

*We are a “CHILD FIRST” school...  
Our students are included in our accessible linguistic, academic and social community.*



**TEXAS SCHOOL FOR THE DEAF**

**A N N U A L  
FINANCIAL  
R E P O R T**

**For The Year Ended August 31, 2016**





OFFICE OF THE  
SUPERINTENDENT

November 20, 2016

Honorable Greg Abbott, Governor  
Honorable Glenn Hegar, Comptroller of Public Accounts  
Ursula Parks, 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, 2016, 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,

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, 2016**

	General Fund (0001)	Governmental Fund Types	Adjustments		Statement of Net Assets
			Capital Assets	Long-Term Liabilities	
<b>Current Assets:</b>					
Cash (Note 3)					
On Hand	\$ 2,000.00	\$ 2,000.00	\$	\$	\$ 2,000.00
In Bank	9,000.00	9,000.00			9,000.00
Legislative Appropriations	3,581,996.29	3,581,996.29			3,581,996.29
Accounts Receivable	1,109,948.38	1,109,948.38			1,109,948.38
Due From Other Agencies	141,099.94	141,099.94			141,099.94
Consumable Inventories	36,982.83	36,982.83			36,982.83
<b>Total Current Assets</b>	<b>\$ 4,881,027.44</b>	<b>\$ 4,881,027.44</b>	<b>\$</b>	<b>\$</b>	<b>\$ 4,881,027.44</b>
<b>Non-Current Assets:</b>					
<b>Capital Assets (Note 2):</b>					
<b>Non-Depreciable</b>					
Land	\$	\$	\$ 94,000.00	\$	\$ 94,000.00
<b>Depreciable:</b>					
Building and Building Improvements			77,218,054.70		77,218,054.70
Less Accumulated Depreciation			(48,465,691.29)		(48,465,691.29)
Facilities and Other Improvements			2,601,099.71		2,601,099.71
Less Accumulated Depreciation			(1,228,296.75)		(1,228,296.75)
Furniture and Equipment			946,226.69		946,226.69
Less Accumulated Depreciation			(642,549.69)		(642,549.69)
Vehicle, Boats and Aircraft			1,417,997.74		1,417,997.74
Less Accumulated Depreciation			(901,407.30)		(901,407.30)
Other Capital Assets			43,480.03		43,480.03
Less Accumulated Depreciation			(41,502.20)		(41,502.20)
<b>Total Non-Current Assets</b>	<b>\$</b>	<b>\$</b>	<b>\$ 31,041,411.64</b>	<b>\$</b>	<b>\$ 31,041,411.64</b>
<b>Total Assets</b>	<b>\$ 4,881,027.44</b>	<b>\$ 4,881,027.44</b>	<b>\$ 31,041,411.64</b>	<b>\$</b>	<b>\$ 35,922,439.08</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
<b>Current Liabilities:</b>					
<b>Payables from:</b>					
Accounts	\$ 1,006,031.46	\$ 1,006,031.46	\$	\$	\$ 1,006,031.46
Payroll	2,371,907.51	2,371,907.51			2,371,907.51
Employees' Compensable Leave (Note 5)				773,309.92	773,309.92
<b>Total Current Liabilities</b>	<b>\$ 3,377,938.97</b>	<b>\$ 3,377,938.97</b>	<b>\$</b>	<b>\$ 773,309.92</b>	<b>\$ 4,151,248.89</b>
<b>Non-Current Liabilities</b>					
Employees' Compensable Leave (Note 5)	\$	\$	\$	\$ 291,473.54	\$ 291,473.54
Capital Lease Obligations					
<b>Total Non-Current Liabilities</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$ 291,473.54</b>	<b>\$ 291,473.54</b>
<b>Total Liabilities</b>	<b>\$ 3,377,938.97</b>	<b>\$ 3,377,938.97</b>	<b>\$</b>	<b>\$ 1,064,783.46</b>	<b>\$ 4,442,722.43</b>
<b>Fund Financial Statement</b>					
<b>Fund Balances (Deficits):</b>					
<b>Reserved for:</b>					
Inventories	36,982.83	36,982.83			36,982.83
Unassigned	1,466,105.64	1,466,105.64			1,466,105.64
<b>Total Fund Balances</b>	<b>\$ 1,503,088.47</b>	<b>\$ 1,503,088.47</b>			<b>\$ 1,503,088.47</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 4,881,027.44</b>	<b>\$ 4,881,027.44</b>			
<b>Government-Wide Statement of Net Assets</b>					
<b>Net Assets</b>					
Invested in Capital Assets, Net of Related Debt			\$ 31,041,411.64	\$	\$ 31,041,411.64
Unrestricted				(1,064,783.46)	(1,064,783.46)
<b>Total Net Assets</b>			<b>\$ 31,041,411.64</b>	<b>\$ (1,064,783.46)</b>	<b>\$ 31,479,716.65</b>

