Notice of Regular Meeting
Board of Trustees
Wednesday, January 19, 2022

A Regular Meeting of the Board of Trustees will be held on Wednesday, January 19, 2022, beginning at 6:00 PM, in the Lovenberg Administration Building, 3904 Avenue T, Galveston, TX 77550.

The subjects to be discussed or considered or upon which any formal action may be taken are listed below. Items do not have to be taken in the same order as shown on this meeting notice. For more information about public comment, see Policy BED. Unless removed from the consent agenda, items identified within the consent agenda will be acted on at one time.

1) Call to order Open Session in the Board Room of the Lovenberg Administration Building, 3904 Avenue T, Galveston, Texas.
2) Pledge of Allegiance to the United States flag and the Texas flag.
3) 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

4) Reestablish the open meeting of the Galveston ISD Board of Trustees.
5) District Reports
A) Superintendent's Report
1) Young Gardeners Presentation
2) Ball High Alumni Recognition
B) Long Range Facilities Presentation 4
C) Board Committee Reports
1) Curriculum Committee Chair- Ms. Ann Masel
2) Facilities/Finance Committee Chair- Mr. Johnny Smecca
6) Board President to Appoint Standing Committees.
7) Financial Reports and Budget Update 35
8) CONSENT AGENDA - Action Items
A) Consider approval of the minutes from the Regular School Board Meeting on December 15, 2021 and Special Meeting on December 20, 2021. 47
B) Consider approval of personnel resignations and recommendations with contracts. 53
C) Discuss and consider approval of payment of attorney fees. 54
D) Discuss and consider approval of monthly Budget Amendments 55

E) Consider Approval of Purchases >$50,000

F) Discuss and consider accepting donations in accordance with Board Policy CDC Local. 57

G) Discuss and consider Resolution to join Central Texas Purchasing Alliance 60

GISD seeks to enter into an Interlocal Agreement with the Central Texas Purchasing Alliance in order to benefit from certain purchasing contracts and believes this is in the best interest of the District. The board resolution to join the cooperative is attached for your review.

H) Discuss and consider approval to contract with N2Learning to assist with district planning for school improvement including the facilitation of the Visioning process in an amount not to exceed $55,000. 62

Galveston ISD, a member of the cohort of the System of Great Schools (SGS), desires to develop a locally designed system-level innovation and problem-solving approach with the goal of increasing the number and percentage of students in top-rated schools and reducing the number and percentage of students in low-rated schools. N2 Learning will work with the district to design a process to both improve schools and provide the community with the schools and programs they desire.

N2 Learning will facilitate 5 full-day strategic planning meetings consisting of research, expert presentation by Todd Whitaker, and collaboration in order to create a plan based on the beliefs of the school district and community and the commitments on the part of both in order to have more students in better schools every year. The scheduled dates are January 28-29, February 11-12, and February 25, 2022. Throughout the process, N2 will support committee members in aligning the district's beliefs and commitments with the mission and core values of the district and the community which will serve as a guide for educational programs in the district. N2Learning Inc. is a part of the Central Texas Purchasing Alliance cooperative.

I) Discuss and Consider out of state trip to Panama, for eligible 7th & 8th grade students at Austin Middle School June 2022 63

Participating students and chaperones, led by Emily Shotwell, will travel to Panama to participate in a STEM-focused environmental science tour. The trip will be open to all middle school students and is an extension of the school's magnet focus and science curriculum. This will be the third tour planned for Austin Middle School through Education First and the first STEM-specific tour.

No school materials or transportation will be used for this trip. The trip does not conflict with any regularly scheduled school days.

J) Discuss and consider approval of additional courses as Advanced for 9th graders entering 2022-2023. 66

According to EIC (LOCAL) The District shall categorize and weight eligible courses as Advanced Placement (AP)/Honors and Regular in accordance with provisions of this policy and as designated in appropriate District publications, including the high school catalog. Administration recommends the attached list of courses be listed as advanced courses in District Publications including the high school course catalog.

K) Discuss and consider approval for an out of state trip to Cozumel Mexico via a Cruise leaving from the Galveston Port on Feb. 2, 2023, for eligible Band and Choir 68

students (75-100 students and 15 chaperones). Select student groups will perform on the ship and all students will be given the cultural experience of visiting Cozumel Mexico.

9) REGULAR AGENDA- Action Items

A) Discuss and consider approval of the August 31, 2021, Annual Financial and Compliance Report 70

As required by the Texas Education Code and Board Policy CFC Legal, the Board shall have the District's fiscal accounts audited annually. The financial report for the August 31, 2021 fiscal year is ready to be approved.

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

B) Discuss and consider for action trustees' request for information concerning a comparison of prices for sports clothing and equipment by the district's prior vendor and those compared to current vendor. 172

10) 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.

11) Suggested Future Agenda Items

12) Board Comments

13) 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, Texas Government Code, Chapter 551, Subchapters D and E or Texas Government Code section 418.183(f). 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. [See TASB Policy BEC(LEGAL)]

_____

For the Board of Trustees

RECOMMENDATION OF THE GALVESTON ISD FACILITY PLANNING COMMITTEE



INDEPENDENT SCHOOL DISTRICT
GALVESTON
Island of Excellence ~ World of Opportunity

COMMITTEE LIAISON

Samantha Gonzales

STUDENT VOICE

Abby Nallie

Haylie Wisner

GALVESTON ISD FACILITY PLANNING COMMITTEE

Jeff Antonelli
Rev. Bert Bagley
Angela Blair
Dr. Sonia Boone
Mayor Craig Brown
Monica Clark
Lynn Clore
Charli Dean
Mike Dean
Zarah Ektefaei
Cathy Frederickson
Chris Frederickson
Austin Gabriel
Paulie Gaido
Chesney Garza
Pastor David Gomez
Samantha Gonzales
Bailey Gonzales
Jeremy Haar
Pete Henley
Mark Kelso
Janet Mack
Harry Maxwell
Ava Moore
Abby Nallie
Mary Jo Naske
Abigail Pillar
Aaron Sanders
William Schuster
Chloe Stein
Jody Stein
Josephine Sullivan
Kerisha Tillmon
Stephanie Vasut
Velita Walker
Inari Washington
Billy Williams
Annie Williams
Stacy Wisner
Hailey Wisner
Miguel Zarate

Table Facilitators

Manuel Garza, Sara Giambelluca, Elizabeth Murphy,
Joseph Pillar, Alice Prets, Beatriz Rodriguez

District Resources

Paul Byers, Vikki Curry, Michael Le, Connie Morgenroth, Jeff Post,
John Pruitt, Billy Rudolph, David Weaver, Dr. Jerry Gibson

COMMITTEE REPRESENTATION

- Parents and Grandparents
- Business Leaders
- Civic Leaders
- Educators and Administrator
- Students
- Volunteers
- Retirees
- Alumni







COMMITTEE CHARGE

The **Galveston ISD Long Range Facilities Planning Committee** recommendation will include the following ideals and beliefs:

- Consider the needs of all district's students,
- Represent the priorities, expectations, and values of the entire community,
- Use facts and data to make informed decisions,
- Honor the work of the prior committee,
- Strive for equity of facilities, defined as not being the same, but rather as supporting common educational goals of the district, including safety and security,
- Understand the district's finances to develop short and long term goals that are fiscally sound.

COMMITTEE MEETINGS

Meeting No.1 | October 27, 2021

- Charge To Committee
- Norms & Process Overview
- Facilities Needs Assessment

Meeting No.2 | December 1, 2021

- Charge To Committee
- Norms & Process Overview
- Middle School Task Force Report
- School Finance 101
- Facilities Needs Assessment Findings

Meeting No.3 | December 9, 2021

- Charge To Committee
- Norms and Process Overview
- Financial Outlook
- Transportation Capital Needs
- Technology Capital Needs
- Legislative Changes Affecting Bond Elections
- Facilities Needs Assessment Priority Definitions
- Mock Table Vote

Meeting No.4 | January 6, 2022

- Final Table Vote

WHAT WE LEARNED

The district has **$443,875,510.75** in facility needs across the district to address outdated facilities, capital improvements, maintenance and operations and technology. In addition, GISD has **$270,221,305** in replacement facility needs.
These needs should be addressed in multiple bond elections to meet the needs of our community.







COMMITTEE RECOMMENDATIONS

The **Galveston ISD Facility Planning Committee** recommends the Galveston ISD Board of Trustees call a **Bond Election for May 2022,** in the amount of **$305,894,714**

COMMITTEE RECOMMENDATIONS

• Replacement of Ball High School	**$245,952,659**
• Renovation of Central Middle School	**$8,513,236**
• Renovation of Weis Middle School	**$18,745,885**
• Renovation of Courville Stadium (Replacement)	**$24,268,655**
• District Transportation Capital Needs	**$2,820,186**
• District Technology Capital Needs	**$4,533,000**
• GISD Trustee Approved Bond Reimbursement Resolutions (Parker HVAC repairs, Administration Building, Emergency Generator, Purchase of Real Property, Professional Fees)	**$1,061,093**

REPLACEMENT OF BALL HIGH SCHOOL



$245,952,659

REPLACEMENT OF BALL HIGH SCHOOL

VLK | CURATION® - Curriculum & Instruction Design Planning

WHO WE ARE

- Specialized small learning communities
  - Biomedical Engineering and Medical Professions
  - Innovation and Entrepreneurship
  - Media Arts and Digital Technology
  - STEM
- College Credits
- Industry Certifications
- Collaboration
- 1:1 Technology Initiative
- Student-centered learning
- Library is “hub” of school and is used innovatively

REPLACEMENT OF BALL HIGH SCHOOL

PROJECT VISION STATEMENT

Intentional innovation and modernization of learning environments that align with pedagogy is the expectation of Galveston ISD's facility vision. The focus on CTE programming, community partnerships, and addressing purposeful space within learning environments will allow students to exceed their potential. An alliance of supporting research, communication, and broad ideas will establish the foundation for learning for generations Alpha and beyond. This will be achieved via the district's strong philosophy to educate, engage, and empower each student for a life of excellence.

REPLACEMENT OF BALL HIGH SCHOOL

VISIONING WORKSHOP PARTICIPANTS

Brandi Hardeman
Timirrah Hardeman-Edwards
Mike Dudas
Paulie Gaido
Monte Thomas
Collin Thomas
Bruce Leipzig
Samantha Gonzales
Timiya Hilton
Toniesha Martinez
Becky Thomas
Maj. Mark Knight
Haylie Wisner
Joe Pillar
Vikki Curry
Billy Williams
Tony Brown
Jody Stein
Chloe Stein
Abby Pillar
Eric Paul
Stephanie Mendoza
David O'Neal
Bailey Gonzales
Abigail Nallie
Dr. Jerry Gibson
Matthew Neighbors

REPLACEMENT OF BALL HIGH SCHOOL

VISIONING WORKSHOP



October 20, 2021

Experience Mapping

- Student experiences
- Teacher experiences

Prevalent Themes

- School pride
- Space for athletics and fine arts
- Technology futures
- Space for collaboration
- Focus on clubs and organizations

REPLACEMENT OF BALL HIGH SCHOOL

VISIONING WORKSHOP

WHAT WE NEED

- Purposeful areas for student collaboration
- Flexible library spaces to support a variety of learning needs
- Outdoor spaces appropriate for teaching and learning
- Large space for student group presentations
- Appropriate spaces for ROTC
- Strong infrastructure for technology futures
- Special Education drive and conference room
- Dance classroom
- Band hall
- CTE areas that emulate industry
- Flexible spaces throughout to support independent learning
- More lab spaces
- Space for counseling/SEL

REPLACEMENT OF BALL HIGH SCHOOL

TYPOLOGY OF SPACES



EXCHANGE



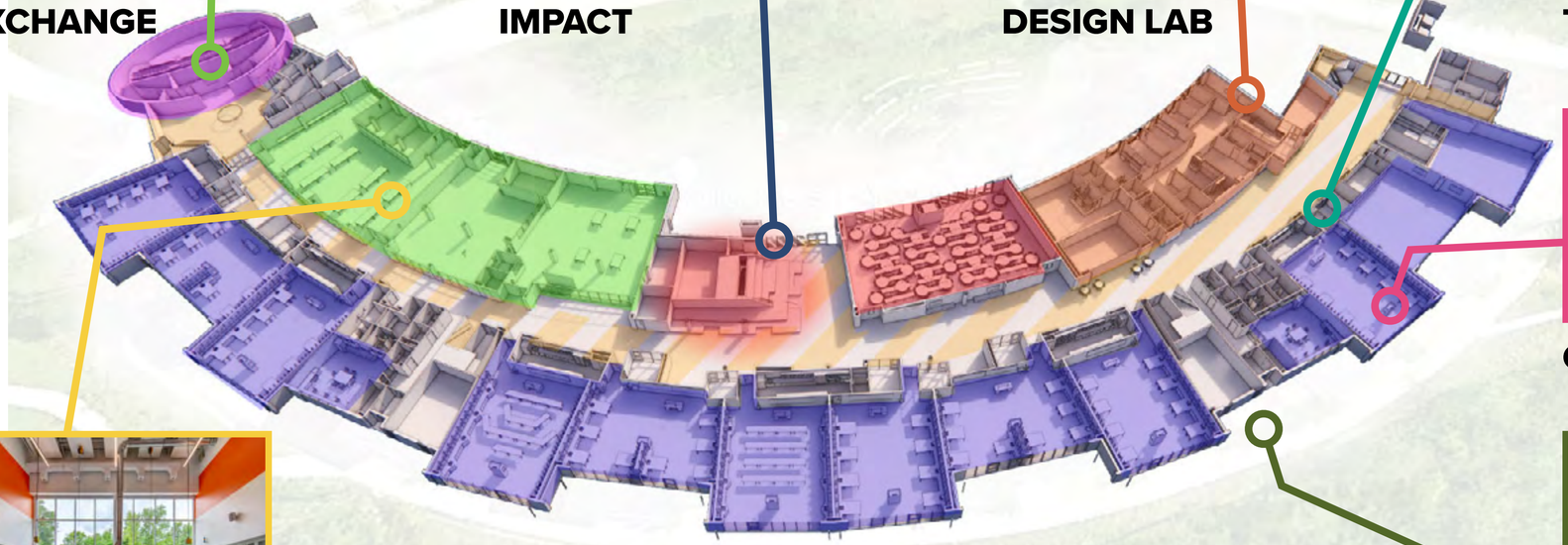
IMPACT



DESIGN LAB



THINK





CREATE



DISCOVER



EXPLORE

REPLACEMENT OF BALL HIGH SCHOOL

TYPOLOGY OF SPACES RESULTS - CREATE









REPLACEMENT OF BALL HIGH SCHOOL

TYPOLOGY OF SPACES RESULTS - DISCOVER









REPLACEMENT OF BALL HIGH SCHOOL

TYPOLOGY OF SPACES RESULTS - THINK







REPLACEMENT OF BALL HIGH SCHOOL

TYPOLOGY OF SPACES RESULTS - IMPACT







REPLACEMENT OF BALL HIGH SCHOOL

TYPOLOGY OF SPACES RESULTS - EXCHANGE







REPLACEMENT OF BALL HIGH SCHOOL

TYPOLOGY OF SPACES RESULTS - DESIGN LAB







REPLACEMENT OF BALL HIGH SCHOOL

TYPOLOGY OF SPACES RESULTS - OUTDOOR







REPLACEMENT OF BALL HIGH SCHOOL

TYPOLOGY OF SPACES RESULTS - EXTERIOR









RENOVATIONS OF CENTRAL MIDDLE SCHOOL



$8,513,236

Work includes site/exterior repairs including roof replacement, restroom renovation, mechanical & electrical system upgrades, life safety and security system.

RENOVATIONS OF WEIS MIDDLE SCHOOL



$18,745,885

Work will support GISD's Middle School Realignment Plan and included renovation to Gym, Cafeteria, Special Ed to support 5th and 6th grade learners, site/exterior repairs, mechanical and electrical plumbing system upgrade and safety & security system.

RENOVATIONS OF COURVILLE STADIUM (Replacement)



$24,268,655

Work includes new seating for 6,000 spectators, press box, concessions, locker rooms, restrooms, turf field and life safety & security system.

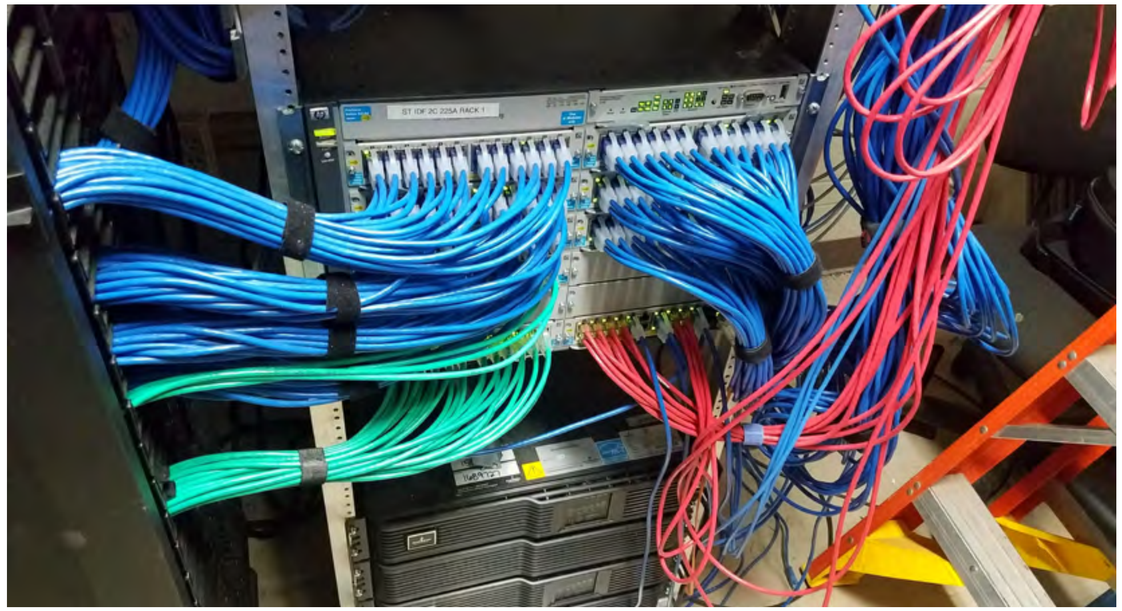
DISTRICT TRANSPORTATION CAPITAL NEEDS



$2,820,186

13 new buses, white fleet vehicles and student management software.

DISTRICT TECHNOLOGY CAPITAL NEEDS



$4,533,000

New district technology infrastructure including servers & switches, routers and classroom instruction technology

BOND ELECTION DATES & DEADLINES

• Last day to call a **May 2022** Bond Election	**February 18, 2022**
• Last day to register to Vote	**April 7, 2022**
• Early Voting	**April 25 - May 3, 2022**
• Election Day	**May 7, 2022**

TELLING THE STORY



INDEPENDENT SCHOOL DISTRICT
GALVESTON
Island of Excellence – World of Opportunity

Action Sheet

MEETING DATE: **January 19, 2022**

AGENDA ITEM: **Financial Reports**

The following reports for the period ending 12/31/2021 are attached for your review:

Executive Summary – See Attachment A.

Report No. 1 – FY 2021-2022 General Fund revenues, showing budget, actual collections, and (over)/under collected. See Attachment B.

Report No. 2 – FY 2021-2022 General Fund expenditures by function, showing budget, encumbrances, expenditures, and unencumbered balances. See Attachment C.

Report No. 3 – Cash and investments for all funds. See Attachment D.

Report No. 4 – Detail of tax collections. See Attachment E.

Report No. 5 – Vendors with aggregated purchases for FY 2021-2022 that exceed $50,000. See Attachment F.

Report No. 6 – Local Vendor Activity for FY 2021-2022 (zip codes 77550-77554). See Attachment G.

Report No. 7 – Monthly Check Register. See Attachment H.

Report No. 8 – Bond Summary Cover Sheet. See Attachment I.

Report No. 9 - Bond Project Report, showing original bond project cost estimates (PBK) compared to actual bids/expenses. See Attachment J.

RECOMMENDATION: I move that the Board of Trustees receive the financial reports as presented.

Jerry Gibson, Ed. D.

Digitally signed by Jerry Gibson, Ed. D.
Date: 2022.01.06 15:14:23 -06'00'

Dr. Jerry Gibson
Superintendent

Connie Morgenroth

Digitally signed by Connie Morgenroth
DN: cn=Connie Morgenroth, o=Galveston Independent School District, ou=Business and Operations, email=conniemorgenroth@gisd.org, c=US
Date: 2022.01.05 16:26:30 -06'00'

Connie Morgenroth
Assistant Superintendent for Business and Operations

Financial Reports – Executive Summary, Board Meeting 01/19/2022

The following reports representing period ending 12/31/2021, are attached for your review:

Report No. 1 – General Fund revenue collected through the period totals $27,707,747 or 27.0 % of projected collections. For the same period in FY 2020-2021, revenue totaled $26,262,632 or 29.2% of budgeted collections. See attachment B.

Report No. 2 – General Fund expenditures through the period totals $22,659,374 or 21.7% of total projected expenditures. For the same period in FY 2020-2021, expenditures totaled $22,015,705 or 22.7% of budgeted expenditures. See attachment C.

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

Funds held by each financial institution at 12/31/2021 are as follows:

Moody Bank	$8,465,454	Pledged securities $19,643,989
Texas Class Investment Pool	$26,200,697	N/A (Investment Pool)
Texas Term	$14,419,262	N/A (Investment Pool)
Moody Bank CD-General	$2,000,000	12 Month CD
Moody Bank CD-Debt Service	$2,000,000	12 Month CD
Total	$53,085,413	

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	$90,367,054	$25,730,419	28.5%
Interest & Sinking (Debt Payment)	$8,315,840	$2,372,915	28.5%

For the same period in FY 2020-2021, collections were $23,894,625 (30.1%) for M&O and $2,430,575 (29.9%) for I&S.

