

**PARK BOARD OF TRUSTEES OF  
THE CITY OF GALVESTON, TEXAS  
A COMPONENT UNIT OF THE CITY OF GALVESTON, TEXAS**

**FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT  
As of and for the Year Ended September 30, 2024**

**PARK BOARD OF TRUSTEES OF THE CITY OF GALVESTON, TEXAS  
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**FINANCIAL SECTION**

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Trustees of  
The Park Board of Trustees of the City of Galveston, Texas  
Galveston, Texas

### **Report on the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Park Board of Trustees of the City of Galveston, Texas (the "Park Board"), a component unit of the City of Galveston, Texas, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Park Board's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Park Board as of September 30, 2024, 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 ("U.S. GAAP").

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Park Board and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. GAAP and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

**INDEPENDENT AUDITOR'S REPORT, continued**

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

In performing an audit in accordance with GAAS, we:

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

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

***Required Supplementary Information***

U.S. GAAP requires that the management's discussion and analysis and budgetary comparison information – governmental funds on pages 3-7 and 40–45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the summary budgetary comparison schedules of major proprietary funds but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

*Ham, Langston & Brazina, LLP*

Houston, Texas  
February 28, 2025

**PARK BOARD OF TRUSTEES OF THE CITY OF GALVESTON, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2024**

The management of the Park Board of Trustees of the City of Galveston, Texas (the "Park Board") provides the following information as an introduction, overview, and analysis of the Park Board's financial statements for the fiscal year ended September 30, 2024.

Please read this analysis in conjunction with the Park Board's basic financial statements which begin on page 8. The first two financial statements are government-wide statements that account for all activities of the Park Board. The fund financial statements that follow report activities of the Park Board's funds in more detail.

**Financial Highlights**

The assets of the Park Board exceeded deferred inflows of resources and liabilities at September 30, 2024 by \$265,332,031 (net position). Of this amount, \$203,265 is restricted for specific purposes based on contractual obligations to creditors and \$9,079,276 is restricted for purposes consistent with the expenditure of hotel occupancy taxes ("HOT"). Long-term liabilities decreased from \$2,955,293 to \$2,318,024 during the year due to payments on existing debt partially offset by the new lease obligations entered during the year. The Park Board's unrestricted net position (deficit) increased from \$(653,857) as of September 30, 2023 to \$(665,988) at September 30, 2024.

**Government-Wide Statements**

These statements report on the Park Board as a whole. They are on the accrual basis of accounting, much the same as private industry.

- **Statement of Net Position:** This statement reports all assets and liabilities of the Park Board as of September 30, 2024. The difference between total assets and total liabilities is reported as "Net Position". Increases in the net position generally indicate an improvement in financial position while decreases may indicate a deterioration of financial position.
- **Statement of Activities:** This statement serves the purpose of the traditional income statement. It provides consolidated reporting of the results of all activities of the Park Board for the fiscal year ended September 30, 2024. Changes in net position are recorded in the period in which the underlying event takes place, which includes the expenses of the Park Board's various programs net of related revenues, as well as separate presentation of the revenue available from general sources.

**Fund Financial Statements**

These statements provide financial position and results of the Park Board's funds. A fund is an accounting entity created to account for a specific activity or purpose. Funds of the Park Board are the General Government, Tourism Development, Beach Cleaning, Beach Patrol, Nourished Beach, Sand Replenishment, Debt Service, Seawolf Park, R.A. Apffel Park, Dellanera Park, Urban Park, Stewart Beach Park and East End Lagoon. The creation of some funds is mandated by law and others are created by management to demonstrate financial compliance with budgetary or legal requirements. Funds are classified into three broad categories: governmental funds, proprietary funds, and fiduciary funds.

- **Governmental Funds:** Governmental funds are used to account for "governmental-type activities". Unlike the government-wide financial statements, governmental fund statements use a *flow of financial resources measurement focus*. That is to say, the operating statement of a governmental fund attempts to answer the question "Are there more or less resources that can be spent in the near future as a result of events and transactions of the period?" Increases in spendable resources are reported in the operating statement as "revenues" or "other financing sources." Decreases in the spendable resources are reported as "expenditures" or "other financing uses." We describe and reconcile the differences between the activities of the governmental funds and the government-wide activities in a reconciliation of the statements presented behind the governmental fund financial statements.

The Park Board maintains seven separate governmental funds. The governmental funds financial statements display the governmental funds considered to be major funds. For the year ended September 30, 2024, all governmental funds except for Sand Replenishment and Debt Service were considered to be major funds.

**PARK BOARD OF TRUSTEES OF THE CITY OF GALVESTON, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2024**

**Fund Financial Statements, continued**

- **Proprietary Funds:** Proprietary funds provide similar information as is provided in the government-wide statements, only in more detail. Proprietary funds can be classified as enterprise funds or internal service funds; however, the Park Board only utilizes enterprise funds. Enterprise funds are used to account for the operations financed and operated in a manner similar to private business enterprises for which (a) the intent is that the costs (expenses, including depreciation) be recovered primarily through user charges or (b) determination of net income is appropriate for management control, accountability or other purposes. For the year ended September 30, 2024, all proprietary funds except for East End Lagoon were considered to be major funds.
- **Fiduciary Funds:** Fiduciary funds are used to account for resources held for the benefit of parties outside the Park Board's government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Park Board's own programs. The accounting used for the fiduciary funds is much like that for the proprietary funds. For the year ended September 30, 2024, the Park Board had no fiduciary funds.

**Other Financial Information**

**Notes to the basic financial statements:** The notes provide additional and explanatory data. They are an integral part of the basic financial statements.

**Required supplementary information:** In addition to the basic financial statements, this report also contains required supplementary information.

**Other information:** In addition to the basic financial statements, this report also contains certain other supplementary information, including summary budgetary comparison schedules for major proprietary funds.

**Government-Wide Summary and Analysis**

The amount by which the Park Board's assets exceed its liabilities is called net position. As of September 30, 2024, the Park Board's combined net position was \$265,332,031. Of that amount, \$256,715,478 was invested capital assets, net of the debt related to those assets.

**Statements of Financial Position**

	2024			2023		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>						
Current and other	\$ 24,682,703	\$ 817,926	\$ 25,500,629	\$ 28,655,846	\$ 985,958	\$ 29,641,804
Capital assets	255,554,980	3,074,845	258,629,825	267,150,497	3,521,364	270,671,861
Total assets	<u>\$ 280,237,683</u>	<u>\$ 3,892,771</u>	<u>\$ 284,130,454</u>	<u>\$ 295,806,343</u>	<u>\$ 4,507,322</u>	<u>\$ 300,313,665</u>
<b>LIABILITIES</b>						
Other liabilities	\$ 12,654,457	\$ 2,981,186	\$ 15,635,643	\$ 15,518,799	\$ 2,974,024	\$ 18,492,823
Long-term liabilities (1)	2,083,066	234,958	2,318,024	2,732,873	222,420	2,955,293
Total liabilities	<u>\$ 14,737,523</u>	<u>\$ 3,216,144</u>	<u>\$ 17,953,667</u>	<u>\$ 18,251,672</u>	<u>\$ 3,196,444</u>	<u>\$ 21,448,116</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
	<u>\$ 284,191</u>	<u>\$ 560,565</u>	<u>\$ 844,756</u>	<u>\$ 319,307</u>	<u>\$ 588,656</u>	<u>\$ 907,963</u>
<b>NET POSITION</b>						
Invested in capital assets net of related debt	\$ 253,813,932	\$ 2,901,546	\$ 256,715,478	\$ 264,726,621	\$ 3,355,186	\$ 268,081,807
Restricted for:						
Debt service	203,265	-	203,265	401,980	-	401,980
Hotel occupancy tax	9,079,276	-	9,079,276	10,003,670	-	10,003,670
Grant	-	-	-	123,986	-	123,986
Unrestricted	2,119,496	(2,785,484)	(665,988)	1,979,107	(2,632,964)	(653,857)
Total net position	<u>\$ 265,215,969</u>	<u>\$ 116,062</u>	<u>\$ 265,332,031</u>	<u>\$ 277,235,364</u>	<u>\$ 722,222</u>	<u>\$ 277,957,586</u>

(1) Long-term liabilities include the portion of long-term liabilities due within one year.

**PARK BOARD OF TRUSTEES OF THE CITY OF GALVESTON, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2024**

**Government-Wide Summary and Analysis, continued**

**Statements of Activities**

	2024			2023		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
<b>REVENUE</b>						
Program revenue:						
Charges for services	\$ 904,344	\$ 5,282,799	\$ 6,187,143	\$ 821,426	\$ 5,731,992	\$ 6,553,418
Operating grants	959,751	121,847	1,081,598	6,811,951	332,943	7,144,894
Total program revenue	1,864,095	5,404,646	7,268,741	7,633,377	6,064,935	13,698,312
General revenue:						
Hotel occupancy tax	17,898,925	-	17,898,925	15,636,557	-	15,636,557
Investment earnings	84,994	23,631	108,625	37,667	23,625	61,292
Lease revenue	43,984	35,389	79,373	43,983	45,797	89,780
Gain on sale of capital assets	326,302	59,070	385,372	26,700	4,115	30,815
Other income	-	22,809	22,809	-	-	-
Capital asset contributions	4,671,302	-	4,671,302	3,385,677	-	3,385,677
Transfers	376,374	(376,374)	-	757,667	(757,667)	-
Total general revenue	23,401,881	(235,475)	23,166,406	19,888,251	(684,130)	19,204,121
Total revenue	25,265,976	5,169,171	30,435,147	\$ 27,521,628	5,380,805	32,902,433
<b>EXPENSES</b>						
Governmental funds	37,285,371	-	37,285,371	54,594,682	-	54,594,682
Proprietary funds	-	5,775,331	5,775,331	-	5,447,270	5,447,270
Total expenses	37,285,371	5,775,331	43,060,702	54,594,682	5,447,270	60,041,952
Change in net position	(12,019,395)	(606,160)	(12,625,555)	(27,073,055)	(66,465)	(27,139,520)
Beginning net position	277,235,364	722,222	277,957,586	304,308,419	788,687	305,097,106
Ending net position	\$ 265,215,969	\$ 116,062	\$ 265,332,031	\$ 277,235,364	\$ 722,222	\$ 277,957,586

**Governmental Activities**

Governmental net position decreased by \$12,019,395. This decrease is due primarily to depreciation of capital assets and right-of-use lease and SBITA assets. Of the total net position, \$2,119,496 in fund balance was unrestricted and available for use as directed by the Board of Trustees.

The Statement of Activities reports the expenses of each governmental activities program and the related program revenue that offsets the cost of each program. The amount by which the costs of a program exceed its program revenues represents the extent to which that program must be subsidized by the general revenues.

**Business-Type Activities**

Business-type activities net position decreased by \$606,160. This decrease is due primarily to admissions at R.A. Apffel Park, Urban Park and Stewart Beach Park coming in lower than budget due to of severe weather events, including but not limited to Hurricane Beryl.

**Budgetary Highlights**

The goal of the Park Board's operating budget is for current budgeted revenues to equal or exceed current budgeted expenditures. Only unforeseen or emergency circumstances, or special projects and capital assets approved by the board will be considered justification for utilizing contingency or fund balances during the annual budget process. For discussion purposes, unless otherwise stated, budget comparisons in the Management's Discussion and Analysis are made to the revised final budget.

**Governmental Funds:**

The General Government fund receives funding primarily through interfund transfers for administrative fees from the other funds. The amount of each transfer is affected by the amount of park admissions each fund receives in revenue for the year. General Government transfers of administrative fees of \$2,427,263 were under the budgeted amount of \$2,484,800, by \$57,537 or 2%, caused by the revenues being less than budget in Urban Park and Stewart Beach.

**PARK BOARD OF TRUSTEES OF THE CITY OF GALVESTON, TEXAS  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2024**

**Budgetary Highlights, continued**

Governmental Funds, continued:

The Tourism Development, Beach Cleaning, Beach Patrol and Nourished Beach funds receive revenue from HOT collections. HOT allocations to the Park Board were under budget by \$1,901,075 or 10%. Budgeted FEMA reimbursements not received totaled \$9,561,535. Budgeted grant proceeds not received totaled \$8,352,046 related to certain special projects not being performed during the year ended September 30, 2024. Expenditures during the fiscal year were under budget by \$22,141,532 mainly due to certain special projects and FEMA projects not being performed during the year ended September 30, 2024. Total governmental funds showed expenditures in excess of revenues mainly due to the under budget HOT allocations to the Park Board as of result of less tourists during the hurricane period and the Board of Trustees authorizing the use of cash reserves for additional marketing and promotion of the island to boost visitation post Hurricane Beryl, however, cost were held under budget in response to Hurricane Beryl.

Enterprise Funds:

Final budgeted revenue of \$6,343,200, exclusive of FEMA, lease revenue, other income, gain on sale of capital assets, and use of reserves, was under budget by \$824,670 or 13%. Final budgeted FEMA reimbursements or advances were \$2,222,200; of that amount, \$52,834 in actual funds was received. The remaining portion of the FEMA reimbursements or advances budget deficit was due to delays in the payment of advances and reimbursements. Enterprise fund expenditures were under budget by \$1,049,096 or 14% caused by certain budgeted special projects, improvement and equipment, storm repair expenditures not incurred, and keeping the costs below budget in response to Hurricane Beryl.

**Capital Asset, Right-of-Use Lease and SBITA Assets and Long-Term Debt Activity**

For the year ended September 30, 2024, capital asset purchases and transfers include:

	<u>Park Board (Purchases)</u>	<u>Moody Gardens (Transferred)</u>
Buildings and improvements	\$ 32,067	\$ 1,890,173
Equipment	1,028,289	2,609,012
Vehicles	56,615	46,335
Furniture and fixtures	29,938	125,782
Other improvements	32,261	-
Construction in progress	99,024	-
Right-of-use lease and SBITA assets	176,057	-
	<u>\$ 1,454,251</u>	<u>\$ 4,671,302</u>

Maintenance Facility: The construction of this facility was completed in 2008. As of September 30, 2024, the mortgage principal balance was \$226,861.

Open Line of Credit: This was used for capital and equipment purchases. The line of credit is collateralized by Park Board funds held on deposit. As of September 30, 2024, the line balance was \$12,880.

Park Board Plaza: Renovations were financed using a municipal lease program in 2010. As of September 30, 2024, the balance of the lease was \$54,844.

Right-of-use lease and SBITA assets: Park Board entered into lease obligations and recorded subscription-based information technology arrangements (“SBITA”) obligations, and as of September 30, 2024, the balance of the lease and SBITA obligations were \$1,619,762.

**Summary of Expected FEMA Cost Reimbursements Outstanding at September 30, 2024**

The Park Board recognized FEMA cost reimbursements of \$53,599 for the year ended September 30, 2024 as revenue of the funds affected upon compliance with all conditions of authorization and approval by the grantor agency. To date, each affected fund has incurred and recorded, for projects completed or started, these expected reimbursements as expenses of the fund.

**PARK BOARD OF TRUSTEES OF THE CITY OF GALVESTON, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2024**

**Summary of Expected FEMA Cost Reimbursements Outstanding at September 30, 2024, continued**

As of September 30, 2024 and 2023, the following are the accumulated deficits for each affected fund:

	<u>Net Deficit 2024</u>	<u>Net Deficit 2023</u>
General Government	\$ (1,299,991)	\$ (1,374,750)
Sand Replenishment	(1,537)	(1,538)
R.A. Apffel Park	(1,785,500)	(1,648,416)
Dellanera Park	<u>(735,168)</u>	<u>(942,559)</u>
Total	<u>\$ (3,822,196)</u>	<u>\$ (3,967,263)</u>

For general government fund, the decrease in deficit was due to the excess of revenues over expenditures during the year ended September 30, 2024.

For R.A. Apffel Park, the increase in deficit was due to revenues coming in under budgeted amounts as of result of less tourists due to severe weather events, including but not limited to Hurricane Beryl. Depreciation of capital assets also contributed to the increase in deficit.

For Dellanera Park, the decrease in deficit was due to the excess of revenues over expenditures during the year ended September 30, 2024.

In November 2023, the Trustees approved an interfund balance plan that forgives certain interfund debts and transfers unrestricted funds to reduce the fund balance deficit upon the requested FEMA grants being approved and collected by Dellanera Park. Once the transfers are made, it is expected that the deficits will be eliminated or substantially reduced.

**Summary of Available Oil Spill Litigation Funds at September 30, 2024**

The Park Board was party to two separate litigation matters with offshore oil spills in prior years, which adversely affected much of the Gulf of Mexico Coastal areas. The litigation was settled in 2015 and 2016 resulting in a combined award of \$1,016,480 to the Park Board. Such funds are included in the accompanying financial statements in the Debt Service Fund as an asset described as "Non-pooled cash and cash equivalents".

