

Agenda of Regular Meeting

The Board of Trustees Canutillo ISD

A Regular meeting of the Board of Trustees of Canutillo ISD will be held February 24, 2026, beginning at 6:00 PM in the Canutillo ISD Administration Office, 7965 Artcraft, El Paso, TX 79932.

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

Although one or more board members may participate by video conference call, a quorum of the Board of Trustees will be physically present at this location for purposes of this meeting and in conformance with the Texas Open Meetings Act. One or more of the vendors being considered at this meeting may appear through video conference call/Microsoft Teams/Zoom. Any such presentation will be visible and audible to anyone attending the open meeting.

1. **GENERAL FUNCTIONS-OTHER**
 - A. Call to Order
 - B. Pledge of Allegiance
 - C. Texas Pledge of Allegiance
 - D. Roll Call
 - E. CISD Vision and Mission Statements 4
2. **BOARD HONORS**
 - A. Recognition of Canutillo ISD Parent Teacher Organizations (PTOs) for the Contributions They Make to the Successful Operations of Campuses in the District
Presenter: G. Reveles
3. **OPEN FORUM-OTHER**

Any person wishing to address the Board during the period reserved for public comment at a Board meeting must sign up to be heard, in accordance with District policy BED(LOCAL):

Each participant will be limited to **THREE MINUTES** to make comments to the Board. The Board is **NOT** permitted to discuss or act upon any issues that are not posted on the agenda for tonight's meeting.

For further information on those policies, contact the Superintendent's Administrative Assistant.
4. **PUBLIC HEARING-OTHER**
 - A. A Public Hearing Will Be Held on February 24, 2026 Regarding the 2024-2025 Texas Academic Performance Report (TAPR). The Public Will Be Invited for Public Comment. 5
Presenter: Jessica Harrison
5. **SPECIAL PRESENTATION-OTHER**
 - A. Lonestar Governance Goals 1 & 2 36
Presenter: Ruby Palacios / Shawn Leggett
 - B. Lonestar Governance Goal 3 68

	Presenter: J Arellano / R Moore	
6.	BOARD OF TRUSTEE BUSINESS	
	A. Consideration and Possible Action on the Statutory Resolution Relating to Texas Education Code §25.0823 (SB 11).	80
	Presenter: Dr. Josue Borrego	
	B. Discussion and Possible Action to Approve the Purchase of Six Electric Buses Using the EPA Grant to Cover a Portion of the EV Fleet Cost.	81
	Presenter: Dr. Oscar Rico	
7.	CONSENT AGENDA-VOTING	
	A. <i>BUSINESS SERVICES</i>	
	1. Approval of the Meeting Minutes	
	a. Approval of the October 9, 2025, Special Board Meeting Minutes	102
	b. Approval of the October 28, 2025, Regular Board Meeting Minutes	104
	c. Approval of the November 17, 2025, Special Board Meeting Minutes	112
	d. Approval of the November 18, 2025, Regular Board Meeting Minutes	114
	2. Approval of the Monthly Donations	
	Presenter: C. Pulley	
	a. Board Acceptance of the February 2026 Donations Report	119
	Presenter: Cristina Pulley/Veronica Campbell	
	3. Approval of the Budget Amendments	
	Presenter: C. Pulley	
	a. Approval of the January 2026 Budget Amendments	121
	Presenter: C. Pulley	
	4. Approval of the Quarterly Investment Report for the Quarter Ended December 31, 2025	123
	Presenter: C Pulley	
	5. Approval of the Sponsorship Agreement Between Superior Health Plan and Canutillo ISD	131
	Presenter: Dr. Monica Reyes	
	6. Acceptance of the Annual Comprehensive Financial Report for the Year Ended June 30, 2025	136
	Presenter: C Pulley	
	7. Approval of the Investment Strategy Recommendation – Transition from Active Management to Investment Pools	293
	Presenter: Rudy Mejia/C Pulley	
	8. Recommendation to Approve Memorandum of Understanding Between Canutillo High School and Sul Ross State University	294
	Presenter: Richard Moore/Veronica Campbell	
	9. Approval of Facility Request Form for Central Canutillo Christian Congregation of Jehovah's Witnesses	303
	Presenter: D. Kerney	
	10. Approval of Facility Request Form for Alive Church	305

Presenter: D. Kerney

B. HUMAN RESOURCES

1. Approval of Proposed Changes to Local Policy DC(Local)

307

Presenter: M Carrasco/ Dr. Josue Borrego

8. EXECUTIVE SESSION

To Consult with Attorney Under Sections 551.071, 551.072, and 551.074 of the Texas Government Code:

(A certified agenda or recording of a closed meeting is confidential and is not available to the public except by court order. A person who knowingly and without lawful authority makes a certified agenda or recording public commits a Class B misdemeanor. Any exceptions will be communicated in accordance with applicable policies and regulations)

- A. Discussion Regarding the Administration's Recommendation for the Elementary School Principals at the Following Schools:

- Canutillo Elementary School
- Congressman Silvestre and Carolina Reyes Elementary

Presenter: M Carrasco

- B. Discussion Regarding Potential Exchange or Sale of District Real Estate Property Located at 7700 Cap Carter Rd, Vinton, TX 79821

Presenter: Dr. Oscar Rico/ Dr. Josue Borrego

9. NEW BUSINESS (continued); OTHER

- A. Discussion and Possible Action Regarding the Administration's Recommendation for the Elementary School Principals at the Following Schools:

- Canutillo Elementary School
- Congressman Silvestre and Carolina Reyes Elementary

Presenter: M Carrasco

- B. Discussion and Possible Action Regarding Potential Exchange or Sale of District Real Estate Property Located at 7700 Cap Carter Rd, Vinton, TX 79821

Presenter: Dr. Oscar Rico/ Dr. Josue Borrego

10. ADJOURNMENT

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

(A certified agenda or recording of a closed meeting is confidential and is not available to the public except by court order. A person who knowingly and without lawful authority makes a certified agenda or recording public commits a Class B misdemeanor. Any exceptions will be communicated in accordance with applicable policies and regulations)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

Mission

We provide Equitable Opportunities to ensure our future-ready students are empowered to Explore, Learn, Grow and Excel.

Vision

LEAD today. IMPACT tomorrow.

#VivaCanutillo

Board of Trustees

Meeting Date: 2/24/26

Executive Summary of Board Agenda Item

Subject/Title for Agenda Posting:

Justification Statement:

Purpose of Agenda Item:

Information Discussion Action

Item Type:

Curriculum & Instruction HumanResources Business Services

Staff Responsible:

Signature of Requester(s)


Signature of Presenter(s)

Business Services Approval (Initials)

Date

Agenda Summary:

RECOMMENDATION:

PRIOR BOARD ACTION:

AWARDED:

AWARDED AMOUNT:

AMOUNT(S):

ACCOUNT NO(S):

PROCUREMENT METHOD TYPE: (3 Quotes, Cooperative Contract Quotes, Sole Source, Formal Bid)

REQUESTING DEPARTMENT:

CONSEQUENCES OF NON-APPROVAL:

IMPLEMENTATION TIMELINE:

ATTACHMENT(S):



CANUTILLO A Premier District

2024-2025

District Annual Report

Canutillo Independent School District



➤ Report Sections

- **Section 1:** Texas Academic Performance Report (TAPR)
 - Results Data
 - Student Performance in Postsecondary Institutions
 - Teacher Incentive Allotment
- **Section 2:** Status: Accreditation & Financial
- **Section 3:** Violent or Criminal Incidents Report
- **Section 4:** District Goals & Performance Objectives
- **Section 5:** Progress Toward House Bill 3 Board-Adopted

District Annual Report



Section 1: TAPR

Canutillo 24-25 Accountability Ratings

C - 78

Special Education Determination Status:

Needs Assistance



The 2024-25 District Annual Report is posted on the district's website at:

<https://www.canutillo-isd.org/departments/testing-accountability-research-department/district-annual-performance/texas-academic-performance-report>



Section 1: TAPR

24-25 District Academic Performance Summary: All Grades – RLA & Math

		2023-2024			2024-2025		
Content	Performance Level	District	Region	State	District	Region	State
RLA	Approaches	77%	76%	76%	77%	77%	76%
	Meets	53%	52%	54%	53%	54%	54%
	Masters	18%	18%	22%	16%	20%	23%
Math	Approaches	74%	74%	72%	73%	76%	72%
	Meets	44%	42%	43%	42%	46%	45%
	Masters	15%	15%	17%	16%	19%	20%



Section 1: TAPR

24-25 District Academic Performance Summary: All Grades- Science & Social Studies

		2023-2024			2024-2025		
Content	Performance Level	District	Region	State	District	Region	State
Science	Approaches	78%	75%	75%	79%	80%	78%
	Meets	45%	41%	43%	49%	46%	47%
	Masters	14%	12%	16%	16%	13%	17%
Social Studies	Approaches	84%	79%	78%	78%	79%	77%
	Meets	54%	49%	51%	51%	50%	50%
	Masters	26%	23%	27%	24%	24%	27%



Section 1: TAPR

24-25 Elementary Campus Performance Summary

		BCE		CES		DDE		GES		JDE		RES	
Content	Performance Level	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
RLA	Approaches	76%	81%	85%	86%	73%	83%	82%	77%	80%	81%	91%	92%
	Meets	46%	54%	53%	60%	35%	43%	55%	51%	52%	52%	68%	75%
	Masters	14%	16%	27%	24%	14%	11%	26%	13%	17%	20%	33%	39%
Math	Approaches	79%	77%	80%	77%	61%	69%	72%	69%	79%	78%	85%	86%
	Meets	50%	43%	47%	48%	30%	43%	45%	46%	50%	50%	59%	65%
	Masters	9%	12%	16%	17%	7%	12%	15%	17%	17%	21%	25%	35%



Section 1: TAPR

24-25 Elementary Campus Performance Summary

		BCE		CES		DDE		GES		JDE		RES	
Content	Performance Level	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
Science	Approaches	50%	62%	65%	66%	47%	81%	69%	48%	63%	72%	72%	85%
	Meets	19%	20%	39%	31%	17%	19%	22%	22%	22%	31%	32%	56%
	Masters	4%	2%	10%	13%	5%	10%	9%	4%	7%	9%	9%	27%



Section 1: TAPR

24-25 Middle Schools Campus Performance Summary: RLA & Math

		Canutillo MS		Alderete MS	
Content	Performance Level	2024	2025	2024	2025
RLA	Approaches	73%	76%	78%	76%
	Meets	49%	51%	54%	51%
	Masters	22%	18%	20%	20%
Math	Approaches	66%	64%	76%	71%
	Meets	40%	32%	43%	41%
	Masters	15%	10%	19%	17%



Section 1: TAPR

24-25 Middle Schools Campus Performance Summary: Science & Social Studies

		Canutillo MS		Alderete MS	
Content	Performance Level	2024	2025	2024	2025
Science	Approaches	76%	74%	84%	82%
	Meets	53%	52%	59%	58%
	Masters	21%	20%	18%	20%
Social Studies	Approaches	66%	53%	77%	69%
	Meets	32%	26%	43%	40%
	Masters	17%	13%	18%	16%



Section 1: TAPR

24-25 Middle Schools Performance Summary: EOC

		Canutillo MS		Alderete MS	
Content	Performance Level	2024	2025	2024	2025
English I	Approaches	100%	100%	100%	100%
	Meets	100%	96%	97%	100%
	Masters	56%	36%	70%	62%
Algebra I	Approaches	99%	100%	97%	96%
	Meets	79%	72%	67%	81%
	Masters	46%	40%	38%	57%



Section 1: TAPR

24-25 District Academic Performance Summary: EOC

Subject	Performance Level	2023-2024			2024-2025		
		District	Region	State	District	Region	State
Algebra I	Approaches	81%	87%	81%	81%	85%	78%
	Meets	46%	49%	43%	48%	52%	45%
	Masters	22%	25%	24%	28%	30%	27%
Biology	Approaches	90%	92%	91%	90%	92%	92%
	Meets	53%	54%	56%	58%	58%	61%
	Masters	14%	13%	19%	15%	14%	21%
US History	Approaches	96%	96%	96%	95%	96%	95%
	Meets	69%	67%	69%	69%	68%	68%
	Masters	34%	33%	37%	34%	34%	37%



Section 1: TAPR

24-25 District Academic Performance Summary: EOC

Subject	Performance Level	2023-2024			2024-2025		
		District	Region	State	District	Region	State
English I	Approaches	71%	69%	70%	71%	68%	69%
	Meets	53%	49%	52%	51%	46%	49%
	Masters	17%	13%	16%	12%	11%	15%
English II	Approaches	77%	75%	75%	72%	72%	72%
	Meets	60%	56%	58%	54%	46%	49%
	Masters	8%	6%	9%	6%	11%	15%



Section 1: TAPR

24-25 Campus Academic Performance Summary: EOC

		Canutillo HS		Northwest ECHS	
Subject	Performance Level	2024	2025	2024	2025
Algebra I	Approaches	65%	65%	100%	94%
	Meets	20%	26%	65%	61%
	Masters	5%	14%	24%	18%
Biology	Approaches	87%	88%	100%	100%
	Meets	44%	51%	93%	90%
	Masters	5%	9%	52%	45%
US History	Approaches	95%	94%	100%	100%
	Meets	66%	65%	83%	89%
	Masters	32%	29%	41%	57%



Section 1: TAPR

24-25 Campus Academic Performance Summary: EOC

		Canutillo HS		Northwest ECHS	
Subject	Performance Level	2024	2025	2024	2025
English I	Approaches	62%	60%	99%	91%
	Meets	39%	35%	86%	80%
	Masters	6%	3%	32%	22%
English II	Approaches	74%	66%	99%	99%
	Meets	54%	44%	96%	97%
	Masters	5%	2%	26%	21%



Section 1: TAPR

24-25 Performance Summary: EB & Bilingual

		District		Emergent Bilingual		Bilingual	
Content	Performance Level	2024	2025	2024	2025	2024	2025
RLA	Approaches	77%	77%	66%	63%	78%	80%
	Meets	53%	53%	39%	35%	47%	56%
	Masters	18%	16%	12%	8%	23%	23%
Social Studies	Approaches	84%	78%	75%	69%	*	*
	Meets	54%	51%	34%	30%	*	*
	Masters	26%	24%	11%	10%	*	*



Section 1: TAPR

24-25 Performance Summary: EB & Bilingual

		District		Emergent Bilingual		Bilingual	
Content	Performance Level	2024	2025	2024	2025	2024	2025
Math	Approaches	74%	73%	69%	66%	78%	83%
	Meets	44%	42%	36%	34%	46%	55%
	Masters	15%	16%	11%	11%	15%	23%
Science	Approaches	78%	79%	69%	67%	57%	68%
	Meets	45%	49%	28%	31%	16%	36%
	Masters	14%	16%	6%	5%	6%	10%



Section 1: TAPR

24-25 District TELPAS Results: Composite Scores

TELPAS Composite Results	Performance Level	Grades K - 2		Grades 3 - 12	
		2024	2025	2024	2025
	Beginning	30%	21%	7%	8%
	Intermediate	44%	46%	33%	40%
	Advanced	19%	29%	43%	38%
	Advanced High	7%	5%	18%	14%



Section 1: TAPR

24-25 District TELPAS Results: Yearly Progress

TELPA Yearly Progress	Performance Level	Grades K - 2		Grades 3 - 12	
		2024	2025	2024	2025
	Progressed 1 Proficiency Level	31%	43%	32%	28%
	Progressed 2 Proficiency Levels	4%	7%	1%	1%
	Progressed 3 Proficiency Levels	0%	0%	0%	0%



Section 1: TAPR

24-25 District Academic School Progress Annual Growth

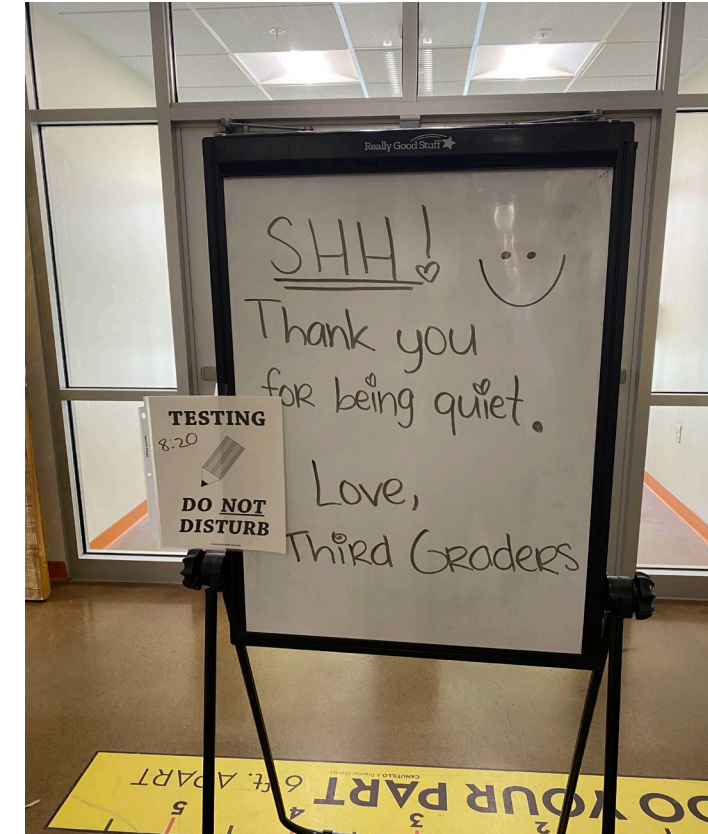


		All Grades: RLA			All Grades: Math		
		CISD	Reg 19	State	CISD	Reg 19	State
Growth Rates: All Students	2025	66%	68%	67%	62%	67%	64%
	2024	65%	66%	67%	58%	61%	60%
Growth: HB1416 Students	2025	31%	34%	31%	39%	46%	35%
	2024	28%	31%	30%	39%	43%	35%

Section 1: TAPR

24-25 STAAR Participation Rates

	Canutillo ISD	Region 19	State
Assessment Participation			
2025	100%	99%	99%
2024	99%	99%	99%
Students Absent			
2025	0%	1%	1%
2024	1%	1%	1%
Accelerated Testers: ACT/SAT Participation			
2025	92%	97%	93%
2024	92%	97%	93%



Section 1: TAPR: 24-25 District Graduation Profile



Graduates (Annual 2023-2024 Graduates)	District Count	District Percent	State Count	State Percent
Total Graduates:	450	100%	382,023	100%
By Graduation type:				
Minimum HS Program	0	0%	309	0.1%
Recommended HS Program/Distinguished Achievement Program	0	0%	101	0.0%
Foundation HS Program (No Endorsement, 22 credits)	72	16%	46,183	12.1%
Foundation HS Program (Endorsement, 22 credits)	17	3.8%	42,042	11%
Foundation HS Program (DLA – Distinguished Level of Achievement, 26 credits plus endorsement)	361	80.2%	293,032	76.7%
Special Education Graduates	35	7.8%	35,935	9.4%
Economically Disadvantaged Graduates	289	64.2%	211,984	55.5%
Emergent Bilingual (EB)/English Learner (EL) Graduates	114	25.3%	56,967	14.9%
At-Risk Graduates	225	50%	173,035	45.3%
CTE Completers	180	40%	127,800	33.5%



Section 1: TAPR

24-25 District Longitudinal Graduation Rates



	Canutillo	Region 19	State Percent
4-Year Longitudinal Rate (Gr 9-12)			
Class of 2024	93.3%	86.8%	90.7%
Class of 2023	92.4%	87%	91.1%



Section 1: TAPR

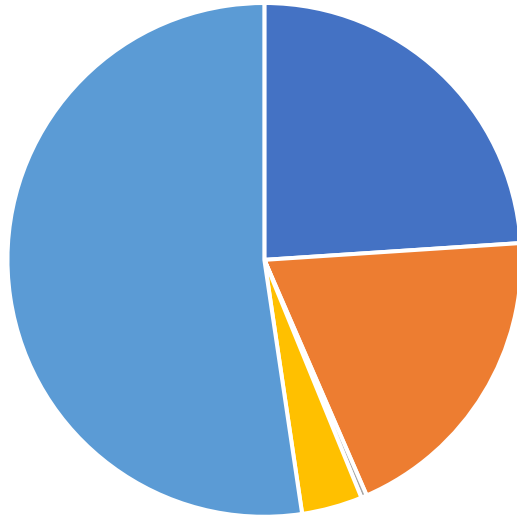
24-25 College, Career, & Military Readiness (CCMR) Profile:

Annual Graduates Class of 2024	CISD	Reg 19	State
CCMR Met (Total Percentage)	76.2%	83.7%	81.8%
Class of 2023 (23-24 TAPR)	81.5%	81.7%	76.3%
College Ready	62.2%	76.6%	70%
Met TSI Criteria in ELAR	65.6%	73%	69.5%
Met TSI Criteria in Math	60.7%	70.1%	63.2%
Met TSI Criteria in Both Subjects	53.3%	59.5%	57.4%
Met AP Criteria	20.7%	21.6%	21%
Associate Degree Completion	18%	7.5%	3.1%
Dual Course Credits in Any Subject	31.1%	29.3%	25.1%
Onramps Course Credits	4.7%	8.8%	5.7%
Special Education Graduates: Advanced Diploma	4.4%	6.3%	6%
Career or Military Ready	45.1%	35.1%	38.1%
Approved Industry Based Certification (CTE)	44%	32.7%	34.9%
Completed IEP & Workforce Readiness	1.8%	2.1%	2.7%



Section 1: Enrollment in Postsecondary Institutions

2023 Graduates: 440



- 4-Year Public University: 118
- 2-Year Public University: 98
- Independent College/University: 4
- Non-Trackable: 19
- Not-Found: 261



Section 1: TAPR

24-25 Canutillo Teacher Incentive Allotment (TIA)



TIA Designation	Canutillo	Avg. Payout	Texas	Avg. Payout
Recognized	35	\$4981	12,718	\$5,567
Exemplary	70	\$9689	16,951	\$11,062
Master	32	\$16831	10,103	\$20,910

Section 2: Status

24-25 Accreditation & Financials



23-24 F.I.R.S.T. Rating:

A

**Superior Achievement
Accredited**

District/Campus Financial Reports

Section 3:

24-25 Report on Violent or Criminal Incidents



Reason Code	Description	Canutillo ISD
36	Felony controlled substance violation	1
	Total Incidents:	1
	Student Enrollment (Fall 2024 PEIMS Snapshot):	5,727
	Incident Rate:	>1%

CISD PD- Safety & Security
CANUTILLO A Premier District



Section 4: District Performance Objectives

Canutillo ISD District Goals	Goal 1 - Student Success: *Student Safety & Well Being * Academic Growth* College Career Military Readiness	Goal 2 - Staff Success: *Staff Safety & Well Being * Professional Learning & Quality Staff * Staff Satisfaction	Goal 3 - Community Engagement & Partnerships: *Family Engagement * Community Partnerships * Customer Satisfaction	Goal 4 – Fiscal & Operational Systems: Fiscal Responsibility * Strategic Allocation of Resources * Planning for Growth * Well Maintained Facilities	Goal 5 – Technology Resources: Apple Refresh 1:1 * Wireless Access/Testing * Infrastructure/Safety * Community Connectivity.
Summary of Objectives:	Overall growth in academics (2% Masters), CCMR- 6%, attendance rates- 3%, safety practices, & social emotional learning.	Professional development cycles, evaluation systems, teacher retention rates, organizational health & Safety Response Protocols	Focus on providing parent/family opportunities for learning, engagement, and participation in district/campus committees.	Maintain fiscal A+ rating, update strategic plan, strategic allocation of resources, yearly maintenance, stakeholder surveys, & reinforces proper departmental practices.	Refreshing infrastructure with bond funds, update wireless access points, safety infrastructure, technology refresh, & departmental websites.
Objectives Evaluation Results	5 Met 6 Significant Progress 3 Some Progress	2 Met 2 Significant Progress	2 Met 1 Significant Progress	3 Met 3 Significant Progress	1 Exceeded 1 Met 4 Significant Progress



Section 5: 24-25 Progress on HB 3 Goals - District Board-Adopted

	Early Literacy						College, Career, Readiness Measures		
	Reading			Mathematics			CCMR		
	The percentage of 3 rd grade students that score meets grade level or above will increase from 34% in June 2021, to 70% by June 2027.			The percentage of 3 rd grade students that score meets grade level or above will increase from 22% in June 2021, to 70% by June 2027.			The percentage of graduates that earn a CCMR indicator will increase from 58% in 2021, to 88% by June 2027.		
Year	22-23	23-24	24-25	22-23	23-24	24-25	22-23	23-24	24-25
CISD	54%	46%	51%	55%	44%	46%	68.9%	81.5%	76.2%
Reg. 19	52%	47%	52%	45%	40%	45%	75.2%	81.7%	83.7%
Texas	50%	48%	52%	45%	42%	46%	70%	76.3%	81.8%



Thank you

This presentation
is now open for questions and
public discussion.

For questions or more information, contact:

Jessica Harrison
Director of Assessment & Accountability

915-877-7434
jharrison@canutillo-isd.org





CURRICULUM & INSTRUCTION

CANUTILLO A Premier District

TO: CISD Board of Trustees and Interim Superintendent Dr. Arellano
FROM: Jesica Arellano, Executive Director of Curriculum & Instruction
DATE: February 9, 2026
RE: Lone Star Governance Student Outcome Goal Progress

Pursuant to the Lone Star Governance (LSG) framework, Canutillo ISD administration is required to update the board on progress toward meeting student outcome goals. In alignment with our district's LSG calendar, Goals 1 & 2 (student progress in reading and mathematics) will be the focus for the month of February.

LSG Goal 1 states:

The percentage of 3rd grade students that score meets grade level or above on STAAR Reading will increase from 46% (2024) to 56% by June 2027.

LSG Goal 2 states:

The percentage of 3rd grade students that score meets grade level or above on STAAR Math will increase from 44% on (2024) to 56% by June 2027.

Current district assessment performance data points and student progress toward goal targets in math and reading were compiled and will be presented for discussion at the February 2026 board meeting. This information is being provided to board members and district administration in order to ensure collective awareness concerning student progress toward meeting the district's student outcome goals.

Street Address:

7965 Artcraft Rd.
El Paso, TX 79932

Mailing Address:

P.O. Box 100
Canutillo, TX 79835

P: (915) 877-7440
F: (915) 877-7527
canutillo-isd.org

Canutillo Independent School District does not discriminate on the basis of race, color, religion, gender, sex, national origin, age, disability, military status, genetic information, or any other basis prohibited by law in its employment practices or in providing education services, activities, and programs, including career and technical education (vocational programs).

For additional information regarding Canutillo Independent School District's policy of nondiscrimination contact the Human Resources Division: (915) 877-7423 | 7965 Artcraft Dr. | El Paso TX 79932.

CANUTILLO A Premier District

LSG 1 and 2 Data

February 2026 Update



House Bill 3:

Requires school boards to adopt detailed plans developed by their management teams that achieves goals in three areas:

- (1) Early Childhood Literacy
- (2) Early Childhood Mathematics
- (3) College Career and Military Readiness



February 2026 update:

LSG Goal 1:
Literacy

LSG Goal 2:
Mathematics



CANUTILLO A Premier District

LSG Goal:1 Literacy



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915.877.7400 | www.canutillo-isd.org
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LSG Goal 1 - Literacy

The percentage of 3rd grade students reading on grade level will increase from 46% in June 2024 to 56% by June 2027.

* Goal met in 2024-2025 academic year



Implementation MOY Outcomes: Kindergarten English

	MOY 2025	MOY 2026	% Change
Vocabulary:	47%	48%	+1%
Letter Names:	63%	70%	+7%
Spelling:	70%	79%	+9%
Decoding:	49%	51%	+2%
Letter Sounds:	54%	56%	+2%

Kindergarten English scores are outpacing 2024-2025 academic year performance in 5 of 5 domains.



Implementation MOY Outcomes: Kindergarten Spanish

	MOY 2025	MOY 2026	% Change
Vocabulary:	52%	52%	0%
Letter Names:	85%	81%	-4%
Spelling:	64%	60%	-4%
Decoding:	49%	44%	-5%
Letter Sounds:	85%	81%	-4%

Kindergarten Spanish scores are lagging 2024-2025 academic year performance in 4 out of 5 domains.



Implementation MOY Outcomes: 1st Grade English

	MOY 2025	MOY 2026	% Change
Blending Phonemes:	68%	81%	+13%
Word Reading:	38%	41%	+3%
Reading Accuracy Story:	40%	56%	+16%
Fluency Story:	25%	32%	+7%
Reading Comprehension Story:	24%	37%	+13%

1st Grade English scores are outpacing 2024-2025 academic year performance in 5 out of 5 domains.



Implementation MOY Outcomes: 1st Grade Spanish

	MOY 2025	MOY 2026	% Change
Blending Phonemes:	60%	44%	-16%
Word Reading:	55%	42%	-13%
Reading Accuracy Story:	36%	51%	+15%
Fluency Story:	31%	36%	+5%
Reading Comprehension Story:	19%	22%	+3%

1st Grade English scores are outpacing 2024-2025 academic year performance in 3 out of 5 domains.



Implementation MOY Outcomes: 2nd Grade English

	MOY 2025	MOY 2026	% Change
Word Reading:	54%	59%	+5%
Reading Accuracy:	64%	81%	+17%
Reading Fluency	25%	33%	+8%
Reading Comprehension:	34%	44%	+10%
Spelling:	17%	18%	+1%

2nd Grade English scores are outpacing 2024-2025 academic year performance in 5 out of 5 domains.



Implementation MOY Outcomes: 2nd Grade Spanish

	MOY 2025	MOY 2026	% Change
Word Reading:	71%	56%	-15%
Reading Accuracy:	62%	90%	+28%
Reading Fluency:	11%	17%	+6%
Reading Comprehension:	56%	65%	+9%
Spelling:	29%	36%	+7%

2nd Grade English scores are outpacing 2024-2025 academic year performance in 4 out of 5 domains



Implementation MOY Outcomes: 3rd Grade English

	MOY 2025	MOY 2026	% Change
Renaissance Star Reading:	54%	56%	+2%
STAAR Interim:	49%	47%	-2%

STAAR Summative 2025: 56%

These assessments predict student Meets performance on STAAR based on average growth.



Implementation MOY Outcomes: 3rd Grade Spanish

	MOY 2025	MOY 2026	% Change
Renaissance Star Reading:	28%	27%	-1%
STAAR Interim:	30%	32%	+2%

STAAR Summative 2025: 21%

These assessments predict student Meets performance on STAAR based on average growth.



Literacy Highlights:

1st Grade English	MOY 2025	MOY 2026	% Change
Fluency Story:	25%	32%	+7%
Reading Comprehension Story:	24%	37%	+13%

2nd Grade English	MOY 2025	MOY 2026	% Change
Reading Fluency:	25%	33%	+8%
Reading Comprehension:	34%	44%	+10%

Improving reading fluency performance accelerates reading comprehension growth.



Bill Childress Elementary School Literacy Highlights

3rd Grade English	Interim 2025	Interim 2026	% Change
STAAR Interim:	47%	60%	+13%



Gonzalo & Sofia Garcia Elementary School Literacy Highlights

3rd Grade English	Interim 2025	Interim 2026	% Change
STAAR Interim:	39%	47%	+8%



Literacy Data Tracking Tools:

Canutillo ISD TXRL SMART Goals

SMART GOALS			
Kindergarten	1st Grade	2nd Grade	3rd Grade
By EOY 2027, the percent of kindergarten students scoring at or above grade level will increase 15 percentage points over EOY 2024 results or reach 80% or higher on the following TX-KEA measures : - Vocabulary (from 60% to 75%) - SG1 - Letter names (from 64% to 79%) - SG2 - Spelling (from 56% to 71%) - SG3 - Decoding (from 48% to 63%) - SG4 - Letter sounds - Receptive (from 54% to 69%) - SG5	By EOY 2027, the percent of 1st grade students scoring at or above grade level will increase 15 percentage points over EOY 2024 results or reach 80% or higher on the following TPRI measures : - Blending phonemes (from 45% to 60%) - SG1 - Word reading (from 44% to 59%) - SG2 - Reading accuracy (from 37% to 52%) - SG3 - Fluency (from 26% to 41%) - SG4 - Reading comprehension (from 23% to 38%) - SG5	By EOY 2027, the percent of 2nd grade students scoring at or above grade level will increase 15 percentage points over EOY 2024 results or reach 80% or higher on the following TPRI measures : - Word reading (from 56% to 71%) - SG1 - Reading accuracy (from 51% to 66%) - SG2 - Fluency (from 30% to 45%) - SG3 - Reading comprehension (from 53% to 68%) - SG4 - Spelling (from 28% to 43%) - SG5	By EOY 2027, the percent of 3rd grade students scoring Meets on STAAR will increase 10 percentage points from 46% to 56%.
Kindergarten Spanish	1st Grade Spanish	2nd Grade Spanish	3rd Grade Spanish
By EOY 2027, the percent of kindergarten students scoring at or above grade level will increase 15 percentage points over EOY 2024 results or reach 80% or higher on the following TX-KEA Spanish measures : - Vocabulary (from 73% to 80%) - SG1 - Letter names (from 82% to 82%) - SG2 - Spelling (from 65% to 80%) - SG3 - Decoding (from 48% to 63%) - SG4 - Letter sounds - Receptive (from 51% to 66%) - SG5	By EOY 2027, the percent of 1st grade students scoring at or above grade level will increase 15 percentage points over EOY 2024 results or reach 80% or higher on the following Tejas Lee measures : - Blending phonemes (from 64% to 79%) - SG1 - Word reading (from 72% to 80%) - SG2 - Reading accuracy (from 45% to 60%) - SG3 - Fluency (from 15% to 30%) - SG4 - Reading comprehension (from 23% to 38%) - SG5	By EOY 2027, the percent of 2nd grade students scoring at or above grade level will increase 15 percentage points over EOY 2024 results or reach 80% or higher on the following Tejas Lee measures : - Word reading (from 71% to 80%) - SG1 - Reading accuracy (from 52% to 67%) - SG2 - Fluency (from 14% to 29%) - SG3 - Reading comprehension (from 44% to 59%) - SG4 - Spelling (from 18% to 33%) - SG5	By EOY 2027, the percent of 3rd grade students scoring Meets on STAAR will increase 15 percentage points from 21% to 36%.

PROGRESS MONITORING														
Note: district average should include TXRL campuses only														
Grade / Assessment	Screening Window	SG #	Measure	Baseline EOY 2024	BOY 2024	MOY 2025	EOY 2025	+/- from EOY 2024 to EOY 2025	Goal Met?	BOY 2025	MOY 2026	EOY 2026	+/- from EOY 2024 to EOY 2026	Goal Met?
Kinder / TX-KEA	B,M,E	SG1	Vocabulary	60%	40%	47%	59%	-1	N	40% 321/339 Tested	48% 299/341 Tested			
	B,M,E	SG2	Letter names	64%	56%	63%	64%	0	N	59% 321/339 Tested	70% 299/341 Tested			
	B,M,E	SG3	Spelling	56%	63%	70%	68%	+12	Y	61% 321/339 Tested	79% 299/341 Tested			
	B,M,E	SG4	Decoding	50%	21%	49%	54%	+4	N	23% 321/339 Tested	51% 299/341 Tested			
	B,M,E	SG5	Letter sounds	54%	20%	54%	60%	+6	Y	61% 321/339 Tested	56% 299/341 Tested			

District and Campus SMART Goals Literacy K - 3



Literacy Data Tracking Tools continued:

Canutillo ISD Reading Language Arts	The percentage of 3rd grade students reading on grade level will increase from 46% in June 2024 to 56% by June 2027. STAAR	The percentage of 3rd grade students reading on grade level will increase from 21% in June 2024 to 36% by June 2027. STAAR Spanish	The percentage of 4th grade students reading on grade level will increase from 54% in June 2024 to 62% by June 2027. STAAR	The percentage of 4th grade students reading on grade level will increase from 33% in June 2024 to 48% by June 2027. STAAR Spanish	The percentage of 5th grade students reading on grade level will increase from 60% in June 2024 to 68% by June 2027. STAAR	The percentage of 5th grade students reading on grade level will increase from 17% in June 2024 to 32% by June 2027. STAAR Spanish	The percentage of 6th grade students reading on grade level will increase from 51% in June 2024 to 59% by June 2027. STAAR	The percentage of 7th grade students reading on grade level will increase from 50% in June 2024 to 60% by June 2027. STAAR	The percentage of 8th grade students reading on grade level will increase from 44% in June 2024 to 56% by June 2027. STAAR	The percentage of 9th grade students reading on grade level will increase from 53% in June 2024 to 61% by June 2027. STAAR	The percentage of 10th grade students reading on grade level will increase from 60% in June 2024 to 68% by June 2027. STAAR
2023-2024 STAAR	46%	21%	54%	33%	60%	17%	51%	50%	44%	53%	60%
2024-2025 BOY	54%	27%	49%	35%	62%	34%	59%	59%	57%	61%	76%
2024-2025 MOY	55%	28%	54%	32%	68%	40%	57%	60%	61%	65%	74%
2024-2025 Interim	49%	30%	52%	51%	69%	43%	49%	47%	45%	64%	60%
2024-2025 EOY	55%	25%	50%	33%	65%	31%	59%	60%	59%	64%	67%
2024-2025 STAAR	56%	21%	56%	41%	69%	31%	48%	50%	39%	56%	57%
Change from STAAR 2024 to STAAR 2025	10	0	2	8	9	14	-3	0	-5	3	-3
2024-25 EOY Goal	49%	26%	56%	38%	62%	22%	53%	53%	48%	55%	62%
2025-2026 BOY	59% 397 Tested	30% 177 Tested	46% 370 Tested	35% 143 Tested	56% 318 Tested	30% 132 Tested	57% 309 Tested	56% 382 Tested	60% 385 Tested	66% 443 Tested	70% 436 Tested
2025-2026 MOY	56% 387 Tested	27% 179 Tested	54% 402 Tested	33% 163 Tested	63% 383 Tested	35% 153 Tested	54% 316 Tested	62% 393 Tested	69% 380 Tested	62% 393 Tested	63% 323 Tested
2025-2026 Interim	47% 331 Tested	32% 67 Tested	55% 394 Tested	53% 34 Tested	54% 408 Tested	54% 35 Tested	55% 351 Tested	50% 425 Tested	66% 413 Tested	49% 402 Tested	55% 441 Tested

District and Campus Progress Monitoring Tool Literacy 3 - 10



CANUTILLO A Premier District

LSG Goal:2 Mathematics



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Early Childhood Mathematics

LSG Goal 2

The percentage of 3rd grade students that score meets grade level or above on STAAR Math will increase from 44% on June 2024 to 56% by June 2027.



Implementation BOY to MOY Outcomes: Mathematics

	BOY 2025	MOY 2026	% Change
Kindergarten:	74%	49%	-25%
1st Grade:	26%	39%	+13%
2nd Grade:	16%	50%	+34%
3rd Grade:	8%	17%	+9%

Strong increases in 2nd grade district wide.



Implementation MOY Outcomes: 3rd Grade Mathematics

	MOY 2025	MOY 2026	% Change
STAAR Interim English:	45%	31%	-14%
STAAR Interim Spanish:	22%	28%	+6%

STAAR Summative 2025 English: 47%
STAAR Summative 2025 Spanish: 38%

These assessments predict student Meets performance on STAAR based on average growth.



Campus Highlights: Bill Childress Elementary School

	BOY 2025	MOY 2026	% Change
Spotlight Grade Level: 2nd	12%	35%	+23%

**Spotlight 2nd Grade Teacher:
Ms. Linda Cardenas Del Angel**

BOY 2025	MOY 2026	% Change
8%	35%	+27%



Campus Highlights: Canutillo Elementary School

	BOY 2025	MOY 2026	% Change
Spotlight Grade Level: 2nd	17%	75%	+58%

**Spotlight 2nd Grade Teacher:
Ms. Luz Barraza**

BOY 2025	MOY 2026	% Change
0%	88%	+88%



Campus Highlights: Deanna Davenport Elementary School

	BOY 2025	MOY 2026	% Change
Spotlight Grade Level: 2nd	7%	37%	+30%

**Spotlight 2nd Grade Teacher:
Ms. Priscilla Lozano**

BOY 2025	MOY 2026	% Change
5%	30%	+25%



Campus Highlights: Gonzalo & Sofia Garcia Elementary School

	BOY 2025	MOY 2026	% Change
Spotlight Grade Level: 2nd	14%	65%	+51%

**Spotlight 2nd Grade Teacher:
Ms. Irene Alderete De La Cruz**

BOY 2025	MOY 2026	% Change
0%	64%	+64%



Campus Highlights: Jose H. Damian Elementary School

	BOY 2025	MOY 2026	% Change
Spotlight Grade Level: 1st	22%	46%	+24%

**Spotlight 2nd Grade Teacher:
Ms. Susana Felix**

BOY 2025	MOY 2026	% Change
7%	40%	+33%



Campus Highlights: Congressman Silvestre & Carolina Reyes Elementary School

	BOY 2025	MOY 2026	% Change
Spotlight Grade Level: 1st	29%	64%	+35%

Spotlight 2nd Grade Teacher: Ms. Stephani Romo		
BOY 2025	MOY 2026	% Change
9%	61%	+52%



Mathematics Data Tracking Tools:

Canutillo ISD Mathematics	The percentage of Kindergarten grade students on grade level in math will increase from 79% in June 2025 to 94% by June 2027. STEMscopes Math	The percentage of 1st grade students on grade level in math will increase from 37% in June 2025 to 52% by June 2027. STEMscopes Math	The percentage of 2nd grade students on grade level in math will increase from 25% in June 2025 to 40% by June 2027. STEMscopes Math	The percentage of 3rd grade students on grade level in math will increase from 44% in June 2024 to 56% by June 2027. STAAR	The percentage of 3rd grade students on grade level in math will increase from 35% in June 2024 to 50% by June 2027. STAAR Spanish
2023-2024 STAAR				44%	35%
2024-2025 BOY STEMscopes	78%	26%	15%	9%	
2024-2025 MOY STEMscopes	54%	34%	36%	22%	
2024-2025 Interim				45%	22%
2024-2025 EOY STEMscopes	79%	37%	25%	50%	
2024-2025 STAAR				47%	38%
Change from STAAR 2024 to STAAR 2025	-	-	-	3	3
2024-25 EOY Goal				48%	40%
2025-2026 BOY STEMscopes	74%	26%	16%	8%	31%
# of Students Tested	340 Tested	362 Tested	391 Tested	439 Tested	51 tested
2025-2026 Fall Interim Optional				43.30%	
# of Students Tested				291 Tested 5/6 Schools	
2025-2026 MOY STEMscopes	49%	39%	50%	17%	
# of Students Tested	304 Tested	320 Tested	363 Tested	387 Tested	
2025-2026 Spring Interim				31%	28%
# of Students Tested				328 Tested	67 Tested
2025-2026 EOY STEMscopes					
2025-2026 STAAR					
Change from STAAR 2025 to STAAR 2026					
2025-2026 Goal				52%	45%
2026-2027 Goal	94%	52%	40%	56%	50%
Smart Goal % increase from 2024 actual	15%	15%	15%	12%	15%

District and Campus Progress Monitoring Tool Mathematics K-Algebra I



Mathematics Data Tracking Tools continued:

Canutillo ISD Mathematics	The percentage of 3rd grade students on grade level in math will increase from 44% in June 2024 to 56% by June 2027. STAAR	The percentage of 3rd grade students on grade level in math will increase from 35% in June 2024 to 50% by June 2027. STAAR Spanish
2023-2024 STAAR	44%	35%
2024-2025 STAAR	47%	38%
Change from STAAR 2024 to STAAR 2025	3	3
2024-2025 STAAR - STATE	45%	28%
Comparison Change from STAAR 2025 CISD vs STATE	2%	10%
2024-2025 STAAR - REGION	45%	32%
Comparison Change from STAAR 2025 CISD vs REGION	2%	6%
2024-2025 EOY STAAR Goal	48%	40%
2025-2026 EOY STAAR Goal	52%	45%
2026-2027 EOY STAAR Goal	56%	50%
Percentage Points away from 2027 Goal *STAAR 2025*	-9%	-12%
Smart Goal % increase from 2024 actual	12%	15%

District and Campus Progress Monitoring Tool Mathematics K-Algebra I: Comparison to STATE & REGION



Next Steps:

- CISD is developing lesson internalization tools to support teachers with use of HQIM.
- CISD is developing a new PLC protocol.
- CISD is developing a walkthrough protocol to provide immediate coaching feedback to teachers and campus leaders.





