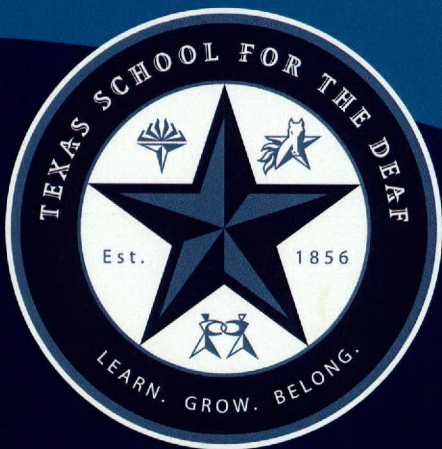
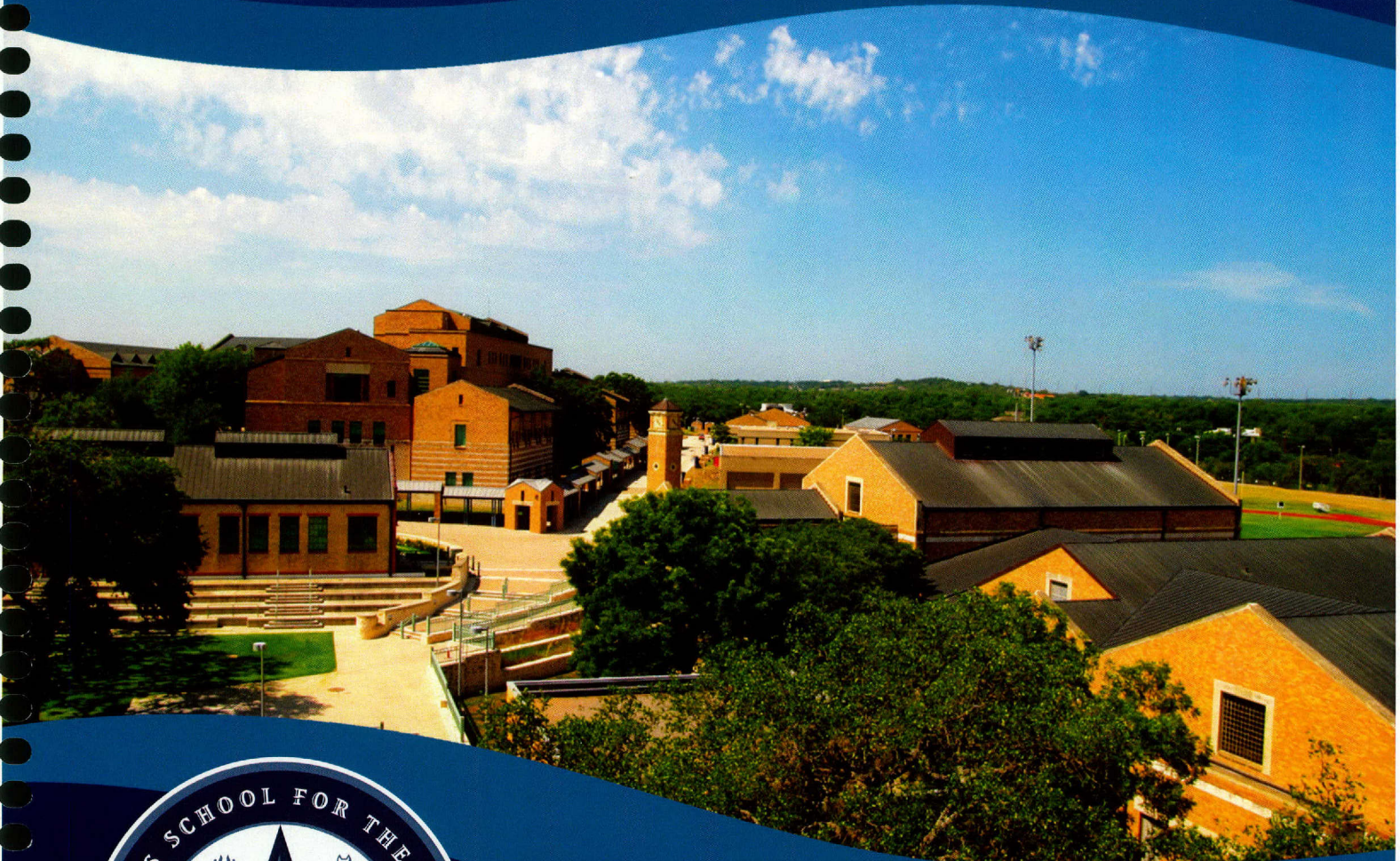


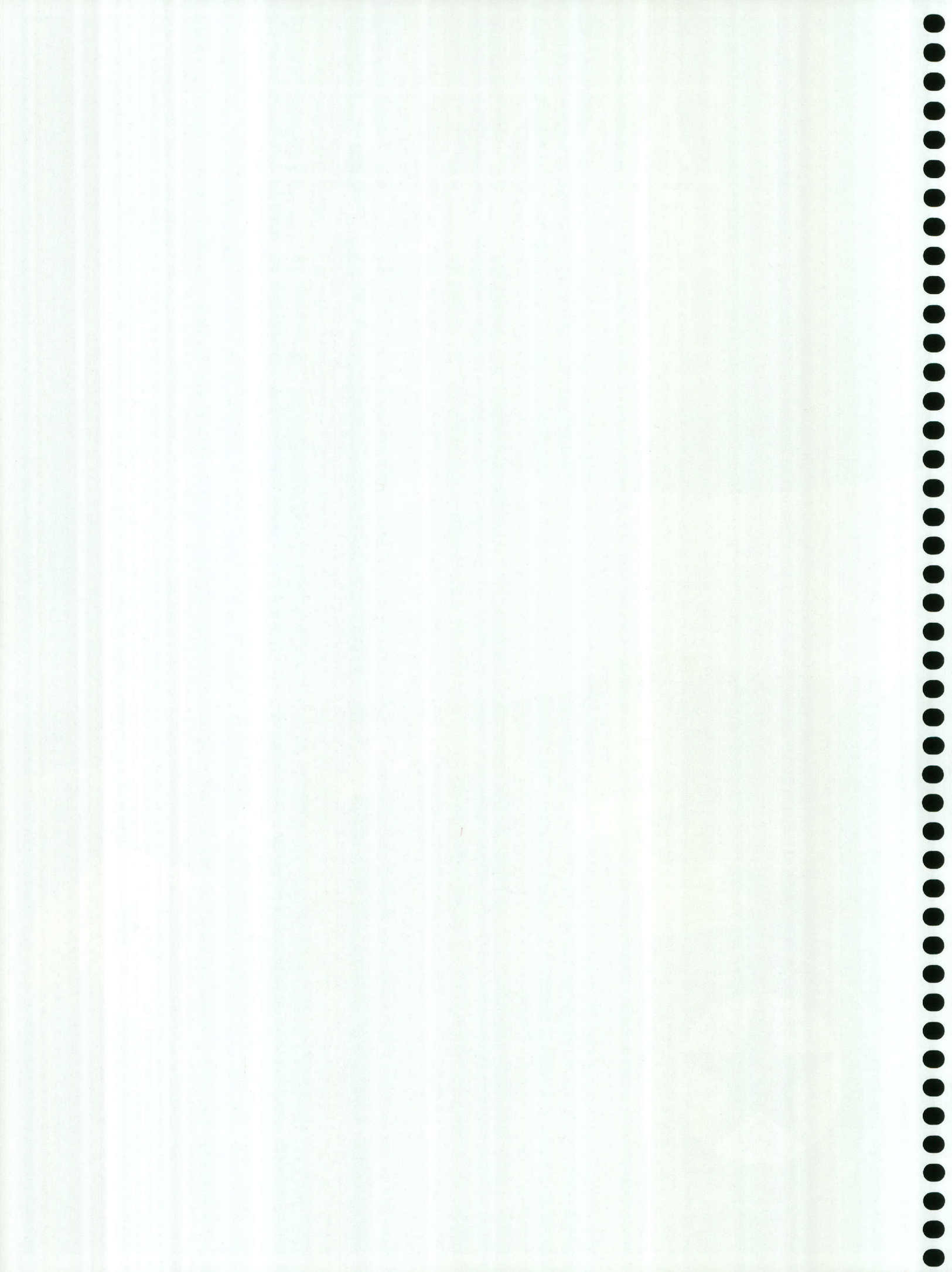
T E X A S S C H O O L F O R T H E D E A F

ANNUAL FINANCIAL REPORT

For The Year Ended August 31, 2019



www.tsd.state.tx.us





October 30, 2019

Honorable Greg Abbott, Governor
Honorable Glenn Hegar, Comptroller of Public Accounts
Sarah Keyton, Assistant Director, Legislative Budget Board
John McGeady, Assistant Director, Legislative Budget Board
Lisa Collier, First Assistant State Auditor

Ladies and Gentlemen:

We are pleased to submit the Annual Financial Report of the Texas School for the Deaf for the year ended August 31, 2019, in compliance with TEX. GOV'T CODE ANN §2101.011 and in accordance with the requirements established by the Comptroller of Public Accounts.

