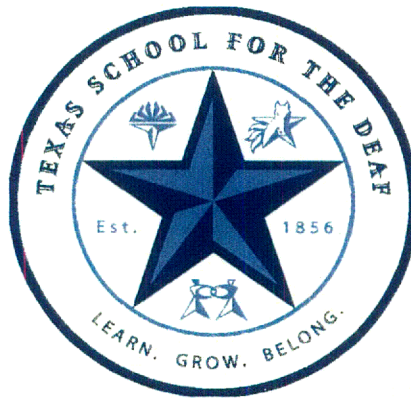


Texas School for the Deaf

ANNUAL FINANCIAL REPORT

For The Year Ended August 31, 2015



Claire Bugen
Superintendent





OFFICE OF THE
SUPERINTENDENT

November 20, 2015

Honorable Greg Abbott, Governor
Honorable Glenn Hegar, Texas Comptroller
Ursula Parks, Director, Legislative Budget Board
John Keel, CPA, State Auditor

Lady and Gentlemen:

We are pleased to submit the Annual Financial Report of the Texas School for the Deaf for the year ended August 31, 2015, 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 Christy Bearden at (512) 462-5360.

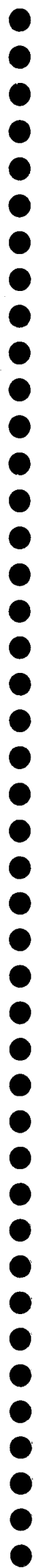
Sincerely,

Claire Bugen
Superintendent



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Texas School for the Deaf
 Exhibit I - Combined Balance Sheet/Statement of Net Assets - Governmental Funds
 For the Fiscal Year Ended August 31, 2015

	General Fund (0001)	Governmental Fund Types	Adjustments		Statement of Net Assets
			Capital Assets	Long-Term Liabilities	
Current Assets:					
Cash (Note 3)					
On Hand	\$ 2,000.00	\$ 2,000.00	\$ 0.00	\$ 0.00	\$ 2,000.00
In Bank	9,000.00	9,000.00	0.00	0.00	9,000.00
In State Treasury	0.00	0.00	0.00	0.00	0.00
Legislative Appropriations	4,195,006.87	4,195,006.87	0.00	0.00	4,195,006.87
Accounts Receivable	408,840.72	408,840.72	0.00	0.00	408,840.72
Due From Other Agencies	145,851.44	145,851.44	0.00	0.00	145,851.44
Consumable Inventories	44,964.44	44,964.44	0.00	0.00	44,964.44
Total Current Assets	\$ 4,805,663.47	\$ 4,805,663.47	\$ 0.00	\$ 0.00	\$ 4,805,663.47
Non-Current Assets:					
Capital Assets (Note 2):					
Non-Depreciable					
Land	\$ 0.00	\$ 0.00	\$ 94,000.00	\$ 0.00	\$ 94,000.00
Depreciable:					
Building and Building Improvements	0.00	0.00	77,218,054.70	0.00	77,218,054.70
Less Accumulated Depreciation	0.00	0.00	(46,055,208.81)	0.00	(46,055,208.81)
Facilities and Other Improvements	0.00	0.00	2,601,099.71	0.00	2,601,099.71
Less Accumulated Depreciation	0.00	0.00	(1,170,494.55)	0.00	(1,170,494.55)