CURRICULUM & INSTRUCTION

CANUTILLO A Premier District

TO: CISD Board of Trustees and Superintendent Borrego
FROM: Jesica Arellano, C&I Executive Director
DATE: February 5, 2026
RE: Lone Star Governance Student Outcome Goal Progress

Pursuant to the Lone Star Governance (LSG) framework, Canutillo ISD administration is required to update the Board of Trustees on progress toward meeting student outcome goals. In alignment with the district's LSG calendar, Goal 3 – the percentage of graduates earning a CCMR indicator – will be the focus for the month of February.

LSG Goal 3:

The percentage of graduates who earn a CCMR indicator will increase from 64% (2022) to 88% by June 2026.

Recent CCMR performance data indicate that the district has not yet reached projected milestones, prompting targeted support and strategic action. The Advanced Academics Coordinator is collaborating closely with Canutillo High School administrators and counselors on a weekly basis to strengthen CCMR outcomes. Current efforts include:

- TSI testing coordination and intervention strategies to increase participation and passing rates;
- Review and expansion of Advanced Placement (AP) offerings to enhance college readiness opportunities; and
- Monitoring and planning for Dual Credit/Dual Enrollment courses to align with current and future student pathways.

These actions are designed to ensure ongoing alignment with district targets and to maintain collective awareness among board members and district leadership regarding progress toward achieving LSG Goal 3.

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7965 Artcraft Rd.
El Paso, TX 79932

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Canutillo, TX 79835

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canutillo-isd.org

Canutillo Independent School District does not discriminate on the basis of race, color, religion, gender, sex, national origin, age, disability, military status, genetic information, or any other basis prohibited by law in its employment practices or in providing education services, activities, and programs, including career and technical education (vocational programs).

For additional information regarding Canutillo Independent School District's policy of nondiscrimination contact the Human Resources Division: (915) 877-7423 | 7965 Artcraft Dr. | El Paso TX 79932.

CANUTILLO A Premier District

LONE STAR GOVERNANCE



GOAL 3: COLLEGE CAREER MILITARY READINESS (CCMR) GOALS AND PROGRESS MONITORING INDICATORS

February 2026



What is CCMR?

College-Ready Pathways

- **College Ready through SAT, ACT, and/or TSIA2 Assessments:** Meeting the college-ready benchmarks
- **AP Exams:** Scoring a 3 or higher on an AP exam
- **Dual Credit:** Completing and earning 6 credits in a dual credit course in English language arts (ELA) or mathematics, or earning 9 credits or more in any subject dual credit course

Career-Ready Pathways

- **Industry-Based Certifications:** Earning a recognized industry-based certification in areas like healthcare, information technology, or manufacturing; and **CTE (Career and Technical Education) Coherent Sequence Coursework:** Completing a coherent sequence of CTE courses in a program of study that leads to an industry-based certification.

Military-Ready Pathways

- **Enlistment in the Military:** Enlisting in any branch of the U.S. Armed Forces & submission of DD-4 form

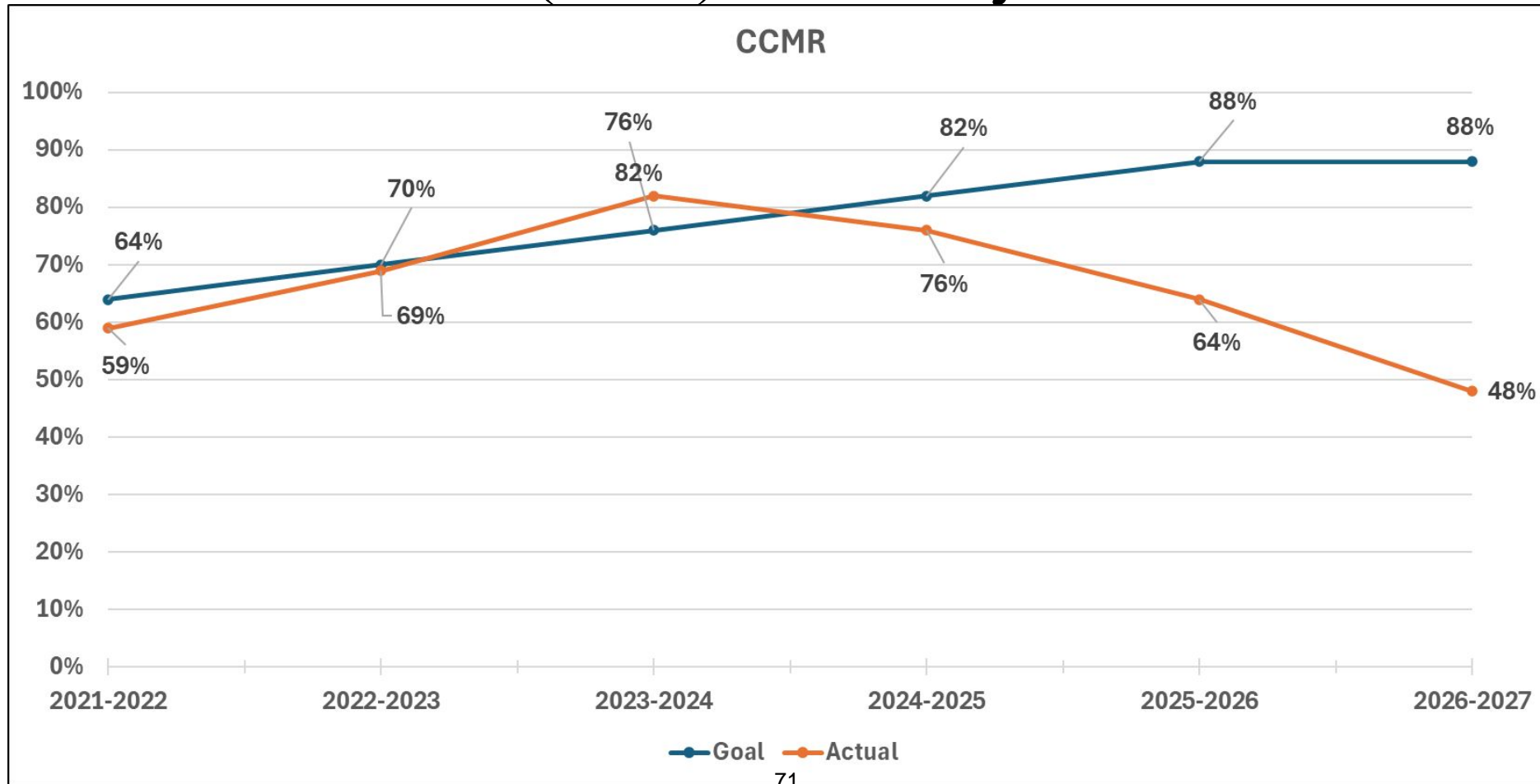
Other Recognized Achievements

- **OnRamps Dual Enrollment:** Successfully completing an OnRamps course (UT-Austin's dual enrollment program).
- **College Prep Courses:** Completing a college preparatory course in ELA or mathematics, as defined in a partnership agreement with a higher education institution.
- **Completed IEP & Workforce Readiness Measures:** Pathways for special education serviced students who meet specific criteria



Goal 3: CCMR

The percentage of graduates earning a CCMR point will increase from 64% (2022) to 88% by June 2026.



How is CCMR Data Collected & Reported?

Graduating Class	CCMR %	Validation Status	What's Next?	Data Validation Timeline
2024	76%	Complete	TAPR 2025	Complete
2025*	64%	Still in Collection; pending verification	March 2026 Verifier	CCMR Data for Class of 2025 will be reported in August 2026 A-F & 2026 TAPR
2026*	48%	Very raw, students are still earning their point throughout the school year.	Students work towards graduation and point completion; 2027 Verifier	CCMR data will be reported in August 2027 A-F & 2027 TAPR

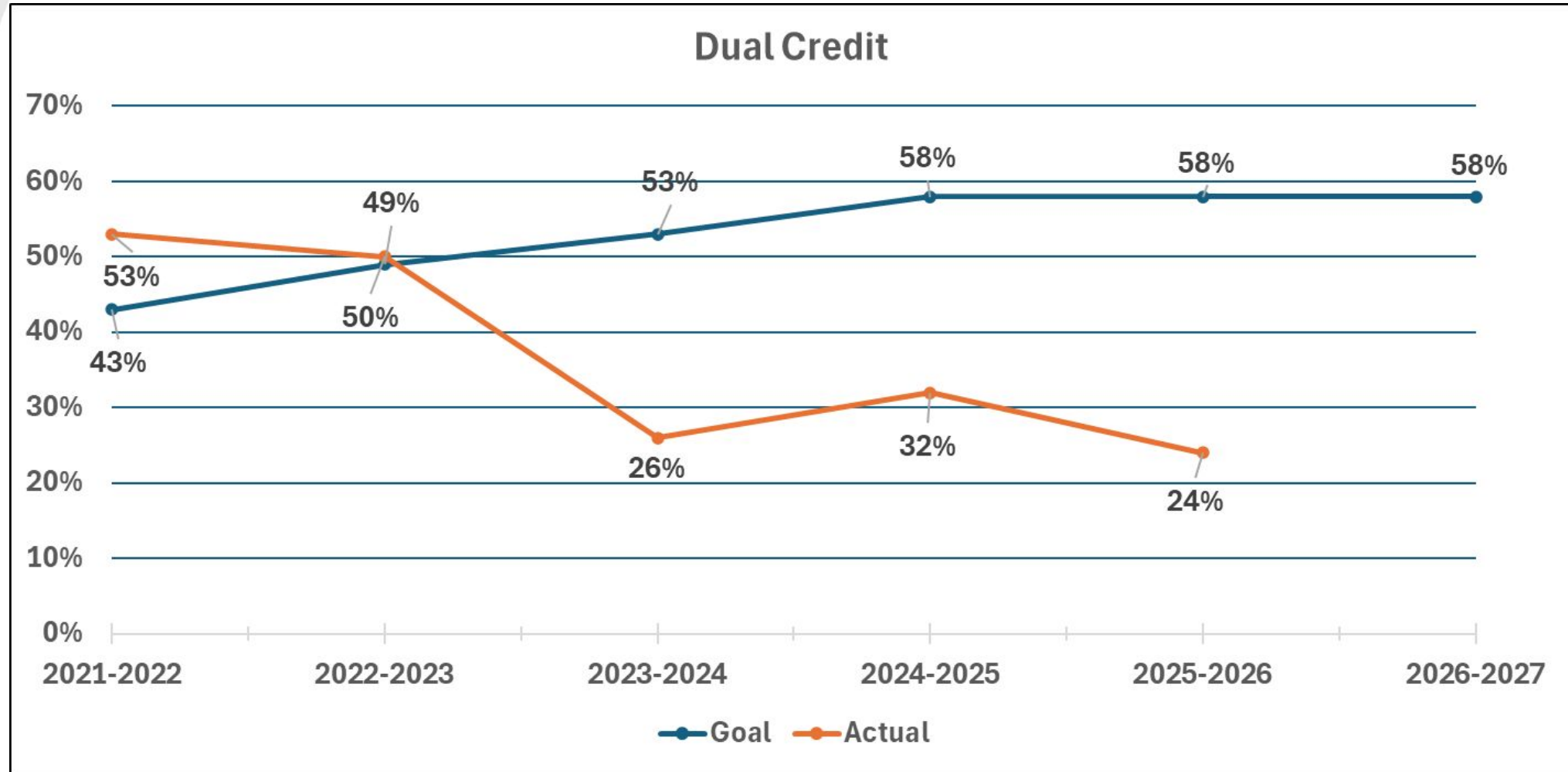


CCMR - Unlocking Potential for ALL Students

- CCMR Advisory Committee
 - Weekly Meeting with Admin, Counselors, Test Coordinators, C&I
 - Monitor each cohort starting in 8th Grade (TSI ONLY)
- AP Scores
 - 568 Students took 1093 tests
 - 33% scored 3 or higher Spanish Speaking students registered for AP Spanish Test
- Implemented Method Learning-Online Platform for TSI/ACT/SAT prep (8-12 grade)
- Universal TSI Testing Sessions throughout the school and the summer:
 - Seniors (November 2025)
 - Juniors (Monthly, open to all)
 - Sophomores (January-Math; May- ELAR)
 - Freshmen (Monthly, open to all)
 - 8th Grade Eng/Math Honors (November/May)
 - AMS created TSI prep course
- College Prep Math and English Courses
- Texas College Bridge



GPM 3.1 The percentage of graduates earning a Dual Credit CCMR point will increase from 37% in June 2022 to 61% by June 2026.



GPM 3.1 Current Dual Credit Offerings

CHS

- Education 1300
- ENG 3
- ENG 4
- US History
- Math 1314 (Pre-Calc)
- Psychology
- Geology/Lab
- Government (online)
- Pre-Calc
- Criminal Justice 1301
- Music Appreciation
- Chemistry (UT OnRamps)
- Rhetoric (UT OnRamps)

NWECHS

- Education 1300
- US History
- World History
- ENG 3 and ENG 4
- Astronomy
- Geology/Lab
- Biology/Lab
- Speech
- Pre-Calculus
- Calculus
- Math for Social Sciences/Business
- Chemistry (UT OnRamps)
- College Algebra (UT OnRamps)

75

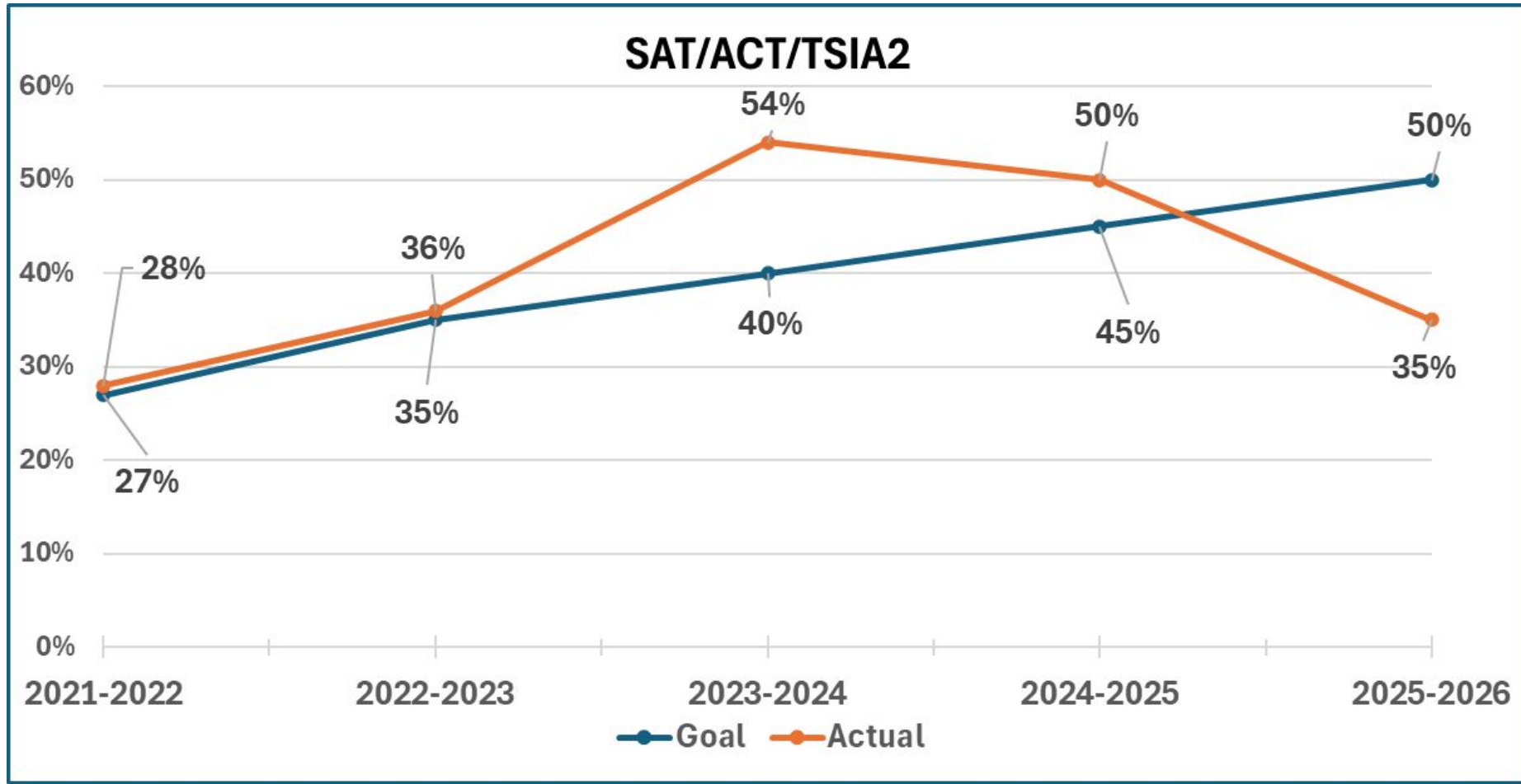


GPM 3.1

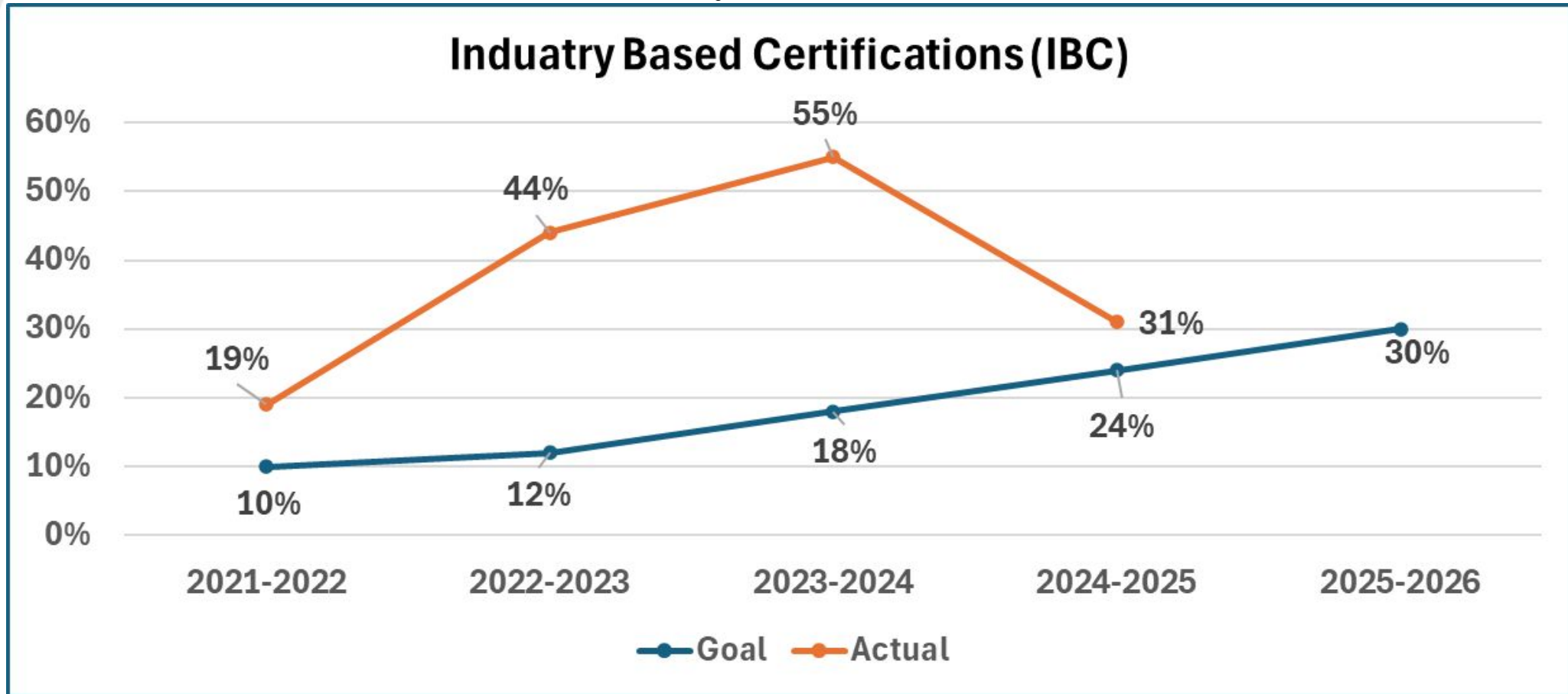
- CHS Offering OnRamps Chemistry Course through UT Austin
 - First Course 2024-2025 School Year
 - (12/12 Accepted Lecture Credit; 11/12 Accepted Lab Credit)
 - OnRamps Rhetoric (CHS) Fall 2025 /Spring 2026
- Dual Credit courses are open-enrollment and available for any student who meets the criteria to enroll
- Sul Ross University SY 2026-2027



GPM 3.2 The percentage of graduating seniors scoring at or above SAT/ACT/TSIA2 college ready criterion will increase from 25% in June 2022 to 50% by June 2026.



GPM 3.3 The percentage of graduating seniors who earn an approved Industry Based Certification (IBC) will increase from 5.3% in June 2022 to 30% by June 2026.



GPM 3.3 CTE IBC by Program & Teacher

TEACHER	PROGRAM OF STUDY	STATE IBC OFFERED	LOCAL IBC OFFERED
Jaime Campo	Engineering Foundations	Autodesk Associate (Certified User) AutoCAD	
Sylvia Beste	Patient Care Technician	Patient Care Technician (PCT)	CPR
Jessica Campbell (NW)	Business Management	Entrepreneurship & Small Business (ESB)	
Jaime Campo	Robotics and Automation Technology	TBD	
Ron Gil	Agricultural Technology and Mechanical Systems	American Welding Society D1.1 & D9.1	
Ron Gil	Animal Science	-Veterinary Assistant, Level I -Elanco Veterinary Medical Application	
Maria Hernandez	Dental Assistant	Dental Assistant	CPR
Maria Hernandez	Pharmacy Technician	Pharmacy Technician	CPR
Adrian Portillo (NW)	Cybersecurity	-CodeHS Cybersecurity Level I CodeHS Python Level I	
Adrian Portillo (NW)	Programming and Software Development	Information Technology Specialist: JAVA	
Crystal Rodriguez	Early Learning	Educational Aide I	CPR
Rosie Scogin	Marketing & Sales	-Stukent Social Media Marketing -Entrepreneurship & Small Business (ESB)	
Edgar Soto	Law Enforcement	Private Security Level II	-Private Security Level III -Stop the Bleed -CPR -Oleoresin Capsicum Spray Certificate (OC Spray) -Firearms Proficiency Certificate
Dina Thomason	Biomedical Sciences	Biotechnician Assistant Credentialing Exam (BACE)	





*Canutillo Independent School District
Board of Trustees*

Resolution

Resolution Regarding Senate Bill 11

Period of Prayer and Reading of the Bible or Other Religious Text

The Canutillo ISD shall adopt a policy requiring every campus of Canutillo ISD to provide a period of prayer and reading of the Bible or other religious text as provided by Education Code 25.0823.

Adopted this 24th day of February, 2026, by the Board.

Sergio Martinez, Board President:

Cindy Zuniga, Board Secretary:



Highland

TELLUS POWER

Highland[®]

Canutillo ISd

December 2025

Your partner in fleet electrification

Highland takes on the risk, complexity, and upfront expense, so you don't have to.

Our Guarantees

Highland guarantees that its system of electric vehicles, chargers and infrastructure will deliver:

- ✓ 97% charger uptime
- ✓ Route-ready vehicles at the start of each day
- ✓ 30 minute response time for system issues
- ✓ Price stability, even when electricity costs fluctuate
- ✓ Performance-based contract



 Funding & Financing	 Project planning	 Vehicle & charger procurement
 Permitting & installation	 Charger operation & maintenance	 Maintenance reimbursement
 FleetX Remote Management	 Fueling (electricity)	 Staff & driver training

Proposed Site Plan



Proprietary and confidential. Not for construction. Subject to change based on permitting authority or utility requirements, and design improvements.

Highland Contract Pricing

Pricing is inclusive of:

- All up-front capital costs, no costs to Canutillo ISD until the buses and depot are operational.
 - Vehicles
 - Utility interconnection (already complete)
 - Charger procurement and delivery
 - Construction
- Ongoing Highland Depot services:
 - Grant and reporting support
 - Site surveying
 - Permitting
 - Civil & environmental engineering
 - **Charging and fleet management software FleetX**
 - Route & fleet feasibility analysis and reports
 - **Charger maintenance**
 - Extended charger warranty
 - **Operational & uptime guarantee**
 - Vehicle-to-grid integration where possible
 - **Dedicated support and troubleshooting staff**
 - Press events
 - Customer Success Manager
 - **Extensive training for drivers, admin, community**
 - Highland monetizes 45W/30C tax credits to lower price

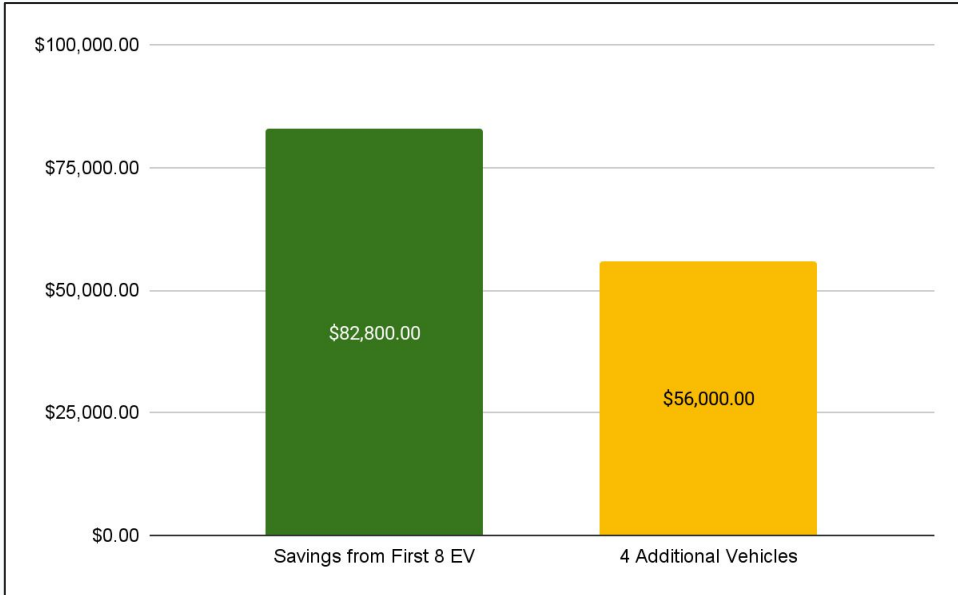
Fleet Electrification-as-a-Service Offering				
Base Service Fee*	Bus Quantity	Charger Qty. / Type	Funded in part by:	
\$12,200 - \$14,000 / bus / year	4	4 / 30kW	EPA Clean School Bus Program	
Base Service Term	Vehicle	Annual Escalator	Average Annual School Days	Annual Mileage
10 years	Type C	3%, subject to CPI adjustments	180 days	9,000 miles

***Pricing conditional on securing federal funding and tax credits. Low risk, but still conditional*

**No scrap vehicles are required from the district*



Phase 1 Deployment Savings



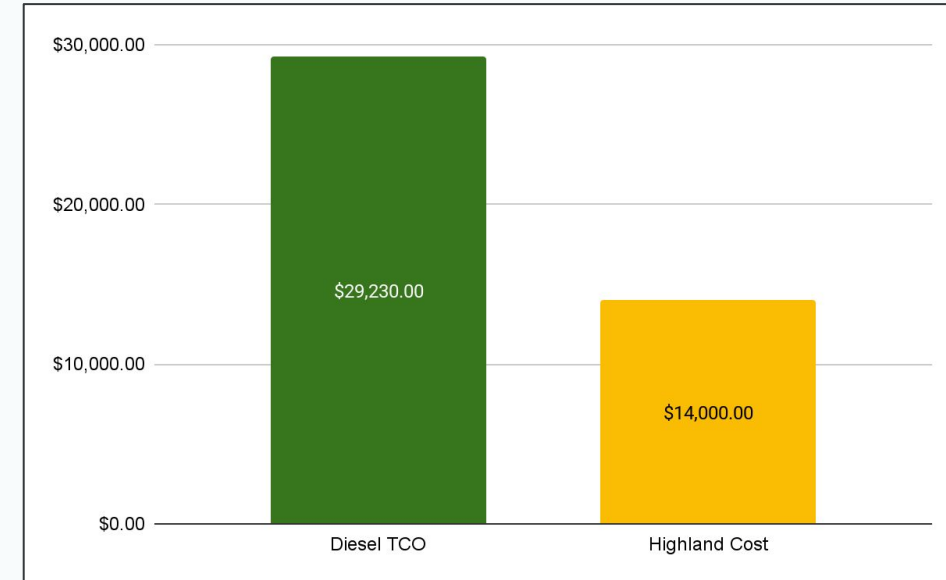
Diesel Savings from First 8 Vehicles	
Average Annual Mileage	9,000
Efficiency (mpg)	6 mpg
Diesel Fuel Price (\$/gal)*	\$3.30
Diesel Savings per bus	\$4,950
Number of Diesel Buses Replaced	8
Diesel Fuel Savings from Phase 1	\$39,600/year
Maintenance + Bus Cost Savings	
Diesel Bus Cost	\$165,000
M&R Year 1 (per bus)***	\$5,400
Number of Diesel Buses Replaced	8
Maintenance Savings from Phase 1	\$43,200
Combined Fuel and Maintenance Savings	\$82,800

The economic savings from the first 8 vehicles comfortably offset the cost to add 4 additional EV vehicles, chargers, energy, and maintenance with Highland.

What will it cost to operate a diesel bus?

Diesel operation costs will continue to increase and fluctuate with market volatility

10-year Diesel TCO* Medium Volatility Case	Year 1 Cost Assumptions	Yearly Average	Lifetime Costs
Vehicle Operating Timeframe	2026	2026-2038	2026-2038
Vehicle Purchase Price	\$165,000	-	\$168,000
Fuel (\$/bus)	\$4,950	\$5,943	\$59,430
Maintenance and Repair (\$/bus and Labor)	\$5,400	\$6,483	\$64,830
LIFETIME TCO ¹			\$292,263
YEARLY AVERAGE TCO			\$29,230



The Highland Fleet Contract, utilizing the awarded grant funding, is a more stable and affordable option for Canutillo ISD over the following 10 years.



*Modeling assumptions, including cost escalator rates, are available upon request.
¹ Lifetime costs include a 10% chance of a large engine overhaul repair cost

Our Projects

6.0M+

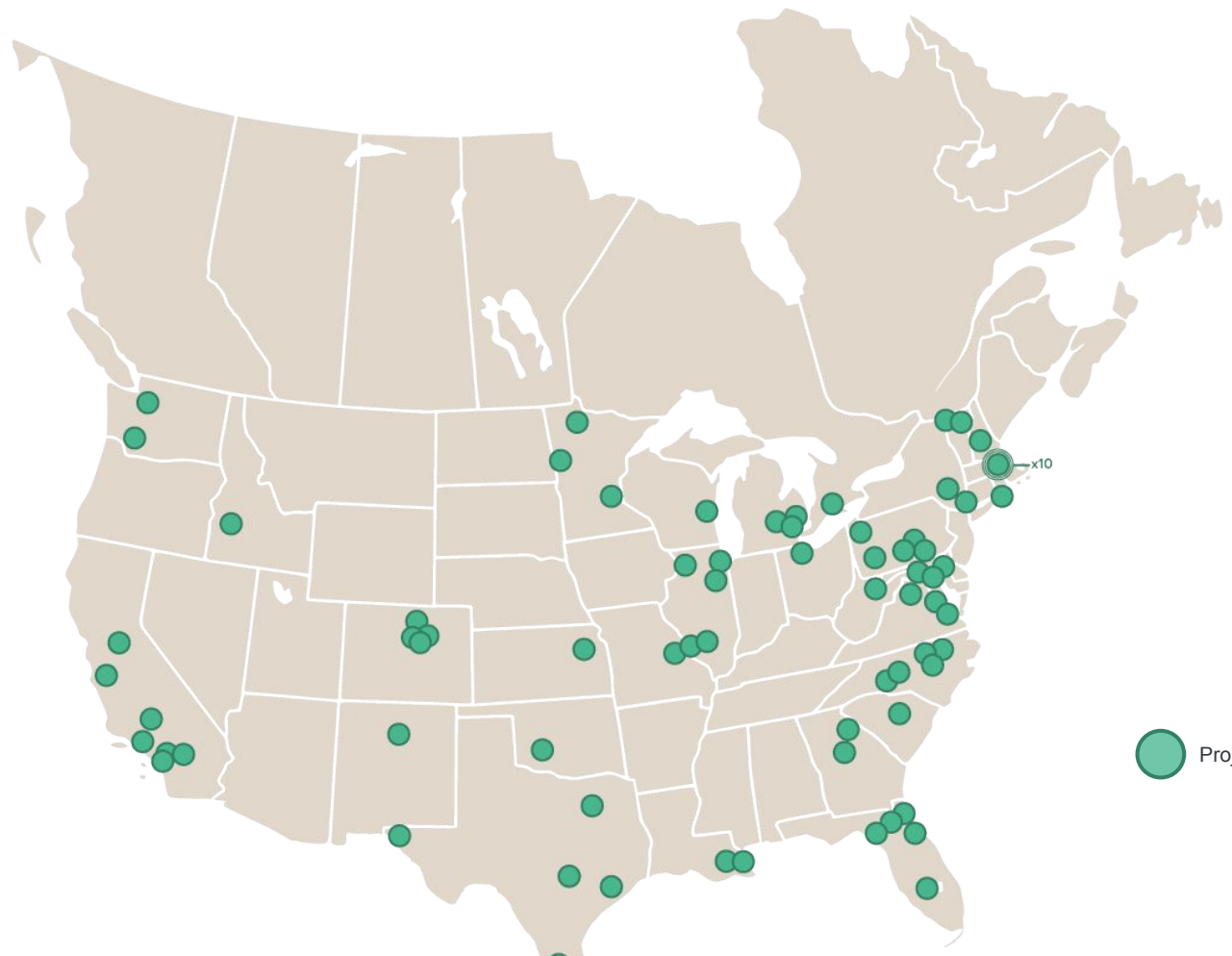
electric miles driven

1,000+

electric school buses
under contract

130

School district partners under
development and contracted



Projects

California

- Salinas City ESD
- Compton Unified SD/NEC
- Fruitvale SD, Bakersfield
- Roseville City Elementary SD
- Moreno Valley Unified
- Oxnard SD

Colorado

- Peak to Peak Charter School
- Jeffco PS
- Cherry Creek USD
- Jefferson County USD

Florida

- Glades County SD
- Dixie District Schools
- Duval County PS
- KIPP Jacksonville
- Union County SD

Georgia

- Wilkes County PS
- Bibb County Schools

Idaho

- Boise School District

Illinois

- Palatine Community CSD
- West Aurora SD 129
- East St. Louis SD 189
- Hardin County CUSD No.1

Kansas

- Topeka/NAC PS

Louisiana

- New Orleans Charter Science & Mathematics HS/ NEC
- New Orleans/NEC

Massachusetts

- Amherst PS
- Beacon Mobility
- Beverly PS

Maryland

- Baltimore City PS
- Baltimore County PS
- Montgomery County PS
- City of Beverly
- Essex North Shore
- Hamilton-Wenham/Clean Ride
- WeDriveU
- Lincoln PS/Clean Ride
- Holyoke PS/NEC
- Worcester PS

Michigan

- Dearborn PS
- Jackson PS
- Redford Union SD/NEC

Minnesota

- Red Lake PSD 38
- Edina PS
- Moorhead PS

Missouri

- Normandy Schools Collaborative
- RISE SE Raleigh Charter

North Carolina

- KIPP Durham
- KIPP Halifax
- KIPP Gaston
- Charlotte-Mecklenburg Schools

New Hampshire

- Rumney SD (SAU 48)/NEC

New York

- Hyde Park CSD
- Scarsdale PS

New Mexico

- GreenPower Motor Co.

Ohio

- Toledo City PS

Oklahoma

- Cache PS

Pennsylvania

- Baldwin-Whitehall SD
- Bethlehem Area SD
- Erie City SD
- Greater Johnstown/McIllwain
- Unionville-Chadds Ford SD

Rhode Island

- Cumberland/NEC PS

Texas

- Canutillo ISD
- Dallas ISD
- San Marcos CISD
- Cypress-Fairbanks ISD
- Valley View ISD

Vermont

- South Burlington SD
- Champlain Valley SD

Virginia

- Manassas City PS
- Westmoreland Colonial Beach
- Westmoreland Montross

Washington

- Tukwila SD
- Woodland PS

West Virginia

- Grant County Schools
- Milwaukee PS/NAC

Wisconsin

- Milwaukee PS/NAC

Canada

- Attridge Transportation, ON



Highland Sourcewell Contract 051123-HEF

Highland was one of 9 companies awarded through Sourcewell's competitive solicitation for Fleet Electrification Services, among a field of 43 applicants.

Contract 051123-HEF is for Turnkey Fleet Electrification Services provided as an annual fee per bus, based on mileage, term, charger capacity (kW), and Net Vehicle Acquisition Costs (Net VAC). Highland's Contracted fee per bus includes cost of design, equipment acquisition & installation, project implementation, and ongoing services.



Canutillo ISD

Sourcewell 

Awarded Contract

Contract #051123-HEF

Does EPA CSB Program allow use of Sourcewell Contracts?

Yes! "Cooperative Purchasing Contracts (like Sourcewell) can be used instead of issuing RFPs" for EPA Awarded projects, as Sourcewell contracts meet the competitive requirements and include the required Federal terms and conditions of 2 CFR Part 200.
(Quote Ref: EPA CSB RFP - Q&A 5.30)

Highland 051123-HEF

EPA Criteria	Sourcewell Award	EPA Compliance
Project Planning and Design	✓	✓
Site Prep & Installation	✓	✓
Bus & Charger Acquisition	✓	✓
Air Quality Monitoring	✓	✓
V2G Equipment & Software	✓	✓
Fleet Management Software	✓	✓

Thank you



Appendix

Why now?



Available Funding

- Grant & incentive programs
- State & local policies
- Utility programs



Major Manufacturers, Track Record

- OEMs committed to electrification
- 1,700+ electric buses on the road for 5+ years



Business Model Innovation

- Zero upfront cost
- Lower cost of operation
- Summertime V2G



FleetX: purpose-built EV fleet software

Manage your fleet from your fingertips

Monitor Route Readiness

Vehicle Name	AM Route Readiness	Plug Status
10	● Ready+	● In Motion
11	● Ready+	● Charging
3	● Ready+	● In Motion
5	● Ready+	● In Motion

Schedule tracking during project development and execution

Project Status

Project Summary:
This is the project summary. It can be a couple of sentences, but is intended to be brief.
Contracted Operational Date: 01/31/2025
Targeted Operational Date: 01/31/2025

Project Stages
Track project progress across key milestones
1 Task Pending

- Kickoff
- Planning
- Building
- Adoption
Support initial bus operations and route management. (0-12 months)
- Activation

3 of 5 stages complete 60%

Estimated Completion Date: 12/21/2024
Last updated on 10/23/2024

Current Stage: Adoption

92

Access step-by-step training resources and troubleshooting guides

Vehicles **Chargers**

About My Fleet
This section will give basic introduction to the key elements of operating

- What's Inside an Electric School Bus
- What is Vehicle-to-Grid (V2G)

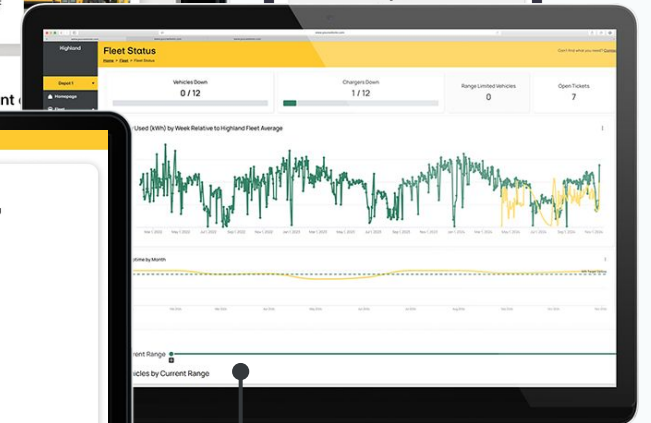
Driving Electric 20%
Day to Day Operations 70%
Maintenance 0%
Route Planning 100%

Submit & track support tickets from anywhere

All Tickets Create New Ticket

TICKET ID	TITLE	STATUS
0123	Charger Down	● Open
0124	Regenerative Braking not working	● In Progress
0125	Charger Down	● Delayed
0126	Vehicle did not charge fully overnight	● Open
0127	12v vehicle battery is dead	● Open
0124	Regenerative Braking not	● In Progress

Track historical performance



Additional Benefits Working with Highland

EPA Clean School Bus Grant Award: Highland Commitments

Workforce Development

[GRID Alternatives](#): Contract with GRID Alternatives to develop and perform EVSB and charger trainings including classroom, video and field trainings.

