

Texas School for the Blind and Visually Impaired



Austin, Texas

ANNUAL FINANCIAL REPORT

**FISCAL YEAR ENDED
AUGUST 31, 2017**

ANNUAL FINANCIAL REPORT

of the

TEXAS SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED

Austin, Texas

Fiscal Year Ended August 31, 2017

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

William E. Daugherty, Superintendent

Pamela Darden, Chief Financial Officer

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

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. 45th Street Austin, Texas 78756
(512) 454-8631 Toll-free: (800) TSB-KARE
www.tsbvi.edu

November 20, 2017

Honorable Greg Abbott, Governor
Honorable Glenn Hegar, Texas Comptroller
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 Blind and Visually Impaired for the fiscal year ended August 31, 2017, 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

BOARD OF TRUSTEES:

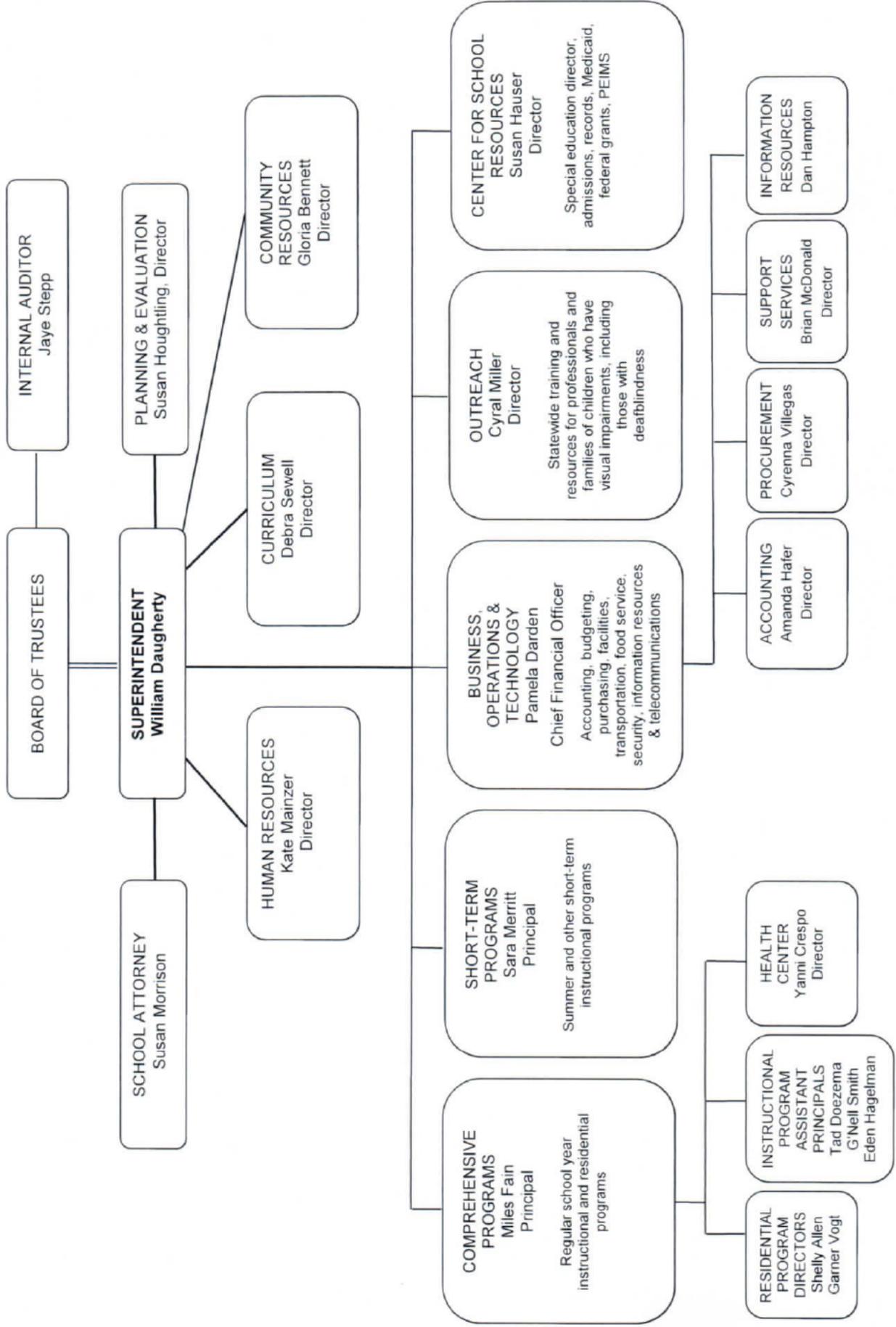
Parents of Persons With Visual Impairments:
Mary K. Alexander, Vice-Pres., Valley View
Caroline Daley, Kingwood
Lee Sonnenberg, Lubbock