Report No. 5 – Bond Summary Cover Sheet. See attachment F.

Report No. 6 - Bond Project Report, showing original bond project cost estimates (PBK) compared to actual bids/expenses. See Attachment G.

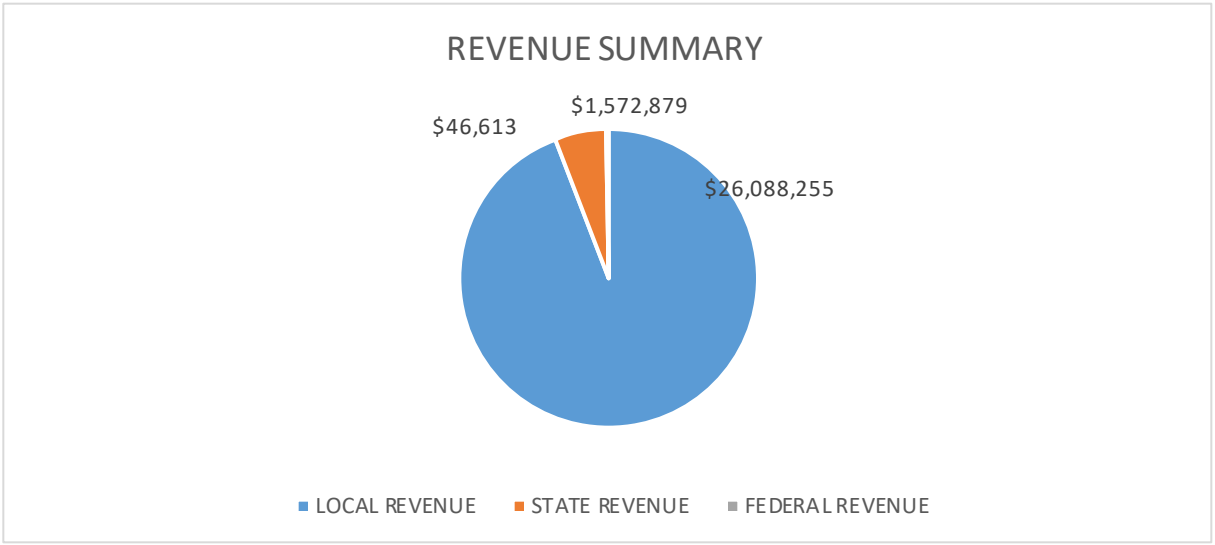
Report No. 7 – Vendors with aggregate purchases for FY 2021-2022 that exceed $50,000. See attachment H.

Report No. 8 – Local vendor activity for FY 2021-2022 (zip codes 77550-77559). See attachment I.

Report No. 9 - Monthly Check Register. See attachment J.

GALVESTON ISD
GENERAL FUND REVENUES BY MAJOR OBJECT
AS OF 12-31-2021

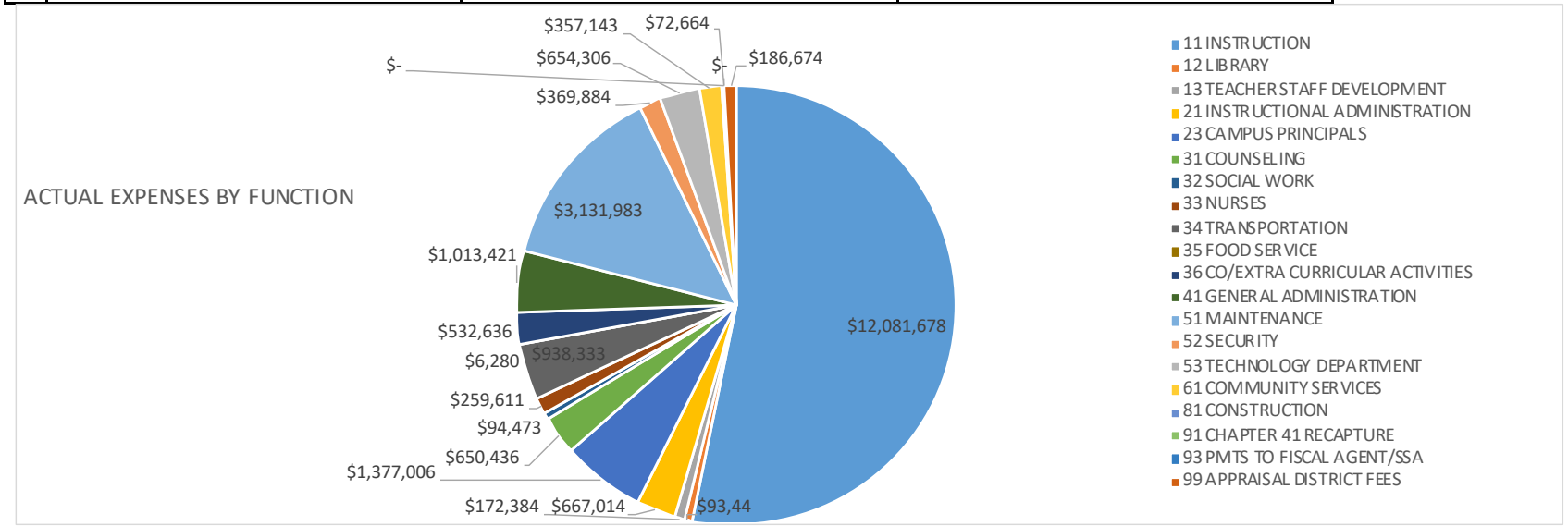
		2021-2022 Original Budget	Monthly Receipts 12/31/2021	FYTD Activity 12/31/2021	2021-2022 FYTD (Under)/Over Budget
57--	LOCAL REVENUE	$ 91,340,228	$ 16,493,680	$ 26,088,255	$ (65,251,973)
58--	STATE REVENUE	$ 4,565,298	$ 493,738	$ 1,572,879	$ (2,992,419)
59--	FEDERAL REVENUE	$ 2,974,968	$ 20,299	$ 46,613	$ (2,928,355)
79--	TRANSFERS IN	$ 3,841,653	$ -	$ -	$ (3,841,653)
---		$ 102,722,147	$ 17,007,718	$ 27,707,747	$ (75,014,400)
	% COLLECTED	27.0%			



ATTACHMENT B

GALVESTON ISD
GENERAL FUND EXPENDITURES BY FUNCTION
AS OF 12/31/2021

FC	Function	Rev Bud December 2021-2022	FYTD Activity December 2021-2022	Encumbered December 2021 2022	Expenses + Encumbered	Unencumbered Balance December 2021-2022
11	INSTRUCTION	$ 39,674,261	$ 12,081,678	$ 164,614	$ 12,246,292	$ (27,427,969)
12	LIBRARY	$ 350,063	$ 93,448	$ 12,940	$ 106,388	$ (243,675)
13	TEACHER STAFF DEVELOPMENT	$ 765,275	$ 172,384	$ 21,903	$ 194,287	$ (570,988)
21	INSTRUCTIONAL ADMINISTRATION	$ 2,111,110	$ 667,014	$ 5,285	$ 672,299	$ (1,438,811)
23	CAMPUS PRINCIPALS	$ 4,271,440	$ 1,377,006	$ 3,894	$ 1,380,900	$ (2,890,540)
31	COUNSELING	$ 2,161,293	$ 650,436	$ 2,585	$ 653,021	$ (1,508,272)
32	SOCIAL WORK	$ 289,679	$ 94,473	$ -	$ 94,473	$ (195,206)
33	NURSES	$ 867,547	$ 259,611	$ 442	$ 260,053	$ (607,494)
34	TRANSPORTATION	$ 3,335,445	$ 938,333	$ 130,421	$ 1,068,754	$ (2,266,691)
35	FOOD SERVICE	$ -	$ 6,280	$ -	$ 6,280	$ 6,280
36	CO/EXTRA CURRICULAR ACTIVITIES	$ 1,859,261	$ 532,636	$ 92,263	$ 624,899	$ (1,234,362)
41	GENERAL ADMINISTRATION	$ 2,988,482	$ 1,013,421	$ 163,245	$ 1,176,666	$ (1,811,816)
51	MAINTENANCE	$ 9,649,670	$ 3,131,983	$ 783,853	$ 3,915,836	$ (5,733,834)
52	SECURITY	$ 1,206,256	$ 369,884	$ 4,091	$ 373,975	$ (832,281)
53	TECHNOLOGY DEPARTMENT	$ 2,183,312	$ 654,306	$ 231,099	$ 885,405	$ (1,297,907)
61	COMMUNITY SERVICES	$ 1,074,943	$ 357,143	$ 611,932	$ 969,075	$ (105,868)
81	CONSTRUCTION	$ 955,997	$ 72,664	$ 771,323	$ 843,987	$ (112,010)
91	CHAPTER 41 RECAPTURE	$ 30,047,660	$ -	$ -	$ -	$ (30,047,660)
93	PMTS TO FISCAL AGENT/SSA	$ 27,500	$ -	$ -	$ -	$ (27,500)
99	APPRAISAL DISTRICT FEES	$ 756,900	$ 186,674	$ 513,326	$ 700,000	$ (56,900)
--	COLUMN TOTALS	$ 104,576,095	$ 22,659,374	$ 3,513,216	$ 26,172,590	$ (78,403,504)
	EXPENDITURES AS A % OF BUDGET		21.7%		25.0%	



GALVESTON INDEPENDENT SCHOOL DISTRICT

Cash and Investment Report for the Month Ending 12/31/21

For Board Meeting 1/19/22

Depository or Investment Pool	Account Name	Account Number	Type of Account	% Earned	11/30/21 Market Value	Changes to Market Value: Deposits	Withdrawals	ROI (net)	12/31/21 Market Value
Moody Bank	General Disbursement	xxxxxx601	Now Account	0.050%	$ 2,721,982.79	$ 11,971,980.19	$ 8,570,452.90	$ 210.08	$ 6,123,720.16
Moody Bank	Activity Fund	xxxxxx627	Now Account	0.050%	$ 123,831.64	$ 37,461.22	$ 28,498.99	$ 12.38	$ 132,806.25
Moody Bank	Child Nutrition	xxxxxx619	Now Account	0.050%	$ 276,770.47	$ 36,486.77	$ 205,302.87	$ 8.00	$ 107,962.37
Moody Bank	Bond	xxxxxx056	Now Account	0.050%	$ 69,898.09	$ 80,000.00	$ 109,099.01	$ 2.70	$ 40,801.78
Moody Bank	Debt Service Money Market	xxxxxx635	Money Market	0.300%	$ 2,036,476.13			$ 518.88	$ 2,036,995.01
Moody Bank	Debt Service	xxxxxx049	Now Account	0.050%	$ 23,167.30			$ 0.98	$ 23,168.28
Moody Bank	General Fund		12 Month CD	1.500%	$ 2,000,000.00				$ 2,000,000.00
Moody Bank	Debt Service		12 Month CD	1.500%	$ 2,000,000.00				$ 2,000,000.00
			Total Moody Bank		**$ 9,252,126.42**	**$ 12,125,928.18**	**$ 8,913,353.77**	**$ 753.02**	**$ 12,465,453.85**
	SECURITIES PLEDGED 11,000,000								
Texas Class	General Operating	xxxxxxxx01	Investment Pool	0.0692%	$ 13,754,311.57	$ 17,369,012.77	$ 10,000,000.00	$ 909.46	$ 21,124,233.80
Texas Class	Debt Service	xxxxxxxx02	Investment Pool	0.0692%	$ 1,646,952.24	$ 1,517,289.29		$ 139.78	$ 3,164,381.31
Texas Class	Construction	xxxxxxx03	Investment Pool	0.0692%	$ 312.40			$ -	$ 312.40
Texas Class	Activity	xxxxxxx04	Investment Pool	0.0692%	$ 409,397.93			$ 24.09	$ 409,422.02
Texas Class	Child Nutrition	xxxxxxx05	Investment Pool	0.0692%	$ 1,651,819.29		$ 149,563.06	$ 91.51	$ 1,502,347.74
			Total Texas Class:		**$ 17,462,793.43**	**$ 18,886,302.06**	**$ 10,149,563.06**	**$ 1,164.84**	**$ 26,200,697.27**
Texas Range	General Operating	XXXX-02	Investment Pool	0.02%	$ 13,294,264.17			$ 187.33	$ 13,294,451.50
Texas Range	Debt Service	XXXX-04	Investment Pool	0.02%	$ 208,591.22			$ 2.94	$ 208,594.16
Texas Range	Bond Construction	XXXX-05	Investment Pool	0.02%	$ 288,584.90		$ 80,000.00	$ 3.26	$ 208,588.16
Texas Range	Child Nutrition	XXXX-08	Investment Pool	0.02%	$ 707,618.38			$ 9.97	$ 707,628.35
			Total Texas Class:		**$ 14,499,058.67**	**$ -**	**$ 80,000.00**		**$ 14,419,262.17**
			Total Cash & Investments		**$ 41,213,978.52**	**$ 31,012,230.24**	**$ 19,142,916.83**	**$ 2,019.61**	**$ 53,085,413.29**

Long-term investments include unrealized gains/losses; therefore, "book value" is estimated value at maturity, as of this report date.

All cash, cash equivalents and other investments are in compliance with the GISD investment policy and also Texas Government Code, Chapter 2256.

Note: Texas Range formerly Texas Term

Connie Morgenroth, Assistant Superintendent for Business and Operations

GALVESTON ISD
TAX COLLECTIONS BY FUND
AS OF 12/31/2021

FUND	FUND	OBJ	OBJ	Revised Budget 2021-2022	FYTD Activity 2021-2022	December 2021-2022 Monthly Activity	2020-21 FYTD (UNDER)/Over Budget
199	GENERAL FUND	5711	TAXES-CURRENT YEAR	$ 87,694,702	$ 25,151,036	$ 16,357,254	$ (62,543,666)
199	GENERAL FUND	5712	TAXES-DELINQUENT	$ 1,622,352	$ 431,424	$ 84,195	$ (1,190,928)
199	GENERAL FUND	5719	PENALTY/INT/OTHER TAX REVENUI	$ 1,050,000	$ 147,960	$ 32,445	$ (902,040)
199	GENERAL FUND	5719	PENALTY/INT/OTHER TAX REVENUI	$ -	$ -	$ -	$ -
FUND TOTAL				$ 90,367,054	$ 25,730,419	$ 16,473,894	$ (64,636,635)
YTD AS A % OF BUDGET				28.5%			

FUND	FUND	OBJ	OBJ	Revised Budget 2021-2022	FYTD Activity 2021-2022	December 2021-2022 Monthly Activity	2020-21 FYTD (UNDER)/Over Budget
599	DEBT SERVICE FUND	5711	TAXES-CURRENT YEAR	$ 8,073,481	$ 2,315,492	$ 1,505,906	$ (5,757,989)
599	DEBT SERVICE FUND	5712	TAXES-DELINQUENT	$ 149,359	$ 42,774	$ 8,209	$ (106,585)
599	DEBT SERVICE FUND	5719	PENALTY/INT/OTHER TAX REVENUI	$ 93,000	$ 14,649	$ 3,174	$ (78,351)
FUND TOTAL				$ 8,315,840	$ 2,372,915	$ 1,517,289	$ (5,942,925)
YTD AS A % OF BUDGET				28.5%			

	Galveston ISD										
	2018 Bond Construction Status by Project										
	A	B	C	D	E	F	G	H	I	J	K
Row	Desc	LOC	Bid Amount Approved	PBK 6%	Contingency	P&P Bond	Reimbursable (estimate)	GISD Budget	PBK (Budget Bond Amount)	Difference	Project Status
1	SPOOR FIELD/TRACK	B01	$1,377,659.00	$82,659.54			$19,716.65	$1,480,035.19	$1,765,125.00	$285,089.81	Warranty
2	SECURITY VESTIBULES	B02	$532,400.00	$31,944.00			$4,319.24	$568,663.24	$234,225.00	($334,438.24)	Warranty
3	BUS PURCHASES	B03	$2,487,757.36	$0.00			$0.00	$2,487,757.36	$2,000,000.00	($487,757.36)	Closed
4	WHITE FLEET REPLACE VEHICLES	B04	$606,143.23	$0.00			$0.00	$606,143.23	$500,000.00	($106,143.23)	Closed
5	TECHNOLOGY REPLACEMENT/UPGRADE	B05	$2,020,674.92	$0.00			$0.00	$2,020,674.92	$2,000,000.00	($20,674.92)	Closed
6	SECURITY CAMERAS	B06	$509,999.25	$0.00				$509,999.25	$500,000.00	($9,999.25)	Warranty
7	Spoor field wireless for streaming	B06	$2,250.00					$2,250.00	$0.00	($2,250.00)	closed
8	FLOORING	B07	$253,389.50	$0.00			$0.00	$253,389.50	$358,425.00	$105,035.50	Warranty
9	Flooring Abatement	B07	$11,634.25					$11,634.25	$0.00	($11,634.25)	Closed
10	MEP Package 1 (Oppe, la Morgan, Oppe, parker)	B08	$1,392,714.00	$80,628.00		$23,000.00	$8,074.74	$1,504,416.74	$1,501,065.00	($3,351.74)	Warranty
11	MEP Package 2 (Oppe, parker)	B08	$62,625.00	$3,757.50				$66,382.50	$550,125.00	$483,742.50	Warranty
12	MEP Package 3 (Central, San Jac, Alamo, Crenshaw)	B08	$806,482.00	$47,118.60				$853,600.60	$1,294,110.00	$440,509.40	Warranty
13	MEP Package 4 (Crenshaw office unit, Admin, Austin, central)	B08	$1,038,759.00	$62,325.54				$1,101,084.54	$922,235.00	($178,849.54)	Punch
14	MEP Package 5 (ball fire pump, Weis insulation, Rosenberg water heater and water heater)	B08	$122,060.00	$7,081.80				$129,141.80	$162,797.00	$33,655.20	Warranty
15	MEP Package 6 (Ball Cooling Tower and check valves, Rosenberg CHWP)	B08	$499,684.00	$29,415.00				$529,099.00	$842,535.00	$313,436.00	Punch
16	MEP Transportation Package	B08	$59,485.00	$3,569.10				$63,054.10		($63,054.10)	Warranty
17	MEP Water Treatment	B08	$10,275.00	$0.00				$10,275.00		($10,275.00)	Closed
18	Ball - LED Theatrical Lighting Dimmer System	B08	$188,622.00					$188,622.00	$162,000.00	($26,622.00)	Warranty
19	Ball Chiller Insulation Direct Work	B08	$10,000.00					$10,000.00	$0.00	($10,000.00)	Closed
20	Parker - fire duct detectors	B08	$5,414.05					$5,414.05	$0.00	($5,414.05)	Closed
21	REROOFING PHASE 1 (Scott, Central, Ball, Austin	B09	$2,060,700.89	$123,821.70			$3,735.39	$2,188,257.98	$2,190,275.00	$2,017.02	Warranty
22	MARQUEES	B10	$50,636.82					$50,636.82	$105,000.00	$54,363.18	Closed
23	FUEL CANOPY - BUS BARN	B11	$10,365.00					$10,365.00	$67,500.00	$57,135.00	Closed
24	PARKER-REBUILD GYM	B15	$3,438,845.68	$206,737.42			$62,132.43	$3,707,715.53	$3,723,975.00	$16,259.47	Warranty
25	Parker Gym - FFE	B15	$8,740.00					$8,740.00	$0.00	($8,740.00)	WIP
26	Parker Gym - Purchase Projector with Contractor Retainage Funds	B15	$6,778.00					$6,778.00	$0.00	($6,778.00)	Warranty
27	LED Lighting Retrofit	B16	$1,746,025.00					$1,746,025.00	$1,700,000.00	($46,025.00)	Warranty
28	LED Lighting Fixtures Transportation Storage	B16	$9,666.00					$9,666.00	$0.00	($9,666.00)	Closed
29	Baseball and Softball Infield Turf	B17	$634,520.00	$38,071.20			$10,968.78	$683,559.98	$685,707.73	$2,147.75	Warranty
30	Baseball and Softball sprinkler work	B17	$4,958.00					$4,958.00	$0.00	($4,958.00)	Closed
31	Baseball backstop padding	B17	$4,750.00					$4,750.00	$0.00	($4,750.00)	Closed
32	Baseball concrete visitors dugout	B17	$5,125.00					$5,125.00	$4,050.00	($1,075.00)	Closed
33	Softball backstop padding	B17	$21,632.50					$21,632.50	$8,100.00	($13,532.50)	Closed