Air Quality Quantifications

[QuantAQ](#): Purchase and deploy QuantAQ Air Quality Sensors at depots prior to electrification

- Publish pre-electrification air quality reports to establish baseline air quality metrics
- Regularly collect and report on air quality metrics after EVSB deployment to demonstrate how electrification impacts air quality

Community Engagement

- Education: Develop and lead interactive community events to educate the local communities on electrification, how it works, and how it improves local health and environments
 - Press Releases: Provide press releases to relevant media to highlight electrification progress
 - Ribbon Cutting: Organize event for district staff, students, local politicians, and EPA staff
-

Fire Safety and First Responder Training

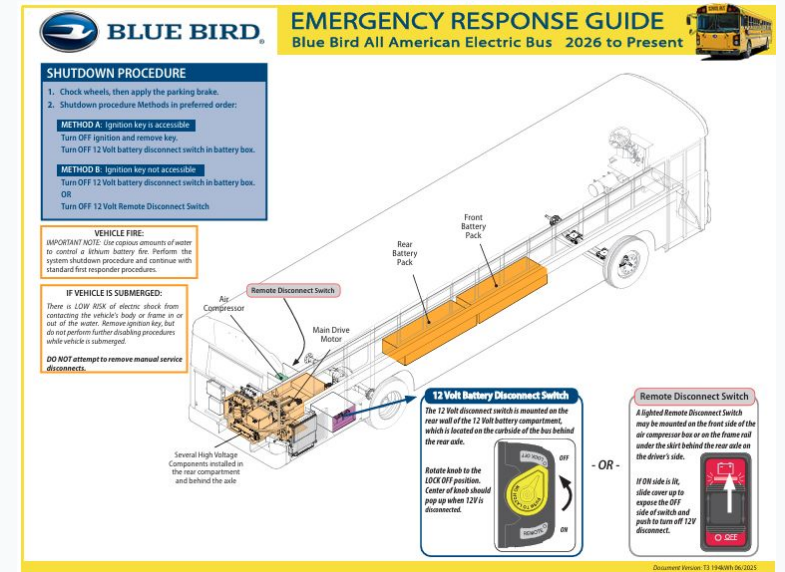
OEMs provide comprehensive Emergency Response guides and quick references for all electric models.

Both diesel and electric buses have low-voltage electrical systems and are responsible for 70% of all bus fires.

- These fires can occur when wires are incorrectly routed or secured, leading to contact with nearby metal parts.
- Although electric buses include high-voltage components that might appear to add complexity, they are thoughtfully designed with safety features to address and minimize potential risks.
 - For example, low-voltage circuits control the high-voltage systems. If a short circuit occurs, the vehicle alerts the driver there is a high-voltage fault, and the driver is then to take the appropriate steps to properly pull over out of harm's way. This early detection allows the high-voltage system to prevent further damage.
 - Additionally, manufacturers take extra care in designing battery placement and enclosures. These enclosures are engineered to protect the batteries during collisions and to manage heat buildup safely, reducing the risk of fires.

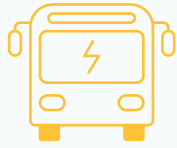
While issues with the high-voltage systems can arise, the buses are equipped with battery thermal management systems that help maintain the batteries at an optimal temperature, whether cooling or heating is needed. Each battery pack is monitored by sensors that track temperature and provide dashboard alerts if conditions become unusual. Drivers also receive training to effectively respond to battery alerts and warnings.

Proper training is essential for handling thermal incidents safely. **Highland provides training for drivers, first responders, and fleet managers to ensure everyone is prepared for electric vehicle emergencies.**



Health impacts of student transportation

Clean buses improve student & community health



Students riding clean school buses have

8%

LESS ABSENTEEISM

THAN STUDENTS RIDING DIESEL BUSES¹

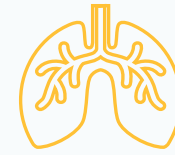


Children riding clean buses have

16%

LESS EXPOSURE

TO INHALED NO_x & AIR POLLUTION¹



Reduced air pollution exposure leads to

7%

LOWER RISK

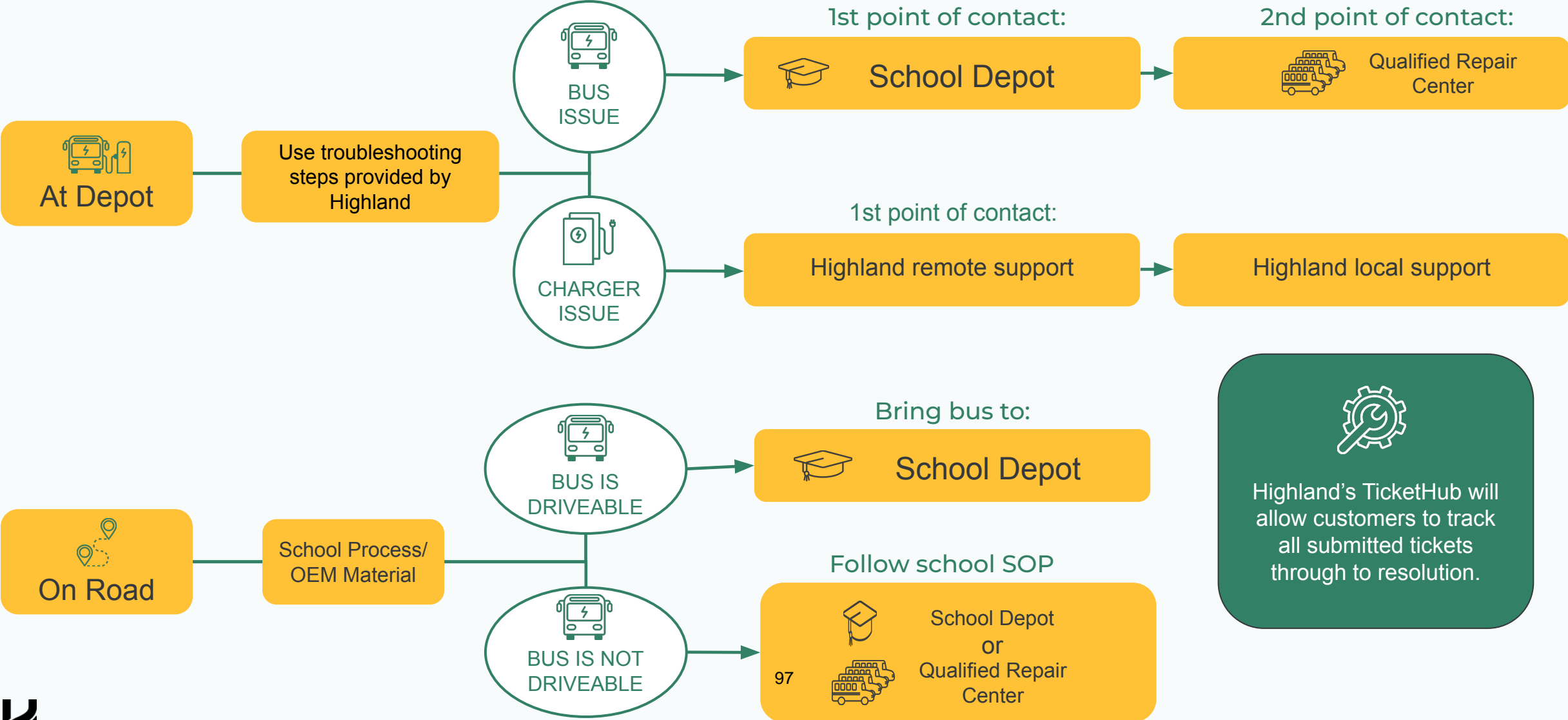
OF PEDIATRIC ASTHMA HOSPITALIZATION²

Exposure to air pollution is linked to **impaired cognitive development & lower academic performance³**

Citations

1	American Journal of Respiratory and Critical Care Medicine	https://www.atsjournals.org/doi/full/10.1164/rccm.201410-1924OC#.VTVtZK1Vikp
2	American Journal of Respiratory and Critical Care Medicine	https://www.atsjournals.org/doi/10.1164/rccm.201706-1267OC
3	Environmental Epidemiology	https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8663889/
4	Community Health	https://projects.iq.harvard.edu/covid-pm,
5	Environmental Justice	https://uspirg.org/reports/usp/electric-buses-clean-transportation-healthier-neighborhoods-and-cleaner-air
6	School Budgets	https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=EMD_EPD2D_XL0_PTE_NUS_DPG&f=W
7	Academic Success	https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3351840

Typical EV Maintenance Issue Resolution



Comprehensive Maintenance & Warranty Coverage

Highland ensures entire system performance for the duration of the partnership

Component	Mechanism
Entire system issue identification & resolution	Dedicated customer success & field service team, 30-min response time during business hours
Vehicle inspections and Annual Vehicle Work maintenance and parts	District performs inspections and maintenance Reimbursed on annual schedule
Other Vehicle repairs and parts, tires	Reimbursement of: Labor - agreed hourly rate (\$55/hr) Parts - at cost Highland assists pursuing warranty claims
Major Repairs	Main EV battery, drivetrain, etc. covered under 8yr warranty Highland assists coordinating with third-party or OEM
Vehicle towing	Reimbursed at capped amount (\$650 per tow)



Comprehensive Maintenance & Warranty Coverage

What's covered?	What's not covered?
<p>“Annual Vehicle Work” (OEMs recommended preventative maintenance):</p> <p>(a) Up to 15 hours of labor, which is the Standard Repair Time (SRT)</p> <p>(b) Inspection and change or replacement, as needed or otherwise indicated below, of each of the following:</p> <ul style="list-style-type: none">(i) Air compressor oil separator and main seal(ii) Coolant system maintenance, fluid change(iii) Electric Transmission Fluid Change(iv) Power steering fluid all C2(v) Power steering filter all C2(vi) Battery Pack Desiccant (replacement)(vii) Rear end fluid (change)(viii) Air Drier(ix) AC Filters(x) Air compressor filter LG (replacement)(xi) Air compressor filter SM (replacement)(xii) Power steering Motor Lube(xiii) Vehicle consumables (such as wiper blades, light bulbs, and similar), other than Vehicle tires <p>(c) Such other annual, semi-annual, quarterly, monthly, or other, periodic Vehicle work required under Prudent Vehicle Practices (defined in the Terms and Conditions).</p>	<ul style="list-style-type: none">● Customer caused damage● Repairs reimbursed / paid for by the OEM or warranty● Labor hours in excess of the applicable Standard Repair Time● Labor rate beyond agreed rate● OEM diagnostic software (Highland assists with diagnosing)
<p>Other vehicle repairs and parts at agreed labor rate, cost of parts, tires, warranty covered items, battery, drivetrain, towing</p>	



Mechanic and Driver Training

Highland has developed a robust training program for District staff and community stakeholders. As part of Highland's electrification-as-a-service solution, we train drivers and mechanics to use and maintain Electric School Buses (ESBs) and first responders on safety best practices. This training is often done in tandem with the OEM or the dealer and covers the following:

- High level overview of ESBs
- Trip routine procedures
- Component overview
- Troubleshooting, Tips, & Tricks
- High Voltage disconnect procedures
- High Voltage repairs
- Maintenance plans and schedules
- Overview of charger process and troubleshooting
- Basic training on how to utilize FleetX



Trainings are scheduled to start before the site has been commissioned, continue once buses have arrived, and are held on an ongoing basis throughout the life of the contract. Highland can also facilitate curriculum for District students so the buses can be used as laboratories for learning.

Fire Safety and First Responder Training

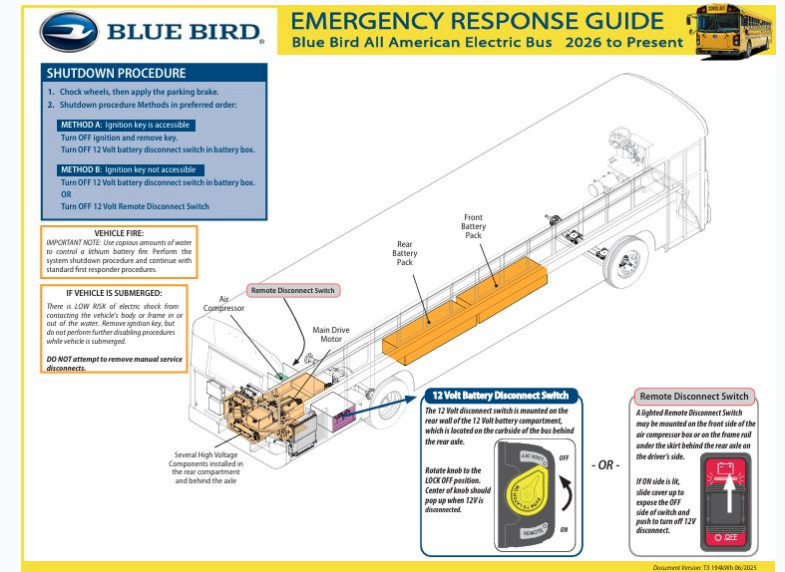
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Proper training is essential for handling thermal incidents safely. **Highland provides training for drivers, first responders, and fleet managers to ensure everyone is prepared for electric vehicle emergencies.**



1. GENERAL FUNCTIONS-OTHER

1.A. Call to Order

The meeting was called to order at **6:00** PM

1.B. Roll Call

Trustees Present: Barnes, Maldonado, Martinez, Rodriguez, Zuniga

Trustees Absent: Borrego, Ortega – Both trustees called ahead to inform that they would not be able to attend the meeting.

2. OPEN FORUM-OTHER

Any person wishing to address the Board during the period reserved for public comment at a Board meeting must sign up to be heard, in accordance with District policy BED(LOCAL):

Each participant will be limited to THREE MINUTES to make comments to the Board.

The Board is NOT permitted to discuss or act upon any issues that are not posted on the agenda for tonight's meeting.

For further information on those policies, contact the Superintendent's Administrative Assistant.

No community members signed up to be heard.

3. EXECUTIVE SESSION

Closed at 6:03

PM

To Consult with Attorney Under Sections 551.071, 551.072, and 551.087 of the Texas Government Code:

(A certified agenda or recording of a closed meeting is confidential and is not available to the public except by court order. A person who knowingly and without lawful authority makes a certified agenda or recording public commits a Class B misdemeanor. Any exceptions will be communicated in accordance with applicable policies and regulations)

Ms. Molley Hanley attended, representing Moak Casey and O'Hanlon.

Ms. Hanley explained to the board that they were given a draft agreement and the government office is pending a performance bond from Vinton steel. She also explained that it doesn't affect or benefit the district.

The board went into executive session at **6:03 PM**

3.A. Discuss financial information from a business prospect considering locating in the District (Texas Government Code 551.087)

4. BOARD OF TRUSTEE BUSINESS Open at 6:39 PM

4.A. Consider Agreement with Vinton Steel, LLC (Comptroller Application No: J0004)

Trustee Barnes motioned for the board to approve the agreement with Vinton Steel, LLC pursuant to Government Code 403.612 agreement to limit the taxable value for maintenance and operations ad valorem tax purposes only for which both the Governor and the Board of Trustees have made a favorable determination under Government Code Sections 403.610(a) and 403.611(a), respectively.

Trustee Maldonado seconded the motion.

Barnes-Yes, Maldonado-Yes, Martinez-Yes, Rodriguez-Yes, Zuniga-Yes
Motion Passes

5. ADJOURNMENT

The meeting was adjourned at **6:40 PM** under unanimous consent.

Presented to the Board of Trustees for approval on **February 24, 2026**. The minutes reflect all agenda items in the order as originally posted and do not necessarily reflect the order in which they were discussed.

1. GENERAL FUNCTIONS-OTHER

1.A. Call to Order

The meeting was called to order at **6:00 PM**

1.B. Pledge of Allegiance

1.C. Texas Pledge of Allegiance

The Pledge of Allegiance and the Texas Pledge were led by the Band students in the audience.

1.D. Roll Call

Trustees Present: Barnes, Borrego, Maldonado, Martinez, Ortega, Rodriguez, Zuniga.

Student Advisors Present: Maison Gosette, Moises Aguirre

1.E. CISD Vision and Mission Statements

Trustee Martinez led the CISD Vision Statement, followed by Trustee Borrego with the Mission Statement.

2. BOARD HONORS

2.A. Recognition of the Canutillo High School Marching Band for their Outstanding Performance at the 2025 Socorro ISD Marchfest Band Competition and a Successful Marching Season.

2.B. Recognition of CISD Principals for their Contributions to the District During October, National Principals Month

2.C. Recognition of the Canutillo ISD Human Resources Dept. During Texas Education Human Resources Day for their Important Contributions.
Mr. Gustavo Reveles led board honors, and a photo-op followed.

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The Board is NOT permitted to discuss or act upon any issues that are not posted on the agenda for tonight's meeting.

For further information on those policies, contact the Superintendent's Administrative Assistant.

No Community members signed up to be heard.

4. SPECIAL PRESENTATION-OTHER

4.A. Lonestar Governance Goals 1 & 2

Ms. Ruby Palacios and Mr. Shawn Legget from Curriculum & Instruction presented the board with an update for Lonestar Governance Goals 1& 2 Ms. Palacios and Mr. Legget answered board questions regarding student outcomes, KG student reading fluency deficits, and comparisons between dual and monolingual students. Trustee Martinez emphasized the importance of having parental involvement with reading for student development. Trustee Maldonado mentioned that this is the first year using Stem scopes and that the previous year was only optional. Trustee Barnes asked if the new curriculum is being used at 100% district wide. (Ms. Palacios mentioned it is not being used 100% yet, but the district is moving in that direction.

4.B. School Health Advisory Council (SHAC) Annual Report

Ms. Julie Scott and Dr. Monica Reyes presented the board with the SHAC Annual Report for compliance purposes.

Ms. Scott mentioned that they encourage parental and student involvement to promote mental health wellness initiatives.

Trustee Borrego thanked Ms. Scott for volunteering to be a part of SHAC, and Trustee Maldonado suggested for administration consider bringing back the mental health days for employees to take without being docked from their sick days.

Trustee Borrego motioned to accept the SHAC report. Trustee Barnes seconded the motion.

All in favor, motion passes.

5. PUBLIC HEARING

5.A. A Public Hearing Will Be Held Regarding the Canutillo ISD's Financial Integrity Rating System of Texas (FIRST). The Public is Invited to Attend and Provide Public Comment.

Ms. Cristy Pulley presented the board and the community with information on the Financial Integrity Rating System of Texas. She explained to the board the contributing factors that influence the rating received, and she also answered questions from Trustee Maldonado concerning administrative costs and projected fund balance for the end of SY 2025.

Trustee Martinez asked the administration (Dr. Arellano) if the district could work on improving the FIRST rating for future years.

Mrs. Pulley explained that since the district has operated at a deficit for the past couple of years, it has consumed fund balance and reduced the amount of available days. She stressed the importance of making sure F.Y. 27 concerns are addressed and figuring out a way to adopt a balanced or surplus budget.

Board President Rodriguez and Trustee Maldonado expressed concerns over having a reduction in force in the past and having the administration request positions during the year.

No Community members addressed the board during the hearing.

5.B. Discussion and Possible Action of Approval of the Canutillo ISD's Financial Integrity Rating System of Texas (FIRST)

Trustee Borrego motioned to approve the acceptance of the FIRST rating. Seconded by trustee Martinez.
Barnes-Yes, Borrego-Yes, Maldonado-Yes, Martinez-Yes, Ortega-Yes, Rodriguez-Yes, Zuniga-Yes.

All in Favor, Motion Passes.

6. BOARD OF TRUSTEE BUSINESS

6.A. Discussion and Possible Action Regarding the Allocation of a Percentage from Property Sales Proceeds to a Fund for Future Builds

Trustee Ortega requested that Dr. Rico and Ms. Pulley approach the board for advice on the idea of using proceeds from land sales towards the creation of a future build account.

Mrs. Pulley explained how the idea would allocate funds and it would hurt the district financially. Dr. Rico explained to the board that it could be an idea to analyze in the future and that, at this time, money influx is being used to address current needs such as deferred maintenance.

Board President Rodriguez addressed the board, explaining that they should not be telling the administration how to manage funds. Trustee Maldonado explained that this is not telling the administration how to manage money, but a reminder on how to remain frugal on expenses. Trustee Ortega expressed concern about reaching a time when there is not going to be any additional land to sell for the district.

No Action Taken

6.B. Discussion and Possible Action Regarding District Compliance With Senate Bill 10.

Dr. Arellano addressed the board regarding the acceptance of the donation of 10 Commandments posters. Mr. Steve Blanco mentioned that after accepting the donation, the board needs to decide whether posters will be posted.

Trustee Martinez explained that “The law is the law”, everyone has different religions and asked if the donation could be returned to the donor. Trustee Borrego expressed her concerns over the separation of church and state, as there are many different beliefs, and everyone feels that their belief is the right one. The board members also talked about the Attorney General's ongoing litigation and how only the districts that are part of the litigation are excluded from posting at this time. The student Advisors provided feedback and explained that from the student body perspective, it won't make a difference whether they are posted and that students won't care.

Trustee Barnes explained that posters can be posted, and if there are changes with the attorney's general litigation, they can simply be taken down. She also shared that if they are posted and there are any lawsuits, the attorney general would take the case.

Board President Rodriguez asked legal if the board could vote to postpone the decision until litigation is settled. Mr. Blanco explained that ultimately, that is a board decision.

Trustee Maldonado motioned to wait on the posting of the 10 Commandment posters until pending litigation is finalized. Trustee Martinez seconded the motion.

Barnes-No, Borrego-Yes, Maldonado-Yes, Martinez-Yes, Ortega-No, Rodriguez-Yes, Zuniga-Yes.

Motion Passes.

7. CONSENT AGENDA-VOTING

7.A. BUSINESS SERVICES

7.A.1. Approval of the Monthly Donations

7.A.1.a. Board Acceptance of the October 2025 Donations Report

7.A.2. Approval of the Budget Amendments

7.A.3. Approval of Guaranteed Maximum Price #1 (GMP) for Construction Manager-At-Risk (CMAR) Services for Earthwork and MEP at the New Alderete Middle School (AMS) RFQ 2025-02B, From Banes General Contractors in the Amount of \$26,493,133.56.

Mr. Martinez expressed concerns over the total amount for earthwork. Mr. Ernesto Ortiz clarified that GMP includes Earthwork and MEP, which would

be about 25% of the work. He also mentioned that General Contractors will perform work in about 18 months, with unique challenges facing each site. Mr. Ortiz and Mr. Panahi from Banes General Contractors explain to the board that each site has unique groundwork needs and that their goal is to remain within or under the guaranteed maximum price.

Trustee Borrego motioned to approve both items 7.A.3 and 7.A.4 of the consent agenda. Trustee Martinez seconded the motion.

Barnes-Yes, Borrego-Yes, Maldonado-Yes, Martinez-Yes, Ortega-Yes, Rodriguez-Yes, Zuniga-Yes.

All in Favor, Motion Passes

7.A.4. Approval of Guaranteed Maximum Price #2 (GMP) for Construction Manager-At-Risk (CMAR) Services for Earthwork and MEP at the New Canutillo Middle School (CMS) RFQ 2025-02B, From Banes General Contractors in the Amount of \$25,748,877.34.

7.B. *CURRICULUM AND INSTRUCTION*

7.B.1. Approval of the Memorandum of Understanding and Agreement between El Paso Child Guidance Center and Canutillo Independent School District.

7.C. *HUMAN RESOURCES*

7.C.1. Approval for 2025-2026 District and Campus Improvement Plans
Trustee Borrego motioned to approve the consent agenda as presented. Trustee Zuniga seconded the motion.

After board discussion, Trustee Borrego amended her motion to approve the consent agenda as presented with the exceptions of items 7.A.3. and 7.A.4. and trustee Zuniga accepted the amendment.

Barnes-Yes, Borrego-Yes, Maldonado-Yes, Martinez-Yes, Ortega-Yes, Rodriguez-Yes, Zuniga-Yes.

All in Favor, Motion Passes.

8. **EXECUTIVE SESSION** **Closed at 8:59 PM**
To Consult with Attorney Under Sections 551.071, 551.072, 551.074, and 551.076 of the Texas Government Code:

(A certified agenda or recording of a closed meeting is confidential and is not available to the

public except by court order. A person who knowingly and without lawful authority makes a certified agenda or recording public commits a Class B misdemeanor. Any exceptions will be communicated in accordance with applicable policies and regulations)

8.A. Discussion Regarding the Potential Sale of District Owned Property Including Property Located at 7311 Bosque Rd. Canutillo, TX 79835 to El Paso County and Other Potential Sites.

8.B. Receive and discuss Intruder Detection Audit Report Findings for District campus.

8.C. Discussion Regarding the Recommendation of Administration to Terminate the Probationary Contract of G. R., Teacher at Jose Damian Elementary, for Job Abandonment Without Good Cause and Issue Appropriate Notice to SBEC.

8.D. Discussion Regarding the Status and Possible Mediation in the Matter of T. Avent v. Canutillo ISD; Cause no. 2024DCV2484.

9. NEW BUSINESS (continued); OTHER Open at 10:03 PM

9.A. Discussion and Possible Action Regarding the Potential Sale of District Owned Property Including Property Located at 7311 Bosque Rd. Canutillo, TX 79835 to El Paso County and Other Potential Sites.

Mr. Blanco mentioned that he and Dr. Rico briefed the board regarding the request from El Paso County with interest in the CMS site. Administration is asking for the board to authorize administration to go back to the County to continue discussions and request a proposal of price, which includes a plan from the county for the use of the property.

Trustee Borrego motioned to approve administration's recommendation. Second from trustee Ortega.

Barnes-Yes, Borrego-Yes, Maldonado-Yes, Martinez-Yes, Ortega-Yes, Rodriguez-Yes, Zuniga-Yes.

All in Favor, Motion Passes

9.B. District Report: An Intruder Detection Audit was Conducted in the District by Region 19 ESC / Texas Education Agency (TEA). Findings Will Be Shared With the District School Safety and Security Committee and the Board of Trustees. A Plan of Action is in Place and Will Be Shared With the Board of Trustees. The board received a briefing from Chief Martinez during the executive session No Action to be taken

9.C. Discussion and Possible Action Regarding the Recommendation of Administration to Terminate the Probationary Contract of G. R., Teacher at Jose Damian Elementary, for Job Abandonment Without Good Cause and Issue Appropriate Notice to SBEC.

Mr. Blanco explained that the board has 2 options regarding this situation based on the discussion during the executive session. One is to make a motion to accept the administration's recommendation to terminate the probationary contract of G.R. for a good cause, which is job abandonment, and issue appropriate notice to SBEC. The second option is to accept the resignation that was tendered by G.R. and not make any report to SBEC.

Trustee Maldonado motioned for administration to accept the resignation of the probationary contract of G.R, teacher at Jose Damian Elementary, and not report to SBEC. Trustee Borrego seconded the motion.

Barnes-Yes, Borrego-Yes, Maldonado-Yes, Martinez-Yes, Ortega-Yes,
Rodriguez-No, Zuniga-No.

Motion Passes

9.D. Discussion and Possible Action Regarding Mediation in the Matter of T. Avent v. Canutillo ISD; Cause no. 2024DCV2484.

Mr. Blanco gave an update on the status of the lawsuit filed by T. Avent against the district. There's been a recent request by Mrs. Avent's counsel and the district insurance carrier to conduct mediation, which is non-binding in this matter.

Mr. Blanco stated that the administration recommends that the board authorize him and the administration to conduct the mediation and report to the board the results of the mediation if there is any agreement to be reached, it will have to be approved by the board at a later meeting. This will only allow him and the administration to go forward and conduct an action.

Motion to approve the administration's recommendation by trustee Barnes and seconded by trustee Borrego.

Barnes-Yes, Borrego-Yes, Maldonado-Yes, Martinez-Yes, Ortega-Yes,
Rodriguez-Yes, Zuniga-Yes.

All in Favor, Motion Passes

10. ADJOURNMENT

The meeting was adjourned at **10:08 PM** under unanimous consent.

Meeting Minutes
Regular Board Meeting
Tuesday, October 28, 2025 6:00 PM

Canutillo ISD Administration Office
7965 Artcraft
El Paso, TX 79932

Presented to the Board of Trustees for approval on **February 24, 2026**. The minutes reflect all agenda items in the order as originally posted and do not necessarily reflect the order in which they were discussed.

1. GENERAL FUNCTIONS-OTHER

1.A. Call to Order

The meeting was called to order at **5:31 PM**

1.B. Roll Call

Trustees Present: Barnes, Borrego, Maldonado, Martinez, Ortega, Rodriguez, Zuniga

2. OPEN FORUM-OTHER

Any person wishing to address the Board during the period reserved for public comment at a Board meeting must sign up to be heard, in accordance with District policy BED(LOCAL):

Each participant will be limited to THREE MINUTES to make comments to the Board.

The Board is NOT permitted to discuss or act upon any issues that are not posted on the agenda for tonight's meeting.

For further information on those policies, contact the Superintendent's Administrative Assistant.

No community members signed up to be heard.

3. EXECUTIVE SESSION

Closed at 5:33

PM

To Consult with Attorney Under Sections 551.071, 551.072 and 551.074 of the Texas Government Code:

(A certified agenda or recording of a closed meeting is confidential and is not available to the public except by court order. A person who knowingly and without lawful authority makes a certified agenda or recording public commits a Class B misdemeanor. Any exceptions will be communicated in accordance with applicable policies and regulations)

3.A. *Board interview and discussion of superintendent applicants.*

4. ADJOURNMENT

Board reconvened into open session to adjourn the meeting at **9:10 PM**

The meeting was adjourned at **9:10 PM** under unanimous consent.

Meeting Minutes
Special Board Meeting
Monday, November 17, 2025 5:30 PM

Canutillo ISD Administration Office
7965 Artcraft
El Paso, TX 79932

Presented to the Board of Trustees for approval on **February 24, 2026**. The minutes reflect all agenda items in the order as originally posted and do not necessarily reflect the order in which they were discussed.

1. GENERAL FUNCTIONS-OTHER

1.A. Call to Order

The meeting was called to order at **6:00 PM**

1.B. Pledge of Allegiance

1.C. Texas Pledge of Allegiance

The Elementary School students in the audience led pledge of Allegiance and the Texas Pledge.

1.D. Roll Call

Trustees Present: Barnes, Maldonado, Martinez, Ortega, Rodriguez, Zuniga
Trustee Absent: Borrego, who called ahead to mention she would not be able to attend the meeting.

Student Advisors Present: Moises Aguirre, Mason Gossett

1.E. CISD Vision and Mission Statements

The Vision Statement was led by trustee Maldonado, and the Mission Statement was led by trustee Martinez.

2. BOARD HONORS

2.A. Recognition of Canutillo Elementary School, Bill Childress Elementary School, Jose Damian Elementary School, Congressman Silvestre & Carolina Reyes Elementary School and Northwest Early College High School for Having Achieved Designation as "2025 Best Schools" from the U.S. News & World Report Magazine Annual Rating of Campuses in the United States.
Ms. Christina Rodriguez introduced the schools named 2025 Best Schools from the U.S. News & World Report Magazine. Students and school staff accepted the awards and took photos with the trustees.

3. OPEN FORUM-OTHER

Any person wishing to address the Board during the period reserved for public comment at a Board meeting must sign up to be heard, in accordance with District policy BED(LOCAL):

Each participant will be limited to THREE MINUTES to make comments to the Board.

The Board is NOT permitted to discuss or act upon any issues that are not posted on the agenda for tonight's meeting.

For further information on those policies, contact the Superintendent's Administrative Assistant.

No Community members signed up to be heard.

4. **BOARD OF TRUSTEE BUSINESS**

4.A. Discussion and action to allocate votes for one or more candidates for a position on the Central Appraisal Board of Directors for term of office beginning January 1, 2026 and ending December 31, 2029.

Dr. Arellano addressed the board regarding the allocation of 79 votes for the upcoming EPCAD elections. She explained that none of the candidates reached out to CISD seeking support. The candidates are Tanny Berg – current EPCAD Member, Jackie York – EPCAD member and local realtor, Marlene Bullard – Current Tornillo ISD board member and works at Fabens ISD, and David Duran – Councilmember of the Village of Vinton. After deliberation, the board decided to give 34 votes to David Duran since he is familiar with the Canutillo area and 15 to each of the other candidates.

Barnes-Yes, Maldonado-Yes, Martinez-Yes, Ortega-Yes, Rodriguez-Yes, Zuniga-Yes

All in favor, motion passes.

4.B. Discussion and Possible Action to Elect Board Officers Under Policy BDAA.

Board President Rodriguez open the floor for board elections.

Trustee Ortega added remarks stating that the CISD board of trustees works as a team and how each contributes with unique perspectives.

Trustee Zuniga nominated Trustee Martinez as board president. Seconded by trustee Barnes,

Barnes-Yes, Maldonado-Yes, Martinez-Yes, Ortega-Yes, Rodriguez-Yes, Zuniga-Yes

All in favor, motion passes.

Trustee Martinez asked to start the following board meeting, taking over the role of president. Trustee Martinez also added that the board needs to work together as a team of 8. Trustee Maldonado mentioned that trustees should be able to express their votes as individuals and that it is ok to agree to disagree while being role models to staff, students and community.

Trustee Martinez motioned to nominate Trustee Lily Maldonado as a Vice President, Trustee Barnes seconded the motion.

Barnes-Yes, Maldonado-Yes, Martinez-Yes, Ortega-Yes, Rodriguez-Yes, Zuniga-Yes

All in favor, motion passes.

Trustee Martinez motioned to nominate Trustee Zuniga as Board Secretary. Ms. Maldonado seconded the motion.
Barnes-Yes, Maldonado-Yes, Martinez-Yes, Ortega-Yes, Rodriguez-Yes, Zuniga-Yes
All in favor, motion passes.

5. **CONSENT AGENDA-VOTING**

Trustee Maldonado mentioned that she has 1 question which applies to items 5.C. and 5.D, and would like to pull either item. Trustee Barnes mentioned that she would like to pull item 5.B.1

Trustee Maldonado motioned to approve the consent agenda as presented, except 5.B.1, 5. C and 5. D.

Barnes-Yes, Maldonado-Yes, Martinez-Yes, Ortega-Yes, Rodriguez-Yes, Zuniga-Yes
All in favor, motion passes.

5.A. *BUSINESS SERVICES*

5.A.1. Approval of the Meeting Minutes

5.A.1.a. Approval of the August 19, 2025 Regular Board Meeting Minutes

5.A.1.b. Approval of the September 3, 2025 Special Board Meeting Minutes

5.A.2. Approval of the Monthly Donations

5.B. *HUMAN RESOURCES*

5.B.1. Approval of TASB Policy Update 126

Ms. Barnes asked if regulations associated with the policy update would be brought to the board later. Ms. Carrasco mentioned that the regulations will be brought to the board once the administration completes them. Ms. Barnes also asked if the policies that will require a board vote within a certain amount of time will be brought up to the board as well? Ms. Carrasco mentioned that the administration team will meet with Dr. Arellano to get those brought before the board.

Ms. Barnes motioned to approve consent agenda 5.B.1. Trustee Martinez seconded the motion

Barnes-Yes, Maldonado-Yes, Martinez-Yes, Ortega-Yes, Rodriguez-Yes, Zuniga-Yes

All in favor, motion passes.

5.C. Approval of Guaranteed Maximum Price (GMP) for Construction Manager-At-Risk

(CMAR) Services for New Build at Alderete Middle School (AMS), RFQ 2025-02B, from Banes General Contractors, Inc. in the amount of \$57,941,027.03.

5.D. Approval of Guaranteed Maximum Price (GMP) for Construction Manager-At-Risk

(CMAR) Services for New Build at Canutillo Middle School (CMS), RFQ 2025-02B, from Banes General Contractors, Inc. in the amount of \$ 58,300,944.37

Mr. Ernesto Ortiz, PROCEDEO, presented himself to address any questions the board might have.

Trustee Maldonado mentioned that she noted that the Rood leak detection was not included in the contract and is asking if it is needed. Mr. Ortiz mentioned that in the El Paso–Chihuahuan Desert area, that system is not needed.

Trustee Martinez asked if there have been any cost savings realized for the bond projects. Mr. Ortiz mentioned that after GMP's are approved, the district could see more potential savings.

Trustee Maldonado asked questions regarding the foundations for AMS and CMS. Mr. Ortiz explained that each site had unique needs; for example, at CMS, dewatering of the site was necessary.

Trustee Maldonado motioned to approve item 5.C. Trustee Martinez seconded the motion.

Barnes-Yes, Maldonado-Yes, Martinez-Yes, Ortega-Yes, Rodriguez-Yes, Zuniga-Yes

All in favor, motion passes.

Trustee Maldonado motioned to approve item 5.D. Trustee Martinez seconded the motion.

Barnes-Yes, Maldonado-Yes, Martinez-Yes, Ortega-Yes, Rodriguez-Yes, Zuniga-Yes

All in favor, motion passes.

Dr. Arellano expressed her gratitude to Armando Rodriguez for his tenure as board president. She also congratulated Ms. Lily Maldonado and Cindy Zuniga for their Board Officer positions.

Trustee Martinez also thanked Mr. Rodriguez for his years of service as a board members and mentioned that he would like to call on him for guidance due to his many years of experience as a board member.

Trustee Maldonado thanked Mr. Rodriguez and emphasized to Mr. Martinez that knowledge comes with experience and learning from one's mistakes.

Board Advisor Moises Aguirre also thanked Mr. Rodriguez for his service. And congratulated Mr. Martinez for his appointment as Board President

Mr. Rodriguez said that he is looking forward to his continued support of the Canutillo Community. He thanked PROCEDEO for helping the district run a successful bond program, and he is looking forward to seeing the fruit of the district's labor in a few years.

6. ADJOURNMENT

The meeting was adjourned at **6:44 PM** under unanimous consent.

Presented to the Board of Trustees for approval on **February 24, 2026**. The minutes reflect all agenda items in the order as originally posted and do not necessarily reflect the order in which they were discussed.

Board of Trustees

Meeting Date: February 24, 2026

Executive Summary of Board Agenda Item

Subject/Title for Agenda Posting: Board Acceptance of the February 2026 Donations Report

Justification Statement:

Purpose of Agenda Item: Information Discussion Action
 Item Type: Curriculum & Instruction HumanResources Business Services

Staff Responsible:

Signature of Requester(s)

Cristina Pulley

Signature of Presenter(s)

Veronica M. Campbell

CP

Business Services Approval (Initials)

02/10/2026

Date

Agenda Summary:

RECOMMENDATION:

PRIOR BOARD ACTION: AWARDED: AWARDED AMOUNT:

AMOUNT(S): \$21,021.80

ACCOUNT NO(S):

PROCUREMENT METHOD TYPE: (3 Quotes, Cooperative Contract Quotes, Sole Source, Formal Bid)

REQUESTING DEPARTMENT:

CONSEQUENCES OF NON-APPROVAL:

IMPLEMENTATION TIMELINE:

ATTACHMENT(S):



Board of Trustees

Meeting Date: _____

Executive Summary of Board Agenda Item

Subject/Title for Agenda Posting: Presentation of Budget Amendments for January 2026

Justification Statement: Presentation for your review and acceptance of Budget Amendments for the month of January 2026

Purpose of Agenda Item: Information Discussion Action
 Item Type: Curriculum & Instruction Human Resources Business Services

Staff Responsible: Cristina Pulley, Executive Director of Financial Services

Signature of Requester(s)

Signature of Presenter(s)

Cristina Pulley

02/16/2026

Business Services Approval (Initials)

Date

Agenda Summary:

Presentation of Budget Amendments for January 2026

Administration recommends approval of Budget Amendments for the month of January 2026

RECOMMENDATION:

PRIOR BOARD ACTION: AWARDED: AWARDED AMOUNT:

AMOUNT(S): N/A

ACCOUNT NO(S):
N/A

PROCUREMENT METHOD TYPE: (3 Quotes, Cooperative Contract Quotes, Sole Source, Formal Bid)
N/A

REQUESTING DEPARTMENT:
Financial Services Department

CONSEQUENCES OF NON-APPROVAL:
N/A

IMPLEMENTATION TIMELINE:
N/A

ATTACHMENT(S): Budget Amendments Memo





FINANCIAL SERVICES
CANUTILLO A Premier District

TO: Board of Trustees
 Dr. Josue Borrego, Superintendent

FROM: Cristina Pulley, Executive Director for Financial Services

DATE: February 13, 2026

SUBJECT: Budget Amendments for January 2026

Budget Amendments submitted are summarized below for your review and consideration.

Administrative Cost Ratio Formula:

$$\frac{21 \text{ Instructional Leadership} + 41 \text{ General Administration}}{\text{All Expenses}}$$

BC #347752 -This amendment will allocate funds from function (11) Instructional to (36) Cocurricular activities for transportation needed for remainder of school year. This budget amendment will have a no impact on the administrative cost ratio.

