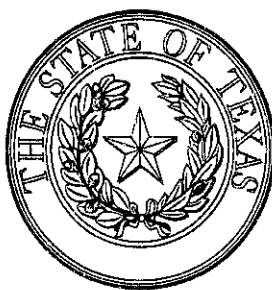


# **Texas School for the Blind and Visually Impaired**



**Austin, Texas**

## **ANNUAL FINANCIAL REPORT**

**FISCAL YEAR ENDED  
AUGUST 31, 2016**



**ANNUAL FINANCIAL REPORT**

of the

**TEXAS SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED**

Austin, Texas

Fiscal Year Ended August 31, 2016

<u>Board Members</u>	<u>Term Expires</u>	<u>Hometown</u>
<b>Parents of Visually Impaired Children:</b>		
Mary K. Alexander, Vice-President	January 31, 2021	Valley View
Caroline Daley	January 31, 2017	Kingwood
Lee Sonnenberg	January 31, 2019	Lubbock
<b>Consumers with Visual Impairments:</b>		
Anne Corn, Ed.D.	January 31, 2017	Austin
Michael Garrett	January 31, 2019	Missouri City
Joseph Muniz, President	January 31, 2021	Harlingen
<b>Professionals on Visual Impairments:</b>		
Bobby Druessedow, Jr.	January 31, 2019	Glen Rose
Michael Hanley	January 31, 2017	Leander
Tobie Wortham	January 31, 2021	Royse City

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William E. Daugherty, Superintendent

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Pamela Darden, Chief Financial Officer

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Prepared by the Business Office:  
Amanda Hafer, Director of Accounting  
Cindy Adcock, Accounting Supervisor

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TEXAS SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED

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Note: Other exhibits and schedules not listed on this table of contents are not applicable to the annual financial report of this agency.





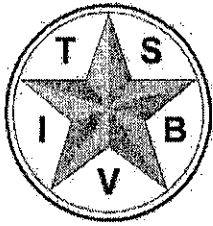






*INTRODUCTORY SECTION*





# Texas School for the Blind and Visually Impaired

A center for educational services for all blind and visually impaired students in Texas

William Daugherty, Superintendent  
1100 W. 45<sup>th</sup> Street Austin, Texas 78756  
(512) 454-8631 Toll-free: (800) TSB-KARE  
[www.tsbvi.edu](http://www.tsbvi.edu)

November 20, 2016

Honorable Greg Abbott, Governor  
Honorable Glenn Hegar, Texas Comptroller  
Ms. Ursula Parks, Director, Legislative Budget Board  
Ms. Lisa Collier, First Assistant State Auditor

Ladies and Gentlemen:

We are pleased to submit the Annual Financial Report of the Texas School for the Blind and Visually Impaired for the fiscal year ended August 31, 2016, in compliance with Texas Government Code Annotated, Sec. 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 (GASB) Statement No. 34, 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, please contact Amanda Hafer, at (512) 206-9208. Cindy Adcock may be contacted at (512) 206-9202 for questions related to the Schedule of Expenditures of Federal Awards.

Sincerely,

William E. Daugherty  
Superintendent

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## BOARD OF TRUSTEES:

Parents of Persons with Visual Impairments:  
Mary K. Alexander, Vice-Pres., Valley View  
Caroline Daley, Kingwood  
Lee Sonnenberg, Lubbock

Consumers with Visual Impairments:  
Anne Corn, Austin  
Michael Garrett, Missouri City  
Joseph Muniz, President, Harlingen

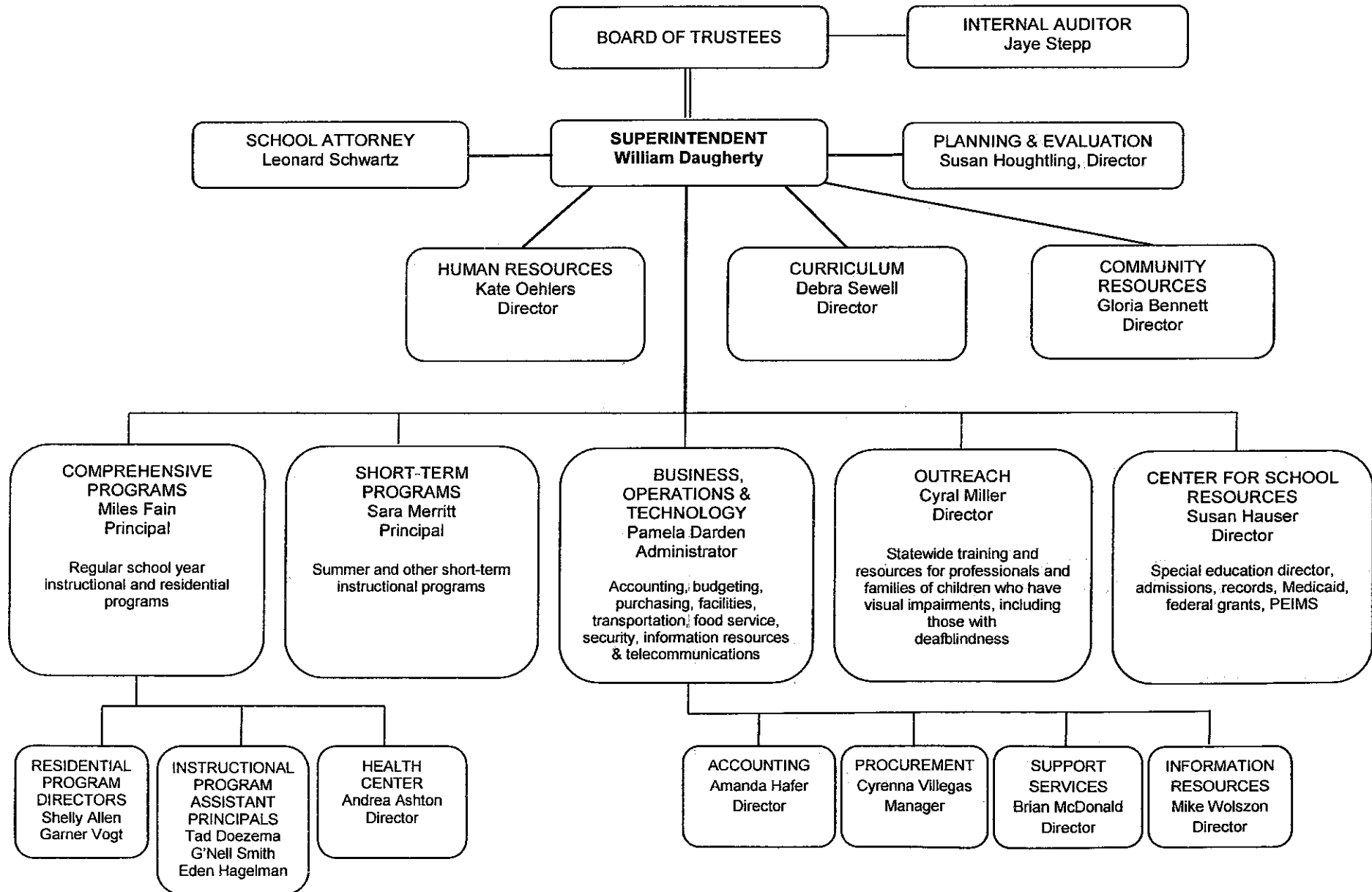
Persons Working with the Visually Impaired:  
Bobby Druessedow, Jr., Glen Rose  
Mike Hanley, Leander  
Tobie Wortham, Rockwall