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, 2016**

	General Fund (0001)	Governmental Fund Types	Adjustments		Statement of Activities
			Capital Assets	Long-Term Liabilities	
<b>REVENUES</b>					
Legislative Appropriations					
Original Appropriations (GR)	\$ 19,020,875.08	\$ 19,020,875.08	\$	\$	\$ 19,020,875.08
Additional Appropriations (GR)	7,492,075.17	7,492,075.17			7,492,075.17
Federal Revenue (PR - Operating)	930,950.63	930,950.63			930,950.63
Federal Grant Pass-Through Revenue (GR)	1,632,504.73	1,632,504.73			1,632,504.73
State Grant Pass-Through Revenue (GR)	7,317,844.48	7,317,844.48			7,317,844.48
Sales of Goods and Services (PR)	298,972.60	298,972.60			298,972.60
Other (GR)	866,110.89	866,110.89			866,110.89
<b>Total Revenues</b>	<b>\$ 37,559,333.58</b>	<b>\$ 37,559,333.58</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 37,559,333.58</b>
<b>EXPENDITURES</b>					
Salaries and Wages	\$ 23,069,474.93	\$ 23,069,474.93	\$	\$	\$ 23,069,474.93
Payroll Related Costs	7,194,511.14	7,194,511.14		(82,381.88)	7,112,129.26
Professional Fees and Services	482,626.64	482,626.64			482,626.64
Travel	195,131.06	195,131.06			195,131.06
Materials and Supplies	2,807,667.03	2,807,667.03			2,807,667.03
Communication and Utilities	1,142,313.44	1,142,313.44			1,142,313.44
Repairs and Maintenance	206,876.19	206,876.19			206,876.19
Rentals and Leases	173,112.52	173,112.52			173,112.52
Printing and Reproduction	7,345.35	7,345.35			7,345.35
Claims and Judgements	5,555.25	5,555.25			5,555.25
Public Assistance Payments	27,639.74	27,639.74			27,639.74
Other Expenditures	921,925.58	921,925.58			921,925.58
Capital Outlay	310,327.46	310,327.46	(310,327.46)		
Depreciation Expense			2,712,914.62		2,712,914.62
Other Financing Sources/Restatements			(4,747.87)		(4,747.87)
<b>Total Expenditures/Expenses</b>	<b>\$ 36,544,506.33</b>	<b>\$ 36,544,506.33</b>	<b>\$ 2,397,839.29</b>	<b>\$ (82,381.88)</b>	<b>\$ 38,859,963.74</b>
Excess (Deficiency) of Revenues over Expenditures	\$ 1,014,827.25	\$ 1,014,827.25	\$ (2,397,839.29)	\$ 82,381.88	\$ (1,300,630.16)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer In	\$ 200,486.65	\$ 200,486.65			\$ 200,486.65
Transfer Out	(136,052.90)	(136,052.90)			(136,052.90)
Sale of Capital Assets	11,700.00	11,700.00			11,700.00
Insurance Recoveries	104.00	104.00			104.00
Legislative Transfers Out	(1,077,610.00)	(1,077,610.00)			(1,077,610.00)
Lapsed Appropriations	12,023.92	12,023.92			12,023.92
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (989,348.33)</b>	<b>\$ (989,348.33)</b>	<b>\$</b>	<b>\$</b>	<b>\$ (989,348.33)</b>
Net Change in Fund Balances/Net Assets	\$ 25,478.92	\$ 25,478.92	\$ (2,397,839.29)	82,381.88	\$ (2,289,978.49)
<b>Fund Financial Statement - Fund Balances</b>					
Fund Balances, September 1, 2015	\$ 1,477,609.55	\$ 1,477,609.55			\$ 1,477,609.55
Appropriations Lapsed					
Fund Balances, August 31, 2016	<u>\$ 1,503,088.47</u>	<u>\$ 1,503,088.47</u>			<u>\$ (812,368.94)</u>
<b>Government-Wide Statement of Net Assets</b>					
Change in Net Assets		\$ 1,503,088.47	\$ (2,397,839.29)	\$ 82,381.88	\$ (812,368.94)
Net Assets, September 1, 2015			33,439,250.93	(1,147,165.34)	32,292,085.59
<b>Net Assets, August 31, 2016</b>		<u>\$ 1,503,088.47</u>	<u>\$ 31,041,411.64</u>	<u>\$ (1,064,783.46)</u>	<u>\$ 31,479,716.65</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, 2016**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and Cash Equivalents (Note 3)	
Cash on Hand	\$ 2,000.00
Cash in Bank	614,265.94
Cash in State Treasury	9,127.60
Short Term Investments (Note 3)	126,982.20
Total Assets	\$ <u>752,375.74</u>
<b>LIABILITIES</b>	
Funds Held For Others	\$ <u>752,375.74</u>
Total Liabilities	\$ <u>752,375.74</u>