Row	Desc	LOC	Bid Amount Approved	PBK 6%	Contingency	P&P Bond	Reimbursable (estimate)	GISD Budget	PBK (Budget Bond Amount)	Difference	Project Status
34	Baseball roof replacement dugout, ticket	B17	$7,697.23					$7,697.23	$0.00	($7,697.23)	Closed
35	NEW BUS WASH	B18	$180,849.36	$10,945.92				$191,795.28	$135,000.00	($56,795.28)	Closed
36	TEST DRINKING WATER	B19	$40,460.00					$40,460.00	$40,500.00	$40.00	Closed
37	Plumbing Repair	B19	$10,620.00					$10,620.00	$0.00	($10,620.00)	Closed
38	BHS LECTURE HALL REPLCE SEATNG	B20	$18,638.00					$18,638.00	$6,480.00	($12,158.00)	Closed
39	CRENSHAW IMPROVEMENTS (insulation, ramp, painting, wet glazing, soft sealants)	B21	$676,595.00	$40,105.86			$770.37	$717,471.23	$678,575.00	($38,896.23)	punch
40	PBK Invoices Not Distributed to Projects	B22									
41	REFURBISH TENNIS COURTS	B24	$247,240.00	$14,834.40			$3,640.59	$265,714.99	$263,250.00	($2,464.99)	Closed
42	Tennis Court Restroom Repair	B24	$10,654.00					$10,654.00	$0.00	($10,654.00)	Closed
43	REPLACE DOOR HARDWARE	B25	$64,820.05					$64,820.05	$68,850.00	$4,029.95	Closed
44	Crenshaw Vestibule Door Hardware	B25	$5,713.47					$5,713.47	$0.00	($5,713.47)	Closed
45	REROOFING PHASE 2 (Oppe, Alamo, Austin, Courville, Central, San Jac)	B27	$2,196,163.14	$134,358.43			$1,613.78	$2,332,135.35	$2,669,895.00	$337,759.65	Closed
46	Approved Direct Work from Retainage (CS Advantage) Central Gym Floor	b27	$43,144.00					$43,144.00	$0.00	($43,144.00)	Closed
47	Roofing Repair Direct Contract Work	B27	$58,526.12					$58,526.12	$0.00	($58,526.12)	Closed
48	Asbestos Abatement	B28	$74,746.25					$74,746.25		($74,746.25)	Closed
49	Baseball Backstop Netting (change order to DW Site Improvements)	B29 B32 B17	$196,088.85	$87,893.33				$283,982.18	$0.00	($283,982.18)	Closed
50	COURVILLE/DW SITE IMPROVEMENTS (baseball covered batting, baseball fence and soft sealants, softball backstop netting and soft sealants,oppe fence, la Morgan canopy, stadium press box windows, spalling repairs, la Morgan roof repair, la Morgan spalling repair, Central fence replacement)	B29 B32 B17	$1,268,800.00				$28,527.17	$1,297,327.17	$1,819,717.27	$522,390.10	Closed
51	REROOFING PHASE 3 (Priority Repairs)Alamo, ball, Scott	B30	$142,185.00	$6,813.06				$148,998.06	$0.00	($148,998.06)	Closed
52	Tennis Court LED Lights (Electrical install)	B31	$54,015.67					$54,015.67	$0.00	($54,015.67)	Warranty
53	Tennis Court LED Lights (Light Poles)	B31	$284,400.00	$17,064.00				$301,464.00	$0.00	($301,464.00)	Warranty
54	MEP Package 7 (Central MS)	B33	$2,013,841.95	$119,131.14				$2,132,973.09	$486,000.00	($1,646,973.09)	Warranty
55	REROOFING Project 3 (Rosenberg)	B34	$1,395,809.70	$83,748.60			$5,909.88	$1,485,468.18	$1,406,700.00	($78,768.18)	WIP
56	MEP Package 9 (Rosenberg - change out a/c controls)	B35	$100,340.00					$100,340.00	$434,565.00	$334,225.00	Closed
57	MEP Package 8 (Annex change out D/X units)	B36	$272,128.00	$16,157.40				$288,285.40	$202,365.00	($85,920.40)	punch
58	Ball - Tie in 2 chill and 2 hot water loops	B37	$352,023.00	$22,374.96				$374,397.96	$433,350.00	$58,952.04	Warranty
59	Ball - replace domestic water heater	B37	$25,893.00					$25,893.00	$34,830.00	$8,937.00	Warranty
60	District Wide Change out Exhaust Fans	B38	$372,915.00	$22,674.96				$395,589.96	$274,725.00	($120,864.96)	WIP
61	PBK Invoices Not Distributed to Projects 2	B39									
62	Crenshaw retrofit sprinkler heads	B40	$19,630.73					$19,630.73	$10,000.00	($9,630.73)	Closed

Row	Desc	LOC	Bid Amount Approved	PBK 6%	Contingency	P&P Bond	Reimbursable (estimate)	GISD Budget	PBK (Budget Bond Amount)	Difference	Project Status
63	White boards and bulletin Boards (Elementary)	B41	$139,932.80					$139,932.80	$200,000.00	$60,067.20	Closed
64	REROOF PHASE 4 (Admin, Annex, Parker, Weis)	B46	$292,411.03	$17,544.66				$309,955.69	$242,000.00	($67,955.69)	Punch
65	Elementary School Furniture	M28	$113,266.80					$113,266.80		($113,266.80)	Closed
66	Box Truck Warehouse/Band	M29	$78,959.00					$78,959.00	$0.00	($78,959.00)	Closed
67	Softball and Baseball LED lighting Retrofit	B44	$315,000.00					$315,000.00	$0.00	($315,000.00)	Warranty
68	Central / Weis Door Hardware Retrofit	B45	$103,115.36					$103,115.36	$0.00	($103,115.36)	Closed
69	BOND-COST OF ISSUANCE/UW DISC	B97	$275,439.32					$275,439.32	$0.00	($275,439.32)	Closed
70	Bank Fee's	L1R						$90.00		($90.00)	
71	Unassigned	B99		$0.00				$0.00	$286,788.00	$286,788.00	
72	Parker Replace gym doors paint								$29,160.00	$29,160.00	Deleted
73											
74	Column Totals		$31,452,832.28	$1,310,776.12	$0.00	$23,000.00	$149,409.02	$32,936,107.42	$31,000,000.00	($1,936,107.42)	
75	Bond Premium on Bonds Sold								$275,439.32	$275,439.32	
76	Rebates and investment revenues								$1,127,194.42	$1,127,194.42	
77	Lovenberg Fund 836 Funded Project B09									$581,029.62	
78	Cumulative variance								$32,402,633.74	$47,555.94	

VENDORS WITH AGGREGATE PURCHASES IN
FY 2021-2022 THAT EXCEED $50,000

VENDOR	AMOUNT
GLAZIER FOODS COMPANY	612,770.96
MOODY EARLY CHILDHOOD CENTER	519,476.16
CAVALLO ENERGY TEXAS LLC	336,797.31
GALVESTON COLLEGE	234,161.97
GALVESTON CENTRAL APPRAISAL DISTRICT	186,673.68
TEEN HEALTH CENTER, INC	182,715.46
FAMILY SERVICE CENTER OF GALVESTON COUNTY	178,152.41
TEAL CONSTRUCTION COMPANY	172,890.01
CFI MECHANICAL, INC.	165,423.44
SKYWARD, INC	156,736.75
EDGENUITY INC	117,000.00
BORDEN DAIRY	114,599.11
CHALLENGE OFFICE PROD INC	111,984.02
DELL MARKETING LP	111,057.86
T-MOBILE USA, INC	104,271.24
PETROLEUM TRADERS CORPORATION	96,321.52
CITY OF GALVESTON	94,596.26
CAREHERE LLC	93,164.86
RAE SECURITY, INC.	91,401.83
HEINEMANN PUBLISHING	87,705.06
HARDIES	77,797.63
AMAZON CAPITAL SERVICES	74,134.68
NWEA	72,701.75
REGION 4 ESC BUSINESS OFFICE	71,844.16
WEXFORD INC	67,500.00
KICKSTART KIDS	65,000.00
IMAGINE LEARNING INC	56,250.00
CRESCENT ELECTRIC	53,991.50
AT&T	53,144.22
DICKINSON ISD	52,887.78
Total	4,413,151.63

Local Vendor Activity for Fiscal Year
2021-2022

Full Name	FYTD Amount	Zip
A B SIGN SHOP	3,592.92	77551
A. SMECCA INC	12,841.60	77550
ALERT ALARMS	4,280.00	77550
ALEXANDRIA KNIGHT	1,000.00	77554
AMERICAN NATIONAL INSURANCE COMPANY	5.50	77550
AMY NEBLETT	43.25	77554
BEACHTOWN LAWN SERVICE, LLC	37,950.00	77554
BOY SCOUTS OF AMERICA BAY AREA COUN	1,000.00	77551
BREEZEWAY CUSTOM SCREENPRINTIN	820.00	77551
CALLIE WALKER CREATIVE	3,040.00	77554
CARAVAGELI VENTURES INCORPORATED	504.00	77550
CHALMERS HARDWARE & EMBROIDERY	4,519.70	77550
CITY OF GALVESTON	101,906.34	77553
CLASSIC AUTO GROUP	151.51	77554
CLASSIC FORD GALVESTON	1,701.58	77553
CLAY CUP STUDIOS	455.00	77550
CONNIE MORGENROTH	64.00	77550
COUNTY OF GALVESTON	12,516.72	77553
DAVID H JR O'NEAL	243.92	77550
DEBBIE PRAKER	49.26	77550
ERIC MUELLER	92.77	77550
FAMILY SERVICE CENTER OF GALVESTON	178,152.41	77550
FAS TRAC JOB TRAINING CENTER	8,781.00	77551
FASTSIGNS OF GALVESTON	1,055.62	77551
FLAMINGO GARDENS INC	13,000.00	77551
GALVESTON CHAMBER OF COMMERCE	4,140.00	77550-1501
GALVESTON COLLEGE	234,330.45	77550
GALVESTON COUNTY AUDITOR'S OFFICE (	15,525.28	77553
GALVESTON COUNTY TAX-ASSESSOR	654.68	77550
GALVESTON HISTORICAL FOUNDATIO	1,100.00	77550
GALVESTON INSURANCE ASSOCIATES	37,810.00	77552-6767
GALVESTON ISD ADMIN PRINT SHOP	1,548.63	77550
GALVESTON KIWANIS CLUB	115.00	77552
GALVESTON RENTALS, INC	654.50	77554
GALVESTON VETERINARY CLINIC	458.50	77551
GALVESTONS OWN FARMERS MARKET	19,799.20	77553
GEORGIA SHERROD	89.35	77550
GISD CHILD NUTRITION	4,821.09	77550
GISD EDUCATIONAL FOUNDATION	9,681.00	77550
GULFSIDE O/H DOOR	400.00	77551
HICKS CO, W U-HAUL	1,503.00	77554
HOUSTON PIZZA VENTURES	137.23	77551
IDEAL LUMBER CO	8,416.14	77552-0187
INDUSTRIAL MATERIAL CORP	1,995.76	77554
JACOB DAEHNKE	393.20	77550
JESSE GARZA	116.00	77550
JOE TRAMONE REALTY INC.	300.00	77550
JULIE SCHMID	36,000.00	77554
KATHLEEN DISPENSA	360.16	77550
KLEEN SUPPLY CO	37,289.32	77553

Local Vendor Activity for Fiscal Year 2021-2022

LEON'S WORLD'S FINEST IN AND OUT B-	2,000.00	77551
LISTER PLUMBING CO	5,072.00	77553
MARTY'S CITY AUTO INC	365.26	77550
MARY JO NASCHKE	6,000.00	77550
MELISSA RUTH DESKINS	7,220.00	77551
MIA CARDENAS	1,000.00	77551
MIA DANIELLE ZAMARRON	500.00	77551
MICHELLE PROFITT	116.00	77551
MICHELLE STEPHENSON	285.00	77554
MOODY EARLY CHILDHOOD CENTER	595,967.70	77550
REPUBLIC PARTS CO	9,746.15	77550
ROTARY CLUB OF GALVESTON ISLAND	285.00	77552
ROUX HOUSE PRODUCTIONS	1,617.50	77550
SAMANTHA MALCHAR	1,220.00	77554
SARA BORCHGARDT	388.00	77550
SCOTTY'S OVERHEAD DOOR	11,170.00	77554
SHARON PRAKER	49.26	77550
SHERWIN-WILLIAMS CO, THE	2,719.38	77551
SMART FAMILY LITERACY INC	5,500.00	77551
STEVES WAREHOUSE TIRES	84.95	77551
STEWART'S PACKAGING INC	442.13	77550
TEEN HEALTH CENTER, INC	182,715.46	77553
THE ARTIST BOAT, INC.	20,133.52	77554
THOMAS THAT HO TON	1,000.00	77551
TONY & BROS TOWING & REPAIR	300.00	77551
TOP GEAR	17,506.57	77551
TREASURE ISLAND TROPHIES	2,278.00	77551
UPWARD HOPE ACADEMY	16,666.64	77550
US POSTAL SERVICE	1,624.00	77550-9998
VIKKI CURRY	54.00	77550
VILLAGE HARDWARE	5,261.44	77551
WEST ISLE URGENT CARE	7,275.00	77551
YAGA TROPICAL CAFE, INC	770.00	77550
YARITSA CASTANEDA	500.00	77550
ZAHRAH EKTEFAE	453.06	77550
Total	**1,713,691.61**	

ATTACHMENT I

Action Sheet

MEETING DATE: **January 19, 2022**

AGENDA ITEM: Consider approval of the minutes from the Regular School Board Meeting on December 15, 2021 and Special Meeting on December 20, 2021.

RECOMMENDATION: **I move that the Board of Trustees approve the minutes from the Regular School Board Meeting on December 15, 2021 and Special Meeting on December 20, 2021.**

Jerry Gibson
Superintendent

Agenda of Public Hearing and Regular Meeting

The Board of Trustees
Galveston Independent School District

A Public Hearing on GISD's 2020-2021 Financial Integrity Rating System of Texas will begin at 6:00 in the Board Room of the Lovenberg Administration Building, 3904 Avenue T, Galveston, TX. The Assistant Superintendent of Business and Operations, Connie Morgenroth, will present the 2020-2021 Annual Financial Management Report and will go over GISD's School FIRST accountability rating for the August 31, 2020 fiscal year.

A Regular Meeting of the Board of Trustees of Galveston Independent School District will be held Wednesday, December 15, 2021, 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.

Staff in attendance: Polzin, Morgenroth, Curry, Post, Neighbors, Scott, Patrick, Byers, Le, Paul, Moore, Rogers, Bly

1) Public Hearing on GISD's 2021 Financial Integrity Rating System of Texas. -*6:04 Report given by Connie Morgenroth*
2) Call to order Open Session in the Board Room of the Lovenberg Administration Building, 3904 Avenue T, Galveston, Texas. -*6:12*
3) Pledge of Allegiance to the United States flag and the Texas flag. -*6:12*
4) 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.
   -*6:13 Mary Patrick - Thanked citizens and businesses for adopting students for the holidays through Kelly's Angels.*
   -*6:16 Ken Jencks - Spoke against the middle school decision.*
5) 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. -*6:20*

   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

6) Reestablish the open meeting of the Galveston ISD Board of Trustees. -*7:18*
7) District Reports -*7:18*
   A) Superintendent's Report -*7:18*

Dr. Gibson was given the suggestion to nominate a Ball high alumni monthly and recognize them at the monthly meetings for the great things they have done. Each trustee nominates someone to recognize. Tomorrow is AIM graduation at the Alamo building at 6pm. Also, the Student council invited him to lunch today. He learned a lot about them. They earned 50 awards in the last year. They give so much back to the community.

8) Financial Reports and Budget Update -*7:24 Given by Connie Morgenroth. 7:31 questions from Beeton about substitutes. Answered by Polzin -7:33 Morgenroth continued the report. -7:36 Brown reviewed the agenda item regarding playground equipment for Oppe. Morgenroth reviewed the agenda items regarding the budget amendment and the scoreboard.*
9) Board President to Appoint Standing Committees. -*7:40 defer to the next meeting.*
10) CONSENT AGENDA - Action Items -*7:40 Motion to approve without Item E. Motion by Jobe. Second by Masel. Discussion by Jobe. Good job to Paul and thanks to UTMB for support. Approved unanimously.*
    A) Consider approval of the minutes from the Special Meeting on November 12, 2021 amd Regular School Board Meeting on November 17, 2021.
    B) Consider approval of personnel resignations and recommendations with contracts.
    C) Discuss and consider approval of payment of attorney fees.
    D) Consider approval of Budget Amendments
    E) Consider Approval of Purchases >$50,000
    F) Discuss and consider accepting donations in accordance with Board Policy CDC Local.
    G) Discuss and Consider Approval of Playground Equipment Purchase from Miracle Recreation Equipment Co. for Oppe Elementary Not to Exceed $90,000
11) Discuss and Consider Scoreboard Advertising Agreement with UTMB
12) REGULAR AGENDA- Action Items -*7:42*
    A) Discuss and Approve the 2022-2023 School Calendar -*7:42 Discussion by Gibson. Motion by Masel. Second by Lakin. Approved Unanimously.*
    B) Discuss and Consider administration's proposal to terminate the contract of a probationary Teacher at Collegiate Middle School.-*7:42 Motion by Masel. Second by Lakin. Approved Unanimously.*
13) Suggested Future Agenda Items -*7:43*

O'Neal - Asked for information on assessment of uniforms. He asked that the district wait to order uniforms until he received that information. What are the colors of the school and what are the colors of the uniforms? What are we providing and cost savings. Requests what we have done historically.

14) Board Comments -*7:48*

O'Neal - Applauded the great things our teachers and students are doing. He visited Rosenberg for their Tiger Shark City swearing in of their mayor and officers. He also attended the Central middle school Dancing Dolls recital. He complimented the instructors. He wished everyone happy holidays.

Jobe - Merry Christmas and enjoy the time off.

Masel - Wishes the same as Jobe and added covid safety.
Lakin - Appreciates all the good things going on in the district. Be well. Stay safe. Happy and healthy new year.
Beeton - Thanked everyone for helping bring her up to speed. Merry Christmas and Happy New Year.
Brown - Spoke about Alum of the month and spoke about the trip the basketball team traveling to Tampa to see Mike Evans. He wished everyone a happy holiday.

15) Adjournment -*7:54*

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 _____

_____

For the Board of Trustees

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 20, 2021, beginning at 12:00 PM in the Lovenberg Administration Building, 3904 Avenue T, Galveston, TX 77550.

Board members in attendance: Beeton, O'Neal, Jobe, Masel, Smecca and Lakin
Staff in attendance: Gibson, Rogers, and Bly

1) Call to order Open Session in the Board Room of the Lovenberg Administration Building, 3904 Avenue T, Galveston, Texas. -*12:01*
2) REGULAR AGENDA- Action Items
3) Discuss and Consider administration's recommendation to terminate the term contract of a Teacher at Collegiate Middle School. -*12:01 Motion to approve by Beeton. Second by Jobe. Unanimous in favor.*
4) Discuss and Consider administration's recommendation to terminate the probationary contract of a Teacher at Austin Middle School. -*12:02*
Board recessed into executive session to discuss at 12:03. Resumed open session at 12:14. Motion by Masel. Second by Lakin. Unanimous in favor.
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. -*12:15 No requests*
6) Adjournment -*12:15*

Minutes taken by: Amedia Bly

Approved on January 19, 2022

_____ _____

Mr. Tony Brown, President Shae Jobe, Secretary

Action Sheet

MEETING DATE: **January 19, 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: **January 19, 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:	$12,336.25	Invoice #47290 (December 3)

Jerry Gibson
Superintendent

Action Sheet

MEETING DATE: **January 19, 2022**

AGENDA ITEM: Discuss and consider approval of monthly Budget Amendment.

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

Jerry Gibson, Ed. D.
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Date: 2022.01.06 15:15:10 -06'00'

Dr. Jerry Gibson
Superintendent

Connie Morgenroth
Digitally signed by Connie Morgenroth
DN: cn=Connie Morgenroth, o=Galveston Independent School District, ou=Business and Operations, email=conniemorgenroth@gisd.org, c=US
Date: 2022.01.05 16:25:11 -06'00'

Connie Morgenroth
Asst. Superintendent of Business and Operations

GALVESTON Independent School District
2021-2022 Proposed Budget Amendment
January 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	$ 91,340,228	$ -	$ 91,340,228	$ 390,000	$ -	$ 390,000	$ 8,336,022	$ -	$ 8,336,022
	State Program Revenues	$ 4,565,298	$ -	$ 4,565,298	$ 18,000	$ -	$ 18,000	$ 59,978	$ -	$ 59,978
	Federal Program Revenues	$ 2,974,968	$ -	$ 2,974,968	$ 5,050,000	$ -	$ 5,050,000	$ -	$ -	$ -
	Other Resources/ Operating Transfer In (ESSER II Grant)	$ 3,841,653	$ -	$ 3,841,653	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL		**$ 102,722,147**	**$ -**	**$ 102,722,147**	**$ 5,458,000**	**$ -**	**$ 5,458,000**	**$ 8,396,000**	**$ -**	**$ 8,396,000**
Function										
11	Instruction	$ 39,583,121	$ -	$ 39,583,121						
12	Instructional Resources	$ 350,063	$ -	$ 350,063						
13	Curriculum & Inst Staff Dev	$ 856,415	$ -	$ 856,415						
21	Instructional Leadership	$ 2,111,110	$ (32,000)	$ 2,079,110						
23	School Leadership	$ 4,271,440	$ -	$ 4,271,440						
31	Guidance/Counseling	$ 2,161,293	$ -	$ 2,161,293						
32	Social Work Services	$ 289,679	$ -	$ 289,679						
33	Health Services	$ 867,547	$ -	$ 867,547						
34	Student Transportation	$ 3,335,445	$ -	$ 3,335,445						
35	Food Services	$ -	$ -	$ -	$ 5,555,240	$ -	$ 5,555,240			
36	Extracurricular Activities	$ 1,859,261	$ -	$ 1,859,261						
41	General Administration	$ 2,988,482	$ 32,000	$ 3,020,482						
51	Maintenance and Operations	$ 9,649,670	$ (10,494)	$ 9,639,177	$ 558,985	$ -	$ 558,985			
52	Security and Monitoring	$ 1,206,256	$ 8,102	$ 1,214,358						
53	Data Processing Services	$ 2,183,312	$ -	$ 2,183,312						
61	Community Services	$ 1,074,943	$ -	$ 1,074,943						
71	Debt Service	$ -	$ -	$ -				$ 7,690,000	$ -	$ 7,690,000
81	Construction	$ 955,997	$ -	$ 955,997						
91	Recapture Payment	$ 30,047,660	$ -	$ 30,047,660						
93	Shared Services	$ 27,500	$ -	$ 27,500						
99	Intergovernmental Charges	$ 756,900	$ 2,391	$ 759,291						
TOTAL		**$ 104,576,095**	**$ -**	**$ 104,576,095**	**$ 6,114,225**	**$ -**	**$ 6,114,225**	**$ 7,690,000**	**$ -**	**$ 7,690,000**

Function

21	(32,000)	N2 Learning Strategic Planning
TOTAL	**(32,000)**	

Function

41	$ 32,000	N2 Learning Strategic Planning
TOTAL	**$ 32,000**	

Function

51	$ (2,391)	Move to Correct Function for Switch Failure from Power Surges
	$ (3,756)	Move to Correct Function for Alarm Panel Failure from power surges
	$ (4,346)	Move to Correct Function for Alarm Panel Failure from power surges
TOTAL	**$ (10,494)**	

Function

52	$ 3,756	Move to Correct Function for Alarm Panel Failure from power surges
	$ 4,346	Move to Correct Function for Alarm Panel Failure from power surges
TOTAL	**$ 8,102**	

Function

53	$ 2,391	Move to Correct Function for Switch Failure from Power Surges
TOTAL	**$ 2,391**	

Action Sheet

MEETING DATE: **January 19, 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.