Furniture and Equipment	0.00	0.00	1,095,269.92	0.00	1,095,269.92
Less Accumulated Depreciation	0.00	0.00	(685,418.11)	0.00	(685,418.11)
Vehicle, Boats and Aircraft	0.00	0.00	1,352,175.02	0.00	1,352,175.02
Less Accumulated Depreciation	0.00	0.00	(1,012,709.50)	0.00	(1,012,709.50)
Other Capital Assets	0.00	0.00	43,480.03	0.00	43,480.03
Less Accumulated Depreciation	0.00	0.00	(40,997.48)	0.00	(40,997.48)
Total Non-Current Assets	\$ 0.00	\$ 0.00	\$ 33,439,250.93	\$ 0.00	\$ 33,439,250.93
Total Assets	\$ 4,805,663.47	\$ 4,805,663.47	\$ 33,439,250.93	\$ 0.00	\$ 38,244,914.40
LIABILITIES AND FUND BALANCES					
Liabilities					
Current Liabilities:					
Payables from:					
Accounts	\$ 1,116,255.22	\$ 1,116,255.22	\$ 0.00	\$ 0.00	\$ 1,116,255.22
Payroll	2,211,798.70	2,211,798.70	0.00	0.00	2,211,798.70
Employees' Compensable Leave (Note 5)	0.00	0.00	0.00	836,528.23	836,528.23
Total Current Liabilities	\$ 3,328,053.92	\$ 3,328,053.92	\$ 0.00	\$ 836,528.23	\$ 4,164,582.15
Non-Current Liabilities					
Employees' Compensable Leave (Note 5)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 310,637.11	\$ 310,637.11
Capital Lease Obligations	0.00	0.00	0.00	0.00	0.00
Total Non-Current Liabilities	\$ 0.00	\$ 0.00	\$ 0.00	\$ 310,637.11	\$ 310,637.11
Total Liabilities	\$ 3,328,053.92	\$ 3,328,053.92	\$ 0.00	\$ 1,147,165.34	\$ 4,475,219.26
Fund Financial Statement					
Fund Balances (Deficits):					
Reserved for:					
Encumbrances	60,739.11	60,739.11			60,739.11
Inventories	44,964.44	44,964.44			44,964.44
Imprest	11,000.00	11,000.00			11,000.00
Unassigned	1,360,906.00	1,360,906.00			1,360,906.00
Total Fund Balances	\$ 1,477,609.55	\$ 1,477,609.55			\$ 1,477,609.55
Total Liabilities and Fund Balances	\$ 4,805,663.47	\$ 4,805,663.47			
Government-Wide Statement of Net Assets					
Net Assets					
Invested in Capital Assets, Net of Related Debt			\$ 33,439,250.93	\$ 0.00	\$ 33,439,250.93
Unrestricted			0.00	(1,147,165.34)	(1,147,165.34)
Total Net Assets			\$ 33,439,250.93	\$ (1,147,165.34)	\$ 33,769,695.14

