



Agenda of Regular Meeting

The Board of Trustees Galveston Independent School District

A Regular Meeting of the Board of Trustees of Galveston Independent School District will be held December 14, 2022, beginning at 6:00 PM in the Lovenberg Administration Building, 3904 Avenue T, Galveston, TX 77550.

The subjects discussed or considered or upon which any formal action may be taken are as listed below. Items do not have to be taken in the order shown.

- 1) Public Hearing on GISD’s School’s FIRST Rating for FY 2021. 4
- 2) Call to order Open Session in the Board Room of the Lovenberg Administration Building, 3904 Avenue T, Galveston, Texas.
- 3) Pledge of Allegiance to the United States flag and the Texas flag.
- 4) Discuss and consider canvass of the December 6, 2022 School Trustee Runoff Election results for single-member District 7-G. 27
- 5) Administer Oath of Office to Single-Member District 2-B and 7-G. 29
- 6) Citizen's Request to Address the Board on Agenda and Non-Agenda Items. Please complete sign-up sheets available in the lobby prior to the start of the meeting.
- 7) The Board may recess into Closed Executive Session in the Library as permitted by the Texas Open Meeting Act Government Code Sections 551.071- 551.090 Subchapter D and E.

Should any final action, final decision, or final vote be required in the opinion of the School Board with regard to any matter considered in such closed meeting then the final action, final decision, or final vote shall be either:

A) in the open meeting covered by the Notice upon the reconvening of the public meeting; or

B) at a subsequent public meeting of the School Board upon notice thereof; as the School Board shall determine.

- A) Personnel
- B) Consultation with Attorney
- C) Real Property

- 8) Reestablish the open meeting of the Galveston ISD Board of Trustees.
- 9) Discuss and consider reorganization of Officers of the GISD Board of Trustees. 30
- 10) District Reports
 - A) Board Committee Reports
 - 1) Facilities/Finance Committee Chair- Mr. Johnny Smecca
- 11) Financial Reports and Budget Update
- 12) Board President to Appoint Standing Committees.
- 13) CONSENT AGENDA - Action Items

A) Consider approval of the minutes from the Regular School Board Meeting on November 16, 2022 and the Special Meeting on December 7, 2022.	53
B) Consider approval of personnel resignations and recommendations with contracts.	58
C) Discuss and consider approval of payment of attorney fees.	59
D) Consider approval of Budget Amendments (Under separate cover.)	60
E) Discuss and consider accepting donations in accordance with Board Policy CDC Local.	62
F) Discuss and consider approval of the August 31, 2022, Annual Financial and Compliance Report	64
G) Discuss and consider the approval to use Galveston Career Connect grant funds for tuition and expenses related to high school students attending Galveston College courses in an amount not to exceed \$200,000.	197
H) Discuss and Approve to Adopt a Board of Trustees Resolution to Consider the Designation of Galveston ISD as a District of Innovation	198
I) Discuss and consider the use of ESSER II, III funds to purchase Edgenuity on-line instruction for credit recovery and academic acceleration for Ball High School and AIM College and Career Prep for the amount of \$98,808.	200
J) Discuss and consider the approval to purchase laptops and docking stations for Weis Middle School using the School Action Fund grant in the amount of \$71,001.84.	203
K) Discuss and Consider Approval of Purchase of Laptop Computers using Emergency Connectivity Funds and ESSER 3 Federal Funds.	205
L) Discuss and Consider Ratification of Expenditure to Replace Sewer Lines at Courville Stadium using Bond 2022 Funds	214
M) Consider declaration of approximately 0.0257 acres adjacent to Avenue M ½ and 34th Street in Galveston County as surplus property and related actions to solicit offers	217
N) Discuss and consider approval of purchase and sale agreement to purchase real property needed for the New Ball High School	224
O) Discuss and consider approval of purchase and sale agreement to purchase real property needed for the New Ball High School	245
P) Discuss and consider approval of purchase and sale agreement(s) to purchase real property needed for the new Ball High School (UNDER SEPARATE COVER)	265
14) REGULAR AGENDA- Action Items	
A) Discuss and consider approval of the naming of the baseball complex.	266
B) Consider termination of design build contract with Hellas related to the stadium press box and related actions.	267
C) Consider new Construction Delivery Method for the new Ball High School, Natatorium and Stadium Press Box and related actions	268
D) Consider Approval of PBK Architect's Fee Proposal for Stadium Press Box	269

E) Discuss and consider directing the Superintendent to comply with the provisions of the Board Operating Procedures previously adopted by the Board. 272

F) Review and discuss Board Operating Procedures and Code of Conduct for Board members as per policy. 273

15) Suggested Future Agenda Items

16) COMMENTS FROM THE BOARD OF TRUSTEES

Pursuant to Texas Government Code Section 551.0415, Trustees may report on any of the following items:

1. Expressions of thanks, gratitude, and condolences
2. Information regarding holiday schedules
3. Honorary or salutary recognition of a public official, public employee, or other citizen
4. Reminders regarding GISD events
5. Reminders regarding community events
6. Health and safety announcements

17) Adjournment

If, during the course of the meeting, discussion of any item on the agenda should be held in a closed meeting, the Board will conduct a closed meeting in accordance with the Texas Open Meetings Act, Government Code, Chapter 551, Subchapters D and E. Before any closed meeting is convened, the presiding officer will publicly identify the section or sections of the Act authorizing the closed meeting. All final votes, actions, or decisions will be taken in open meeting.

The notice for this meeting was posted in compliance with the Texas Open Meeting Act on _____, at _____ by _____ for the Board of Trustees.

Galveston Independent School District
2022 Annual Financial Management Report
School Financial Integrity Rating System of Texas
“FIRST”

For the Year Ending August 31, 2021



Dr. Jerry Gibson, Superintendent

Connie Morgenroth, Assistant Superintendent of Business and Operations

December 14, 2022

**Galveston Independent School District
2022 Annual Financial Management Report
School FIRST
For the Year Ending August 31, 2021**

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Galveston Independent School District 2022 Annual Financial Management Report – School FIRST

Introduction

During the 77th regular session of the Texas legislature (2001), Senate Bill 218 was passed, and Governor Perry signed it into law shortly thereafter. This law requires each school district to prepare an annual financial management report within two months of the date of issuance of the final School FIRST ratings. The District received official notification of the 2021-2022 Final School FIRST rating in November 2022. This rating is based upon analysis of school year data for the fiscal year ending August 31, 2021.

The purpose of the financial accountability rating system is to ensure that school districts will be held accountable for the quality of their financial management practices and achieve improved performance in the management of their financial resources. The system is designed to encourage Texas public schools to manage their financial resources better in order to provide the maximum allocation possible for direct instructional purposes. The system also discloses the quality of local management and decision-making processes that impact the allocation of financial resources in Texas public schools. An evaluation of the long-term effectiveness of the system should disclose a measurable improvement in the quality of Texas public schools' decision-making processes.

The primary reporting tool is the Financial Accountability Ratings Worksheet. This worksheet was originally developed by representatives of the Texas Education Agency (TEA), the Texas Business & Education Council (TBEC) and the Texas Association of School Business Officials (TASBO). It is administered by the TEA and calculated on information submitted to the Agency via our PEIMS submission each year.

This year's report includes changes made by the Commissioner's Rule for School FIRST that were implemented by the Texas Education Agency beginning with ratings year 2021-2022 based primarily on data from fiscal year 2021.

Under School FIRST, every school district in Texas is required to prepare an annual financial management report that includes the following:

- The district's financial management performance rating provided by the Texas Education Agency (TEA) based on its comparison with indicators established by the Commissioner of Education for the state's new Financial Accountability System;
- The district's financial management performance under each indicator for the current and previous years' financial accountability ratings;
- Additional information required by the Commissioner of Education (disclosures)

Starting with the 2007 calendar year, the financial management report must contain certain required disclosures, in accordance with Title 19 of the Texas Administrative Code, Chapter 109, Budgeting, Accounting, and Auditing Subchapter AA, Commissioner's Rules Concerning the Financial Accountability Rating System. These disclosures are as follows:

1. A copy of the Superintendent's current employment contract (this can be satisfied by placing the contract on the district website);
2. A summary schedule for the fiscal year of total reimbursements received by the superintendent and each board member;
3. A summary schedule for the fiscal year of the dollar amount compensation and/or fees received by the Superintendent from another school district or any outside entity in exchange for professional consulting and/or other personal services;
4. A summary schedule for the fiscal year of the total dollar amount by the executive officers and board members of gifts that had an economic value of \$250 or more;
5. A summary schedule for the fiscal year of the dollar amount by board member for the aggregate amount of business transactions with the school district.

Currently, the worksheet consists of 20 Indicators: 5 critical indicators, 4 ceiling indicators, 9 10-point indicators, and 2 5-point indicator. Indicator #4 is both a critical and ceiling indicator. A "No" response in Indicators #1, #2, #3, or #4 will automatically result in a rating of Substandard Achievement, so these first four Indicators are of utmost importance. Indicators #5, #10, and #15 were not scored this year.

In summary, Galveston ISD received the rating of "**A = Superior Achievement**," scoring 98 out of a possible 100 on the financial accountability worksheet. Compared to the previous year, Indicator #13 decreased by 2 points. The worksheet itself follows, along with an explanation of each indicator, the indicator goal, and GISD's performance this year as compared to last year. Finally, as in accordance with Title 19, the required disclosures are included at the back of the report.

Overview of the Worksheet

Critical Indicators

Indicators 1 through 5 are considered critical indicators; however, like last year, Indicator #5 was not scored this year. Any “No” response in one of these categories is a signal indicator of fiscal distress. The first four indicators revolve around the audit report, timely debt and payroll-related payments and the auditor’s findings.

Indicator #1

Indicator: Was the complete annual financial report (AFR) and data submitted to the TEA within 30 days of the November 27 or January 28 deadline depending on the school district’s fiscal year end date of June 30 or August 31, respectively?

Indicator Goal: To ensure the district’s financial report is filed by the deadline.

GISD Answer: Yes. Like last year, the District met this requirement. The annual financial report was received by the Texas Education Agency before the required deadline of January 28, 2022.

Indicator #2

Indicator: Was there an unmodified opinion in the AFR on the financial statements as a whole?

Indicator Goal: To determine whether the annual financial report is free from material misstatement.

GISD Answer: Yes. Like last year, the District received an unqualified opinion in its annual financial report.

Indicator #3

Indicator: Was the school district in compliance with the payment terms of all debt agreements at fiscal year end?

Indicator Goal: To determine if the district made its outstanding bond payments on time and to ensure it is not in default.

GISD Answer: Yes. Like last year, GISD made all required bond payments on time.

Indicator #4

Indicator: Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other governmental agencies?

Indicator Goal: To determine if the district fulfilled its payroll-related payment obligations to these organizations.

GISD Answer: Yes. Like last year, GISD made all payroll-related payment obligations on time.

Indicator #5 – NOT SCORED THIS YEAR

Indicator: Was the total unrestricted net position balance (net of the accretion of interest for capital appreciation bonds) in the governmental activities' column in the Statement of Net Positions greater than zero?

Indicator Goal: This indicator is not being scored per TEA.

All Other Indicators

Indicator #6

Indicator: Was the average change in (assigned and unassigned) fund balances over 3 years less than a 25 percent decrease or did the current year's assigned and unassigned fund balances exceed 75 days of operational expenditures?

Indicator Goal: This indicator measures the percentage change in fund balance to see whether the fund balance is declining too quickly, and if it is declining, whether sufficient fund balance remains to operate for at least 75 days.

GISD Answer: Yes. GISD committed \$11M to disaster recovery last fiscal year, but the assigned and unassigned fund balance of \$18,164,973 met both of these tests.

Indicator #7

Indicator: Was the number of days of cash on hand and current investments in the general fund for the school district sufficient to cover operating expenditures (excluding facilities acquisition and construction)?

Indicator Goal: This indicator measures how long in days after the end of the fiscal year the school district could have disbursed funds for its operating expenditures without receiving any new revenues. Districts must have more than 90 days to receive all 10 points, and points decrease by 2 as the number of days' decreases.

GISD Answer: Yes. Like last year, GISD earned all 10 points on this indicator; there were 137.7 days cash on hand this year and 127.9 days last year.

Indicator #8

Indicator: Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt?

Indicator Goal: This indicator measures whether the school district had sufficient short-term assets at the end of the fiscal year to pay off its short-term liabilities. To earn the maximum of 10 points, current assets must be more than 3 times current liabilities, and points decrease by 2 as the ratio decreases.

GISD Answer: Current assets \$59,808,745 divided by current liabilities \$12,911,032 = 4.6324; therefore, GISD earned all 10 points this year, as well as last year. Last year's score was 4.1626.

Indicator #9

Indicator: Did the school district's general fund revenues equal or exceed expenditures (excluding facilities acquisition and construction)? If not, was the school district's number of days of cash on hand greater than or equal to 60 days?

Indicator Goal: To determine if the District spent more than it earned. The school district will automatically pass this indicator if it had at least 60 days' cash on hand.

GISD Answer: 10 of 10 points both this year and last year. Like last year, GISD passed both parts of this indicator this year; revenues exceeded expenditures by more than \$617K, and the District had 137.73 days' cash on hand.

Indicator #10 – NOT SCORED THIS YEAR

Indicator: Did the school district average less than a 10 percent variance (90% to 110%) when comparing budgeted revenues to actual revenues for the last 3 fiscal years?

Indicator Goal: This indicator measures how accurately the district forecast projected revenue by comparing budgeted revenue submitted through PEIMS October of the fiscal year to actual revenues submitted after close of the fiscal year.

Answer: This indicator was not scored this year per TEA.

Indicator #11

Indicator: Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency?

Indicator Goal: This question seeks to determine the amount of long-term debt relative to total assets. Fast growth districts pass this indicator if their enrollment has increased more than 10% in 5 years. To receive all 10 points, the long-term debt (net of pension liability) cannot be >60% of total assets, and points decrease as the percentage increases.

GISD Answer: 38.72% therefore, the District received all 10 points on this indicator. LT Liabilities 56,183,755 / Total Assets 145,120,847 = .3872. GISD received 10 points on this indicator last year with 41.59%.

Indicator #12

Indicator: Was the debt per \$100 of assessed property value ratio sufficient to support future debt repayments?

Indicator Goal: To determine the District's ability to make its debt principal and interest payments due during the year. A ratio of ≤ 4 earns all 10 points, and the points decrease by 2 as the ratio increases.

Answer: Like last year, GISD received all 10 points. GISD's debt service coverage ratio was .6669 this year and .8227 last year.

Indicator #13

Indicator: Was the school district's administrative cost ratio equal to or less than the threshold ratio?

Indicator Goal: To determine whether the district's administrative costs are in an acceptable range for its size. For GISD, a ratio of <10% earns all 10 points, and the points decrease by 2 as the percentage increases.

GISD Answer: 8 of 10 points. GISD's administrative cost ratio is 11.37%. Last year, our ratio was 9.63% and we earned all 10 points.

Indicator #14

Indicator: Did the school district not have a 15 percent decline in the students to staff ratio over 3 years (total enrollment to total staff)? (If the student enrollment did not decrease, the school district will automatically pass this indicator.)

Indicator Goal: To determine if student enrollment is declining by more than 15%, staff are also decreasing proportionately, over a 3-year period.

GISD Answer: GISD earned 10 points both this year and last year. GISD's enrollment decreased by 321 over the three-year period and the student to staff ratio declined by 7.3%, which is less than the 15% threshold.

Indicator #15 – NOT SCORED THIS YEAR

Indicator: Was the school district's ADA within the allotted range of the district's biennial pupil projection(s) submitted to TEA? If the district did not submit per pupil projections to TEA, did it certify TEA's projections?

Indicator Goal: This indicator measures how well the district was able to project average daily attendance for the coming biennium for payment purposes. Projected ADA is compared to actual.

GISD Answer: TEA did not score this indicator this year.

Indicator #16

Indicator: Did the comparison of PEIMS data to like information in the school district's AFR result in a total variance of less than 3 percent of all expenditures by function?

Indicator Goal: To determine whether the quality of data reported to TEA through PEIMS and in the annual financial report submission are consistent. If the variance is greater than 3%, districts fail this indicator.

GISD Answer: Like last year, GISD passed this ceiling indicator. Our variance was less than one percent each year; this year it was .000090593%.

Indicator #17

Indicator: Did the external independent auditor report that the AFR was free of any instance(s) of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?

Indicator Goal: To determine whether the district has established and maintains effective internal control over its financial reporting.

GISD Answer: Like last year, the District passed this ceiling indicator; the annual financial report did not disclose any instances of material weaknesses in internal controls.

Indicator #18

Indicator: Did the external independent auditor indicate the AFR was free of any instance(s) of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?

Indicator Goal: An audit finding of material non-compliance could indicate a risk of internal weaknesses and signal that public funds are not being properly managed.

GISD Answer: Like last year, GISD did not have any audit findings of material non-compliance and received all 10 points on this Yes or No indicator.

Indicator #19

Indicator: Did the school district post the required financial information on its website in accordance with Government Code, Local Government code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?

Indicator Goal: This indicator measures whether the district is complying with legal requirements related to financial transparency by posting all required information.

GISD Answer: GISD is in compliance with its required website postings and earned the maximum 5 points on this indicator this year, as well as last year.

Indicator #20

Indicator: Did the school board members discuss the district's property values at a board meeting within 120 days before the district adopted its budget?

Indicator Goal: This indicator measures whether the school board had the opportunity to consider the impact of changes in property value on the finances of the district.

GISD Answer: Like last year, GISD school board members discussed property values within 120 days of the adopted budget and passed this ceiling indicator.

REQUIRED DISCLOSURES

Summary Schedule of Reimbursements as of August 31, 2021

Name	Meals	Lodging	Transportation	Other	Total
Jerry Gibson			\$616.00	\$10,000*	\$10,616.00
Anthony Brown					\$0.00
Shae Jobe					\$0.00
Ann Masel				\$75.00*	\$75.00
David O'Neal					\$0.00
Johnny Smecca					\$0.00
Mindy Lakin					\$0.00

**Other includes relocation expenses for Dr. Gibson in accordance with his contract, and board training expenses for Ms. Masel.*

Business Transactions Between School Districts and Board Members for FY 2021

Business transactions between the District and Mr. Smecca totaled \$5,675.51 during FY 2021.

Superintendent Outside Compensation

Superintendent, Dr. Jerry Gibson, received \$3,000 in outside compensation for teaching as an adjunct professor at the University of Houston – Clear Lake Campus for the twelve-month period ending August 31, 2021.

Superintendent's Contract

The Superintendent's current contract is posted on the District's website at www.myGISD.com.

Executive Officer and Board of Trustees Gifts

The Superintendent and Board Members did not receive any gifts that had an economic value of \$250 or more in aggregate for the twelve-month period ending August 31, 2021, from an outside entity that received payments from GISD in the prior fiscal year or from competing vendors that were not awarded contracts in the prior fiscal year.



Galveston ISD

2022 Annual Financial Management Report

For the Year Ending August 31, 2022

What is School FIRST and What is its Purpose?

- School FIRST is a financial accountability rating system that holds school districts accountable for the quality of their financial management practices.
- School FIRST is designed to encourage Texas public schools to manage their financial resources better in order to provide the maximum allocation possible for direct instructional purposes.
- School FIRST is a tool that creates transparency and discloses the quality of local management and decision-making processes that the school district uses concerning the financial resources the school district receives.

Reporting Requirements

- Prepare and distribute an annual financial management report
- Hold a Public Hearing to provide an opportunity for comment on the report

2022 Ratings

➤ 20 indicators

- 5 considered “critical” - No answer to any of the critical indicators results in automatic Substandard Achievement
- 4 considered “ceilings” - If the school district fails a ceiling indicator, the maximum points and highest rating they may receive is 89 points, B=Above Standard Achievement
- 11 “other” indicators – 9 worth 10 points and 2 worth 5 points
- 3 Indicators (#5, #10, and #15) were not scored by TEA this year

➤ 4 Ratings with letter grades:

- A = Superior (90-100 points)
- B = Above Standard (80-89)
- C = Meets Standard (60-79)
- F = Substandard Achievement (<60)

GISD Results

District Score:
98 out of 100 points

Rating:
A = Superior Achievement

Critical Indicators

#	Indicator Description	2020-2021 Data	2019-2020 Data
1	Was the complete annual financial report (AFR) and data submitted to the TEA within 30 days of the November 27 or January 28 deadline depending on the school district's fiscal year end date of June 30 or August 31, respectively?	YES	YES
2	Was there an unmodified opinion in the AFR on the financial statements as a whole?	YES	YES
3	Was the school district in compliance with the payment terms of all debt agreements at fiscal year end?	YES	YES
4	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other governmental agencies?	YES/ Ceiling Passed	YES
5	Was the total unrestricted net asset balance (Net of the accretion of interest for capital appreciation bonds) in the governmental activities' column in the Statement of Net Assets greater than zero?	Not Scored	Not Scored

Solvency Indicators

#	Indicator Description	2020-2021 Data	2019-2020 Data
6	Was the average change in (assigned and unassigned) fund balances over 3 years less than a 25 percent decrease or did the current year's assigned and unassigned fund balances exceed 75 days of operational expenditures?	Passed - Ceiling	Passed - Ceiling
7	Was the number of days of cash on hand and current investments in the general fund for the school district sufficient to cover operating expenditures (excluding facilities acquisition and construction)?	10	10
8	Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt?	10	10
9	Did the school district's general fund revenues equal or exceed expenditures (excluding facilities acquisition and construction)? If not, was the school district's number of days of cash on hand greater than or equal to 60 days?	10	10
10	Did the school district average less than a 10 percent variance (90% to 110%) when comparing budgeted revenues to actual revenues for the last 3 fiscal years?	Not Scored	Not Scored

Solvency Indicators

#	Indicator Description	2020-2021 Data	2019-2020 Data
11	Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency?	10	10
12	Was the debt per \$100 of assessed property value ratio sufficient to support future debt repayments?	10	10
13	Was the school district's administrative cost ratio equal to or less than the threshold ratio?	8	10
14	Did the school district not have a 15 percent decline in the students to staff ratio over 3 years (total enrollment to total staff)? (If the student enrollment did not decrease, the school district will automatically pass yes or no this indicator.	10	10
15	Was the school district's ADA within the allotted range of the district's biennial pupil projection(s) submitted to TEA? If the district did not submit per pupil projections to TEA, did it certify TEA's projections?	5	5

Solvency Indicators

#	Indicator Description	2019-2022 Data	2018-2019 Data
16	Did the comparison of PEIMS data to like information in the school district's AFR result in a total variance of less than 3 percent of all expenditures by function?	Passed - Ceiling	Passed - Ceiling
17	Did the external independent auditor report that the AFR was free of any instance(s) of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	Passed - Ceiling	Passed - Ceiling
18	Did the external independent auditor indicate the AFR was free of any instance(s) of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	10	10
19	Did the school district post the required financial information on its website in accordance with Government Code, Local Government code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?	5	5
20	Did the school board members discuss the district's property values at a board meeting within 120 days before the district adopted its budget?	Passed - Ceiling	Passed - Ceiling
	TOTAL RATING	98	100

Required Disclosures

- The following are disclosed in the body of the report:
 - Schedule of Reimbursements made to the Superintendent and all Board Members
 - Business transactions between the District and any board members
 - Outside compensation earned by the Superintendent for consulting and/or other fees
 - Outside gifts >\$250 received by any executive officers or board members; there were none
- The Superintendent's contract is on the website

QUESTIONS?

Action Sheet

MEETING DATE:

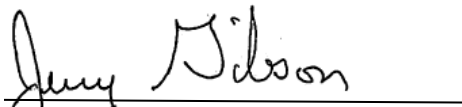
December 14, 2022

AGENDA ITEM:

Discuss and consider canvass of the December 6, 2022 School Trustee Runoff Election results for single-member District 7-G.

RECOMMENDATION:

I move that the Board of Trustees canvass the result and declare Mindy Lakin of District 7-G the winner of the December 6, 2022 Runoff School Trustee Election.



Jerry Gibson
Superintendent

CANVASS OF GENERAL ELECTION

I, Anthony Brown, President of the Galveston ISD Board of Trustees, met with the Galveston ISD Board of Trustees sitting as the canvassing board to canvass the runoff election of December 6, 2022-Galveston, Texas

I certify that the figures on the tally sheets correspond with figures on the returns.

Witness my hand this 14th day of December, 2022

Anthony Brown, President

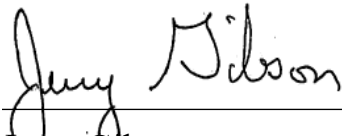
Action Sheet

MEETING DATE: December 14, 2022

AGENDA ITEM: Administer Oath of Office to Single-Member District 2-B and 7-G.

The Oath of Office will be administered to the Trustees for Single-Member District 2-B and 7-G.

RECOMMENDATION: None



Jerry Gibson
Superintendent

Action Sheet

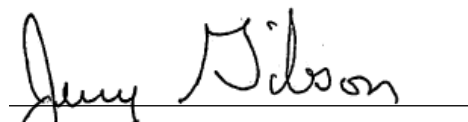
MEETING DATE: December 14, 2022

AGENDA ITEM: Discuss and consider reorganization of Officers of the GISD Board of Trustees.

According to Policy BDAA (LEGAL): Officers and Officials- Duties and requirements of Board Officers at the first meeting after each election and qualification of Trustees, the members of the Board shall organize by selecting:

1. A President, who shall be a member of the Board;
2. A Secretary, who may or may not be a Board member of the Board,
3. Such other officers and committees as the Board may deem necessary.

RECOMMENDATION: NONE



Jerry Gibson
Superintendent

Financial Reports – Executive Summary, Board Meeting 12/14/2022

The following reports representing period ending 11/30/2022, are attached for your review:

Report No. 1 – General Fund revenue collected through the period totals \$7,967,290 or 10.6% of projected collections. For the same period in FY 2021-2022, revenue totaled \$7,695,564 or 10.2% of budgeted collections. See attachment B.

Report No. 2 – General Fund expenditures through the period total \$15,942,294 or 13.4% of total projected expenditures. For the same period in FY 2021-2022, expenditures totaled \$16,933,620 or 16.2% of budgeted expenditures. See attachment C.

Report No. 3 – Cash and investment report. See attachment D.

Funds held by each financial institution at 11/3/2022 are as follows:

Moody Bank	\$ 13,471,868.24	Pledged securities \$17,900,000
Texas Class Investment Pool	\$ 69,789,672.35	N/A (Investment Pool)
Texas Range	\$ 11,868,779.92	N/A (Investment Pool)
Fidelity Investments	\$200,044,455.06	Treasury & Federal Agency Securities
Total	\$295,174,775.57	

Report No. 4 – Current ad valorem taxes, delinquent taxes, and penalties & interest collections through the period are as follows (See attachment E).

Fund	Budget	Amount Collected	% Collected
Maintenance & Operations	\$103,361,026	\$8,641,095	8.4%
Interest & Sinking (Debt Payment)	\$20,264,005	\$1,630,367	8.0%

For the same period in FY 2021-2022, collections were \$9,256,525 (10.2%) for M&O and \$855,626 (10.3%) for I&S.

Report No. 5 – 2022 Bond Construction Projects. See attachment F.

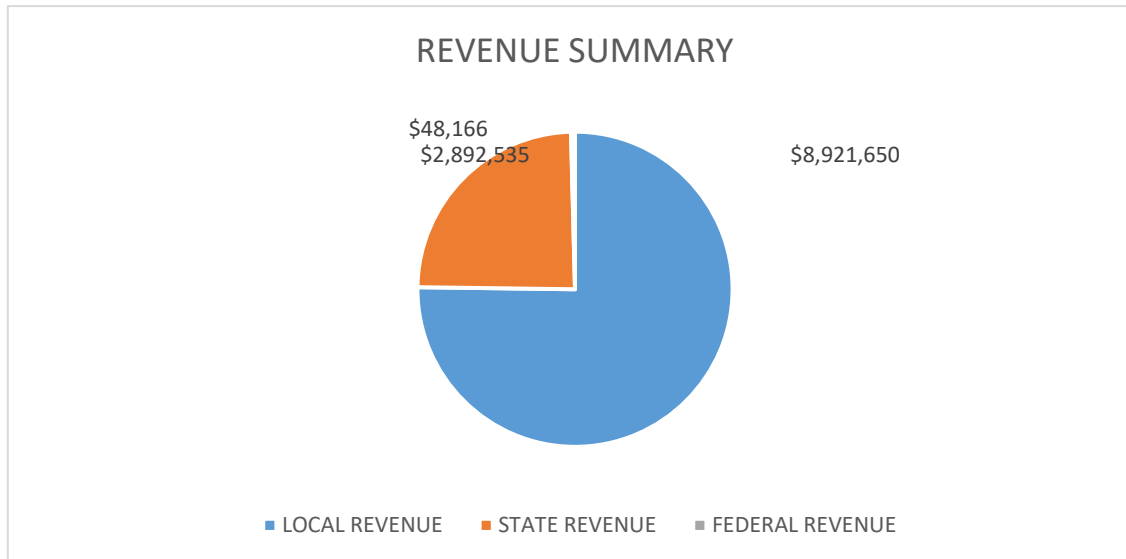
Report No. 6 – Vendors with aggregate purchases for FY 2022-2023 that exceed \$50,000. See attachment G.

Report No. 7 – Local vendor activity for FY 2022-2023 (zip codes 77550-77559). See attachment H.

Report No. 8 – Monthly Check Register. See attachment I.

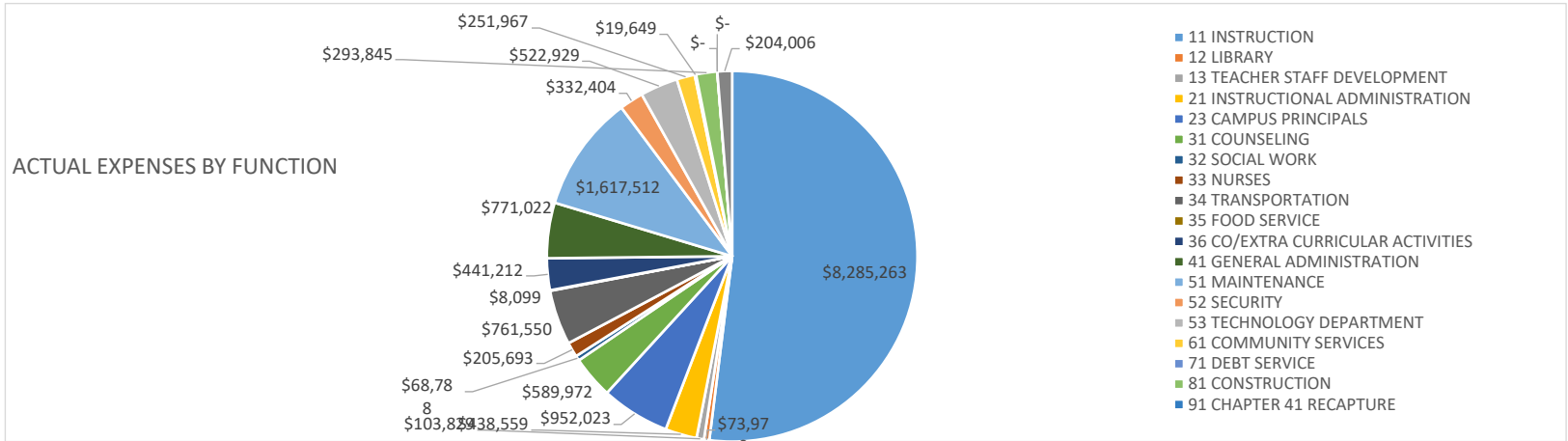
GALVESTON ISD
GENERAL FUND REVENUES BY MAJOR OBJECT
AS OF 11/30/2022

		2022-2023 Revised Budget	Monthly Receipts 11/30/2022	FYTD Activity 11/30/2022	2022-2023 FYTD (Under)/Over Budget
57--	LOCAL REVENUE	\$ 104,493,045	\$ 7,664,190	\$ 8,921,650	\$ (95,571,395)
58--	STATE REVENUE	\$ 5,810,475	\$ 268,505	\$ 2,892,535	\$ (2,917,940)
59--	FEDERAL REVENUE	\$ 1,974,360	\$ 34,594	\$ 48,166	\$ (1,926,194)
79--	TRANSFERS IN	\$ 2,873,820	\$ -	\$ -	\$ (2,873,820)
---		\$ 115,151,700	\$ 7,967,290	\$ 11,862,351	\$ (103,289,349)
	% COLLECTED	10.6%			



GALVESTON ISD
GENERAL FUND EXPENDITURES BY FUNCTION
AS OF 11/30/2022

FC	Function	Rev Bud November 2022-2023	FYTD Activity November 2022-2023	Encumbered November 2022-2023	Expenses + Encumbered	Unencumbered Balance November 2022-2023
11	INSTRUCTION	\$ 37,741,958	\$ 8,285,263	\$ 118,749	\$ 8,404,012	\$ (29,337,946)
12	LIBRARY	\$ 370,291	\$ 73,970	\$ 17,733	\$ 91,703	\$ (278,588)
13	TEACHER STAFF DEVELOPMENT	\$ 665,904	\$ 103,829	\$ 32,286	\$ 136,115	\$ (529,789)
21	INSTRUCTIONAL ADMINISTRATION	\$ 1,941,021	\$ 438,559	\$ 4,964	\$ 443,523	\$ (1,497,498)
23	CAMPUS PRINCIPALS	\$ 4,068,756	\$ 952,023	\$ 3,039	\$ 955,062	\$ (3,113,694)
31	COUNSELING	\$ 2,327,041	\$ 589,972	\$ 7,515	\$ 597,488	\$ (1,729,553)
32	SOCIAL WORK	\$ 295,476	\$ 68,788	\$ 1,452	\$ 70,240	\$ (225,236)
33	NURSES	\$ 839,775	\$ 205,693	\$ 1,539	\$ 207,232	\$ (632,543)
34	TRANSPORTATION	\$ 3,398,437	\$ 761,550	\$ 382,686	\$ 1,144,236	\$ (2,254,201)
35	FOOD SERVICE	\$ -	\$ 8,099	\$ -	\$ 8,099	\$ 8,099
36	CO/EXTRA CURRICULAR ACTIVITIES	\$ 2,157,726	\$ 441,212	\$ 81,300	\$ 522,512	\$ (1,635,214)
41	GENERAL ADMINISTRATION	\$ 3,002,311	\$ 771,022	\$ 237,639	\$ 1,008,661	\$ (1,993,650)
51	MAINTENANCE	\$ 9,657,798	\$ 1,617,512	\$ 1,046,790	\$ 2,664,302	\$ (6,993,496)
52	SECURITY	\$ 1,285,025	\$ 332,404	\$ 12,384	\$ 344,788	\$ (940,237)
53	TECHNOLOGY DEPARTMENT	\$ 2,126,048	\$ 522,929	\$ 10,508	\$ 533,437	\$ (1,592,611)
61	COMMUNITY SERVICES	\$ 1,006,746	\$ 251,967	\$ 692,420	\$ 944,387	\$ (62,359)
71	DEBT SERVICE	\$ -	\$ 19,649	\$ 55,393	\$ 75,042	\$ 75,042
81	CONSTRUCTION	\$ 2,950,314	\$ 293,845	\$ 639,147	\$ 932,992	\$ (2,017,322)
91	CHAPTER 41 RECAPTURE	\$ 44,048,102	\$ -	\$ -	\$ -	\$ (44,048,102)
93	PMTS TO FISCAL AGENT/SSA	\$ 26,875	\$ -	\$ -	\$ -	\$ (26,875)
99	APPRAISAL DISTRICT FEES	\$ 817,000	\$ 204,006	\$ 612,018	\$ 816,024	\$ (976)
--	COLUMN TOTALS	\$ 118,726,604	\$ 15,942,294	\$ 3,957,561	\$ 19,899,855	\$ (98,826,749)
	EXPENDITURES AS A % OF BUDGET		13.4%		16.8%	





**Galveston ISD
Portfolio Management
Portfolio Summary
November 30, 2022**

TCG Advisors, a HUB Intl Co
900 S Capital of Texas Hwy
350
Austin, TX 78746
(512)600-5200

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 365 Equiv.
Federal Agency Coupon Securities	39,745,000.00	38,273,741.25	38,426,605.04	12.99	567	502	4.379
Treasury Coupon Securities	132,023,000.00	127,829,991.87	128,170,650.73	43.33	616	551	4.274
Treasury Discounts -Amortizing	10,185,000.00	10,051,169.10	10,066,098.93	3.40	177	112	3.934
Municipal Bonds	24,160,000.00	23,141,040.10	23,233,768.87	7.86	646	581	4.398
Investment Pools	81,658,452.27	81,658,452.27	81,658,452.27	27.61	1	1	3.825
Bank Accounts	12,431,825.16	12,431,825.16	12,431,825.16	4.20	1	1	0.050
Money Market Accounts	1,788,555.82	1,788,555.82	1,788,555.82	0.60	1	1	1.590
	301,991,833.25	295,174,775.57	295,775,956.82	100.00%	397	354	3.968
Investments							
Cash and Accrued Interest							
Accrued Interest at Purchase		365,799.17	365,799.17				
Ending Accrued Interest		625,257.25	625,257.25				
Subtotal		991,056.42	991,056.42				
	301,991,833.25	296,165,831.99	296,767,013.24		397	354	3.968
Total Cash and Investments Value							

Total Earnings	November 30 Month Ending	Fiscal Year To Date
Current Year	969,882.07	2,518,171.54
Average Daily Balance	293,315,774.53	316,277,142.70
Effective Rate of Return	4.02%	3.19%

The following reports are submitted in accordance with the Public funds Investment Act (Texas Gov't Code 2256). The reports also offer supplemental information not required by the Act in order to fully inform the governing body of the District of the position and activity within the District's portfolio of investments.