Budget Account Number		Current Budget	Change	Amended Budget
199.11.6397.44.924.11	Controlled Assets - Furniture and Equipment	\$ 18,622	\$ (2,600)	\$ 16,022
199.36.6494.44.924.99	Tranportation Charges	\$ 6,930	\$ 2,600	\$ 9,530

BC #347784 -This amendment will allocate funds from function (11/13) Instructional/Instructional Resources to (11) Instructional to purchase instructional supplies for TOA program. This budget amendment will have no impact on the administrative cost ratio.

Budget Account Number		Current Budget	Change	Amended Budget
185.11.6398.00.920.26	Controlled Assets - Technology	\$ 2,677	\$ (272)	\$ 2,405
185.13.6411.00.920.30	Employee Travel, Training and Subsistence	\$ 175	\$ (175)	\$ -
185.11.6399.00.920.26	General Supplies	\$ 250	\$ 447	\$ 697

Street Address:
 7965 Artcraft Rd.
 El Paso, TX 79932

Mailing Address:
 P.O. Box 100
 Canutillo, TX 79835

P: (915) 877-7516
 F: (915) 877-7524
 canutillo-isd.org

Board of Trustees

Meeting Date: _____

Executive Summary of Board Agenda Item

Subject/Title for Agenda Posting:

Justification Statement:

Purpose of Agenda Item:

Information Discussion Action

Item Type:

Curriculum & Instruction HumanResources Business Services

Staff Responsible:

Signature of Requester(s)

Signature of Presenter(s)

CPulley
Business Services Approval (Initials)

Date

Agenda Summary:

RECOMMENDATION:

PRIOR BOARD ACTION:

AWARDED:

AWARDED AMOUNT:

AMOUNT(S):

ACCOUNT NO(S):

PROCUREMENT METHOD TYPE: (3 Quotes, Cooperative Contract Quotes, Sole Source, Formal Bid)

REQUESTING DEPARTMENT:

CONSEQUENCES OF NON-APPROVAL:

IMPLEMENTATION TIMELINE:

ATTACHMENT(S):



CANUTILLO A Premier District

To: Board of Trustees
Dr. Josue Borrego, Superintendent

From: Cristina Pulley, Executive Director of Financial Service

Date: February 10, 2025

Subject: Quarterly Investment Report for December 31, 2025

This investment report for the Canutillo Independent School District, for the quarter ending December 31, 2025, is in full compliance with the Investment Policy and strategy as established for the District per the Public Funds Investment Act (Chapter 2256). The Public Funds Investment Act requires quarterly reporting on investment activity, balances (both book and market values) and presentation to the Board of Trustees.

The investment objectives of safety, liquidity, and maturity levels that are sufficient to meet anticipated cash requirements is what drives the investment activity. For fiscal year 2025-2026, the District will maintain its investments in governmental investment pools and fixed term maturities with Logic, Lone Star, Texas Class, TexPool, TexSTAR and UMB as well as U.S. Agency Securities. The portfolio within these investments includes Money Markets, Commercial Paper, U.S. Treasury Securities, Government Obligations, and Repurchase Agreements.

During the second quarter, the District's total investment of \$108,364,190, was invested at an average interest yield of 3.7975% which resulted in interest income of \$749,072. Operating Fund investments of \$16.426 million generated interest revenue of \$84,897. Most of the investments were in the Operating Fund due to the daily withdrawals needed to cover cash disbursements. The Debt Service Fund increased from \$8.609 million to \$15.456 million due to collection of property taxes beginning in November and December. Similarly, the Health Insurance Fund maintained the same balance of \$4,009 for the second quarter. The Construction Fund increased from \$75,914,573 to \$76,460,348 due interest earned and increases in market value.

At the end of the quarter, the investment rates in the equity markets and the investment ratings for all five investment pools were rated "AAA." As the district's investment officers, we will continue to seek investment opportunities after investment safety, liquidity, and maturity are considered. The investment portfolio meets both the Public Funds Investment Act and the Board's investment policy requirements.

Cristina Pulley

Cristina Pulley, Executive Director of Financial Services

Ricardo Porras

Ricardo Porras, Assistant Director of Financial Services

Elvira Monzon-Uscanga

Elvira Monzon-Uscanga, Accountant

7965 Artcraft | El Paso, TX 79932
915.877.7400 | www.canutillo-isd.org
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**Canutillo Independent School District
Quarterly Summary of Investments
December 31, 2025**

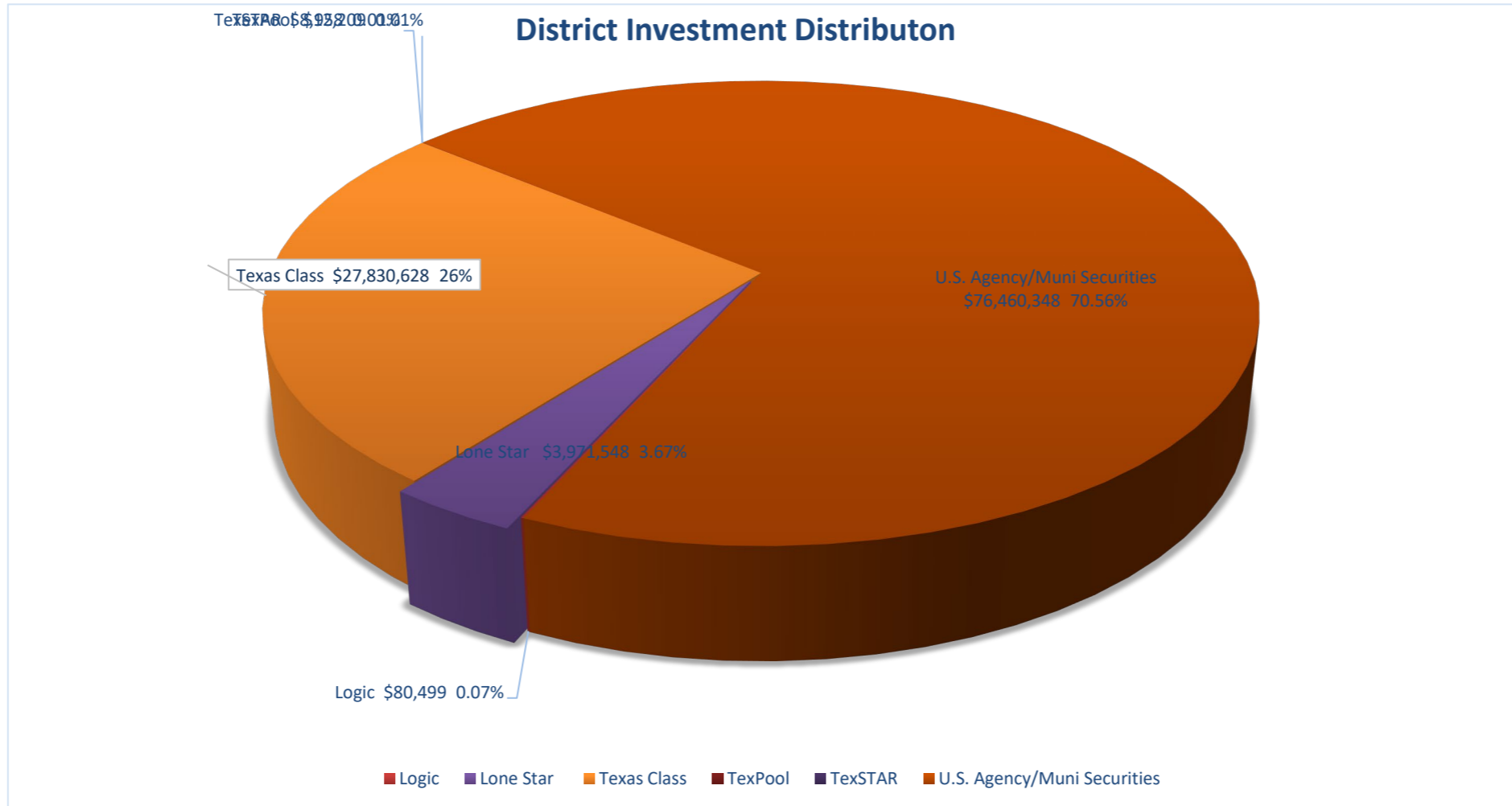
Description	Maturity Date	Current Month Interest Rate	12/31/2025 Book Value	12/31/2025 Market Value	9/30/2025 Book Value	9/30/2025 Market Value	Quarterly Accrued Interest	Book Value Increase/Decrease
Operating Fund								
Logic	On Demand	3.9516%	\$ 80,499	\$ 80,499	\$ 79,674	\$ 79,674	\$ 825	\$ 825
Lone Star Corporate	On Demand	4.0300%	2,380,068	2,380,068	7,149,703	7,149,703	55,230	(4,769,635)
Texas Class	On Demand	3.9690%	13,945,303	13,945,303	1,122,548	1,122,548	28,633	12,822,755
TexPool	On Demand	3.8270%	12,209	12,209	12,087	12,087	122	122
TexSTAR	On Demand	3.8246%	8,763	8,763	8,676	8,676	87	87
Subtotal		3.9204%	\$ 16,426,841	\$ 16,426,841	\$ 8,372,688	\$ 8,372,688	\$ 84,897	\$ 8,054,153
Debt Service Fund								
Lone Star Corporate	On Demand	4.0300%	\$ 1,570,805	\$ 1,570,805	\$ 1,554,495	\$ 1,554,495	\$ 16,311	16,310
Texas Class	On Demand	3.9690%	13,885,326	13,885,326	7,055,201	7,055,201	82,355	6,830,125
TexSTAR	On Demand	3.8246%	195	195	193	193	2	2
Subtotal		3.7661%	\$ 15,456,326	\$ 15,456,326	\$ 8,609,889	\$ 8,609,889	\$ 98,668	\$ 6,846,437
Food Service Fund								
Lone Star Corporate	On Demand	4.0300%	\$ 16,666	\$ 16,666	\$ 16,493	\$ 16,493	\$ 173	\$ 173
Health Insurance Fund								
Lone Star Corporate	On Demand	4.0300%	\$ 4,009	\$ 4,009	\$ 3,968	\$ 3,968	\$ 42	\$ 41
Construction (Bond) Fund								
Lone Star 2011	On Demand		-	-	-	-	-	0
Lone Star 2013	On Demand		-	-	0	0	-	(0)
U.S. Agency/Muni Securities	On Demand	3.2408%	76,460,348	76,631,879	75,914,573	76,020,712	565,293	611,167
Subtotal		3.2408%	\$ 76,460,348	\$ 76,631,879	\$ 75,914,573	\$ 76,020,712	\$ 565,293	\$ 611,167
Total Investments		3.7975%	\$ 108,364,190	\$ 108,535,722	\$ 92,917,610	\$ 93,023,750	\$ 749,072	\$ 15,511,971

Asset	Portfolio Weighted Average Maturity				S&P Credit	
	Book Value	Days to Maturity	Weighted Average Maturity (WAM)	Maturity Date of Each Asset	Ratings as of: 9/30/2024	
Logic	80,499	1	0.001	10/1/2023 Liquid pool, due on demand	AAAm	
Lone Star	3,971,548	1	0.037	10/1/2023 Liquid pool, due on demand	AAAf/S1+	
Texas Class	27,830,628	1	0.257	10/1/2023 Liquid pool, due on demand	AAAm	
TexPool	12,209	1	0.000	10/1/2023 Liquid pool, due on demand	AAAm	
TexSTAR	8,958	1	0.000	10/1/2023 Liquid pool, due on demand	AAAm	
U.S. Agency/Muni Securities	76,460,348	1	0.706	10/1/2023 SLGS, due on demand	A-1/AAAm	
	\$ 108,364,190		1.000			

Canutillo Independent School District Quarterly Summary of Investments December 31, 2025

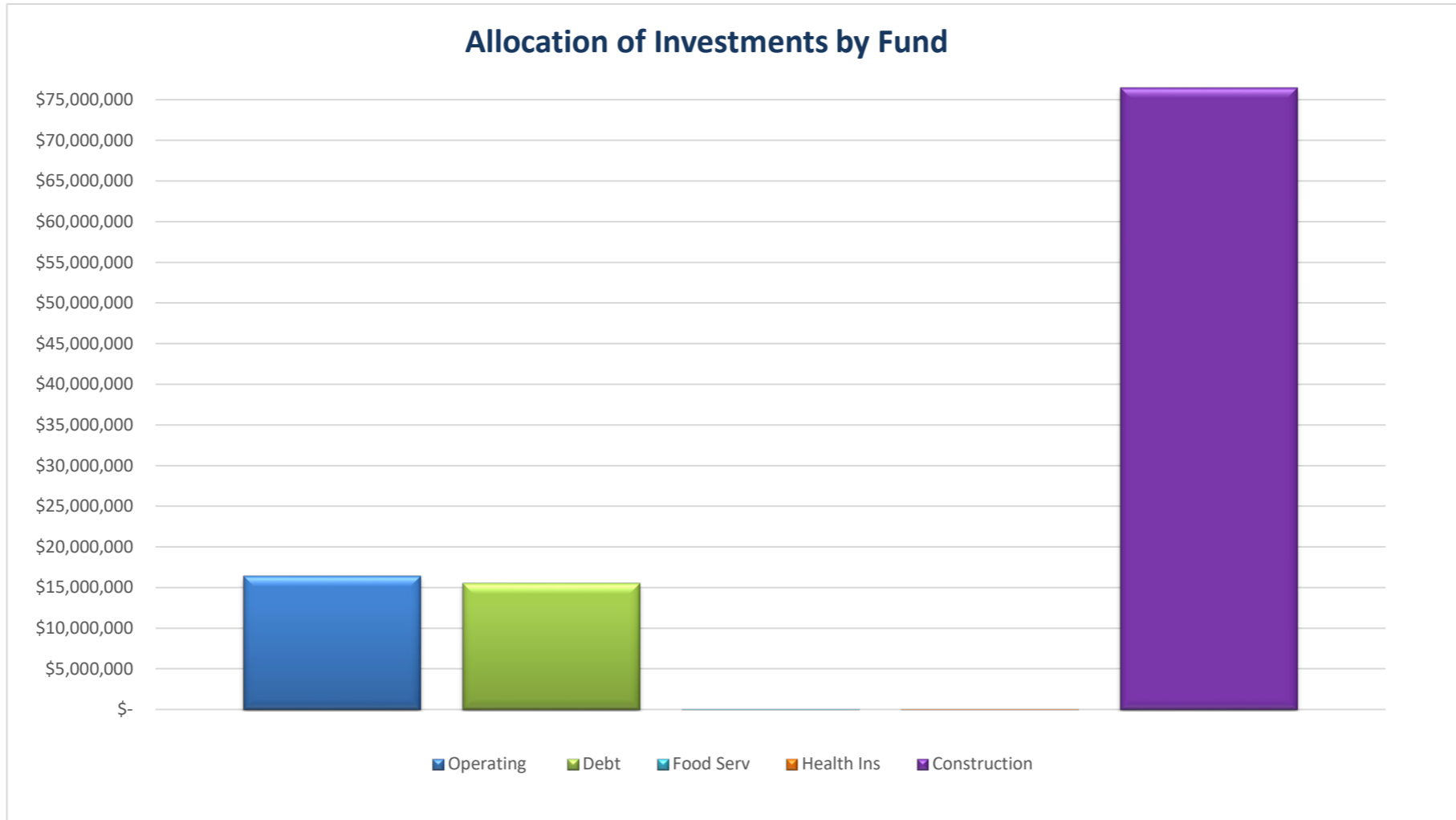
AAA is the highest Issuer Credit Rating assigned by Standar & Poor's
(m is for Money Market, f is for Fund, and S1+designates low volatility)

Investment	Amount	Percentage
Logic	\$ 80,499	0.07%
Lone Star	\$ 3,971,548	3.67%
Texas Class	\$ 27,830,628	25.68%
TexPool	\$ 12,209	0.01%
TexSTAR	\$ 8,958	0.01%
U.S. Agency/Muni Sec	\$ 76,460,348	70.56%
Total	\$ 108,364,190	100.00%



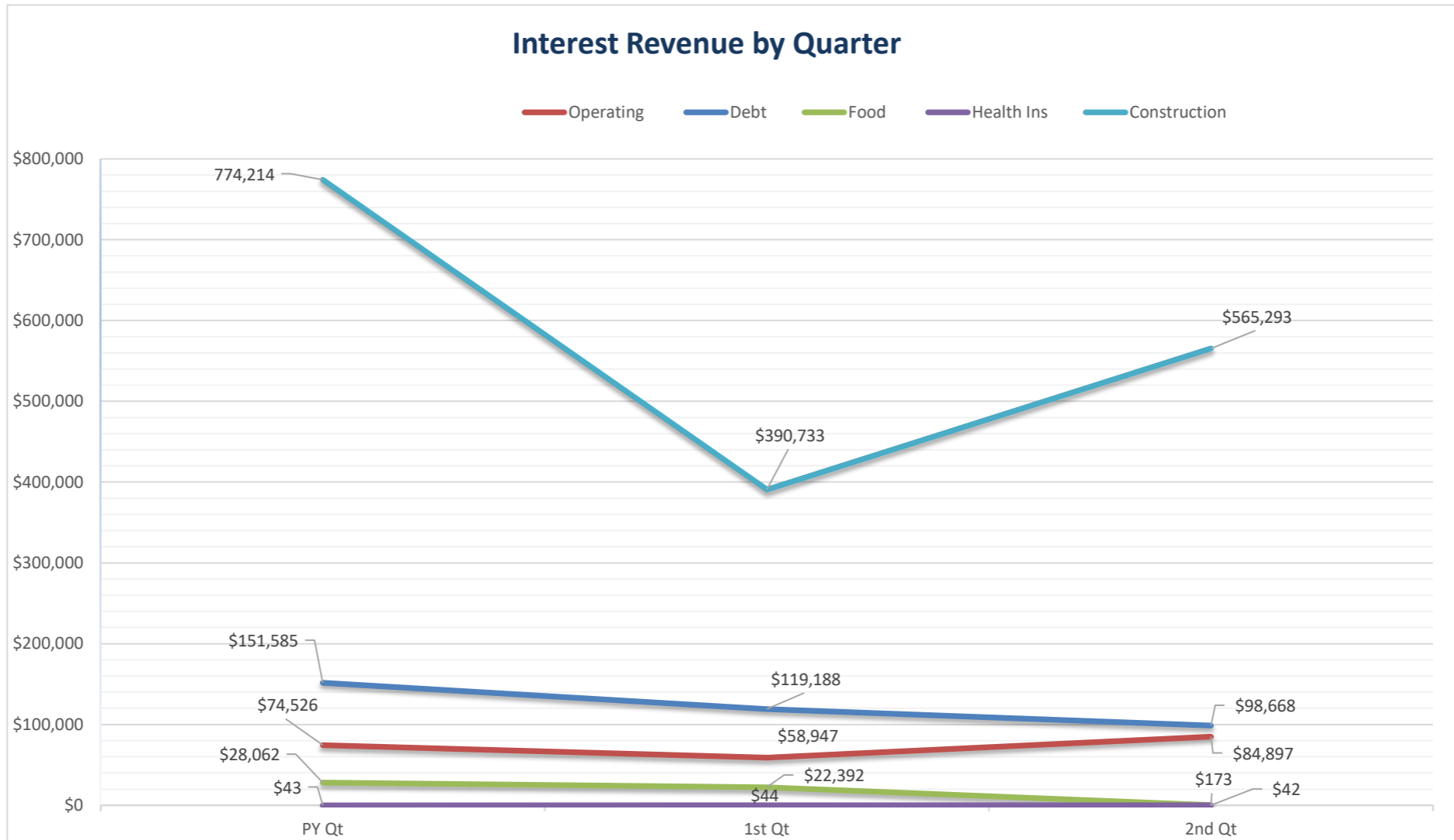
**Canutillo Independent School District
Quarterly Summary of Investments
December 31, 2025**

Fund	Amount	Percentage
Operating	\$ 16,426,841	15.16%
Debt	\$ 15,456,326	14.26%
Food Serv	\$ 16,666	0.02%
Health Ins	\$ 4,009	0.00%
Construction	\$ 76,460,348	70.56%
Total	\$ 108,364,190	100.00%



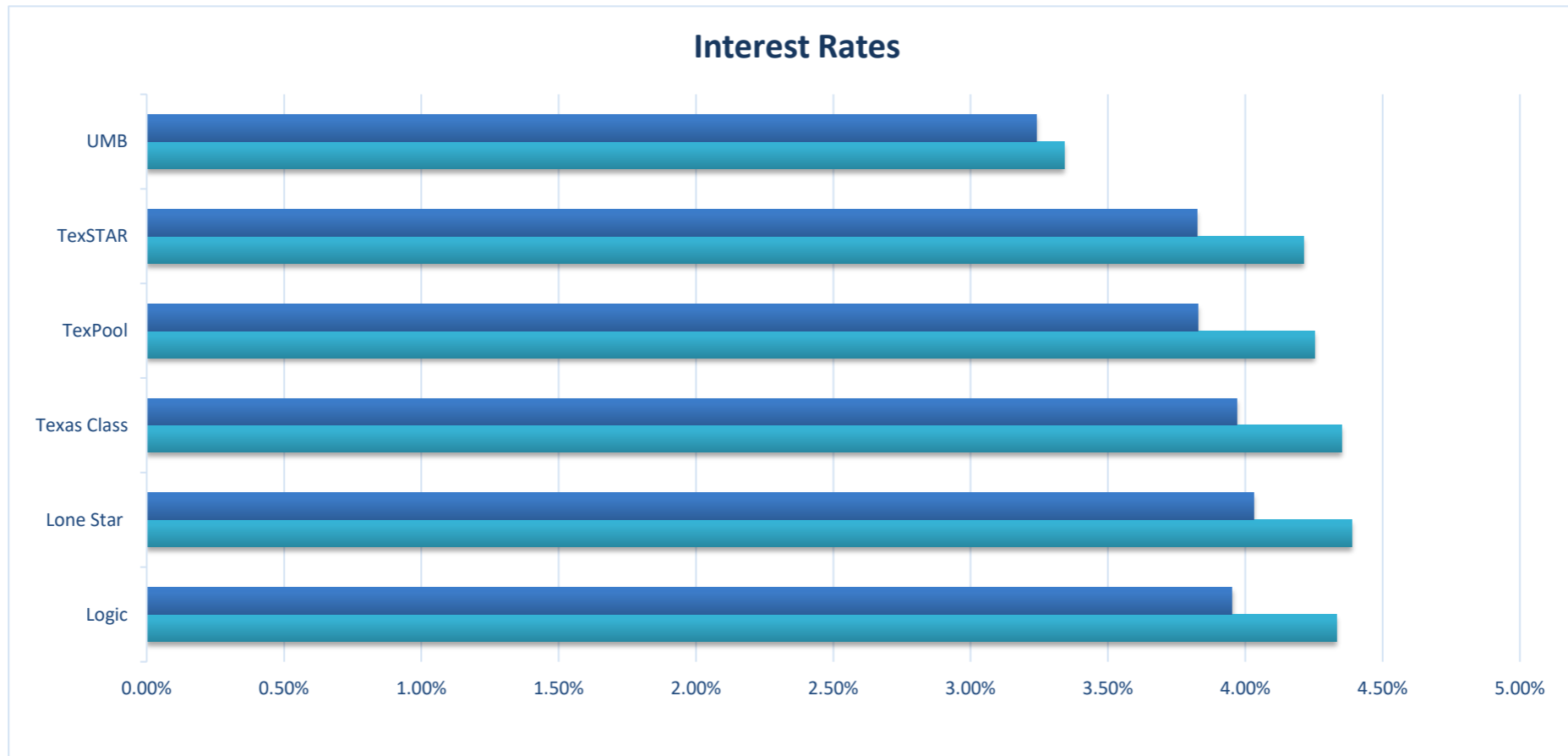
Canutillo Independent School District Quarterly Summary of Investments December 31, 2025

Interest	PY Qt	1st Qt	2nd Qt	3rd Qt	4th Qt
Operating	\$ 74,526	\$ 58,947	\$ 84,897	\$ -	\$ -
Debt	\$ 151,585	\$ 119,188	\$ 98,668	\$ -	\$ -
Food	\$ 28,062	\$ 22,392	\$ 173	\$ -	\$ -
Health Ins	\$ 43	\$ 44	\$ 42	\$ -	\$ -
Construction	774,214	\$ 390,733	\$ 565,293	\$ -	\$ -
Total	\$ 1,028,430	\$ 591,303	\$ 749,072	\$ -	\$ -



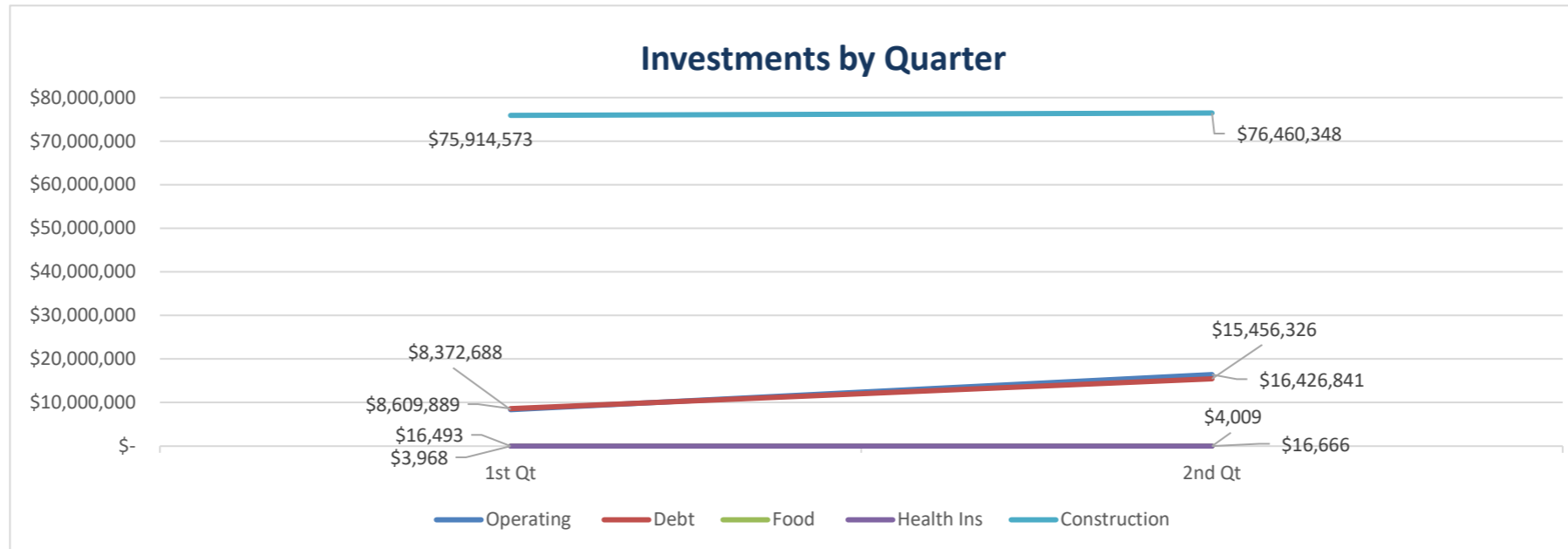
**Canutillo Independent School District
Quarterly Summary of Investments
December 31, 2025**

Investment	1st Qt	2nd Qt	3rd Qt	4th Qt
Logic	4.33%	3.95%		
Lone Star	4.39%	4.03%		
Texas Class	4.35%	3.97%		
TexPool	4.25%	3.83%		
TexSTAR	4.21%	3.82%		
UMB	3.34%	3.24%		
Average	4.24%	3.90%		



**Canutillo Independent School District
Quarterly Summary of Investments
December 31, 2025**

Fund	1st Qt	2nd Qt	3rd Qt	4th Qt
Operating	\$ 8,372,688	\$ 16,426,841	\$ -	\$ -
Debt	\$ 8,609,889	\$ 15,456,326	\$ -	\$ -
Food	\$ 16,493	\$ 16,666	\$ -	\$ -
Health Ins	\$ 3,968	\$ 4,009	\$ -	\$ -
Construction	\$ 75,914,573	\$ 76,460,348	\$ -	\$ -
Total	\$ 92,917,610	\$ 108,364,190	\$ -	\$ -



Board of Trustees

Meeting Date: _____

Executive Summary of Board Agenda Item

Subject/Title for Agenda Posting: Approval of the sponsorship agreement between Superior HealthPlan and Canutillo ISD.

Justification Statement: Superior HealthPlan will give Canutillo ISD a \$5000.00 sponsorship to purchase hygiene items for the Student Support Service Community Hygiene Closet. This monetary grant helps families choose items that meet their needs.

Purpose of Agenda Item: Information Discussion Action
 Item Type: Curriculum & Instruction Human Resources Business Services

Staff Responsible: Dr. Monica Reyes, Executive Director Student Support Services
Signature of Requester(s)
Monica Reyes 1/20/2026
Signature of Presenter(s)
CPulley 02/16/26
Business Services Approval (Initials) *Date*

Agenda Summary:

Canutillo ISD and Superior HealthPlan have maintained an ongoing relationship for approximately eight years. This sponsorship agreement will continue the Hygiene Closet at the Lone Star Building from March 2026 to October 2026, or until funds are exhausted. The Hygiene Closet will be open once a month every third Wednesday, from 3 PM to 5 PM, for families to select five items and receive health information from Superior HealthPlan and other community agencies. District services will also be available during distribution. Based on surveys from previous hygiene closets, the specific items purchased will be those identified as high demand.

RECOMMENDATION: Administration recommends that the Board of Trustees approves the sponsorship agreement with Superior HealthPlan and Canutillo ISD. Once the agreement is approved and executed a donation form will be submitted.

PRIOR BOARD ACTION: Yes AWARDED: Yes AWARDED AMOUNT: \$ 5000.00

AMOUNT(S): \$5000.00 donation.

ACCOUNT NO(S): 499.61.6499.25.920.99

PROCUREMENT METHOD TYPE: (3 Quotes, Cooperative Contract Quotes, Sole Source, Formal Bid)
Grant

REQUESTING DEPARTMENT: Student Support Services Department

CONSEQUENCES OF NON-APPROVAL: Without the approval of the sponsorship agreement, families will not be able to receive monthly hygiene items to meet their needs with no cost to their household budget.

IMPLEMENTATION TIMELINE: School Year March 2026- October 2026

ATTACHMENT(S): Memorandum of Sponsorship Agreement





CANUTILLO INDEPENDENT SCHOOL DISTRICT
FINANCIAL SERVICES DIVISION/PURCHASING

Contract Routing and Approval Form

Table with 4 columns and 3 rows for 'FOR PURCHASING OFFICE USE ONLY'. Rows include Contract Request Received, Routed for Internal Approval, Routed for Vendor Approval, Assigned Contract No, Contract Fully Executed, and Notification To Proceed.

CONTRACT APPROVAL PROCESS: 1. All agreements shall be routed through the purchasing office. 2. Purchasing will review for compliance and determine procurement method(s). 3. Be advised that some agreements may require Legal Counsels review 4. Following final review, purchasing will route for additional signature(s), either district personnel and/or supplier. to ensure receipt of fully executed documents. 5. Purchasing will notify requestor when process has been completed.

NO SERVICES SHALL COMMENCE WITHOUT AN EXECUTED AGREEMENT AND AN APPROVED PURCHASE ORDER

IT IS THE REQUESTORS RESPONSIBILITY TO SUBMIT ALL DOCUMENTS PERTAINING TO THE SERVICE REQUESTED WITH AMPLE TIME TO ALLOW FOR FULL PROCESS. MUST INCLUDE Vendor agreement, vendor quote, vendor terms, any other docs related to the service, etc. This Contract Routing and Approval form is required to ensure we have the information needed to route documents for the necessary signatures.

THIS FORM MUST BE COMPLETED BY THE REQUESTING CAMPUS/DEPARTMENT

Must check off Contract Type: Professional Service, Contracted Services, Vendor Agreement, Term Contract, Interlocal, Lease Agreement, MOU, MOA, Construction, Other

Campus/Department: Student Support Services
Campus/Department Contact person: Dr. Monica Reyes, Executive Director
Contact Number: 915-877-7650 Requestors email: mreyes@canutillo-isd.org
Contract Title: Superior HealthPlan Hygiene Closet

Contract Description: A \$5000.00 donation to create a Hygiene Closet at Lone Star building from March 2026 to October 2026 or until funds have been exhausted. Distribute five hygiene items once a month on every third Wednesday of the month from 3pm to 5pm for the community

VENDOR INFORMATION - MUST PROVIDE ALL INFORMATION LISTED BELOW: Required to obtain all necessary signatures.

Vendor/Company Name: Superior Healthplan Hygiene Closet
Vendor Full Address: 1575 N. Resler Drive Suite C. El Paso, Texas 79912
Name of Representative: Emilia Torres representatives' email: emilia.torres@superiorhealthplan.com
Rep. Office Phone: 915-247-9063 Rep Mobile Number: 915-247-9063
Vendor's Authorized Signer: Emilia Torres Signer's email: emilia.torres@superiorhealthplan.com

Contract Amount: \$5000.00 Funding Source: Grant Superior HealthPlan
Account No(s): 499.61.6499.25.920.99
Anticipated Start Date: March 2026 End Date: October 2026

Is this a New Agreement? Yes No
Is this Agreement a renewal? Yes No If yes; specify the reason for renewal, what is it replacing?
Received new grant monies to fund another year of same services of purchasing hygiene items for community outreach
Agreement Term: March 2026 to October 2026 Does agreement term include renewal options? Yes No

If yes, specify renewal options:

Does agreement require Insurance coverage? Yes No If yes, route agreement to Human Resources department for review, and to provide the necessary insurance requirements.

Human Resources staff review: Date:

By signing this approval request form, I, the budget authority confirm that the agreement attached has been reviewed and all necessary documents pertaining to this agreement are being submitted.

Budget Authority Signature: [Signature] Date: 1/20/2024

Attachments: Must submit vendor agreement and all pertaining documents, quotes, etc., with this routing form.

Purchasing review:



Superior HealthPlan Sponsorship Agreement

In exchange for a sponsorship contribution in the amount of \$5,000, payable to Canutillo ISD, Superior HealthPlan and Canutillo ISD agree to the following terms for the implementation and support of a Superior HealthPlan Community Hygiene Closet from March 2026 through October 2026.

- Funds must be allocated monthly to ensure the closet can run the entire length of the agreement.
- The hygiene closet will be located at 7000 Fifth Street Canutillo, Texas 79835.
- The closet will be held once a month on the following day and time, every third Wednesday of the month from 3 pm to 5 pm.
 - Any changes to the agreed dates and time, at the signing of this agreement, must be submitted one month in advance of the closet date.
- Funds must be used to purchase at minimum:
 - shampoo, body wash, deodorant, toilet paper, paper towels, laundry detergent, household cleaning spray, feminine hygiene products, toothpaste and toothbrush, household spray for insects, adult briefs, wipes, and bed pads for incontinence.
 - After these items have been purchased, funds can be used for other items identified as a need for your community.
- The goal of the closet is for families to choose items needed to meet their needs. Please do not use funds to create generic hygiene bags to distribute monthly.
- Superior HealthPlan will provide a marketing banner to the organization stating Superior HealthPlan is the hygiene closet sponsor.
- Your organization agrees to be listed as a resource on www.findhelp.org, which means the closet would not only be for your clients but anyone in need in the community. Superior HealthPlan will refer members in need to this closet.
- The closet may be utilized in any of the following ways:

- o Anyone in the community may come to the closet once a month to get items at the Superior HealthPlan Hygiene Day.
- o Superior HealthPlan will create referrals through www.findhelp.org to the hygiene closet to support our members in emergency situations.
- o Your organization may access the closet to meet the needs of a client in an emergency outside of the scheduled set days and times, but the closet cannot be open to the public on non-Superior hygiene days.
- There will be an end-of-term report on outcomes from the funding. Your organization is responsible for tracking the following and submitting the information in your final report that is **due by November 15, 2026**.
 - o Your organization may collect additional information you need, but these are the only numbers we require.
 - o On the end of term report you will also be asked for client quotes or success stories related to the community hygiene closets.

	March	April	May	June	July	August	September	October
Households Served								
Representing How Many Individuals								
Total Items Given								

- Superior HealthPlan will be listed as sole sponsor of the Superior HealthPlan Hygiene Closet to include logo on all flyers, brochures and marketing materials distributed by your organization.
- Should your organization need additional hygiene items, you may accept donations to the closet to supplement the funding from Superior HealthPlan, but the closet must still be referred to as the Superior HealthPlan Community Hygiene Closet.
 - o To avoid a conflict of interest, we do ask that you not accept donations or funding for these closets from other managed care organizations.
- Superior's Community Relations Coordinator will attend (as available) the hygiene closet each month. Individuals attending the hygiene closet will be invited to visit the Superior HealthPlan table and get information on the Plan. Superior may also invite additional community partners to set up to provide participants with resources as space allows.

- Your organization agrees to a monthly social media post advertising the closet and tagging @SuperiorHealthPlan on Facebook.

Once this agreement is signed, these terms must be met timely. Attached you will find the financial documents necessary for the execution of this agreement. The agency is required to submit all necessary documents by end of day on February 2, 2026. This date is necessary, so the checks will be received timely for a start date in March. Check processing takes approximately 6 weeks. If your organization accepts credit card payments, we can expedite the transfer of funds using that option.

Thank you for your time and consideration and we look forward to this partnership.

Superior HealthPlan	Organization Name: Canutillo Independent School District (Student Support Services)
Debra Danziger, VP of Plan Communications	Dr. Josue Borrego, Superintendent
Signature:	Signature:
Date:	Date:

**CANUTILLO INDEPENDENT SCHOOL DISTRICT
EL PASO, TEXAS**

**ANNUAL COMPREHENSIVE FINANCIAL
REPORT FOR THE FISCAL YEAR ENDED
JUNE 30, 2025**

***PREPARED BY
FINANCIAL SERVICES DEPARTMENT***



CANUTILLO INDEPENDENT SCHOOL DISTRICT
 Annual Comprehensive Financial Report
 For the Fiscal Year Ended June 30, 2025

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**INTRODUCTORY SECTION
(UNAUDITED)**

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CERTIFICATE OF BOARD

Canutillo Independent School District
Name of School District

El Paso County
County

071-907
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial and compliance reports of the above named school district were reviewed and (check one) ___ approved ___ disapproved for the year ended June 30, 2025, at a meeting of the board of trustees of such school district on the 24th day of February 2026.