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

Texas School for the Deaf
Exhibit II - Combined Statement of Revenues, Expenditures and Changes in Fund Balances/Statement of Activities -
Governmental Funds
For the Fiscal Year Ended August 31, 2015

	General Fund (0001)	Governmental Fund Types	Adjustments		Statement of Activities
			Capital Assets	Long-Term Liabilities	
REVENUES					
Legislative Appropriations					
Original Appropriations (GR)	\$ 18,467,743.63	\$ 18,467,743.63	\$ 0.00	\$ 0.00	\$ 18,467,743.63
Additional Appropriations (GR)	6,598,054.68	6,598,054.68	0.00	0.00	6,598,054.68
Federal Revenue (PR - Operating)	850,827.31	850,827.31	0.00	0.00	850,827.31
Federal Grant Pass-Through Revenue (GR)	1,651,445.89	1,651,445.89	0.00	0.00	1,651,445.89
State Grant Pass-Through Revenue (GR)	5,786,142.65	5,786,142.65	0.00	0.00	5,786,142.65
Sales of Goods and Services (PR)	802,370.52	802,370.52	0.00	0.00	802,370.52
Other (GR)	196,079.29	196,079.29	0.00	0.00	196,079.29
Total Revenues	\$ 34,352,663.97	\$ 34,352,663.97	\$ 0.00	\$ 0.00	\$ 34,352,663.97
EXPENDITURES					
Salaries and Wages	\$ 21,007,103.90	\$ 21,007,103.90	\$ 0.00	\$ 0.00	\$ 21,007,103.90
Payroll Related Costs	6,350,652.32	6,350,652.32	0.00	28,057.89	6,378,710.21
Professional Fees and Services	378,165.89	378,165.89	0.00	0.00	378,165.89
Travel	188,433.99	188,433.99	0.00	0.00	188,433.99
Materials and Supplies	2,962,820.64	2,962,820.64	0.00	0.00	2,962,820.64
Communication and Utilities	1,373,464.26	1,373,464.26	0.00	0.00	1,373,464.26
Repairs and Maintenance	419,691.85	419,691.85	0.00	0.00	419,691.85
Rentals and Leases	130,694.15	130,694.15	0.00	0.00	130,694.15
Printing and Reproduction	14,469.75	14,469.75	0.00	0.00	14,469.75
Public Assistance Payments	376,460.12	376,460.12	0.00	0.00	376,460.12
Other Expenditures	948,818.01	948,818.01	0.00	0.00	948,818.01
Capital Outlay	131,732.00	131,732.00	(131,732.00)	0.00	0.00
Depreciation Expense	0.00	0.00	2,664,344.33	0.00	2,664,344.33
Other Financing Sources/Restatements	0.00	0.00	4,751.63	0.00	4,751.63
Total Expenditures/Expenses	\$ 34,282,506.88	\$ 34,282,506.88	\$ 2,537,363.96	\$ 28,057.89	\$ 36,847,928.73
Excess (Deficiency) of Revenues over Expenditures	\$ 70,157.09	\$ 70,157.09	\$ (2,537,363.96)	\$ (28,057.89)	\$ (2,495,264.76)
OTHER FINANCING SOURCES (USES)					
Transfer In	200,567.25	200,567.25	0.00	0.00	200,567.25
Transfer Out	(110,168.08)	(110,168.08)	0.00	0.00	(110,168.08)
Legislative Transfers Out	(712,028.00)	(712,028.00)	0.00	0.00	(712,028.00)
Lapsed Appropriations	(23,297.98)	(23,297.98)	0.00	0.00	(23,297.98)
Total Other Financing Sources (Uses)	\$ (644,926.81)	\$ (644,926.81)	\$ 0.00	\$ 0.00	\$ (644,926.81)
Net Change in Fund Balances/Net Assets	\$ (574,769.72)	\$ (574,769.72)	(2,537,363.96)	(28,057.89)	(3,140,191.57)
Fund Financial Statement - Fund Balances					
Fund Balances, September 1, 2014	\$ 2,052,379.27	\$ 2,052,379.27			\$ 2,052,379.27
Appropriations Lapsed	0.00	0.00			0.00
Fund Balances, August 31, 2015	<u>\$ 1,477,609.55</u>	<u>\$ 1,477,609.55</u>			<u>\$ (1,087,812.30)</u>
Government-Wide Statement of Net Assets					
Change in Net Assets		\$ 1,477,609.55	(2,537,363.96)	(28,057.89)	(1,087,812.30)
Net Assets, September 1, 2014			35,976,614.89	(1,119,107.45)	34,857,507.44
Net Assets, August 31, 2015		<u>\$ 1,477,609.55</u>	<u>\$ 33,439,250.93</u>	<u>\$ (1,147,165.34)</u>	<u>\$ 33,769,695.14</u>

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

**Texas School for the Deaf
 Exhibit VI - Combined Statement of Net Assets - Fiduciary Funds
 For the Fiscal Year Ended August 31, 2015**

	<u>Agency Funds</u>
ASSETS	
Cash and Cash Equivalents (Note 3)	
Cash on Hand	\$ 2,000.00
Cash in Bank	565,538.97
Cash in State Treasury	5,174.00
Short Term Investments (Note 3)	<u>126,398.36</u>
Total Assets	<u>\$ 699,111.33</u>
LIABILITIES	
Funds Held For Others	<u>\$ 699,111.33</u>
Total Liabilities	<u>\$ 699,111.33</u>

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

**Texas School for the Deaf
Notes to the Financial Statements
For the Fiscal Year Ended August 31, 2015**

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.

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.

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.

**Texas School for the Deaf
Notes to the Financial Statements
For the Fiscal Year Ended August 31, 2015**

Component Units

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

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 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

**Texas School for the Deaf
Notes to the Financial Statements
For the Fiscal Year Ended August 31, 2015**

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.

Invested In Capital Assets, Net Of Related Debt

Invested in capital assets, net of related debt 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.
- (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.