Jeff Martello, Director of Finance

Connie Morgenroth, Asst. Supt. of Bus. & Operations



Galveston ISD
Fund GEN OP - General Operating
Investments by Fund
November 30, 2022

TCG Advisors, a HUB Intl Co
 900 S Capital of Texas Hwy
 350
 Austin, TX 78746
 (512)600-5200

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date Maturity
Investment Pools										
TX GEN-0001	10237	Texas Class	09/01/2022	16,135,824.65	16,135,824.65	16,135,824.65	3.855	3.801	3.854	1
TX DLY 1227-02	10231	Texas Range	09/01/2022	10,941,109.53	10,941,109.53	10,941,109.53	3.650	3.600	3.650	1
Subtotal and Average				27,076,934.18	27,076,934.18	27,076,934.18		3.720	3.772	1
Bank Accounts										
MB GEN 7601	10246	Moody Bank	09/01/2022	7,476,336.64	7,476,336.64	7,476,336.64	0.050	0.049	0.050	1
Subtotal and Average				7,476,336.64	7,476,336.64	7,476,336.64		0.049	0.050	1
Total Investments and Average				34,553,270.82	34,553,270.82	34,553,270.82		2.926	2.967	1

**Fund DS - Interest & Sinking
Investments by Fund
November 30, 2022**

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date
Investment Pools										
TX DEBT-0002	10238	Texas Class	09/01/2022	3,925,249.15	3,925,249.15	3,925,249.15	3.855	3.801	3.854	1
TX DLY 1227-04	10232	Texas Range	09/01/2022	211,200.47	211,200.47	211,200.47	3.650	3.600	3.650	1
Subtotal and Average				4,136,449.62	4,136,449.62	4,136,449.62		3.791	3.844	1
Bank Accounts										
MB DS 2049	10243	Moody Bank	09/01/2022	2,052,873.88	2,052,873.88	2,052,873.88	0.050	0.049	0.050	1
Subtotal and Average				2,052,873.88	2,052,873.88	2,052,873.88		0.049	0.050	1
Money Market Accounts										
MB DS MM 7635	10244	Moody Bank	09/01/2022	1,040,043.08	1,040,043.08	1,040,043.08	0.300	0.300	0.304	1
Subtotal and Average				1,040,043.08	1,040,043.08	1,040,043.08		0.300	0.304	1
Total Investments and Average				7,229,366.58	7,229,366.58	7,229,366.58		2.227	2.257	1

**Fund STUACT - Student Activity
Investments by Fund
November 30, 2022**

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date Maturity
Investment Pools										
TX ACT-0004	10240	Texas Class	09/01/2022	415,151.27	415,151.27	415,151.27	3.855	3.801	3.854	1
Subtotal and Average				415,151.27	415,151.27	415,151.27		3.802	3.855	1
Bank Accounts										
MB ACT 7627	10241	Moody Bank	09/01/2022	485,077.55	485,077.55	485,077.55	0.050	0.049	0.050	1
Subtotal and Average				485,077.55	485,077.55	485,077.55		0.049	0.050	1
Total Investments and Average				900,228.82	900,228.82	900,228.82		1.780	1.805	1

**Fund CN - Child Nutrition
Investments by Fund
November 30, 2022**

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date Maturity
Investment Pools										
TX CNS-0005	10282	Texas Class	09/01/2022	2,293,904.44	2,293,904.44	2,293,904.44	3.855	3.801	3.854	1
TX DLY 1227-08	10235	Texas Range	09/01/2022	716,469.92	716,469.92	716,469.92	3.650	3.600	3.650	1
Subtotal and Average				3,010,374.36	3,010,374.36	3,010,374.36		3.754	3.806	1
Bank Accounts										
MB CN 7619	10245	Moody Bank	09/01/2022	680,723.77	680,723.77	680,723.77	0.050	0.049	0.050	1
Subtotal and Average				680,723.77	680,723.77	680,723.77		0.049	0.050	1
Total Investments and Average				3,691,098.13	3,691,098.13	3,691,098.13		3.071	3.113	1

**Fund BD 2022 CONS FD - Bond 2022 Construction Fund
Investments by Fund
November 30, 2022**

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Federal Agency Coupon Securities											
3130ATBLO	10251	FHLB Note	09/26/2022	8,420,084.43	8,485,000.00	8,375,798.05	3.625	4.349	4.410	12/08/2023	372
3130ATBM8	10252	FHLB Note	09/26/2022	7,586,249.66	7,660,000.00	7,554,445.20	3.625	4.359	4.420	03/08/2024	463
3130AQ3F8	10261	FHLB Note	09/27/2022	14,065,137.94	15,000,000.00	14,025,750.00	1.150	4.349	4.410	12/10/2024	740
3137EAEV7	10262	FHLMC Note	09/27/2022	8,355,133.01	8,600,000.00	8,317,748.00	0.250	4.201	4.260	08/24/2023	266
Subtotal and Average				38,426,605.04	39,745,000.00	38,273,741.25		4.319	4.379		501
Treasury Coupon Securities											
91282CEK3	10255	US Treasury	09/26/2022	9,924,009.69	10,172,000.00	9,878,741.24	2.500	4.241	4.300	04/30/2024	516
91282CFG1	10256	US Treasury	09/26/2022	9,989,381.21	10,150,000.00	9,945,071.50	3.250	4.142	4.200	08/31/2024	639
91282WE6	10257	US Treasury	09/26/2022	9,924,202.06	10,058,000.00	9,867,099.16	2.750	4.132	4.190	11/15/2023	349
91282CDS7	10267	US Treasury	09/27/2022	7,025,056.54	7,500,000.00	7,016,325.00	1.125	4.231	4.290	01/15/2025	776
91282CEX5	10268	US Treasury	09/27/2022	9,949,041.15	10,150,000.00	9,910,561.50	3.000	4.250	4.310	06/30/2024	577
91282VB3	10269	US Treasury	09/27/2022	9,976,346.82	10,080,000.00	9,952,084.80	1.750	4.004	4.060	05/15/2023	165
91282ZY9	10270	US Treasury	09/27/2022	10,068,612.38	10,320,000.00	10,030,936.80	0.125	4.103	4.160	07/15/2023	226
91282BD0	10271	US Treasury	09/27/2022	9,928,547.21	10,300,000.00	9,899,227.00	2.250	4.181	4.240	10/31/2024	700
91282BZ1	10272	US Treasury	09/27/2022	10,001,752.87	10,330,000.00	9,996,341.00	2.750	4.191	4.250	02/28/2025	820
91282CDH1	10276	US Treasury	09/28/2022	9,002,682.41	9,650,000.00	8,996,791.50	0.750	4.320	4.380	11/15/2024	715
91282CED9	10277	US Treasury	09/28/2022	6,269,048.74	6,650,000.00	6,290,767.00	1.750	4.359	4.420	03/15/2025	835
91282CFA4	10278	US Treasury	09/28/2022	9,977,595.10	10,200,000.00	9,958,974.00	3.000	4.320	4.380	07/31/2024	608
91282CFN6	10279	US Treasury	09/30/2022	2,161,239.81	2,163,000.00	2,156,489.37	4.250	4.241	4.300	09/30/2024	669
91282BZ9	10280	US Treasury	09/28/2022	6,557,125.36	6,700,000.00	6,536,922.00	2.500	4.339	4.400	01/31/2024	426
91282B6G0	10281	US Treasury	09/28/2022	7,416,009.38	7,600,000.00	7,393,660.00	2.375	4.339	4.400	02/29/2024	455
Subtotal and Average				128,170,650.73	132,023,000.00	127,829,991.87		4.216	4.274		550
Treasury Discounts -Amortizing											
912796U31	10266	US Treasury	09/27/2022	10,066,098.93	10,185,000.00	10,051,169.10	3.753	3.880	3.933	03/23/2023	112
Subtotal and Average				10,066,098.93	10,185,000.00	10,051,169.10		3.880	3.934		112
Municipal Bonds											
010268CL2	10250	Alabama Fed Aid Hwy Fin Auth	09/27/2022	5,019,038.94	5,350,000.00	4,980,101.00	0.689	4.359	4.420	09/01/2024	640
13063DLZ9	10260	California ST Var Purp GO Bds	09/28/2022	6,985,350.72	7,100,000.00	6,971,774.00	3.000	4.201	4.260	04/01/2024	487
429335LP5	10254	Hidalgo Cnty Tex Drain Dist #1	09/27/2022	1,681,297.56	1,685,000.00	1,677,316.40	4.000	4.241	4.300	09/01/2023	274
64966QCA6	10264	NY NY GO Bds Fiscal 2020	09/28/2022	2,853,484.89	2,960,000.00	2,836,952.80	2.130	4.422	4.483	08/01/2024	609
64990FA95	10275	NY ST Dorm Auth ST	09/29/2022	3,757,887.39	4,065,000.00	3,743,295.90	1.062	4.527	4.590	03/15/2025	835
88213AHL2	10265	TX A&M Univ Rev Fin Sys Bds	09/28/2022	2,936,709.37	3,000,000.00	2,931,600.00	2.884	4.358	4.419	05/15/2024	531

Fund BD 2022 CONS FD - Bond 2022 Construction Fund
Investments by Fund
November 30, 2022

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date
Subtotal and Average				23,233,768.87	24,160,000.00	23,141,040.10		4.338	4.398	581
Investment Pools										
TX BD 2022	10284	Texas Class	09/01/2022	47,019,542.84	47,019,542.84	47,019,542.84	3.855	3.801	3.854	1
TX DLY 1227-05	10233	Texas Range	09/01/2022	0.00	0.00	0.00	2.430	2.396	2.430	1
Subtotal and Average				47,019,542.84	47,019,542.84	47,019,542.84		3.802	3.855	1
Bank Accounts										
MB BD CON 2022	10287	Moody Bank	09/08/2022	1,656,107.80	1,656,107.80	1,656,107.80	0.050	0.049	0.050	1
Subtotal and Average				1,656,107.80	1,656,107.80	1,656,107.80		0.049	0.050	1
Money Market Accounts										
FID BOND MM	10286	Fidelity Investments	09/22/2022	748,512.74	748,512.74	748,512.74	3.330	3.330	3.376	1
Subtotal and Average				748,512.74	748,512.74	748,512.74		3.330	3.376	1
Total Investments and Average				249,321,286.95	255,537,163.38	248,720,105.70		4.121	4.178	419

**Fund BD 2018 CONS FD - Bond 2018 Construction Fund
Investments by Fund
November 30, 2022**

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date Maturity
Bank Accounts										
MB BD CON 2056	10242	Moody Bank	09/01/2022	80,705.52	80,705.52	80,705.52	0.050	0.049	0.050	1
Subtotal and Average				80,705.52	80,705.52	80,705.52		0.049	0.050	1
Total Investments and Average				80,705.52	80,705.52	80,705.52		0.049	0.050	1



**Galveston ISD
Summary by Type
November 30, 2022
Grouped by Fund**

TCG Advisors, a HUB Intl Co
900 S Capital of Texas Hwy
350
Austin, TX 78746
(512)600-5200

Security Type	Number of Investments	Par Value	Book Value	% of Portfolio	Average YTM 365	Average Days to Maturity
Fund: Bond 2018 Construction Fund						
Bank Accounts	1	80,705.52	80,705.52	0.03	0.050	1
Subtotal	1	80,705.52	80,705.52	0.03	0.050	1
Fund: Bond 2022 Construction Fund						
Federal Agency Coupon Securities	4	39,745,000.00	38,426,605.04	12.99	4.379	502
Money Market Accounts	1	748,512.74	748,512.74	0.25	3.376	1
Bank Accounts	1	1,656,107.80	1,656,107.80	0.56	0.050	1
Municipal Bonds	6	24,160,000.00	23,233,768.87	7.86	4.398	581
Investment Pools	2	47,019,542.84	47,019,542.84	15.90	3.855	1
Treasury Coupon Securities	15	132,023,000.00	128,170,650.73	43.33	4.274	551
Treasury Discounts -Amortizing	1	10,185,000.00	10,066,098.93	3.40	3.934	112
Subtotal	30	255,537,163.38	249,321,286.95	84.29	4.178	419
Fund: Child Nutrition						
Bank Accounts	1	680,723.77	680,723.77	0.23	0.050	1
Investment Pools	2	3,010,374.36	3,010,374.36	1.02	3.806	1
Subtotal	3	3,691,098.13	3,691,098.13	1.25	3.113	1
Fund: Interest & Sinking						
Investment Pools	2	4,136,449.62	4,136,449.62	1.40	3.844	1
Bank Accounts	1	2,052,873.88	2,052,873.88	0.69	0.050	1
Money Market Accounts	1	1,040,043.08	1,040,043.08	0.35	0.304	1
Subtotal	4	7,229,366.58	7,229,366.58	2.44	2.257	1
Fund: General Operating						
Investment Pools	2	27,076,934.18	27,076,934.18	9.15	3.772	1
Bank Accounts	1	7,476,336.64	7,476,336.64	2.53	0.050	1
Subtotal	3	34,553,270.82	34,553,270.82	11.68	2.967	1
Fund: Student Activity						
Investment Pools	1	415,151.27	415,151.27	0.14	3.855	1

**Galveston ISD
Summary by Type
November 30, 2022
Grouped by Fund**

Security Type	Number of Investments	Par Value	Book Value	% of Portfolio	Average YTM 365	Average Days to Maturity
Fund: Student Activity						
Bank Accounts	1	485,077.55	485,077.55	0.16	0.050	1
Subtotal	2	900,228.82	900,228.82	0.30	1.805	1
Total and Average	43	301,991,833.25	295,775,956.82	100.00	3.968	354



**Galveston ISD
Accrued Interest
Sorted by Fund - Maturity Date
November 1, 2022 - November 30, 2022**

TCG Advisors, a HUB Intl Co
900 S Capital of Texas Hwy
350
Austin, TX 78746
(512)600-5200

CUSIP	Investment #	Security Type	Par Value	Maturity Date	Current Rate	* Beginning Accrued Interest	Adjusted Acc'd Int. at Purchase During Period	Interest Earned	Interest Received	* Ending Accrued Interest
Bond 2018 Construction Fund										
MB BD CON 2056	10242	RR2	80,705.52		0.050	0.00	0.00	3.32	3.32	0.00
		Subtotal	80,705.52			0.00	0.00	3.32	3.32	0.00
Bond 2022 Construction Fund										
TX BD 2022	10284	RRP	47,019,542.84		3.855	0.00	0.00	149,580.02	149,580.02	0.00
TX DLY 1227-05	10233	RRP	0.00		2.430	0.00	0.00	0.00	0.00	0.00
MB BD CON 2022	10287	RR2	1,656,107.80		0.050	0.00	0.00	66.74	66.74	0.00
FID BOND MM	10286	RR3	748,512.74		3.330	0.00	0.00	1,622.94	1,622.94	0.00
912796U31	10266	ATD	10,185,000.00	03/23/2023	3.753	0.00	0.00	0.00	0.00	0.00
912828VB3	10269	TRC	10,080,000.00	05/15/2023	1.750	81,489.13	0.00	14,507.56	88,200.00	7,796.69
912828ZY9	10270	TRC	10,320,000.00	07/15/2023	0.125	3,820.92	0.00	1,051.63	0.00	4,872.55
3137EAEV7	10262	FAC	8,600,000.00	08/24/2023	0.250	4,001.39	0.00	1,791.67	0.00	5,793.06
429335LP5	10254	MC1	1,685,000.00	09/01/2023	4.000	11,233.33	0.00	5,616.67	0.00	16,850.00
912828WE6	10257	TRC	10,058,000.00	11/15/2023	2.750	127,774.86	0.00	22,747.83	138,297.50	12,225.19
3130ATBL0	10251	FAC	8,485,000.00	12/08/2023	3.625	45,282.80	0.00	25,631.77	0.00	70,914.57
9128285Z9	10280	TRC	6,700,000.00	01/31/2024	2.500	42,330.16	0.00	13,654.89	0.00	55,985.05
9128286G0	10281	TRC	7,600,000.00	02/29/2024	2.375	30,914.36	0.00	14,958.57	0.00	45,872.93
3130ATBM8	10252	FAC	7,660,000.00	03/08/2024	3.625	40,879.93	0.00	23,139.58	0.00	64,019.51
13063DLZ9	10260	MC1	7,100,000.00	04/01/2024	3.000	17,750.00	0.00	17,750.00	0.00	35,500.00
91282CEK3	10255	TRC	10,172,000.00	04/30/2024	2.500	702.49	0.00	21,074.58	0.00	21,777.07
88213AHL2	10265	MC1	3,000,000.00	05/15/2024	2.884	39,895.33	0.00	7,210.00	0.00	47,105.33
91282CEX5	10268	TRC	10,150,000.00	06/30/2024	3.000	102,603.26	0.00	24,823.37	0.00	127,426.63
91282CFA4	10278	TRC	10,200,000.00	07/31/2024	3.000	77,331.52	0.00	24,945.65	0.00	102,277.17
64966QCA6	10264	MC1	2,960,000.00	08/01/2024	2.130	15,762.00	0.00	5,254.00	0.00	21,016.00
91282CFG1	10256	TRC	10,150,000.00	08/31/2024	3.250	56,497.93	0.00	27,337.71	0.00	83,835.64
010268CL2	10250	MC1	5,350,000.00	09/01/2024	0.689	6,143.58	0.00	3,071.79	0.00	9,215.37
91282CFN6	10279	TRC	2,163,000.00	09/30/2024	4.250	8,081.54	0.00	7,576.44	0.00	15,657.98
9128283D0	10271	TRC	10,300,000.00	10/31/2024	2.250	640.19	0.00	19,205.80	0.00	19,845.99
91282CDH1	10276	TRC	9,650,000.00	11/15/2024	0.750	33,434.10	0.00	5,952.30	36,187.50	3,198.90
3130AQ3F8	10261	FAC	15,000,000.00	12/10/2024	1.150	67,562.50	0.00	14,375.00	0.00	81,937.50
91282CDS7	10267	TRC	7,500,000.00	01/15/2025	1.125	24,991.51	0.00	6,878.39	0.00	31,869.90
9128283Z1	10272	TRC	10,330,000.00	02/28/2025	2.750	48,653.73	0.00	23,542.13	0.00	72,195.86
91282CED9	10277	TRC	6,650,000.00	03/15/2025	1.750	15,109.46	0.00	9,644.34	0.00	24,753.80
64990FA95	10275	MC1	4,065,000.00	03/15/2025	1.062	5,516.21	0.00	3,597.52	0.00	9,113.73
		Subtotal	255,537,163.38			908,402.23	0.00	496,608.89	413,954.70	991,056.42

* Beginning Accrued may not include investments that redeemed in the previous month that had outstanding accrued interest. Ending Accrued includes outstanding purchase interest.

Galveston ISD
Accrued Interest
Sorted by Fund - Maturity Date

CUSIP	Investment #	Security Type	Par Value	Maturity Date	Current Rate	* Beginning Accrued Interest	Adjusted Acc'd Int. at Purchase During Period	Interest Earned	Interest Received	* Ending Accrued Interest
Child Nutrition										
TX CNS-0005	10282	RRP	2,293,904.44		3.855	0.00	0.00	5,870.43	5,870.43	0.00
TX DLY 1227-08	10235	RRP	716,469.92		3.650	0.00	0.00	2,142.68	2,142.68	0.00
MB CN 7619	10245	RR2	680,723.77		0.050	0.00	0.00	28.11	28.11	0.00
		Subtotal	3,691,098.13			0.00	0.00	8,041.22	8,041.22	0.00
Interest & Sinking										
TX DEBT-0002	10238	RRP	3,925,249.15		3.855	0.00	0.00	10,557.80	10,557.80	0.00
TX DLY 1227-04	10232	RRP	211,200.47		3.650	0.00	0.00	631.62	631.62	0.00
MB DS 2049	10243	RR2	2,052,873.88		0.050	0.00	0.00	84.36	84.36	0.00
MB DS MM 7635	10244	RR3	1,040,043.08		0.300	0.00	0.00	256.38	256.38	0.00
		Subtotal	7,229,366.58			0.00	0.00	11,530.16	11,530.16	0.00
General Operating										
TX GEN-0001	10237	RRP	16,135,824.65		3.855	0.00	0.00	50,969.83	50,969.83	0.00
TX DLY 1227-02	10231	RRP	10,941,109.53		3.650	0.00	0.00	32,720.53	32,720.53	0.00
MB GEN 7601	10246	RR2	7,476,336.64		0.050	0.00	0.00	300.65	300.65	0.00
		Subtotal	34,553,270.82			0.00	0.00	83,991.01	83,991.01	0.00
Student Activity										
TX ACT-0004	10240	RRP	415,151.27		3.855	0.00	0.00	1,313.03	1,313.03	0.00
MB ACT 7627	10241	RR2	485,077.55		0.050	0.00	0.00	20.25	20.25	0.00
		Subtotal	900,228.82			0.00	0.00	1,333.28	1,333.28	0.00
		Total	301,991,833.25			908,402.23	0.00	601,507.88	518,853.69	991,056.42

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* Beginning Accrued may not include investments that redeemed in the previous month that had outstanding accrued interest. Ending Accrued includes outstanding purchase interest.

GALVESTON ISD
TAX COLLECTIONS BY FUND
AS OF 11/30/2022

FUND	FUND	OBJ	OBJ	Revised Budget 2022-2023	FYTD Activity 2022-2023	November 2022-2023 Monthly Activity	2022-23 FYTD (UNDER)/Over Budget
199	GENERAL FUND	5711	TAXES-CURRENT YEAR	\$ 100,452,652	\$ 7,938,507	\$ 7,354,036	\$ (92,514,145)
199	GENERAL FUND	5712	TAXES-DELINQUENT	\$ 1,858,374	\$ 541,046	\$ 137,671	\$ (1,317,328)
199	GENERAL FUND	5719	PENALTY/INT/OTHER TAX REVENUE	\$ 1,050,000	\$ 161,542	\$ 46,887	\$ (888,458)
FUND TOTAL				\$ 103,361,026	\$ 8,641,095	\$ 7,538,594	\$ (94,719,931)
YTD AS A % OF BUDGET				8.4%			

FUND	FUND	OBJ	OBJ	Revised Budget 2022-2023	FYTD Activity 2022-2023	November 2022-2023 Monthly Activity	2022-23 FYTD (UNDER)/Over Budget
599	DEBT SERVICE FUND	5711	TAXES-CURRENT YEAR	\$ 19,797,747	\$ 1,564,563	\$ 1,449,373	\$ (18,233,184)
599	DEBT SERVICE FUND	5712	TAXES-DELINQUENT	\$ 366,258	\$ 50,395	\$ 12,788	\$ (315,863)
599	DEBT SERVICE FUND	5719	PENALTY/INT/OTHER TAX REVENUE	\$ 100,000	\$ 15,409	\$ 4,478	\$ (84,591)
FUND TOTAL				\$ 20,264,005	\$ 1,630,367	\$ 1,466,638	\$ (18,633,638)
YTD AS A % OF BUDGET				8.0%			

**Galveston Independent School District
Bond 2022 Construction Expenditures
As of November 30, 2022**

Bond Propositions	Voter Approved		
	May 7, 2022	Bond Sale #1	Authorized but
	Amount Authorized	August 30, 2022	Unissued
A Ball HS	\$ 229,973,721	\$ 170,472,069	\$ 59,501,652
A Transportation	\$ 2,820,186	\$ 1,849,855	\$ 970,331
A Bond Resolutions	\$ 1,061,093	\$ 1,061,093	\$ -
B Natatorium at BHS	\$ 15,980,000	\$ 11,825,089	\$ 4,154,911
C MS Renovation at Central MS	\$ 8,513,236	\$ 8,513,236	\$ -
C MS Renovation at Weis	\$ 18,746,764	\$ 18,745,885	\$ 879
C MS Renovation at Austin MS	\$ 8,900,000	\$ 8,727,773	\$ 172,227
D Technology	\$ 4,535,000	\$ 4,535,000	\$ -
E Courville Stadium	\$ 24,270,000	\$ 24,270,000	\$ -
TOTAL BOND AMOUNT	\$ 314,800,000	\$ 250,000,000	\$ 64,800,000

Propositions Sum of Ball HS and Natatorium \$ 245,953,721

These project budgets have been combined as they will be bid as one.

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	Bond 2022					
	Description of Expenditure	Project Budget	FY 2022	FY 2023	Encumbrances	Balance
Ball High School	Construction	\$ 207,047,041	-			\$ 207,047,041
	Architect Fees	10,869,914	162,960	1,464,567		9,242,388
	Attorney Fees	-	19,244	49,625		(68,869)
	Program Management Fees	-	66,064	16,439		(82,503)
	Surveys, Testing and Reimb.	4,074,280	1,000	1,000		4,072,280
	Furniture, Fixtures and Equipment	13,776,787	-			13,776,787
	Technology	10,185,699	-			10,185,699
	TOTAL	\$ 245,953,721	\$ 249,268	\$ 1,531,630	\$ -	\$ 244,172,823
Transportation	Buses (13 total - 10 remaining)	\$ 1,651,161	-	-	443,165	1,207,996
	White Fleet	862,259	-	-	-	862,259
	Police Vehicles	213,453	-	-	-	213,453
	SMART-Tag Student Management Software	93,313	-	-	-	93,313
	TOTAL	\$ 2,820,186	\$ -	\$ -	\$ 443,165	\$ 2,377,021
Bond Resolutions	Capital Expenditures in FY 2022	\$ 1,061,093	\$ -	\$ -	\$ -	\$ 1,061,093

**Galveston Independent School District
Bond 2022 Construction Expenditures
As of November 30, 2022**

		Bond 2022				
Description of Expenditure	Project Budget	FY 2022	FY 2023	Encumbrances	Balance	
Middle Schools	MS Renovation at Central MS	\$ 8,513,236	-	2,025	-	8,511,211
	MS Renovation at Weis	18,746,764	-	3,025	-	18,743,739
	MS Renovation at Austin MS	8,900,000	-	1,314	-	8,898,686
	TOTAL	\$ 36,160,000	\$ -	\$ 6,363	\$ -	\$ 36,153,637
Technology	Program Management Fees	\$ -		1,555		(1,555)
	Hardware and Infrastructure	\$ 792,000	-	19,794	-	772,206
	Classroom devices and audio	\$ 3,743,000	-	-	-	3,743,000
	Technology	\$ 4,535,000	\$ -	\$ 21,349	\$ -	\$ 4,513,651
Courville Stadium	Design and Construction	\$ 19,001,345	50,000	125,000	456,429	18,369,916
	Architect Fees	1,140,000				1,140,000
	Attorney Fees	-	4,185			(4,185)
	Program Management Fees	-		56,216		(56,216)
	Surveys, Testing and Reimb.	1,848,655				1,848,655
	Furniture, Fixtures and Equipment	1,330,000				1,330,000
	Technology	950,000				950,000
TOTAL	\$ 24,270,000	\$ 54,185	\$ 181,216	\$ 456,429	\$ 23,578,170	
GRAND TOTALS		\$ 314,800,000	\$ 303,453	\$ 1,740,558	\$ 899,594	\$ 311,856,394

12.14.2022 VENDOR TOTALS THAT EXCEED \$50K - ATTACHMENT G

VENDOR	AMOUNT
GLAZIER FOODS COMPANY	553,658.52
RELIANT ENERGY DEPT 0954	231,723.84
GALVESTON CENTRAL APPRAISAL DISTRICT	204,006.08
SKYWARD, INC	163,666.00
CITY OF GALVESTON	101,085.80
PETROLEUM TRADERS CORPORATION	99,760.42
LEARNING A-Z	85,937.00
FRONTLINE TECHNOLOGIES GROUP LLC	81,216.44
KICKSTART KIDS	70,000.00
THE ARTIST BOAT, INC.	57,240.00
IMAGINE LEARNING LLC	56,250.00
WEXFORD INC	55,000.00
THOMPSON & HORTON LP	52,331.68

12.14.2022 LOCAL VENDOR ACTIVITY FOR FY 2022-2023 - ATTACHMENT H

Full Name	Payments 2022	Zip
A B SIGN SHOP	742.01	77551
A. SMECCA INC	5,772.48	77550
ADRIANA RENDON	211.87	77550
ALERT ALARMS	2,140.00	77550
ALEX GAYTAN	600.00	77551
ANNA LEIGH SARGENT	1,500.00	77551
ANNA LIDDELL	95.63	77550
ARDEN CRAGAR	1,500.00	77550
ARIEL GOLAN	600.00	77551
BENJAMIN CHRISTOPHER WREN	600.00	77550
BEYOND TINT	400.00	77551
BREEZEWAY CUSTOM SCREENPRINTIN	3,057.00	77551
BRYANNA KITCHEN	600.00	77551
CATHERINE SHELTON PICKAVANCE	416.25	77550
CHALMERS HARDWARE & EMBROIDERY	2,104.37	77550
CHARTWELLS DINING SERVICES	3,266.52	77553
CITY OF GALVESTON	110,834.49	77553
CITY OF GALVESTON	1,000.00	77553
CLASSIC FORD GALVESTON	758.85	77554
CLAY CUP STUDIOS	225.00	77550
COMMUNITIES IN SCHOOLS GALVESTON CO	120,000.00	77550
CONNOR SETH JOHNSON	600.00	77550
COUNTY OF GALVESTON	2,451.67	77553
DAVID H JR O'NEAL	247.87	77550
DERIC SMITH	100.00	77551
DYLAN J FROST	500.00	77551
DYLAN MICHAEL ALFORD	600.00	77551
EDNA MARIE TOWNSEND	500.00	77551
EL NOPALITO RESTAURANT	1,500.00	77550
FAMILY SERVICE CENTER OF GALVESTON	129,308.59	77550
FAS TRAC JOB TRAINING CENTER	26,229.00	77551
FASTSIGNS OF GALVESTON	227.20	77551
FRANCES BUERGLER	1,500.00	77551
GABRIELLA MARTINEZ	500.00	77550
GALVESTON CHAMBER OF COMMERCE	7,425.00	77550-1501
GALVESTON COLLEGE	326,838.98	77550
GALVESTON COUNTY TAX-ASSESSOR	690.80	77550
GALVESTON ECONOMIC DEVELOPMENT PART	2,500.00	77553
GALVESTON ISD ADMIN PRINT SHOP	352.90	77550
GALVESTON ISD EDUCATIONAL FOUNDATIO	15,065.67	77550
GALVESTON RENTALS, INC	1,047.00	77554
GALVESTON VETERINARY CLINIC	313.02	77551
GISD CHILD NUTRITION	1,641.18	77550
GISD EDUCATIONAL FOUNDATION	9,388.13	77550
GRAND 1894 OPERA HOUSE	2,670.00	77550
HICKS CO, W U-HAUL	1,069.01	77554

12.14.2022 LOCAL VENDOR ACTIVITY FOR FY 2022-2023 - ATTACHMENT H

IDEAL LUMBER CO	3,646.43	77552-0187
INDUSTRIAL MATERIAL CORP	66.90	77554
ISAAC ALEGRIA	500.00	77551
ISIAH ALEXANDER FLORES	500.00	77551
JA LYN DE SHA EDWARD	500.00	77550
JACE MOORE	200.00	77550
JAKIRRAH JENKINS	500.00	77550
JANIE PEREZ	100.00	77551
JAYDA GABRIELLE VASQUEZ	500.00	77551
JEFFREY POST	53.14	77550
JESSE PINTACUDA	233.50	77554
JOSHUA DALTON SHARP	600.00	77554
JULIE SCHMID	20,480.00	77554
KELLY MOORE	603.00	77550
KELLY SCHWAB	1,500.00	77554
KIMBERLEE MARZA	1,500.00	77551
KLEEN SUPPLY CO	25,871.66	77553
LEWIS PARKER	232.50	77550
LIBERTY REECE SNIDER	500.00	77550
LISTER PLUMBING CO	7,657.50	77553
LUIS CASTILLO	200.00	77550
MAINLAND FLORAL CO J MAISEL'S	100.00	77550
MARIAH RAE ROBLES	500.00	77550
MARIO'S RISTORANTE	501.90	77551
MARTY'S CITY AUTO INC	1,174.00	77550
MARYANN ELISE GATELY	600.00	77551
MAYA AVILA-ROBBINS	200.00	77551
MELISSA RUTH DESKINS	6,895.00	77551
MICHELLE STEPHENSON	285.00	77554
MINUTEMAN PRINTING & GRAPHIC	441.00	77550
MOODY EARLY CHILDHOOD CENTER	330,463.74	77550
MOODY GARDEN CONVENTION CENTER AND	250.00	77554
MOODY GARDENS GOLF COURSE	1,000.00	77554
NANCY HERNANDEZ	1,099.99	77551
PATRICK O'BRIEN	1,500.00	77550
REPUBLIC PARTS CO	4,311.19	77550
ROBERT LEE CHAMPS	600.00	77551
ROTARY CLUB OF GALVESTON ISLAND	285.00	77552
SCOTTY'S OVERHEAD DOOR	545.00	77554
SHERWIN-WILLIAMS CO, THE	6,926.74	77551
SKYLER SALOIS	600.00	77554
SOFIA GRASSO	500.00	77551
SOPHIA GARCIA	600.00	77551
STEWART'S PACKAGING INC	747.10	77550
SWEETLY MUSICK	200.00	77551
TEEN HEALTH CENTER, INC	113,999.56	77553
THE ARTIST BOAT, INC.	60,314.75	77554

12.14.2022 LOCAL VENDOR ACTIVITY FOR FY 2022-2023 - ATTACHMENT H

THIRD COAST R & D, INC.	5,100.00	77550
TONY & BROS TOWING & REPAIR	2,100.00	77551
TONYIA DEWITT	1,500.00	77550
TOP GEAR	14,536.71	77551
TREASURE ISLAND TROPHIES	1,272.10	77551
VIKKI CURRY	502.95	77550
VILLAGE HARDWARE	2,320.28	77551
WEST ISLE URGENT CARE	4,250.00	77551

Action Sheet

MEETING DATE:

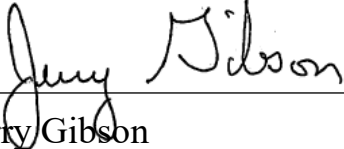
December 14, 2022

AGENDA ITEM:

Consider approval of the minutes from the Regular School Board Meeting on November 16, 2022 and the Special Meeting on December 7, 2022.

RECOMMENDATION:

I move that the Board of Trustees approve the minutes from the Regular School Board Meeting on November 16, 2022 and the Special Meeting on December 7, 2022.



Jerry Gibson
Superintendent



Minutes of Regular Meeting

The Board of Trustees

Galveston Independent School District

A Regular Meeting of the Board of Trustees of Galveston Independent School District was held November 16, 2022, beginning at 6:00 PM in the Lovenberg Administration Building, 3904 Avenue T, Galveston, TX 77550.

Board Members Present: Beeton, O'Neal, Jobe, Brown, Masel, Smecca, Lakin

Staff Present: Curry, Post, Fontenot, Neighbors, Le, Clark, Neighbors, Mueller, Martello, Rogers, Calvin, Bly

- 1) Call to order Open Session in the Board Room of the Lovenberg Administration Building, 3904 Avenue T, Galveston, Texas. –6:00
- 2) Pledge of Allegiance to the United States flag and the Texas flag. *Led by Christian Ventura, a fourth grader at Burnet.*
- 3) Discuss and consider canvass of the November 8, 2022 School Trustee Election results for single-member District 7-G. –6:02
- 4) Administer Oath of Office to Single-Member District 2-B and 7-G. *Deferred until after the runoff*
From Superintendent report: –6:04 Dancing Dolls presentation of tickets to the Board of Trustees for their upcoming show.
- 5) Citizen's Request to Address the Board on Agenda and Non-Agenda Items. Please complete sign-up sheets available in the lobby prior to the start of the meeting. –6:06
Ken Jencks – Spoke about STEM
Veda Brown – Reiterating the question as to why there has never been a black, head principal at Ball high School.
Dawna Valentine – Spoke about hosting track meets at Spoor field.
- 6) The Board may recess into Closed Executive Session in the Library as permitted by the Texas Open Meeting Act Government Code Sections 551.071- 551.090 Subchapter D and E. –6:15

Should any final action, final decision, or final vote be required in the opinion of the School Board with regard to any matter considered in such closed meeting then the final action, final decision, or final vote shall be either:

A) in the open meeting covered by the Notice upon the reconvening of the public meeting;
or

B) at a subsequent public meeting of the School Board upon notice thereof; as the School Board shall determine.

- A) Personnel
- B) Consultation with Attorney
- C) Real Property
- D) Intruder Detection Audit
- 7) **Reestablish the open meeting of the Galveston ISD Board of Trustees.** –6:57
- 8) District Reports
 - A) Superintendent's Report
 - B) Board Committee Reports

- 1) Facilities/Finance Committee Chair- Mr. Johnny Smecca
- 9) Presentation by PBK and Bond Update combined with regular agenda item 2 –6:58
Schematic Design presented by Ron Bailey, Jorge Tescarano, Darius, Zacharacus, Gloria Carlos and Manny Torres.
- 10) Financial Reports and Budget Update –8:10 *presented by Jeff Martello. Smecca added information on remaining agenda items.*
- 11) CONSENT AGENDA - Action Items** –8:20 *Motion by Jobe to approve without Item J. Second by O’Neal. Approved unanimously.*
- A) Consider approval of the minutes from the Regular School Board Meeting on October 19, 2022 and the Special meeting on November 2, 2022.
 - B) Discuss and consider approval of personnel resignations and recommendations with contracts.
 - C) Discuss and consider approval of payment of attorney fees.
 - D) Discuss and consider approval of monthly Budget Amendment (Under separate cover.)
 - E) Discuss and consider accepting donations in accordance with Board Policy CDC Local.
 - F) Discuss and consider approval for the District Goals and Performance Objectives for 2022-2023
 - G) Discuss and consider approval for the campus goals and performance objectives as presented in the campus plans.
 - H) Discuss and consider submitting a TEA waiver for an alternate seventh grade reading diagnostic instrument for 2022 - 2023
 - I) Discuss and consider the approval of expenditures, and purchase of equipment related to 3 grants from the Texas Workforce Commission in an amount not to exceed \$1,310,000.
 - J) Discuss and Consider Approval of Agreement with UTMB for Mental Health Telemedicine Services --*Pulled to regular agenda.*
 - K) Discuss and consider the approval to provide additional funding for Communities in Schools and their Dropout Prevention Program using SEL funds, not to exceed \$120,000
 - L) Discuss and consider approval of CSRFP 2022-23-001, Maintenance & Operations Services, Supplies, Materials, and Equipment Annual Contract
 - M) Discuss and consider approval of purchases of Dell servers in the amount of \$102,848.81
 - N) Discuss and consider approval of Purchase of Network Equipment and Cybersecurity Services using E-Rate funds
- 12) REGULAR AGENDA- Action Items
- J) *From consent* Discuss and Consider Approval of Agreement with UTMB for Mental Health Telemedicine Service –8:21 *Motion by Masel. Second by Lakin. Motion passed. 6-0-1 Jobe abstaining.*
 - A) Discuss and consider reorganization of Officers of the GISD Board of Trustees. *Deferred until after runoff election.*
 - B) Discuss and consider approval of the Schematic Design Presentation for New Ball High School and Natatorium Project as presented by PBK. –8:07 *Motion by Smecca, Second by Jobe. Discussion. Approved unanimously.*
- 13) Suggested Future Agenda Items –
Jobe – He would like to discuss the concept of trying to keep public comment to agenda items or what options there may be.
O’Neal – He would like to discuss the Code of Conduct for trustees in policy.
- 14) COMMENTS FROM THE BOARD OF TRUSTEES

Masel – She was part of the prize parade with GEF. She wants to advocate for GEF and the teachers were so appreciative.

Jobe – He wanted to thank the Ortiz family from Harbor Marine for their donation to the district.

O’Neal – Kudos to the Ball high football team and coaches the dance groups and the Congratulations for a job well done.

Discussion among trustees about upcoming meetings.

Smecca - Happy Thanksgiving!

Pursuant to Texas Government Code Section 551.0415, Trustees may report on any of the following items:

1. Expressions of thanks, gratitude, and condolences
2. Information regarding holiday schedules
3. Honorary or salutary recognition of a public official, public employee, or other citizen
4. Reminders regarding GISD events
5. Reminders regarding community events
6. Health and safety announcements
- 15) Adjournment –8:27

Minutes taken by: Amedia Bly
Approved on December 14, 2022

Mr. Tony Brown, President

Shae Jobe, Secretary



Minutes of Special Meeting

The Board of Trustees Galveston Independent School District

A Special Meeting of the Board of Trustees of Galveston Independent School District was held December 7, 2022, beginning at 6:00 PM in the Lovenberg Administration Building, 3904 Avenue T, Galveston, TX 77550.

The subjects discussed or considered or upon which any formal action may be taken are as listed below. Items do not have to be taken in the order shown.

Trustees in attendance: Beeton, Lakin, Masel, Smecca, Jobe, and O'Neal(6:12). Brown was absent.

Staff in attendance: Mueller, Le, Neighbors, Curry, Patrick, Rivas, Alfred, Polzin, Martello, Pillar, Calvin, Rogers, and Bly

- 1) Call to order Open Session in the Board Room of the Lovenberg Administration Building, 3904 Avenue T, Galveston, Texas. –6:02
- 2) Discuss and consider approval of purchase and sale agreement to purchase real property needed for the New Ball High School –6:02 *Discussion by the board. Beeton requested closed executive session to discuss prior to voting. The board went into closed session at 6:16 The board reconvened into open session at 6:31 Motion by Jobe. Second by Masel. All present in favor. Brown absent.*
- 3) Adjournment –6:32

Minutes taken by: Amedia Bly

Approved on December 14, 2022

Mr. Tony Brown, President

Shae Jobe, Secretary

Action Sheet

MEETING DATE:

December 14, 2022

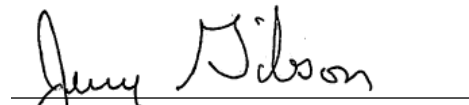
AGENDA ITEM:

Discuss and consider approval of personnel resignations and recommendations with contracts.

Under Separate Cover

RECOMMENDATION:

I move that the Board of Trustees approve personnel resignations and recommendations with contracts.



Jerry Gibson
Superintendent

Action Sheet

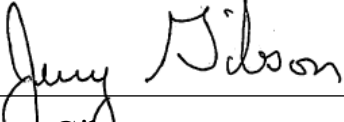
MEETING DATE: December 14, 2022

AGENDA ITEM: Discuss and consider approval of payment of attorney fees.

The Board has directed that attorney fees incurred by the district be brought for approval before payments are made. The district is in receipt of invoices from:

Thompson and Horton: \$30,297.85 December 2, 2022 for November

Invoice# 53989	\$1705.00
Invoice# 53808	\$521.25
Invoice# 53809	\$6,820.00
Invoice# 53807	\$6421.60
Invoice# 53923	\$435.00
Invoice# 53921	\$4,688.75
Invoice# 53920	\$1,762.50
Invoice# 53919	\$3,823.75
Invoice# 53922	\$1,300.00
Invoice# 53924	\$3,090.00



Jerry Gibson
Superintendent

Action Sheet

MEETING DATE:

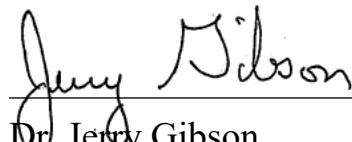
December 14, 2022

AGENDA ITEM:

Discuss and consider approval of monthly Budget Amendment (Under separate cover.)

RECOMMENDATION:

I move that the Board of Trustees approve the budget amendment, as presented.



Dr. Jerry Gibson
Superintendent



Connie Morgenroth
Asst. Superintendent of Business and Operations

**GALVESTON Independent School District
2022-2023 Proposed Budget Amendment
December 2022**

	General Fund			Food Service Fund			Debt Service Fund		
	Beginning Budget	Amendments	Ending Budget	Beginning Budget	Amendments	Ending Budget	Beginning Budget	Amendments	Ending Budget
Revenues									
Local & Intermediate Sources	\$ 104,493,045	\$ 45,000	\$ 104,538,045	\$ 508,507	\$ -	\$ 508,507	\$ 20,300,123	\$ -	\$ 20,300,123
State Program Revenues	\$ 5,810,475	\$ -	\$ 5,810,475	\$ 5,000	\$ -	\$ 5,000	\$ 44,877	\$ -	\$ 44,877
Federal Program Revenues	\$ 1,974,360	\$ -	\$ 1,974,360	\$ 4,786,493	\$ 42,078	\$ 4,828,571	\$ -	\$ -	\$ -
Other Resources/ Operating Transfer In (ESSER II Grant)	\$ 2,873,820	\$ -	\$ 2,873,820	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 115,151,700	\$ 45,000	\$ 115,196,700	\$ 5,300,000	\$ 42,078	\$ 5,342,078	\$ 20,345,000	\$ -	\$ 20,345,000

Function	General Fund			Food Service Fund			Debt Service Fund		
	Beginning Budget	Amendments	Ending Budget	Beginning Budget	Amendments	Ending Budget	Beginning Budget	Amendments	Ending Budget
11 Instruction	\$ 37,736,195	\$ 5,763	\$ 37,741,958						
12 Instructional Resources	\$ 370,291		\$ 370,291						
13 Curriculum & Inst Staff Dev	\$ 665,904		\$ 665,904						
21 Instructional Leadership	\$ 1,941,021		\$ 1,941,021						
23 School Leadership	\$ 4,068,756	\$ 67,280	\$ 4,136,036						
31 Guidance/Counseling	\$ 2,327,041		\$ 2,327,041						
32 Social Work Services	\$ 295,476		\$ 295,476						
33 Health Services	\$ 839,775		\$ 839,775						
34 Student Transportation	\$ 3,398,437		\$ 3,398,437						
35 Food Services	\$ -		\$ -	\$ 6,149,000	\$ 57,601	\$ 6,206,601			
36 Extracurricular Activities	\$ 2,137,741	\$ 29,985	\$ 2,167,726						
41 General Administration	\$ 3,002,311	\$ 45,000	\$ 3,047,311						
51 Maintenance and Operations	\$ 9,604,500	\$ 43,298	\$ 9,647,798	\$ 521,000		\$ 521,000			
52 Security and Monitoring	\$ 1,285,025		\$ 1,285,025						
53 Data Processing Services	\$ 2,126,048	\$ 2,000	\$ 2,128,048						
61 Community Services	\$ 1,006,746		\$ 1,006,746						
71 Debt Service	\$ -		\$ -				\$ 19,718,592	\$ -	\$ 19,718,592
81 Construction	\$ 2,000,000	\$ 1,810,314	\$ 3,810,314						
91 Recapture Payment	\$ 44,048,102		\$ 44,048,102						
93 Shared Services	\$ 26,875		\$ 26,875						
99 Intergovernmental Charges	\$ 817,000		\$ 817,000						
TOTAL	\$ 117,697,244	\$ 2,003,640	\$ 119,700,884	\$ 6,670,000	\$ 57,601	\$ 6,727,601	\$ 19,718,592	\$ -	\$ 19,718,592

General Fund Budget

Function 11	5,763	Rollover PO
TOTAL \$	5,763	

Function 13	
TOTAL \$	-

Function 23	\$ 67,280	Rollover PO
TOTAL \$	67,280	

Function 35 - Food Service		
\$ 15,523	Rollover PO	
\$ 42,078	TDA Supply Chain Grant	
TOTAL \$	57,601	

Function 41	\$ 45,000	Funds for TCG Services
TOTAL \$	45,000	

Function 36	\$ 19,985	Rollover PO
\$ 10,000	TF from 51 to 36 for Athletic Playoff Travel	
TOTAL \$	29,985	

Function 51		
\$ 53,298	Rollover PO	
\$ (10,000)	TF from 51 to 36 for Athletic Playoff Travel	
TOTAL \$	43,298	

Function 53	\$ 2,000	P-EBT Local Grant PEIMS
TOTAL \$	2,000	

Function 81	950,314	Rollover PO
600,000	Land Purchase for new Ball High School	
260,000	4220 Ave O purchase	
TOTAL \$	1,810,314	

Signed: _____
Board President

Action Sheet

MEETING DATE:

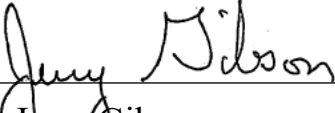
December 14, 2022

AGENDA ITEM:


Discuss and consider approval of donations
in accordance with Board Policy CDC Local

RECOMMENDATION:

I move that the Board accept the donations,
as presented.



Dr. Jerry Gibson
Superintendent



Connie Morgenroth
Asst. Superintendent of Business and Operations

**Galveston Independent School District
Donations for November 2022**

Date	Recipient	Giver	Gift
11/5/2022	Robotics (from RevTrak)	Jennifer Kaufman	\$ 60.00
11/17/2022	Ball High School Tor Store Donation	John & Melissa Lively	\$ 500.00
11/18/2022	CTE	G & H Towing	\$ 2,500.00
			Total <u>\$ 3,060.00</u>

Without generous support from donors such as these, many school projects would not be accomplished.
The Board of Trustees and the schools express their thanks.

Action Sheet

MEETING DATE:

December 14, 2022

AGENDA ITEM:

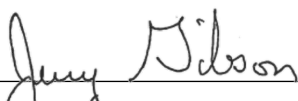
Discuss and consider approval of the August 31, 2022, Annual Financial and Compliance Report

As required by the Texas Education Code and Board Policy CFC Legal, the Board shall have the District's fiscal accounts audited annually.

A representative from Whitley Penn, CPA firm, will report on the August 31, 2022, examination conducted on the District's financial operations and answer any questions. The final draft of the report is attached for your review.

RECOMMENDATION:

I move that the board approve the August 31, 2022, Annual Financial and Compliance report, as presented.