Board Secretary

Signature of Board President

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

(attach list as necessary)

FINANCIAL SECTION

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Independent Auditor's Report

To the Board of Trustees
Canutillo Independent School District

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Canutillo Independent School District (District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Canutillo Independent School District, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

Change in Accounting Principle

As described in Note I to the financial statements, in 2025, Canutillo Independent School District adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison, and the pension and other post employment benefits information on pages 29 through 41 and 111 through 124 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February XX, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Gibson Ruddock Patterson LLC
El Paso, Texas
February XX, 2026

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MANAGEMENT'S DISCUSSION & ANALYSIS

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BASIC FINANCIAL STATEMENTS

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CANUTILLO ISD
STATEMENT OF NET POSITION
JUNE 30, 2025

EXHIBIT A-1

Data Control Codes	Primary Government
	Governmental Activities
ASSETS	
1110 Cash and Cash Equivalents	\$ 149,857,391
1120 Current Investments	51,835,898
1220 Property Taxes - Delinquent	2,635,107
1230 Allowance for Uncollectible Taxes	(527,021)
1240 Due from Other Governments	8,467,121
1290 Other Receivables, Net	211,951
1300 Inventories	169,142
1410 Prepayments	185,465
Capital Assets:	
1510 Land	5,671,195
1520 Buildings and Improvements, Net	84,315,249
1530 Furniture and Equipment, Net	2,883,607
1540 Vehicles, Net	3,591,266
1550 Right-to-Use Lease Assets, Net	351,180
1553 SBITA Assets, Net	1,629,585
1580 Construction and Technology Projects in Progress	31,299,834
1990 Long-Term Investments	986,282
1000 Total Assets	<u>343,563,252</u>
DEFERRED OUTFLOWS OF RESOURCES	
1701 Deferred Charge for Refunding	1,527,609
1705 Deferred Outflow Related to TRS Pension	5,920,846
1706 Deferred Outflow Related to TRS OPEB	6,900,235
1700 Total Deferred Outflows of Resources	<u>14,348,690</u>
LIABILITIES	
2110 Accounts Payable	5,164,198
2140 Interest Payable	2,468,241
2150 Payroll Deductions and Withholdings	749,135
2160 Accrued Wages Payable	3,175,376
2177 Due to External Parties	100,227
2180 Due to Other Governments	115,374
2200 Accrued Expenses	391,000
2300 Unearned Revenue	1,452,245
Noncurrent Liabilities:	
2501 Due Within One Year: Bonds, Loans, Note, Leases, etc.	7,515,327
Due in More than One Year:	
2502 Bonds, Notes, Loans, Leases, etc.	261,908,043
2540 Net Pension Liability (District's Share)	23,271,545
2545 Net OPEB Liability (District's Share)	14,618,960
2000 Total Liabilities	<u>320,929,671</u>
DEFERRED INFLOWS OF RESOURCES	
2602 Deferred Inflow for Gain on Refundings	419,809
2605 Deferred Inflow Related to TRS Pension	1,981,656
2606 Deferred Inflow Related to TRS OPEB	14,546,763
2600 Total Deferred Inflows of Resources	<u>16,948,228</u>
NET POSITION	
3200 Net Investment in Capital Assets and Right-to-Use Assets	30,854,134
Restricted:	
3820 Restricted for Food Service	1,452,804
3850 Restricted for Debt Service	11,497,710
3860 Restricted for Capital Projects	5,217,531
3870 Restricted for Campus Activities	601,965
3900 Unrestricted	<u>(29,590,101)</u>
3000 Total Net Position	<u>\$ 20,034,043</u>

CANUTILLO ISD
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Net (Expense)
Revenue and
Changes in Net
Position

Data Control Codes	1	Program Revenues		6	
		3	4		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Gov. Governmental Activities	
Primary Government:					
GOVERNMENTAL ACTIVITIES:					
11	Instruction	\$ 44,139,180	\$ 892	\$ 5,305,848	\$ (38,832,440)
12	Instructional Resources and Media Services	1,065,273	-	202,400	(862,873)
13	Curriculum and Instructional Staff Development	1,453,638	-	785,140	(668,498)
21	Instructional Leadership	1,372,078	-	332,576	(1,039,502)
23	School Leadership	4,089,404	-	172,736	(3,916,668)
31	Guidance, Counseling, and Evaluation Services	2,663,752	-	232,291	(2,431,461)
32	Social Work Services	410,433	-	241,189	(169,244)
33	Health Services	948,473	-	398,223	(550,250)
34	Student (Pupil) Transportation	2,354,993	-	54,155	(2,300,838)
35	Food Services	5,638,406	68,980	4,985,208	(584,218)
36	Extracurricular Activities	1,940,096	662,706	27,814	(1,249,576)
41	General Administration	3,737,313	87,383	394,999	(3,254,931)
51	Facilities Maintenance and Operations	7,702,346	-	660,203	(7,042,143)
52	Security and Monitoring Services	1,292,808	-	217,018	(1,075,790)
53	Data Processing Services	2,065,817	-	61,637	(2,004,180)
61	Community Services	411,457	-	308,328	(103,129)
72	Interest on Long-Term Debt	6,049,829	-	1,068,662	(4,981,167)
73	Bond Issuance Cost and Fees	2,982,976	-	-	(2,982,976)
81	Facilities Planning and Innovative Construction	360,126	-	-	(360,126)
99	Payments to Tax Appraisal District	635,427	-	-	(635,427)
	[TP] TOTAL PRIMARY GOVERNMENT:	\$ 91,313,825	\$ 819,961	\$ 15,448,427	(75,045,437)

Data Control Codes	General Revenues:	
	Taxes:	
MT	Property Taxes, Levied for General Purposes	26,963,880
DT	Property Taxes, Levied for Debt Service	14,502,356
SF	State Aid - Formula Grants	30,023,519
IE	Investment Earnings	3,551,855
MI	Miscellaneous Local and Intermediate Revenue	346,028
S2	Special Item - Gain in Sale of Assets	214,308
TR	Total General Revenues & Special Items	75,601,946
CN	Change in Net Position	556,509
NB	Net Position - Beginning as Previously Reported	23,474,652
PA	Restatements - Change in Accounting Principle	(3,997,118)
	Net Position - Beginning as Restated and Adjusted	19,477,534
NE	Net Position - Ending	\$ 20,034,043

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

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CANUTILLO ISD
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

Data Control Codes	General Fund	Debt Service Fund	2024A & 2025 Bonds Capital Projects Fund
ASSETS			
1110 Cash and Cash Equivalents	\$ 10,934,738	\$ 13,879,415	\$ 124,989,314
1120 Investments - Current	-	-	51,835,898
1220 Property Taxes - Delinquent	1,952,017	683,090	-
1230 Allowance for Uncollectible Taxes	(390,403)	(136,618)	-
1240 Due from Other Governments	7,688,262	-	-
1260 Due from Other Funds	2,645,203	2,981,810	25,604
1290 Other Receivables	35,785	-	-
1300 Inventories	169,142	-	-
1410 Prepayments	21,507	-	-
1900 Long-Term Investments	-	-	986,282
1000 Total Assets	<u>\$ 23,056,251</u>	<u>\$ 17,407,697</u>	<u>\$ 177,837,098</u>
LIABILITIES			
2110 Accounts Payable	\$ 570,079	\$ -	\$ 4,234,790
2150 Payroll Deductions and Withholdings Payable	749,135	-	-
2160 Accrued Wages Payable	2,978,080	-	-
2170 Due to Other Funds	3,376,030	22,079	2,527,534
2180 Due to Other Governments	55,554	30,242	-
2300 Unearned Revenue	1,125,687	43,685	-
2000 Total Liabilities	<u>8,854,565</u>	<u>96,006</u>	<u>6,762,324</u>
DEFERRED INFLOWS OF RESOURCES			
2601 Unavailable Revenue - Property Taxes	1,529,054	531,829	-
2600 Total Deferred Inflows of Resources	<u>1,529,054</u>	<u>531,829</u>	<u>-</u>
FUND BALANCES			
Nonspendable Fund Balance:			
3410 Inventories	169,142	-	-
3430 Prepaid Items	21,507	-	-
Restricted Fund Balance:			
3450 Federal or State Funds Grant Restriction	1,282,999	-	-
3470 Capital Acquisition and Contractual Obligation	-	-	171,074,774
3480 Retirement of Long-Term Debt	-	16,779,862	-
3490 Other Restricted Fund Balance	-	-	-
Assigned Fund Balance:			
3570 Capital Expenditures for Equipment	1,570,000	-	-
3600 Unassigned Fund Balance	9,628,984	-	-
3000 Total Fund Balances	<u>12,672,632</u>	<u>16,779,862</u>	<u>171,074,774</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 23,056,251</u>	<u>\$ 17,407,697</u>	<u>\$ 177,837,098</u>

The notes to the financial statements are an integral part of this statement.

Other Funds	Total Governmental Funds
\$ -	\$ 149,803,467
-	51,835,898
-	2,635,107
-	(527,021)
778,859	8,467,121
1,073,522	6,726,139
-	35,785
-	169,142
-	21,507
-	986,282
<u>\$ 1,852,381</u>	<u>\$ 220,153,427</u>
\$ 215,600	\$ 5,020,469
-	749,135
197,296	3,175,376
374,562	6,300,205
29,578	115,374
282,873	1,452,245
<u>1,099,909</u>	<u>16,812,804</u>
-	2,060,883
-	2,060,883
-	169,142
-	21,507
150,507	1,433,506
-	171,074,774
-	16,779,862
601,965	601,965
-	1,570,000
-	9,628,984
<u>752,472</u>	<u>201,279,740</u>
<u>\$ 1,852,381</u>	<u>\$ 220,153,427</u>

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CANUTILLO ISD
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
JUNE 30, 2025

EXHIBIT C-2

Total Fund Balances - Governmental Funds	\$ 201,279,740
 Amounts reported for the governmental activities in the statement of net position are different due to the following:	
Capital assets of \$228,069,695 net of accumulated depreciation and amortization of (\$98,327,779) are not financial resources, and therefore, are not reported as assets in governmental funds.	129,741,916
Property taxes are not available to pay for the current period's expenditures and therefore, are deferred in the funds.	2,060,883
An internal service fund is used by the District's management to charge the costs of health insurance activities to the other funds. The assets and liabilities of the internal service fund are included in governmental activities.	(830,799)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported as liabilities in the funds.	(269,423,370)
Bonds Payable	(\$250,809,627)
Accretion Payable	(3,345,740)
Premiums on Bonds Payable	(8,592,646)
Loans from Direct Borrowing	(1,355,813)
Compensated Absences Payable	(4,414,180)
Right-to-Use Leases	(376,131)
SBITAs Payable	(529,33)
Accrued interest is not due and payable in the current period and therefore is not reported as a liability in the governmental funds.	(2,468,241)
Deferred gains and losses on the refunding of bonds are not reported in the funds but are considered deferred inflows and outflows in the statement of net position. The Deferred Charge for Refundings is \$1,527,609 as of June 30, 2025, and the Deferred Gain on Refundings is (\$419,809) as of June 30, 2025.	1,107,800
Included in the items related to debt is the recognition of the District's proportionate share of pension liability required by GASB 68:	(19,332,355)
- Net Pension Liability	(\$23,271,545)
- Deferred Outflow Related to TRS Pension	5,920,846
- Deferred Inflow Related to TRS Pension	(1,981,656)
Included in the items related to debt is the recognition of the District's proportionate share of the OPEB liability required by GASB 75:	(22,265,488)
- Net OPEB Liability	(\$14,618,960)
- Deferred Outflow Related to TRS OPEB	6,900,235
- Deferred Inflow Related to TRS OPEB	(14,546,763)
Prepaid insurance amortization is not reported in the fund financial statements but is reported as part of the Statement of Net Position.	163,957
 Net Position of Governmental Activities	 \$ 20,034,043

CANUTILLO ISD
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

Data Control Codes	General Fund	Debt Service Fund	2024A & 2025 Bonds Capital Projects Fund
REVENUES:			
5700 Total Local and Intermediate Sources	\$ 28,111,858	\$ 15,054,478	\$ 2,487,973
5800 State Program Revenues	33,837,018	1,068,662	-
5900 Federal Program Revenues	5,986,021	-	-
5020 Total Revenues	<u>67,934,897</u>	<u>16,123,140</u>	<u>2,487,973</u>
EXPENDITURES:			
Current:			
0011 Instruction	38,747,807	-	-
0012 Instructional Resources and Media Services	790,358	-	-
0013 Curriculum and Instructional Staff Development	717,716	-	-
0021 Instructional Leadership	1,046,094	-	-
0023 School Leadership	4,009,453	-	-
0031 Guidance, Counseling, and Evaluation Services	2,655,488	-	-
0032 Social Work Services	176,636	-	-
0033 Health Services	952,431	-	-
0034 Student (Pupil) Transportation	2,114,075	-	-
0035 Food Services	5,677,849	-	-
0036 Extracurricular Activities	1,493,861	-	-
0041 General Administration	3,471,584	-	252,895
0051 Facilities Maintenance and Operations	6,993,185	-	105,938
0052 Security and Monitoring Services	1,248,576	-	-
0053 Data Processing Services	1,849,539	-	359
0061 Community Services	23,074	-	-
Debt Service:			
0071 Principal on Long-Term Liabilities	795,320	9,565,000	1,218
0072 Interest on Long-Term Liabilities	87,306	4,616,928	272
0073 Bond Issuance Cost and Fees	424	309,175	2,707,479
Capital Outlay:			
0081 Facilities Acquisition and Construction	1,180,957	-	30,901,379
Intergovernmental:			
0099 Other Intergovernmental Charges	635,427	-	-
6030 Total Expenditures	<u>74,667,160</u>	<u>14,491,103</u>	<u>33,969,540</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,732,263)</u>	<u>1,632,037</u>	<u>(31,481,567)</u>
OTHER FINANCING SOURCES (USES):			
7911 Issuance of Bonds	-	7,100,000	196,880,000
7912 Sale of Real and Personal Property	290,066	-	-
7915 Transfers In	53	-	-
7916 Premium or Discount on Issuance of Bonds	-	1,074,035	5,676,341
7949 Issuance of SBITAs	208,859	-	-
8911 Transfers Out (Use)	(1,000,000)	-	-
8949 Other (Uses) - Placed in Escrow for Refunded Bonds	-	(7,361,542)	-
7080 Total Other Financing Sources (Uses)	<u>(501,022)</u>	<u>812,493</u>	<u>202,556,341</u>
1200 Net Change in Fund Balances	<u>(7,233,285)</u>	<u>2,444,530</u>	<u>171,074,774</u>
0100 Fund Balance - July 1 (Beginning)	19,905,917	14,335,332	-
3000 Fund Balance - June 30 (Ending)	<u>\$ 12,672,632</u>	<u>\$ 16,779,862</u>	<u>\$ 171,074,774</u>

The notes to the financial statements are an integral part of this statement.

Other Funds	Total Governmental Funds
\$ 844,254	\$ 46,498,563
1,343,266	36,248,946
5,051,310	11,037,331
7,238,830	93,784,840
4,429,451	43,177,258
183,622	973,980
770,402	1,488,118
309,235	1,355,329
160,234	4,169,687
160,054	2,815,542
241,189	417,825
28,176	980,607
-	2,114,075
-	5,677,849
230,269	1,724,130
22,509	3,746,988
138,894	7,238,017
187,583	1,436,159
24,300	1,874,198
309,029	332,103
-	10,361,538
-	4,704,506
-	3,017,078
-	32,082,336
-	635,427
7,194,947	130,322,750
43,883	(36,537,910)
-	203,980,000
-	290,066
-	53
-	6,750,376
-	208,859
(53)	(1,000,053)
-	(7,361,542)
(53)	202,867,759
43,830	166,329,849
708,642	34,949,891
\$ 752,472	\$ 201,279,740

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CANUTILLO ISD
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2025

EXHIBIT C-4

Total Net Change in Fund Balances - Governmental Funds \$ 166,329,849

Amounts reported for governmental activities in the statement of activities are difference due to the following:

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 as depreciation/amortization expense. Thus the cost of current year outlays is removed from expense and depreciation/amortization is added to expense. 27,317,052

Additions to Furniture and Equipment	\$572,156
Additions to Vehicles	237,711
Additions to SBITAs	1,444,649
Additions to Construction and Technology in Progress	31,158,839
Disposal of Assets	(185,149)
Depreciation/Amortization Expense	(6,009,863)
Removal of Accumulated Depreciation/Amortization for Disposed Assets	98,709

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Proceeds from the sale of bonds is a source of financing in the governmental funds, but the statement of net position recognizes it as an increase in the long term liabilities. The changes in long term liabilities for the fiscal year consisted of the following: (191,867,336)

Net Change in Bonds Payable	(\$194,415,000)
Net Change in Accretion Payable	(66,533)
Net Change in Premiums on Bonds Payable	(6,076,473)
Net Change in Loans from Direct Borrowing	411,717
Net Change in Maintenance Tax Notes	7,285,000
Net Change in Premium on Maintenance Tax Notes	260,036
Net Change in Accumulated Leave Benefits	552,772
Net Change in Right-to-Use Lease liability	133,838
Net change in SBITAs payable	47,307

Deferred inflows and outflows of gains and losses on debt refundings are amortized over the term of the bonds in the statement of activities but are expensed in the year incurred in governmental funds. (416,259)

Net Deferred Outflow Charge for Refundings	(\$355,091)
Net Deferred Inflow Gain on Refundings	(61,168)

Property taxes that will not be collected until after the District's fiscal year end are not considered "available" revenues and are deferred in the governmental funds. The change in deferred tax revenues, net of allowance for bad debt, are recognized in the statement of activities. 57,333

CANUTILLO ISD
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2025

EXHIBIT C-4

<p>Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus, requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.</p>	(1,685,826)
<p>Prepaid insurance amortization is not reported in the fund financial statements. The net change in prepaid insurance is reported in the statement of activities.</p>	29,314
<p>Internal service funds are used by management to charge the costs of health insurance to individual funds. The net expense of the internal service funds is reported with governmental activities.</p>	(143,448)
<p>GASB 68 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$1,833,045. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net pension liability. This caused a decrease in net position totaling (\$1,832,211). Finally, the proportionate share of the TRS pension expense on the plan as a whole had to be recorded. The net pension expense decreased the change in net position by (\$1,219,534). The net result is a decrease in the change in net position.</p>	(1,218,700)
<p>GASB 75 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$364,428. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net OPEB liability. This caused a decrease in net position totaling (\$370,631). Finally, the proportionate share of the TRS Care OPEB expense on the plan as a whole had to be recorded. The net OPEB expense increased the change in net position by \$2,160,733. The net result is an increase in the change in net position.</p>	2,154,530
<p>Change in Net Position of Governmental Activities</p>	\$ 556,509

PROPRIETARY FUND FINANCIAL STATEMENTS

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CANUTILLO ISD
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	Governmental Activities -	
		Internal Service Fund
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$	53,924
Other Receivables		176,166
Total Assets		230,090
LIABILITIES		
Current Liabilities:		
Accounts Payable		143,728
Due to Other Funds		526,161
Accrued Expenses		391,000
Total Liabilities		1,060,889
NET POSITION		
Unrestricted Net Position		(830,799)
Total Net Position	\$	(830,799)

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The notes to the financial statements are an integral part of this statement.

CANUTILLO ISD
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Governmental Activities -
	Internal Service Fund
OPERATING REVENUES:	
Local and Intermediate Sources	\$ 6,048,608
Total Operating Revenues	6,048,608
OPERATING EXPENSES:	
Claims Expense	6,068,272
Professional and Contracted Services	358,599
Other Operating Costs	765,384
Total Operating Expenses	7,192,255
Operating Income (Loss)	(1,143,647)
NONOPERATING REVENUES (EXPENSES):	
Earnings from Temporary Deposits & Investments	199
Total Nonoperating Revenues (Expenses)	199
Income (Loss) Before Transfers	(1,143,448)
Transfers In	1,000,000
Change in Net Position	(143,448)
Total Net Position - July 1 (Beginning)	(687,351)
Total Net Position - June 30 (Ending)	\$ (830,799)

The notes to the financial statements are an integral part of this statement.

CANUTILLO ISD
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

EXHIBIT D-3

	Governmental Activities -
	Internal Service Fund
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Assessments - Other Funds	\$ 5,932,735
Cash Payments for Insurance Claims	(6,149,272)
Cash Payments for Suppliers	(501,592)
Cash Payments for Other Operating Expenses	(239,223)
Net Cash Used for Operating Activities	(957,352)
<u>Cash Flows from Non-Capital Financing Activities:</u>	
Transfers In	1,000,000
<u>Cash Flows from Investing Activities:</u>	
Interest and Dividends on Investments	199
Net Increase in Cash and Cash Equivalents	42,847
Cash and Cash Equivalents at Beginning of Year	11,077
Cash and Cash Equivalents at End of Year	\$ 53,924
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>	
<u>Used for Operating Activities:</u>	
Operating Income (Loss):	\$ (1,143,647)
Effect of Increases and Decreases in Current Assets and Liabilities:	
Decrease (increase) in Receivables	(115,873)
Increase (decrease) in Accounts Payable	383,168
Increase (decrease) in Accrued Expenses	(81,000)
Net Cash Used for Operating Activities	\$ (957,352)

FIDUCIARY FUND FINANCIAL STATEMENTS

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CANUTILLO ISD
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2025

	Custodial Fund
<hr/>	
ASSETS	
Due from Other Funds	\$ 100,227
Total Assets	<u>100,227</u>
LIABILITIES	
Accounts Payable	<u>1,815</u>
Total Liabilities	<u>1,815</u>
NET POSITION	
Restricted for Individuals and Organizations	<u>98,412</u>
Total Net Position	<u>\$ 98,412</u>

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CANUTILLO ISD
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2025

	Custodial Fund
ADDITIONS:	
Contributions to Student Groups	\$ 150,808
Total Additions	<u>150,808</u>
DEDUCTIONS:	
Professional and Contracted Services	33,177
Supplies and Materials	15,493
Other Deductions	96,188
Total Deductions	<u>144,858</u>
Change in Fiduciary Net Position	5,950
Total Net Position - July 1 (Beginning)	<u>92,462</u>
Total Net Position - June 30 (Ending)	<u><u>\$ 98,412</u></u>

The notes to the financial statements are an integral part of this statement.

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Canutillo Independent School District (the "District") is a public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven member Board of Trustees (the "Board") elected by registered voters of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB), and it complies with the requirements of the appropriate version of Texas Education Agency's *Financial Accountability System Resource Guide* (the "Resource Guide") and the requirements of contracts and grants of agencies from which it receives funds.

A. Reporting Entity

The Board of Trustees (the "Board") is elected by the public and has the authority to make decisions, appoint administrators and managers, and significantly influence operations. The Board also has primary accountability for fiscal matters; therefore, the District is not included in any other governmental "reporting entity" as defined by the Governmental Accounting Standards Board ("GASB").

In accordance with Governmental Accounting Standard Board, a financial reporting entity consists of the primary government and its component units. Component units are legally separate organizations for which the elected officials of the District are financially accountable, or for which the relationship to the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. Discretely presented component units are reported in a separate column in the basic financial statements to emphasize they are legally separate from the school district. The District's blended component unit, although a legally separate entity, is in substance a part of the District's operations, and so data from this entity is combined with data of the primary government.

The criteria used to determine whether an organization is a component unit of the District includes: financial accountability of the District for the component unit, whether the District appoints a voting majority of the entity's board, the ability to impose the District's will on the component unit, fiscal dependency criterion, if it is a financial benefit or burden to the District, and whether services are provided entirely or almost entirely to the District.

Canutillo Independent School District Public Facilities Corporation (PFC)

In 1999, the Board of Trustees adopted a resolution approving the creation of the Canutillo Independent School District Public Facilities Corporation, a nonprofit public corporation, for the purpose of constructing school facilities and leasing those facilities to the District.

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

For financial reporting purposes, the Canutillo Independent School District Public Facilities Corporation (PFC) is included as a blended component unit in the operations and activities of the District. The criteria used to include the PFC as a blended component unit of the District include: the District appoints a voting majority of the PFC's governing body, the District is able to impose its will on the PFC, and the PFC serves the District exclusively as a financing vehicle for capital projects.

As of and for the year ended June 30, 2025, the PFC was inactive. As such, there is no activity to include in these financial statements.

Canutillo Independent School District Agronomics Center

During the year ended August 31, 2005, the Board of Trustees approved the creation of the Canutillo Independent School District Agronomics Center, a Texas Nonprofit Corporation, for the purpose of developing an Agricultural Science and Research Center. The Agronomics Center was granted tax exempt status from the IRS.

The Agronomics Center is managed by a board of seven directors who are appointed by the Board of Trustees. The Board of Trustees has ultimate control over the Agronomics Center, and may alter the structure, organization, or activities of the corporation at any time. Upon dissolution of the Agronomics Center all remaining assets shall be transferred to the District.

As of and for the year ended June 30, 2025, the Agronomics Center was inactive. As such, there is no activity to include in these financial statements.

B. Government-Wide and Fund Financial Statements

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the District's nonfiduciary activities with most of the interfund activities removed. Governmental activities include programs supported primarily by taxes, state funds, grants and other intergovernmental revenues.

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement category represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. For pensions and OPEB, these outflows result from pension plan and OPEB contributions made after the measurement date of the net pension and OPEB liabilities, the net differences between projected and actual investment earnings, changes in actuarial assumptions; differences between expected and actual experiences; and changes in the District's proportionate share of net pension and OPEB liabilities. The deferred outflow of resources related to pensions and OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension and OPEB liabilities in the next fiscal year. The other pension and OPEB related deferred outflows will be amortized over a systematic and rational method over a closed period.

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement category represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. For pensions and OPEB, these inflows result from pension and OPEB changes in actuarial assumptions; net differences between projected and actual investment earnings, differences between expected and actual experiences; and changes in the District's proportionate share of net pension and OPEB liabilities. These inflows will be amortized over a systematic and rational method over a closed period.

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

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

The Statement of Activities demonstrates how other people or entities that participate in programs the District operates have shared in the payment of the direct costs. The "charges for services" column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function or segment of the District. Examples include tuition paid by students not residing in the district, school lunch charges, etc. The "grants and contributions" column includes amounts paid by organizations outside the District to help meet the operational or capital requirements of a given function. Examples include grants under the Elementary and Secondary Education Act as amended by the Every Student Succeeds Act. If a revenue is not a program revenue, it is a general revenue used to support all of the District's functions. Taxes are always general revenues.

Interfund activities between governmental funds and between governmental and proprietary funds appear as due to or due from on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Position and as other financing sources and other uses on the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance and on the Proprietary Fund Statement of Revenues, Expenses and Changes in Fund Net Position. All interfund transactions between governmental funds and between governmental and internal service funds are eliminated on the government-wide statements. The District has no interfund services provided and used between functions that would be program revenue which would not be eliminated in the process of consolidation.

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The fund financial statements report on the financial condition and results of operations for three fund categories - governmental, proprietary, and fiduciary. Since the resources in the fiduciary funds cannot be used for District operations, they are not included in the government-wide statements. The District considers some governmental funds major and reports their financial condition and results of operations in a separate column.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All other revenues and expenses are nonoperating.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, current assets, deferred outflows or resources, current liabilities, deferred inflows of resources, and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, leases, and subscription-based information technology arrangements (SBITAs) which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. The District considers all revenues, other than property tax revenues, available if they are collectible within one year after year end. School Health and Related Services (SHARS) revenue is recognized when it is earned and when the annual Cost Report is acknowledged by the Texas Health and Human Service Commission.

Revenues from local sources consist primarily of property taxes, investment income, food service activity, athletic activity, extracurricular and co-curricular activity. Revenues received from the State are recognized under the susceptible-to-accrual concept, that is, when they are both measurable and available. The District considers property tax revenue available if it will be collected within 60 days of the end of the fiscal year. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unavailable revenue from property taxes arise only under modified accrual basis of accounting. The governmental funds report this unavailable revenue as deferred inflow of resources, which is recognized as revenue in the period that the amounts become available.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly when such funds are received, they are recorded as unearned revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors may require the District to refund all or part of the unused amount.

The Proprietary Fund Types and Fiduciary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. With this measurement focus, assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of these funds are included on the fund Statement of Net Position. The fund equity is segregated into restricted and unrestricted net position.

D. Fund Accounting

The District reports the following major governmental funds:

1. General Fund - The general fund is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.
2. Debt Service Fund - The District accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in a debt service fund.
3. 2024A and 2025 Bonds Capital Projects Fund - This fund accounts for proceeds from long-term debt financing that are used to construct, renovate, acquire and equip school buildings in the District and pay any associated costs.

Additionally, the District reports the following fund types:

Governmental Funds:

1. Special Revenue Funds - The District accounts for resources restricted for specific purposes by a grantor in a special revenue fund. Most federal and state financial assistance is accounted for in a special revenue fund and sometimes unused balances must be returned to the grantor at the close of specified project periods.

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Permanent Funds - The District has no permanent funds.

Proprietary Funds:

3. Enterprise Funds - The District has no enterprise funds.
4. Internal Service Funds - These funds are used to account for financing of goods or services provided by one department to other department of the District on a cost-reimbursement basis. The District's Internal Service Fund is the self-insurance fund for Health Care.

Fiduciary Funds:

5. Private Purpose Trust Funds - The District has no private purpose trust funds.
6. Pension (and Other Employee Benefit) Trust Funds - The District has no pension trust funds.
7. Investment Trust Fund - The District has no investment trust funds.
8. Custodial Funds - The District accounts for resources held for others in a custodial capacity. The District utilizes this fund type to account for funds held on behalf of student clubs and organizations.

E. Other Accounting Policies

1. For purposes of the statement of cash flows for proprietary funds and similar fund types, the District considers highly liquid investments to be cash equivalents if they have a maturity of three months or less when purchased.
2. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
3. Investments with an original maturity greater than one year from date of purchase are stated at fair value. Investments with an original maturity of less than one year are reported at amortized cost.

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. The funds of the District must be deposited and invested under the terms of a contract, contents of which are set out in the **Depository Contract Law**. The depository bank places approved pledged securities for safekeeping and trust with the District's agent bank in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.
5. The **Public Funds Investment Act** (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. Management asserts that the District is in substantial compliance with the requirements of the Act and with local policies.
6. Additional policies and contractual provisions governing deposits and investments for the District are specified below:

Credit Risk:

Deposits - Credit risk is not applicable to deposits.

Temporary Investments - To limit the risk that an issuer or other counterparty to an investment will not fulfill its obligations, the District limits investments in public funds investment pools to those that have received top ratings issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2025, the District's investments in TexPool, TexStar, Logic, and Texas Class investment pools were rated AAAM by Standard & Poor's. The Lone Star investment pool was rated AAAs/S1+ by Standard & Poor's.

Investments - To limit the risk that an issuer or other counterparty to an investment will not fulfill its obligations, the District limits investments in Municipal Bonds, Federal Home Loan and Money Market. Municipal Bonds and Federal Home Loan are AA+ and AA- rated. The Money Market account is AAAM rated.

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Custodial Credit Risk:

Deposits - State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a value equaling or exceeding the amount on deposit at the end of each business day. Since the District has a contract that complies with this law, it has minimal custodial credit risk for deposits.

Temporary Investments - To limit the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in possession of an outside party, the District requires counterparties to register the securities in the name of the District and hand them over to the District or its designated agent. This includes securities in securities lending transactions. Investment pools are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book-entry form.

Investments - To limit the risk that, in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of investment or collateral securities that are in possession of an outside party, the District requires counterparties to register the securities in the name of the District and hand them over to the District or its designated agent. This includes securities in securities lending transactions. All of the investments are in the District's name and held by the District or its agent.

Concentration of Credit Risk:

Deposits - Concentration of credit risk is not applicable to deposits.

Temporary Investments - To limit the risk of loss attributed to the magnitude of a government's investment in a single issuer, the District's policy states that the portfolio must be diversified. Concentration of Credit Risk is not applicable to investment pools since the purpose of these pools is to diversify the District's investment portfolio.

Investments - To limit the risk of loss attributed to the magnitude of the District's investment in a single issuer, the District's policy states that the portfolio must be diversified. The District's investments are in Municipal Bonds, Federal Home Loan and Money Market. Total investments of the District consist of the following Municipal Bonds 63.85%, Federal Home Loan 6.64% and Money Market 29.51%

Interest Rate Risk:

Deposits - Interest rate risk is not applicable to deposits.

Temporary Investments - To limit the risk that changes in interest rates will adversely affect the fair value of investments, the District requires its investment portfolio to have maturities of less than one year on a weighted average maturity (WAM) basis.

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments - To limit the risk that changes in interest rates will adversely affect the fair value of investments, the District's investment strategies for capital project funds shall have as their primary objective sufficient investment liquidity to timely meet capital project obligations. Maturities longer than one year are authorized provided legal limits are not exceeded. As of June 30, 2025, management calculated the District's WAM and it consisted of the following, Municipal Bonds WAM 138 days, Federal Home Loan 11 days and Money Market 1 day.

Foreign Currency Risk:

Deposits - The District attempts to limit the risk that changes in exchange rates will adversely affect a deposit by avoiding deposits denominated in a foreign currency.

Temporary Investments - The District attempts to limit the risk that changes in exchange rates will adversely affect the fair value of an investment by avoiding investment pools or securities which are denominated in a foreign currency.

Investments - The District is not exposed to the risk that changes in exchange rates will adversely affect the fair value of an investment as none of the investments are denominated in any foreign currencies.

7. The District reports inventories of supplies at weighted average cost including consumable maintenance, instructional, office, athletic, and transportation items. Supplies are recorded as expenditures when they are consumed. Inventories of food commodities which are received at no cost are recorded as revenue and expenditures at fair values supplied by the Texas Department of Agriculture when received. When requisitioned, inventory and unearned revenue are relieved, expenditures are charged, and revenue is recognized for an equal amount.

Prepaid items on the balance sheet are accounted for using the consumption method and are recognized as expenditures in the period in which the service is provided.

8. In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt, right-to-use lease liabilities, subscription-based information technology arrangements, and other long-term obligations are reported as liabilities in the Statement of Net Position. When applicable, premiums and discounts are presented as a component of liabilities while deferred charges on refundings are presented as deferred outflows of resources. Both items are deferred and amortized over the life of the related debt using the straight line method. Long-term debt is reported net of the applicable premium or discount. The right-to-use lease and SBITA liabilities are calculated as the present value of the reasonably certain expected payments to be made over the term of the lease or the SBITA and the interest included in the lease or SBITA payment is recorded as an expense.

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In the fund financial statements, governmental fund types recognized bond premiums and discounts, as well as bond issuance costs and new right-to-use lease agreements and SBITAs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. For new right-to-use lease agreements and SBITAs, the initial measurement is reported in governmental fund types as an other financing source during the current period. Payments are reported as principal and interest expenditures during the reporting period in the fund level statements.

9. The District provides employees with five days per year of state personal leave and seven paid local leave days per school year. Personnel employed on a part-time basis shall earn one-half day of state personal leave, on the basis of length of their workday, for each 18 days of employment. Not more than five state days (length of workday) shall be earned in any one school year. All employees shall earn local leave at the same rate as state leave. The five days of state personal leave shall be supplemented with the number of local personal leave days to provide one day of personal leave for each 18 days employed and paid. State and local personal leave is cumulative without limit.

Employees may accrue not more than 60 hours of compensatory time. Compensatory time must be used in the duty year that it is earned and an employee is required to use compensatory time before using available paid leave (e.g., state and local personal leave).

Employees without a set calendar and who work 217 contract days or more earn non-duty days. Non-duty days are the difference between the number of workdays on the official school calendar and the number of designated duty days for an employee. Non-duty days do not roll forward to the following school year unless the employee submits a rollover request by May 31 of the current school year and the request is approved. Non-duty days that are rolled over must be used by the first intercession of the following school year or they will be forfeited.

The District implemented GASB Statement No. 101 during fiscal year 2025 and opted to use the First-in, First-out (FIFO) flow assumption. The above leave that meets the qualifications for GASB Statement No. 101 are included in the compensated absences calculation and liability. See Note Y for additional information.

A liability for certain types of leave, such as parental leave, military leave, and jury duty leave is not accrued in the financial statements until the leave commences as they depend on the occurrence of a sporadic event. Management has determined that any resulting obligation at the end of the fiscal year for these types of leave would be insignificant and immaterial to the financial statements. As such, a liability has not been accrued related to these types of leave in the financial statements.

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. Capital assets, which include land, buildings, furniture, equipment, vehicles, right-to-use lease assets, and subscription-based information technology arrangements (SBITAs) are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value at the date of the receipt. For right-to-use lease assets and SBITAs, the District capitalizes all right-to-use lease assets and SBITAs with a per-unit cost or lease aggregate cost that is equal to or exceeds \$50,000.

All individual federally funded assets with a cost of \$5,000 or more shall be capitalized in accordance with the aforementioned policies.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Significant gains and losses on the disposal of assets are considered infrequent in occurrence and are reported in the governmental activities column of the government-wide financial statements as a Special Item. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the District are depreciated using the straight line method over the following estimated useful lives. Right-to-use assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. When a lease contains a purchase option the District chooses to exercise, the lease asset is amortized over the useful life of the underlying asset. The amortization expense is combined with depreciation expense for financial reporting purposes. SBITAs are amortized in systematic and rational manner over the shorter of the subscription arrangement or the useful life of the underlying asset. The amortization expense is combined with depreciation expense for financial reporting purposes.

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	10 - 60
Portable buildings	20
Furniture and Equipment	10
Vehicles and Buses	10

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. Net Position on the Statement of Net Position include the following:
- **Net Investment in Capital Assets and Right-to-Use-Assets** - This component of net position consists of capital assets, net accumulated depreciation and amortization, reduced by the outstanding balances of bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt will be included in this component of net position.
 - **Restricted for Federal and State Programs** - This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets, which are restricted by federal and state granting agencies.
 - **Restricted for Debt Service** - This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. The assets arise from bond issuance which have constraints placed on them by the bond covenants for the purpose of future debt service payments.
 - **Restricted for Campus Activities** - This component of net position consists of restricted assets reduced by liabilities related to those assets, which are restricted transactions related to a principal's activity fund.
 - **Unrestricted Net Position** - This component of net position is the net amount of 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 components of net position.
12. The District reports the following fund balance categories which describe the nature and relative strength of the spending constraints:
- **Nonspendable Fund Balance** - Represents amounts that are not in a spendable form or are legally or contractually required to be maintained intact, such as inventories and prepaid items.
 - **Restricted Fund Balance** - Represents amounts that are restricted to specific purposes, with constraints placed on the use of resources by (a) external creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or (c) enabling legislation.

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- **Committed Fund Balance** - Represents amounts that are constrained for purposes which the Board of Trustees, the District's highest level of decision-making authority, has designated their use. These amounts are committed through a formal resolution, requiring funds to be used only for specific purposes. These amounts can only be re-allocated by the same formal action that was taken to originally commit those amounts. The Board of Trustees shall take action to commit funds for a specific purpose prior to the end of the fiscal year.
- **Assigned fund balance** - Represents amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted or committed. The governing body has delegated authority to the Superintendent or designated managers. Should the Board opt not to commit any fund balances, it will implicitly defer to the designees to make appropriate assignments.
- **Unassigned fund balance** - Represents amounts that are available for any purpose and have not been restricted, committed, or assigned for specific purposes. Positive amounts are reported only in the general fund.

The Board of Trustees establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. Assigned fund balance is established by the Superintendent or designated managers through adoption or amendment of the budget as intended for specific purposes.

When an expenditure is incurred for purposes for which both restricted and unrestricted net position/fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes of which amounts in any of those unrestricted fund balance classifications could be used, unless the Board of Trustees or designee's have provided otherwise in its commitment or assignment actions.

The level of adequacy for the general fund (unassigned) balance shall not be less than three months of operating expenditures. In addition, the fund balance for the debt service fund shall not be lower than 15 percent of the current year debt service requirements for the debt service fund.

13. In the fund financial statements, governmental funds report restrictions of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. The entire fund balances in the Special Revenue, Debt Service, and Capital Projects Funds have such restrictions. Since the entire fund balance is restricted for these funds, all assets are in essence restricted for their specific purpose.

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. When the District incurs an expense for which it may use either restricted or unrestricted assets, it uses the restricted assets first whenever they will have to be returned if they are not used.
15. Since Internal Service Funds support the operations of governmental funds, they are consolidated with the governmental funds in the governmental-wide financial statements. The expenditures of governmental funds that create the revenues of internal service funds are eliminated to avoid “grossing up” the revenues and expenses of the District as a whole.
16. The District sponsors self-insured plans to provide health care benefits to employees and their dependents. Revenues of this Internal Service Fund are received from both the District’s governmental funds and premiums charged to employees. The District contributions are charged as an expenditure to the various funds where the employee’s salary is charged. Expenses are comprised of claims incurred during the fiscal year, professional and contracted services, and other miscellaneous expenses.

The General Fund is contingently liable for liabilities of this fund. Fund accounting is employed to maintain the integrity of the self-insurance activities of the District.
17. The Data Control Codes refer to the account code structure prescribed by TEA in the *Financial Accountability System Resource Guide*. Texas Education Agency requires school districts to display these codes in the financial statements filed with the Agency in order to ensure accuracy in building a Statewide data base for policy development and funding plans.
18. The District receives substantial amounts of funding from special revenue sources. The majority of this money is cost reimbursement to the District by the federal government or Texas Education Agency. The portion of revenue allowable for indirect cost is credited as revenue to the General Fund and as a reduction to revenue in the Special Revenue Fund, as appropriate. The indirect cost revenue is fully allocated to function 41 in the Statement of Activities as operating grants and contributions.
19. In accordance with the Resource Guide, the District has adopted and installed an accounting system which meets at least the minimum requirements prescribed by the Texas State Board of Education and approved by the State Auditor. Specifically, the District’s accounting system uses codes and the code structure presented in the Resource Guide. Mandatory codes are recorded in the order provided in the Resource Guide.

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

20. Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 31 of each year, a tax lien attaches to the property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the school fiscal year.
21. Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible tax receivables within the General and Debt Service Funds are based on historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

- F. The District implemented GASB Statement No. 101, *Compensated Absences*, as of July 1, 2024. The primary objective of this Statement is to improve the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. See Note Y for more details.

The District implemented GASB Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of governmental financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analysis for making decisions or assessing accountability. The implementation of this Statement did not have an impact on the disclosures for the District.

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

Exhibit C-2 provides the reconciliation between the fund balance for total governmental funds on the governmental fund balance sheet and the net position for governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that capital assets are not financial resources and are therefore not reported in governmental funds. In addition, long-term liabilities are not due and payable in the current period and are not reported as liabilities in the funds.

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

Exhibit C-4 provides a reconciliation between the net changes in fund balance as shown on the governmental fund statement of revenues, expenditures, and changes in fund balances and the changes in net position of governmental activities as reported on the government-wide statement of activities. One element of that reconciliation explains that current year capital outlays and debt principal payments are expenditures in the fund financial statements, but should be shown as increases in capital assets and decreases in long-term debt in the government-wide statements. This adjustment affects both the net position balance and the change in net position.

Other elements of the reconciliation on the Exhibit C-4 include recognizing property tax revenue considered available, recognizing accruals of interest on long-term debt, and recognizing internal service fund activity. In addition, certain pension and OPEB expenditures are de-expended and the District recorded its proportionate share of the pension and OPEB expense. These adjustments are necessary to convert from the modified accrual basis of accounting to the full accrual basis of accounting.

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Data

The Board of Trustees adopts an "appropriated budget" for the General Fund, Debt Service Fund and the Child Nutrition Program (which is included in the general fund). The District is required to present the adopted and final amended budgeted revenues and expenditures for each of these funds. The District compares the final amended budget to actual revenues and expenditures. The General Fund Budget Schedule is presented in Exhibit G-1. The Child Nutrition Program and the Debt Service Budget Schedule are presented in Exhibits J-2 and J-3, respectively. The Board does not adopt a budget for special revenue funds since the budgets are designated by the grantor.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

1. The budget is prepared prior to June 19 for the next succeeding fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten days' public notice of the meeting must be given.
3. On June 25, 2024, the budget was legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end. Because the District has a policy of careful budgetary control, several amendments were necessary during the year.
4. Each budget is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year end.

The Child Nutrition Program Budget Schedule, Exhibit J-2, presents two small unfavorable budget variances in functions 71 (Principal on Long-Term Liabilities) and function 72 (Interest on -Long-Term Liabilities) related to the principal and interest payments of the right-to-use leases allocated to this fund that were not budgeted.

The Debt Service Program Budget Schedule, Exhibit J-3, presents one large unfavorable budget variance in Other Financing Uses (Placed in Escrow for Refunded bonds) related to the 2024B refunding bond that the District issued in FY 2025. The budget was not amended to reflect the issuance of the refunding bond.

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits

At June 30, 2025, the carrying amount of the District's deposits (cash and interest-bearing savings accounts including internal service funds) was \$104,247,271 and the total bank balance was \$105,166,872. The District's cash deposits at June 30, 2025 were fully covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

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

- a. Depository: Wells Fargo Bank - El Paso, Texas
- b. The estimated fair value of bonds and securities pledged as of the date of the highest combined balance on deposit was \$124,808,286.
- c. The highest combined balances of cash, savings, and time deposit accounts amounted to \$107,982,519 and occurred during the month of June 2025.
- d. Total amount of FDIC coverage at the time of the highest combined balance was \$500,000.