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 will be considered for audit by the State Auditor as part of the audit of the State of Texas Comprehensive Annual Financial Report; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

If you have any questions, please contact Greg Reyes at (512) 462-5360.

Sincerely,

A handwritten signature in black ink that reads "Claire Bugen". The signature is written in a cursive style with a large initial "C".

Claire Bugen
Superintendent

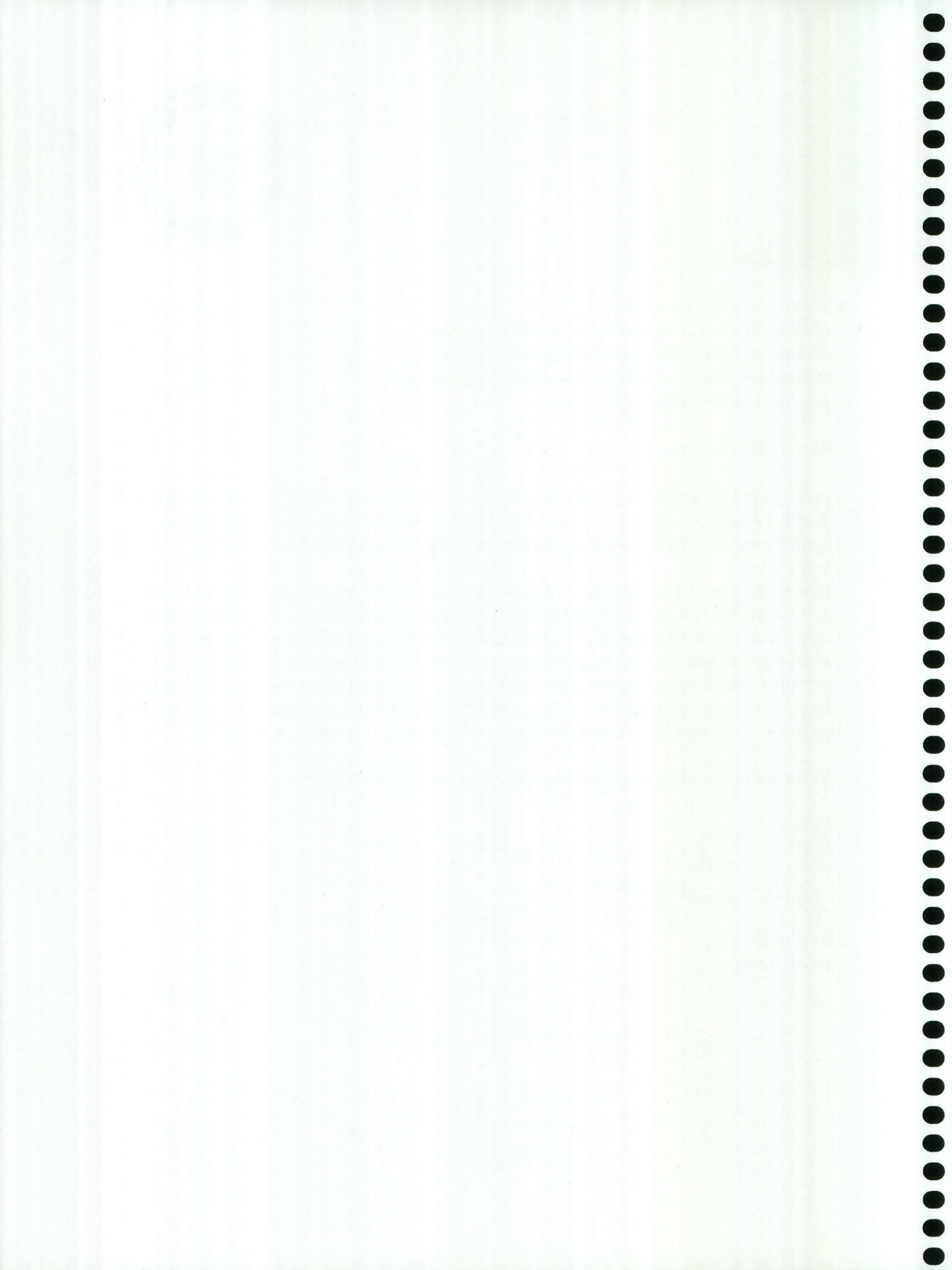


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Texas School for the Deaf (772)
Exhibit I - Combined Balance Sheet/Statement of Net Assets - Governmental Funds
For the Fiscal Year Ended August 31, 2019

	General Fund (0001)	Governmental Fund Types	Adjustments		Statement of Net Assets
			Capital Assets	Long-Term Liabilities	
Current Assets:					
Cash (Note 3)					
On Hand	\$ 8,000.00	\$ 8,000.00	\$ -	\$ -	\$ 8,000.00
In Bank	9,000.00	9,000.00	-	-	9,000.00
Legislative Appropriations	7,726,230.29	7,726,230.29	-	-	7,726,230.29
Accounts Receivable	-	-	-	-	-
Due From Other Agencies	182,646.91	182,646.91	-	-	182,646.91
Due From Other Funds	127,059.85	127,059.85	-	-	127,059.85
Consumable Inventories	-	-	-	-	-
Total Current Assets	\$ 8,052,937.05	\$ 8,052,937.05	\$ -	\$ -	\$ 8,052,937.05
Non-Current Assets:					
Capital Assets (Note 2):					
Non-Depreciable					
Land	\$ -	\$ -	\$ 94,000.00	\$ -	\$ 94,000.00
Depreciable:					
Building and Building Improvements	-	-	87,190,004.70	-	87,190,004.70
Less Accumulated Depreciation	-	-	(63,483,947.20)	-	(63,483,947.20)
Facilities and Other Improvements	-	-	2,601,099.71	-	2,601,099.71
Less Accumulated Depreciation	-	-	(1,401,703.35)	-	(1,401,703.35)
Furniture and Equipment	-	-	1,237,421.54	-	1,237,421.54
Less Accumulated Depreciation	-	-	(901,282.75)	-	(901,282.75)
Vehicle, Boats and Aircraft	-	-	1,688,074.74	-	1,688,074.74
Less Accumulated Depreciation	-	-	(1,017,470.49)	-	(1,017,470.49)
Other Capital Assets	-	-	43,480.03	-	43,480.03
Less Accumulated Depreciation	-	-	(43,016.36)	-	(43,016.36)
Total Non-Current Assets	\$ -	\$ -	\$ 26,006,660.57	\$ -	\$ 26,006,660.57
Total Assets	\$ 8,052,937.05	\$ 8,052,937.05	\$ 26,006,660.57	\$ -	\$ 34,059,597.62
LIABILITIES AND FUND BALANCES					
Liabilities					
Current Liabilities:					
Payables from:					
Accounts	\$ 619,624.17	\$ 619,624.17	\$ -	\$ -	\$ 619,624.17
Payroll	2,544,777.39	2,544,777.39	-	-	2,544,777.39
Due To Other Funds	127,059.85	127,059.85	-	-	127,059.85
Employees' Compensable Leave (Note 5)	-	-	-	747,327.72	747,327.72
Total Current Liabilities	\$ 3,291,461.41	\$ 3,291,461.41	\$ -	\$ 747,327.72	\$ 4,038,789.13
Non-Current Liabilities					
Employees' Compensable Leave (Note 5)	\$ -	\$ -	\$ -	\$ 402,093.83	\$ 402,093.83
Capital Lease Obligations	-	-	-	-	-
Total Non-Current Liabilities	\$ -	\$ -	\$ -	\$ 402,093.83	\$ 402,093.83
Total Liabilities	\$ 3,291,461.41	\$ 3,291,461.41	\$ -	\$ 1,149,421.55	\$ 4,440,882.96
Fund Financial Statement					
Fund Balances (Deficits):					
Reserved for:					
Inventories	-	-	-	-	-
Unassigned	4,761,475.64	4,761,475.64	-	-	4,761,475.64
Total Fund Balances	\$ 4,761,475.64	\$ 4,761,475.64	\$ -	\$ -	\$ 4,761,475.64
Total Liabilities and Fund Balances	\$ 8,052,937.05	\$ 8,052,937.05	\$ -	\$ 1,149,421.55	\$ 4,440,882.96
Government-Wide Statement of Net Assets					
Net Assets					
Invested in Capital Assets, Net of Related Debt			\$ 26,006,660.57	\$ -	\$ 26,006,660.57
Unrestricted			-	(1,149,421.55)	(1,149,421.55)
Total Net Assets			\$ 26,006,660.57	\$ (1,149,421.55)	\$ 29,618,714.66

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



Texas School for the Deaf (772)
Exhibit II - Combined Statement of Revenues, Expenditures and Changes in Fund Balances/Statement of Activities -
Governmental Funds
For the Fiscal Year Ended August 31, 2019