Dr. Jerry Gibson
Superintendent



Connie Morgenroth
Assistant Superintendent of Business & Operations

GALVESTON INDEPENDENT SCHOOL DISTRICT

FISCAL YEAR 2022: FINANCIAL STATEMENT AUDIT AND FEDERAL SINGLE AUDIT

ENGAGEMENT LEADERSHIP TEAM



Gustavo Guzman
Senior Associate



Laura Lynch, CPA
Senior Manager



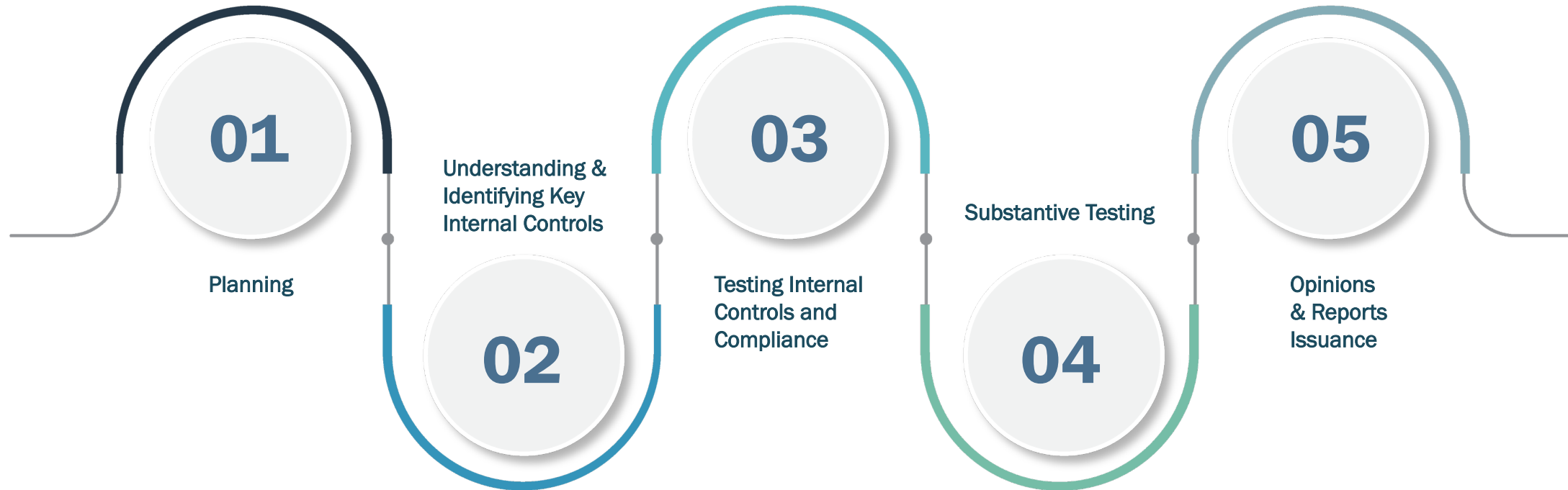
Patrick Simmons, CPA
Engagement Partner



Tom Pedersen, CPA
*Engagement Quality
Control Reviewer*

66

THE AUDIT PROCESS



PURPOSE OF THE AUDIT – THE OPINION ON THE REPORT



AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

Clean Report



- Unmodified or “Clean” Opinion
- Financial statements are presented fairly, in all material respects, in accordance with GAAP
- Audit conducted in accordance with Generally Accepted Auditing Standards and *Government Auditing Standards*

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AUDITOR'S REPORT ON INTERNAL CONTROL AND COMPLIANCE

Clean Report



- Internal control over financial reporting
 - No material weakness identified
 - No significant deficiencies reported

- No instances of noncompliance material to the financial statements were noted

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FEDERAL SINGLE AUDIT REPORT

Clean Report



Major Federal Programs:

1. Title I, Part A
2. ESSER II & ESSER III
3. Nita M. Lowey 21st Century Community Learning Centers
4. Magnet School Assistance
5. Texas Teacher and School Leader Incentive
6. Emergency Connectivity Fund

- Unmodified opinion on compliance over each major federal program
- No internal control findings related to each major program
- No instances of noncompliance or questioned costs were noted

INTERNAL CONTROLS OVER CRITICAL AREAS

- Human Resources
- Payroll
- Procurement
- Accounts Payable
- Information Technology
- Child Nutrition
- Attendance Changes
- Financial Close and Reporting
- Each major federal program

GOVERNMENT-WIDE STATEMENT OF NET POSITION

- **Total Assets and Deferred Outflows: \$410 million**
 - Cash and investments: \$292 million
 - Capital assets, net of depreciation/amortization: \$81 million
 - Deferred outflows of resources (pension/OPEB): \$16 million*
- **Total Liabilities and Deferred Inflows: \$388 million**
 - Bonds payable and unamortized premiums: \$215.5 million
 - Net pension & OPEB liability: \$38 million*
 - Deferred inflows of resources (pension/OPEB): \$36 million*
- **Net Position: \$22 million**

73

* Represents the District's proportionate share of these liabilities as determined by Teacher Retirement System of Texas. Result is a negative \$58M impact to net position.

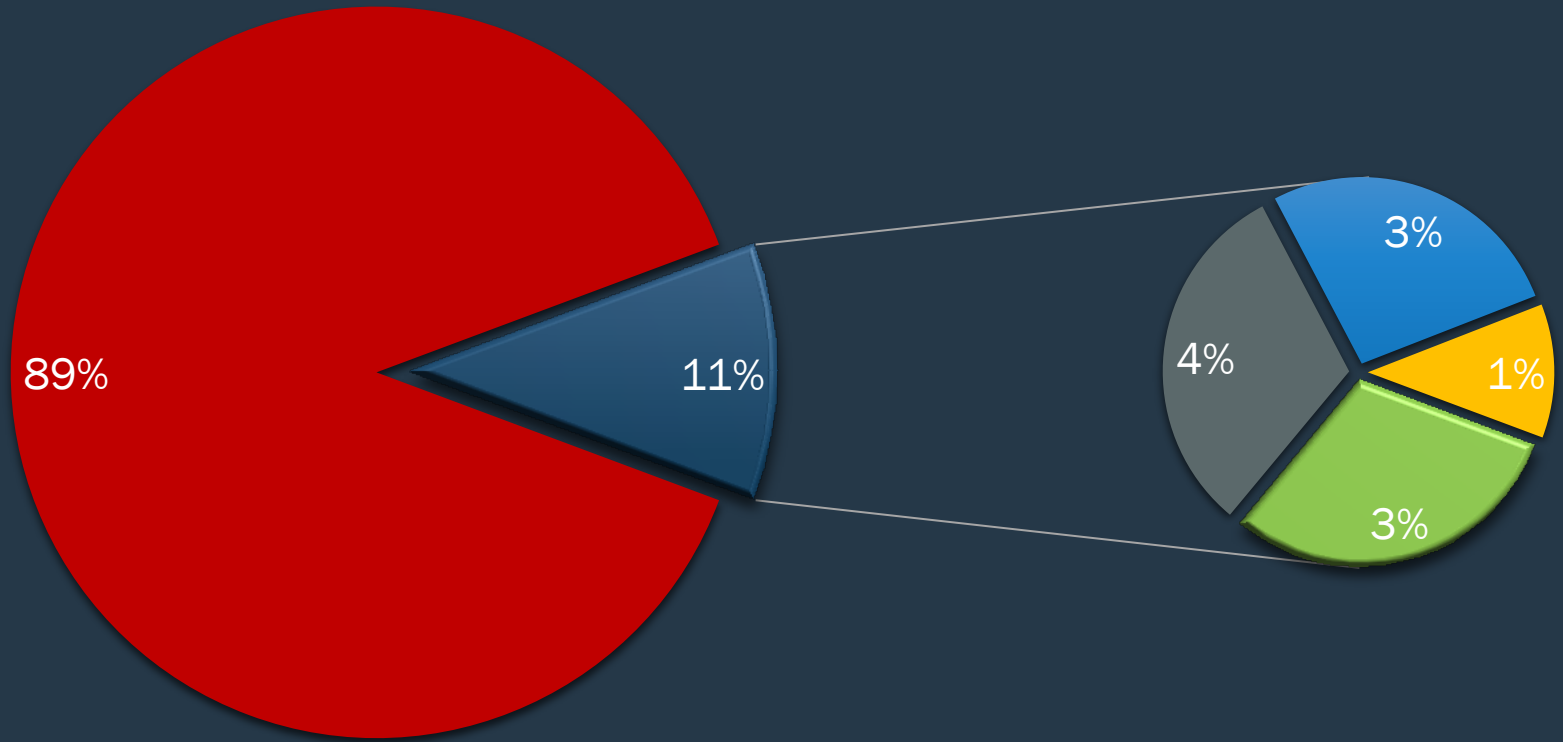
**FY 2022
BUDGET AND ACTUAL
– GENERAL FUND**

- Actual revenues of \$98.5M were less than budgeted revenues by \$680K
- Actual expenditures of \$96.2M were less than budgeted expenditures by \$6.1M
- Fund balance increased by \$2,428,497
- Fund balance as of August 31, 2022 totaled \$32.3M
 - Nonspendable fund balance totaled \$1.1M
 - Committed fund balance totaled \$11.0M
 - Unassigned fund balance totaled \$20.2M

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GENERAL FUND REVENUE (IN MILLIONS)

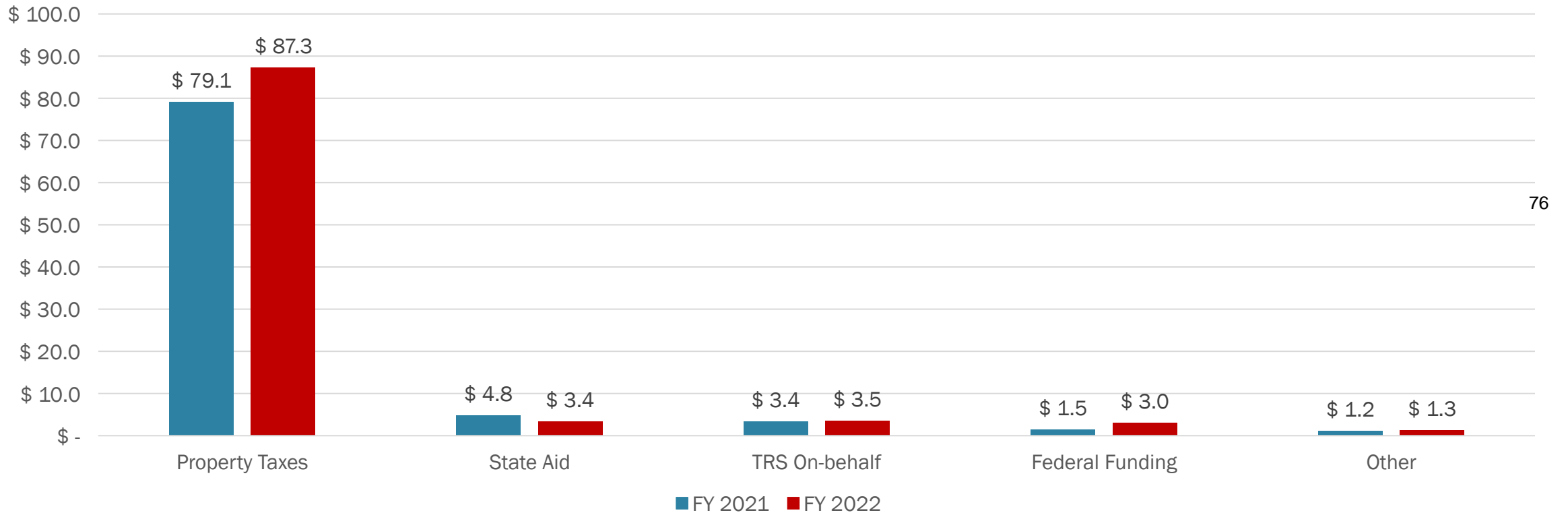
■ Property Taxes (\$87.3) ■ State Aid (\$3.4) ■ TRS On-behalf (\$3.5) ■ Federal Funding (\$3.0) ■ Other (\$1.3)



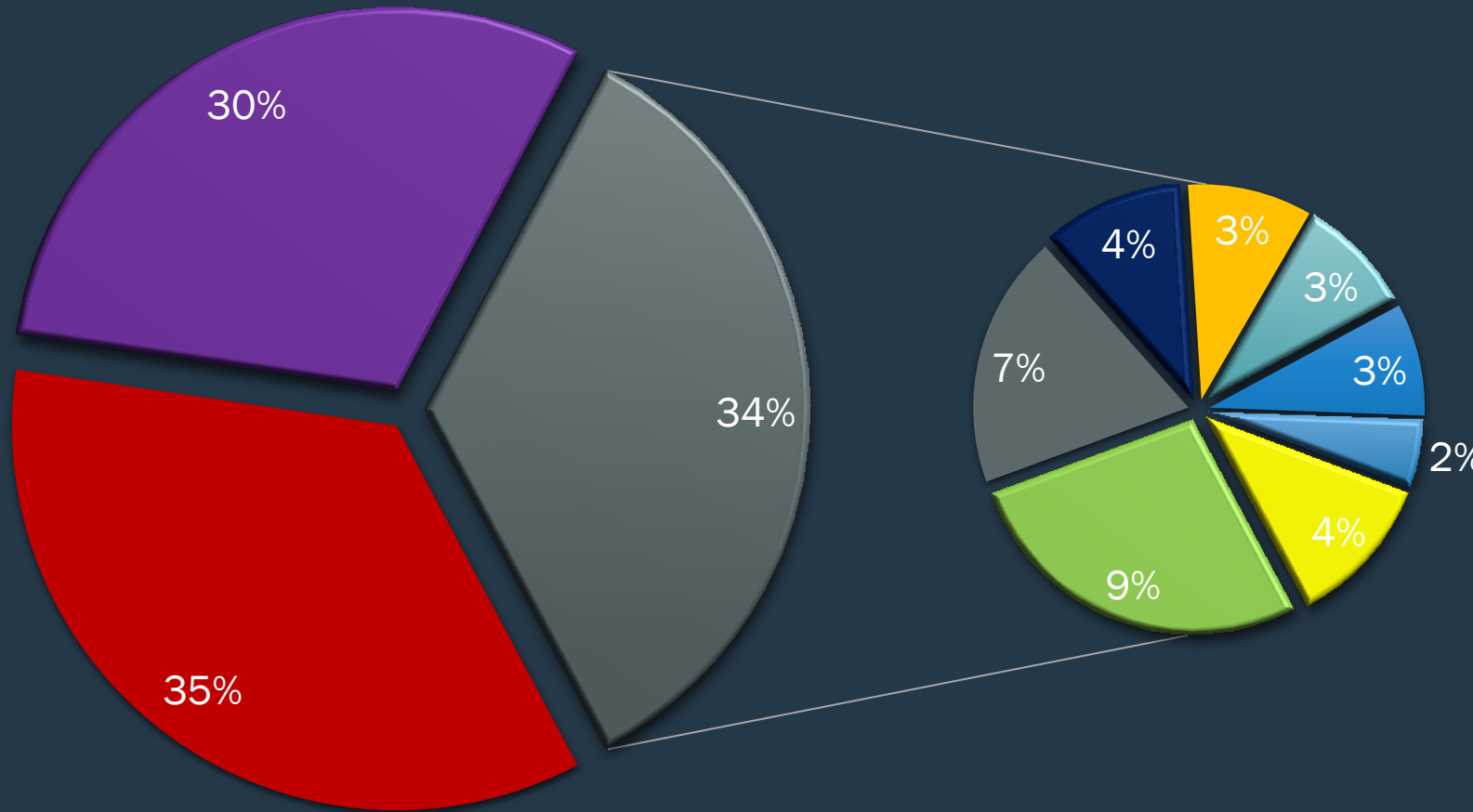
75

Total Revenues = \$98.5M

FY 2021 VS 2022 GENERAL FUND REVENUES (IN MILLIONS)



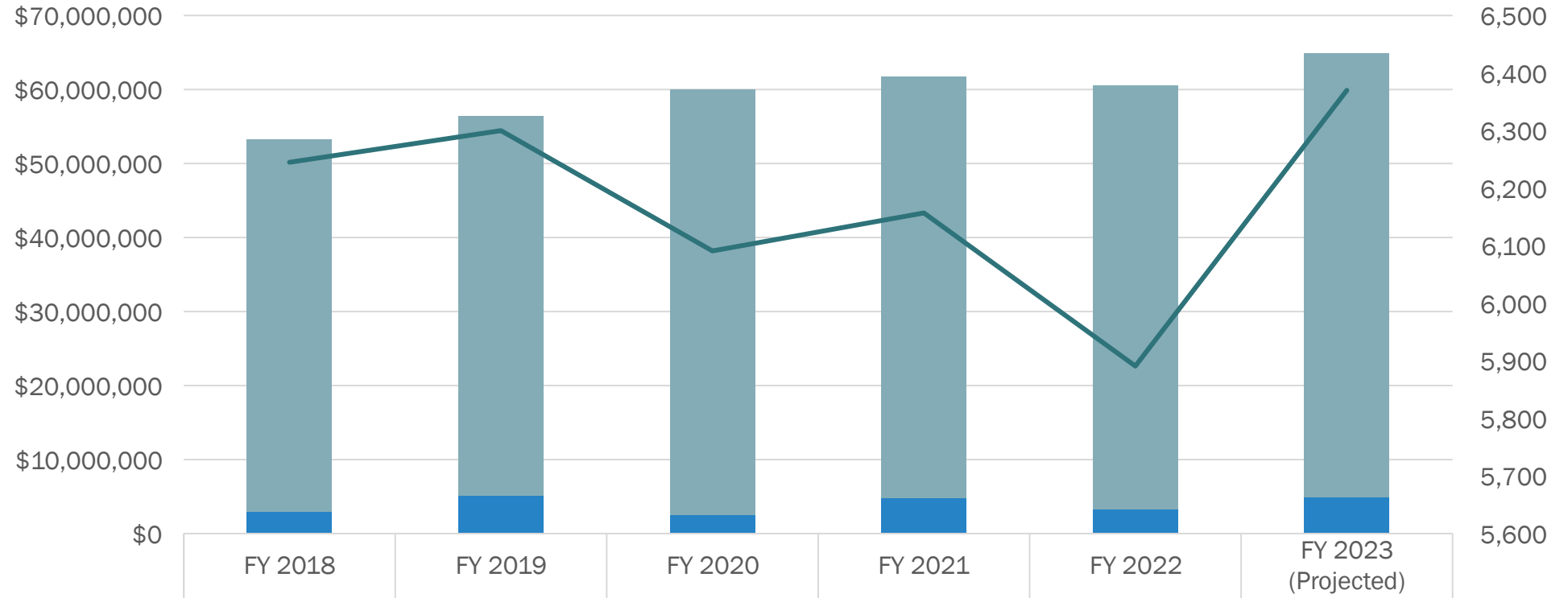
GENERAL FUND EXPENDITURES (IN MILLIONS)



- Instruction and related services (\$33.8)
- Recapture (\$29.3)
- Facilities, maintenance and operations (\$9.0)
- Instruction and school leadership (\$6.3)
- Guidance, social work, and health services (\$3.5)
- Security, monitoring and data processing services (\$3.1)
- Student transportation (\$2.9)
- General administration (\$2.8)
- Capital outlay (\$1.7)
- Other (\$3.8)

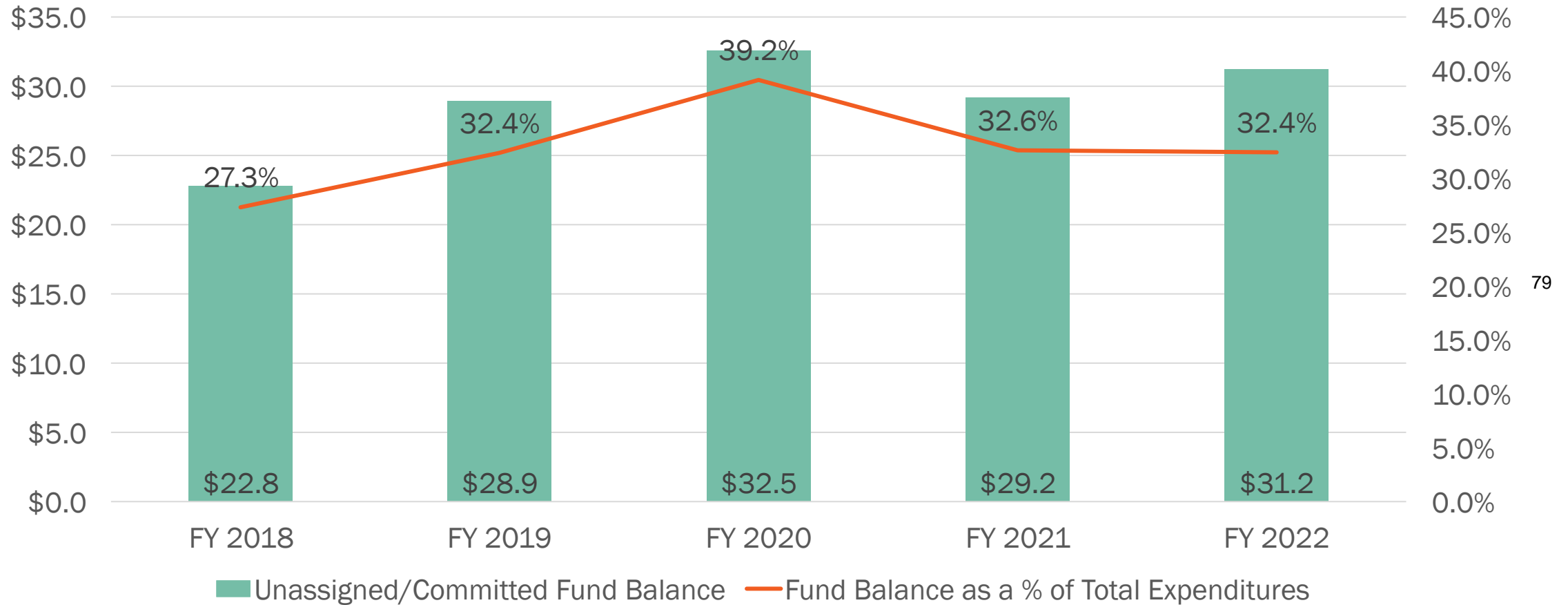
Total Expenditures = \$96.2M

FUNDING & ADA



— ADA	6,245	6,300	6,091	6,157	5,891	6,370
■ M&O Taxes Net of Recapture	\$50,337,828	\$51,264,435	\$57,460,144	\$56,941,358	\$57,301,727	\$59,934,589
■ State Aid Allotments	\$2,892,678	\$5,085,226	\$2,490,477	\$4,798,160	\$3,315,588	\$4,965,126

FUND BALANCE (\$M) AS A PERCENTAGE OF EXPENDITURES GENERAL FUND



REQUIRED COMMUNICATIONS

Significant Accounting Policies

- The District's accounting policies and methods are appropriate and in accordance with industry standards.
- GASB No. 87, *Leases* was implemented in FY 2022.
- GASB No. 96, *Subscription Based IT Arrangements (SBITAs)* will be implemented in FY 2023.

Accounting Estimates

- The preparation of the financial statements requires that certain estimates and judgments be made by management. These judgments and estimates include:
 - State Aid
 - Allowances for uncollectable taxes receivable
 - Net pension and OPEB liabilities, deferred inflows and outflows of resources, and pension and OPEB expense
- We concluded that management has a reasonable basis for significant judgments and estimates that impact the financial statements.

80

REQUIRED COMMUNICATIONS

Difficulties Encountered in Performing the Audit

- We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected or Uncorrected Misstatements

- There were no material misstatements that were identified by us that required management's correction.

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Disagreements with Management

- We had no disagreements with management over the application of accounting principles or management's judgments about accounting estimates.

REQUIRED COMMUNICATIONS

Management Representations

- We have requested certain representations from management.

Consultation with Other Accountants

- We are not aware of any situations in which management consulted with other accountants on accounting or financial reporting matters.

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Major Issues Discussed with Management Prior to Retention

- We discussed the application of accounting principles and auditing standards, however, our responses were not a condition to our retention.

QUESTIONS?



**GALVESTON INDEPENDENT
SCHOOL DISTRICT**

**ANNUAL FINANCIAL
REPORT**

For the Fiscal Year Ended August 31, 2022

GALVESTON INDEPENDENT SCHOOL DISTRICT

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GALVESTON INDEPENDENT SCHOOL DISTRICT

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CERTIFICATE OF BOARD

Galveston Independent School District

Name of School District

Galveston

County

084-902

Co. - Dist. No.

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and approved for the year ended August 31, 2022, at a meeting of the board of trustees of such school district on December 14, 2022.

President of the Board

Vice President of the Board



INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Galveston Independent School District
Galveston, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Galveston Independent School District (the "District") as of and for the year ended August 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, accompanying 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 the District, as of August 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The

risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining nonmajor fund financial statements, required Texas Education Agency (TEA) schedules, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, required TEA schedules, and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

To the Board of Trustees
Galveston Independent School District

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Schedule L-1 but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Houston, Texas
December 14, 2022



GALVESTON INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Galveston Independent School District's annual financial report presents the administration's discussion and analysis of the District's financial performance during the fiscal year ended August 31, 2022. Please read it in conjunction with the District's financial statements, which follow this section.

Financial Highlights

- The assets and deferred outflows of the District exceeded liabilities and deferred inflows at the close of the most recent fiscal year by \$22,405,985. Of this amount, \$24,221,480 was net investment in capital assets, which represents the carrying value of the capital assets in excess of the related debt. \$5,204,753 was restricted for debt service and \$10,331,780 was restricted for federal and state programs. The remaining amount was a deficit unrestricted net position of \$17,352,028.
- The District's total net position increased by \$6,413,929 after a prior period adjustment of \$390,114. Net position increased by \$6,804,043 as a result of current year activities as a result of increased property tax revenue and grant funding.
- The District's governmental funds reported combined ending fund balances of \$298,415,562 as of August 31, 2022. Of this amount, \$1,140,719 is non-spendable in the form of (1) inventory in the amount of \$59,965 and (2) prepaid items in the amount of \$1,080,754. Fund balance of is restricted for (1) federal and state grants in the amount of \$10,331,780, (2) debt service in the amount of \$5,564,118, and (3) capital acquisitions in the amount of \$249,809,997. Fund balance of is committed for (1) disaster recovery of \$5.0 million and (2) decreases in state funding of \$6.0 million and (3) other committed in the amount of \$363,045. The remaining amount in fund balance of \$20,205,903 in the general fund is classified as unassigned and is available for spending at the District's discretion. The unassigned fund balance represents 21% of total general fund expenditures.
- The District's bonded debt increased by \$230,400,000 as a result of the issuance of \$235.8 million in capital-related bonds, less \$5.4 million in principal payments on debt.

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 are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference of the four reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused sick leave).

The government-wide financial statements of the District are principally supported by taxes and intergovernmental revenues (*governmental activities*).

GALVESTON INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

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. The 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 three categories: governmental funds, proprietary 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 near-term inflows and outflows 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 government-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 fund 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*.

The District maintains individual governmental funds for general, special revenue, debt service, and capital projects funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, ESSER II fund, ESSER III fund, debt service fund, and capital projects fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in the financial statements. The District adopts an annual appropriated budget for its general fund, debt service fund, and National School Breakfast and Lunch Program special revenue fund.

Proprietary Funds

The District maintains an internal service fund for the Care Here program. *Internal service funds*, one type of proprietary fund, are an accounting device used to accumulate and allocate costs internally among the District's various funds and functions. Because this service predominantly benefits governmental functions, it has been included within *governmental activities* in the government-wide financial statements. Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail.

Fiduciary Funds

The fiduciary funds are used to account for resources held for the benefit of students and employees. The fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the District's own programs.

A *custodial fund* is a type of fiduciary fund used to report resources held by the District in a purely custodial capacity. The District accounts for the activities of student groups in this type of fund.

A *private purpose trust fund* is a second type of fiduciary fund. Private purpose trust funds are used to report all trust arrangements, other than those properly recorded in pension trust funds or investment trust funds, under which principal and income benefit individuals, private organizations, or other governments. The District accounts for student scholarships in a private purpose trust fund.

GALVESTON INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Notes to the Financial Statements

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

Required Supplementary 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. The required supplementary information relates to comparison of the original adopted budget, the final amended budget, and the actual amounts for the fiscal year. This is required supplementary information for the general fund. The Required Supplementary Information also includes information related to the required pension system information and the required other post-employment benefit system information.

Other Information

The combining and individual fund statements and schedules and other supplementary information are presented immediately following the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a District's financial position. In the case of the District, assets and deferred outflows of the District exceeded liabilities and deferred inflows by \$22,405,985 at the close of the most recent fiscal year.

A portion of the District's net position reflects its investment in capital assets (e.g., land, buildings and improvements, furniture and equipment, construction in progress), less any outstanding related debt used to acquire those assets. The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

GALVESTON INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Governmental Activities

	Governmental Activities		
	2022	2021	Change
Current and other assets	\$ 312,162,755	\$ 59,808,745	\$ 371,971,500
Capital assets	81,409,256	85,312,102	166,721,358
Deferred Outflows of Resources	16,690,361	16,178,639	32,869,000
Total Assets and Deferred Outflows of Resources	410,262,372	161,299,486	571,561,858
Current liabilities	31,965,389	32,521,164	64,486,553
Long term liabilities	320,209,755	85,841,017	406,050,772
Deferred Inflows of Resources	35,681,243	26,945,249	62,626,492
Total Liabilities and Deferred Inflows of Resources	387,856,387	145,307,430	533,163,817
Net Position			
Net investment in capital assets	24,221,480	25,002,928	49,224,408
Restricted	15,536,533	14,211,583	29,748,116
Unrestricted	(17,352,028)	(23,222,455)	(40,574,483)
Total Net Position	\$ 22,405,985	\$ 15,992,056	\$ 38,398,041

Net position in the governmental activities is restricted for various purposes as follows:

	Governmental Activities	
	2022	2021
Federal and state programs	\$ 10,331,780	\$ 8,865,499
Debt Service	5,204,753	5,346,084
	\$ 15,536,533	\$ 14,211,583

The remaining balance of net position in the governmental activities consists of an unrestricted net deficit of \$17,352,028. At the end of the current fiscal year, the District reports positive balances in restricted net position and net investment in capital assets, which is reported net of outstanding related debt, in the governmental activities. The District's net position of the governmental activities increased by \$6,413,929 after a prior period adjustment of \$390,114. Net position increased by \$6,804,043 as a result of current year activities as a result of increased property tax revenue and grant funding.

Revenues are generated primarily from three sources. Property taxes, state-aid formula grants, and operating grants and contributions represent 98% of total revenues. The remaining 2% is generated from charges for services, investment earnings, and miscellaneous revenues.

GALVESTON INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

	Governmental Activities		
	2022	2021	Change
Program Revenues			
Charges for services	\$ 1,159,998	\$ 346,627	\$ 813,371
Operating grants and contributions	32,869,517	30,919,584	1,949,933
General Revenues			
Property taxes	96,014,616	87,569,271	8,445,345
State Aid - Formula Grants	3,449,946	4,789,360	(1,339,414)
Interest earnings	401,846	89,733	312,113
Gain on sale of capital assets	49,023	-	49,023
Miscellaneous	1,007,966	1,653,405	(645,439)
Total Revenues	134,952,912	125,367,980	9,584,932
Expenses			
Instruction	48,171,577	49,406,211	(1,234,634)
Instructional resources and media services	317,874	327,810	(9,936)
Curriculum and staff development	3,371,384	4,165,258	(793,874)
Instructional leadership	2,756,138	2,837,087	(80,949)
School leadership	4,348,040	4,338,142	9,898
Guidance, counseling, and evaluation services	2,783,966	2,381,086	402,880
Social work services	472,777	360,477	112,300
Health services	826,897	1,050,132	(223,235)
Student transportation	2,976,452	3,044,368	(67,916)
Food service	4,665,049	4,129,694	535,355
Extracurricular activities	2,242,737	1,962,545	280,192
General administration	3,274,386	3,462,853	(188,467)
Facilities maintenance and operations	12,831,377	12,820,213	11,164
Security and monitoring services	1,065,250	1,197,137	(131,887)
Data processing services	2,153,618	3,433,079	(1,279,461)
Community services	1,151,133	1,156,269	(5,136)
Interest on long-term debt	4,683,501	1,784,866	2,898,635
Contracted instructional services between schools	29,261,168	21,054,863	8,206,305
Payments related to shared services arrangements	38,524	97,388	(58,864)
Other intergovernmental charges	757,021	699,219	57,802
Total Expenses	128,148,869	119,708,697	8,440,172
Change in Net Position	6,804,043	5,659,283	1,144,760
Beginning Net Position	15,992,056	13,042,904	2,949,152
Prior period adjustment	(390,114)	(2,710,131)	2,320,017
Ending Net Position	\$ 22,405,985	\$ 15,992,056	\$ 6,413,929

Note: Activity for prior year amounts has not been revised for the prior period adjustment.

GALVESTON INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

	Total Revenues	% of Total Revenues
Property taxes	\$ 96,014,616	71.1%
State Aid - Formula Grants	3,449,946	2.6%
Operating grants and contributions	32,869,517	24.4%
Other revenue	2,618,833	1.9%
Total Revenues	\$ 134,952,912	100%

The primary functional expense of the District is instruction, which represents 38% of total expenses. Other major functional expenses of the District are listed separately below. The other expenses represent individual functional categories of expenses which are each less than 3 percent of total expenses.

	Total Expenses	% of Total Expenses
Instruction	\$ 48,171,577	37.6%
School leadership	4,348,040	3.4%
Food service	4,665,049	3.6%
Facilities maintenance and operations	12,831,377	10.0%
Interest on long-term debt	4,683,501	3.7%
Contracted instructional services between schools	29,261,168	22.8%
Other expenses	24,188,157	18.9%
Total Expenses	\$ 128,148,869	100%

Governmental Funds Financial Analysis

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a District's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$298,415,562, an increase of \$254,043,714 in comparison with the prior year.

The general fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$20,205,903, while total fund balance reached \$32,346,622. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 21% of expenditures and total fund balance represents 34% of the same amount.

During the current fiscal year, the total fund balance of the District's general fund increased by \$2,428,497 due to budgeted increases in property tax revenue.

The debt service fund has a total fund balance of \$5,564,118, all of which is restricted for the payment of debt service. The fund balance increased during the current year by \$498,252 due to an increase in property tax revenues.

The ESSER II fund had total revenues of \$4,257,134 due to new grants awarded to reimburse the District for COVID-19 recovery costs.

The ESSER III fund had total revenues of \$3,989,537 due to new grants awarded to reimburse the District for COVID-19 recovery costs.

GALVESTON INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget of the general fund are summarized as follows:

	Budget	
	Original	Final Amended
Total revenues	\$ 99,140,391	\$ 99,140,391
Total expenditures	107,116,470	102,316,470
Net Change in Fund Balance	\$ (7,976,079)	\$ (3,176,079)

Capital Assets

The District's investment in capital assets for its governmental type activities as of August 31, 2022, includes land, buildings and improvements, and furniture and equipment. The investment in capital assets (capital outlays) during the current year amounted to \$2,976,928. The following table summarizes the investment in capital assets as of August 31, 2022 and 2021.

	August 31, 2022	August 31, 2021
Land	\$ 4,418,388	\$ 4,418,388
Buildings and improvements	188,010,670	187,341,126
Furniture and equipment	12,836,067	11,564,350
Vehicles	6,793,621	7,474,211
Right to use assets	246,830	-
Construction in progress	897,074	-
Total at Historical Cost	<u>213,202,650</u>	<u>210,798,075</u>
Less Accumulated Depreciation/Amortization for:		
Buildings and improvements	(117,465,327)	(111,389,506)
Furniture and Equipment	(10,210,313)	(9,965,762)
Vehicles	(3,999,278)	(4,130,705)
Right to use assets	(118,476)	-
Total Accumulated Depreciation/Amortization	<u>(131,793,394)</u>	<u>(125,485,973)</u>
Net Capital Assets	<u>\$ 81,409,256</u>	<u>\$ 85,312,102</u>

Additional information on the District's capital assets can be found in the notes to the financial statements.

Long-term Liabilities

At the end of the current fiscal year, the District had in bonded debt outstanding, a decrease of over the previous year. The District's bonds are sold with an "AAA" rating and are guaranteed through the Texas Permanent School Fund Guarantee Program. The underlying rating of the bonds from Standard and Poor's is "AA" and from Moody's Investors Service is "Aa3" for unlimited tax debt. Changes in long-term debt, for the year ended August 31, 2022, are as follows:

Outstanding 09/01/21	Issued	Retired	Outstanding 08/31/22
<u>\$ 55,100,000</u>	<u>\$ 235,840,000</u>	<u>\$ (5,440,000)</u>	<u>\$ 285,500,000</u>

Additional information on the District's long-term liabilities can be found in the notes to the financial statements.

GALVESTON INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Economic Factors and Next Year's Budgets and Rates

- The District's enrollment has been declining since the start of the pandemic. Prior to the pandemic, enrollment was a little over 7,000 students. In FY 2021, enrollment was 6,698 students and in FY 2022, it was 6,535. At the time the budget was adopted, enrollment was projected at 6,442 for FY 2023.
- In May 2022, the voters approved \$314.8M in general obligation bonds for a new Ball High School and natatorium, a new Courville Stadium, renovations to Central, Weis and Austin Middle Schools, the purchase of buses and white fleet vehicles, and technology upgrades. In August 2022, the District sold \$250M in bonds.
- For 2022-2023, the maintenance and operations tax rate is \$.8646, while the debt service rate is \$0.1704, for a total tax rate of \$1.0350. The maintenance and operations tax rate decreased \$0.0174, and the debt service rate increased by \$.0892 when compared to 2021-2022, due to the added debt service from the sale of \$250M in bonds. The adopted M&O tax rate reflects tax rate compression mandated by House Bill 3 of the 86th Legislature.
- Operating expenses per student in the District's general fund were \$10,239 for 2021-2022, net of the excess revenue (recapture) payment due to the Texas Education Agency. Operating expenses per student (net of recapture) for the 2022-2023 fiscal year are projected to be \$11,099. The increase is primarily due to a decrease in ESSER funds that were available in the prior fiscal year.
- Overall, net taxable property values increased 19% from the prior year. However, the average taxable residence in Galveston decreased from an average taxable value in FY 2022 of \$126,737 to \$120,168 in FY 2023. This decrease was caused by a \$15,000 increase in the homestead exemption passed into law in May 2022.
- Expenditures are budgeted to increase 12% or \$12.7M. This increase is primarily due to a \$14M increase in the excess revenue (recapture payment) due to TEA. Net of recapture, expenditures are expected to decrease 1.75% due to a decrease in expenditures for capital projects in FY 2023.

These indicators were taken into account when adopting the budget for 2022-2023. The Galveston Independent School District general fund adopted budget for 2022-2023 is as follows:

General Fund Budget	<u>Original</u>
Budgeted Revenues	\$ 115,150,000
Budgeted Expenditures	<u>115,550,000</u>
	<u>\$ (400,000)</u>

Contacting the District's Financial Management

This financial report is designed to provide the citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Dr. Jerry Gibson, Superintendent, at P.O. Box 660, Galveston, TX 77553 or by calling (409) 766-5100. You may also view previous year's financial reports on the District's website at www.gisd.org.