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

**Texas School for the Deaf (772)  
Notes to the Financial Statements  
For the Fiscal Year Ended August 31, 2016**

***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 (772)  
Notes to the Financial Statements  
For the Fiscal Year Ended August 31, 2016**

**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.

**Texas School for the Deaf (772)  
Notes to the Financial Statements  
For the Fiscal Year Ended August 31, 2016**

**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.

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

Unaudited

**Texas School for the Deaf (772)  
Notes to the Financial Statements  
For the Fiscal Year Ended August 31, 2016**

**NOTE 2: Capital Assets**

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

<b>Governmental Activities</b>	<b>Balance 9/1/15</b>	<b>Adjustments</b>	<b>Decrease – Interagency Transfers</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 8/31/16</b>
<b>Non-Depreciable Assets:</b>						
Land and Land Improvements	94,000.00					94,000.00
<b>Total Non-Depreciable Assets</b>	<b>94,000.00</b>					<b>94,000.00</b>
<b>Depreciable Assets</b>						
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	1,095,269.92	20,001.63	(139,406.68)	45,812.46	(75,450.64)	946,226.69
Vehicles	1,352,175.02		(49,815.00)	264,515.00	(148,877.28)	1,417,997.74
Other Capital Assets	43,480.03					43,480.03
<b>Total Depreciable Assets at Historical Cost</b>	<b>82,310,079.38</b>	<b>20,001.63</b>	<b>(189,221.68)</b>	<b>310,327.46</b>	<b>(224,327.92)</b>	<b>82,226,858.87</b>
<b>Less Accumulated Depreciation:</b>						
Buildings and Improvements	(46,055,208.81)			(2,410,482.48)		(48,465,691.29)
Facilities and Other Improvements	(1,170,494.55)			(57,802.20)		(1,228,296.75)
Furniture and Equipment	(685,418.11)	(11,151.47)	113,321.37	(130,649.83)	71,348.35	(642,549.69)
Vehicles, Boats & Aircraft	(1,012,709.50)		49,815.00	(87,390.08)	148,877.28	(901,407.30)
Other Capital Assets	(40,997.48)			(504.72)		(41,502.20)
<b>Total Accumulated Depreciation</b>	<b>(48,964,828.45)</b>	<b>(11,151.47)</b>	<b>163,136.37</b>	<b>(2,686,829.31)</b>	<b>220,225.63</b>	<b>(51,279,447.23)</b>
<b>Depreciable Assets, Net</b>	<b>33,345,250.93</b>	<b>8,850.16</b>	<b>(26,085.31)</b>	<b>(2,376,501.85)</b>	<b>(4,102.29)</b>	<b>30,947,411.64</b>
<b>Governmental Activities- Capital Assets, Net</b>	<b>33,439,250.93</b>	<b>8,850.16</b>	<b>(26,085.31)</b>	<b>(2,376,501.85)</b>	<b>(4,102.29)</b>	<b>31,041,411.64</b>

