

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2021



Tidehaven Independent School District
Annual Financial Report
For The Year Ended August 31, 2021

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Introductory Section



CERTIFICATE OF BOARD

Tidehaven Independent School District
Name of School District

Matagorda
County

158-902
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and (check one) approved disapproved for the year ended August 31, 2021, at a meeting of the board of trustees of such school district on the 13 day of December, 2021.


Signature of Board Secretary


Signature of Board President

If the board of trustees disapproved of the auditor's report, the reason(s) for disapproving it is (are):
(attach list as necessary)



Financial Section



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Houston, Texas 77070
(832) 960-7977~www.afadapa.com

Independent Auditor's Report

To the Board of Trustees
Tidehaven Independent School District
PO Box 129
El Maton, Texas 77440

Report on the Audit of the Financial Statements

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Tidehaven Independent School District ("the District") as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditor's 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 auditor considers internal control relevant to the District'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 District'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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Tidehaven Independent School District as of August 31, 2021, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and budgetary comparison information and schedule of the District's proportionate share of the net pension liability and schedule of District pension contributions, and schedule of the District's proportionate share of the net OPEB liability and schedule of District OPEB contributions identified as Required Supplementary Information in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Tidehaven Independent School District's basic financial statements. The introductory section and combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not required parts of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and other supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2021 on our consideration of Tidehaven Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Tidehaven Independent School District's internal control over financial reporting and compliance.

Respectfully submitted,

Harry Afadapa & Associates, PC

Houston, Texas
November 19, 2021



TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

AUGUST 31, 2021

This discussion and analysis of the Tidehaven Independent School District's financial statements provides a narrative overview of the District's financial activities for the fiscal year ended August 31, 2021. The information presented here should be read in conjunction with the basic financial statements and the accompanying notes to those financial statements.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of Tidehaven Independent School District's finances in a manner similar to private sector business. They present the financial picture of the District from an economic resources measurement focus using the accrual basis of accounting. These statements include all assets of the District as well as all liabilities. Additionally, certain eliminations have occurred in regards to interfund activity, payables and receivables.

The *statement of net position* presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Increases or decreases in net position over time may serve as a useful indicator of whether the financial position of Tidehaven Independent School District is improving or deteriorating.

The *statement of activities* presents information showing how the district's net position changed during the most recent fiscal year using full accrual basis of accounting. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Tidehaven Independent School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *current sources and uses of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a district's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the district's near-term financing decisions. Both the governmental funds balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Fiduciary funds. *Fiduciary funds* are used to account for resources held for the benefit of parties outside the district. Fiduciary funds are not reflected in the district-wide financial statement because the resources of those funds are not available to support the District's own programs. The accounting used for the fiduciary funds is much like that used for proprietary funds. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

AUGUST 31, 2021

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* that further explains and supports the information in the financial statements.

District-wide Financial Analysis

The District's net position at August 31, 2021 and 2020 are summarized as follows:

	Governmental Activities		
	8/31/2021	8/31/2020	Variance
Current and other assets	\$ 16,874,642	\$ 16,447,278	\$ 427,364
Capital assets	53,465,176	52,904,890	560,286
Total assets	<u>70,339,818</u>	<u>69,352,168</u>	<u>987,650</u>
Deferred outflows of resources	<u>2,610,430</u>	<u>2,599,407</u>	<u>11,023</u>
Other liabilities	4,946,489	2,031,161	2,915,328
Noncurrent liabilities	44,148,459	46,453,285	(2,304,826)
Total liabilities	<u>49,094,948</u>	<u>48,484,446</u>	<u>610,502</u>
Deferred inflows of resources	<u>2,412,939</u>	<u>1,880,541</u>	<u>532,398</u>
Net position:			
Net investment in capital assets	13,364,721	10,937,032	2,427,689
Restricted	1,829,334	1,717,827	111,507
Unrestricted	6,248,306	8,931,729	(2,683,423)
Total net position	<u>\$ 21,442,361</u>	<u>\$ 21,586,588</u>	<u>\$ (144,227)</u>

Current assets net amount increased by \$427,364, and the increase was primarily in cash, Due from other governments and unrealized expenses (prepaid) account balances at year end when compared to prior year balance. Cash balance increase by \$203,854, Due from other government increased by \$165,172, and prepaid increased by \$78,042. Other receivable decreased by \$20,719. Capital assets increase by \$560,286 due to completion of construction in progress projects totaling \$151,888, and additional property asset of \$2,270,885, net of current year depreciation amount of \$1,713,599. The aggregate deferred outflow of resources increased by \$11,023.

Other liability increased by \$2,915,328 primarily due to the obligation owed to the state at year-end. Due to other governments increased by \$2,298,934 when compared to prior year. Interest payable increased by \$339,030, accrued liabilities increased by \$94,380, and unearned revenue balance increased by \$68,238. Noncurrent liabilities decreased by \$2,304,826 primarily from decrease in long term bond balance of \$2,537,249; decrease in Net OPEB Liability of \$529,408 balance; and increase in Net Pension Liability of \$296,985.

A portion of the District's net position [62 percent] reflects its investment in capital assets, net of related debt. The District uses capital assets to provide services to students; consequently these assets are not available for future spending. An additional portion of the District's net position [8 percent] represents resources that are subject to

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

AUGUST 31, 2021

external restrictions on how they may be used. The remaining balance [29 percent] of unrestricted net position may be used to meet the District's ongoing obligations to educate the school-age children of Tidehaven ISD.

At the end of the current fiscal year, the District is able to report positive balances in all three categories of net position. The same situation held true for the prior fiscal year.

The District's Governmental activities at August 31, 2021 and 2020 are summarized as follows:

	Governmental Activities		
	8/31/2021	8/31/2020	Variance
Revenues:			
Program Revenues:			
Charges for services	\$ 349,042	\$ 364,096	\$ (15,054)
Operating grants & contributions	2,144,427	938,203	1,206,224
Capital grants & contributions	-	-	-
General Revenues:			
Property taxes	14,629,879	15,284,402	(654,523)
Investment earnings	-	130,359	(130,359)
Grants & contributions not restricted for specific purpose	1,490,735	3,179,730	(1,688,995)
Gain on property asset sale	-	-	-
Miscellaneous	165,576	-	165,576
Total revenues	18,779,659	19,896,790	(1,117,131)
Expenses:			
Instruction	7,415,815	7,301,525	114,290
Instructional resources and media	174,319	166,991	7,328
Curriculum and staff development	107,073	96,634	10,439
Instructional leadership	36,808	32,547	4,261
School leadership	826,912	967,870	(140,958)
Guidance and counseling	213,343	227,755	(14,412)
Social Work Services	2	2	-
Health services	205,026	163,327	41,699
Student transportation	488,716	506,939	(18,223)
Food service	782,518	785,766	(3,248)
Extracurricular activities	809,806	662,790	147,016
General administration	965,371	847,980	117,391
Plant maintenance and operations	1,878,428	1,735,423	143,005
Security and monitoring services	150,933	79,234	71,699
Data processing services	482,909	541,206	(58,297)
Interest on long-term debt	1,130,587	1,402,242	(271,655)
Bond issuance costs	464	2,650	(2,186)
Capital outlay	-	(937)	937
Contracted Instr Services Between Schools	2,633,180	3,054,260	(421,080)
Payments related to SSA	462,812	173,438	289,374
Other Intergovernmental Charges	158,864	166,228	(7,364)
Total expenses	18,923,886	18,913,870	10,016

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

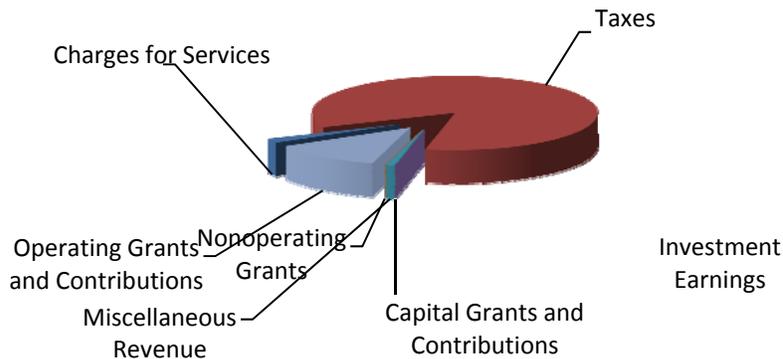
MANAGEMENT'S DISCUSSION AND ANALYSIS

AUGUST 31, 2021

Increase in net position	(144,227)	982,920	(1,127,147)
Net position beginning	21,586,588	20,603,668	982,920
Net position ending	<u>\$ 21,442,361</u>	<u>\$ 21,586,588</u>	<u>\$ (144,227)</u>

Governmental activities. Governmental activities decreased the District's net position by \$144,227 in current operations compared to the prior year increase of \$982,920. Overall, revenue decreased by \$1,117,131 and expenditures increased by \$10,016. Key elements of these changes are as follows:

- Except for these significant decreases in expenditures – School leadership[\$140,958]; Other intergovernmental charges [\$7,364]; Interest on long term debt [\$271,655], contracted Instr. services between school [\$421,080]; data processing services [\$58,297] and student transportation [\$18,223], all other categories of expenditures increased when compared to prior year balances.
- Property tax revenue recognition decreased by \$654,523 due to the adjusted property rates.
- Operating Grants and Contributions increase by \$1,206,224.
- Grants and Contributions Not Restricted to Specific Program decreased by \$1,688,995 due to decrease in state funding.



Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund accounting and budget controls has been the framework of the District's strong fiscal management and accountability.

Governmental funds. The general government functions are reported in the General and Special Revenue Funds. The focus of the District's *governmental funds* is to provide information on current sources, uses, and balances of *spendable* resources. Such information is useful in determining the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year the District's governmental funds reported combined ending fund balances of \$13,650,165, a decrease of \$1,945,885. \$3,832,439 of this total constitutes unassigned fund balance, which is available for spending at the District's discretion. \$7,544,907 represents amounts committed for future construction, upgrades, equipment purchases and use in campus activity funds. \$537,004 of fund balance is in non-spendable (prepaid items) form that may not be spent, and \$10,000 is endowment principal. The remaining \$1,805,697 is restricted by outside sources to indicate that it is not available for new spending.

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

AUGUST 31, 2021

The general fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$3,772,342 and total fund balance of \$11,729,464. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund balance, and compare unassigned fund balance to total expenditures. Unassigned fund balance represents 32% of total general fund balance while the unassigned fund balance represents 23% of total general fund expenditures.

The general fund balance decreased by \$2,046,227 compared to the prior year decrease of \$450,339. Revenue decreased by \$1,395,412 and expenditures increased by \$200,476.

General Fund Budgetary Highlights. The Board of Trustees approved increases to appropriations all through the year.

Actual revenue exceeded budgetary estimates by \$237,113 and actual expenditures were less than appropriations by \$866,676.

Debt Administration

Debt service activity for the year consisted of debt payment of \$1,850,000 in principal which consist of refinancing a part of existing bond obligation and recognition of net reduction in other debt obligation of \$529,408 for net OPEB liabilities, and \$296,985 increase in net pension liability for the fiscal year ended August 31, 2021.