BASIC FINANCIAL STATEMENTS



GALVESTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
August 31, 2022

Exhibit A-1

<u>Data Control</u> <u>Codes</u>		<u>Governmental</u> <u>Activities</u>
	Assets	
1110	Cash and cash equivalents	\$ 292,489,449
1220	Property taxes receivable	7,717,889
1230	Allowance for uncollectible taxes	(1,795,543)
1240	Due from other governments, net of allowance	12,213,945
1267	Due from others	40,000
1290	Other receivables	230,888
1310	Inventories	185,373
1410	Prepaid items	1,080,754
	Capital assets:	
1510	Land	4,418,388
1520	Buildings, net	70,545,343
1530	Furniture and equipment, net	5,420,097
1550	Right to use assets	128,354
1580	Construction in progress	897,074
1000	Total Assets	<u>393,572,011</u>
	Deferred Outflows of Resources	
	Deferred charge on refunding	814,849
	Deferred outflows - pension	8,758,326
	Deferred outflows - OPEB	7,117,186
1700	Total Deferred Outflows of Resources	<u>16,690,361</u>
	Liabilities	
2110	Accounts payable	1,286,783
2140	Interest payable	877,624
2150	Payroll deductions and withholdings	76,720
2160	Accrued wages payable	3,078,964
2180	Due to other governments	679,490
2200	Accrued expenses	71,986
2300	Unearned revenue	78,562
	Noncurrent Liabilities:	
	Due within one year: Bonds, leases, and	
2501	compensated absences	8,449,327
	Due in more than one year:	
2502	Bonds, leases, and compensated absences	299,386,056
2540	Net pension liability	12,374,372
2545	Net OPEB liability	25,815,260
2000	Total Liabilities	<u>352,175,144</u>
	Deferred Inflows of Resources	
	Deferred inflows - Pension	14,191,206
	Deferred inflows - OPEB	21,490,037
2600	Total Deferred Inflows of Resources	<u>35,681,243</u>
	Net Position	
3200	Net investment in capital assets	24,221,480
	Restricted for:	
3820	Federal and state programs	10,331,780
3850	Debt service	5,204,753
3900	Unrestricted (deficit)	(17,352,028)
3000	Total Net Position	<u>\$ 22,405,985</u>

GALVESTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended August 31, 2022

Exhibit B-1

Data Control Codes	Functions/Programs	Expenses	Program Revenue		Net (Expense)
			Charges for Services	Grants and Contributions	Revenue and Changes in Net Position
					Governmental Activities
Governmental Activities:					
11	Instruction	\$ 48,171,577	\$ 56,571	\$ 18,012,620	\$ (30,102,386)
12	Instructional resources and media services	317,874	11,500	(2,283)	(308,657)
13	Curriculum and staff development	3,371,384	-	3,124,036	(247,348)
21	Instructional leadership	2,756,138	-	1,082,433	(1,673,705)
23	School leadership	4,348,040	-	74,331	(4,273,709)
31	Guidance, counseling, and evaluation services	2,783,966	-	577,385	(2,206,581)
32	Social work services	472,777	-	253,610	(219,167)
33	Health services	826,897	-	811,752	(15,145)
34	Student transportation	2,976,452	-	90,309	(2,886,143)
35	Food service	4,665,049	379,054	5,530,618	1,244,623
36	Extracurricular activities	2,242,737	612,577	(20,667)	(1,650,827)
41	General administration	3,274,386	-	2,033,256	(1,241,130)
51	Facilities maintenance and operations	12,831,377	100,296	943,935	(11,787,146)
52	Security and monitoring services	1,065,250	-	(11,132)	(1,076,382)
53	Data processing services	2,153,618	-	134,636	(2,018,982)
61	Community services	1,151,133	-	234,678	(916,455)
72	Interest on long-term debt	4,683,501	-	-	(4,683,501)
91	Contracted instructional services between schools	29,261,168	-	-	(29,261,168)
93	Payments related to shared services arrangements	38,524	-	-	(38,524)
99	Other intergovernmental charges	757,021	-	-	(757,021)
TG	Total Governmental Activities	128,148,869	1,159,998	32,869,517	(94,119,354)
General Revenues:					
Taxes:					
MT	Property taxes, levied for general purposes				87,926,737
DT	Property taxes, levied for debt service				8,087,879
SF	State-aid formula grants				3,449,946
IE	Investment earnings				401,846
OT	Gain on sale of capital assets				49,023
MI	Miscellaneous				1,007,966
OT	Other items (S/B ZERO)				-
TR	Transfers (S/B ZERO)				-
	Total General Revenues				100,923,397
CN	Change in net position				6,804,043
NB	Net Position - Beginning				15,992,056
PA	Prior period adjustment				(390,114)
NE	Net Position - Ending				\$ 22,405,985

GALVESTON INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
August 31, 2022

Exhibit C-1
Page 1 of 2

Data Control Codes	General Fund	ESSER II	ESSER III	Debt Service Fund	
Assets					
1110	Cash and cash equivalents	\$ 25,965,030	\$ -	\$ -	\$ 5,573,200
	Receivables:				
1220	Property taxes - delinquent	7,038,145	-	-	679,744
1230	Allowance for uncollectible taxes (credit)	(1,634,058)	-	-	(161,485)
	Receivables from other governments,				
1240	net of allowance	2,064,258	4,645,753	3,361,907	-
1260	Due from other funds	9,762,158	-	-	-
1267	Due from others	40,000	-	-	-
1290	Other receivables	35,075	-	-	-
1310	Inventories, at cost	59,965	-	-	-
1410	Prepaid items	1,080,754	-	-	-
1000	Total Assets	\$ 44,411,327	\$ 4,645,753	\$ 3,361,907	\$ 6,091,459
Liabilities, Deferred Inflows, and Fund Balances					
Liabilities:					
2110	Accounts payable	\$ 609,815	\$ -	\$ -	\$ -
	Payroll deduction and withholdings				
2150	payable	76,720	-	-	-
2160	Accrued wages payable	2,733,620	81,821	12,585	-
2170	Due to other funds	-	4,563,932	3,349,322	-
2180	Due to other governments	679,490	-	-	-
2200	Accrued expenses	71,986	-	-	-
2300	Unearned revenues	21,442	-	-	9,082
2000	Total Liabilities	4,193,073	4,645,753	3,361,907	9,082
Deferred Inflows of Resources					
	Unavailable revenue - property taxes	5,404,087	-	-	518,259
	Unavailable revenue - grants	2,467,545	-	-	-
2600	Total Deferred Inflows of Resources	7,871,632	-	-	518,259
Fund Balances:					
Nonspendable:					
3410	Inventories	59,965	-	-	-
3430	Prepaid items	1,080,754	-	-	-
Restricted:					
3450	Grant restrictions	-	-	-	-
3470	Capital acquisitions	-	-	-	-
3480	Debt service	-	-	-	5,564,118
Committed:					
3545	Other purposes	11,000,000	-	-	-
3600	Unassigned	20,205,903	-	-	-
3000	Total Fund Balances	32,346,622	-	-	5,564,118
4000	Total Liabilities, Deferred Inflows, and Fund Balances	\$ 44,411,327	\$ 4,645,753	\$ 3,361,907	\$ 6,091,459

GALVESTON INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
August 31, 2022

Exhibit C-1
Page 2 of 2

<u>Data Control Codes</u>		<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
1110	Cash and cash equivalents	\$ 250,124,682	\$ 10,713,368	\$ 292,376,280
	Receivables:			
1220	Property taxes - delinquent	-	-	7,717,889
1230	Allowance for uncollectible taxes (credit)	-	-	(1,795,543)
	Receivables from other governments,			
1240	net of allowance	-	2,142,027	12,213,945
1260	Due from other funds	-	615	9,762,773
1267	Due from others	-	-	40,000
1290	Other receivables	-	195,813	230,888
1310	Inventories, at cost	-	125,408	185,373
1410	Prepaid items	-	-	1,080,754
1000	Total Assets	<u>\$ 250,124,682</u>	<u>\$ 13,177,231</u>	<u>\$ 321,812,359</u>
Liabilities, Deferred Inflows, and Fund Balances				
Liabilities:				
2110	Accounts payable	\$ 314,685	\$ 333,911	\$ 1,258,411
	Payroll deduction and withholdings			
2150	payable	-	-	76,720
2160	Accrued wages payable	-	250,938	3,078,964
2170	Due to other funds	-	1,849,519	9,762,773
2180	Due to other governments	-	-	679,490
2200	Accrued expenses	-	-	71,986
2300	Unearned revenues	-	48,038	78,562
2000	Total Liabilities	<u>314,685</u>	<u>2,482,406</u>	<u>15,006,906</u>
Deferred Inflows of Resources				
	Unavailable revenue - property taxes	-	-	5,922,346
	Unavailable revenue - grants	-	-	2,467,545
2600	Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>8,389,891</u>
Fund Balances:				
Nonspendable:				
3410	Inventories	-	-	59,965
3430	Prepaid items	-	-	1,080,754
Restricted:				
3450	Grant restrictions	-	10,331,780	10,331,780
3470	Capital acquisitions	249,809,997	-	249,809,997
3480	Debt service	-	-	5,564,118
Committed:				
3545	Other purposes	-	363,045	11,363,045
3600	Unassigned	-	-	20,205,903
3000	Total Fund Balances	<u>249,809,997</u>	<u>10,694,825</u>	<u>298,415,562</u>
4000	Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 250,124,682</u>	<u>\$ 13,177,231</u>	<u>\$ 321,812,359</u>

GALVESTON INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS TO STATEMENT OF NET POSITION
August 31, 2022

Exhibit C-2

<u>Data Control Codes</u>		
	Total Fund Balance - Governmental Funds	\$ 298,415,562
1	Capital assets of \$213,202,650, net of accumulated depreciation of \$131,793,394, used in governmental activities are not financial resources and, therefore, are not reported in the funds.	81,409,256
	Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.	
2	Deferred outflows - pension related	8,758,326
3	Deferred outflows - OPEB related	7,117,186
4	Deferred inflows - pension related	(14,191,206)
5	Deferred inflows - OPEB related	(21,490,037)
6	Other long-term assets that are not available to pay for current period expenditures and, therefore, are either deferred or not reported in the funds.	8,389,891
7	Internal service funds are used by management to charge the cost of fleet management and risk management to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the statement of net position.	84,797
	Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.	
8	General obligation bonds payable	(285,500,000)
9	Leases payable	(132,078)
10	Compensated absences	(22,761)
11	Accrued interest on long-term debt	(877,624)
12	Net pension liability	(12,374,372)
13	Net OPEB liability	(25,815,260)
	Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
14	Deferred amount on refunding	814,849
15	Premium on general obligation bonds	<u>(22,180,544)</u>
19	Total Net Position - Governmental Activities	<u><u>\$ 22,405,985</u></u>

GALVESTON INDEPENDENT SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
For the Year Ended August 31, 2022

Exhibit C-3

Page 1 of 2

<u>Data Control Codes</u>		<u>General Fund</u>	<u>ESSER II</u>	<u>ESSER III</u>	<u>Debt Service Fund</u>
Revenues					
5700	Local, intermediate, and out-of-state	\$ 88,540,284	\$ -	\$ -	\$ 8,136,392
5800	State program revenues	6,915,743	-	-	44,303
5900	Federal program revenues	3,002,859	4,257,134	3,989,537	-
5020	Total Revenues	98,458,886	4,257,134	3,989,537	8,180,695
Expenditures					
Current:					
0011	Instruction	32,928,997	4,239,286	3,552,025	-
0012	Instruction resources and media services	307,338	-	-	-
0013	Curriculum and instructional staff development	586,818	-	53,232	-
0021	Instructional leadership	1,914,359	-	18,641	-
0023	School leadership	4,425,940	15,931	119,159	-
0031	Guidance, counseling and evaluation services	2,375,434	-	88,964	-
0032	Social work services	288,580	-	120,000	-
0033	Health services	847,443	-	-	-
0034	Student transportation	2,866,251	-	-	-
0035	Food service	29,741	-	-	-
0036	Extracurricular activities	1,925,316	-	-	-
0041	General administration	2,846,241	-	-	-
0051	Plant maintenance and operations	8,966,139	-	1,795	-
0052	Security and monitoring services	1,078,411	-	-	-
0053	Data processing services	1,985,062	-	419	-
0061	Community services	942,397	1,917	35,302	-
Debt service:					
0071	Principal on long-term debt	114,752	-	-	5,440,000
0072	Interest on long-term debt	12,241	-	-	2,242,443
0073	Bond issuance costs and fees	-	-	-	-
Capital outlay:					
0081	Facilities acquisition and construction	1,718,831	-	-	-
Intergovernmental:					
0091	Contracted instructional services	29,261,168	-	-	-
0093	Payments related to shared services arrangement	38,524	-	-	-
0099	Other intergovernmental charges	757,021	-	-	-
6030	Total Expenditures	96,217,004	4,257,134	3,989,537	7,682,443
1100	Excess (deficiency) of revenues over (under) expenditures	2,241,882	-	-	498,252
Other Financing Sources (Uses)					
7911	Capital-related debt issued	-	-	-	-
7912	Sale of real or personal property	50,764	-	-	-
7915	Transfers in	450,851	-	-	-
7916	Premium or discount on issuance of bonds	-	-	-	-
8911	Transfers out	(315,000)	-	-	-
7080	Total Other Financing Sources (Uses)	186,615	-	-	-
1200	Net change in fund balances	2,428,497	-	-	498,252
0100	Fund Balance - September 1 (Beginning)	30,308,239	-	-	5,065,866
	Prior period adjustment	(390,114)	-	-	-
3000	Fund Balance - August 31 (Ending)	\$ 32,346,622	\$ -	\$ -	\$ 5,564,118

GALVESTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
For the Year Ended August 31, 2022

Exhibit C-3
Page 2 of 2

<u>Data Control Codes</u>		<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues				
5700	Local, intermediate, and out-of-state	\$ 33,315	\$ 8,229,957	\$ 104,939,948
5800	State program revenues	-	128,115	7,088,161
5900	Federal program revenues	-	15,677,497	26,927,027
5020	Total Revenues	<u>33,315</u>	<u>24,035,569</u>	<u>138,955,136</u>
Expenditures				
Current:				
0011	Instruction	-	10,417,157	51,137,465
0012	Instruction resources and media services	-	9,594	316,932
0013	Curriculum and instructional staff development	-	3,125,363	3,765,413
0021	Instructional leadership	-	1,025,794	2,958,794
0023	School leadership	-	60	4,561,090
0031	Guidance, counseling and evaluation services	-	538,323	3,002,721
0032	Social work services	-	79,876	488,456
0033	Health services	-	13,474	860,917
0034	Student transportation	-	90,819	2,957,070
0035	Food service	-	5,206,432	5,236,173
0036	Extracurricular activities	-	432,574	2,357,890
0041	General administration	-	75,201	2,921,442
0051	Plant maintenance and operations	-	612,905	9,580,839
0052	Security and monitoring services	-	7,387	1,085,798
0053	Data processing services	10,315	121,249	2,117,045
0061	Community services	-	187,284	1,166,900
Debt service:				
0071	Principal on long-term debt	-	-	5,554,752
0072	Interest on long-term debt	-	-	2,254,684
0073	Bond issuance costs and fees	1,805,125	-	1,805,125
Capital outlay:				
0081	Facilities acquisition and construction	464,386	82,875	2,266,092
Intergovernmental:				
0091	Contracted instructional services	-	-	29,261,168
0093	Payments related to shared services arrangement	-	-	38,524
0099	Other intergovernmental charges	-	-	757,021
6030	Total Expenditures	<u>2,279,826</u>	<u>22,026,367</u>	<u>136,452,311</u>
1100	Excess (deficiency) of revenues over (under) expenditures	<u>(2,246,511)</u>	<u>2,009,202</u>	<u>2,502,825</u>
Other Financing Sources (Uses)				
7911	Capital-related debt issued	235,840,000	-	235,840,000
7912	Sale of real or personal property	-	-	50,764
7915	Transfers in	-	-	450,851
7916	Premium or discount on issuance of bonds	15,965,125	-	15,965,125
8911	Transfers out	-	(450,851)	(765,851)
7080	Total Other Financing Sources (Uses)	<u>251,805,125</u>	<u>(450,851)</u>	<u>251,540,889</u>
1200	Net change in fund balances	249,558,614	1,558,351	254,043,714
0100	Fund Balance - September 1 (Beginning)	251,383	9,136,474	44,761,962
	Prior period adjustment	-	-	(390,114)
3000	Fund Balance - August 31 (Ending)	<u>\$ 249,809,997</u>	<u>\$ 10,694,825</u>	<u>\$ 298,415,562</u>

GALVESTON INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended August 31, 2022

Exhibit C-4

<u>Data</u>		
<u>Control</u>		
<u>Codes</u>		
	Net change in fund balances - total governmental funds	\$ 254,043,714
	Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which depreciation/amortization expense exceeded capital outlay in the current period.	(4,147,935)
	Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
1	Property taxes	647,861
2	The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position. Gain on sale of assets	(1,741)
	Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
2	Issuance of bonds	(235,840,000)
3	Premium	(15,965,125)
4	Principal paid on bonds	5,440,000
	Principal paid on leases	114,752
5	The internal service funds are used by management to charge the costs of risk management to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	36,094
	Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
6	Accrued interest on long-term debt	(683,679)
7	Amortization of bond premiums	308,336
8	Amortization of deferred amounts on refunding	(248,349)
9	Compensated absences	(1,724)
10	Changes in pension liabilities and related deferred inflows/outflows of resources	1,469,564
11	Changes in OPEB liabilities and related deferred inflows/outflows of resources	1,632,275
	Change in Net Position of Governmental Activities	<u>\$ 6,804,043</u>

GALVESTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
August 31, 2022

Exhibit D-1

	<u>Governmental Activities</u>
	<u>Internal</u>
	<u>Service Fund</u>
Assets	
Cash and cash equivalents	\$ 113,169
Total Assets	<u>113,169</u>
Liabilities	
Accounts payable	\$ 28,372
Total Liabilities	<u>28,372</u>
Net Position	
Unrestricted net position	84,797
Total Net Position	<u>\$ 84,797</u>

GALVESTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended August 31, 2022

Exhibit D-2

	<u>Governmental Activities</u>
	<u>Internal</u>
	<u>Service Fund</u>
Operating Revenues	
Local and intermediate sources	\$ 111,316
Total Operating Revenues	<u>111,316</u>
Operating Expenses	
Professional and contracted services	<u>390,222</u>
Total Operating Expenses	<u>390,222</u>
Operating Income	<u>(278,906)</u>
Income (loss) before transfers	(278,906)
Transfers in	<u>315,000</u>
Change in Net Position	36,094
Net Position - September 1 (Beginning)	<u>48,703</u>
Net Position - August 31 (Ending)	<u>\$ 84,797</u>

GALVESTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended August 31, 2022

Exhibit D-3

	<u>Governmental Activities</u>
	Internal
	<u>Service Fund</u>
Cash Flows from Operating Activities:	
Cash received from user charges	\$ 111,316
Cash payments to suppliers	(395,438)
Net Cash Provided by (Used for) Operating Activities	<u>(284,122)</u>
Cash Flows from Non-Capital Financing Activities:	
Operating transfers from other funds	315,000
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>315,000</u>
Net Increase (Decrease) in Cash and Cash Equivalents	30,878
Cash and Cash Equivalents at Beginning of Year	82,291
Cash and Cash Equivalents at End of Year	<u>\$ 113,169</u>
Reconciliation of Operating Income (Loss) to Net Cash	
 Provided by (Used for) Operating Activities:	
Operating Income (Loss)	\$ (278,906)
Change in assets and liabilities:	
Increase (decrease) in accounts payable	(5,216)
Net Cash Provided by (Used for) Operating Activities	<u>\$ (284,122)</u>

GALVESTON INDEPENDENT SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

August 31, 2022

Exhibit E-1

	<u>Private Purpose Trust Fund</u>	<u>Custodial Fund</u>
Assets		
Cash and cash equivalents	\$ -	\$ 162,905
Restricted assets:		
Cash and cash equivalents	136,162	-
Total Assets	<u>\$ 136,162</u>	<u>\$ 162,905</u>
Liabilities		
Accounts payable	\$ -	\$ 502
Total Liabilities	<u>40,000</u>	<u>502</u>
Net Position		
Restricted for other purposes	96,162	162,403
Total Net Position	<u>\$ 96,162</u>	<u>\$ 162,403</u>

GALVESTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended August 31, 2022

Exhibit E-2

	<u>Private Purpose Trust Fund</u>	<u>Custodial Fund</u>
Additions		
Earning from endowments	\$ 1,000	\$ -
Earnings from temporary deposit	-	-
Contributions, gifts and donations	-	141,308
Total Additions	<u>1,000</u>	<u>141,308</u>
Deductions		
Professional and contracted services	41,000	119,303
Total Deductions	<u>41,000</u>	<u>119,303</u>
Change in fiduciary net position	(40,000)	22,005
Net Position - September 1 (Beginning)	136,162	140,398
Prior period adjustment	-	-
Net Position - August 31 (Ending)	<u>\$ 96,162</u>	<u>\$ 162,403</u>



Note 1 - Summary of Significant Accounting Policies

Reporting Entity

The Galveston Independent School District (District) is governed by a seven-member Board of Trustees (Board), which has governance responsibilities over all activities related to public elementary and secondary education within the District. Because members of the Board are elected by the public; have authority to make decisions; appoint management and significantly influence operations; and have primary accountability for fiscal matters; the District is not included in any other governmental reporting entity. The accompanying financial statements present the District. There are no component units, entities for which the District is considered to be financially accountable, included within the reporting entity.

The District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District. The effect of interfund activity has been removed from these statements. *Governmental activities* normally are supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to students or users who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The proprietary and custodial funds are reported using the economic resources measurement focus and the accrual basis of accounting.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Note 1 - Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Grant revenues and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

- The *general fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *ESSER II fund* accounts for federal stimulus ESSER II funds granted to districts through the CRRSA Act to support the districts' ability to operate, instruct its students, address learning loss, prepare schools for reopening, test, repair, and upgrade projects to improve air quality in school buildings during the coronavirus pandemic.
- The *ESSER III fund* federal stimulus ESSER III funds granted to districts through the American Rescue Plan Act to address learning loss and the disproportionate impact of the coronavirus on certain student subgroups, identify and provide homeless children and youth with services in light of challenges of the coronavirus, and enable homeless children and youth to attend school and participate fully in school activities.
- The *debt service fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.
- The *capital projects fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Additionally, the District reports the following fund types:

Proprietary Funds

- The *internal service fund* accounts for employee benefits provided to other funds and/or employees of the District on a cost reimbursement basis.

Fiduciary Funds

- The *private purpose trust fund* is used to report all trust arrangements by the District. This fund type is used to account for the District's scholarship funds.
- The *custodial fund* is used to account for assets held by the District as a fiduciary for student organizations.

Nonmajor governmental funds of the District include federal, state and local grant funds accounted for as *special revenue funds*.

Amounts reported as *program revenues* include 1) charges to students or users for goods, services, or privileges provided and 2) operating grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes and investment income.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

Operating expenses for the internal service fund include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Note 1 - Summary of Significant Accounting Policies (continued)

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposit, and investment pools. The funds of the District must be deposited and invested under the terms of a depository contract, the contents of which are set out in the Depository Contract Law. The depository bank may either place approved pledged securities for safekeeping and trust with the District's agent bank or file a corporate surety bond 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 FDIC insurance. The depository cash balances were covered by FDIC insurance and by collateral held by the District's agent in the District's name. The District categorizes fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments for the District are reported at fair value and the District's local government investment pools are recorded at amortized costs as permitted by GASB Statement No. 79 *Certain Investment Pools and Pool Participants*.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Property tax receivables include unpaid property taxes at year-end along with penalties and interest assessed on these unpaid taxes and are shown net of an allowance for uncollectibles. The property tax receivable allowance is based on historical collections. Revenues from property taxes are recognized when levied to the extent they are available. The District considers property taxes as available when collected. However, not all outstanding property taxes are expected to be collected within one year of the date of the financial statements. Property values are determined by the Galveston Central Appraisal District as of January 1 of each year. Prior to September 1 of each year, the District must adopt its annual budget and as soon thereafter as practicable, shall adopt a tax rate thus creating the tax levy. Property taxes for the current calendar year are levied on approximately October 1 of each year and are payable by January 31 of the following year. Property tax receivables are recorded as of the date levied. Unpaid taxes become delinquent on February 1 and a tax lien on real property is created as of July 1 of each year.

Inventories and Prepaid Items

Inventories consisting of supplies and materials are valued at weighted average cost and they include maintenance, transportation, and office and instructional supplies. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. A portion of fund balance is classified as non-spendable to reflect minimum inventory quantities considered necessary for the District's continuing operations.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Note 1 - Summary of Significant Accounting Policies (continued)

Capital Assets

Capital assets, which include land, construction in progress, buildings and improvements, furniture and equipment and vehicles, are reported in the governmental column in the government-wide financial statements. The District’s infrastructure includes parking lots and roads associated with various buildings. The cost of the infrastructure was initially capitalized with the building cost and is being depreciated over the same useful life as the building. Capital assets are defined by the District as assets with an initial, individual cost that equals or exceeds \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost, or estimated historical cost if purchased or constructed, except for right to use leased assets. Donated capital assets are recorded at acquisition value at the date of donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Buildings and improvements, and furniture and equipment of the District are depreciated/amortized using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>In Years</u>
Buildings and improvements	10 - 50
Furniture and equipment	5 - 20
Vehicles	5 - 20
Right to use assets - equipment	5 - 20

Compensated Absences

Compensated absences are absences for which employees will be paid, such as sick leave. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the government and its employees is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the government and its employees are accounted for in the period in which such services are rendered or such events take place.

In the governmental funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for them. The remainder of the compensated absences liability is reported in long-term liabilities on the Statement of Net Position.

Long-term Obligations

The District’s long-term obligations consist of bonded indebtedness, leases, and compensated absences. In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts amortized over the life of the bonds using the bonds outstanding method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as an expense in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Note 1 - Summary of Significant Accounting Policies (continued)

Long-term Obligations (continued)

The current requirements for general obligation bonds principal and interest expenditures are accounted for in the debt service fund. The current requirements for notes payable principal and interest expenditures are accounted for in the general fund. The current requirements for compensated absences are accounted for in the general fund.

Leases

The District is a lessee for a noncancellable lease of equipment. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and therefore will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position, deferred amounts related to pension, and deferred amounts related to OPEB. The deferred charge on refunding resulted from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred amounts related to pension and OPEB relate to differences between estimated and actual investment earnings, changes in actuarial assumptions, and other pension and OPEB related changes.

Note 1 - Summary of Significant Accounting Policies (continued)

Deferred Outflows/Inflows of Resources (continued)

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and therefore will not be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the government-wide financial statements the District reports deferred amounts related to pension and deferred amounts related to OPEB.

Pensions

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

Other Post-Employment Benefits

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

Net Position and Fund Balances

The District reports fund balances in accordance with GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

Nonspendable fund balance – amounts that are not in spendable form or are required to be maintained intact. As such, inventory and prepaid items have been properly classified in the Governmental Funds Balance Sheet (Exhibit C-1). However, if the use of the proceeds from the sale of the inventory is restricted, committed, or assigned, then the applicable amounts are included in the appropriate fund balance classification, rather than nonspendable fund balance.

Restricted fund balance – Amounts that can be spent only for specific purposes because of local, state or federal laws, or externally imposed conditions by grantors or creditors.

Committed fund balance – amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e. the Board of Trustees). To be reported as committed, amounts cannot be used for any other purposes unless the District takes the same highest level of action to remove or change the constraint. The District establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. A fund balance commitment is further indicated in the budget document as a commitment of the fund. The District has committed 100 percent of the Campus Activity Funds' fund balance, \$5,000,000 in the General Fund for disaster recovery and \$6,000,000 in the General Fund for decreases in state formula funding.

Note 1 - Summary of Significant Accounting Policies (continued)

Net Position and Fund Balances (continued)

Assigned fund balance – amounts the District intends to use for a specific purpose. Intent can be expressed by the District or by an official or body to which the Board of Trustees delegates the authority. The Board has delegated authority to the Superintendent to establish fund balance assignments.

Unassigned fund balance – amounts that are available for any purpose. Positive amounts are reported only in the general fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

Data Control Codes

The Data Control Codes refer to the account code structure prescribed by the Texas Education Agency (TEA) in the Financial Accountability System Resource Guide. TEA requires school districts to display these codes in the financial statements filed with the Agency in order to ensure accuracy in building a statewide database for policy development and funding plans.

Use of Estimates

The presentation of financial statements, in conformity with generally accepted accounting principles, liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Implementation of New Accounting Standards

GASB No. 87, *Leases*, was issued to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The impact of this statement is reflected in the financial statements.

Note 2 - Deposits and Investments

Cash Deposits

The District's funds are required to be deposited and invested under the terms of a depository contract pursuant to the Texas School Depository Act. The depository bank pledges securities which comply with state law and these securities are held for safekeeping and trust with the District's and the depository bank's agent bank. The pledged securities are approved by the Texas Education Agency and shall be 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. At August 31, 2022, the District's cash in bank totaled \$17,106,803. The carrying value was \$14,924,593 (governmental activities) and \$299,067 (fiduciary funds). Pledged collateral and FDIC insurance for these deposits totaled \$18,859,567. As such, the District's cash and certificates of deposit were properly collateralized at August 31, 2022.

The District's investment policy is in accordance with the Public Funds Investment Act, the Public Funds Collateral Act, and federal and state laws. The District further limits its investments to obligations of the U.S. Treasury or the State of Texas, certain U.S. Agencies, certificates of deposit, collateralized mortgage obligations, no-load money market mutual funds, certain municipal securities, repurchase agreements, or investment pools.

Investments

For fiscal year 2022, the District invested in MBIA Texas CLASS Investment Pool and TexasTERM Local Government Investment Pool. Texas CLASS and TexasTERM operate in a manner consistent with the Security and Exchange Commission's Rule 2a7 of the Investment Company Act of 1940.

MBIA Texas CLASS Investment Pool is duly chartered by the State of Texas Interlocal Cooperation Act, is administered and managed by MBIA Municipal Investors Service Corporation. Wells Fargo Bank N.A. is the custodial bank. The primary objectives of MBIA Texas CLASS Investment Pool, is to maintain safety of principal while providing participating government entities (Participants) with the highest possible rate of return for invested funds.

TexasTERM is directed by an Advisory Board of experienced local government officials, finance directors and treasurers and is managed by a team of industry leaders that are focused on providing professional investment services to investors. The pool offers a fully liquid money market and invests only in those securities authorized by the statutes governing investment of funds by local governments in the state.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates may adversely affect the value of the investments. The District monitors interest rate risk utilizing weighted average maturity analysis and specific identification.

Credit Risk

State law and the District's investment policy limits investments in all categories to top ratings issued by nationally recognized statistical rating organizations. The District's investment policy requires the investment portfolio to be diversified in terms of investment instruments, maturity scheduling, and financial institutions in order to reduce the risk of loss resulting from over-concentration of assets in a specific class of investments, specific maturity, or specific issuer.

The District reports its local government investment pools at amortized cost as permitted by GASB Statement No. 79 *Certain External Investment Pools and Pool Participants*. In addition, the investment pools do not have any limitations and restrictions on withdrawals such as notice periods or maximum transaction amounts. The four pools do not impose any liquidity fees or redemption gates.

Note 2 - Deposits and Investments (continued)

Investments (continued)

At year-end, the District's investment balances, weighted average maturity (in days), valuation method, and Standard & Poor's (S&P) ratings were as follows:

	<u>Carrying Value</u>	<u>% of Portfolio</u>	<u>Weighted Average Maturity</u>	<u>Valuation Method</u>	<u>S&P Rating</u>
Governmental Activities:					
Local Government Investment Pools:					
Texas CLASS	265,785,442	96%	68	Amortized Cost	AAAm
TexasTERM	<u>11,779,414</u>	<u>4%</u>	26	Amortized Cost	AAAm
Total Local Government Investment Pools	<u>277,564,856</u>	<u>100%</u>	66		
Total Governmental Activities	<u>\$ 277,564,856</u>	<u>100%</u>	66		

Note 3 - Receivables

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

	<u>General Fund</u>	<u>ESSER II</u>	<u>ESSER III</u>	<u>Debt Service Fund</u>	<u>Nonmajor Governmental Funds</u>
Property taxes	\$ 7,038,145	\$ -	\$ -	\$ 679,744	\$ -
Due from other governments	3,298,030	4,645,753	3,361,907	-	2,142,027
Due from others	40,000	-	-	-	-
Other	<u>35,075</u>	-	-	-	<u>195,813</u>
Gross receivables	10,411,250	4,645,753	3,361,907	679,744	2,337,840
Allowance for doubtful accounts, property tax related	(1,634,058)	-	-	(161,485)	-
Allowance for doubtful accounts, grant related	<u>(1,233,772)</u>	-	-	-	-
Net Total Receivables	<u>\$ 7,543,420</u>	<u>\$ 4,645,753</u>	<u>\$ 3,361,907</u>	<u>\$ 518,259</u>	<u>\$ 2,337,840</u>

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period or in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the District reported unearned revenues for advanced collection of state aid, grants, and other fees in the following amounts:

	<u>Unearned Revenue</u>
General Fund	\$ 21,442
Debt Service Fund	9,082
Nonmajor Governmental Funds	<u>48,038</u>
Total	<u>\$ 78,562</u>

Note 4 - Capital Assets

Capital asset activity for the year ended August 31, 2022, was as follows:

	Balance, as Restated				Balance August 31, 2022
	September 1, 2021	Additions	Retirements	Transfers	
Capital Assets, not being Depreciated/Amortized					
Land	\$ 4,418,388	\$ -	\$ -	\$ -	\$ 4,418,388
Construction in progress	-	2,227,597	-	(1,330,523)	897,074
Total Capital Assets, not being Depreciated/Amortized	4,418,388	2,227,597	-	(1,330,523)	5,315,462
Capital Assets, being Depreciated/Amortized					
Buildings and improvements	187,341,126	156,022	-	513,522	188,010,670
Furniture and equipment	11,564,350	575,609	(120,893)	817,001	12,836,067
Vehicles	7,474,211	17,700	(698,290)	-	6,793,621
Right to use assets	246,830	-	-	-	246,830
Total Capital Assets, being Depreciated/Amortized	206,626,517	749,331	(819,183)	1,330,523	207,887,188
Less Accumulated Depreciation/Amortization for:					
Buildings and improvements	(111,389,506)	(6,075,821)	-	-	(117,465,327)
Furniture and Equipment	(9,965,762)	(372,812)	128,261	-	(10,210,313)
Vehicles	(4,130,705)	(557,754)	689,181	-	(3,999,278)
Right to use assets	-	(118,476)	-	-	(118,476)
Total Accumulated Depreciation/Amortization	(125,485,973)	(7,124,863)	817,442	-	(131,793,394)
Governmental Capital Assets	\$ 85,558,932	\$ (4,147,935)	\$ (1,741)	\$ -	\$ 81,409,256

Depreciation and amortization expense was charged to functions/programs of the District as follows:

Function	Depreciation/ Amortization Expense
Instruction	\$ 1,938,408
Instructional resources and media services	15,810
Curriculum and staff development	169,232
Instructional leadership	109,502
School leadership	179,076
Guidance, counseling, and evaluation services	102,127
Social work services	15,259
Health services	34,341
Student transportation	137,004
Food service	200,511
Extracurricular activities	73,045
General administration	225,444
Facilities maintenance and operations	3,727,158
Security and monitoring services	51,056
Data processing services	105,954
Community services	40,936
	\$ 7,124,863

Note 4 - Capital Assets (continued)

The following is a schedule of the District’s open construction commitments at August 31, 2022:

Project	Contract Amount	Construction in Progress	Remaining Commitment
District Wide Roofing Repairs	\$ 274,408	\$ 41,500	\$ 232,908
New Ball High School	549,200	229,024	320,176
New Courville Stadium	567,229	50,000	517,229
Central Middle School Renovations	948,830	576,550	372,280
	<u>\$ 2,339,667</u>	<u>\$ 897,074</u>	<u>\$ 1,442,593</u>

Note 5 - Interfund Receivables, Payables, and Transfers

Interfund balances consist of short-term lending/borrowing arrangements that result primarily from payroll and other regularly occurring charges that are paid by the general fund and then charged back to the appropriate other fund. Additionally, some lending/borrowing may occur between two or more nonmajor governmental funds.

The composition of interfund balances as of August 31, 2022, is as follows:

	Interfund Receivable	Interfund Payable	Net
Governmental Funds			
General Fund	\$ 9,762,158	\$ -	\$ 9,762,158
ESSER II	-	(4,563,932)	(4,563,932)
ESSER III	-	(3,349,322)	(3,349,322)
Nonmajor Governmental Funds	615	(1,849,519)	(1,848,904)
Total	<u>\$ 9,762,773</u>	<u>\$ (9,762,773)</u>	<u>\$ -</u>

Interfund transfers are defined as “flows of assets without equivalent flow of assets in return and without a requirement for repayment.” The following is a summary of the District’s transfers for the fiscal year ended August 31, 2022:

	Transfers in:			Total
	General Fund	Nonmajor Governmental Funds	Internal Service Funds	
Transfers out:				
General fund	\$ -	\$ -	\$ 315,000	\$ 315,000
Nonmajor governmental funds	450,851	-	-	450,851
	<u>\$ 450,851</u>	<u>\$ -</u>	<u>\$ 315,000</u>	<u>\$ 765,851</u>

During the fiscal year, a transfer was made from the general fund to reimburse a nonmajor governmental fund for previous year expenditures that were not reimbursed by a grant. In addition, the general fund transferred funds to the internal service fund to cover the operating deficit.

Note 6 - Compensated Absences and Other Retirement/Sick Leave Benefits

A local retirement program that was in effect for five years prior to the 2005-2006 fiscal year was rescinded during the 2006 fiscal year by the Board of Trustees. The remaining liability under this plan will be retired in accordance with the terms of the original resolution.

The following summarizes the District's liability and the changes for the year:

Balance, September 1, 2021	\$ 21,037
Additions (Deductions)	1,724
Balance, August 31, 2022	<u>\$ 22,761</u>

Note 7 - Long-Term Liabilities

The District has entered into a continuing disclosure undertaking to provide annual reports and material event notices to the State Information Depository of Texas through the Municipal Advisory Council. This information is required under SEC Rule 15c2-12 to enable investors to analyze the financial condition and operations of the District. There are a number of limitations and restrictions contained in the general obligation debt indentures. Management has indicated that the District is in compliance with all significant limitations and restrictions as of August 31, 2022.

General Obligation Bonds

General obligation bonds are direct obligations and pledge the full faith and credit of the District. Bonds payable for the year ended August 31, 2022 were as follows:

<u>Issue</u>	<u>Original Issuance Amount</u>	<u>Interest Rate (%)</u>	<u>Maturity Date</u>	<u>Debt Outstanding</u>
Unlimited Tax Refunding Bonds:				
Series 2013	\$ 36,955,000	2.00% to 5.00%	2/1/2023	\$ 3,670,000
Series 2018	27,585,000	3.00% to 5.00%	2/1/2030	20,555,000
Series 2021	29,380,000	1.43% to 5.00%	2/1/2029	25,435,000
Unlimited Tax Refunding Bonds:				
Series 2022	235,840,000	4.00% to 5.00%	2/1/2047	235,840,000
				<u>\$ 285,500,000</u>

Debt service requirements to maturity are as follows:

<u>Year Ending August 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2023	\$ 8,305,000	\$ 11,403,593	\$ 19,708,593
2024	8,190,000	11,836,910	20,026,910
2025	8,945,000	11,422,535	20,367,535
2026	7,605,000	11,022,785	18,627,785
2027	7,950,000	10,633,910	18,583,910
2028 - 2032	44,470,000	48,018,560	92,488,560
2033 - 2037	52,970,000	36,299,500	89,269,500
2038 - 2042	66,170,000	23,010,200	89,180,200
2043 - 2047	80,895,000	8,348,300	89,243,300
	<u>\$ 285,500,000</u>	<u>\$ 171,996,293</u>	<u>\$ 457,496,293</u>

Note 7 - Long-Term Liabilities (continued)

Changes in Long-Term Liabilities

The following is a summary of changes in the District’s total governmental long-term liabilities for the year ended August 31, 2022:

	<u>September 1, 2021</u> <u>as Restated</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>August 31, 2022</u>	<u>Due Within</u> <u>One Year</u>
General obligation bonds	\$ 55,100,000	\$ 235,840,000	\$ (5,440,000)	\$ 285,500,000	\$ 8,305,000
Premiums/discounts	6,523,755	15,965,125	(308,336)	22,180,544	-
Accrued compensated absences	21,037	1,724	-	22,761	22,761
Lease payable	246,830	-	(114,752)	132,078	121,566
	<u>\$ 61,891,622</u>	<u>\$ 251,806,849</u>	<u>\$ (5,863,088)</u>	<u>\$ 307,835,383</u>	<u>\$ 8,449,327</u>

Note 7 - Long-Term Liabilities (continued)

Changes in Long-Term Liabilities (continued)

During the current fiscal year, the District issued Unlimited Tax School Building Bonds, Series 2022 in the amount of \$235,840,000 with a premium of \$15,965,125. The bonds will be used for the construction, acquisition, renovation, and equipment of school buildings and vehicles.

Previous Years’ Defeasance of Debt

During fiscal year 2021, the District refunded Series 2013 Unlimited Tax Refunding Bonds and \$26,045,000 is considered defeased until February 2023. A liability for those bonds has been removed from the statement of net position.

Leases

The District has a lease in place for the right to use copier equipment. The future principal and interest payments are as follows:

<u>Year Ending</u> <u>August 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2023	\$ 121,566	\$ 5,430	\$ 126,996
2024	10,512	62	10,574
	<u>\$ 132,078</u>	<u>\$ 5,492</u>	<u>\$ 137,570</u>

Note 8 - Revenues from Local, Intermediate, and Out-of-State Sources

During the current year, revenues from local and intermediate sources consisted of the following:

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Property Taxes	\$ 87,322,972	\$ 8,043,783	\$ -	\$ -	\$ 95,366,755
Gifts and bequests	-	-	-	6,632,847	6,632,847
Student activities	-	-	-	531,790	531,790
Food Sales	-	-	-	379,054	379,054
Rent	100,296	-	-	-	100,296
Investment Income	304,773	41,824	33,315	-	379,912
Athletics	92,528	-	-	-	92,528
Tuition and fees	56,330	-	-	-	56,330
Insurance recovery	214,739	-	-	-	214,739
Miscellaneous	448,646	50,785	-	686,266	1,185,697
	<u>\$ 88,540,284</u>	<u>\$ 8,136,392</u>	<u>\$ 33,315</u>	<u>\$ 8,229,957</u>	<u>\$ 104,939,948</u>

Note 9 - Pension Plan and Other Post-Employment Benefits

Plan Description

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

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

Pension Plan Fiduciary Net Position

Detail information about the Teacher Retirement System's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <https://www.trs.texas.gov/TRS%20Documents/acfr-2021.pdf>, or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512) 542-6592.

Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic postemployment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above.

Texas Government Code section 821.006 prohibits benefit improvements, if, as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. Actuarial implications of the funding provided in the manner are determined by the System's actuary.

Note 9 - Pension Plan and Other Post-Employment Benefits (continued)

Contributions

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member’s annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year.

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 thru 2025.

	Contribution Rates	
	Measurement Year	
	2022	2021
Member	8.00%	7.70%
Non-employer contributing agency	7.75%	7.50%
Employers	7.75%	7.50%
	Fiscal Year	
	2022	
Employer (District)	\$ 2,600,557	
Employee (Member)	4,802,514	
Non-employer Contributing Entity		
On-behalf Contributions (State)	2,671,400	

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

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate, times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year, reduced by the amounts described below which are paid by the employers. Employers (public school, junior college, other entities, or the State of Texas as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member’s first 90 days of employment.
- When any part or all of an employee’s salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

In addition to the employer contributions listed above, there are two additional surcharges an employer is subject to:

- All public schools, charter schools, and regional educational service centers must contribute 1.6% of the member’s salary beginning in fiscal year 2021, gradually increasing to 2% in fiscal year 2025.
- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

Note 9 - Pension Plan and Other Post-Employment Benefits (continued)

Actuarial Assumptions

The total pension liability in the August 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Component	Result
Valuation Date	August 31, 2020, rolled forward to August 31, 2021
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.25%
Long-term Expected Rate	7.25%
Municipal Bond Rate as of August 2020	1.95% - The source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index"
Last year ending August 31 in Projection Period (100 years)	2120
Inflation	2.30%
Salary Increases	3.05% to 9.05% including inflation
Benefit changes during the year	None
Ad hoc post-employment benefit changes	None

The actuarial methods and assumptions are used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2020. For a full description of these assumptions please see the actuarial valuation report dated November 9, 2020.

Discount Rate

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

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

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

Note 9 - Pension Plan and Other Post-Employment Benefits (continued)

Discount Rate (continued)

Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2021 are summarized below:

Asset Class ¹	Target Allocation ²	Long-Term Expected Geometric Real Rate of Return ³	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.00%	3.60%	0.94%
Non-U.S. Developed	13.00%	4.40%	0.83%
Emerging Markets	9.00%	4.60%	0.74%
Private Equity	14.00%	6.30%	1.36%
Stable Value			
Government Bonds	16.00%	-0.20%	0.01%
Absolute Return	0.00%	1.10%	0.00%
Stable Value Hedge Funds	5.00%	2.20%	0.12%
Real Return			
Real Estate	15.00%	4.50%	1.00%
Energy, Natural Resources & Infrastructure	6.00%	4.70%	0.35%
Commodities	0.00%	1.70%	0.00%
Risk Parity	8.00%	2.80%	0.28%
Leverage			
Cash	2.00%	-0.70%	-0.01%
Asset Allocation Leverage	-6.00%	-0.50%	0.03%
Inflation Expectation			2.20%
Volatility Drag ⁴			-0.95%
Expected Return	100.00%		6.90%

¹ Absolute Return includes Credit Sensitive Investments.

² Target allocations are based on the fiscal year 2021 policy model.

³ Capital Market Assumptions come from Aon Hewitt as of August 31, 2021.

⁴ The volatility drag results from the conversion between arithmetic and geometric mean returns.

Discount Rate Sensitivity Analysis

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

	Discount Rate		
	1% Decrease (6.25%)	Current Rate (7.25%)	1% Increase (8.25%)
District's proportional share of the net pension liability	\$ 27,039,968	\$ 12,374,372	\$ 476,123

Note 9 - Pension Plan and Other Post-Employment Benefits (continued)

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

At August 31, 2022, the District reported a liability of \$12,374,372 for its proportionate share of the TRS’s net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 12,374,372
State's proportionate share that is associated with the District	<u>15,940,424</u>
Total	<u><u>\$ 28,314,796</u></u>

The net pension liability was measured as of August 31, 2020 and rolled forward to August 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportion of the net pension liability was based on the employer’s contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2020 through August 31, 2021.

At August 31, 2022, the employer’s proportion of the collective net pension liability was 0.0486% which was an increase of 0.0034% from its proportion measured as of August 31, 2021.

Changes Since the Prior Actuarial Valuation

There were no changes in assumptions since the prior measurement date.

For the year ended August 31, 2022, the District recognized pension expense of \$1,221,906. The District also recognized on-behalf pension expense and revenue of \$63,728 for support provided by the State.

Note 9 - Pension Plan and Other Post-Employment Benefits (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

At August 31, 2022, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 20,708	\$ (871,166)
Changes of assumption	4,374,099	(1,906,732)
Net difference between projected and actual earnings on pension plan investments	-	(10,375,751)
Changes in proportion and differences between District contributions and proportionate share of contributions	1,762,963	(1,037,557)
District contributions subsequent to the measurement date	2,600,556	-
Total	<u>\$ 8,758,326</u>	<u>\$ (14,191,206)</u>

Deferred outflows of resources resulting from District contributions subsequent to the measurement date in the amount of \$2,600,556 will be recognized as a reduction of the net pension liability in the year ended August 31, 2023. The net amounts of the employer's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year</u>	<u>Pension Expense Amount</u>
2023	\$ (1,524,968)
2024	(1,498,115)
2025	(2,230,066)
2026	(2,961,437)
2026	127,007
Thereafter	54,143
	<u>\$ (8,033,436)</u>

Note 10 - Defined Other Post-Employment Benefit Plans

Plan Description

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan with a special funding situation. The TRS-Care program was established in 1986 by the Texas Legislature.

The TRS Board of Trustees administers the TRS-Care program and the related fund in accordance with Texas Insurance Code Chapter 1575. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. The Board may adopt rules, plans, procedures, and orders reasonably necessary to administer the program, including minimum benefits and financing standards.

