ 18,955,759.98</b>	<b>\$ 117,083,326.00</b>	<b>\$ 136,039,085.98</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows of Resources	-	-	-
<b>Total Deferred Outflows of Resources</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**TEXAS DEPARTMENT OF AGRICULTURE**  
**Exhibit K-1 — Combining Statement of Net Position —**  
**Discretely Presented Component Units**  
**August 31, 2023**

	Texas Agricultural Fund (0683) U/F (0683)	TX Boll Weevil Eradication Foundation (3152) U/F (5998)	Totals
<b>LIABILITIES</b>			
Current Liabilities:			
Payables from:			
Accounts	36,477.51	131,361.00	167,838.51
Federal	-	-	-
Other Intergovernmental	-	-	-
Payroll	31,573.57	410,775.00	442,348.57
Contracts	-	-	-
Other	-	-	-
Interfund Payable	-	-	-
Due To Other Funds	-	-	-
Due To Primary Government	-	-	-
Unearned Revenue	-	-	-
Short Term Debt	-	-	-
Notes and Loans Payable	-	-	-
Revenue Bonds Payable	-	-	-
General Obligation Bonds Payable	-	-	-
Claims and Judgments	-	-	-
Employees' Compensable Leave	25,791.47	815,676.00	841,467.47
Other Current Liabilities	-	75,102.00	75,102.00
Total Current Liabilities	<u>93,842.55</u>	<u>1,432,914.00</u>	<u>1,526,756.55</u>
Non-Current Liabilities:			
Interfund Payable	-	-	-
Employees' Compensable Leave	15,378.11	-	15,378.11
Claims and Judgments	-	-	-
Capital Lease Obligations	-	-	-
Notes and Loans Payable	-	-	-
Revenue Bonds Payable	-	-	-
General Obligation Bonds Payable	-	-	-
Liabilities Payable from Restricted Assets	-	-	-
Assets Held for Others	-	-	-
Other Non-Current Liabilities	-	1,030,093.00	1,030,093.00
Total Non-Current Liabilities	<u>15,378.11</u>	<u>1,030,093.00</u>	<u>1,045,471.11</u>
Total Liabilities	<u>\$ 109,220.66</u>	<u>\$ 2,463,007.00</u>	<u>\$ 2,572,227.66</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows of Resources	-	-	-
Total Deferred Inflows of Resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Net Position</b>			
Net Investment in Capital Assets	-	4,788,159.00	4,788,159.00
Restricted For:	-	-	-
Debt Retirement	-	-	-
Capital Projects	-	-	-
Funds Held as Permanent Investments:	-	-	-
Expendable	-	-	-
Nonexpendable	-	-	-
Other	-	23,585,047.00	23,585,047.00
Unrestricted	18,846,539.32	86,247,113.00	105,093,652.32
Total Net Position	<u>\$ 18,846,539.32</u>	<u>\$ 114,620,319.00</u>	<u>\$ 133,466,858.32</u>

**TEXAS DEPARTMENT OF AGRICULTURE**  
**Exhibit K-2 — Combining Statement of Revenues, Expenses and Changes in Net**  
**Position —**  
**Discretely Presented Component Units**  
**For the Fiscal Year Ended August 31, 2023**

	<b>Texas Agricultural Fund (0683) U/F (0683)</b>	<b>TX Boll Weevil Eradication Foundation (3152) U/F (5998)</b>	<b>Totals</b>
<b>OPERATING REVENUE:</b>			
Sales of Goods and Services	-	-	-
Tuition Revenue	-	-	-
Professional Fees	-	-	-
Auxiliary Enterprises	-	-	-
Unemployment Taxes	-	-	-
Other Sales of Goods and Services - Pledged (PR)	-	-	-
Other Sales of Goods and Services - Non-Pledged (PR)	601,755.75	11,732,055.00	12,333,810.75
Other Sales of Goods and Services - Disc and Allow	-	-	-
Premium Revenue	-	-	-
Interest and Investment Income (GR)	-	-	-
Net Increase (Decrease) in Fair Value (GR)	-	-	-
Federal Revenue (PR)	-	9,150,112.00	9,150,112.00
Federal Grant Pass-Through Revenue (PR)	-	-	-
State Grant Revenue (PR)	-	2,709,232.00	2,709,232.00
State Grant Pass-Through Revenue (PR)	-	-	-
Other Contract and Grants (PR)	-	-	-
Land Income (PR)	-	-	-
Contributions to Retirement System (PR)	-	-	-
Other Operating Revenue (GR)	-	-	-
Total Operating Revenues	<u>601,755.75</u>	<u>23,591,399.00</u>	<u>24,193,154.75</u>
<b>OPERATING EXPENSES:</b>			
Cost of Goods Sold	-	-	-
Salaries and Wages	397,247.29	12,036,787.00	12,434,034.29
Payroll Related Costs	147,231.19	-	147,231.19
Professional Fees and Services	17,033.00	2,962,779.00	2,979,812.00
Travel	5,290.25	155,768.00	161,058.25
Materials and Supplies	7,359.83	4,805,013.00	4,812,372.83
Communication and Utilities	-	326,161.00	326,161.00
Repairs and Maintenance	-	496,568.00	496,568.00
Rentals and Leases	-	349,157.00	349,157.00
Printing and Reproduction	165.00	-	165.00
Federal Grant Pass-Through Expense	-	-	-
State Grant Pass-Through Expense	-	-	-
Depreciation and Amortization	-	1,936,089.00	1,936,089.00
Bad Debt Expense	-	3,417.00	3,417.00
Interest Expense	15.69	7,840.00	7,855.69
Scholarships	-	-	-
Lottery Fess and Other Cost	-	-	-
Lottery Prizes	-	-	-
Employee/Participation Benefit Payments	-	-	-
Claims and Judgments	-	2,608.00	2,608.00
Other Expenses	329,114.09	3,147,892.00	3,477,006.09
Total Operating Expenses	<u>903,456.34</u>	<u>26,230,079.00</u>	<u>27,133,535.34</u>
Operating Income (Loss)	<u>(301,700.59)</u>	<u>(2,638,680.00)</u>	<u>(2,940,380.59)</u>

**TEXAS DEPARTMENT OF AGRICULTURE**  
**Exhibit K-2 — Combining Statement of Revenues, Expenses and Changes in Net**  
**Position —**  
**Discretely Presented Component Units**  
**For the Fiscal Year Ended August 31, 2023**