**Texas School for the Deaf
Notes to the Financial Statements
For the Fiscal Year Ended August 31, 2015**

NOTE 2: Capital Assets

A summary of changes in Capital Assets for the year ended August 31, 2015, is presented below:

Governmental Activities	Balance 9/1/14	Adjustments	Additions	Deletions	Balance 8/31/15
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	77,218,054.70				77,218,054.70
Facilities and Other Improvements	2,601,099.71				2,601,099.71
Furniture and Equipment	1,153,588.27	106,164.07	39,391.00	(203,873.42)	1,095,269.92
Vehicles	1,259,834.02		92,341.00		1,352,175.02
Other Capital Assets	43,480.03				43,480.03
Total Depreciable Assets at Historical Cost	82,276,056.73	106,164.07	131,732.00	(203,873.42)	82,310,079.38
Less Accumulated Depreciation:					
Buildings and Improvements	(43,644,726.33)		(2,410,482.48)		(46,055,208.81)
Facilities and Other Improvements	(1,112,692.35)		(57,802.20)		(1,170,494.55)
Furniture and Equipment	(646,579.36)	(13,076.60)	(131,796.47)	106,034.32	(685,418.11)
Vehicles, Boats & Aircraft	(948,951.04)		(63,758.46)		(1,012,709.50)
Other Capital Assets	(40,492.76)		(504.72)		(40,997.48)
Total Accumulated Depreciation	(46,393,441.84)	(13,076.60)	(2,664,344.33)	106,034.32	(48,964,828.45)
Depreciable Assets, Net	35,882,614.89	93,087.47	(2,532,612.33)	(97,839.10)	33,345,250.93
Governmental Activities-Capital Assets, Net	35,976,614.89	93,087.47	(2,532,612.33)	(97,839.10)	33,439,250.93

**Texas School for the Deaf
Notes to the Financial Statements
For the Fiscal Year Ended August 31, 2015**

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, 2015, the amount of deposits was \$574,538.97 as presented below.

Governmental Activities	\$ 9,000.00
Fiduciary Funds	\$ 565,538.97

Investments

As of August 31, 2015, the carrying value and fair value of investments are as presented below:

	Carrying Value	Fair Value
Fiduciary Funds		
MBIA Capital Management Corp.	\$126,398.36	\$126,398.36

NOTE 4: Short-Term Debt

Non-Applicable

NOTE 5: Long-Term Liabilities

Changes in Long-Term Liabilities

During the year ended August 31, 2015, the following changes occurred in liabilities:

Governmental Activities	Balance at 9/1/14	Additions	Reductions	Balance at 8/31/15	Amounts Due Within One Year
Compensable Leave	\$1,119,107.46	\$2,370,939.48	\$2,342,881.60	\$1,147,165.34	\$ 836,528.23

Claims & Judgments

There are no unpaid claims and judgments as of August 31, 2015.

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: Capital Leases

Non-Applicable

**Texas School for the Deaf
Notes to the Financial Statements
For the Fiscal Year Ended August 31, 2015**

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:

Fund Type	Amount
General Fund	\$71,295.41

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
2016	\$ 88,016
2017	2,016
2018	0.00
2019	0.00
2020	0.00
2021-2025	0.00
2026-2030	0.00
2031-2035	0.00
Total: Minimum Future Rental Payments	\$ 90,032

In 2015, TSD expended \$71,295.41 for copier lease payments (Xerox). Of the 2016 estimate of \$88,016, our lease with Canon is \$2,016 with the remaining \$86,000 attributable to Xerox.

NOTE 9: Retirement Plans **Non-Applicable**

NOTE 10: Deferred Compensation **Non-Applicable**

NOTE 11: Post employment Health Care and Life Insurance Benefits **Non-Applicable**

**Texas School for the Deaf
Notes to the Financial Statements
For the Fiscal Year Ended August 31, 2015**

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

	Due From Other Agencies	Due to Other Agency	Source
General Revenue (01)			
Agency 701, D23 Fund 0001	145,851.44		Federal Pass-Thru
Totals for Fund 0001	145,851.44		

	Transfers In	Transfers Out
General Revenue (01)		
Agency 347, D23 Fund 0001	200,567.25	
Agency 347, D23 Fund 0001		110,168.08
Agency 303, D23 Fund 0001		712,028.00
Total Transfers (Exhibit II)	\$ 200,567.25	\$ 822,196.08

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)

During the preparation of the report for fiscal year 2015, it was discovered that some expenditures for furniture and equipment were recorded as capital in error while other expensed items should have been capitalized. The net amount of these changes is reflected on Exhibit II as Other Financing Sources/Restatements. The breakdown can be seen on Note 2 as follows:

Adjustments	\$ 93,087.47
Deletions	(97,839.10)
Net Restatement	\$(4,751.63)

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.

