

TIDEHAVEN
INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2010



TIDEHAVEN
INDEPENDENT SCHOOL DISTRICT

Tidehaven Independent School District
Annual Financial Report
For The Year Ended August 31, 2010

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Introductory Section



TIDEHAVEN
INDEPENDENT SCHOOL DISTRICT

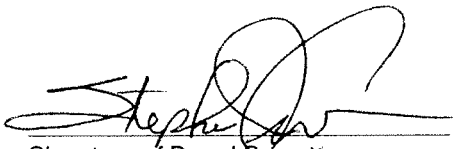
CERTIFICATE OF BOARD

Tidehaven Independent School District
Name of School District

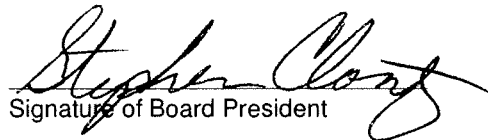
Matagorda
County

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, 2010, at a meeting of the board of trustees of such school district on the 13 day of December, 2010.



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)



TIDEHAVEN
INDEPENDENT SCHOOL DISTRICT

Financial Section



TIDEHAVEN
INDEPENDENT SCHOOL DISTRICT

REED & ASSOCIATES, PC

1717 8th Street, Suite 5
Bay City, Texas 77414

Independent Auditor's Report on Financial Statements

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

Members of the Board of Trustees:

We have audited the accompanying 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, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Tidehaven Independent School District's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2010, and the respective changes in financial position, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2010, 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information identified as Required Supplementary Information in the table of contents be presented to supplement the basic financial statements. Such information, 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Tidehaven Independent School District's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and other supplementary information section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements, other supplementary information except that part marked "unaudited" 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section and other supplementary information marked "unaudited" 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.

Respectfully submitted,

A handwritten signature in cursive script that reads "Reed & Associates, PC".

Reed & Associates, PC
December 1, 2010

Management's Discussion and Analysis

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, 2010. 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 assets* presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Increases or decreases in net assets 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 assets changed during the most recent fiscal year using full accrual basis of accounting. All changes in net assets 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.

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 assets at August 31, 2010 and 2009 are summarized as follows:

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT'S NET ASSETS

	Governmental Activities		Variance
	8/31/2010	8/31/2009	
Current and other assets	\$ 8,254,304	\$ 8,307,354	\$ (53,050)
Capital assets	5,611,002	5,156,445	454,557
Total assets	<u>13,865,306</u>	<u>13,463,799</u>	<u>401,507</u>
Other liabilities	1,175,554	1,054,633	120,921
Total liabilities	<u>1,175,554</u>	<u>1,054,633</u>	<u>120,921</u>
Net assets:			
Invested in capital assets, net of related debt	5,611,002	5,156,445	454,557
Restricted	52,037	40,805	11,232
Unrestricted	7,026,713	7,211,916	(185,203)
Total net assets	<u>\$ 12,689,752</u>	<u>\$ 12,409,166</u>	<u>\$ 280,586</u>

As noted earlier, net assets may serve over time as a useful indicator of a district's financial position. In the case of Tidehaven Independent School District, assets exceeded liabilities by \$12,689,752 at the close of the most recent fiscal year, August 31, 2010.

A large portion of the District's net assets (44 percent) reflects its investment in capital assets. 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 assets (less than 1 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets may be used to meet the District's ongoing obligations to educate the school-age children of Tidehaven.

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

The District's total net assets increased by \$280,586 compared to the prior year increase of \$1,064,071, representing the degree to which revenues have outstripped expenditures as discussed further below.

The District's Governmental activities at August 31, 2010 and 2009 are summarized as follows:

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT'S CHANGES IN NET ASSETS

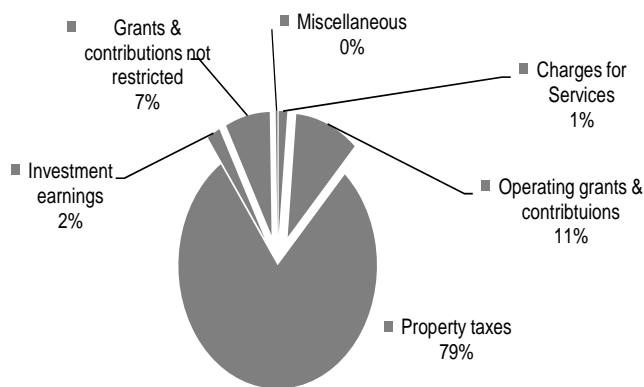
	Governmental Activities		Variance
	8/31/2010	8/31/2009	
Revenues:			
Program Revenues:			
Charges for services	\$ 149,072	\$ 176,001	\$ (26,929)
Operating grants & contributions	1,114,608	1,360,084	(245,476)
General Revenues:			
Property taxes	8,383,353	6,572,785	1,810,568
Investment earnings	229,834	227,100	2,734
Grants & contributions not restricted for specific purpose	779,394	2,045,435	(1,266,041)
Miscellaneous	29,927	20,902	9,025
Total revenues	<u>10,686,188</u>	<u>10,402,307</u>	<u>283,881</u>
Expenses:			
Instruction	5,047,330	4,657,667	389,663
Instructional resources and media	158,925	155,026	3,899
Curriculum and staff development	29,351	35,156	(5,805)
Instructional leadership	12,788	5,147	7,641
School leadership	631,080	518,722	112,358
Guidance and counseling	181,893	151,603	30,290
Health services	102,932	95,417	7,515
Student transportation	337,713	326,647	11,066
Food service	506,974	501,781	5,193
Extracurricular activities	485,693	443,760	41,933
General administration	479,575	429,303	50,272
Plant maintenance and operations	1,309,603	1,120,740	188,863
Security and monitoring services	30,958	29,408	1,550
Data processing services	141,806	126,596	15,210
Community services	24,464	22,601	1,863
Capital outlay	0	30,759	(30,759)
Incremental Costs Related to WADA	767,891	487,888	280,003
Payments related to SSA	71,363	102,177	(30,814)
Payments to Juvenile Justice	3,570	18,103	(14,533)
Other Intergovernmental Charges	81,693	79,736	1,957
Total expenses	<u>10,405,602</u>	<u>9,338,237</u>	<u>1,067,365</u>
Increase in net assets	280,586	1,064,070	(783,484)
Net assets beginning	<u>12,409,166</u>	<u>11,345,096</u>	<u>1,064,070</u>
Net assets ending	<u>\$ 12,689,752</u>	<u>\$ 12,409,166</u>	<u>\$ 280,586</u>

Governmental activities. Governmental activities increased the District's net assets by \$280,586 in current operations. Overall, revenue increased \$283,881 while expenditures increased \$1,067,365. Key elements of these increases are as follows:

- Local tax revenue increased \$1,810,568 due to an increase in taxable values of over \$137,000,000 and an increase in the tax rate from \$0.9747 to \$1.035. Correspondingly, the district's state revenues decreased \$1,266,041 and the incremental cost of options increased \$280,003 due primarily to the increase in property tax collections.

- Operating grants decreased \$245,476 due primarily to new ARRA state stabilization funds of \$277,705 included in 2008-2009 and none for 2009-2010.
- Instructional costs increased \$389,663 primarily in salaries and benefits due to the hiring of a new teacher at the High School and the Jr. High and raises for the year.
- School leadership increased \$112,358 primarily in salaries and benefits due to the hiring of an assistant principal at the High School and raises.
- Plant maintenance and operation costs were up \$188,863 primarily in summer maintenance that was hired out in the current year due to a change in personnel whereas in prior years the District was able to complete a lot of the maintenance projects in house using staff at that time.

Revenues by Source - Governmental Activities



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, *unreserved 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 \$6,943,433, a decrease of \$213,319. \$2,623,896 of this total constitutes unreserved, undesignated fund balance, which is available for spending at the District's discretion. \$4,267,500 represents amounts designated for future construction, upgrades and equipment purchases. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to operate the food service program 2) for other various grant programs and student groups.

The general fund is the chief operating fund of the District. At the end of the current fiscal year, unreserved fund balance (including designations of \$4,267,500) of the general fund was \$6,891,396. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents 69 percent of total general fund expenditures.

The general fund balance decreased by \$212,208 compared to the prior year increase of \$673,539. The fund balance decreased due to the same factors noted above for governmental activities.