OPEB Plan Fiduciary Net Position

Detail information about the Teacher Retirement System’s fiduciary net position is available in a separately issued Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <https://www.trs.texas.gov/TRS%20Documents/acfr-2021.pdf>, or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512) 542-6592.

Benefits Provided

TRS-Care provides health insurance coverage to retirees from public schools, charter schools, regional education service centers, and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. There are no automatic postemployment benefit changes, including automatic COLAs.

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

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

Contributions

Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, and school districts based upon public school district payroll. The TRS Board of trustees does not have the authority to set or amend contribution rates.

Note 10 - Defined Other Post-Employment Benefit Plans (continued)

Contributions (continued)

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

	Contribution Rates	
	Measurement Year	
	2022	2021
Member	0.65%	0.65%
Non-employer contributing agency	1.25%	1.25%
Employers	0.75%	0.75%
Federal/private funding	1.25%	1.25%

	Fiscal Year	
	2022	
Employer (District)	\$	590,201
Employee (Member)		367,770
Non-employer Contributing Entity		
On-behalf Contributions (State)		825,323

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to (*regardless of whether or not they participate in the TRS Care OPEB program*). When hiring a TRS retiree, employers are required to pay TRS Care, a monthly surcharge of \$535 per retiree.

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$5,520,343 in fiscal year 2021 for consumer protections against medical and health care billing by certain out-of-network providers.

The actuarial valuation was performed as of August 31, 2020. Update procedures were used to roll forward the Total OPEB Liability to August 31, 2021.

Note 10 - Defined Other Post-Employment Benefit Plans (continued)

The actuarial valuation was determined using the following actuarial assumptions:

Component	Result
Valuation Date	August 31, 2020, rolled forward to August 31, 2021
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	1.95% as of August 31, 2021
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claim costs.
Projected Salary Increases	3.05% to 9.05% including inflation
Healthcare Trend Rates	The initial medical trend rates were 8.50 percent for Medicare retirees and 7.10 percent for non-Medicare retirees. There was an initial prescription drug trend rate of 8.50 percent for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25 percent over a period of 12 years.
Election Rates	Normal Retirement: 65 percent participation rate prior to age 65 and 40 percent participation rate after age 65. Pre-65 retirees: 25 percent are assumed to discontinue coverage at age 65.
Ad hoc post-employment benefit changes	None

Note 10 - Defined Other Post-Employment Benefit Plans (continued)

Actuarial Assumptions (continued)

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017. The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2020 TRS pension actuarial valuation that was rolled forward to August 31, 2021: (a) Rates of Mortality, (b) Rates of Retirement, (c) Rates of Termination, (d) Rates of Disability, (e) General Inflation, and (f) Wage Inflation.

The active mortality rates were based on 90 percent of the RP-2014 Employee Mortality Tables for males and females. The post-retirement mortality rates for healthy lives were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables, with full generational projection using the ultimate improvement rates from the mortality projection scale MP-2018.

Discount Rate

A single discount rate of 1.95% was used to measure the total OPEB liability. There was a decrease of 0.38% in the discount rate since the previous year. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to *not be able* to make all future benefit payments of current plan members. Therefore, the municipal bond rate was used for the long-term rate of return and was applied to all periods of projected benefit payments to determine the total OPEB liability.

The source of the municipal bond rate is the Fidelity “20-year Municipal GO AA Index” as of August 31, 2021 using the Fixed Income Market Data/Yield Curve/ Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

Discount Rate Sensitivity Analysis

Discount Rate - The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (1.95%) in measuring the Net OPEB Liability.

	Discount Rate		
	1% Decrease (0.95%)	Current Rate (1.95%)	1% Increase (2.95%)
District's proportional share of the net OPEB liability	\$ 31,139,152	\$ 25,815,260	\$ 21,625,183

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

At August 31, 2022, the District reported a liability of \$25,815,260 for its proportionate share of the TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	\$ 25,815,260
State's proportionate share that is associated with the District	<u>34,586,695</u>
Total	<u><u>\$ 60,401,955</u></u>

The Net OPEB Liability was measured as of August 31, 2020 and rolled forward to August 31, 2021 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The District's proportion of the Net OPEB Liability was based on the District's contributions to OPEB relative to the contributions of all employers to the plan for the period September 1, 2020 through August 31, 2021.

At August 31, 2022, the District's proportion of the collective Net OPEB Liability was 0.0669% which was an increase of 0.0009% from its proportion measured as of August 31, 2021.

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

	Healthcare Cost Trend Rate		
	1% Decrease	Current Rate	1% Increase
District's proportional share of the net OPEB liability	\$ 20,909,505	\$ 25,815,260	\$ 32,397,564

Changes Since the Prior Actuarial Valuation

Changes Since the Prior Actuarial Valuation – The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB liability (TOL) since the prior measurement period:

- The discount rate changed from 2.33% as of August 31, 2020 to 1.95% as of August 31, 2021. This change increased the Total OPEB Liability.

Changes of Benefit Terms Since the Prior Measurement Date - There were no changes in benefit terms since the prior measurement date.

For the year ended August 31, 2022, the District recognized negative OPEB expense of \$1,027,085. The District also recognized negative on-behalf OPEB expense and revenue of \$1,276,513 for support provided by the State.

Note 10 - Defined Other Post-Employment Benefit Plans (continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (continued)

Changes Since the Prior Actuarial Valuation (continued)

At August 31, 2022, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,111,469	\$ (12,496,392)
Changes of assumption	2,859,343	(5,459,450)
Net difference between projected and actual earnings on OPEB plan investments	28,027	-
Changes in proportion and differences between District contributions and proportionate share of contributions	2,528,146	(3,534,195)
District contributions subsequent to the measurement date	590,201	-
Total	<u>\$ 7,117,186</u>	<u>\$ (21,490,037)</u>

The \$590,201 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending August 31, 2023. The net amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year</u>	<u>OPEB Expense Amount</u>
2023	\$ (2,885,068)
2024	(2,885,700)
2025	(2,885,527)
2026	(2,206,006)
2027	(1,286,042)
Thereafter	(2,814,709)
	<u>\$ (14,963,052)</u>

Medicare Part D

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, 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, 2022, 2021, and 2020, the subsidy payments received by TRS-Care on-behalf of the District were \$228,260, \$239,729, and \$211,573, respectively. These payments are recorded as equal revenues and expenditures in the governmental funds financial statements of the District.

Note 11 - Risk Management

Property/Liability

The District is exposed to various risks of loss related to property/liability losses for which the District carries commercial insurance.

Health Insurance

The District provides medical insurance coverage for its employees under the TRS-Active Care insurance provided by the Teachers’ Retirement System of Texas.

Workers’ Compensation

During the year ended August 31, 2022, the District 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' 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 \$2 million. The Fund uses the services of an independent actuary to determine reserve adequacy and fully funds those reserves. For the year ended August 31, 2022, 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 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, 2021 are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

Note 12 - Shared Service Arrangements / Joint Ventures

The district is the fiscal agent of one shared service arrangement (SSA) which provide services for students requiring orientation and mobility services. The member districts participating are listed below. All services are provided by the fiscal agent. The member districts reimburse the fiscal agent.

According to guidance provided in the TEA’s Resource Guide, the District has accounted for the fiscal agent’s activities of the SSA in special revenue funds and will be accounted for using Model 3 in the SSA section of the Resource Guide. Expenditures of the SSAs are summarized below:

	Orientation and Mobility Program
Member Districts:	
Dickinson ISD	\$ 22,697
Friendswood ISD	32,039
Galveston ISD	38,525
Region IV	20,000
Santa Fe ISD	16,597
Texas City ISD	25,939
	<u>\$ 155,797</u>

Note 13 - Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

Note 14 - Arbitrage

In accordance with the provisions of Section 148(f) of the Internal Revenue Code of 1986, as amended, bonds must satisfy certain arbitrage rebate requirements. Positive arbitrage is the excess of (1) the amount earned on investments purchased with bond proceeds over (2) the amount that such investments would have earned had such investments been invested at a rate equal to the yield on the bond issue. In order to comply with the arbitrage rebate requirements, positive arbitrage must be paid to the U.S. Treasury at the end of each five-year anniversary date of the bond issue. The District has estimated that it does not have an arbitrage liability as of August 31, 2022.

Note 15 - Hurricane Ike

The eye of Hurricane Ike made landfall on September 13, 2008 just to the east of Galveston Island and resulted in catastrophic damage to the District's entire service area. At landfall, the storm was rated as a category 2 hurricane; however, Ike's width beyond the eye of the storm was large with a storm surge disproportional to its wind speed (category). The storm resulted in extensive flooding submerging substantial portions of the Galveston area. In addition, wind damage was significant. Ike's damage along the Gulf Coast was estimated to reach \$31.5 billion, which would make it the third costliest hurricane on record. In addition, the District's service area suffered a huge economic devastation beyond the direct damage caused by the storm.

Damage to the District's facilities was extensive, amounting to approximately \$47,900,000. The District received approximately \$8,400,000 in insurance proceeds. To date, the Federal Emergency Management Agency (FEMA) has paid the District approximately \$21.6M out of \$27.3M in eligible damages. Most projects have been closed out; however, after reductions for the District's local share of approximately 10%, as of August 31, 2022, the District's receivable was \$3,291,951. The District also reported an allowance of \$1,233,772 which resulted in a net receivable of \$2,058,179.

Note 16 - Prior Period Adjustments

The District recorded a prior period adjustment to adjust the beginning payroll liabilities as of September 1, 2021. The following was the impact of the prior period adjustment:

	<u>Fund Balance</u>
	<u>General</u>
	<u>Fund</u>
Beginning Balance	\$ 30,308,239
Restatement due to payroll liabilities adjustment	(390,114)
Beginning Balance - As Restated	<u>\$ 29,918,125</u>



REQUIRED SUPPLEMENTARY INFORMATION



GALVESTON INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended August 31, 2022

Exhibit G-1

Data Control Codes	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	
	Original	Final	Actual		
Revenues					
5700	Local, intermediate, and out-of-state	\$ 91,344,073	\$ 91,344,073	\$ 88,540,284	\$ (2,803,789)
5800	State program revenues	4,821,350	4,821,350	6,915,743	2,094,393
5900	Federal program revenues	2,974,968	2,974,968	3,002,859	27,891
5020	Total Revenues	99,140,391	99,140,391	98,458,886	(681,505)
Expenditures					
Current:					
0011	Instruction	39,814,714	33,754,714	32,928,997	825,717
0012	Instruction resources and media services	348,032	423,032	307,338	115,694
0013	Curriculum and instructional staff development	838,657	888,657	586,818	301,839
0021	Instructional leadership	2,078,188	2,058,188	1,914,359	143,829
0023	School leadership	4,531,234	4,781,234	4,425,940	355,294
0031	Guidance, counseling and evaluation services	2,165,126	2,615,126	2,375,434	239,692
0032	Social work services	289,679	339,679	288,580	51,099
0033	Health services	867,543	1,017,543	847,443	170,100
0034	Student transportation	3,342,438	3,192,438	2,866,251	326,187
0035	Food service	7,493	32,493	29,741	2,752
0036	Extracurricular activities	1,924,253	2,074,253	1,925,316	148,937
0041	General administration	2,940,658	2,990,658	2,846,241	144,417
0051	Plant maintenance and operations	9,644,028	9,289,028	8,966,139	322,889
0052	Security and monitoring services	1,247,119	1,297,119	1,078,411	218,708
0053	Data processing services	2,187,440	2,212,440	1,985,062	227,378
0061	Community services	1,077,634	1,102,634	942,397	160,237
Debt service:					
0071	Principal on long-term debt	180,000	360,000	114,752	245,248
0072	Interest on long-term debt	20,000	40,000	12,241	27,759
Capital outlay:					
0081	Facilities acquisition and construction	2,780,174	2,830,174	1,718,831	1,111,343
Intergovernmental:					
0091	Contracted instructional services	30,047,660	30,147,660	29,261,168	886,492
0093	Payments related to shared services arrangement	27,500	77,500	38,524	38,976
0099	Other intergovernmental charges	756,900	791,900	757,021	34,879
6030	Total Expenditures	107,116,470	102,316,470	96,217,004	6,099,466
1100	Excess (deficiency) of revenues over expenditures	(7,976,079)	(3,176,079)	2,241,882	5,417,961
Other Financing Sources (Uses)					
7912	Sale of real or personal property	-	-	50,764	50,764
7915	Transfers in	-	-	450,851	450,851
8911	Transfers out	-	-	(315,000)	(315,000)
7080	Total Other Financing Sources (Uses)	-	-	186,615	186,615
1200	Net change in fund balances	(7,976,079)	(3,176,079)	2,428,497	5,604,576
0100	Fund Balance - September 1 (Beginning)	29,918,125	29,918,125	29,918,125	29,918,125
3000	Fund Balance - August 31 (Ending)	\$ 21,942,046	\$ 26,742,046	\$ 32,346,622	\$ 5,604,576

GALVESTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

A. Budgets and Budgetary Accounting

The District adopts annual appropriations type budgets for the General Fund, Child Nutrition Program Fund, and the Debt Service Fund using the same method of accounting as for financial reporting, as required by law. The remaining Special Revenue Funds (primarily federal grant programs) utilize a managerial type budget approved at the fund level and amended as necessary when the Notices of Grant Awards are received. These grants are subject to Federal, State and locally imposed project length budgets and monitoring through submission of reimbursement reports.

Expenditures may not legally exceed budgeted appropriations at the function or activity level. Expenditure requests which would require an increase in total budgeted appropriations must be approved by the Trustees through formal budget amendment. State law prohibits trustees from making budget appropriations in excess of funds available and estimated revenues. State law also prohibits amendment of the budget after fiscal year end. Supplemental appropriations were made to the General Fund, Food Service Fund and Debt Service Fund during the fiscal year ended August 31, 2022.

The administrative level at which responsibility for control of budgeted appropriations begins is at the organizational level within each function of operations. The finance department reviews closely the expenditure requests submitted by the various organizational heads (principal and department heads) throughout the year to ensure proper spending compliance. No public funds of the District shall be expended in any manner other than as provided for in the budget adopted by the Board of Trustees.

The official school budget was prepared for adoption for budgeted governmental fund types by August 31, 2021. The budget was formally adopted by the Board of Trustees at a duly advertised public meeting prior to the expenditure of funds. The final amended budget is filed with the Texas Education Agency (TEA) through inclusion in the annual financial and compliance report.

Encumbrance accounting is utilized in all government fund types. Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at year-end and encumbrances outstanding at that time are appropriately provided for in the subsequent year's budget.

GALVESTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
LAST EIGHT MEASUREMENT YEARS

Exhibit G-2

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of the net pension liability	0.0486%	0.0452%	0.0473%	0.0452%
District's proportionate share of the net pension liability	\$ 12,374,372	\$ 24,196,225	\$ 24,564,196	\$ 24,855,801
State's proportionate share of the net pension liability associated with the District	15,940,424	33,401,348	33,650,759	35,084,192
Total	<u>\$ 28,314,796</u>	<u>\$ 57,597,573</u>	<u>\$ 58,214,955</u>	<u>\$ 59,939,993</u>
District's covered payroll (for Measurement Year)	\$ 51,477,625	\$ 48,848,474	\$ 44,848,474	\$ 44,365,365
District's proportionate share of the net pension liability (asset) as a percentage of covered payroll	24.04%	49.53%	54.77%	56.03%
Plan fiduciary net position as a percentage of the total pension liability	88.79%	75.54%	75.25%	73.34%
Plan's net pension liability as a percentage of covered payroll ¹	51.08%	110.36%	114.93%	126.11%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.0457%	0.0490%	0.0527%	0.0316%
District's proportionate share of the net pension liability	\$ 14,627,732	\$ 18,517,405	\$ 18,644,868	\$ 8,444,136
State's proportionate share of the net pension liability associated with the District	20,805,798	24,920,877	23,289,869	18,734,703
Total	<u>\$ 35,433,530</u>	<u>\$ 43,438,282</u>	<u>\$ 41,934,737</u>	<u>\$ 27,178,839</u>
District's covered payroll (for Measurement Year)	\$ 43,545,952	\$ 43,787,789	\$ 42,319,177	\$ 36,658,444
District's proportionate share of the net pension liability (asset) as a percentage of covered payroll	33.59%	42.29%	44.06%	23.03%
Plan fiduciary net position as a percentage of the total pension liability	82.17%	78.00%	78.43%	83.25%
Plan's net pension liability as a percentage of covered payroll ¹	75.93%	92.75%	91.94%	72.89%

¹ Per Teacher Retirement System of Texas' Annual Comprehensive Financial Report

Note: Ten years of data should be presented in this schedule but data is unavailable prior to fiscal year 2015. The amounts are presented for each Plan year which ends the preceding August 31 of the District's fiscal year. Net pension liability is calculated in accordance with GASB 68.

GALVESTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
LAST NINE FISCAL YEARS

Exhibit G-3

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contributions	\$ 2,600,557	\$ 1,982,690	\$ 1,653,953	\$ 1,654,008	\$ 1,519,598
Contributions in relation to the contractual required contributions	<u>2,600,557</u>	<u>1,982,690</u>	<u>1,653,953</u>	<u>1,654,008</u>	<u>1,519,598</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 56,708,397	\$ 51,477,625	\$ 48,848,474	\$ 47,736,256	\$ 44,365,365
Contributions as a percentage of covered payroll	4.59%	3.85%	3.39%	3.46%	3.43%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Contractually required contributions	\$ 1,499,351	\$ 1,556,573	\$ 1,561,821	\$ 801,464	
Contributions in relation to the contractual required contributions	<u>1,499,351</u>	<u>1,556,573</u>	<u>1,561,821</u>	<u>801,464</u>	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
District's covered payroll	\$ 43,545,952	\$ 43,787,789	\$ 42,319,177	\$ 36,658,444	
Contributions as a percentage of covered payroll	3.44%	3.55%	3.69%	2.19%	

Note: Ten years of data should be presented in this schedule but data is unavailable prior to fiscal year 2014.
Net pension liability is calculated in accordance with GASB 68.

GALVESTON INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION

Changes of Assumptions

Measurement Year 2018: The discount rate changed from 8.0% as of August 31, 2017 to a blended rate of 6.907% as of August 31, 2018. The long-term assumed rate of return changed from 8.0% as of August 31, 2017 to 7.25% as of August 31, 2018. Demographic and economic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2017. The total pension liability as of August 31, 2018 was developed using a roll-forward method from the August 31, 2017 valuation.

Measurement Year 2020: The state and employer contribution rate changed from 6.8% to 7.5%. The 1.5% public education employer contribution applied to just employers whose employees were not covered by OASDI in 2019 and it changed in 2020 to apply to all public schools, charter schools and regional education centers irrespective of participation in OASDI.

Measurement Year 2021: The public education employer contribution rate changed from 1.5% in 2020 to 1.6% in 2021.

GALVESTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
LAST FIVE MEASUREMENT YEARS

Exhibit G-4

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of the net liability for OPEB	0.0669%	0.0660%	0.0710%	0.0662%
District's proportionate share of net OPEB liability	\$ 25,815,260	\$ 25,071,169	\$ 33,582,069	\$ 33,058,726
State's proportionate share of the net OPEB liability associated with the District	34,586,695	33,689,642	44,623,059	36,601,566
Total	<u>\$ 60,401,955</u>	<u>\$ 58,760,811</u>	<u>\$ 78,205,128</u>	<u>\$ 69,660,292</u>
District's covered payroll	\$ 51,477,625	\$ 48,848,474	\$ 48,848,474	\$ 44,365,365
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	50.15%	51.32%	68.75%	74.51%
Plan fiduciary net position as a percentage of the total OPEB liability	6.18%	4.99%	2.66%	1.57%
Plan's net OPEB liability as a percentage of covered payroll ¹	100.13%	101.46%	135.21%	146.64%
	<u>2017</u>			
District's proportion of the net liability for OPEB	0.0693%			
District's proportionate share of net OPEB liability	\$ 30,124,471			
State's proportionate share of the net OPEB liability associated with the District	32,550,412			
Total	<u>\$ 62,674,883</u>			
District's covered payroll	\$ 43,545,952			
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	69.18%			
Plan fiduciary net position as a percentage of the total OPEB liability	0.91%			
Plan's net OPEB liability as a percentage of covered payroll ¹	132.55%			

¹ Per Teacher Retirement System of Texas' Annual Comprehensive Financial Report

Note: Ten years of data should be presented in this schedule but data is unavailable prior to fiscal year 2018. The amounts are presented for each Plan year which ends the preceding August 31 of the District's fiscal year. Net OPEB liability is calculated in accordance with GASB 75.

GALVESTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
LAST FIVE FISCAL YEARS

Exhibit G-5

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contributions	\$ 590,201	\$ 507,832	\$ 503,983	\$ 504,518
Contributions in relation to the contractual required contributions	590,201	507,832	503,983	504,518
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 56,708,397	\$ 51,477,625	\$ 48,848,474	\$ 47,736,256
Contributions as a percentage of covered payroll	1.04%	0.99%	1.03%	1.06%
	<u>2018</u>			
Contractually required contributions	\$ 411,882			
Contributions in relation to the contractual required contributions	411,882			
Contribution deficiency (excess)	<u>\$ -</u>			
District's covered payroll	\$ 44,365,365			
Contributions as a percentage of covered payroll	0.93%			

Note: Ten years of data should be presented in this schedule but data is unavailable prior to fiscal year 2018.
Net OPEB liability is calculated in accordance with GASB 75.

GALVESTON INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - OPEB

Changes of Assumptions

Measurement Year 2018: The discount rate changed from 3.42% as of August 31, 2017 to 3.69% as of August 31, 2018, updated the health care trend rate assumption, and revised demographic and economic assumptions based on the TRS experience study.

Measurement Year 2019: The discount rate changed from 3.69% as of August 31, 2018 to 2.63% as of August 31, 2019, lowered the participation rates and updated the health care trend rate assumption.

Measurement Year 2020: The discount rate changed from 2.63% as of August 31, 2019 to 2.33% as of August 31, 2020, lowered the participation rate assumption for employees who retire after the age of 65, and lowered the ultimate health care trend rate assumption to reflect the repeal of the excise (Cadillac) tax on high-cost employer health plans.

Measurement Year 2021: The discount rate changed from 2.33% as of August 31, 2020 to 1.95% as of August 31, 2021.

OTHER SUPPLEMENTARY INFORMATION



GALVESTON INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
August 31, 2022

Exhibit H-1
Page 1 of 7

Data Control Codes		206	211	224	225
		ESEA Title X, Pt. C TEXSHEP	ESEA Title I, Part A, Improving Basic Programs	IDEA-B Formula	IDEA-B Preschool
Assets					
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
	Receivables:				
	Receivables from other				
1240	governments	18,933	637,878	237,007	11,180
1260	Due from other funds	-	-	-	-
1290	Other receivables	-	-	-	-
1310	Inventories, at cost	-	-	-	-
1000	Total Assets	<u>\$ 18,933</u>	<u>\$ 637,878</u>	<u>\$ 237,007</u>	<u>\$ 11,180</u>
Liabilities, Deferred Inflows, and Fund Balances					
Liabilities:					
2110	Accounts payable	\$ -	\$ -	\$ 843	\$ -
2160	Accrued wages payable	-	12,859	96,048	3,954
2170	Due to other funds	18,933	625,019	140,116	7,226
2300	Unearned revenues	-	-	-	-
2000	Total Liabilities	<u>18,933</u>	<u>637,878</u>	<u>237,007</u>	<u>11,180</u>
Fund Balances:					
Restricted:					
3450	Grant restrictions	-	-	-	-
Committed:					
3545	Other purposes	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 18,933</u>	<u>\$ 637,878</u>	<u>\$ 237,007</u>	<u>\$ 11,180</u>

GALVESTON INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
August 31, 2022

Exhibit H-1
Page 2 of 7

Data Control Codes		240	242	244	255
		Child Nutrition	Summer Food Service Program	Carl Perkins	Title II, Part A TPTR
Assets					
1110	Cash and cash equivalents	\$ 3,047,834	\$ 5,717	\$ -	\$ -
	Receivables:				
	Receivables from other				
1240	governments	210,634	6,846	-	37,430
1260	Due from other funds	-	-	-	-
1290	Other receivables	-	-	-	-
1310	Inventories, at cost	125,408	-	-	-
1000	Total Assets	<u>\$ 3,383,876</u>	<u>\$ 12,563</u>	<u>\$ -</u>	<u>\$ 37,430</u>
Liabilities, Deferred Inflows, and Fund Balances					
Liabilities:					
2110	Accounts payable	\$ 58,889	\$ -	\$ -	\$ -
2160	Accrued wages payable	82,738	-	-	-
2170	Due to other funds	-	-	-	37,430
2300	Unearned revenues	-	-	-	-
2000	Total Liabilities	<u>141,627</u>	<u>-</u>	<u>-</u>	<u>37,430</u>
Fund Balances:					
Restricted:					
3450	Grant restrictions	3,242,249	12,563	-	-
Committed:					
3545	Other purposes	-	-	-	-
3000	Total Fund Balances	<u>3,242,249</u>	<u>12,563</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 3,383,876</u>	<u>\$ 12,563</u>	<u>\$ -</u>	<u>\$ 37,430</u>

GALVESTON INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
August 31, 2022

Exhibit H-1
Page 3 of 7

Data Control Codes		263	265	278	288
		Title III, Part A ELA	21st Century Grant	ARP - Homeless Children and Youth	Magnet/Apex
Assets					
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
	Receivables:				
	Receivables from other				
1240	governments	26,253	225,784	8,620	357,132
1260	Due from other funds	-	-	-	-
1290	Other receivables	-	-	-	-
1310	Inventories, at cost	-	-	-	-
1000	Total Assets	<u>\$ 26,253</u>	<u>\$ 225,784</u>	<u>\$ 8,620</u>	<u>\$ 357,132</u>
Liabilities, Deferred Inflows, and Fund Balances					
Liabilities:					
2110	Accounts payable	\$ -	\$ 389	\$ -	\$ 92,326
2160	Accrued wages payable	-	-	-	3,640
2170	Due to other funds	26,253	225,395	8,620	261,166
2300	Unearned revenues	-	-	-	-
2000	Total Liabilities	<u>26,253</u>	<u>225,784</u>	<u>8,620</u>	<u>357,132</u>
Fund Balances:					
Restricted:					
3450	Grant restrictions	-	-	-	-
Committed:					
3545	Other purposes	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 26,253</u>	<u>\$ 225,784</u>	<u>\$ 8,620</u>	<u>\$ 357,132</u>

GALVESTON INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
August 31, 2022

Exhibit H-1
Page 4 of 7

Data Control Codes		289	397	410	427
		Other Federal Grants	Advanced Placement Incentive	Instructional Materials Allotment	Peace Officer / CTE Certificate
Assets					
1110	Cash and cash equivalents	\$ -	\$ 10,336	\$ -	\$ -
	Receivables:				
	Receivables from other				
1240	governments	277,461	-	86,869	-
1260	Due from other funds	-	595	-	-
1290	Other receivables	-	-	-	-
1310	Inventories, at cost	-	-	-	-
1000	Total Assets	<u>\$ 277,461</u>	<u>\$ 10,931</u>	<u>\$ 86,869</u>	<u>\$ -</u>
Liabilities, Deferred Inflows, and Fund Balances					
Liabilities:					
2110	Accounts payable	\$ -	\$ -	\$ 9,719	\$ -
2160	Accrued wages payable	-	-	-	-
2170	Due to other funds	277,461	-	77,150	-
2300	Unearned revenues	-	-	-	-
2000	Total Liabilities	<u>277,461</u>	<u>-</u>	<u>86,869</u>	<u>-</u>
Fund Balances:					
Restricted:					
3450	Grant restrictions	-	10,931	-	-
Committed:					
3545	Other purposes	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>10,931</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 277,461</u>	<u>\$ 10,931</u>	<u>\$ 86,869</u>	<u>\$ -</u>

GALVESTON INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
August 31, 2022

Exhibit H-1
Page 5 of 7

Data Control Codes		429	437	460	461
		Other State Special Revenue Funds	SSA - Orientation & Mobility	Community Youth Development	Campus Activity Funds
Assets					
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 382,547
	Receivables:				
	Receivables from other				
1240	governments	-	-	-	-
1260	Due from other funds	-	-	-	20
1290	Other receivables	-	-	55,960	-
1310	Inventories, at cost	-	-	-	-
1000	Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,960</u>	<u>\$ 382,567</u>
Liabilities, Deferred Inflows, and Fund Balances					
Liabilities:					
2110	Accounts payable	\$ -	\$ -	\$ 465	\$ 19,522
2160	Accrued wages payable	-	-	-	-
2170	Due to other funds	-	-	55,495	-
2300	Unearned revenues	-	-	-	-
2000	Total Liabilities	<u>-</u>	<u>-</u>	<u>55,960</u>	<u>19,522</u>
Fund Balances:					
Restricted:					
3450	Grant restrictions	-	-	-	-
Committed:					
3545	Other purposes	-	-	-	363,045
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>363,045</u>
4000	Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,960</u>	<u>\$ 382,567</u>

GALVESTON INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
August 31, 2022

Exhibit H-1
Page 6 of 7

Data Control Codes		480	482	484	486
		Miscellaneous Local Grants	Moody Grants	Galveston Education Foundation	Miscellaneous Donations Stipulations
Assets					
1110	Cash and cash equivalents	\$ -	\$ 7,063,326	\$ 31,457	\$ 159,427
	Receivables:				
	Receivables from other				
1240	governments	-	-	-	-
1260	Due from other funds	-	-	-	-
1290	Other receivables	121,222	-	18,631	-
1310	Inventories, at cost	-	-	-	-
1000	Total Assets	<u>\$ 121,222</u>	<u>\$ 7,063,326</u>	<u>\$ 50,088</u>	<u>\$ 159,427</u>
Liabilities, Deferred Inflows, and Fund Balances					
Liabilities:					
2110	Accounts payable	\$ 132	\$ 149,596	\$ 2,030	\$ -
2160	Accrued wages payable	27,831	23,868	-	-
2170	Due to other funds	89,235	-	20	-
2300	Unearned revenues	-	-	48,038	-
2000	Total Liabilities	<u>117,198</u>	<u>173,464</u>	<u>50,088</u>	<u>-</u>
Fund Balances:					
Restricted:					
3450	Grant restrictions	4,024	6,889,862	-	159,427
Committed:					
3545	Other purposes	-	-	-	-
3000	Total Fund Balances	<u>4,024</u>	<u>6,889,862</u>	<u>-</u>	<u>159,427</u>
4000	Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 121,222</u>	<u>\$ 7,063,326</u>	<u>\$ 50,088</u>	<u>\$ 159,427</u>

GALVESTON INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
August 31, 2022

499

<u>Data Control Codes</u>		<u>Donations No Stipulations</u>	<u>Total Nonmajor Governmental Funds</u>
Assets			
1110	Cash and cash equivalents	\$ 12,724	\$ 10,713,368
	Receivables:		
	Receivables from other		
1240	governments	-	2,142,027
1260	Due from other funds	-	615
1290	Other receivables	-	195,813
1310	Inventories, at cost	-	125,408
1000	Total Assets	<u>\$ 12,724</u>	<u>13,177,231</u>
Liabilities, Deferred Inflows, and Fund Balances			
Liabilities:			
2110	Accounts payable	\$ -	333,911
2160	Accrued wages payable	-	250,938
2170	Due to other funds	-	1,849,519
2300	Unearned revenues	-	48,038
2000	Total Liabilities	<u>-</u>	<u>2,482,406</u>
Fund Balances:			
Restricted:			
3450	Grant restrictions	12,724	10,331,780
Committed:			
3545	Other purposes	-	363,045
3000	Total Fund Balances	<u>12,724</u>	<u>10,694,825</u>
4000	Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 12,724</u>	<u>\$ 13,177,231</u>

GALVESTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended August 31, 2022

Exhibit H-2
Page 1 of 7

Data Control Codes		206	211	224	225
		ESEA Title X, Pt. C TEXSHEP	ESEA Title I, Part A, Improving Basic Programs	IDEA-B Formula	IDEA-B Preschool
Revenues					
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	64,040	1,917,427	1,560,388	54,993
5020	Total Revenues	<u>64,040</u>	<u>1,917,427</u>	<u>1,560,388</u>	<u>54,993</u>
Expenditures					
Current:					
0011	Instruction	-	834,840	1,019,508	54,993
0012	Instruction resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	-	710,800	-	-
0021	Instructional leadership	-	302,834	2,557	-
0023	School leadership	-	-	-	-
0031	Guidance, counseling and evaluation services	-	-	538,323	-
0032	Social work services	-	59,392	-	-
0033	Health services	-	9,561	-	-
0034	Student transportation	-	-	-	-
0035	Food service	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Plant maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	64,040	-	-	-
Capital outlay:					
0081	Facilities acquisition and construction	-	-	-	-
6030	Total Expenditures	<u>64,040</u>	<u>1,917,427</u>	<u>1,560,388</u>	<u>54,993</u>
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other Financing Sources (Uses)					
8911	Transfers out	-	-	-	-
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	-	-	-	-
0100	Fund Balance - September 1 (Beginning)	-	-	-	-
3000	Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

GALVESTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended August 31, 2022

Exhibit H-2
Page 2 of 7

Data Control Codes		240	242	244	255
		Child Nutrition	Summer Food Service Program	Carl Perkins	Title II, Part A TPTR
Revenues					
5700	Local, intermediate, and out-of-state	\$ 398,368	\$ -	\$ -	\$ -
5800	State program revenues	3,985	-	-	-
5900	Federal program revenues	5,706,552	158,123	103,560	292,937
5020	Total Revenues	<u>6,108,905</u>	<u>158,123</u>	<u>103,560</u>	<u>292,937</u>
Expenditures					
Current:					
0011	Instruction	-	-	103,560	87,320
0012	Instruction resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	-	-	-	205,617
0021	Instructional leadership	-	-	-	-
0023	School leadership	-	-	-	-
0031	Guidance, counseling and evaluation services	-	-	-	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food service	5,060,872	145,560	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Plant maintenance and operations	244,479	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	-	-	-
Capital outlay:					
0081	Facilities acquisition and construction	-	-	-	-
6030	Total Expenditures	<u>5,305,351</u>	<u>145,560</u>	<u>103,560</u>	<u>292,937</u>
1100	Excess (deficiency) of revenues over (under) expenditures	<u>803,554</u>	<u>12,563</u>	-	-
Other Financing Sources (Uses)					
8911	Transfers out	-	-	-	-
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	803,554	12,563	-	-
0100	Fund Balance - September 1 (Beginning)	2,438,695	-	-	-
3000	Fund Balance - August 31 (Ending)	<u>\$ 3,242,249</u>	<u>\$ 12,563</u>	<u>\$ -</u>	<u>\$ -</u>

GALVESTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended August 31, 2022

Exhibit H-2
Page 3 of 7

Data Control Codes		263	265	278	288
		Title III, Part A ELA	21st Century Grant	ARP - Homeless Children and Youth	Magnet/Apex
Revenues					
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	172,094	1,368,030	7,470	1,577,594
5020	Total Revenues	<u>172,094</u>	<u>1,368,030</u>	<u>7,470</u>	<u>1,577,594</u>
Expenditures					
Current:					
0011	Instruction	96,179	962,305	-	279,556
0012	Instruction resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	75,915	282,028	-	992,578
0021	Instructional leadership	-	79,009	-	160,997
0023	School leadership	-	-	-	-
0031	Guidance, counseling and evaluation services	-	-	-	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food service	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Plant maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	44,688	7,470	61,588
Capital outlay:					
0081	Facilities acquisition and construction	-	-	-	82,875
6030	Total Expenditures	<u>172,094</u>	<u>1,368,030</u>	<u>7,470</u>	<u>1,577,594</u>
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other Financing Sources (Uses)					
8911	Transfers out	-	-	-	-
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	-	-	-	-
0100	Fund Balance - September 1 (Beginning)	-	-	-	-
3000	Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

GALVESTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended August 31, 2022

Exhibit H-2
Page 4 of 7

Data Control Codes		289	397	410	427
		Other Federal Grants	Advanced Placement Incentive	Instructional Materials Allotment	Peace Officer / CTE Certificate
Revenues					
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	595	90,164	-
5900	Federal program revenues	2,694,289	-	-	-
5020	Total Revenues	<u>2,694,289</u>	<u>595</u>	<u>90,164</u>	<u>-</u>
Expenditures					
Current:					
0011	Instruction	1,754,714	595	90,164	-
0012	Instruction resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	734,037	-	-	-
0021	Instructional leadership	35,325	-	-	-
0023	School leadership	60	-	-	-
0031	Guidance, counseling and evaluation services	-	-	-	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food service	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Plant maintenance and operations	170,153	-	-	-
0052	Security and monitoring services	-	-	-	7,387
0053	Data processing services	-	-	-	-
0061	Community services	-	-	-	-
Capital outlay:					
0081	Facilities acquisition and construction	-	-	-	-
6030	Total Expenditures	<u>2,694,289</u>	<u>595</u>	<u>90,164</u>	<u>7,387</u>
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	-	(7,387)
Other Financing Sources (Uses)					
8911	Transfers out	-	-	-	-
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	-	-	-	(7,387)
0100	Fund Balance - September 1 (Beginning)	-	10,931	-	7,387
3000	Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ 10,931</u>	<u>\$ -</u>	<u>\$ -</u>

GALVESTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended August 31, 2022

Exhibit H-2
Page 5 of 7

Data Control Codes		429	437	460	461
		Other State Special Revenue Funds	SSA - Orientation & Mobility	Community Youth Development	Campus Activity Funds
Revenues					
5700	Local, intermediate, and out-of-state	\$ -	\$ 155,797	\$ 63,521	\$ 534,410
5800	State program revenues	5,039	-	-	-
5900	Federal program revenues	-	-	-	-
5020	Total Revenues	<u>5,039</u>	<u>155,797</u>	<u>63,521</u>	<u>534,410</u>
Expenditures					
Current:					
0011	Instruction	350	155,697	64,455	200
0012	Instruction resources and media services	28	-	-	9,566
0013	Curriculum and instructional staff development	-	100	-	-
0021	Instructional leadership	-	-	-	-
0023	School leadership	-	-	-	-
0031	Guidance, counseling and evaluation services	-	-	-	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food service	-	-	-	-
0036	Extracurricular activities	-	-	-	432,574
0041	General administration	-	-	-	-
0051	Plant maintenance and operations	4,661	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	-	-	-
Capital outlay:					
0081	Facilities acquisition and construction	-	-	-	-
6030	Total Expenditures	<u>5,039</u>	<u>155,797</u>	<u>64,455</u>	<u>442,340</u>
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	(934)	92,070
Other Financing Sources (Uses)					
8911	Transfers out	-	-	-	-
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	-	-	(934)	92,070
0100	Fund Balance - September 1 (Beginning)	-	-	934	270,975
3000	Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 363,045</u>

GALVESTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended August 31, 2022

Exhibit H-2
Page 6 of 7

Data Control Codes		480	482	484	486
		Miscellaneous Local Grants	Moody Grants	Galveston Education Foundation	Miscellaneous Donations Stipulations
Revenues					
5700	Local, intermediate, and out-of-state	\$ 490,316	\$ 6,250,782	\$ 210,481	\$ 126,282
5800	State program revenues	8,562	18,249	1,521	-
5900	Federal program revenues	-	-	-	-
5020	Total Revenues	<u>498,878</u>	<u>6,269,031</u>	<u>212,002</u>	<u>126,282</u>
Expenditures					
Current:					
0011	Instruction	520,165	4,256,301	135,666	589
0012	Instruction resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	4,217	116,976	-	3,095
0021	Instructional leadership	-	443,937	1,135	-
0023	School leadership	-	-	-	-
0031	Guidance, counseling and evaluation services	-	-	-	-
0032	Social work services	6,141	-	-	14,343
0033	Health services	-	3,913	-	-
0034	Student transportation	-	90,819	-	-
0035	Food service	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	75,201	-
0051	Plant maintenance and operations	-	193,612	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	121,249	-	-
0061	Community services	4,378	-	-	5,120
Capital outlay:					
0081	Facilities acquisition and construction	-	-	-	-
6030	Total Expenditures	<u>534,901</u>	<u>5,226,807</u>	<u>212,002</u>	<u>23,147</u>
1100	Excess (deficiency) of revenues over (under) expenditures	<u>(36,023)</u>	<u>1,042,224</u>	<u>-</u>	<u>103,135</u>
Other Financing Sources (Uses)					
8911	Transfers out	(450,851)	-	-	-
7080	Total Other Financing Sources (Uses)	<u>(450,851)</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	(486,874)	1,042,224	-	103,135
0100	Fund Balance - September 1 (Beginning)	<u>490,898</u>	<u>5,847,638</u>	<u>-</u>	<u>56,292</u>
3000	Fund Balance - August 31 (Ending)	<u>\$ 4,024</u>	<u>\$ 6,889,862</u>	<u>\$ -</u>	<u>\$ 159,427</u>

GALVESTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended August 31, 2022

Exhibit H-2
Page 7 of 7

		499	
Data Control Codes		Donations No Stipulations	Total Nonmajor Governmental Funds
Revenues			
5700	Local, intermediate, and out-of-state	\$ -	\$ 8,229,957
5800	State program revenues	-	128,115
5900	Federal program revenues	-	15,677,497
5020	Total Revenues	<u>-</u>	<u>24,035,569</u>
Expenditures			
Current:			
0011	Instruction	-	10,417,157
0012	Instruction resources and media services	-	9,594
0013	Curriculum and instructional staff development	-	3,125,363
0021	Instructional leadership	-	1,025,794
0023	School leadership	-	60
0031	Guidance, counseling and evaluation services	-	538,323
0032	Social work services	-	79,876
0033	Health services	-	13,474
0034	Student transportation	-	90,819
0035	Food service	-	5,206,432
0036	Extracurricular activities	-	432,574
0041	General administration	-	75,201
0051	Plant maintenance and operations	-	612,905
0052	Security and monitoring services	-	7,387
0053	Data processing services	-	121,249
0061	Community services	-	187,284
Capital outlay:			
0081	Facilities acquisition and construction	-	82,875
6030	Total Expenditures	<u>-</u>	<u>22,026,367</u>
1100	Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>2,009,202</u>
Other Financing Sources (Uses)			
8911	Transfers out	-	(450,851)
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>(450,851)</u>
1200	Net change in fund balances	-	1,558,351
0100	Fund Balance - September 1 (Beginning)	12,724	9,136,474
3000	Fund Balance - August 31 (Ending)	<u>\$ 12,724</u>	<u>\$ 10,694,825</u>

REQUIRED TEA SCHEDULES



GALVESTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
For the Year Ended August 31, 2022

Exhibit J-1

	1	2	3	10	20	31	32	40	50	
Last Ten Fiscal Years	Tax Rates		Net Assessed/Appraised Value For School Tax Purposes	Beginning Balance 9/1/21	Current Year's Total Levy	Maintenance Total Collections	Debt Service Total Collections	Entire Year's Adjustments	Ending Balance 8/31/22	
	Maintenance	Debt Service								
2013 and prior	Various	Various	Various	\$ 618,537	\$ -	\$ 66,038	\$ 7,528	\$ (45,220)	\$ 499,751	
2014	\$1.0400	\$0.1250	\$5,267,605,064	121,380	-	10,277	1,235	97	109,965	
2015	1.0600	0.0950	5,544,074,372	156,087	-	15,070	1,351	463	140,129	
2016	1.0600	0.0950	6,110,222,857	181,399	-	14,597	1,308	(11,153)	154,341	
2017	1.0600	0.0950	6,744,449,177	227,398	-	30,175	2,704	3,384	197,903	
2018	1.0600	0.0950	7,099,369,004	284,929	-	61,646	5,524	1,926	219,685	
2019	1.0600	0.0950	7,308,451,169	553,868	-	97,094	8,702	(1,557)	446,515	
2020	0.9900	0.0950	7,501,810,481	759,681	-	165,847	15,914	(46,580)	531,340	
2021	0.9314	0.0950	8,369,247,272	1,571,213	-	214,079	21,835	(624,869)	710,430	
2022	0.8820	0.0812	9,924,685,617	-	95,594,572	85,678,097	7,887,824	-	2,028,651	
1000 Totals				<u>\$ 4,474,492</u>	<u>\$ 95,594,572</u>	<u>\$ 86,352,920</u>	<u>\$ 7,953,925</u>	<u>\$ (723,509)</u>	<u>5,038,710</u>	
									Penalty and interest receivable on taxes	<u>2,679,179</u>
									Total taxes receivable per Exhibit C-1	<u>\$ 7,717,889</u>