**Texas School for the Deaf (772)  
Notes to the Financial Statements  
For the Fiscal Year Ended August 31, 2016**

**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, 2016, the amount of deposits was \$623,265.94 as presented below.

Governmental Activities	\$ 9,000.00
Fiduciary Funds	\$ 614,265.94

**Investments**

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

	Carrying Value	Fair Value
Fiduciary Funds		
MBIA Capital Management Corp.	\$126,982.20	\$126,982.20

**NOTE 4: Short-Term Debt**

**Non-Applicable**

**NOTE 5: Long-Term Liabilities**

**Changes in Long-Term Liabilities**

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

Governmental Activities	Balance at 9/1/15	Additions	Reductions	Balance at 8/31/16	Amounts Due Within One Year
Compensable Leave	\$1,147,165.34	\$2,347,753.20	\$2,430,135.08	\$1,064,783.46	\$ 773,309.92

**Claims & Judgments**

There are no unpaid claims and judgments as of August 31, 2016.

**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**

Unaudited

**Texas School for the Deaf (772)  
Notes to the Financial Statements  
For the Fiscal Year Ended August 31, 2016**

**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	\$127,752.07

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

<u>Year Ended August 31</u>	<u>Minimum Future Lease Payments</u>
2017	\$ 80,016.00
2018	78,000.00
2019	78,000.00
2020	78,000.00
2021	0.00
2022-2025	0.00
2026-2030	0.00
2031-2035	0.00
Total: Minimum Future Rental Payments	\$ 312,000.00

In 2016, TSD expended \$127,752.07 for copier lease payments. Of the 2017 estimate of \$80,016, our lease with Canon is \$2,016 with the remaining \$78,000 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**

Unaudited

**Texas School for the Deaf (772)  
Notes to the Financial Statements  
For the Fiscal Year Ended August 31, 2016**

**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 To/Due From Other Agency	Due From Other Agencies	Due to Other Agency	Source
<b>General Revenue (01)</b>			
Agency 701, D23 Fund 0090	130,846.77		Federal Pass-Through
Agency 551, D23 Fund 0090	10,253.17		Federal Pass-Through
<b>Total Due To/Due From Other Agency</b>	<b>\$ 141,099.94</b>		

Due To/Due From Other Funds	Due From Other Funds	Due to Other Funds
<b>General Revenue (01)</b>		
Agency 772, D23 Fund 0001		\$ 236,224.00
Agency 772, D23 Fund 0090	\$ 236,224.00	
<b>Total Due To/Due From Other Agency</b>	<b>\$ 236,224.00</b>	

Transfers In/Out	Transfers In	Transfers Out
<b>General Revenue (01)</b>		
Agency 347, D23 Fund 0001	200,486.65	
Agency 347, D23 Fund 0001		126,377.90
Agency 902, D23 Fund 0001		9,675.00
<b>Total Transfers In/Out</b>	<b>\$ 200,486.65</b>	<b>\$ 136,052.90</b>

Legislative Transfers In/Out	Legislative Transfer In	Legislative Transfer Out
<b>General Revenue (01)</b>		
Agency 303, D23 Fund 0001		\$ 1,077,610.00
<b>Total Legislative Transfers In/Out</b>		<b>\$ 1,077,610.00</b>