General Fund Budgetary Highlights. The Board of Trustees approved increases to appropriations of \$1,475,035 and decreases in estimated revenues of \$197,334 during the year. The most significant appropriation increase was \$1,016,503 in capital outlay due to the construction of a new weight room, major restroom repairs to 2 campuses and life-skills renovation. The federal revenue budget was decreased \$249,705 due to state fiscal stabilization funds spent in 2008-2009 due to retroactive allocation allowed by the state.

Actual Revenue exceeded budgetary estimates by \$46,667 and actual expenditures were less than appropriations by \$1,312,135. Transportation costs were less than appropriations by \$204,940 of which \$82,241 was due to budgeted capital purchases that were not made and \$57,760 was due to lower than anticipated fuel costs. Capital outlay costs were less than appropriations by \$655,583 due to the delay in the purchase of the Uher Property and the choice to delay the purchase of a bus.

Capital Assets

	Governmental Activities		Variance
	8/31/2010	8/31/2009	
Land	\$ 41,000	\$ 41,000	\$ -
Buildings & Improvements	8,899,144	8,309,447	589,697
Vehicles & Equipment	<u>1,685,340</u>	<u>1,596,916</u>	<u>88,424</u>
Totals	10,625,484	9,947,363	678,121
Less accumulated depreciation	<u>(5,014,482)</u>	<u>(4,790,918)</u>	<u>(223,564)</u>
	<u>\$ 5,611,002</u>	<u>\$ 5,156,445</u>	<u>\$ 454,557</u>

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

- Addition of a weight room at a cost of \$439,335
- Depreciation expense for the year of \$311,867.

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. An expenditure budget for the general fund of \$12,058,141 was adopted for the 2010-2011 fiscal year with anticipated revenues of \$12,058,141. Some of the more significant factors affecting the 2010-2011 budget were as follows:

- Increase in Chapter 41 costs from \$767,891.00 to \$2,573,641.00

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: Superintendent, PO Box 129, El Maton, Tx 77440 or call 361-588-6321.



TIDEHAVEN
INDEPENDENT SCHOOL DISTRICT

Basic Financial Statements



TIDEHAVEN
INDEPENDENT SCHOOL DISTRICT

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT*STATEMENT OF NET ASSETS**AUGUST 31, 2010*

Data Control Codes	1	Governmental Activities
ASSETS:		
1110	<i>Cash and Cash Equivalents</i>	\$ 7,776,343
1225	<i>Property Taxes Receivable (Net)</i>	135,318
1240	<i>Due from Other Governments</i>	49,298
1290	<i>Other Receivables (Net)</i>	1,800
1300	<i>Inventories</i>	15,185
1410	<i>Deferred Expenses</i>	276,360
Capital Assets:		
1510	<i>Land</i>	41,000
1520	<i>Buildings and Improvements, Net</i>	4,904,919
1530	<i>Furniture and Equipment, Net</i>	665,083
1000	Total Assets	<u>13,865,306</u>
LIABILITIES:		
2110	<i>Accounts Payable</i>	17,565
2165	<i>Accrued Liabilities</i>	297,938
2180	<i>Due to Other Governments</i>	19,269
2300	<i>Unearned Revenue</i>	840,782
2000	Total Liabilities	<u>1,175,554</u>
NET ASSETS		
3200	Invested in Capital Assets	5,611,002
Restricted For:		
3820	State and Federal Programs	10,304
3870	Campus Activities	26,687
Other Purposes		
3890	Expendable	5,046
3890	Nonexpendable	10,000
3900	Unrestricted	7,026,713
3000	Total Net Assets	<u>\$ 12,689,752</u>

The accompanying notes are an integral part of this statement.

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED AUGUST 31, 2010

Data Control Codes	Functions/Programs	1 Expenses	3 Program Revenues		4 Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets
			Charges for Services	Governmental Activities		
	Governmental Activities:					
11	<i>Instruction</i>	\$ 5,047,330	\$ 7,677	\$ 624,424	\$ (4,415,229)	
12	<i>Instructional Resources and Media Services</i>	158,925	--	7,385	(151,540)	
13	<i>Curriculum and Staff Development</i>	29,351	--	1,805	(27,546)	
21	<i>Instructional Leadership</i>	12,788	--	6,301	(6,487)	
23	<i>School Leadership</i>	631,080	1,097	35,052	(594,931)	
31	<i>Guidance, Counseling, & Evaluation Services</i>	181,893	--	36,854	(145,039)	
33	<i>Health Services</i>	102,932	--	8,637	(94,295)	
34	<i>Student Transportation</i>	337,713	--	11,015	(326,698)	
35	<i>Food Service</i>	506,974	107,769	326,728	(72,477)	
36	<i>Cocurricular/Extracurricular Activities</i>	485,693	32,529	9,995	(443,169)	
41	<i>General Administration</i>	479,575	--	18,940	(460,635)	
51	<i>Plant Maintenance and Operations</i>	1,309,603	--	13,782	(1,295,821)	
52	<i>Security and Monitoring Services</i>	30,958	--	1,527	(29,431)	
53	<i>Data Processing Services</i>	141,806	--	7,541	(134,265)	
61	<i>Community Services</i>	24,464	--	4,622	(19,842)	
91	<i>Contracted Instructional Services between Schools</i>	767,891	--	--	(767,891)	
93	<i>Payments Related to Shared Services Arrangements</i>	71,363	--	--	(71,363)	
95	<i>Payments to Juvenile Justice Alternative Ed. Programs</i>	3,570	--	--	(3,570)	
99	<i>Other Intergovernmental Charges</i>	81,693	--	--	(81,693)	
TG	Total Governmental Activities	<u>10,405,602</u>	<u>149,072</u>	<u>1,114,608</u>	<u>(9,141,922)</u>	
TP	Total Primary Government	<u>\$ 10,405,602</u>	<u>\$ 149,072</u>	<u>\$ 1,114,608</u>	<u>(9,141,922)</u>	
	General Revenues:					
MT	<i>Property Taxes, Levied for General Purposes</i>				8,383,353	
IE	<i>Investment Earnings</i>				229,834	
GC	<i>Grants and Contributions Not Restricted to Specific Programs</i>				779,394	
MI	<i>Miscellaneous</i>				29,927	
TR	Total General Revenues				<u>9,422,508</u>	
CN	Change in Net Assets				280,586	
NB	Net Assets - Beginning				12,409,166	
NE	Net Assets - Ending				<u>\$ 12,689,752</u>	

The accompanying notes are an integral part of this statement.

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

AUGUST 31, 2010

Data Control Codes	10 General Fund	Other Governmental Funds	98 Total Governmental Funds	
ASSETS:				
1110	Cash and Cash Equivalents	\$ 7,735,400	\$ 40,942	\$ 7,776,342
1225	Taxes Receivable, Net	135,318	--	135,318
1240	Due from Other Governments	7,906	41,392	49,298
1260	Due from Other Funds	26,905	11,596	38,501
1290	Other Receivables	1,800	--	1,800
1300	Inventories	--	15,185	15,185
1410	Deferred Expenditures	276,360	--	276,360
1000	Total Assets	<u>\$ 8,183,689</u>	<u>\$ 109,115</u>	<u>\$ 8,292,804</u>
LIABILITIES:				
Current Liabilities:				
2110	Accounts Payable	\$ 17,199	\$ 365	\$ 17,564
2160	Accrued Wages Payable	264,114	22,738	286,852
2170	Due to Other Funds	11,596	26,904	38,500
2180	Due to Other Governments	19,269	--	19,269
2200	Accrued Expenditures	8,315	2,771	11,086
2300	Unearned Revenue	971,800	4,300	976,100
2000	Total Liabilities	<u>1,292,293</u>	<u>57,078</u>	<u>1,349,371</u>
FUND BALANCES:				
Reserved Fund Balances:				
3490	Other Reserves of Fund Balance	--	52,037	52,037
Unreserved Fund Balance:				
3510	Designated for Construction	3,540,000	--	3,540,000
3530	Designated for Capital Equipment	587,500	--	587,500
3590	Designated for Computer & Software Upgrades	140,000	--	140,000
3600	Undesignated	2,623,896	--	2,623,896
3000	Total Fund Balances	<u>6,891,396</u>	<u>52,037</u>	<u>6,943,433</u>
4000	Total Liabilities and Fund Balances	<u>\$ 8,183,689</u>	<u>\$ 109,115</u>	<u>\$ 8,292,804</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 ASSETS
 AUGUST 31, 2010*