	<b>Texas Agricultural Fund (0683) U/F (0683)</b>	<b>TX Boll Weevil Eradication Foundation (3152) U/F (5998)</b>	<b>Totals</b>
<b>NONOPERATING REVENUE (EXPENSES)**</b>			
Federal Revenue (PR)	-	-	-
Federal Grant Pass-Through Revenue (PR)	-	-	-
State Grant Pass-Through Revenue (PR)	-	-	-
Gifts, Pledges and Donations (PR)	-	-	-
Investment Income (Expense) (GR)	663,504.64	1,171,767.00	1,835,271.64
Loan Prem/Fees Securities	-	-	-
Investing Activities Expenses	-	-	-
Interest Expenses and Fiscal Charges	-	-	-
Borrow Rebates & Agent Fees	-	-	-
Gain (Loss) on Sale of Capital Assets	-	1,142,660.00	1,142,660.00
Inc (Dec) in Net Assets Due to Interagency Transfer of CA	-	-	-
Net Increase (Decrease) in Fair Value (GR)	-	-	-
Settlement of Claims (GR)	-	-	-
Other Nonoperating Revenues (Expenses)	75.00	2,296,693.00	2,296,768.00
Total Other Nonoperating Revenues (Expenses)	663,579.64	4,611,120.00	5,274,699.64
Income (Loss) Before Capital Contributions, Endowments and Transfers	361,879.05	1,972,440.00	2,334,319.05
<b>CAPITAL CONTRIBUTIONS, ENDOWMENTS AND TRANSFERS</b>			
Capital Contributions	-	-	-
Special Items	-	-	-
Extraordinary Items	-	-	-
Transfer In	-	-	-
Transfer Out	-	-	-
Total Capital Contributions, Endowments and Transfers	-	-	-
Change in Net Position	361,879.05	1,972,440.00	2,334,319.05
Net Position, September 1, 2022	18,551,529.78	112,647,879.00	131,199,408.78
Restatements	-	-	-
Net Position, September 1, 2022	18,551,529.78	112,647,879.00	131,199,408.78
Net Position, August 31, 2023	\$ 18,913,408.83	\$ 114,620,319.00	\$ 133,533,727.83

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**SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS**

State of Texas - Annual Financial Report  
**Schedule of Expenditures of Federal Awards**  
 (SEFA)

**Agency 551 - Department of Agriculture**  
**Schedule 1A**  
**For the Fiscal Year Ended August 31, 2023**

Federal Grantor/ Pass-through Grantor/ Program Title	ALN Number	NSE Name/ <i>Identifying Numr</i>	Agy/ Univ No	Pass-through From		Direct Program Amount	Total PT From and Direct Program Amount
				Agencies or Universities Amount	Non-State Entities Amount		
<b>Environmental Protection Agency</b>							
<u>Direct Programs:</u>							
Multipurpose Grants to States and Tribes	66.204					8,342.76	8,342.76
Consolidated Pesticide Enforcement Cooperative Agreements	66.700					1,151,453.51	1,151,453.51
Totals - Environmental Protection Agency				0.00	0.00	1,159,796.27	1,159,796.27
<b>General Services Administration</b>							
<u>Pass-Through From:</u>							
Donation of Federal Surplus Personal Property (Non-monetary)	39.003						163.38
<i>Pass-Through From:</i> <i>Texas Facilities Commission</i>			303	163.38			
Totals - General Services Administration				163.38	0.00	0.00	163.38
<b>Small Business Administration</b>							
<u>Direct Programs:</u>							
State Trade Expansion	59.061					237,658.80	237,658.80
Totals - Small Business Administration				0.00	0.00	237,658.80	237,658.80
<b>U.S. Department of the Treasury</b>							
<u>Direct Programs:</u>							
COVID-19 - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027					2,159,853.53	2,159,853.53
<u>Pass-Through From:</u> COVID-19 - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027						27,953,159.45
<i>Pass-Through From:</i> <i>Governor - Fiscal</i>			300	27,953,159.45			
Totals - U.S. Department of the Treasury				27,953,159.45	0.00	2,159,853.53	30,113,012.98
<b>U.S. Department of Agriculture</b>							
<u>Direct Programs:</u>							
Plant and Animal Disease, Pest Control, and Animal Care	10.025					1,907,597.58	1,907,597.58
Market News	10.153					9,750.00	9,750.00
Market Protection and Promotion	10.163					1,240,606.45	1,240,606.45
Specialty Crop Block Grant Program - Farm Bill	10.170					1,435,023.98	1,435,023.98
Specialty Crop Block Grant Program - Farm Bill	10.170					350,771.82	350,771.82
<i>Pass-Through To:</i> <i>Texas A&amp;M AgrLife Extension Service</i>							
Specialty Crop Block Grant Program - Farm Bill	10.170					10,756.68	10,756.68
<i>Pass-Through To:</i> <i>University of Houston</i>							
Organic Certification Cost Share Programs	10.171					19,155.00	19,155.00
Pandemic Relief Activities: Farm and Food Worker Relief Grant Program	10.181					353,135.00	353,135.00
Food Bank Network	10.182					11,641,832.98	11,641,832.98
The Emergency Food Assistance Program (TEFAP) Commodity Credit Corporation Eligible Recipient Funds	10.187					2,020,626.85	2,020,626.85
Farm and Ranch Stress Assistance Network Competitive Grants Program	10.525					384,790.65	384,790.65
<i>Pass-Through To:</i> <i>University of Texas Health Science Center at Tyler</i>							
Child Nutrition Technology Innovation Grant	10.541					545,443.96	545,443.96
Child and Adult Care Food Program	10.558					523,847,214.25	523,847,214.25
COVID-19 - Child and Adult Care Food Program	10.558					-19,506.05	-19,506.05
Child and Adult Care Food Program	10.558					88,105.67	88,105.67
<i>Pass-Through To:</i> <i>University of Texas at Austin</i>							

State of Texas - Annual Financial Report  
**Schedule of Expenditures of Federal Awards**  
 (SEFA)