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
Vacant Position

Business Office (512)206-9452
Central Mail Room (512)206-9450
Outreach Services (512)206-9320
Supenntendent (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, 2017

	Governmental Fund Types			
	General Funds	Special Revenue Funds	Permanent Funds	Governmental Funds Total
	\$	\$	\$	\$
ASSETS				
Current Assets:				
Cash				
Cash on Hand	1,000.00			1,000.00
Cash in Bank	14,000.00	683,474.12		697,474.12
Cash in State Treasury (ARRA, Unapp)	18.00			18.00
Short Term Investments		149,042.02		149,042.02
Legislative Appropriations	2,719,061.13			2,719,061.13
Receivables from:				
Federal				0.00
Accounts Receivable	193,941.44			193,941.44
Consumable Inventories	9,000.47			9,000.47
Total Current Assets	<u>2,937,021.04</u>	<u>832,516.14</u>	<u>0.00</u>	<u>3,769,537.18</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>
Total Assets	<u><u>2,937,021.04</u></u>	<u><u>846,568.14</u></u>	<u><u>9,000.00</u></u>	<u><u>3,792,589.18</u></u>

Exhibit I-continued

	Governmental Fund Types			Governmental Funds Total
	General Funds	Special Revenue Funds	Permanent Funds	
	\$	\$	\$	
LIABILITIES AND FUND BALANCES				
Current Liabilities:				
Payables From				
Accounts Payable	1,085,335.46	15,325.98		1,100,661.44
Payroll Payable	1,407,451.16			1,407,451.16
Due to Other Agencies (TX Tech, SFA)	223,353.64			223,353.64
Employees' Compensable Leave				
Pollution Remediation				
Total Current Liabilities	<u>2,716,140.26</u>	<u>15,325.98</u>	<u>0.00</u>	<u>2,731,466.24</u>
Non-Current Liabilities:				
Employees' Compensable Leave				0.00
Pollution Remediation				0.00
Total Non-Current Liabilities	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Liabilities	<u>2,716,140.26</u>	<u>15,325.98</u>	<u>0.00</u>	<u>2,731,466.24</u>
Fund Financial Statement				
Fund Balances:				
Nonspnd for Permanent			9,000.00	9,000.00
Nonspnd for Inventory	9,000.47			9,000.47
Restricted (ARRA & Unappropriated)	18.00			18.00
Assigned	403,495.42	831,242.16		1,234,737.58
Unassigned	(191,633.11)			(191,633.11)
Total Fund Balances	<u>220,880.78</u>	<u>831,242.16</u>	<u>9,000.00</u>	<u>1,061,122.94</u>
Total Liabilities and Fund Balances	<u>2,937,021.04</u>	<u>846,568.14</u>	<u>9,000.00</u>	<u>3,792,589.18</u>

Government-Wide Statement-Net Assets

Net Assets:
 Invested in Capital Assets,
 Net of Related Debt
 Unrestricted
 Total Net Assets

Capital Assets Adjustments	Long-Term Liabilities Adjustments	Other Adjustments	Statement of Net Assets	Discrete Governmental Component Units
\$	\$	\$	\$	\$
			1,000.00	
			697,474.12	
			18.00	
			149,042.02	
			2,719,061.13	
			0.00	
			193,941.44	
			9,000.47	
<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>3,769,537.18</u>	
			23,052.00	
			0.00	
11,452.43			11,452.43	
0.00			0.00	
98,282,389.63			98,282,389.63	
(14,010,622.16)			(14,010,622.16)	
1,974,685.64			1,974,685.64	
(295,304.00)			(295,304.00)	
1,949,663.77			1,949,663.77	
(1,665,987.06)			(1,665,987.06)	
1,616,099.63			1,616,099.63	
(985,131.60)			(985,131.60)	
<u>86,877,246.28</u>	<u>0.00</u>	<u>0.00</u>	<u>86,900,298.28</u>	
<u>86,877,246.28</u>	<u>0.00</u>	<u>0.00</u>	<u>90,669,835.46</u>	

Capital Assets Adjustments	Long-Term Liabilities Adjustments	Other Adjustments	Statement of Net Assets	Discrete Governmental Component Units
\$	\$	\$	\$	\$
			1,100,661.44	
			1,407,451.16	
			223,353.64	
	528,495.93		528,495.93	
			0.00	
<u>0.00</u>	<u>528,495.93</u>	<u>0.00</u>	<u>3,259,962.17</u>	
			187,460.95	
	187,460.95		187,460.95	
<u>0.00</u>	<u>187,460.95</u>	<u>0.00</u>	<u>187,460.95</u>	
<u>0.00</u>	<u>715,956.88</u>	<u>0.00</u>	<u>3,447,423.12</u>	
			9,000.00	
			9,000.47	
			18.00	
			1,234,737.58	
			(191,633.11)	
<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>1,061,122.94</u>	
<u>0.00</u>	<u>715,956.88</u>	<u>0.00</u>	<u>4,508,546.06</u>	
86,877,246.28			86,877,246.28	
	(715,956.88)	0.00	(715,956.88)	
<u>86,877,246.28</u>	<u>(715,956.88)</u>	<u>0.00</u>	<u>90,669,835.46</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, 2017