At September 30, 2024, total expenditures and the available balance of the oil spill litigation funds are as follows:

<u>Settlement Amount</u>	<u>Expenditures to Date</u>	<u>Interest to Date</u>	<u>Balance Available</u>
\$ 1,016,480	\$ 894,929	\$ 35,633	\$ 157,184

**Contacting the Park Board of Trustees Management**

This financial report is designed to provide the citizens of the City of Galveston, Texas, customers, investors, and creditors with an overview of the Park Board's finances. If you have any questions or need additional financial information, please contact The Park Board of Trustees; 601 Tremont, Suite 200; Galveston, Texas 77550, or via the following:

Email: [information@galvestonparkboard.org](mailto:information@galvestonparkboard.org)

Online: [www.galvestonparkboard.org](http://www.galvestonparkboard.org)

**GOVERNMENT- WIDE FINANCIAL STATEMENTS**

**PARK BOARD OF TRUSTEES OF THE CITY OF GALVESTON, TEXAS**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2024**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Petty cash	\$ 300	\$ 12,004	\$ 12,304
Pooled cash and cash equivalents	10,278,132	-	10,278,132
Non-pooled cash and cash equivalents	445,321	-	445,321
Investments	3,574,075	5,000	3,579,075
Due from business-type activities	2,329,370	-	2,329,370
Accounts receivable, net	7,598,577	148,269	7,746,846
Lease receivable	116,825	371,761	488,586
Inventory	5,667	10,863	16,530
Prepaid expenses	327,136	270,029	597,165
Other	7,300	-	7,300
Right-of-use lease and SBITA assets, net	1,415,401	156,269	1,571,670
Capital assets, net	254,139,579	2,918,576	257,058,155
<b>Total assets</b>	<b>\$ 280,237,683</b>	<b>\$ 3,892,771</b>	<b>\$ 284,130,454</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 5,367,993	\$ 407,182	\$ 5,775,175
Due to governmental activities	-	2,329,370	2,329,370
Due to City of Galveston	7,285,525	244,634	7,530,159
Accrued interest payable	939	-	939
Long-term liabilities:			
Due within one year:			
Lines of credit	-	12,880	12,880
Notes payable	115,033	-	115,033
Lease and SBITA obligations	548,274	53,025	601,299
Due in more than one year:			
Accrued vacation and sick pay	342,018	61,659	403,677
Notes payable	166,672	-	166,672
Lease and SBITA obligations	911,069	107,394	1,018,463
<b>Total liabilities</b>	<b>\$ 14,737,523</b>	<b>\$ 3,216,144</b>	<b>\$ 17,953,667</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred lease revenue	\$ 106,294	\$ 360,322	\$ 466,616
Unearned revenue	177,897	200,243	378,140
<b>Total deferred inflows of resources</b>	<b>\$ 284,191</b>	<b>\$ 560,565</b>	<b>\$ 844,756</b>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	\$ 253,813,932	\$ 2,901,546	\$ 256,715,478
Restricted for debt service	203,265	-	203,265
Restricted hotel occupancy taxes	9,079,276	-	9,079,276
Unrestricted net position (deficit)	2,119,496	(2,785,484)	(665,988)
<b>Total net position</b>	<b>\$ 265,215,969</b>	<b>\$ 116,062</b>	<b>\$ 265,332,031</b>

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

**PARK BOARD OF TRUSTEES OF THE CITY OF GALVESTON, TEXAS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Capital Grants & Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:						
General Government	\$ 19,616,601	\$ 491,582	\$ -	\$ (19,125,019)	\$ -	\$ (19,125,019)
Tourism Development	9,269,351	248,861	334,370	(8,686,120)	-	(8,686,120)
Beach Cleaning	3,821,911	38,309	263,994	(3,519,608)	-	(3,519,608)
Beach Patrol	3,571,112	22,024	311,000	(3,238,088)	-	(3,238,088)
Nourished Beach	1,006,396	103,568	50,387	(852,441)	-	(852,441)
<b>Total governmental activities</b>	<b>37,285,371</b>	<b>904,344</b>	<b>959,751</b>	<b>(35,421,276)</b>	<b>-</b>	<b>(35,421,276)</b>
Business-type activities:						
Seawolf Park	2,002,701	1,403,910	37,772	-	(561,019)	(561,019)
R. A. Appfel Park	613,866	557,171	-	-	(56,695)	(56,695)
Dellanera Park	777,000	1,061,937	11,341	-	296,278	296,278
Urban Park	1,395,119	1,493,022	-	-	97,903	97,903
Stewart Beach	962,244	766,759	3,721	-	(191,764)	(191,764)
East End Lagoon	24,401	-	69,013	-	44,612	44,612
<b>Total business-type activities</b>	<b>5,775,331</b>	<b>5,282,799</b>	<b>121,847</b>	<b>-</b>	<b>(370,685)</b>	<b>(370,685)</b>
<b>Total government</b>	<b>\$ 43,060,702</b>	<b>\$ 6,187,143</b>	<b>\$ 1,081,598</b>	<b>\$ (35,421,276)</b>	<b>\$ (370,685)</b>	<b>\$ (35,791,961)</b>
General revenues:						
Hotel occupancy tax				\$ 17,898,925	\$ -	\$ 17,898,925
Investment earnings				84,994	23,631	108,625
Lease revenue				43,984	35,389	79,373
Gain on sale of capital assets				326,302	59,070	385,372
Other income				-	22,809	22,809
Capital asset contributions				4,671,302	-	4,671,302
Transfers				376,374	(376,374)	-
<b>Total general revenues and transfers</b>				<b>23,401,881</b>	<b>(235,475)</b>	<b>23,166,406</b>
Change in net position				(12,019,395)	(606,160)	(12,625,555)
<b>Net position, beginning</b>				<b>277,235,364</b>	<b>722,222</b>	<b>277,957,586</b>
<b>Net position, ending</b>				<b>\$ 265,215,969</b>	<b>\$ 116,062</b>	<b>\$ 265,332,031</b>

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

**FUND FINANCIAL STATEMENTS**

**PARK BOARD OF TRUSTEES OF THE CITY OF GALVESTON, TEXAS**  
**GOVERNMENTAL FUNDS - BALANCE SHEET**  
**SEPTEMBER 30, 2024**

	<u>General Government</u>	<u>Tourism Development</u>	<u>Beach Cleaning</u>	<u>Beach Patrol</u>
<b>ASSETS</b>				
Petty cash	\$ 200	\$ -	\$ -	\$ 100
Pooled cash and cash equivalents	10,278,132	-	-	-
Non-pooled cash and cash equivalents	-	-	-	-
Investments	3,537,255	36,820	-	-
Accounts receivable, net	2,467,444	374,849	83,219	39,888
Lease receivable	7,578	-	-	-
Due from other funds	1,801,634	8,034,547	3,045,286	3,421,008
Inventory	-	5,667	-	-
Other	7,300	-	-	-
<b>Total assets</b>	<u>\$ 18,099,543</u>	<u>\$ 8,451,883</u>	<u>\$ 3,128,505</u>	<u>\$ 3,460,996</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 170,043	\$ 1,709,842	\$ 172,092	\$ 306,456
Due to other funds	14,760,154	12,055	480	10,463
Due to City of Galveston	4,462,006	483,911	222,827	196,577
<b>Total liabilities</b>	<u>19,392,203</u>	<u>2,205,808</u>	<u>395,399</u>	<u>513,496</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred lease revenue	7,331	-	-	-
Unearned revenue	-	2,957	91,594	200
<b>Total deferred inflows of resources</b>	<u>7,331</u>	<u>2,957</u>	<u>91,594</u>	<u>200</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Inventory	-	5,667	-	-
Investment in gold	-	36,820	-	-
Restricted:				
Debt Service	-	-	-	-
Hotel occupancy taxes	-	4,195,236	2,369,001	2,515,039
Committed:				
Sand Replenishment	-	-	-	-
Assigned:				
Tourism Development	-	2,005,395	-	-
Beach Cleaning	-	-	272,511	-
Beach Patrol	-	-	-	432,261
Nourished Beach	-	-	-	-
Unassigned	(1,299,991)	-	-	-
<b>Total fund balance</b>	<u>(1,299,991)</u>	<u>6,243,118</u>	<u>2,641,512</u>	<u>2,947,300</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 18,099,543</u>	<u>\$ 8,451,883</u>	<u>\$ 3,128,505</u>	<u>\$ 3,460,996</u>

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

**PARK BOARD OF TRUSTEES OF THE CITY OF GALVESTON, TEXAS**  
**GOVERNMENTAL FUNDS - BALANCE SHEET, CONTINUED**  
**SEPTEMBER 30, 2024**

	Non-Major Funds			Total
	Nourished Beach	Sand Replenishment	Debt Service	
<b>ASSETS</b>				
Petty cash	\$ -	\$ -	\$ -	\$ 300
Pooled cash and cash equivalents	-	-	-	10,278,132
Non-pooled cash and cash equivalents	-	234	445,087	445,321
Investments	-	-	-	3,574,075
Accounts receivable, net	4,633,177	-	-	7,598,577
Lease receivable	-	-	-	7,578
Due from other funds	1,053,640	-	-	17,356,115
Inventory	-	-	-	5,667
Other	-	-	-	7,300
<b>Total assets</b>	<b>\$ 5,686,817</b>	<b>\$ 234</b>	<b>\$ 445,087</b>	<b>\$ 39,273,065</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 3,009,560	\$ -	\$ -	\$ 5,367,993
Due to other funds	-	1,771	241,822	15,026,745
Due to City of Galveston	1,920,204	-	-	7,285,525
<b>Total liabilities</b>	<b>4,929,764</b>	<b>1,771</b>	<b>241,822</b>	<b>27,680,263</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred lease revenue	-	-	-	7,331
Unearned revenue	83,146	-	-	177,897
<b>Total deferred inflows of resources</b>	<b>83,146</b>	<b>-</b>	<b>-</b>	<b>185,228</b>
<b>FUND BALANCES</b>				
Nonspendable:				
Inventory	-	-	-	5,667
Investment in gold	-	-	-	36,820
Restricted:				
Debt Service	-	-	203,265	203,265
Hotel occupancy taxes	-	-	-	9,079,276
Committed:				
Sand Replenishment	-	(1,537)	-	(1,537)
Assigned:				
Tourism Development	-	-	-	2,005,395
Beach Cleaning	-	-	-	272,511
Beach Patrol	-	-	-	432,261
Nourished Beach	673,907	-	-	673,907
Unassigned	-	-	-	(1,299,991)
<b>Total fund balance</b>	<b>673,907</b>	<b>(1,537)</b>	<b>203,265</b>	<b>11,407,574</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 5,686,817</b>	<b>\$ 234</b>	<b>\$ 445,087</b>	<b>\$ 39,273,065</b>

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

**PARK BOARD OF TRUSTEES OF THE CITY OF GALVESTON, TEXAS**  
**GOVERNMENTAL FUNDS**  
**RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2024**

**Total fund balance, governmental funds** \$ 11,407,574

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position. Capital assets of \$597,526,623 are presented net of accumulated depreciation of \$343,387,044. 254,139,579

Right-of-use lease asset used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but Right-of-use lease assets of \$2,478,499 are presented net of accumulated amortization of \$1,063,098. 1,415,401

Long-term revenues and non-financial receivables are not available to pay current obligations and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.

Lease receivable	109,247
Deferred lease revenue	(98,963)
Prepaid expenses	327,136

Certain liabilities, including compensated absences and lease obligations, are not due in the current period and, therefore, are not reported as liabilities in the fund financial statements, but are reported in the governmental activities of the Statement of Net Position.

Note payable	(281,705)
Accrued interest payable	(939)
Accrued vacation and sick pay	(342,018)
Lease and SBITA obligations	(1,459,343)

**Net position of governmental activities** \$ 265,215,969

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

**PARK BOARD OF TRUSTEES OF THE CITY OF GALVESTON, TEXAS**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	<u>General Government</u>	<u>Tourism Development</u>	<u>Beach Cleaning</u>	<u>Beach Patrol</u>
<b>REVENUES</b>				
Hotel occupancy tax	\$ -	\$ 9,007,656	\$ 3,739,021	\$ 3,474,041
State and local funds	-	-	63,229	311,000
Grant proceeds	-	334,370	200,000	-
Interest income	70,389	1,205	7	7
Other	491,582	248,861	38,309	22,024
<b>Total revenues</b>	<u>561,971</u>	<u>9,592,092</u>	<u>4,040,566</u>	<u>3,807,072</u>
<b>EXPENDITURES</b>				
<b>CURRENT:</b>				
Payroll and benefits	1,556,560	2,726,456	3,000,819	2,792,576
Advertising and publicity	-	3,957,968	-	-
Special projects	-	1,253,260	-	-
Grant expenditures	-	-	-	-
Other operating costs	848,925	1,323,899	596,829	598,576
<b>DEBT SERVICE:</b>				
Note payable payments - principal	55,350	-	-	-
Lease and SBITA payments - principal	408,770	14,184	162,644	150,300
Interest and other charges	59,014	2,133	58,162	22,604
<b>CAPITAL OUTLAYS</b>	<u>1,114,542</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	4,043,161	9,277,900	3,818,454	3,564,056
Excess of revenues (under) over expenditures	(3,481,190)	314,192	222,112	243,016
<b>OTHER FINANCING SOURCES AND (USES)</b>				
Federal Emergency Management Agency reimbursements	-	-	765	-
Lease revenue	44,462	-	-	-
Transfer from (to) other funds	3,526,217	(1,053,483)	(547,477)	(444,551)
Gain (loss) on sale of capital assets	(14,730)	-	252,082	88,950
<b>Total other financing sources and uses</b>	3,555,949	(1,053,483)	(294,630)	(355,601)
Net change in fund balance	74,759	(739,291)	(72,518)	(112,585)
<b>Fund balance, beginning of year</b>	<u>(1,374,750)</u>	<u>6,982,409</u>	<u>2,714,030</u>	<u>3,059,885</u>
<b>Fund balance, end of year</b>	<u>\$ (1,299,991)</u>	<u>\$ 6,243,118</u>	<u>\$ 2,641,512</u>	<u>\$ 2,947,300</u>

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

**PARK BOARD OF TRUSTEES OF THE CITY OF GALVESTON, TEXAS**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE, CONTINUED**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	<u>Nourished Beach</u>	<u>Non-Major Funds</u>		<u>Total</u>
		<u>Sand Replenishment</u>	<u>Debt Service</u>	
<b>REVENUES</b>				
Hotel occupancy tax	\$ 1,678,207	\$ -	\$ -	\$ 17,898,925
State and local funds	-	-	-	374,229
Grant proceeds	50,387	-	-	584,757
Interest income	-	1	13,385	84,994
Other	103,568	-	-	904,344
<b>Total revenues</b>	<u>1,832,162</u>	<u>1</u>	<u>13,385</u>	<u>19,847,249</u>
<b>EXPENDITURES</b>				
<b>CURRENT:</b>				
Payroll and benefits	305,292	-	-	10,381,703
Advertising and publicity	-	-	-	3,957,968
Special projects	-	-	-	1,253,260
Grant expenditures	50,358	-	-	50,358
Other operating costs	602,306	-	-	3,970,535
<b>DEBT SERVICE:</b>				
Note payable payments - principal	-	-	-	55,350
Lease and SBITA payments - principal	2,784	-	-	738,682
Interest and other charges	-	-	-	141,913
<b>CAPITAL OUTLAYS</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,114,542</u>
<b>Total expenditures</b>	960,740	-	-	21,664,311
Excess of revenues (under) over expenditures	871,422	1	13,385	(1,817,062)
<b>OTHER FINANCING SOURCES AND (USES)</b>				
Federal Emergency Management Agency reimbursements	-	-	-	765
Lease revenue	-	-	-	44,462
Transfer from (to) other funds	(892,232)	-	(212,100)	376,374
Gain (loss) on sale of capital assets	-	-	-	326,302
<b>Total other financing sources and uses</b>	(892,232)	-	(212,100)	747,903
Net change in fund balance	(20,810)	1	(198,715)	(1,069,159)
<b>Fund balance, beginning of year</b>	<u>694,717</u>	<u>(1,538)</u>	<u>401,980</u>	<u>12,476,733</u>
<b>Fund balance, end of year</b>	<u>\$ 673,907</u>	<u>\$ (1,537)</u>	<u>\$ 203,265</u>	<u>\$ 11,407,574</u>

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

**PARK BOARD OF TRUSTEES OF THE CITY OF GALVESTON, TEXAS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

**Net change in fund balances, total governmental funds** \$ (1,069,159)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense.

Expenditures for capital assets	1,114,542	
Amortization of right-of-use lease assets	(577,556)	
Impairment for ROU asset	(5,709)	
Capital assets contributed	4,671,302	
Impairment for capital assets contributed	(35,840)	
Less current year depreciation	<u>(16,873,460)</u>	
		(11,706,721)

Some expenses reported in the Statement of Activities do not require the use of current financial resources, and are therefore not reported as expenditures in governmental funds.

Change in accrued interest		33
Change in lease receivable		(44,463)
Change in deferred lease revenue		43,985
Change in vacation and sick pay		(33,021)

Change in prepaid expenses (4,081)

Loan proceeds provide current financial resources to governmental funds but issuing debt increases long-term liabilities in the statement of net assets. Repayment of notes and bond principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities in the statement of net assets.