Temporary Investments

Due to the immediate availability of the funds, the District's temporary investments are presented as cash and cash equivalents as of June 30, 2025 and are shown below at amortized cost or fair value, which approximates the value of the pool shares:

Temporary Investments	General Fund	Debt Service Fund	Internal Service Funds	Total
Logic*	\$ 78,801	\$ -	\$ -	\$ 78,801
Lone Star - Corporate Overnight Plus**	8,490,696	1,537,304	3,924	10,031,924
TexPool*	11,957	-	-	11,957
TexStar*	8,583	191	-	8,774
Texas Class**	1,036,459	12,326,108	-	13,362,567
Total	\$ 9,626,496	\$ 13,863,603	\$ 3,924	\$ 23,494,023

* - measured at amortized cost

** - measured at fair value

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

IV. DETAILED NOTES ON ALL FUNDS (Continued)

LOGIC (Local Government Investment Cooperative) is a local government investment pool administered by Hilltop Securities and J.P. Morgan Chase. The Lone Star Investment Pool is administered by First Public, LLC. The investment managers for the pool are American Beacon Advisors and Standish Investment Corporation. The custodian bank is State Street Bank. TexPool is a local government investment pool in the State of Texas. The State Comptroller of Public Accounts oversees TexPool. There is also a TexPool Advisory Board, composed of participants, which advises on TexPool’s investment policy and approves fee increases. TexStar is an investment pool created under the Inter-local Cooperation Act and administered by J.P. Morgan Investment Management Inc. and Hilltop Securities Inc. Texas Class (Texas Cooperative Liquid Assets Securities System Trust) is a pooled investment program administered by the Public Trust Advisors, LLC. Texas Class is governed by the Board of Trustees comprised of active members and elected by the participants and is guided by the Advisory Board. For those pools measured at amortized cost, management is not aware of the presence of any limitations or restrictions on withdrawals such as redemption notice periods, maximum transactions amounts, or the investment pool’s authority to impose liquidity fees or redemption gates.

Investments

The District’s investments at June 30, 2025, are shown below at fair value for the investments with an original maturity of more than one year and cost for the investments with an original maturity of less than one year:

Investments	Capital Projects Fund	Investment Maturities (in years)		Weighted Average Maturity (in days)	Credit Ratings	Percent of Grand Total
		Less than 1 year	More than 1 year			
Municipal Bonds	\$ 47,847,580	\$ 46,861,298	\$ 986,282	138	AA+ and AA-	63.85%
Federal Home Loan	4,974,600	4,974,600	-	11	AA+	6.64%
Total Securities	<u>52,822,180</u>	<u>51,835,898</u>	<u>986,282</u>			<u>70.49%</u>
Money Market (cash equivalent)	22,116,097	22,116,097	-	1	AAAm	29.51%
Total Investments	<u>\$ 74,938,277</u>	<u>\$ 73,951,995</u>	<u>\$ 986,282</u>			<u>100%</u>

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

IV. DETAILED NOTES ON ALL FUNDS (Continued)

On August 13, 2024 the District placed the Series 2024A bond funds with UMB Bank. Additionally, the District signed an agreement with Causey Public Finance LLC to manage and invest the funds in accordance with the District’s investment guidelines. The funds are invested in municipal bonds, federal home loan securities and in a money market. Municipal bonds interest rates vary from 4.031% to 6.001%. The federal home loan and money market have an interest rate of 4.289% and 4.200%, respectively.

Per the Texas Public Funds Investment Act (PFIA), the municipal bonds, federal home loan securities and money market are not required to be collateralized. The municipal bonds of the district are rated in one of the three highest rating categories (AA+ and AA-). Federal home loan securities do not required collateral as they are guaranteed and secured by the Federal Government. The money market is an AAA-m rated, which is an investment pool and consist of high quality, short term securities.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurements as of June 30, 2025:

- Municipal bonds of \$47,847,850 are valued using quoted market prices for identical assets (Level 1 inputs).
- Federal Home Loan Bank of \$4,974,600 are valued using quoted market prices for identical assets (Level 1 inputs)

B. Due from Other Governments

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. A majority of federal grants are passed through the TEA. Management has deemed that no allowance for doubtful accounts is necessary for fair presentation as there is usually no risk of uncollectibility. Amounts due from federal and state governments as of June 30, 2025 consisted of the following:

	General Fund	Nonmajor Governmental Funds	Total
Federal Grants	\$ 307,409	\$ 540,857	\$ 848,266
State and Local Grants	983	238,002	238,985
State Support	7,379,870	-	7,379,870
Total	\$ 7,688,262	\$ 778,859	\$ 8,467,121

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

IV. DETAILED NOTES ON ALL FUNDS (Continued)

C. Interfund Balances and Transfers

Interfund balances are the result of normal operations and are cleared out periodically. Management intends to pay out these balances within one year. Interfund balances at June 30, 2025 consisted of the following amounts:

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
General Fund:		
Debt Service Fund	\$ -	\$ 2,202,281
Capital Projects Fund	1,748,005	-
Nonmajor Governmental Funds	371,037	1,073,522
Internal Service Fund	526,161	-
Custodial Fund	-	100,227
Total General Fund	<u>2,645,203</u>	<u>3,376,030</u>
Debt Service Fund:		
General Fund	2,202,281	-
Capital Projects Fund	779,529	22,079
Total Debt Service Fund	<u>2,981,810</u>	<u>22,079</u>
Capital Projects Fund:		
General Fund	-	1,748,005
Nonmajor Governmental Funds	3,525	-
Debt Service Fund	22,079	779,529
Total Capital Projects Fund	<u>25,604</u>	<u>2,527,534</u>
Nonmajor Governmental Funds:		
General Fund	1,073,522	371,037
Capital Projects Fund	-	3,525
Total Nonmajor Governmental Funds	<u>1,073,522</u>	<u>374,562</u>
Internal Service Fund:		
General Fund	-	526,161
Custodial Fund:		
General Fund	100,227	-
Total	<u>\$ 6,826,366</u>	<u>\$ 6,826,366</u>

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

IV. DETAILED NOTES ON ALL FUNDS (Continued)

During the year ended June 30, 2025, the District made transfers out of the capital projects funds to the general fund to close out the balances in these funds since all of the projects have been completed. In addition, the District made a transfer out of the general fund to the internal service fund to supplement the District's self insurance health program accounted for in this fund. Interfund transfers for the year ended June 30, 2025 consisted of the following:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund:		
Internal Service Fund	\$ -	\$ 1,000,000
Nonmajor Governmental Funds	<u>53</u>	<u>-</u>
Total General Fund	<u>53</u>	<u>1,000,000</u>
Nonmajor Governmental Funds:		
General Fund	<u>-</u>	<u>53</u>
Internal Service Fund:		
General Fund	<u>1,000,000</u>	<u>-</u>
Total	<u><u>\$ 1,000,053</u></u>	<u><u>\$ 1,000,053</u></u>

D. Disaggregation of Other Receivables

Other receivables are reported at gross value. Management has determined that an allowance for doubtful accounts is not necessary for fair presentation as any amounts would not be material. Other Receivables as of June 30, 2025 consisted of the following:

Blue Cross Blue Shield	\$ 176,166
ERATE	34,444
Miscellaneous	<u>1,341</u>
Total	<u><u>\$ 211,951</u></u>

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

IV. DETAILED NOTES ON ALL FUNDS (Continued)

E. Capital Asset Activity

Capital asset activity for the District for the year ended June 30, 2025, was as follows:

	Primary Governments			
	Beginning Balance	Additions	Deletions and Reclassifications	Ending Balance
Non-depreciable assets:				
Land	\$ 5,731,584	\$ -	\$ (60,389)	\$ 5,671,195
Construction in progress	1,954,260	30,748,641	(1,813,265)	30,889,636
Technology projects in progress	712,168	410,198	(712,168)	410,198
Total non-depreciable assets	8,398,012	31,158,839	(2,585,822)	36,971,029
Depreciable assets:				
Buildings and improvements	164,202,795	-	2,520,474	166,723,269
Furniture and equipment	13,893,204	572,156	(27,386)	14,437,974
Vehicles	6,755,481	237,711	(18,543)	6,974,649
Total depreciable assets	184,851,480	809,867	2,474,545	188,135,892
Right-to-use lease assets:				
Equipment	703,755	-	-	703,755
Subscription-based information technology arrangements (SBITAs)	888,242	1,444,649	(73,872)	2,259,019
Less accumulated depreciation for:				
Buildings and improvements	77,768,890	4,639,130	-	82,408,020
Furniture and equipment	11,150,357	431,396	(27,386)	11,554,367
Vehicles	3,033,330	352,688	(2,635)	3,383,383
Total accumulated depreciation	91,952,577	5,423,214	(30,021)	97,345,770
Less accumulated amortization for				
Right-to-use lease assets:				
Equipment	212,103	140,472	-	352,575
Subscription-based information technology arrangements (SBITAs)	251,946	446,177	(68,689)	629,434
Total accumulated amortization	464,049	586,649	(68,689)	982,009
Total Capital assets, net	\$ 102,424,863	\$ 27,403,492	\$ (86,439)	\$ 129,741,916

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

IV. DETAILED NOTES ON ALL FUNDS (Continued)

Depreciation and amortization expense was charged to governmental functions as follows:

11	Instruction	\$ 3,227,856
12	Instructional resources and media services	128,560
13	Curriculum development and instructional staff development	7,535
21	Instructional Leadership	61,682
23	School leadership	80,817
31	Guidance, counseling and evaluation services	45,004
32	Social work services	668
33	Health services	13,899
34	Student (pupil) transportation	305,719
35	Food services	513,295
36	Cocurricular/extracurricular activities	264,383
41	General administration	128,767
51	Plant maintenance and operations	776,008
52	Security and monitoring services	6,967
53	Data processing services	360,218
61	Community services	88,485
		<hr/>
	Total depreciation and amortization expense	<u><u>\$ 6,009,863</u></u>

F. Unearned Revenue

Unearned revenue at June 30, 2025, consisted of the following:

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total
	<hr/>	<hr/>	<hr/>	<hr/>
Federal Grants	\$ -	\$ -	\$ 110,703	\$ 110,703
State and Local Grants	-	-	172,170	172,170
State Support	1,099,050	43,685	-	1,142,735
USDA Commodities	26,637	-	-	26,637
	<hr/>	<hr/>	<hr/>	<hr/>
Total	\$ 1,125,687	\$ 43,685	\$ 282,873	\$ 1,452,245
	<hr/>	<hr/>	<hr/>	<hr/>

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

IV. DETAILED NOTES ON ALL FUNDS (Continued)

G. Deferred Outflows and Inflows of Resources for Bonds

Deferred charges on refunding of bonds for the year ended June 30, 2025, presented as deferred outflows of resources, were as follows:

	Beginning Balance	Deferred Charge New Issues	Amortization Recognized	Ending Balance
Series 2014	\$ 219,699	\$ -	\$ 202,556	\$ 17,143
Series 2015	31,225	-	7,563	23,662
Series 2016	140,596	-	27,414	113,182
Series 2017	323,909	-	31,971	291,938
Series 2020	1,167,271	-	85,587	1,081,684
Total	\$ 1,882,700	\$ -	\$ 355,091	\$ 1,527,609

Deferred gain on refunding of bonds for the year ended June 30, 2025, presented as deferred inflows of resources, was as follow:

	Beginning Balance	Deferred Gain New Issues	Amortization Recognized	Ending Balance
Series 2019	\$ 358,641	\$ -	\$ 168,632	\$ 190,009
Series 2024B	-	272,642	42,842	229,800
Total	\$ 358,641	\$ 272,642	\$ 211,474	\$ 419,809

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

IV. DETAILED NOTES ON ALL FUNDS (Continued)

H. Changes in Long-Term Liabilities

A summary of changes in general long-term liabilities for the year ended June 30, 2025 is as follows:

	Funded By	Restated Beginning Balance	Additions	Reductions	Remeasurements	Ending Balance	Due Within One Year
Governmental Activities:							
Building and Refunding Bonds Payable	Debt Service	\$ 56,394,627	\$ 203,980,000	\$ (9,565,000)	\$ -	\$ 250,809,627	\$ 5,685,000
Accretion Payable - Series 2020 CABS	Debt Service	3,279,207	66,533	-	-	3,345,740	-
Unamortized Premiums on Bonds		2,516,173	6,750,376	(673,903)	-	8,592,646	-
		<u>62,190,007</u>	<u>210,796,909</u>	<u>(10,238,903)</u>	<u>-</u>	<u>262,748,013</u>	<u>5,685,000</u>
<u>Other Liabilities:</u>							
Loans from Direct Borrowing	General Fund	1,767,530	-	(411,717)	-	1,355,813	432,538
2020 Maintenance Tax Notes	General Fund	7,285,000	-	(7,285,000)	-	-	-
Unamortized Premiums on 2020 Maintenance Tax Notes	General Fund	260,036	-	(260,036)	-	-	-
Compensated Absences*	General Fund	4,966,952	-	(552,772)	-	4,414,180	1,009,633
Right-to-Use Lease Liabilities	General Fund	509,969	-	(133,838)	-	376,131	143,015
Subscription-Based Information Technology Arrangements (SBITAs)	General Fund	576,540	208,859	(250,983)	(5,183)	529,233	245,141
Total Other Liabilities		<u>15,366,027</u>	<u>208,859</u>	<u>(8,894,346)</u>	<u>(5,183)</u>	<u>6,675,357</u>	<u>1,830,327</u>
Total Governmental Long-term Liabilities		<u>\$ 77,556,034</u>	<u>\$ 211,005,768</u>	<u>\$ (19,133,249)</u>	<u>\$ (5,183)</u>	<u>\$ 269,423,370</u>	<u>\$ 7,515,327</u>

*The change in compensated absences is a net change for the year.

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

IV. DETAILED NOTES ON ALL FUNDS (Continued)

I. Bonds Payable

A summary of changes in bonds payable for the year ended June 30, 2025 is as follows:

Description	Interest Rate and Maturity Date	Amounts Original Issue	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Unlimited Tax Refunding Bonds 2014	3.00 - 4.00% 08/15/2025	\$ 8,795,000	\$ 5,010,000	\$ -	\$ 4,035,000	\$ 975,000	\$ 975,000
Unlimited Tax Refunding Bonds 2015	4.00% 08/15/2028	8,075,000	1,315,000	-	-	1,315,000	-
Unlimited Tax Refunding Bonds 2016	3.00 - 4.00% 08/15/2031	8,645,000	7,980,000	-	340,000	7,640,000	325,000
Unlimited Tax Refunding Bonds 2017	2.00 - 4.50% 08/15/2034	8,455,000	8,305,000	-	-	8,305,000	-
Unlimited Tax Refunding Bonds 2019	2.96 - 3.50% 02/15/2036	22,980,000	14,600,000	-	2,925,000	11,675,000	3,050,000
Unlimited Tax Refunding Bonds 2020 - Current Interest Bonds	0.60%-2.34% 02/15/2038	20,290,000	19,020,000	-	325,000	18,695,000	430,000
Unlimited Tax School Building Bonds 2024A	4.00%-5.25% 2/15/2054	96,880,000	-	96,880,000	1,000,000	95,880,000	-
Unlimited Tax Refunding Bonds 2024B	5.00% 8/15/2030	7,100,000	-	7,100,000	940,000	6,160,000	905,000
Unlimited Tax School Building Bonds 2025	4.75%-5.00% 2/15/2060	100,000,000	-	100,000,000	-	100,000,000	-
Unlimited Tax Refunding Bonds 2020 - Capital Appreciation Bonds	1.73%-2.09% 02/15/2030	164,627	164,627	-	-	164,627	-
Total			<u>\$ 56,394,627</u>	<u>\$ 203,980,000</u>	<u>\$ 9,565,000</u>	<u>\$ 250,809,627</u>	<u>\$ 5,685,000</u>

On July 16, 2024, the District issued Unlimited Tax Refunding Bonds, Taxable Series 2024B in the amount of \$7,549,839. The bonds are interest are payable on February 15 and August of each year, commencing on August 15, 2024 and ending on August 15, 2030. The bonds were issued to fully refund the Maintenance Tax Notes, Series 2020 and to pay the cost associated with the issuances sale of the bonds. As a result, \$7,285,000 of the 2020 Series Tax Notes are considered to be defeased and not presented in these financial statements. The amount of the defeased debt is no longer outstanding at June 30, 2025. The refundings resulted in a difference between the reacquisition price and the net carrying of the old debt of \$272,641. This difference is reported in the accompanying financial statements in the deferred inflow of resources category and amortized over the remaining life of the old debt using the straight line method. The refunding reduced future debt service costs (difference between cash flow to service old debt and required for new debt) by \$266,442 and resulted in an economic gain (difference between present values of the old and new debt service payments) of \$239,997.

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

IV. DETAILED NOTES ON ALL FUNDS (Continued)

On September 21, 2022, the District defeased certain 2012 Unlimited Tax Refunding Bonds and 2014 Unlimited Tax Refunding Bonds by placing cash in an escrow account with BNY Mellon, the escrow agent for the defeasance. The escrow account and the liability for the defeased debt is not included in these financial statements. The amount of defeased debt still outstanding at June 30, 2025 was \$1,115,000 and the related escrow balance was \$1,137,302.

On January 25, 2024, the District defeased certain 2015 Unlimited Tax Refunding Bonds by placing cash in an escrow account with BOK Financial, the escrow agent for the defeasance. The escrow account and the liability for the defeased debt is not included in these financial statements. The amount of defeased debt still outstanding at June 30, 2025 was \$6,525,000 and the related escrow balance was \$6,578,434.

On March 25, 2025, the District defeased certain 2014 Unlimited Tax School Building Bonds by placing cash in an escrow account with BOK Financial, the escrow agent for the defeasance. The escrow account and the liability for the defeased debt is not included in these financial statements. The amount of defeased debt outstanding at June 30, 2025 was \$3,200,000 and the related escrow balance was \$3,234,103. The cash defeasance resulted in an deferred gain of \$125,464, which reduced the deferred charges from previous refundings, and the present value of savings from cash flow was \$282,297.

There are a number of limitations and restrictions contained in the general obligation bond indenture. Management has indicated that the District is in compliance with all significant limitations and restrictions at June 30, 2025. For the year ended June 30, 2025, the District paid \$4,616,928 in interest costs related to bonds payable.

Debt service requirements of the bonds are as follows:

Year Ending June 30,	Principal	Interest	Total Requirements
2026	\$ 5,685,000	\$ 9,581,146	\$ 15,266,146
2027	2,408,866	12,101,439	14,510,305
2028	3,476,365	12,010,239	15,486,604
2029	2,644,259	11,829,320	14,473,579
2030	4,115,137	11,717,142	15,832,279
2031-2035	25,575,000	51,687,437	77,262,437
2036-2040	24,900,000	47,931,695	72,831,695
2041-2045	30,945,000	41,749,250	72,694,250
2046-2050	38,510,000	34,262,800	72,772,800
2051-2055	49,095,000	24,128,375	73,223,375
2056-2060	63,455,000	10,124,588	73,579,588
Total	<u>\$ 250,809,627</u>	<u>\$ 267,123,431</u>	<u>\$ 517,933,058</u>

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

IV. DETAILED NOTES ON ALL FUNDS (Continued)

Unamortized Premiums on bonds the year ended June 30, 2025 are as follows:

Description	Beginning Balance	Premiums on New Issues	Net Amortization Recognized	Ending Balance
Series 2014	\$ 232,206	\$ -	\$ 217,864	\$ 14,342
Series 2015	89,000	-	21,555	67,445
Series 2016	581,248	-	81,535	499,713
Series 2017	842,338	-	83,140	759,198
Series 2019	771,381	-	66,295	705,086
Series 2024A	-	4,531,433	146,351	4,385,082
Series 2024B	-	358,170	56,281	301,889
Series 2025	-	1,860,773	882	1,859,891
Total Premiums	\$ 2,516,173	\$ 6,750,376	\$ 673,903	\$ 8,592,646

J. Loans from Direct Borrowings

On November 30, 2012, the District entered into an Equipment Lease-Purchase Agreement with All American Investment Group, LLC in the amount of \$1,336,618 with an annual interest rate of 2.626%. The first payment commenced on November 1, 2013, with the final payment due on November 1, 2027.

On May 7, 2013, the District entered into an Equipment Lease-Purchase Agreement with All American Investment Group, LLC in the amount of \$3,679,794 with an annual interest rate of 2.543%. The first payment commenced on May 7, 2014, with the final payment due on May 7, 2028.

As of June 30, 2025, the future minimum payment requirements are as follows:

Year Ending June 30,	Principal	Interest	Total Requirements
2026	\$ 432,538	\$ 34,809	\$ 467,347
2027	456,599	23,704	480,303
2028	466,676	11,981	478,657
Total	\$ 1,355,813	\$ 70,494	\$ 1,426,307

The interest paid during the fiscal year ending June 30, 2025, related to financed purchases was \$45,378.

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

IV. DETAILED NOTES ON ALL FUNDS (Continued)

K. Maintenance Tax Notes

On July 15, 2020, the District issued Maintenance Tax Notes, Series 2020 in the amount of \$9,775,000. The notes were issued at a premium, and the net proceeds from the issuance was \$10,203,124. The tax notes are payable on February 15 and August 15 of each year, commencing on August 15, 2021, and have interest rates of 3% to 4%. For the year ended June 30, 2025, the District paid \$91,103 in interest costs related to the Maintenance Tax Notes. However, on July 16, 2024, the District issued the Unlimited Tax Refunding Bonds 2024B, which refunded the remaining outstanding balance of the Maintenance Tax Notes, Series 2020 in the amount of \$7,285,000.

Unamortized Premiums on maintenance tax notes for the year ended June 30, 2025 are as follows:

Description	Beginning Balance	Premiums and Discounts on New Issues	Amortization Recognized	Ending Balance
Series 2020	\$ 260,036	\$ -	\$ 260,036	\$ -
Total Premiums	\$ 260,036	\$ -	\$ 260,036	\$ -

L. Right-to-Use Lease Liabilities

In January of 2023, the District executed a lease for copiers throughout the District for a term of 5 years with monthly payments of \$13,643. Management utilized a 6.65% interest rate to calculate the net present value of the lease. The right-to-use lease asset is being amortized over the term of the lease using the straight-line method.

During fiscal year 2025, the District made total principal payments of \$133,838 and interest payments of \$29,883.

Debt service requirements for the Right-to-Use Leases are as follows:

Year Ending June 30,	Principal	Interest	Total Requirements
2026	\$ 143,015	\$ 20,706	\$ 163,721
2027	152,820	10,900	163,720
2028	80,296	1,565	81,861
Total	\$ 376,131	\$ 33,171	\$ 409,302

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

IV. DETAILED NOTES ON ALL FUNDS (Continued)

M. Subscription-Based Information Technology Arrangements (SBITA)

The District has executed various agreements for software, licenses, educational instruction, and data management to be used throughout the District for terms of two to five years. During fiscal year 2025, a total liability of \$208,859 for new arrangements was entered into and recorded based on present value calculations of future minimum SBITA payments and interest rates ranging from 2.321% to 2.999%. The District is required to make annual payments during the subscription term.

During fiscal year 2025, the District made principal payments of \$250,983 and interest payments of \$12,317, calculated using rates that range from 2.015% to 2.999% for all SBITAs.

Debt service requirements for SBITAs are as follows:

Year Ending June 30,	Principal Payments	Interest payments	Total Requirements
2026	\$ 245,141	\$ 14,385	\$ 259,526
2027	140,702	7,985	148,687
2028	118,243	4,103	122,346
2029	25,147	754	25,901
Total	<u>\$ 529,233</u>	<u>\$ 27,227</u>	<u>\$ 556,460</u>

N. Rebatable Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least five years. Arbitrage is evaluated and estimated on an annual basis by a third party. The company has estimated no liability for the District as of June 30, 2025.

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

IV. DETAILED NOTES ON ALL FUNDS (Continued)

O. Defined Benefit Pension Plan

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

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

Pension Plan Fiduciary Net Position: Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the internet at <https://www.trs.texas.gov/learning-resources/publications>; by writing to TRS at attention Finance Division, P.O. Box 149676, Austin, TX, 78714-0185, or by calling 1-800-223-8778.

Benefits Provided: TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above. Accordingly, the 2023 Texas Legislature passed Senate Bill (SB) 10 and House Joint Resolution (HJR) 2 to provide eligible retirees with a one-time stipend and an ad hoc cost-of-living-adjustment (COLA).

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

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

IV. DETAILED NOTES ON ALL FUNDS (Continued)

State law requires the plan to be actuarially sound in order for the legislature to consider a benefit enhancement, such as a supplemental payment to retirees. The pension became actuarially sound in May 2019 when the 86th Texas legislature approved the TRS Pension Reform Bill (SB12) that provided gradual contribution increases from the state, participating employers and active employees for the fiscal years 2019 through 2024.

One-Time Stipends: Stipends, regardless of annuity amount, were paid in September 2023 to annuitants who met the qualifying age requirement on or before August 31, 2023:

- one-time \$7,500 stipend to eligible annuitants who are 75 years of age and older.
- one-time \$2,400 stipend to eligible annuitants age 70 to 74.

Cost-of-Living Adjustment: A cost-of-living adjustment (COLA) was dependent on Texas voters approving a constitutional amendment (Proposition 9) to authorize the COLA. Voters approved the amendment in the November 2023 election and the following COLA was applied to eligible annuitants' payments beginning with their January 2024 payment:

- 2% COLA for eligible retirees who retired between September 1, 2013 through August 31, 2020.
- 4% COLA for eligible retirees who retired between September 1, 2001 through August 31, 2013.
- 6% COLA for eligible retirees who retired on or before August 31, 2001.

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

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2019 through 2025.

Contribution Rates

	<u>Plan Fiscal Year</u>	
	<u>2024</u>	<u>2025</u>
Member	8.25%	8.25%
Non-Employer Contributing Entity (State)	8.25%	8.25%
Employers	8.25%	8.25%

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

IV. DETAILED NOTES ON ALL FUNDS (Continued)

Contributions Required and Made

2025 Employer Contributions	\$	2,143,276
2025 Member Contributions		4,233,782
2024 Plan Year NECE On-Behalf Contributions (State)		2,810,388

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

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

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

Included in the employer contributions amount listed above for fiscal year 2025, the District paid \$760,859 for the Public Education Employer Contribution. The District did not employ TRS retirees and therefore did not pay any retiree surcharges. These two additional surcharges an employer is subject to are summarized as follows:

- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.
- All public schools, charter schools and regional education service centers must contribute 1.9 percent of the member's salary beginning in fiscal year 2024, gradually increasing to 2 percent in fiscal year 2025.

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

IV. DETAILED NOTES ON ALL FUNDS (Continued)

Actuarial Assumptions: The actuarial valuation was performed as of August 31, 2023. Update procedures were used to roll forward the total pension liability to August 31, 2024. The total pension liability is determined by an annual actuarial valuation. The actuarial methods and assumptions were selected by the Board of Trustees based upon analysis and recommendations by the System’s actuary. The Board of Trustees has sole authority to determine the actuarial assumptions used for the Plan. The actuarial methods and assumptions were primarily based on a study of actual experience for the four-year period ending August 31, 2021 and were adopted in July 2022. The following table discloses the assumptions that were applied to this measurement period:

Valuation Date	August 31, 2023 rolled forward to August 31, 2024
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Mortality Assumption	The active mortality rates were based on the PUB (2010), Amount-Weighted, Below-Median Income, Teacher, Male and Female tables, with a 2-year set forward for male. The rates are projected on a fully generational basis by the long-term rates of scale MP 2021 to account for future mortality improvements. The post-retirement mortality rates were based on the 2021 TRS of Texas Healthy Pensioner Mortality Tables. The rates are projected on a fully generational basis by Scale MP 2021, but with immediate convergence, to account for future mortality improvements.
Long-term expected Investment Rate of Return	7.00%
Municipal Bond Rate as of August 2024	3.87%. - The source for the rate is the Bond Buyers 20 Index which represents the estimated yield of a portfolio of 20 general obligation bonds maturing in 20 years based on a survey of municipal bond traders.
Last year ending August 31 in Projection Period (100 years)	2123
Inflation	2.30%
Salary Increases	2.95% to 8.95% including inflation
Ad hoc post-employment benefit changes	None

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

IV. DETAILED NOTES ON ALL FUNDS (Continued)

The actuarial methods and assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2023. For a full description of these assumptions please see the actuarial valuation report dated November 21, 2023.

Discount Rate: A single discount rate of 7.00 percent was used to measure the total pension liability. The single discount rate was based on the expected rate of return on pension plan investments of 7.00 percent. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the Legislature during the 2019 legislative session. It is assumed that future employer and state contributions will be 9.54 percent of payroll in fiscal year 2025 and thereafter. This includes all employer and state contributions for active and rehired retirees.

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

The long-term expected rate of return on pension plan investments is 7.00 percent and was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

IV. DETAILED NOTES ON ALL FUNDS (Continued)

Best estimates of geometric real rates of return for each major asset class included in the System’s target asset allocation as of August 31, 2024 are summarized below:

Asset Class	Target Allocation %**	Long-Term Expected Geometric Real Rate of Return***	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.00%	4.40%	1.00%
Non-U.S. Developed	13.00%	4.20%	0.80%
Emerging Markets	9.00%	5.20%	0.70%
Private Equity	14.00%	6.70%	1.20%
Stable Value			
Government Bonds	16.00%	1.90%	0.40%
Stable Value Hedge Funds	5.00%	3.00%	0.20%
Absolute Return*	0.00%	4.00%	0.00%
Real Return			
Real Estate	15.00%	6.60%	1.20%
Energy, Natural Resources and Infrastructure	6.00%	5.60%	0.40%
Commodities	0.00%	2.50%	0.00%
Risk Parity	8.00%	4.00%	0.40%
Asset Allocation Leverage			
Cash	2.00%	1.00%	0.00%
Asset Allocation Leverage	-6.00%	1.30%	-0.10%
Inflation Expectation			2.40%
Volatility Drag****			-0.70%
Total	100.00%		7.90%

*Absolute Return includes Credit Sensitive Investments.

**Target allocations are based on the FY2024 policy model.

***Capital Market Assumptions come from 2024 SAA Study CMA Survey (as of 12/31/2023).

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

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

IV. DETAILED NOTES ON ALL FUNDS (Continued)

Discount Rate Sensitivity Analysis: The following table presents the net pension liability of the plan using the discount rate of 7.00 percent, and what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate.

	1% Decrease 6.00%	Current Single Discount Rate 7.00%	1% Increase 8.00%
District's proportionate share of the net pension liability	\$ 37,170,554	\$ 23,271,545	\$ 11,755,228

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2025, the District reported a liability of \$23,271,545 for its proportionate share of the TRS net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

The District's proportionate share of the collective net pension liability	\$ 23,271,545
State's proportionate share that is associated with the District	<u>30,463,083</u>
Total	<u><u>\$ 53,734,628</u></u>

The net pension liability was measured as of August 31, 2023 and rolled forward to August 31, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2023 through August 31, 2024.

At August 31, 2024 the employer's proportion of the collective net pension liability was 0.0380975019%, which was a decrease of 0.0033713840 from its proportion measured as of August 31, 2023.

Changes of Assumptions Since the Prior Actuarial Valuation: The actuarial assumptions and methods are the same as used in the determination of the prior year's net pension liability.

Changes in Benefit Provisions Since the Prior Measurement Date: The 2023 Texas Legislature passed Senate Bill (SB 10), which provided a stipend to certain retirees and variable ad hoc cost-of-living adjustments (COLA) to certain retirees in early fiscal year 2024. Due to timing, the legislation and payments were not reflected in the August 31, 2023 actuarial valuation. Under the roll forward method, an adjustment was made to reflect the legislation in the rolled forward liabilities for the current measurement year, August 31, 2024. SB 10 and House Joint Resolution 2 (HJR 2) of the 88th Regular Legislative Session appropriated payments of \$1.645 billion for one-time stipends and \$3.355 billion for COLAs. This appropriation is treated as a supplemental contribution and included in other additions. Since the Legislature appropriated funds for this one-time stipend and COLA, there was no impact on the Net Pension Liability of TRS.

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

IV. DETAILED NOTES ON ALL FUNDS (Continued)

For the year ended June 30, 2025, the District recognized pension expense of \$3,640,848 and revenue of \$3,640,848 for support provided by the State.

The amount of pension expense recognized by the District in the reporting period was \$7,002,824.

At June 30, 2025, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,282,696	\$ 181,693
Changes in actuarial assumptions	1,201,560	161,088
Net difference between projected and actual investment earnings	141,460	-
Changes in proportion and difference between District's contributions and proportionate share of contributions	1,462,085	1,638,875
District contributions to TRS subsequent to the measurement date	1,833,045	-
Total	<u>\$ 5,920,846</u>	<u>\$ 1,981,656</u>

The \$1,833,045 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026.

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

Year Ended June 30	Pension Expense
2026	\$ 169,655
2027	2,594,775
2028	219,969
2029	(755,644)
2030	(122,612)
Thereafter	<u>2</u>
	<u>\$ 2,106,145</u>

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

IV. DETAILED NOTES ON ALL FUNDS (Continued)

Changes in Net Pension Liability:

	Beginning Balance	Additions	Reductions	Ending Balance
Net Pension Liability	\$ 28,485,123	\$ -	\$ 5,213,578	\$ 23,271,545

Payable to the Pension Plan: At June 30, 2025, the District reported a payable of \$530,306 to the pension plan for the outstanding amount of contractually required contributions related to past service costs. Member contributions included in this payable were \$354,689.

P. Defined Other Post-Employment Benefit Plan

Plan Description: The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a cost-sharing multiple-employer defined Other Post-Employment Benefit (OPEB) plan that has a special funding situation. The plan is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees. The TRS-Care program was established in 1986 by the Texas Legislature.

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

OPEB Plan Fiduciary Net Position: Detail information about the TRS-Care’s fiduciary net position is available in the separately-issued TRS Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the internet at <https://www.trs.texas.gov/learning-resources/publications>; by writing to TRS at attention Finance Division, P.O. Box 149676, Austin, TX, 78714-0185, or by calling 1-800-223-8778.

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

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

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

IV. DETAILED NOTES ON ALL FUNDS (Continued)

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

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

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

Texas Insurance Code, section 1575.202 establishes the state’s contribution rate which is 1.25 percent of the employee’s salary. Section 1575.203 establishes the active employee’s rate which is 0.65 percent of salary. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public or charter school. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act, which is 0.75 percent of each active employee’s pay for fiscal year 2024. The following table shows contributions to the TRS-Care plan by type of contributor.

	<u>Contributions Rates</u>	
	<u>2024</u>	<u>2025</u>
Active Employee	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/private Funding remitted by Employers	1.25%	1.25%
2025 Employer Contributions	\$	431,291
2025 Member Contributions		333,576
2024 Plan Year NECE On-behalf Contributions (State)		548,194

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to, regardless of whether or not they participate in the TRS-Care OPEB program. When hiring a TRS retiree, employers are required to pay TRS-Care a monthly surcharge of \$535 per retiree. During the year ended June 30, 2025, the District did not employ TRS retirees and therefore did not pay any surcharge amounts to TRS-Care.

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

IV. DETAILED NOTES ON ALL FUNDS (Continued)

The General Appropriations Act passed by the 88th Legislature included funding to maintain TRS-Care premiums at their current level through 2025. Also, the 86th Legislature passed Senate Bill 1682 which requires TRS to establish a contingency reserve in the TRS-Care fund equal to 60 days of expenditures. This amount is estimated at \$353,400,000 as of August 31, 2024.

Actuarial Assumptions: The actuarial valuation was performed as of August 31, 2023. Update procedures were used to roll forward the total OPEB liability to August 31, 2024. The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The demographic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2021. The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2023 pension actuarial valuation that was rolled forward to August 31, 2024:

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

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2023 rolled forward to August 31, 2024
Actuarial Cost Method	Individual Entry-Age Normal
Inflation	2.30%
Single Discount Rate	3.87% as of August 31, 2024
Salary Increases	2.95% to 8.95%, including inflation
Demographic Assumptions	The rates of mortality, retirement, termination and disability incidence are identical to the assumptions used to value the pension liabilities of TRS. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2021.
Mortality Assumption	The post-retirement mortality rates for healthy lives were based on the 2021 TRS of Texas Healthy Pensioner Mortality Tables with full generational projection using the ultimate rates of Scale MP 2021. The active mortality rates were based on PUB(2010) Amount-Weighted, Below-Median Income, Teacher male and female tables (with a two-year set forward for males), also with full generational mortality using the ultimate rates of Scale MP 2021.

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

IV. DETAILED NOTES ON ALL FUNDS (Continued)

Health Care Trend Rates	Initial medical trend rates of 6.75% for non-Medicare retirees. For Medicare retirees, trend rates are higher in the first two years due to anticipated growth but thereafter match those of non-Medicare retirees. Initial prescription drug trend rate of 7.25% for all retirees. Initial trend rates decrease to an ultimate trend rate of 4.25% over a period of 11 years.
Election Rates	Normal Retirement: 62% participation prior to age 65 and 25% participation after age 65; 30% of pre-65 retirees are assumed to discontinue coverage at age 65
Aging Factors	Based on Society of Actuaries' 2013 Study "Health Care Costs-From Birth to Death"
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Ad hoc post-employment benefit changes	None
Other Information: Notes	Assumption changes include a discount rate change from 4.13% as of August 31, 2023 to 3.87% as of August 31, 2024. Additionally, the tables used to model the impact of aging on the underlying claims were revised.

Discount Rate: A single discount rate of 3.87 percent was used to measure the total OPEB liability. This was a decrease of 0.26 percent in the discount rate since the previous year. Because the investments are held in cash and there is no intentional objective to advance fund the benefits, the single discount rate is equal to the prevailing municipal bond rate.

The source of the municipal bond rate is the Fidelity "20-Bond GO Index" as of August 31, 2024 using the Fixed Income Municipal bonds with 20 years to maturity that include only federally tax exempt municipal bonds.

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CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

IV. DETAILED NOTES ON ALL FUNDS (Continued)

Discount Rate Sensitivity Analysis: The following schedule shows the impact of the net OPEB liability if the discount rate used was 1 percentage point lower than and 1 percentage point higher than the discount rate that was used in measuring the net OPEB liability.

	1% Decrease 2.87%	Current Single Discount Rate 3.87%	1% Increase 4.87%
District's proportionate share of the net OPEB liability:	\$ 17,368,008	\$ 14,618,960	\$ 12,397,688

Healthcare Cost Trend Rates Sensitivity Analysis: The following schedule shows the impact of the Net OPEB Liability if a healthcare trend rate that is 1 percent less than and 1 percent greater than the health trend rates assumed.

	1% Decrease in Healthcare Trend Rate	Current Single Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
District's proportionate share of the net OPEB liability:	\$ 11,904,973	\$ 14,618,960	\$ 18,155,556

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs: At June 30, 2025, the District reported a liability of \$14,618,960 for its proportionate share of the TRS-Care's net OPEB liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

The District's proportionate share of the collective net OPEB liability	\$ 14,618,960
State's proportionate share that is associated with the District	<u>18,317,359</u>
Total	<u><u>\$ 32,936,319</u></u>

The net OPEB liability was measured as of August 31, 2023 and rolled forward to August 31, 2024 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The employer's proportion of the net OPEB liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2023 through August 31, 2024.

At August 31, 2024 the employer's proportion of the collective net OPEB liability was 0.0481654760%, which was a decrease of 0.0050357270% from its proportion measured as of August 31, 2023.

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

IV. DETAILED NOTES ON ALL FUNDS (Continued)

Changes of Assumptions Since the Prior Measurement Date— The following were changes to the actuarial assumptions or other inputs that affected measurement of the total OPEB liability since the prior measurement period:

- The single discount rate changed from 4.13 percent as of August 31, 2023 to 3.87 percent as of August 31, 2024, accompanied by revised demographic and economic assumptions based on the TRS experience study.
- The tables used to model the impact of aging on the underlying claims were revised.

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

For the year ended June 30, 2025, the District recognized OPEB expense of (\$2,380,919) and revenue of (\$2,380,919) for support provided by the State.

The amount of OPEB expense recognized by the District in the reporting period was (\$4,104,158).

At June 30, 2025, the District reported its proportionate share of the TRS-Care’s deferred outflows of resources and deferred inflows of resources related to other post-employment benefits (OPEB) from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,801,964	\$ 7,295,654
Changes in actuarial assumptions	1,871,054	4,769,998
Net Difference between projected and actual investment earnings	-	40,938
Changes in proportion and difference between the District’s contributions and the proportionate share of contributions	1,862,789	2,440,173
Contributions paid to TRS-Care subsequent to the measurement date	364,428	-
Total	\$ 6,900,235	\$ 14,546,763

The \$364,428 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026.

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

IV. DETAILED NOTES ON ALL FUNDS (Continued)

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

Year Ended June 30:	OPEB Expense
2026	\$ (2,103,740)
2027	(1,441,633)
2028	(1,657,316)
2029	(1,391,510)
2030	(771,319)
Thereafter	(645,438)
	<u>\$ (8,010,956)</u>

Changes in Net OPEB Liability:

	Beginning Balance	Additions	Reductions	Ending Balance
Net OPEB Liability	\$ 11,777,845	\$ 3,278,625	\$ 437,510	\$ 14,618,960

Payable to the OPEB Plan: At June 30, 2025, the District reported a payable of \$64,910 to the OPEB plan for the outstanding amount of contractually required contributions related to past service costs. Member contributions included in this payable were \$27,946.

Medicare Prescription Drug Program: The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. Medicare Part D contributions made on behalf of the District’s employees for the years ended June 30, 2025, 2024, and 2023 were \$356,735, \$275,547, and \$271,531, respectively. These amounts are recorded as equal revenues and expenditures in the governmental fund financial statements of the District.

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

IV. DETAILED NOTES ON ALL FUNDS (Continued)

Q. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board maintains insurance policies acquired from independent insurance carriers covering all structural property, automobiles, casualty and workers compensation. There have been no significant reductions in insurance coverage from prior years and settlements did not exceed insurance coverage.

For the year ended June 30, 2025, Canutillo Independent School District carried insurance for building, contents, and property for insurable values of \$381,820,688 with deductibles ranging from \$1,000 to \$250,000 per occurrence. General liability coverage is limited to \$2,000,000 general aggregate with a \$1,000 deductible. Automobile liability is limited to a combined single limit of \$1,000,000 with a \$2,500 deductible.