	<u>General Funds</u>	<u>Special Revenue Funds</u>	<u>Permanent Funds</u>	<u>Governmental Funds Total</u>
	\$	\$	\$	
REVENUES				
Legislative Appropriations:				
Original Appropriations (GR)	15,339,451.05			15,339,451.05
Additional Appropriations (GR)	6,241,075.81			6,241,075.81
Federal Revenue	2,653,607.83			2,653,607.83
Federal Grant Pass-Through Revenue	3,899,120.13			3,899,120.13
State Grant Pass-Through Revenue	1,334,509.20			1,334,509.20
Licenses, Fees and Permits	103,128.98			103,128.98
Interest & Other Investment Income	0.00	787,851.93		787,851.93
Land Income		933.24	11,098.24	12,031.48
Sales of Goods and Services	563,982.97	6,261.26		570,244.23
Other Revenue	276,932.81	58,206.49		335,139.30
Total Revenues	<u>30,411,808.78</u>	<u>853,252.92</u>	<u>11,098.24</u>	<u>31,276,159.94</u>
EXPENDITURES				
Salaries and Wages	20,170,204.20			20,170,204.20
Payroll Related Costs	6,572,802.30			6,572,802.30
Professional Fees and Services	178,351.06	900.00		179,251.06
Travel	192,089.41	112,099.85		304,189.26
Materials and Supplies	1,334,277.57	470,041.97		1,804,319.54
Communication & Utilities	738,548.47	1,014.13		739,562.60
Repairs and Maintenance	136,959.71	6,316.85		143,276.56
Rentals and Leases	59,148.97	64,907.70		124,056.67
Printing and Reproduction	51,675.02	3,813.11		55,488.13
Claims and Judgments	0.00			0.00
Federal Pass-Through Expenditures	1,208,151.23			1,208,151.23
Other Expenditures	807,870.32	165,556.46		973,426.78
Capital Outlay	84,924.35			84,924.35
Depreciation Expenses				0.00
Total Expenditures/Expenses	<u>31,535,002.61</u>	<u>824,650.07</u>	<u>0.00</u>	<u>32,359,652.68</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,123,193.83)</u>	<u>28,602.85</u>	<u>11,098.24</u>	<u>(1,083,492.74)</u>

Exhibit II-Continued

	General Funds	Special Revenue Funds	Permanent Funds	Governmental Funds Total
	\$	\$	\$	
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	1,110.37			1,110.37
Transfers In	0.00	11,098.24		11,098.24
Transfers Out	(4,866.04)		(11,098.24)	(15,964.28)
Legislative Transfers In	0.00			0.00
Legislative Transfers Out	(605,271.00)			(605,271.00)
Gain (Loss) on Sale of Capital Assets				0.00
Inc (Dec) in Net Assets Due to Interagency Trf				0.00
Total Other Financing Sources (Uses)	<u>(609,026.67)</u>	<u>11,098.24</u>	<u>(11,098.24)</u>	<u>(609,026.67)</u>
 Net Change in Fund Balances/Net Assets	 <u>(1,732,220.50)</u>	 <u>39,701.09</u>	 <u>0.00</u>	 <u>(1,692,519.41)</u>
Fund Financial Statement-Fund Balances				
Fund Balances-Beginning	1,953,101.28	791,541.07	9,000.00	2,753,642.35
Restatements				0.00
Fund Balances-09/01/16, as Restated	<u>1,953,101.28</u>	<u>791,541.07</u>	<u>9,000.00</u>	<u>2,753,642.35</u>
 Appropriations Lapsed	 0.00			 0.00
Fund Balances-August 31, 2017	<u><u>220,880.78</u></u>	<u><u>831,242.16</u></u>	<u><u>9,000.00</u></u>	<u><u>1,061,122.94</u></u>
Government-Wide Statement-Net Assets				
 Net Assets/Net Change in Net Assets				 <u>1,061,122.94</u>
 Net Assets-Beginning				
Restatements				
Net Assets, September 1, 2016, as Restated				
 Net Assets-August 31, 2017				 <u><u>1,061,122.94</u></u>