Jerry Gibson, Ed. D.

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Date: 2022.01.06 15:16:41 -06'00'

Dr. Jerry Gibson
Superintendent

Connie Morgenroth

Digitally signed by Connie Morgenroth
DN: cn=Connie Morgenroth, o=Galveston Independent School District, ou=Business and Operations, email=conniemorgenroth@gisd.org, c=US
Date: 2022.01.05 16:24:13 -06'00'

Connie Morgenroth
Asst. Superintendent of Business and Operations

Galveston Independent School District
Donations/Gifts for December 2021

In accordance with Board Policy CDC (Local), the Board of Trustees of Galveston Independent School District acknowledges and appreciates the following donations:

Date	Recipient	Giver	Gift
12/2021	Kelley's Angels	Ivy Isle Foundation	$1,000.00
12/2021	Kelley's Angels	Noon Optimist Club	$100.00
12/2021	Kelley's Angels	Madeline Baker & Priscilla Patterson	$200.00
12/2021	Kelley's Angels	Peggy Cornelius	$200.00
12/2021	Kelley's Angels	Carol Hodges	$100.00
12/2021	Kelley's Angels	Melvin Bouldin	$100.00
12/2021	Kelley's Angels	Rena Lidstone	$100.00
12/2021	Kelley's Angels	Connie Morgenroth	$200.00
		Total	$2,000.00

12/2021	Kelley's Angels	3910 Enterprise (Rejone/Titus Edwards)	Gifts
12/2021	Kelley's Angels	Ball High Class of '76 Alumni	Gifts
12/2021	Kelley's Angels	Ben and Jerry's Jennifer Hart and Family	Gifts
12/2021	Kelley's Angels	Delta Kappa Gamma Omicron Chapter	Gift Cards
12/2021	Kelley's Angels	Galveston County Apartment Association (Petra Days)	Gifts/Volunteer
12/2021	Kelley's Angels	GIA Insurance	Gifts
12/2021	Kelley's Angels	Kelly and Marie Hejtmancik	Gifts/Gift Cards
12/2021	Kelley's Angels	Magnet Apex 3	Gifts
12/2021	Kelley's Angels	Ryson Homes – Liz Overton	Gifts
12/2021	Kelley's Angels	Sand and Sea	29 Students' Gifts
12/2021	Kelley's Angels	Serenity Dermatology	4 Students Gifts
12/2021	Kelley's Angels	Unitarian Universalist Church	Gift Cards
12/2021	Kelley's Angels	UTMB (School of Nursing) - Brandy McClanahan	14 Students' Gifts
12/2021	Kelley's Angels	J. Bassett	Gifts
12/2021	Kelley's Angels	Armand Bastien	Bicycle
12/2021	Kelley's Angels	Alex Bennett	Gifts
12/2021	Kelley's Angels	Elizabeth Bennett and Family	Gifts
12/2021	Kelley's Angels	Doreen Bridges (Alabaster Snowballs Elves)	4 Students' Gifts
12/2021	Kelley's Angels	Jeri Buckner and Family	Gifts
12/2021	Kelley's Angels	Erin Ceccacci	Gifts
12/2021	Kelley's Angels	Heather Chide	4 Students' Gifts
12/2021	Kelley's Angels	Diana and Kenneth Chide	Gifts

12/2021	**Kelley's Angels**	**Ellyn Clevenger**	**Gifts**
12/2021	**Kelley's Angels**	**Trey Click**	**7 Bicycles**
12/2021	**Kelley's Angels**	**Lynn Clore**	**Gifts**
12/2021	**Kelley's Angels**	**Coach Gallow**	**Gifts**
12/2021	**Kelley's Angels**	**Marty Hersey and Mike Clarke**	**Gifts**
12/2021	**Kelley's Angels**	**Hank Jones**	**Gifts**
12/2021	**Kelley's Angels**	**Jenny Kelly**	**Gifts**
12/2021	**Kelley's Angels**	**Debra Kimmey**	**2 Bicycles**
12/2021	**Kelley's Angels**	**Bridget Duran and Lenora Kingston**	**Gifts**
12/2021	**Kelley's Angels**	**Margie Kusnerik and Family**	**Gifts**
12/2021	**Kelley's Angels**	**Elizabeth Lane**	**Gifts**
12/2021	**Kelley's Angels**	**Cissy Matthews**	**Gifts**
12/2021	**Kelley's Angels**	**Desiree Monges**	**Gifts**
12/2021	**Kelley's Angels**	**Judith Muren**	**Gifts**
12/2021	**Kelley's Angels**	**Domenico Nuckols**	**Gifts Cards**
12/2021	**Kelley's Angels**	**Mary Patrick**	**Gifts**
12/2021	**Kelley's Angels**	**Elizabeth Protas and Family**	**Gifts**
12/2021	**Kelley's Angels**	**Barbie Ray**	**Gifts**
12/2021	**Kelley's Angels**	**Cindy Ridens**	**Gift**
12/2021	**Kelley's Angels**	**Dr. Annette Scott**	**Gifts**
12/2021	**Kelley's Angels**	**Nicole and Scott Sieffert**	**Gifts**
12/2021	**Kelley's Angels**	**Caroline Simon**	**Gifts**
12/2021	**Kelley's Angels**	**Johnny Smecca and Danny Hart and Family**	**Gifts**
12/2021	**Kelley's Angels**	**Dorothy Trevino**	**Gift Cards**
12/2021	**Kelley's Angels**	**Stephanie Wilcox**	**Gifts**
12/2021	**Kelley's Angels**	**Lena Yates**	**Gift**
12/2021	**FACE**	**Lion's Club**	**Coats for Students**

Action Sheet

MEETING DATE: **January 19, 2022**

AGENDA ITEM: Discuss and consider Resolution to join Central Texas Purchasing Alliance

GISD seeks to enter into an Interlocal Agreement with the Central Texas Purchasing Alliance in order to benefit from certain purchasing contracts and believes this is in the best interest of the District. The board resolution to join the cooperative is attached for your review.

RECOMMENDATION: I move that the board approve the Resolution to join the Central Texas Purchasing Alliance, as presented.

Jerry Gibson, Ed. D. Digitally signed by Jerry Gibson, Ed. D. Date: 2022.01.06 15:17:16 -06'00'

Dr. Jerry Gibson
Superintendent

Connie Morgenroth Digitally signed by Connie Morgenroth DN: cn=Connie Morgenroth, o=Galveston Independent School District, ou=Business and Operations, email=conniemorgenroth@gisd.org, c=US Date: 2022.01.05 17:18:11 -06'00'

Connie Morgenroth
Assistant Superintendent of Business & Operations

BOARD RESOLUTION
OF
GALVESTON INDEPENDENT SCHOOL DISTRICT

WHEREAS, the Galveston Independent School District has been presented a proposed Interlocal Agreement for a Central Texas Purchasing Alliance by and between the Galveston Independent School District and various other independent school districts and found the Agreement to be acceptable and in the best interests of the Galveston Independent School District and its citizens; and

WHEREAS, the Galveston Independent School District pursuant to the authority granted under Sections 791.001 to 791.029 of the Government Code, V.T.C.A., as amended, desires to join in and elects to participate with the described purchasing alliance and its members, both jointly and individually, as well as future members in the pursuit of improving the efficiency, effectiveness and economy of procurement processes; facilitating the exchange of purchasing knowledge processes and documents; and in sharing of purchasing services that will ultimately lead to the efficiencies and potential savings that will be highly beneficial to the taxpayers of the district; and

WHEREAS, the Galveston Independent School District acknowledges its obligation to pay participation fees, if any, to be established by the Alliance in order to offset costs incurred on behalf of the Alliance;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE GALVESTON INDEPENDENT SCHOOL DISTRICT, Galveston, Texas:

Section I.

The Agreement is hereby in all things approved.

Section II.

The Assistant Superintendent of Business and Operations of the Galveston Independent School is hereby designated to act for the District in all matters relating to the Central Texas Purchasing Alliance including the designation of specific contracts in which the District desires to participate.

Section III.

This resolution shall become effective from and after its passage. DULY PASSED AND APPROVED THIS 19th day of January 2022.

_____

Anthony Brown
President, Board of Trustees

Action Sheet

MEETING DATE: **January 19, 2022**

AGENDA ITEM: Discuss and consider approval to contract with N2Learning to assist with district planning for school improvement including the facilitation of the Visioning process in an amount not to exceed $55,000.

Galveston ISD, a member of the cohort of the System of Great Schools (SGS), desires to develop a locally designed system-level innovation and problem-solving approach with the goal of increasing the number and percentage of students in top-rated schools and reducing the number and percentage of students in low-rated schools. N2 Learning will work with the district to design a process to both improve schools and provide the community with the schools and programs they desire.

N2 Learning will facilitate 5 full-day strategic planning meetings consisting of research, expert presentation by Todd Whitaker, and collaboration in order to create a plan based on the beliefs of the school district and community and the commitments on the part of both in order to have more students in better schools every year. The scheduled dates are January 28-29, February 11-12, and February 25, 2022. Throughout the process, N2 will support committee members in aligning the district's beliefs and commitments with the mission and core values of the district and the community which will serve as a guide for educational programs in the district.

N2Learning Inc. is a part of the Central Texas Purchasing Alliance cooperative.

RECOMMENDATION: **I move that the Board approve contracting with N2Learning to assist in district planning including the facilitation of the Visioning Process in an amount not to exceed $55,000.**

Jerry Gibson
Superintendent

Annette Scott
Assistant Superintendent for
Student Support

Action Sheet

MEETING DATE: **January 19, 2022**

AGENDA ITEM: Discuss and Consider out of state trip to Panama, for eligible 7th & 8th grade students at Austin Middle School June 2022

Participating students and chaperones, led by Emily Shotwell, will travel to Panama to participate in a STEM-focused environmental science tour. The trip will be open to all middle school students and is an extension of the school's magnet focus and science curriculum. This will be the third tour planned for Austin Middle School through Education First and the first STEM-specific tour.

No school materials or transportation will be used for this trip. The trip does not conflict with any regularly scheduled school days.

RECOMMENDATION: **I move that the Board of Trustees approve an out of state trip to Panama for eligible 7th & 8th grade students at Austin Middle School June 2022.**

Jerry Gibson
Superintendent

INDEPENDENT SCHOOL DISTRICT
GALVESTON
Island of Excellence – World of Opportunity

January 4, 2022

Dear Mrs. Mendoza,

For the past six years, Austin students, staff, and parents have traveled on an educational trip over the summer. We will be departing and returning June 2022 and not interfering with the school year or attendance. The trip is completely paid for by students and fundraisers. The trip has been planned through EF (Education First), the leader in student tours. GISD been utilizing their services since 2011. The focus of our itinerary will be the culture of Panama. This is a STEM-focused trip.

There will be one chaperone for every six students. Thank you for your consideration!

Sincerely,

Emily Shotwell
Austin Middle School
Trip Sponsor

Approved

INDEPENDENT SCHOOL DISTRICT
GALVESTON
Island of Excellence ~ World of Opportunity

January 4, 2022

Dear Dr. Gibson and GISD School Board Trustees,

For the past six years, Austin students, staff, and parents have traveled on an educational international trip over the summer. We would like to continue the tradition this summer as we take a STEM- focused trip to Panama. We will be departing and returning June 2022 and not interfering with the school year or attendance. The trip is completely paid for by students and through fundraisers. The trip has been planned through EF (Education First), the leader in student tours. GISD been utilizing their services since 2011. The focus of our itinerary will be the culture of Panama with once in a lifetime experiences including a visit to the Panama Canal and to meet youth in indigenous villages in Panama. I have been a part of the trips since 2019 and can attest to the growth in our students and rich experiences they receive as a result of these trips.

There will be one chaperone for every six students. Thank you for your consideration!

Sincerely,

Emily Shotwell
Austin Middle School
Trip Sponsor

Action Sheet

MEETING DATE: **January 19, 2022**

AGENDA ITEM: **Discuss and consider approval of additional courses as Advanced for 9th graders entering 2022-2023.**

According to EIC (LOCAL) The District shall categorize and weight eligible courses as Advanced Placement (AP)/Honors and Regular in accordance with provisions of this policy and as designated in appropriate District publications, including the high school catalog.

Administration recommends the attached list of courses be listed as advanced courses in District Publications including the high school course catalog.

RECOMMENDATION: **I move that the Board of Trustees approve the list of additional advanced courses.**

Jerry Gibson
Superintendent

Vikki Curry
Assistant Superintendent for Teaching and Learning

APPROVED FOR CLASS OF 2026 (9TH GRADE ENTERING 2022-23)

Ball High School 3RD AND 4TH (5th) Advanced CTE Courses for Endorsements

COMPUTER SCIENCE 3
COMPUTER SCIENCE 4-CYBERSECURITY
MICROBIOLOGY
SCIENTIFIC RESEARCH & DESIGN
PLTW DIGITAL ELECTRONICS
PLTW AEROSPACE ENGINEERING
PLTW CIVIL ENGINEERING
ROBOTICS 3
ROBOTICS 4 (PRACTICUM IN STEM 1)
ROBOTICS 5 (PRACTICUM IN STEM 2)
AV PRODUCTION 2
PRACTICUM IN AV PRODUCTION
VIDEO GAMING & DESIGN
VIDEO GAME DESIGN 2 (ESports)
GRAPHIC DESIGN 2
PRACTICUM GRAPHIC DESIGN
ENTREPRENUERSHIP /INCUBATOR
PRACTICUM IN BUSINESS MANAGEMENT-INCUBATOR YEAR 2
PRACTICUM IN EDUCATION-BESTT
PRACTICUM IN HOSPITALITY
INDUSTRIAL TRADES & OPERATIONS 2
PRACTICUM INDUSTRIAL TRADES & OPERATIONS
AUTOMOTIVE 2
VETINARIAN MEDICAL APPLICATIONS-LAB
ADVANCED ANIMAL SCIENCE
PRACTICUM IN AGRICULTURE (VET-TECH Internship)

Action Sheet

MEETING DATE: **January 19, 2023**

AGENDA ITEM: Discuss and consider approval for an out of state trip to Cozumel Mexico via a Cruise leaving from the Galveston Port on Feb. 2, 2023, for eligible Band and Choir students (75-100 students and 15 chaperones). Select student groups will perform on the ship and all students will be given the cultural experience of visiting Cozumel Mexico.

Tentative Schedule Ball High Band

Destination: Cozumel, Mexico

Time: February 2-6, 2023

Estimated Cost: $700 per person

Chaperones: 15-20 band parents

Fund raising: Band Boosters and students will be offering fundraising opportunities to help offset the cost of the trip.

Purpose of Trip: To allow our Band and Choir students the opportunity to perform on a cruise and experience the cultural of international travel.

RECOMMENDATION: **I move that the Board of Trustees approve the out of state trip to Cozumel Mexico for all eligible Band and Choir students on Feb. 2-6, 2023**

Jerry Gibson
Superintendent

Trip Proposal for Band and Choir, February 2023

The Band and Choir would like to take all eligible students on a cruise to Cozumel Mexico with the Royal Caribbean Cruise Line on Feb. 2-6th of 2023. On the cruise students will enjoy the many amenities of cruising along with the opportunity to perform on the Main Stage of ship. At the port of Cozumel students will have the option of participating in the cultural excursion and/or shopping in the Market space under the supervision of the Directors and Chaperones.

Total expenses: $700-750 per passengers with quad occupancy.

Total should not exceed $800

Itinerary

Thursday, Feb. 2nd
Students will arrive at Ball HS for check in and transportation to the Cruise terminal.
Board the Cruise and have a good time.

Friday, Feb. 3rd
Sailing to Cozumel.
Perform on the Ship.

Saturday, Feb. 4th
Arrive in Cozumel.
Supervised shopping in the Market and/or Excursion.

Sunday, Feb. 5th
Sailing back to Galveston.

Monday, Feb. 6th
Arrive in Galveston and transport students back to Ball HS.

Action Sheet

MEETING DATE: **January 19, 2022**

AGENDA ITEM: Discuss and consider approval of the August 31, 2021, 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. The financial report for the August 31, 2021 fiscal year is ready to be approved.

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

RECOMMENDATION: **I move that the board approve the August 31, 2021, Annual Financial and Compliance report, as presented.**

Jerry Gibson, Ed. D.
Digitally signed by Jerry Gibson, Ed. D.
Date: 2022.01.06 15:18:05 -06'00'

Dr. Jerry Gibson
Superintendent

Connie Morgenroth
Digitally signed by Connie Morgenroth
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Date: 2022.01.05 16:32:28 -06'00'

Connie Morgenroth
Assistant Superintendent of Business & Operations

GALVESTON INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended August 31, 2021

FINAL DRAFT 1.12.22

GALVESTON INDEPENDENT SCHOOL DISTRICT
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CERTIFICATE OF BOARD

Galveston Independent School District	**Galveston**	**084-902**
Name of School District	County	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, 2021, at a meeting of the board of trustees of such school district on January 19, 2022.

President of the Board

Vice President of the Board



FINAL DRAFT 1.12.22

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to in the first paragraph 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, 2021, 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.

FINAL DRAFT 1.12.22

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements and required Texas Education Agency ("TEA") schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget ("OMB"); *Title 2 U.S Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Houston, Texas
January 19, 2022

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, 2021. 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 $15,992,056. Of this amount, $25,002,928 was net investment in capital assets, which represents the carrying value of the capital assets in excess of the related debt. $5,346,084 was restricted for debt service and $8,865,499 was restricted for federal and state programs. The remaining amount was a deficit unrestricted net position of $23,222,455.

- The District's total net position increased by $2,949,152 after a prior period adjustment of $2,710,131. Net position increased by $5,659,283 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 $44,761,962 as of August 31, 2021. Of this amount, $1,143,266 is non-spendable in the form of (1) inventory in the amount of $30,906 and (2) prepaid items in the amount of $1,112,360. Fund balance of is restricted for (1) federal and state grants in the amount of $8,865,499, (2) debt service in the amount of $5,065,866, and (3) capital acquisitions in the amount of $251,383. 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 $270,975. The remaining amount in fund balance of $18,164,973 in the general fund is classified as unassigned and is available for spending at the District's discretion. The unassigned fund balance represents 20% of total general fund expenditures.

- The District's bonded debt decreased by $6,100,000 as a result of $5,745,000 principal payments on debt and $29,735,000 of debt refunded by $29,380,000 Series 2021 Refunding Bonds.

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)*.

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 I fund, and debt service 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.

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 $15,992,056 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.

Governmental Activities

	Governmental Activities		
	2021	2020 (as Restated)	Change
Current and other assets	$ 59,808,745	$ 58,819,014	$ 118,627,759
Capital assets	85,312,102	88,015,531	173,327,633
Deferred Outflows of Resources	16,178,639	19,189,378	35,368,017
Total Assets and Deferred Outflows of Resources	161,299,486	166,023,923	327,323,409
Current liabilities	32,521,164	8,997,666	41,518,830
Long term liabilities	85,841,017	125,768,117	211,609,134
Deferred Inflows of Resources	26,945,249	20,925,367	47,870,616
Total Liabilities and Deferred Inflows of Resources	145,307,430	155,691,150	300,998,580
Net Position			
Net investment in capital assets	25,002,928	20,452,654	45,455,582
Restricted	14,211,583	12,671,210	26,882,793
Unrestricted	(23,222,455)	(22,791,091)	(46,013,546)
Total Net Position	$ 15,992,056	$ 10,332,773	$ 26,324,829

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

	Governmental Activities	
	2021	2020
Federal and state programs	$ 8,865,499	$ 4,653,709
Debt Service	5,346,084	4,771,745
Capital Projects	-	3,245,756
	$ 14,211,583	$ 12,671,210

The remaining balance of net position in the governmental activities consists of an unrestricted net deficit of $23,222,455. 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 $2,949,152 after a prior period adjustment of $2,710,131. Net position increased by $5,659,283 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 99% of total revenues. The remaining 1% is generated from charges for services, investment earnings, and miscellaneous revenues.