Texas School for the Deaf
 Notes to the Financial Statements
 For the Fiscal Year Ended August 31, 2015

NOTE 16: Subsequent Events	(Non-Applicable)
NOTE 17: Risk Management	(Non-Applicable)
NOTE 18: Management Discussion and Analysis	(Non-Applicable)
NOTE 19: The Financial Reporting Entity	(Non-Applicable)
NOTE 20: Stewardship, Compliance and Accountability	(Non-Applicable)
NOTE 21: Not Applicable to the AFR	(Non-Applicable)
NOTE 22: Donor-Restricted Endowments	(Non-Applicable)
NOTE 23: Extraordinary and Special Items	(Non-Applicable)
NOTE 24: Disaggregation of Receivable and Payable Balances	(Non-Applicable)
NOTE 25: Termination of Benefits	(Non-Applicable)
NOTE 26: Segment Information	(Non-Applicable)

Texas School for the Deaf
 Exhibit J-1 - Combining Statement of Changes in Assets and Liabilities - Agency Funds
 For the Fiscal Year Ended August 31, 2015

	Beginning Balance September 1, 2014	Additions	Deductions	Ending Balance August 31, 2015
Departmental Suspense (0900) U/F (0900)				
ASSETS				
Cash on Hand	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Cash in State Treasury	29.01	0.00	0.00	29.01
Total Assets	\$ 29.01	\$ 0.00	\$ 0.00	\$ 29.01
LIABILITIES				
Funds Held for Others	\$ 29.01	\$ 0.00	\$ 0.00	\$ 29.01
Total Liabilities	\$ 29.01	\$ 0.00	\$ 0.00	\$ 29.01
Correction Account - Direct Deposit (0980) U/F (0980)				
ASSETS				
Cash in State Treasury	\$ 5,144.99	\$ 0.00	\$ 0.00	\$ 5,144.99
Total Assets	\$ 5,144.99	\$ 0.00	\$ 0.00	\$ 5,144.99
LIABILITIES				
Funds Held for Others	\$ 5,144.99	\$ 0.00	\$ 0.00	\$ 5,144.99
Total Liabilities	\$ 5,144.99	\$ 0.00	\$ 0.00	\$ 5,144.99
Student Trust Fund (9999) U/F (0231)				
ASSETS				
Cash on Hand	\$ 2,000.00	\$ 0.00	\$ 0.00	\$ 2,000.00
Cash in Bank	18,423.52	1,175.30	0.00	19,598.82
Total Assets	\$ 20,423.52	\$ 1,175.30	\$ 0.00	\$ 21,598.82
LIABILITIES				
Funds Held for Others	\$ 20,423.52	\$ 1,548.17	\$ 0.00	\$ 21,971.69
Total Liabilities	\$ 20,423.52	\$ 1,548.17	\$ 0.00	\$ 21,971.69
Student Activity Fund (9999) U/F (0232)				
ASSETS				
Cash in Bank	\$ 383,691.55	\$ 162,248.60	\$ 0.00	\$ 545,940.15
Short Term Investments	126,244.02	154.34	0.00	126,398.36
Total Assets	\$ 509,935.57	\$ 162,402.94	\$ 0.00	\$ 672,338.51
LIABILITIES				
Funds Held for Others	\$ 509,935.57	\$ 162,402.94	\$ 0.00	\$ 672,338.51
Total Liabilities	\$ 509,935.57	\$ 162,402.94	\$ 0.00	\$ 672,338.51
Totals - All Agency Funds				
ASSETS				
Cash on Hand	\$ 2,000.00	\$ 0.00	\$ 0.00	\$ 2,000.00
Cash in Bank	402,115.07	163,423.90	0.00	565,538.97
Cash in State Treasury	5,174.00	0.00	0.00	5,174.00
Short Term Investments	126,244.02	154.34	0.00	126,398.36
Total Assets	\$ 535,533.09	\$ 163,578.24	\$ -	\$ 699,111.33
LIABILITIES				
Funds Held for Others	\$ 535,533.09	\$ 163,578.24	\$ 0.00	\$ 699,111.33
Total Liabilities	\$ 535,533.09	\$ 163,578.24	\$ 0.00	\$ 699,111.33