	Governmental		
	Activities		
	8/31/2021	8/31/2020	Variance
General obligation bonds	\$ 39,735,000	\$ 41,585,000	\$ (1,850,000)
Unamortized bond premium	365,455	382,858	(17,403)
Net OPEB liability	2,775,005	3,304,413	(529,408)
Net pension liability	2,752,999	2,456,014	296,985
	<u>\$ 45,628,459</u>	<u>\$ 47,728,285</u>	<u>\$ (2,099,826)</u>

Capital Assets

	Governmental		
	Activities		
	8/31/2021	8/31/2020	Variance
Land	\$ 482,413	\$ 482,413	\$ -
Construction in progress	-	151,888	(151,888)
Buildings & Improvements	61,593,083	59,660,941	1,932,142
Vehicles & Equipment	3,449,310	2,958,679	490,631
Totals	<u>65,524,806</u>	<u>63,253,921</u>	<u>2,270,885</u>
Less accumulated depreciation	<u>(12,059,629)</u>	<u>(10,349,031)</u>	<u>(1,710,598)</u>
	<u>\$ 53,465,177</u>	<u>\$ 52,904,890</u>	<u>\$ 560,287</u>

Some of the more significant capital events during the year include the following:

- Additional assets of \$1,780,254 into Building & Improvement
- Additional assets in Equipment and vehicle in total amount of \$490,631
- Reclassification of \$151,888 from Construction in progress to Building & Improvement
- Depreciation expense for the year was \$1,710,598, net of \$3,000 in trade-in value

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

AUGUST 31, 2021

Economic Factors and Next Year's Budgets and Rates

The annual budget is developed to provide efficient, effective and controlled use of the District's resources. Some of the more significant factors taken into consideration in adopting the 2021-2022 budgets include the following:

- \$242,652 increase in Basic Educational Services
- \$298,305 decrease in Co-Curricular activities
- \$508,807 decrease in Plant Maintenance & Operations
- \$141,107 decrease in Data Processing Services
- And \$277,639 decrease in Contracted Inst Services Between Public Schools

Request for Information

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or request for additional information should be addressed to the Tidehaven Independent School District, Attention: Business Manager, P.O Box 129, El Maton, TX 77440 or call 361-588-6321.

Basic Financial Statements



TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

STATEMENT OF NET POSITION

AUGUST 31, 2021

Data Control Codes	1
	Governmental Activities
ASSETS:	
1110 <i>Cash and Cash Equivalents</i>	\$ 15,770,511
1120 <i>Current Investments</i>	450
1225 <i>Property Taxes Receivable (Net)</i>	157,924
1240 <i>Due from Other Governments</i>	367,996
1290 <i>Other Receivables (Net)</i>	13,502
1300 <i>Inventories</i>	27,255
1410 <i>Unrealized Expenses</i>	537,004
Capital Assets:	
1510 <i>Land</i>	482,413
1520 <i>Buildings and Improvements, Net</i>	51,569,690
1530 <i>Furniture and Equipment, Net</i>	1,413,073
1000 Total Assets	<u>70,339,818</u>
DEFERRED OUTFLOWS OF RESOURCES:	
	1,515,628
	<u>1,094,802</u>
1700 Total Deferred Outflows of Resources	<u>2,610,430</u>
LIABILITIES:	
2110 <i>Accounts Payable</i>	18,696
2140 <i>Interest Payable</i>	399,936
2165 <i>Accrued Liabilities</i>	633,297
2180 <i>Due to Other Governments</i>	2,337,360
2300 <i>Unearned Revenue</i>	77,200
Noncurrent Liabilities:	
2501 <i>Due Within One Year</i>	1,480,000
2502 <i>Due in More Than One Year</i>	38,620,455
2540 <i>Net Pension Liability</i>	2,752,999
2545 <i>Net OPEB Liability</i>	2,775,005
2000 Total Liabilities	<u>49,094,948</u>
DEFERRED INFLOWS OF RESOURCES:	
	380,924
	<u>2,032,015</u>
2600 Total Deferred Inflows of Resources	<u>2,412,939</u>
NET POSITION:	
3200 Net Investment in Capital Assets	13,364,721
Restricted For:	
3850 Debt Service	1,788,005
Other Purposes	
3890 Expendable	31,329
3890 Nonexpendable	10,000
3900 Unrestricted	6,248,306
3000 Total Net Position	<u>\$ 21,442,361</u>

The accompanying notes are an integral part of this statement.

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	Functions/Programs	1	3	4	Net (Expense) Revenue and Changes in Net Position
		Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
	Governmental Activities:				
11	Instruction	\$ 7,415,815	\$ 95,607	\$ 896,127	\$ (6,424,081)
12	Instructional Resources and Media Services	174,319	2,406	8,637	(163,276)
13	Curriculum and Staff Development	107,073	1,371	9,058	(96,644)
21	Instructional Leadership	36,808	310	12,765	(23,733)
23	School Leadership	826,912	30,335	44,283	(752,294)
31	Guidance, Counseling, & Evaluation Services	213,343	2,742	123,593	(87,008)
33	Health Services	205,026	1,992	56,322	(146,712)
34	Student Transportation	488,716	8,097	25,076	(455,543)
35	Food Service	782,518	388	627,703	(154,427)
36	Cocurricular/Extracurricular Activities	809,806	49,620	18,622	(741,564)
41	General Administration	965,371	13,374	40,819	(911,178)
51	Facilities Maintenance and Operations	1,878,428	28,300	106,906	(1,743,222)
52	Security and Monitoring Services	150,933	1,914	23,933	(125,086)
53	Data Processing Services	482,909	5,148	102,034	(375,727)
72	Interest on Long-term Debt	1,130,587	32,161	28,179	(1,070,247)
73	Bond Issuance Costs and Fees	464	--	--	(464)
81	Capital Outlay	--	29,231	7,910	37,141
91	Contracted Instructional Services between Schools	2,633,180	41,829	11,319	(2,580,032)
93	Payments Related to Shared Services Arrangement	462,812	4,217	1,141	(457,454)
99	Other Intergovernmental Charges	158,864	--	--	(158,864)
TG	Total Governmental Activities	<u>18,923,884</u>	<u>349,042</u>	<u>2,144,427</u>	<u>(16,430,415)</u>
TP	Total Primary Government	<u>\$ 18,923,884</u>	<u>\$ 349,042</u>	<u>\$ 2,144,427</u>	<u>(16,430,415)</u>
	General Revenues:				
MT	Property Taxes, Levied for General Purposes				11,938,132
DT	Property Taxes, Levied for Debt Service				2,691,747
GC	Grants and Contributions Not Restricted to Specific Progra				1,490,735
MI	Miscellaneous				165,576
TR	Total General Revenues				<u>16,286,190</u>
CN	Change in Net Position				<u>(144,225)</u>
NB	Net Position - Beginning				<u>21,586,586</u>
NE	Net Position - Ending				<u>\$ 21,442,361</u>

The accompanying notes are an integral part of this statement.

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

AUGUST 31, 2021

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Governmental Funds	98 Total Governmental Funds	
ASSETS:					
1110	Cash and Cash Equivalents	\$ 13,993,856	\$ 1,786,125	\$ (9,470)	\$ 15,770,511
1120	Current Investments	450	--	--	450
1225	Taxes Receivable, Net	111,551	46,373	--	157,924
1240	Due from Other Governments	103,779	--	264,217	367,996
1290	Other Receivables	11,350	2,152	--	13,502
1300	Inventories	--	--	27,255	27,255
1410	Unrealized Expenditures	537,004	--	--	537,004
1000	Total Assets	<u>14,757,990</u>	<u>1,834,650</u>	<u>282,002</u>	<u>16,874,642</u>
LIABILITIES:					
Current Liabilities:					
2110	Accounts Payable	\$ 18,110	\$ --	\$ 586	\$ 18,696
2150	Payroll Deductions & Withholdings	4,649	--	--	4,649
2160	Accrued Wages Payable	543,818	--	64,254	608,072
2180	Due to Other Governments	2,337,360	--	--	2,337,360
2200	Accrued Expenditures	13,038	--	7,538	20,576
2300	Unearned Revenue	--	--	77,200	77,200
2000	Total Liabilities	<u>2,916,975</u>	<u>--</u>	<u>149,578</u>	<u>3,066,553</u>
DEFERRED INFLOWS OF RESOURCES:					
	Deferred Revenue	111,551	46,373	--	157,924
2600	Total Deferred Inflows of Resources	<u>111,551</u>	<u>46,373</u>	<u>--</u>	<u>157,924</u>
FUND BALANCES:					
Nonspendable Fund Balances:					
3425	Endowment Principal	--	--	10,000	10,000
3430	Prepaid Items	537,004	--	--	537,004
Restricted Fund Balances:					
3450	Federal/State Funds Grant Restrictions	--	--	19,829	19,829
3480	Retirement of Long-Term Debt	--	1,784,888	--	1,784,888
3490	Other Restrictions of Fund Balance	--	--	980	980
Committed Fund Balances:					
3510	Construction	7,000,000	--	--	7,000,000
3530	Capital Expenditures for Equipment	500,000	--	--	500,000
3545	Other Committed Fund Balance	--	--	44,907	44,907
3600	Unassigned	3,692,460	3,389	--	3,695,849
Unassigned, Reported in Nonmajor:					
3610	Special Revenue Funds	--	--	56,708	56,708
3000	Total Fund Balances	<u>11,729,464</u>	<u>1,788,277</u>	<u>132,424</u>	<u>13,650,165</u>
4000	Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ 14,757,990</u>	<u>\$ 1,834,650</u>	<u>\$ 282,002</u>	<u>\$ 16,874,642</u>

The accompanying notes are an integral part of this statement.

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT
*RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 AUGUST 31, 2021*

Total fund balances - governmental funds balance sheet	\$ 13,650,165
Amounts reported for governmental activities in the Statement of Net Position ("SNP") are different because:	
Capital assets used in governmental activities are not reported in the funds.	53,465,177
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	157,924
Payables for bond principal which are not due in the current period are not reported in the funds.	(39,735,000)
Payables for bond interest which are not due in the current period are not reported in the funds.	(399,936)
Recognition of the District's proportionate share of the net pension liability is not reported in the funds.	(2,752,999)
Deferred Resource Inflows related to the pension plan are not reported in the funds.	(380,924)
Deferred Resource Outflows related to the pension plan are not reported in the funds.	1,515,628
Bond premiums are amortized in the SNA but not in the funds.	(365,455)
Recognition of the District's proportionate share of the net OPEB liability is not reported in the funds.	(2,775,005)
Deferred Resource Inflows related to the OPEB plan are not reported in the funds.	(2,032,015)
Deferred Resource Outflows related to the OPEB plan are not reported in the funds.	1,094,802
Rounding difference	<u>(1)</u>
Net position of governmental activities - Statement of Net Position	<u>\$ 21,442,361</u>

The accompanying notes are an integral part of this statement.

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCES - GOVERNMENTAL FUNDS

FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Governmental Funds	98 Total Governmental Funds
REVENUES:				
5700 Local and Intermediate Sources	\$ 12,346,712	\$ 2,725,909	\$ 75,042	\$ 15,147,663
5800 State Program Revenues	1,818,342	23,061	128,089	1,969,492
5900 Federal Program Revenues	174,015	--	1,486,537	1,660,552
5020 Total Revenues	<u>14,339,069</u>	<u>2,748,970</u>	<u>1,689,668</u>	<u>18,777,707</u>
EXPENDITURES:				
Current:				
0011 Instruction	5,859,583	--	552,881	6,412,464
0012 Instructional Resources and Media Services	151,078	--	--	151,078
0013 Curriculum and Staff Development	86,656	--	8,054	94,710
0021 Instructional Leadership	19,854	--	13,003	32,857
0023 School Leadership	665,627	--	24,374	690,001
0031 Guidance, Counseling, & Evaluation Services	171,914	--	8,130	180,044
0033 Health Services	125,361	--	55,748	181,109
0034 Student Transportation	509,411	--	--	509,411
0035 Food Service	25,096	--	642,635	667,731
0036 Cocurricular/Extracurricular Activities	806,296	--	--	806,296
0041 General Administration	841,605	--	--	841,605
0051 Facilities Maintenance and Operations	1,781,442	--	65,491	1,846,933
0052 Security and Monitoring Services	120,398	--	20,017	140,415
0053 Data Processing Services	323,250	--	91,557	414,807
0071 Principal on Long-term Debt	--	1,835,000	--	1,835,000
0072 Interest on Long-term Debt	--	823,960	--	823,960
0073 Bond Issuance Costs and Fees	--	464	--	464
0081 Capital Outlay	1,839,851	--	--	1,839,851
0091 Contracted Instructional Services				
0091 Between Public Schools	2,633,180	--	--	2,633,180
0093 Payments to Shared Service Arrangements	265,830	--	196,982	462,812
0099 Other Intergovernmental Charges	158,864	--	--	158,864
6030 Total Expenditures	<u>16,385,296</u>	<u>2,659,424</u>	<u>1,678,872</u>	<u>20,723,592</u>
1100 Excess (Deficiency) of Revenues Over (Under)				
1100 Expenditures	<u>(2,046,227)</u>	<u>89,546</u>	<u>10,796</u>	<u>(1,945,885)</u>
Other Financing Sources and (Uses):				
7915 Transfers In	65,000	--	--	65,000
8911 Transfers Out	<u>(65,000)</u>	<u>--</u>	<u>--</u>	<u>(65,000)</u>
7080 Total Other Financing Sources and (Uses)	--	--	--	--
1200 Net Change in Fund Balances	<u>(2,046,227)</u>	<u>89,546</u>	<u>10,796</u>	<u>(1,945,885)</u>
0100 Fund Balances - Beginning	13,775,691	1,698,731	121,628	15,596,050
3000 Fund Balances - Ending	<u>\$ 11,729,464</u>	<u>\$ 1,788,277</u>	<u>\$ 132,424</u>	<u>\$ 13,650,165</u>

The accompanying notes are an integral part of this statement.