Capital Assets Adjustments	Long-Term Liabilities Adjustments	Other Adjustments	Statement of Activities	Discrete Governmental Component Units
\$	\$	\$	\$	\$
			15,339,451.05	
			6,241,075.81	
			2,653,607.83	
			3,899,120.13	
			1,334,509.20	
			103,128.98	
			787,851.93	
			12,031.48	
			570,244.23	
			335,139.30	
<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>31,276,159.94</u>	
	(18,847.44)		20,151,356.76	
			6,572,802.30	
			179,251.06	
			304,189.26	
			1,804,319.54	
			739,562.60	
			143,276.56	
			124,056.67	
			55,488.13	
			0.00	
			1,208,151.23	
			973,426.78	
(84,924.35)			0.00	
<u>4,457,592.32</u>			<u>4,457,592.32</u>	
<u>4,372,667.97</u>	<u>(18,847.44)</u>	<u>0.00</u>	<u>36,713,473.21</u>	
<u>(4,372,667.97)</u>	<u>18,847.44</u>	<u>0.00</u>	<u>(5,437,313.27)</u>	

Capital Assets Adjustments	Long-Term Liabilities Adjustments	Other Adjustments	Statement of Activities	Discrete Governmental Component Units
\$	\$	\$	\$	\$
			1,110.37	
			11,098.24	
			(15,964.28)	
			0.00	
			(605,271.00)	
(3,622.63)			(3,622.63)	
			0.00	
<u>(3,622.63)</u>	<u>0.00</u>	<u>0.00</u>	<u>(612,649.30)</u>	
<u>(4,376,290.60)</u>	<u>18,847.44</u>		<u>(6,049,962.57)</u>	
			2,753,642.35	
			0.00	
			<u>2,753,642.35</u>	
			0.00	
<u>(4,376,290.60)</u>	<u>18,847.44</u>	<u>0.00</u>	<u>(3,296,320.22)</u>	
<u>0.00</u>	<u>18,847.44</u>			
91,253,536.88	(734,804.32)		90,518,732.56	
			0.00	
<u>91,253,536.88</u>	<u>(734,804.32)</u>	<u>0.00</u>	<u>90,518,732.56</u>	
<u>86,877,246.28</u>	<u>(715,956.88)</u>	<u>0.00</u>	<u>87,222,412.34</u>	

UNAUDITED

TEXAS SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED
AUSTIN, TEXAS

Exhibit VI-Combined Statement of Net Assets-Fiduciary Funds

August 31, 2017

	Pension and Other Employee Benefit Trusts	External Investment Trust	Private- Purpose Trust	Agency Funds	Totals
	\$	\$	\$	\$	\$
ASSETS					
Current Assets:					
Cash and Cash Equivalents					
Cash on Hand				700.00	700.00
Cash in Bank				45,124.36	45,124.36
Cash in State Treasury				4,978.42	4,978.42
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>50,802.78</u>	<u>50,802.78</u>
Total Assets	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>50,802.78</u>	<u>50,802.78</u>
LIABILITIES					
Current Liabilities:					
Funds Held for Others				50,802.78	50,802.78
Total Current Liabilities	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>50,802.78</u>	<u>50,802.78</u>
Total Liabilities	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>50,802.78</u>	<u>50,802.78</u>
NET ASSETS					
Held in trust for:					
Pension and Other Employee Benefits					
Post-Employment Health Care Benefits					
Pool Participants					
Individuals, Organizations, & Other Governments					
Total Net Assets	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

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 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, 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, 2017 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 09/01/16	Adjustments	Interagency Transfers	Additions	Deletions	Balance 08/31/17
Governmental Activities:						
Non-depreciable Assets						
Land and Land Improvements	11,452.43					11,452.43
Construction in Progress	0.00					0.00
Total non-depreciable assets:	<u>11,452.43</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>11,452.43</u>
Depreciable Assets:						
Buildings and Building Improvements	98,282,389.63					98,282,389.63
Facilities and Other Improvements	1,974,685.64					1,974,685.64
Furniture and Equipment	1,915,285.97			84,924.35	(50,546.55)	1,949,663.77
Vehicles, Boats & Aircraft	1,616,099.63					1,616,099.63
Total depreciable assets at historical costs:	<u>103,788,460.87</u>	<u>0.00</u>	<u>0.00</u>	<u>84,924.35</u>	<u>(50,546.55)</u>	<u>103,822,838.67</u>
Less accumulated depreciation for:						
Buildings and Building Improvements	(9,897,536.24)			(4,113,085.92)		(14,010,622.16)
Facilities and Other Improvements	(206,416.16)			(88,887.84)		(295,304.00)
Furniture and Equipment	(1,611,150.09)			(101,760.89)	46,923.92	(1,665,987.06)
Vehicles, Boats & Aircraft	(831,273.93)			(153,857.67)		(985,131.60)
Total Accumulated Depreciation	<u>(12,546,376.42)</u>	<u>0.00</u>	<u>0.00</u>	<u>(4,457,592.32)</u>	<u>46,923.92</u>	<u>(16,957,044.82)</u>
Depreciable assets, net	<u>91,242,084.45</u>	<u>0.00</u>	<u>0.00</u>	<u>(4,372,667.97)</u>	<u>(3,622.63)</u>	<u>86,865,793.85</u>
Governmental activities capital assets, net:	<u>91,253,536.88</u>	<u>0.00</u>	<u>0.00</u>	<u>(4,372,667.97)</u>	<u>(3,622.63)</u>	<u>86,877,246.28</u>

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, 2017, the carrying amount of deposits was \$742,598.48 as presented below.