GALVESTON INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
CHILD NUTRITION PROGRAM FUND
For the Year Ended August 31, 2022

Exhibit J-2

Data Control Codes		Budgeted Amounts			Variance with Final Budget - Positive (Negative)
		Original	Final	Actual	
Revenues					
5700	Local, intermediate, and out-of-state	\$ 390,000	\$ 390,000	\$ 398,368	\$ 8,368
5800	State program revenues	18,000	18,000	3,985	(14,015)
5900	Federal program revenues	5,050,000	5,392,000	5,706,552	314,552
5020	Total Revenues	<u>5,458,000</u>	<u>5,800,000</u>	<u>6,108,905</u>	<u>308,905</u>
Expenditures					
Current:					
0035	Food service	55,555,240	5,305,240	5,060,872	244,368
0051	Plant maintenance and operations	558,985	808,985	244,479	564,506
6030	Total Expenditures	<u>56,114,225</u>	<u>6,114,225</u>	<u>5,305,351</u>	<u>808,874</u>
1100	Excess (deficiency) of revenues over (under) expenditures	<u>(50,656,225)</u>	<u>(314,225)</u>	<u>803,554</u>	<u>1,117,779</u>
1200	Net change in fund balances	(50,656,225)	(314,225)	803,554	1,117,779
0100	Fund Balance - September 1 (Beginning)	<u>2,438,695</u>	<u>2,438,695</u>	<u>2,438,695</u>	<u>2,438,695</u>
3000	Fund Balance - August 31 (Ending)	<u>\$ (48,217,530)</u>	<u>\$ 2,124,470</u>	<u>\$ 3,242,249</u>	<u>\$ 1,117,779</u>

GALVESTON INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
For the Year Ended August 31, 2022

Exhibit J-3

Data Control Codes		Budgeted Amounts			Variance with Final Budget - Positive (Negative)
		Original	Final	Actual	
Revenues					
5700	Local, intermediate, and out-of-state	\$ 8,336,022	\$ 8,336,022	\$ 8,136,392	\$ (199,630)
5800	State program revenues	59,978	59,978	44,303	(15,675)
5020	Total Revenues	8,396,000	8,396,000	8,180,695	(215,305)
Expenditures					
Debt service:					
0071	Principal on long-term debt	5,745,000	5,745,000	5,440,000	305,000
0072	Interest on long-term debt	1,945,000	2,255,000	2,242,443	12,557
6030	Total Expenditures	7,690,000	8,000,000	7,682,443	317,557
1100	Excess (deficiency) of revenues over (under) expenditures	706,000	396,000	498,252	102,252
1200	Net change in fund balances	706,000	396,000	498,252	102,252
0100	Fund Balance - September 1 (Beginning)	5,065,866	5,065,866	5,065,866	5,065,866
3000	Fund Balance - August 31 (Ending)	\$ 5,771,866	\$ 5,461,866	\$ 5,564,118	\$ 102,252

GALVESTON INDEPENDENT SCHOOL DISTRICT
COMPENSATORY EDUCATION PROGRAM AND BILINGUAL EDUCATION PROGRAM COMPLIANCE RESPONSES
For the Year Ended August 31, 2022

Exhibit J-4

<u>Data Codes</u>	<u>Section A: Compensatory Education Programs</u>	<u>Responses</u>
AP1	Did your LEA expend any state compensatory education program state allotment funds during the district’s fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district’s fiscal year.	\$ 8,337,943
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA’s fiscal year. (PICs 24, 26, 28, 29, 30, 34)	\$ 3,605,299
<u>Section B: Bilingual Education Programs</u>		
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA’s fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA’s fiscal year.	\$ 948,321
AP8	List the actual direct program expenditures for bilingual education programs during the LEA’s fiscal year. (PICs 25, 35)	\$ 795,755

GALVESTON INDEPENDENT SCHOOL DISTRICT
REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
For the Year Ended August 31, 2022

Exhibit L-1

SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF3	Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If the school district was issued a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered to not have made timely payments.) Payments to the TRS and TWC are considered timely if a warrant hold that was issued in connection to the untimely payment was cleared within 30 days from the date the warrant hold was issued. Payments to the IRS are considered timely if a penalty or delinquent payment notice was cleared within 30 days from the date the notice was issued.	Yes
SF4	Was the school district issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the school district is considered to have been issued a warrant hold.	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end.	\$ -0-

NOTE: This schedule is to be included as part of the annual financial audit report (AFR) submission



FEDERAL AWARDS SECTION



**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Trustees
Galveston Independent School District
Galveston, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Galveston Independent School District (the “District”), as of and for the year ended August 31, 2022, and the related notes to the financial statements, which collectively comprise District’s basic financial statements, and have issued our report thereon dated December 14, 2022.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Board of Trustees
Galveston Independent School District

Purpose of this Report

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

Houston, Texas
December 14, 2022

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Trustees
Galveston Independent School District
Galveston, Texas

Report on Compliance for the Major Federal Program

Opinion on Each Major Program

We have audited Galveston Independent School District’s (the “District”) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District’s major federal program for the year ended August 31, 2022. The District’s major federal program is identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal program for the year ended August 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District’s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Board of Trustees
Galveston Independent School District

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Houston, Texas
December 14, 2022



GALVESTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended August 31, 2022

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness (es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness (es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Type of auditors' report issued on compliance with major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a) ?	No

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>Assistance Listing Number (ALN)</u>
ESEA, Title I, Part A - Improving Basic Programs	84.010A
Title I 1003 School Improvement	84.010A
School Action Fund	84.010A
COVID-19 - CRRSA Act ESSER II	84.425D
COVID-19 - ARP Act ESSER III	84.425U
COVID-19 - ARP Homeless I-TEHCY Supplemental	84.425W
Nita M. Lowey 21st CCLC Cycle 10 Year 4	84.287C
Nita M. Lowey 21st CCLC Cycle 10 Year 5	84.287C
Magnet Schools Assistance	84.165A
Texas Teacher and School Leader Incentive	84.374A
COVID-19 - Emergency Connectivity Fund	32.009
Dollar Threshold Considered Between Type A and Type B Federal Programs	\$782,011
Auditee qualified as low risk auditee?	No

GALVESTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
For the Year Ended August 31, 2022

II. Financial Statement Findings

None reported

III. Federal Awards Findings and Questioned Costs

None reported

GALVESTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2022

Exhibit K-1
Page 1 of 2

Fund Code	(1) Federal Grantor/ Pass-Through Grantor/ Program Title	(2) ALN*	(3) Pass Through Entity Identifying Number	(4) Federal Expenditures
U.S. Department of Agriculture				
Passed Through Texas Department of Agriculture:				
<i>National School Lunch Program - USDA Commodities -</i>				
240	<i>Non-cash assistance</i>	10.555	806780706	\$ 458,448
240	<i>2022 Supply Chain Assistance Grant Reallocation Award</i>	10.555	806780706	186,885
242	<i>Summer Food Service Program for Children</i>	10.559	806780706	167,111
Passed Through Texas Education Agency:				
240	<i>National School Breakfast Program</i>	10.553	71402201	1,303,791
240	<i>National School Lunch Program</i>	10.555	71302201	3,679,728
	<i>Total Child Nutrition Cluster (ALN 10.553, 10.555, 10.559)</i>			<u>5,795,963</u>
Passed Through Texas Department of Agriculture:				
240	<i>Child and Adult Care Food Program</i>	10.558	806780706	379,360
240	<i>Fresh Fruit & Vegetable Program</i>	10.582	806780706	69,020
	Total U.S. Department of Agriculture			<u>6,244,343</u>
Federal Communications Commission				
289	<i>COVID-19 - Emergency Connectivity Fund</i>	32.009	ECF202113515	206,325
289	<i>COVID-19 - Emergency Connectivity Fund</i>	32.009	ECF222120182	129,710
289	<i>COVID-19 - Emergency Connectivity Fund</i>	32.009	ECF222120658	1,289,908
	<i>Total ALN 32.009</i>			<u>1,625,943</u>
	Total Federal Communications Commission			<u>1,625,943</u>
U.S. Department of Health and Human Services:				
Passed Through Texas Health and Human Services Commission:				
289	<i>COVID-19 - School Health Support</i>	93.323	393522018490 2	42,498
199	<i>Medicaid Administrative Claiming Program - MAC</i>	93.778	HHS000537900172	27,206
	<i>Total Medicaid Cluster (ALN 93.778)</i>			<u>27,206</u>
	Total U.S. Department of Health and Human Services:			<u>69,704</u>
U.S. Department of Homeland Security:				
Passed Through Texas Division of Emergency Management:				
199	<i>Disaster Grants - Public Assistance - Hurricane Laura (PW #58)</i>	97.036	3540PATXP0000001	96,778
	Total U.S. Department of Homeland Security			<u>96,778</u>
U.S. Department of Education:				
288	<i>Magnet Schools Assistance</i>	84.165A	U165A180033-19	205,695
288	<i>Magnet Schools Assistance</i>	84.165A	U165A180033-19	1,452,543
	<i>Total ALN 84.165</i>			<u>1,658,238</u>

GALVESTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
For the Year Ended August 31, 2022

Exhibit K-1
Page 2 of 2

Fund Code	(1) Federal Grantor/ Pass-Through Grantor/ Program Title	(2) ALN*	(3) Pass Through Entity Identifying Number	(4) Federal Expenditures
Passed Through Texas Education Agency:				
211	ESEA, Title I, Part A - Improving Basic Programs	84.010A	20610101084902	28,043
211	ESEA, Title I, Part A - Improving Basic Programs	84.010A	21610101084902	3,571
211	ESEA, Title I, Part A - Improving Basic Programs	84.010A	22610141084902	1,803,785
211	ESEA, Title I, Part A - Improving Basic Programs	84.010A	23610141084902	12,859
211	Title I 1003 School Improvement	84.010A	21610141084902	353
211	Title I 1003 School Improvement	84.010A	22610141084902	45,214
211	School Action Fund	84.010A	216101627110006	59,467
211	School Action Fund	84.010A	236101627110008	61,597
	<i>Total ALN 84.010</i>			<u>2,014,889</u>
224	IDEA, Part B - Formula	84.027A	226600010849026000	1,639,989
225	IDEA, Part B - Preschool	84.173A	226610010849026000	57,802
	<i>Total Special Education Cluster (ALN 84.027, 84.173)</i>			<u>1,697,791</u>
244	Perkins V: Strengthening CTE for 21st Century	84.048A	22420006084902	108,820
206	Texas Education For Homeless Children & Youth	84.196A	224600057110060	67,319
265	Nita M. Lowey 21st CCLC Cycle 10 Year 4	84.287C	226950267110019	1,415,656
265	Nita M. Lowey 21st CCLC Cycle 10 Year 5	84.287C	236950267110019	21,900
	<i>Total ALN 84.287</i>			<u>1,437,556</u>
263	Title III, Part A - ELA	84.365A	21671001084902	6,712
263	Title III, Part A - ELA	84.365A	22671001084902	174,162
	<i>Total ALN 84.365</i>			<u>180,874</u>
255	Title II, Part A - Supporting Effective Instruction	84.367A	21694501084902	23,051
255	Title II, Part A - Supporting Effective Instruction	84.367A	22694501084902	284,261
255	Title II - Educator Assessments	84.367A	69452171	531
	<i>Total ALN 84.367</i>			<u>307,843</u>
289	LEP Summer School	84.369A	69552002	4,424
289	Lone Star Stem Cycle 1 Year 2	84.411B	203929017110003	3,563
289	Title IV, Part A - Subpart 1	84.424A	21680101084902	8,893
289	Title IV, Part A - Subpart 1	84.424A	22680101084902	79,836
	<i>Total ALN 84.424</i>			<u>88,729</u>
281	COVID-19 - CRRSA Act ESSER II	84.425D	21521001084902	4,912,349
282	COVID-19 - ARP Act ESSER III	84.425U	21528001084902	4,603,567
278	COVID-19 - ARP Homeless I-TEHCY Supplemental	84.425W	215330017110032	8,620
	<i>Total ALN 84.425</i>			<u>9,524,536</u>
Passed Through Region 18 Education Service Center:				
289	Texas Teacher and School Leader Incentive	84.374A	U374A170083	935,669
Total U.S. Department of Education:				<u>18,030,251</u>
Total Expenditures of Federal Awards				<u><u>\$ 26,067,019</u></u>

Note 1 - Summary of Significant Accounting Policies

The District accounts for all awards under federal programs in the General and Special Revenue Funds in accordance with the Texas Education Agency's *Financial Accountability System Resource Guide*. These programs are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets.

Expenditures reported on the Schedule of Expenditures of Federal Awards are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as unearned revenues until earned. Generally, unused balances are returned to the grantor at the close of specified project periods. All federal grants are subject to review by the grantor agencies. Any expenditures identified by the grantor agencies as disallowed could require reimbursement to the grantor agency from the District's general fund.

Note 2 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the District under programs of the federal government for the year ended August 31, 2022. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Uniform Guidance. Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

Note 3 - Reconciliation to Basic Financial Statements

The following is a reconciliation of expenditures of federal awards program per the Schedule of Expenditures of Federal Awards ("SEFA") and expenditures reported on the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds:

Total Expenditures of Federal Awards - Exhibit K-1	\$ 26,067,019
Medicaid SHARS	780,949
JROTC	79,059
Total Federal Revenue - Exhibit C-3	<u>\$ 26,927,027</u>

GALVESTON INDEPENDENT SCHOOL DISTRICT
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2022

Note 4 – General Fund Expenditures

Federal awards reported in the general fund are summarized as follows:

Federal revenue accounted for in General Fund:	
Medicaid SHARS	\$ 780,949
JROTC	79,059
Disaster Grants - Public Assistance - Hurricane Laura (PW #58)	96,778
Medicaid Administrative Claiming Program - MAC	27,206
Indirect Costs:	
COVID-19 - ARP Act ESSER III	614,030
COVID-19 - ARP Homeless I-TEHCY Supplemental	1,150
COVID-19 - CRRSA Act ESSER II	655,215
COVID-19 - School Health Support	2,055
ESEA, Title I, Part A - Improving Basic Programs	89,308
IDEA, Part B - Formula	79,601
IDEA, Part B - Preschool	2,809
Lone Star Stem Cycle 1 Year 2	173
Magnet Schools Assistance	80,644
National School Breakfast Program	96,978
National School Lunch Program	273,702
Nita M. Lowey 21st CCLC Cycle 10 Year 4	68,438
Nita M. Lowey 21st CCLC Cycle 10 Year 5	1,088
Perkins V: Strengthening CTE for 21st Century	5,260
School Action Fund	5,935
Summer Food Service Program for Children	8,988
Texas Education For Homeless Children & Youth	3,279
Title I 1003 School Improvement	2,219
Title II, Part A - Supporting Effective Instruction	14,906
Title III, Part A - ELA	8,780
Title IV, Part A - Subpart 1	4,309
Total Indirect Costs	<u>2,018,867</u>
Total Federal Revenue - Exhibit C-3	<u><u>\$ 3,002,859</u></u>

GALVESTON INDEPENDENT SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended August 31, 2022

Federal regulations, Title 2 U.S. Code of Federal Regulations Section 200.511 states, "The auditee is responsible for follow-up and corrective action on all audit findings. As part of this responsibility, the auditee must prepare a summary schedule of prior audit findings." The summary schedule of prior audit findings must report the status of the following:

- All audit findings included in the prior audit's schedule of findings and questioned costs; and
- All audit findings reported in the prior audit's summary schedule of prior audit findings except audit findings listed as corrected.

I. Prior Audit Findings

None Noted

GALVESTON INDEPENDENT SCHOOL DISTRICT

CORRECTIVE ACTION PLAN

For the Year Ended August 31, 2022

Federal regulations, Title 2 U.S. Code of Federal Regulations §200.511 states, "At the completion of the audit, the auditee must prepare, in a document separate from the auditor's findings described in §200.516 Audit findings, a corrective action plan to address each audit finding included in the current year auditor's reports."

I. Corrective Action Plan

Not Applicable

CERTIFICATE OF BOARD

Galveston Independent School District

Name of School District

Galveston

County

084-902

Co. - Dist. No.

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and approved for the year ended August 31, 2022, at a meeting of the board of trustees of such school district on December 14, 2022.

President of the Board

Vice President of the Board

Action Sheet

MEETING DATE:

December 14, 2022

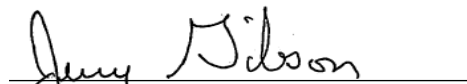
AGENDA ITEM:

Discuss and consider the approval to use Galveston Career Connect grant funds for tuition and expenses related to high school students attending Galveston College courses in an amount not to exceed \$200,000.

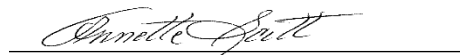
The Galveston Career Connect grant supports Galveston ISD and Galveston College by allowing us to offer a multitude of college level courses to our high school students at no cost to the student. With this support, students who would normally be unable to attend these courses, either due to financial and/or time constraints, are able to obtain college and career readiness while attending the participating high schools in Galveston. The grant uses funds to pay for student tuition, registration, and class expenses. Students are able to participate in these courses during the fall, spring, and summer terms.

RECOMMENDATION:

I move that the board approve the use of Galveston Career Connect grant funds for tuition and expenses related to high school students attending Galveston College courses in an amount not to exceed \$200,000.



Jerry Gibson
Superintendent



Annette Scott
Assistant Superintendent
Student Support

Action Sheet

MEETING DATE:

December 14, 2022

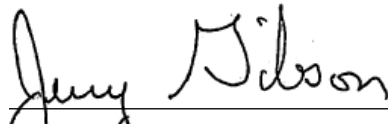
AGENDA ITEM:

Discuss and Approve to Adopt a Board of Trustees Resolution to Consider the Designation of Galveston ISD as a District of Innovation

Galveston ISD's Local Designation of District of Innovation expires January 1, 2023. The Designation was granted five years ago, and the Board now has the opportunity to explore options and consider pursuing the designation for another five years.

RECOMMENDATION:

I move that the board approve the Board of Trustees Resolution to Consider the Designation of Galveston ISD as a District of Innovation



Jerry Gibson
Superintendent



RESOLUTION TO CONSIDER DESIGNATION AS A DISTRICT OF INNOVATION

Whereas, Education Code 12A.001 provides that a school district is eligible for designation as a district of innovation if the district’s most recent performance rating under Education Code 39.054 reflects at least acceptable performance, and that consideration of designation as a district of innovation may be initiated by a resolution adopted by the Board of Trustees of the District; and

Whereas, Galveston Independent School District’s most recent performance rating under Education Code 39.054 reflects at least acceptable performance; and

Whereas, the Galveston ISD Local Innovation Plan and designation will expire January 1, 2023;

Therefore, the Board of Trustees of the Galveston Independent School District by adoption of this resolution, initiates the process of exploring and considering designation under Education Code Chapter 12A as district of innovation.

Be it further resolved, that after this resolution is signed by the Board President, a public hearing shall be held to consider whether the District should develop a local innovation plan for the designation of the District as a district of innovation and that after the public hearing, the Board of Trustees of Galveston ISD shall appoint a committee to develop a local innovation plan or decline to pursue designation as a district of innovation.

Adopted this 14th day of December, 2022 by the Board of Trustees.

Anthony Brown, Board President

Action Sheet

MEETING DATE:

December 14, 2022

AGENDA ITEM:

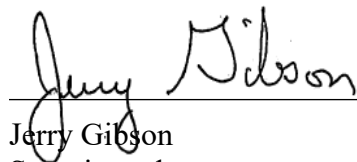
Discuss and consider the use of ESSER II, III funds to purchase Edgenuity on-line instruction for credit recovery and academic acceleration for Ball High School and AIM College and Career Prep for the amount of \$98,808.

GISD administration is requesting permission to continue use of Edgenuity, a standards-based curriculum and intervention program, for students in grades 8-12 who need the opportunity to recover credits or to accelerate. Virtual classroom and Virtual Tutor solutions engage students in the learning process through animation, simulations, video-based presentations, online content, vocabulary, and exploration activities that support each lesson presented by a Highly Qualified Virtual Classroom Teacher. The cost is \$98,808 for a two-year contract (ending August 31, 2025). The district is requesting approval of ESSER II, III funds for this purchase due to the states decrease in IMA funding.

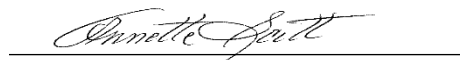
Edgenuity is a part of the Buy Board purchasing cooperative and is in compliance with the ESSER II, III purchasing procedures. Buy Board Contract # 653-21 Instructional Materials and Classroom Teaching Supplies and Equipment.

RECOMMENDATION:

I move that the use of ESSER II, III funds to purchase Edgenuity on-line instruction for credit recovery and academic acceleration for Ball High School and AIM College and Career Prep for the amount of \$98,808.



Jerry Gibson
Superintendent



Annette Scott
Assistant Superintendent



Price Quote

8860 E. Chaparral Rd
Suite 100
Scottsdale, AZ 85250
877-725-4257

Date 11/16/2023
Quote No. 244656
Acct. No. 03:ga:TX:12215647
Total \$98,808.00
Pricing Expires 12/31/2022

Galveston Independent School District
PO Box 660
Galveston TX 77553

Payment Schedule	Contract Start	Contract End
Buy Board Ref# 653-21	9/1/2023	8/31/2025

Site	Description	Comment	End Date	Per Unit	Qty	Amount
1. Aims High School						
	Digital Libraries Comprehensive Site License (content for math, ELA, science, social studies, electives, AP, world languages, Virtual Tutors; excludes eDynamic Learning and Purpose Prep)		08/31/2025	\$47,000.00	1	\$47,000.00
	Digital Libraries Enhanced CTE Add-on Site License		08/31/2025	\$2,500.00	1	\$2,500.00
	Edgenuity Academic Integrity Add-on - Includes Plagiarism Checker and Speed Radar		08/31/2025	\$1,410.00	1	\$1,410.00

Site	Description	Comment	End Date	Per Unit	Qty	Amount
1. Ball High School						
	Digital Libraries Comprehensive Site License (content for math, ELA, science, social studies, electives, AP, world languages, Virtual Tutors; excludes eDynamic Learning and Purpose Prep)		08/31/2025	\$70,000.00	1	\$70,000.00

Imagine Learning will audit enrollment count throughout the year. If more enrollments are found to be in use than purchased, Imagine Learning will invoice the customer for the additional usage.

This quote is subject to Imagine Learning LLC Standard Terms and Conditions ("Terms and Conditions"). These Terms and Conditions are available at <https://www.imaginelearning.com/standard-terms-and-conditions>, may change without notice and are incorporated by this reference. By signing this quote or by submitting a purchase order or form purchasing document, Customer explicitly agrees to these Terms and Conditions resulting in a legally binding agreement. To the fullest extent permitted under applicable law, all pricing information contained in this quote is confidential, and may not be shared with third parties without Imagine Learning's written consent.

Galveston Independent School District

Imagine Learning Representative

Signature: _____
Print Name: _____
Title: _____
Date: _____

Not valid unless accompanied by a purchase order. Please specify a shipping address if applicable. Please e-mail this quote, the purchase order and order documentation to AR@imaginelearning.com or fax to 480-423-0213.



Price Quote

8860 E. Chaparral Rd
 Suite 100
 Scottsdale, AZ 85250
 877-725-4257

Date 11/16/2023
Quote No. 244656
Acct. No. 03:ga:TX:12215647
Total \$98,808.00
Pricing Expires 12/31/2022

Site	Description	Comment	End Date	Per Unit	Qty	Amount
	Digital Libraries Enhanced CTE Add-on Site License		08/31/2025	\$5,500.00	1	\$5,500.00
	Edgenuity Academic Integrity Add-on - Includes Plagiarism Checker and Speed Radar		08/31/2025	\$2,100.00	1	\$2,100.00

Site	Description	Comment	End Date	Per Unit	Qty	Amount
1. Galveston Independent School District	Professional Development Comprehensive Webinar Package - CW and/or MyPath - up to 40 educators. Package includes 8 sessions of customer's choice delivered virtually.		08/31/2025	\$6,000.00	1	\$6,000.00

Subtotal \$134,510.00
Discount (\$35,702.00)
Total \$98,808.00

Action Sheet

MEETING DATE:

December 14, 2022

AGENDA ITEM:

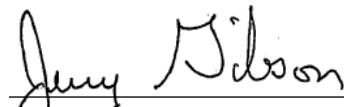
Discuss and consider the approval to purchase laptops and docking stations for Weis Middle School using the School Action Fund grant in the amount of \$71,001.84.

In accordance with the School Action Fund Grant, Weis Middle School is implementing a blended learning solution. To assist with implementing this solution, the school has requested the purchase of 42 laptops with a 4-year warranty and docking stations for teachers from CDW-G using the funds available through the School Action Fund grant. These devices will assist teachers in implementing the blended learning model which will improve student achievement and participation. In addition to the added functionality of the new devices, these laptops will give the blended learning model added sustainability beyond the life of the grant.

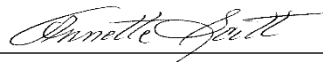
Galveston ISD MIS provided the quote for the cost of the laptops and docking stations. The contract is through TIPS (The Interlocal Purchasing System).

RECOMMENDATION:

I move that the board approve the purchase of the laptops and docking stations for Weis Middle School using the School Action Fund Grant in the amount of \$71,001.84.



Jerry Gibson
Superintendent



Annette Scott
Assistant Superintendent
Student Support



Weis Grant M. Hammonds
Thank you for choosing CDW. We have received your quote
11/11/22

Hardware Software Services IT Solutions Brands Research Hub

Review and Complete Purchase

LORI WALKER,

Thank you for considering CDW•G for your technology needs. The details of your quote are below. **If you are an eProcurement or single sign on customer, please log into your system to access the CDW site.** You can search for your quote to retrieve and transfer back into your system for processing.

For all other customers, click below to convert your quote to an order.

Convert Quote to Order

QUOTE #	QUOTE DATE	QUOTE REFERENCE	CUSTOMER #	GRAND TOTAL
NCBD934	11/7/2022	WEIS GRANT LAPTOPS	1221535	\$71,001.84

QUOTE DETAILS				
ITEM	QTY	CDW#	UNIT PRICE	EXT. PRICE
BTO TOS X30W-K I7-1260P 255 16 W10P Mfg. Part#: PDA31U-DHP016 Contract: TIPS Technology Solutions Products and Services (200105)	42	7202539	\$1,303.22	\$54,735.24
TOSHIBA 4YR SYSGRD FOR OEM NB Mfg. Part#: WSN-PMGQ4V Electronic distribution - NO MEDIA Contract: TIPS Technology Solutions Products and Services (200105)	42	5880428	\$178.02	\$7,476.84
Toshiba Dynabook USB Type-C Docking Station Mfg. Part#: PA5356U-1PRP Contract: TIPS Technology Solutions Products and Services (200105)	42	5722126	\$209.28	\$8,789.76

SUBTOTAL	\$71,001.84
SHIPPING	\$0.00
SALES TAX	\$0.00
GRAND TOTAL	\$71,001.84

PURCHASER BILLING INFO	DELIVER TO
Billing Address: GALVESTON ISD BUSINESS OFFICE PO BOX 660 GALVESTON, TX 77553-0660 Phone: (409) 766-5100 Payment Terms: NET 30 Days-Govt/Ed	Shipping Address: GISD CNTRL REC'VING 953 MIS 4302 AVE Q (GATE ON 43RD ST) GALVESTON, TX 77550-7302 Shipping Method: DROP SHIP-GROUND
	Please remit payments to: CDW Government 75 Remittance Drive Suite 1515 Chicago, IL 60675-1515

Action Sheet

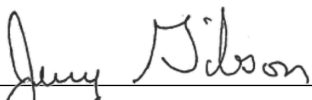
MEETING DATE: December 14, 2022

AGENDA ITEM: Discuss and Consider Approval of Purchase of Laptop Computers using Emergency Connectivity Funds and ESSER 3 Federal Funds.


The District needs to purchase 350 teacher laptops to replace those that have exceeded their useful life. Using the cooperative purchasing method, the District received quotes from 4 vendors. A cost price analysis, required by federal purchasing regulations for purchases greater than \$250K, showed CDWG as the lowest cost and best value to the District with a total cost of \$467,460, using TIPS Technology Solutions products and services contract 200105.

The FCC Emergency Connectivity Fund (ECF) program provides relief to close the Homework Gap for students who currently lack necessary internet access or the devices they need to connect to the classrooms. GISD received a funding commitment letter from the ECF in an amount not to exceed \$315,600 to use towards the purchase of new laptops for our instructors across the district, with a maximum of \$400 per device or \$140K for this purchase. This funding source, along with the ESSER 3 Federal Funds in the amount of \$327,460, will fund the purchase of the 350 new laptops.

RECOMMENDATION: **I move the board approve the purchase of laptops in the amount of \$467,460 from CDWG, using ECF and ESSER 3 funds, as presented.**



Jerry Gibson
Superintendent



Connie Morgenroth
Assistant Superintendent of Business & Operations



Thank you for choosing CDW. We have received your quote.

Hardware Software Services IT Solutions Brands Research Hub

Review and Complete Purchase

LORI WALKER,

Thank you for considering CDW•G for your technology needs. The details of your quote are below. **If you are an eProcurement or single sign on customer, please log into your system to access the CDW site.** You can search for your quote to retrieve and transfer back into your system for processing.

For all other customers, click below to convert your quote to an order.

Convert Quote to Order

QUOTE #	QUOTE DATE	QUOTE REFERENCE	CUSTOMER #	GRAND TOTAL
NCCZ406	11/9/2022	MIS - LAPTOPS/DOCKS	1221535	\$467,460.00

QUOTE DETAILS				
ITEM	QTY	CDW#	UNIT PRICE	EXT. PRICE
BTO TOS A50-K I7-1260P 512/32 W11P Mfg. Part#: PML20U-14501D Contract: TIPS Technology Solutions Products and Services (200105)	350	7242494	\$1,037.40	\$363,090.00
TOSHIBA 4YR SYSGRD FOR OEM NB Mfg. Part#: WSN-PMGQ4V Electronic distribution - NO MEDIA Contract: TIPS Technology Solutions Products and Services (200105)	350	5880428	\$135.45	\$47,407.50
Toshiba Dynabook USB Type-C Docking Station Mfg. Part#: PA5356U-1PRP Contract: TIPS Technology Solutions Products and Services (200105)	350	5722126	\$162.75	\$56,962.50

	SUBTOTAL	\$467,460.00
	SHIPPING	\$0.00
	SALES TAX	\$0.00
	GRAND TOTAL	\$467,460.00

PURCHASER BILLING INFO	DELIVER TO
Billing Address: GALVESTON ISD BUSINESS OFFICE PO BOX 660 GALVESTON, TX 77553-0660 Phone: (409) 766-5100 Payment Terms: NET 30 Days-Govt/Ed	Shipping Address: GISD CNTRL REC'VING 953 MIS ESTHER SOTO 4302 AVE Q (GATE ON 43RD ST) GALVESTON, TX 77550-7302 Shipping Method: DROP SHIP-GROUND
	Please remit payments to: CDW Government 75 Remittance Drive Suite 1515 Chicago, IL 60675-1515



Sales Contact Info

Mike Smith | (866) 691-7123 | miksmit@cdwg.com

LEASE OPTIONS			
FMV TOTAL	FMV LEASE OPTION	BO TOTAL	BO LEASE OPTION
\$467,460.00	\$12,406.39/Month	\$467,460.00	\$14,365.05/Month

Monthly payment based on 36 month lease. Other terms and options are available. Contact your Account Manager for details. Payment quoted is subject to change.

Why finance?

- Lower Upfront Costs. Get the products you need without impacting cash flow. Preserve your working capital and existing credit line.
- Flexible Payment Terms. 100% financing with no money down, payment deferrals and payment schedules that match your company's business cycles.
- Predictable, Low Monthly Payments. Pay over time. Lease payments are fixed and can be tailored to your budget levels or revenue streams.
- Technology Refresh. Keep current technology with minimal financial impact or risk. Add-on or upgrade during the lease term and choose to return or purchase the equipment at end of lease.
- Bundle Costs. You can combine hardware, software, and services into a single transaction and pay for your software licenses over time! We know your challenges and understand the need for flexibility.

General Terms and Conditions:

This quote is not legally binding and is for discussion purposes only. The rates are estimate only and are based on a collection of industry data from numerous sources. All rates and financial quotes are subject to final review, approval, and documentation by our leasing partners. Payments above exclude all applicable taxes. Financing is subject to credit approval and review of final equipment and services configuration. Fair Market Value leases are structured with the assumption that the equipment has a residual value at the end of the lease term.

Need Help?



My Account



Support



Call 800.800.4239

[About Us](#) | [Privacy Policy](#) | [Terms and Conditions](#)

This order is subject to CDW's Terms and Conditions of Sales and Service Projects at <http://www.cdwg.com/content/terms-conditions/product-sales.aspx>

For more information, contact a CDW account manager

© 2022 CDW•G LLC, 200 N. Milwaukee Avenue, Vernon Hills, IL 60061 | 800.808.4239



Quote

#243147

Bluum USA, Inc. (f.k.a. Troxell Communications Inc.)
4675 E. Cotton Center Blvd Ste 155, Phoenix AZ 85040
1.844.MYBLUUM | Fax 1.800.752.1299
bluum.com

11/03/2022

Bill To

Accounts Payable
GALVESTON IND SCHOOL DISTRICT
PO BOX 660
GALVESTON TX 77553

Ship To

GALVESTON IND SCHOOL DISTRICT
4302 AVENUE Q GATE ON 43RD ST
GALVESTON TX 77550

Memo:

Per Tips Contract 200105

Expires	Sales Rep	Contract	Terms
12/30/2022	863 Alicia Barnes		Net 30

Qty	Item	MFG	Price	Ext. Price
350	Product Required PML20U-14501D Tecra A50-K Intel i7; 15.6 in Touch Display; 32 GB DDR4; 512 SSD; 1 mo trial Office 365	Toshiba Dynabook	\$1,135.00	\$397,250.00
350	Product Required WSN-PMGQ4V 4 Yr System Guard ADP	Toshiba Dynabook	\$175.00	\$61,250.00
350	Product Required PA5356U-1PRP USB-C Dock	Toshiba Dynabook	\$175.00	\$61,250.00

Subtotal \$519,750.00

Tax Total (%) \$0.00

Shipping Cost \$0.00

Total \$519,750.00

To accept this quotation, sign here : _____

If accepting this quote via purchase order please reference this quote number on your PO. To order via credit card please contact customer service at 612-331-5500. This document is subject to the terms and conditions found here: <https://www.bluum.com/terms-conditions>

Pricing Adjustments as it Relates to Tariffs: If/When international tariff changes impact any product(s) included in this quote, Bluum reserves the right to adjust or cancel this quote.

Please inspect product upon delivery. All claims for defective merchandise or errors in shipping must be made within five days after receipt of goods.

Clients using their own carriers will be responsible for filing their own freight claims if product is damaged in transit.

Returns require an authorization number and must be made within 30 days.

Custom orders and "Consumables", such as projector lamps, may not be returned.

Returns are subject to restocking fees with the exception of out of box failures and replacements under warranty.

Restocking fees varying depending on the product line, expect a minimum charge of 25%.



243147



Southern Computer Warehouse
 1395 S. Marietta Parkway
 Building 300
 Marietta, Georgia 30067
 United States
<http://www.scw.com>
 (P) 877-GOTOSCW
 (F) 770.579.8937

Quote (Open)

Date	Nov 11, 2022 11:25 AM EST
Modified Date	Nov 11, 2022 11:30 AM EST
Quote #	1752544 - rev 1 of 1
Description	Dynabook Tecra
SalesRep	Jensen, Jon (P) 877-GOTOSCW ext. 282
Customer Contact	Walker, Lori (P) 409-766-5175 LoriWalker@gisd.org

Customer
 Galveston TX ISD (GT4490)
 Walker, Lori
 P O Box 660
 Galveston, TX 77553
 United States
 (P) 409-766-5100
 (F) 409-766-5100

Bill To
 Galveston TX ISD
 P O Box 660
 Galveston, TX 77553
 United States
 (P) 409-766-5100
 (F) 409-766-5100

Ship To
 Galveston TX ISD
 REF, PO
 3904 Avenue T
 Galveston, TX 77550
 United States

Customer PO:	Terms: Undefined	Ship Via: GROUND
Special Instructions:		Carrier Account #:

#	Image Description	Part #	Qty	Unit Price	Total
1	Dynabook - DYNABOOK FORMERLY TOSHIBA PC : TECA50K/CORE I7-1260P/15FHDT/32G/512G/WIN 11 PRO/4Y	PML20U-14501D	350	\$1,077.70	\$377,195.00

Note: BUILT TO ORDER
 ETA 4 WEEKS

Contract
TIPS - 200105 - Tech Products, Software, Services - Technology Solutions Products, Software & Services

2	Dynabook - DYNABOOK FORMERLY TOSHIBA PC : 4-YR.SYSTEMGUARD SERVICEFOR NOTEBOOK	WSN-PMGQ4V	350	\$142.24	\$49,784.00
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Contract
TIPS - 200105 - Tech Products, Software, Services - Technology Solutions Products, Software & Services

3	Dynabook - DYNABOOK FORMERLY TOSHIBA PC : Dynabook PA5356U-1PRP, Dynadock USB-C Dock, 1 Year Standard Limited	PA5356U-1PRP	350	\$171.17	\$59,909.50
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Note: IN-STOCK, SHIPS DIRECT

Contract
TIPS - 200105 - Tech Products, Software, Services - Technology Solutions Products, Software & Services

Subtotal: \$486,888.50
 Tax (.0000%): \$0.00
 Shipping: \$0.00
Total: \$486,888.50

Quote valid for 30 days unless formal bid provides different term. Promotional pricing is valid only during term of promotion and while supplies last.

All returns must be authorized and clearly marked with a valid RMA number. RMA's are subject to restock fees when applicable.

Disclaimer

These prices may not include applicable taxes, insurance, shipping, delivery, setup fees, or any cables or cabling services or material unless specifically listed above.

Please note that expedited shipping charges are estimated, and could decrease or increase when invoiced.

All prices are subject to change without notice. Supply subject to availability.

Phone: 1.888.912.3151
Fax: 1.601.399.5077
Online: www.howardcomputers.com



Howard Computers
P.O. Box 1588
Laurel, MS 39441

Online Quotation

Quote No: TD4 1249687.00 **Quote Date:** November 08, 2022
Customer Name: Lori Walker **Phone Number:** 4097665175
Company Name: Galveston ISD **Fax Number:**
Quote Name: MIS - Laptops/Docks

Item 1

Category	Description	Qty.	Unit Price	Ext. Price
System Type:	Accessories			
1:	Dynabook Toshiba Tecra A50-K1538 - Intel Core i7 1260P / 2.1 GHz - Win 10 Pro - Iris Xe Graphics - 16 GB RAM - 512 GB SSD NVMe - 15.6" 1920 x 1080 (Full HD) - Wi-Fi 6E - mystic blue wave MPN: PML20U-00W006	350	\$1,260.00	\$441,000.00
2:	Dynabook Service Plans Standard Limited Warranty + SystemGuard - Extended service agreement - replace or repair - 4 years (from original purchase date of the equipment) - carry-in MPN: WSN-PMGQ4V	350	\$180.00	\$63,000.00
3:	Dynabook - Docking station - USB-C / Thunderbolt 3 - VGA, DVI, HDMI, DP MPN: PA5356U-1PRP	350	\$230.00	\$80,500.00
			Sub-Total:	\$584,500.00
			Shipping & Handling :	Included
			Taxes:	Tax Exempt
			Total for Item 1:	\$584,500.00

This quote will expire December 08, 2022.
To expedite your order, please include your quote number with your Purchase Order.

Total for all pre-configured items

Sub-Total:	\$584,500.00
Shipping & Handling :	Included
Taxes:	Tax Exempt
Total:	\$584,500.00

Notes:

Pricing and availability subject to change without notice. Packaging, Shipping, and Handling fees are not included unless specifically stated. Prices and lease payments do not include applicable taxes. Ship dates are approximations and are not guarantees. Quick ship items not available in Alaska, Hawaii, or outside the United States. Specific state laws may affect shipment of products.

Any order for kiosks must be canceled prior to 21 days from the scheduled date of shipment to avoid incurring a 50% cancellation fee. Any cancellation made within that 21-day window will automatically incur a charge equivalent to 50% of the total kiosk order being canceled.

Howard reserves the right to charge a 25% restocking fee for cancellation of a purchase order after Howard has commenced fulfillment of the order. Howard may, with notice, cancel any purchase order at any time without any liability to the Purchaser.

Howard reserves the right to charge the Purchaser full purchase price for delaying shipment of a purchase order for an extended period of time which then results in the cancellation of said order.

Given the current uncertainties related to international trade, Howard hereby reserves the right to unilaterally revise the prices quoted herein in the event its manufacturing or procurement costs for such goods increase due to the imposition by the United States or any other country of new or higher tariff(s) or of any other similar tax, fee or charge.

If Purchaser fails to pay any invoice in full within the time quoted herein, Howard may, without notice, accelerate the due date of all outstanding invoices and require that all outstanding invoices, including any interest thereon, be immediately due and payable in full.

Howard's product warranties and return policies and related information, which are available at <https://www.howardcomputers.com/support/warranties.cfm> and <https://www.howardcomputers.com/support/returnpolicy.cfm>, are fully adopted and incorporated herein by reference. These may also be obtained by calling 1-888-912-3151 or emailing webmaster@howardcomputers.com.

THIS QUOTATION IS EXPRESSLY LIMITED TO, AND EXPRESSLY MADE CONDITIONAL ON, PURCHASER'S ACCEPTANCE OF THE TERMS SET FORTH OR INCORPORATED HEREIN; HOWARD OBJECTS TO ANY DIFFERENT OR ADDITIONAL TERMS.



BEN Name: GALVESTON INDEP SCHOOL **ECF FCC Form 471:** ECF222120658

DIST

BEN: 141339

Obligation File: 9

ECF Funding Commitment Decision Overview

2021

Funding Commitment Decision Overview

Funding Request Number (FRN)	Service Provider Name	Amount Requested	Amount Committed	Status
ECF2190032759	Sterling Computers Corporation	\$1,289,908.22	\$1,289,908.22	Funded
ECF2190032764	Troxell Communications, Inc	\$315,600.00	\$315,600.00	Funded


Action Sheet

MEETING DATE: December 14, 2022


AGENDA ITEM: Discuss and Consider Ratification of Expenditure to Replace Sewer Lines at Courville Stadium using Bond 2022 Funds

There are 2 existing sewer lines that run across the stadium field at Courville Stadium. These sewer lines are the original clay pipelines that were installed many years ago. To prevent the potential for future maintenance of these lines following the completion of the new synthetic turf field, it is necessary to replace these lines with an improved PVC product; this will greatly extend the service life of these sewer lines. Zero/Six has recommended the District contract directly with Vortex Services for this work as the District can receive a 26% discount utilizing The Interlocal Purchasing System (TIPS) cooperative contract, Job Order Contract #20110402, and avoid a 17.9% mark-up from the general contractor. The quote from Vortex in the amount of \$209,840 is attached. Due to the time constraints of the stadium project, the purchase order for this work was executed on November 18, 2022, the Friday before the Thanksgiving break, with the approval of the Superintendent. The District is requesting the board ratify this expenditure.