Principal payments - notes payable	55,350	
Principal payments - capital and operating leases	<u>738,682</u>	
		<u>794,032</u>

**Change in net position of governmental activities** \$ (12,019,395)

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

**PARK BOARD OF TRUSTEES OF THE CITY OF GALVESTON, TEXAS**  
**PROPRIETARY FUNDS - STATEMENT OF FUND NET POSITION**  
**SEPTEMBER 30, 2024**

**Business-Type Activities - Enterprise Funds**

	<u>Seawolf Park</u>	<u>R.A. Apffel Park</u>	<u>Dellanera Park</u>	<u>Urban Park</u>	<u>Stewart Beach Park</u>	<u>Non-Major Fund East End Lagoon</u>	<u>Total</u>
<b>ASSETS</b>							
Current assets:							
Petty cash	\$ 700	\$ 5,000	\$ 1,304	\$ -	\$ 5,000	\$ -	\$ 12,004
Accounts receivable, net	57,713	52,054	13,304	5,571	14,217	5,410	148,269
Investments	-	-	5,000	-	-	-	5,000
Inventory	-	-	9,656	-	1,207	-	10,863
Prepaid expenses	42,721	88,631	28,769	1,805	107,953	150	270,029
Lease receivable	371,761	-	-	-	-	-	371,761
Due from other funds	519,865	-	635,764	309,502	1,026,723	152,584	2,644,438
Total current assets	992,760	145,685	693,797	316,878	1,155,100	158,144	3,462,364
Right-of-use lease and SBITA asset, net	2,930	34,516	6,503	33,496	78,824	-	156,269
Property and equipment, net	1,131,555	1,113,978	304,526	67,585	300,932	-	2,918,576
Total assets	<u>\$ 2,127,245</u>	<u>\$ 1,294,179</u>	<u>\$ 1,004,826</u>	<u>\$ 417,959</u>	<u>\$ 1,534,856</u>	<u>\$ 158,144</u>	<u>\$ 6,537,209</u>
<b>LIABILITIES AND NET POSITION</b>							
<b>LIABILITIES</b>							
Current liabilities:							
Accounts payable and accrued liabilities	\$ 248,456	\$ 17,053	\$ 56,905	\$ 42,114	\$ 36,396	\$ 6,258	\$ 407,182
Lease and SBITA obligation	2,730	7,045	7,057	6,127	30,066	-	53,025
Line of credit	-	-	-	12,880	-	-	12,880
Due to City of Galveston	1,785	1,314	2,251	235,014	4,270	-	244,634
Due to other funds	23	3,010,666	1,487,777	27,556	447,786	-	4,973,808
Total current liabilities	252,994	3,036,078	1,553,990	323,691	518,518	6,258	5,691,529
Lease and SBITA obligation, net of current portion	-	27,708	-	27,673	52,013	-	107,394
Accrued vacation and sick pay	18,325	6,924	11,018	8,652	16,740	-	61,659
Total liabilities	271,319	3,070,710	1,565,008	360,016	587,271	6,258	5,860,582
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred lease revenue	360,322	-	-	-	-	-	360,322
Unearned revenue	6,675	8,969	174,986	-	9,613	-	200,243
Total deferred inflows of resources	366,997	8,969	174,986	-	9,613	-	560,565
<b>NET POSITION</b>							
Invested in capital assets, net	1,131,755	1,113,741	303,972	54,401	297,677	-	2,901,546
Unrestricted net position (deficit)	357,174	(2,899,241)	(1,039,140)	3,542	640,295	151,886	(2,785,484)
Total net position (deficit)	1,488,929	(1,785,500)	(735,168)	57,943	937,972	151,886	116,062
Total liabilities, deferred inflows and net position	<u>\$ 2,127,245</u>	<u>\$ 1,294,179</u>	<u>\$ 1,004,826</u>	<u>\$ 417,959</u>	<u>\$ 1,534,856</u>	<u>\$ 158,144</u>	<u>\$ 6,537,209</u>

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

**PARK BOARD OF TRUSTEES OF THE CITY OF GALVESTON, TEXAS**  
**PROPRIETARY FUNDS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

**Business-Type Activities - Enterprise Funds**

	<b>Seawolf Park</b>	<b>R.A. Apffel Park</b>	<b>Dellanera Park</b>	<b>Urban Park</b>	<b>Stewart Beach Park</b>	<b>Non-Major Fund East End Lagoon</b>	<b>Total</b>
<b>Operating revenue</b>							
Sales and services	\$ 1,403,910	\$ 557,171	\$ 1,061,937	\$ 1,493,022	\$ 766,759	\$ -	\$ 5,282,799
Grant proceeds	-	-	-	-	-	69,013	69,013
<b>Total operating revenue</b>	<b>1,403,910</b>	<b>557,171</b>	<b>1,061,937</b>	<b>1,493,022</b>	<b>766,759</b>	<b>69,013</b>	<b>5,351,812</b>
<b>Operating expenses</b>							
Costs of sales and services	1,382,788	462,213	704,956	1,376,017	685,575	24,401	4,635,950
Depreciation and amortization	161,265	151,653	72,044	19,102	276,669	-	680,733
<b>Total operating expenses</b>	<b>1,544,053</b>	<b>613,866</b>	<b>777,000</b>	<b>1,395,119</b>	<b>962,244</b>	<b>24,401</b>	<b>5,316,683</b>
<b>Operating (loss) income</b>	<b>(140,143)</b>	<b>(56,695)</b>	<b>284,937</b>	<b>97,903</b>	<b>(195,485)</b>	<b>44,612</b>	<b>35,129</b>
<b>Non-operating revenues (expenses)</b>							
Federal Emergency Management Agency reimbursement	37,772	-	11,341	-	3,721	-	52,834
Storm repairs	(458,648)	-	-	-	-	-	(458,648)
Interest income	23,628	-	-	-	3	-	23,631
Lease revenue	35,389	-	-	-	-	-	35,389
Other income	-	15,333	-	-	7,476	-	22,809
Gain on sale of equipment	-	11,325	16,612	3,832	27,301	-	59,070
<b>Total non-operating revenues</b>	<b>(361,859)</b>	<b>26,658</b>	<b>27,953</b>	<b>3,832</b>	<b>38,501</b>	<b>-</b>	<b>(264,915)</b>
<b>Income (loss) before transfers</b>	<b>(502,002)</b>	<b>(30,037)</b>	<b>312,890</b>	<b>101,735</b>	<b>(156,984)</b>	<b>44,612</b>	<b>(229,786)</b>
<b>Transfers, net</b>	<b>39,888</b>	<b>(107,047)</b>	<b>(105,499)</b>	<b>(100,017)</b>	<b>(103,699)</b>	<b>-</b>	<b>(376,374)</b>
<b>Changes in net position</b>	<b>(462,114)</b>	<b>(137,084)</b>	<b>207,391</b>	<b>1,718</b>	<b>(260,683)</b>	<b>44,612</b>	<b>(606,160)</b>
<b>Net position, beginning of year</b>	<b>1,951,043</b>	<b>(1,648,416)</b>	<b>(942,559)</b>	<b>56,225</b>	<b>1,198,655</b>	<b>107,274</b>	<b>722,222</b>
<b>Net position, end of year</b>	<b>\$ 1,488,929</b>	<b>\$ (1,785,500)</b>	<b>\$ (735,168)</b>	<b>\$ 57,943</b>	<b>\$ 937,972</b>	<b>\$ 151,886</b>	<b>\$ 116,062</b>

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

**PARK BOARD OF TRUSTEES OF THE CITY OF GALVESTON, TEXAS**  
**PROPRIETARY FUNDS - STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

**Business-Type Activities - Enterprise Funds**

	<u>Seawolf Park</u>	<u>R.A. Apfel Park</u>	<u>Dellanera Park</u>	<u>Urban Park</u>	<u>Stewart Beach Park</u>	<u>Non-Major Fund East End Lagoon</u>	<u>Total</u>
<b>Cash flows from operating activities:</b>							
Cash received from customers	\$ 1,364,111	\$ 513,562	\$ 1,138,015	\$ 1,488,086	\$ 936,648	\$ 86,898	\$ 5,527,320
Cash paid to suppliers and employees	(1,195,852)	(493,292)	(771,799)	(1,586,277)	(738,617)	(19,095)	(4,804,932)
<b>Net cash provided by (used in) operating activities</b>	<u>168,259</u>	<u>20,270</u>	<u>366,216</u>	<u>(98,191)</u>	<u>198,031</u>	<u>67,803</u>	<u>722,388</u>
<b>Cash flows from noncapital financing activities:</b>							
Increase (decrease) in due (from) or to							
General Fund	187,875	114,085	(265,058)	220,210	(138,762)	(67,803)	50,547
Non-operating income (expense)	(361,859)	26,658	27,953	3,832	38,501	-	(264,915)
Transfers to other funds	39,888	(107,047)	(105,499)	(100,017)	(103,699)	-	(376,374)
<b>Net cash provided by (used in) noncapital financing activities</b>	<u>(134,096)</u>	<u>33,696</u>	<u>(342,604)</u>	<u>124,025</u>	<u>(203,960)</u>	<u>(67,803)</u>	<u>(590,742)</u>
<b>Cash flows from capital and related financing activities:</b>							
Line of credit net proceeds	-	(11,835)	-	(10,304)	-	-	(22,139)
<b>Net cash used in capital and related financing activities</b>	<u>-</u>	<u>(11,835)</u>	<u>-</u>	<u>(10,304)</u>	<u>-</u>	<u>-</u>	<u>(22,139)</u>
<b>Cash flows from investing activities:</b>							
Purchase of capital and right-of-use lease and SBITA assets	(34,163)	(53,456)	(35,282)	(19,362)	(21,389)	-	(163,652)
Proceeds on disposal of capital assets	-	11,325	16,612	3,832	27,301	-	59,070
Purchase of certificate of deposits	-	-	(5,000)	-	-	-	(5,000)
<b>Net cash used in investing activities</b>	<u>(34,163)</u>	<u>(42,131)</u>	<u>(23,670)</u>	<u>(15,530)</u>	<u>5,912</u>	<u>-</u>	<u>(109,582)</u>
<b>Net decrease in cash</b>	<u>-</u>	<u>-</u>	<u>(58)</u>	<u>-</u>	<u>(17)</u>	<u>-</u>	<u>(75)</u>
<b>Cash at beginning of year</b>	<u>700</u>	<u>5,000</u>	<u>1,362</u>	<u>-</u>	<u>5,017</u>	<u>-</u>	<u>12,079</u>
<b>Cash at end of year</b>	<u>\$ 700</u>	<u>\$ 5,000</u>	<u>\$ 1,304</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ 12,004</u>
<b>Reconciliation of net income (loss) to net cash provided by (used in) operating activities</b>							
Operating (loss) income	\$ (140,143)	\$ (56,695)	\$ 284,937	\$ 97,903	\$ (195,485)	\$ 44,612	\$ 35,129
Adjustments to reconcile operating income to net cash from operating activities:							
Depreciation and amortization	157,276	148,888	62,849	17,340	249,807	-	636,160
Gains on disposal of property and equipment	-	(11,325)	(16,612)	(3,832)	(27,301)	-	(59,070)
Right-of-use lease and SBITA asset amortization	3,989	2,765	9,195	1,762	26,862	-	44,573
(Increase) decrease in accounts receivable	(43,557)	(50,078)	80,467	(4,936)	165,430	17,885	165,211
(Increase) decrease in lease receivable	38,388	-	-	-	-	-	38,388
(Increase) decrease in inventories	339	-	2,142	-	1,336	-	3,817
(Increase) decrease in prepaid expenses	(13,093)	(10,713)	(835)	(45)	(9,973)	200	(34,459)
Increase (decrease) in unearned income	5,775	6,469	(4,389)	-	4,459	-	12,314
Increase (decrease) in deferred income	(40,405)	-	-	-	-	-	(40,405)
Increase (decrease) in lease liability	(3,784)	(2,413)	(9,321)	(1,459)	(24,326)	-	(41,303)
Increase (decrease) in accounts payable	203,474	(6,628)	(42,217)	(204,924)	7,222	5,106	(37,967)
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 168,259</u>	<u>\$ 20,270</u>	<u>\$ 366,216</u>	<u>\$ (98,191)</u>	<u>\$ 198,031</u>	<u>\$ 67,803</u>	<u>\$ 722,388</u>
<b>Non-cash Transactions</b>							
Change in lease and SBITA obligations	<u>\$ -</u>	<u>\$ 35,303</u>	<u>\$ -</u>	<u>\$ 35,259</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,562</u>

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

**NOTES TO FINANCIAL STATEMENTS**

# PARK BOARD OF TRUSTEES OF THE CITY OF GALVESTON, TEXAS

## NOTES TO FINANCIAL STATEMENTS

### 1. Organization

The Park Board of Trustees of the City of Galveston, Texas (the "Park Board") was established by an ordinance of the City of Galveston, Texas (the "City") on August 22, 1963, pursuant to Vernon's Ann. Civ. St. Art. 6081g-1 (the "Act"), which authorizes any Texas Home Rule city having a population of less than 80,000, bordering on the Gulf of Mexico, and having within its boundaries islands or parts of islands suitable for park purposes, to create an entity designated as a "Park Board of Trustees". The powers of the Park Board are specified in the Act, and include the operation, maintenance, equipping and financing of any and all existing parks placed under its jurisdiction by the City, as well as additional parks acquired by gift, but not by the exercise of the power of eminent domain. The Park Board does not have the power of taxation. The Park Board is governed by a nine-member Board of Trustees appointed by the City for a staggered two-year term. At least one member of the Park Board should be a member of the City Council of the City.

### 2. Summary of Significant Accounting Policies

In accordance with Governmental Accounting Standards Board ("GASB") Statement No. 14 – *The Financial Reporting Entity*, the Park Board has been reported as a component unit of the City for the year ended September 30, 2024.

The Park Board complies with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The entity applies all relevant GASB pronouncements. Proprietary funds apply Financial Accounting Standards Board pronouncements and Accounting Principles Board opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

#### Financial Statement Presentation

These financial statements are presented in accordance with GASB Statement No. 34 – *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Accordingly, these financial statements include the following:

- A Management's Discussion and Analysis ("MD&A") section providing management's analysis of the Park Board's overall financial position and changes in financial position.
- Government-wide financial statements prepared using the accrual basis of accounting for the Park Board's governmental and business-type activities.
- Fund financial statements focusing on the major funds.

#### Government-Wide Financial Statements

The government-wide statement of net position and statement of activities display information about the Park Board as a whole. These statements include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities are generally financed through intergovernmental revenues and reimbursements from participants. Business-type activities are financed by fees charged for goods or services.

In the government-wide statement of net position, both the governmental and business-type activities columns are presented on a consolidated basis and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the Park Board's governmental and business-type activities. Direct expenses are those that are specifically associated with a function or program and, therefore, are clearly identifiable to a particular function or program. Function or program revenues include amounts charged for goods or services and grant awards that are restricted to meeting the operational or capital requirements of a particular function or program. Revenues that are not classified as function or program revenues, such as investment earnings, are presented as general revenues.

**PARK BOARD OF TRUSTEES OF THE CITY OF GALVESTON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**

**2. Summary of Significant Accounting Policies, continued**

**Fund Financial Statements**

Financial statements of the Park Board are organized into funds, each of which is considered to be a separate accounting entity. Funds are accounted for in separate sets of self-balancing accounts reflecting their respective assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. Each of the fund statements should report separate columns for the general government fund and for other major governmental and enterprise funds. A fund is considered major if it meets both of the following criteria:

- (a) Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type; and
- (b) The element that met the 10% criteria above is at least 5% of the aggregate amount for all governmental and enterprise funds.

Any other fund may be reported as a major fund, whether or not it meets the criteria in both (a) and (b) above, if the Park Board believes that the fund is particularly important to financial statement users.

**Governmental Funds**

The Park Board reports major governmental funds as follows:

General Government - Accounts for all financial resources except those required to be accounted for in another fund. Resources include revenues from management, administration, accounting, and computer fees; technical assistance and services fees; and earnings on investments. The General Government is the general operating fund.

Tourism Development - Accounts for all promotion and advertising.

Beach Cleaning - Accounts for beach maintenance.

Beach Patrol - Accounts for lifeguard and rescue services.

Nourished Beach - Accounts for seawall maintenance, sand replenishment, and capital improvements of the beaches from 10<sup>th</sup> to 61<sup>st</sup> Street and Babe's Beach west of 61<sup>st</sup> Street.

**Proprietary Funds**

The Park Board reports major enterprise funds as follows: Seawolf Park, R. A. Apffel Park, Dellanera Park, Urban Park and Stewart Beach Park. Operating revenues of all proprietary funds are those revenues received in conjunction with the normal operations of the parks, and include beach user fees, admissions, rentals and other sales revenues at their respective parks. Nonoperating revenues are those revenues received outside of the normal operation of the parks and primarily include Federal Emergency Management Agency ("FEMA") grant revenue received in relation to damages caused to parks and property by Hurricane Ike.