## FAX:

Business Office (512)206-9452  
Central Mail Room (512)206-9450  
Outreach Services (512)206-9320  
Superintendent (512)206-9453  
Admissions (512)206-9148



# Texas School for the Blind and Visually Impaired











***FINANCIAL SECTION***

UNAUDITED

TEXAS SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED  
AUSTIN, TEXAS

**Exhibit I-Combined Balance Sheet/Statement of Net Assets-  
Governmental Funds**

August 31, 2016

	<u>Governmental Fund Types</u>			
	General Funds	Special Revenue Funds	Permanent Funds	Governmental Funds Total
	\$	\$	\$	\$
<b>ASSETS</b>				
Current Assets:				
Cash				
Cash on Hand	4,755.67			4,755.67
Cash in Bank	10,244.33	838,190.23		848,434.56
Cash in State Treasury (ARRA, Unapp)	64.00			64.00
Short Term Investments		8,841.47		8,841.47
Legislative Appropriations	3,270,504.71			3,270,504.71
Receivables from:				
Federal				0.00
Accounts Receivable	197,110.30	44.05		197,154.35
Consumable Inventories	20,974.05			20,974.05
Total Current Assets	<u>3,503,653.06</u>	<u>847,075.75</u>	<u>0.00</u>	<u>4,350,728.81</u>
Non-Current Assets:				
Investments		14,052.00	9,000.00	23,052.00
Interfund Receivables				0.00
Capital Assets:				
Non-Depreciable				
Land and Land Improvements				0.00
Construction in Progress				0.00
Depreciable				
Building and Building Improvements				0.00
Less Accumulated Depreciation				0.00
Facilities & Other Improvements				0.00
Less Accumulated Depreciation				0.00
Furniture and Equipment				0.00
Less Accumulated Depreciation				0.00
Vehicles, Boats, and Aircraft				0.00
Less Accumulated Depreciation				0.00
Total Non-Current Assets	<u>0.00</u>	<u>14,052.00</u>	<u>9,000.00</u>	<u>23,052.00</u>
<b>Total Assets</b>	<u><u>3,503,653.06</u></u>	<u><u>861,127.75</u></u>	<u><u>9,000.00</u></u>	<u><u>4,373,780.81</u></u>

Capital Assets Adjustments	Long-Term Liabilities Adjustments	Other Adjustments	Statement of Net Assets	Discrete Governmental Component Units
\$	\$	\$	\$	\$
			4,755.67	
			848,434.56	
			64.00	
			8,841.47	
			3,270,504.71	
			0.00	
			197,154.35	
			20,974.05	
<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>4,350,728.81</u>	
			23,052.00	
			0.00	
11,452.43			11,452.43	
0.00			0.00	
98,282,389.63			98,282,389.63	
(9,897,536.24)			(9,897,536.24)	
1,974,685.64			1,974,685.64	
(206,416.16)			(206,416.16)	
1,915,285.97			1,915,285.97	
(1,611,150.09)			(1,611,150.09)	
1,616,099.63			1,616,099.63	
(831,273.93)			(831,273.93)	
<u>91,253,536.88</u>	<u>0.00</u>	<u>0.00</u>	<u>91,276,588.88</u>	
<u>91,253,536.88</u>	<u>0.00</u>	<u>0.00</u>	<u>95,627,317.69</u>	

Exhibit I-continued

	Governmental Fund Types			
	General Funds	Special Revenue Funds	Permanent Funds	Governmental Funds Total
	\$	\$	\$	
<b>LIABILITIES AND FUND BALANCES</b>				
Current Liabilities:				
Payables From				
Accounts Payable	981,750.14	69,586.68		1,051,336.82
Payroll Payable	1,257,893.19			1,257,893.19
Due to Other Agencies (TX Tech, SFA)	222,050.45			222,050.45
Employees' Compensable Leave				
Pollution Remediation				
<b>Total Current Liabilities</b>	<b>2,461,693.78</b>	<b>69,586.68</b>	<b>0.00</b>	<b>2,531,280.46</b>
Non-Current Liabilities:				
Employees' Compensable Leave				0.00
Pollution Remediation				0.00
<b>Total Non-Current Liabilities</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Liabilities</b>	<b>2,461,693.78</b>	<b>69,586.68</b>	<b>0.00</b>	<b>2,531,280.46</b>
<b>Fund Financial Statement</b>				
Fund Balances:				
Nonspdn for Permanent			9,000.00	9,000.00
Nonspdn for Inventory	20,974.05			20,974.05
Restricted (ARRA & Unappropriated)	64.00			64.00
Assigned	155,685.59	791,541.07		947,226.66
Unassigned	865,235.64			865,235.64
<b>Total Fund Balances</b>	<b>1,041,959.28</b>	<b>791,541.07</b>	<b>9,000.00</b>	<b>1,842,500.35</b>
<b>Total Liabilities and Fund Balances</b>	<b>3,503,653.06</b>	<b>861,127.75</b>	<b>9,000.00</b>	<b>4,373,780.81</b>
<b>Government-Wide Statement-Net Assets</b>				
Net Assets:				
Invested in Capital Assets, Net of Related Debt				
Unrestricted				
<b>Total Net Assets</b>				

Capital Assets Adjustments	Long-Term Liabilities Adjustments	Other Adjustments	Statement of Net Assets	Discrete Governmental Component Units
\$	\$	\$	\$	\$
			1,051,336.82	
			1,257,893.19	
			222,050.45	
	540,667.22		540,667.22	
			0.00	
<u>0.00</u>	<u>540,667.22</u>	<u>0.00</u>	<u>3,071,947.68</u>	
	194,137.10		194,137.10	
			0.00	
<u>0.00</u>	<u>194,137.10</u>	<u>0.00</u>	<u>194,137.10</u>	
<u>0.00</u>	<u>734,804.32</u>	<u>0.00</u>	<u>3,266,084.78</u>	
			9,000.00	
			20,974.05	
			64.00	
			947,226.66	
			865,235.64	
<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>1,842,500.35</u>	
<u>0.00</u>	<u>734,804.32</u>	<u>0.00</u>	<u>5,108,585.13</u>	
91,253,536.88			91,253,536.88	
	(734,804.32)	0.00	(734,804.32)	
<u>91,253,536.88</u>	<u>(734,804.32)</u>	<u>0.00</u>	<u>95,627,317.69</u>	

UNAUDITED

TEXAS SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED  
AUSTIN, TEXAS

**Exhibit II-Combined Statement of Revenues, Expenditures, and  
Changes in Fund Balances/Statement of Activities-Governmental Funds**