	Governmental Activities		
	2021	2020	Change
Program Revenues			
Charges for services	$ 346,627	$ 1,930,049	$ (1,583,422)
Operating grants and contributions	30,919,584	22,234,446	8,685,138
General Revenues			
Property taxes	87,569,271	81,553,247	6,016,024
State Aid - Formula Grants	4,789,360	3,066,220	1,723,140
Interest earnings	89,733	875,083	(785,350)
Miscellaneous	1,653,405	8,135,308	(6,481,903)
Transfers in (out)	-	(134,558)	134,558
Total Revenues and Transfers	125,367,980	117,659,795	7,708,185
Expenses			
Instruction	49,406,211	50,507,217	(1,101,006)
Instructional resources and media services	327,810	397,845	(70,035)
Curriculum and staff development	4,164,084	4,514,343	(350,259)
Instructional leadership	2,837,087	2,948,732	(111,645)
School leadership	4,322,196	4,702,868	(380,672)
Guidance, counseling, and evaluation services	2,381,086	2,716,158	(335,072)
Social work services	360,477	407,275	(46,798)
Health services	1,050,132	900,769	149,363
Student transportation	3,044,368	3,484,142	(439,774)
Food service	4,129,694	5,056,366	(926,672)
Extracurricular activities	1,962,545	1,878,503	84,042
General administration	3,479,973	2,704,277	775,696
Facilities maintenance and operations	12,820,213	3,141,401	9,678,812
Security and monitoring services	1,197,137	1,291,152	(94,015)
Data processing services	3,433,079	3,183,532	249,547
Community services	1,156,269	1,026,572	129,697
Interest on long-term debt	1,476,951	2,498,582	(1,021,631)
Debt issuance costs and fees	307,915	1,500	306,415
Capital Outlay	-	280,230	(280,230)
Contracted instructional services between schools	21,054,863	18,705,416	2,349,447
Payments related to shared services arrangements	97,388	80,143	17,245
Other intergovernmental charges	699,219	689,329	9,890
Total Expenses	119,708,697	111,116,352	8,592,345
Change in Net Position	5,659,283	6,543,443	(884,160)
Beginning Net Position	13,042,904	3,712,341	9,330,563
Prior period adjustment	(2,710,131)	2,787,120	(5,497,251)
Ending Net Position	$ 15,992,056	$ 13,042,904	$ 2,949,152

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

	Total Revenues	% of Total Revenues
Property taxes	$ 87,569,271	70%
State Aid - Formula Grants	4,789,360	4%
Operating grants and contributions	30,919,584	25%
Other revenue	1,743,138	1%
Total Revenues	$ 125,021,353	100%

The primary functional expense of the District is instruction, which represents 41% 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	$ 49,406,211	41%
Curriculum and staff development	4,164,084	3%
School leadership	4,322,196	4%
Food service	4,129,694	3%
General administration	3,479,973	3%
Facilities maintenance and operations	12,820,213	11%
Contracted instructional services between schools	21,054,863	18%
Other expenses	20,331,463	17%
Total Expenses	$ 119,708,697	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 $44,761,962, a decrease of $1,936,343 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 $18,164,973, while total fund balance reached $30,308,239. 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 20% 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 $288,306 due to budgeted increases in property tax and state aid revenues.

The debt service fund has a total fund balance of $5,065,866, all of which is restricted for the payment of debt service. The fund balance increased during the current year by $294,121 due to an increase in property tax revenues.

The ESSER I fund had total revenues of $1,505,617 due to new grants awarded to reimburse the District for COVID-19 recovery costs.

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	$ 92,552,742	$ 89,900,000
Total expenditures	91,121,483	96,911,085
Net Change in Fund Balance	$ 1,431,259	$ (7,011,085)

Capital Assets

The District's investment in capital assets for its governmental type activities as of August 31, 2021, includes land, buildings and improvements, and furniture and equipment. The investment in capital assets (capital outlays) during the current year amounted to $4,128,158. The following table summarizes the investment in capital assets as of August 31, 2021 and 2020.

	August 31, 2021	August 31, 2020 (as Restated)
Land	$ 4,418,388	$ 4,366,348
Buildings and improvements	187,341,126	182,512,292
Furniture and equipment	11,564,350	11,179,015
Vechicles	7,474,211	6,980,568
Construction in progress	-	1,735,216
Total at Historical Cost	210,798,075	206,773,439
Less Accumulated Depreciation for:		
Buildings and improvements	(111,389,506)	(105,373,697)
Furniture and Equipment	(9,965,762)	(9,600,390)
Vechicles	(4,130,705)	(3,783,821)
Total Accumulated Depreciation	(125,485,973)	(118,757,908)
Net Capital Assets	$ 85,312,102	$ 88,015,531

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, 2021, are as follows:

Outstanding 09/01/20	Issued	Retired	Outstanding 08/31/21
$ 61,200,000	$ 29,380,000	$ (35,480,000)	$ 55,100,000

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

Economic Factors and Next Year's Budgets and Rates

- The District's enrollment decreased from 7,000 students to 6,650 students in FY 2020 due to the pandemic. At the time the budget was adopted, enrollment was projected at 6720 for FY 2022, an increase of 70 students.

- For 2021-2022, the maintenance and operations tax rate is $.8820, while the debt service rate is $0.0812, for a total tax rate of $.9632. The maintenance and operations tax rate decreased $0.0494, and the debt service rate decreased by $.0138 when compared to 2020-2021. 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 $10,340 for 2020-2021, net of the excess revenue (recapture) payment due to the Texas Education Agency. Operating expenses per student (net of recapture) for the 2021-2022 fiscal year are projected to be $10,829.

- Overall, net taxable property values increased 21% from the prior year. The average taxable residence in Galveston decreased from an average taxable value in FY 2021 of $129,254 to $126,737 in FY 2022. This decrease was caused by a significant increase in the residential tax base subject to the over 65 or disability cap.

- Expenditures are budgeted to increase 13% or $11.7M. This increase is primarily due to an $8.6M increase in the excess revenue (recapture payment) due to TEA. The increase net of recapture of 4% is due primarily to salary increases of $1,500 for teachers and 2% for all other personnel.

These indicators were taken into account when adopting the budget for 2021-2022. The Galveston Independent School District general fund adopted budget for 2021-2022 is as follows:

General Fund Budget	**Original**
Budgeted Revenues	$ 102,711,653
Budgeted Expenditures	102,820,000
	$ (108,347)

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


INDEPENDENT SCHOOL DISTRICT
GALVESTON
Island of Excellence ~ World of Opportunity

GALVESTON INDEPENDENT SCHOOL DISTRICT *Exhibit A-1*

STATEMENT OF NET POSITION

August 31, 2021

Data Control Codes		Governmental Activities
	Assets	
1110	Cash and cash equivalents	$ 42,218,900
1220	Property taxes receivable	6,985,490
1230	Allowance for uncollectible taxes	(1,711,005)
1240	Due from other governments, net of allowance	10,857,578
1250	Accrued interest	17,424
1267	Due from fiduciary funds	40,000
1290	Other receivables	151,379
1310	Inventories	136,619
1410	Prepaid items	1,112,360
	Capital assets:	
1510	Land	4,418,388
1520	Buildings, net	75,951,620
1530	Furniture and equipment, net	4,942,094
1000	**Total Assets**	145,120,847
	Deferred Outflows of Resources	
	Deferred charge on refunding	1,063,198
	Deferred outflows - pension	9,413,780
	Deferred outflows - OPEB	5,701,661
1700	**Total Deferred Outflows of Resources**	16,178,639
	Liabilities	
2110	Accounts payable	1,378,767
2140	Interest payable	193,945
2150	Payroll deductions and withholdings	340,429
2160	Accrued wages payable	2,965,685
2180	Due to other governments	1,431
2200	Accrued expenses	323,406
2300	Unearned revenue	2,246,332
	Noncurrent Liabilities:	
2501	Due within one year: Bonds and compensated absences	5,461,037
2502	Due in more than one year:	
	Bonds and compensated absences	56,183,755
2540	Net pension liability	24,196,225
2545	Net OPEB liability	25,071,169
2000	**Total Liabilities**	118,362,181
	Deferred Inflows of Resources	
	Deferred inflows - Pension	4,494,371
	Deferred inflows - OPEB	22,450,878
2600	**Total Deferred Inflows of Resources**	26,945,249
	Net Position	
3200	Net investment in capital assets	25,002,928
	Restricted for:	
3820	Federal and state programs	8,865,499
3850	Debt service	5,346,084
3900	Unrestricted (deficit)	(23,222,455)
3000	**Total Net Position**	$ 15,992,056

See notes to the financial statements.

FINAL DRAFT 1.12.22

GALVESTON INDEPENDENT SCHOOL DISTRICT *Exhibit B-1*

STATEMENT OF ACTIVITIES

For the Year Ended August 31, 2021

Data Control Codes	Functions/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
	Governmental Activities:				
11	Instruction	$ 49,406,211	$ 34,186	$ 15,652,849	$ (33,719,176)
12	Instructional resources and media services	327,810	-	14,156	(313,654)
13	Curriculum and staff development	4,164,084	-	3,602,903	(561,181)
21	Instructional leadership	2,837,087	-	1,415,171	(1,421,916)
23	School leadership	4,322,196	-	196,274	(4,125,922)
31	Guidance, counseling, and evaluation services	2,381,086	-	396,790	(1,984,296)
32	Social work services	360,477	-	89,543	(270,934)
33	Health services	1,050,132	-	731,889	(318,243)
34	Student transportation	3,044,368	-	71,938	(2,972,430)
35	Food service	4,129,694	167,180	4,354,907	392,393
36	Extracurricular activities	1,962,545	43,903	259,502	(1,659,140)
41	General administration	3,479,973	-	846,939	(2,633,034)
51	Facilities maintenance and operations	12,820,213	101,358	1,008,182	(11,710,673)
52	Security and monitoring services	1,197,137	-	27,303	(1,169,834)
53	Data processing services	3,433,079	-	2,011,199	(1,421,880)
61	Community services	1,156,269	-	240,039	(916,230)
72	Interest on long-term debt	1,476,951	-	-	(1,476,951)
73	Debt issuance costs and fees	307,915	-	-	(307,915)
91	Contracted instructional services between schools	21,054,863	-	-	(21,054,863)
93	Payments related to shared services arrangements	97,388	-	-	(97,388)
99	Other intergovernmental charges	699,219	-	-	(699,219)
TG	**Total Governmental Activities**	119,708,697	346,627	30,919,584	(88,442,486)

	General Revenues:	
	Taxes:	
MT	Property taxes, levied for general purposes	79,469,258
DT	Property taxes, levied for debt service	8,100,013
SF	State-aid formula grants	4,789,360
IE	Investment earnings	89,733
MI	Miscellaneous	1,653,405
	Total General Revenues	94,101,769
CN	Change in net position	5,659,283
NB	**Net Position - Beginning**	13,042,904
PA	**Prior period adjustment**	(2,710,131)
NE	**Net Position - Ending**	$ 15,992,056

FINAL DRAFT 1.12.22

GALVESTON INDEPENDENT SCHOOL DISTRICT

Exhibit C-1

BALANCE SHEET
GOVERNMENTAL FUNDS
August 31, 2021

Data Control Codes		General Fund	ESSER I	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
	Assets					
1110	Cash and cash equivalents	$ 27,228,929	$ -	$ 5,076,985	$ 9,830,695	$ 42,136,609
	Receivables:					
1220	Property taxes - delinquent	6,356,495	-	628,995	-	6,985,490
1230	Allowance for uncollectible taxes (credit)	(1,556,173)	-	(154,832)	-	(1,711,005)
1240	Receivables from other governments, net of allowance	5,729,314	1,741,096	-	3,387,168	10,857,578
1250	Accrued interest	8,712	-	8,712	-	17,424
1260	Due from other funds	4,535,045	-	-	-	4,535,045
1267	Due from others	40,000	-	-	-	40,000
1290	Other receivables	88,284	-	5,214	57,881	151,379
1310	Inventories, at cost	30,906	-	-	105,713	136,619
1410	Prepaid items	1,112,360	-	-	-	1,112,360
1000	**Total Assets**	$ 43,573,872	$ 1,741,096	$ 5,565,074	$ 13,381,457	$ 64,261,499
	Liabilities, Deferred Inflows, and Fund Balances					
	Liabilities:					
2110	Accounts payable	$ 788,433	$ -	$ -	$ 556,746	$ 1,345,179
2150	Payroll deduction and withholdings payable	287,774	-	-	52,655	340,429
2160	Accrued wages payable	2,702,779	-	-	262,906	2,965,685
2170	Due to other funds	-	1,741,096	25,045	2,768,904	4,535,045
2180	Due to other governments	1,431	-	-	-	1,431
2200	Accrued expenses	-	-	-	323,406	323,406
2300	Unearned revenues	2,217,349	-	-	28,983	2,246,332
2000	**Total Liabilities**	5,997,766	1,741,096	25,045	3,993,600	11,757,507
	Deferred Inflows of Resources					
	Unavailable revenue - property taxes	4,800,322	-	474,163	-	5,274,485
	Unavailable revenue - grants	2,467,545	-	-	-	2,467,545
2600	**Total Deferred Inflows of Resources**	7,267,867	-	474,163	-	7,742,030
	Fund Balances:					
	Nonspendable:					
3410	Inventories	30,906	-	-	-	30,906
3430	Prepaid items	1,112,360	-	-	-	1,112,360
	Restricted:					
3450	Grant restrictions	-	-	-	8,865,499	8,865,499
3470	Capital acquisitions	-	-	-	251,383	251,383
3480	Debt service	-	-	5,065,866	-	5,065,866
	Committed:					
3545	Other purposes	11,000,000	-	-	270,975	11,270,975
3600	**Unassigned**	18,164,973	-	-	-	18,164,973
3000	**Total Fund Balances**	30,308,239	-	5,065,866	9,387,857	44,761,962
4000	**Total Liabilities, Deferred Inflows, and Fund Balances**	$ 43,573,872	$ 1,741,096	$ 5,565,074	$ 13,381,457	$ 64,261,499

FINAL DRAFT 1.12.22

Data Control Codes		
	Total Fund Balance - Governmental Funds	$ 44,761,962
1	Capital assets of $210,798,075, net of accumulated depreciation of $125,485,973, used in governmental activities are not financial resources and, therefore, are not reported in the funds.	85,312,102
	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	9,413,780
3	Deferred outflows - OPEB related	5,701,661
4	Deferred inflows - pension related	(4,494,371)
5	Deferred inflows - OPEB related	(22,450,878)
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.	7,742,030
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.	48,703
	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	(55,100,000)
9	Compensated absences	(21,037)
10	Accrued interest on long-term debt	(193,945)
11	Net pension liability	(24,196,225)
12	Net OPEB liability	(25,071,169)
	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.	
13	Deferred amount on refunding	1,063,198
14	Premium on general obligation bonds	(6,523,755)
19	**Total Net Position - Governmental Activities**	$ 15,992,056

GALVESTON INDEPENDENT SCHOOL DISTRICT

Exhibit C-3

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS

For the Year Ended August 31, 2021

Data Control Codes		General Fund	ESSER I	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
	Revenues					
5700	Local, intermediate, and out-of-state	$ 80,340,591	$ -	$ 8,088,720	$ 11,058,477	$ 99,487,788
5800	State program revenues	8,183,599	-	53,050	1,606,407	9,843,056
5900	Federal program revenues	1,503,858	1,505,617	-	12,315,632	15,325,107
5020	**Total Revenues**	90,028,048	1,505,617	8,141,770	24,980,516	124,655,951
	Expenditures					
	Current:					
0011	Instruction	36,607,973	1,505,617	-	9,361,697	47,475,287
0012	Instruction resources and media services	307,046	-	-	4,589	311,635
0013	Curriculum and instructional staff development	713,321	-	-	3,252,955	3,966,276
0021	Instructional leadership	1,694,847	-	-	1,021,648	2,716,495
0023	School leadership	4,127,750	-	-	5,637	4,133,387
0031	Guidance, counseling and evaluation services	1,967,774	-	-	302,537	2,270,311
0032	Social work services	272,435	-	-	71,363	343,798
0033	Health services	998,625	-	-	18,402	1,017,027
0034	Student transportation	2,953,296	-	-	469,976	3,423,272
0035	Food service	50,874	-	-	4,168,706	4,219,580
0036	Extracurricular activities	1,738,700	-	-	146,723	1,885,423
0041	General administration	2,949,778	-	-	112,756	3,062,534
0051	Plant maintenance and operations	8,592,462	-	-	709,881	9,302,343
0052	Security and monitoring services	1,144,929	-	-	-	1,144,929
0053	Data processing services	2,131,489	-	-	1,244,130	3,375,619
0061	Community services	902,434	-	-	210,755	1,113,189
	Debt service:					
0071	Principal on long-term debt	-	-	5,745,000	-	5,745,000
0072	Interest on long-term debt	-	-	2,101,927	-	2,101,927
0073	Bond issuance costs and fees	-	-	307,915	-	307,915
	Capital outlay:					
0081	Facilities acquisition and construction	405,155	-	-	2,549,229	2,954,384
	Intergovernmental:					
0091	Contracted instructional services	21,054,863	-	-	-	21,054,863
0093	Payments related to shared services arrangement	97,388	-	-	-	97,388
0099	Other intergovernmental charges	699,219	-	-	-	699,219
6030	**Total Expenditures**	89,410,358	1,505,617	8,154,842	23,650,984	122,721,801
1100	Excess (deficiency) of revenues over (under) expenditures	617,690	-	(13,072)	1,329,532	1,934,150
	Other Financing Sources (Uses)					
7911	Refunding bonds issued	-	-	29,380,000	-	29,380,000
7915	Transfers in	-	-	-	24,384	24,384
7916	Premium or discount on issuance of bonds	-	-	2,802,839	-	2,802,839
8911	Transfers out	(329,384)	-	-	-	(329,384)
8949	Payment to bond refunding escrow agent	-	-	(31,875,646)	-	(31,875,646)
7080	**Total Other Financing Sources (Uses)**	(329,384)	-	307,193	24,384	2,193
1200	Net change in fund balances	288,306	-	294,121	1,353,916	1,936,343
0100	**Fund Balance - September 1 (Beginning)**	33,721,250	-	4,771,745	8,033,941	46,526,936
	Prior period adjustment	(3,701,317)	-	-	-	(3,701,317)
3000	**Fund Balance - August 31 (Ending)**	$ 30,308,239	$ -	$ 5,065,866	$ 9,387,857	$ 44,761,962

FINAL DRAFT 1.12.22

GALVESTON INDEPENDENT SCHOOL DISTRICT

Exhibit C-4

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, 2021

Data Control Codes		
	Net change in fund balances - total governmental funds	$ 1,936,343
	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 expense. This is the amount by which depreciation expense exceeded capital outlay in the current period.	(2,703,429)
	Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
1	Property taxes	426,351
	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 refunding bonds	(29,380,000)
3	Payment to escrow agent	31,875,646
4	Premium	(2,802,839)
5	Principal paid on bonds	5,745,000
6	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.	853
	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.	
7	Accrued interest on long-term debt	173,855
8	Amortization of bond premiums	652,619
9	Amortization of deferred amounts on refunding	(201,498)
10	Compensated absences	37,937
11	Changes in pension liabilities and related deferred outflows and inflows of resources	(1,194,038)
12	Changes in OPEB liabilities and related deferred outflows and inflows of resources	1,092,483
	Change in Net Position of Governmental Activities	$ 5,659,283

FINAL DRAFT 1.12.22

GALVESTON INDEPENDENT SCHOOL DISTRICT *Exhibit D-1*

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
August 31, 2021

	Governmental Activities Total Internal Service Fund
Assets	
Cash and cash equivalents	$ 82,291
Total Assets	82,291
Liabilities	
Accounts payable	$ 33,588
Total Liabilities	33,588
Net Position	
Unrestricted net position	48,703
Total Net Position	$ 48,703

GALVESTON INDEPENDENT SCHOOL DISTRICT *Exhibit D-2*

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended August 31, 2021

	Governmental Activities Total Internal Service Fund
Operating Revenues	
Local and intermediate sources	$ 180,153
Total Operating Revenues	180,153
Operating Expenses	
Professional and contracted services	484,300
Total Operating Expenses	484,300
Operating Income	(304,147)
Income (loss) before transfers	(304,147)
Transfers in	305,000
Change in Net Position	853
Net Position - September 1 (Beginning)	47,850
Net Position - August 31 (Ending)	$ 48,703

FINAL DRAFT 1.12.22

GALVESTON INDEPENDENT SCHOOL DISTRICT *Exhibit D-3*

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended August 31, 2021

	Governmental Activities Total Internal Service Fund
Cash Flows from Operating Activities:	
Cash received from user charges	$ 181,155
Cash payments to suppliers	(486,107)
Net Cash Provided by (Used for) Operating Activities	(304,952)
Cash Flows from Non-Capital Financing Activities:	
Operating transfers from other funds	305,000
Net Cash Provided by (Used for) Non-Capital Financing Activities	305,000
Net Increase (Decrease) in Cash and Cash Equivalents	48
Cash and Cash Equivalents at Beginning of Year	82,243
Cash and Cash Equivalents at End of Year	$ 82,291
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:	
Operating Income (Loss)	$ (304,147)
Change in assets and liabilities:	
Decrease (increase) in receivables	1,002
Increase (decrease) in accounts payable	(1,807)
Net Cash Provided by (Used for) Operating Activities	$ (304,952)

GALVESTON INDEPENDENT SCHOOL DISTRICT *Exhibit E-1*

STATEMENT OF FIDUCIARY NET POSITION

August 31, 2021

	Private Purpose Trust Fund	Custodial Fund
Assets		
Cash and cash equivalents	$ -	$ 146,658
Restricted assets:		
Cash and cash equivalents	177,162	-
Total Assets	$ 177,162	$ 146,658
Liabilities		
Accounts payable	$ 1,000	$ 6,260
Due to others	40,000	-
Total Liabilities	41,000	6,260
Net Position		
Restricted for other purposes	136,162	140,398
Total Net Position	$ 136,162	$ 140,398

GALVESTON INDEPENDENT SCHOOL DISTRICT *Exhibit E-2*

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Year Ended August 31, 2021

	Private Purpose Trust Fund	Custodial Fund
Additions		
Earning from endowments	$ 500	$ 144,530
Total Additions	500	144,530
Deductions		
Professional and contracted services	41,000	168,599
Total Deductions	41,000	168,599
Change in fiduciary net position	(40,500)	(24,069)
Net Position - September 1 (Beginning)	176,662	3,823
Prior period adjustment	-	160,644
Net Position - August 31 (Ending)	$ 136,162	$ 140,398


INDEPENDENT SCHOOL DISTRICT
GALVESTON
Island of Excellence ~ World of Opportunity

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 I fund* accounts for federal stimulus ESSER funds granted to the District through the CARES Act that support the District's ability to operate and instruct its students during the COVID-19 pandemic.
- 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.