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

*RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2021*

Net change in fund balances - total governmental funds	\$ (1,945,885)
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	2,273,886
The depreciation of capital assets used in governmental activities is not reported in the funds.	(1,713,598)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	1,952
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	1,835,000
(Increase) decrease in accrued interest from beginning of period to end of period.	(324,030)
Bond premiums are reported in the funds but not in the SOA.	17,403
Pension expense relating to GASB 68 is recorded in the SOA but not in the funds.	(288,952)
Rounding difference	<u>(1)</u>
Change in net position of governmental activities - Statement of Activities	<u>\$ (144,225)</u>

The accompanying notes are an integral part of this statement.

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

AUGUST 31, 2021

Data Control Codes		Private-purpose Trust Funds	Custodial Funds Student Activity
	ASSETS:		
1110	<i>Cash and Cash Equivalents</i>	\$ 65,073	\$ 60,985
1000	Total Assets	<u>65,073</u>	<u>60,985</u>
	LIABILITIES:		
	Current Liabilities:		
2110	<i>Accounts Payable</i>	\$ 16,255	\$ --
2000	Total Liabilities	<u>16,255</u>	<u>--</u>
	NET POSITION:		
3800	<i>Held in Trust</i>	48,818	--
2190	<i>Restricted for Other Purposes</i>	--	60,985
3000	Total Net Position	<u>\$ 48,818</u>	<u>\$ 60,985</u>

The accompanying notes are an integral part of this statement.

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUNDS

FOR THE YEAR ENDED AUGUST 31, 2021

	Private Purpose Trusts
ADDITIONS:	
Investment Income	\$ 834
Gifts & Bequests	19,720
Total Additions	<u>20,554</u>
DEDUCTIONS:	
Scholarship Awards	19,500
Administrative Expenses	--
Total Deductions	<u>19,500</u>
Change in Fiduciary Net Position	1,054
Net Position-Beginning of the Year	<u>47,764</u>
Net Position-End of the Year	<u>\$ 48,818</u>

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2021

A. Summary of Significant Accounting Policies

The basic financial statements of Tidehaven Independent School District (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") applicable to governmental units in conjunction with the Texas Education Agency's Financial Accountability System Resource Guide ("Resource Guide"). The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1. Reporting Entity

The Board of School Trustees ("Board"), a seven-member group, has governance responsibilities over all activities related to public elementary and secondary education within the jurisdiction of the District. The Board is elected by the public and has the exclusive power and duty to govern and oversee the management of the public schools of the District. All powers and duties not specifically delegated by statute to the Texas Education Agency ("TEA") or to the State Board of Education are reserved for the Board, and the TEA may not substitute its judgment for the lawful exercise of those powers and duties by the Board. The District receives funding from local, state and federal government sources and must comply with the requirements of those funding entities. However, the District is not included in any other governmental reporting entity and there are no component units included within the District's reporting entity.

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-wide Financial Statements: The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the District's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The District reports the following major governmental funds:

General Fund: This is the District's primary operating fund. It accounts for all financial resources of the District except those required to be accounted for in another fund.

Debt Service Fund: A government fund, with budgetary control, that must be used to account for general long-term debt principal and interest for debt issues and other long-term debts for which a tax has been dedicated.

In addition, the District reports the following fund types:

Private-Purpose Trust Funds: These funds are used to report trust arrangements under which principal and income benefit individuals, private organizations, or other governments not reported in other fiduciary fund types.

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2021

Custodial Funds: These funds are used to report student activity funds and other resources held in a purely custodial capacity (assets equal liabilities). Custodial funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

Fiduciary funds are reported in the fiduciary fund financial statements. However, because their assets are held in a trustee or agent capacity and are therefore not available to support District programs, these funds are not included in the government-wide statements.

b. Measurement Focus, Basis of Accounting

Government-wide and Fiduciary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. They are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the District incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the District's policy to use restricted resources first, then unrestricted resources.

3. Financial Statement Amounts

a. Cash and Cash Equivalents

For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

b. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period.

Allowances for uncollectible tax receivables within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2021

c. Inventories and Prepaid Items

Inventories of supplies on the balance sheet are stated at weighted average cost, while inventories of food commodities are recorded at market values supplied by the Texas Department of Human Services. Inventory items are recorded as expenditures when they are consumed. Supplies are used for almost all functions of activity, while food commodities are used only in the food service program. Although commodities are received at no cost, their fair market value is supplied by the Texas Department of Human Services and recorded as inventory and deferred revenue when received. When requisitioned, inventory and deferred revenue are relieved, expenditures are charged, and revenue is recognized for an equal amount. Inventories also include plant maintenance and operation supplies as well as instructional supplies.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

d. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	50
Building Improvements	20 - 30
Vehicles	8-15
Office & Computer Equipment	3-15

e. Deferred Outflows and Inflows of Resources

In addition to assets, the statements of financial position (the government-wide Statement of Net Position and governmental funds balance sheet) will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position and/or fund balance that applies to one or more future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time.

f. Receivable and Payable Balances

The District believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances. There are no significant receivables which are not scheduled for collection within one year of year end.

g. Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2021

expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position.

h. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates.

i. Data Control Codes

Data Control Codes appear in the rows and above the columns of certain financial statements. The TEA requires the display of these codes in the financial statements filed with TEA in order to ensure accuracy in building a statewide database for policy development and funding plans.

j. Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance - represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance - represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance - represents amounts that can only be used for a specific purpose because of a formal action by the District's Board of Trustees. Committed amounts cannot be used for any other purpose unless the Board of Trustees removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the Board of Trustees. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance - represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the Board of Trustees or by an official or body to which the Board of Trustees delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself.

Unassigned Fund Balance - represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

k. Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2021

I. Fund Balance Flow Assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

4. Pensions

The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

5. Other Post-Employment Benefits

The fiduciary net position of the Teacher Retirement System of Texas (TRS) TRS Care Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities and additions to / deductions from TRS Care's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go plan and all cash is held in a cash account.

6. Implementation of New Standards

In the current fiscal year, the District implemented the following new standard. The applicable provisions of the new standards are summarized below. Implementation is reflected in the financial statements and the notes to the financial statements.

GASB Statement No. 84, *Fiduciary Activities*

This statement establishes standards of accounting and financial reporting by establishing specific criteria for identifying activities that should be reported as fiduciary activities and clarifying whether and how business-type activities should report their fiduciary activities. The focus of the criteria generally is on whether a government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

GASB Statement No. 92, *Omnibus 2020*

Although the effective date for the majority of GASB Statement No. 92, Omnibus 2020 has been postponed by GASB Statement No. 95 for one year, the District has adopted paragraph 11 of Statement 92 with respect to reinsurance recoveries. Paragraph 11 states that "amounts that (a) are recoverable from reinsurers or excess insurers and (b) relate to paid claims and claim adjustment expenses may be reported as reductions of expenses but are not required to be. The District has also adopted paragraph 13 of Statement 92 in regards to changing all uses of the terms *derivative* and *derivatives* in existing standards to *derivative instrument* and *derivative instruments*, respectively. The provisions in paragraphs 11 and 13 were excluded from the scope of Statement 95 because paragraph 11 retains the reporting option, and thus only clarifies that an option exists, and paragraph 13 imposes no burden on the District. As such, this statement does not impact the District.

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2021

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an Amendment of GASB Statements No. 14 and No. 84*, and a Supersession of GASB Statement No. 32.

The District has adopted paragraphs 4 and 5 of GASB Statement No. 92. Paragraph 4 states that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or an other employee benefit plan (for example, certain Section 457 plans), if the primary government performs the duties that a governing board typically would perform, the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board. Paragraph 5 states that the financial burden criterion in paragraph 7 of Statement 84 is applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement No. 67, *Financial Reporting for Pension Plans*, or paragraph 3 of Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, respectively. The requirements in paragraphs 6 - 9 of this Statement are effective for fiscal years beginning after June 15, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

7. Future Implementation of New Standards

In order to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic, GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* is still currently in effect to postpone the effective dates of certain provisions in Statements that first became effective or are scheduled to become effective for periods beginning after June 15, 2018 and later.

The effective dates for the following pronouncements are postponed by one year:

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*

Statement No. 91, *Conduit Debt Obligations*

Statement No. 92, *Omnibus 2020*

Statement No. 93, *Replacement of Interbank Offered Rates*

The effective dates for the following pronouncements are postponed by 18 months:

Statement No. 87, *Leases*

B. Deposits and Investments

The District's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the District's agent bank approved pledged securities in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

1. Cash Deposits:

At August 31, 2021, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$15,770,511 and the bank balance was \$16,256,285. The District's cash deposits at August 31, 2021 and during the year ended August 31, 2021, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

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In addition, the following is disclosed regarding coverage of combined balances on the date of highest deposit:

- a. Depository: \$24,050,734
- b. The market value of securities pledged as of the date of the highest combined balance on deposit was \$31,337,020
- c. The highest combined balances of cash, savings and time deposit accounts amounted to \$24,050,734 and occurred during the month of February 2021.
- d. Total amount of FDIC coverage at the time of the largest combined balance was \$250,000.

2. Investments:

The District is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the District adhered to the requirements of the Act. Additionally, investment practices of the District were in accordance with local policies.

The Act determines the types of investments which are allowable for the District. These include, with certain restrictions, 1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas, 2) certificates of deposit, 3) certain municipal securities, 4) securities lending program, 5) repurchase agreements, 6) bankers acceptances, 7) mutual funds, 8) investment pools, 9) guaranteed investment contracts, and 10) commercial paper.

As at August 31, 2021 the District did not own any investments as defined above.

C. Disaggregated Receivables

Receivables as of the year end for the District's individual major funds and nonmajor funds in the aggregate, including applicable allowances for uncollectible accounts, are as follows:

	General Fund	Debt Service Fund	Nonmajor Other Funds	Totals
Property Taxes	\$ 458,482	\$ 80,223	\$ --	\$ 538,705
Business Personal Property	--	--	--	--
Less allowance on taxes	(346,931)	(33,850)	--	(380,781)
	\$ 111,551	\$ 46,373	\$ --	\$ 157,924

	General Fund	Debt Service Fund	Nonmajor Other Funds	Totals
Due from other governments:				
Texas Education Agency	\$ 103,779	\$ --	\$ 264,217	\$ 367,996
	\$ 103,779	\$ --	\$ 264,217	\$ 367,996

There are no significant receivables that are not scheduled for collection within one year of year end.