	General Fund (0001)	Governmental Fund Types	Adjustments		Statement of Activities
			Capital Assets	Long-Term Liabilities	
REVENUES					
Legislative Appropriations					
Original Appropriations (GR)	\$ 19,013,449.55	\$ 19,013,449.55	\$ -	\$ -	\$ 19,013,449.55
Additional Appropriations (GR)	7,150,942.05	7,150,942.05	-	-	7,150,942.05
Federal Revenue (PR - Operating)	2,009,086.03	2,009,086.03	-	-	2,009,086.03
Federal Grant Pass-Through Revenue (GR)	2,189,401.96	2,189,401.96	-	-	2,189,401.96
State Grant Pass-Through Revenue (GR)	9,182,774.10	9,182,774.10	-	-	9,182,774.10
Sales of Goods and Services (PR)	338,415.31	338,415.31	-	-	338,415.31
Other (GR)	451,203.00	451,203.00	-	-	451,203.00
Total Revenues	<u>\$ 40,335,272.00</u>	<u>\$ 40,335,272.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 40,335,272.00</u>
EXPENDITURES					
Salaries and Wages	\$ 23,483,799.88	\$ 23,483,799.88	\$ -	\$ -	\$ 23,483,799.88
Payroll Related Costs	7,788,910.92	7,788,910.92	-	21,807.87	7,810,718.79
Professional Fees and Services	86,138.50	86,138.50	-	-	86,138.50
Travel	278,792.52	278,792.52	-	-	278,792.52
Materials and Supplies	3,262,472.30	3,262,472.30	-	-	3,262,472.30
Communication and Utilities	1,001,166.74	1,001,166.74	-	-	1,001,166.74
Repairs and Maintenance	197,271.49	197,271.49	-	-	197,271.49
Rentals and Leases	328,574.60	328,574.60	-	-	328,574.60
Printing and Reproduction	16,509.39	16,509.39	-	-	16,509.39
Claims and Judgements	-	-	-	-	-
Public Assistance Payments	121,227.28	121,227.28	-	-	121,227.28
Other Expenditures	1,160,663.70	1,160,663.70	-	-	1,160,663.70
Capital Outlay	307,545.25	307,545.25	(307,545.25)	-	-
Depreciation Expense	-	-	3,099,088.49	-	3,099,088.49
Other Financing Sources/Restatements	-	-	-	-	-
Total Expenditures/Expenses	<u>\$ 38,033,072.57</u>	<u>\$ 38,033,072.57</u>	<u>\$ 2,791,543.24</u>	<u>\$ 21,807.87</u>	<u>\$ 40,846,423.68</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 2,302,199.43</u>	<u>\$ 2,302,199.43</u>	<u>\$ (2,791,543.24)</u>	<u>\$ (21,807.87)</u>	<u>\$ (511,151.68)</u>
OTHER FINANCING SOURCES (USES)					
Transfer In	\$ 100,291.00	\$ 100,291.00	-	-	\$ 100,291.00
Transfer Out	(197,581.57)	(197,581.57)	-	-	(197,581.57)
Sale of Capital Assets	5,111.61	5,111.61	(5,111.61)	-	-
Interagency Transfer of Capital Assets	-	-	-	-	-
Gain (Loss) on Sale of Capital Assets	-	-	5,111.61	-	5,111.61
Inc (Dec) in Net Position Due to Interagency Transfer	-	-	-	-	-
Insurance Recoveries	50.00	50.00	-	-	50.00
Appropriations Lapsed	(0.17)	(0.17)	-	-	(0.17)
Legislative Transfers Out	-	-	-	-	-
Legislative Transfers In	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ (92,129.13)</u>	<u>\$ (92,129.13)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (92,129.13)</u>
Net Change in Fund Balances/Net Assets	\$ 2,210,070.30	\$ 2,210,070.30	\$ (2,791,543.24)	\$ (21,807.87)	\$ (603,280.81)
Fund Financial Statement - Fund Balances					
Fund Balances, September 1, 2018	\$ 2,551,405.34	\$ 2,551,405.34			\$ 2,551,405.34
Restatements	-	-			-
Fund Balances, August 31, 2019	<u>\$ 4,761,475.64</u>	<u>\$ 4,761,475.64</u>			<u>\$ 1,948,124.53</u>
Government-Wide Statement of Net Assets					
Change in Net Assets	\$ 4,761,475.64	\$ (2,791,543.24)	\$ (21,807.87)	\$ 1,948,124.53	
Net Assets, September 1, 2018		28,798,203.81	(1,127,613.68)	27,670,590.13	
Net Assets, August 31, 2019	<u>\$ 4,761,475.64</u>	<u>\$ 26,006,660.57</u>	<u>\$ (1,149,421.55)</u>	<u>\$ 29,618,714.66</u>	

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



Texas School for the Deaf (772)
Exhibit VI - Combined Statement of Net Assets - Fiduciary Funds
For the Fiscal Year Ended August 31, 2019

	<u>Agency Funds</u>
ASSETS	
Cash and Cash Equivalents (Note 3)	
Cash on Hand	\$ 0.00
Petty Cash on Hand	0.00
Cash in Bank	261,443.44
Cash in State Treasury	10,861.63
Short Term Investments (Note 3)	<u>547,886.19</u>
Total Assets	<u>\$ 820,191.26</u>
LIABILITIES	
Funds Held For Others	<u>\$ 820,191.26</u>
Total Liabilities	<u>\$ 820,191.26</u>



**Texas School for the Deaf
Notes to the Financial Statements
For the Fiscal Year Ended August 31, 2019**

NOTE 1: Summary of Significant Accounting Policies

Entity

The Texas School for the Deaf 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 Texas School for the Deaf operates under the authority of Section 30.051 of the Texas Education Code. The school is governed by a nine-member board appointed by the Governor and confirmed by the Senate. The school provides a positive learning and living environment that addresses the unique needs of a diverse population of deaf learners and enables them to become productive members of society.

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 will be considered for audit by the State Auditor as part of the audit of the State of Texas Comprehensive Annual Financial Report; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

Blended Component Units

The Texas School for the Deaf does not have any blended component units.

Discretely Presented Component Units

The Texas School for the Deaf does not have any discretely presented component units.

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 Revenue Funds

The General Revenue Fund is used to account for all financial resources of the state except those required to be accounted for in another fund.

Capital Assets Adjustment Fund Type

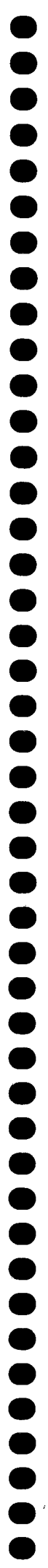
The Capital Assets Adjustment Fund (Fund 0991) will be used to convert governmental fund types' capital assets from modified accrual to full accrual.

Long-Term Liabilities Adjustment Fund Type

Long-Term Liabilities Adjustment Fund (Fund 9997) will be used to convert governmental fund types' debt from modified accrual to full accrual.

Other Adjustment Fund Type

The Other Adjustment Fund Type (Fund 0992) will be used to convert all other governmental fund type activity from modified accrual to full accrual.



**Texas School for the Deaf
Notes to the Financial Statements
For the Fiscal Year Ended August 31, 2019**

Fiduciary Fund Types

Fiduciary funds account for assets held by the state in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds.

Agency Funds

Agency funds are used to account for assets the government holds on behalf of others in a purely custodial capacity. Agency funds involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. Agency funds at the Texas School for the Deaf include Student Trust and Student Activity funds.

Basis of Accounting

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 that build the fund financial statements are accounted for using the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized in the period in which 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 collected within sixty days after 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.

Governmental adjustment fund types that will build the government-wide financial statements are accounted for using the full accrual basis of accounting. This includes capital assets, accumulated depreciation, unpaid employee compensable leave, the unmatured debt service (principal and interest) on general long-term liabilities, long-term capital leases, long-term claims and judgments, and full accrual revenues and expenses. The activity will be recognized in these fund types.

Budget and Budgetary Accounting

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 the end of the fiscal year for which they were appropriated.

Assets, Liabilities, and Fund Balances/Net Assets

ASSETS

Cash and Cash Equivalents

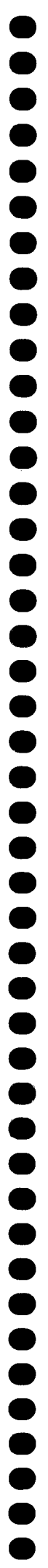
Short-term highly liquid investments with an original maturity of three months or less are considered cash equivalents.

Inventories

Inventories include supplies and postage on hand at year end. The consumption method of accounting is used to account for inventories. The cost of these items is expensed when the items are consumed.

Capital Assets

Assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year should be capitalized. These assets are capitalized at cost or, if not purchased, at appraised fair value as of the date of acquisition. Purchases of assets by governmental funds are reported as



**Texas School for the Deaf
Notes to the Financial Statements
For the Fiscal Year Ended August 31, 2019**

expenditures. Depreciation is reported on all "exhaustible" assets. Assets are depreciated over the estimated useful life of the asset using the straight-line method.

Current Receivables – Other

Other receivables include year-end revenue accruals.

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.

Current Payables – Other

Payables are the accrual at year-end of expenditure transactions.

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 non-current in the statement of net assets.

Capital Lease Obligations

Capital Lease Obligations represent the liability for future lease payments under capital lease contracts contingent upon the appropriation of funding by the Legislature. Liabilities are reported separately as either current or non-current in the statement of net assets.