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.* Additionally, the *capital projects fund,* which is used to account for the proceeds from sales of bonds and other revenues to be used for authorized construction and technology projects/enhancements, is included in the nonmajor governmental funds of the District.

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. Donated capital assets are recorded at acquisition value at the date of donation.

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 using the straight-line method over the following estimated useful lives:

Assets	In Years
Buildings and improvements	10 - 50
Furniture and equipment	5 - 20
Vehicles	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 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.

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.

Note 1 - Summary of Significant Accounting Policies (continued)

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 differences between estimated and actual investment earnings, changes in actuarial assumptions, and other pension and OPEB related changes.

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.

Note 1 - Summary of Significant Accounting Policies (continued)

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.

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.

Note 1 - Summary of Significant Accounting Policies (continued)

Implementation of New Accounting Standards

GASB Statement No. 90 *Majority Equity Interests, an amendment of GASB Statements No. 14 and No. 61* was issued in August 2018 and effective for periods beginning December 15, 2019. The primary objectives of this Statement are to improve consistency in the measurement and comparability of the financial statement presentation of majority equity interests in legally separate organizations and to improve the relevance of financial statement information for certain component units. An equity interest is a financial interest in a legally separate organization evidenced by the ownership of shares of the organization's stock or by otherwise having an explicit, measurable right to the net resources of the organization that is usually based on an investment of financial or capital resources by a government. An equity interest is explicit and measurable if the government has a present or future claim to the net resources of the entity and the method for measuring the government's share of the entity's net resources is determinable. The District has determined that this Statement does not have an effect on the financial statements as of August 31, 2021.

GASB Statement No. 98, *The Annual Comprehensive Financial Report*. This statement was issued in October 2021 and establishes the term annual comprehensive financial report and its acronym ACFR. This new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This statement is effective for fiscal years ending after December 15, 2021 but earlier application is encouraged. Management has evaluated the implementation of this statement and determined that it is not appliable to the District.

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, 2021, the District's cash in bank totaled $14,296,363 and certificates of deposit totaled $4,000,000, resulting in a total of $18,296,363 requiring collateral. The carrying value was $13,511,100 (governmental activities) and $323,820 (fiduciary funds). Pledged collateral and FDIC insurance for these deposits totaled $17,976,883. As such, the District's cash and certificates of deposit were 98% collateralized at August 31, 2021.

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 2021, the District invested in certificates of deposit, 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.

Note 2 - Deposits and Investments (continued)

Investments (continued)

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.

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:

	Carrying Value	% of Portfolio	Weighted Average Maturity	Valuation Method	S&P Rating
Governmental Activities:					
Certificates of deposit	$ 4,000,000	13%	260	Fair Value Level 2	N/A
Local Government Investment Pools:					
Texas CLASS	10,209,360	36%	38	Amortized Cost	AAAm
TexasTERM	14,498,440	51%	53	Amortized Cost	AAAm
Total Local Government Investment Pools	24,707,800	87%	47		
Total Governmental Activities	$ 28,707,800	100%	75		

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:

	General Fund	ESSER I	Debt Service Fund	Nonmajor Governmental Funds	Total
Property taxes	$ 6,356,495	$ -	$ 628,995	$ -	$ 6,985,490
Due from other governments	6,963,086	1,741,096	-	3,387,168	12,091,350
Interest	8,712	-	8,712	-	17,424
Other	88,284	-	5,214	57,881	151,379
Gross receivables	13,416,577	1,741,096	642,921	3,445,049	19,245,643
Allowance for doubtful accounts, property tax related	(1,556,173)	-	(154,832)	-	(1,711,005)
Allowance for doubtful accounts, grant related	(1,233,772)	-	-	-	(1,233,772)
Net Total Receivables	$ 10,626,632	$ 1,741,096	$ 488,089	$ 3,445,049	$ 16,300,866

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:

	Unearned Revenue
General Fund	$ 2,217,349
Nonmajor Governmental Funds	28,983
Total	$ 2,246,332

Note 4 - Capital Assets

Capital asset activity for the year ended August 31, 2021, was as follows:

	Balance, as Restated September 1, 2020	Additions	Retirements	Transfers	Balance August 31, 2021
Capital Assets, not being Depreciated					
Land	$ 4,366,348	$ 52,040	$ -	$ -	$ 4,418,388
Construction in progress	1,735,216	3,093,618	-	(4,828,834)	-
Total Capital Assets, not being Depreciated	6,101,564	3,145,658	-	(4,828,834)	4,418,388
Capital Assets, being Depreciated					
Buildings and improvements	182,512,292	-	-	4,828,834	187,341,126
Furniture and equipment	11,179,015	385,335	-	-	11,564,350
Vehicles	6,980,568	597,165	(103,522)	-	7,474,211
Total Capital Assets, being Depreciated	200,671,875	982,500	(103,522)	4,828,834	206,379,687
Less Accumulated Depreciation for:					
Buildings and improvements	(105,373,697)	(6,015,809)	-	-	(111,389,506)
Furniture and Equipment	(9,600,390)	(365,372)	-	-	(9,965,762)
Vehicles	(3,783,821)	(450,406)	103,522	-	(4,130,705)
Total Accumulated Depreciation	(118,757,908)	(6,831,587)	103,522	-	(125,485,973)
Governmental Capital Assets	$ 88,015,531	$ (2,703,429)	$ -	$ -	$ 85,312,102

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

Function	Depreciation Expense
Instruction	$ 1,895,042
Instructional resources and media services	15,456
Curriculum and staff development	165,446
Instructional leadership	107,052
School leadership	175,070
Guidance, counseling, and evaluation services	99,842
Social work services	14,918
Health services	33,573
Student transportation	133,939
Food service	196,025
Extracurricular activities	71,411
General administration	104,575
Facilities maintenance and operations	3,625,720
Security and monitoring services	49,914
Data processing services	103,584
Community services	40,020
	$ 6,831,587

The District had no open construction commitments at August 31, 2021.

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, 2021, is as follows:

	Interfund Receivable	Interfund Payable	Net
Governmental Funds			
General Fund	$ 4,535,045	$ -	$ 4,535,045
ESSER I Fund	-	(1,741,096)	(1,741,096)
Debt Service Fund	-	(25,045)	(25,045)
Nonmajor Governmental Funds	-	(2,768,904)	(2,768,904)
Total	$ 4,535,045	$ (4,535,045)	$ -

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, 2021:

Transfer Out	Transfer In	Amount
General Fund	Nonmajor Governmental Fund	$ 24,384
General Fund	Internal Service Fund	305,000
		$ 329,384

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, 2020	$ 58,974
Deductions: Payments to participants	(37,937)
Balance, August 31, 2021	$ 21,037

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, 2021.

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, 2021 were as follows:

Issue	Original Issuance Amount	Interest Rate (%)	Maturity Date	Debt Outstanding
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	22,425,000
Series 2021	29,380,000	1.43% to 5.00%	2/1/2029	29,005,000
				$ 55,100,000

Debt service requirements to maturity are as follows:

Year Ending August 31,	Principal	Interest	Totals
2022	$ 5,440,000	$ 2,243,060	$ 7,683,060
2023	5,620,000	1,980,810	7,600,810
2024	5,810,000	1,709,310	7,519,310
2025	6,065,000	1,426,435	7,491,435
2026	6,230,000	1,133,060	7,363,060
2027 - 2030	25,935,000	1,897,245	27,832,245
	$ 55,100,000	$ 10,389,920	$ 65,489,920

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, 2021:

	Balance September 1, 2020	Additions	Retirements	Balance August 31, 2021	Due Within One Year
General obligation bonds	$ 61,200,000	$ 29,380,000	$ (35,480,000)	$ 55,100,000	$ 5,440,000
Premiums/discounts	6,362,878	2,802,839	(2,641,962)	6,523,755	-
Accrued compensated absences	58,974	-	(37,937)	21,037	21,037
	$ 67,621,852	$ 32,182,839	$ (38,159,899)	$ 61,644,792	$ 5,461,037

Note 7 - Long-Term Liabilities (continued)

Changes in Long-Term Liabilities (continued)

During the current fiscal year, the District issued Unlimited Tax Refunding Bonds, Taxable Series 2021 in the amount of $29,380,000 with a premium of $2,802,839. The bonds were used to refund $3,690,000 of the Unlimited Tax Refunding Bonds, Series 2011 and $26,045,000 of Unlimited Tax Refunding Bonds, Series 2013 The reacquisition price exceeded the net carrying amount of the old debt by $1,063,198 which is reported as a deferred outflow of resources and amortized over the remaining life of the refunded debt, which had a shorter remaining life than the refunded debt. The transaction reduced the District's debt service payments by $1,538,885 and resulted in an economic gain of $1,462,588. The net proceeds were deposited in an irrevocable trust with an escrosw agent to provide funds for the future debt service payment on the refunded bonds, As a result, $26,045,000 of the Series 2013 bonds are considered defeased and a liability for those bonds has been removed from the statement of net position.

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	Nonmajor Governmental Funds	Total
Property Taxes	$ 79,086,648	$ 8,056,272	$ -	$ 87,142,920
Gifts and bequests	26,000	-	9,775,329	9,801,329
Student activities	-	-	203,015	203,015
Food Sales	-	-	167,180	167,180
Rent	101,358	-	-	101,358
Investment Income	51,941	32,448	-	84,389
Shared service agreement	-	-	68,691	68,691
Athletics	43,903	-	-	43,903
Tuition and fees	34,185	-	-	34,185
Insurance recovery	31,209	-	-	31,209
Miscellaneous	965,347	-	844,262	1,809,609
	$ 80,340,591	$ 8,088,720	$ 11,058,477	$ 99,487,788

Note 9 - Operating Leases

Commitments under operating lease (non-capitalized) agreements for facilities and equipment are subject to fiscal funding clauses. As such, the agreements are cancelable and the District is therefore not obligated for minimum future rental payments as of August 31, 2021. Rental expenditures during the year amounted to $268,047.

Note 10 - 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

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the internet at https://www.trs.texas.gov/TRS%20Documents/cafr_2020.pdf, 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.

In May 2019, the 86th Texas Legislature approved the TRS Pension Reform Bill (Senate Bill 12) that provides for gradual contribution increases from the state, participating employers, and active employees to make the pension fund actuarially sound. This action causing the pension fund to be actuarially sound, allowed the legislature to approve funding for a 13th check in September 2019. All eligible members retired as of December 31, 2018 received an extra annuity check in either the matching amount of their monthly annuity or $2,000, whichever was less.

Note 10 - 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	
	2021	**2020**
Member	7.7%	7.7%
Non-employer contributing agency	7.5%	7.5%
Employers	7.5%	7.5%

	Fiscal Year 2021
District Contributions	1,982,690
Employee Contributions	3,963,778
Non-employer Contributing Entity (State)	2,646,906

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.

Note 10 - Pension Plan and Other Post-Employment Benefits (continued)

Contributions (continued)

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 1.5 percent of the member's salary beginning in fiscal year 2020, gradually increasing to 2 percent 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.

Actuarial Assumptions

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

Component	Result
Valuation Date	August 31, 2019, rolled forward to August 31, 2020
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	7.25%
Long-term Expected Rate	7.25%
Municipal Bond Rate as of August 2020	2.33%. 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)	2119
Inflation	2.30%
Salary Increases	3.05% to 9.05% including inflation
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, 2019. For a full description of these assumptions please see the actuarial valuation report dated November 14, 2019.

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 9.55 percent 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.

Note 10 - Pension Plan and Other Post-Employment Benefits (continued)

Discount Rate (continued)

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

Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2020 are summarized below:

Asset Class	Target Allocation[1]	Long-Term Expected Arithmetic Real Rate of Return[2]	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.00%	3.90%	0.99%
Non-U.S. Developed	13.00%	5.10%	0.92%
Emerging Markets	9.00%	5.60%	0.83%
Private Equity	14.00%	6.70%	1.41%
Stable Value			
Government Bonds	16.00%	-0.70%	-0.05%
Absolute Return (Including Credit Sensitive Investments)	0.00%	1.80%	0.00%
Stable Value Hedge Funds	5.00%	1.90%	0.11%
Real Return			
Real Estate	15.00%	4.60%	1.01%
Energy, Natural Resources and Infrastructure	6.00%	6.00%	0.42%
Commodities	0.00%	0.80%	0.00%
Risk Parity			
Risk Parity	8.00%	3.00%	0.30%
Leverage			
Cash	2.00%	-1.50%	-0.03%
Asset Allocation Leverage	-6.00%	-1.30%	0.08%
Inflation Expectation			2.00%
Volatility Drag[3]			-0.67%
Expected Return	100.00%		7.32%

[1] Target allocations are based on the FY2020 policy model.
[2] Capital Market Assumptions come from Aon Hewitt as of August 31, 2020.
[3] The volatility drag results from the conversion between arithmetic and geometric mean returns.

Note 10 - Pension Plan and Other Post-Employment Benefits (continued)

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	$ 37,310,146	$ 24,196,225	$ 13,541,452

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

At August 31, 2021, the District reported a liability of $24,196,225 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	$ 24,196,225
State's proportionate share that is associated with the District	33,401,348
Total	$ 57,597,573

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

At August 31, 2020, the employer's proportion of the collective net pension liability was 0.0452% which was a decrease of 0.0021% from its proportion measured as of August 31, 2019.

Note 10 - Pension Plan and Other Post-Employment Benefits (continued)

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

Changes Since the Prior Actuarial Valuation

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

For the year ended August 31, 2021, the District recognized pension expense of $3,830,715. The District also recognized on-behalf pension expense and revenue of $4,017,440 for support provided by the State.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 44,180	$ (675,252)
Changes of assumption	5,614,385	(2,387,197)
Net difference between projected and actual earnings on pension plan investments	489,832	-
Changes in proportion and differences between District contributions and proportionate share of contributions	1,282,694	(1,431,922)
District contributions subsequent to the measurement date	1,982,689	-
Total	$ 9,413,780	$ (4,494,371)

Deferred outflows of resources resulting from District contributions subsequent to the measurement date in the amount of $1,982,689 will be recognized as a reduction of the net pension liability in the year ended August 31, 2022. 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:

Fiscal Year	Pension Expense Amount
2022	$ 954,742
2023	991,043
2024	1,021,636
2025	350,827
2026	(333,277)
Thereafter	(48,251)
	$ 2,936,720

Note 11 - 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 TRS-Care's fiduciary net position is available in the separately-issued TRS Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the internet at https://www.trs.texas.gov/TRS%20Documents/cafr_2020.pdf, 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 11 - 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	
	2021	**2020**
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
	2021
District Contributions	507,832
Employee Contributions	342,566
Non-employer Contributing Entity (State)	819,435

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 $230.8 million in fiscal year 2020 to maintain premiums and benefit levels in the 2020-2021 biennium.

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

Component	**Result**
Valuation Date	August 31, 2019, rolled forward to August 31, 2020
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	2.33% as of August 31, 2020
Aging Factors	Based on plan specific experience
Election Rates	Normal Retirement: 65% participation prior to age 65 and 40% participation after age 65, 25% of pre-65 retirees are assumed to discontinue coverage at age 65
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claim costs.
Salary Increases	3.05% to 9.05% including inflation
Ad Hoc Post-Employment Benefit Changes	None

Note 11 - 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. All of the demographic assumptions, including rates of retirement, termination, and disability, and most of the economic assumptions, including general inflation and salary increases, used in the OPEB valuation were identical to those used in the respective TRS pension valuation. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

The following assumptions 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, 2019 TRS pension actuarial valuation that was rolled forward to August 31, 2020: (a) Rates of Mortality, (b) Rates of Retirement, (c) Rates of Termination, (d) Rates of Disability, (e) General Inflation, (f) Wage Inflation, and (g) Expected Payroll Growth.

The active mortality rates were based on 90 percent of the RP-2014 Employee Mortality Tables for males and females, with full generational mortality using Scale BB. 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 most recently published scale (U-MP).

Discount Rate

A single discount rate of 2.33% was used to measure the total OPEB liability. There was a decrease of 0.30% 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 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, 2020 using the fixed-income 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 (2.33%) in measuring the Net OPEB Liability.

	Discount Rate		
	1% Decrease (1.33%)	Current Rate (2.33%)	1% Increase (3.33%)
District's proportional share of the net OPEB liability	$ 30,085,346	$ 25,071,169	$ 21,110,690

Note 11 - Defined Other Post-Employment Benefit Plans (continued)

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

At August 31, 2021, the District reported a liability of $25,071,169 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	$ 25,071,169
State's proportionate share that is associated with the District	33,689,642
Total	$ 58,760,811

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

At August 31, 2020, the District's proportion of the collective Net OPEB Liability was 0.0660% which was a decrease of 0.0051%from its proportion measured as of August 31,2019.

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

	Healthcare Cost Trend Rate		
	1% Decrease	Current Rate	1% Increase
District's proportional share of the net OPEB liability	$ 20,479,933	$ 25,071,169	$ 31,186,047

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

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, 2021, the District recognized negative OPEB expense of $579,660. The District also recognized negative on-behalf OPEB expense and revenue of $233,928 for support provided by the State.

Note 11 - 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, 2021, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,312,717	$ (11,473,849)
Changes of assumption	1,546,370	(6,884,673)
Net difference between projected and actual earnings on OPEB plan investments	8,147	-
Changes in proportion and differences between District contributions and proportionate share of contributions	2,326,595	(4,092,356)
District contributions subsequent to the measurement date	507,832	-
Total	$ 5,701,661	$ (22,450,878)

The $507,832 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, 2022. 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:

Fiscal Year	OPEB Expense Amount
2022	$ (2,809,075)
2023	(2,810,164)
2024	(2,810,787)
2025	(2,810,617)
2026	(2,140,961)
Thereafter	(3,875,445)
	$ (17,257,049)

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, 2021, 2020, and 2019, the subsidy payments received by TRS-Care on-behalf of the District were $239,729, $235,552, and $171,752, respectively. These payments are recorded as equal revenues and expenditures in the governmental funds financial statements of the District.

Note 12 - 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, 2021, 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, 2021, the Fund anticipates no additional liability to members beyond their contractual obligations for payment of contributions.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2020 are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

Note 13 - Shared Service Arrangements / Joint Ventures

The district is the fiscal agent for two shared service arrangements (SSA) which provide services for visually impaired students and 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:

	Visually Impaired Program	Orientation and Mobility Program
Member Districts:		
Dickinson ISD	$ -	$ 23,603
Friendswood ISD	-	28,345
Galveston ISD	68,691	28,697
Hitchcock ISD	-	11,297
Santa Fe ISD	-	10,275
Texas City ISD	-	28,642
	$ 68,691	$ 130,859

Note 14 - 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 15 - 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, 2021.

Note 16 - 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.

Note 16 - Hurricane Ike (continued)

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 $21,150,000 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, 2021, the District's receivable was $3,701,317. The District also reported an allowance of $1,233,772 which resulted in a net receivable of $2,467,545.

Note 17 - Subsequent Events

As of September 2, 2021, the Texas Education Agency informed local education agencies (LEAs) that it has no plans to issue missed school day waivers due to COVID-19 during the 2021-2022 school year when the LEA or its campuses are closed. Each LEA will need to plan to make up time for school closures during the school year and may need to add additional instructional days and/or minutes to their calendar to meet the 75,600 operational minute requirement.

LEAs have reported to TEA that attendance rate declines continue to occur due to COVID-19. As a result, TEA is exploring options to ensure school systems will not experience significant financial difficulties. Additionally, LEAs had varying daily rates of attendance during the 2020-2021 school year due to the impact of virtual learning options. Once TEA receives this local information in a PEIMS upload this fall, it will be equipped to analyze, understand, and determine potential changes to the rules around waivers, particularly low attendance waivers. As of the date of this report, the District has not determined the impact.

Note 18 - COVID-19

The full extent of the ongoing impact of COVID-19 on the District's 2020-21 fiscal year and longer-term operational and financial performance will depend on future developments, many of which are outside of its control, including the effectiveness of the mitigation strategies related to COVID-19, the duration of COVID-19, and future governmental actions, all of which are highly uncertain and cannot be predicted.