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2021

D. Capital Assets

Capital asset activity for the year ended 2021, Tidehaven Independent School District, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<i>Governmental activities:</i>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 482,414	\$ --	\$ --	\$ 482,414
Construction in progress	151,887	--	151,887	--
Total capital assets not being depreciated	<u>634,301</u>	<u>--</u>	<u>151,887</u>	<u>482,414</u>
<i>Capital assets being depreciated:</i>				
Buildings and improvements	59,660,941	1,932,141	--	61,593,082
Equipment	708,287	345,005	3,000	1,050,292
Vehicles	2,250,392	148,626	--	2,399,018
Total capital assets being depreciated	<u>62,619,620</u>	<u>2,425,772</u>	<u>3,000</u>	<u>65,042,392</u>
<i>Less accumulated depreciation for:</i>				
Buildings and improvements	(8,532,735)	(1,490,657)	--	(10,023,392)
Equipment	(298,934)	(54,404)	3,000	(350,338)
Vehicles	(1,517,362)	(168,538)	--	(1,685,900)
Total accumulated depreciation	<u>(10,349,031)</u>	<u>(1,713,599)</u>	<u>3,000</u>	<u>(12,059,630)</u>
Total capital assets being depreciated, net	<u>52,270,589</u>	<u>712,173</u>	<u>--</u>	<u>52,982,762</u>
Governmental activities capital assets, net	<u>\$ 52,904,890</u>	<u>\$ 712,173</u>	<u>\$ 151,887</u>	<u>\$ 53,465,176</u>
Depreciation was charged to functions as follows:				
Instruction	\$ 886,363			
Instructional Resources and Media Services	20,272			
Curriculum and Staff Development	11,731			
Instructional Leadership	3,951			
School Leadership	117,494			
Guidance, Counseling, & Evaluation Services	27,648			
Health Services	19,827			
Student Transportation	61,539			
Food Services	95,387			
Extracurricular Activities	80,459			
General Administration	102,940			
Plant Maintenance and Operations	210,670			
Security and Monitoring Services	9,619			
Data Processing Services	65,699			
	<u>\$ 1,713,599</u>			

E. Long-Term Obligations

General Obligation Bonds

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. These bonds are direct obligations and pledge the full faith and credit of the District. The bonds were refinanced, and some were re-issued with net cash proceeds on December 15, 2020 with maturity dates of February 15, 2040 and February 15, 2021. The bond bears interest rate between 1.57% and 5%.

Changes in Long-Term Debt

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended August 31, 2021, are as follows:

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FOR THE YEAR ENDED AUGUST 31, 2021

Governmental activities:	Beginning			Ending	Amounts Due
	Balance	Increases	Decreases		
General obligation bonds	\$ 41,585,000	\$ 41,570,000	\$ 43,420,000	\$ 39,735,000	\$ 1,480,000
Unamortized bond premium	382,858	--	17,403	365,455	--
Net OPEB liability*	3,304,413	(473,924)	55,484	2,775,005	--
Net pension liability*	2,456,014	509,072	212,087	2,752,999	--
Total governmental activities	<u>\$ 47,728,285</u>	<u>\$ 41,605,148</u>	<u>\$ 43,704,974</u>	<u>\$ 45,628,459</u>	<u>\$ 1,480,000</u>

* The general fund is typically used to liquidate this liability.

Debt service requirements on long-term debt at August 31, 2021, are as follows:

Year Ending August 31,	Governmental Activities		
	Principal	Interest	Total
2022	\$ 1,480,000	1,180,722	\$ 2,660,722
2023	1,420,000	1,121,322	2,541,322
2024	1,495,000	1,048,447	2,543,447
2025	1,570,000	971,822	2,541,822
2026	1,650,000	891,322	2,541,322
2027 to 2031	9,465,000	3,243,606	12,708,606
2032 to 2036	10,620,000	2,083,331	12,703,331
2037 to 2041	12,035,000	870,231	12,905,231
Totals	<u>\$ 39,735,000</u>	<u>\$ 11,410,803</u>	<u>\$ 51,145,803</u>

F. Risk Management

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2021, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

Property/Liability Program

During the year ended August 31, 2021, Tidehaven ISD participated in the TASB Risk Management Fund's (the Fund's) Property and Liability Programs with coverage in:

- Auto Liability
- Auto Physical Damage
- Equipment Breakdown
- Crime
- General and SP Legal Liability
- Property
- Sexual Misconduct Endorsement

The Fund was created and is operated under the provision of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties. The Fund purchases stop-loss coverage for protection against catastrophic and larger than anticipated claims for the Property Casualty Program. The terms and limits of the stop-loss program vary by line of coverage. The Fund uses the services of an independent actuary to determine the adequacy of reserves and fully funds those reserves. For the year ended August 31, 2020, the Fund anticipates Tidehaven ISD has no additional liability beyond the contractual obligations for payment of contributions. The Fund engages the services of an independent auditor to conduct a financial audit after the close of each plan year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2020, are available at the TASB offices and have been filed with the Texas Department of Insurance in Austin.

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

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FOR THE YEAR ENDED AUGUST 31, 2021

Workers' Compensation Pool

During the year ended August 31, 2021, Tidehaven ISD met its statutory workers' compensation obligations through participation in the TASB Risk Management Fund (the Fund). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's Workers' Compensation Program is authorized by Chapter 504, Texas Labor Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties. The Fund provides statutory workers' compensation benefits to its members and their injured employees. The Fund and its members are protected against higher than expected claims costs through the purchase of stop loss coverage for any claim in excess of the Fund's self-insured retention of \$1.5 million. The Fund uses the services of an independent actuary to determine reserve adequacy and fully funds those reserves. For the year-ended August 31, 2021, the Fund anticipates no additional liability to members beyond their contractual obligations for payment of contributions. The Fund engages the services of an independent auditor to conduct a financial audit after the close of each plan year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2020, are available at the TASB offices and have been filed with the Texas Department of Insurance in Austin.

G. Pension Plan

1. Plan Description

The District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). It is a defined benefit pension plan established and administered in accordance with the Texas Constitution, Article XVI, Section 67, and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

2. Pension Plan Fiduciary Net Position

Detail information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at https://www.trs.texas.gov/TRS%20Documents/cafr_2020.pdf, selecting About TRS then Publications then Financial Reports or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698.

3. Benefits Provided

TRS provides retirement, disability, and death benefits. Membership in the Plan includes all employees of public, state- supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempt from membership under Texas Government Code, Title 8, Section 822.002.

State law requires the plan to be actuarially sound in order for the legislature to consider a benefit enhancement, such as a supplemental payment to the retirees.

In May, 2019, the 86th Texas Legislature approved the TRS Pension Reform Bill (Senate Bill 12) that provides for gradual contribution increases from the state, participating employers and active employees to make the pension fund actuarially sound. These increases immediately made the pension fund actuarially sound and the legislature approved funding for a 13th check.

All eligible members retired as of December 31, 2018 received an extra annuity check in September 2019 in either the matching amount of their monthly annuity payment or \$2,000, whichever was less.

4. Contributions

Contribution requirements are established or amended pursuant to the following state laws:

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- Article 16, Section 67 of the Texas Constitution requires the legislature to establish a member contribution rate of not less than 6 percent of the member's annual compensation and a state contribution rate of not less than 6 percent and not more than 10 percent of the aggregate annual compensation paid to members of the System during the fiscal year.
- Government Code section 821.006 prohibits benefit improvements if it increases the amortization period of TRS' unfunded actuarial liability to greater than 31 years or, if the amortization period already exceeds 31 years, the period would be increased by such action. Actuarial implications of the funding provided in this manner are determined by the System's actuary.

Contributors to the plan include active members, employers and the State of Texas as the only non-employer contributing entity. The State is the employer for senior colleges, medical schools and state agencies including TRS. In each respective role, the State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

Contribution Rates

	2020	2021
Member	7.7%	7.7%
Non-Employer Contributing Entity (State)	6.8%	7.5%
Employers	6.8%	7.5%
District's 2021 Employer Contributions	\$ 233,504	\$ 244,800
District's 2021 Member Contributions	\$ 518,553	\$ 537,786
2020 NECE On-Behalf Contributions (state)	\$ 275,592	\$ 373,247

As the non-employer contributing entity, the State of Texas contributes to the retirement system the current current employer contribution rate times the aggregate annual compensation of all members of the Plan during the fiscal year, reduced by the employer contributions described below.

All participating employers and the State of Texas, as the employer for senior universities and medical schools, are required to pay the employer contribution rate in the following situations:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal, private, local or non-educational and general funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50 percent of the state contribution rate for certain instructional or administrative employees and 100 percent of the state contribution rate for all other employees.
- When the employing district is a public or charter school, the employer shall contribute 1.5% of covered payroll to the pension fund beginning in fiscal year 2020. This contribution rate called the Public Education Employer Contribution will replace the Non(OASDI) surcharge that was in effect in fiscal year 2019.

Employers are also required to pay surcharges in the following cases:

- When employing a retiree of TRS, the employer shall pay an amount equal to the member contribution and the state contribution as an employment after retirement surcharge.
- All public schools, charter schools and regional education service centers must contribute 1.5 percent of the member's salary beginning in fiscal year 2020, gradually increasing to 2 percent in fiscal year 2025.

5. Actuarial Assumptions

The total pension liability in the August 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

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Valuation Date	August 31, 2019 rolled forward to August 31, 2020
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	7.25%
Long-term expected Investment Rate of Return	7.25%
Municipal Bond Rate as of August 2020	2.33%
Last year ending August 31 in Projection Period	2119
Inflation	2.30%
Salary Increases including inflation	3.05% to 9.05%
Ad hoc post-employment benefit changes	None

The actuarial assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2019. For a full description of these assumptions, please see the actuarial valuation report dated November 14, 2019.

6. Actuarial Methods and Assumptions

The long-term rate of return on pension plan investments is 7.25%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2020 are summarized below:

Asset Class	Target Allocation *	Long-Term Expected Geometric Real Rate of Return **	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.0%	3.9%	0.99%
Non-U.S. Developed	13.0	5.1	0.92
Emerging Markets	9.0	5.6	0.83
Private Equity	14.0	6.7	1.41
Stable Value			
Government Bonds	16.0%	(0.7)%	(0.05)%
Absolute Return (Incl. Credit Sensitive Investments)	-	1.8	-
Stable Value Hedge Funds	0.0%	0.0%	0.11
Real Return			
Real Estate	15.0%	4.6%	1.02%
Energy, Natural Resources & Infrastructure	6.0	6.0	0.42
Commodities	-	0.8	-
Risk Parity			
Risk Parity	8.0%	3.0%	0.30%
Asset Allocation Leverage			
Cash	1.0%	2.5%	
Asset Allocation Leverage			
Inflation Expectation			2.00%
Volatility Drag ***	-	2.7%	(0.67)%
Expected Return	100.0%		7.33%

* Target allocations are based on the FY2020 policy model.
** Capital Market Assumptions come from Aon Hewitt (as of 08/31/2020)
*** The volatility drag results from the conversion between arithmetic and geometric mean returns.

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

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7. Discount Rate

A single discount rate of 7.25% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.25%. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 legislative session. It is assumed that future employer and state contributions will be 8.50% of payroll in fiscal year 2020 gradually increasing to 9.55% of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

8. Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.25%) in measuring the Net Pension Liability.

	1% Decrease in Discount Rate 6.25%	Discount Rate 7.25%	1% Increase in Discount Rate 8.25%
District's proportionate share of the net pension liability:	\$ 4,245,074	\$ 2,752,999	\$ 1,540,720

9. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At August 31, 2021, the District reported a liability of \$2,752,999 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 2,752,999
State's proportionate share that is associated with District	<u>4,844,943</u>
Total	<u>\$ 7,597,942</u>

The net pension liability was measured as of August 31, 2019 and rolled forward to August 31, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2019 through August 31, 2020.

At August 31, 2020 the employer's proportion of the collective net pension liability was 0.0051402229% which was an increase (decrease) of 0.0004155856% from its proportion measured as of August 31, 2019.

10. Change of Assumptions Since the Prior Measurement Date -

There were no changes in assumptions since the prior measurement date. For the year ended August 31, 2021, the District recognized pension expense of \$1,111,386 and revenue of \$582,739 for support provided by the State.