Texas School for the Deaf
Schedule 1A - Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended August 31, 2015

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	CFDA Number	Agy. #	Pass-Through From Agency Amount	Direct Program Amount	Total Pass-Through & Direct Program	Expenditures Amount
US Department of Agriculture						
Direct Programs:						
Food Distribution (Non-Monetary)	10.555	551		14,527.41	14,527.41	14,527.41
Total US Department of Agriculture			\$ 0.00	\$ 14,527.41	\$ 14,527.41	\$ 14,527.41
US Department of Education						
Pass-Through From:						
Texas Education Agency						
Title I Grants to Local Educational Agencies	84.010	701	\$ 91,021.00		\$ 91,021.00	\$ 91,021.00
Early Childhood Intervention	84.181	701	2,494.00		2,494.00	2,494.00
Improving Teacher Quality State Grant	84.367	701	17,672.00		17,672.00	17,672.00
Total US Department of Education			\$ 111,187.00	\$ 0.00	\$ 111,187.00	\$ 111,187.00
Child Nutrition Cluster						
US Department of Agriculture						
Pass-Through From:						
Texas Department of Human Services						
School Breakfast Program	10.553	551	\$ 52,728.78		\$ 52,728.78	\$ 52,728.78
National School Lunch Program	10.555	551	194,016.56		194,016.56	194,016.56
Total US Department of Agriculture			\$ 246,745.34	\$ 0.00	\$ 246,745.34	\$ 246,745.34
Medicaid Cluster						
US Department of Health and Human Services						
Direct Programs:						
Medical Assistance Program	93.778		\$ 0.00	43,794.43	43,794.43	43,794.43
Total US Department of Health and Human Services			\$ 0.00	\$ 43,794.43	\$ 43,794.43	\$ 43,794.43
Special Education Cluster						
US Department of Education						
Pass Thru From:						
Special Education - Grants to States - IDEA B	84.027	701	1,284,689.55	0.00	1,284,689.55	1,284,689.55
Special Education - Preschool Grants	84.173	701	8,824.00		8,824.00	8,824.00
Total US Department of Education			\$ 1,293,513.55	\$ 0.00	\$ 1,293,513.55	\$ 1,293,513.55
TOTAL FEDERAL FINANCIAL ASSISTANCE			\$ 1,651,445.89	\$ 58,321.84	\$ 1,709,767.73	\$ 1,709,767.73

**Texas School for the Deaf
 Schedule 1A - Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended August 31, 2015**

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 2015 was \$14,527.41.

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 (Exhibit II)	\$ 43,794.43
Federal Grant Pass-Through Revenues (Exhibit II)	1,651,445.89
Subtotal	<u>\$ 1,695,240.32</u>

RECONCILING ITEMS:

Non-monetary	
Food Commodities	14,527.41
Total Pass-Through and Expenditures per Federal Schedule	<u><u>\$ 1,709,767.73</u></u>

**Texas School for the Deaf
Schedule 1B - Schedule of State Pass Through Grants from State Agencies
For the Fiscal Year Ended August 31, 2015**

Pass-Through From:	<u>Amounts</u>
Texas Education Agency (Agency #701)	
Foundation Funds	\$ 5,753,067.00
Instructional Materials Allotment	<u>33,075.65</u>
Total Pass-Through From Other Agencies	<u>\$ 5,786,142.65</u>

**Texas School for the Deaf
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 2014-2015 school year, TSD served 587 students, 266 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. Board members, five of whom must be deaf, are parents of children who are deaf, professionals working with people who are deaf, or persons who themselves are deaf.

The members of the board as of August 31, 2015 were:

MEMBER	TERM EXPIRES	HOMETOWN
Walt Camenisch, President	2015	Austin
Eric Hogue, Vice President	2015	Wylie
Angie Wolf, Secretary	2015	Austin
Beatrice Burke	2013	Temple
Shalia Cowan	2017	Dripping Springs
Tyran P. Lee	2013	Humble
Susan Ridley	2013	Sugar Land
Shawn Saladin	2017	Edinburg

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