R. Health Care Coverage

During the year ended June 30, 2025, employees of the District were covered by the District’s medical self-insurance Plan (“the Plan”). The District contributed approximately \$623 per month per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependent’s health insurance coverage. Blue Cross Blue Shield of Texas (BCBS) was the third party administrator for the plan from July 1, 2024 - December 31, 2024. From January 1, 2025 - June 30, 2025 Aetna is the third party administrator. Terms and provisions are included in the contractual provisions.

The District obtained excess loss insurance which limited annual claims paid from the fund for the year ended June 30, 2025 to \$125,000 and \$175,000 for any individual participant under BCBS and Aetna, respectively. There was no aggregate limit for the Fund.

Estimates of claims payable and of claims incurred but not reported (IBNR) at June 30, 2025, are reflected as accrued expenses of the fund. The plan is funded to discharge liabilities of the fund as they become due.

Changes in the claims activity and liability as of June 30 is follows:

	2025	2024	2023
Unpaid claims, beginning of year	\$ 472,000	\$ 781,026	\$ 909,260
Incurred claims (including IBNRs)	5,894,942	7,112,925	7,557,840
Claim payments	(5,975,942)	(7,421,951)	(7,686,074)
Unpaid claims, end of fiscal year	\$ 391,000	\$ 472,000	\$ 781,026

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

IV. DETAILED NOTES ON ALL FUNDS (Continued)

S. Unemployment Compensation Pool

During the year ended June 30, 2025, Canutillo ISD provided unemployment compensation coverage to its employees through participation in the TASB Risk Management Fund (the Fund). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund’s Unemployment Compensation Program is authorized by Section 22.005 of the Texas Education Code and Chapter 172 of the Texas Local Government Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties.

The Fund meets its quarterly obligation to the Texas Workforce Commission. Expenses are accrued monthly until the quarterly payment has been made. Expenses can be reasonably estimated; therefore there is no need for specific or aggregate stop loss coverage for the Unemployment Compensation pool. For the year ended June 30, 2025, the Fund anticipates that Canutillo ISD has no additional liability beyond the contractual obligation for payment contribution.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each year on August 31. The audit is accepted by the Fund’s Board of Trustees in February of the following year. The Fund’s audited financial statements as of August 31, 2024, are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

T. Fund Balances

As of June 30, 2025, fund balances are composed of the following:

	General Fund	Debt Service Fund	2024A and 2025 Bonds Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Inventories	\$ 169,142	\$ -	\$ -	\$ -	\$ 169,142
Prepayments	21,507	-	-	-	21,507
Restricted:					
Food Services	1,282,999	-	-	150,507	1,433,506
Capital Acquisition	-	-	171,074,774	-	171,074,774
Campus Activities	-	-	-	601,965	601,965
Retirement of Long-Term Debt	-	16,779,862	-	-	16,779,862
Assigned:					
Technology Refresh Plan	1,570,000	-	-	-	1,570,000
Unassigned	9,628,984	-	-	-	9,628,984
Total fund balances	\$ 12,672,632	\$ 16,779,862	\$ 171,074,774	\$ 752,472	\$ 201,279,740

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

IV. DETAILED NOTES ON ALL FUNDS (Continued)

In fiscal year 2025, the health care fund reported a deficit fund balance of (\$830,799) mainly caused by a decrease in enrollment due to changes in the plan benefit coverage and increase in medical costs due to inflation. Management is actively monitoring and evaluating the Health Care Fund. Starting July 2025, the District approved an increase of \$100 month per employee for employer contribution. The District is planning on this change to reduce the current deficit. The District will continue to emphasize preventative care and healthy living initiatives. Management will continue to evaluate the plan and make any necessary changes to benefit coverage as well as contribution amounts.

As of June 30, 2025, there were no committed fund balances.

As discussed in Note V below, as of June 30, 2025, the District has \$21,323,854 of encumbrances of operating funds in major funds that rolled over into the next fiscal year.

U. Encumbrances

Encumbrance accounting is employed as an extension of formal budgetary integration for the general fund, special revenue funds, and capital projects funds. Encumbrances represent commitments related to contracts not yet performed and are used to control expenditures for the year and to enhance cash management. The encumbrance account does not represent an expenditure for the period, only a commitment to expend resources. Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at year end, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget. At June 30, 2025, certain amounts which were previously restricted or assigned for specific purposes have been encumbered in the governmental funds. Significant encumbrances included in governmental fund balances are as follows:

	<u>Encumbrances Included in:</u>		
	<u>Restricted Fund Balance</u>	<u>Assigned Fund Balance</u>	<u>Total</u>
General Fund	\$ -	\$ 100,395	\$ 100,395
Capital Projects Funds	21,223,459	-	21,223,459
Total	<u>\$ 21,223,459</u>	<u>\$ 100,395</u>	<u>\$ 21,323,854</u>

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

IV. DETAILED NOTES ON ALL FUNDS (Continued)

V. Revenue from Local and Intermediate Sources

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

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Property taxes	\$ 27,078,906	\$ 14,329,999	\$ -	\$ -	\$ 41,408,905
Penalties, interest and other tax related income	233,921	93,359	-	-	327,280
Athletic activities	69,981	-	-	-	69,981
Enterprising services	-	-	-	592,725	592,725
Investment income	556,010	631,120	2,484,473	-	3,671,603
Insurance recovery	15,588	-	-	-	15,588
Food service activity	68,088	-	-	-	68,088
Revenue from Foundations	3,698	-	-	251,529	255,227
Computer buyback program	24,865	-	-	-	24,865
Rebates	24,081	-	-	-	24,081
Rent	25,000	-	3,500	-	28,500
Other miscellaneous	11,720	-	-	-	11,720
Total	\$ 28,111,858	\$ 15,054,478	\$ 2,487,973	\$ 844,254	\$ 46,498,563

W. School Health and Related Services (SHARS)

SHARS is a Medicaid financing program and allows local school districts to obtain Medicaid reimbursement for certain health-related services provided to students in special education. Since SHARS settle-up amounts are usually calculated and received or more in arrears, the district does not have adequate information to make an estimate of the receivable related to the current year on the government wide financial statements. However, the receivable and related revenues are recorded in the fiscal year the preliminary settle-up amounts are available, which is usually one year in arrears.

SHARS revenue recorded in total for fiscal year 2025 was \$341,354, of which \$140,130 was related to prior year's settle-up.

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

IV. DETAILED NOTES ON ALL FUNDS (Continued)

X. Other Employment Benefits

The District has established a 457 Deferred Compensation Plan and a Tax-sheltered Annuity 403(b) Plan. All regular full-time employees are eligible to participate in these Plans immediately upon becoming employed by the District. As of June 30, 2025, the District had 118 employees participating in these two Plans. Employee contributions to the Plans totaled \$355,474.

The District does not contribute to any of these Plans and does not hold the assets in a trustee capacity. Management does not have control over the funds nor can they access the funds, and therefore believes the District does not have fiduciary accountability for the Plans. As such, the Plan assets are not included in a trust fund in the District’s financial statements.

Y. Restatement

As the result of implementing GASB Statement No. 101, Compensated Absences, in fiscal year 2025, the District is reporting a change in accounting principles, applied retroactively by recording a compensated absences beginning balance, with amounts presented as due within one year and due in more than one year in the statement of net position. Accordingly, the beginning net position for governmental activities has been restated as follows:

	Compensated Absence Liability 2024	Total Net Position 2024
Beginning of Year as Previously Reported	\$ 969,834	\$ 23,474,652
Implementation of GASB 101: Compensated Absences	3,997,118	(3,997,118)
Beginning of Year as Restated	<u>\$ 4,966,952</u>	<u>\$ 19,477,534</u>

Z. Other Significant Commitments and Contingencies

Federal and State Funding - Canutillo Independent School District participates in numerous state and federal programs that are subject to audit by the Texas Education Agency and various Federal and/or State audit agencies. These programs have complex compliance requirements, and should State or Federal auditors discover areas of material noncompliance, those District funds may be subject to refund if so determined by administrative audit review.

In the opinion of administration, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

IV. DETAILED NOTES ON ALL FUNDS (Continued)

AA. Litigation

During the normal course of business the District is subject to various legal claims. As of June 30, 2025, management is not aware of any such claim which would have a material adverse effect on the financial statements.

AB. Related Party Transactions

From time to time, the District may enter into transactions with related parties through the normal course of business. If a Board member has a conflict of interest, proper documentation is completed and he/she is required to abstain from any discussion or voting regarding the matter. Management is not aware of any material related party transactions that occurred during the 2024-2025 fiscal year.

AC. Subsequent Events

On September 3, 2025, the Board of Trustees approved a resolution providing for the cash defeasance and calling for redemption \$2,045,000 of the Unlimited Tax Refunding Bonds, Series 2017

In addition, on November 12, 2025, the District issued Unlimited Tax Refunding Bonds, Series 2025 in the amount of \$8,175,000 plus a premium of \$710,639 to refund \$1,315,000 and \$7,315,000 of the Unlimited Tax School Building Bonds 2015 and Unlimited Tax Refund Bonds 2016, respectively.

AD. New Accounting Pronouncements

The District has not completed the process of evaluating the impact on its financial position that will result from adopting the following Governmental Accounting Standards Board (GASB) Statements:

- GASB Statement No. 103, *Financial Reporting Model Improvements*, effective for fiscal years beginning after June 15, 2025. GASBS No. 103 improves 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.
- GASB Statement No. 104, *Disclosure of Certain Capital Assets*, effective for fiscal years beginning after June 15, 2025. GASBS No. 104 provides users of governmental financial statements with essential information about certain types of capital assets.

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REQUIRED SUPPLEMENTARY INFORMATION

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CANUTILLO ISD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)	
	Original	Final			
REVENUES:					
5700	Total Local and Intermediate Sources	\$ 28,761,786	\$ 28,776,874	\$ 28,111,858	\$ (665,016)
5800	State Program Revenues	35,911,619	35,911,619	33,837,018	(2,074,601)
5900	Federal Program Revenues	6,395,000	6,395,000	5,986,021	(408,979)
5020	Total Revenues	71,068,405	71,083,493	67,934,897	(3,148,596)
EXPENDITURES:					
Current:					
0011	Instruction	38,343,135	39,576,897	38,747,807	829,090
0012	Instructional Resources and Media Services	828,435	808,435	790,358	18,077
0013	Curriculum and Instructional Staff Development	776,851	775,203	717,716	57,487
0021	Instructional Leadership	1,190,498	1,134,501	1,046,094	88,407
0023	School Leadership	4,135,158	4,250,769	4,009,453	241,316
0031	Guidance, Counseling, and Evaluation Services	2,559,745	2,709,215	2,655,488	53,727
0032	Social Work Services	149,828	193,299	176,636	16,663
0033	Health Services	1,039,882	1,014,882	952,431	62,451
0034	Student (Pupil) Transportation	2,154,176	2,397,047	2,114,075	282,972
0035	Food Services	5,355,545	6,620,545	5,677,849	942,696
0036	Extracurricular Activities	1,862,554	1,562,167	1,493,861	68,306
0041	General Administration	3,457,431	3,783,115	3,471,584	311,531
0051	Facilities Maintenance and Operations	7,519,254	7,533,183	6,993,185	539,998
0052	Security and Monitoring Services	1,400,964	1,337,915	1,248,576	89,339
0053	Data Processing Services	1,937,456	2,960,904	1,849,539	1,111,365
0061	Community Services	20,901	25,676	23,074	2,602
Debt Service:					
0071	Principal on Long-Term Liabilities	411,717	758,090	795,320	(37,230)
0072	Interest on Long-Term Liabilities	45,379	45,379	87,306	(41,927)
0073	Bond Issuance Cost and Fees	-	-	424	(424)
Capital Outlay:					
0081	Facilities Acquisition and Construction	45,300	1,187,300	1,180,957	6,343
Intergovernmental:					
0099	Other Intergovernmental Charges	584,196	644,196	635,427	8,769
6030	Total Expenditures	73,818,405	79,318,718	74,667,160	4,651,558
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,750,000)	(8,235,225)	(6,732,263)	1,502,962
OTHER FINANCING SOURCES (USES):					
7912	Sale of Real and Personal Property	-	-	290,066	290,066
7915	Transfers In	-	-	53	53
7949	Issuance of SBITAs	-	1,900,700	208,859	(1,691,841)
8911	Transfers Out (Use)	-	-	(1,000,000)	(1,000,000)
7080	Total Other Financing Sources (Uses)	-	1,900,700	(501,022)	(2,401,722)
1200	Net Change in Fund Balances	(2,750,000)	(6,334,525)	(7,233,285)	(898,760)
0100	Fund Balance - July 1 (Beginning)	19,905,917	19,905,917	19,905,917	-
3000	Fund Balance - June 30 (Ending)	\$ 17,155,917	\$ 13,571,392	\$ 12,672,632	\$ (898,760)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION BUDGET AND ACTUAL GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2025

Budgets and Budgetary Accounting

Each school district in Texas is required by law to prepare annually a budget of anticipated revenues and expenditures for the General Fund, the Child Nutrition Program, and Debt Service fund before the beginning of the fiscal year. The General Fund budget schedule is presented in Exhibit G-1. The Child Nutrition Program fund and the Debt Service fund budget schedules are presented in Exhibits J-2 and J-3, respectively.

For fiscal years beginning July 1, the Texas Education Code requires the budget to be prepared not later than June 20 and adopted by June 30 of each year. The District's administration determines budgetary funding priorities and the budgets are prepared on the same basis of accounting that is used for reporting in accordance with generally accepted accounting principles. Final budget allocations are determined by the Board, which subsequently establishes a tax rate sufficient to support the approved budget in the General and Debt Service funds. The Child Nutrition Program appropriations are derived from the estimated meals expected to be served at the federal reimbursement rates plus anticipated program income. If the District has excess fund balance, appropriate measures are included in the adopted budget to spend down the fund balance to comply with fund balance requirements. The annual budgets, which are prepared on the modified accrual basis of accounting, must be adopted by the Board at a scheduled meeting after giving ten days public notice of the meeting. The District annually adopts legally authorized appropriated budgets for the General Fund, Child Nutrition Program, and Debt Service Fund. On June 25, 2024, the 2024-2025 budget was legally adopted by the Board.

The District's administration performs budget reviews during the year in which budget requirements are re-evaluated and revisions are recommended to the Board. The Board must approve amendments to the budget at the fund and functional expenditure categories or revenue object accounts as defined by the TEA. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end.

The General Fund Budget Schedule, Exhibit G-1, presents four unfavorable budget variances in functions 71 (Principal on Long-Term Liabilities), function 72 (Interest on -Long-Term Liabilities), function 73 (Bond Issuance Cost and Fees) and Other Financing Uses (Transfer Out). The unfavorable budget variances in functions 71, 72 and 73 were related to the refunding of the 2020 Tax Maintenance Notes and principal and interest payments of the right-to-use leases and SBITAs allocated to this fund that were not amended in the budget. Lastly, the unfavorable budget variance in Other Finance Uses was due to the transfer made to the Health Insurance Fund to reduce the deficit and the budget was not amended to reflect the transfer.

Unexpended appropriations lapse at year-end. The final amended budget is filed with the Texas Education Agency (TEA) through inclusion in the annual financial and compliance report.

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CANUTILLO ISD
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2025

	FY 2025 Plan Year 2024	FY 2024 Plan Year 2023	FY 2023 Plan Year 2022
District's Proportion of the Net Pension Liability (Asset)	0.038097502%	0.041468886%	0.038632584%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 23,271,545	\$ 28,485,123	\$ 22,935,172
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	30,463,083	33,916,763	31,448,677
Total	<u>\$ 53,734,628</u>	<u>\$ 62,401,886</u>	<u>\$ 54,383,849</u>
District's Covered Payroll	\$ 52,189,501	\$ 50,524,286	\$ 47,621,908
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	44.59%	56.38%	48.16%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.51%	73.15%	75.62%

Note: GASB Codification, Vol. 2, P20.183 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates of August 31, 2024 for year 2025, August 31, 2023 for year 2024, August 31, 2022 for year 2023, August 31, 2021 for year 2022, August 31, 2020 for year 2021, August 31, 2019 for year 2020, August 31, 2018 for year 2019, August 31, 2017 for year 2018, August 31, 2016 for year 2017, and August 31, 2015 for year 2016.

FY 2022 Plan Year 2021	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017	FY 2017 Plan Year 2016	FY 2016 Plan Year 2015
0.038999172%	0.035447608%	0.036759249%	0.035997568%	0.035982245%	0.036977475%	0.0411727%
\$ 9,931,709	\$ 18,985,016	\$ 19,108,607	\$ 19,813,935	\$ 11,505,183	\$ 13,973,238	\$ 14,554,001
14,725,643	30,633,266	29,564,299	31,961,880	18,983,563	23,778,787	22,458,036
<u>\$ 24,657,352</u>	<u>\$ 49,618,282</u>	<u>\$ 48,672,906</u>	<u>\$ 51,775,815</u>	<u>\$ 30,488,746</u>	<u>\$ 37,752,025</u>	<u>\$ 37,012,037</u>
\$ 47,461,967	\$ 44,089,488	\$ 41,741,050	\$ 39,933,236	\$ 38,748,832	\$ 39,201,808	\$ 38,499,576
20.93%	43.06%	45.78%	49.62%	29.69%	35.64%	37.80%
88.79%	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%

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CANUTILLO ISD
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024	2023
Contractually Required Contribution	\$ 2,143,276	\$ 2,145,485	\$ 2,113,496
Contribution in Relation to the Contractually Required Contribution	(2,143,276)	(2,145,485)	(2,113,496)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 51,308,986	\$ 52,112,208	\$ 50,251,955
Contributions as a Percentage of Covered Payroll	4.18%	4.12%	4.21%

Note: GASB Codification, Vol. 2, P20.183 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 of the preceding year.

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2022	2021	2020	2019	2018	2017	2016
\$ 1,920,020	\$ 1,474,123	\$ 1,436,786	\$ 1,281,153	\$ 1,214,756	\$ 1,197,336	\$ 1,196,817
(1,920,020)	(1,474,123)	(1,436,786)	(1,281,153)	(1,214,756)	(1,197,336)	(1,196,817)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 49,901,822	\$ 44,535,785	\$ 43,789,111	\$ 41,549,521	\$ 39,701,704	\$ 38,676,504	\$ 39,201,808
3.85%	3.31%	3.28%	3.08%	3.06%	3.10%	3.05%

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CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY PENSION INFORMATION

TEACHER RETIREMENT SYSTEM OF TEXAS

FOR THE YEAR ENDED JUNE 30, 2025

Changes of Benefit Terms

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

Changes of Assumptions

There were no changes of assumptions that affected measurement of the net pension liability during the measurement period.

DRAFT

CANUTILLO ISD
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2025

	FY 2025 Plan Year 2024	FY 2024 Plan Year 2023	FY 2023 Plan Year 2022
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.048165476%	0.053201203%	0.050858668%
District's Proportionate Share of Net OPEB Liability (Asset)	\$ 14,618,960	\$ 11,777,845	\$ 12,177,602
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	18,317,359	14,211,780	14,854,761
Total	<u>\$ 32,936,319</u>	<u>\$ 25,989,625</u>	<u>\$ 27,032,363</u>
District's Covered Payroll	\$ 52,189,501	\$ 50,524,286	\$ 47,621,908
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	28.01%	23.31%	25.57%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	13.70%	14.94%	11.52%

Note: GASB Codification, Vol. 2, P50.238 states that the information on this schedule should be determined as of the measurement date. For example, the amounts for FY 2025 are for the measurement date of August 31, 2024, etc.

This schedule shows only the years for which this information is available. Additional information will be added until 10 years of data are available and reported.

FY 2022 Plan Year 2021	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
0.050478791%	0.048813276%	0.049435189%	0.048982176%	0.0488264%
\$ 19,471,925	\$ 18,556,130	\$ 23,378,505	\$ 24,457,249	\$ 21,232,770
26,088,040	24,934,991	31,064,806	33,425,073	29,245,802
\$ 45,559,965	\$ 43,491,121	\$ 54,443,311	\$ 57,882,322	\$ 50,478,572
\$ 47,461,967	\$ 44,089,488	\$ 41,714,050	\$ 39,933,236	\$ 38,748,832
41.03%	42.09%	56.04%	61.25%	54.80%
6.18%	4.99%	2.66%	1.57%	0.91%

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CANUTILLO ISD
 SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)
 TEACHER RETIREMENT SYSTEM OF TEXAS
 FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024	2023
Contractually Required Contribution	\$ 431,291	\$ 440,410	\$ 461,559
Contribution in Relation to the Contractually Required Contribution	(431,291)	(440,410)	(461,559)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 51,308,986	\$ 52,112,208	\$ 50,251,955
Contributions as a Percentage of Covered Payroll	0.84%	0.85%	0.92%

Note: GASB Codification, Vol. 2, P50.238 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 of the preceding year.

Information in this schedule should be provided only for the years where data is available. Eventually 10 years of data should be presented.

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	2022	2021	2020	2019	2018
\$	431,028	\$ 371,241	\$ 368,057	\$ 350,279	\$ 322,102
	(431,028)	(371,241)	(368,057)	(350,279)	(322,102)
\$	-	\$ -	\$ -	\$ -	\$ -
\$	49,901,822	\$ 44,535,785	\$ 43,789,111	\$ 41,549,521	\$ 39,701,704
	0.86%	0.83%	0.84%	0.84%	0.81%

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CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY OPEB INFORMATION

TEACHER RETIREMENT SYSTEM OF TEXAS

FOR THE YEAR ENDED JUNE 30, 2025

Changes of Benefit Terms

There were no changes in benefit terms since the prior measurement date.

Changes Since the Prior Actuarial Valuation

Assumption, Method, and Plan Changes - the following were changes to the actuarial assumptions or other inputs that affected measurement of the total OPEB liability since the prior valuation:

- The discount rate changed from 4.13 percent as of August 31, 2023 to 3.87 percent as of August 31, 2024. This change increased the total OPEB liability.
- The tables used to model the impact of aging on the underlying claims were updated based on the Society of Actuaries' 2013 Study "Health Care Costs - From Birth to Death". This change increased the total OPEB liability.

Difference Between Expected and Actual Experience - the primary driver of the \$5.8 billion loss was the lowering of Medicare retiree premiums, which shifted a greater share of the health care costs for Medicare-eligible retirees to TRS.

COMBINING AND OTHER STATEMENTS

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NONMAJOR GOVERNMENTAL FUNDS

211 - Elementary and Secondary Education Act (ESEA) Title I, Part A -Improving Basic Program

Funds are used to improve the teaching and learning of children who are at risk of not meeting challenging academic standards and who reside in areas with high concentration of children from low-income families.

212 - Elementary and Secondary Education Act (ESEA) Title I, Part C- Education of Migratory Children

Funds are used to support high quality education programs for migratory children.

224 - Individuals with Disabilities Education Act (IDEA) - Part B, Formula

Funds are used to operate educational programs for children with disabilities.

242 - Summer Food Service Program for Children

Funds are used to provide low-income children to continue to receive nutritious meals when school is not in session.

244 - Career and Technical Education - Basic Grant

Funds are used to promote advanced skills for competitive wages in high-demand careers.

255 - Elementary and Secondary Education Act (ESEA) Title II, Part A - Training and Recruiting

Funds are used to increase academic achievement of all students by helping schools and school districts to improve teacher and principal quality.

263 - Title III, Part A -English Language Acquisition and Language Enhancement

Funds are used to improve the education of limited English proficient children by assisting the children to learn English and meet challenging State academic content and achievement standards.

265 - Title IV, Part B - 21st Century Community Learning Centers

Funds are used to provide academic enrichment and other services to students and literacy-related educational services to their families.

272 - Medicaid Administrative Claiming Program - MAC

Funds are used for reimbursement of eligible administrative cost for activities attributed to the implementation of the Medicaid state plan.

279 - TCLAS ESSER III ARP Act

Funds are used to accelerate student learning due to learning loss caused by the COVID-19 pandemic.

(Continued)
243

NONMAJOR GOVERNMENTAL FUNDS

282 - ARP ESSER III

Funds are used to address learning loss and the disproportionate impact of the coronavirus on certain student subgroups.

289 - Other Federal Special Revenue Funds

Elementary and Secondary Education Act (ESEA) - Title IV, Part A, Subpart 1 - Funds to help increase the access to a well-rounded education and to improve school conditions for student learning.

Summer School Limited English Proficient (LEP) - Funds include the reimbursement of summer school cost for Limited English Proficient students.

Mental Health Service Provision and Awareness Program - Funds used to train District personnel to recognize signs and symptoms of mental disorders and educate personnel about the resources available.

Stronger Connections Program - Funds used to support systemic change in the way that school districts address and respond to bullying, violence, and acts of hate

397 - Advanced Placement Incentives

Funds are used for enhancement of academic programs.

410 - State Instructional Materials

Funds are used to provide instructional materials awarded under the textbook allotment.

429 - Other State Special Revenue Funds

Math Achievement Stipends/Academies Disbursements - Funds to pay stipends to eligible teachers who successfully complete TEA sponsored Math Academies.

Lone Star Governance Exemplar Cohort - An intensive program designed for committed governing teams—school boards with their superintendents—dedicated to continually cultivating and sharpening their focus on one primary objective: improving student outcomes.

Advanced Placement Computer Science Principles – The purpose of this grant is to improve Advanced Placement course offerings within regions, increase the number of students meeting College, Career, and Military Readiness (CCMR) outcomes, and prepare students to succeed in a computer science related profession

Strong Foundations Planning Supports - Funds used to help districts develop a strong instructional framework in literacy.

Silent Panic Alert - Funds used to purchase, maintain, or enhance silent panic alarm technology for campuses.

Safety Standards Grant - Funds used to assist school districts in meeting TAC 61.031 and other security related costs as allowed by the school safety allotment.

461 - Campus Activity Funds

Funds include transactions related to a principal's activity fund.

487- CREEED Accelerated Certification

Funds are used to provide tuition reimbursement for teachers.

(Continued)

NONMAJOR GOVERNMENTAL FUNDS

489 - Oliver Foundation Healthy Girls

Promotes healthy eating for girls.

499 - Other Local Special Revenue Funds

Paso Del Norte Healthy Eating Grant - Promotes healthy eating through classes or programs with parents and students.

Superior Health Program - Funds to support the Canutillo Community Recreation program.

Texas Action for Healthy Kids - Funds to support the Canutillo Healthy Lifestyle program.

New York Life Foundation - Funds to support counseling services.

Bill and Melinda Gates thru Univ of Pittsburgh - CISD will support participation in planning process for co-designing multi year curriculum.

UT Austin Precision Math - Small group math interventions for first graders.

UT Austin ROOTS – Small group mathematics intervention comprised of 50 lessons in TEKS Math.

Braden About B Strong – For physical education programs at campuses

Superior Health Hygiene Closet – To purchase hygiene products to be made available to the Community once a month.

Dollar General Literacy - To help students expand literacy programs, purchase new tech or equipment, books or other literacy materials

TX Reads & Leads Initiative - For K-3 to partner with TXRL to improve reading skills with blended practices.

Pilot Miles of Good Grant - for STEM enrichment with career exploration to be offered to our students as part of their regular school day.

692 - 2011 Bond Capital Projects Fund

Funds are used to support technology, transportation, and energy conservation, and address critical renovations and improvements at facilities across the district.

693 - 2013 Bond Capital Projects Fund

Funds are used to support technology, transportation, and energy conservation, and address critical renovations and improvements at facilities across the district.

CANUTILLO ISD
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2025

Data Control Codes	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant	224 IDEA - Part B Formula
ASSETS			
1240 Due from Other Governments	\$ 113,709	\$ -	\$ 34,633
1260 Due from Other Funds	532	-	55,048
1000 Total Assets	<u>\$ 114,241</u>	<u>\$ -</u>	<u>\$ 89,681</u>
LIABILITIES			
2110 Accounts Payable	\$ 12,257	\$ -	\$ 995
2160 Accrued Wages Payable	79,732	-	88,686
2170 Due to Other Funds	22,252	-	-
2180 Due to Other Governments	-	-	-
2300 Unearned Revenue	-	-	-
2000 Total Liabilities	<u>114,241</u>	<u>-</u>	<u>89,681</u>
FUND BALANCES			
Restricted Fund Balance:			
3450 Federal or State Funds Grant Restriction	-	-	-
3490 Other Restricted Fund Balance	-	-	-
3000 Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>
4000 Total Liabilities and Fund Balances	<u>\$ 114,241</u>	<u>\$ -</u>	<u>\$ 89,681</u>

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242 Summer Feeding Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	265 Title IV, B Community Learning	272 Medicaid Admin. Claim MAC	279 ESSER III TCLAS ARP Act	282 ESSER III ARP Act
\$ -	\$ 701	\$ 21,105	\$ 11,048	\$ 312,699	\$ 23,151	\$ -	\$ -
<u>150,507</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,502</u>	<u>-</u>	<u>-</u>
<u>\$ 150,507</u>	<u>\$ 701</u>	<u>\$ 21,105</u>	<u>\$ 11,048</u>	<u>\$ 312,699</u>	<u>\$ 78,653</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ 4,712	\$ -	\$ 13,590	\$ 521	\$ -	\$ -
-	-	-	-	28,878	-	-	-
-	701	16,393	11,048	270,231	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	78,132	-	-
<u>-</u>	<u>701</u>	<u>21,105</u>	<u>11,048</u>	<u>312,699</u>	<u>78,653</u>	<u>-</u>	<u>-</u>
150,507	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>150,507</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 150,507</u>	<u>\$ 701</u>	<u>\$ 21,105</u>	<u>\$ 11,048</u>	<u>\$ 312,699</u>	<u>\$ 78,653</u>	<u>\$ -</u>	<u>\$ -</u>

CANUTILLO ISD
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2025

Data Control Codes	284 IDEA B Formula ARP Act	289 Other Federal Special Revenue Funds	397 Advanced Placement Incentives	410 State Instructional Materials
ASSETS				
1240 Due from Other Governments	\$ -	\$ 23,811	\$ -	\$ 152,007
1260 Due from Other Funds	26,939	16,417	5,174	11,196
1000 Total Assets	<u>\$ 26,939</u>	<u>\$ 40,228</u>	<u>\$ 5,174</u>	<u>\$ 163,203</u>
LIABILITIES				
2110 Accounts Payable	\$ -	\$ 2,303	\$ -	\$ 152,620
2160 Accrued Wages Payable	-	-	-	-
2170 Due to Other Funds	-	2,715	-	-
2180 Due to Other Governments	26,939	2,639	-	-
2300 Unearned Revenue	-	32,571	5,174	10,583
2000 Total Liabilities	<u>26,939</u>	<u>40,228</u>	<u>5,174</u>	<u>163,203</u>
FUND BALANCES				
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	-	-	-	-
3490 Other Restricted Fund Balance	-	-	-	-
3000 Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000 Total Liabilities and Fund Balances	<u>\$ 26,939</u>	<u>\$ 40,228</u>	<u>\$ 5,174</u>	<u>\$ 163,203</u>

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429 Other State Special Revenue Funds	461 Campus Activity Funds	487 CREED Accelerated Certification	489 Oliver Foundation Healthy Girls	499 Other Local Special Revenue Funds	Total Nonmajor Special Revenue Funds	692 2011 Bond Capital Projects Fund	693 2013 Bond Capital Projects Fund
\$ 50,514	\$ -	\$ -	\$ -	\$ 35,481	\$ 778,859	\$ -	\$ -
-	632,996	87,519	259	31,433	1,073,522	-	-
<u>\$ 50,514</u>	<u>\$ 632,996</u>	<u>\$ 87,519</u>	<u>\$ 259</u>	<u>\$ 66,914</u>	<u>\$ 1,852,381</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ 27,506	\$ -	\$ -	\$ 1,096	\$ 215,600	\$ -	\$ -
-	-	-	-	-	197,296	-	-
47,697	3,525	-	-	-	374,562	-	-
-	-	-	-	-	29,578	-	-
2,817	-	87,519	259	65,818	282,873	-	-
<u>50,514</u>	<u>31,031</u>	<u>87,519</u>	<u>259</u>	<u>66,914</u>	<u>1,099,909</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	150,507	-	-
-	601,965	-	-	-	601,965	-	-
-	601,965	-	-	-	752,472	-	-
<u>\$ 50,514</u>	<u>\$ 632,996</u>	<u>\$ 87,519</u>	<u>\$ 259</u>	<u>\$ 66,914</u>	<u>\$ 1,852,381</u>	<u>\$ -</u>	<u>\$ -</u>

CANUTILLO ISD
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2025

Data Control Codes	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
ASSETS		
1240 Due from Other Governments	\$ -	\$ 778,859
1260 Due from Other Funds	-	1,073,522
1000 Total Assets	<u>\$ -</u>	<u>\$ 1,852,381</u>
LIABILITIES		
2110 Accounts Payable	\$ -	\$ 215,600
2160 Accrued Wages Payable	-	197,296
2170 Due to Other Funds	-	374,562
2180 Due to Other Governments	-	29,578
2300 Unearned Revenue	-	282,873
2000 Total Liabilities	<u>-</u>	<u>1,099,909</u>
FUND BALANCES		
Restricted Fund Balance:		
3450 Federal or State Funds Grant Restriction	-	150,507
3490 Other Restricted Fund Balance	-	601,965
3000 Total Fund Balances	<u>-</u>	<u>752,472</u>
4000 Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 1,852,381</u>

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CANUTILLO ISD
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2025

Data Control Codes	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant	224 IDEA - Part B Formula
REVENUES:			
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-
5900 Federal Program Revenues	1,358,057	36,357	1,313,724
5020 Total Revenues	<u>1,358,057</u>	<u>36,357</u>	<u>1,313,724</u>
EXPENDITURES:			
Current:			
0011 Instruction	304,991	36,357	1,148,343
0012 Instructional Resources and Media Services	180,032	-	-
0013 Curriculum and Instructional Staff Development	498,311	-	6,162
0021 Instructional Leadership	77,990	-	44,757
0023 School Leadership	3,252	-	-
0031 Guidance, Counseling, and Evaluation Services	-	-	114,462
0032 Social Work Services	45	-	-
0033 Health Services	-	-	-
0036 Extracurricular Activities	-	-	-
0041 General Administration	-	-	-
0051 Facilities Maintenance and Operations	-	-	-
0052 Security and Monitoring Services	-	-	-
0053 Data Processing Services	-	-	-
0061 Community Services	293,436	-	-
6030 Total Expenditures	<u>1,358,057</u>	<u>36,357</u>	<u>1,313,724</u>
1100 Excess of Revenues Over Expenditures	-	-	-
OTHER FINANCING SOURCES (USES):			
8911 Transfers Out (Use)	-	-	-
1200 Net Change in Fund Balance	-	-	-
0100 Fund Balance - July 1 (Beginning)	-	-	-
3000 Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

242 Summer Feeding Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	265 Title IV, B Community Learning	272 Medicaid Admin. Claim MAC	279 ESSER III TCLAS ARP Act	282 ESSER III ARP Act
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	90,193	269,467	147,168	1,268,755	28,076	101,684	137,597
-	90,193	269,467	147,168	1,268,755	28,076	101,684	137,597
-	82,788	104,080	54,375	1,023,064	-	77,384	3,197
-	-	-	-	-	-	-	-
-	1,609	115,477	92,793	7,379	-	-	-
-	3,856	-	-	176,999	-	-	-
-	1,640	49,910	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	28,076	-	-
-	130	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	2,275	-	-	134,400
-	-	-	-	49,729	-	-	-
-	-	-	-	-	-	24,300	-
-	170	-	-	9,309	-	-	-
-	90,193	269,467	147,168	1,268,755	28,076	101,684	137,597
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
150,507	-	-	-	-	-	-	-
\$ 150,507	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CANUTILLO ISD
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2025

Data Control Codes	284 IDEA B Formula ARP Act	289 Other Federal Special Revenue Funds	397 Advanced Placement Incentives	410 State Instructional Materials
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	1,153,474
5900 Federal Program Revenues	-	300,232	-	-
5020 Total Revenues	-	300,232	-	1,153,474
EXPENDITURES:				
Current:				
0011 Instruction	-	8,421	-	1,153,474
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	4,175	-	-
0021 Instructional Leadership	-	100	-	-
0023 School Leadership	-	700	-	-
0031 Guidance, Counseling, and Evaluation Services	-	45,592	-	-
0032 Social Work Services	-	241,144	-	-
0033 Health Services	-	100	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0053 Data Processing Services	-	-	-	-
0061 Community Services	-	-	-	-
6030 Total Expenditures	-	300,232	-	1,153,474
1100 Excess of Revenues Over Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES):				
8911 Transfers Out (Use)	-	-	-	-
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - July 1 (Beginning)	-	-	-	-
3000 Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ -

429 Other State Special Revenue Funds	461 Campus Activity Funds	487 CREED Accelerated Certification	489 Oliver Foundation Healthy Girls	499 Other Local Special Revenue Funds	Total Nonmajor Special Revenue Funds	692 2011 Bond Capital Projects Fund	693 2013 Bond Capital Projects Fund
\$ -	\$ 592,725	\$ 144,008	\$ -	\$ 107,521	\$ 844,254	\$ -	\$ -
189,792	-	-	-	-	1,343,266	-	-
-	-	-	-	-	5,051,310	-	-
189,792	592,725	144,008	-	107,521	7,238,830	-	-
16,417	183,314	144,008	-	89,238	4,429,451	-	-
-	3,516	-	-	74	183,622	-	-
32,089	-	-	-	12,407	770,402	-	-
-	5,451	-	-	82	309,235	-	-
-	103,496	-	-	1,236	160,234	-	-
-	-	-	-	-	160,054	-	-
-	-	-	-	-	241,189	-	-
-	-	-	-	-	28,176	-	-
-	230,139	-	-	-	230,269	-	-
5,000	17,509	-	-	-	22,509	-	-
-	2,219	-	-	-	138,894	-	-
136,286	1,568	-	-	-	187,583	-	-
-	-	-	-	-	24,300	-	-
-	1,630	-	-	4,484	309,029	-	-
189,792	548,842	144,008	-	107,521	7,194,947	-	-
-	43,883	-	-	-	43,883	-	-
-	-	-	-	-	-	(12)	(41)
-	43,883	-	-	-	43,883	(12)	(41)
-	558,082	-	-	-	708,589	12	41
\$ -	\$ 601,965	\$ -	\$ -	\$ -	\$ 752,472	\$ -	\$ -

CANUTILLO ISD
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2025

Data Control Codes	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
REVENUES:		
5700 Total Local and Intermediate Sources	\$ -	\$ 844,254
5800 State Program Revenues	-	1,343,266
5900 Federal Program Revenues	-	5,051,310
5020 Total Revenues	-	7,238,830
EXPENDITURES:		
Current:		
0011 Instruction	-	4,429,451
0012 Instructional Resources and Media Services	-	183,622
0013 Curriculum and Instructional Staff Development	-	770,402
0021 Instructional Leadership	-	309,235
0023 School Leadership	-	160,234
0031 Guidance, Counseling, and Evaluation Services	-	160,054
0032 Social Work Services	-	241,189
0033 Health Services	-	28,176
0036 Extracurricular Activities	-	230,269
0041 General Administration	-	22,509
0051 Facilities Maintenance and Operations	-	138,894
0052 Security and Monitoring Services	-	187,583
0053 Data Processing Services	-	24,300
0061 Community Services	-	309,029
6030 Total Expenditures	-	7,194,947
1100 Excess of Revenues Over Expenditures	-	43,883
OTHER FINANCING SOURCES (USES):		
8911 Transfers Out (Use)	(53)	(53)
1200 Net Change in Fund Balance	(53)	43,830
0100 Fund Balance - July 1 (Beginning)	53	708,642
3000 Fund Balance - June 30 (Ending)	\$ -	\$ 752,472

TEXAS EDUCATION AGENCY REQUIRED SCHEDULES

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CANUTILLO ISD
 SCHEDULE OF DELINQUENT TAXES RECEIVABLE
 FOR THE YEAR ENDED JUNE 30, 2025

Last 10 Years Ended	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2016 and prior years	Various	Various	\$ Various
2017	1.170000	0.360000	1,881,804,527
2018	1.170000	0.360000	2,016,017,059
2019	1.170000	0.360000	2,247,888,715
2020	1.068350	0.360000	2,452,875,086
2021	1.030100	0.360000	2,632,957,722
2022	0.982400	0.360000	2,869,104,246
2023	0.942900	0.360000	3,189,210,389
2024	0.760500	0.400000	3,166,372,506
2025 (School year under audit)	0.755200	0.400000	3,636,026,242
1000 TOTALS			
8000 Total Taxes Refunded Under Section 26.1115, Tax Code			

(10) Beginning Balance 7/1/2024	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 6/30/2025	(99) Taxes Refunded Under Section 26.1115c
\$ 728,229	\$ -	\$ 10,137	\$ 2,580	\$ (25,446)	\$ 690,066	
76,766	-	1,757	541	-	74,468	
65,454	-	2,133	656	-	62,665	
88,766	-	3,993	1,229	(44)	83,500	
117,808	-	5,292	1,783	(2,781)	107,952	
140,200	-	3,541	1,238	(6,822)	128,599	
198,300	-	15,875	5,817	(37,840)	138,768	
323,883	-	1,519	580	(80,163)	241,621	
708,922	-	48,527	25,524	(346,686)	288,185	
-	42,003,375	26,923,673	14,260,419	-	819,283	
<u>\$ 2,448,328</u>	<u>\$ 42,003,375</u>	<u>\$ 27,016,447</u>	<u>\$ 14,300,367</u>	<u>\$ (499,782)</u>	<u>\$ 2,635,107</u>	
						<u>\$ 27,450</u>

CANUTILLO ISD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM
FOR THE YEAR ENDED JUNE 30, 2025

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 170,000	\$ 170,000	\$ 192,577	\$ 22,577
5800 State Program Revenues	25,000	25,000	20,221	(4,779)
5900 Federal Program Revenues	5,675,000	5,675,000	5,276,519	(398,481)
5020 Total Revenues	5,870,000	5,870,000	5,489,317	(380,683)
EXPENDITURES:				
Current:				
0035 Food Services	5,355,545	6,620,545	5,677,335	943,210
0051 Facilities Maintenance and Operations	514,455	649,455	491,160	158,295
Debt Service:				
0071 Principal on Long-Term Liabilities	-	-	1,515	(1,515)
0072 Interest on Long-Term Liabilities	-	-	338	(338)
6030 Total Expenditures	5,870,000	7,270,000	6,170,348	1,099,652
1200 Net Change in Fund Balances	-	(1,400,000)	(681,031)	718,969
0100 Fund Balance - July 1 (Beginning)	1,983,328	1,983,328	1,983,328	-
3000 Fund Balance - June 30 (Ending)	\$ 1,983,328	\$ 583,328	\$ 1,302,297	\$ 718,969

CANUTILLO ISD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2025

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 15,299,589	\$ 15,299,589	\$ 15,054,478	\$ (245,111)
5800 State Program Revenues	-	-	1,068,662	1,068,662
5020 Total Revenues	15,299,589	15,299,589	16,123,140	823,551
EXPENDITURES:				
Debt Service:				
0071 Principal on Long-Term Liabilities	6,365,000	9,565,000	9,565,000	-
0072 Interest on Long-Term Liabilities	4,616,929	4,616,929	4,616,928	1
0073 Bond Issuance Cost and Fees	4,317,660	1,117,660	309,175	808,485
6030 Total Expenditures	15,299,589	15,299,589	14,491,103	808,486
1100 Excess of Revenues Over Expenditures	-	-	1,632,037	1,632,037
OTHER FINANCING SOURCES (USES):				
7911 Issuance of Bonds	-	-	7,100,000	7,100,000
7916 Premium or Discount on Issuance of Bonds	-	-	1,074,035	1,074,035
8949 Other (Uses) - Placed in Escrow for Refunded Bonds	-	-	(7,361,542)	(7,361,542)
7080 Total Other Financing Sources (Uses)	-	-	812,493	812,493
1200 Net Change in Fund Balances	-	-	2,444,530	2,444,530
0100 Fund Balance - July 1 (Beginning)	14,335,332	14,335,332	14,335,332	-
3000 Fund Balance - June 30 (Ending)	\$ 14,335,332	\$ 14,335,332	\$ 16,779,862	\$ 2,444,530

CANUTILLO ISD
STATE COMPENSATORY EDUCATION AND BILINGUAL EDUCATION PROGRAM EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2025

Section A: Compensatory Education Programs

AP1	Did your district expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the district have written policies and procedures for its state compensatory education program?	Yes
AP3	Total state allotment funds received for state compensatory education programs during the district's fiscal year.	5,540,807
AP4	Actual direct program expenditures for state compensatory education programs during the district's fiscal year. (PICs 24,26,28,29,30)	2,656,308

Section B: Bilingual Education Programs

AP5	Did your district expend any bilingual education program state allotment funds during the district's fiscal year?	Yes
AP6	Does the district have written policies and procedures for its bilingual education program?	Yes
AP7	Total state allotment funds received for bilingual education programs during the district's fiscal year.	1,268,708
AP8	Actual direct program expenditures for bilingual education programs during the district's fiscal year. (PIC 25)	742,213

CANUTILLO INDEPENDENT SCHOOL DISTRICT
Index for Statistical Section
(Unaudited)

Canutillo Independent School District's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the government's overall financial health. To assist financial statements users, the information contained within this sections is categorized as follows:

	<u>Page</u>
Financials Trends	149
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
Revenue Capacity Information	159
These schedules contain information to help the reader assess the government's most significant local revenue sources, the property tax.	
Debt Capacity Information	171
These schedules present information to help the reader assess the affordability of the government's current level of outstanding debt and the government's ability to issue additional debt in the future.	
Demographic & Economic Information	181
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities takes places.	
Operating Information	185
These schedules contain service and infrastructure data to help the reader understand how the information in the governments relates to the financial report service the government provides and the activities it performs.	