Total fund balances - governmental funds balance sheet	\$ 6,943,433
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not reported in the funds.	5,611,002
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	<u>135,317</u>
Net assets of governmental activities - Statement of Net Assets	<u>\$ 12,689,752</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, 2010

Data Control Codes	10 General Fund	Other Governmental Funds	98 Total Governmental Funds
REVENUES:			
5700 <i>Local and Intermediate Sources</i>	\$ 8,628,631	\$ 124,435	\$ 8,753,066
5800 <i>State Program Revenues</i>	1,137,174	36,556	1,173,730
5900 <i>Federal Program Revenues</i>	26,564	693,480	720,044
5020 Total Revenues	<u>9,792,369</u>	<u>854,471</u>	<u>10,646,840</u>
EXPENDITURES:			
Current:			
0011 <i>Instruction</i>	4,515,324	395,600	4,910,924
0012 <i>Instructional Resources and Media Services</i>	153,376	--	153,376
0013 <i>Curriculum and Staff Development</i>	26,287	1,805	28,092
0021 <i>Instructional Leadership</i>	6,303	6,301	12,604
0023 <i>School Leadership</i>	611,491	1,019	612,510
0031 <i>Guidance, Counseling, & Evaluation Services</i>	176,466	--	176,466
0033 <i>Health Services</i>	96,530	2,986	99,516
0034 <i>Student Transportation</i>	407,779	--	407,779
0035 <i>Food Service</i>	--	489,011	489,011
0036 <i>Cocurricular/Extracurricular Activities</i>	462,691	7,116	469,807
0041 <i>General Administration</i>	464,207	--	464,207
0051 <i>Plant Maintenance and Operations</i>	1,330,819	--	1,330,819
0052 <i>Security and Monitoring Services</i>	29,905	--	29,905
0053 <i>Data Processing Services</i>	135,638	1,636	137,274
0061 <i>Community Services</i>	19,033	4,622	23,655
0081 <i>Capital Outlay</i>	589,697	--	589,697
0091 <i>Contracted Instructional Services</i>			
0091 <i>Between Public Schools</i>	767,891	--	767,891
0093 <i>Payments to Shared Service Arrangements</i>	71,363	--	71,363
0095 <i>Payments to Juvenile Justice Alternative</i>			
0095 <i>Education Programs</i>	3,570	--	3,570
0099 <i>Other Intergovernmental Charges</i>	81,693	--	81,693
6030 Total Expenditures	<u>9,950,063</u>	<u>910,096</u>	<u>10,860,159</u>
1100 Excess (Deficiency) of Revenues Over (Under)			
1100 Expenditures	<u>(157,694)</u>	<u>(55,625)</u>	<u>(213,319)</u>
Other Financing Sources and (Uses):			
7915 <i>Transfers In</i>	--	54,514	54,514
8911 <i>Transfers Out</i>	(54,514)	--	(54,514)
7080 Total Other Financing Sources and (Uses)	<u>(54,514)</u>	<u>54,514</u>	<u>--</u>
1200 Net Change in Fund Balances	<u>(212,208)</u>	<u>(1,111)</u>	<u>(213,319)</u>
0100 Fund Balances - Beginning	<u>7,103,604</u>	<u>53,148</u>	<u>7,156,752</u>
3000 Fund Balances - Ending	<u>\$ 6,891,396</u>	<u>\$ 52,037</u>	<u>\$ 6,943,433</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, 2010*

Net change in fund balances - total governmental funds	\$ (213,319)
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	766,424
The depreciation of capital assets used in governmental activities is not reported in the funds.	(311,867)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	<u>39,348</u>
Change in net assets of governmental activities - Statement of Activities	<u>\$ 280,586</u>

The accompanying notes are an integral part of this statement.

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

AUGUST 31, 2010

Data Control Codes		Private-purpose Trust Funds	Agency Funds Student Activity
		<u> </u>	<u> </u>
	ASSETS:		
1110	<i>Cash and Cash Equivalents</i>	\$ 69,096	\$ 34,201
1000	Total Assets	<u>\$ 69,096</u>	<u>\$ 34,201</u>
	LIABILITIES:		
	Current Liabilities:		
2110	<i>Accounts Payable</i>	\$ 25,625	\$ --
2190	<i>Due to Student Groups</i>	--	34,201
2000	Total Liabilities	<u>25,625</u>	<u>34,201</u>
	NET ASSETS		
3800	<i>Held in Trust</i>	43,471	--
3000	Total Net Assets	<u>\$ 43,471</u>	<u>\$ --</u>

The accompanying notes are an integral part of this statement.

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

FOR THE YEAR ENDED AUGUST 31, 2010

	Private- Purpose Trusts
Additions:	
Investment Income	\$ 1,187
Gifts and bequests	26,945
Total Additions	<u>28,132</u>
Deductions:	
Scholarship Awards	<u>33,800</u>
Total Deductions	<u>33,800</u>
Change in Net Assets	(5,668)
Net Assets-Beginning of the Year	49,138
Net Assets-End of the Year	<u>\$ 43,470</u>

The accompanying notes are an integral part of this statement.

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2010

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" as defined by the GASB in its Statement No. 14, "The Financial Reporting Entity," as revised by GASB Statement No.39, and there are no component units included within the reporting entity.

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-wide Financial Statements: The statement of net assets 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.

In addition, the District reports the following fund types:

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.

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2010

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

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

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. 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 (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the fiscal year.

Allowances for uncollectible tax receivables within the General Fund 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, 2010

b. Inventories and Prepaid Items

The District records purchases of supplies as expenditures, utilizing the purchase method of accounting for inventory in accordance with the Resource Guide.

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

c. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed 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
Equipment	10-15

d. 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 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 assets.

e. Use of Estimates

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

f. 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 insure accuracy in building a statewide database for policy development and funding plans.

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.

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2010

1. Cash Deposits:

At August 31, 2010, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$7,878,788 and the bank balance was \$8,410,586. The District's cash deposits at August 31, 2010 and during the year ended August 31, 2010, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

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.

Investment Accounting Policy

The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

C. Capital Assets

Capital asset activity for the year ended August 31, 2010, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<u>Governmental activities:</u>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 41,000	\$ --	\$ --	\$ 41,000
Total capital assets not being depreciated	<u>41,000</u>	<u>--</u>	<u>--</u>	<u>41,000</u>
<i>Capital assets being depreciated:</i>				
Buildings and improvements	8,309,447	589,697	--	8,899,144
Equipment	236,903	39,100	22,000	254,003
Vehicles	1,360,013	137,627	66,303	1,431,337
Total capital assets being depreciated	<u>9,906,363</u>	<u>766,424</u>	<u>88,303</u>	<u>10,584,484</u>

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2010

Less accumulated depreciation for:				
Buildings and improvements	(3,788,653)	(205,572)	--	(3,994,225)
Equipment	(141,571)	(19,489)	(22,000)	(139,060)
Vehicles	(860,694)	(86,806)	(66,303)	(881,197)
Total accumulated depreciation	<u>(4,790,918)</u>	<u>(311,867)</u>	<u>(88,303)</u>	<u>(5,014,482)</u>
Total capital assets being depreciated, net	5,115,445	454,557	--	5,570,002
Governmental activities capital assets, net	<u>\$ 5,156,445</u>	<u>\$ 454,557</u>	<u>\$ --</u>	<u>\$ 5,611,002</u>

Depreciation was charged to functions as follows:

Instruction	\$ 170,037
Instructional Resources and Media Services	5,550
Curriculum and Staff Development	1,259
Instructional Leadership	184
School Leadership	18,569
Guidance, Counseling, & Evaluation Services	5,427
Health Services	3,416
Student Transportation	11,693
Food Services	17,963
Extracurricular Activities	15,886
General Administration	15,368
Plant Maintenance and Operations	40,121
Security and Monitoring Services	1,053
Data Processing Services	4,532
Community Services	809
	<u>\$ 311,867</u>

D. Interfund Balances and Activities

1. Balances due to and due from other funds at August 31, 2010, consisted of the following:

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Other Governmental Funds	\$ 26,905	Short-term loans
Other Governmental Funds	General Fund	11,596	Settlement funds
	Total	<u>\$ 38,501</u>	

All amounts due are scheduled to be repaid within one year.