For the Fiscal Year Ended August 31, 2016

	<u>General Funds</u>	<u>Special Revenue Funds</u>	<u>Permanent Funds</u>
	\$	\$	\$
<b>REVENUES</b>			
Legislative Appropriations:			
Original Appropriations (GR)	15,512,634.48		
Additional Appropriations (GR)	5,492,855.28		
Federal Revenue	2,896,676.75		
Federal Grant Pass-Through Revenue	3,635,388.73		
State Grant Pass-Through Revenue	1,266,980.59		
Licenses, Fees and Permits	80,715.00		
Interest & Other Investment Income	0.00	781,559.63	
Land Income		1,053.43	10,986.87
Sales of Goods and Services	530,480.69	6,036.50	
Other Revenue	348,468.25	35,567.51	
<b>Total Revenues</b>	<u>29,764,199.77</u>	<u>824,217.07</u>	<u>10,986.87</u>
<b>EXPENDITURES</b>			
Salaries and Wages	19,537,687.36		
Payroll Related Costs	6,181,934.00		
Professional Fees and Services	225,458.62	1,590.06	
Travel	188,319.08	124,477.98	
Materials and Supplies	1,113,931.51	408,367.64	
Communication & Utilities	754,419.21	999.00	
Repairs and Maintenance	160,971.99	67,686.57	
Rentals and Leases	57,231.09	68,650.11	
Printing and Reproduction	74,596.71	2,734.62	
Claims and Judgments	0.00		
Federal Pass-Through Expenditures	1,171,110.14		
Other Expenditures	498,579.36	175,301.57	
Capital Outlay	462,993.87	10,419.35	
Depreciation Expenses			
<b>Total Expenditures/Expenses</b>	<u>30,427,232.94</u>	<u>860,226.90</u>	<u>0.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(663,033.17)</u>	<u>(36,009.83)</u>	<u>10,986.87</u>

Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Other Adjustments	Statement of Activities	Discrete Governmental Component Units
	\$	\$	\$	\$	\$
15,512,634.48				15,512,634.48	
5,492,855.28				5,492,855.28	
2,896,676.75				2,896,676.75	
3,635,388.73				3,635,388.73	
1,266,980.59				1,266,980.59	
80,715.00				80,715.00	
781,559.63				781,559.63	
12,040.30				12,040.30	
536,517.19				536,517.19	
384,035.76				384,035.76	
<u>30,599,403.71</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>30,599,403.71</u>	
19,537,687.36		44,664.40		19,582,351.76	
6,181,934.00				6,181,934.00	
227,048.68				227,048.68	
312,797.06				312,797.06	
1,522,299.15				1,522,299.15	
755,418.21				755,418.21	
228,658.56				228,658.56	
125,881.20				125,881.20	
77,331.33				77,331.33	
0.00				0.00	
1,171,110.14				1,171,110.14	
673,880.93				673,880.93	
473,413.22	(473,413.22)			0.00	
0.00	4,457,876.29			4,457,876.29	
<u>31,287,459.84</u>	<u>3,984,463.07</u>	<u>44,664.40</u>	<u>0.00</u>	<u>35,316,587.31</u>	
<u>(688,056.13)</u>	<u>(3,984,463.07)</u>	<u>(44,664.40)</u>	<u>0.00</u>	<u>(4,717,183.60)</u>	

Exhibit II-Continued

	General Funds	Special Revenue Funds	Permanent Funds
	\$	\$	\$
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of Capital Assets	344.25		
Transfers In	0.00	10,986.87	
Transfers Out	(344.25)		(10,986.87)
Legislative Transfers In	0.00		
Legislative Transfers Out	(605,271.00)		
Gain (Loss) on Sale of Capital Assets			
Inc (Dec) in Net Assets Due to Interagency Trf			
<b>Total Other Financing Sources (Uses)</b>	<u>(605,271.00)</u>	<u>10,986.87</u>	<u>(10,986.87)</u>
 Net Change in Fund Balances/Net Assets	 <u>(1,268,304.17)</u>	 <u>(25,022.96)</u>	 <u>0.00</u>
<b>Fund Financial Statement-Fund Balances</b>			
Fund Balances-Beginning	2,310,263.45	816,564.03	9,000.00
Restatements			
Fund Balances-09/01/15, as Restated	<u>2,310,263.45</u>	<u>816,564.03</u>	<u>9,000.00</u>
 Appropriations Lapsed	 0.00		
<b>Fund Balances-August 31, 2016</b>	<u><u>1,041,959.28</u></u>	<u><u>791,541.07</u></u>	<u><u>9,000.00</u></u>
<b>Government-Wide Statement-Net Assets</b>			
Net Assets/Net Change in Net Assets			
Net Assets-Beginning			
Restatements			
Net Assets, September 1, 2015, as Restated			
 <b>Net Assets-August 31, 2016</b>			



Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Other Adjustments	Statement of Activities	Discrete Governmental Component Units
\$	\$	\$	\$	\$	\$
344.25				344.25	
10,986.87				10,986.87	
(11,331.12)				(11,331.12)	
0.00				0.00	
(605,271.00)				(605,271.00)	
0.00	200.00			200.00	
0.00	(39,304.96)			(39,304.96)	
<u>(605,271.00)</u>	<u>(39,104.96)</u>	<u>0.00</u>	<u>0.00</u>	<u>(644,375.96)</u>	
<u>(1,293,327.13)</u>	<u>(4,023,568.03)</u>	<u>(44,664.40)</u>		<u>(5,361,559.56)</u>	
3,135,827.48				3,135,827.48	
0.00				0.00	
<u>3,135,827.48</u>				<u>3,135,827.48</u>	
0.00				0.00	
<u>1,842,500.35</u>	<u>(4,023,568.03)</u>	<u>(44,664.40)</u>	<u>0.00</u>	<u>(2,225,732.08)</u>	
<u>1,842,500.35</u>	<u>(200.00)</u>	<u>(44,664.40)</u>			
	95,277,304.91	(690,139.92)		94,587,164.99	
	<u>95,277,304.91</u>	<u>(690,139.92)</u>	<u>0.00</u>	<u>94,587,164.99</u>	
<u>1,842,500.35</u>	<u>91,253,536.88</u>	<u>(734,804.32)</u>	<u>0.00</u>	<u>92,361,432.91</u>	

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UNAUDITED

TEXAS SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED  
AUSTIN, TEXAS

**Exhibit VI-Combined Statement of Net Assets-Fiduciary Funds**

August 31, 2016

	Pension and Other Employee Benefit Trusts	External Investment Trust	Private- Purpose Trust	Agency Funds	Totals
	\$	\$	\$	\$	\$
<b>ASSETS</b>					
Current Assets:					
Cash and Cash Equivalents					
Cash on Hand				500.00	500.00
Cash in Bank				45,771.79	45,771.79
Cash in State Treasury				2,633.46	2,633.46
Other Short Term Inv-MBIA					0.00
Due From Other Funds					0.00
Total Current Assets	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>48,905.25</u>	<u>48,905.25</u>
<b>Total Assets</b>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>48,905.25</u>	<u>48,905.25</u>
<b>LIABILITIES</b>					
Current Liabilities:					
Funds Held for Others					
Total Current Liabilities	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>48,905.25</u>	<u>48,905.25</u>
<b>Total Liabilities</b>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>48,905.25</u>	<u>48,905.25</u>
<b>NET ASSETS</b>					
Held in trust for:					
Pension and Other Employee Benefits					
Post-Employment Health Care Benefits					
Pool Participants					
Individuals, Organizations, & Other Governments					
<b>Total Net Assets</b>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

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NOTES TO THE FINANCIAL STATEMENTS

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Entity**

The Texas School for the Blind and Visually Impaired 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 of State Agencies and Universities.