Governmental and Business-Type Activities		
CASH IN BANK-CARRYING AMOUNT		697,474.12
Checking Accounts		48,176.33
Money Market		209,297.79
Certificates of Deposit		440,000.00
Cash In Bank per AFR		697,474.12
Governmental Funds Current Assets Cash in Bank		697,474.12
Cash in Bank per AFR		697,474.12
Fiduciary Funds		
CASH IN BANK-CARRYING AMOUNT		45,124.36
Checking Accounts		45,124.36
Cash In Bank per AFR		45,124.36
Fiduciary Funds Cash in Bank		45,124.36
Cash in Bank per AFR		45,124.36

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, 2017, the total bank balance was as follows.

Governmental and Business-Type Activities	\$697,474.12	Fiduciary Funds	\$45,124.36	Discrete Component Units	\$0
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Investments

As of August 31, 2017, the carrying value and fair value of investments are as presented below.

Governmental and Business-Type Activities	Carrying Value	Fair Value
Other Commingled Funds (External Investment Pool-MBIA)	148,942.02	148,942.02
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	172,094.02	172,094.02
Fiduciary Funds	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 LIABILITIESChanges in Long-Term Liabilities

During the year ended August 31, 2017, the following changes occurred in long-term liabilities:

Governmental Activities	Balance 09-01-16	Additions	Reductions	Balance 08-31-17	Amounts Due Within One Year	Amounts Due Thereafter
Compensable Leave	734,804.32	1,941,885.86	(1,960,733.30)	715,956.88	528,495.93	187,460.95
Totals	<u>734,804.32</u>	<u>1,941,885.86</u>	<u>(1,960,733.30)</u>	<u>715,956.88</u>	<u>528,495.93</u>	<u>187,460.95</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.

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, 2017, were as follows:

Optional Note 12 Presentation:			
	Due From Other Agencies	Due To Other Agencies	Source
General Revenue (01)			
TX Tech University Agency 733, Fund 7999		34,176.47	Federal Pass-Through
Stephen F Austin State University Agency 755, Fund 7999		189,177.17	Federal Pass-Through
Total Due From/To Other Agencies (Exh I)	0.00	223,353.64	

Optional Note 12 Presentation:			
	Transfers In	Transfers Out	Purpose
Special Revenue			
TX School f/t Blind & Visually Impaired Non- Expendable Trust Fund- Legacy Agency 771, Fund 0021	11,098.24		Transfer from Permanent to Special Revenue
General Revenue (01)			
Comptroller of Public Accounts Agency 902, Fund 0001		1,110.37	Transfer from TSBVI Appr 99908 (Fd 0001- Sale of Surplus Property) to Comptroller of Public Accounts
Comptroller of Public Accounts Agency 902, Fund 0001		3,755.67	Transfer from TSBVI Appr 94992 (Fd 0001- Petty Cash Adjustment) to Comptroller of Public Accounts
Permanent Funds			
TX School f/t Blind & Visually Impaired Non- Expendable Trust Fund- Legacy Agency 771, Fund 0018		11,098.24	Transfer from Permanent to Special Revenue
Total Transfers	11,098.24	15,964.28	

Optional Note 12 Presentation:			
	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 Section 18.62 (Contingency for SB 836 or HB 1705), 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 does not have any pending litigation at this time.