2. Transfers to and from other funds at August 31, 2010, consisted of the following:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
General fund	Other Governmental Funds	\$ 54,514	Supplement other funds sources

E. 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 2010, 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, 2010, Tidehaven ISD participated in the TASB Risk Management Fund's (the Fund's) Property and Liability Programs with coverage in:

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2010

Auto Liability
Auto Physical Damage
Crime
General Liability
Property
Sexual Misconduct Endorsement
SP Legal Liability

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, 2010, 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, 2009, are available at the TASB offices and have been filed with the Texas Department of Insurance in Austin.

Windstorm

The District purchased windstorm coverage from Texas Windstorm Insurance Association (TWIA) for the year ended August 31, 2010. TWIA is a pool of all property and casualty insurance companies authorized to write coverage in Texas. TWIA was established by legislative mandate to provide wind and hail insurance for Texas gulf coast property owners in the event of catastrophic loss. The company purpose is to provide "basic" coverage unavailable in traditional markets for consumers who might otherwise be left un-insured. TWIA is similar to other insurance carriers with written contracts that specify restrictions of insurance coverage provided, collect premiums and pay claims. However, TWIA differs from other insurance carriers as TWIA does not have agents contracted to sell policies for them. By state statutes, agents properly licensed through the Texas Department of Insurance represent the insured (not TWIA) in the insurance buying transactions for coverage placed with TWIA. Another difference is that TWIA is not a "profit" motivated insurance company.

Workers' Compensation Pool

During the year ended August 31, 2010, 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. As of August 31, 2009, the Fund carries a discounted reserve of \$73,463,401 for future development on reported claims and claims that have been incurred but not yet reported. For the year-ended August 31, 2010, 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, 2009, are available at the TASB offices and have been filed with the Texas Department of Insurance in Austin.

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2010

F. Pension Plan

1. Plan Description

The District contributes to the Teacher Retirement System of Texas (the "System"), a public employee retirement system. It is a cost-sharing, multiple-employer defined benefit pension plan with one exception: all risks and costs are not shared by the District, but are the liability of the State of Texas. The System provides service retirement and disability retirement benefits, and death benefits to plan members and beneficiaries. The System operates primarily under the provisions of the Texas Constitution and Texas Government Code, Title 8, Subtitle C. The Texas legislature has the authority to establish or amend benefit provisions. The System issues a publicly available financial report that includes financial statements and required supplementary information for the District. That report may be obtained by writing the Teacher Retirement System of Texas, 1000 Red River Street, Austin, TX 78701-2698 or by calling (800) 223-8778.

2. Funding Policy

Under provisions in State law, plan members are required to contribute 6.4% of their annual covered salary and the State of Texas contributes an amount equal to 6.644% of the District's covered payroll. The District's employees' contributions to the System for the years ending August 31, 2010, 2009 and 2008 were \$341,179, \$319,596 and \$315,477, respectively, and were equal to the required contributions for each year. Other contributions made from federal and private grants and from the District for salaries above the statutory minimum for the years ending August 31, 2010, 2009 and 2008 were \$74,000, \$71,696 and \$61,000, respectively, and were equal to the required contributions for each year. The amount contributed by the State on behalf of the District was \$296,498 for the year ended August 31, 2010.

G. Retiree Health Care Plan

1. Plan Description

The District contributes to the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple-employer defined benefit postemployment health care plan administered by the Teacher Retirement System of Texas (TRS). TRS-Care Retired Plan provides health care coverage for certain persons (and their dependents) who retired under the Teacher Retirement System of Texas. The statutory authority for the program is Texas Insurance Code, Chapter 1575. Section 1575.052 grants the TRS Board of Trustees the authority to establish and amend basic and optional group insurance coverage for participants. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for TRS-Care. That report may be obtained by visiting the TRS web site at www.trs.state.tx.us, by writing to the Communications Department of the Teacher Retirement System of Texas at 1000 Red River Street, Austin, Texas 78701, or by calling 1-800-223-8778.

2. Funding Policy

Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee, and public school contributions, respectively. The State of Texas and active public school employee contribution rates were 1.0% and 0.65% of public school payroll, respectively, with school districts contributing a percentage of payroll set at 0.55% for fiscal years 2010, 2009 and 2008. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. For the years ended August 31, 2010, 2009, and 2008, the State's contributions to TRS-Care were \$48,309, \$45,641, and \$45,475, respectively, the active member contributions were \$34,651, \$32,459, and \$32,041, respectively, and the District's contributions were \$34,321, \$31,761, and \$30,929, respectively, which equaled the required contributions each year.

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2010

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 fiscal years ended August 31, 2010, 2009, and 2008, the subsidy payments received by TRS-Care on behalf of the District were \$12,973, \$11,452, and \$11,212, respectively.

H. Employee Health Care Coverage

During the year ended August 31, 2010, employees of the District were covered by a health insurance plan (the Plan). The District paid premiums of \$266 per month per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to a third party administrator, acting on behalf of the licensed insurer. 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 third party administrator is renewable September 1, and terms of coverage and premium costs are included in the contractual provisions.

I. 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.

J. Shared Services Arrangements

Shared Services Arrangement - Membership

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

Member Districts

Bay City ISD
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, Bay City 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 Bay City ISD, 520 7th Street, Bay City, Tx 77414 or by calling (979) 245-5766.

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

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2010

Member Districts

Bay City ISD
 Palacios ISD
 Van Vleck 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, 302 4th Street, Van Vleck, Tx 77482 or by calling (979) 245-8518.

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

Member Districts

Bay City ISD
 Palacios ISD
 Van Vleck ISD
 Matagorda ISD
 Tidehaven ISD

The District accounts for a very small portion of the revenues and expenditures in this program in a federal special revenue fund; however, the District does not account for the majority of the revenues and expenditures 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, Bay City 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 Bay City ISD, 520 7th Street, Bay City, Tx 77414 or by calling (979) 245-5766.

K. Disaggregated Receivables

Receivables at August 31, 2010 for the District's individual major funds and nonmajor funds in the aggregate, including applicable allowances for uncollectible amounts are as follows:

	General	Other Governmental	Totals
Taxes	\$ 433,993	\$ --	\$ 433,993
Business Personal Property Assessment	(955)	--	(955)
Less allowance	(297,720)	--	(297,720)
Net taxes receivable	<u>\$ 135,318</u>	<u>\$ --</u>	<u>\$ 135,318</u>
Due from other Governments:			
Texas Education Agency	\$	\$ 37,192	\$ 37,192
Due from Region III	1,200	--	1,200
Due from Bay City ISD	6,706	4,200	10,906
	<u>\$ 7,906</u>	<u>\$ 41,392</u>	<u>\$ 49,298</u>

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, 2010

L. Disaggregated Revenue

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

	General Fund	Other Governmental Fund	Totals
Property taxes	\$ 8,281,140	\$ --	\$ 8,281,140
Penalties & interest	62,865	--	62,865
Investment earnings	229,834	1,189	231,023
Food service fees	--	107,769	107,769
Enterprise service revenue	--	13,477	13,477
Athletic receipts	24,865	--	24,865
Gifts & bequests	1,250	2,000	3,250
Other	28,677	--	28,677
	<u>\$ 8,628,631</u>	<u>\$ 124,435</u>	<u>\$ 8,753,066</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