**Agency 551 - Department of Agriculture**  
**Schedule 1A**  
**For the Fiscal Year Ended August 31, 2023**

Federal Grantor/ Pass-through Grantor/ Program Title	ALN Number	NSE Name/ Identifying Num	Agy/ Univ No.	Pass-through To		Expenditures Amount	Total PT To and Expenditures Amount
				Agencies or Universities Amount	Non-State Entities Amount		
<b>Environmental Protection Agency</b>							
<u>Direct Programs:</u>							
Multipurpose Grants to States and Tribes	66.204					8,342.76	8,342.76
Consolidated Pesticide Enforcement Cooperative Agreements	66.700					1,151,453.51	1,151,453.51
Totals - Environmental Protection Agency				0.00	0.00	1,159,796.27	1,159,796.27
<b>General Services Administration</b>							
<u>Pass-Through From:</u>							
Donation of Federal Surplus Personal Property (Non-monetary)	39.003					163.38	163.38
<i>Pass-Through From:</i> <i>Texas Facilities Commission</i>							
Totals - General Services Administration				0.00	0.00	163.38	163.38
<b>Small Business Administration</b>							
<u>Direct Programs:</u>							
State Trade Expansion	59.061					234,704.06	237,658.80
Totals - Small Business Administration				0.00	234,704.06	2,954.74	237,658.80
<b>U.S. Department of the Treasury</b>							
<u>Direct Programs:</u>							
COVID-19 - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027					2,512,238.53	2,159,853.53
<u>Pass-Through From:</u>							
COVID-19 - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027					27,953,159.45	27,953,159.45
<i>Pass-Through From:</i> <i>Governor - Fiscal</i>							
Totals - U.S. Department of the Treasury				0.00	30,465,397.98	(352,385.00)	30,113,012.98
<b>U.S. Department of Agriculture</b>							
<u>Direct Programs:</u>							
Plant and Animal Disease, Pest Control, and Animal Care	10.025					1,907,597.58	1,907,597.58
Market News	10.153					9,750.00	9,750.00
Market Protection and Promotion	10.163					1,240,606.45	1,240,606.45
Specialty Crop Block Grant Program - Farm Bill	10.170					843,560.81	1,435,023.98
Specialty Crop Block Grant Program - Farm Bill	10.170						350,771.82
<i>Pass-Through To:</i>							
<i>Texas A&amp;M AgriLife Extension Service</i>			555		350,771.82		
Specialty Crop Block Grant Program - Farm Bill	10.170						10,756.68
<i>Pass-Through To:</i> <i>University of Houston</i>							
			730		10,756.68		
Organic Certification Cost Share Programs	10.171					19,155.00	19,155.00
Pandemic Relief Activities: Farm and Food Worker Relief Grant Program	10.181					353,135.00	353,135.00
Food Bank Network	10.182					11,540,503.40	11,641,832.98
The Emergency Food Assistance Program (TEFAP) Commodity Credit Corporation Eligible Recipient Funds	10.187					2,020,626.85	2,020,626.85
Farm and Ranch Stress Assistance Network Competitive Grants Program	10.525					286,604.67	384,790.65
<i>Pass-Through To:</i> <i>University of Texas Health Science Center at Tyler</i>							
			785		98,185.98		
Child Nutrition Technology Innovation Grant	10.541					545,443.96	545,443.96
Child and Adult Care Food Program	10.558					518,801,704.96	523,847,214.25
COVID-19 - Child and Adult Care Food Program	10.558					-19,506.05	-19,506.05
Child and Adult Care Food Program	10.558						88,105.67
<i>Pass-Through To:</i> <i>University of Texas at Austin</i>							
			721		88,105.67		

**Agency 551 - Department of Agriculture  
Schedule 1A  
For the Fiscal Year Ended August 31, 2023**

Federal Grantor/ Pass-through Grantor/ Program Title	ALN Number	NSE Name/ <i>Identifying Nurr</i>	Agy/ Univ No	Pass-through From		Direct Program Amount	Total PT From and Direct Program Amount
				Agencies or Universities Amount	Non-State Entities Amount		
Child and Adult Care Food Program <i>Pass-Through To:</i> <i>Texas Tech University</i>	10.558					94,571.81	94,571.81
Child and Adult Care Food Program <i>Pass-Through To:</i> <i>Texas A&amp;M University - Commerce</i>	10.558					-728.69	-728.69
Child and Adult Care Food Program <i>Pass-Through To:</i> <i>Texas State University</i>	10.558					25,751.57	25,751.57
State Administrative Expenses for Child Nutrition State Administrative Expenses for Child Nutrition <i>Pass-Through To:</i> <i>Texas Military Department</i>	10.560 10.560					38,211,410.49 3,800.83	38,211,410.49 3,800.83
State Administrative Expenses for Child Nutrition <i>Pass-Through To:</i> <i>Texas Juvenile Justice Department</i>	10.560					14,079.62	14,079.62
State Administrative Expenses for Child Nutrition <i>Pass-Through To:</i> <i>University of Texas at Austin</i>	10.560					1,349.67	1,349.67
State Administrative Expenses for Child Nutrition <i>Pass-Through To:</i> <i>University of Texas at Dallas</i>	10.560					1,652.38	1,652.38
State Administrative Expenses for Child Nutrition <i>Pass-Through To:</i> <i>Texas School for the Blind and Visually Impaired</i>	10.560					780.03	780.03
State Administrative Expenses for Child Nutrition <i>Pass-Through To:</i> <i>Texas School for the Deaf</i>	10.560					2,492.70	2,492.70
WIC Farmers' Market Nutrition Program (FMNP)	10.572					372,124.82	372,124.82
Team Nutrition Grants	10.574					42,665.40	42,665.40
Senior Farmers Market Nutrition Program	10.576					263,814.11	263,814.11
Child Nutrition Discretionary Grants Limited Availability <i>Pass-Through To:</i> <i>University of Texas at Austin</i>	10.579					4,305,509.14	4,305,509.14
Market Access Program	10.601					13,323.68	13,323.68
Emerging Markets Program	10.603					124,712.69	124,712.69
Technical Assistance for Specialty Crops Program	10.604					44,000.00	44,000.00
Farm to School State Formula Grant	10.645					23,872.43	23,872.43
Pandemic EBT Administrative Costs <i>Pass-Through To:</i> <i>Texas Military Department</i>	10.649 10.649					2,136,092.00 628.00	2,136,092.00 628.00
Pandemic EBT Administrative Costs <i>Pass-Through To:</i> <i>Texas Juvenile Justice Department</i>	10.649					3,135.00	3,135.00
Pandemic EBT Administrative Costs <i>Pass-Through To:</i> <i>University of Texas at Dallas</i>	10.649					628.00	628.00