FUND BALANCE/NET ASSETS

The difference between fund assets and liabilities is 'Net Assets' on the government-wide and fiduciary fund statements, and the 'Fund Balance' is the difference between fund assets and liabilities on the governmental fund statements.

Reserved for Encumbrances

This represents commitments of the value of contracts awarded or assets ordered prior to year-end but not received as of that date. Encumbrances are not included with expenditures or liabilities. They represent current resources designated for specific expenditures in subsequent operating periods.

Unreserved/Undesignated

This represents the unappropriated balance at year-end.

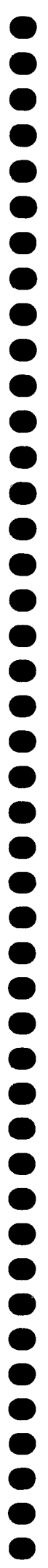
Net Investment In Capital Assets

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.

INTERFUND ACTIVITIES AND BALANCES

The agency has the following types of transactions between 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.



**Texas School for the Deaf
Notes to the Financial Statements
For the Fiscal Year Ended August 31, 2019**

(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 interfund activities and transactions are presented in Note 12.



**Texas School for the Deaf
Notes to the Financial Statements
For the Fiscal Year Ended August 31, 2019**

NOTE 2: Capital Assets

A summary of changes in Capital Assets for the year ended August 31, 2019, is presented below:

Governmental Activities	Balance 9/1/18	Adjustments	Decrease – Interagency Transfers	Additions	Deletions	Balance 8/31/19
Non-Depreciable Assets:						
Land and Land Improvements	94,000.00					94,000.00
Total Non-Depreciable Assets	94,000.00					94,000.00
Depreciable Assets						
Buildings and Improvements	87,190,004.70					87,190,004.70
Facilities and Other Improvements	2,601,099.71					2,601,099.71
Furniture and Equipment	1,105,383.29			199,783.25	(67,745.00)	1,237,421.54
Vehicles	1,645,731.74			107,762.00	(65,419.00)	1,688,074.74
Other Capital Assets	43,480.03					43,480.03
Total Depreciable Assets at Historical Cost	92,585,699.47			307,545.25	(133,164.00)	92,760,080.72
Less Accumulated Depreciation:						
Buildings and Improvements	(60,642,857.80)			(2,841,089.40)		(63,483,947.20)
Facilities and Other Improvements	(1,343,901.15)			(57,802.20)		(1,401,703.35)
Furniture and Equipment	(896,319.73)			(72,708.02)	67,745.00	(901,282.75)
Vehicles, Boats & Aircraft	(955,905.34)			(126,984.15)	65,419.00	(1,017,470.49)
Other Capital Assets	(42,511.64)			(504.72)		(43,016.36)
Total Accumulated Depreciation	(63,881,495.66)			(3,099,088.49)	133,164.00	(66,847,420.15)
Depreciable Assets, Net	28,704,203.81			(2,791,543.24)		25,912,660.57
Governmental Activities- Capital Assets, Net	28,798,203.81			(2,791,543.24)		26,006,660.57



**Texas School for the Deaf
Notes to the Financial Statements
For the Fiscal Year Ended August 31, 2019**

NOTE 3: Deposits, Investments, & Repurchase Agreements

The Texas School for the Deaf is authorized by statute to make investments following the "prudent person rule." There were no significant violations of legal provisions during the period.

Deposits of Cash in Bank

As of August 31, 2019, the amount of deposits was \$17,000.00 as presented below.

Governmental Activities

Governmental Activities	\$ 17,000.00
-------------------------	--------------

Fiduciary Funds

As of August 31, 2019, the carrying value and fair value of investments are as presented below:

Fiduciary Funds	Carrying Value	Fair Value
Cash in Bank – Carrying Amount	\$661,443.44	\$661,443.44
Less: Certificate of Deposit included in carrying amount and reported as Cash Equivalent	400,000.00	400,000.00
Total Cash in Bank per AFR	\$261,443.44	\$261,443.44

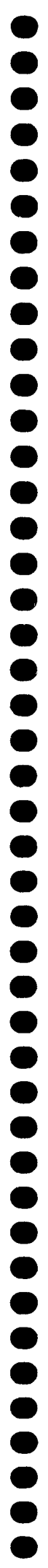
Investments

Fiduciary Fund Investments

As of August 31, 2019, the fair value of investments were:

Fiduciary Funds	Fair Value Hierarchy Level 1 Input
Texas Cooperative Liquid Asset Securities System (TEXAS CLASS) Credit Risk: AAAm	\$133,763.67
Velocity Money Market Credit Risk: N/R	14,122.52
Plus: Nonnegotiable CDs Not Included in Inv Fair Value	400,000.00
Total Investments	\$547,886.19

NOTE 4: Short Term Debt Non-Applicable



**Texas School for the Deaf
Notes to the Financial Statements
For the Fiscal Year Ended August 31, 2019**

NOTE 5: Long-Term Liabilities

Changes in Long-Term Liabilities

During the year ended August 31, 2019, the following changes occurred in liabilities:

Governmental Activities	Balance at 9/1/18	Additions	Reductions	Other Changes	Balance at 8/31/19	Amounts Due Within One Year
Compensable Leave	\$1,127,613.68	1,350,173.80	(1,332,033.36)		1,149,421.55	747,327.72

Claims & Judgments

There are no unpaid claims and judgments as of August 31, 2019.

Governmental Activities	Balance at 9/1/18	Additions	Reductions	Balance at 8/31/19	Amounts Due Within One Year
Claims and Judgements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Employees' Compensable Leave

In the event of an employee's resignation, dismissal, or separation from State employment, the employee is entitled to be paid for all unused accrued vacation time provided the employee has had continuous employment with the State for six months. In governmental fund types, expenditures for accumulated annual leave balances are recognized in the period paid or taken, and the liability for unpaid benefits is recorded in the Statement of Net Assets. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

NOTE 6: Bonded Indebtedness *Non-Applicable*

NOTE 7: Derivatives *Non-Applicable*

NOTE 8: Operating Lease Obligations

Included in the expenditures or expenses reported in the financial statements are the following amounts of rent paid or due under operating leases:

<u>Fund Type</u>	<u>Amount</u>
General Fund	\$64,082.54



**Texas School for the Deaf
Notes to the Financial Statements
For the Fiscal Year Ended August 31, 2019**

Future minimum lease rental payments under non-cancelable operating leases having an initial term in excess of one year are as follows:

Year Ended August 31	Minimum Future Lease Payments
2020	\$ 65,000.00
2021	65,000.00
2022	65,000.00
2023	65,000.00
2024	0.00
2025-2029	0.00
2030-2034	0.00
2035-2039	0.00
Total: Minimum Future Rental Payments	\$ 260,000.00

General Lease Agreements Governmental Activities:
Konica DIR Contract Number DIR-TSO-3082.
Term: 4/3/18-8/31/18 with one year options through 4/2/2023.
\$4,325/month plus potential excess utilization for the term.

**NOTE 9: Defined Benefit Pension Plans and Defined Contribution Plan
Non-Applicable**

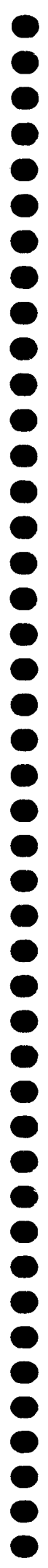
NOTE 10: Deferred Compensation Non-Applicable

NOTE 11: Postemployment Benefits Other Than Pensions Non-Applicable

NOTE 12: Interfund Activity and Transactions

As explained in Note 1 under 'Interfund Activities and Balances', there are numerous transactions between funds and agencies. At year-end, amounts to be received or paid are reported as:

- Interfund Receivables or Interfund Payables
- Due From Other Agencies or Due to Other Agencies
- Due From Other Funds or Due to Other Funds
- Transfers In or Transfers Out
- Legislative Transfers In or Legislative Transfers Out



**Texas School for the Deaf
Notes to the Financial Statements
For the Fiscal Year Ended August 31, 2019**

Due To/Due From Other Agency	Due From Other Agencies	Due to Other Agency	Source
General Revenue (01)			
Agency 701, D23 Fund 0148	\$161,274.86		Federal Pass-Through
Agency 551, D23 Fund 5028	2,769.35		Federal Pass-Through
Agency 551, D23 Fund 5029	10,047.70		Federal Pass-Through
Agency 551, D23 Fund 5216	8,555.00		Federal Pass Through
Total Due To/Due From Other Agency	\$ 182,646.91		

Operating Transfers In/Out	Transfers In	Transfers Out
Agency 347, D23 Fund 0735	\$100,291.00	
Agency 347, D23 Fund 0507		\$188,233.89
Agency 347, D23 Fund 0735		2,845.46
Agency 902, D23 Fund 0001		6,502.22
Total Transfers In/Out	\$ 100,291.00	\$ 197,581.57

Federal Pass Through Revenue	
Agency 551, D23 Fund 5028	\$ 56,092.78
Agency 551, D23 Fund 5029	219,547.66
Agency 551, D23 Fund 5216	8,555.00
Agency 701, D23 Fund 0148	1,905,206.52
Total Federal Pass Through Revenue	\$ 2,189,401.96

State Pass Through Revenue	
Agency 701, D23 Fund 0002	\$ 927.10
Agency 701, D23 Fund 0003	267,516.00
Agency 701, D23 Fund 0193	8,914,331.00
Total State Pass Through Revenue	9,182,774.10

NOTE 13: Continuance Subject to Review

The Texas School for the Deaf was removed from the provisions of the Texas Sunset Act under the provisions of Senate Bill 309, 77th Legislature, Regular Session, Article 7.