**Government-Wide and Proprietary Fund Net Position**

GASB Statement No. 34 established standards for external financial reporting for all state and local government entities including a statement of net position and a statement of activities. It requires the classification of net position of enterprise funds into three components: invested in capital assets, net of related debt, restricted, and unrestricted. These classifications are defined as follows:

- Invested in capital assets, net of related debt – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

# PARK BOARD OF TRUSTEES OF THE CITY OF GALVESTON, TEXAS

## NOTES TO FINANCIAL STATEMENTS

### 2. Summary of Significant Accounting Policies, continued

#### Government-Wide and Proprietary Fund Net Position, continued

- Restricted – This component of net position consists of restricted assets, reduced by liabilities and deferred inflows of resources related to those assets, upon which constraints have been externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted – This component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

#### Governmental Fund Balances

The Park Board has implemented the provisions of GASB Statement No. 54 – *Fund Balance Reporting and Government Fund Type Definitions*.

In the fund financial statements, governmental funds report fund balances based on the constraints imposed on the use of these resources using one of the following five classifications: nonspendable, restricted, committed, assigned, or unassigned.

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form—prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balances are comprised of the remaining four classifications:

- Restricted – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the City—the government’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
- Assigned – This classification reflects the amounts constrained by the Park Board’s “intent” to be used for specific purposes but are neither restricted nor committed. The Park Board’s Board of Trustees has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Government Fund, that are not classified as nonspendable and are neither restricted nor committed.
- Unassigned – This fund balance is the residual classification for the General Government Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Government Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the Park Board’s policy to use externally restricted resources first, then unrestricted resources—committed, assigned, and unassigned—in order as needed.

#### Measurement Focus and Basis of Accounting

Measurement focus refers to what is expressed in reporting an entity’s financial performance and position. A particular measurement focus is accomplished by considering which resources are measured and when the effects of transactions and events involving those resources are recognized. When effects are recognized is referred to as the basis of accounting.

**PARK BOARD OF TRUSTEES OF THE CITY OF GALVESTON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**

**2. Summary of Significant Accounting Policies, continued**

**Measurement Focus and Basis of Accounting, continued**

**Governmental Fund Statements**

Financial statements for governmental funds are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become available and measurable. "Measurable" means the amount of the transaction can be determined and "available" means collected within the current period or soon enough thereafter (normally within sixty days thereafter) to be used to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term liabilities, which are recognized when due.

**Proprietary Fund Statements**

Proprietary fund statements of net position and revenues, expenses, and changes in fund net position are presented using the economic resources measurement focus and the accrual basis of accounting. All assets and liabilities (whether current or noncurrent) associated with the fund activities are reported. Revenues are recognized when earned and expenses are recognized at the time liabilities are incurred.

**Government-Wide Statements**

The government-wide statement of net position and statement of activities, which include both governmental and business-type activities, are prepared using the economic resources measurement focus and the accrual basis of accounting, similar to proprietary fund statements. Due to the governmental fund statements utilizing a different measurement focus and basis of accounting than the government-wide statements, the governmental fund statements must be converted to the economic resources measurement focus and the accrual basis of accounting for proper inclusion in the government-wide statements.

**Use of Estimates**

Management uses estimates and assumptions in preparing financial statements in accordance with U.S. GAAP. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenditures/expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

**Cash and Cash Equivalents**

For financial statement purposes, cash and cash equivalents consist of petty cash, cash in money market checking accounts, and certificates of deposit with maturities of less than three months at inception.

**Investments**

The Park Board's investment in gold, money market funds, electronic trade funds ("ETF") and certificate of deposits with maturities of more than three months at inception are measured at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Unrealized gains and losses on investments, resulting from fair value fluctuations, are recorded in the period that such fluctuations occur. Realized gains and losses on the sale of investments are reported in the period in which the gains and losses are recognized.

**Receivables and Allowance for Doubtful Accounts**

Accounts receivable at September 30, 2024 related primarily to hotel occupancy taxes and reimbursable grant expenditures occurred before September 30, 2024 but were collected subsequent to year end and pass-through grant refunds to be payable to grantor. All accounts receivable are shown net of any allowances for doubtful accounts. A provision is made for doubtful accounts, when considered necessary by management, to reflect accounts receivable at their estimated realizable value. Receivables are considered past due when payments are not made according to contractual terms. As of September 30, 2024, the Park Board did not record any allowance for doubtful accounts.

**PARK BOARD OF TRUSTEES OF THE CITY OF GALVESTON, TEXAS  
NOTES TO FINANCIAL STATEMENTS**

**2. Summary of Significant Accounting Policies, continued**

**Fair Value of Financial Instruments**

Fair value estimates of financial instruments are based on relevant market information and may be subjective in nature and involve uncertainties and matters of significant judgment. The Park Board believes that the carrying value of its assets and liabilities approximates the fair value of such items. The Park Board does not hold or issue financial instruments for trading purposes.

**Inventories and Prepaid Expenses**

Inventory consist of expendable gift shop items held for sale by the Park Board and is valued at the lower of cost or net realizable value using the first-in, first-out method.

Payments made to vendors for services that will benefit periods beyond September 30, 2024 are recorded as prepaid expenses.

**Interfund Balances**

In the ordinary course of operations, transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” and “due to other funds”, respectively, on the governmental fund balance sheet and proprietary fund statement of net position. Residual balances between the governmental activities and business-type activities are reported in the government-wide statement of net position as “due from business-type activities” and “due to governmental activities”. Amounts due to or from funds within the same fund type have been eliminated.

**Capital Assets**

The accounting treatment of property and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Capital assets of proprietary funds are reported in both the government-wide and proprietary fund financial statements. All other capital assets of the governmental unit are general capital assets. They are not reported as assets in the governmental fund financial statements but are reported in the governmental activities column in the government-wide statement of net position.

Capital assets are recorded at historical cost and depreciated over their estimated useful lives unless they are inexhaustible, such as land. Depreciation expense is reported in the government-wide statement of activities and the proprietary fund statement of revenues, expenses and changes in fund net position.

Depreciation is recorded using the straight-line method over estimated service lives as follows:

	<u>Years</u>
Buildings	20 – 40 years
Improvements	5 – 15 years
Equipment	3 – 5 years
Autos	3 – 5 years
Furniture and fixtures	3 – 10 years

Capital assets are defined as items of property that:

- (a) Are tangible in nature,
- (b) Have economic useful life of two years or longer,
- (c) Maintain their identities throughout their useful lives, either as separate entities or as identifiable components, and
- (d) Original cost is \$5,000 or more.

**PARK BOARD OF TRUSTEES OF THE CITY OF GALVESTON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**

**2. Summary of Significant Accounting Policies, continued**

**Impairment of Long-Lived Assets**

Management evaluates the recoverability of the investment in long-lived assets on an ongoing basis and recognizes any impairment in the year of determination. Long-lived assets were tested for impairment as of September 30, 2024, and it is reasonably possible that relevant conditions could change in the near term and necessitate a change in management's estimate of the recoverability of these assets. During the year ended September 30, 2024, the Park Board recorded impairment of capital assets and right-of-use ("ROU") lease assets of \$35,840 and \$5,709, respectively, due to damages from hurricane and accident.

**Leases**

The Park Board accounts for leases pursuant to the guidance of GASB Statement No. 87 – *Leases*, which requires lessees to establish a ROU lease asset and corresponding lease liability for most operating leases. ROU lease assets are amortized over the term of the lease. Under GASB Statement No. 87, lessors are required to establish a lease receivable and corresponding deferred lease revenue to be recognized over the term of the lease.

**Subscription-Based Information Technology Arrangements**

The Park Board accounts for subscription-based information technology arrangements pursuant to the guidance of *GASB Statement No. 96, Subscription-Based Information Technology Arrangements ("SBITA")*. This statement (i) defines a SBITA; (ii) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (iii) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (iv) requires note disclosures regarding a SBITA.

**Compensated Absences**

Full-time, permanent employees are granted vacation and sick leave benefits in varying amounts to specified maximums depending on tenure with the Park Board. Accrued vacations shall lapse if vacations are not taken within certain time constraints. All vacation and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**Long-Term Liabilities**

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the Debt Service fund for payment early in the following year. For other long-term obligations, only that portion expected to be paid from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the government-wide financial statements. Long-term liabilities expected to be paid from proprietary fund operations are accounted for in those funds.

The government-wide financial statements and proprietary fund type financial statements report long-term debt and other long-term obligations as liabilities in the applicable governmental activities, business-type activities or proprietary fund type Statement of Net Position.

**Deferred Inflows of Resources**

In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. At September 30, 2024, the Park Board's deferred inflows of resources relate to unearned revenue from advance park sales and advertising subscriptions for which services have not yet been provided by the Park Board and deferred lease revenue.

**Restricted Resources**

The Park Board applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**PARK BOARD OF TRUSTEES OF THE CITY OF GALVESTON, TEXAS  
NOTES TO FINANCIAL STATEMENTS**

**2. Summary of Significant Accounting Policies, continued**

**New Accounting Standards**

In June 2022, the GASB issued Statement No. 100, "Accounting Changes and Error Corrections - Amendment of GASB Statement No. 62". This Statement prescribes the accounting and financial reporting for (1) each type of accounting change, and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior period, (b) changes to, or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this statement are effective for financial statements for reporting period beginning after June 15, 2023. The Park Board has implemented GASB Statement No. 100 in this annual report.

In June 2022, the GASB issued Statement No. 101, "Compensated Absences". This Statement clarifies the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. The requirements of this Statement are effective for financial statements for reporting periods beginning after December 15, 2023. The Park Board is evaluating the impact that adoption of this Statement will have on its financial statements.

In December 2023, the GASB issued Statement No. 102, "Certain Risk Disclosure". The objective of the Statement is to provide users of government financial statements with essential information about risks related to a government's current vulnerabilities due to (1) certain concentrations and (2) certain constraints common in the governmental environment. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The Park Board is evaluating the impact that adoption of this Statement will have on its financial statements.

In April 2024, the GASB issued Statement No. 103, "Financial Reporting Model Improvements". This Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The Park Board is evaluating the impact that adoption of this Statement will have on its financial statements.

In September 2024, the GASB issued Statement No. 104, "Disclosure of Certain Capital Assets". This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34. This Statement also requires additional disclosures for capital assets held for sale. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The Park Board is evaluating the impact that adoption of this Statement will have on its financial statements.

**3. Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Park Board will not be able to recover deposits that are in the possession of an outside party. As of September 30, 2024, the Park Board's deposits with financial institutions of \$10,723,453 were adequately secured as follows:

Amount insured by the Federal Depository Insurance Corporation	\$ 500,000
Amount collateralized with securities held by the pledging financial institution's trust department in the Park Board's name	<u>10,223,453</u>
Total bank balance	<u>\$ 10,723,453</u>

**PARK BOARD OF TRUSTEES OF THE CITY OF GALVESTON, TEXAS  
NOTES TO FINANCIAL STATEMENTS**

**4. Fund Net Asset Deficits**

The following major funds reflect a deficit in total net assets at September 30, 2024:

General Government	\$ (1,299,991)
R.A Apffel Park	(1,785,500)
Dellanera Park	<u>(735,168)</u>
 Total major funds with net asset deficit	 <u>\$ (3,820,659)</u>

The fund balance deficit in the General Government Fund was caused partially by the \$1.1 million capital outlay in 2009 related to the improvements made to the Park Board’s headquarters located at 601 Tremont St, Galveston, TX, 77550 (the Plaza). The impacts of COVID-19 during 2020 also led to a reduction in interfund transfers to the general fund as a consequence of revenue loss in other funds, significantly limiting the resources available to the general fund to meet its expenses. The net fund balance deficit was reduced by \$74,759 during the year ended September 30, 2024.

The net asset deficit at R.A. Apffel Park is primarily the result of a \$1.3 million settlement agreement in March 2000 (civil action No. G-98-619, U.S. District Court for the Southern District of Texas Galveston Division). The final payment of the settlement was made in March 2010. The net asset deficit was also caused by incurred operational expenses higher than budgeted revenues. The net fund balance deficit was increased by \$137,084 during the year ended September 30, 2024.

The net asset deficit in Dellanera Park is primarily the result of Hurricane Ike, which occurred in September 2008. The damage sustained by the park caused it to close in 2009 and 2010 while it underwent repairs. The cost of repairs and the loss of operational revenue during that time contributed significantly to the net asset deficit. The net fund balance deficit was reduced by \$207,391 during the year ended September 30, 2024.

In November 2023, the Trustees approved an interfund balance plan that forgives certain interfund debts and transfers unrestricted funds to reduce the fund balance deficit upon the requested FEMA grants being approved and collected by Dellanera Park.

**5. Investments**

The Park Board’s funds are required to be deposited and invested under the terms of an enabling statute. Statutes authorize the Park Board to invest in obligations of the U.S. Treasury, certain U.S. agencies, certificates of deposit, money market savings accounts, certain municipal securities, repurchase agreements, and common trust funds.

As of September 30, 2024, the Park Board held investments in gold, money market funds, ETF, and certificate of deposits. Investments that are publicly traded and have a quoted market price are reported at fair value.

The Public Funds Investment Act (“Investment Act”) requires an annual audit of investment practices. Audit procedures in this area conducted as part of the general-purpose financial statements disclosed that in the areas of investment practices, management reports, and establishment of appropriate policies, the Park Board adhered to the requirements of the Investment Act.

**6. Fair Value Measurements**

GASB Statement No. 72 – *Fair Value Measurement and Application*, established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

- Level 1**      Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the entity has the ability to access.

**PARK BOARD OF TRUSTEES OF THE CITY OF GALVESTON, TEXAS  
NOTES TO FINANCIAL STATEMENTS**

**6. Fair Value Measurements, continued**

**Level 2** Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

**Level 3** Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

In determining fair value, the Park Board uses two different approaches (the market approach and the cost approach) depending on the nature of the assets and liabilities. The market approach uses prices and other relevant data based on market transactions involving identical or comparable assets and liabilities. The cost approach is the amount that would be currently required to replace an asset and indicates the cost to the Park Board to acquire a substitute asset.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2024.

*Gold:* Valued at the daily closing price as reported in active markets. (Market Approach)

*Money market funds and ETF* - Valued at the closing price reported on the active market on which the individual securities are traded. (Market Approach)

The methodologies described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Park Board believes its valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Park Board's assets at fair value on a recurring basis as of September 30, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 1,500,213	\$ -	\$ -	\$ 1,500,213
ETF	1,497,042	-	-	1,497,042
Gold	36,820	-	-	36,820
Certificate of deposits	<u>545,000</u>	<u>-</u>	<u>-</u>	<u>545,000</u>
Total investments in the fair value hierarchy	<u>\$ 3,579,075</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,579,075</u>

**PARK BOARD OF TRUSTEES OF THE CITY OF GALVESTON, TEXAS  
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**7. Hotel Occupancy Tax**

The City of Galveston levies a hotel occupancy tax (“HOT”) at a rate of 9.0% of all gross rental revenue and fees associated with occupying the property and readying the property for occupancy. The State of Texas imposes HOT at a rate of 6.0%, and rebates 33.3% of the amount collected back to the City of Galveston. The fees can be used to promote tourism and on projects and events that result in generating more HOT such as transportation systems that serve tourists, maintenance and cleanup of public beaches, piers, etc., tourism advertisements and construction, and operation and maintenance of a convention center. The State of Texas rebates 33.3% of the HOT levied directly by the state to the City of Galveston, who distributes the funds to the Park Board. The funds rebated by the state are used to clean and maintain public beaches as the term is defined in Section 61.063 of the Natural Resources Code.

The Ordinance No. 22-073 required the Park Board to transfer to the City all HOT funds in its possession in excess of an amount equal to 120 days of reserves. Additionally, pursuant to Ordinance No. 22-073, City staff and the Park Board have contracted to formalize the delivery and use of HOT by the Park Board. Applications for HOT funds by the Park Board for each budget year shall be submitted to the City as part of the normal budget review process.

During the year ended September 30, 2024, the Park Board recognized HOT of \$17,898,925. As of September 30, 2024, the amounts of local HOT receivable and payable due to the City of Galveston was \$2,444,827 and \$4,338,430, respectively, and included in the accounts receivable and due to City Galveston, respectively, reflected in the government-wide statement of net position and governmental fund balance sheet. HOT is recognized in the government-wide financial statements in the period in which the taxes are levied and are recognized in the governmental fund financial statements when they are measurable and available, typically within 60 days of the period end.

**8. Accounts Receivable, Net**

As of September 30, 2024, accounts receivable, net consists of the following:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
HOT receivable	\$ 2,444,827	\$ -	\$ 2,444,827
Grant and program reimbursements	1,874,542	6,985	1,881,527
Program reimbursement from FEMA	2,812,040	7,806	2,819,846
Other	<u>467,168</u>	<u>133,478</u>	<u>600,646</u>
Total accounts receivable, net	<u>\$ 7,598,577</u>	<u>\$ 148,269</u>	<u>\$ 7,746,846</u>

**9. Due to City of Galveston**

As of September 30, 2024, balances due to the City of Galveston consists of the following:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Hotel occupancy taxes	\$ 4,338,430	\$ -	\$ 4,338,430
Program revenue	897,161	-	897,161
Grant refunds	1,811,460	-	1,811,460
Seawall corridor enhancements	-	233,227	233,227
Expenditure reimbursement	<u>238,474</u>	<u>11,407</u>	<u>249,881</u>
Total due to City of Galveston	<u>\$ 7,285,525</u>	<u>\$ 244,634</u>	<u>\$ 7,530,159</u>

During the year ended September 30, 2024, the Park Board recognized grants from the City of Galveston of \$616,683, of which \$566,683 and \$50,000 were for governmental and business-type activities, respectively. The Park Board also recorded reimbursement and grant expenses of \$2,056,416, and shared advertisement and short term rental registration fee revenue of \$1,231,861. Of the \$3,288,277 in total recorded expenses and shared revenue, \$2,215,187 and \$1,073,090 were for governmental and business-type activities, respectively.

