

Audited Financial Statements

**Texas School for the Deaf Foundation**

*For the Fiscal Years Ended August 31, 2013 and 2012  
With Report of Independent Auditors*

Texas School for the Deaf Foundation

Audited Financial Statements

*For the Fiscal Years Ended August 31, 2013 and 2012*

**Contents**

Report of Independent Auditors .....	1-2
Audited Financial Statements:	
Statements of Financial Position .....	4
Statements of Activities .....	5-6
Statements of Cash Flows.....	7
Notes to Financial Statements .....	8-18

## Report of Independent Auditors

To the Board of Directors of  
Texas School for the Deaf Foundation

We have audited the accompanying financial statements of Texas School for the Deaf Foundation (the Foundation)(a nonprofit organization), which comprise the statements of financial position as of August 31, 2013 and 2012, and the related statements of activities and cash flows for the fiscal years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

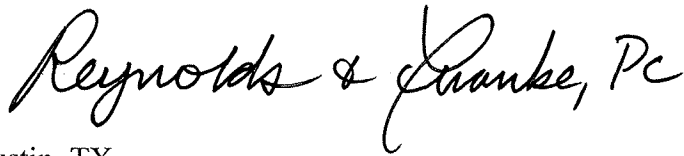
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Texas School for the Deaf Foundation as of August 31, 2013 and 2012, and the changes in its net assets and its cash flows for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Reynolds & Franke, PC". The signature is written in a cursive, flowing style.

Austin, TX  
December 12, 2014

## Audited Financial Statements

Texas School for the Deaf Foundation

Statements of Financial Position

August 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 111,549	\$ 121,789
Pledges receivable	10,000	-
Prepaid expenses	755	-
Total current assets	<u>122,304</u>	<u>121,789</u>
Donated asset	13,000	13,000
Restricted cash	9,025	1,450
Restricted investments	117,979	111,730
Board-designated investments	<u>525,103</u>	<u>484,043</u>
Total assets	<u>\$ 787,411</u>	<u>\$ 732,012</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable	<u>\$ 5,795</u>	<u>\$ 1,144</u>
Total current liabilities	<u>5,795</u>	<u>1,144</u>
Net Assets:		
Board-designated endowment fund	525,103	484,043
Undesignated	129,509	133,645
Total unrestricted	<u>654,612</u>	<u>617,688</u>
Temporarily restricted	18,591	4,767
Permanently restricted	<u>108,413</u>	<u>108,413</u>
Total net assets	<u>781,616</u>	<u>730,868</u>
Total liabilities and net assets	<u>\$ 787,411</u>	<u>\$ 732,012</u>

*The accompanying notes are an integral part of these financial statements.*

Texas School for the Deaf Foundation

Statements of Activities  
For the Fiscal Year Ended August 31, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support:				
Contributions	\$ 75,214	\$ 18,800	\$ —	\$ 94,014
Special events:				
Special events income	115,273	—	—	115,273
Special events expense	(58,348)	—	—	(58,348)
Special events, net	56,925	—	—	56,925
Other revenue and reclassifications:				
Investment earnings	54,100	8,749	—	62,849
Amounts released from restrictions	13,725	(13,725)	—	—
Total other revenue and reclassifications	67,825	(4,976)	—	62,849
Total support, revenue, and reclassifications	199,964	13,824	—	213,788
Expenses:				
Program services	93,783	—	—	93,783
Management, general & administrative	34,285	—	—	34,285
Fundraising	34,972	—	—	34,972
Total expenses	163,040	—	—	163,040
Total change in net assets	36,924	13,824	—	50,748
Net assets, beginning of year	617,688	4,767	108,413	730,868
Net assets, end of year	\$ 654,612	\$ 18,591	\$ 108,413	\$ 781,616