Note 19 - Prior Period Adjustments

Three prior period adjustments were made to beginning balances. The first adjustment was made to decrease the District's net position due to construction in progress being improperly reported in the prior period. The second adjustment was made to report unavailable revenue and an allowance for uncollectible amounts for receivable related to Hurricane Ike amounts due from FEMA, which reduced the District's fund balance and net position. The third adjustment reclassified the custodial fund amounts due to student group amounts to net position in accordance with GASB Statement No. 84 which was implemented in the previous fiscal year. The following was the impact of the prior period adjustments:

	Fund Balance	Net Position	
	General Fund	Governmental Activities	Custodial Fund
Beginning Balance	$ 33,721,250	$ 13,042,904	$ 3,823
Restatement due to recording allowance and unavailable revenue for Hurricane Ike grant receivable	(3,701,317)	(1,233,772)	-
Restatement due to capital asset corrections	-	(1,476,359)	-
Restatement due to reclassification of amounts due to student groups to net position in the custodial fund	-	-	160,644
Beginning Balance - As Restated	$ 30,019,933	$ 10,332,773	$ 164,467


INDEPENDENT SCHOOL DISTRICT
GALVESTON
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REQUIRED SUPPLEMENTARY INFORMATION


INDEPENDENT SCHOOL DISTRICT
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GALVESTON INDEPENDENT SCHOOL DISTRICT

Exhibit G-1

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended August 31, 2021

Data Control Codes		Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts (GAAP BASIS)	Variance with Final Budget - Positive (Negative)
	Revenues				
5700	Local, intermediate, and out-of-state	$ 80,736,321	$ 80,351,321	$ 80,340,591	$ (10,730)
5800	State program revenues	10,941,421	8,481,786	8,183,599	(298,187)
5900	Federal program revenues	875,000	1,066,893	1,503,858	436,965
5020	**Total Revenues**	92,552,742	89,900,000	90,028,048	128,048
	Expenditures				
	Current:				
0011	Instruction	37,217,285	38,427,061	36,607,973	1,819,088
0012	Instruction resources and media services	363,821	359,491	307,046	52,445
0013	Curriculum and instructional staff development	739,411	778,320	713,321	64,999
0021	Instructional leadership	1,714,234	1,737,234	1,694,847	42,387
0023	School leadership	4,203,350	4,194,004	4,127,750	66,254
0031	Guidance, counseling and evaluation services	1,994,893	1,994,893	1,967,774	27,119
0032	Social work services	279,584	284,584	272,435	12,149
0033	Health services	993,271	1,023,031	998,625	24,406
0034	Student transportation	3,151,129	3,103,841	2,953,296	150,545
0035	Food service	-	-	50,874	(50,874)
0036	Extracurricular activities	1,810,241	1,865,037	1,738,700	126,337
0041	General administration	2,758,944	3,020,835	2,949,778	71,057
0051	Plant maintenance and operations	9,782,738	9,202,807	8,592,462	610,345
0052	Security and monitoring services	1,152,892	1,192,813	1,144,929	47,884
0053	Data processing services	2,115,293	2,261,044	2,131,489	129,555
0061	Community services	701,792	951,792	902,434	49,358
	Capital outlay:				
0081	Facilities acquisition and construction	-	1,431,693	405,155	1,026,538
	Intergovernmental:				
0091	Contracted instructional services	21,393,538	24,308,538	21,054,863	3,253,675
0093	Payments related to shared services arrangement	60,000	60,000	97,388	(37,388)
0099	Other intergovernmental charges	689,067	714,067	699,219	14,848
6030	**Total Expenditures**	91,121,483	96,911,085	89,410,358	7,500,727
1100	Excess (deficiency) of revenues over expenditures	1,431,259	(7,011,085)	617,690	7,628,775
	Other Financing Sources (Uses)				
8911	Transfers out	-	-	(329,384)	(329,384)
7080	**Total Other Financing Sources (Uses)**	-	-	(329,384)	(329,384)
1200	Net change in fund balances	1,431,259	(7,011,085)	288,306	7,299,391
0100	**Fund Balance - September 1 (Beginning)**	30,019,933	30,019,933	30,019,933	30,019,933
3000	**Fund Balance - August 31 (Ending)**	$ 31,451,192	$ 23,008,848	$ 30,308,239	$ 7,299,391

FINAL DRAFT 1.12.22

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, 2021.

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, 2020. 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.

Budget Overages

During the current fiscal year, the District exceeded budgeted amounts in food service expenditures by $50,874 and in payments related to shared service arrangements by $37,388.

GALVESTON INDEPENDENT SCHOOL DISTRICT *Exhibit G-2*

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
LAST SEVEN MEASUREMENT YEARS

	2020	2019	2018	2017
District's proportion of the net pension liability	0.0452%	0.0473%	0.0452%	0.0457%
District's proportionate share of the net pension liability	$ 24,196,225	$ 24,564,196	$ 24,855,801	$ 14,627,732
State's proportionate share of the net pension liability associated with the District	33,401,348	33,650,759	35,084,192	20,805,798
Total	$ 57,597,573	$ 58,214,955	$ 59,939,993	$ 35,433,530
District's covered payroll (for Measurement Year)	$ 48,848,474	$ 44,848,474	$ 44,365,365	$ 43,545,952
District's proportionate share of the net pension liability (asset) as a percentage of covered payroll	49.53%	54.77%	56.03%	33.59%
Plan fiduciary net position as a percentage of the total pension liability	75.54%	75.25%	73.34%	82.17%
Plan's net pension liability as a percentage of covered payroll [1]	110.36%	114.93%	126.11%	75.93%

	2016	2015	2014
District's proportion of the net pension liability	0.0490%	0.0005%	0.0316%
District's proportionate share of the net pension liability	$ 18,517,405	$ 18,644,868	$ 8,444,136
State's proportionate share of the net pension liability associated with the District	24,920,877	23,289,869	18,734,703
Total	$ 43,438,282	$ 41,934,737	$ 27,178,839
District's covered payroll (for Measurement Year)	$ 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	42.29%	44.06%	23.03%
Plan fiduciary net position as a percentage of the total pension liability	78.00%	78.43%	83.25%
Plan's net pension liability as a percentage of covered payroll [1]	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.

FINAL DRAFT 1.12.22

GALVESTON INDEPENDENT SCHOOL DISTRICT *Exhibit G-3*

SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
LAST EIGHT FISCAL YEARS

	2021	2020	2019	2018
Contractually required contributions	$ 1,982,690	$ 1,653,953	$ 1,654,008	$ 1,519,598
Contributions in relation to the contractual required contributions	1,982,690	1,653,953	1,654,008	1,519,598
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 51,477,625	$ 48,848,474	$ 47,736,256	$ 44,365,365
Contributions as a percentage of covered payroll	3.85%	3.39%	3.46%	3.43%

	2017	2016	2015	2014
Contractually required contributions	$ 1,499,351	$ 1,556,573	$ 1,561,821	$ 801,464
Contributions in relation to the contractual required contributions	1,499,351	1,556,573	1,561,821	801,464
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
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.

FINAL DRAFT 1.12.22

Changes of Assumptions

The single discount rate as of August 31, 2019 was 7.25, which is the same rate as of August 31, 2020.

Changes in Benefit Terms

There were no changes of benefit terms that affected measurement of the total pension liability during the 2020 or 2019 measurement periods.

Other Information

Effective September 1, 2014, employers who did not contribute to Social Security for TRS-eligible employees were required to contribute an additional 1.5% of TRS-eligible compensation which nearly doubled the District's contributions into the Plan. Because the District's proportional share of the plan is determined by its proportional share of contributions, the District recognized a corresponding increase in its share of net pension liability.

GALVESTON INDEPENDENT SCHOOL DISTRICT *Exhibit G-4*

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
LAST FOUR MEASUREMENT YEARS

	2020	2019	2018	2017
District's proportion of the net liability for OPEB	0.0660%	0.0710%	0.0662%	0.0693%
District's proportionate share of net OPEB liability	$ 25,071,169	$ 33,582,069	$ 33,058,726	$ 30,124,471
State's proportionate share of the net OPEB liability associated with the District	33,689,642	44,623,059	36,601,566	32,550,412
Total	$ 58,760,811	$ 78,205,128	$ 69,660,292	$ 62,674,883
District's covered payroll	$ 48,848,474	$ 48,848,474	$ 44,365,365	$ 43,545,952
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	51.32%	68.75%	74.51%	69.18%
Plan fiduciary net position as a percentage of the total OPEB liability	4.99%	2.66%	1.57%	0.91%
Plan's net OPEB liability as a percentage of covered payroll [1]	101.46%	135.21%	146.64%	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.

FINAL DRAFT 1.12.22

GALVESTON INDEPENDENT SCHOOL DISTRICT *Exhibit G-5*

SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
LAST EIGHT FISCAL YEARS

	2021	2020	2019	2018
Contractually required contributions	$ 507,832	$ 503,983	$ 504,518	$ 411,882
Contributions in relation to the contractual required contributions	507,832	503,983	504,518	411,882
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 51,477,625	$ 48,848,474	$ 47,736,256	$ 44,365,365
Contributions as a percentage of covered payroll	0.99%	1.03%	1.06%	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.

Changes of Assumptions

The following were changes to the actuarial assumptions or other inputs that have affected measurement of the Total OPEB liability (TOL):

- The discount rate was 2.33 percent, 2.63 percent, and 3.69 percent as of August 31, 2020, August 31, 2019, and August 31, 2018, respectively.
- During measurement year 2020, the participation rate for post-65 retirees was lowered from 50% to 40%. This changed lowered the Total OPEB Liability.
- During measurement year 2020, the ultimate health care trend rate assumption was lowered from 4.50% to 4.25% as a result of Congress' repeal of the excise (Cadillac) tax on high-cost employer health plans in December 2019. This change lowered the Total OPEB Liability (TOL).
- During measurement year 2019, the health care trend rates were reset to better reflect the plan's anticipated experience. This change increased the TOL.
- During measurement year 2019, the participation rate for pre-65 retirees was lowered from 70 percent to 65 percent. The participation rate for post-65 retirees was lowered from 75 percent to 50 percent. Twenty-five percent of pre-65 retirees are assumed to discontinue their coverage at age 65. There was no lapse assumption in the prior valuation. These changes decreased the TOL.
- During measurement year 2019, the percentage of retirees who are assumed to have two-person coverage was lowered from 20 percent to 15 percent. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20 percent to 10 percent. These changes decreased the TOL.

Changes of Benefit Terms

There were no changes in benefit terms in the 2020 measurement year.

The 85th Legislature, Regular Session, passed the following statutory changes in House Bill 3976 which became effective on September 1, 2017:

- Created a high-deductible health plan that provides a zero cost for generic prescriptions for certain preventive drugs and provides a zero premium for disability retirees who retired as a disability retiree on or before January 1, 2017, and are not eligible to enroll in Medicare.
- Created a single Medicare Advantage plan and Medicare prescription drug plan for all Medicare-eligible participants.
- Allowed the System to provide other, appropriate health benefit plans to address the needs of enrollees eligible for Medicare.
- Allowed eligible retirees and their eligible dependents to enroll in TRS-Care when the retiree reaches 65 years of age, rather than waiting for the next enrollment period.
- Eliminated free coverage under TRS-Care, except for certain disability retirees enrolled during Plan Years 2018 through 2021, requiring members to contribute $200 per month toward their health insurance premiums.

OTHER SUPPLEMENTARY INFORMATION


INDEPENDENT SCHOOL DISTRICT
GALVESTON
Island of Excellence ~ World of Opportunity

Data Control Codes		206 ESEA Title X, Pt. C TEXSHEP	211 ESEA Title I, Part A, Improving Basic Programs	224 IDEA-B Formula	225 IDEA-B Preschool	240 Child Nutrition
	Assets					
1110	Cash and cash equivalents	$ -	$ -	$ -	$ -	$ 2,355,517
	Receivables:					
1240	Receivables from other governments	15,873	640,187	614,684	13,175	177,382
1290	Other receivables	-	-	-	-	-
1310	Inventories, at cost	-	-	-	-	105,713
1000	**Total Assets**	$ 15,873	$ 640,187	$ 614,684	$ 13,175	$ 2,638,612
	Liabilities, Deferred Inflows, and Fund Balances					
	Liabilities:					
2110	Accounts payable	$ -	$ 131,680	$ 5,000	$ -	$ 140,053
2150	Payroll deduction and withholdings payable	811	7,092	9,583	346	2,970
2160	Accrued wages payable	-	22,998	93,978	3,742	56,894
2170	Due to other funds	15,062	475,628	506,123	9,087	-
2200	Accrued expenses	-	-	-	-	-
2300	Unearned revenues	-	2,789	-	-	-
2000	**Total Liabilities**	15,873	640,187	614,684	13,175	199,917
	Fund Balances:					
	Restricted:					
3450	Grant restrictions	-	-	-	-	2,438,695
3470	Capital acquisitions	-	-	-	-	-
	Committed:					
3545	Other purposes	-	-	-	-	-
3000	**Total Fund Balances**	-	-	-	-	2,438,695
4000	**Total Liabilities, Deferred Inflows, and Fund Balances**	$ 15,873	$ 640,187	$ 614,684	$ 13,175	$ 2,638,612

Data Control Codes		244 Carl Perkins	255 Title II, Part A TPTR	263 Title III, Part A ELA	265 21st Century Grant	276 Instructional Continuity
	Assets					
1110	Cash and cash equivalents	$ -	$ -	$ -	$ -	$ -
	Receivables:					
1240	Receivables from other governments	7,036	88,238	48,732	484,504	369
1290	Other receivables	-	-	-	-	-
1310	Inventories, at cost	-	-	-	-	-
1000	**Total Assets**	$ 7,036	$ 88,238	$ 48,732	$ 484,504	$ 369
	Liabilities, Deferred Inflows, and Fund Balances					
	Liabilities:					
2110	Accounts payable	$ -	$ 2,765	$ -	$ 8,359	$ -
2150	Payroll deduction and withholdings payable	-	947	534	4,434	-
2160	Accrued wages payable	-	-	-	-	-
2170	Due to other funds	7,036	84,526	48,198	471,711	369
2200	Accrued expenses	-	-	-	-	-
2300	Unearned revenues	-	-	-	-	-
2000	**Total Liabilities**	7,036	88,238	48,732	484,504	369
	Fund Balances:					
	Restricted:					
3450	Grant restrictions	-	-	-	-	-
3470	Capital acquisitions	-	-	-	-	-
	Committed:					
3545	Other purposes	-	-	-	-	-
3000	**Total Fund Balances**	-	-	-	-	-
4000	**Total Liabilities, Deferred Inflows, and Fund Balances**	$ 7,036	$ 88,238	$ 48,732	$ 484,504	$ 369

Data Control Codes		281 ESSER II	282 ESSER III	288 Magnet/Apex	289 Other Federal Grants	397 Advanced Placement Incentive
	Assets					
1110	Cash and cash equivalents	$ -	$ -	$ -	$ -	$ 10,931
	Receivables:					
1240	Receivables from other governments	106,492	364,596	498,335	185,055	-
1290	Other receivables	-	-	-	-	-
1310	Inventories, at cost	-	-	-	-	-
1000	**Total Assets**	$ 106,492	$ 364,596	$ 498,335	$ 185,055	$ 10,931
	Liabilities, Deferred Inflows, and Fund Balances					
	Liabilities:					
2110	Accounts payable	$ -	$ 64,095	$ 64,119	$ -	$ -
2150	Payroll deduction and withholdings payable	257	398	13,229	6,235	-
2160	Accrued wages payable	6,641	58,794	3,400	-	-
2170	Due to other funds	99,594	241,309	417,587	178,820	-
2200	Accrued expenses	-	-	-	-	-
2300	Unearned revenues	-	-	-	-	-
2000	**Total Liabilities**	106,492	364,596	498,335	185,055	-
	Fund Balances:					
	Restricted:					
3450	Grant restrictions	-	-	-	-	10,931
3470	Capital acquisitions	-	-	-	-	-
	Committed:					
3545	Other purposes	-	-	-	-	-
3000	**Total Fund Balances**	-	-	-	-	10,931
4000	**Total Liabilities, Deferred Inflows, and Fund Balances**	$ 106,492	$ 364,596	$ 498,335	$ 185,055	$ 10,931

Data Control Codes		410 Instructional Materials Allotment	427 Peace Officer / CTE Certificate	429 Other State Special Revenue Funds	434 SSA - O&M	446 SSA - Vis. Impaired
	Assets					
1110	Cash and cash equivalents	$ -	$ 7,387	$ 467	$ -	$ 5,847
	Receivables:					
1240	Receivables from other governments	142,510	-	-	-	-
1290	Other receivables	-	-	-	23,663	-
1310	Inventories, at cost	-	-	-	-	-
1000	**Total Assets**	$ 142,510	$ 7,387	$ 467	$ 23,663	$ 5,847
	Liabilities, Deferred Inflows, and Fund Balances					
	Liabilities:					
2110	Accounts payable	$ 71,477	$ -	$ -	$ -	$ -
2150	Payroll deduction and withholdings payable	-	-	467	1,870	436
2160	Accrued wages payable	-	-	-	11,048	5,411
2170	Due to other funds	71,033	-	-	10,745	-
2200	Accrued expenses	-	-	-	-	-
2300	Unearned revenues	-	-	-	-	-
2000	**Total Liabilities**	142,510	-	467	23,663	5,847
	Fund Balances:					
	Restricted:					
3450	Grant restrictions	-	7,387	-	-	-
3470	Capital acquisitions	-	-	-	-	-
	Committed:					
3545	Other purposes	-	-	-	-	-
3000	**Total Fund Balances**	-	7,387	-	-	-
4000	**Total Liabilities, Deferred Inflows, and Fund Balances**	$ 142,510	$ 7,387	$ 467	$ 23,663	$ 5,847

Data Control Codes		460 Community Youth Development	461 Campus Activity Funds	480 Miscellaneous Local Grants	482 Moody Grants	484 Galveston Education Foundation
	Assets					
1110	Cash and cash equivalents	$ -	$ 291,511	$ 514,398	$ 5,897,717	$ -
	Receivables:					
1240	Receivables from other governments	-	-	-	-	-
1290	Other receivables	22,280	-	-	-	11,938
1310	Inventories, at cost	-	-	-	-	-
1000	**Total Assets**	$ 22,280	$ 291,511	$ 514,398	$ 5,897,717	$ 11,938
	Liabilities, Deferred Inflows, and Fund Balances					
	Liabilities:					
2110	Accounts payable	$ 193	$ 20,536	$ -	$ 47,163	$ 1,306
2150	Payroll deduction and withholdings payable	-	-	-	2,916	130
2160	Accrued wages payable	-	-	-	-	-
2170	Due to other funds	21,153	-	-	-	7,808
2200	Accrued expenses	-	-	-	-	-
2300	Unearned revenues	-	-	23,500	-	2,694
2000	**Total Liabilities**	21,346	20,536	23,500	50,079	11,938
	Fund Balances:					
	Restricted:					
3450	Grant restrictions	934	-	490,898	5,847,638	-
3470	Capital acquisitions	-	-	-	-	-
	Committed:					
3545	Other purposes	-	270,975	-	-	-
3000	**Total Fund Balances**	934	270,975	490,898	5,847,638	-
4000	**Total Liabilities, Deferred Inflows, and Fund Balances**	$ 22,280	$ 291,511	$ 514,398	$ 5,897,717	$ 11,938

GALVESTON INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
August 31, 2021

Data Control Codes		486 Miscellaneous Donations Stipulations	499 Donations No Stipulations	699 Capital Projects Fund	Total Nonmajor Governmental Funds
	Assets				
1110	Cash and cash equivalents	$ 56,292	$ 12,724	$ 677,904	$ 9,830,695
	Receivables:				
1240	Receivables from other governments	-	-	-	3,387,168
1290	Other receivables	-	-	-	57,881
1310	Inventories, at cost	-	-	-	105,713
1000	**Total Assets**	$ 56,292	$ 12,724	$ 677,904	13,381,457
	Liabilities, Deferred Inflows, and Fund Balances				
	Liabilities:				
2110	Accounts payable	$ -	$ -	$ -	556,746
2150	Payroll deduction and withholdings payable	-	-	-	52,655
2160	Accrued wages payable	-	-	-	262,906
2170	Due to other funds	-	-	103,115	2,768,904
2200	Accrued expenses	-	-	323,406	323,406
2300	Unearned revenues	-	-	-	28,983
2000	**Total Liabilities**	-	-	426,521	3,993,600
	Fund Balances:				
	Restricted:				
3450	Grant restrictions	56,292	12,724	-	8,865,499
3470	Capital acquisitions	-	-	251,383	251,383
	Committed:				
3545	Other purposes	-	-	-	270,975
3000	**Total Fund Balances**	56,292	12,724	251,383	9,387,857
4000	**Total Liabilities, Deferred Inflows, and Fund Balances**	$ 56,292	$ 12,724	$ 677,904	$ 13,381,457

GALVESTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended August 31, 2021

Data Control Codes		206 ESEA Title X, Pt. C TEXSHEP	211 ESEA Title I, Part A, Improving Basic Programs	224 IDEA-B Formula	225 IDEA-B Preschool	240 Child Nutrition
	Revenues					
5700	Local, intermediate, and out-of-state	$ -	$ -	$ -	$ -	$ 169,323
5800	State program revenues	-	-	-	-	21,977
5900	Federal program revenues	96,002	1,742,235	1,457,169	57,574	4,608,778
5020	**Total Revenues**	96,002	1,742,235	1,457,169	57,574	4,800,078
	Expenditures					
	Current:					
0011	Instruction	-	800,360	1,154,632	57,574	-
0012	Instruction resources and media services	-	-	-	-	-
0013	Curriculum and instructional staff development	-	637,448	-	-	-
0021	Instructional leadership	-	251,811	-	-	-
0023	School leadership	-	5,637	-	-	-
0031	Guidance, counseling and evaluation services	-	-	302,537	-	-
0032	Social work services	-	71,363	-	-	-
0033	Health services	-	-	-	-	-
0034	Student transportation	-	-	-	-	-
0035	Food service	-	-	-	-	4,168,706
0036	Extracurricular activities	-	-	-	-	-
0041	General administration	-	-	-	-	-
0051	Plant maintenance and operations	-	-	-	-	423,278
0053	Data processing services	-	-	-	-	-
0061	Community services	96,002	-	-	-	-
	Capital outlay:					
0081	Facilities acquisition and construction	-	-	-	-	-
6030	**Total Expenditures**	96,002	1,766,619	1,457,169	57,574	4,591,984
1100	Excess (deficiency) of revenues over (under) expenditures	-	(24,384)	-	-	208,094
	Other Financing Sources (Uses)					
7915	Transfers in	-	24,384	-	-	-
7080	**Total Other Financing Sources (Uses)**	-	24,384	-	-	-
1200	Net change in fund balances	-	-	-	-	208,094
0100	**Fund Balance - September 1 (Beginning)**	-	-	-	-	2,230,601
3000	**Fund Balance - August 31 (Ending)**	$ -	$ -	$ -	$ -	$ 2,438,695