**PARK BOARD OF TRUSTEES OF THE CITY OF GALVESTON, TEXAS  
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**10. Interfund Balances and Transfers**

Interfund balances represent amounts due from one fund to another. Increases to the interfund receivable and payable accounts generally represent amounts deposited to, or paid from, the general government pooled cash account on behalf of another fund.

As of September 30, 2024, the following interfund balances comprise the net interfund receivable and payable reflected in the government-wide statement of net position:

	General Government	Tourism Development	Beach Cleaning	Beach Patrol	Nourished Beach
<b>Payable Funds - Due to</b>					
General Government	\$ -	\$ 5,474,588	\$ 2,716,016	\$ 3,122,222	\$ 1,053,640
Tourism Development	12,055	-	-	-	-
Beach Cleaning	480	-	-	-	-
Beach Patrol	10,463	-	-	-	-
Nourished Beach	-	-	-	-	-
Sand Replenishment	1,771	-	-	-	-
Debt Service	241,822	-	-	-	-
Seawolf Park	23	-	-	-	-
R.A. Apffel Park	1,507,023	1,127,893	125,000	125,000	-
Dellanera Park	441	984,280	204,270	173,786	-
Urban Parking	27,556	-	-	-	-
Stewart Beach	-	447,786	-	-	-
	<b>\$ 1,801,634</b>	<b>\$ 8,034,547</b>	<b>\$ 3,045,286</b>	<b>\$ 3,421,008</b>	<b>\$ 1,053,640</b>

	Receivable Funds - Due From, continued					
	Seawolf Park	Dellanera Park	Urban parking	Stewart Beach	Debt Service Fund	Total
<b>Payable Funds - Due to</b>						
General Government	\$ 519,865	\$ 635,764	\$ 309,502	\$ 775,973	\$ 152,584	\$ 14,760,154
Tourism Development	-	-	-	-	-	12,055
Beach Cleaning	-	-	-	-	-	480
Beach Patrol	-	-	-	-	-	10,463
Nourished Beach	-	-	-	-	-	-
Sand Replenishment	-	-	-	-	-	1,771
Debt Service	-	-	-	-	-	241,822
Seawolf Park	-	-	-	-	-	23
R.A. Apffel Park	-	-	-	125,750	-	3,010,666
Dellanera Park	-	-	-	125,000	-	1,487,777
Urban Parking	-	-	-	-	-	27,556
Stewart Beach	-	-	-	-	-	447,786
	<b>\$ 519,865</b>	<b>\$ 635,764</b>	<b>\$ 309,502</b>	<b>\$ 1,026,723</b>	<b>\$ 152,584</b>	<b>\$ 20,000,553</b>

**PARK BOARD OF TRUSTEES OF THE CITY OF GALVESTON, TEXAS  
NOTES TO FINANCIAL STATEMENTS**

**10. Interfund Balances and Transfers, continued**

The following is a detail of the interfund receivables and payables:

Due To	Due From	Purpose
General Government	Tourism Development	Interfund occupancy expenses and funding of pass-through loan to Stewart Beach
General Government	Beach Cleaning	Pooled cash and cash equivalents
General Government	Beach Patrol	Pooled cash and cash equivalents
General Government	Nourished Beach	Pooled cash and cash equivalents
General Government	Sand Replenishment	Negative fund cash amounts
General Government	Debt Service	Negative fund cash amounts
General Government	Seawolf Park	Pooled cash and cash equivalents
General Government	R.A. Apfel Park	Negative fund cash amounts
General Government	Dellanera aPark	Pooled cash and cash equivalents
General Government	Urban Park	Pooled cash and cash equivalents
General Government	Stewart Beach	Pooled cash and cash equivalents
Tourism Development	Dellanera Park	Negative fund cash amounts
Tourism Development	General Government	Pooled cash and cash equivalents
Tourism Development	R.A. Apfel Park	Negative fund cash amounts
Tourism Development	Stewart Beach	Interfund loan to finance capital asset acquisitions
Beach Cleaning	General Government	Pooled cash and cash equivalents
Beach Cleaning	R.A. Apfel Park	Negative fund cash amounts
Beach Cleaning	Dellanera Park	Negative fund cash amounts
Beach Patrol	Dellanera Park	Negative fund cash amounts
Beach Patrol	General Government	Pooled cash and cash equivalents
Beach Patrol	R.A. Apfel Park	Negative fund cash amounts
Nourished Beach	General Government	Pooled cash and cash equivalents
Seawolf Park	General Government	Pooled cash and cash equivalents
Dellanera Park	General Government	Pooled cash and cash equivalents
Urban Park	General Government	Pooled cash and cash equivalents
Stewart Beach	Dellanera Park	Negative fund cash amounts
Stewart Beach	General Government	Pooled cash and cash equivalents
Stewart Beach	R.A. Apfel Park	Negative fund cash amounts
East End Lagoon	General Government	Pooled cash and cash equivalents

Interfund transfers represent transfers from proprietary funds to governmental funds to supplement costs of operations and from the general government to proprietary funds to meet contractual obligations. Interfund transfers are as follows for the year ended September 30, 2024:

Transfer Out Fund	Transfer In Fund							Total
	General Government							
	Administrative Fee	Capital Asset Additions	Long Term Liabilities	Beach Cleaning	Beach Patrol	Debt Service		
Tourism Development	\$ 990,000	\$ 63,483	\$ -	\$ -	\$ -	\$ -	\$ 1,053,483	
Beach Cleaning	415,800	426,326	55,351	-	-	-	897,477	
Beach Patrol	386,100	549,662	-	-	-	-	935,762	
Nourished Beach	188,100	4,132	-	350,000	350,000	-	892,232	
Seawolf Park	127,200	-	-	-	20,712	(187,800)	(39,888)	
RAApfel	49,631	-	-	-	57,416	-	107,047	
Dellanera Park	105,499	-	-	-	-	-	105,499	
Urban Parking	100,017	-	-	-	-	-	100,017	
Stewart Beach	64,916	-	-	-	63,083	(24,300)	103,699	
	<u>\$ 2,427,263</u>	<u>\$ 1,043,603</u>	<u>\$ 55,351</u>	<u>\$ 350,000</u>	<u>\$ 491,211</u>	<u>\$ (212,100)</u>	<u>\$ 4,155,328</u>	

**PARK BOARD OF TRUSTEES OF THE CITY OF GALVESTON, TEXAS  
NOTES TO FINANCIAL STATEMENTS**

**10. Interfund Balances and Transfers, continued**

The following is a detail of the interfund transfers:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Purpose</u>
Tourism Development	General Government	Administrative services and capital asset additions
Beach Cleaning	General Government	Administrative services, debt service payments and capital asset additions
Beach Patrol	General Government	Administrative services, debt service payments and capital asset additions
Nourished Beach	General Government	Administrative services
Seawolf Park	General Government	Administrative services
R.A. Apffel Park	General Government	Administrative services
Dellanera Park	General Government	Administrative services
Urban Park	General Government	Administrative services
Stewart Beach	General Government	Administrative services
Nourished Beach	Beach Cleaning	Cleaning and maintenance services
Nourished Beach	Beach Patrol	Patrol and lifeguarding services
Seawolf Park	Beach Patrol	Patrol and security services
Debt Service	Seawolf Park	Oil spill settlement funds for local match for FEMA funded projects
Debt Service	Stewart Beach	Oil spill settlement funds for drainage project monitoring
R.A. Apffel Park	Beach Patrol	Patrol and security services
Stewart Beach	Beach Patrol	Patrol and security services

**11. Capital Assets**

For the year ended September 30, 2024, capital asset activity is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers</u>	<u>Deletions</u>	<u>Impairment</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>						
Capital asset cost:						
Land	\$ 799,457	\$ -	\$ -	\$ -	\$ -	\$ 799,457
Contributed assets	579,278,993	4,671,302	-	(147,382)	(35,840)	583,767,073
Buildings and improvements	5,330,449	-	312,281	-	-	5,642,730
Equipment	3,218,182	961,981	-	(409,930)	-	3,770,233
Autos	1,549,981	56,615	-	(851,997)	-	754,599
Furniture and fixtures	218,248	21,567	-	-	-	239,815
Other improvements	320,675	-	-	-	-	320,675
Construction in Progress	237,902	74,379	(312,281)	-	-	-
Capital lease equipment	2,232,041	-	-	-	-	2,232,041
Right-to-use lease assets	2,431,878	105,495	-	(53,165)	(5,709)	2,478,499
<b>Total capital asset cost</b>	<b>595,617,806</b>	<b>5,891,339</b>	<b>-</b>	<b>(1,462,474)</b>	<b>(41,549)</b>	<b>600,005,122</b>
Less accumulated depreciation:						
Contributed assets	317,364,950	15,738,046	-	(165,520)	-	332,937,476
Buildings and improvements	4,573,018	236,384	-	-	-	4,809,402
Equipment	2,077,719	708,006	-	(424,600)	-	2,361,125
Autos	1,447,635	26,077	-	(819,189)	-	654,523
Furniture and fixtures	206,579	3,068	-	-	-	209,647
Other improvements	256,555	13,076	-	-	-	269,631
Capital lease equipment	1,996,437	148,803	-	-	-	2,145,240
Right-to-use lease assets	544,416	577,556	-	(58,874)	-	1,063,098
<b>Total accumulated depreciation</b>	<b>328,467,309</b>	<b>17,451,016</b>	<b>-</b>	<b>(1,468,183)</b>	<b>-</b>	<b>344,450,142</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 267,150,497</b>	<b>\$ (11,559,677)</b>	<b>\$ -</b>	<b>\$ 5,709</b>	<b>\$ (41,549)</b>	<b>\$ 255,554,980</b>

**PARK BOARD OF TRUSTEES OF THE CITY OF GALVESTON, TEXAS  
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**11. Capital Assets, continued**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers</u>	<u>Deletions</u>	<u>Impairment</u>	<u>Ending Balance</u>
<b><u>Business-type Activities</u></b>						
Capital asset cost:						
Buildings and improvements	\$ 10,097,985	\$ 32,067	\$ 78,071	\$ -	\$ -	\$ 10,208,123
Equipment	1,256,565	66,308	-	(249,943)	-	1,072,930
Autos	337,116	-	-	(103,754)	-	233,362
Furniture and fixtures	108,813	8,371	-	-	-	117,184
Other improvements	4,363,502	32,261	-	-	-	4,395,763
Construction in progress	75,303	24,645	(78,071)	-	-	21,877
Right-to-use lease asset	157,306	70,562	-	-	-	227,868
	<u>16,396,590</u>	<u>234,214</u>	<u>-</u>	<u>(353,697)</u>	<u>-</u>	<u>16,277,107</u>
Less accumulated depreciation:						
Buildings and improvements	8,591,104	224,008	-	-	-	8,815,112
Equipment	847,232	228,622	-	(249,943)	-	825,911
Autos	293,565	18,704	-	(103,754)	-	208,515
Furniture and fixtures	106,681	6,860	-	-	-	113,541
Other improvements	3,009,618	157,966	-	-	-	3,167,584
Right-to-use lease asset	27,026	44,573	-	-	-	71,599
	<u>12,875,226</u>	<u>680,733</u>	<u>-</u>	<u>(353,697)</u>	<u>-</u>	<u>13,202,262</u>
Business-type activities capital assets, net	<u>\$ 3,521,364</u>	<u>\$ (446,519)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,074,845</u>

As of September 30 2024, depreciation expense was charged to governmental and business-type activities as follows:

**Governmental Activities:**

General Government	\$ 17,102,585
Beach Cleaning	174,979
Beach Patrol	154,937
Tourism Development	15,333
Nourished Beach	<u>3,182</u>
Total expense	<u>\$ 17,451,016</u>

**Business-type Activities:**

Stewart Beach Park	\$ 276,669
Seawolf Park	161,265
R.A. Apffel Park	151,653
Dellanera Park	72,044
Urban Park	<u>19,102</u>
Total expense	<u>\$ 680,733</u>

**Contributed Capital Assets**

In accordance with certain contractual agreements between the Park Board, The Moody Foundation, Inc., Moody Gardens, Inc., and The Colonel Museum, Inc., the Park Board has taken conveyance and assumed ownership of various facilities constructed or purchased by The Moody Foundation. Furthermore, it is agreed that these facilities will be operated by Moody Gardens, Inc. and the Colonel Museum, Inc. The agreements include restrictions regarding the use and disposition of items and facilities contributed. Capital asset contributions totaled \$4,671,302 for the year ended September 30, 2024.

**PARK BOARD OF TRUSTEES OF THE CITY OF GALVESTON, TEXAS  
NOTES TO FINANCIAL STATEMENTS**

**12. Long-Term Liabilities**

Long-term liability activity for the year ended September 30, 2024 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities</b>					
Long-term debt:					
Notes payable	\$ 545,808	\$ -	\$ (264,103)	\$ 281,705	\$ 115,033
Lease and SBITA obligations	1,878,068	144,601	(563,326)	1,459,343	548,274
Total long-term debt	<u>2,423,876</u>	<u>144,601</u>	<u>(827,429)</u>	<u>1,741,048</u>	<u>663,307</u>
Other long-term liabilities:					
Compensated absences	308,997	52,407	(19,386)	342,018	-
Total long-term liabilities	<u>\$ 2,732,873</u>	<u>\$ 197,008</u>	<u>\$ (846,815)</u>	<u>\$ 2,083,066</u>	<u>\$ 663,307</u>
<b>Business-Type Activities</b>					
Long-term debt:					
Lines of credit	\$ 35,019	\$ -	\$ (22,139)	\$ 12,880	\$ 12,880
Lease and SBITA obligations	131,159	70,563	(41,303)	160,419	53,025
Total long-term debt	<u>166,178</u>	<u>70,563</u>	<u>(63,442)</u>	<u>173,299</u>	<u>65,905</u>
Other long-term liabilities:					
Compensated absences	56,242	10,830	(5,413)	61,659	-
Total long-term liabilities	<u>\$ 222,420</u>	<u>\$ 81,393</u>	<u>\$ (68,855)</u>	<u>\$ 234,958</u>	<u>\$ 65,905</u>

**Lines of Credit**

Effective November 30, 2023, the Park Board renewed and extended an existing \$540,000 line of credit agreement with Moody Bank, secured by a certificate of deposit, to finance capital improvements, automobile and equipment purchases. At September 30, 2024, Interest, at a rate of 2.95% per annum, is due and payable monthly based on the amount drawn. Principal and accrued unpaid interest are due and payable on November 30, 2025. As of September 30, 2024, the balance of the line of credit was \$12,880.

Effective July 23, 2024, the Park Board renewed and extended an existing \$3,000,000 line of credit agreement with Moody Bank, secured by a blanket UCC on all personal property, to fund the completion of FEMA-approved infrastructure projects. Interest, at a rate of 5.25%, on outstanding advances is due and payable monthly with maturity date extended to July 28, 2026. At September 30, 2024, no balance is outstanding on this line of credit.

**Notes Payable**

Effective February 22, 2013, the Park Board renewed and extended an existing \$800,000 loan agreement with Moody Bank, bearing interest at 7.75% per annum, and secured by certain real estate property within the city of Galveston, for the construction of a maintenance facility. Principal and interest payments of \$6,302 are due and payable in monthly installments until maturity on February 22, 2028, when all remaining principal and accrued unpaid interest will be due and payable. As of September 30, 2024, the balance of the loan is \$226,861. Principal and interest maturities for the next five fiscal years are as follows:

<u>September 30,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 60,189	\$ 15,433
2026	65,023	10,599
2027	70,245	5,377
2028	<u>31,404</u>	<u>601</u>
Total	<u>\$ 226,861</u>	<u>\$ 32,010</u>

**PARK BOARD OF TRUSTEES OF THE CITY OF GALVESTON, TEXAS  
NOTES TO FINANCIAL STATEMENTS**

**12. Long-Term Liabilities, continued**

Effective November 15, 2009, the Park Board entered into a \$2,232,041 Equipment Lease-Purchase agreement with All American Investment, bearing interest at 5.40% per annum, and secured by certain real estate property within the city of Galveston, for improvements and renovations of the Park Board's main office location. Principal and interest payments of \$54,762 are due and payable in quarterly installments until maturity on December 15, 2024 when all remaining principal and accrued unpaid interest will be due and payable. The Park Board has the option of purchasing the leased equipment prior to the scheduled quarterly payment upon 30 days written notice to the Lessor. As of September 30, 2024, the balance of the agreement is \$54,844 due during the year ended September 30, 2025.