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

NOTE 30: NON-EXCHANGE FINANCIAL GUARANTEES

NOTE 31: TAX ABATEMENTS

and

NOTE 32: FUND BALANCES

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, 2017

	<u>General Revenue</u>	
	<u>General (0001) U/F (0001)</u>	<u>Total</u>
	\$	\$
ASSETS		
Current Assets:		
Cash		
Cash on Hand	1,000.00	1,000.00
Cash in Bank	14,000.00	14,000.00
Cash in State Treasury (ARRA, Unapp)	18.00	18.00
Legislative Appropriations	2,719,061.13	2,719,061.13
Receivables from:		
Federal		0.00
Accounts Receivable	193,941.44	193,941.44
Interfund Receivables		0.00
Due from Other Funds		0.00
Due from Agencies		0.00
Consumable Inventories	9,000.47	9,000.47
Total Assets	<u>2,937,021.04</u>	<u>2,937,021.04</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Current Liabilities:		
Payables		
Accounts Payable	1,085,335.46	1,085,335.46
Payroll Payable	1,407,451.16	1,407,451.16
Due to Other Funds		0.00
Due to Other Agencies (TX Tech, SFA)	223,353.64	223,353.64
Total Current Liabilities	<u>2,716,140.26</u>	<u>2,716,140.26</u>
Non-Current Liabilities:		
Interfund Payables (from SECO)	0.00	0.00
Total Non-Current Liabilities	<u>0.00</u>	<u>0.00</u>
Total Liabilities	<u>2,716,140.26</u>	<u>2,716,140.26</u>
Fund Financial Statement-Fund Balances		
Fund Balances (Deficits):		
Reserved for:		
Nonspdn for Inventory	9,000.47	9,000.47
Restricted (ARRA & Unappropriated)	18.00	18.00
Assigned (Encumbrances in GR)	403,495.42	403,495.42
Unassigned	(191,633.11)	(191,633.11)
Total Fund Balances	<u>220,880.78</u>	<u>220,880.78</u>
Total Liabilities and Fund Balances	<u>2,937,021.04</u>	<u>2,937,021.04</u>

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, 2017

	<u>General Revenue</u>	
	General (0001) U/F (0001)	Total
	\$	\$
REVENUES		
Legislative Appropriations:		
Original Appropriations	15,339,451.05	15,339,451.05
Additional Appropriations	6,241,075.81	6,241,075.81
Federal Revenue	2,653,607.83	2,653,607.83
Federal Grant Pass-Through Revenue	3,899,120.13	3,899,120.13
State Grant Pass-Through Revenue	1,334,509.20	1,334,509.20
Licenses, Fees and Permits	103,128.98	103,128.98
Interest and Investment Income		0 00
Settlement of Claims		0 00
Sales of Goods and Services	563,982.97	563,982.97
Other Revenue	276,932.81	276,932.81
Total Revenues	<u>30,411,808.78</u>	<u>30,411,808.78</u>
EXPENDITURES		
Salaries and Wages	20,170,204.20	20,170,204.20
Payroll Related Costs	6,572,802.30	6,572,802.30
Professional Fees and Services	178,351.06	178,351.06
Travel	192,089.41	192,089.41
Materials and Supplies	1,334,277.57	1,334,277.57
Communication & Utilities	738,548.47	738,548.47
Repairs and Maintenance	136,959.71	136,959.71
Rentals and Leases	59,148.97	59,148.97
Printing and Reproduction	51,675.02	51,675.02
Claims and Judgments	0.00	0 00
Federal Pass-Through Expenditures	1,208,151.23	1,208,151.23
Other Expenditures	807,870.32	807,870.32
Capital Outlay	84,924.35	84,924.35
Total Expenditures	<u>31,535,002.61</u>	<u>31,535,002.61</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,123,193.83)</u>	<u>(1,123,193.83)</u>
OTHER FINANCING SOURCES (USES)		
Sale of Capital Assets	1,110.37	1,110.37
Transfers In		0 00
Transfers Out	(4,866.04)	(4,866.04)
Legislative Transfers In		0.00
Legislative Transfers Out	<u>(605,271.00)</u>	<u>(605,271.00)</u>
Total Other Financing Sources and Uses	<u>(609,026.67)</u>	<u>(609,026.67)</u>
Net Change in Fund Balances	<u>(1,732,220.50)</u>	<u>(1,732,220.50)</u>
Fund Financial Statement-Fund Balances		
Fund Balances-Beginning	1,953,101.28	1,953,101.28
Restatements		0 00
Fund Balances-09/01/16, as Restated	<u>1,953,101.28</u>	<u>1,953,101.28</u>
Appropriations Lapsed	<u>0.00</u>	<u>0.00</u>
Fund Balances-August 31, 2017	<u>220,880.78</u>	<u>220,880.78</u>

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

UNAUDITED

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

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

August 31, 2017

	Special Revenue Fund-Expendable Trust Fd-Legacy Local (9999) U/F (0018)	Totals
	\$	\$
ASSETS		
Current Assets:		
Cash		
Cash in Bank	683,474.12	683,474.12
Short-Term Investments	149,042.02	149,042.02
Receivables from:		
Accounts Receivable		0.00
Total Current Assets	<u>832,516.14</u>	<u>832,516.14</u>
Non-Current Assets:		
Restricted:		
Investments		
Oil, Gas, Mineral Properties	14,052.00	14,052.00
Total Non-Current Assets	<u>14,052.00</u>	<u>14,052.00</u>
Total Assets	<u><u>846,568.14</u></u>	<u><u>846,568.14</u></u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Current Liabilities:		
Payables From:		
Accounts Payable	15,325.98	15,325.98
Total Current Liabilities	<u>15,325.98</u>	<u>15,325.98</u>
Total Liabilities	<u>15,325.98</u>	<u>15,325.98</u>
Fund Balances-		
Assigned	831,242.16	831,242.16
Total Fund Balances	<u>831,242.16</u>	<u>831,242.16</u>
Total Liabilities and Fund Balances	<u><u>846,568.14</u></u>	<u><u>846,568.14</u></u>