**Agency 551 - Department of Agriculture  
Schedule 1A  
For the Fiscal Year Ended August 31, 2023**

Federal Grantor/ Pass-through Grantor/ Program Title	ALN Number	NSE Name/ Identifying Num	Agy/ Univ No.	Pass-through To		Expenditures Amount	Total PT To and Expenditures Amount
				Agencies or Universities Amount	Non-State Entities Amount		
Child and Adult Care Food Program	10.558						94,571.81
<i>Pass-Through To:</i>							
<i>Texas Tech University</i>			733	94,571.81			
Child and Adult Care Food Program	10.558						-728.69
<i>Pass-Through To:</i>							
<i>Texas A&amp;M University - Commerce</i>			751	-728.69			
Child and Adult Care Food Program	10.558						25,751.57
<i>Pass-Through To:</i>							
<i>Texas State University</i>			754	25,751.57			
State Administrative Expenses for Child Nutrition	10.560				14,151,213.75	24,060,196.74	38,211,410.49
State Administrative Expenses for Child Nutrition	10.560						3,800.83
<i>Pass-Through To:</i>							
<i>Texas Military Department</i>			401	3,800.83			
State Administrative Expenses for Child Nutrition	10.560						14,079.62
<i>Pass-Through To:</i>							
<i>Texas Juvenile Justice Department</i>			644	14079.62			
State Administrative Expenses for Child Nutrition	10.560						1,349.67
<i>Pass-Through To:</i>							
<i>University of Texas at Austin</i>			721	1349.67			
State Administrative Expenses for Child Nutrition	10.560						1,652.38
<i>Pass-Through To:</i>							
<i>University of Texas at Dallas</i>			738	1652.38			
State Administrative Expenses for Child Nutrition	10.560						780.03
<i>Pass-Through To:</i>							
<i>Texas School for the Blind and Visually Impaired</i>			771	780.03			
State Administrative Expenses for Child Nutrition	10.560						2,492.70
<i>Pass-Through To:</i>							
<i>Texas School for the Deaf</i>			772	2492.70			
WIC Farmers' Market Nutrition Program (FMNP)	10.572				353,307.60	18,817.22	372,124.82
Team Nutrition Grants	10.574					760.4	42,665.40
Senior Farmers Market Nutrition Program	10.576					237,934.00	263,814.11
Child Nutrition Discretionary Grants Limited Availability	10.579					4,271,012.14	4,305,509.14
<i>Pass-Through To:</i>							
<i>University of Texas at Austin</i>			721	34497.00			
Market Access Program	10.601					13,323.68	13,323.68
Emerging Markets Program	10.603					124,712.69	124,712.69
Technical Assistance for Specialty Crops Program	10.604					44,000.00	44,000.00
Farm to School State Formula Grant	10.645					23,872.43	23,872.43
Pandemic EBT Administrative Costs	10.649					2,135,464.00	2,136,092.00
Pandemic EBT Administrative Costs	10.649						628
<i>Pass-Through To:</i>							
<i>Texas Military Department</i>			401	628.00			
Pandemic EBT Administrative Costs	10.649						3,135.00
<i>Pass-Through To:</i>							
<i>Texas Juvenile Justice Department</i>			644	3,135.00			
Pandemic EBT Administrative Costs	10.649						628.00
<i>Pass-Through To:</i>							
<i>University of Texas at Dallas</i>			738	628.00			

**Agency 551 - Department of Agriculture  
Schedule 1A  
For the Fiscal Year Ended August 31, 2023**

Federal Grantor/ Pass-through Grantor/ Program Title	ALN Number	NSE Name/ <i>Identifying Nurr</i>	Agy/ Univ No	Pass-through From		Direct Program Amount	Total PT From and Direct Program Amount
				Agencies or Universities Amount	Non-State Entities Amount		
Pandemic EBT Administrative Costs	10.649					628.00	628.00
<i>Pass-Through To:</i>							
<i>Texas School for the Blind and Visually Impaired</i>							
Pandemic EBT Administrative Costs	10.649					628.00	628.00
<i>Pass-Through To:</i>							
<i>Texas School for the Deaf</i>							
Totals - U.S. Department of Agriculture				0.00	0.00	589,522,226.50	589,522,226.50
<b>U.S. Department of Health and Human Services</b>							
<u>Direct Programs:</u>							
Food and Drug Administration Research	93.103					840,659.90	840,659.90
COVID-19 - Rural Health Research Centers	93.155					10,152,520.30	10,152,520.30
State Rural Hospital Flexibility Program	93.241					1,173,430.05	1,173,430.05
COVID-19 - Small Rural Hospital Improvement Grant Program	93.301					1,605,203.32	1,605,203.32
Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391					-74,548.47	96,573.95
<i>Pass-Through From:</i>							
<i>Department of State Health Services</i>			537	171,122.42			
Grants to States for Operation of State Offices of Rural Health	93.913					217,156.60	217,156.60
Totals - U.S. Department of Health and Human Services				171,122.42	0.00	13,914,421.70	14,085,544.12
<b>U.S. Department of Housing and Urban Development</b>							
<u>Direct Programs:</u>							
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228					65,952,248.24	65,952,248.24
Totals - U.S. Department of Housing and Urban Development				0.00	0.00	65,952,248.24	65,952,248.24
<b>Research &amp; Development Cluster</b>							
<b>U.S. Department of Agriculture</b>							
<u>Direct Programs:</u>							
Specialty Crop Block Grant Program - Farm Bill	10.170					748,725.58	748,725.58
<i>Pass-Through To:</i>							
<i>Texas A&amp;M AgriLife Research</i>							
Specialty Crop Block Grant Program - Farm Bill	10.170					-911.44	-911.44
<i>Pass-Through To:</i>							
<i>Texas Tech University</i>							
Specialty Crop Block Grant Program - Farm Bill	10.170					5,575.92	5,575.92
<i>Pass-Through To:</i>							
<i>Stephen F. Austin State University</i>							
Totals - U.S. Department of Agriculture				0.00	0.00	753,390.06	753,390.06
<b>U.S. Department of Commerce</b>							
<u>Direct Programs:</u>							
COVID-19 - Unallied Management Projects	11.454					-193,613.98	764,000.57
<i>Pass-Through From:</i>							
<i>Parks and Wildlife Department</i>			802	957,614.55			
COVID-19 - Unallied Management Projects	11.454					141,560.94	141,560.94
<i>Pass-Through To:</i>							
<i>Texas A&amp;M University</i>							
Totals - U.S. Department of Commerce				957,614.55	0.00	-52,053.04	905,561.51
<b>Child Nutrition Cluster</b>							
<b>U.S. Department of Agriculture</b>							
<u>Direct Programs:</u>							
School Breakfast Program	10.553					5,567,079.21	5,567,079.21