**Interest Expense**

Interest expense on long-term debt of \$32,297 has been included in the direct expenses of individual functions on the government-wide statement of activities. Authorization for general long-term debt is specific to a particular purpose; thus, an objective connection can be made to a specific program. All interest on long-term debt is reported as a direct expense of the program for which borrowing is related.

**13. Leases and Subscription-Based Information Technology Arrangements**

**Lease Obligations**

GASB Statement No. 87 – *Leases*, requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. GASB Statement No. 87 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Pursuant to GASB Statement No. 87, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about the governments' leasing activities. At September 30, 2024, the Park Board reported \$972,497 of lease obligations.

On January 31, 2023, the Park Board entered into a lease agreement with Visual Edge IT ("Lessor") for the lease of certain office equipment. Payments are due monthly through maturity on July 31, 2028. As of September 30, 2024, the balance of the agreement was \$73,812.

The Park Board has entered into various lease agreements with Enterprise Fleet Management ("Lessor") for the lease of certain vehicles used in the Park Board's operations. Payments are due monthly through maturity in September 2027. As of September 30, 2024, the balance of the agreement was \$898,685.

The following is a summary of capital lease and right-to-use assets at September 30, 2024:

<u>Classification</u>	<u>Lessor</u>	<u>Gross Asset Balance</u>	<u>Accumulated Amortization</u>	<u>Net Asset Balance</u>
<b>Capital lease assets</b>				
<b>Governmental Activities:</b>				
Equipment	BiLine Bank	\$ 2,232,041	\$ (2,145,240)	\$ 86,801
	Total capital lease assets	<u>\$ 2,232,041</u>	<u>\$ (2,145,240)</u>	<u>\$ 86,801</u>
<b>Right-of-use lease assets</b>				
<b>Governmental Activities:</b>				
Office Equipment	Visual Edge IT	103,186	(32,758)	70,428
Vehicles	Enterprise Fleet Management	1,289,774	(583,220)	706,554
		<u>\$ 1,392,960</u>	<u>\$ (615,978)</u>	<u>\$ 776,982</u>
<b>Business-Type Activities:</b>				
Vehicles	Enterprise Fleet Management	209,963	(62,485)	\$ 147,478
	Total right-of-use lease assets	<u>\$ 1,602,923</u>	<u>\$ (678,463)</u>	<u>\$ 924,460</u>

**PARK BOARD OF TRUSTEES OF THE CITY OF GALVESTON, TEXAS  
NOTES TO FINANCIAL STATEMENTS**

**13. Leases and Subscription-Based Information Technology Arrangements, continued**

**Subscription-Based Information Technology Arrangements**

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (“SBITA”)*, requires recognition of certain SBITA assets and liabilities and recognize the outflows of resources based on the payment provisions of the contract. Per GASB Statement No. 96, the governmental agency must determine whether a contract conveys control of the right to use the underlying information technology (“IT”) assets if: a) the right to obtain the present service capacity from use of the underlying IT asset as specified in the contract and b) the right to determine the nature and manner of use of the underlying IT asset as specified in the contract. In addition, the contract period must be considered a long term contract.

Park Board is a lessee for two noncancellable leases SBITA. Park Board recognizes the SBITA liabilities and intangible right-to-use lease assets (“SBITA assets”) in the government-wide financial statements. Payments are due annually through maturity on November 1, 2024 and December 1, 2026. At September 30, 2024, the Park Board reported \$647,265 of SBITA obligations.

The following is a summary of right-to-use SBITA assets at September 30, 2024:

<u>Classification</u>	<u>Lessor</u>	<u>Gross Asset Balance</u>	<u>Accumulated Amortization</u>	<u>Net Asset Balance</u>
<b>Right-of-use SBITA Asset</b>				
<b>Governmental Activities:</b>				
	Skillssoft Software	\$ 69,190	\$ (45,423)	\$ 23,767
	Deckard Tech Software	1,027,987	(413,335)	614,652
		<u>\$ 1,097,177</u>	<u>\$ (458,758)</u>	<u>\$ 638,419</u>
<b>Business-Type Activities:</b>				
	Skillssoft Software	25,762	(16,971)	8,791
	Total right-of-use SBITA assets	<u>\$ 1,122,939</u>	<u>\$ (475,729)</u>	<u>\$ 647,210</u>

During the year ended September 30, 2024, the Park Board recognized depreciation and amortization expense on capital leases, right-of-use assets, and right-of-use SBITA assets as follows:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>TOTAL</b>
Amortization of capital lease	\$ 148,803	\$ -	\$ 148,803
Amortization of right-of-use assets - office equipment	21,292	-	21,292
Amortization of right-of-use assets - vehicles	318,590	39,042	357,632
Amortization of right-of-use assets - SBITA	237,674	5,532	243,206
	<u>\$ 726,359</u>	<u>\$ 44,574</u>	<u>\$ 770,933</u>

**PARK BOARD OF TRUSTEES OF THE CITY OF GALVESTON, TEXAS  
NOTES TO FINANCIAL STATEMENTS**

**13. Leases and Subscription-Based Information Technology Arrangements, continued**

The following is a summary of lease liabilities at September 30, 2024:

<b>Governmental Activities</b>				
<b>Year Ending</b>	<b>Classification</b>	<b>Cash</b>	<b>Interest</b>	<b>Liability</b>
<b>September 30,</b>			<b>Expense</b>	<b>Reduction</b>
<b>2025</b>				
	Office Equipment	\$ 22,903	\$ 3,845	19,058
	Vehicles	357,332	43,918	313,414
	SBITA	253,449	37,647	215,802
		<u>633,684</u>	<u>85,410</u>	<u>548,274</u>
<b>2026</b>				
	Office Equipment	22,903	2,690	20,213
	Vehicles	255,842	28,644	227,198
	SBITA	230,000	23,913	206,087
		<u>508,745</u>	<u>55,247</u>	<u>453,498</u>
<b>2027</b>				
	Office Equipment	22,903	1,464	21,439
	Vehicles	179,196	8,693	170,503
	SBITA	230,000	12,814	217,186
		<u>432,099</u>	<u>22,971</u>	<u>409,128</u>
<b>2028</b>				
	Office Equipment	13,361	259	13,102
	Vehicles	24,714	1,810	22,904
		<u>38,075</u>	<u>2,069</u>	<u>36,006</u>
<b>2029</b>				
	Office Equipment	-	-	-
	Vehicles	12,840	403	12,437
		<u>12,840</u>	<u>403</u>	<u>12,437</u>
	Total office equipment	82,070	8,258	73,812
	Total vehicles	829,924	83,468	746,456
	Total SBITA	713,449	74,374	639,075
	Total lease commitments	<u>\$ 1,625,443</u>	<u>\$ 166,100</u>	<u>\$ 1,459,343</u>
<b>Business-Type Activities</b>				
<b>Year Ending</b>	<b>Classification</b>	<b>Cash</b>	<b>Interest</b>	<b>Liability</b>
<b>September 30,</b>			<b>Expense</b>	<b>Reduction</b>
<b>2025</b>				
	Vehicles	\$ 54,900	\$ 10,065	\$ 44,835
	SBITA	8,673	483	8,190
		<u>63,573</u>	<u>10,548</u>	<u>53,025</u>
<b>2026</b>				
	Vehicles	49,279	7,244	42,035
		<u>49,279</u>	<u>7,244</u>	<u>42,035</u>
<b>2027</b>				
	Vehicles	41,157	3,632	37,525
		<u>41,157</u>	<u>3,632</u>	<u>37,525</u>
<b>2028</b>				
	Vehicles	17,056	1,610	15,446
		<u>17,056</u>	<u>1,610</u>	<u>15,446</u>
<b>2029</b>				
	Vehicles	12,790	402	12,388
		<u>12,790</u>	<u>402</u>	<u>12,388</u>
	Total vehicles	175,182	22,953	152,229
	Total SBITA	8,673	483	8,190
	Total lease commitments	<u>\$ 183,855</u>	<u>\$ 23,436</u>	<u>\$ 160,419</u>

**PARK BOARD OF TRUSTEES OF THE CITY OF GALVESTON, TEXAS  
NOTES TO FINANCIAL STATEMENTS**

**13. Leases and Subscription-Based Information Technology Arrangements, continued**

During the year ended September 30, 2024, the Park Board recognized interest expense of \$122,129 on lease and SBITA obligations.

**Lease Receivable and Deferred Lease Revenue**

On December 30, 2016, the Park Board entered into a lease agreement with the United States Postal Service (“USPS”) for the lease of certain office space. Payments are due monthly through maturity on February 27, 2027 and the lease contains two optional five year renewal periods. The Park Board has generally included these renewal periods in the lease term when it is reasonably certain that the Park Board will exercise the renewal option. The Park Board’s lease arrangement does not contain any material residual value guarantees.

On July 1, 2022, the Park Board entered into a lease agreement with the Cavalla Historical Foundation (“CHF”) for the fenced area of the Galveston Naval Museum. Payments are due monthly through maturity on June 30, 2032.

As the interest rate implicit in the Park Board’s lease is not readily determinable, the Park Board utilizes its incremental borrowing rate to discount the lease payments. As of September 30, 2024, the Park Board has recorded lease receivables of \$116,825 and \$371,761, respectively, and corresponding deferred inflows of resources of \$106,294 and \$360,322, respectively related to these two lease agreements. During the year ended September 30, 2024, the Park Board recognized lease revenue of \$43,984 and \$35,389, respectively, pursuant to these two lease agreements.

Minimum lease payments receivable are as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 46,504	\$ 5,169	\$ 51,673
2026	49,078	2,595	51,673
2027	21,243	287	21,530
Total	<u>\$ 116,825</u>	<u>\$ 8,051</u>	<u>\$ 124,876</u>

  

<u>Year Ending September 30,</u>	<u>Business-Type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 40,514	\$ 19,486	\$ 60,000
2026	42,757	17,243	60,000
2027	45,123	14,877	60,000
2028	47,621	12,379	60,000
2029-2032	195,746	21,755	217,501
Total	<u>\$ 371,761</u>	<u>\$ 85,740</u>	<u>\$ 457,501</u>

The total amount of inflows of resources from the lease during the year ended September 30, 2024 are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Lease revenue	\$ 43,984	\$ 35,389
Interest revenue	7,608	21,611
Total	<u>\$ 51,592</u>	<u>\$ 57,000</u>

## **PARK BOARD OF TRUSTEES OF THE CITY OF GALVESTON, TEXAS NOTES TO FINANCIAL STATEMENTS**

### **14. Defined Contribution Plan**

The Park Board contributes to the Galveston Park Board Defined Contribution Plan (the "Contribution Plan"), which is a defined contribution pension plan. Any employee of the Park Board is eligible to participate in the Contribution Plan upon attaining the age of twenty and one-half years and the completion of six months of service. Employee contributions vest immediately while contributions made by the Park Board vest upon a graduating scale from twenty percent after two years of service to 100% after six years of service. An employee who leaves the employment of the Park Board is entitled to his or her accumulated contributions and the Park Board's accumulated contributions to the extent that vesting rights have been attained.

The Park Board makes employer matching contributions equal to five percent of each participant's eligible contributions. Participants must contribute at least three percent of eligible compensation in order to receive the employer matching contribution. During the year ended September 30, 2024, the Park Board made employer matching contributions of \$249,170.

No Contribution Plan provision changes occurred during the year that affected the required contributions to be made by the Park Board.

The Contribution Plan held no securities of the Park Board or other related parties during the year or as of the close of the fiscal year.

### **15. Risk Management**

The Park Board is exposed to various risks of loss related to damage and destruction of assets, theft, errors and omissions, injuries to employees and natural disasters. The Park Board has commercial insurance policies for liability and property insurance.

There have been no significant reductions in insurance coverage from prior years. There have been no insurance settlements exceeding insurance coverage in the past five years.

### **16. Contingencies and Uncertainties**

**Taxing Authorities and Federal and State Agencies** – State and federal agencies and taxing authorities reserve the right to perform certain audit work or other procedures in addition to the work performed by the Park Board's independent auditors. Funds received and administered under the jurisdiction of the GLO and the FEMA are particularly susceptible to additional procedures performed by the respective agencies. The significance or probability of assessments or costs resulting from additional procedures performed by those agencies or any other agencies, other than amounts included in the financial statements, is not determinable.

**Litigation and Contingency** – The Park Board is a defendant in various lawsuits and is aware of pending claims arising in the ordinary course of its activities, some of which seek damages that could impact the operations of the Park Board. That litigation includes lawsuits claiming damages that allege that the Park Board caused personal injuries, breach of contract and various claims from contractors. The status of such litigation ranges from an early discovery stage to various levels of appeal of judgements both for and against the Park Board. The amount of damages is limited in certain cases under the Texas Tort Claims Act and is subject to appeal. Some cases in federal court for deprivation of civil rights do not have similar limitations. The Park Board intends to defend itself vigorously against all suits; however, no prediction can be made, as of the date thereof, with respect to the liability of the Park Board for such claims or the final outcome of such suits.

### **17. Related Party Transactions**

The Park Board is comprised of individuals employed by or active in various businesses and other interests located in the Galveston Island community, some of which provide goods and services to the Park Board. It is the Park Board's policy for individual Board of Trustees members to abstain from voting on issues or contracts to which they may be perceived as a related party or with which they may have a conflict of interest. See Note 9.

**PARK BOARD OF TRUSTEES OF THE CITY OF GALVESTON, TEXAS  
NOTES TO FINANCIAL STATEMENTS**

**18. Subsequent Events**

Management has evaluated subsequent events through February 28, 2025, the date the financial statements were available to be issued and has concluded that there were no other significant events to be reported.

**REQUIRED SUPPLEMENTARY FINANCIAL SCHEDULES AND INFORMATION**

**SUMMARY BUDGETARY COMPARISON SCHEDULES**

**PARK BOARD OF TRUSTEES OF THE CITY OF GALVESTON, TEXAS**  
**SUMMARY BUDGETARY COMPARISON SCHEDULE**  
**GENERAL GOVERNMENT FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Budgeted Amounts		Actual Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	Original	Final	Actual	Reconciling Items		
<b>Revenues</b>						
Administrative fees	\$ 2,484,800	\$ 2,484,800	\$ -	\$ 2,427,263 <sup>(1)</sup>	2,427,263	\$ (57,537)
Interest income	35,000	35,000	70,389	-	70,389	35,389
Other revenues	516,800	516,800	491,582	-	491,582	(25,218)
<b>Total revenues</b>	<u>3,036,600</u>	<u>3,036,600</u>	<u>561,971</u>	<u>2,427,263</u>	<u>2,989,234</u>	<u>(47,366)</u>
<b>Expenditures</b>						
Payroll and benefits	1,572,300	1,538,730	1,556,560	24,706 <sup>(2)</sup>	1,581,266	42,536
Legal and professional	162,400	151,668	210,520	-	210,520	58,852
Copy lease	13,500	13,500	2,275	-	2,275	(11,225)
Data processing and software maintenance	88,100	88,100	95,806	-	95,806	7,706
Contract services	96,000	96,000	81,151	-	81,151	(14,849)
Insurance	108,000	108,000	100,116	-	100,116	(7,884)
Repairs and maintenance	58,300	113,832	143,695	-	143,695	29,863
Communication	23,800	23,800	27,206	-	27,206	3,406
Utilities	29,000	29,000	23,919	-	23,919	(5,081)
Supplies	18,900	18,900	17,647	-	17,647	(1,253)
Improvements and equipment	165,000	195,270	1,139,683	(1,043,604) <sup>(1)</sup>	96,079	(99,191)
Gasoline	300	300	116	-	116	(184)
Interest expense	10,100	10,100	59,014	-	59,014	48,914
Marketing and advertising	900	900	1,308	-	1,308	408
Other expenditures	171,400	171,400	120,025	(11,029) <sup>(3)</sup>	108,996	(62,404)
<b>Total expenditures</b>	<u>2,518,000</u>	<u>2,559,500</u>	<u>3,579,041</u>	<u>(1,029,927)</u>	<u>2,549,114</u>	<u>(10,386)</u>
Revenues over (under) expenditures	518,600	477,100	(3,017,070)	3,457,190	440,120	(36,980)
<b>Other financing sources (uses)</b>						
Loan payments	(120,000)	(78,500)	(55,350)	-	(55,350)	23,150
Lease revenue	51,700	51,700	44,462	-	44,462	(7,238)
Lease and SBITA payments	(326,000)	(326,000)	(408,770)	-	(408,770)	(82,770)
Transfer from (to) other funds	-	-	3,526,217	(3,470,867) <sup>(1)</sup>	55,350	55,350
Gain on sale of capital asset	-	-	(14,730)	-	(14,730)	(14,730)
<b>Total other financing sources (uses)</b>	<u>(394,300)</u>	<u>(352,800)</u>	<u>3,091,829</u>	<u>(3,470,867)</u>	<u>(379,038)</u>	<u>(26,238)</u>
<b>Excess of revenues and other sources over (under) expenditures</b>	<u>\$ 124,300</u>	<u>\$ 124,300</u>	<u>\$ 74,759</u>	<u>\$ (13,677)</u>	<u>61,082</u>	<u>\$ (63,218)</u>

<sup>(1)</sup> These represent reclassifications for budget presentation purposes only.

<sup>(2)</sup> The change in accrued compensated absences are not included in the statements of revenues, expenditures and changes in fund balance as they do not require the use of current financial resources.