NOTE 14: Adjustments to Fund Balance / Net Assets

Non-Applicable



**Texas School for the Deaf
Notes to the Financial Statements
For the Fiscal Year Ended August 31, 2019**

NOTE 15: Contingencies and Commitments

The Texas School for the Deaf has received several federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to a request for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based on prior experience, management believes such disallowances, if any, will be immaterial.

NOTE 16: Subsequent Events

Non-Applicable

NOTE 17: Risk Management

The Texas School for the Deaf, in performance of its duties is exposed to property and casualty loss. It is our agency's policy to retain the risk to cover losses to which it may be exposed.

The Texas School for the Deaf 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. The Texas School for the Deaf participates in the State Office of Risk Management's (SORM) Worker's Compensation Coverage Program.

The Texas School for the Deaf'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 are reevaluated 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 2018 and 2019 were:

Claims and Judgements				
Fiscal Year	Beginning Balance	Current Year Claims	Claims Paid	Ending Balance
2018	0.00	18,846.12	18,846.12	0.00
2019	0.00	0.00	0.00	0.00

NOTE 18: Management's Discussion and Analysis (MD&A)

Non-Applicable

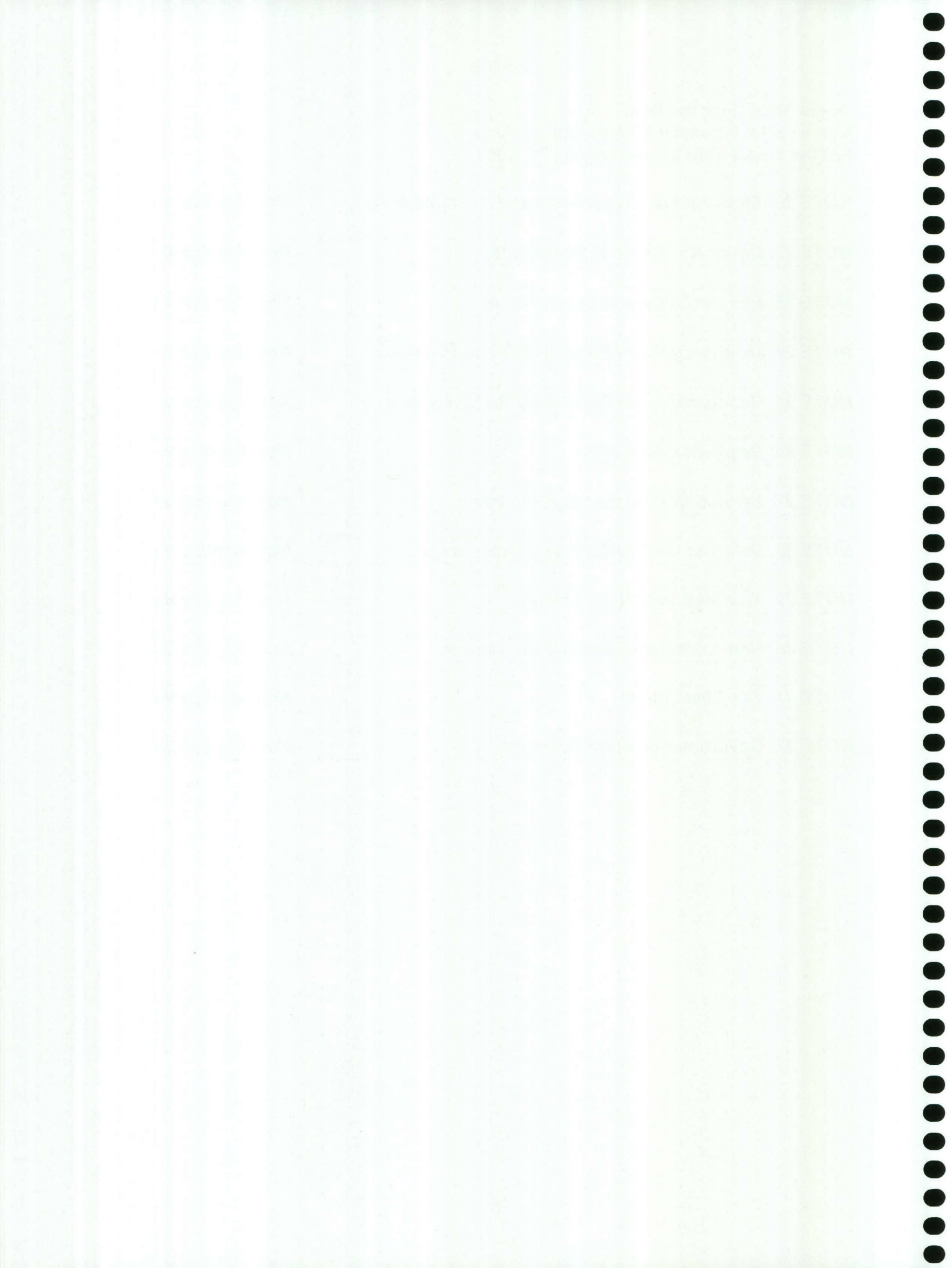
NOTE 19: The Financial Reporting Entity

Non-Applicable



Texas School for the Deaf
 Notes to the Financial Statements
 For the Fiscal Year Ended August 31, 2019

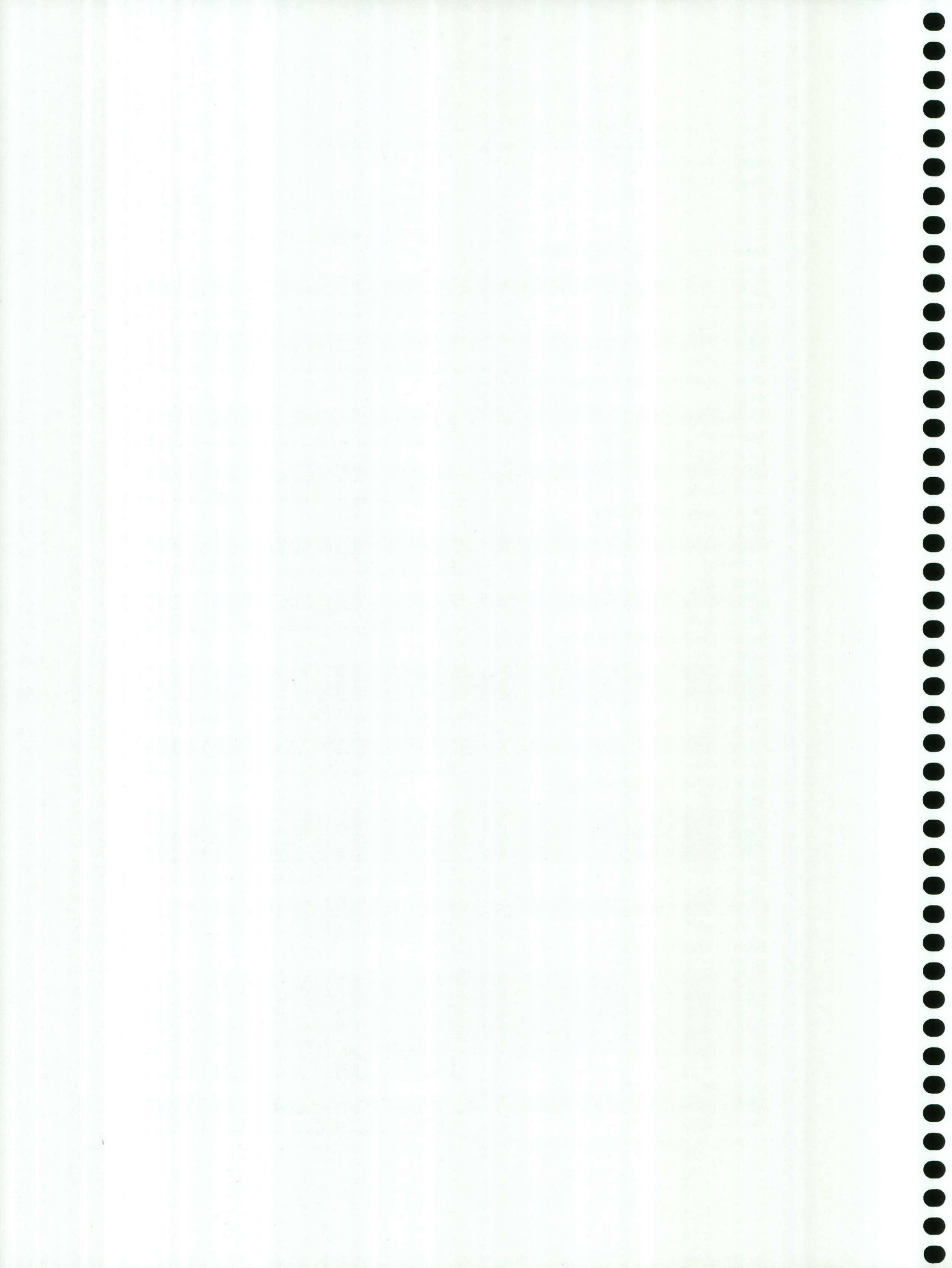
NOTE 20: Stewardship, Compliance and Accountability	Non-Applicable
NOTE 22: Donor Restricted Endowments	Non-Applicable
NOTE 23: Extraordinary and Special Items	Non-Applicable
NOTE 24: Disaggregation of Receivable and Payables	Non-Applicable
NOTE 25: Recognition and Disclosure Requirements	Non-Applicable
NOTE 26: Segment Information	Non-Applicable
NOTE 27: Service Concession Agreements	Non-Applicable
NOTE 28: Deferred Outflow/Inflows of Resources	Non-Applicable
NOTE 29: Troubled Debt Restructuring	Non-Applicable
NOTE 30: Non-Exchange Financial Guarantees	Non-Applicable
NOTE 31: Tax Abatements	Non-Applicable
NOTE 32: Governmental Fund Balances	Non-Applicable