The Texas School for the Blind and Visually Impaired was originally established by the Texas Legislature in 1856 as the Texas Institution for the Blind. The Institution's name was changed to the Texas State School for the Blind in 1907. In 1915 it was changed to the Texas School for the Blind, and in 1989 it was again changed to the Texas School for the Blind and Visually Impaired. The School operated under the oversight authority of the State Board of Education and the Texas Education Agency until September 1, 1981, when Senate Bill 29 of the Sixty-Seventh Legislature established Texas School for the Blind and Visually Impaired as a separate entity governed by a nine-member board.

The combined financial statements of the Texas School for the Blind and Visually Impaired include all the accounts of all operations of the School's reporting entity, and the Board of the School is the governing authority of this reporting entity. By state statute, the nine members of the Board are appointed by the Governor and confirmed by the Senate of the State of Texas; however, these elected officials do not maintain a significant continuing relationship with TSBVI with respect to carrying out its important public functions. As the School's governing authority, the TSBVI Board powers include budgetary authority and authority over other fiscal and general management of the School which includes, but is not limited to, the authority to execute contracts, approve the hiring or retention of key management personnel, exercise control over facilities and properties, and determine the outcome of disposition of matters affecting the recipients of the services being provided.

The Texas School for the Blind and Visually Impaired provides educational, residential and related services to any visually handicapped school-age children in Texas who cannot be appropriately served in their local school district.

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 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

No blended component units or discretely presented component units have been identified.

**FUND STRUCTURE**

The accompanying financial statements of the Texas School for the Blind and Visually Impaired 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 serves as the general operating fund of the School. It includes all financial resources except those required to be accounted for in another fund. The General Revenue Fund is composed primarily of appropriations from the State's General Revenue Fund, apportionments from the State's Available and Foundation School Funds, and revenues from federal assistance programs, state assistance programs, and curriculum book sales.

### Special Revenue Funds

Special Revenue funds are used to account for the proceeds of specific revenue sources (other than for private-purpose trusts or for major capital projects) that are legally restricted to use for specified purposes. Special Revenue funds include the Expendable Trust Fund-Legacy (GAAP Fund 9999, Fund 0018).

### Capital Project Funds

Capital Projects Fund (Funds 7216, 7627) are used to account for general obligation bonds issued by the Texas Public Finance Authority. The purpose of these bonds is for construction of new facilities and for the repair and renovation of existing buildings.

### 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 Fund includes the Non-Expendable Trust Fund-Legacy (GAAP Fund 9999, Fund 0021).

### Capital Asset Adjustment Fund Type

Capital Asset Adjustment fund type will be used to convert governmental fund types' capital assets from modified accrual to full accrual (GAAP Fund 9998, Fund 0019).

### Long-Term Liabilities Adjustment Fund Type

Long-Term Liabilities Adjustment fund type will be used to convert governmental fund types' debt from modified accrual to full accrual (GAAP Fund 9997, Fund 0020).

## **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. When assets are held under the terms of a formal trust agreement, either a pension trust fund, or a private purpose trust fund is used.

### 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. They include the Student Trust Fund, School Activities Fund, Agency Suspense Payables Deducts, USPS Overpayments to Employees, and Child Support Deducts. The Student Trust Fund is used to account for accumulated deposits of individual students. The School Activities Fund is used to account for various student organizations and clubs.

## **Basis of Accounting**

The basis of accounting determines when revenue 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). The governing board approves the annual operating budget and likewise authorizes any revisions to the approved budget. Encumbrance accounting is utilized for budgetary control purposes.

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 consumable inventories. Inventories are valued at cost, generally utilizing the last-in, first-out method. The consumption method of accounting is used to account for inventories that appear in the governmental fund types. 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 are capitalized. These assets are capitalized at cost or, if 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. 'Inexhaustible' assets such as works of art and historical treasures are not depreciated. Assets are depreciated over the estimated useful life of the asset using the straight-line method.

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

##### Current Receivables-Other

Other receivables include year-end revenue accruals not included in any other receivable category. This account can appear in governmental fund types.

#### **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

Other payables are the accrual at year-end of expenditure transactions not included in any of the other payable descriptions. Other payables may be included in either the governmental or proprietary fund types.

##### Employees' Compensable Leave Balances

Employees' Compensable Leave Balances represent the liability that became '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. These obligations are normally paid from the same funding source from which each employee's salary or wage compensation was paid.

## FUND BALANCE/NET POSITION

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

### Non-spendable Fund Balance

Non-spendable fund balance includes amounts not available to be spent because they are either not in spendable form or legally or contractually required to be maintained intact. This type includes consumables inventories.

### Restricted Fund Balance

Restricted fund balance includes those resources that have constraints placed on their use through external parties or by law through constitutional provisions. This type includes ARRA (American Recovery & Reinvestment Act) and Unappropriated.

### Assigned Fund Balance

Assigned fund balance includes amounts constrained by the state's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by the Texas Legislature or a body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. This type includes encumbrances in General Revenue and fund balances in Legacy.

### Unassigned Fund Balance

Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that was not assigned to other funds and was not restricted, committed or assigned to specific purposes within the general fund. This type includes unencumbered amounts in General Revenue.

## 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 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, it is classified as "Current" repayment for two (or more) years is classified as "Non-Current"

The composition of the agency's Interfund activities and balances are presented in Note 12.

## NOTE 2: CAPITAL ASSETS

A summary of changes in Capital Assets for the year ended August 31, 2016 is presented on the following page:



TEXAS SCHOOL FOR THE BLIND & VISUALLY IMPAIRED (771)

NOTE 2: Capital Assets

SUMMARY OF CHANGES IN CAPITAL ASSETS

	Balance 09/01/15	Adjustments	Interagency Transfers	Additions	Deletions	Balance 08/31/16
<b>Governmental Activities:</b>						
<b>Non-depreciable Assets</b>						
Land and Land Improvements	11,452.43					11,452.43
Construction in Progress	0.00					0.00
Total non-depreciable assets:	11,452.43	0.00	0.00	0.00	0.00	11,452.43
<b>Depreciable Assets:</b>						
Buildings and Building Improvements	98,282,389.63			0.00	0.00	98,282,389.63
Facilities and Other Improvements	1,974,685.64					1,974,685.64
Furniture and Equipment	2,252,544.33		(130,691.52)	127,537.22	(334,104.06)	1,915,285.97
Vehicles, Boats & Aircraft	1,270,223.63			345,876.00		1,616,099.63
Total depreciable assets at historical costs:	103,779,843.23	0.00	(130,691.52)	473,413.22	(334,104.06)	103,788,460.87
Less accumulated depreciation for:						
Buildings and Building Improvements	(5,784,450.32)			(4,113,085.92)		(9,897,536.24)
Facilities and Other Improvements	(117,528.32)			(88,887.84)		(206,416.16)
Furniture and Equipment	(1,925,590.12)		91,386.56	(111,050.59)	334,104.06	(1,611,150.09)
Vehicles, Boats & Aircraft	(686,421.99)			(144,851.94)		(831,273.93)
Total Accumulated Depreciation	(8,513,990.75)	0.00	91,386.56	(4,457,876.29)	334,104.06	(12,546,376.42)
Depreciable assets, net	95,265,852.48	0.00	(39,304.96)	(3,984,463.07)	0.00	91,242,084.45
Governmental activities capital assets, net:	95,277,304.91	0.00	(39,304.96)	(3,984,463.07)	0.00	91,253,536.88

**NOTE 3: DEPOSITS, INVESTMENTS AND REPURCHASE AGREEMENTS**

Texas School for the Blind and Visually Impaired 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, 2016, the carrying amount of deposits was \$894,206.35 as presented below.