<sup>(3)</sup> The change in prepaid expenses are not included in the statements of revenues, expenditures and changes in fund balance as they do not require the use of current financial resources.

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

**PARK BOARD OF TRUSTEES OF THE CITY OF GALVESTON, TEXAS**  
**SUMMARY BUDGETARY COMPARISON SCHEDULE**  
**TOURISM DEVELOPMENT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Budgeted Amounts		Actual Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	Original	Final	Actual	Reconciling Items		
<b>Revenues</b>						
Hotel occupancy tax	\$ 9,900,000	\$ 9,900,000	\$ 9,007,656	\$ -	\$ 9,007,656	\$ (892,344)
Grant proceeds	1,879,103	1,879,103	334,370	-	334,370	(1,544,733)
Interest income	-	-	1,205	-	1,205	1,205
Other revenues	399,700	399,700	248,861	121,175 <sup>(3)</sup>	370,036	(29,664)
<b>Total revenues</b>	<b>12,178,803</b>	<b>12,178,803</b>	<b>9,592,092</b>	<b>121,175</b>	<b>9,713,267</b>	<b>(2,465,536)</b>
<b>Expenditures</b>						
Payroll and benefits	3,110,000	3,112,500	2,726,456	5,831 <sup>(1)</sup>	2,732,287	(380,213)
Legal and professional	109,600	109,600	158,440	-	158,440	48,840
Copy lease	20,400	20,400	1,027	-	1,027	(19,373)
Data processing and software maintenance	219,200	219,300	164,777	-	164,777	(54,523)
Contract services	113,900	113,900	69,400	-	69,400	(44,500)
Insurance	28,700	28,700	37,461	-	37,461	8,761
Repairs and maintenance	22,600	20,600	5,594	-	5,594	(15,006)
Office Rent	169,300	169,300	121,536	-	121,536	(47,764)
Communication	72,000	72,000	47,275	-	47,275	(24,725)
Supplies	15,700	17,150	13,401	-	13,401	(3,749)
Improvements and equipment	123,400	150,190	51,062	-	51,062	(99,128)
Gasoline	4,000	4,000	767	-	767	(3,233)
Interest expense	-	-	2,133	-	2,133	2,133
Marketing and advertising	4,289,400	4,261,290	3,957,968	-	3,957,968	(303,322)
Special projects	617,000	602,310	1,253,260	-	1,253,260	650,950
Administrative fees	990,000	990,000	-	990,000 <sup>(3)</sup>	990,000	-
Revenue share with the City of Galveston	199,900	199,900	-	121,175 <sup>(3)</sup>	121,175	(78,725)
Transfer of HOT to City of Galveston	-	-	121,174	-	121,174	121,174
Other expenditures	3,255,300	3,269,260	531,985	(15,529) <sup>(2)</sup>	516,456	(2,752,804)
<b>Total expenditures</b>	<b>13,360,400</b>	<b>13,360,400</b>	<b>9,263,716</b>	<b>1,101,477</b>	<b>10,365,193</b>	<b>(2,995,207)</b>
Revenues over (under) expenditures	(1,181,597)	(1,181,597)	328,376	(980,302)	(651,926)	529,671
<b>Other financing sources (uses)</b>						
Transfer from (to) other funds	-	-	(1,053,483)	990,000 <sup>(3)</sup>	(63,483)	(63,483)
Lease and SBITA payments	-	-	(14,184)	-	(14,184)	(14,184)
Use of reserves	1,247,397	1,247,397	-	-	-	(1,247,397)
<b>Total other financing sources (uses)</b>	<b>1,247,397</b>	<b>1,247,397</b>	<b>(1,067,667)</b>	<b>990,000</b>	<b>(77,667)</b>	<b>(1,325,064)</b>
<b>Excess of revenues over (under) expenditures</b>	<b>\$ 65,800</b>	<b>\$ 65,800</b>	<b>\$ (739,291)</b>	<b>\$ 9,698</b>	<b>\$ (729,593)</b>	<b>\$ (795,393)</b>

<sup>(1)</sup> The change in accrued compensated absences are not included in the statements of revenues, expenditures and changes in fund balance as they do not require the use of current financial resources.

<sup>(2)</sup> The change in prepaid expenses are not included in the statements of revenues, expenditures and changes in fund balance as they do not require the use of current financial resources.

<sup>(3)</sup> These represent reclassifications for budget presentation purposes only.

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

**PARK BOARD OF TRUSTEES OF THE CITY OF GALVESTON, TEXAS**  
**SUMMARY BUDGETARY COMPARISON SCHEDULE**  
**BEACH CLEANING**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Budgeted Amounts		Actual Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final	Actual	Reconciling Items	(See Note 1)	Over (Under)
<b>Revenues</b>						
Hotel occupancy tax	\$ 4,158,000	\$ 4,158,000	\$ 3,739,021	\$ -	\$ 3,739,021	\$ (418,979)
State and local funds	200,000	200,000	63,229	-	63,229	(136,771)
Grand proceeds	-	-	200,000	-	200,000	200,000
Interest income	-	-	7	-	7	7
Other revenues	631,700	631,700	38,309	-	38,309	(593,391)
<b>Total revenues</b>	<u>4,989,700</u>	<u>4,989,700</u>	<u>4,040,566</u>	<u>-</u>	<u>4,040,566</u>	<u>(949,134)</u>
<b>Expenditures</b>						
Payroll and benefits	3,234,400	3,234,400	3,000,819	1,261 <sup>(2)</sup>	3,002,080	(232,320)
Legal and professional	42,900	42,900	51,590	-	51,590	8,690
Copy lease	-	-	-	-	-	-
Data processing and software maintenance	20,500	22,735	25,463	-	25,463	2,728
Contract services	60,000	60,000	43,734	-	43,734	(16,266)
Insurance	136,800	136,800	113,776	-	113,776	(23,024)
Repairs and maintenance	92,500	92,500	60,650	-	60,650	(31,850)
Communication	35,500	31,265	21,411	-	21,411	(9,854)
Utilities	23,000	23,000	13,284	-	13,284	(9,716)
Supplies	64,400	65,400	50,196	-	50,196	(15,204)
Improvement and equipment	651,800	651,800	8,487	426,327 <sup>(1)</sup>	434,814	(216,986)
Leased equipment	241,300	241,300	13,379	162,644 <sup>(1)</sup>	176,023	(65,277)
Gasoline	148,000	148,000	132,454	-	132,454	(15,546)
Dumping fee	62,000	62,000	39,909	-	39,909	(22,091)
Interest expense	22,000	22,000	58,162	(33) <sup>(4)</sup>	58,129	36,129
Storm repairs	3,800	3,800	-	-	-	(3,800)
Administrative fees	415,800	415,800	-	415,800 <sup>(1)</sup>	415,800	-
Other expenditures	40,700	41,700	22,496	(10,106) <sup>(3)</sup>	12,390	(29,310)
<b>Total expenditures</b>	<u>5,295,400</u>	<u>5,295,400</u>	<u>3,655,810</u>	<u>995,893</u>	<u>4,651,703</u>	<u>(643,697)</u>
Revenues over (under) expenditures	(305,700)	(305,700)	384,756	(995,893)	(611,137)	(305,437)
<b>Other financing sources (uses)</b>						
Loan payments	(57,000)	(57,000)	-	(55,350) <sup>(1)</sup>	(55,350)	1,650
FEMA reimbursement	12,700	12,700	765	-	765	(11,935)
Lease and SBITA payments	-	-	(162,644)	162,644 <sup>(1)</sup>	-	-
Transfer from (to) other funds	350,000	350,000	(547,477)	897,477 <sup>(1)</sup>	350,000	-
Gain on sale of capital asset	-	-	252,082	-	252,082	252,082
<b>Total other financing sources (uses)</b>	<u>305,700</u>	<u>305,700</u>	<u>(457,274)</u>	<u>1,004,771</u>	<u>547,497</u>	<u>241,797</u>
<b>Excess of revenues and other sources over (under) expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (72,518)</u>	<u>\$ 8,878</u>	<u>\$ (63,640)</u>	<u>\$ (63,640)</u>

<sup>(1)</sup> These represent reclassifications for budget presentation purposes only.

<sup>(2)</sup> The change in accrued compensated absences are not included in the statements of revenues, expenditures and changes in fund balance as they do not require the use of current financial resources.

<sup>(3)</sup> The change in prepaid expenses are not included in the statements of revenues, expenditures and changes in fund balance as they do not require the use of current financial resources.

<sup>(4)</sup> The change in accrued interest is not included in the statements of revenues, expenditures and changes in fund balance as it does not require the use of current financial resources.

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

**PARK BOARD OF TRUSTEES OF THE CITY OF GALVESTON, TEXAS**  
**SUMMARY BUDGETARY COMPARISON SCHEDULE**  
**BEACH PATROL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Budgeted Amounts		Actual Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	Original	Final	Actual	Reconciling Items		
<b>Revenues</b>						
Hotel occupancy tax	\$ 3,861,000	\$ 3,861,000	\$ 3,474,041	\$ -	\$ 3,474,041	\$ (386,959)
State and local funds	311,000	311,000	311,000	-	311,000	-
Interest income	-	-	7	-	7	7
Other revenues	78,786	78,786	22,024	-	22,024	(56,762)
<b>Total revenues</b>	<b>4,250,786</b>	<b>4,250,786</b>	<b>3,807,072</b>	<b>-</b>	<b>3,807,072</b>	<b>(443,714)</b>
<b>Expenditures</b>						
Payroll and benefits	3,194,200	3,194,067	2,792,576	(1,348) <sup>(1)</sup>	2,791,228	(402,839)
Legal and professional	11,800	11,800	71,156	-	71,156	59,356
Data processing and software maintenance	33,900	33,900	36,434	-	36,434	2,534
Contract services	3,400	3,400	3,740	-	3,740	340
Insurance	67,200	67,200	60,780	-	60,780	(6,420)
Repairs and maintenance	42,200	61,200	61,239	-	61,239	39
Office rent	-	-	91,359	-	91,359	91,359
Communication	59,200	59,200	27,089	-	27,089	(32,111)
Supplies	40,800	36,800	12,053	-	12,053	(24,747)
Improvements and equipment	1,826,500	1,791,500	35,809	549,662 <sup>(3)</sup>	585,471	(1,206,029)
Leased equipment	133,600	133,600	673	150,300 <sup>(3)</sup>	150,973	17,373
Gasoline	48,000	48,000	31,531	-	31,531	(16,469)
Interest expense	-	-	22,604	-	22,604	22,604
Marketing and advertising	-	-	1,006	-	1,006	1,006
Administrative fees	386,100	386,100	-	386,100 <sup>(3)</sup>	386,100	-
Other expenditures	194,600	214,733	165,707	(1,942) <sup>(2)</sup>	163,765	(50,968)
<b>Total expenditures</b>	<b>6,041,500</b>	<b>6,041,500</b>	<b>3,413,756</b>	<b>1,082,772</b>	<b>4,496,528</b>	<b>(1,544,972)</b>
Revenues over (under) expenditures	(1,790,714)	(1,790,714)	393,316	(1,082,772)	(689,456)	1,101,258
<b>Other financing sources (uses)</b>						
FEMA reimbursement	62,200	62,200	-	-	-	(62,200)
Lease and SBITA payments	-	-	(150,300)	150,300 <sup>(3)</sup>	-	-
Transfer from other funds	559,000	559,000	(444,551)	935,762 <sup>(4)</sup>	491,211	(67,789)
Gain on sale of capital asset	-	-	88,950	-	88,950	88,950
Use of reserves	1,169,514	1,169,514	-	-	-	(1,169,514)
<b>Total other financing sources (uses)</b>	<b>1,790,714</b>	<b>1,790,714</b>	<b>(505,901)</b>	<b>1,086,062</b>	<b>580,161</b>	<b>(1,210,553)</b>
<b>Excess of revenues and other sources over expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (112,585)</b>	<b>\$ 3,290</b>	<b>\$ (109,295)</b>	<b>\$ (109,295)</b>

<sup>(1)</sup> The change in accrued compensated absences are not included in the statements of revenues, expenditures and changes in fund balance as they do not require the use of current financial resources.

<sup>(2)</sup> The change in prepaid expenses are not included in the statements of revenues, expenditures and changes in fund balance as they do not require the use of current financial resources.

<sup>(3)</sup> These represent reclassifications for budget presentation purposes only.

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

**PARK BOARD OF TRUSTEES OF THE CITY OF GALVESTON, TEXAS**  
**SUMMARY BUDGETARY COMPARISON SCHEDULE**  
**NOURISHED BEACH**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Budgeted Amounts		Actual Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	Original	Final	Actual	Reconciling Items		
<b>Revenues</b>						
Hotel occupancy tax	\$ 1,881,000	\$ 1,881,000	\$ 1,678,207	\$ -	\$ 1,678,207	\$ (202,793)
Grant proceeds	7,057,700	7,057,700	50,387	-	50,387	(7,007,313)
Other revenues	140,000	140,000	103,568	-	103,568	(36,432)
<b>Total revenues</b>	<u>9,078,700</u>	<u>9,078,700</u>	<u>1,832,162</u>	<u>-</u>	<u>1,832,162</u>	<u>(7,246,538)</u>
<b>Expenditures</b>						
Payroll and benefits	352,900	352,900	305,292	2,571 <sup>(1)</sup>	307,863	(45,037)
Legal and professional	814,300	808,532	475,157	-	475,157	(333,375)
Data processing and software maintenance	2,400	2,421	2,421	-	2,421	-
Contract services	7,000	18,768	11,437	-	11,437	(7,331)
Repairs and maintenance	46,000	49,744	13,275	-	13,275	(36,469)
Office rent	5,300	5,300	-	-	-	(5,300)
Communication	1,400	2,348	2,348	-	2,348	-
Supplies	77,500	79,530	66,375	-	66,375	(13,155)
Improvements and equipment	58,000	54,465	8,333	4,132 <sup>(3)</sup>	12,465	(42,000)
Leased equipment	11,700	11,700	802	2,784 <sup>(3)</sup>	3,586	(8,114)
Gasoline	3,000	3,000	98	-	98	(2,902)
Grant expenditures	6,012,100	6,012,100	50,358	-	50,358	(5,961,742)
Interest expense	-	-	925	-	925	925
Special projects	-	-	62	-	62	62
Storm repairs	10,476,600	10,476,600	(29)	-	(29)	(10,476,629)
Administrative fees	188,100	188,100	-	188,100 <sup>(3)</sup>	188,100	-
Other expenditures	89,200	79,992	21,102	42,687 <sup>(2)</sup>	63,789	(16,203)
<b>Total expenditures</b>	<u>18,145,500</u>	<u>18,145,500</u>	<u>957,956</u>	<u>240,274</u>	<u>1,198,230</u>	<u>(16,947,270)</u>
Revenues over (under) expenditures	(9,066,800)	(9,066,800)	874,206	(240,274)	633,932	9,700,732
<b>Other financing sources (uses)</b>						
FEMA reimbursement	9,487,400	9,487,400	-	-	-	(9,487,400)
Lease and SBITA payments	-	-	(2,784)	2,784 <sup>(3)</sup>	-	-
Transfer from (to) other funds	(700,000)	(700,000)	(892,232)	192,232 <sup>(3)</sup>	(700,000)	-
Use of reserves	279,400	279,400	-	-	-	(279,400)
<b>Total other financing sources (uses)</b>	<u>9,066,800</u>	<u>9,066,800</u>	<u>(895,016)</u>	<u>195,016</u>	<u>(700,000)</u>	<u>(9,766,800)</u>
<b>Excess of revenues and other sources over expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (20,810)</u>	<u>\$ (45,258)</u>	<u>\$ (66,068)</u>	<u>\$ (66,068)</u>

<sup>(1)</sup> The change in accrued compensated absences are not included in the statements of revenues, expenditures and changes in fund balance as they do not require the use of current financial resources.

<sup>(2)</sup> The change in prepaid expenses and unearned income are not included in the statements of revenues, expenditures and changes in fund balance as they do not require the use of current financial resources.

<sup>(3)</sup> These represent reclassifications for budget presentation purposes only.

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

**PARK BOARD OF TRUSTEES OF THE CITY OF GALVESTON**  
**NOTES TO SUMMARY BUDGETARY COMPARISON SCHEDULES**

**1. Budgets and Budgetary Accounting**

Effective October 1, 1980, the Board of Trustees of the Park Board adopted the following budgetary process:

At least thirty days prior to October 1<sup>st</sup>, the executive committee is to submit to the Board of Trustees a proposed operating and capital projects budget for the fiscal year commencing October 1<sup>st</sup>. The proposed budget is to include proposed expenditures and the means of financing them. A statement of capital projects planned for the next succeeding year, with estimates of their costs, is also required to be submitted at that time. One or more official open meetings are held by the Board of Trustees to obtain citizen comments. Prior to October 1<sup>st</sup>, the budget is required to be enacted by the Board of Trustees. During the fiscal year the Board of Trustees may transfer any unencumbered appropriation balance or portion thereof from one fund to another at any time. Formal budgetary integration is employed as a management control device during the year for the general fund, special revenue funds, and enterprise funds.