**Agency 551 - Department of Agriculture  
Schedule 1A  
For the Fiscal Year Ended August 31, 2023**

Federal Grantor/ Pass-through Grantor/ Program Title	ALN Number	NSE Name/ Identifying Num	Agy/ Univ No.	Pass-through To		Expenditures Amount	Total PT To and Expenditures Amount
				Agencies or Universities Amount	Non-State Entities Amount		
Pandemic EBT Administrative Costs	10.649						628.00
<i>Pass-Through To:</i>							
<i>Texas School for the Blind and Visually Impaired</i>			771	628.00			
Pandemic EBT Administrative Costs	10.649						628.00
<i>Pass-Through To:</i>							
<i>Texas School for the Deaf</i>			772	628.00			
Totals - U.S. Department of Agriculture				731714.07	554811054.22	33,979,458.21	589,522,226.50
<b>U.S. Department of Health and Human Services</b>							
<u>Direct Programs:</u>							
Food and Drug Administration Research	93.103					840,659.90	840,659.90
COVID-19 - Rural Health Research Centers	93.155				10,023,444.39	129,075.91	10,152,520.30
State Rural Hospital Flexibility Program	93.241					1,173,430.05	1,173,430.05
COVID-19 - Small Rural Hospital Improvement Grant Program	93.301				1,294,306.06	310,897.26	1,605,203.32
Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391				95,768.74	805.21	96,573.95
<i>Pass-Through From:</i>							
<i>Department of State Health Services</i>							
Grants to States for Operation of State Offices of Rural Health	93.913					217,156.60	217,156.60
Totals - U.S. Department of Health and Human Services				0.00	11,413,519.19	2,672,024.93	14,085,544.12
<b>U.S. Department of Housing and Urban Development</b>							
<u>Direct Programs:</u>							
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228				64,329,363.85	1,622,884.39	65,952,248.24
Totals - U.S. Department of Housing and Urban Development				0.00	64,329,363.85	1,622,884.39	65,952,248.24
<u>Research &amp; Development Cluster</u>							
<b>U.S. Department of Agriculture</b>							
<u>Direct Programs:</u>							
Specialty Crop Block Grant Program - Farm Bill	10.170						748,725.58
<i>Pass-Through To:</i>							
<i>Texas A&amp;M AgriLife Research</i>			556	748725.58			
Specialty Crop Block Grant Program - Farm Bill	10.170						-911.44
<i>Pass-Through To:</i>							
<i>Texas Tech University</i>			733	-911.44			
Specialty Crop Block Grant Program - Farm Bill	10.170						5,575.92
<i>Pass-Through To:</i>							
<i>Stephen F. Austin State University</i>			755	5575.92			
Totals - U.S. Department of Agriculture				753,390.06	0.00	0.00	753,390.06
<b>U.S. Department of Commerce</b>							
<u>Direct Programs:</u>							
COVID-19 - Unallied Management Projects	11.454					764,000.57	764,000.57
<i>Pass-Through From:</i>							
<i>Parks and Wildlife Department</i>							
COVID-19 - Unallied Management Projects	11.454						141,560.94
<i>Pass-Through To:</i>							
<i>Texas A&amp;M University</i>			711	141,560.94			
Totals - U.S. Department of Commerce				141,560.94	0.00	764,000.57	905,561.51
<u>Child Nutrition Cluster</u>							
<b>U.S. Department of Agriculture</b>							
<u>Direct Programs:</u>							
School Breakfast Program	10.553					5,567,079.21	5,567,079.21

**Agency 551 - Department of Agriculture  
Schedule 1A  
For the Fiscal Year Ended August 31, 2023**

Federal Grantor/ Pass-through Grantor/ Program Title	ALN Number	NSE Name/ <i>Identifying Nurr</i>	Agy/ Univ No	Pass-through From		Direct Program Amount	Total PT From and Direct Program Amount
				Agencies or Universities Amount	Non-State Entities Amount		
School Breakfast Program	10.553					78,919.35	78,919.35
<i>Pass-Through To:</i> <i>Texas Military Department</i>							
School Breakfast Program	10.553					591,973.85	591,973.85
<i>Pass-Through To:</i> <i>Texas Juvenile Justice Department</i>							
School Breakfast Program	10.553					15,627.48	15,627.48
<i>Pass-Through To:</i> <i>University of Texas at Dallas</i>							
School Breakfast Program	10.553					16,985.19	16,985.19
<i>Pass-Through To:</i> <i>Texas School for the Blind and Visually Impaired</i>							
School Breakfast Program	10.553					35,239.66	35,239.66
<i>Pass-Through To:</i> <i>Texas School for the Deaf</i>							
National School Lunch Program	10.555					150,604,093.11	150,604,093.11
National School Lunch Program (Non-monetary)	10.555					229,030,109.14	229,030,109.14
National School Lunch Program	10.555					128,445.13	128,445.13
<i>Pass-Through To:</i> <i>Texas Military Department</i>							
National School Lunch Program (Non-monetary)	10.555					163,378.63	163,378.63
<i>Pass-Through To:</i> <i>Texas Juvenile Justice Department</i>							
National School Lunch Program	10.555					1,022,311.64	1,022,311.64
<i>Pass-Through To:</i> <i>Texas Juvenile Justice Department</i>							
National School Lunch Program (Non-monetary)	10.555					16,476.69	16,476.69
<i>Pass-Through To:</i> <i>University of Texas at Austin</i>							
National School Lunch Program	10.555					5,000.00	5,000.00
<i>Pass-Through To:</i> <i>University of Texas at Austin</i>							
National School Lunch Program (Non-monetary)	10.555					20,471.81	20,471.81
<i>Pass-Through To:</i> <i>University of Texas at Dallas</i>							
National School Lunch Program	10.555					36,064.58	36,064.58
<i>Pass-Through To:</i> <i>University of Texas at Dallas</i>							
National School Lunch Program (Non-monetary)	10.555					25,883.76	25,883.76
<i>Pass-Through To:</i> <i>Texas School for the Blind and Visually Impaired</i>							
National School Lunch Program	10.555					48,530.82	48,530.82
<i>Pass-Through To:</i>							