<b>Governmental and Business-Type Activities</b>	
CASH IN BANK-CARRYING AMOUNT	848,434.56
Checking Accounts	87,222.43
Money Market	181,212.13
Certificates of Deposit	580,000.00
Cash In Bank per AFR	848,434.56
Governmental Funds Current Assets Cash in Bank	848,434.56
Cash in Bank per AFR	848,434.56

<b>Fiduciary Funds</b>	
CASH IN BANK-CARRYING AMOUNT	45,771.79
Checking Accounts	45,771.79
Cash In Bank per AFR	45,771.79
Fiduciary Funds Cash in Bank	45,771.79
Cash in Bank per AFR	45,771.79

These amounts consist of all cash in local banks. These amounts are included on the Combined Statement of Net Assets as part of the "Cash and Cash Equivalents" accounts.

As of August 31, 2016, the total bank balance was as follows.

Governmental and Business-Type Activities	\$848,434.56	Fiduciary Funds	\$45,771.79	Discrete Component Units	\$0
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**Investments**

As of August 31, 2016, the carrying value and fair value of investments are as presented below.

<b>Governmental and Business-Type Activities</b>	Carrying Value	Fair Value
Other Commingled Funds (External Investment Pool-MBIA)	8,741.47	8,741.47
Real Estate (Farm Land)	9,000.00	9,000.00
Miscellaneous (Oil, Gas, & Mineral Properties & Roscoe Co-op Gin Common Stock)	14,152.00	14,152.00
Total	31,893.47	31,893.47

<b>Fiduciary Funds</b>	Carrying Value	Fair Value
Other Commingled Funds (External Investment Pool-MBIA)	0.00	0.00
Total	0.00	0.00

**NOTE 4: SHORT-TERM DEBT**

as prescribed by the Comptroller of Public Accounts' Reporting Requirements for Annual Financial Reports of State Agencies is not applicable to this annual financial report and accordingly is not included.

**NOTE 5: LONG-TERM LIABILITIES**Changes in Long-Term Liabilities

During the year ended August 31, 2016, the following changes occurred in long-term liabilities:

Governmental Activities	Balance 09-01-15	Additions	Reductions	Balance 08-31-16	Amounts Due Within One Year	Amounts Due Thereafter
Compensable Leave	679,139.92	1,882,713.56	(1,827,049.16)	734,804.32	540,667.22	194,137.10
Demolition Asbestos Abatement	<u>11,000</u>	<u>0.00</u>	<u>(11,000)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Totals	<u>690,139.92</u>	<u>1,882,713.56</u>	<u>(1,838,049.16)</u>	<u>734,804.32</u>	<u>540,667.22</u>	<u>194,137.10</u>

Employees' Compensable Leave

A 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, provided the employee has had continuous employment with the State for six months. 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 compensable benefits is recorded in the Statement of Net Assets. No liability is recorded for non-vesting accumulated 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.

Asbestos Abatement

Several buildings on our campus were originally built beginning in the 1910's and had asbestos contamination. Most of our campus has undergone a renovation and reconstruction, and most of the contaminated buildings have been demolished and have been replaced with new buildings. Asbestos removal was performed in an acceptable manner by demolition subcontractors hired by the former contractors. We still have two buildings on our campus that may have asbestos contamination. However, effective 9/1/15, the facilities owned by the School are now managed by Texas Facilities Commission (TFC). Any asbestos abatement on this campus will be disclosed by TFC.

**NOTE 6: BONDED INDEBTEDNESS****NOTE 7: DERIVATIVE INSTRUMENTS****NOTE 8: LEASES****NOTE 9: DEFINED BENEFIT PENSION PLANS AND DEFINED CONTRIBUTION PLAN****NOTE 10: DEFERRED COMPENSATION****NOTE 11: POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**

as prescribed by the Comptroller of Public Accounts' Reporting Requirements for Annual Financial Reports of State Agencies are not applicable to this annual financial report and accordingly are not included.

**NOTE 12: INTERFUND ACTIVITY AND TRANSACTIONS**

At year-end, amounts to be received or paid are reported as Interfund Receivables or Interfund Payables, Due From or Due To Other Agencies, Due From or Due To Other Funds, Transfers In or Transfers Out, and Legislative Transfers In or Legislative Transfers Out. Individual balances and activity at August 31, 2016, were as follows:

Optional Note 12 Presentation:			
	Due From Other Agencies	Due To Other Agencies	Source
General Revenue (01)			
Texas Public Finance Authority Agency 347, Fund 7216	0.00		Shared Fund 7216
TX Tech University Agency 733, Fund 7999		25,626.26	Federal Pass-Through
Stephen F Austin State University Agency 755, Fund 7999		196,424.19	Federal Pass-Through
Total Due From/To Other Agencies (Exh I)	0.00	222,050.45	

Optional Note 12 Presentation:			
	Transfers In	Transfers Out	Purpose
General Revenue (01)			
Texas Public Finance Authority Agency 347, Fund 7216	0.00		Shared Fund 7216
Special Revenue			
TX School f/t Blind & Visually Impaired Non-Expendable Trust Fund-Legacy Agency 771, Fund 0021	10,986.87		Transfer from Permanent to Special Revenue
General Revenue (01)			
Comptroller of Public Accounts Agency 902, Fund 0001		344.25	Transfer from TSBVI Appr 99908 (Fd 0001- Sale of Surplus Property) to Comptroller of Public Accounts
Permanent Funds			
TX School f/t Blind & Visually Impaired Non-Expendable Trust Fund-Legacy Agency 771, Fund 0018		10,986.87	Transfer from Permanent to Special Revenue
Total Transfers	10,986.87	11,331.12	

<b>Optional Note 12 Presentation:</b>			
	Legislative Financing Sources (Legislative Transfers In)	Legislative Financing Uses (Legislative Transfers Out)	Purpose
General Revenue (01)			
Texas Facilities Commission Agency 303		605,271.00	Per Rider 9 (Maintenance Responsibilities), transfer from TSBVI Agency 771 to Texas Facilities Commission Agency 303
Total Legislative Transfers	0.00	605,271.00	

**NOTE 13: CONTINUANCE SUBJECT TO REVIEW**

Senate Bill 309 of the 77th Legislature, R. S. removed the Texas School for the Blind and Visually Impaired from the provisions of the Texas Sunset Act by repealing Section 30.026 of the Education Code.