*The accompanying notes are an integral part of these financial statements.*

Texas School for the Deaf Foundation

Statements of Activities (continued)  
For the Fiscal Year Ended August 31, 2012

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support:				
Contributions	\$ 342,246	\$ 2,065	\$ —	\$ 344,311
In-kind contributions	123,271	—	—	123,271
Total support	465,517	2,065	—	467,582
Special events:				
Special events income	88,368	—	—	88,368
Special events expense	(20,231)	—	—	(20,231)
Special events, net	68,137	—	—	68,137
Other revenue and reclassifications:				
Investment earnings	21,961	6,437	—	28,398
Amounts released from restrictions	19,450	(19,450)	—	—
Total other revenue and reclassifications	41,411	(13,013)	—	28,398
Total support, revenue, and reclassifications	575,065	(10,948)	—	564,117
Expenses:				
Program services	243,277	—	—	243,277
Management, general & administrative	35,027	—	—	35,027
Fundraising	81,069	—	—	81,069
Total expenses	359,373	—	—	359,373
Total change in net assets	215,692	(10,948)	—	204,744
Interfund transfers	2,177	(2,177)	—	—
Net assets, beginning of year	399,819	17,892	108,413	526,124
Net assets, end of year	\$ 617,688	\$ 4,767	\$ 108,413	\$ 730,868

*The accompanying notes are an integral part of these financial statements.*



Texas School for the Deaf Foundation

Statements of Cash Flows

For the Fiscal Years Ended August 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 50,748	\$ 204,744
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Unrealized gain on investments	(47,974)	(17,605)
Decrease (increase) in:		
Pledges receivable	(10,000)	10,000
Deposits	(755)	-
Increase in:		
Accounts payable	4,651	463
Net cash provided by (used in) operating activities	<u>(3,330)</u>	<u>197,602</u>
<b>Cash flows from investing activities</b>		
Purchase of investments, net	665	(186,394)
Change in restricted cash	(7,575)	6,442
Net cash used in investing activities	<u>(6,910)</u>	<u>(179,952)</u>
Net increase (decrease) in cash	(10,240)	17,650
Cash and cash equivalents at beginning of year	<u>121,789</u>	<u>104,139</u>
Cash and cash equivalents at end of year	<u>\$ 111,549</u>	<u>\$ 121,789</u>

*The accompanying notes are an integral part of these financial statements.*

# Texas School for the Deaf Foundation

## Notes to Financial Statements

*For the Fiscal Years Ended August 31, 2013 and 2012*

### **Note 1 – Summary of Significant Accounting Policies**

#### **Organization**

The Texas School for the Deaf Foundation (the “Foundation”) is a nonprofit organization that was established in May 2000. The primary purpose of the Foundation is enriching and maximizing the quality of education available to deaf and hard of hearing students in Texas and beyond by providing funding not available through traditional local, state, and federal resources. The Foundation’s revenues are primarily generated from individual and business contributions.

#### **Basis of Accounting**

The financial statements of the Foundation are prepared using the accrual basis of accounting generally accepted in the United States of America. Under the accrual basis, revenues are recognized in the accounting period in which they are earned and become measurable. Expenses are recorded in the accounting period incurred.

#### **Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

#### **Cash and Cash Equivalents**

The Foundation considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

#### **Pledges Receivable**

The Foundation reports promises to give (pledges) in accordance with the *Contributions Received* Subsection of FASB ASC 958-605-25, which requires the Foundation to record unconditional promises to give as revenue when the promise is made. The Foundation maintains an allowance for potentially uncollectible pledges based on a collectability assessment. When management determines that a receivable is uncollectible the balance is removed from the receivables balance and is charged against the allowance. Subsequent recoveries of amounts previously written off are credited directly to revenues.

# Texas School for the Deaf Foundation

## Notes to Financial Statements (continued) *For the Fiscal Years Ended August 31, 2013 and 2012*

### **Note 1 – Summary of Significant Accounting Policies (continued)**

#### **Investments**

Investments are carried at market value. Gains or losses on investments are recognized at time of sale. Unrealized gains or losses are also recognized on the Statements of Activities.

#### **Income Taxes**

Texas School for the Deaf Foundation is a tax exempt not-for-profit organization described in Section 501(c)(3) of the Internal Revenue Code and is exempt from income taxes on earnings received from exempt functions. The Foundation has been classified as a supporting organization of the Texas School for the Deaf (TSD) under Section 509(a)(3) and as such is not a private foundation.

The most significant tax position of the Foundation is its determination of whether any amounts are subject to unrelated business income tax (UBIT). Management has determined the Foundation had no activities subject to UBIT in the fiscal years ended August 31, 2013 and 2012. All significant tax positions have been considered by management and it has determined that it is more likely than not that all tax positions would be sustained upon examination by taxing authorities.