**Agency 551 - Department of Agriculture  
Schedule 1A  
For the Fiscal Year Ended August 31, 2023**

Federal Grantor/ Pass-through Grantor/ Program Title	ALN Number	NSE Name/ Identifying Num	Agy/ Univ No.	Pass-through To		Expenditures Amount	Total PT To and Expenditures Amount
				Agencies or Universities	Non-State Entities		
				Amount	Amount		
School Breakfast Program	10.553						78,919.35
<i>Pass-Through To:</i>							
<i>Texas Military Department</i>			401	78919.35			
School Breakfast Program	10.553						591,973.85
<i>Pass-Through To:</i>							
<i>Texas Juvenile Justice Department</i>			644	591973.85			
School Breakfast Program	10.553						15,627.48
<i>Pass-Through To:</i>							
<i>University of Texas at Dallas</i>			738	15,627.48			
School Breakfast Program	10.553						16,985.19
<i>Pass-Through To:</i>							
<i>Texas School for the Blind and Visually Impaired</i>			771	16,985.19			
School Breakfast Program	10.553						35,239.66
<i>Pass-Through To:</i>							
<i>Texas School for the Deaf</i>			772	35,239.66			
National School Lunch Program	10.555					150,522,061.57	150,604,093.11
National School Lunch Program	10.555					229,030,109.14	229,030,109.14
(Non-monetary)							
National School Lunch Program	10.555						128,445.13
<i>Pass-Through To:</i>							
<i>Texas Military Department</i>			401	128,445.13			
National School Lunch Program	10.555						163,378.63
(Non-monetary)							
<i>Pass-Through To:</i>							
<i>Texas Juvenile Justice Department</i>			644	163,378.63			
National School Lunch Program	10.555						1,022,311.64
<i>Pass-Through To:</i>							
<i>Texas Juvenile Justice Department</i>			644	1,022,311.64			
National School Lunch Program	10.555						16,476.69
(Non-monetary)							
<i>Pass-Through To:</i>							
<i>University of Texas at Austin</i>			721	16,476.69			
National School Lunch Program	10.555						5,000.00
<i>Pass-Through To:</i>							
<i>University of Texas at Austin</i>			721	5,000.00			
National School Lunch Program	10.555						20,471.81
(Non-monetary)							
<i>Pass-Through To:</i>							
<i>University of Texas at Dallas</i>			738	20,471.81			
National School Lunch Program	10.555						36,064.58
<i>Pass-Through To:</i>							
<i>University of Texas at Dallas</i>			738	36,064.58			
National School Lunch Program	10.555						25,883.76
(Non-monetary)							
<i>Pass-Through To:</i>							
<i>Texas School for the Blind and Visually Impaired</i>			771	25,883.76			
National School Lunch Program	10.555						48,530.82
<i>Pass-Through To:</i>							

**Agency 551 - Department of Agriculture  
Schedule 1A  
For the Fiscal Year Ended August 31, 2023**

Federal Grantor/ Pass-through Grantor/ Program Title	ALN Number	NSE Name/ <i>Identifying Nurr</i>	Agy/ Univ No	Pass-through From		Direct Program Amount	Total PT From and Direct Program Amount
				Agencies or Universities Amount	Non-State Entities Amount		
<i>Texas School for the Blind and Visually Impaired</i>							
National School Lunch Program (Non-monetary) <i>Pass-Through To:</i> <i>Texas School for the Deaf</i>	10.555					47,939.94	47,939.94
National School Lunch Program <i>Pass-Through To:</i> <i>Texas School for the Deaf</i>	10.555					180,575.43	180,575.43
Summer Food Service Program for Children (Non-monetary) Summer Food Service Program for Children	10.559 10.559					861,368.70 20,637,780.48	861,368.70 20,637,780.48
Summer Food Service Program for Children <i>Pass-Through To:</i> <i>University of Texas at Arlington</i>	10.559					2,858.76	2,858.76
Summer Food Service Program for Children <i>Pass-Through To:</i> <i>Texas A&amp;M University - Kingsville</i>	10.559					4,370.85	4,370.85
Fresh Fruit and Vegetable Program	10.582					11,323,521.75	11,323,521.75
Totals - U.S. Department of Agriculture				0.00	0.00	420,465,005.96	420,465,005.96
<b><u>Food Distribution Cluster</u></b>							
<b>U.S. Department of Agriculture</b>							
<b><u>Direct Programs:</u></b>							
Commodity Supplemental Food Program (Non-monetary) Commodity Supplemental Food Program	10.565 10.565					30,201,457.87 6,786,271.02	30,201,457.87 6,786,271.02
Emergency Food Assistance Program (Administrative Costs)	10.568					11,824,644.19	11,824,644.19
COVID-19 - Emergency Food Assistance Program (Administrative Costs)	10.568					2,800,642.39	2,800,642.39
Emergency Food Assistance Program (Food Commodities) Emergency Food Assistance Program (Food Commodities)  (Non-monetary)	10.569 10.569					116,820.98 160,838,678.33	116,820.98 160,838,678.33
Totals - U.S. Department of Agriculture				0.00	0.00	212,568,514.78	212,568,514.78
<b>Total Expenditures of Federal Awards</b>				<b>29,082,059.80</b>	<b>0.00</b>	<b>1,306,681,062.80</b>	<b>1,335,763,122.60</b>