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FINANCIAL TRENDS

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REVENUE CAPACITY INFORMATION

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DEBT CAPACITY INFORMATION

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DEMOGRAPHIC AND ECONOMIC INFORMATION

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OPERATING INFORMATION

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FEDERAL AWARDS SECTION

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

To the Board of Trustees
Canutillo Independent School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Canutillo Independent School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Canutillo Independent School District's basic financial statements, and have issued our report thereon dated February XX, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Gibson Ruddock Patterson LLC
El Paso, Texas
February XX, 2026

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

To the Board of Trustees
Canutillo Independent School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Canutillo Independent School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Canutillo Independent School District's major federal programs for the year ended June 30, 2025. Canutillo Independent School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Canutillo Independent School District, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Gibson Ruddock Patterson LLC
El Paso, Texas
February XX, 2026

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CANUTILLO INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF FINDINGS & QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2025

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of Auditor's Report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Were significant deficiencies in internal control disclosed? None reported

Were material weaknesses in internal control disclosed? No

Was any noncompliance disclosed that is material to the financial statements of the auditee, which would be required to be reported in accordance with Government Auditing Standards?

No

Federal Awards

Internal control over major federal award programs:

Were significant deficiencies in internal control over major programs disclosed? None reported

Were material weaknesses in internal control over major programs disclosed? No

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

Were there any audit findings that the auditor is required to report under Title 2 CFR 200.516 Audit findings paragraph (a)? No

Major Federal Programs:

CHILD NUTRITION CLUSTER PROGRAM
Assistance Listing No. 10.553, 10.555, 10.559 and 10.582

STRONGER CONNECTIONS PROGRAM
Assistance Listing No. 84.424F

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

Did the auditee qualified as low-risk auditee under 2 CFR 200.520 Criteria for a low-risk auditee? Yes

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF FINDINGS & QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2025

FINANCIAL STATEMENT FINDINGS

There are no current year findings.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are no current findings or questioned costs.

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CANUTILLO INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF STATUS OF PRIOR FINDINGS

FOR THE YEAR ENDED JUNE 30, 2025

FINANCIAL STATEMENT FINDINGS

There were no prior year findings.

FEDERAL AWARD FINDING AND QUESTIONED COSTS

There were no prior year findings or questioned costs.

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CANUTILLO ISD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal Assistance Listing No.	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF DEFENSE			
<u>Direct Programs</u>			
Navy JROTC	12.000	JROTC25	\$ 56,685
Total Direct Programs			<u>56,685</u>
TOTAL U.S. DEPARTMENT OF DEFENSE			<u>56,685</u>
U.S. DEPARTMENT OF EDUCATION			
<u>Passed Through ESC Region 10</u>			
*Special Education Contracted Services	84.027A	236600497110001	10,855
Total Special Education Cluster (IDEA)			<u>1,411,929</u>
Total Passed Through ESC Region 10			<u>10,855</u>
<u>Passed Through ESC Region 19</u>			
ESEA, Title I, Part C - Migratory Children	84.011A	24615001071907	36,357
Total Passed Through ESC Region 19			<u>36,357</u>
<u>Passed Through Texas Education Agency</u>			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	24610101071907	21,515
ESEA, Title I, Part A - Improving Basic Programs	84.010A	25610101071907	1,426,839
Total Assistance Listing Number 84.010			<u>1,448,354</u>
*IDEA - Part B, Formula	84.027A	246600010719076000	12,857
*IDEA - Part B, Formula	84.027A	256600010719076000	1,388,217
Total Assistance Listing Number 84.027			<u>1,401,074</u>
Total Special Education Cluster (IDEA)			<u>1,411,929</u>
Career and Technical - Basic Grant	84.048A	24420006071907	2,273
Career and Technical - Basic Grant	84.048A	25420006071907	92,162
Total Assistance Listing Number 84.048			<u>94,435</u>
Title IV, Pt B-21st Cent. Community Learning Cent.	84.287C	24694501071907	67,870
Title IV, Pt B-21st Cent. Community Learning Cent.	84.287C	25694501071907	1,285,244
Total Assistance Listing Number 84.287			<u>1,353,114</u>
Title III, Part A - English Language Acquisition	84.365A	24671001071907	3,377
Title III, Part A - English Language Acquisition	84.365A	25671001071907	153,576
Total Assistance Listing Number 84.365			<u>156,953</u>
ESEA, Title II, Part A, Teacher Principal Training	84.367A	24694501071907	16,856
ESEA, Title II, Part A, Teacher Principal Training	84.367A	25694501071907	270,528
Total Assistance Listing Number 84.367			<u>287,384</u>
Stonger Connections	84.424F	236811017110034	191,407
COVID 19 - ESSER III - School Emergency Relief	84.425U	21528001071907	121,035
COVID 19 - Learning Supports - (TCLAS) ESSER III	84.425U	21528042071907	118,953
Total Assistance Listing Number 84.425			<u>239,988</u>
Title IV, Part A, Subpart I	84.424A	24680101071907	2,639
Title IV, Part A, Subpart I	84.424A	25680101071907	75,496
Total Assistance Listing Number 84.424			<u>78,135</u>
Total Passed Through Texas Education Agency			<u>5,250,844</u>

CANUTILLO ISD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal Assistance Listing No.	Pass-Through Entity Identifying Number	Federal Expenditures
TOTAL U.S. DEPARTMENT OF EDUCATION			5,298,056
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Passed through the University of Texas at El Paso</u>			
Mental Health Service Provision and Awareness Program	93.243	226141431A	36,640
Total Passed through the University of Texas at El Paso			36,640
<u>Passed Through Texas Health and Human Services Commission</u>			
Medicaid Administrative Claiming Program - MAC	93.778	52908017700010	27,948
Medicaid Administrative Claiming Program - MAC	93.778	52908017700010	128
Total Assistance Listing Number 93.778			28,076
Total Passed Through Texas Health and Human Services Commission			28,076
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			64,716
U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Through the Texas Department of Agriculture</u>			
**School Breakfast Program	10.553	NT4XL1YGLGC5	1,745,563
**National School Lunch Program - Cash Assistance	10.555	NT4XL1YGLGC5	3,198,097
**National School Lunch Prog. - Non-Cash Assistance	10.555	NT4XL1YGLGC5	285,551
Total Assistance Listing Number 10.555			3,483,648
**Fresh Fruit and Vegetable Program	10.582	NT4XL1YGLGC5	16,957
Total Child Nutrition Cluster			5,246,168
USDA Storage and Delivery Fees	10.560	NT4XL1YGLGC5	14,647
Child & Adult Care Food Program - Cash Assistance	10.558	NT4XL1YGLGC5	15,705
Total Passed Through the Texas Department of Agriculture			5,276,520
TOTAL U.S. DEPARTMENT OF AGRICULTURE			5,276,520
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 10,695,977
*, ** Clustered Programs			

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2025

1. GENERAL

For all federal programs, the District uses the fund types specified in the Texas Education Agency's *Financial Accountability System Resource Guide*.

Special Revenue funds are used to account for resources restricted to, or committed for specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a Special Revenue Fund. If balances have not been expended by the end of the project period, grantors sometimes require the District to refund all or part of the unused amount.

The accompanying schedule of expenditures of federal awards (the "schedule") includes the federal activity of the District under programs of the federal government for the year ended June 30, 2025. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

2. BASIS OF ACCOUNTING

Accounting and Financial Reporting - The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental fund types are accounted for using a current financial resources measurement focus. All federal grant funds are accounted for either in the General Fund or in a Special Revenue Fund which are governmental fund types. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in fund balance.

The modified accrual basis of accounting is used for the governmental fund types. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which is recognized when due, and certain compensated absences, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. When grant funds are received before expenditures are made, they are recorded as unearned revenues until earned. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Due to the nature of the reporting process for the SHARS program, the District recognizes SHARS revenue when it is earned and when the annual Cost Report is acknowledged by the Texas Health and Human Service Commission.

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2025

2. BASIS OF ACCOUNTING (Continued)

Period of Performance - The period of performance for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 90 days beyond the federal project period ending date, in accordance with provisions in Section H, Period of Performance of Federal Funds, Part 3, OMB Compliance Supplement - November 2025.

Program Income - The Child Nutrition Cluster generated program income in the amount of \$68,088 for the year ended June 30, 2025.

3. INDIRECT COST RATE

The District did not elect to use the 10% de minimis indirect cost rate but used the indirect cost rate assigned by Texas Education Agency.

The District accounted for federally funded indirect cost in the General Fund as follows:

Program Title	Federal Assistance Listing Number	Amount
ESEA, Title I, Part A - Improving Basic Programs	84.010A	\$ 90,297
IDEA - Part B, Formula	84.027A	87,349
Career and Technical Education - Basic Grant	84.048A	4,242
ESEA, Title II, Part A - Teacher Principal Training	84.367A	17,917
Title III, Part A - English Language Acquisition	84.365A	9,785
Title IV, Pt B - 21 st Cent. Community Learning Cent.	84.287C	84,360
COVID-19 - TCLAS ESSER III	84.425U	17,269
COVID-19 - ARP ESSER III	84.425U	(16,562)
Stronger Connections	84.424F	11,933
Title IV, Part A, Subpart 1	84.424A	<u>4,872</u>
Total Indirect Costs		<u><u>\$ 311,462</u></u>

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2025

4. RECONCILIATIONS

Of the federal expenditures presented in exhibit K-1, the District accounted for certain funds in the General Fund as follows:

Program Title	Federal Assistance Listing Number	Amount
School Breakfast Program	10.553	\$ 1,745,563
National School Lunch Program - Cash Assistance	10.555	3,198,097
National School Lunch Program - Non-Cash Assistance	10.555	285,551
Child & Adult Care Food Program - Cash Assistance	10.558	15,705
Fresh Fruit and Vegetable Program	10.582	16,957
USDA Storage and Delivery Fees	10.560	14,647
Navy JROTC	12.000	56,685
Indirect Costs (See Note 3 for detail)	various	<u>311,462</u>
		5,644,667
School Health and Related Services (SHARS) (not included in Exhibit K-1)		<u>341,354</u>
Total General Fund federal revenue per Exhibit C-3		<u><u>\$ 5,986,021</u></u>

The total federal revenue presented on exhibit K-1 can be reconciled to Exhibit C-3 as follows:

Expenditures of federal awards per Exhibit K-1	\$ 10,695,977
SHARS reimbursements	<u>341,354</u>
Total federal revenue per Exhibit C-3	<u><u>\$ 11,037,331</u></u>



To: Board of Trustees, Canutillo Independent School District

From: Rudy Mejia, Nickel Hayden Advisors

Date: February 12, 2026

Re: Investment Strategy Recommendation – Transition from Active Management to Investment Pools

Overview

Over the past several months, we have closely monitored interest rate trends and the performance of the District's bond construction fund investments. As rates have begun to decline from prior highs, it is our professional recommendation that the District transition funds currently held in the actively managed account with Causey to high-quality public investment pools. These pools are currently yielding approximately 4.00% and are performing consistently.

Rationale for Transition

- **Interest Rate Environment** - Short-term rates have begun trending downward. In this type of environment, the value of active management diminishes, particularly when liquidity and capital preservation are priorities. Investment pools are currently providing competitive returns without additional management complexity.
- **Current Yield Performance** - The pools under consideration are producing yields of approximately 4.00%, remain highly liquid, and continue to perform well relative to alternatives available to Texas school districts.
- **Cost Efficiency** - Terminating the investment agreement with Causey will eliminate ongoing active management fees. While active management can be beneficial during certain market cycles, we do not believe it provides incremental value under current conditions.

Termination of Causey Investment Agreement

To implement this strategy, the District would formally terminate its investment advisory agreement with Causey. Nickel Hayden Advisors will coordinate the process to ensure:

- Orderly liquidation or transfer of assets
- Compliance with District investment policy and state law
- Seamless transition to approved public investment pools

Management Fee Reimbursement

As part of this transition, any outstanding management fees owed and paid to Causey will be reimbursed from the Construction Fund to the Interest & Sinking (I&S) Fund. The fees were directly associated with the management of bond proceeds. Reimbursement ensures that the I&S Fund remains whole and that bond-related expenses are properly allocated.

Interest Earnings Summary

During fiscal year 2025, the District earned approximately \$2.5M in total interest income. For fiscal year 2026 year-to-date, total interest earnings are approximately \$2.3M. These results reflect the strong rate environment over the past two years.

Rudy Mejia

CEO, Nickel Hayden

512-645-5044

200 Congress Avenue, Suite 903 Austin, TX 78701

rudy@nickelhayden.com

Board of Trustees

Meeting Date: February 24, 2026

Executive Summary of Board Agenda Item

Subject/Title for Agenda Posting: Recommendation to approve Memorandum of Understanding between Canutillo High School and Sul Ross State University

Justification Statement:

Purpose of Agenda Item: Information Discussion Action
 Item Type: Curriculum & Instruction HumanResources Business Services

Staff Responsible: Richard Moore
Signature of Requester(s)

Richard Moore Veronica M. Campbell
Signature of Presenter(s)

CP
Business Services Approval (Initials)

2/11/2026
Date

Agenda Summary:

RECOMMENDATION:

PRIOR BOARD ACTION: AWARDED: AWARDED AMOUNT:

AMOUNT(S):

ACCOUNT NO(S):

PROCUREMENT METHOD TYPE: (3 Quotes, Cooperative Contract Quotes, Sole Source, Formal Bid)

REQUESTING DEPARTMENT:

CONSEQUENCES OF NON-APPROVAL:

IMPLEMENTATION TIMELINE:

ATTACHMENT(S):



**Memorandum of Understanding
Dual Credit Academic Agreement
Between
Canutillo High School
and
Sul Ross State University**

This Dual Credit Institutional Agreement is entered into and between Sul Ross State University (“University”), a member of the Texas State University System, and Canutillo High School, either a Texas independent school district contracting on behalf of its high school(s), or a private high school, or a home-schooled student (“School”), to facilitate the cooperation between the University and the School in the provision of dual credit courses for the School.

Purpose

In accordance with the rules and regulations of the Texas Higher Education Coordinating Board (THECB), Sul Ross State University offers college credit courses in approved core curriculum courses for dual credit high school students. If the School approves these college courses for dual credit, high school students meeting both the School and University admission requirements may enroll in these courses and may receive college and high school credit simultaneously.

Dual Credit Program Goals

As outlined in the Sul Ross State University Plan: Strategies for the Second Century 2017-2022, under the section Strategies—Goal 1: Promote Growth in Academic, Research, and Artistic Excellence; Objective 1: Develop new or build on existing learning programs (including distance education programs) to create expanded opportunities to “learn by doing” across the curriculum, emphasizing tangible skills for lifelong learning and preparations to contribute to 21st century society; Strategy 6: Improve technical support in distance learning to include online/web based learning and teleconference instruction, the dual credit program agrees to provide opportunities and build relationships with area and state wide districts.

The University will provide informal sessions to inform all students and parents of the benefits and enrollment requirements.

The University and the School will post the most current dual credit program information including the MOU to their respective websites.

The University and the School will host regular, as needed, sessions for high school counselors regarding any changes to the Texas Administrative Code, the University availability of offerings, or any changes needed to the MOU.

The University and the School will assist the students in the successful transition to and acceleration through postsecondary education.

The University and the School will ensure the students receive academic and college readiness advice with access to academic student support services.

The University's selection process for faculty will ensure that the quality and rigor of dual credit courses will be sufficient to ensure student success in subsequent courses.

Eligible Courses

Dual Credit specific core curriculum courses, lower-level foreign language courses, and major specific courses on the official course inventory for Sul Ross State University are available for dual credit.

The availability of eligible dual credit courses each semester is determined by the availability of university resources, including but not limited to open seats in on-campus sections, faculty, smart rooms (for delivery of two-way interactive video), and compatible meeting times. The University will email proposed course schedules to allow the opportunity for schedule adjustments (particular classes, days, and times).

The school is responsible for determining that the dual credit course meets the essential skills and knowledge required by the Texas Education Agency.

*All courses are 3 credit hours unless noted otherwise.

Crosswalk for Sul Ross State University and the School/District

Please refer to the University's website for a comprehensive list of the University's course inventory. It is the School/District's responsibility to identify and map a crosswalk for all University courses and the school/district equivalent.

Student Eligibility for Dual Credit Enrollment

A high school student is eligible to enroll in dual credit courses if they:

1. Meet their high school or district's dual credit requirements.
2. Satisfy course prerequisites.
3. Obtain permission from both their school and their parent/guardian.
4. Provide proof of bacterial meningitis vaccination or exemption if the student is attending classes on the University campus.
5. Demonstrate college readiness as defined in the TSIA requirements below or qualify for an exemption under Texas Success Initiative provisions.

Academic Dual Credit Eligibility (TSI Requirements)

For courses requiring TSI college readiness in English Language Arts and Reading (ELAR):

- **TSIA2 ELAR:** Score 945+ with at least 5 on the essay or score below 945 with an essay score of 5+ and a Diagnostic score of 5-6.
- **STAAR EOC English III:** Minimum score of 4000.
- **ACT:** Composite score of 23 (before Feb 15, 2023) or 40 (after Feb 15, 2023) on the English and Reading tests.
- **SAT:** Minimum EBRW score of 480 (after 03/05/2016).

For courses requiring TSI college readiness in mathematics:

- **TSIA2 Mathematics:** Minimum score of 950, or below 950 with a Diagnostic score of 6.
- **STAAR EOC Algebra II:** Minimum score of 4000.
- **ACT:** 19 (before Feb 15, 2023) or 22 (after Feb 15, 2023) on the math test.
- **SAT:** Minimum score of 530 on the math test (after 03/05/2016).

Courses Not Requiring TSI Scores: Fine Arts and Communication courses.

Note: All math, English, and intensive reading courses require passing TSI scores.

College Connect Courses

Students who do not pass TSIA in ELAR or Math can enroll in College Connect ENG 1301 or MATH 1314 if they meet these minimum requirements:

College Connect English 1301 Placement:

- Score 910-944 on CRC with an Essay of 5-8, or
- Score 945-990 on CRC

College Connect Math 1314 Placement:

- Score 943-949 on CRC, with Algebra I completed.

Note: College Connect students attend 3 hours of college-level instruction and 2 hours of academic support weekly. A grade of "C" or better clears their TSI status.

TSI Preparation

SRSU provides a TSIA Bootcamp Packet for Math and/or ELAR for participating ISDs for teacher and student use.

District Responsibilities

The school agrees to provide the students with assistance in completing the admission, enrollment, and registration process. The school and student are responsible for ensuring that all required paperwork is submitted before the deadlines. Any packets received after the deadline will not be accepted. Once the completed paperwork has been submitted, the University will register the students in the dual credit classes.

If a student wishes to have a schedule change, it must be done so by the School Liaison who will then submit any necessary paperwork to the University.

If a student drops a course or stops attending classes, it is the responsibility of the school to notify the University as soon as possible in order to withdraw the student without any repercussions. The school representative must initiate the drop. Students will not be allowed to drop a course without the school's consent.

Students enrolled in dual credit courses will be permitted to use personal wireless communication devices during the school day solely for instructional purposes directly related to their dual credit coursework. Approved uses include accessing digital textbooks, submitting assignments, communicating with college instructors, or participating in online learning platforms required by Sul Ross State University.

Deadlines

All paperwork completed by students must be submitted by the deadlines as published in the University's academic calendar and provided to the school.

Dual Credit Liaisons

Dual credit liaisons are school district contacts that serve as the contact person for the dual credit program on that high school campus. This individual may handle course scheduling, computer lab scheduling for online courses, troubleshooting, etc.

School districts must also assign an in-classroom learning facilitator for courses taught via Distance Learning. Facilitator responsibilities will be mutually agreed upon between each facilitator and course instructor. Course instructors will provide progress reports periodically, as defined by the ISD or as requested by the liaison or facilitator.

The school district will provide dual credit liaison and in-classroom facilitator contact information to the Dual Credit Coordinator.

Location of Classes

Dual credit courses may be offered on the University campus, the school campus, or online via our Learning Management System (LMS), Blackboard.

Student Composition of Class

Dual credit courses may be composed of dual-credit students only or of dual and regularly enrolled college students. The decision to allow non-dual credit high school students into a dual credit course on a high school campus must be approved by the University Provost and must meet one of the following conditions:

1. The course involved is required for completion under the State Board of Education Recommended or Distinguished High School Program graduation requirements, and the high school involved is otherwise unable to offer such a course.
2. The high school credit-only students are College Board Advanced Placement or International Baccalaureate students.

Dual Credit Faculty and Dual Credit ISD Liaison Responsibilities

Dual Credit Faculty Responsibilities include:

- Establishing a mechanism (i.e., Blackboard, email) for communications with ISD dual credit liaison and classroom facilitator.
- Provide a detailed syllabus outlining expectations, requirements, attendance policy, and grading policy and communicate any changes in the syllabus (i.e., test dates, assignments, and assignment due dates) to the dual credit liaison.
- Inform ISD when planning to be absent or delayed to class.
- Allow absences for school-required state exams and other school related activities (with prior notice), technological issues, or ISD school closures without penalty.
- Provide critical student information when needed as allowed by FERPA rules. This will include informing the liaison of a student's failure to meet expectations, including but not limited to, potential for a failing grade, excessive absences, and/or unacceptable classroom behavior.

- Dual credit faculty will work with the ISD Liaison and/or classroom facilitator to provide updates on progress if requested by the school in a timely manner.

Dual Credit Liaison responsibilities include:

- Give prior notice to the appropriate Dual Credit Faculty of student absences due to school-related activities.

Faculty Selection, Supervision, and Evaluation

The University shall select instructors for dual credit courses. These instructors must meet the same standards (including minimal requirements of the Southern Association of Colleges and Schools Commission on Colleges) and approval procedures used by the University to select faculty responsible for teaching the same courses at the main campus.

When a dual credit course is offered on the ISD School campus, the instructor must adhere to the University-provided curriculum and syllabus. Teaching materials and/or experiential exercises may be supplemented, but substitutions **MUST** be approved in advance by the University. The University will supervise and evaluate ISD instructors using the same or comparable procedures used for all faculty.

Course Curriculum, Instruction, and Grading

High school and adjunct instructors agree to adhere to the curriculum provided by Sul Ross State University for dual credit courses. The syllabus and curriculum materials are integral components of the dual credit program and shall not be modified without prior approval from the department chair at Sul Ross State University. Dual credit courses must consistently meet the University's established standards for curriculum, materials, instruction, and the method and rigor of student evaluation. These standards apply uniformly, regardless of the student's composition or class location. Any proposed changes to the curriculum or syllabus require timely submission to the department chair for review and approval, ensuring alignment with Sul Ross State University's academic standards and objectives.

Academic Policies and Student Support Services

Regular University academic policies apply to dual credit classes. These policies include, but are not limited to, the distribution of syllabi, the appeal process for disputed grades, the drop policy, and grading policies. These policies may be found in the University catalog and are included herein by reference.

The University will provide academic student support services as follows:

1. Students will be given access to the University library and internet (Lobo Online, email, Blackboard), accorded appropriate privileges, and have adequate library resources convenient for use at the site where dual credit courses are offered.
2. Students enrolled in dual course credit will be provided with adequate academic support services including academic advising and career counseling through the University Lobo Den.

Student Code of Conduct

All students enrolled at the University must abide by the standards outlined in the *SRSU Student Handbook*. The handbook can be located on the SRSU website or through the Office of Student Life.

Transcription of Credit

The University will transcript college credit hours earned immediately upon the student's completion of the performance required in the course and report the official college grade to the ISD School registrar. Letter grades only will be awarded for college credit.

Transfer of Courses

SRSU approved core curriculum courses are readily transferable to other public institutions of higher education in Texas. However, since each college has its own policy regarding the transferability and applicability of courses, each student as well as the school, is strongly advised to check with the transferring college or university he/she plans to attend to determine the transferability of SRSU courses.

Texas public colleges and universities generally transfer courses which have common course numbers and designations. For example: ENGL 1301 is a common course that all Texas public colleges and universities carry out. If a course does not carry the same number or designation at the transferring institution, it may not transfer. The student should contact that receiving institution for confirmation. A quick reference guide for compatibility within institutions can be located in the Texas Common Course Numbering System (TCCNS), available at <https://www.tccns.org/>. TCCNS equivalent courses are also designated in the SRSU catalog.

Private and out-of-state institutions will decide which courses will transfer individually. The student must contact the private or out-of-state institution to determine if a course will transfer and how it will be applied.

FAMILY EDUCATION RIGHTS & PRIVACY ACT OF 1974

The Family Educational Rights and Privacy Act (FERPA) affords eligible students certain rights with respect to their education records. (An "eligible student" under FERPA is a student who is 18 years of age or older or who attends a postsecondary institution at any age.)

SRSU administration, counselors, staff, and instructors **are allowed** to communicate with the individual student as well as the dual credit high school liaisons which include the high school counselor, high school administration, and the facilitator regarding student progress, grades, student schedule, student attendance, etc.

SRSU employees are **not allowed** to discuss individual students with anyone, including parents, without a signed FERPA Waiver. SRSU staff will communicate with the high school, where parents may request information from the high school staff regarding students' dual credit courses.

Academic Regulations

SRSU courses offered as dual credit by SRSU faculty or embedded high school faculty, regardless of where they are taught, follow the SRSU academic calendar, syllabus requirements, course outline, grading procedure, FERPA regulations, communication between students,

parents, and ISD administrators, and other instructional and evaluative policies and procedures. Exceptions to this must be approved by the appropriate administrative entities.

District employees and parents shall not influence the grading policies, grading procedures, or other instructional policies of SRSU faculty who teach college courses as dual credit.

Dual credit students may withdraw (drop) from all courses and receive a grade of "W" at any time during the semester on/prior to SRSU's official drop deadline specified in the academic calendar which can be accessed from SRSU's website. A grade of "F" will be assigned for courses dropped after the deadline specified in the academic calendar. For students who wish to drop a class, it is the student's responsibility to contact the high school liaison before withdrawing from a course. It is the student's and the school's responsibility to verify that the official withdrawal has been initiated and completed.

If a student receives a grade below 'C' in any dual credit course, both the student and the high school agree to initiate an appeal process to seek approval for the student's continued participation in dual credit classes. The appeal will be made to the dual credit program, and both the student and the high school commit to abide by any plan of action recommended by the dual credit program to address academic challenges and support the student's success in future dual credit courses.

The maximum allowable dual credit hours will be determined by the University.

Funding

The School will agree to identify and certify participating students who are eligible for funding through THECB's FAST program.

The University agrees to provide institutional scholarships for non-FAST eligible students that will offset their cost of attendance.

The University will not provide textbooks, other instructional support materials, or transportation.

Dual Credit Transfer Scholarship

- The Scholarship does not require an application.
- An eligible student must have attended Sul Ross State University and passed a minimum of six credit hours in Dual Credit courses.
- Any student deemed eligible is awarded the Dual Credit Continuing Education Scholarship automatically beginning their first term at Sul Ross State University.
- The award is a one-time \$1000 scholarship that will be applied evenly between the Fall and Spring semesters.
- To qualify for the scholarship, a student must enroll full-time at Sul Ross State University within the academic year following high school graduation or home school certificate.

This Dual Credit Academic Agreement may be altered with written approval by the Superintendent and President or their designees, at least 30 days in advance of the agreement period.

This agreement will become effective on the date both parties agree to accept the conditions set forth in this document and until such time a mutual agreement is made to alter or terminate.

Signatures:

Bernie Cantens, Ph.D.

Executive Vice President & Provost

Dr. Josue Borrego

Superintendent of Schools- Canutillo ISD

Date

Date



OFFICE OF THE ASSOCIATE SUPERINTENDENT

#BestSmallDistrictinTexas

MEMORANDUM

TO: BOARD OF TRUSTEES AND SUPERINTENDENT BORREGO
FROM: DR. DEBRA Y. KERNEY, ASSOCIATE SUPERINTENDENT
SUBJECT: FACILITY REQUEST FORM: CENTRAL CANUTILLO CHRISTIAN CONGREGATION OF JEHOVAH'S WITNESSES
DATE: FEBRUARY 2, 2026

Canutillo ISD has received a facility request form from the Central Canutillo Christian Congregation of Jehovah's Witnesses requesting use of the cafeteria at Canutillo Middle School for a Religious Memorial of Jesus' Death on Thursday, April 2, 2026. As stated in GKD (Regulation) *Requests for use by individuals, groups, or organizations to use facilities or equipment for financial profit, partisan political reasons, religious purposes, or serving the individual or group's self-interest shall be approved by the Board.*

Street Address:
7965 Artcraft Rd.
El Paso, TX 79932

Mailing Address:
P.O. Box 100
Canutillo, TX 79835



Texas Education Agency A-Rated Three Years in a Row.

P: (915) 877-7481
F: (915) 877-7522
canutillo-isd.org

Canutillo Independent School District does not discriminate on the basis of race, color, religion, gender, sex, national origin, age, disability, military status, genetic information, or any other basis prohibited by law in its employment practices or in providing education services, activities, and programs, including career and technical education (vocational programs).

For additional information regarding Canutillo Independent School District's policy of nondiscrimination contact the Human Resources Division: (915) 877-7423 | 7965 Artcraft Dr. | El Paso TX 79932.



CANUTILLO INDEPENDENT SCHOOL DISTRICT FACILITIES REQUEST FORM

Name: Paul R. Estrada
 Address: 301 E. Borderland rd spc 52 El Paso TX 79932 Email: paestrada15@gmail.com
 Telephone #: 915-777-7787 Date of Application: 12/20/25
 Organization (include specific sport if applicable): Central Canutillo Christian Congregation of Jehovah's Witnesses
 Address: 6255 Strahan rd El Paso TX 79932

Please indicate what you are requesting:

Date(s): 4/02/2026 Times: From 5:00pm To 9:30pm
 Type of facility requested: Cafeteria Preferred Locations/Campuses: Canutillo Middle School
 Purpose for use of facilities: Religious: Memorial of Jesus Death

Number of Participants: 250 Percentage of Participants CISD students/taxpayers (required): unknown
(Programs with higher CISD participation receive full priority scheduling until 21 calendar days prior to initial event. Other groups may be canceled/rescheduled in fulfillment of requirement prior to the 21-day deadline. Further, CISD retains the right to cancel any group at any time per Superintendent and/or Board action regarding this CISD participation priority guideline.)

Food be sold: Yes ___ No x Entry Fee for this event: Yes ___ No x

If selling food during the event, a City of El Paso Public Food Establishment Permit must be provided to the associate superintendent's office five (5) business days prior to the event.

I have read the Rules/Regulations for use of Canutillo ISD building facilities and I will abide by these rules/regulations. I assume responsibility for the proper care of these facilities.

Paul R. Estrada Congregation Elder/Minister 12/20/25
 Applicant signature Title Date

Approved by Principal or Designee <u>Andres Es</u>	Title <u>PRINCIPAL</u>	Date <u>1/15/26</u>
---	---------------------------	------------------------

Custodial Services Y N Utilities Y N Security Y N POSSIBLY

I will let chief know

Approval Signature/Title if Custodial Services etc Waived:

Facilities & Trans. Division - Campus/Facility Lead Custodian Signature Date

Resources/Compliance Supervisor Signature Date

CFO Approval Signature [Signature] Date 1/21/26

Comments: MY CUSTODIANS WORK REGULAR SHIFT THIS DAY. THEY WILL DO THEIR DUTIES AND STAY TO ASSIST EVENT.



OFFICE OF THE ASSOCIATE SUPERINTENDENT

#BestSmallDistrictinTexas

MEMORANDUM

TO: BOARD OF TRUSTEES AND SUPERINTENDENT BORREGO
FROM: DR. DEBRA Y. KERNEY, ASSOCIATE SUPERINTENDENT
SUBJECT: FACILITY REQUEST FORM: ALIVE CHURCH
Date: FEBRUARY 2, 2026

Canutillo ISD has received a facility request form from Alive Church requesting use of the cafeteria at Jose Damian Elementary School for Christian religious service beginning Sunday, March 15, 2026, and continuing every Sunday through May 31, 2026 with the possibility of a renewal at the conclusion of the three-month period. As stated in GKD (Regulation) *Requests for use by individuals, groups, or organizations to use facilities or equipment for financial profit, partisan political reasons, religious purposes, or serving the individual or group's self-interest shall be approved by the Board.*

Street Address:
7965 Artcraft Rd.
El Paso, TX 79932

Mailing Address:
P.O. Box 100
Canutillo, TX 79835



Texas Education Agency A-Rated Three Years in a Row.

P: (915) 877-7481
F: (915) 877-7522
canutillo-isd.org

Canutillo Independent School District does not discriminate on the basis of race, color, religion, gender, sex, national origin, age, disability, military status, genetic information, or any other basis prohibited by law in its employment practices or in providing education services, activities, and programs, including career and technical education (vocational programs).

For additional information regarding Canutillo Independent School District's policy of nondiscrimination contact the Human Resources Division:
(915) 877-7423 | 7965 Artcraft Dr. | El Paso TX 79932.



CANUTILLO INDEPENDENT SCHOOL DISTRICT FACILITIES REQUEST FORM

Name: Jeremiah Tovar
 Address: _____ Email: jeremiahmtovar@gmail.com
 Telephone #: 889 Holly Park Ave. Santa Teresa NM 88008
619-292-1347 Date of Application: 9/29/2025
 Organization (include specific sport if applicable): Alive Church
 Address: 889 Holly Park Ave. Santa Teresa NM 88008

Please indicate what you are requesting:

Date(s): 3/15/26 & every Sunday Times: From 9:30 To 12:30pm
through 5/31/26 8:30am
 Type of facility requested: Auditorium Preferred Locations/Campuses: High School
Cafeteria Jose Damian Elementary

Purpose for use of facilities: Christian religious service

Number of Participants: 100-150 Percentage of Participants CISD students/taxpayers (required): 50

{Programs with higher CISD participation receive full priority scheduling until 21 calendar days prior to initial event. Other groups may be canceled/rescheduled in fulfillment of requirement prior to the 21-day deadline. Further, CISD retains the right to cancel any group at any time per Superintendent and/or Board action regarding this CISD participation priority guideline.}

Food be sold: Yes ___ No N Entry Fee for this event: Yes ___ No N

If selling food during the event, a City of El Paso Public Food Establishment Permit must be provided to the associate superintendent's office five (5) business days prior to the event.

I have read the Rules/Regulations for use of Canutillo ISD building facilities and I will abide by these rules/regulations. I assume responsibility for the proper care of these facilities.

[Signature] Lead Pastor 9/29/25
 Applicant signature Title Date

Approved by Principal or Designee <u>[Signature]</u>	Title <u>Principal</u>	Date <u>01-26-26</u>
---	---------------------------	-------------------------

Custodial Services ___Y___N Utilities ___Y___N Security ___Y___N

Approval Signature/Title if Custodial Services etc Waived:

Facilities & Trans. Division – Campus/Facility Lead Custodian Signature _____ Date _____

Resources/Compliance Supervisor Signature _____ Date _____

CFO Approval Signature [Signature] Date 1/30/26

Comments: Time needed was updated as per an email from Mr. Tovar 1/23/26.

Personnel Duties

The Superintendent shall define the qualifications, duties, and responsibilities of all positions and shall ensure that job descriptions are current and accessible to employees and supervisors.

Posting Vacancies

The Superintendent shall establish guidelines for advertising employment opportunities and posting notices of vacancies. These guidelines shall advance the Board's commitment to equal opportunity employment and to recruiting well-qualified candidates. Current District employees may apply for any vacancy for which they have appropriate qualifications.

Applications

All applicants shall complete the application form supplied by the District. Information on applications shall be confirmed before a contract is offered for a contractual position and before hiring or as soon as possible thereafter for a noncontractual position.

[For information related to the evaluation of criminal history records, see DBAA.]

Selection and Employment

The Superintendent has sole authority to make recommendations to the Board regarding the selection of contractual personnel. Furthermore, and subject to the authority retained by the Board, the Board grants the Superintendent the authority to hire, reorganize, or create positions within the budget approved by the Board.

Contractual
Personnel

The Board delegates to the Superintendent final authority to employ directors, assistant principals, teachers, librarians, nurses, and school counselors.

The Board retains final authority for selection and employment of the following positions (equivalent):

- Deputy Superintendent
- Associate superintendent;
- Chief human resources officer;
- Executive directors;
- Principals;
- ~~Noncertified administrators;~~
- ~~Other noncertified professionals who are administrators; and~~
- Personnel on contracts that are not governed by provisions of Education Code Chapter 21.

In order to allow the Board to make an informed decision on the Superintendent's recommendation, each recommendation submitted by the Superintendent to the Board for employment of a person

EMPLOYMENT PRACTICES

DC
(LOCAL)

to the positions ~~of associate superintendent, chief human resources officer, executive directors, and principals~~ **forementioned** shall include a copy of the person's resume, application, recommendations from previous employers, college transcript, and work history. ~~The Superintendent shall provide the names and similar information for the top two finalists for any of these positions.~~

[See (LEGAL) policies at DCA, DCB, DCC, and DCE, as appropriate]

Noncontractual
Personnel

Note: For employment of a bus driver related to a Board member or the Superintendent, see DBE(LEGAL).

The Board delegates to the Superintendent final authority to employ and dismiss noncontractual employees on an at-will basis. [See DCD]

Temporary
Employees

The Board delegates to the Superintendent the authority to employ on a temporary basis, interim principals, interim assistant principals, and other interim certified contractual personnel when the person is being recommended to the Board for permanent employment and there is a current vacancy. The temporary employee shall be advised that such temporary employment is no guarantee of permanent employment.

**Drug and Alcohol
Screening**

Any offer of employment for positions that require the operation of a District vehicle or safety-sensitive equipment shall be conditioned on the applicant passing a District's alcohol and controlled substances test. The Superintendent shall develop testing procedures to conduct these pre-employment drug and alcohol screenings.

**Employment
Assistance
Prohibited**

No District employee shall assist another employee of the District or of any school district in obtaining a new job if the employee knows, or has probable cause to believe, that the other employee engaged in sexual misconduct regarding a minor or student in violation of the law. Routine transmission of an administrative or personnel file does not violate this prohibition. [See CJ for prohibitions relating to contractors and agents and DH(EXHIBIT) for the Educators' Code of Ethics]

02/24/2026 Proposed Revision