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

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At August 31, 2021, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 5,027	\$ 76,829
Changes in actuarial assumptions	638,794	271,611
Difference between projected and actual investment earnings	55,732	--
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	571,275	32,484
Contributions paid to TRS subsequent to the measurement date	244,800	--
Total	<u>\$ 1,515,628</u>	<u>\$ 380,924</u>

The net amounts of the District's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended August 31	Pension Expense Amount
2022	\$ 187,119
2023	\$ 255,412
2024	\$ 262,832
2025	\$ 154,276
2026	\$ 22,335
Thereafter	\$ 7,931

H. Defined Other Post-Employment Benefit Plans

1. Plan Description

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan that has a special funding situation. The plan is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees. It is established and administered in accordance with the Texas Insurance Code, Chapter 1575.

2. OPEB Plan Fiduciary Net Position

Detail information about the TRS-Care's fiduciary net position is available in the separately-issued TRS Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at https://www.trs.texas.gov/TRS%20Documents/cafr_2020.pdf, selecting About TRS then Publications then Financial Reports or by writing to TRS at 1000 Red River Street, Austin, TX 78701-2698.

3. Benefits Provided

TRS-Care provides health insurance coverage to retirees from public schools, charter schools, regional service centers, and other educational districts who are members of the TRS pension system. Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. For more information on TRS-Care eligibility and detailed information on TRS-Care, please refer to the Benefits section.

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

*NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2021*

The General Appropriations Act passed by the 86th Legislature included funding to maintain TRS-Care premiums at their current level through 2021. The 86th legislature also passed Senate Bill 1682 which requires TRS to establish a contingency reserve in the TRS-Care fund equal to 60 days of expenditures. This amount is estimated at \$277,490,586 as of August 31, 2020.

4. Contributions

Contribution rates for the TRS-Care plan are established in State Statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions; and contributions from the state, active employees, and participating employers are based on active employee compensation. The TRS board does not have the authority to set or amend contribution rates.

At the inception of the plan, funding was projected to last 10 years through fiscal year 1995. The original funding was sufficient to maintain the solvency of the fund through fiscal year 2000. Since that time, appropriations and contributions have been established to fund the benefits for each successive biennium.

Section 1575.202 of the Texas Insurance Code establishes the State's contribution rate which is 1.25 percent of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65% of salary. Section 1575.204 establishes a public school contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the employer. The actual public school contribution rate is prescribed by the Legislature in the General Appropriations Act, which is 0.75 percent of each active employee's pay for fiscal year 2020. The following table shows contributions to the TRS-Care plan by type of contributor.

Contribution Rates		
	Rate	Amount
Active Employee	0.65%	\$ 243,532,120
Non-Employer Contributing Entity (State)	1.25%	435,768,774
Employers	0.75%	280,997,853
Federal/Private Funding *	1.25%	32,562,226
Total		\$ 992,860,973
* Contributions paid from federal funds and private grants are remitted by the employer and paid at the State rate.		

District's 2021 Employer Contributions	\$ 56,553
District's 2021 Member Contributions	\$ 537,786
2020 NECE On-Behalf Contributions (state)	\$ 74,556

All employers whose employees are covered by the TRS pension plan are also required to pay a surcharge of \$535 per month when employing a retiree of the TRS. The TRS-Care surcharges for fiscal year 2020 totaled \$11,413,512.

A supplemental appropriation was authorized by Senate Bill 1264 of the 86th Texas Legislature to provide \$2,208,137 for fiscal year 2020 and \$3,312,206 for fiscal year 2021, for consumer protections against medical and health care billing by certain out-of-network providers. Funding will be in fiscal year 2021.

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

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The premium rates for retirees are reflected in the following table.

TRS-Care Monthly Premium Rates		
	Medicare	Non-Medicare
Retiree or Surviving Spouse	\$ 135	\$ 200
Retiree and Spouse	529	689
Retiree or Surviving Spouse and Children	468	408
Retiree and Family	1,020	999

5. Actuarial Assumptions

The actuarial valuation was performed as of August 31, 2019. Update procedures were used to roll forward the Total OPEB Liability to August 31, 2020.

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. All of the demographic assumptions, including rates of retirement, termination, and disability, and most of the economic assumptions, including general inflation and salary increases, used in the OPEB valuation were identical to those used in the respective TRS pension valuation. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

The following assumptions used for members of TRS-Care are identical to the assumptions employed in the August 31, 2020 TRS annual pension actuarial valuation:

Rates of Mortality	General Inflation
Rates of Retirement	Wage Inflation
Rates of Termination	Salary Increases
Rates of Disability	

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2019 rolled forward to August 31, 2020
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	2.33% as of August 31, 2020
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Salary Increases	3.05% to 9.05%, including inflation
Election Rates	Normal Retirement: 65% participation prior to age 65 and 45% participation after age 65. *
Ad Hoc Post-Employment Benefit Changes	None

* 25% of pre-65 retirees are assumed to discontinue coverage at age 65.

6. Discount Rate

A single discount rate of 2.33 percent was used to measure the total OPEB liability. This was a decrease of .30 percent in the discount rate since the previous year. Since the plan is a pay-as-you-go plan, the single discount rate is equal to the prevailing municipal bond rate.

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2021

7. Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used in measuring the net OPEB liability.

	1% Decrease in Discount Rate (1.33%)	Current Single Discount Rate (2.33%)	1% Increase in Discount Rate (3.33%)
District's proportionate share of net OPEB liability	\$ 3,329,999	\$ 2,775,005	\$ 2,336,639

8. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At August 31, 2021, the District reported a liability of \$2,775,005 for its proportionate share of the TRS's Net OPEB liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	\$ 2,775,005
State's proportionate share that is associated with the District	\$ <u>3,728,941</u>
Total	\$ <u><u>6,503,946</u></u>

The Net OPEB liability was measured as of August 31, 2018 and rolled forward to August 31, 2019 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The District's proportion of the Net OPEB Liability was based on the District's contributions to OPEB relative to the contributions of all employers to the plan for the period September 1, 2019 thru August 31, 2020.

At August 31, 2021 the District's proportion of the collective net OPEB liability was 0.0072998552 which was an increase (decrease) of 0.0003124831% from its proportion measure as of August 31, 2019.

The following schedule shows the impact of the Net OPEB Liability if a healthcare trend rate that is 1% less than and 1% greater than the assumed 8.5% rate is used.

	1% Decrease in Healthcare Trend Rate (7.5%)	Current Single Healthcare Trend Rate (8.5%)	1% Increase in Healthcare Trend Rate (9.5%)
District's proportionate share of net OPEB liability	\$ 2,266,823	\$ 2,775,005	\$ 3,451,830

9. Change of Assumptions Since the Prior Measurement Date

The following assumptions, methods and plan changes which are specific to TRS-Care were updated from the prior year's report:

- The discount rate was changed from 2.63% as of August 31, 2019 to 2.33% as of August 31, 2020. This change increased the Total OPEB Liability.
- The participation rate for post-65 retirees was lowered from 50 percent to 40 percent. This change lowered the Total
- The ultimate health care trend assumption was lowered from 4.50 percent to 4.25 percent as a result of Congress' repeal of the excise (Cadillac) tax on high-cost employer health plans in December 2019. This change lowered the Total OPEB Liability.

For the year ended August 31, 2021, the District recognized OPEB expense of \$35,766 and revenue of \$(25,892) for support provided by the State.

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2021

At August 31, 2021, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 145,298	\$ 1,269,984
Changes in actuarial assumptions	171,160	762,031
Differences between projected and actual investment earnings	901	--
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	720,890	--
Contributions paid to TRS subsequent to the measurement date	<u>56,553</u>	
Total	<u>\$ 1,094,802</u>	<u>\$ 2,032,015</u>

The net amounts of the District's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended August 31,	OPEB Expense Amount
2022	\$ (182,099)
2023	\$ (182,220)
2024	\$ (182,291)
2025	\$ (182,272)
2026	\$ (108,149)
Thereafter	\$ (156,734)

10. Medicare Part D Subsidies

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the current fiscal year ended August 31, 2021, the subsidy payment received by TRS-Care on behalf of the District was \$33,367.

I. Employee Health Care Coverage

During the year ended August 31, 2021, employees of the District were covered by a health insurance plan (the Plan). The District paid premiums of \$397 per pay period per employee and dependents to the Plan. All premiums were paid to a self-funded pool. The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement.

The contract between the District and the licensed insurer is renewable, and terms of coverage and premium costs are included in the contractual provisions.

Latest financial statements for the are available for the year ended, have been filed with the Texas State Board of Insurance, Austin, Texas, and are public records.

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2021

J. Commitments and Contingencies

1. Contingencies

The District participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

2. Litigation

No reportable litigation was pending against the District at August 31, 2021.

K. Shared Services Arrangements

The District participates in a shared services arrangement ("SSA") for state special education with the following school districts:

Member Districts

Palacios ISD

Van Vleck ISD

Matagorda ISD

Tidehaven ISD

The District does not account for revenues or expenditures in this program and does not disclose them in these financial statements. The District neither has a joint ownership interest in fixed assets purchased by the fiscal agent, Van Vleck ISD nor does the District have a net equity interest in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to the District. The fiscal agent manager is responsible for all financial activities of the SSA. The financial report for this SSA may be obtained by writing Van Vleck ISD, 142 South Fourth Street, Van Vleck, TX 77482.

L. Fund Balance

Committed Fund Balances

The Board of Trustees committed funds in the campus activities special revenue fund for use at the campus level and general funds for various construction projects, bus purchases and technology upgrades.

Restricted Fund Balances

Restricted fund balances in the special revenue funds represent amounts restricted for state and federal grants as well as amounts restricted by donors. Fund balance in the capital projects represents bond funds restricted for capital acquisitions and contracts.

Nonspendable Fund Balances

Nonspendable fund balance in the general fund represents the prepayment of expenditures that will be budgeted next year. The nonspendable in other governmental funds represents a permanent endowment in which only the earnings may be spent as determined by the donor.

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2021

M. Disaggregated Revenue

During the current year, revenues reported in the fund financial statements from local sources consisted of the following:

	General Fund	Debt Service Fund	Other Nonmajor Funds	Totals
Property taxes	\$ 11,939,298	\$ 2,688,630	\$ --	\$ 14,627,928
Investment earnings	246,081	32,161	925	279,167
Food service fees	--	--	55,287	55,287
Enterprise service revenue	--	--	13,425	13,425
Rent	12,600	--	--	12,600
Gift & Bequests	--	--	5,405	5,405
Athletic receipts	38,444	--	--	38,444
Other	110,289	5,118	--	115,407
	<u>\$ 12,346,712</u>	<u>\$ 2,725,909</u>	<u>\$ 75,042</u>	<u>\$ 15,147,663</u>

Required Supplementary Information

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.



TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	1		2		3		Variance with Final Budget Positive (Negative)
	Budgeted Amounts				Actual		
	Original	Final					
REVENUES:							
5700	Local and Intermediate Sources	\$ 11,954,115	\$ 12,042,115	\$ 12,346,712	\$ 304,597		
5800	State Program Revenues	1,756,035	1,895,841	1,818,342	(77,499)		
5900	Federal Program Revenues	104,000	164,000	174,015	10,015		
5020	Total Revenues	13,814,150	14,101,956	14,339,069	237,113		
EXPENDITURES:							
Current:							
Instruction & Instructional Related Services:							
0011	Instruction	5,698,181	5,877,625	5,859,583	18,042		
0012	Instructional Resources and Media Services	157,599	151,399	151,078	321		
0013	Curriculum and Staff Development	85,190	89,387	86,656	2,731		
	Total Instruction & Instr. Related Services	5,940,970	6,118,411	6,097,317	21,094		
Instructional and School Leadership:							
0021	Instructional Leadership	22,350	22,350	19,854	2,496		
0023	School Leadership	678,679	670,331	665,627	4,704		
	Total Instructional & School Leadership	701,029	692,681	685,481	7,200		
Support Services - Student (Pupil):							
0031	Guidance, Counseling and Evaluation Services	189,328	180,328	171,914	8,414		
0033	Health Services	168,176	148,226	125,361	22,865		
0034	Student (Pupil) Transportation	534,073	617,273	509,411	107,862		
0035	Food Services	35,801	30,801	25,096	5,705		
0036	Cocurricular/Extracurricular Activities	637,802	907,939	806,296	101,643		
	Total Support Services - Student (Pupil)	1,565,180	1,884,567	1,638,078	246,489		
Administrative Support Services:							
0041	General Administration	770,923	866,721	841,605	25,116		
	Total Administrative Support Services	770,923	866,721	841,605	25,116		
Support Services - Nonstudent Based:							
0051	Plant Maintenance and Operations	1,569,349	1,921,676	1,781,442	140,234		
0052	Security and Monitoring Services	70,651	125,440	120,398	5,042		
0053	Data Processing Services	266,495	393,331	323,250	70,081		
	Total Support Services - Nonstudent Based	1,906,495	2,440,447	2,225,090	215,357		
Capital Outlay:							
0081	Capital Outlay	--	1,990,755	1,839,851	150,904		
	Total Capital Outlay	--	1,990,755	1,839,851	150,904		
Intergovernmental Charges:							
0091	Contracted Instr. Services Between Public Schools	2,355,000	2,738,669	2,633,180	105,489		
0093	Payments to Fiscal Agent/Member Dist.-SSA	306,720	324,720	265,830	58,890		
0099	Other Intergovernmental Charges	205,000	195,000	158,864	36,136		
	Total Intergovernmental Charges	2,866,720	3,258,389	3,057,874	200,515		
6030	Total Expenditures	13,751,317	17,251,972	16,385,296	866,676		
1100	Excess (Deficiency) of Revenues Over (Under)						
1100	Expenditures	62,833	(3,150,016)	(2,046,227)	1,103,789		
Other Financing Sources (Uses):							

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED AUGUST 31, 2021

EXHIBIT G-1

Page 2 of 2

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
7915	Transfers In	--	117,690	65,000	(52,690)
8911	Transfers Out	--	(131,878)	(65,000)	66,878
7080	Total Other Financing Sources and (Uses)	--	(14,188)	--	14,188
1200	Net Change in Fund Balance	62,833	(3,164,204)	(2,046,227)	1,117,977
0100	Fund Balance - Beginning	13,775,691	13,775,691	13,775,691	--
3000	Fund Balance - Ending	\$ 13,838,524	\$ 10,611,487	\$ 11,729,464	\$ 1,117,977

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE
 SHARE OF THE NET PENSION LIABILITY
 TEACHER RETIREMENT SYSTEM OF TEXAS PENSION PLAN
 LAST TEN FISCAL YEARS *

EXHIBIT G-2

	Fiscal Year									
Measurement period ending August 31	2020	2019	2018	2017	2016	2015	2014	2013	2012	
District's proportion of the net pension liability (asset)	0.0051402%	0.0047246%	0.0037840%	0.0030538%	0.0029676%	0.0034232%	0.0027720%	--	--	
District's proportionate share of the net pension liability (asset)	\$ 2,752,999	\$ 2,456,014	\$ 2,082,815	\$ 976,443	\$ 1,121,398	\$ 1,210,056	\$ 740,439	\$ --	\$ --	
State's proportionate share of the net pension liability (asset) associated with the District	4,844,943	4,093,211	4,355,366	2,757,076	3,291,209	3,214,833	2,864,113	--	--	
Total	\$ 7,597,942	\$ 6,549,225	\$ 6,438,181	\$ 3,733,519	\$ 4,412,607	\$ 4,424,889	\$ 3,604,552	\$ --	\$ --	
District's covered-employee payroll	\$ 6,734,460	\$ 5,843,902	\$ 5,231,260	\$ 4,930,834	\$ 4,723,099	\$ 4,782,733	\$ 4,968,843	\$ --	\$ --	
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	40.88%	42.03%	39.81%	19.80%	23.74%	25.30%	14.90%	--	--	
Plan fiduciary net position as a percentage of the total pension liability	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%	--	--	

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS PENSION PLAN
LAST TEN FISCAL YEARS *

EXHIBIT G-3

Fiscal year ending August 31,	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	
Contractually required contribution	\$ 244,800	\$ 233,504	\$ 179,539	\$ 268,637	\$ 98,827	\$ 96,995	\$ 101,364	\$ --	\$ --	
Contributions in relation to the contractually required contribution	(244,800)	(233,504)	(179,539)	(268,637)	(98,827)	(96,995)	(101,364)	--	--	
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	
District's covered-employee payroll	\$ 6,984,248	\$ 6,734,460	\$ 5,843,902	\$ 5,231,260	\$ 4,930,834	\$ 4,723,099	\$ 4,782,733	\$ --	\$ --	
Contributions as a percentage of covered-employee payroll	3.51%	3.47%	3.07%	5.14%	2.00%	2.05%	2.12%	--	--	

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
LAST TEN FISCAL YEARS *

EXHIBIT G-4

	2020	2019	2018	2017	2016	2015	2014	2013	2012
	Measurement Year Ended								
District's proportion of the collective net OPEB liability	0.00730%	0.00699%	0.00625%	0.00579%	--	--	--	--	--
District's proportionate share of the collective net OPEB liability	\$ 2,775,005	\$ 3,304,413	\$ 3,121,763	\$ 2,518,165	\$ --	\$ --	\$ --	\$ --	\$ --
State proportionate share of the collective net OPEB liability associated with the District	\$ 3,728,941	\$ 4,390,827	\$ 4,459,543	\$ 3,853,424	\$ --	\$ --	\$ --	\$ --	\$ --
Total	\$ 6,503,946	\$ 7,695,240	\$ 7,581,306	\$ 6,371,589	\$ --	\$ --	\$ --	\$ --	\$ --
District's covered-employee payroll	\$ 6,734,460	\$ 5,843,902	\$ 5,231,260	\$ 4,930,834	\$ --	\$ --	\$ --	\$ --	\$ --
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	41.21%	56.54%	59.68%	51.07%	--	--	--	--	--
Plan fiduciary net position as a percentage of the total OPEB liability	4.99%	2.66%	1.57%	0.91%	--	--	--	--	--

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
LAST TEN FISCAL YEARS *

EXHIBIT G-5

	Fiscal Year Ended									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	
Statorily or contractually required District contribution	\$ 56,553	\$ 55,482	\$ 43,168	\$ 31,670	\$ --	\$ --	\$ --	\$ --	\$ --	
Contributions recognized by OPEB in relation to statorily or contractually required contribution	(56,553)	(55,482)	(43,168)	(31,670)	--	--	--	--	--	
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	
District's covered-employee payroll	\$ 6,984,248	\$ 6,734,460	\$ 5,843,902	\$ 5,231,260	\$ --	\$ --	\$ --	\$ --	\$ --	
Contributions as a percentage of covered-employee payroll	0.81%	0.82%	0.74%	0.61%	--	--	--	--	--	

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED AUGUST 31, 2021

Budget

The official budget was prepared for adoption for all Governmental Fund Types. The budget was prepared in accordance with accounting practices generally accepted in the United States of America. The following procedures are followed in establishing the budgetary data.:

- a. Prior to August 21 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- b. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.
- c. Prior to the beginning of the fiscal year, the budget is legally enacted through passage of a resolution by the board.

Once a budget is approved, it can be amended at function and fund level only by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings.

Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board and are not made after fiscal year end as required by law.

Each amendment is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year end.

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at August 31, and encumbrances outstanding at that time are to be either cancelled or appropriately provided for in the subsequent year's budget. There were no end-of-year outstanding encumbrances that were provided for in the subsequent year's budget.

Defined Benefit Pension Plan

Changes of benefit terms

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

Changes of assumptions

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

Other Post-Employment Benefit Plan

Changes of benefit terms

There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

Changes of assumptions

There were no changes of assumptions or other inputs that affected measurement of the total OPEB liability during the measurement period.



*Combining Statements and Budget Comparisons
as Supplementary Information*

This supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

AUGUST 31, 2021

Data Control Codes	Special Revenue Funds	Permanent Fund	Total Nonmajor Governmental Funds (See Exhibit C-1)	
ASSETS:				
1110	Cash and Cash Equivalents	\$ (24,883)	\$ 15,413	\$ (9,470)
1240	Due from Other Governments	264,217	--	264,217
1300	Inventories	27,255	--	27,255
1000	Total Assets	<u>266,589</u>	<u>15,413</u>	<u>282,002</u>
LIABILITIES:				
Current Liabilities:				
2110	Accounts Payable	\$ 586	\$ --	\$ 586
2160	Accrued Wages Payable	64,254	--	64,254
2200	Accrued Expenditures	7,538	--	7,538
2300	Unearned Revenue	77,200	--	77,200
2000	Total Liabilities	<u>149,578</u>	<u>--</u>	<u>149,578</u>
FUND BALANCES:				
Nonspendable Fund Balances:				
3425	Endowment Principal	--	10,000	10,000
Restricted Fund Balances:				
3450	Federal/State Funds Grant Restrictions	19,829	--	19,829
3490	Other Restrictions of Fund Balance	(4,433)	5,413	980
Committed Fund Balances:				
3545	Other Committed Fund Balance	44,907	--	44,907
Unassigned, Reported in Nonmajor:				
3610	Special Revenue Funds	56,708	--	56,708
3000	Total Fund Balances	<u>117,011</u>	<u>15,413</u>	<u>132,424</u>
4000	Total Liabilities and Fund Balances	<u>\$ 266,589</u>	<u>\$ 15,413</u>	<u>\$ 282,002</u>

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	Special Revenue Funds	Permanent Fund	Total Nonmajor Governmental Funds (See Exhibit C-2)
REVENUES:			
5700 <i>Local and Intermediate Sources</i>	\$ 75,042	\$ --	\$ 75,042
5800 <i>State Program Revenues</i>	128,089	--	128,089
5900 <i>Federal Program Revenues</i>	1,486,537	--	1,486,537
5020 Total Revenues	<u>1,689,668</u>	<u>--</u>	<u>1,689,668</u>
EXPENDITURES:			
Current:			
0011 <i>Instruction</i>	552,881	--	552,881
0013 <i>Curriculum and Staff Development</i>	8,054	--	8,054
0021 <i>Instructional Leadership</i>	13,003	--	13,003
0023 <i>School Leadership</i>	24,374	--	24,374
0031 <i>Guidance, Counseling, & Evaluation Services</i>	8,130	--	8,130
0033 <i>Health Services</i>	55,748	--	55,748
0035 <i>Food Service</i>	642,635	--	642,635
0051 <i>Facilities Maintenance and Operations</i>	65,491	--	65,491
0052 <i>Security and Monitoring Services</i>	20,017	--	20,017
0053 <i>Data Processing Services</i>	91,557	--	91,557
0093 <i>Payments to Shared Service Arrangements</i>	196,982	--	196,982
6030 Total Expenditures	<u>1,678,872</u>	<u>--</u>	<u>1,678,872</u>
1100 Excess (Deficiency) of Revenues Over (Under)			
1100 Expenditures	10,796	--	10,796
1200 Net Change in Fund Balances	10,796	--	10,796
0100 Fund Balances - Beginning	106,215	15,413	121,628
3000 Fund Balances - Ending	<u>\$ 117,011</u>	<u>\$ 15,413</u>	<u>\$ 132,424</u>