Texas School for the Deaf (772)
Exhibit J-1 — Combining Statement of Changes in Assets and Liabilities—
Agency Funds
August 31, 2019

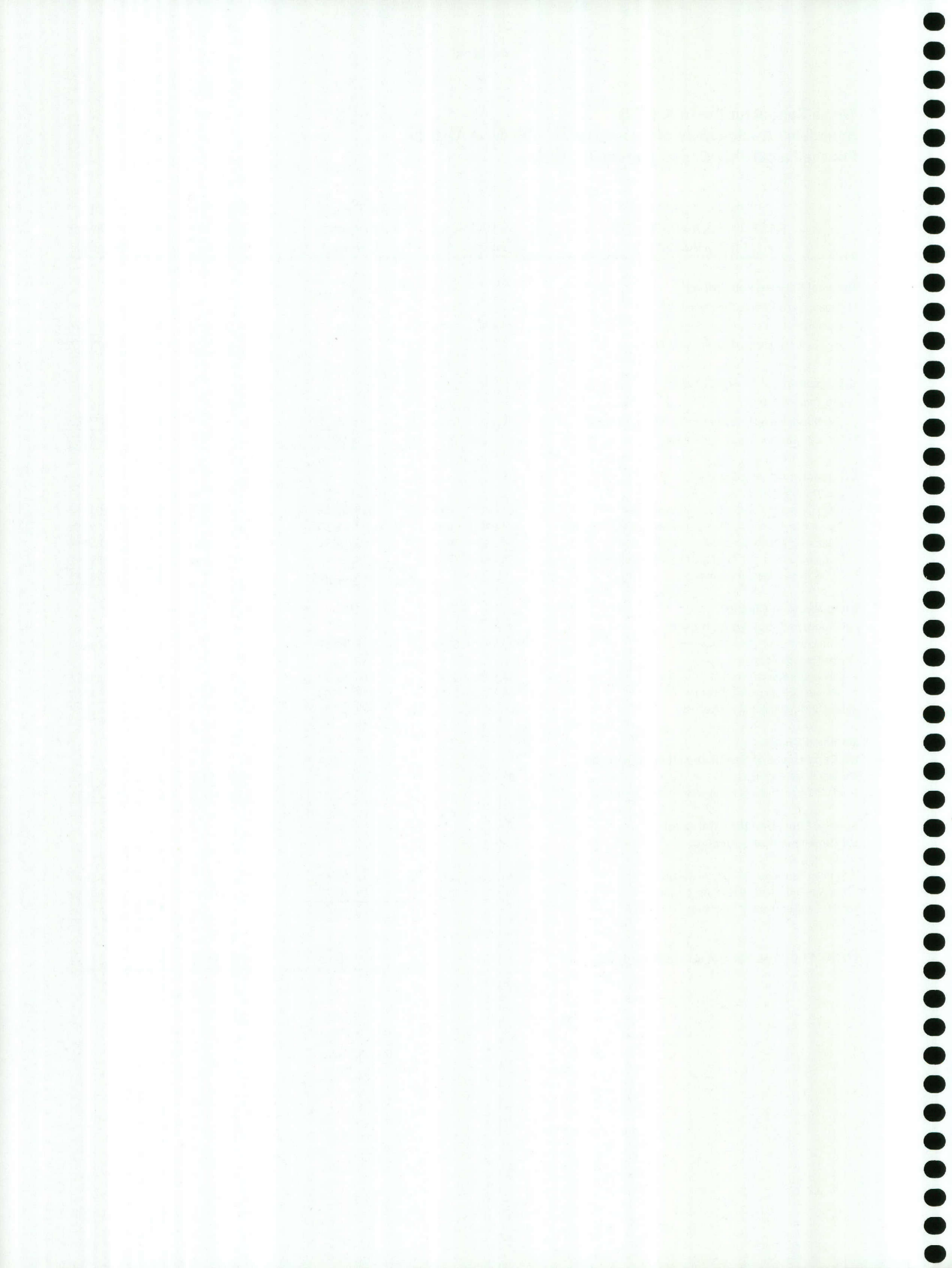
	Beginning Balance 9/1/2018	Additions	Deductions	Ending Balance 8/31/2019
Departmental Suspense (0900) U/F (0900)				
ASSETS				
Cash in State Treasury	\$ 29.01	\$ -	\$ -	\$ 29.01
Total Assets	<u>\$ 29.01</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29.01</u>
LIABILITIES				
Funds Held for Others	\$ 29.01	\$ -	\$ -	\$ 29.01
Total Liabilities	<u>\$ 29.01</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29.01</u>
Correction Account - Direct Deposit (0980) U/F (0980)				
ASSETS				
Cash in State Treasury	\$ 5,144.99	\$ -	\$ -	\$ 5,144.99
Total Assets	<u>\$ 5,144.99</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,144.99</u>
LIABILITIES				
Funds Held for Others	\$ 5,144.99	\$ -	\$ -	\$ 5,144.99
Total Liabilities	<u>\$ 5,144.99</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,144.99</u>
Child Support (0807) U/F (8070)				
ASSETS				
Cash in State Treasury	\$ 5,840.95	\$ -	\$ 849.28	\$ 4,991.67
Total Assets	<u>\$ 5,840.95</u>	<u>\$ -</u>	<u>\$ 849.28</u>	<u>\$ 4,991.67</u>
LIABILITIES				
Funds Held for Others	\$ 5,840.95	\$ -	\$ 849.28	\$ 4,991.67
Total Liabilities	<u>\$ 5,840.95</u>	<u>\$ -</u>	<u>\$ 849.28</u>	<u>\$ 4,991.67</u>
Student Trust Fund (9999) U/F (0236)				
ASSETS				
Cash on Hand	\$ 2,000.00	\$ -	\$ 2,000.00	\$ -
Cash in Bank	8,639.79	3,592.09		12,231.88
Total Assets	<u>\$ 10,639.79</u>	<u>\$ 3,592.09</u>	<u>\$ 2,000.00</u>	<u>\$ 12,231.88</u>
LIABILITIES				
Funds Held for Others	\$ 10,639.79	\$ 3,592.09	\$ 2,000.00	\$ 12,231.88
Total Liabilities	<u>\$ 10,639.79</u>	<u>\$ 3,592.09</u>	<u>\$ 2,000.00</u>	<u>\$ 12,231.88</u>
Student Activity Fund (9999) U/F (0235)				
ASSETS				
Petty Cash on Hand	\$ 2,000.00		\$ 2,000.00	\$ -
Cash in Bank	249,994.72		783.16	249,211.56
Short Term Investments	537,993.31	9,892.88	-	547,886.19
Total Assets	<u>\$ 789,988.03</u>	<u>\$ 9,892.88</u>	<u>\$ 2,783.16</u>	<u>\$ 797,097.75</u>
LIABILITIES				
Funds Held for Others	\$ 789,988.03	\$ 9,892.88	\$ 2,783.16	\$ 797,097.75
Total Liabilities	<u>\$ 789,988.03</u>	<u>\$ 9,892.88</u>	<u>\$ 2,783.16</u>	<u>\$ 797,097.75</u>
Totals - All Agency Funds				
ASSETS				
Cash on Hand	\$ 2,000.00	\$ -	\$ 2,000.00	\$ -
Petty Cash on Hand	2,000.00	-	2,000.00	-
Cash in Bank	258,634.51	3,592.09	783.16	261,443.44
Cash in State Treasury	11,014.95	-	849.28	10,165.67
Short Term Investments	537,993.31	9,892.88	-	547,886.19
Total Assets	<u>\$ 811,642.77</u>	<u>\$ 13,484.97</u>	<u>\$ 5,632.44</u>	<u>\$ 819,495.30</u>
LIABILITIES				
Funds Held for Others	\$ 811,642.77	\$ 13,484.97	\$ 5,632.44	\$ 819,495.30
Total Liabilities	<u>\$ 811,642.77</u>	<u>\$ 13,484.97</u>	<u>\$ 5,632.44</u>	<u>\$ 819,495.30</u>