The Foundation is required to file either the Form 990 (Return of Organization Exempt from Income Tax) or Form 990-EZ (Short Form Return of Organization Exempt from Income Tax), which is subject to examination by the Internal Revenue Service (IRS) generally up to three years from the later of the original due date of the tax return or the date the return was filed. The Forms 990 for the fiscal years ended August, 31, 2012 and 2011 and the from 990-EZ for the fiscal year ended August 31, 2010 are open to examination by the IRS as of August 31, 2013.

#### **Net Assets**

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Financial statement presentation follows the recommendation of the *Not-for-Profit Entities* Topic of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC 958). Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Unrestricted net assets – These types of net assets are not subject to donor-imposed stipulations. This also includes Board-designated net assets for specific purposes, since these restrictions may be reversed by the Board at anytime in the future.

# Texas School for the Deaf Foundation

## Notes to Financial Statements (continued) *For the Fiscal Years Ended August 31, 2013 and 2012*

### **Note 1 – Summary of Significant Accounting Policies (continued)**

#### **Net Assets (continued)**

Temporarily restricted net assets – These types of net assets are subject to donor-imposed stipulations, which limit their use to a specific purpose and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities as net assets released from restrictions.

Permanently restricted net assets – These types of net assets are subject to donor-imposed stipulations, which require them to be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on any related investments for general or specific use.

#### **Contributions**

In accordance with FASB ASC 958, the Foundation reports gifts of cash and other assets as restricted net assets, if they are received with donor stipulations that limit the use of the donated assets. When donor restrictions expire, that is, when a stipulated time restriction ends or restricted purpose is accomplished, the related temporarily restricted net assets are reclassified to unrestricted net assets. This is reported in the Statements of Activities as net assets released from restrictions. Donated assets and services are recorded at their estimated fair market values at the date of receipt.

#### **Financial Instruments**

The Foundation follows FASB ASC 820, *Fair Value Measurements and Disclosures*, which relates to the Foundation's financial assets and liabilities carried at fair value and the Foundation's fair value disclosures related to financial assets and liabilities. FASB ASC 820 defines fair value, expands related disclosure requirements, and specifies a hierarchy of valuation techniques based on the nature of the inputs used to develop the fair value measures. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

There are three levels of inputs to fair value measurements - Level 1, meaning the use of quoted prices for identical instruments in active markets; Level 2, meaning the use of quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active or are directly or indirectly observable; and Level 3, meaning the use of unobservable inputs.

## Texas School for the Deaf Foundation

### Notes to Financial Statements (continued) *For the Fiscal Years Ended August 31, 2013 and 2012*

#### **Note 1 – Summary of Significant Accounting Policies (continued)**

##### **Financial Instruments (continued)**

The Foundation's financial instruments consist principally of cash and cash equivalents, pledges receivable, restricted cash, restricted investments, board-designated investments, and accounts payable. The Foundation believes all of the financial instruments' recorded values approximate current market values.

##### **Reclassifications**

Some 2012 audited amounts have been reclassified in order to conform with the 2013 financial statement presentation.

#### **Note 2 – Date of Management's Review**

In preparing the financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through December 12, 2014, the date the financial statements were available to be issued.

#### **Note 3 – Concentrations**

Financial instruments which potentially subject the Foundation to credit risk principally consist of cash and investments. To minimize this risk, the Foundation places its temporary cash investments with high credit quality financial institutions insured by the FDIC. Effective December 31, 2010 through December 31, 2012, deposit insurance coverage by the FDIC entailed unlimited coverage for non-interest bearing accounts and \$250,000 per bank per entity for all other accounts. Effective January 1, 2013, deposit insurance coverage by the FDIC changed to \$250,000 per bank per entity for all interest bearing and non-interest bearing accounts. At August 31, 2013 and 2012, the Foundation had no uninsured cash balances. The Foundation has not experienced any losses in such accounts in the past.

#### **Note 4 – Functional Allocation of Expenses**

The Foundation records its revenues and expenses on a functional basis, allocating between program services, management, general & administrative, and fundraising purposes. Expenses that can be identified with a specific program are allocated directly to that program. Management, general & administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Foundation.