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, 2017

	Special Revenue Fund-Expendable Trust Fd-Legacy Local (9999) U/F (0018)	Totals
	\$	\$
REVENUES		
Interest and Investment Income	787,851.93	787,851.93
Land Income	933.24	933.24
Sales of Goods and Services	6,261.26	6,261.26
Other Revenue	58,206.49	58,206.49
Total Revenues	<u>853,252.92</u>	<u>853,252.92</u>
EXPENDITURES		
Professional Fees and Services	900.00	900.00
Travel	112,099.85	112,099.85
Materials and Supplies	470,041.97	470,041.97
Communication and Utilities	1,014.13	1,014.13
Repairs & Maintenance	6,316.85	6,316.85
Rentals & Leases	64,907.70	64,907.70
Printing and Reproduction	3,813.11	3,813.11
Other Expenditures	165,556.46	165,556.46
Capital Outlay		0.00
Total Expenditures	<u>824,650.07</u>	<u>824,650.07</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>28,602.85</u>	<u>28,602.85</u>
OTHER FINANCING SOURCES (USES)		
Transfers In		
Nonexpendable Trust Fund	11,098.24	11,098.24
Total Other Financing Sources (Uses)	<u>11,098.24</u>	<u>11,098.24</u>
Fund Financial Statement-Fund Balances		
Fund Balances-Beginning	<u>791,541.07</u>	<u>791,541.07</u>
FUND BALANCES, AUGUST 31, 2017	<u>831,242.16</u>	<u>831,242.16</u>

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

UNAUDITED

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

Exhibit E-1-Combining Balance Sheet-Permanent Funds

August 31, 2017

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

UNAUDITED

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, 2017

	Permanent Fund- Nonexpendable Trust Fd-Legacy Local (9999) U/F (0021)	Totals
	\$	\$
REVENUES		
Land Income		
Farm Rental Income	11,098.24	11,098.24
Total Revenues	<u>11,098.24</u>	<u>11,098.24</u>
EXPENDITURES		
Total Expenditures	<u>0.00</u>	<u>0.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>11,098.24</u>	<u>11,098.24</u>
OTHER FINANCING SOURCES (USES)		
Transfers Out		
Expendable Trust Fund-Legacy	(11,098.24)	(11,098.24)
Total Other Financing Sources (Uses)	<u>(11,098.24)</u>	<u>(11,098.24)</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>
Fund Financial Statement-Fund Balances		
Fund Balances-Beginning	<u>9,000.00</u>	<u>9,000.00</u>
FUND BALANCES, AUGUST 31, 2017	<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, 2017

	Beginning Balance September 1, 2016	Additions	Deductions	Ending Balance August 31, 2017
SCHOOL ACTIVITIES (9995) U/F (0116)				
Assets				
Current				
Cash in Bank	38,498.29	27,845.23	30,664.65	35,678.87
Other Short Term Inv-MBIA	0.00	0.00	0.00	0.00
Total Assets	<u>38,498.29</u>	<u>27,845.23</u>	<u>30,664.65</u>	<u>35,678.87</u>
Liabilities				
Current				
Funds Held for Others				
Activity Funds Payable	<u>38,498.29</u>	<u>27,845.23</u>	<u>30,664.65</u>	<u>35,678.87</u>
STUDENT TRUST (9993) U/F (0115)				
Assets				
Current				
Cash on Hand	500.00	200.00	0.00	700.00
Cash in Bank	7,273.50	19,110.44	16,938.45	9,445.49
Total Assets	<u>7,773.50</u>	<u>19,310.44</u>	<u>16,938.45</u>	<u>10,145.49</u>
Liabilities				
Current				
Funds Held for Others				
Trust Funds Payable	<u>7,773.50</u>	<u>19,310.44</u>	<u>16,938.45</u>	<u>10,145.49</u>
USPS OVERPAYMENTS TO EMPLOYEES (0900) U/F (9015)				
Assets				
Current				
Cash in State Treasury	<u>0.00</u>	<u>14,315.09</u>	<u>11,629.68</u>	<u>2,685.41</u>
Liabilities				
Current				
Funds Held for Others				
USPS Overpayments	<u>0.00</u>	<u>14,315.09</u>	<u>11,629.68</u>	<u>2,685.41</u>
CHILD SUPPORT DEDUCTS (0807) U/F (8070)				
Assets				
Current				
Cash in State Treasury	<u>2,633.46</u>	<u>32,825.99</u>	<u>33,166.44</u>	<u>2,293.01</u>
Liabilities				
Current				
Funds Held for Others				
Child Support Employee Deductions	<u>2,633.46</u>	<u>32,825.99</u>	<u>33,166.44</u>	<u>2,293.01</u>