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2021

Data Control Codes	211 ESEA Title I Improving Basic Programs	224 IDEA-Part B Formula	240 National School Breakfast/Lunch Program	255 ESEA Title II Training & Recruiting	
ASSETS:					
1110	Cash and Cash Equivalents	\$ (3,891)	\$ 51	\$ 62,853	\$ (27,144)
1240	Due from Other Governments	24,091	--	36,935	27,144
1300	Inventories	--	--	27,255	--
1000	Total Assets	20,200	51	127,043	--
LIABILITIES:					
Current Liabilities:					
2110	Accounts Payable	\$ 184	\$ --	\$ 402	\$ --
2160	Accrued Wages Payable	17,412	--	16,745	--
2200	Accrued Expenditures	2,604	--	1,384	--
2300	Unearned Revenue	--	--	8,962	--
2000	Total Liabilities	20,200	--	27,493	--
FUND BALANCES:					
Restricted Fund Balances:					
3450	Federal/State Funds Grant Restrictions	--	--	19,829	--
3490	Other Restrictions of Fund Balance	--	--	--	--
Committed Fund Balances:					
3545	Other Committed Fund Balance	--	--	18,991	--
Unassigned, Reported in Nonmajor:					
3610	Special Revenue Funds	--	51	60,730	--
3000	Total Fund Balances	--	51	99,550	--
4000	Total Liabilities and Fund Balances	\$ 20,200	\$ 51	\$ 127,043	\$ --

266 Coronavirus Aid Relief, and Economic Security Act	270 ESEA, Title VI Part B, Subpart 2 Rural School	281 ESSER Fund II of the CRRSA Act	282 ESSER Fund III of the American Rescue Plan Act	289 Emergency Impact Aid LEA
\$ 55,015 13,223	\$ (636) 636	\$ (9,231) 9,231	\$ (97,228) 119,656	\$ (2,065) 2,065
-- <u>68,238</u>	-- <u>--</u>	-- <u>--</u>	-- <u>22,428</u>	-- <u>--</u>
\$ -- -- -- 68,238 <u>68,238</u>	\$ -- -- -- -- <u>--</u>	\$ -- -- -- -- <u>--</u>	\$ -- 19,715 2,713 -- <u>22,428</u>	\$ -- -- -- -- <u>--</u>
-- -- -- -- <u>--</u>	-- -- -- -- <u>--</u>	-- -- -- -- <u>--</u>	-- -- -- -- <u>--</u>	-- -- -- -- <u>--</u>
<u>\$ 68,238</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 22,428</u>	<u>\$ --</u>

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 AUGUST 31, 2021

Data Control Codes	397 Advanced Placement Incentives	410 State Textbook Fund
ASSETS:		
1110 <i>Cash and Cash Equivalents</i>	\$ 2	\$ 2,500
1240 <i>Due from Other Governments</i>	--	--
1300 <i>Inventories</i>	--	--
1000 Total Assets	<u>2</u>	<u>2,500</u>
LIABILITIES:		
Current Liabilities:		
2110 <i>Accounts Payable</i>	\$ --	\$ --
2160 <i>Accrued Wages Payable</i>	--	--
2200 <i>Accrued Expenditures</i>	--	--
2300 <i>Unearned Revenue</i>	--	--
2000 Total Liabilities	<u>--</u>	<u>--</u>
FUND BALANCES:		
Restricted Fund Balances:		
3450 <i>Federal/State Funds Grant Restrictions</i>	--	--
3490 <i>Other Restrictions of Fund Balance</i>	--	(4,433)
Committed Fund Balances:		
3545 <i>Other Committed Fund Balance</i>	--	--
Unassigned, Reported in Nonmajor:		
3610 <i>Special Revenue Funds</i>	2	6,933
3000 Total Fund Balances	<u>2</u>	<u>2,500</u>
4000 Total Liabilities and Fund Balances	<u>\$ 2</u>	<u>\$ 2,500</u>

427 State Funded Special Revenue Fund	429 State Funded Special Revenue Fund	461 Campus Activity Funds	Total Nonmajor Special Revenue Funds (See Exhibit H-1)
\$ --	\$ (20,017)	\$ 14,908	\$ (24,883)
11,219	20,017	--	264,217
--	--	--	27,255
<u>11,219</u>	<u>--</u>	<u>14,908</u>	<u>266,589</u>
\$ --	\$ --	\$ --	\$ 586
10,382	--	--	64,254
837	--	--	7,538
--	--	--	77,200
<u>11,219</u>	<u>--</u>	<u>--</u>	<u>149,578</u>
--	--	--	19,829
--	--	--	(4,433)
--	--	25,916	44,907
--	--	(11,008)	56,708
<u>--</u>	<u>--</u>	<u>14,908</u>	<u>117,011</u>
<u>\$ 11,219</u>	<u>\$ --</u>	<u>\$ 14,908</u>	<u>\$ 266,589</u>

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	211 ESEA Title I Improving Basic Programs	224 IDEA-Part B Formula	240 National School Breakfast/Lunch Program	255 ESEA Title II Training & Recruiting
REVENUES:				
5700 <i>Local and Intermediate Sources</i>	\$ --	\$ --	\$ 55,287	\$ --
5800 <i>State Program Revenues</i>	--	--	5,841	--
5900 <i>Federal Program Revenues</i>	296,588	196,982	601,093	48,445
5020 Total Revenues	<u>296,588</u>	<u>196,982</u>	<u>662,221</u>	<u>48,445</u>
EXPENDITURES:				
Current:				
0011 <i>Instruction</i>	290,574	--	--	40,291
0013 <i>Curriculum and Staff Development</i>	--	--	--	8,054
0021 <i>Instructional Leadership</i>	6,014	--	--	100
0023 <i>School Leadership</i>	--	--	--	--
0031 <i>Guidance, Counseling, & Evaluation Services</i>	--	--	--	--
0033 <i>Health Services</i>	--	--	--	--
0035 <i>Food Service</i>	--	--	642,373	--
0051 <i>Facilities Maintenance and Operations</i>	--	--	--	--
0052 <i>Security and Monitoring Services</i>	--	--	--	--
0053 <i>Data Processing Services</i>	--	--	--	--
0093 <i>Payments to Shared Service Arrangements</i>	--	196,982	--	--
6030 Total Expenditures	<u>296,588</u>	<u>196,982</u>	<u>642,373</u>	<u>48,445</u>
1100 Excess (Deficiency) of Revenues Over (Under)				
1100 Expenditures	--	--	19,848	--
1200 Net Change in Fund Balances	--	--	19,848	--
0100 Fund Balances - Beginning	--	51	79,702	--
3000 Fund Balances - Ending	\$ --	\$ 51	\$ 99,550	\$ --

266 Coronavirus Aid Relief, and Economic Security Act	270 ESEA, Title VI Part B, Subpart 2 Rural School	281 ESSER Fund II of the CRRSA Act	282 ESSER Fund III of the American Rescue Plan Act	289 Emergence Impact Aid LEA
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
<u>165,350</u>	<u>21,919</u>	<u>9,231</u>	<u>119,656</u>	<u>16,054</u>
<u>165,350</u>	<u>21,919</u>	<u>9,231</u>	<u>119,656</u>	<u>16,054</u>
58,852	21,119	6,773	17,643	10,965
--	--	--	--	--
1,000	800	--	--	5,089
--	--	--	--	--
--	--	2,458	5,672	--
39,745	--	--	4,784	--
262	--	--	--	--
65,491	--	--	--	--
--	--	--	--	--
--	--	--	91,557	--
--	--	--	--	--
<u>165,350</u>	<u>21,919</u>	<u>9,231</u>	<u>119,656</u>	<u>16,054</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	397 Advanced Placement Incentives	410 State Textbook Fund
REVENUES:		
5700 <i>Local and Intermediate Sources</i>	\$ --	\$ --
5800 <i>State Program Revenues</i>	--	102,231
5900 <i>Federal Program Revenues</i>	--	--
5020 Total Revenues	<u>--</u>	<u>102,231</u>
EXPENDITURES:		
Current:		
0011 <i>Instruction</i>	--	106,664
0013 <i>Curriculum and Staff Development</i>	--	--
0021 <i>Instructional Leadership</i>	--	--
0023 <i>School Leadership</i>	--	--
0031 <i>Guidance, Counseling, & Evaluation Services</i>	--	--
0033 <i>Health Services</i>	--	--
0035 <i>Food Service</i>	--	--
0051 <i>Facilities Maintenance and Operations</i>	--	--
0052 <i>Security and Monitoring Services</i>	--	--
0053 <i>Data Processing Services</i>	--	--
0093 <i>Payments to Shared Service Arrangements</i>	--	--
6030 Total Expenditures	<u>--</u>	<u>106,664</u>
1100 Excess (Deficiency) of Revenues Over (Under)		
1100 Expenditures	--	(4,433)
1200 Net Change in Fund Balances	--	(4,433)
0100 Fund Balances - Beginning	2	6,933
3000 Fund Balances - Ending	<u>\$ 2</u>	<u>\$ 2,500</u>

427 State Funded Special Revenue Fund	429 State Funded Special Revenue Fund	461 Campus Activity Funds	Total Nonmajor Special Revenue Funds (See Exhibit H-2)
\$ --	\$ --	\$ 19,755	\$ 75,042
--	20,017	--	128,089
11,219	--	--	1,486,537
<u>11,219</u>	<u>20,017</u>	<u>19,755</u>	<u>1,689,668</u>
--	--	--	552,881
--	--	--	8,054
--	--	--	13,003
--	--	24,374	24,374
--	--	--	8,130
11,219	--	--	55,748
--	--	--	642,635
--	--	--	65,491
--	20,017	--	20,017
--	--	--	91,557
--	--	--	196,982
<u>11,219</u>	<u>20,017</u>	<u>24,374</u>	<u>1,678,872</u>
--	--	(4,619)	10,796
--	--	(4,619)	10,796
--	--	19,527	106,215
<u>\$ --</u>	<u>\$ --</u>	<u>\$ 14,908</u>	<u>\$ 117,011</u>

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF FIDUCIARY NET POSITION

PRIVATE-PURPOSE TRUST FUNDS

AUGUST 31, 2021

Data Control Codes	816 Nelson Memorial Scholarship	817 Alumni Scholarship
ASSETS:		
1110 <i>Cash and Cash Equivalents</i>	\$ 21,337	\$ 12,739
1000 Total Assets	<u>21,337</u>	<u>12,739</u>
LIABILITIES:		
Current Liabilities:		
2110 <i>Accounts Payable</i>	\$ --	\$ 1,255
2000 Total Liabilities	<u>--</u>	<u>1,255</u>
NET POSITION:		
3800 <i>Held in Trust</i>	21,337	11,484
3000 Total Net Position	<u>\$ 21,337</u>	<u>\$ 11,484</u>

818	819	829	Total Private- Purpose Trust Funds (See Exhibit E-1)
R.M.Zemanek Scholarship	Carl Trull Scholarship	Miscellaneous Scholarships	
\$ <u>323</u>	\$ <u>18,819</u>	\$ <u>11,855</u>	\$ <u>65,073</u>
<u>323</u>	<u>18,819</u>	<u>11,855</u>	<u>65,073</u>
\$ <u>--</u>	\$ <u>15,000</u>	\$ <u>--</u>	\$ <u>16,255</u>
<u>--</u>	<u>15,000</u>	<u>--</u>	<u>16,255</u>
323	3,819	11,855	48,818
\$ <u>323</u>	\$ <u>3,819</u>	\$ <u>11,855</u>	\$ <u>48,818</u>

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

ALL PRIVATE-PURPOSE TRUST FUNDS

FOR THE YEAR ENDED AUGUST 31, 2021

	816 Nelson Memorial Scholarship	817 Alumni Scholarship	818 R.M.Zemanek Scholarship
Additions:			
Investment Income	\$ 370	\$ --	\$ 6
Gifts & Bequests	--	3,720	--
Total Additions	<u>370</u>	<u>3,720</u>	<u>6</u>
Deductions:			
Scholarship Awards	--	3,500	--
Administrative Expenses	--	--	--
Total Deductions	<u>--</u>	<u>3,500</u>	<u>--</u>
Change in Net Position	370	220	6
Net Position-Beginning of the Year	<u>20,967</u>	<u>11,264</u>	<u>317</u>
Net Position-End of the Year	<u>\$ 21,337</u>	<u>\$ 11,484</u>	<u>\$ 323</u>