Texas School for the Deaf Foundation

Notes to Financial Statements (continued)  
 For the Fiscal Years Ended August 31, 2013 and 2012

**Note 4 – Functional Allocation of Expenses (continued)**

The following schedules show the functional allocation of expenses for the fiscal years ended August 31, 2013 and 2012:

<b>2013</b>	<b>Program Services</b>	<b>Fundraising</b>	<b>Management, General &amp; Administrative</b>	<b>Total</b>
Allocations to TSD	\$ 70,628	\$ –	\$ –	\$ 70,628
Board expenses	–	–	2,519	2,519
Bank fees	–	–	9,240	9,240
Contract services/ employment	13,882	23,138	9,255	46,275
Fundraising expense	–	8,861	–	8,861
Professional fees	–	–	11,460	11,460
Scholarships and awards	6,300	–	–	6,300
Supplies	–	–	1,811	1,811
Website	2,973	2,973	–	5,946
	<u>\$ 93,783</u>	<u>\$ 34,972</u>	<u>\$ 34,285</u>	<u>\$ 163,040</u>

<b>2012</b>	<b>Program Services</b>	<b>Fundraising</b>	<b>Management, General &amp; Administrative</b>	<b>Total</b>
Allocations to TSD	\$ 135,014	\$ –	\$ –	\$ 135,014
Board expenses	–	–	3,248	3,248
Bank fees	–	–	8,193	8,193
Contract services/ employment	17,013	28,250	11,300	56,563
Donated services	86,000	37,271	–	123,271
Fundraising expense	–	14,175	–	14,175
Professional fees	–	–	11,050	11,050
Scholarships and awards	5,250	–	–	5,250
Supplies	–	1,373	1,236	2,609
	<u>\$ 243,277</u>	<u>\$ 81,069</u>	<u>\$ 35,027</u>	<u>\$ 359,373</u>

Texas School for the Deaf Foundation

Notes to Financial Statements (continued)  
For the Fiscal Years Ended August 31, 2013 and 2012

**Note 5 – Investments**

Total investments at August 31, 2013 and 2012 consisted of the following:

<b>2013</b>	<b>Unrestricted</b>	<b>Temporarily</b>		<b>Total</b>
		<b>Restricted</b>	<b>Permanently Restricted</b>	
Money funds	\$ 23,745	\$ –	\$ 5,290	\$ 29,035
Mutual funds – fixed income	177,154	–	40,225	217,379
Mutual funds – equities	324,204	9,566	62,898	396,668
Total investments	<u>\$ 525,103</u>	<u>\$ 9,566</u>	<u>\$ 108,413</u>	<u>\$ 643,082</u>

<b>2012</b>	<b>Unrestricted</b>	<b>Temporarily</b>		<b>Total</b>
		<b>Restricted</b>	<b>Permanently Restricted</b>	
Money funds	\$ 20,262	\$ –	\$ 8,330	\$ 28,592
Mutual funds – fixed income	215,498	1,120	46,766	263,384
Mutual funds – equities	248,283	2,197	53,317	303,797
Total investments	<u>\$ 484,043</u>	<u>\$ 3,317</u>	<u>\$ 108,413</u>	<u>\$ 595,773</u>

The following schedules summarize investment earnings and its classification in the Statements of Activities for the years ended August 31, 2013 and 2012:

<b>2013</b>	<b>Unrestricted</b>	<b>Temporarily</b>		<b>Total</b>
		<b>Restricted</b>	<b>Permanently Restricted</b>	
Interest and dividends	\$ 11,918	\$ 2,957	\$ –	\$ 14,875
Unrealized and realized gains	42,182	5,792	–	47,974
Total investment earnings	<u>\$ 54,100</u>	<u>\$ 8,749</u>	<u>\$ –</u>	<u>\$ 62,849</u>

<b>2012</b>	<b>Unrestricted</b>	<b>Temporarily</b>		<b>Total</b>
		<b>Restricted</b>	<b>Permanently Restricted</b>	
Interest and dividends	\$ 6,936	\$ 3,857	\$ –	\$ 10,793
Unrealized and realized gains	15,025	2,580	–	17,605
Total investment earnings	<u>\$ 21,961</u>	<u>\$ 6,437</u>	<u>\$ –</u>	<u>\$ 28,398</u>