**NOTE 14: ADJUSTMENTS TO FUND BALANCES AND NET POSITION**

as prescribed by the Comptroller of Public Accounts' Reporting Requirements for Annual Financial Reports of State Agencies are not applicable to this annual financial report and accordingly are not included.

**NOTE 15: CONTINGENCIES AND COMMITMENTS**

The School has been advised of a worker's compensation claim that may involve possible litigation. If litigation does occur, an adverse ruling is possible, but in management's opinion, that possibility is remote.

The School 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**

**NOTE 17: RISK MANAGEMENT**

**NOTE 18: MANAGEMENT'S DISCUSSION AND ANALYSIS**

**NOTE 19: THE FINANCIAL REPORTING ENTITY**

**NOTE 20: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**NOTE 22: DONOR-RESTRICTED ENDOWMENTS**

**NOTE 23: EXTRAORDINARY AND SPECIAL ITEMS**

**NOTE 24: DISAGGREGATION of RECEIVABLE and PAYABLE BALANCES**

**NOTE 25: TERMINATION BENEFITS**

**NOTE 26: SEGMENT INFORMATION**

**NOTE 27: SERVICE CONCESSION ARRANGEMENTS**

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

**NOTE 29: TROUBLED DEBT RESTRUCTURING**

and

**NOTE 30: NON-EXCHANGE FINANCIAL GUARANTEES**

as prescribed by the Comptroller of Public Accounts' Reporting Requirements for Annual Financial Reports of State Agencies are not applicable to this annual financial report and accordingly are not included.

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UNAUDITED

TEXAS SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED (771)  
AUSTIN, TEXAS

**Exhibit A-1-Combining Balance Sheet-All General  
and Consolidated Funds**

August 31, 2016

	<u>General Revenue</u>	<u>Consolidated Accounts</u>	
	General (0001) U/F (0001)	TPFA Go Ser 2011 Refunding Issue 2008 (7216) U/F (7216)	Total
	\$		\$
<b>ASSETS</b>			
Current Assets:			
Cash			
Cash on Hand	4,755.67		4,755.67
Cash in Bank	10,244.33		10,244.33
Cash in State Treasury (ARRA, Unapp)	64.00		64.00
Legislative Appropriations	3,270,504.71		3,270,504.71
Receivables from:			
Federal			
Accounts Receivable	197,110.30		197,110.30
Interfund Receivables			0.00
Due from Other Funds			0.00
Due from Agencies			0.00
Consumable Inventories	20,974.05		20,974.05
<b>Total Assets</b>	<u>3,503,653.06</u>	<u>0.00</u>	<u>3,503,653.06</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Current Liabilities:			
Payables			
Accounts Payable	981,750.14		981,750.14
Payroll Payable	1,257,893.19		1,257,893.19
Due to Other Funds			0.00
Due to Other Agencies (TX Tech, SFA)	222,050.45		222,050.45
<b>Total Current Liabilities</b>	<u>2,461,693.78</u>	<u>0.00</u>	<u>2,461,693.78</u>
Non-Current Liabilities:			
Interfund Payables (from SECO)	0.00	0.00	0.00
<b>Total Non-Current Liabilities</b>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>Total Liabilities</b>	<u>2,461,693.78</u>	<u>0.00</u>	<u>2,461,693.78</u>
<b>Fund Financial Statement-Fund Balances</b>			
Fund Balances (Deficits):			
Reserved for:			
Nonspd for Inventory	20,974.05		20,974.05
Restricted (ARRA & Unappropriated)	64.00		64.00
Assigned (Encumbrances in GR)	155,685.59		155,685.59
Unassigned	865,235.64		865,235.64
<b>Total Fund Balances</b>	<u>1,041,959.28</u>	<u>0.00</u>	<u>1,041,959.28</u>
<b>Total Liabilities and Fund Balances</b>	<u>3,503,653.06</u>	<u>0.00</u>	<u>3,503,653.06</u>

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UNAUDITED

TEXAS SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED (771)  
AUSTIN, TEXAS

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, 2016

	<u>General Revenue</u>	<u>Consolidated Accounts</u>	
	General (0001) U/F (0001)	TPFA Go Ser 2011 Refunding Issue 2008, (7216) U/F (7216)	Total
	\$		\$
<b>REVENUES</b>			
Legislative Appropriations:			
Original Appropriations	15,512,634.48		15,512,634.48
Additional Appropriations	5,492,855.28		5,492,855.28
Federal Revenue	2,896,676.75		2,896,676.75
Federal Grant Pass-Through Revenue	3,635,388.73		3,635,388.73
State Grant Pass-Through Revenue	1,266,980.59		1,266,980.59
Licenses, Fees and Permits	80,715.00		80,715.00
Interest and Investment Income			0.00
Settlement of Claims			0.00
Sales of Goods and Services	530,480.69		530,480.69
Other Revenue	348,468.25		348,468.25
<b>Total Revenues</b>	<u>29,764,199.77</u>	<u>0.00</u>	<u>29,764,199.77</u>
<b>EXPENDITURES</b>			
Salaries and Wages	19,537,687.36		19,537,687.36
Payroll Related Costs	6,181,934.00		6,181,934.00
Professional Fees and Services	264,993.65	(39,535.03)	225,458.62
Travel	188,319.08		188,319.08
Materials and Supplies	1,113,931.51		1,113,931.51
Communication & Utilities	754,419.21		754,419.21
Repairs and Maintenance	160,971.99		160,971.99
Rentals and Leases	57,231.09		57,231.09
Printing and Reproduction	74,596.71		74,596.71
Claims and Judgments	0.00		0.00
Federal Pass-Through Expenditures	1,171,110.14		1,171,110.14
Other Expenditures	498,579.36		498,579.36
Capital Outlay	423,458.84	39,535.03	462,993.87
<b>Total Expenditures</b>	<u>30,427,232.94</u>	<u>0.00</u>	<u>30,427,232.94</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(663,033.17)</u>	<u>0.00</u>	<u>(663,033.17)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of Capital Assets	344.25		344.25
Transfers In			0.00
Transfers Out	(344.25)		(344.25)
Legislative Transfers In			0.00
Legislative Transfers Out	(605,271.00)		(605,271.00)
<b>Total Other Financing Sources and Uses</b>	<u>(605,271.00)</u>	<u>0.00</u>	<u>(605,271.00)</u>
<b>Net Change in Fund Balances</b>	<u>(1,268,304.17)</u>	<u>0.00</u>	<u>(1,268,304.17)</u>
<b>Fund Financial Statement-Fund Balances</b>			
Fund Balances-Beginning	2,310,263.45		2,310,263.45
Restatements			0.00
Fund Balances-09/01/15, as Restated	<u>2,310,263.45</u>	<u>0.00</u>	<u>2,310,263.45</u>
Appropriations Lapsed	<u>0.00</u>		<u>0.00</u>
<b>Fund Balances-August 31, 2016</b>	<u>1,041,959.28</u>	<u>0.00</u>	<u>1,041,959.28</u>

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

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TEXAS SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED (771)  
AUSTIN, TEXAS