Exhibit J-1 (continued)

	Beginning Balance September 1, 2016	Additions	Deductions	Ending Balance August 31, 2017
TOTALS-ALL AGENCY FUNDS				
Assets				
Current				
Cash on Hand	500.00	200.00	0.00	700.00
Cash in Bank	45,771.79	46,955.67	47,603.10	45,124.36
Cash in State Treasury	2,633.46	47,141.08	44,796.12	4,978.42
Other Short Term Inv-MBIA	0.00	0.00	0.00	0.00
Total Assets	<u>48,905.25</u>	<u>94,296.75</u>	<u>92,399.22</u>	<u>50,802.78</u>
Liabilities				
Current				
Funds Held for Others	48,905.25	94,296.75	92,399.22	50,802.78
Total Liabilities	<u>48,905.25</u>	<u>94,296.75</u>	<u>92,399.22</u>	<u>50,802.78</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, 2017

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	CFDA Number	Identifying Number	Agy #	Pass-Through From		Direct Program Amount
				Agencies Amount	Non-State Entities Amount	
				\$	\$	\$
U.S. Department of Agriculture						
Pass-Through From:						
Texas Department of Agriculture						
School Breakfast Program	10.553		551	20,831.19		
National School Lunch Program	10.555		551	43,238.74		
National School Lunch Program (NON-MONETARY)	10.555		551	11,247.15		
Total-U.S. Dept. of Agriculture				75,317.08	-	-
U.S. Department of Education						
Pass-Through From:						
Texas Education Agency						
Title I Grants-Local Educational	84.010		701	24,644.07		
Special Education-Grants to States	84.027		701	1,861,025.97		
Pass-Through To:						
Texas Tech University			701	606,151.23		
Stephen F. Austin State Univ			701	602,000.00		
Special Education-Technical Assist	84.326		701	735,911.93		
Improving Teacher Quality	84.367		701	5,317.00		
Total-U.S. Dept. of Education				3,835,050.20	-	-
U.S. Dept. of Health and Human Services						
Direct Program:						
Medical Assistance Program	93.778	DUNS 094641243				2,653,607.83
Total-U.S. Dept of Health & Human Svcs.				-	-	2,653,607.83
TOTAL FEDERAL FINANCIAL ASSISTANCE				3,910,367.28	-	2,653,607.83

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

For the Fiscal Year Ended August 31, 2017

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 2017 is \$11,247.15.

(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)	2,653,607.83
-Federal Pass-Through Revenue(Exh. II)	<u>3,899,120.13</u>
Subtotal	<u>\$ 6,552,727.96</u>
RECONCILING ITEMS:	
Non-Monetary Federal Commodities	<u>\$11,247.15</u>
Total Pass Through and Expenditures per Federal Schedule	<u><u>\$6,563,975.11</u></u>

Schedule 1A-continued

Total PT From & Direct Program	Pass-Through To			Expenditures Amount	Total PT To & Expenditures
	Agency #	Agencies Amount	Non-State Entities Amount		
\$		\$	\$	\$	\$
20,831.19				20,831.19	20,831.19
43,238.74				43,238.74	43,238.74
<u>11,247.15</u>				<u>11,247.15</u>	<u>11,247.15</u>
<u>75,317.08</u>		-	-	<u>75,317.08</u>	<u>75,317.08</u>
24,644.07				24,644.07	24,644.07
1,861,025.97				1,861,025.97	1,861,025.97
606,151.23	733	606,151.23			606,151.23
602,000.00	755	602,000.00			602,000.00
735,911.93				735,911.93	735,911.93
5,317.00				5,317.00	5,317.00
<u>3,835,050.20</u>		<u>1,208,151.23</u>	-	<u>2,626,898.97</u>	<u>3,835,050.20</u>
<u>2,653,607.83</u>				<u>2,653,607.83</u>	<u>2,653,607.83</u>
<u>2,653,607.83</u>		-	-	<u>2,653,607.83</u>	<u>2,653,607.83</u>
<u>6,563,975.11</u>		<u>1,208,151.23</u>	-	<u>5,355,823.88</u>	<u>6,563,975.11</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, 2017

Pass-Through From:

Texas Education Agency Foundation School Fund (Agy #701, Fund 0193)	1,216,592.00
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>2,540.20</u>
Total Pass-Through From Other Agencies	\$ <u><u>1,334,509.20</u></u>

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>2017</u>	<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>
Regular School Term -										
Enrollment, All Regular Term Students	165	178	164	165	176	172	165	151	147	152
Enrollment, All Short Term Students	268	223	206	218	212	199	194	184	148	152
Summer Session -										
Enrollment, All Students	345	321	318	314	328	320	334	298	311	315
Staffing Levels -										
Number of Positions (FTEs)	358	368	377	379	377	367	369	376	369	353

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