Texas School for the Deaf Foundation

Notes to Financial Statements (continued)  
For the Fiscal Years Ended August 31, 2013 and 2012

**Note 6 - Fair Value Measurements**

The following table sets forth by level within the fair value hierarchy the Foundation's assets that are measured at fair value on a recurring basis at August 31, 2013 and 2012:

	<b>Quoted Prices in Active Markets for Identical (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>	<b>Total</b>
<b><u>2013</u></b>				
Donated asset	\$ -	\$ -	\$ 13,000	\$ 13,000
Restricted investments:				
Money funds	5,290	-	-	5,290
Mutual funds – fixed income	40,225	-	-	40,225
Mutual funds – equities	72,464	-	-	72,464
Board-designated investments:				
Money funds	23,745	-	-	23,745
Mutual funds – fixed income	177,154	-	-	177,154
Mutual funds – equities	324,204	-	-	324,204
	<u>\$ 643,082</u>	<u>\$ -</u>	<u>\$ 13,000</u>	<u>\$ 656,082</u>
<b><u>2012</u></b>				
Donated asset	\$ -	\$ -	\$ 13,000	\$ 13,000
Restricted investments:				
Money funds	8,330	-	-	8,330
Certificates of deposit	103,400	-	-	103,400
Board-designated investments:				
Money funds	20,2612	-	-	20,262
Mutual funds – fixed income	215,498	-	-	215,498
Mutual funds – equities	248,283	-	-	248,283
	<u>\$ 595,773</u>	<u>\$ -</u>	<u>\$ 13,000</u>	<u>\$ 608,773</u>

The table below presents additional information about assets measured at fair value at August 31, 2013 and 2012 on a recurring basis by reliance on Level 3 inputs to determine fair value.

<b>Donated Asset</b>	<b>2013</b>	<b>2012</b>
Beginning balance	<u>\$ 13,000</u>	<u>\$ 13,000</u>
Ending Balance	<u>\$ 13,000</u>	<u>\$ 13,000</u>

The donated asset is valued based on the opinion of an independent appraiser as to the current replacement value of the donated asset.



## Texas School for the Deaf Foundation

### Notes to Financial Statements (continued)

*For the Fiscal Years Ended August 31, 2013 and 2012*

#### **Note 7 – In-Kind Contributions**

During the fiscal years ended August 31, 2013 and August, 31 2012, the Foundation received donated professional services from an advertising and marketing agency to be used for fundraising purposes with an estimated value of \$27,439 and \$37,271, respectively. This is considered a non-cash contribution and is reported as in-kind contributions in the Statements of Activities. During the fiscal year ended August 31, 2012, the Foundation received additionally donated professional services from a painting company which was used for grounds up keep at Texas School for the Deaf and the estimated value of these contributed services was \$86,000.

#### **Note 8 – Endowment Fund / Permanently Restricted Net Assets**

During the fiscal year ended August 31, 2007, the Foundation received an initial contribution of \$100,000 to be held as a permanently restricted scholarship endowment fund. During the fiscal year ended August 31, 2008, the Foundation received an additional contribution to the permanently restricted scholarship endowment fund of \$8,413 bringing the total permanently restricted endowment fund to \$108,413. Per the donor's wishes, the income generated from this endowment is to be used to provide scholarships to individuals attending the Texas School for the Deaf and therefore is reflected as temporarily restricted within the Statements of Activities.

The Foundation's endowment fund follows the Uniform Management of Institutional Funds Act of 2006 ("UMPMIFA"). The Board of Directors has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund absent explicit donor stipulations to the contrary. As such, the endowment fund seeks to preserve the purchasing power of the principal, and to provide for the long-term growth of the endowment. In order to achieve this objective, the Foundation has developed investment spending policies that will provide a growing stream of current income and appreciation of principal above and beyond inflation. From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Foundation to retain as a fund of perpetual duration. No such deficiencies existed as of August 31, 2013 and 2012.

In addition, the Foundation's Board of Directors agreed to increase the endowment fund by the unrestricted portion of the investment funds. As of August 31, 2013 and 2012, the Board-designated portion of the endowment fund is \$525,103 and \$484,043, respectively.