The basis of accounting for budgetary purposes differs from the basis of accounting ("U.S. GAAP") used for the financial statements. Encumbrances are included in the budgets of the governmental funds which constitute a departure from U.S. GAAP.

**SUPPLEMENTARY FINANCIAL SCHEDULES AND INFORMATION**

**SUMMARY BUDGETARY COMPARISON SCHEDULES (Unaudited)**

**PARK BOARD OF TRUSTEES OF THE CITY OF GALVESTON, TEXAS**  
**SUMMARY BUDGETARY COMPARISON SCHEDULE**  
**SEAWOLF PARK**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Budgeted Amounts		Actual Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
	Original	Final	Actual	Reconciling Items		
<b>Revenues</b>						
Admissions revenue	\$ 456,000	\$ 456,000	\$ 303,571	\$ -	\$ 303,571	\$ (152,429)
Fishing revenue	751,500	751,500	1,075,395	-	1,075,395	323,895
Interest income	-	-	23,628	-	23,628	23,628
Other revenues	192,800	192,800	24,944	187,800 <sup>(1)</sup>	212,744	19,944
<b>Total revenues</b>	<b>1,400,300</b>	<b>1,400,300</b>	<b>1,427,538</b>	<b>187,800</b>	<b>1,615,338</b>	<b>215,038</b>
<b>Expenditures</b>						
Payroll and benefits	753,500	750,810	800,631	-	800,631	49,821
Contract services	36,800	36,800	26,448	-	26,448	(10,352)
Data processing and software maintenance	12,700	15,226	15,978	-	15,978	752
Legal and professional	10,100	10,285	9,949	-	9,949	(336)
Repairs and maintenance	40,000	37,474	29,959	-	29,959	(7,515)
Office rent	1,300	1,300	-	-	-	(1,300)
Communication	12,000	12,000	18,826	-	18,826	6,826
Supplies	31,400	31,000	24,734	-	24,734	(6,266)
Improvements and equipment	262,000	262,000	9,922	-	9,922	(252,078)
Insurance	45,600	47,944	50,699	-	50,699	2,755
Storm repairs	698,700	698,700	458,648	161,265 <sup>(1)</sup>	619,913	(78,787)
Administrative fees	127,200	127,200	-	127,200 <sup>(1)</sup>	127,200	-
Interest expense	-	-	313	-	313	313
Special projects	-	-	3,367	-	3,367	3,367
Utilities	28,200	28,200	38,546	-	38,546	10,346
Gasoline	3,500	3,500	2,808	-	2,808	(692)
Depreciation expense	-	-	161,265	(161,265) <sup>(1)</sup>	-	-
Security expense	30,600	30,600	-	20,712 <sup>(1)</sup>	20,712	(9,888)
Revenue share with City of Galveston	300,000	300,000	300,000	-	300,000	-
Other expenditures	36,700	37,261	50,608	-	50,608	13,347
<b>Total expenditures</b>	<b>2,430,300</b>	<b>2,430,300</b>	<b>2,002,701</b>	<b>147,912</b>	<b>2,150,613</b>	<b>(279,687)</b>
Revenues over (under) expenditures	(1,030,000)	(1,030,000)	(575,163)	39,888	(535,275)	494,725
<b>Other financing sources (uses)</b>						
FEMA reimbursement	496,200	496,200	37,772	-	37,772	(458,428)
Lease revenue	60,000	60,000	35,389	-	35,389	(24,611)
Transfer from (to) other funds	-	-	39,888	(39,888) <sup>(1)</sup>	-	-
Use of reserves	473,800	473,800	-	-	-	(473,800)
<b>Total other financing sources (uses)</b>	<b>1,030,000</b>	<b>1,030,000</b>	<b>113,049</b>	<b>(39,888)</b>	<b>73,161</b>	<b>(956,839)</b>
<b>Excess of revenues and other sources over expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (462,114)</b>	<b>\$ -</b>	<b>\$ (462,114)</b>	<b>\$ (462,114)</b>

<sup>(1)</sup> These represent reclassifications for budget presentation purposes only.

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

**PARK BOARD OF TRUSTEES OF THE CITY OF GALVESTON, TEXAS**  
**SUMMARY BUDGETARY COMPARISON SCHEDULE**  
**R.A. APFFEL PARK**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Budgeted Amounts		Actual Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
	Original	Final	Actual	Reconciling Items		
<b>Revenues</b>						
Beach user fees	\$ 672,000	\$ 672,000	\$ 438,309	\$ -	\$ 438,309	\$ (233,691)
Other revenues	153,000	153,000	118,862	-	118,862	(34,138)
<b>Total revenues</b>	<u>825,000</u>	<u>825,000</u>	<u>557,171</u>	<u>-</u>	<u>557,171</u>	<u>(267,829)</u>
<b>Expenditures</b>						
Payroll and benefits	349,700	349,700	244,968	-	244,968	(104,732)
Contract services	19,500	19,500	11,448	-	11,448	(8,052)
Data processing and software maintenance	3,800	3,997	4,776	-	4,776	779
Legal and professional	5,900	5,900	6,968	-	6,968	1,068
Repairs and maintenance	35,200	35,200	27,297	-	27,297	(7,903)
Communication	9,800	9,800	4,242	-	4,242	(5,558)
Supplies	25,800	25,800	16,122	-	16,122	(9,678)
Improvements and equipment	221,400	221,400	9,932	151,653 <sup>(1)</sup>	161,585	(59,815)
Storm repairs	2,600	2,600	-	-	-	(2,600)
Administrative fees	39,400	39,400	-	49,631 <sup>(1)</sup>	49,631	10,231
Leased equipment	11,500	11,500	6,321	-	6,321	(5,179)
Office rent	1,200	1,200	-	-	-	(1,200)
Gasoline	3,500	3,500	5,434	-	5,434	1,934
Insurance	96,400	96,400	100,474	-	100,474	4,074
Interest expense	400	400	876	-	876	476
Special projects	-	-	178	-	178	178
Utilities	7,000	7,000	5,822	-	5,822	(1,178)
Depreciation expense	-	-	151,653	(151,653) <sup>(1)</sup>	-	-
Security expense	85,000	85,000	-	57,416 <sup>(1)</sup>	57,416	(27,584)
Other expenditures	15,000	14,803	17,355	-	17,355	2,552
<b>Total expenditures</b>	<u>933,100</u>	<u>933,100</u>	<u>613,866</u>	<u>107,047</u>	<u>720,913</u>	<u>(212,187)</u>
Revenues over (under) expenditures	(108,100)	(108,100)	(56,695)	(107,047)	(163,742)	(55,642)
<b>Other financing sources (uses)</b>						
Loan payments	(11,900)	(11,900)	-	-	-	11,900
Transfer from (to) other funds	120,000	120,000	(107,047)	107,047 <sup>(1)</sup>	-	(120,000)
Other income	-	-	15,333	-	15,333	15,333
Gain on sale of capital assets	-	-	11,325	-	11,325	11,325
<b>Total other financing sources (uses)</b>	<u>108,100</u>	<u>108,100</u>	<u>(80,389)</u>	<u>107,047</u>	<u>26,658</u>	<u>(81,442)</u>
<b>Excess of revenues and other sources over expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (137,084)</u>	<u>\$ -</u>	<u>\$ (137,084)</u>	<u>\$ (137,084)</u>

<sup>(1)</sup> These represent reclassifications for budget presentation purposes only.

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

**PARK BOARD OF TRUSTEES OF THE CITY OF GALVESTON, TEXAS**  
**SUMMARY BUDGETARY COMPARISON SCHEDULE**  
**DELLANERA PARK**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Budgeted Amounts		Actual Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
	Original	Final	Actual	Reconciling Items		
<b>Revenues</b>						
Beach user fees	\$ 36,000	\$ 36,000	\$ 181,716	\$ -	\$ 181,716	\$ 145,716
Camping revenue	1,000,000	1,000,000	826,969	-	826,969	(173,031)
State and local funds	-	-	1,575	-	1,575	1,575
Other revenues	53,700	53,700	51,677	-	51,677	(2,023)
<b>Total revenues</b>	<b>1,089,700</b>	<b>1,089,700</b>	<b>1,061,937</b>	<b>-</b>	<b>1,061,937</b>	<b>(27,763)</b>
<b>Expenditures</b>						
Payroll and benefits	412,200	412,200	395,329	-	395,329	(16,871)
Contract services	31,800	31,800	20,315	-	20,315	(11,485)
Data processing and software maintenance	9,700	10,410	10,943	-	10,943	533
Legal and professional	6,200	6,200	14,388	-	14,388	8,188
Repairs and maintenance	64,300	64,300	28,060	-	28,060	(36,240)
Communication	15,500	15,500	15,406	-	15,406	(94)
Dumping fees	6,000	6,000	2,944	-	2,944	(3,056)
Supplies	14,100	14,100	6,163	-	6,163	(7,937)
Improvements and equipment	197,100	193,390	34,092	72,044 <sup>(1)</sup>	106,136	(87,254)
Insurance	40,100	40,100	37,320	-	37,320	(2,780)
Interest expense	-	-	556	-	556	556
Office rent	800	800	-	-	-	(800)
Storm repairs	4,900	4,900	(118)	-	(118)	(5,018)
Administrative fees	109,000	109,000	-	105,499 <sup>(1)</sup>	105,499	(3,501)
Leased equipment	9,100	9,100	3	-	3	(9,097)
Utilities	77,000	77,000	67,189	-	67,189	(9,811)
Marketing and advertising	-	-	962	-	962	962
Gasoline	3,100	3,100	-	-	-	(3,100)
Depreciation expense	-	-	72,044	(72,044) <sup>(1)</sup>	-	-
Other expenditures	95,500	98,500	71,404	-	71,404	(27,096)
<b>Total expenditures</b>	<b>1,096,400</b>	<b>1,096,400</b>	<b>777,000</b>	<b>105,499</b>	<b>882,499</b>	<b>(213,901)</b>
Revenues over (under) expenditures	(6,700)	(6,700)	284,937	(105,499)	179,438	186,138
<b>Other financing sources (uses)</b>						
FEMA reimbursement	1,706,300	1,706,300	11,341	-	11,341	(1,694,959)
Transfer from (to) other funds	-	-	(105,499)	105,499 <sup>(1)</sup>	-	-
Gain on sale of capital asset	-	-	16,612	-	16,612	16,612
<b>Total other financing sources (uses)</b>	<b>1,706,300</b>	<b>1,706,300</b>	<b>(77,546)</b>	<b>105,499</b>	<b>27,953</b>	<b>(1,678,347)</b>
<b>Excess of revenues and other sources over expenditures</b>	<b>\$ 1,699,600</b>	<b>\$ 1,699,600</b>	<b>\$ 207,391</b>	<b>\$ -</b>	<b>\$ 207,391</b>	<b>\$ (1,492,209)</b>

<sup>(1)</sup> These represent reclassifications for budget presentation purposes only.

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

**PARK BOARD OF TRUSTEES OF THE CITY OF GALVESTON, TEXAS**  
**SUMMARY BUDGETARY COMPARISON SCHEDULE**  
**URBAN PARK**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Budgeted Amounts		Actual Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
	Original	Final	Actual	Reconciling Items		
<b>Revenues</b>						
Beach user fees	\$ 1,900,000	\$ 1,900,000	\$ 1,492,772	\$ -	\$ 1,492,772	\$ (407,228)
Other revenues	-	-	250	-	250	250
<b>Total revenues</b>	<u>1,900,000</u>	<u>1,900,000</u>	<u>1,493,022</u>	<u>-</u>	<u>1,493,022</u>	<u>(406,978)</u>
<b>Expenditures</b>						
Payroll and benefits	642,800	642,800	578,400	-	578,400	(64,400)
Contract services	-	177	177	-	177	0
Data processing and software maintenance	9,700	10,657	10,366	-	10,366	(291)
Legal and professional	4,900	9,338	12,678	-	12,678	3,340
Repairs and maintenance	122,800	98,129	36,279	-	36,279	(61,850)
Office Rent	19,500	19,500	24,672	-	24,672	5,172
Communication	12,900	13,900	10,896	-	10,896	(3,004)
Supplies	42,200	42,402	28,355	-	28,355	(14,047)
Improvements and equipment	102,500	115,892	5,805	-	5,805	(110,087)
Leased equipment	14,600	14,600	6,295	-	6,295	(8,305)
Administrative fees	137,100	137,100	-	100,017 <sup>(1)</sup>	100,017	(37,083)
Gasoline	13,200	16,200	17,150	-	17,150	950
Insurance	11,700	15,592	16,876	-	16,876	1,284
Interest expense	-	465	1,172	-	1,172	707
Depreciation expense	-	-	19,102	-	19,102	19,102
Revenue share with City of Galveston	521,900	521,900	392,836	-	392,836	(129,064)
Other expenditures	244,200	241,348	234,060	-	234,060	(7,288)
<b>Total expenditures</b>	<u>1,900,000</u>	<u>1,900,000</u>	<u>1,395,119</u>	<u>100,017</u>	<u>1,495,136</u>	<u>(404,864)</u>
Revenues over (under) expenditures	-	-	97,903	(100,017)	(2,114)	(2,114)
<b>Other financing sources (uses)</b>						
Transfer from (to) other funds	-	-	(100,017)	100,017 <sup>(1)</sup>	-	-
Gain on sale of capital asset	-	-	3,832	-	3,832	3,832
<b>Total other financing sources (uses)</b>	-	-	(96,185)	100,017	3,832	3,832
<b>Excess of revenues and other sources over expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,718</u>	<u>\$ -</u>	<u>\$ 1,718</u>	<u>\$ 1,718</u>

<sup>(1)</sup> These represent reclassifications for budget presentation purposes only.

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

**PARK BOARD OF TRUSTEES OF THE CITY OF GALVESTON, TEXAS**  
**SUMMARY BUDGETARY COMPARISON SCHEDULE**  
**STEWART BEACH**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Budgeted Amounts		Actual Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
	Original	Final	Actual	Reconciling Items		
<b>Revenues</b>						
Beach user fees	\$ 830,000	\$ 830,000	\$ 558,161	\$ -	\$ 558,161	\$ (271,839)
Interest income	-	-	3	-	3	3
Other revenues	298,200	298,200	208,598	24,300 <sup>(1)</sup>	232,898	(65,302)
<b>Total revenues</b>	<u>1,128,200</u>	<u>1,128,200</u>	<u>766,762</u>	<u>24,300</u>	<u>791,062</u>	<u>(337,138)</u>
<b>Expenditures</b>						
Payroll and benefits	418,200	418,200	347,642	-	347,642	(70,558)
Contract services	30,700	30,700	9,889	-	9,889	(20,811)
Data processing and software maintenance	9,200	9,397	9,034	-	9,034	(363)
Legal and professional	40,800	40,800	36,163	-	36,163	(4,637)
Repairs and maintenance	23,200	23,200	22,211	-	22,211	(989)
Communication	18,500	18,500	13,995	-	13,995	(4,505)
Supplies	30,600	30,600	15,721	-	15,721	(14,879)
Improvements and equipment	62,600	62,600	9,806	276,669 <sup>(1)</sup>	286,475	223,875
Storm repairs	4,700	4,700	-	-	-	(4,700)
Leased equipment	8,500	8,500	1,058	-	1,058	(7,442)
Administrative fees	92,100	92,100	-	64,916 <sup>(1)</sup>	64,916	(27,184)
Gasoline	5,500	5,500	15,700	-	15,700	10,200
Insurance	122,900	122,900	113,327	-	113,327	(9,573)
Interest expense	1,500	1,500	8,704	-	8,704	7,204
Utilities	46,000	46,000	29,847	-	29,847	(16,153)
Depreciation expense	-	-	276,669	(276,669)	-	-
Security expense	93,400	93,400	-	63,083 <sup>(1)</sup>	63,083	(30,317)
Other expenditures	20,300	20,103	52,478	-	52,478	32,375
<b>Total expenditures</b>	<u>1,028,700</u>	<u>1,028,700</u>	<u>962,244</u>	<u>127,999</u>	<u>1,090,243</u>	<u>61,543</u>
Revenues over (under) expenditures	99,500	99,500	(195,482)	(103,699)	(299,181)	(398,681)
<b>Other financing sources (uses)</b>						
Loan payments	(89,600)	(89,600)	-	-	-	89,600
FEMA reimbursement	19,700	19,700	3,721	-	3,721	(15,979)
Transfer from (to) other funds	-	-	(103,699)	103,699 <sup>(1)</sup>	-	-
Other income	-	-	7,476	-	7,476	7,476
Gain on sale of capital assets	-	-	27,301	-	27,301	27,301
<b>Total other financing sources (uses)</b>	<u>(69,900)</u>	<u>(69,900)</u>	<u>(65,201)</u>	<u>103,699</u>	<u>38,498</u>	<u>108,398</u>
<b>Excess of revenues and other sources over expenditures</b>	<u>\$ 29,600</u>	<u>\$ 29,600</u>	<u>\$ (260,683)</u>	<u>\$ -</u>	<u>\$ (260,683)</u>	<u>\$ (290,283)</u>

<sup>(1)</sup> These represent reclassifications for budget presentation purposes only.

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