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED AUGUST 31, 2010

EXHIBIT G-1

Page 1 of 2

Data Control Codes	Budgeted Amounts			Variance with Final Budget Positive (Negative)	
	1	2	3		
	Original	Final	Actual		
REVENUES:					
5700	Local and Intermediate Sources	\$ 8,362,128	\$ 8,529,920	\$ 8,628,631	\$ 98,711
5800	State Program Revenues	1,301,616	1,186,195	1,137,174	(49,021)
5900	Federal Program Revenues	277,705	28,000	26,564	(1,436)
5020	Total Revenues	9,941,449	9,744,115	9,792,369	48,254
EXPENDITURES:					
Current:					
Instruction & Instructional Related Services:					
0011	Instruction	4,617,498	4,555,780	4,515,324	40,456
0012	Instructional Resources and Media Services	167,932	167,932	153,376	14,556
0013	Curriculum and Staff Development	56,500	55,172	26,287	28,885
	Total Instruction & Instr. Related Services	4,841,930	4,778,884	4,694,987	83,897
Instructional and School Leadership:					
0021	Instructional Leadership	3,500	19,100	6,303	12,797
0023	School Leadership	560,443	618,483	611,491	6,992
	Total Instructional & School Leadership	563,943	637,583	617,794	19,789
Support Services - Student (Pupil):					
0031	Guidance, Counseling and Evaluation Services	157,623	184,327	176,466	7,861
0033	Health Services	97,938	97,938	96,530	1,408
0034	Student (Pupil) Transportation	624,469	612,719	407,779	204,940
0036	Cocurricular/Extracurricular Activities	473,014	538,014	462,691	75,323
	Total Support Services - Student (Pupil)	1,353,044	1,432,998	1,143,466	289,532
Administrative Support Services:					
0041	General Administration	498,920	498,920	464,207	34,713
	Total Administrative Support Services	498,920	498,920	464,207	34,713
Support Services - Nonstudent Based:					
0051	Plant Maintenance and Operations	1,226,698	1,469,092	1,330,819	138,273
0052	Security and Monitoring Services	30,657	31,257	29,905	1,352
0053	Data Processing Services	130,547	137,179	135,638	1,541
	Total Support Services - Nonstudent Based	1,387,902	1,637,528	1,496,362	141,166
Ancillary Services:					
0061	Community Services	20,000	20,000	19,033	967
	Total Ancillary Services	20,000	20,000	19,033	967
Capital Outlay:					
0081	Capital Outlay	228,777	1,245,280	589,697	655,583
	Total Capital Outlay	228,777	1,245,280	589,697	655,583
Intergovernmental Charges:					
0091	Contracted Instr. Services Between Public Schools	655,447	765,405	767,891	(2,486)
0093	Payments to Fiscal Agent/Member Dist.-SSA	112,200	112,200	71,363	40,837
0095	Payments to Juvenile Justice Alternative Education Programs	45,000	39,400	3,570	35,830
0099	Other Intergovernmental Charges	80,000	94,000	81,693	12,307
	Total Intergovernmental Charges	892,647	1,011,005	924,517	86,488
6030	Total Expenditures	9,787,163	11,262,198	9,950,063	1,312,135

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED AUGUST 31, 2010

EXHIBIT G-1

Page 2 of 2

Data Control Codes	1	2	3	Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
1100 Excess (Deficiency) of Revenues Over (Under)				
1100 Expenditures	<u>154,286</u>	<u>(1,518,083)</u>	<u>(157,694)</u>	<u>1,360,389</u>
Other Financing Sources (Uses):				
7912 Sale of Real or Personal Property	--	1,587	--	(1,587)
7915 Transfers In	--	54,250	--	(54,250)
8911 Transfers Out	--	<u>(157,334)</u>	<u>(54,514)</u>	<u>102,820</u>
7080 Total Other Financing Sources and (Uses)	--	<u>(101,497)</u>	<u>(54,514)</u>	<u>46,983</u>
1200 Net Change in Fund Balance	<u>154,286</u>	<u>(1,619,580)</u>	<u>(212,208)</u>	<u>1,407,372</u>
0100 Fund Balance - Beginning	<u>7,103,604</u>	<u>7,103,604</u>	<u>7,103,604</u>	--
3000 Fund Balance - Ending	<u>\$ 7,257,890</u>	<u>\$ 5,484,024</u>	<u>\$ 6,891,396</u>	<u>\$ 1,407,372</u>

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED AUGUST 31, 2010

Under GASBS No. 34, budgetary comparison information is required to be presented for the general fund and each major special revenue fund with a legally adopted budget. In accordance with State law the budgets must be prepared in accordance with GAAP and in accordance with the Texas Education Agency the District is required to adopt a budget for the general fund, food service fund and debt service fund.



TIDEHAVEN
INDEPENDENT SCHOOL DISTRICT

*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

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

AUGUST 31, 2010

Data Control Codes	Special Revenue Funds	Permanent Fund	Total Nonmajor Governmental Funds (See Exhibit C-1)	
ASSETS:				
1110	Cash and Cash Equivalents	\$ 25,896	\$ 15,046	\$ 40,942
1240	Due from Other Governments	41,392	--	41,392
1260	Due from Other Funds	11,596	--	11,596
1300	Inventories	15,185	--	15,185
1000	Total Assets	<u>\$ 94,069</u>	<u>\$ 15,046</u>	<u>\$ 109,115</u>
LIABILITIES:				
Current Liabilities:				
2110	Accounts Payable	\$ 365	\$ --	\$ 365
2160	Accrued Wages Payable	22,738	--	22,738
2170	Due to Other Funds	26,904	--	26,904
2200	Accrued Expenditures	2,771	--	2,771
2300	Unearned Revenue	4,300	--	4,300
2000	Total Liabilities	<u>57,078</u>	<u>--</u>	<u>57,078</u>
FUND BALANCES:				
Reserved Fund Balances:				
3490	Other Reserves of Fund Balance	36,991	15,046	52,037
3000	Total Fund Balances	<u>36,991</u>	<u>15,046</u>	<u>52,037</u>
4000	Total Liabilities and Fund Balances	<u>\$ 94,069</u>	<u>\$ 15,046</u>	<u>\$ 109,115</u>



TIDEHAVEN
INDEPENDENT SCHOOL DISTRICT

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2010

Data Control Codes	Special Revenue Funds	Permanent Fund	Total Nonmajor Governmental Funds (See Exhibit C-2)
REVENUES:			
5700 <i>Local and Intermediate Sources</i>	\$ 124,206	\$ 229	\$ 124,435
5800 <i>State Program Revenues</i>	36,556	--	36,556
5900 <i>Federal Program Revenues</i>	693,480	--	693,480
5020 Total Revenues	<u>854,242</u>	<u>229</u>	<u>854,471</u>
EXPENDITURES:			
Current:			
0011 <i>Instruction</i>	395,600	--	395,600
0013 <i>Curriculum and Staff Development</i>	1,805	--	1,805
0021 <i>Instructional Leadership</i>	6,301	--	6,301
0023 <i>School Leadership</i>	1,019	--	1,019
0033 <i>Health Services</i>	2,512	474	2,986
0035 <i>Food Service</i>	489,011	--	489,011
0036 <i>Cocurricular/Extracurricular Activities</i>	7,116	--	7,116
0053 <i>Data Processing Services</i>	1,636	--	1,636
0061 <i>Community Services</i>	4,622	--	4,622
6030 Total Expenditures	<u>909,622</u>	<u>474</u>	<u>910,096</u>
1100 Excess (Deficiency) of Revenues Over (Under)			
1100 Expenditures	<u>(55,380)</u>	<u>(245)</u>	<u>(55,625)</u>
Other Financing Sources and (Uses):			
7915 <i>Transfers In</i>	54,514	--	54,514
7080 Total Other Financing Sources and (Uses)	<u>54,514</u>	<u>--</u>	<u>54,514</u>
1200 Net Change in Fund Balances	<u>(866)</u>	<u>(245)</u>	<u>(1,111)</u>
0100 Fund Balances - Beginning	<u>37,857</u>	<u>15,291</u>	<u>53,148</u>
3000 Fund Balances - Ending	<u>\$ 36,991</u>	<u>\$ 15,046</u>	<u>\$ 52,037</u>

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2010

Data Control Codes	211 ESEA Title I Improving Basic Programs	224 IDEA-B Formula	240 National School Breakfast/Lunch Program
ASSETS:			
1110 <i>Cash and Cash Equivalents</i>	\$ --	\$ --	\$ 501
1240 <i>Due from Other Governments</i>	23,054	4,200	11,104
1260 <i>Due from Other Funds</i>	--	--	--
1300 <i>Inventories</i>	--	--	15,185
1000 Total Assets	<u>\$ 23,054</u>	<u>\$ 4,200</u>	<u>\$ 26,790</u>
LIABILITIES:			
Current Liabilities:			
2110 <i>Accounts Payable</i>	\$ --	\$ --	\$ 365
2160 <i>Accrued Wages Payable</i>	10,458	3,708	8,572
2170 <i>Due to Other Funds</i>	11,599	--	12,271
2200 <i>Accrued Expenditures</i>	997	492	1,282
2300 <i>Unearned Revenue</i>	--	--	4,300
2000 Total Liabilities	<u>23,054</u>	<u>4,200</u>	<u>26,790</u>
FUND BALANCES:			
Reserved Fund Balances:			
3490 <i>Other Reserves of Fund Balance</i>	--	--	--
3000 Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>
4000 Total Liabilities and Fund Balances	<u>\$ 23,054</u>	<u>\$ 4,200</u>	<u>\$ 26,790</u>