**Agency 551 - Department of Agriculture  
Schedule 1A  
For the Fiscal Year Ended August 31, 2023**

Federal Grantor/ Pass-through Grantor/ Program Title	ALN Number	NSE Name/ Identifying Num	Agy/ Univ No.	Pass-through To		Expenditures Amount	Total PT To and Expenditures Amount
				Agencies or Universities	Non-State Entities		
				Amount	Amount		
<i>Texas School for the Blind and Visually Impaired</i>			771	48,530.82			
National School Lunch Program (Non-monetary) <i>Pass-Through To:</i> <i>Texas School for the Deaf</i>	10.555		772	47,939.94			47,939.94
National School Lunch Program <i>Pass-Through To:</i> <i>Texas School for the Deaf</i>	10.555		772	180,575.43			180,575.43
Summer Food Service Program for Children (Non-monetary)	10.559					861,368.70	861,368.70
Summer Food Service Program for Children	10.559				19,832,370.50	805,409.98	20,637,780.48
Summer Food Service Program for Children <i>Pass-Through To:</i> <i>University of Texas at Arlington</i>	10.559		714	2,858.76			2,858.76
Summer Food Service Program for Children <i>Pass-Through To:</i> <i>Texas A&amp;M University - Kingsville</i>	10.559		732	4,370.85			4,370.85
Fresh Fruit and Vegetable Program	10.582					11,323,521.75	11,323,521.75
Totals - U.S. Department of Agriculture				2,441,053.57	187,245,033.03	230,778,919.36	420,465,005.96
<b><u>Food Distribution Cluster</u></b>							
<b>U.S. Department of Agriculture</b>							
<b><u>Direct Programs:</u></b>							
Commodity Supplemental Food Program (Non-monetary)	10.565					30,201,457.87	30,201,457.87
Commodity Supplemental Food Program	10.565				6,665,207.66	121,063.36	6,786,271.02
Emergency Food Assistance Program (Administrative Costs)	10.568				11,782,460.30	42,183.89	11,824,644.19
COVID-19 - Emergency Food Assistance Program (Administrative Costs)	10.568				2,529,821.40	270,820.99	2,800,642.39
Emergency Food Assistance Program (Food Commodities)	10.569				116,820.98		116,820.98
Emergency Food Assistance Program (Food Commodities) (Non-monetary)	10.569					160,838,678.33	160,838,678.33
Totals - U.S. Department of Agriculture				0.00	21,094,310.34	191,474,204.44	212,568,514.78
<b>Total Expenditures of Federal Awards</b>				<b>4,067,718.64</b>	<b>869,593,382.67</b>	<b>462,102,021.29</b>	<b>1,335,763,122.60</b>

## Schedule of Expenditures of Federal Awards (Notes)

Agency 551 – Department of Agriculture  
Schedule 1A  
For the Fiscal year Ended August 31, 2023

<b>NOTE 1: <i>NonMonetary Assistance</i></b>
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The Food Distribution Program of the National School Lunch Program is presented at the federally assigned value of the commodities distributed. These are received from the U.S. Department of Agriculture (Federal ALN Number 10.555). The estimated dollar value for the current fiscal year was \$229,304,259.97.

The Food Distribution Program of the Summer Food Service Program is presented at the federally assigned value of the commodities distributed. These are received from the U.S. Department of Agriculture (Federal ALN Number 10.559). The estimated dollar value for the current fiscal year was \$861,368.70.

The Food Distribution Program of the Commodity Supplemental Program is presented at the federally assigned value of the commodities distributed. These are received from the U.S. Department of Agriculture (Federal ALN Number 10.565). The estimated dollar value for the current fiscal year was \$30,201,457.87.

The Food Distribution Program of the Emergency Food Program is presented at the federally assigned value of the commodities distributed. These are received from the U.S. Department of Agriculture (Federal ALN Number 10.569). The estimated dollar value for the current fiscal year was \$160,838,678.33.

The Donation of Federal Surplus Personal Property is presented at the federally assigned value of the furniture & equipment received. These are received from the General Services Administration (Federal ALN Number 39.003). The estimated dollar value for the current fiscal year was \$163.38.

**NOTE 2: Reconciliation**

Below is a reconciliation of the total of federal pass-through and federal expenditures as reported on the Schedule of Federal Financial Assistance to the total of federal revenues and federal grant pass-through revenues as reported in the general-purpose financial statements. Generally, federal funds are not earned until expended; therefore, federal revenues equal federal expenditures for the reporting period.

Per Combined Statement of Revenues, Expenditures and Changes in Fund Balance -  
Governmental Funds

Governmental Funds - Total Federal Revenue (Exh II)	885,475,297.93
- Federal Pass-Through Revenue (Exh II)	<u>29,081,896.42</u>
Subtotal Federal Revenue	914,557,194.35

RECONCILING ITEMS:

Non-monetary Items:		
National School Lunch Program	ALN 10.555	229,304,259.97
Summer Food Service Program for Children	ALN 10.559	861,368.70
Commodity Supplemental Food Program	ALN 10.565	30,201,457.87
Emergency Food Assistance Program (Food Commodities)	ALN 10.569	160,838,678.33
Donation of Federal Surplus Personal Property	ALN 39.003	<u>163.38</u>
Subtotal Non-monetary Items		421,205,928.25
Total Pass Through and Expenditures per Federal Schedule		<u>\$ 1,335,763,122.60</u>

***NOTE 3: Student Loans Processed and Administrative Cost Recovered***

NOT APPLICABLE

***NOTE 4: Federally Funded Loans Processed and Administrative Cost Recovered***

NOT APPLICABLE

***NOTE 5: Unemployment Insurance Funds (Agency 320 only)***

NOT APPLICABLE

***NOTE 6: Agency 501 Only (WIC Program)***

NOT APPLICABLE

**NOTE 7: Federal Deferred Revenue**

ALN	ALN Title	Fed Deferred Revenue 09/01/22	Increase/ (Decrease)	Fed Deferred Revenue 08/31/23
10.025	Plant and Animal Disease, Pest Control, and Animal Care	82,637.94	59,443.52	142,081.46
10.153	Market News	6,666.74	-	6,666.74
10.156	Federal-State Marketing Improvement Program	5.19	-	5.19
10.163	Market Protection and Promotion	6,058.70	37,001.74	43,060.44
10.187	The Emergency Food Assistance Program (TEFAP) Commodity Credit Corporation Eligible Recipient Funds	-	560,631.15	560,631.15
10.555	National School Lunch Program	573,195.15	(517,102.77)	56,092.38
10.558	Child and Adult Care Food Program	1,962,411.47	1,437,447.28	3,399,858.75
10.560	State Administrative Expenses for Child Nutrition	12,612.25	-	12,612.25
10.568	Emergency Food Assistance Program (Administrative Costs)	63,766.85	(63,766.85)	-
10.579	Child Nutrition Discretionary Grants Limited Availability	4,871.22	-	4,871.22
10.582	Fresh Fruit and Vegetable Program	114,698.96	(147.00)	114,551.96
10.649	Pandemic EBT Administrative Costs	614.00	2,449.00	3,063.00
11.477	Fisheries Disaster Relief	250.35	-	250.35
21.027	CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	-	1,757.73	1,757.73
93.211	Telehealth Programs	2.43	-	2.43
93.391	Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	-	4,661.74	4,661.74
TOTAL DEFERRED REVENUE		2,827,791.25	1,522,375.54	4,350,166.79

**Explain why the deferred revenue is reported:**

Federal funds were advanced to Texas Department of Agriculture.