**Exhibit B-1-Combining Balance Sheet-Special Revenue Funds**

August 31, 2016

	Special Revenue Fund-Expendable Trust Fd-Legacy Local (9999) U/F (0018)	Totals
	\$	\$
<b>ASSETS</b>		
Current Assets:		
Cash		
Cash in Bank	838,190.23	838,190.23
Short-Term Investments	8,841.47	8,841.47
Receivables from:		
Accounts Receivable	44.05	44.05
Total Current Assets	847,075.75	847,075.75
Non-Current Assets:		
Restricted:		
Investments		
Oil, Gas, Mineral Properties	14,052.00	14,052.00
Total Non-Current Assets	14,052.00	14,052.00
<b>Total Assets</b>	<b>861,127.75</b>	<b>861,127.75</b>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities		
Current Liabilities:		
Payables From:		
Accounts Payable	69,586.68	69,586.68
Total Current Liabilities	69,586.68	69,586.68
<b>Total Liabilities</b>	<b>69,586.68</b>	<b>69,586.68</b>
Fund Balances-		
Assigned	791,541.07	791,541.07
Total Fund Balances	791,541.07	791,541.07
<b>Total Liabilities and Fund Balances</b>	<b>861,127.75</b>	<b>861,127.75</b>

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UNAUDITED

TEXAS SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED (771)  
AUSTIN, TEXAS

**Exhibit B-2-Combining Statement of Revenues, Expenditures, and Changes  
in Fund Balances-Special Revenue Funds**

For the Fiscal Year Ended August 31, 2016

	Special Revenue Fund-Expendable Trust Fd-Legacy Local (9999) U/F (0018)	Totals
	\$	\$
<b>REVENUES</b>		
Interest and Investment Income	781,559.63	781,559.63
Land Income	1,053.43	1,053.43
Sales of Goods and Services	6,036.50	6,036.50
Other Revenue	35,567.51	35,567.51
<b>Total Revenues</b>	<u>824,217.07</u>	<u>824,217.07</u>
<b>EXPENDITURES</b>		
Professional Fees and Services	1,590.06	1,590.06
Travel	124,477.98	124,477.98
Materials and Supplies	408,367.64	408,367.64
Communication and Utilities	999.00	999.00
Repairs & Maintenance	67,686.57	67,686.57
Rentals & Leases	68,650.11	68,650.11
Printing and Reproduction	2,734.62	2,734.62
Other Expenditures	175,301.57	175,301.57
Capital Outlay	10,419.35	10,419.35
<b>Total Expenditures</b>	<u>860,226.90</u>	<u>860,226.90</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(36,009.83)</u>	<u>(36,009.83)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers In		
Nonexpendable Trust Fund	10,986.87	10,986.87
Total Other Financing Sources (Uses)	<u>10,986.87</u>	<u>10,986.87</u>
<b>Fund Financial Statement-Fund Balances</b>		
Fund Balances-Beginning	<u>816,564.03</u>	<u>816,564.03</u>
<b>FUND BALANCES, AUGUST 31, 2016</b>	<u><u>791,541.07</u></u>	<u><u>791,541.07</u></u>

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

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UNAUDITED

TEXAS SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED (771)  
AUSTIN, TEXAS

**Exhibit E-1-Combining Balance Sheet-Permanent Funds**

August 31, 2016

	Permanent Fund- Nonexpendable Trust Fd-Legacy Local (9999) U/F (0021)	Totals
	\$	\$
<b>ASSETS</b>		
Non-Current Assets:		
Investments		
Land	9,000.00	9,000.00
Total Non-Current Assets	<u>9,000.00</u>	<u>9,000.00</u>
<b>Total Assets</b>	<u><u>9,000.00</u></u>	<u><u>9,000.00</u></u>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Total Liabilities</b>	<u>0.00</u>	<u>0.00</u>
<b>Fund Balances-</b>		
Nonspendable for Permanent Fund Corpus	9,000.00	9,000.00
Total Fund Balances	<u>9,000.00</u>	<u>9,000.00</u>
<b>Total Liabilities and Fund Balances</b>	<u><u>9,000.00</u></u>	<u><u>9,000.00</u></u>

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TEXAS SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED (771)  
AUSTIN, TEXAS

**Exhibit E-2-Combining Statement of Revenues, Expenditures, and Changes  
in Fund Balances-Permanent Funds**

For the Fiscal Year Ended August 31, 2016

	Permanent Fund- Nonexpendable Trust Fd-Legacy Local (9999) U/F (0021)	Totals
	\$	\$
<b>REVENUES</b>		
Land Income		
Farm Rental Income	10,986.87	10,986.87
<b>Total Revenues</b>	<u>10,986.87</u>	<u>10,986.87</u>
<b>EXPENDITURES</b>		
<b>Total Expenditures</b>	<u>0.00</u>	<u>0.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>10,986.87</u>	<u>10,986.87</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers Out		
Expendable Trust Fund-Legacy	(10,986.87)	(10,986.87)
Total Other Financing Sources (Uses)	<u>(10,986.87)</u>	<u>(10,986.87)</u>
Net Change in Fund Balances		
<b>Fund Financial Statement-Fund Balances</b>		
Fund Balances-Beginning	<u>9,000.00</u>	<u>9,000.00</u>
<b>FUND BALANCES, AUGUST 31, 2016</b>	<u><u>9,000.00</u></u>	<u><u>9,000.00</u></u>

UNAUDITED

TEXAS SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED (771)

Exhibit J-1-Combining Statement of Changes in Assets and Liabilities-Agency Funds

August 31, 2016

	Beginning Balance September 1, 2015	Additions	Deductions	Ending Balance August 31, 2016
<b>SCHOOL ACTIVITIES (9995) U/F (0116)</b>				
<b>Assets</b>				
Current				
Cash in Bank	32,198.83	35,425.21	29,125.75	38,498.29
Other Short Term Inv-MBIA	0.00	0.00	0.00	0.00
<b>Total Assets</b>	<u>32,198.83</u>	<u>35,425.21</u>	<u>29,125.75</u>	<u>38,498.29</u>
<b>Liabilities</b>				
Current				
Funds Held for Others				
Activity Funds Payable	<u>32,198.83</u>	<u>35,425.21</u>	<u>29,125.75</u>	<u>38,498.29</u>
<b>STUDENT TRUST (9993) U/F (0115)</b>				
<b>Assets</b>				
Current				
Cash on Hand	500.00			500.00
Cash in Bank	12,593.06	20,667.51	25,987.07	7,273.50
<b>Total Assets</b>	<u>13,093.06</u>	<u>20,667.51</u>	<u>25,987.07</u>	<u>7,773.50</u>
<b>Liabilities</b>				
Current				
Funds Held for Others				
Trust Funds Payable	<u>13,093.06</u>	<u>20,667.51</u>	<u>25,987.07</u>	<u>7,773.50</u>
<b>USPS OVERPAYMENTS TO EMPLOYEES (0900) U/F (9015)</b>				
<b>Assets</b>				
Current				
Cash in State Treasury	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>Liabilities</b>				
Current				
Funds Held for Others				
USPS Overpayments	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>CHILD SUPPORT DEDUCTS (0807) U/F (8070)</b>				
<b>Assets</b>				
Current				
Cash in State Treasury	<u>2,457.52</u>	<u>29,218.02</u>	<u>29,042.08</u>	<u>2,633.46</u>
<b>Liabilities</b>				
Current				
Funds Held for Others				
Child Support Employee Deductions	<u>2,457.52</u>	<u>29,218.02</u>	<u>29,042.08</u>	<u>2,633.46</u>