255 ESEA Title II Training & Recruiting	279 Enhancing Education ARRA	401 Optional Extended Year Program	404 Student Success Initiative
\$ --	\$ --	\$ --	\$ --
961	826	318	929
--	--	--	--
--	--	--	--
<u>\$ 961</u>	<u>\$ 826</u>	<u>\$ 318</u>	<u>\$ 929</u>
\$ --	\$ --	\$ --	\$ --
--	--	--	--
961	826	318	929
--	--	--	--
--	--	--	--
<u>961</u>	<u>826</u>	<u>318</u>	<u>929</u>
--	--	--	--
--	--	--	--
<u>\$ 961</u>	<u>\$ 826</u>	<u>\$ 318</u>	<u>\$ 929</u>



TIDEHAVEN
INDEPENDENT SCHOOL DISTRICT

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2010

Data Control Codes	411 Technology Allotment	461 Campus Activity Funds	Total Nonmajor Special Revenue Funds (See Exhibit H-1)	
ASSETS:				
1110	Cash and Cash Equivalents	\$ 10,304	\$ 15,091	\$ 25,896
1240	Due from Other Governments	--	--	41,392
1260	Due from Other Funds	--	11,596	11,596
1300	Inventories	--	--	15,185
1000	Total Assets	<u>\$ 10,304</u>	<u>\$ 26,687</u>	<u>\$ 94,069</u>
LIABILITIES:				
Current Liabilities:				
2110	Accounts Payable	\$ --	\$ --	\$ 365
2160	Accrued Wages Payable	--	--	22,738
2170	Due to Other Funds	--	--	26,904
2200	Accrued Expenditures	--	--	2,771
2300	Unearned Revenue	--	--	4,300
2000	Total Liabilities	<u>--</u>	<u>--</u>	<u>57,078</u>
FUND BALANCES:				
Reserved Fund Balances:				
3490	Other Reserves of Fund Balance	10,304	26,687	36,991
3000	Total Fund Balances	<u>10,304</u>	<u>26,687</u>	<u>36,991</u>
4000	Total Liabilities and Fund Balances	<u>\$ 10,304</u>	<u>\$ 26,687</u>	<u>\$ 94,069</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, 2010

Data Control Codes	211 ESEA Title I Improving Basic Programs	224 IDEA-B Formula	240 National School Breakfast/Lunch Program	243 Career and Tech Technical
REVENUES:				
5700 Local and Intermediate Sources	\$ --	\$ --	\$ 107,769	\$ --
5800 State Program Revenues	--	--	3,024	--
5900 Federal Program Revenues	184,543	51,963	323,704	455
5020 Total Revenues	<u>184,543</u>	<u>51,963</u>	<u>434,497</u>	<u>455</u>
EXPENDITURES:				
Current:				
0011 Instruction	176,077	51,963	--	200
0013 Curriculum and Staff Development	--	--	--	255
0021 Instructional Leadership	3,844	--	--	--
0023 School Leadership	--	--	--	--
0033 Health Services	--	--	--	--
0035 Food Service	--	--	489,011	--
0036 Cocurricular/Extracurricular Activities	--	--	--	--
0053 Data Processing Services	--	--	--	--
0061 Community Services	4,622	--	--	--
6030 Total Expenditures	<u>184,543</u>	<u>51,963</u>	<u>489,011</u>	<u>455</u>
1100 Excess (Deficiency) of Revenues Over (Under)				
1100 Expenditures	<u>--</u>	<u>--</u>	<u>(54,514)</u>	<u>--</u>
Other Financing Sources and (Uses):				
7915 Transfers In	<u>--</u>	<u>--</u>	<u>54,514</u>	<u>--</u>
7080 Total Other Financing Sources and (Uses)	<u>--</u>	<u>--</u>	<u>54,514</u>	<u>--</u>
1200 Net Change in Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
0100 Fund Balances - Beginning	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
3000 Fund Balances - Ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

	255 ESEA Title II Training & Recruiting	262 Enhancing Education through Technology	272 MAC Program	279 Enhancing Education through Technology-ARRA	283 IDEA - Part B Formula - ARRA
1	\$ --	\$ --	\$ --	\$ --	\$ --
	--	--	--	--	--
	52,379	1,780	2,512	1,675	18,106
	<u>52,379</u>	<u>1,780</u>	<u>2,512</u>	<u>1,675</u>	<u>18,106</u>
	51,238	195	--	--	18,106
	--	1,550	--	--	--
	1,141	35	--	39	--
	--	--	--	--	--
	--	--	2,512	--	--
	--	--	--	--	--
	--	--	--	1,636	--
	--	--	--	--	--
	<u>52,379</u>	<u>1,780</u>	<u>2,512</u>	<u>1,675</u>	<u>18,106</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, 2010

Data Control Codes	285 ESEA Title 1 Part A Improving Basic Programs - ARRA	397 Advanced Placement Incentives	401 Optional Extended Year Program
REVENUES:			
5700 <i>Local and Intermediate Sources</i>	\$ --	\$ --	\$ --
5800 <i>State Program Revenues</i>	--	--	3,179
5900 <i>Federal Program Revenues</i>	56,363	--	--
5020 Total Revenues	<u>56,363</u>	<u>--</u>	<u>3,179</u>
EXPENDITURES:			
Current:			
0011 <i>Instruction</i>	55,121	300	3,179
0013 <i>Curriculum and Staff Development</i>	--	--	--
0021 <i>Instructional Leadership</i>	1,242	--	--
0023 <i>School Leadership</i>	--	--	--
0033 <i>Health Services</i>	--	--	--
0035 <i>Food Service</i>	--	--	--
0036 <i>Cocurricular/Extracurricular Activities</i>	--	--	--
0053 <i>Data Processing Services</i>	--	--	--
0061 <i>Community Services</i>	--	--	--
6030 Total Expenditures	<u>56,363</u>	<u>300</u>	<u>3,179</u>
1100 Excess (Deficiency) of Revenues Over (Under)			
1100 Expenditures	<u>--</u>	<u>(300)</u>	<u>--</u>
Other Financing Sources and (Uses):			
7915 <i>Transfers In</i>	--	--	--
7080 Total Other Financing Sources and (Uses)	<u>--</u>	<u>--</u>	<u>--</u>
1200 Net Change in Fund Balances	<u>--</u>	<u>(300)</u>	<u>--</u>
0100 Fund Balances - Beginning	<u>--</u>	<u>300</u>	<u>--</u>
3000 Fund Balances - Ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

404 Student Success Initiative	411 Technology Allotment	429 State Funded Special Revenue Fund	461 Campus Activity Funds	Total Nonmajor Special Revenue Funds (See Exhibit H-2)
\$ --	\$ --	\$ --	\$ 16,437	\$ 124,206
9,293	21,014	46	--	36,556
--	--	--	--	693,480
<u>9,293</u>	<u>21,014</u>	<u>46</u>	<u>16,437</u>	<u>854,242</u>
9,293	22,753	46	7,129	395,600
--	--	--	--	1,805
--	--	--	--	6,301
--	--	--	1,019	1,019
--	--	--	--	2,512
--	--	--	--	489,011
--	--	--	7,116	7,116
--	--	--	--	1,636
--	--	--	--	4,622
<u>9,293</u>	<u>22,753</u>	<u>46</u>	<u>15,264</u>	<u>909,622</u>
--	(1,739)	--	1,173	(55,380)
--	--	--	--	54,514
--	--	--	--	54,514
--	(1,739)	--	1,173	(866)
--	12,043	--	25,514	37,857
<u>\$ --</u>	<u>\$ 10,304</u>	<u>\$ --</u>	<u>\$ 26,687</u>	<u>\$ 36,991</u>