**NOTE 8: Disaster Grants - Public Assistance (ALN 97.036)**

Not applicable. Our agency did not receive FEMA approval this current reporting fiscal year for eligible expenditures incurred in previous reporting fiscal year.

**NOTE 9: Economic Adjustment Assistance (ALN 11.307)**

Not applicable. Our agency does not have any current or prior years Revolving Loan Funds related to the Economic Adjustment Assistance program.

**NOTE 10: 10% de Minimis Indirect Cost Rate**

NOT APPLICABLE

**NOTE 11: Donations from Federal Assistance**

NOT APPLICABLE

**NOTE 12: Funding Sources within the CCDF Cluster**

NOT APPLICABLE

**NOTE 13: EHV Program Funding**

NOT APPLICABLE



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**Department of Agriculture (551)**  
**Schedule 1B**  
**Schedule of State Grant Pass-Throughs From/To State Agencies**  
**For the Year Ended August 31, 2023**

<b>Pass-through From</b>	<b>Grant ID</b>	<b>Agency Number</b>	<b>Amount</b>
			-
<b>Total Pass-Through from Other Agencies (Exh. II):</b>			<b>-</b>
<b>Pass-through To</b>	<b>Grant ID</b>	<b>Agency Number</b>	<b>Amount</b>
<b>TDHCA CDBG Funds</b>	<b>551.0045</b>		
Texas Department of Housing and Community Affairs		332	77,585.47
			<b>77,585.47</b>
<b>TDA-20-ARED-003</b>	<b>551.0056</b>		
University of Texas at San Antonio		743	33,558.53
			<b>33,558.53</b>
<b>GDV2022009 Texas Gulf Shrimp 2021 Marketing</b>	<b>551.0059</b>		
Texas A&M University - Kingsville		732	1,180.03
			<b>1,180.03</b>
<b>GDV2022022 Canker Infections In New Growth</b>	<b>551.006</b>		
Texas A&M University - Kingsville		732	71,652.90
			<b>71,652.90</b>
<b>TDA-21-ARED-13 Improving Fruit Quality Vineyard</b>	<b>551.0062</b>		
Texas A&M AgriLife Extension Service		555	25,527.99
			<b>25,527.99</b>
<b>GDV2022011 Public Health Pesticide App Prep Course</b>	<b>551.0063</b>		
Texas A&M AgriLife Extension Service		555	268,330.55
			<b>268,330.55</b>
<b>GDV2022012 2022 HB 2089 Early Detection Fursarium Wilt in Cotton</b>	<b>551.0064</b>		
Texas A&M AgriLife Extension Service		555	59,486.68
			<b>59,486.68</b>
<b>GDV2022018 Increasing Market share Texas Pecans In Mexico</b>	<b>551.0065</b>		
Texas A&M AgriLife Extension Service		555	17,525.55
			<b>17,525.55</b>
<b>GDV2022019 Auxin Herbicide Drift &amp; Volatility Mgmt</b>	<b>551.0066</b>		
Texas A&M AgriLife Extension Service		555	534,704.43
			<b>534,704.43</b>
<b>GDV2022028 Plant Quality Inspector Training; Surv &amp; detection skills</b>	<b>551.0067</b>		
Texas A&M AgriLife Extension Service		555	80,492.80
			<b>80,492.80</b>
<b>US22005 Urban Schools Agriculture Grant Program TxA&amp;M Agrilife</b>	<b>551.0068</b>		
Texas A&M AgriLife Extension Service		555	851.90
			<b>851.90</b>
<b>TDA-21-ARED-11 Zebra Chip Management</b>	<b>551.0069</b>		
Texas A&M AgriLife Research		556	94,450.89
			<b>94,450.89</b>
<b>TDA-21-ARED-16 Produce Safety Tx Based Fruits &amp; Vegetable Growers</b>	<b>551.007</b>		
Texas A&M AgriLife Research		556	9,674.99
			<b>9,674.99</b>

<b>Pass-through To</b>	<b>Grant ID</b>	<b>Agency Number</b>	<b>Amount</b>
<b>GDV2022016 P.E.A.N.U.T. DEVELOPMENT PROGRAM</b> Texas A&M AgriLife Research	<b>551.0071</b>	556	83,977.49 <b>83,977.49</b>
<b>GDV2022010 Improving Access to Health Foods in Food Deserts</b> University of Texas Rio Grande Valley	<b>551.0074</b>	746	12,883.81 <b>12,883.81</b>
<b>Designing a Toolkit to Enhance Produce Safety in Texas</b> University of Houston	<b>551.0076</b>	730	52,350.05 <b>52,350.05</b>
<b>TDA 21-ARED-12 Development of a Novel Method to Assist Grape Growers-Herbicide Drift</b> Texas Tech University	<b>551.0078</b>	733	52,060.16 <b>52,060.16</b>
<b>GDV2022026 Effects of Pesticides vs. Biological Agents</b> Texas A&M AgriLife Extension Service	<b>551.0079</b>	555	105,756.93 <b>105,756.93</b>
<b>EARLY DETECTION-MITIGATION PRG GDV2022084</b> Texas A&M AgriLife Research	<b>551.008</b>	556	57,939.21 <b>57,939.21</b>
<b>23TFMH 9-1-22 TO 5-31-23 UT SWAG</b> University of Texas Health Science Center at Tyler	<b>551.0082</b>	785	36,023.77 <b>36,023.77</b>
<b>GDV022086 TAMU AgriLife</b> Texas A&M AgriLife Extension Service	<b>551.0083</b>	555	1,435.48 <b>1,435.48</b>
<b>Total Pass-Through to Other Agencies (Exh. II):</b>			<b>1,677,449.61</b>

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TEXAS DEPARTMENT OF AGRICULTURE  
COMMISSIONER SID MILLER

**Annual Financial Report  
For the Year Ended August 31, 2023**