Data Control Codes		244 Carl Perkins	255 Title II, Part A TPTR	263 Title III, Part A ELA	265 21st Century Grant	276 Instructional Continuity
	Revenues					
5700	Local, intermediate, and out-of-state	$ -	$ -	$ -	$ -	$ -
5800	State program revenues	-	-	-	-	-
5900	Federal program revenues	93,561	292,030	149,410	1,387,013	5,588
5020	**Total Revenues**	93,561	292,030	149,410	1,387,013	5,588
	Expenditures					
	Current:					
0011	Instruction	79,361	70,592	81,504	878,808	5,588
0012	Instruction resources and media services	-	-	-	-	-
0013	Curriculum and instructional staff development	14,200	219,814	67,026	332,783	-
0021	Instructional leadership	-	-	880	126,166	-
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	-	1,624	-	-	-
0051	Plant maintenance and operations	-	-	-	-	-
0053	Data processing services	-	-	-	-	-
0061	Community services	-	-	-	49,256	-
	Capital outlay:					
0081	Facilities acquisition and construction	-	-	-	-	-
6030	**Total Expenditures**	93,561	292,030	149,410	1,387,013	5,588
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-
	Other Financing Sources (Uses)					
7915	Transfers in	-	-	-	-	-
7080	**Total Other Financing Sources (Uses)**	-	-	-	-	-
1200	Net change in fund balances	-	-	-	-	-
0100	**Fund Balance - September 1 (Beginning)**	-	-	-	-	-
3000	**Fund Balance - August 31 (Ending)**	$ -	$ -	$ -	$ -	$ -

Data Control Codes		281 ESSER II	282 ESSER III	288 Magnet/Apex	289 Other Federal Grants	397 Advanced Placement Incentive
	Revenues					
5700	Local, intermediate, and out-of-state	$ -	$ -	$ -	$ -	$ -
5800	State program revenues	-	-	-	906,948	-
5900	Federal program revenues	96,216	315,966	1,864,386	149,704	-
5020	**Total Revenues**	96,216	315,966	1,864,386	1,056,652	-
	Expenditures					
	Current:					
0011	Instruction	79,216	251,871	653,691	97,641	-
0012	Instruction resources and media services	-	-	-	-	-
0013	Curriculum and instructional staff development	-	44,900	934,406	959,011	-
0021	Instructional leadership	7,030	-	192,893	-	-
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	3,329	19,195	-	-	-
0053	Data processing services	6,641	-	-	-	-
0061	Community services	-	-	61,173	-	-
	Capital outlay:					
0081	Facilities acquisition and construction	-	-	22,223	-	-
6030	**Total Expenditures**	96,216	315,966	1,864,386	1,056,652	-
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-
	Other Financing Sources (Uses)					
7915	Transfers in	-	-	-	-	-
7080	**Total Other Financing Sources (Uses)**	-	-	-	-	-
1200	Net change in fund balances	-	-	-	-	-
0100	**Fund Balance - September 1 (Beginning)**	-	-	-	-	10,931
3000	**Fund Balance - August 31 (Ending)**	$ -	$ -	$ -	$ -	$ 10,931

Data Control Codes		410 Instructional Materials Allotment	427 Peace Officer / CTE Certificate	429 Other State Special Revenue Funds	434 SSA - O&M	446 SSA - Vis. Impaired
	Revenues					
5700	Local, intermediate, and out-of-state	$ -	$ -	$ -	$ 150,860	$ 68,691
5800	State program revenues	305,674	-	263,683	-	-
5900	Federal program revenues	-	-	-	-	-
5020	**Total Revenues**	305,674	-	263,683	150,860	68,691
	Expenditures					
	Current:					
0011	Instruction	305,674	-	147,849	150,860	68,691
0012	Instruction resources and media services	-	-	-	-	-
0013	Curriculum and instructional staff development	-	-	-	-	-
0021	Instructional leadership	-	-	10,493	-	-
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	-	-	105,341	-	-
0053	Data processing services	-	-	-	-	-
0061	Community services	-	-	-	-	-
	Capital outlay:					
0081	Facilities acquisition and construction	-	-	-	-	-
6030	**Total Expenditures**	305,674	-	263,683	150,860	68,691
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-
	Other Financing Sources (Uses)					
7915	Transfers in	-	-	-	-	-
7080	**Total Other Financing Sources (Uses)**	-	-	-	-	-
1200	Net change in fund balances	-	-	-	-	-
0100	**Fund Balance - September 1 (Beginning)**	-	7,387	-	-	-
3000	**Fund Balance - August 31 (Ending)**	$ -	$ 7,387	$ -	$ -	$ -

Data Control Codes		460 Community Youth Development	461 Campus Activity Funds	480 Miscellaneous Local Grants	482 Moody Grants	484 Galveston Education Foundation
	Revenues					
5700	Local, intermediate, and out-of-state	$ 46,566	$ 203,607	$ 585,742	$ 9,504,935	$ 317,618
5800	State program revenues	2,456	-	164	96,755	8,594
5900	Federal program revenues	-	-	-	-	-
5020	**Total Revenues**	49,022	203,607	585,906	9,601,690	326,212
	Expenditures					
	Current:					
0011	Instruction	49,086	-	118,890	4,104,091	197,260
0012	Instruction resources and media services	-	4,589	-	-	-
0013	Curriculum and instructional staff development	-	-	-	42,653	-
0021	Instructional leadership	-	-	-	429,966	2,409
0023	School leadership	-	-	-	-	-
0031	Guidance, counseling and evaluation services	-	-	-	-	-
0032	Social work services	-	-	-	-	-
0033	Health services	-	-	-	18,402	-
0034	Student transportation	-	-	-	-	-
0035	Food service	-	-	-	-	-
0036	Extracurricular activities	-	146,723	-	-	-
0041	General administration	-	-	-	-	111,132
0051	Plant maintenance and operations	-	-	-	158,738	-
0053	Data processing services	-	-	-	1,237,489	-
0061	Community services	-	-	4,324	-	-
	Capital outlay:					
0081	Facilities acquisition and construction	-	-	-	-	-
6030	**Total Expenditures**	49,086	151,312	123,214	5,991,339	310,801
1100	Excess (deficiency) of revenues over (under) expenditures	(64)	52,295	462,692	3,610,351	15,411
	Other Financing Sources (Uses)					
7915	Transfers in	-	-	-	-	-
7080	**Total Other Financing Sources (Uses)**	-	-	-	-	-
1200	Net change in fund balances	(64)	52,295	462,692	3,610,351	15,411
0100	**Fund Balance - September 1 (Beginning)**	998	218,680	28,206	2,237,287	(15,411)
3000	**Fund Balance - August 31 (Ending)**	$ 934	$ 270,975	$ 490,898	$ 5,847,638	$ -

GALVESTON INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended August 31, 2021

Data Control Codes		486 Miscellaneous Donations Stipulations	499 Donations No Stipulations	699 Capital Projects Fund	Total Nonmajor Governmental Funds
	Revenues				
5700	Local, intermediate, and out-of-state	$ 8,526	$ -	$ 2,609	$ 11,058,477
5800	State program revenues	156	-	-	1,606,407
5900	Federal program revenues	-	-	-	12,315,632
5020	**Total Revenues**	8,682	-	2,609	24,980,516
	Expenditures				
	Current:				
0011	Instruction	8,458	-	-	9,361,697
0012	Instruction resources and media services	-	-	-	4,589
0013	Curriculum and instructional staff development	714	-	-	3,252,955
0021	Instructional leadership	-	-	-	1,021,648
0023	School leadership	-	-	-	5,637
0031	Guidance, counseling and evaluation services	-	-	-	302,537
0032	Social work services	-	-	-	71,363
0033	Health services	-	-	-	18,402
0034	Student transportation	-	-	469,976	469,976
0035	Food service	-	-	-	4,168,706
0036	Extracurricular activities	-	-	-	146,723
0041	General administration	-	-	-	112,756
0051	Plant maintenance and operations	-	-	-	709,881
0053	Data processing services	-	-	-	1,244,130
0061	Community services	-	-	-	210,755
	Capital outlay:				
0081	Facilities acquisition and construction	-	-	2,527,006	2,549,229
6030	**Total Expenditures**	9,172	-	2,996,982	23,650,984
1100	Excess (deficiency) of revenues over (under) expenditures	(490)	-	(2,994,373)	1,329,532
	Other Financing Sources (Uses)				
7915	Transfers in	-	-	-	24,384
7080	**Total Other Financing Sources (Uses)**	-	-	-	24,384
1200	Net change in fund balances	(490)	-	(2,994,373)	1,353,916
0100	**Fund Balance - September 1 (Beginning)**	56,782	12,724	3,245,756	8,033,941
3000	**Fund Balance - August 31 (Ending)**	$ 56,292	$ 12,724	$ 251,383	$ 9,387,857

REQUIRED TEA SCHEDULES


INDEPENDENT SCHOOL DISTRICT
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GALVESTON INDEPENDENT SCHOOL DISTRICT *Exhibit J-1*

SCHEDULE OF DELINQUENT TAXES RECEIVABLE

For the Year Ended August 31, 2021

	1	2	3	10	20	31	32	40	50
Last Ten Fiscal Years	Tax Rates Maintenance	Tax Rates Debt Service	Net Assessed/Appraised Value For School Tax Purposes	Beginning Balance 9/1/20	Current Year's Total Levy	Maintenance Total Collections	Debt Service Total Collections	Entire Year's Adjustments	Ending Balance 8/31/21
2012 and prior	Various	Various	Various	$ 695,770	$ -	$ 111,839	$ 10,684	$ (59,316)	$ 513,931
2013	$1.0400	$0.1250	$4,986,602,403	124,304	-	16,145	1,940	(1,613)	104,606
2014	1.0400	0.1250	5,267,605,064	153,029	-	17,052	2,050	(12,547)	121,380
2015	1.0600	0.0950	5,544,074,372	198,161	-	22,355	2,004	(17,715)	156,087
2016	1.0600	0.0950	6,110,222,857	218,136	-	29,372	2,632	(4,733)	181,399
2017	1.0600	0.0950	6,744,449,177	298,285	-	55,175	4,945	(10,767)	227,398
2018	1.0600	0.0950	7,099,369,004	400,903	-	97,247	8,716	(10,011)	284,929
2019	1.0600	0.0950	7,308,451,169	881,232	-	235,586	21,114	(70,664)	553,868
2020	0.9900	0.0950	7,501,810,481	1,912,118	-	964,771	92,579	(95,087)	759,681
2021	0.9314	0.0950	8,369,247,272	-	85,901,954	76,525,382	7,805,359	-	1,571,213
1000 Totals				$ 4,881,938	$ 85,901,954	$ 78,074,924	$ 7,952,023	$ (282,453)	4,474,492
						Penalty and interest receivable on taxes			2,510,998
						Total taxes receivable per Exhibit C-1			$ 6,985,490

GALVESTON INDEPENDENT SCHOOL DISTRICT *Exhibit J-2*

BUDGETARY COMPARISON SCHEDULE
CHILD NUTRITION PROGRAM FUND
For the Year Ended August 31, 2021

Data Control Codes		Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts (GAAP BASIS)	Variance with Final Budget - Positive (Negative)
	Revenues				
5700	Local, intermediate, and out-of-state	$ 393,000	$ 393,000	$ 169,323	$ (223,677)
5800	State program revenues	22,000	22,000	21,977	(23)
5900	Federal program revenues	3,360,000	3,685,000	4,608,778	923,778
5020	**Total Revenues**	3,775,000	4,100,000	4,800,078	700,078
	Expenditures				
	Current:				
0035	Food service	3,902,077	4,652,077	4,168,706	483,371
0051	Plant maintenance and operations	394,430	604,430	423,278	181,152
6030	**Total Expenditures**	4,296,507	5,256,507	4,591,984	664,523
1100	Excess (deficiency) of revenues over (under) expenditures	(521,507)	(1,156,507)	208,094	1,364,601
1200	Net change in fund balances	(521,507)	(1,156,507)	208,094	1,364,601
0100	**Fund Balance - September 1 (Beginning)**	2,230,601	2,230,601	2,230,601	2,230,601
3000	**Fund Balance - August 31 (Ending)**	$ 1,709,094	$ 1,074,094	$ 2,438,695	$ 1,364,601

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GALVESTON INDEPENDENT SCHOOL DISTRICT *Exhibit J-3*

BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
For the Year Ended August 31, 2021

Data Control Codes		Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts (GAAP BASIS)	Variance with Final Budget - Positive (Negative)
	Revenues				
5700	Local, intermediate, and out-of-state	$ 8,162,496	$ 8,162,496	$ 8,088,720	$ (73,776)
5800	State program revenues	89,085	89,085	53,050	(36,035)
5020	**Total Revenues**	8,251,581	8,251,581	8,141,770	(109,811)
	Expenditures				
	Debt service:				
0071	Principal on long-term debt	5,370,000	5,370,000	5,745,000	(375,000)
0072	Interest on long-term debt	2,522,200	2,522,200	2,101,927	420,273
0073	Bond issuance costs and fees	5,000	270,000	307,915	(37,915)
6030	**Total Expenditures**	7,897,200	8,162,200	8,154,842	7,358
1100	Excess (deficiency) of revenues over (under) expenditures	354,381	89,381	(13,072)	(102,453)
	Other Financing Sources (Uses)				
7911	Refunding bonds issued	-	-	29,380,000	29,380,000
7916	Premium or discount on issuance of bonds	-	-	2,802,839	2,802,839
8949	Payment to bond refunding escrow agent	-	-	(31,875,646)	(31,875,646)
7080	**Total Other Financing Sources (Uses)**	-	-	307,193	307,193
1200	Net change in fund balances	354,381	89,381	294,121	204,740
0100	**Fund Balance - September 1 (Beginning)**	4,771,745	4,771,745	4,771,745	4,771,745
3000	**Fund Balance - August 31 (Ending)**	$ 5,126,126	$ 4,861,126	$ 5,065,866	$ 204,740

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INDEPENDENT SCHOOL DISTRICT
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FEDERAL AWARDS SECTION


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

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, 2021, and the related notes to the financial statements, which collectively comprise District's basic financial statements, and have issued our report thereon dated January 19, 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
January 19, 2022

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL 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

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, 2021. 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.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

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

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

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

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

Houston, Texas
January 19, 2022

GALVESTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended August 31, 2021

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 program:

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 program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major programs

Name of Federal Program or Cluster:	Assistance Listing Numbers
US Department of Education:	
CARES Act ESSER I	84.425D
CRRSA Act ESSER II	84.425D
ESSER – Prior Period Reimbursement Program	84.425D
ARP Act ESSER III	84.425U
U.S. Department of Agriculture:	
Child Nutrition Cluster:	
National School Lunch Program - USDA Commodities - Non-cash assistance	10.555
COVID-19 - Emergency Operational Cost Reimbursement NSLP	10.555
Summer Food Service Program for Children	10.559
National School Breakfast Program	10.553
National School Lunch Program	10.555

Dollar Threshold Considered Between Type A and Type B Federal Programs	$750,000
Auditee qualified as low-risk auditee?	No

II. Financial Statement Findings

None reported

III. Federal Awards Findings and Questioned Costs

None reported

GALVESTON INDEPENDENT SCHOOL DISTRICT

Exhibit K-1

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended August 31, 2021

(1) Federal Grantor/ Pass-Through Grantor/ Program Title	(2) ALN*	(3) Pass Through Entity Identifying Number	(4) Federal Expenditures
U.S. Department of Agriculture			
Passed Through Texas Department of Agriculture:			
National School Lunch Program - USDA Commodities - Non-cash assistance	10.555	806780706	348,021
COVID-19 - Emergency Operational Cost Reimbursement (NSLP)	10.555	806780706	477,849
Summer Food Service Program for Children	10.559	806780706	3,368,286
Passed Through Texas Education Agency:			
National School Breakfast Program	10.553	71402101	47,882
National School Lunch Program	10.555	71302101	137,877
Total Child Nutrition Cluster (ALN 10.553, 10.555, 10.559)			4,379,915
Passed Through Texas Department of Agriculture:			
Child and Adult Care Food Program	10.558	806780706	178,314
Fresh Fruit & Vegetable Program	10.582	806780706	50,549
Total U.S. Department of Agriculture			4,608,778
U.S. Department of Treasury			
Passed Through Texas Department of Public Safety			
Division of Emergency Management:			
COVID-19 - Coronavirus Relief Fund	21.019	74-6000921	63,630
Total U.S. Department of Treasury			63,630
U.S. Department of Health and Human Services:			
Passed Through Texas Department of Human Services:			
Medicaid Administrative Claiming Program - MAC	93.778	084-902	33,798
Total U.S. Department of Health and Human Services:			33,798
U.S. Department of Education:			
Magnet Schools Assistance	84.165A	U165A180033-20	207,448
Magnet Schools Assistance	84.165A	U165A180033-19	1,753,105
Passed Through Texas Education Agency:			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	20610101084902	452,909
ESEA, Title I, Part A - Improving Basic Programs	84.010A	21610101084902	1,302,398
Title I 1003 School Improvement	84.010A	20610141084902	5,894
Title I 1003 School Improvement	84.010A	21610141084902	71,415
Total ALN 84.010			1,832,616
IDEA, Part B - Formula	84.027A	216600010849026000	1,532,752
IDEA, Part B - Preschool	84.173A	206610010849026000	2,937
IDEA, Part B - Preschool	84.173A	216610010849026000	57,617
Total Special Education Cluster (ALN 84.027, 84.173)			1,593,306
20-21 Perkins V: Strengthening CTE for 21st Century	84.048A	21420006084902	98,438
2020-2021 Texas Education For Homeless Children & Youth	84.196A	214600057110031	100,986
Nita M. Lowey 21st CCLC Cycle 10 Year 2	84.287C	206950267110019	199,869
Nita M. Lowey 21st CCLC Cycle 10 Year 3	84.287C	216950267110019	1,186,384
Nita M. Lowey 21st CCLC Cycle 10 Year 4	84.287C	226950267110019	72,978
Total ALN 84.287			1,459,231
Title III, Part A - ELA	84.365A	20671001084902	23,762
Title III, Part A - ELA	84.365A	21671001084902	105,154
Title III, Part A - Immigrant	84.365A	21671003084902	28,265
Total ALN 84.365			157,181
Title II, Part A - Supporting Effective Instruction	84.367A	20694501084902	81,642
Title II, Part A - Supporting Effective Instruction	84.367A	21694501084902	225,541
Total ALN 84.367			307,183
Instructional Continuity	84.377A	17610740084902	5,879
Lone Star Stem Cycle 1 Year 2	84.411B	203929017110003	3,000
Title IV, Part A - Subpart 1	84.424A	20680101084902	30,181
Title IV, Part A - Subpart 1	84.424A	21680101084902	124,162
Total ALN 84.424			154,343
COVID-19 - CARES Act ESSER I	84.425D	20521001084902	1,741,096
COVID-19 - CRRSA Act ESSER II	84.425D	21521001084902	106,492
COVID-19 - ESSER - Prior Period Reimbursement Program	84.425D	52102135	17,857
COVID-19 - ARP Act ESSER III	84.425U	21528001084902	364,596
Total ALN 84.425			2,230,041
Total U.S. Department of Education:			9,902,757
Total Expenditures of Federal Awards			14,608,963

* Assistance Listing Number (ALN) formerly known as Catalog of Federal Domestic Assistance (CFDA)

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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, 2021. 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	$ 14,608,963
Medicaid SHARS	631,393
JROTC	84,751
Total Federal Revenue - Exhibit C-3	$ 15,325,107

Note 4 – General Fund Expenditures

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

Medicaid SHARS	$	631,393
JROTC		84,751
Coronavirus Relief Fund		63,630
Medicaid Administrative Claiming Program - MAC		33,798
Coronavirus Relief Fund - Prior Period Reimbursement Program		13,931
Indirect Costs:		
ESEA, Title I, Part A - Improving Basic Programs		86,562
Title I 1003 School Improvement		3,819
IDEA, Part B - Formula		75,582
20-21 Perkins V: Strengthening CTE for 21st Century		4,877
Magnet Schools Assistance		96,167
IDEA, Part B - Preschool		2,980
2020-2021 Texas Education For Homeless Children & Youth		4,984
Nita M. Lowey 21st CCLC Cycle 10 Year 3		72,218
Title III, Part A - ELA		6,371
Title III, Part A - Immigrant		1,400
Title II, Part A - Supporting Effective Instruction		15,152
Instructional Continuity		291
Title IV, Part A - Subpart 1		7,639
CARES Act ESSER I		235,479
CRRSA Act ESSER II		14,204
ARP Act ESSER III		48,630
Total Indirect Costs		676,355
Total Federal Revenue - Exhibit C-3	$	1,503,858

GALVESTON INDEPENDENT SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended August 31, 2021

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, 2021

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

Action Sheet

MEETING DATE: **January 19, 2022**

AGENDA ITEM: Discuss and consider for action trustees' request for information concerning a comparison of prices for sports clothing and equipment by the district's prior vendor and those compared to current vendor.

RECOMMENDATION:

/s/ Elizabeth Beeton

Elizabeth Beeton
Trustee