EXHIBIT H-6

819	829	Total Private-Purpose Trust Funds (See Exhibit E-2)
<u>Carl Trull Scholarship</u>	<u>Miscellaneous Scholarships</u>	<u></u>
\$ 252	\$ 206	\$ 834
<u>16,000</u>	<u>--</u>	<u>19,720</u>
<u>16,252</u>	<u>206</u>	<u>20,554</u>
16,000	--	19,500
<u>--</u>	<u>--</u>	<u>--</u>
<u>16,000</u>	<u>--</u>	<u>19,500</u>
252	206	1,054
<u>3,567</u>	<u>11,649</u>	<u>47,764</u>
<u>\$ 3,819</u>	<u>\$ 11,855</u>	<u>\$ 48,818</u>



Other Supplementary Information

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF DELINQUENT TAXES RECEIVABLE
 FOR THE YEAR ENDED AUGUST 31, 2021

Year Ended August 31	1 Tax Rates		2	3 Assessed/Appraised Value For School Tax Purposes
	Maintenance	Debt Service		
2012 and Prior Years	\$ Various	\$ Various		\$ Various
2013	1.005	.1936		1,453,291,897
2014	1.005	.2126		1,294,889,947
2015	1.005	.3262		1,111,597,530
2016	1.005	.3740		1,012,396,571
2017	1.005	.2561		1,041,458,556
2018	1.005	.2504		1,139,907,278
2019	1.005	.2178		1,133,307,789
2020	0.970	.2048		1,304,115,252
2021 (School Year Under Audit)	0.956	.2151		1,239,440,876

1000 Totals

9000 - Portion of Row 1000 for Taxes Paid into Tax Increment Zone Under Chapter 311, Tax Code

10 Beginning Balance 9/1/20	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/21
\$ 142,575	\$ --	\$ 4,368	\$ --	\$ (8,689)	\$ 129,518
15,038	--	415	80	(254)	14,289
21,593	--	331	70	(164)	21,028
36,449	--	1,730	562	(156)	34,001
36,358	--	2,786	1,037	(252)	32,283
39,156	--	3,969	1,011	(259)	33,917
56,488	--	5,352	1,333	(258)	49,545
76,303	--	10,783	2,335	(352)	62,833
110,903	--	32,161	6,787	(2,991)	68,964
--	14,517,666	11,826,296	2,665,311	66,268	92,327
<u>\$ 534,863</u>	<u>\$ 14,517,666</u>	<u>\$ 11,888,191</u>	<u>\$ 2,678,526</u>	<u>\$ 52,893</u>	<u>\$ 538,705</u>

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-4

NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	1	2	3
	Budget	Actual	Variance Positive (Negative)
REVENUES:			
5700 <i>Local and Intermediate Sources</i>	\$ 49,500	\$ 55,287	\$ 5,787
5800 <i>State Program Revenues</i>	5,800	5,841	41
5900 <i>Federal Program Revenues</i>	571,532	601,093	29,561
5020 Total Revenues	<u>626,832</u>	<u>662,221</u>	<u>35,389</u>
EXPENDITURES:			
Current:			
Support Services - Student (Pupil):			
0035 <i>Food Services</i>	661,720	642,373	19,347
Total Support Services - Student (Pupil)	<u>661,720</u>	<u>642,373</u>	<u>19,347</u>
6030 Total Expenditures	<u>661,720</u>	<u>642,373</u>	<u>19,347</u>
1100 Excess (Deficiency) of Revenues Over (Under)			
1100 Expenditures	<u>(34,888)</u>	<u>19,848</u>	<u>54,736</u>
Other Financing Sources (Uses):			
7915 <i>Transfers In</i>	14,188	--	(14,188)
7080 Total Other Financing Sources and (Uses)	<u>14,188</u>	<u>--</u>	<u>(14,188)</u>
1200 Net Change in Fund Balance	<u>(20,700)</u>	<u>19,848</u>	<u>40,548</u>
0100 Fund Balance - Beginning	79,702	79,702	--
3000 Fund Balance - Ending	<u>\$ 59,002</u>	<u>\$ 99,550</u>	<u>\$ 40,548</u>

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-5

DEBT SERVICE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	1	2	3
	Budget	Actual	Variance Positive (Negative)
REVENUES:			
5700 Local and Intermediate Sources	\$ 2,661,599	\$ 2,725,909	\$ 64,310
5800 State Program Revenues	16,794	23,061	6,267
5020 Total Revenues	<u>2,678,393</u>	<u>2,748,970</u>	<u>70,577</u>
EXPENDITURES:			
Debt Service:			
0071 Principal on Long-Term Debt	1,275,000	1,835,000	(560,000)
0072 Interest on Long-Term Debt	1,386,493	823,960	562,533
0073 Bond Issuance Costs and Fees	3,000	464	2,536
Total Debt Service	<u>2,664,493</u>	<u>2,659,424</u>	<u>5,069</u>
6030 Total Expenditures	<u>2,664,493</u>	<u>2,659,424</u>	<u>5,069</u>
1100 Excess (Deficiency) of Revenues Over (Under)			
1100 Expenditures	<u>13,900</u>	<u>89,546</u>	<u>75,646</u>
1200 Net Change in Fund Balance	<u>13,900</u>	<u>89,546</u>	<u>75,646</u>
0100 Fund Balance - Beginning	1,698,731	1,698,731	--
3000 Fund Balance - Ending	<u>\$ 1,712,631</u>	<u>\$ 1,788,277</u>	<u>\$ 75,646</u>



Harry Afadapa & Associates, PC

Certified Public Accountants

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Houston, Texas 77070

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Independent Auditor's Report on Internal Control over Financial Reporting and
On Compliance and Other Matters Based on an Audit of Financial Statements
Performed In Accordance With Government Auditing Standards

Board of Trustees
Tidehaven Independent School District
PO Box 129
El Maton, Texas 77440

Members of the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Tidehaven Independent School District, as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise Tidehaven Independent School District's basic financial statements, and have issued our report thereon dated November 19, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Tidehaven Independent School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Tidehaven Independent School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Tidehaven Independent School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Tidehaven Independent School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

Harry Afadapa & Associates, PC

Houston, Texas
November 19, 2021

Harry Afadapa & Associates, PC

Certified Public Accountants

12345 Jones Road, Suite 215

Houston, Texas 77070

(832) 960-7977~www.afadapa.com

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Board of Trustees
Tidehaven Independent School District
PO Box 129
El Maton, Texas 77440

Members of the Board of Trustees:

Report on Compliance for Each Major Federal Program

We have audited the Tidehaven Independent School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Tidehaven Independent School District's major federal programs for the year ended August 31, 2021. Tidehaven Independent School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Tidehaven Independent School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Tidehaven Independent School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Tidehaven Independent School District's compliance.

Opinion on Each Major Federal Program

In our opinion, the Tidehaven Independent School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2021.

Report on Internal Control Over Compliance

Management of the Tidehaven Independent School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Tidehaven Independent School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Tidehaven Independent School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we considered to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

Harry Afadapa & Associates, PC

Houston, Texas
November 19, 2021

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2021

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

One or more material weaknesses identified? Yes No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes None Reported

Noncompliance material to financial statements noted? Yes No

2. Federal Awards

Internal control over major programs:

One or more material weaknesses identified? Yes No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Version of compliance supplement used in audit: August 2019

Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200? Yes No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553/10.555	Child Nutrition Cluster
84.010	Title 1 - School Improvement Programs

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes No

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

NONE

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2021

<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>Management's Explanation If Not Implemented</u>
<i>None</i>		

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

USE OF FUNDS REPORT - SELECT STATE ALLOTMENT PROGRAM
AS OF AUGUST 31, 2021

<u>Data Control Codes</u>		<u>Responses</u>
<u>Section A: Compensatory Education Programs</u>		
AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$ 128,089
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28 29, 30, 34)	\$ 1,218,179
<u>Section B: Bilingual Education Programs</u>		
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	\$ 134,367
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25, 35)	\$ 134,367

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

EXHIBIT K-1

*SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2021*

(1) Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	(2) Federal CFDA Number	(2A) Pass- Through Entity Identifying Number	Passed Through to Subrecipients	(3) Federal Expenditures
SPECIAL EDUCATION (IDEA) CLUSTER:				
<u>U. S. Department of Education</u>				
Pass Through State Department of Education:				
IDEA-Part B, Formula	84.027	21660001158901\$	--	\$ 196,982
Total U.S. Department of Education				<u>196,982</u>
<i>Total Special Education (IDEA) Cluster</i>				<u>196,982</u>
OTHER PROGRAM:				
<u>U. S. Department of Education</u>				
Direct Programs:				
<i>Federally Funded Special Revenue Funds</i>	84.424a	20680101158902\$	--	\$ 375
<i>Federally Funded Special Revenue Funds</i>	84.424a	21680101158902	--	<u>15,679</u>
Total Direct Programs			--	<u>16,054</u>
Passed Through State Department of Education:				
<i>ESEA Title I Part A - Improving Basic Programs</i>	84.010a	20610101158902	--	237
<i>ESEA Title I Part A - Improving Basic Programs</i>	84.010a	21610101158902	--	20,016
<i>ESEA Title I Part A - Improving Basic Programs</i>	84.010a	21610101158902	--	<u>276,335</u>
Total CFDA Number 84.010a			--	<u>296,588</u>
<i>ESEA, Title VI, Part B, Subpart 2-Rural and Low Income School Gra</i>	84.358a	20696001158902	--	10,656
<i>ESEA, Title V, Part B, Subpart 2-Rural and Low Income School Gra</i>	84.358a	21696001158902	--	11,263
Total CFDA Number 84.358a			--	<u>21,919</u>
<i>ESEA Title II, Part A - Teacher & Principal Training & Recruiting</i>	84.367a	20694501158902	--	22,392
<i>ESEA Title II, Part A - Teacher & Principal Training & Recruiting</i>	84.367a	21694501158902	--	<u>26,053</u>
Total CFDA Number 84.367a			--	<u>48,445</u>
<i>Coronavirus Aid, Relief, and Economic Security (CARES) Act - ESS</i>	84.425d	20521001158902	--	165,350
<i>ESSER Fund II of the CRRSA Act</i>	84.425D	20521001158902	--	9,231
<i>ESSER Fund III of the American Rescue Plan Act of 2021</i>	84.425D	21528001158902	--	<u>119,656</u>
Total CFDA Number 84.425d			--	<u>294,237</u>
Total Passed Through State Department of Education			--	<u>661,189</u>
Total U. S. Department of Education			--	<u>677,243</u>
U. S. Department of Agriculture				
Passed Through Texas Department of Agriculture:				
Commodity Supplemental Food Program (Non-cash)*	10.565	158001A	--	52,597
Total Passed Through Texas Department of Agriculture				<u>52,597</u>
Passed Through State Department of Education-Texas Education Agency:				
School Breakfast Program*	10.553	714020	--	171,079
Total CFDA Number 10.553				<u>171,079</u>
National School Lunch Program*	10.555	713020	--	418,697
Total CFDA Number 10.555				<u>418,697</u>
Total U.S. Department of Agriculture			--	<u>642,373</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ --	<u>\$ 1,516,598</u>
Reconciliation of Expenditures:				
Add: Non-Federal expenditure				\$ 162,274
<i>Total Expenditure per Exhibit H-4</i>				<u>1,678,872</u>

The accompanying notes are an integral part of this schedule.

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED AUGUST 31, 2021

Basis of Presentation

The accompanying schedule of expenditures of federal awards ("the Schedule") includes the federal grant activity of Tidehaven Independent School District. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Therefore, some amounts may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. These expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Tidehaven Independent School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
AS OF AUGUST 31, 2021

Data Control Codes		Responses
SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year-end?	No
SF3	Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If the school district was issued a warrant hold and the warrant hold was not cleared within 30 days from the date the warranty hold was issued, the school district is considered to not have made timely payments.)	Yes
	Payments to the TRS and TWC are considered timely if a warrant hold that was issued in connection to the untimely payment was cleared within 30 days from the date the warrant hold was issued.	
	Payments to the IRS are considered timely if a penalty or delinquent payment notice was cleared within 30 days from the date the notice was issued.	
SF4	Was the school district issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the school district is considered to have been issued a warrant hold.	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year-end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end	\$ --