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF FIDUCIARY NET ASSETS

PRIVATE-PURPOSE TRUST FUNDS

AUGUST 31, 2010

Data Control Codes	816 Nelson Memorial Scholarship	818 R.M.Zemanek Scholarship
ASSETS:		
1110 <i>Cash and Cash Equivalents</i>	\$ 20,428	\$ 8,454
1000 Total Assets	<u>\$ 20,428</u>	<u>\$ 8,454</u>
LIABILITIES:		
Current Liabilities:		
2110 <i>Accounts Payable</i>	\$ 275	\$ 500
2000 Total Liabilities	<u>275</u>	<u>500</u>
NET ASSETS		
3800 <i>Held in Trust</i>	20,153	7,954
3000 Total Net Assets	<u>\$ 20,153</u>	<u>\$ 7,954</u>

819 Carl Trull Scholarship	829 Various Scholarship Fund	Total Private- Purpose Trust Funds (See Exhibit E-1)
\$ 12,435	\$ 27,779	\$ 69,096
<u>\$ 12,435</u>	<u>\$ 27,779</u>	<u>\$ 69,096</u>
\$ 11,500	\$ 13,350	\$ 25,625
<u>11,500</u>	<u>13,350</u>	<u>25,625</u>
935	14,429	43,471
<u>\$ 935</u>	<u>\$ 14,429</u>	<u>\$ 43,471</u>

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
ALL PRIVATE-PURPOSE TRUST FUNDS
FOR THE YEAR ENDED AUGUST 31, 2010

	816 Nelson Memorial Scholarship	818 R.M.Zemanek Scholarship	819 Carl Trull Scholarship
Additions:			
Investment Income	\$ 446	\$ 178	\$ 258
Gifts & Bequests	--	--	12,000
Total Additions	<u>446</u>	<u>178</u>	<u>12,258</u>
Deductions:			
Scholarship Awards	550	1,000	16,500
Total Deductions	<u>550</u>	<u>1,000</u>	<u>16,500</u>
Change in Net Assets	(104)	(822)	(4,242)
Net Assets-Beginning of the Year	20,257	8,776	5,177
Net Assets-End of the Year	<u>\$ 20,153</u>	<u>\$ 7,954</u>	<u>\$ 935</u>

EXHIBIT H-6

829 Various Scholarship Fund	Total Private-Purpose Trust Funds (See Exhibit E-2)
\$ 305	\$ 1,187
<u>14,945</u>	<u>26,945</u>
<u>15,250</u>	<u>28,132</u>
<u>15,750</u>	<u>33,800</u>
<u>15,750</u>	<u>33,800</u>
(500)	(5,668)
<u>14,928</u>	<u>49,138</u>
<u>\$ 14,428</u>	<u>\$ 43,470</u>



TIDEHAVEN
INDEPENDENT SCHOOL DISTRICT

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, 2010*

Year Ended August 31	Tax Rates		3 Assessed/Appraised Value For School Tax Purposes
	1 Maintenance	2 Debt Service	
2001 and Prior Years	\$ Various	\$ Various	\$ Various
2002	1.2265	--	339,251,984
2003	1.3497	--	319,002,445
2004	1.40	--	320,212,643
2005	1.294	--	373,373,168
2006	1.3249	--	423,875,357
2007	1.1787	--	527,077,798
2008	.9362	--	536,935,698
2009	.9747	--	671,082,692
2010 (School Year Under Audit)	1.035	--	808,459,614

1000 Totals

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

10 Beginning Balance 9/1/09	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/10
\$ 146,328	\$ --	\$ 1,931	\$ --	\$ (1,791)	\$ 142,606
14,131	--	565	--	(111)	13,455
13,780	--	682	--	(123)	12,975
18,208	--	1,106	--	(127)	16,975
14,177	--	1,148	--	(485)	12,544
20,381	--	1,541	--	(281)	18,559
36,530	--	4,073	--	(46)	32,411
43,833	--	9,854	--	(41)	33,938
82,978	--	26,195	--	(3,317)	53,466
--	8,367,557	8,231,529	--	(38,963)	97,065
<u>\$ 390,346</u>	<u>\$ 8,367,557</u>	<u>\$ 8,278,624</u>	<u>\$ --</u>	<u>\$ (45,285)</u>	<u>\$ 433,994</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-2

*SCHEDULE OF EXPENDITURES FOR COMPUTATION OF INDIRECT COST FOR 2011-2012
GENERAL AND SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2010*

FUNCTION 41 AND RELATED FUNCTION 53 - GENERAL ADMINISTRATION AND FUNCTION 99 - APPRAISAL DISTRICT COST

Account Number	Account Name	1 (702) School Board	2 (703) Tax Collection	3 (701) Supt's Office	4 (750) Indirect Cost	5 (720) Direct Cost	6 (Other) Misc.	7 Total
611X-6146	Payroll Costs	\$ --	\$ --	\$ 142,966	\$ 123,914	\$ 78,371	\$ --	\$ 345,251
6149	Fringe Benefits (Unused Leave for Separating Employees in Function 41 and Related 53)	--	--	--	--	--	--	--
6149	Fringe Benefits (Unused Leave for Separating Employees in all Functions except Function 41 and Related 53)	--	--	--	--	--	--	--
6211	Legal Services	16,343	--	--	--	--	--	16,343
6212	Audit Services	--	--	--	11,500	--	--	11,500
6213	Tax Appraisal and Collection	--	90,895	--	--	--	--	90,895
621X	Other Prof. Services	--	--	21,583	--	--	--	21,583
6220	Tuition and Transfer Payments	--	--	--	--	--	--	--
6230	Education Service Centers	1,350	--	--	9,889	--	--	11,239
6240	Contr. Maint. and Repair	--	--	--	--	--	--	--
6250	Utilities	--	--	--	--	--	--	--
6260	Rentals	--	--	--	--	--	--	--
6290	Miscellaneous Contr.	--	--	1,650	3,771	--	--	5,421
6310	Operational Supplies, Materials	--	--	--	--	--	--	--
6320	Textbooks and Reading	--	--	--	--	--	--	--
6330	Testing Materials	--	--	--	--	--	--	--
63XX	Other Supplies, Materials	1,117	--	5,866	2,989	564	--	10,536
6410	Travel, Subsistence, Stipends	19	--	1,609	123	244	--	1,995
6420	Ins. and Bonding Costs	--	--	--	--	--	--	--
6430	Election Costs	--	--	--	--	--	--	--
6490	Miscellaneous Operating	3,435	--	24,983	2,494	225	--	31,137
6500	Debt Service	--	--	--	--	--	--	--
6600	Capital Outlay	--	--	--	--	--	--	--

Total \$ 22,264 \$ 90,895 \$ 198,657 \$ 154,680 \$ 79,404 \$ -- \$ 545,900

Total Expenditures for General and Special Revenue Funds (9) \$ 10,859,685

LESS: Deductions of Unallowable Costs

FISCAL YEAR

Total Capital Outlay (6600)	(10)	\$ 766,424
Total Debt & Lease (6500)	(11)	\$ --
Plant Maintenance (Function 51, 6100-6400)	(12)	\$ 1,269,482
Food (Function 35, 6341 and 6499)	(13)	\$ 201,743
Stipends (6413)	(14)	\$ --
Column 4 (above) - Total Indirect Cost		<u>\$ 154,680</u>

Subtotal 2,392,329

Net Allowed Direct Cost \$ 8,467,356

CUMULATIVE

Total Cost of Buildings Before Depreciation (1520)	(15)	\$ 8,899,144
Historical Cost of Buildings over 50 years old	(16)	1,040,914
Amount of Federal Money in Building Cost (Net of #16)	(17)	--
Total Cost of Furniture & Equipment Before Depreciation (1530 & 1540)	(18)	1,685,340
Historical Cost of Furniture & Equipment over 16 years old	(19)	308,319
Amount of Federal Money in Furniture & Equipment (Net of #19)	(20)	\$ --

(8) Note A - \$81,693 in Function 99 expenditures are included in this report on administrative costs.