Texas School for the Deaf Foundation

Notes to Financial Statements (continued)  
For the Fiscal Years Ended August 31, 2013 and 2012

**Note 8 – Endowment Fund / Permanently Restricted Net Assets (continued)**

Endowment net assets by type of fund consist of the following at August 31, 2013:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted funds	\$ –	\$ 9,566	\$ 108,413	\$ 117,979
Board-designated funds	525,103	–	–	525,103
	<u>\$ 525,103</u>	<u>\$ 9,566</u>	<u>\$ 108,413</u>	<u>\$ 643,082</u>

Changes in endowment net assets for the fiscal year ended August 31, 2013:

2013	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 484,043	\$ 3,317	\$ 108,413	\$ 595,773
Investment return:				
Interest and dividends	11,918	2,957	–	14,875
Net gains (losses) – realized and unrealized	42,182	5,792	–	47,974
Total investment return	54,100	8,749	–	62,849
Transfers and Fees	(13,040)	(2,500)	–	(15,540)
Endowment net assets, end of year	<u>\$ 525,103</u>	<u>\$ 9,566</u>	<u>\$ 108,413</u>	<u>\$ 643,082</u>

Endowment net assets by type of fund consist of the following at August 31, 2012:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted funds	\$ –	\$ 3,317	\$ 108,413	\$ 111,730
Board-designated funds	484,043	–	–	484,043
	<u>\$ 484,043</u>	<u>\$ 3,317</u>	<u>\$ 108,413</u>	<u>\$ 595,773</u>

Texas School for the Deaf Foundation

Notes to Financial Statements (continued)  
 For the Fiscal Years Ended August 31, 2013 and 2012

**Note 8 – Endowment Fund / Permanently Restricted Net Assets (continued)**

Changes in endowment net assets for the fiscal year ended August 31, 2012:

2012	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 286,481	\$ 1,557	\$ 108,413	\$ 396,451
Investment return:				
Interest and dividends	6,936	3,857	–	10,793
Net gains (losses) – realized and unrealized	15,025	2,580	–	17,605
Total investment return	21,961	6,437	–	28,398
Transfers and Fees	175,601	(2,177)	–	173,424
Appropriation for expenditure	–	(2,500)	–	(2,500)
Endowment net assets, end of year	\$ 484,043	\$ 3,317	\$ 108,413	\$ 595,773

**Note 9 – Temporarily Restricted Net Assets**

The Foundation had the following temporarily restricted activity during the fiscal years ended August 31, 2013 and 2012:

2013	Beginning Balance	Donations and Interest Received	Released from Restrictions	Ending Balance
Temporarily Restricted Activities:				
Run for All	\$ -	\$ 4,000	\$ -	\$ 4,000
Scholarships	3,317	8,749	(2,500)	9,566
Special Needs Department	-	2,000	(2,000)	-
Landscaping at TSD	-	900	(900)	-
Amanda Ronalds	-	2,000	(675)	1,325
Sara Webb	-	3,000	(3,000)	-
5K run	-	2,500	-	2,500
Special Needs Department at TSD	-	100	(100)	-
Discovery retreat event	-	2,750	(2,750)	-
Amber Farrelly	1,200	-	-	1,200
DZ	250	1,550	(1,800)	-
	\$ 4,767	\$ 27,549	\$ (13,725)	\$ 18,591

Texas School for the Deaf Foundation

Notes to Financial Statements (continued)  
*For the Fiscal Years Ended August 31, 2013 and 2012*

**Note 9 – Temporarily Restricted Net Assets**

<b>2012</b>	<b>Beginning Balance</b>	<b>Donations and Interest Received</b>	<b>Released from Restrictions</b>	<b>Transfers</b>	<b>Ending Balance</b>
<b>Temporarily Restricted Activities:</b>					
Scholarships	\$ 1,557	\$ 6,437	\$ (2,500)	\$ (2,177)	\$ 3,317
Special Needs Department	5,000	-	(5,000)	-	-
Amber Farrelly	-	1,200	-	-	1,200
DZ	385	865	(1,000)	-	250
Mitte Grant	10,950	-	(10,950)	-	-
	<u>\$ 17,892</u>	<u>\$ 8,502</u>	<u>\$ (19,450)</u>	<u>\$ (2,177)</u>	<u>\$ 4,767</u>