RECOMMENDATION: **I move the board ratify the \$209,840 expenditure to Vortex for the replacement of the sewer lines at Courville Stadium, utilizing a TIPS interlocal contract, as presented.**



Jerry Gibson
Superintendent



Connie Morgenroth
Assistant Superintendent of Business & Operations



**THE INTERLOCAL
PURCHASING SYSTEM**
"PURCHASING MADE PERSONAL"



CONTRACTOR PRICING WORKSHEET

JOB ORDER CONTRACTING NO:

20110402

PROJECT NAME: Galveston ISD - Stadium Sewer Rehab (PO#7502300067)

This Worksheet is prepared by Contractor and given to End User. If a PO is issued, both documents **MUST** be faxed to Contract Administration @ 281-901-5336. Please type or carefully print; thank you.

Item	Description of Item	Est. Quant.	Unit	LIST PRICING		PROJECT SPECIFIC DISCOUNT	
				Unit Price	Total	Unit Price	Total
BASE BID ITEMS							
1	Mobilization/Demobilization per Occurrence	1	EA	\$ 18,850.00	\$ 18,850.00	\$14,500.00	\$ 14,500.00
2	Open cut existing 8" sanitary sewer line and replace with 12" SDR35 PVC sanitary sewer, up to 8 feet deep	389	LF	\$ 245.70	\$ 95,577.30	\$189.00	\$ 73,521.00
3	Open cut existing 10" sanitary sewer line and replace with 12" SDR35 PVC sanitary sewer, up to 8 feet deep	471	LF	\$ 245.70	\$ 115,724.70	\$189.00	\$ 89,019.00
4	Cut and Restore Pavement (Asphalt)	50	SY	\$ 117.00	\$ 5,850.00	\$90.00	\$ 4,500.00
5	Cement Stabilized Sand Backfill	60	TON	\$ 110.50	\$ 6,630.00	\$85.00	\$ 5,100.00
6	Cut and Restore Pavement or Driveway (Concrete)	40	SY	\$ 201.50	\$ 8,060.00	\$155.00	\$ 6,200.00
7	Sewer Bypass Setup and Pumping	1	LS	\$ 6,500.00	\$ 6,500.00	\$5,000.00	\$ 5,000.00
8	Sewer Manhole 4' Dia Precast, up to 8' deep	1	EA	\$ 9,750.00	\$ 9,750.00	\$7,500.00	\$ 7,500.00
9	Haul Off	1	LS	\$ 5,850.00	\$ 5,850.00	\$4,500.00	\$ 4,500.00
Proposal BASE Total				\$ 272,792.00		\$ 209,840.00	
SUPPLEMENTAL ITEMS							
Proposal SUPPLEMENTAL ITEMS Total				\$ -		\$ -	
TOTAL BASE + SUPPLEMENTAL (incl Bonds)				\$ 272,792.00		\$ 209,840.00	



**THE INTERLOCAL
PURCHASING SYSTEM**
"PURCHASING MADE PERSONAL"



CONTRACTOR PRICING WORKSHEET

JOB ORDER CONTRACTING NO:

20110402

PROJECT NAME: Galveston ISD - Stadium Sewer Rehab (PO#7502300067)

This Worksheet is prepared by Contractor and given to End User. If a PO is issued, both documents **MUST** be faxed to Contract Administration @ 281-901-5336. Please type or carefully print; thank you.

Item	Description of Item	Est. Quant.	Unit	LIST PRICING		PROJECT SPECIFIC DISCOUNT	
				Unit Price	Total	Unit Price	Total
Items NOT included in quote unless expressly noted: <i>Manhole Removal/Replacement or Coatings, Point Repairs, Dewatering, Traffic Control outside of typical cones and signage, Heavy Bypass Pumping, Surface Restoration beyond Sodding, SWPPP, Compaction Testing, Vibration Monitoring, Smoke Testing, Bonds, Mechanical Pipe Cleaning</i>				Insurance, bonds, co-op fees:		excluded	
				Pricing Date:	12/5/2022	TOTAL w/ Fees:	\$ 209,840.00

Buying Agency:	Galveston ISD
Contact Person:	Bill Coltzer
Phone:	
Fax:	
Email:	bcoltzer@z6consulting.com

Contractor:	Vortex Services, LLC
Prepared By:	Brent Keller
Phone:	281.924.1718
Fax:	
Email:	bkeller@vortexcompanies.com

NOTE: The Customer shall be responsible for providing:

- Access to hydrants or free water source as necessary (including meters)
- All Heavy Traffic Control, Demolition/Removal of Above Structures
- All Permits and Permissions which may be necessary (Federal, State, Local, etc.)

Action Sheet

MEETING DATE:

December 14, 2022

AGENDA ITEM:

Consider declaration of approximately 0.0257 acres adjacent to Avenue M ½ and 34th Street in Galveston County as surplus property and related actions to solicit offers

In consultation with the District's consultants and legal counsel, the Administration has evaluated the ongoing real estate needs of the District and recommends declaring as surplus and seeking offers on a parcel of land containing approximately 0.0257 acres adjacent to Avenue M ½ and 34th Street through a public bid process.

RECOMMENDATION:

I move that the Board approve the declaration as surplus property the approximately 0.0257 acres adjacent to Avenue M ½ and 34th Street in Galveston County, as discussed. I further move that the Board authorize the administration to seek bids on the property and to take related actions.



Jerry Gibson
Superintendent



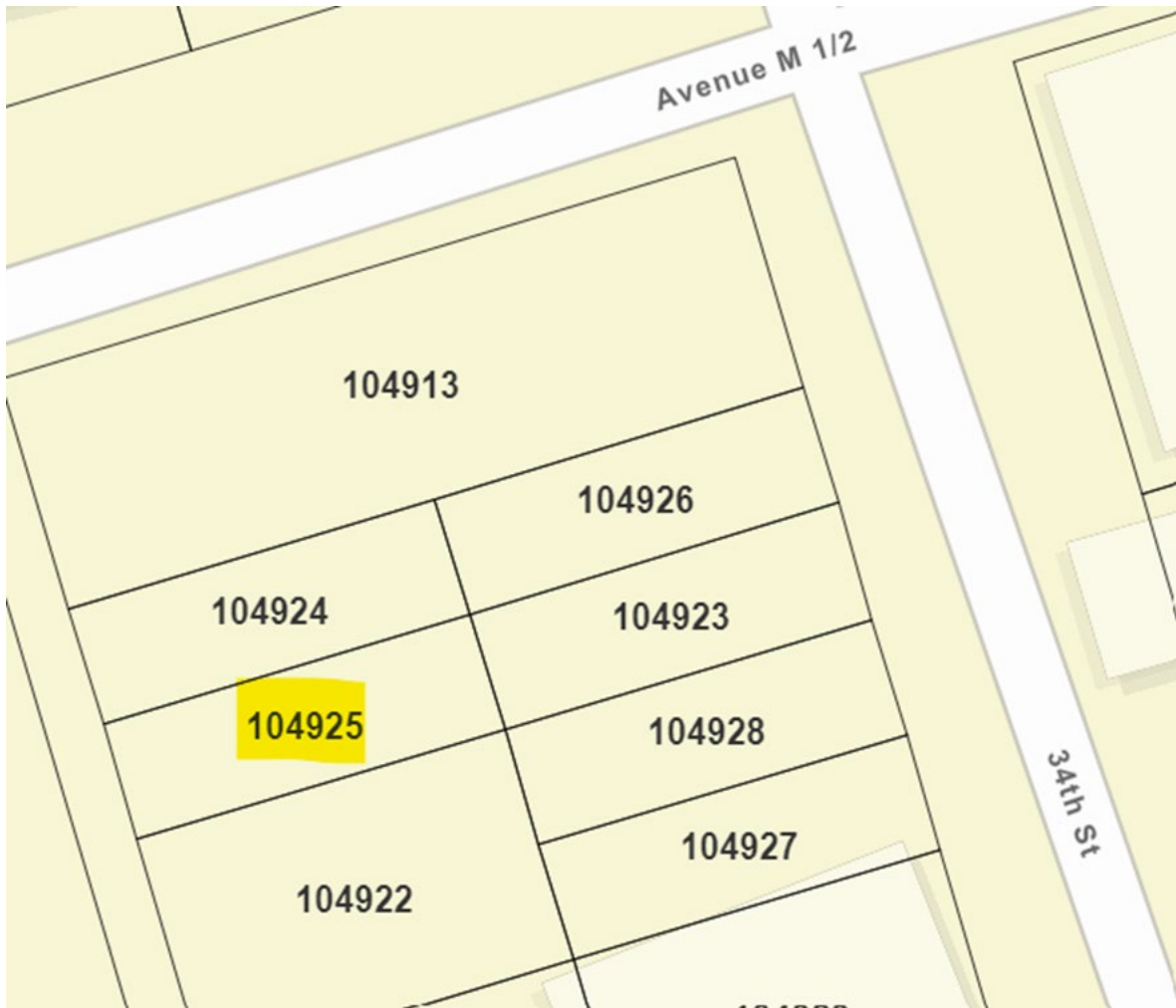
Connie Morgenroth
Asst Superintendent of Business & Operations

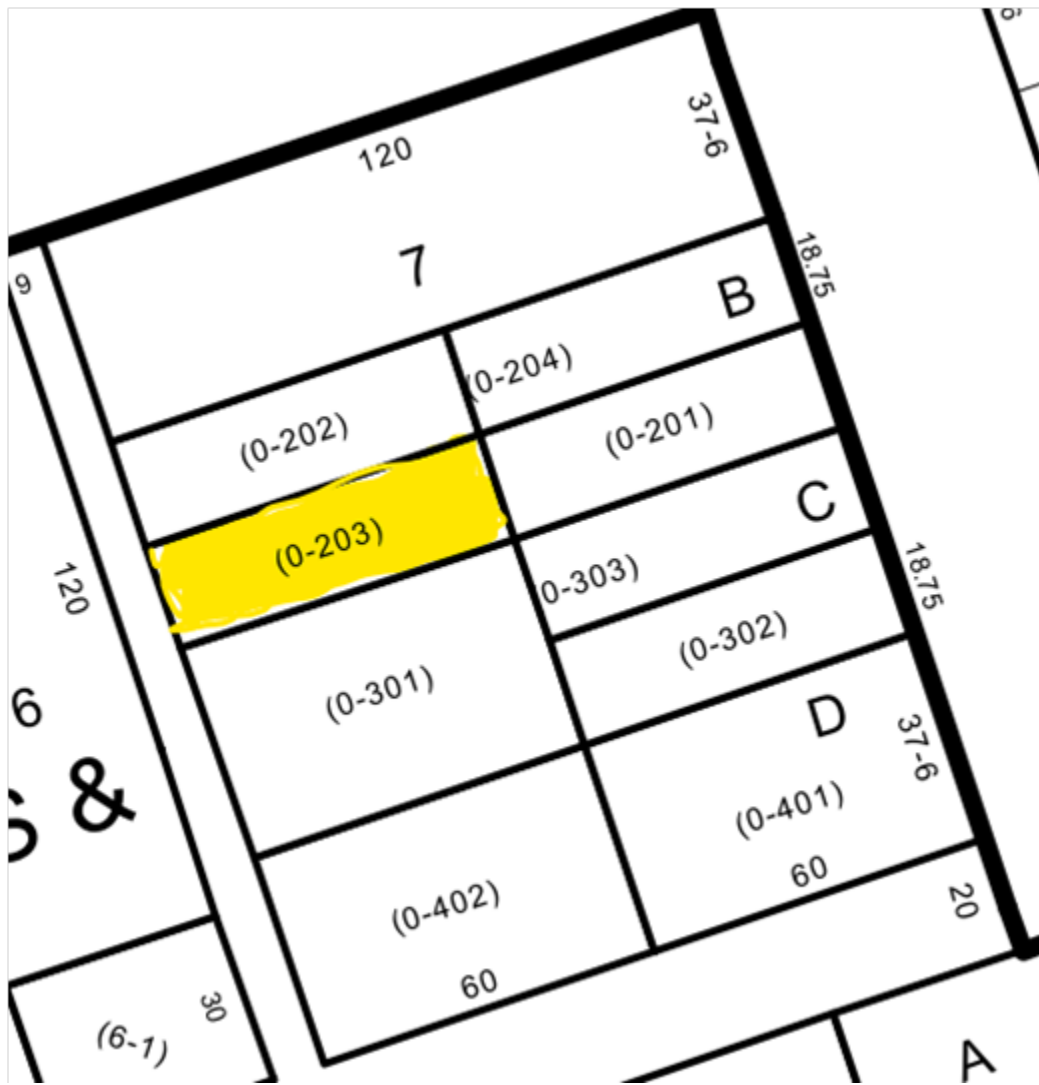
Address: 1405 34th Street Rear.

Property dimensions are 60 feet x 18.75 feet, being 0.03 acres or 1,306.80 sq. feet.
This property was deeded to GISD in 1973; it was not a tax foreclosure.

GCAD values on the property:

Account Information						
Account No.	104925					R
Certified Owner	ISD-GALVESTON					
Address Line						
Amount Due as of	11/08/2022					Owner N
Amount Due/Paid Information						
Year	Appr. Value	H	O	V	D	
2022	\$13,720			0		Excodes
2021	\$13,720			0		Excodes
2020	\$2,540			0		Excodes
2019	\$2,540			0		Excodes
2018	\$2,540			0		Excodes
2017	\$2,540			0		Excodes
2016	\$2,540			0		Excodes
2015	\$2,260			0		Excodes
2014	\$2,260			0		Excodes





THE STATE OF TEXAS §
COUNTY OF GALVESTON §

KNOW ALL MEN BY THESE PRESENTS:
19239

THAT, ROBERT S. BRACKMAN, for and in consideration of the sum of TEN AND NO/100 (\$10.00) DOLLARS to me in hand paid by Galveston Independent School District, Purchaser, has Granted, Sold and Conveyed, and by these presents does Grant, Sell and Convey unto the said Galveston Independent School District of Galveston County, Texas, all that certain tract of land lying and being situated in Galveston County, Texas, and described as follows, to-wit:

BOOK 2459 PAGE 555



The South 1/2 of the West 1/2 of Lot "B" in the Hawkins and Robinson Subdivision of the Southwest Quarter of Outlot 12, in the City and County of Galveston, Texas.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereto in anywise belonging unto the said Galveston Independent School District, their heirs and assigns forever. ROBERT S. BRACKMAN does hereby convey his right, title and interest in and to said premises, if any, and this conveyance is and shall be without warranties of any kind.

This conveyance evidenced by this deed is hereby made subject to any and all easements, restrictions, covenants, conditions and reservations of record, if any applicable to said property, or any part thereof, and is further subject to all ad valorem taxes which may be due.

WITNESS ITS HAND at Houston, Texas this 10th day of July, 1973.

Robert S. Brackman
ROBERT S. BRACKMAN

THE STATE OF TEXAS
COUNTY OF HARRIS

BEFORE ME, the undersigned authority, a notary public in and for Harris County, Texas, on this day personally appeared ROBERT S. BRACKMAN, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that

he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND and seal of office, this 12th day of

July, 1974.

JANIS D. MAY
Notary Public in and for Harris County, Texas
My Commission Expires June 1, 1975

Janis D. May
NOTARY PUBLIC IN AND FOR
HARRIS COUNTY, TEXAS



O E N D
BOOK 2489 PAGE 856

DECL
BOOK 2489 PAGE 857

FILED FOR RECORD
at 9:00 o'clock P M
JUL 15 1974
GERTRUDE MCKENNA
CLERK OF GALVESTON COUNTY, TEXAS
By William E. DeLong Deputy

19239

8:50

P.M.

RICHIE GREENBERG & BRUCE NIMAN
1200 S. POST OAK RD., SUITE 220
HOUSTON, TEXAS 77027

STATE OF TEXAS COUNTY OF GALVESTON
I hereby certify that this instrument was filed on the
date and time stamped hereon by me and was duly recorded
in the volume and page of the named records of Galveston
County, Texas as stamped hereon by me.



JUL 15 1974
Gertrude McKenna
COUNTY CLERK, Galveston County, Texas

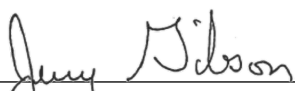
Action Sheet

MEETING DATE: December 14, 2022


AGENDA ITEM: Discuss and consider approval of purchase and sale agreement to purchase real property needed for the New Ball High School

The District has an agreed form of a Purchase and Sale Agreement to purchase one parcel of property (.08 acres) from Susan Beatrice Fanuiel, Isaac Fanuiel, IV, Adam Fanuiel, and Toya M. Washington, in the amount of \$230,000, plus closing costs. The parcel is located at 4209 Avenue N ½ in Galveston, Texas. Acquisition of this parcel is necessary for the construction of the new Ball High School, which was approved by voters in May 2022. Land purchase to be funded with general funds but could be reimbursed with bond funds at a later date, if/when available.

RECOMMENDATION: I move that the Board approve the Purchase and Sale Agreement to purchase the property located at 4209 Avenue N ½ in Galveston, Texas from Susan Beatrice Fanuiel, Isaac Fanuiel, IV, Adam Fanuiel, and Toya M. Washington, as presented.



Dr. Jerry Gibson
Superintendent



Connie Morgenroth
Assistant Superintendent of Business & Operations

PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement (“Agreement”) is made and entered into by and between **SUSAN FANUIEL a/k/a SUSAN BEATRICE FANUIEL, ISAAC FANUIEL, IV, ADAM FANUIEL AND TOYA M. WASHINGTON**, individuals, (collectively “Seller”) and the **GALVESTON INDEPENDENT SCHOOL DISTRICT**, a public independent school district and political subdivision of the State of Texas, (“Buyer”) as of the Effective Date, hereinafter defined. Seller and Purchaser shall be referred to herein individually as “Party” and collectively as “Parties”.

ARTICLE I AGREEMENT OF PURCHASE AND SALE

1.1 The Property. The term “Property” as used in this Agreement means a tract of land containing approximately 0.08 acres located at 4209 Avenue N ½, Galveston, Galveston County, Texas 77550 as more particularly described on Exhibit “A” attached hereto (“Land”), together with all singular rights and appurtenances pertaining to such Land, including all Improvements located thereon and thereunder; and all easements, tenements, hereditaments, privileges and appurtenances in any way benefitting such Land, including, without limitation, (i) any land to the midpoint of the bed of any highway, street, alley, road or avenue, open or proposed, in front of, abutting, or adjoining such Land; (ii) any land lying in or under the bed of any creek, stream, bayou or river running through, abutting or adjacent to such Land; (iii) any surface waters; (iv) the present or future use of wastewater (sewer) capacity, drainage, water capacity, or other utilities or utility facilities, and all impact fees that are creditable to, pertain to, or benefit such Land; (v) any strips, gores or pieces of property abutting, bounding or which are adjacent or contiguous to such Land; (vi) any reversionary interests benefitting such Land; (vii) any rights-of-way, rights of ingress or egress, or other interests in, on or to any land, highway, street, road or avenue, open or proposed, in, on, across, in front of, abutting or adjoining such Land; (viii) all water and water rights in, on, under and that may be produced from the Land (or rights-of-way, lakebeds, waterways or other strips adjacent or contiguous to the Property) (collectively “Water Rights”); (ix) any awards made, or to be made in lieu thereof, and in and to any unpaid awards for damage thereto in any way benefitting such Land; (x) any easement across, adjacent to or benefitting the such Land, existing or abandoned; and (xi) any other rights and benefits pertaining to the Land (clauses (i) through (xi) being referred to as “Appurtenances”) (the Land, the Improvements, and the Appurtenances are collectively herein referred to as the “Property”). The term “Improvements” means any buildings, structures, fixtures, utilities, infrastructure and other improvements attached to the Property. In addition, anything herein to the contrary notwithstanding, the Property does not include and Seller will retain all mineral rights relating to the Land (the “Mineral Rights”); however, the deed from Seller conveying the Property to Buyer will expressly waive all surface rights appurtenant to Seller’s retained Mineral Rights.

1.2 Purchase and Sale. Upon the terms and conditions of this Agreement, Seller agrees to sell and convey to Buyer the Property and Buyer hereby agrees to buy and take the Property from Seller. The Property will be conveyed at Closing, as described in Article 8.1 by Seller to Buyer in fee simple with good and indefeasible title, free and clear of all encroachments, liens, encumbrances, covenants, conditions, restrictions, and other matters affecting title, except for Permitted Exceptions.

1.3 The effective date of this Agreement shall be the later of the date a fully executed copy of this Agreement, has been deposited with and receipted by the Title Company, as defined in Article 3.1, or the date the Earnest Money has been deposited with and receipted by the Title Company (“Effective Date”).

ARTICLE II PURCHASE PRICE

2.1 The Purchase Price. The Purchase Price to be paid by Buyer to Seller for the Property is TWO HUNDRED THIRTY THOUSAND and no/100 Dollars (\$230,000.00).

2.2 Payment of Purchase Price. The Purchase Price, plus or minus any adjustments set forth herein, shall be payable to Seller on the Closing Date through the Title Company in cash or by wire transfer of funds.

2.3 Earnest Money. Within five (5) Business Days after the Execution Date, Buyer will deposit the sum of One Thousand and No/100 Dollars (\$ 1,000.00) with the Title Company, as Earnest Money to be held by the Title Company in escrow. If the purchase and sale hereunder is consummated in accordance with the terms and provisions of this Contract, the entire Earnest Money shall be applied by the Title Company as partial payment of the Purchase Price due at the Closing. During the Inspection Period, the Earnest Money shall be fully refundable to the Buyer except for the Independent Consideration as set forth in Section 2.4. In all other events, the Earnest Money shall be disposed of by the Title Company as provided herein.

2.4 Contract Consideration. Within three (3) days of the date both Buyer and Seller have executed this Agreement, Buyer shall deposit with the Title Company, as defined in Section 3.1, the sum of One Hundred and No/100 Dollars (\$100.00) as independent consideration (“Independent Consideration”), which amount has been bargained for and agreed to as consideration for Seller’s execution and delivery of this Agreement and Buyer’s right to terminate during the Inspection Period. The Independent Consideration is in addition to and independent of all other consideration provided in this Agreement, and is nonrefundable in all events.

ARTICLE III TITLE AND SURVEY

3.1 Title Company; Title Commitment.

a. Within three (3) days after the Buyer and Seller have executed this Agreement, Buyer and Seller will deposit a copy of the executed Agreement with the Title Company. For purposes of this Agreement, “Title Company” means Stewart Title Company, 222 Kempner, Galveston, Texas 77550, Telephone: (409) 763- 4641.

b. Within ten (10) days following the Effective Date of the Agreement, the Title Company will issue a title commitment for the Property to be underwritten by Stewart Title Guaranty Company (“Title Commitment”), together with correct and legible copies of all instruments relating to the Property and those referred to in the Title Commitment as conditions or exceptions to title to the Property, including, without limitation, copies of the vesting deed, liens, easements, and recorded plats. The Title

Commitment shall contain the express commitment of the Title Company to issue the Title Policy, as defined below, to Buyer in the amount of the Purchase Price.

3.2 Title Policy. At Closing or shortly thereafter, at Buyer's expense, the Title Company will issue the Title Policy underwritten by Stewart Title Guaranty Company. The Title Policy shall be issued by the Title Company in the amount of the Purchase Price and shall insure good and indefeasible fee simple title to the Property in Buyer.

3.3 Survey. Buyer shall cause a survey ("Survey") to be conducted by a licensed surveyor to be selected by Buyer ("Surveyor") and to be delivered to Buyer, Seller, and Title Company on or before twenty (20) days before the end of the Inspection Period to satisfy the following conditions: (i) be made and staked on the ground; (ii) show the location of all improvements, highways, streets, roads, fences, easements, and rights-of-way on or adjacent to the Property; (iii) show all visible discrepancies, conflicts, or encroachments; (iv) show the zone designation of any area shown as being within a Special Flood Hazard Area according to current Federal Emergency Management Agency Maps which make up a part of the National Flood Insurance Administration Report; (v) be a true, correct, and accurate representation of the Property; (vi) set forth the number of total acres and square feet comprising the Property, together with a metes and bounds description thereof; (vii) include references to the recording information applicable to the documents creating all easements or rights-of-way, including the county in which such information is recorded; and (viii) contain a certification to Buyer, Seller, and Title Company reasonably satisfactory to Buyer; and (ix) in general, comply with the Texas Society of Professional Surveyors requirements for a Category 1A Condition II survey. Buyer shall have the right to object to the Survey, including, but not limited to, the boundaries and configuration of the Property shown thereon.

3.4 Review of the Survey and Title Commitment by Buyer. Buyer shall have twenty (20) days following receipt of both the Survey and the Title Commitment (including all legible copies of the title documents referred to in this Article 3) ("Title Objection Period") to review such items and to deliver in writing such objections as Buyer may have to anything contained or set forth in the Survey or in the Title Commitment (collectively, the "Title Objections"). Except for any items listed on Schedule C of the Title Commitment, which must be satisfied by Seller and Title Company prior to Closing, any such items to which Buyer does not object within such twenty (20) day period, or any extension thereof agreed to by the Parties, shall be deemed to be permitted exceptions. Notwithstanding anything herein to the contrary, the standard preprinted exceptions contained in a Texas Standard Form of Owner's Policy of Title Insurance shall not constitute permitted exceptions under the General Warranty Deed, in the form attached hereto ("Deed") except as may be agreed upon by Buyer.

3.5 Seller's Opportunity to Cure Buyer's Objections to Title or Existing Survey and/or Survey. If Buyer delivers written notice of any Title Objections to Seller in accordance with Section 3.4 hereof, then Seller shall have a period of fifteen (15) days in which Seller may undertake to eliminate or satisfy the Title Objections to the satisfaction of Buyer. If Seller is unable or unwilling to so correct the Survey or cure said Title Objections, Seller shall deliver Buyer written notice thereof ("Title Notice") and Buyer may either (a) provide written notice that it waives its Title Objections and accepts title to the Property subject to the exceptions (except for those listed in Schedule C of the Title Commitment, which shall not be waived or deemed to be

waived) and the Survey as delivered; or (b) terminate this Agreement. Buyer shall have until the conclusion of the Inspection Period, as hereinafter defined, in which to make such election. Failure of Buyer to make an election within such period shall be deemed an election by Buyer under option (a) above. If on the Closing Date there are any liens or encumbrances on the Property that Seller is obligated to pay and discharge, Seller shall have the right and Buyer reserves the right to require the Seller to instruct the Title Company to use any cash portion of the Purchase Price for the Property to satisfy the same, provided that Seller shall have delivered to Buyer or the Title Company on or before the Closing, instruments in recordable form sufficient to satisfy such liens and encumbrances of record, together with the cost of recording or filing said instruments. In the event this Agreement is terminated by Buyer pursuant to this Section 3.5, the Title Company shall immediately deliver to Buyer the Earnest Money and all interest accrued thereon, which shall be paid to Buyer, and neither Party hereto shall have any further obligation or liability under this Agreement to the other Party.

ARTICLE IV REPRESENTATIONS AND WARRANTIES OF BUYER

4.1 Buyer represents, warrants, covenants and agrees with Seller that as of the Execution Date and as of the Closing Date, Buyer has and shall have the full right, power and authority to purchase the Property from Seller as provided in this Agreement and to carry out its obligations hereunder and that all required action by the Board of Trustees necessary to authorize Buyer to enter into this Agreement and to carry out its obligations hereunder has been, or upon Closing will have been, taken.

ARTICLE V REPRESENTATIONS AND WARRANTIES OF SELLER

5.1 Seller represents, warrants, covenants and agrees with Buyer that as of the Execution Date and as of the Closing Date, all of the following are true and accurate:

- a. Seller has and shall have the full right, power and authority to convey the Property to Buyer as provided in this Agreement and to carry out its obligations hereunder and that all required action by the Seller to enter into this Agreement and to carry out its obligations hereunder has been, or upon Closing will have been, taken.
- b. Seller is not aware of and has received no notice of any current, pending, or threatened litigation affecting Seller or the Property that would in any way constitute a lien, claim or obligation of any kind against the Property.
- c. No person, firm, or entity other than Seller has any right to possess or occupy the Property, or any part thereof, through a lease, contract, or verbal agreement.
- d. No person, firm, or entity has any rights to ownership in the Property, including any future interest, and no person, firm, or entity has any rights to acquire the Property other than Buyer under this Agreement.

e. There are no unrecorded instruments or agreements that will bind the Property or impose any obligation or liability on the Buyer as owner of the Property following Closing.

f. Seller is not aware of any claims for unpaid bills for work performed on or materials delivered to the Property that though not then the subject of, might provide the basis of a mechanic's and materialmen's or other lien on the Property.

g. To Seller's knowledge, there are no hazardous materials present at the Property such as pollutants, contaminants and other materials, substances and wastes which are hazardous, toxic, caustic, harmful or dangerous to human health or the environment and/or subject to any environmental laws and no remedial action would be required if brought to the attention of a governmental body with jurisdiction.

h. Seller has not received any written or verbal notice regarding the Property being in violation or non-compliance with any recorded restriction or covenant affecting the Property.

i. Seller is not aware of any fact or condition that might result in the termination of access from the Property to the adjoining roadways.

5.2 Seller acknowledges that this transaction is subject to the approval of the Buyer's Board of Trustees.

5.3 The Parties acknowledge that the Property is not being purchased by Buyer for residential use, and as such disclosures required by Chapter 5 of the Texas Property Code relating to residential property sales are not required under this Agreement.

ARTICLE VI CONDITIONS PRECEDENT TO BUYER'S PERFORMANCE

6.1 Buyer shall not be obligated to perform under this Agreement unless all of the following shall have occurred:

a. Board Approval. Buyer shall have received approval of this Agreement and the purchase and sale contemplated herein from the Board of Trustees.

b. Title. Seller shall have good, indefeasible, and insurable fee simple title in and to the Property, shall have terminated any existing recorded or unrecorded leases, and has caused any parties in possession to have vacated the Property. Title to the Property shall be subject only to the Permitted Exceptions as provided in this Agreement.

c. Closing Documents. Seller shall have provided to Buyer at Closing, each of the documents required pursuant to Section 8.2(a) hereof, in form and content mutually satisfactory to Buyer and Seller.

d. Seller's Warranties, Representations and Covenants. Each of Seller's warranties and representations set forth in Article V hereof are true and correct as of the Execution Date, and remain true as of the Closing Date.

e. No Condemnation. On the Closing Date, no portion of the Property shall have been condemned or sold under threat of condemnation, or is subject to any proceedings for condemnation. Notwithstanding the foregoing, in the event that the Seller receives notice that a part of the Property is to be condemned, the Buyer, at its sole option, may elect to proceed to Closing on the remainder of the Property for the Purchase Price and participate in the condemnation proceeding and receive the full condemnation award for the part taken.

f. Other Adverse Conditions. On the Closing Date, there has been no material change in any condition of or affecting the Property that has occurred after the Effective Date. If Seller is unable or unwilling to correct any changed condition as requested by the Buyer within fifteen (15) calendar day period, then Buyer shall have the right, at its election, on or before the Closing Date, as may be extended, to either (A) terminate this Agreement by delivering written notice thereof to Seller, or (B) waive its objection to the condition and accept title to the Property subject to such condition.

g. Buyer's Investigation, Inspection of the Property. Buyer shall have a period of ninety (90) days from the Effective Date to inspect the Property ("Inspection Period"). During the Inspection Period, Buyer will inspect the Property, as it determines necessary in its sole discretion, to evaluate if it is suitable for the Buyer's use. Upon execution of this Agreement, Seller hereby grants Buyer and any agents or designated representatives of Buyer the continual right to access and enter the Property for purposes of its inspection and due diligence, including, without limitation, conducting a New Survey or updating the Existing Survey and conducting soil tests, environmental and engineering studies, asbestos inspections, antiquities studies, and any such other tests and studies as Buyer deems necessary to determine the suitability of the Property for Buyer's purposes.

6.2 In the event that Buyer delivers written notice to Seller within the Inspection Period that Buyer desires to terminate this Agreement for any reason, the Title Company shall immediately deliver to Buyer the Earnest Money with interest, which shall be paid to the Seller, this Agreement shall terminate, and neither Party hereto shall have any further obligation or liability under this Agreement to the other Party. Notwithstanding the foregoing, the Buyer, in its sole discretion and its option, may elect to extend the Inspection Period for an additional thirty (30) day period by giving written notice to the Seller. In the event that Buyer elects to extend the Inspection Period as set forth in this Section 6.2 and delivers written notice to the Seller of its election, the Closing Date automatically shall be extended accordingly.

ARTICLE VII CONDITIONS PRECEDENT TO SELLER'S PERFORMANCE

7.1 Seller shall not be obligated to perform under this Agreement unless:

a. Closing Documents. Buyer shall have executed at or prior to Closing, each of the documents required pursuant to Section 8.2(b) hereof, in form and content as set forth herein; and

b. Payment of Purchase Price. Buyer shall have delivered to the Title Company the Purchase Price, as adjusted under the terms of this Agreement.

ARTICLE VIII CLOSING

8.1 Date and Place of Closing. The Closing hereunder shall take place in the offices of the Title Company, or at such other place as Seller and Buyer may mutually agree. The Closing Date shall be on or before fifteen (15) days after the end of the Inspection Period, including any extension thereof as set forth in Section 6.2, provided that the parties will, if necessary, reasonably agree upon an extension not to exceed fifteen (15) additional if necessary to allow Seller time between the end of the Inspection Period and Closing to vacate the Property.

8.2 Items to be Delivered at the Closing.

a. Seller. At the Closing, Seller shall deliver to Buyer or its assignees, the following items:

- i. a special warranty deed, in form substantially similar to the attached **Exhibit "B"** duly executed and acknowledged by Seller;
- ii. an affidavit of possession in the form provided by the Title Company executed and sworn to by Seller;
- iii. releases for any mortgagees, deeds of trust or other liens arising by, through or under Seller encumbering the Property;
- iv. a bills paid affidavit verifying that there are no unpaid bills or claims for labor performed or materials furnished to the Property prior to the Closing Date, other than any such bills or claims for which the Title Company is retaining funds from Seller in escrow to pay;
- v. a closing statement setting forth the Purchase Price and all closing credits and adjustments expressly provided for in this Agreement ("Closing Statement") executed by Seller;
- vi. an affidavit executed by Seller in the form satisfactory to the Title Company that the Buyer will not be required to withhold any tax and that no withholding liability exists as of the Closing under §1445 of the Internal Revenue Code (and the implementing regulations);
- vii. All keys and entrance cards used on any part of the Property in Seller's possession or control;

- viii. copies of tax certificates representing that all taxes on the Property have been paid; and
- ix. any other documents required by the Title Company to close the transaction in accordance with this Agreement.

b. Buyer. At the Closing, Buyer shall deliver to the Title Company each of the following items:

- i. the total Purchase Price, less any credits and/or any adjustments as provided herein;
- ii. the Closing Statement executed by the Buyer; and
- iii. any other documents required by the Title Company to close the transaction in accordance with this Agreement.

8.3 Adjustments at Closing. All normal and customarily proratable items, including, without limitations, real estate taxes shall be prorated as of the Closing Date, Seller being charged and credited for all of same up to the Closing Date and Buyer being charged and credited for all of same on and after such date. If the actual amounts to be prorated are not known as of the Closing Date, the prorations shall be made on the basis of the best evidence then available, and thereafter, when actual figures are received, a cash settlement will be made between Seller and Buyer.

8.4 Property Taxes.

a. Ad Valorem Tax Settlement. To the extent applicable, ad valorem taxes for the Property for the year in which Closing occurs shall be prorated based on the current year's taxes if known, or if not known then on the basis of such taxes for the prior year. Within thirty (30) calendar days of Buyer's receipt of the actual tax statements from the appropriate taxing authorities, Buyer shall deliver a copy thereof to Seller, together with a proration thereof based upon the actual taxes due and payable for the year in which Closing occurs. If the actual taxes for the year of Closing are less than the estimated taxes prorated at Closing, Buyer shall deliver to Seller, in addition to the tax statement, Seller's pro rata share of such difference. If the actual taxes for the year of Closing exceed the estimated taxes prorated at Closing, Seller shall deliver to Buyer Seller's pro rata share of such difference within thirty (30) calendar days of receipt of the tax statement.

b. Survival. The terms and provisions of this Section 8.4 shall survive Closing.

8.5 Possession and Closing. Possession of the Property shall be delivered to Buyer by Seller at the Closing, subject only to the Permitted Exceptions.

8.6 Costs of Closing.

a. Seller agrees to pay:

- i. the pro-rated real estate taxes.
- b. Buyer agrees to pay:
 - ii. all charges for tax certificates;
 - iii. the cost of the Title Commitment, any updates to the Title Commitment, and the premium for issuance of the Title Policy required under this Agreement, and the cost for the boundary deletion and any other endorsements to the Title Policy if elected by the Buyer;
 - iv. all of any escrow fees charged by the Title Company
 - v. the cost of the Survey and/or any updates and revisions to the Survey;
 - vi. the cost of any tests or inspections performed on the Property; and
 - vii. fee for recording the deed charged by the Title Company

All other reasonable and necessary costs, fees, penalties and other expenses incurred at the Closing shall be paid by Buyer; provided that the Title Company provides notice of and information related to any such costs in advance of Buyer being obligated for payment of same.

ARTICLE IX DEFAULTS AND REMEDIES

9.1 Seller's Default. If Seller defaults under this Agreement, Buyer, at Buyer's option: (i) shall be entitled to terminate this Agreement whereupon Buyer shall be entitled to an immediate refund of the Earnest Money with interest, and the Parties hereto shall have no further obligations to one another hereunder, or (ii) may pursue any and all of Buyer's remedies at law or in equity, including the enforcement of specific performance of this Agreement.

9.2 Buyer's Default. In the event Buyer shall be deemed to be in default hereunder, Seller shall be entitled to terminate this Contract and request that the Title Company deliver the Earnest Money to Seller (on receipt of written notice from Seller that Buyer has defaulted). Such notice to the Title Company need not be accompanied by any other document or consent of any other party, it being agreed between Buyer and Seller that the Earnest Money shall be liquidated damages for a default of Buyer hereunder because of the difficulty, inconvenience, and uncertainty of ascertaining actual damages for such default. It is further agreed that the liquidated damages provided for herein represent a reasonable forecast of Seller's damages, considering all the circumstances existing as of the date of this Contract.

**ARTICLE X
MISCELLANEOUS**

10.1 Exhibits. References to “Exhibits” contained herein, if any, are references to exhibits attached hereto, all of which are made a part hereof and incorporated herein for all purposes.

10.2 Notices and Communications. All notices, demands, and requests and other communications required or permitted hereunder shall be in writing, shall be sent by certified mail, return receipt requested; by courier; or by telephonic facsimile or other electronic communications and shall be deemed to be delivered (i) upon first attempted delivery if sent by mail or by courier; and (ii) upon transmittal if sent by telephonic facsimile or other electronic communication. Buyer’s and Seller’s respective addresses for purposes of this Agreement, and to which all notices required hereunder shall be sent, are as follows:

If to the Seller: Susan Beatrice Fanuiel
[REDACTED]
[REDACTED]
Phone: [REDACTED]
Email: [REDACTED]

With copy to: John L. Guess, III
Guess Group, Inc.
3100 Timmons Ln
Suite 200
Houston, Texas 77027
Fax No. (713) 439-1090
Telephone: (713) 660-7003
Email: john@guessgroup.net

If to the Buyer: Jerry Gibson
Superintendent
Galveston Independent School District
3904 Avenue T
Galveston, Texas 77550
Telephone: (409) 766-5121
Email: JerryGibson@gisd.org

With copy to: Mark D. Smith
Thompson & Horton, LLP
Ross Tower, Suite 3150
500 North Akard Street
Dallas, Texas 75201
Fax No. (972) 528-5131
Telephone: (469) 421-6844
Email: msmith@thompsonhorton.com

10.3 Governing Law and Venue. This Agreement is being executed and delivered and is intended to be performed in the State of Texas, and the laws of such State shall govern the validity, construction, enforcement, and interpretation of this Agreement. Exclusive venue for any legal proceeding relating to this Agreement shall be in Dallas County, Texas.

10.4 Assignment of Agreement. Neither Party may assign this Agreement without the prior written consent of the other Party.

10.5 Entirety and Amendments. This Agreement embodies the entire agreement between the Parties and supersedes all prior agreements, understandings, and negotiations, whether verbal or written, between the Parties, relating to the Property and this transaction and may be amended or supplemented only by an instrument in writing executed by the Party against whom enforcement is sought.

10.6 Multiple Counterparts; Electronic Signatures. This Agreement may be executed in a number of identical counterparts. If so executed, each of such counterparts is to be deemed an original for all purposes and all such counterparts shall, collectively, constitute one agreement, but, in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart. A copy of this Agreement signed by the Parties may be transmitted by electronic mail and received by the Title Company. However, each Party shall provide to the other Party an original or original counterpart after execution.

10.7 Risk of Loss. Risk of loss or damage to the Property or any part thereof by fire or any other casualty from the Execution Date up to the time of delivering the special warranty deed transferring title to the Property to Buyer will be on Seller and thereafter will be on Buyer.

10.8 Seller's Real Estate Broker. Seller represents that John L. Guess, III, License No. 148131 is the listing broker solely of Seller and Seller agrees to compensate said broker as a deduction at Closing in accordance a separate written agreement between Seller and said broker. Seller agrees to, and does hereby, indemnify and hold Buyer harmless for claims for commissions, fees or compensation in connection with this Agreement and the transaction contemplated herein.

10.9 The following Exhibits are attached hereto and incorporated herein for all purposes:

- a. Exhibit "A" Property Description
- b. Exhibit "B" Form of Special Warranty Deed

[Signatures appear on the following page]

[Signature page for Purchase and Sale Agreement between Susan Beatrice Fanuiel, individual, and the Galveston Independent School District]

EXECUTED as of the ____ day of _____ 2022.

Seller:

**SUSAN FANUIEL a/k/a SUSAN BEATRICE
FANUIEL, ISAAC FANUIEL, IV, ADAM
FANUIEL AND TOYA M. WASHINGTON**

Susan Beatrice Fanuiel

Isaac Fanuiel, IV

Adam Fanuiel

Toya M. Washington

Buyer:

**GALVESTON INDEPENDENT SCHOOL
DISTRICT**

By: _____
Jerry Gibson, Superintendent

TITLE COMPANY RECEIPT

The undersigned Title Company acknowledges receipt of an original executed copy of this Purchase and Sale Agreement on the _____ day of _____, 2022.

STEWART TITLE COMPANY

By: _____
Name: _____
Title: _____

TITLE COMPANY RECEIPT

The undersigned Title Company acknowledges receipt of the Earnest Money in the amount of (\$1,000) on the _____ day of _____, 2022.

STEWART TITLE COMPANY

By: _____
Name: _____
Title: _____

EXHIBIT "A"

Legal Description

The East 30 feet of Lot (5), in the Southwest Block of Outlot 33, in the City and County of Galveston, Texas.

EXHIBIT “B”

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER’S LICENSE NUMBER.