* GAAP Fund is noted as (XXXX), USAS D23 U/F (XXXX)



**Texas School for the Deaf (772)
 Schedule 1A - Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended August 31, 2019**

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	CFDA Number	Agy. #	Pass-Through From Agency Amount	Direct Program Amount	Total Expenditures Amount
National Science Foundation					
Education and Human Resources					
Rochester Institute of Technology	47.076			\$ 26,751.74	\$ 26,751.74
Total - National Science Foundation / 47 000				<u>\$ 26,751.74</u>	<u>\$ 26,751.74</u>
U.S. Department of Agriculture					
Pass Through From:					
Child Nutrition Discretionary Grants Limited Availability	10.579	551	\$ 8,555.00		\$ 8,555.00
Total - U.S. Department of Agriculture			<u>\$ 8,555.00</u>		<u>\$ 8,555.00</u>
US Department of Education					
Pass-Through From:					
Title I Grants to Local Educational Agencies	84.010	701	\$ 125,503.46		\$ 125,503.46
Career and Technical Education-Basic Grants to States	84.048	701	31,104.00		31,104.00
Supporting Effective Instruction State Grants	84.367	701	12,096.00		12,096.00
Student Support and Academic Enrichment Program	84.424	701	14,690.00		14,690.00
Total US Department of Education			<u>\$ 183,393.46</u>		<u>\$ 183,393.46</u>
Child Nutrition Cluster					
US Department of Agriculture					
Food Distribution (Non-Monetary)	10.555	551	\$ 2,784.92		\$ 2,784.92
Pass-Through From:					
School Breakfast Program	10.553	551	56,092.78		\$ 56,092.78
National School Lunch Program	10.555	551	219,547.66		219,547.66
Total US Department of Agriculture			<u>\$ 278,425.36</u>		<u>\$ 278,425.36</u>
Medicaid Cluster					
US Department of Health and Human Services					
Medical Assistance Program	93.778			\$ 1,982,334.29	\$ 1,982,334.29
Total US Department of Health and Human Services				<u>\$ 1,982,334.29</u>	<u>\$ 1,982,334.29</u>
Special Education (IDEA) Cluster					
US Department of Education					
Pass Thru From:					
Special Education - Grants to States	84.027	701	\$ 1,702,929.41		\$ 1,702,929.41
Special Education - Preschool Grants	84.173	701	18,883.65		18,883.65
Total US Department of Education			<u>\$ 1,721,813.06</u>		<u>\$ 1,721,813.06</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u>\$ 2,192,186.88</u>	<u>\$ 2,009,086.03</u>	<u>\$ 4,201,272.91</u>



Texas School for the Deaf (772)
Schedule 1A - Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended August 31, 2019

Note 1 - Non-Monetary Assistance

This is received from the U.S. Department of Agriculture (Federal CFDA Number 10.555).
 The estimated dollar value for fiscal year 2019 was \$2,784.92.

Note 2 - Reconciliation

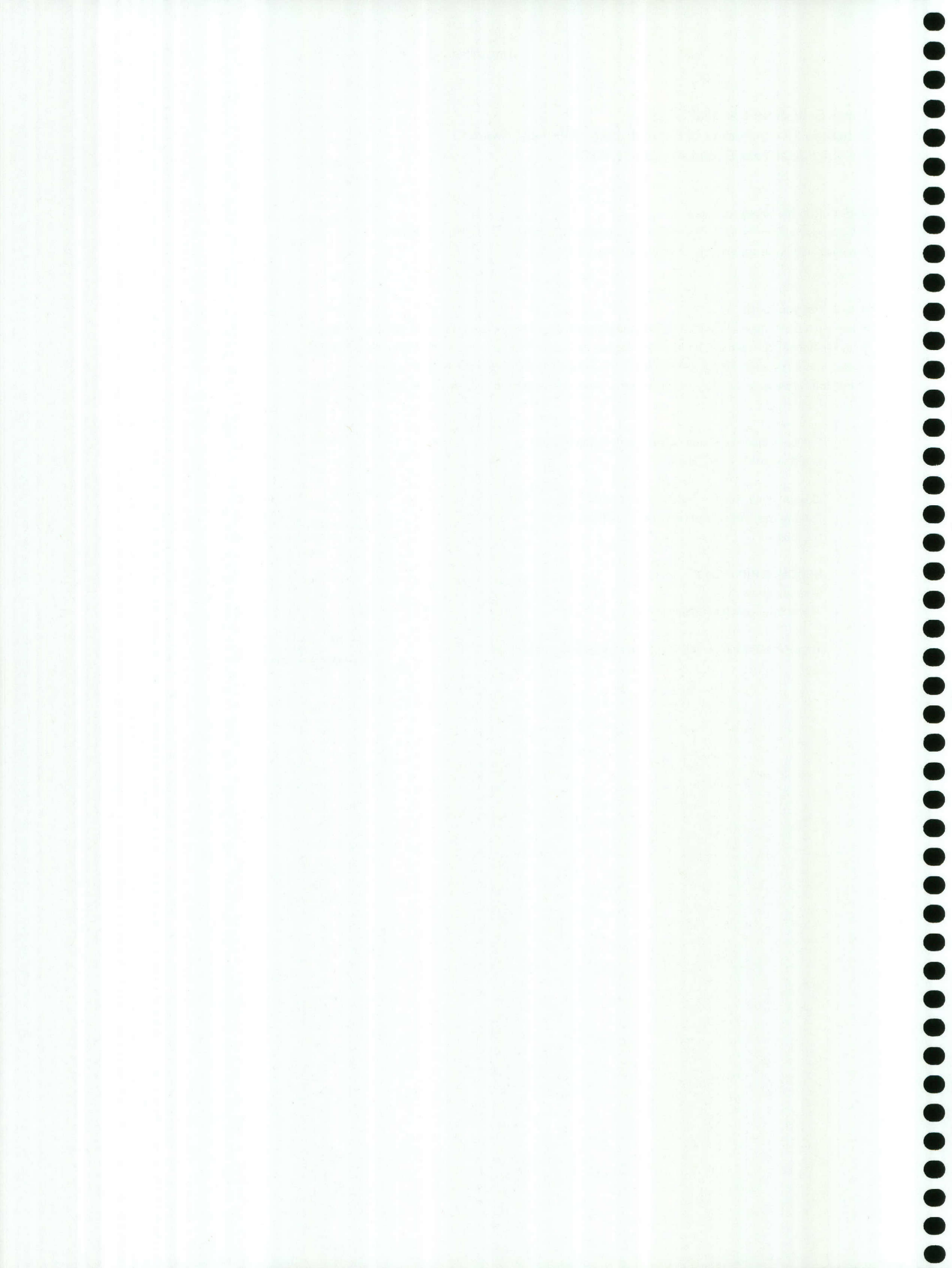
Below is a reconciliation of the total federal pass-through and federal expenditures as reported on the Schedule of Federal Financial Assistance to the total of federal revenues and federal grant pass-through revenues as reported in the general-purpose financial statements. Generally, federal funds are 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 - Federal Revenue (Note 2)	\$ 2,009,086.03
Federal Grant Pass-Through Revenues (Exhibit II)	<u>2,189,401.96</u>
Subtotal	\$ 4,198,487.99