Exhibit J-1 (continued)

	Beginning Balance September 1, 2015	Additions	Deductions	Ending Balance August 31, 2016
<b>TOTALS-ALL AGENCY FUNDS</b>				
<b>Assets</b>				
Current				
Cash on Hand	500.00			500.00
Cash in Bank	44,791.89	56,092.72	55,112.82	45,771.79
Cash in State Treasury	2,457.52	29,218.02	29,042.08	2,633.46
Other Short Term Inv-MBIA	0.00	0.00	0.00	0.00
<b>Total Assets</b>	<u>47,749.41</u>	<u>85,310.74</u>	<u>84,154.90</u>	<u>48,905.25</u>
<b>Liabilities</b>				
Current				
Funds Held for Others	47,749.41	85,310.74	84,154.90	48,905.25
<b>Total Liabilities</b>	<u>47,749.41</u>	<u>85,310.74</u>	<u>84,154.90</u>	<u>48,905.25</u>







***SUPPLEMENTAL INFORMATION SECTION***

UNAUDITED

TEXAS SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED (771)  
AUSTIN, TEXAS

**SCHEDULE 1A - SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the Fiscal Year Ended August 31, 2016

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	CFDA Number	Identifying Number	Agy #	Pass-Through From		Direct Program Amount
				Agencies Amount	Non-State Entities Amount	
				\$	\$	\$
<b>U.S. Department of Agriculture</b>						
Pass-Through From:						
Texas Department of Agriculture						
School Breakfast Program	10.553		551	25,326.97		
National School Lunch Program	10.555		551	48,588.15		
Meal Patterns Training Grant	10.560		551	5,000.00		
National School Lunch Program (NON-MONETARY)	10.555		551	5,269.10		
Total-U.S. Dept. of Agriculture				84,184.22		
<b>U.S. Department of Education</b>						
Pass-Through From:						
Texas Education Agency						
Title I Grants-Local Educational	84.010		701	28,001.77		
Special Education-Grants to States	84.027		701	1,844,991.15		
Pass-Through To:						
Texas Tech University			701	571,957.79		
Stephen F. Austin State Univ			701	599,152.35		
Special Education-Technical Assist	84.326		701	508,153.39		
Improving Teacher Quality	84.367		701	4,217.16		
Total-U.S. Dept. of Education				3,556,473.61		
<b>U.S. Dept. of Health and Human Services</b>						
Direct Program:						
Medical Assistance Program	93.778	DUNS 094641243				2,896,676.75
Total-U.S. Dept of Health & Human Svcs.						2,896,676.75
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>				<b>3,640,657.83</b>		<b>2,896,676.75</b>



Schedule 1A-continued

Total PT From & Direct Program	Pass-Through To			Expenditures Amount	Total PT To & Expenditures
	Agency #	Agencies Amount	Non-State Entities Amount		
\$		\$	\$	\$	\$
25,326.97				25,326.97	25,326.97
48,588.15				48,588.15	48,588.15
5,000.00				5,000.00	5,000.00
<u>5,269.10</u>				<u>5,269.10</u>	<u>5,269.10</u>
<u>84,184.22</u>				<u>84,184.22</u>	<u>84,184.22</u>
28,001.77				28,001.77	28,001.77
1,844,991.15				1,844,991.15	1,844,991.15
571,957.79	733	571,957.79			571,957.79
599,152.35	755	599,152.35			599,152.35
508,153.39				508,153.39	508,153.39
<u>4,217.16</u>				<u>4,217.16</u>	<u>4,217.16</u>
<u>3,556,473.61</u>		<u>1,171,110.14</u>		<u>2,385,363.47</u>	<u>3,556,473.61</u>
<u>2,896,676.75</u>				<u>2,896,676.75</u>	<u>2,896,676.75</u>
<u>2,896,676.75</u>				<u>2,896,676.75</u>	<u>2,896,676.75</u>
<u>6,537,334.58</u>		<u>1,171,110.14</u>		<u>5,366,224.44</u>	<u>6,537,334.58</u>

**SCHEDULE 1A - SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS** *continued*

For the Fiscal Year Ended August 31, 2016

**Note 1 NonMonetary Assistance**

The Donation of Federal Food Entitlement A & B is passed through from the Texas Department of Agriculture. The federal grantor agency is the U.S. Department of Agriculture and the federal CFDA number is 10.555. The estimated fair value for fiscal year 2016 is \$5,269.10.

(Note: The difference of the values of the commodities recorded on the federal schedule and Exhibit II (Federal Revenues) will be a reconciling item for Note 2).

**Note 2 Reconciliation**

Below is a reconciliation of the total of federal pass-through and federal expenditures as reported on the Schedule of Expenditures of Federal Awards 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 Governmental Operating Statement/Statement of Activities

Governmental Funds-Federal Revenue(Exh. II)	2,896,676.75
-Federal Pass-Through Revenue(Exh. II)	<u>3,635,388.73</u>
Subtotal	<u>\$ 6,532,065.48</u>
<b>RECONCILING ITEMS:</b>	
Non-Monetary Federal Commodities	<u>\$5,269.10</u>
Total Pass Through and Expenditures per Federal Schedule	<u><u>\$6,537,334.58</u></u>

UNAUDITED

TEXAS SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED (771)  
AUSTIN, TEXAS

**SCHEDULE 1B - SCHEDULE OF STATE GRANT PASS-THROUGHS  
FROM/TO STATE AGENCIES**

For the Fiscal Year Ended August 31, 2016

**Pass-Through From:**

Texas Education Agency Foundation School Fund (Agy #701, Fund 0193)	1,136,138.00
Texas Education Agency Students with Visual Impairment (Agy #701, Fund 0193)	115,377.00
Texas Education Agency Instructional Materials Fund (Agy #701, Fund 0003)	<u>15,465.59</u>
Total Pass-Through From Other Agencies	<u>\$ 1,266,980.59</u>

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UNAUDITED

TEXAS SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED

ENROLLMENT INFORMATION AND STAFFING LEVELS

The number of students enrolled and staffing levels (number of full time equivalent positions) at the Texas School for the Blind and Visually Impaired are presented here for the past ten fiscal years:

Year Ended August 31

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>Regular School Term</b>										
Enrollment, All Regular Term Students	178	164	165	176	172	165	151	147	152	151
Enrollment, All Short Term Students	223	206	218	212	199	194	184	148	152	146
<b>Summer Session</b>										
Enrollment, All Students	321	318	314	328	320	334	298	311	315	308
<b>Staffing Levels</b>										
Number of Positions (FTEs)	368	377	379	377	367	369	376	369	353	327

The information presented in this schedule is unaudited and accordingly, no auditor's opinion has been expressed.