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT
FUND BALANCE AND CASH FLOW CALCULATION WORKSHEET (UNAUDITED)
GENERAL FUND
AS OF AUGUST 31, 2010

EXHIBIT J-3

Data Control Codes	Explanation	Amount
1	Total General Fund Fund Balance as of August 31, 2010 (Exhibit C-1 object 3000 for the General Fund only)	\$ <u>6,891,396</u>
2	Total General Fund Reserved Fund Balance (from Exhibit C-1 - total of object 3400s for the General Fund only)	<u>--</u>
3	Total General Fund Designated Fund Balance (from Exhibit C-1 - total of object 3500s for the General Fund only)	<u>4,267,500</u>
4	Estimated amount needed to cover fall cash flow deficits in the General Fund (net of borrowed funds and funds representing deferred revenues)	<u>4,000,000</u>
5	Estimate of one month's average cash disbursements during the regular school session (9/1/10 - 5/31/11)	<u>800,000</u>
6	Estimate of delayed payments from state sources (58XX) including August payment delays	<u>--</u>
7	Estimate of underpayment from state sources equal to variance between Legislative Payment Estimate (LPE) and District Planning Estimate (DPE) or District's calculated earned state aid amount	<u>--</u>
8	Estimate of delayed payments from federal sources (59XX)	<u>--</u>
9	Estimate of expenditures to be reimbursed to General Fund from Capital Projects Fund (uses of General Fund cash after bond referendum and prior to issuance of bonds)	<u>--</u>
10	General Fund Optimum Fund Balance and Cash Flow (Lines 2+3+4+5+6+7+8+9)	<u>9,067,500</u>
11	Excess (Deficit) Undesignated Unreserved General Fund Fund Balance (Line 1 minus Line 10)	\$ <u><u>(2,176,104)</u></u>

If Item 11 is a Positive Number

Explanation of need for and/or projected use of net positive Undesignated Unreserved General Fund Fund Balance:

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED AUGUST 31, 2010

EXHIBIT J-4

Data Control Codes	1	2	3
	Budget	Actual	Variance Positive (Negative)
REVENUES:			
5700 <i>Local and Intermediate Sources</i>	\$ 99,500	\$ 107,769	\$ 8,269
5800 <i>State Program Revenues</i>	--	3,024	3,024
5900 <i>Federal Program Revenues</i>	288,000	323,704	35,704
5020 Total Revenues	<u>387,500</u>	<u>434,497</u>	<u>46,997</u>
EXPENDITURES:			
Current:			
Support Services - Student (Pupil):			
0035 <i>Food Services</i>	513,084	489,011	24,073
Total Support Services - Student (Pupil)	<u>513,084</u>	<u>489,011</u>	<u>24,073</u>
6030 Total Expenditures	<u>513,084</u>	<u>489,011</u>	<u>24,073</u>
1100 Excess (Deficiency) of Revenues Over (Under)			
1100 Expenditures	<u>(125,584)</u>	<u>(54,514)</u>	<u>71,070</u>
Other Financing Sources (Uses):			
7915 <i>Transfers In</i>	103,084	54,514	(48,570)
7080 Total Other Financing Sources and (Uses)	<u>103,084</u>	<u>54,514</u>	<u>(48,570)</u>
1200 Net Change in Fund Balance	<u>(22,500)</u>	<u>--</u>	<u>22,500</u>
0100 Fund Balance - Beginning	--	--	--
3000 Fund Balance - Ending	<u>\$ (22,500)</u>	<u>\$ --</u>	<u>\$ 22,500</u>

REED & ASSOCIATES, PC
1717 8th Street, Suite 5
Bay City, Texas 77414

Independent Auditor's Report

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 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, 2010, which collectively comprise the Tidehaven Independent School District's basic financial statements and have issued our report thereon dated December 1, 2010. 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.

Internal Control Over Financial Reporting

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

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Tidehaven Independent School District's financial statements are free of 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 determination of financial statement amounts. 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*.

We noted certain matters that we reported to management of Tidehaven Independent School District in a separate letter dated December 1, 2010.

This report is intended solely for the information and use of management, others within the entity, the Board of Trustees, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

Reed & Associates, PC

Reed & Associates, PC
December 1, 2010

REED & ASSOCIATES, PC
1717 8th Street, Suite 5
Bay City, Texas 77414

Independent Auditor's Report

Report on Compliance with Requirements Applicable
To each Major Program and on Internal Control over Compliance
In Accordance With OMB Circular A-133

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

Members of the Board of Trustees:

Compliance

We have audited the compliance of Tidehaven Independent School District with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended August 31, 2010. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Tidehaven Independent School District's management. Our responsibility is to express an opinion on Tidehaven Independent School District's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 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. Our audit does not provide a legal determination of Tidehaven Independent School District's compliance with those requirements.

In our opinion, Tidehaven Independent School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended August 31, 2010.

Internal Control Over Compliance

Management of Tidehaven Independent School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Tidehaven Independent School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 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 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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we considered to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, others within the entity, the Board of Trustees, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in cursive script that reads "Reed & Associates, PC".

Reed & Associates, PC
December 1, 2010

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2010

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

One or more material weaknesses identified? Yes X No

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

Noncompliance material to financial statements noted? Yes X No

2. Federal Awards

Internal control over major programs:

One or more material weaknesses identified? Yes X No

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

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? Yes X No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.389/84.010	Title I Cluster

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? X 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, 2010

<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>Management's Explanation If Not Implemented</u>
	N/A	

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED AUGUST 31, 2010

N/A

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

EXHIBIT K-1

*SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2010*

(1)	(2)	(2A)	(3)
Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Passed Through Texas Medicaid & Healthcare Partnership: <i>Medicaid Administrative Claiming Program - MAC *</i>	93.778	101916	\$ 2,512
Total U. S. Department of Health and Human Services			<u>2,512</u>
U. S. DEPARTMENT OF EDUCATION Passed Through Texas Higher Education Coordinating Board: <i>Career and Technical - Technical Preparation</i>	84.243	91714	455
Passed Through State Department of Education: <i>ESEA Title I Part A - Improving Basic Programs *</i>	84.010	10610101158902	173,088
<i>ESEA Title I Part A - Improving Basic Programs *</i>	84.010	11610101158902	11,455
Total CFDA Number 84.010			<u>184,543</u>
<i>Title II Part D Enhancing Education Through Technology *</i>	84.318	10630001158902	1,780
<i>ESEA Title II Part A - Teacher & Principal Training & Recruiting</i>	84.367	10694501158902	52,379
<i>ARRA - Title II Part D Subpart 1-Enhancing Education Through Tech</i>	84.386	10553001158902	1,675
<i>ARRA - ESEA, Title I, Part A - Improving Basic Programs *</i>	84.389	10551001158902	56,363
Total Passed Through State Department of Education			<u>296,740</u>
Passed Through Bay City ISD: <i>IDEA-B Formula *</i>	84.027	10660001158901660	47,763
<i>IDEA-B Formula *</i>	84.027	11660001158901600	4,200
Total CFDA Number 84.027			<u>51,963</u>
<i>ARRA - IDEA-Part B Formula *</i>	84.391	10554001158901	18,106
Total Passed Through Bay City ISD			<u>70,069</u>
Total U. S. Department of Education			<u>367,264</u>
U. S. DEPARTMENT OF AGRICULTURE Passed Through State Department of Education: School Breakfast Program *	10.553	71401001	86,254
National School Lunch Program *	10.555	71301001	212,916
Total Passed Through State Department of Education			<u>299,170</u>
Passed Through State Department of Agriculture: Commodity Supplemental Food Program (Non-cash)	10.565	158902A2010	24,534
Total U. S. Department of Agriculture			<u>323,704</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 693,480</u>

* Indicates clustered program under OMB Circular A-133 Compliance Supplement

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, 2010

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Tidehaven Independent School District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

TIDEHAVEN INDEPENDENT SCHOOL DISTRICT

*SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
AS OF AUGUST 31, 2010*

<u>Data Control Codes</u>	<u>Responses</u>
SF2 Were there any disclosures in the Annual Financial Report and/or other sources of information concerning default on bonded indebtedness obligations?	No
SF4 Did the district receive a clean audit? - Was there an unqualified opinion in the Annual Financial Report?	Yes
SF5 Did the Annual Financial Report disclose any instances of material weaknesses in internal controls?	No
SF9 Was there any disclosure in the Annual Financial Report of material noncompliance?	No
SF10 What was the total accumulated accretion on capital appreciation bonds included in the government-wide financial statements at fiscal year-end?	\$ --