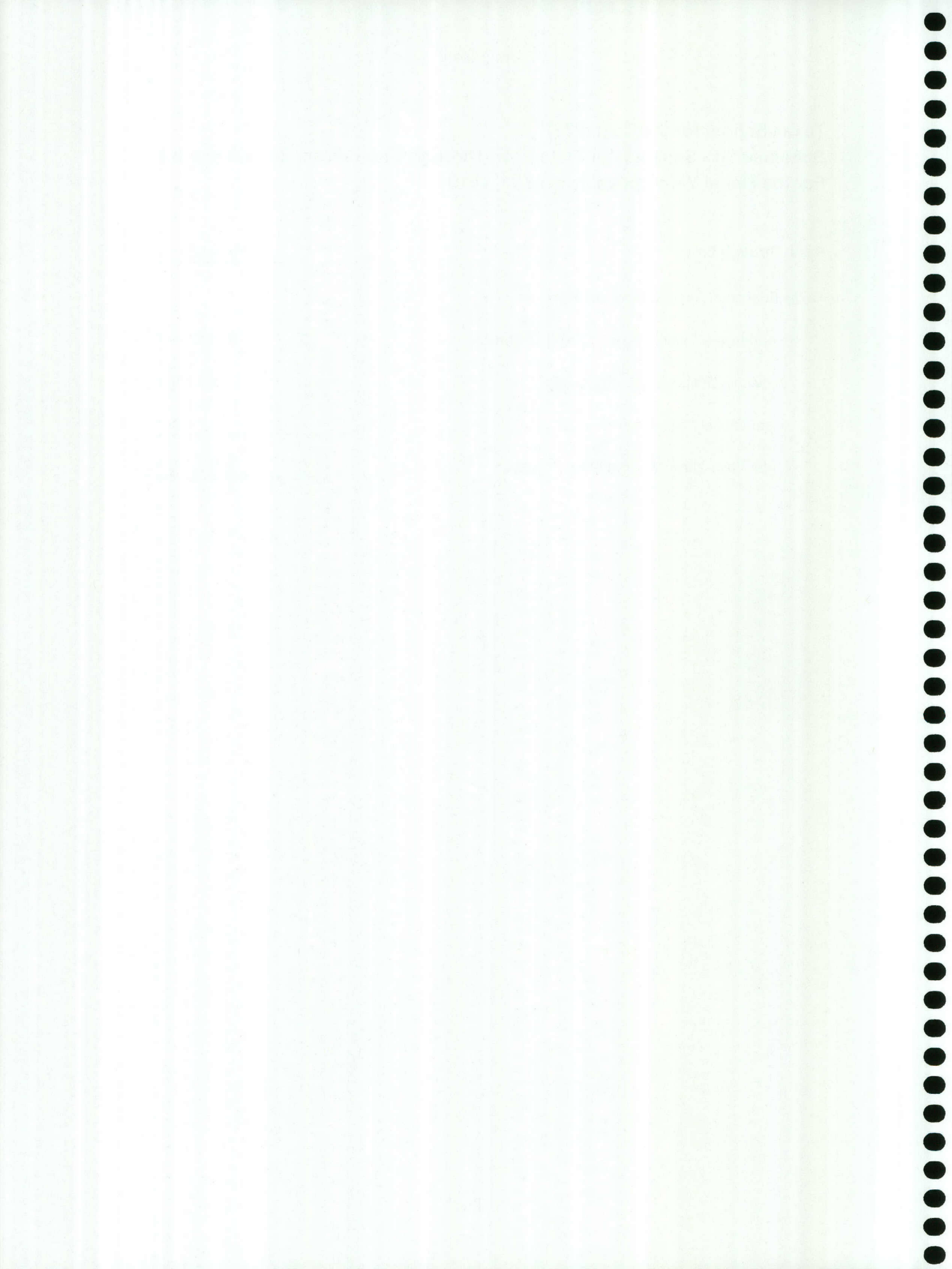
RECONCILING ITEMS:

Non-monetary	
Food Commodities (Schedule 1A)	\$ 2,784.92
Total Pass-Through and Expenditures per Federal Schedule	<u><u>\$ 4,201,272.91</u></u>



Texas School for the Deaf (772)
Schedule 1B - Schedule of State Pass Through Grants from State Agencies
For the Fiscal Year Ended August 31, 2019

Pass-Through From:	<u>Amounts</u>
Texas Education Agency (Agency #701)	
Foundation School Program (FSP) - Formula	\$ 8,914,331.00
Available School Fund - Per Capita	267,516.00
Instructional Materials Allotment	<u>927.10</u>
Total Pass-Through From Other Agencies	<u><u>\$ 9,182,774.10</u></u>



**Texas School for the Deaf (772)
Addendum**

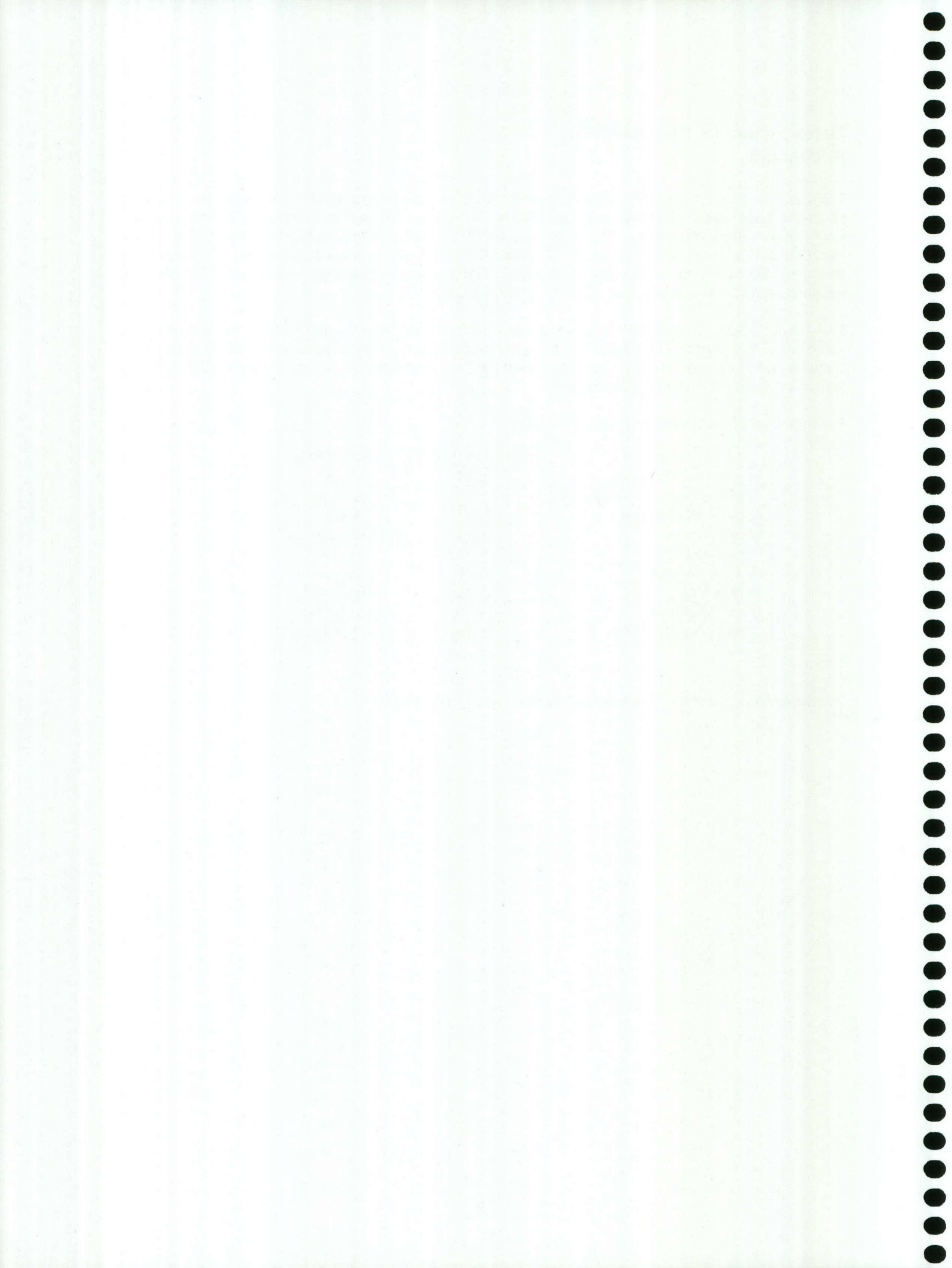
The Texas School for the Deaf (TSD) is established as a state agency to provide a continuum of direct educational services to students, aged zero through twenty-two, who are deaf or hard of hearing, many of whom have multiple disabilities. TSD serves students from local school districts throughout Texas. During the 2018-2019 school year, TSD served 571 students, 226 of whom resided on-campus. The remainder attended TSD during the school day but lived with their families in local area residences. TSD provides transportation services to and from TSD for our day students.

The Texas School for the Deaf is governed by a nine-member board appointed by the Governor and approved by the Senate. The Board is directed to organize and conduct itself like an independent school district board of trustees. Of the nine board members, five must be deaf, are parents of children who are deaf or professionals working with the deaf.

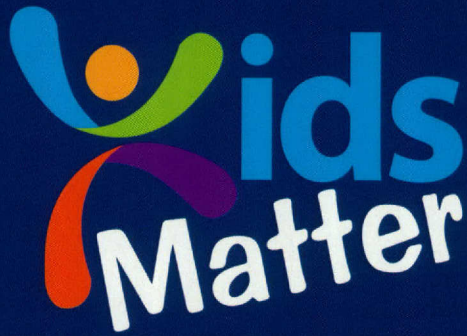
The members of the board as of August 31, 2019 were:

MEMBER	TERM EXPIRES	HOMETOWN
Eric Hogue, President	2021	Wylie
Shawn Saladin, Vice President	2023	Edinburg
Angie Wolf, Secretary	2021	Austin
Shalia Cowan	2023	Dripping Springs
Ryan Hutchison	2021	Austin
Heather Withrow	2025	Humble
Keith Sibley	2025	Sugar Land
David Saunders	2019	Waxahachie
Christopher Moreland	2023	New Braunfels

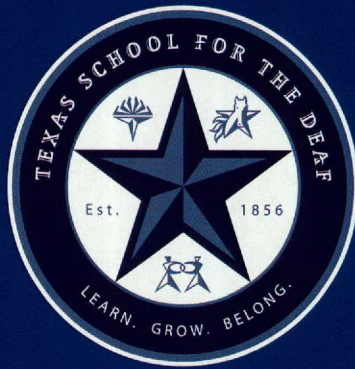
The Superintendent of the Texas School for the Deaf is Claire Bugen.







TEXAS SCHOOL FOR THE DEAF • 2018-2019



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Learn, Grow and Belong.*

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