SPECIAL WARRANTY DEED

**THE STATE OF TEXAS §
 § KNOW ALL PERSONS BY THESE
COUNTY OF GALVESTON § PRESENTS:**

That **SUSAN FANUIEL a/k/a SUSAN BEATRICE FANUIEL, ISAAC FANUIEL, IV, ADAM FANUIEL AND TOYA M. WASHINGTON** (referred to as “*Grantor*”), for and in consideration of the sum of Ten and no/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Grantor, has GRANTED, BARGAINED, SOLD and CONVEYED and by these presents does GRANT, BARGAIN, SELL and CONVEY unto **GALVESTON INDEPENDENT SCHOOL DISTRICT**, a public independent school district and political subdivision of the State of Texas (“*Grantee*”), and Grantee’s successors and assigns, that certain parcel of land located at 4209 Avenue N ½, Galveston, Galveston County, Texas, as more particularly described on the attached **Exhibit “A”** and incorporated herein by reference (the “*Land*”), subject to all of the restrictions, reservations, exceptions and other matters set forth or referred to herein, together with all improvements on or under the Land, (“*Improvements*”); and all easements, tenements, hereditaments, privileges and appurtenances in any way benefitting such Land, including, without limitation, (i) any land to the midpoint of the bed of any highway, street, alley, road or avenue, open or proposed, in front of, abutting, or adjoining such Land; (ii) any land lying in or under the bed of any creek, stream, bayou or river running through, abutting or adjacent to such Land; (iii) any surface waters; (iv) the present or future use of wastewater (sewer) capacity, drainage, water capacity, or other utilities or utility facilities, and all impact fees that are creditable to, pertain to, or benefit such Land; (v) any strips, gores or pieces of property abutting, bounding or which are adjacent or contiguous to such Land; (vi) any reversionary interests benefitting such Land; (vii) any rights-of-way, rights of ingress or egress, or other interests in, on or to any land, highway, street, road or avenue, open or proposed, in, on, across, in front of, abutting or adjoining such Land; (viii) all water and water rights in, on, under and that may be produced from the Land (or rights-of-way, lakebeds, waterways or other strips adjacent or contiguous to the Property) (collectively “*Water Rights*”); (ix) any awards made, or to be made in lieu thereof, and in and to any unpaid awards for damage thereto in any way benefitting such Land; (x) any easement across, adjacent to or benefitting the such Land, existing or abandoned; and (xi) any other rights and benefits pertaining to the Land (clauses (i) through (xi) being referred to as “*Appurtenances*”) (the Land, the Improvements, and the Appurtenances are collectively herein referred to as the “*Property*”).

TO HAVE AND TO HOLD the Property together with all and singular the rights and appurtenances thereto in anywise belonging unto the said Grantee, its successors and assigns forever, and Grantor does, by these presents, bind itself, and its representative heirs, administrators, successors and assigns, to WARRANT and FOREVER DEFEND, all and singular, title to the Property unto Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through or under Grantor but not otherwise; provided, however, that this conveyance is made by Grantor and accepted by Grantee subject to: (a) all of the title exceptions listed on **Exhibit "B"**, attached hereto and incorporated herein by reference (the "Permitted Exceptions"); and (b) the mineral reservation set forth below.

Taxes for prior years have been paid by Grantor. Taxes for the current year, have been prorated between Grantor and Grantee as of the date of this Deed in accordance with that certain Purchase and Sale Contract between Grantor and Grantee with an Effective Date of _____, _____ (the "Purchase Contract").

Grantor hereby expressly reserves from the conveyance hereunder any and all mineral rights in and to the Land, including but not limited to, all of the oil, gas, and associated hydrocarbons; coal, lignite, sulfur, phosphate, lead, zinc, copper, iron ore and other metallic ores; sodium, salt, uranium, thorium, molybdenum, vanadium, geothermal energy, titanium and other fissionable materials; gold, silver and other precious metals; bauxite, limestone and other stones; gypsum and other minerals of any kind or nature now owned by Grantor in, on or under the Land. Grantor waives and releases the right of ingress and egress in and to the Land and all surface rights appurtenant to the mineral rights hereby reserved.

EXECUTED to be effective as of the ____ day of _____, 2022.

GRANTOR:

SUSAN BEATRICE FANUIEL

STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

This instrument was acknowledged before me, the undersigned authority, this ____ day of _____, 2022, by Susan Beatrice Fanuiel.

[SEAL]

Notary Public ☆ State of Texas

ISAAC FANUIEL, IV

STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

This instrument was acknowledged before me, the undersigned authority, this ____ day of _____, 2022, by Isaac Fanuiel, IV.

[SEAL]

Notary Public ★ State of Texas

ADAM FANUIEL

STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

This instrument was acknowledged before me, the undersigned authority, this ____ day of _____, 2022, by Adam Fanuiel.

[SEAL]

Notary Public ★ State of Texas

TOYA M. WASHINGTON

STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

This instrument was acknowledged before me, the undersigned authority, this ____ day of _____, 2022, by Toya M. Washington.

[SEAL]

Notary Public ★ State of Texas

AFTER RECORDING RETURN TO GRANTEE AT:

Mark D. Smith
Thompson & Horton, LLP
Ross Tower
500 North Akard St., Suite 3150
Dallas, Texas 75201-3302

EXHIBIT "A" TO DEED

Legal Description of Property

The East 30 feet of Lot (5), in the Southwest Block of Outlot 33, in the City and County of Galveston, Texas.

EXHIBIT "B" TO DEED

Permitted Exceptions

[TO COME]

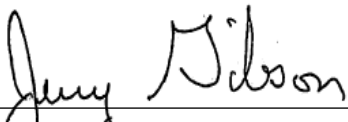
Action Sheet

MEETING DATE: December 14, 2022

AGENDA ITEM: Discuss and consider approval of purchase and sale agreement to purchase real property needed for the New Ball High School

The District has an agreed form of a Purchase and Sale Agreement to purchase one parcel of property (.12 acres) from Alfredo Contreras and Juan Francisco Contreras, in the amount of \$240,000, plus closing costs. The parcel is located at 4220 Avenue O in Galveston, Texas. Acquisition of this parcel is necessary for the construction of the new Ball High School, which was approved by voters in May 2022. Land purchase to be funded with general funds but could be reimbursed with bond funds at a later date, if/when available.

RECOMMENDATION: I move that the Board approve the Purchase and Sale Agreement to purchase the property located at 4220 Avenue O in Galveston, Texas from Alfredo Contreras and Juan Francisco Contreras, as presented.



Dr. Jerry Gibson
Superintendent

Connie Morgenroth

Connie Morgenroth
Assistant Superintendent of Business & Operations

PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement (“Agreement”) is made and entered into by and between **ALFREDO CONTRERAS** and **JUAN FRANCISCO CONTRERAS**, both individuals, (collectively “Seller”) and the **GALVESTON INDEPENDENT SCHOOL DISTRICT**, a public independent school district and political subdivision of the State of Texas, (“Buyer”) as of the Effective Date, hereinafter defined. Seller and Purchaser shall be referred to herein individually as “Party” and collectively as “Parties”.

ARTICLE I AGREEMENT OF PURCHASE AND SALE

1.1 The Property. The term “Property” as used in this Agreement means a tract of land containing approximately 0.12 acres located at 4220 Avenue O, Galveston, Galveston County, Texas 77550 as more particularly described on Exhibit “A” attached hereto (“Land”), together with all singular rights and appurtenances pertaining to such Land, including all Improvements located thereon and thereunder; and all easements, tenements, hereditaments, privileges and appurtenances in any way benefitting such Land, including, without limitation, (i) any land to the midpoint of the bed of any highway, street, alley, road or avenue, open or proposed, in front of, abutting, or adjoining such Land; (ii) any land lying in or under the bed of any creek, stream, bayou or river running through, abutting or adjacent to such Land; (iii) any surface waters; (iv) the present or future use of wastewater (sewer) capacity, drainage, water capacity, or other utilities or utility facilities, and all impact fees that are creditable to, pertain to, or benefit such Land; (v) any strips, gores or pieces of property abutting, bounding or which are adjacent or contiguous to such Land; (vi) any reversionary interests benefitting such Land; (vii) any rights-of-way, rights of ingress or egress, or other interests in, on or to any land, highway, street, road or avenue, open or proposed, in, on, across, in front of, abutting or adjoining such Land; (viii) all water and water rights in, on, under and that may be produced from the Land (or rights-of-way, lakebeds, waterways or other strips adjacent or contiguous to the Property) (collectively “Water Rights”); (ix) any awards made, or to be made in lieu thereof, and in and to any unpaid awards for damage thereto in any way benefitting such Land; (x) any easement across, adjacent to or benefiting the such Land, existing or abandoned; and (xi) any other rights and benefits pertaining to the Land (clauses (i) through (xi) being referred to as “Appurtenances”) (the Land, the Improvements, and the Appurtenances are collectively herein referred to as the “Property”). The term “Improvements” means any buildings, structures, fixtures, utilities, infrastructure and other improvements attached to the Property. In addition, anything herein to the contrary notwithstanding, the Property does not include and Seller will retain all mineral rights relating to the Land (the “Mineral Rights”); however, the deed from Seller conveying the Property to Buyer will expressly waive all surface rights appurtenant to Seller’s retained Mineral Rights. 246

1.2 Purchase and Sale. Upon the terms and conditions of this Agreement, Seller agrees to sell and convey to Buyer the Property and Buyer hereby agrees to buy and take the Property from Seller. The Property will be conveyed at Closing, as described in Article 8.1 by Seller to Buyer in fee simple with good and indefeasible title, free and clear of all encroachments, liens, encumbrances, covenants, conditions, restrictions, and other matters affecting title, except for Permitted Exceptions.

1.3 The effective date of this Agreement shall be the later of the date a fully executed copy of this Agreement, has been deposited with and received by the Title Company, as defined in Article 3.1, or the date the Earnest Money has been deposited with and received by the Title Company (“Effective Date”).

ARTICLE II PURCHASE PRICE

2.1 The Purchase Price. The Purchase Price to be paid by Buyer to Seller for the Property is TWO HUNDRED FORTY THOUSAND and no/100 Dollars (\$240,000.00).

2.2 Payment of Purchase Price. The Purchase Price, plus or minus any adjustments set forth herein, shall be payable to Seller on the Closing Date through the Title Company in cash or by wire transfer of funds.

2.3 Earnest Money. Within five (5) Business Days after the Execution Date, Buyer will deposit the sum of One Thousand and No/100 Dollars (\$ 1,000.00) with the Title Company, as Earnest Money to be held by the Title Company in escrow. If the purchase and sale hereunder is consummated in accordance with the terms and provisions of this Contract, the entire Earnest Money shall be applied by the Title Company as partial payment of the Purchase Price due at the Closing. During the Inspection Period, the Earnest Money shall be fully refundable to the Buyer except for the Independent Consideration as set forth in Section 2.4. In all other events, the Earnest Money shall be disposed of by the Title Company as provided herein. 247

2.4 Contract Consideration. Within three (3) days of the date both Buyer and Seller have executed this Agreement, Buyer shall deposit with the Title Company, as defined in Section 3.1, the sum of One Hundred and No/100 Dollars (\$100.00) as independent consideration (“Independent Consideration”), which amount has been bargained for and agreed to as consideration for Seller’s execution and delivery of this Agreement and Buyer’s right to terminate during the Inspection Period. The Independent Consideration is in addition to and independent of all other consideration provided in this Agreement, and is nonrefundable in all events.

ARTICLE III TITLE AND SURVEY

3.1 Title Company; Title Commitment.

a. Within three (3) days after the Buyer and Seller have executed this Agreement, Buyer and Seller will deposit a copy of the executed Agreement with the Title Company. For purposes of this Agreement, “Title Company” means Stewart Title Company, 222 Kempner, Galveston, Texas 77550, Telephone: (409) 763- 4641.

b. Within ten (10) days following the Effective Date of the Agreement, the Title Company will issue a title commitment for the Property to be underwritten by Stewart Title Guaranty Company (“Title Commitment”), together with correct and legible copies of all instruments relating to the Property and those referred to in the Title Commitment as conditions or exceptions to title to the Property, including, without limitation, copies of the vesting deed, liens, easements, and recorded plats. The Title

Commitment shall contain the express commitment of the Title Company to issue the Title Policy, as defined below, to Buyer in the amount of the Purchase Price.

3.2 Title Policy. At Closing or shortly thereafter, at Buyer's expense, the Title Company will issue the Title Policy underwritten by Stewart Title Guaranty Company. The Title Policy shall be issued by the Title Company in the amount of the Purchase Price and shall insure good and indefeasible fee simple title to the Property in Buyer.

3.3 Survey. Buyer shall cause a survey ("Survey") to be conducted by a licensed surveyor to be selected by Buyer ("Surveyor") and to be delivered to Buyer, Seller, and Title Company on or before twenty (20) days before the end of the Inspection Period to satisfy the following conditions: (i) be made and staked on the ground; (ii) show the location of all improvements, highways, streets, roads, fences, easements, and rights-of-way on or adjacent to the Property; (iii) show all visible discrepancies, conflicts, or encroachments; (iv) show the zone designation of any area shown as being within a Special Flood Hazard Area according to current Federal Emergency Management Agency Maps which make up a part of the National Flood Insurance Administration Report; (v) be a true, correct, and accurate representation of the Property; (vi) set forth the number of total acres and square feet comprising the Property, together with a metes and bounds description thereof; (vii) include references to the recording information applicable to the documents creating all easements or rights-of-way, including the county in which such information is recorded; and (viii) contain a certification to Buyer, Seller, and Title Company reasonably satisfactory to Buyer; and (ix) in general, comply with the Texas Society of Professional Surveyors requirements for a Category 1A Condition II survey. Buyer shall have the right to object to the Survey, including, but not limited to, the boundaries and configuration of the Property shown thereon. 248

3.4 Review of the Survey and Title Commitment by Buyer. Buyer shall have twenty (20) days following receipt of both the Survey and the Title Commitment (including all legible copies of the title documents referred to in this Article 3) ("Title Objection Period") to review such items and to deliver in writing such objections as Buyer may have to anything contained or set forth in the Survey or in the Title Commitment (collectively, the "Title Objections"). Except for any items listed on Schedule C of the Title Commitment, which must be satisfied by Seller and Title Company prior to Closing, any such items to which Buyer does not object within such twenty (20) day period, or any extension thereof agreed to by the Parties, shall be deemed to be permitted exceptions. Notwithstanding anything herein to the contrary, the standard preprinted exceptions contained in a Texas Standard Form of Owner's Policy of Title Insurance shall not constitute permitted exceptions under the General Warranty Deed, in the form attached hereto ("Deed") except as may be agreed upon by Buyer.

3.5 Seller's Opportunity to Cure Buyer's Objections to Title or Existing Survey and/or Survey. If Buyer delivers written notice of any Title Objections to Seller in accordance with Section 3.4 hereof, then Seller shall have a period of fifteen (15) days in which Seller may undertake to eliminate or satisfy the Title Objections to the satisfaction of Buyer. If Seller is unable or unwilling to so correct the Survey or cure said Title Objections, Seller shall deliver Buyer written notice thereof ("Title Notice") and Buyer may either (a) provide written notice that it waives its Title Objections and accepts title to the Property subject to the exceptions (except for those listed in Schedule C of the Title Commitment, which shall not be waived or deemed to be

waived) and the Survey as delivered; or (b) terminate this Agreement. Buyer shall have until the conclusion of the Inspection Period, as hereinafter defined, in which to make such election. Failure of Buyer to make an election within such period shall be deemed an election by Buyer under option (a) above. If on the Closing Date there are any liens or encumbrances on the Property that Seller is obligated to pay and discharge, Seller shall have the right and Buyer reserves the right to require the Seller to instruct the Title Company to use any cash portion of the Purchase Price for the Property to satisfy the same, provided that Seller shall have delivered to Buyer or the Title Company on or before the Closing, instruments in recordable form sufficient to satisfy such liens and encumbrances of record, together with the cost of recording or filing said instruments. In the event this Agreement is terminated by Buyer pursuant to this Section 3.5, the Title Company shall immediately deliver to Buyer the Earnest Money and all interest accrued thereon, which shall be paid to Buyer, and neither Party hereto shall have any further obligation or liability under this Agreement to the other Party.

**ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF BUYER**

4.1 Buyer represents, warrants, covenants and agrees with Seller that as of the Execution Date and as of the Closing Date, Buyer has and shall have the full right, power and authority to purchase the Property from Seller as provided in this Agreement and to carry out its obligations hereunder and that all required action by the Board of Trustees necessary to authorize Buyer to enter into this Agreement and to carry out its obligations hereunder has been, or upon Closing will have been, taken.

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**ARTICLE V
REPRESENTATIONS AND WARRANTIES OF SELLER**

5.1 Seller represents, warrants, covenants and agrees with Buyer that as of the Execution Date and as of the Closing Date, all of the following are true and accurate:

- a. Seller has and shall have the full right, power and authority to convey the Property to Buyer as provided in this Agreement and to carry out its obligations hereunder and that all required action by the Seller to enter into this Agreement and to carry out its obligations hereunder has been, or upon Closing will have been, taken.
- b. Seller is not aware of and has received no notice of any current, pending, or threatened litigation affecting Seller or the Property that would in any way constitute a lien, claim or obligation of any kind against the Property.
- c. No person, firm, or entity other than Seller has any right to possess or occupy the Property, or any part thereof, through a lease, contract, or verbal agreement.
- d. No person, firm, or entity has any rights to ownership in the Property, including any future interest, and no person, firm, or entity has any rights to acquire the Property other than Buyer under this Agreement.

e. There are no unrecorded instruments or agreements that will bind the Property or impose any obligation or liability on the Buyer as owner of the Property following Closing.

f. Seller is not aware of any claims for unpaid bills for work performed on or materials delivered to the Property that though not then the subject of, might provide the basis of a mechanic's and materialmen's or other lien on the Property.

g. To Seller's knowledge, there are no hazardous materials present at the Property such as pollutants, contaminants and other materials, substances and wastes which are hazardous, toxic, caustic, harmful or dangerous to human health or the environment and/or subject to any environmental laws and no remedial action would be required if brought to the attention of a governmental body with jurisdiction.

h. Seller has not received any written or verbal notice regarding the Property being in violation or non-compliance with any recorded restriction or covenant affecting the Property.

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i. Seller is not aware of any fact or condition that might result in the termination of access from the Property to the adjoining roadways.

5.2 Seller acknowledges that this transaction is subject to the approval of the Buyer's Board of Trustees.

5.3 The Parties acknowledge that the Property is not being purchased by Buyer for residential use, and as such disclosures required by Chapter 5 of the Texas Property Code relating to residential property sales are not required under this Agreement.

ARTICLE VI CONDITIONS PRECEDENT TO BUYER'S PERFORMANCE

6.1 Buyer shall not be obligated to perform under this Agreement unless all of the following shall have occurred:

a. Board Approval. Buyer shall have received approval of this Agreement and the purchase and sale contemplated herein from the Board of Trustees.

b. Title. Seller shall have good, indefeasible, and insurable fee simple title in and to the Property, shall have terminated any existing recorded or unrecorded leases, and has caused any parties in possession to have vacated the Property. Title to the Property shall be subject only to the Permitted Exceptions as provided in this Agreement.

c. Closing Documents. Seller shall have provided to Buyer at Closing, each of the documents required pursuant to Section 8.2(a) hereof, in form and content mutually satisfactory to Buyer and Seller.

d. Seller's Warranties, Representations and Covenants. Each of Seller's warranties and representations set forth in Article V hereof are true and correct as of the Execution Date, and remain true as of the Closing Date.

e. No Condemnation. On the Closing Date, no portion of the Property shall have been condemned or sold under threat of condemnation, or is subject to any proceedings for condemnation. Notwithstanding the foregoing, in the event that the Seller receives notice that a part of the Property is to be condemned, the Buyer, at its sole option, may elect to proceed to Closing on the remainder of the Property for the Purchase Price and participate in the condemnation proceeding and receive the full condemnation award for the part taken.

f. Other Adverse Conditions. On the Closing Date, there has been no material change in any condition of or affecting the Property that has occurred after the Effective Date. If Seller is unable or unwilling to correct any changed condition as requested by the Buyer within fifteen (15) calendar day period, then Buyer shall have the right, at its election, on or before the Closing Date, as may be extended, to either (A) terminate this Agreement by delivering written notice thereof to Seller, or (B) waive its objection to the condition and accept title to the Property subject to such condition.

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g. Buyer's Investigation, Inspection of the Property. Buyer shall have a period of ninety (90) days from the Effective Date to inspect the Property ("Inspection Period"). During the Inspection Period, Buyer will inspect the Property, as it determines necessary in its sole discretion, to evaluate if it is suitable for the Buyer's use. Upon execution of this Agreement, Seller hereby grants Buyer and any agents or designated representatives of Buyer the continual right to access and enter the Property for purposes of its inspection and due diligence, including, without limitation, conducting a New Survey or updating the Existing Survey and conducting soil tests, environmental and engineering studies, asbestos inspections, antiquities studies, and any such other tests and studies as Buyer deems necessary to determine the suitability of the Property for Buyer's purposes.

6.2 In the event that Buyer delivers written notice to Seller within the Inspection Period that Buyer desires to terminate this Agreement for any reason, the Title Company shall immediately deliver to Buyer the Earnest Money with interest, which shall be paid to the Seller, this Agreement shall terminate, and neither Party hereto shall have any further obligation or liability under this Agreement to the other Party. Notwithstanding the foregoing, the Buyer, in its sole discretion and its option, may elect to extend the Inspection Period for an additional thirty (30) day period by giving written notice to the Seller. In the event that Buyer elects to extend the Inspection Period as set forth in this Section 6.2 and delivers written notice to the Seller of its election, the Closing Date automatically shall be extended accordingly.

ARTICLE VII CONDITIONS PRECEDENT TO SELLER'S PERFORMANCE

7.1 Seller shall not be obligated to perform under this Agreement unless:

a. Closing Documents. Buyer shall have executed at or prior to Closing, each of the documents required pursuant to Section 8.2(b) hereof, in form and content as set forth herein; and

b. Payment of Purchase Price. Buyer shall have delivered to the Title Company the Purchase Price, as adjusted under the terms of this Agreement.

ARTICLE VIII CLOSING

8.1 Date and Place of Closing. The Closing hereunder shall take place in the offices of the Title Company, or at such other place as Seller and Buyer may mutually agree. The Closing Date shall be on or before fifteen (15) days after the end of the Inspection Period, including any extension thereof as set forth in Section 6.2, provided that the parties will, if necessary, reasonably agree upon an extension not to exceed fifteen (15) additional if necessary to allow Seller time between the end of the Inspection Period and Closing to vacate the Property.

8.2 Items to be Delivered at the Closing.

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a. Seller. At the Closing, Seller shall deliver to Buyer or its assignees, the following items:

- i. a special warranty deed, in form substantially similar to the attached **Exhibit "B"** duly executed and acknowledged by Seller;
- ii. an affidavit of possession in the form provided by the Title Company executed and sworn to by Seller;
- iii. releases for any mortgagees, deeds of trust or other liens arising by, through or under Seller encumbering the Property;
- iv. a bills paid affidavit verifying that there are no unpaid bills or claims for labor performed or materials furnished to the Property prior to the Closing Date, other than any such bills or claims for which the Title Company is retaining funds from Seller in escrow to pay;
- v. a closing statement setting forth the Purchase Price and all closing credits and adjustments expressly provided for in this Agreement ("Closing Statement") executed by Seller;
- vi. an affidavit executed by Seller in the form satisfactory to the Title Company that the Buyer will not be required to withhold any tax and that no withholding liability exists as of the Closing under §1445 of the Internal Revenue Code (and the implementing regulations);
- vii. All keys and entrance cards used on any part of the Property in Seller's possession or control;

- viii. copies of tax certificates representing that all taxes on the Property have been paid; and
- ix. any other documents required by the Title Company to close the transaction in accordance with this Agreement.

b. Buyer. At the Closing, Buyer shall deliver to the Title Company each of the following items:

- i. the total Purchase Price, less any credits and/or any adjustments as provided herein;
- ii. the Closing Statement executed by the Buyer; and
- iii. any other documents required by the Title Company to close the transaction in accordance with this Agreement.

8.3 Adjustments at Closing. All normal and customarily prorable items, including, 253 without limitations, real estate taxes shall be prorated as of the Closing Date, Seller being charged and credited for all of same up to the Closing Date and Buyer being charged and credited for all of same on and after such date. If the actual amounts to be prorated are not known as of the Closing Date, the prorations shall be made on the basis of the best evidence then available, and thereafter, when actual figures are received, a cash settlement will be made between Seller and Buyer.

8.4 Property Taxes.

a. Ad Valorem Tax Settlement. To the extent applicable, ad valorem taxes for the Property for the year in which Closing occurs shall be prorated based on the current year's taxes if known, or if not known then on the basis of such taxes for the prior year. Within thirty (30) calendar days of Buyer's receipt of the actual tax statements from the appropriate taxing authorities, Buyer shall deliver a copy thereof to Seller, together with a proration thereof based upon the actual taxes due and payable for the year in which Closing occurs. If the actual taxes for the year of Closing are less than the estimated taxes prorated at Closing, Buyer shall deliver to Seller, in addition to the tax statement, Seller's pro rata share of such difference. If the actual taxes for the year of Closing exceed the estimated taxes prorated at Closing, Seller shall deliver to Buyer Seller's pro rata share of such difference within thirty (30) calendar days of receipt of the tax statement.

b. Survival. The terms and provisions of this Section 8.4 shall survive Closing.

8.5 Possession and Closing. Possession of the Property shall be delivered to Buyer by Seller at the Closing, subject only to the Permitted Exceptions.

8.6 Costs of Closing.

- a. Seller agrees to pay:

- i. the pro-rated real estate taxes.
- b. Buyer agrees to pay:
 - ii. all charges for tax certificates;
 - iii. the cost of the Title Commitment, any updates to the Title Commitment, and the premium for issuance of the Title Policy required under this Agreement, and the cost for the boundary deletion and any other endorsements to the Title Policy if elected by the Buyer;
 - iv. all of any escrow fees charged by the Title Company
 - v. the cost of the Survey and/or any updates and revisions to the Survey;
 - vi. the cost of any tests or inspections performed on the Property; and 254
 - vii. fee for recording the deed charged by the Title Company

All other reasonable and necessary costs, fees, penalties and other expenses incurred at the Closing shall be paid by Buyer; provided that the Title Company provides notice of and information related to any such costs in advance of Buyer being obligated for payment of same.

ARTICLE IX DEFAULTS AND REMEDIES

9.1 Seller's Default. If Seller defaults under this Agreement, Buyer, at Buyer's option: (i) shall be entitled to terminate this Agreement whereupon Buyer shall be entitled to an immediate refund of the Earnest Money with interest, and the Parties hereto shall have no further obligations to one another hereunder, or (ii) may pursue any and all of Buyer's remedies at law or in equity, including the enforcement of specific performance of this Agreement.

9.2 Buyer's Default. In the event Buyer shall be deemed to be in default hereunder, Seller shall be entitled to terminate this Contract and request that the Title Company deliver the Earnest Money to Seller (on receipt of written notice from Seller that Buyer has defaulted). Such notice to the Title Company need not be accompanied by any other document or consent of any other party, it being agreed between Buyer and Seller that the Earnest Money shall be liquidated damages for a default of Buyer hereunder because of the difficulty, inconvenience, and uncertainty of ascertaining actual damages for such default. It is further agreed that the liquidated damages provided for herein represent a reasonable forecast of Seller's damages, considering all the circumstances existing as of the date of this Contract.

**ARTICLE X
MISCELLANEOUS**

10.1 Exhibits. References to “Exhibits” contained herein, if any, are references to exhibits attached hereto, all of which are made a part hereof and incorporated herein for all purposes.

10.2 Notices and Communications. All notices, demands, and requests and other communications required or permitted hereunder shall be in writing, shall be sent by certified mail, return receipt requested; by courier; or by telephonic facsimile or other electronic communications and shall be deemed to be delivered (i) upon first attempted delivery if sent by mail or by courier; and (ii) upon transmittal if sent by telephonic facsimile or other electronic communication. Buyer’s and Seller’s respective addresses for purposes of this Agreement, and to which all notices required hereunder shall be sent, are as follows:

If to the Seller: Alfredo and Juan Francisco Contreras
4220 Avenue O
Galveston, Texas 77550
Phone: ~~XXXXXXXXXX~~
Email: ~~XXXXXXXXXX@XXXXXXXXXX and XXXXXXXXXX@XXXXXXXXXX~~

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If to the Buyer: Jerry Gibson
Superintendent
Galveston Independent School District
3904 Avenue T
Galveston, Texas 77550
Telephone: (409) 766-5121
Email: JerryGibson@gisd.org

With copy to: Mark D. Smith
Thompson & Horton, LLP
Ross Tower, Suite 3150
500 North Akard Street
Dallas, Texas 75201
Fax No. (972) 528-5131
Telephone: (469) 421-6844
Email: msmith@thompsonhorton.com

10.3 Governing Law and Venue. This Agreement is being executed and delivered and is intended to be performed in the State of Texas, and the laws of such State shall govern the validity, construction, enforcement, and interpretation of this Agreement. Exclusive venue for any legal proceeding relating to this Agreement shall be in Dallas County, Texas.

10.4 Assignment of Agreement. Neither Party may assign this Agreement without the prior written consent of the other Party.

10.5 Entirety and Amendments. This Agreement embodies the entire agreement between the Parties and supersedes all prior agreements, understandings, and negotiations, whether verbal or written, between the Parties, relating to the Property and this transaction and may be amended or supplemented only by an instrument in writing executed by the Party against whom enforcement is sought.

10.6 Multiple Counterparts; Electronic Signatures. This Agreement may be executed in a number of identical counterparts. If so executed, each of such counterparts is to be deemed an original for all purposes and all such counterparts shall, collectively, constitute one agreement, but, in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart. A copy of this Agreement signed by the Parties may be transmitted by electronic mail and received by the Title Company. However, each Party shall provide to the other Party an original or original counterpart after execution.

10.7 Risk of Loss. Risk of loss or damage to the Property or any part thereof by fire or any other casualty from the Execution Date up to the time of delivering the special warranty deed transferring title to the Property to Buyer will be on Seller and thereafter will be on Buyer.

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10.8 Real Estate Broker. Both parties acknowledge that neither Seller nor Buyer has a broker for this transaction and that there will be no commissions paid to any brokers on this transaction. Seller agrees to, and does hereby, indemnify and hold Buyer harmless for claims for commissions, fees or compensation arising out of this Contract and the transaction contemplated herein arising by reason of Seller's actions. Buyer agrees to, and does hereby, indemnify to the extent allowed by law and hold Seller harmless for claims for commissions, fees or compensation arising out of this Contract and the transaction contemplated herein arising by reason of Buyer's actions.

10.9 The following Exhibits are attached hereto and incorporated herein for all purposes:

- a. Exhibit "A" Property Description
- b. Exhibit "B" Form of Special Warranty Deed

[Signatures appear on the following page]

[Signature page for Purchase and Sale Agreement between Alfredo Contreras, and Juan Francisco Contreras, individuals, and the Galveston Independent School District]

EXECUTED as of the ____ day of _____ 2022.

Seller:

ALFREDO CONTRERAS

Alfredo Contreras

JUAN FRANCISCO CONTRERAS

Juan Francisco Contreras

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Buyer:

**GALVESTON INDEPENDENT SCHOOL
DISTRICT**

By: _____
Jerry Gibson, Superintendent

TITLE COMPANY RECEIPT

The undersigned Title Company acknowledges receipt of an original executed copy of this Purchase and Sale Agreement on the ____ day of _____, 2022.

STEWART TITLE COMPANY

By: _____
Name: _____
Title: _____

TITLE COMPANY RECEIPT

The undersigned Title Company acknowledges receipt of the Earnest Money in the amount of (\$1,000) on the ____ day of _____, 2022.

STEWART TITLE COMPANY

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By: _____
Name: _____
Title: _____

EXHIBIT "A"

Legal Description

The West 7 feet of Lot Eleven (11) and the East 35 feet 10 inches of Lot Twelve (12), in the Southwest Block of Outlot 33, in the City and County of Galveston, Texas.

EXHIBIT "B"

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

SPECIAL WARRANTY DEED

THE STATE OF TEXAS §
 § **KNOW ALL PERSONS BY THESE**
COUNTY OF GALVESTON § **PRESENTS:**

That **ALFREDO CONTRERAS & JUAN FRANCISCO CONTRERAS** (referred to as "Grantor"), for and in consideration of the sum of Ten and no/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Grantor, has GRANTED, BARGAINED, SOLD and CONVEYED and by these presents does GRANT, BARGAIN, SELL and CONVEY unto **GALVESTON INDEPENDENT SCHOOL DISTRICT**, a public independent school district and political subdivision of the State of Texas ("Grantee"), and Grantee's successors and assigns, that certain parcel of land located at 4220 Avenue O, Galveston, Galveston County, Texas, as more particularly described on the attached **Exhibit "A"** and incorporated herein by reference (the "Land"), subject to all of the restrictions, reservations, exceptions and other matters set forth or referred to herein, together with all improvements on or under the Land, ("Improvements"); and all easements, tenements, hereditaments, privileges and appurtenances in any way benefitting such Land, including, without limitation, (i) any land to the midpoint of the bed of any highway, street, alley, road or avenue, open or proposed, in front of, abutting, or adjoining such Land; (ii) any land lying in or under the bed of any creek, stream, bayou or river running through, abutting or adjacent to such Land; (iii) any surface waters; (iv) the present or future use of wastewater (sewer) capacity, drainage, water capacity, or other utilities or utility facilities, and all impact fees that are creditable to, pertain to, or benefit such Land; (v) any strips, gores or pieces of property abutting, bounding or which are adjacent or contiguous to such Land; (vi) any reversionary interests benefitting such Land; (vii) any rights-of-way, rights of ingress or egress, or other interests in, on or to any land, highway, street, road or avenue, open or proposed, in, on, across, in front of, abutting or adjoining such Land; (viii) all water and water rights in, on, under and that may be produced from the Land (or rights-of-way, lakebeds, waterways or other strips adjacent or contiguous to the Property) (collectively "Water Rights"); (ix) any awards made, or to be made in lieu thereof, and in and to any unpaid awards for damage thereto in any way benefitting such Land; (x) any easement across, adjacent to or benefitting the such Land, existing or abandoned; and (xi) any other rights and benefits pertaining to the Land (clauses (i) through (xi) being referred to as "Appurtenances") (the Land, the Improvements, and the Appurtenances are collectively herein referred to as the "Property").

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TO HAVE AND TO HOLD the Property together with all and singular the rights and appurtenances thereto in anywise belonging unto the said Grantee, its successors and assigns forever, and Grantor does, by these presents, bind itself, and its representative heirs, administrators, successors and assigns, to WARRANT and FOREVER DEFEND, all and singular, title to the Property unto Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through or under Grantor but not otherwise; provided, however, that this conveyance is made by Grantor and accepted by Grantee subject to: (a) all of the title exceptions listed on **Exhibit "B"**, attached hereto and incorporated herein by reference (the "Permitted Exceptions"); and (b) the mineral reservation set forth below.

Taxes for prior years have been paid by Grantor. Taxes for the current year, have been prorated between Grantor and Grantee as of the date of this Deed in accordance with that certain Purchase and Sale Contract between Grantor and Grantee with an Effective Date of _____, _____ (the "Purchase Contract").

Grantor hereby expressly reserves from the conveyance hereunder any and all mineral rights in and to the Land, including but not limited to, all of the oil, gas, and associated hydrocarbons; coal, lignite, sulfur, phosphate, lead, zinc, copper, iron ore and other metallic ores; sodium, salt, uranium, thorium, molybdenum, vanadium, geothermal energy, titanium and other fissionable materials; gold, silver and other precious metals; bauxite, limestone and other stones; gypsum and other minerals of any kind or nature now owned by Grantor in, on or under the Land. Grantor waives and releases the right of ingress and egress in and to the Land and all surface rights appurtenant to the mineral rights hereby reserved.

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EXECUTED to be effective as of the ____ day of _____, 2022.

GRANTOR:

ALFREDO CONTRERAS

STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

This instrument was acknowledged before me, the undersigned authority, this ____ day of _____, 2022, by Alfredo Contreras.

[SEAL]

Notary Public ★ State of Texas

JUAN FRANCISCO CONTRERAS

STATE OF TEXAS

§

COUNTY OF GALVESTON

§

§

This instrument was acknowledged before me, the undersigned authority, this _____ day
of _____, 2022, by Juan Francisco Contreras.

[SEAL]

Notary Public ★ State of Texas

AFTER RECORDING RETURN TO GRANTEE AT:

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Mark D. Smith
Thompson & Horton, LLP
Ross Tower
500 North Akard St., Suite 3150
Dallas, Texas 75201-3302

EXHIBIT "A" TO DEED

Legal Description of Property

The West 7 feet of Lot Eleven (11) and the East 35 feet 10 inches of Lot Twelve (12), in the Southwest Block of Outlot 33, in the City and County of Galveston, Texas.

EXHIBIT "B" TO DEED

Permitted Exceptions

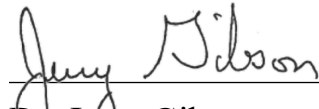
[TO COME]

Action Sheet

MEETING DATE: December 14, 2022

AGENDA ITEM: Discuss and consider approval of purchase and sale agreement(s) to purchase real property needed for the new Ball High School (UNDER SEPARATE COVER)

RECOMMENDATION: I move that the Board approve the Purchase and Sale Agreement(s) to purchase property needed for the new Ball High School, as presented.



Dr. Jerry Gibson
Superintendent



Connie Morgenroth
Assistant Superintendent of Business & Operations

Action Sheet

MEETING DATE:

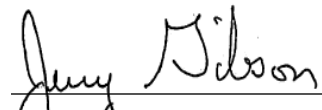
December 14, 2022

AGENDA ITEM:

Discuss and consider approval of the naming of the baseball complex.

RECOMMENDATION:

None



Jerry Gibson
Superintendent

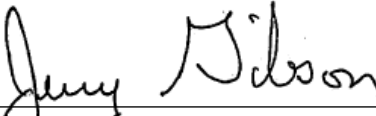
Action Sheet

MEETING DATE: December 14, 2022

AGENDA ITEM: Consider termination of design build contract with Hellas related to the stadium press box and related actions.

On June 22, 2022, the Board approved the use of the design build delivery method for the stadium. Hellas contractors was selected for the stadium. The parties have since agreed to remove the press box from Hellas' scope, and the press box will now be included in the scope along with the high school and natatorium. As a preliminary matter, the district must first terminate its contract with Hellas related to the press box.

RECOMMENDATION: I move that the Board authorize the Superintendent to terminate the District's design-build contract with Hellas related to the stadium press box and take related actions.



Dr. Jerry Gibson
Superintendent

Connie Morgenroth

Connie Morgenroth
Assistant Superintendent of Business & Operations

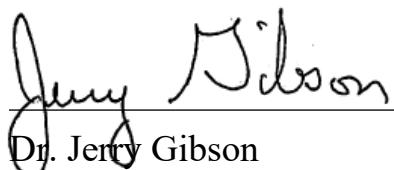
Action Sheet

MEETING DATE: December 14, 2022

AGENDA ITEM: **Consider new Construction Delivery Method for the new Ball High School, Natatorium and Stadium Press Box and related actions**

In May 2022, the voters passed a \$314.8M bond which included funds to build a new Ball HS, natatorium, and stadium. On June 22, 2022, the Board approved the use the Competitive Sealed Proposal delivery method for the high school and natatorium. On August 10, 2022, the Board approved the use of the design build delivery method for the stadium. Hellas contractors was selected for the stadium. The parties have since agreed to remove the press box from Hellas' scope, and the press box will now be included in the scope along with the high school and natatorium. Due to long lead times for construction materials, PBK and Zero/Six recommend that the delivery method for this project be Construction Manager At-Risk.

RECOMMENDATION: **I move that the Board determine that the construction manager at-risk method provides the best value to the Galveston Independent School District. I further move that the Board modify the delivery method for the new Ball High School and natatorium to the construction manager at-risk delivery method. I further move that the delivery method for the stadium press box be modified to the construction manager at-risk delivery method. I further move that the administration be authorized to conduct a bid process and provide a recommendation to the Board regarding a proposed construction manager at-risk and related actions.**



Dr. Jerry Gibson
Superintendent

Connie Morgenroth

Connie Morgenroth
Assistant Superintendent of Business & Operations

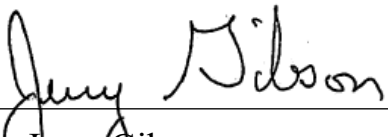
Action Sheet

MEETING DATE: December 14, 2022

AGENDA ITEM: Consider Approval of PBK Architect's Fee Proposal for Stadium Press Box

In May 2022, the voters passed a \$314.8M bond which included funds to build a new Courville Stadium. In June 2022, the board approved the design build procurement method for the stadium. Due to the intricate design of the new stadium press box, the District and Zero/Six Consulting recommend hiring PBK for Architect/Engineer services related to the press box and general architectural review services related to the work of the design-builder. PBK's fee proposal is attached for your review.

RECOMMENDATION: I move that the board approve the fee proposal from PBK Architects in the amount 6% of the final construction cost for the Stadium Press Box project, as presented. I further move the board authorize the administration to negotiate and execute related contract documents and take related actions.



Dr. Jerry Gibson
Superintendent

Connie Morgenroth

Connie Morgenroth
Assistant Superintendent of Business & Operations

December 12, 2022

VIA: E-MAIL



Dr. Jerry Gibson
Superintendent of Schools
Galveston Independent School District
3904 Avenue T
Galveston, Texas 77550

Re: New Press Box Design at Kermit Courville Stadium
Galveston Independent School District

Dear Dr. Gibson,

Thank you for allowing PBK the opportunity to submit this proposal to provide architectural and engineering services for the new press box at Courville Stadium.

SCOPE OF WORK

Design of the new press box at Kermit Courville Stadium

- 1) The project is located at 1429 27th Street, Galveston, Texas 77550
- 2) The press box design will work in conjunction with the existing concrete bleacher system.

PROFESSIONAL SERVICES

PBK will provide complete professional services, including the following:

- 1) Architectural
- 2) Mechanical
- 3) Electrical
- 4) Plumbing
- 5) Structural
- 6) Civil (if needed)

The following is a description of the phases of design and construction that PBK will provide:

- 1) Schematic Design – It is our understanding that an existing floor plan has been developed, with the approval of the school district. PBK will continue to develop the existing schematic design.
- 2) Design Development – Once the Schematic Design Phase is approved, the design will continue to be developed. This phase is known as Design Development. PBK will develop and show all systems, including mechanical, electrical, and plumbing.
- 3) Construction Documents – Once the Design Development Phase is approved, the construction documents will begin. These documents will be composed of necessary plans, details, and specifications, which will allow interested general contractors to bid on the project.
- 4) Bid Phase – PBK will assist Galveston ISD during the bid phase, answering questions and releasing addenda. PBK will also assist in advertising, receiving bid proposals, and development of the contract between GISD and the successful contractor.

- 5) Construction Administration – PBK will assist Galveston ISD during the construction phase of the project. We will review shop drawings, answer questions and process pay applications. In addition, PBK will follow the project during the 1-year warranty period, making sure that warranty items are repaired by the general contractor.

COMPENSATION

Compensation for all services described above will be based on 6.00% of the final construction cost.

The cost of construction budget for this project is \$5,000,000.00.

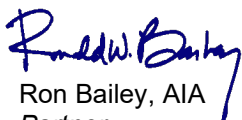
SCHEDULE

The project schedule will be determined at a later date.

It is our understanding that a design/build firm was originally under contract for this part of the project. PBK would need, in writing, that this company has been released, and is no longer under contract to perform this work for the new press box.

All of us at PBK would like to thank you for this opportunity. If you have any questions, please do not hesitate to give me a call.

Sincerely,


Ron Bailey, AIA
Partner

Agreed to and Accepted this _____ day of _____, 20____.

Galveston Independent School District

Signature

Printed Name and Title

Date

Action Sheet

MEETING DATE:

December 14, 2022

AGENDA ITEM:

Discuss and consider directing the Superintendent to comply with the provisions of the Board Operating Procedures previously adopted by the Board.

RECOMMENDATION:

I move that the Board of Trustees direct the Superintendent to comply with the provisions of the Board Operating Procedures previously adopted by the Board.

Requested by Elizabeth Beeton
Trustee

Action Sheet

MEETING DATE:

December 14, 2022

AGENDA ITEM:

Review and discuss Board Operating Procedures and Code of Conduct for Board members as per policy.

RECOMMENDATION:

I move the Board of Trustees adhere to and comply with the Board Operating Procedures and Code of Conduct.

Requested by David O'Neal
Trustee