**Texas School for the Deaf (772)  
Notes to the Financial Statements  
For the Fiscal Year Ended August 31, 2016**

**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, 77<sup>th</sup> Legislature, Regular Session, Article 7

**NOTE 14: Adjustments to Fund Balance/Net Assets** **Non-Applicable**

**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** **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 (772)  
Exhibit J-1 — Combining Statement of Changes in Assets and Liabilities—  
Agency Funds  
August 31, 2016**

	Beginning Balance 9/1/2015	Additions	Deductions	Ending Balance 8/31/2016
<b>Departmental Suspense (0900) U/F (0900)</b>				
<b>ASSETS</b>				
Cash in State Treasury	\$ 29.01			\$ 29.01
Total Assets	\$ 29.01	\$	\$	\$ 29.01
<b>LIABILITIES</b>				
Funds Held for Others	\$ 29.01	\$	\$	\$ 29.01
Total Liabilities	\$ 29.01	\$	\$	\$ 29.01
<b>Correction Account - Direct Deposit (0980) U/F (0980)</b>				
<b>ASSETS</b>				
Cash in State Treasury	\$ 5,144.99	\$	\$	\$ 5,144.99
Total Assets	\$ 5,144.99	\$	\$	\$ 5,144.99
<b>LIABILITIES</b>				
Funds Held for Others	\$ 5,144.99	\$	\$	\$ 5,144.99
Total Liabilities	\$ 5,144.99	\$	\$	\$ 5,144.99
<b>Child Support (0807) U/F (8070)</b>				
<b>ASSETS</b>				
Cash in State Treasury	\$ 1,952.87	\$ 48,371.00	\$ 46,370.27	\$ 3,953.60
Total Assets	\$ 1,952.87	\$ 48,371.00	\$ 46,370.27	\$ 3,953.60
<b>LIABILITIES</b>				
Funds Held for Others	\$ 1,952.87	\$ 48,371.00	\$ 46,370.27	\$ 3,953.60
Total Liabilities	\$ 1,952.87	\$ 48,371.00	\$ 46,370.27	\$ 3,953.60
<b>Student Trust Fund (9999) U/F (0231)</b>				
<b>ASSETS</b>				
Cash on Hand	\$ 2,000.00	\$	\$	\$ 2,000.00
Cash in Bank	19,598.82		3,225.64	16,373.18
Total Assets	\$ 21,598.82	\$	\$ 3,225.64	\$ 18,373.18
<b>LIABILITIES</b>				
Funds Held for Others	\$ 21,598.82		\$ 3,225.64	\$ 18,373.18
Total Liabilities	\$ 21,598.82	\$	\$ 3,225.64	\$ 18,373.18
<b>Student Activity Fund (9999) U/F (0232)</b>				
<b>ASSETS</b>				
Cash in Bank	\$ 545,940.15	\$ 51,952.61	\$	\$ 597,892.76
Short Term Investments	126,398.36	583.84		126,982.20
Total Assets	\$ 672,338.51	\$ 52,536.45		\$ 724,874.96
<b>LIABILITIES</b>				
Funds Held for Others	\$ 672,338.51	\$ 52,536.45		\$ 724,874.96
Total Liabilities	\$ 672,338.51	\$ 52,536.45		\$ 724,874.96
<b>Totals - All Agency Funds</b>				
<b>ASSETS</b>				
Cash on Hand	\$ 2,000.00	\$	\$	\$ 2,000.00
Cash in Bank	565,538.97	51,952.61	3,225.64	614,265.94
Cash in State Treasury	7,126.87	48,371.00	46,370.27	9,127.60
Short Term Investments	126,398.36	583.84		126,982.20
Total Assets	\$ 701,064.20	\$ 100,907.45	\$ 49,595.91	\$ 752,375.74
<b>LIABILITIES</b>				
Funds Held for Others	\$ 701,064.20	\$ 100,907.45	\$ 49,595.91	\$ 752,375.74
Total Liabilities	\$ 701,064.20	\$ 100,907.45	\$ 49,595.91	\$ 752,375.74

\* 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, 2016**

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
<b>US Department of Agriculture</b>						
Direct Programs:						
Food Distribution (Non-Monetary)	10.555	551	\$	\$ 21,704.21	\$ 21,704.21	\$ 21,704.21
Total US Department of Agriculture			\$ 0.00	\$ 21,704.21	\$ 21,704.21	\$ 21,704.21
<b>US Department of Education</b>						
Pass-Through From:						
Texas Education Agency						
Title I Grants to Local Educational Agencies	84.010	701	\$ 87,873.00	\$	\$ 87,873.00	\$ 87,873.00
Early Childhood Intervention	84.181	701	1,705.55		1,705.55	1,705.55
Improving Teacher Quality State Grant	84.367	701	17,709.00		17,709.00	17,709.00
Total US Department of Education			\$ 107,287.55	\$ 0.00	\$ 107,287.55	\$ 107,287.55
<b>Child Nutrition Cluster</b>						
<b>US Department of Agriculture</b>						
Pass-Through From:						
Texas Department of Human Services						
School Breakfast Program	10.553	551	\$ 57,336.85	\$	\$ 57,336.85	\$ 57,336.85
National School Lunch Program	10.555	551	208,229.94		208,229.94	208,229.94
Total US Department of Agriculture			\$ 265,566.79	\$ 0.00	\$ 265,566.79	\$ 265,566.79
<b>Medicaid Cluster</b>						
<b>US Department of Health and Human Services</b>						
Direct Programs:						
Medical Assistance Program	93.778		\$	\$ 64,510.51	\$ 64,510.51	\$ 64,510.51
Total US Department of Health and Human Services			\$ 0.00	\$ 64,510.51	\$ 64,510.51	\$ 64,510.51
<b>Special Education Cluster</b>						
<b>US Department of Education</b>						
Pass Thru From:						
Special Education Grants to States IDEA B	84.027	701	\$ 1,252,328.43	\$	\$ 1,252,328.43	\$ 1,252,328.43
Special Education Preschool Grants	84.173	701	7,321.96		7,321.96	7,321.96
Total US Department of Education			\$ 1,259,650.39	\$ 0.00	\$ 1,259,650.39	\$ 1,259,650.39
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>			<b>\$ 1,632,504.73</b>	<b>\$ 86,214.72</b>	<b>\$ 1,718,719.45</b>	<b>\$ 1,718,719.45</b>

**Texas School for the Deaf (772)**  
**Schedule 1A Schedule of Expenditures of Federal Awards**  
**For the Fiscal Year Ended August 31, 2016**

**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 2016 was \$21,704.21.

**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 (Schedule 1A)	\$ 64,510.51
Federal Grant Pass-Through Revenues (Exhibit II)	1,632,504.73
Subtotal	<u>\$ 1,697,015.24</u>
<b>RECONCILING ITEMS:</b>	
Non-monetary	
Food Commodities (Schedule 1A)	21,704.21
Total Pass-Through and Expenditures per Federal Schedule	<u><u>\$ 1,718,719.45</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, 2016**

<b>Pass-Through From:</b>	<u>Amounts</u>
Texas Education Agency (Agency #701)	
Foundation Funds	\$ 7,236,359.00
Instructional Materials Allotment	<u>81,485.48</u>
Total Pass-Through From Other Agencies	<u>\$ 7,317,844.48</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 2015-2016 school year, TSD served 583 students, 248 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, 2016 were:

MEMBER	TERM EXPIRES	HOMETOWN
Eric Hogue, President	2015	Wylie
Shawn Saladin, Vice President	2017	Edinburg
Angie Wolf, Secretary	2015	Austin
Shalia Cowan	2017	Dripping Springs
Ryan Hutchison	2021	Austin
Tyran Lee	2013	Humble
Susan Ridley	2013	Sugar Land
David Saunders	2019	Waxahachie
(1) Vacant		

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



