

# Agenda of Regular Meeting

## The Board of Trustees Canutillo ISD

---

A Regular meeting of the Board of Trustees of Canutillo ISD will be held November 15, 2021, beginning at 5:00 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.

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
  - F. Trustee Ethical Guidelines 5
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.
3. **BOARD HONORS**

**Presenter:** L. Rodriguez

  - A. Recognition of November 11, Veteran's Day, a time for us to pay our respects to those who have served. For one day, we stand united in respect for our veterans.
  - B. Recognition of Melinda Bennett Shane, Ph. D., Licensed Specialist in School Psychology in honor of School Psychology Awareness Week.
  - C. Recognition of the Canutillo HS Eagles Football Team for winning the 1-5A (DII) District Championship.
4. **BOARD OF TRUSTEE BUSINESS**
  - A. Discussion and action to review and canvass the results of the November 2, 2021 District bond election. 12  
**Presenter:** S. Coronado
  - B. Discussion and possible adoption of a resolution protecting the welfare of all students within the Canutillo Independent School District against domestic minor sex trafficking. 17  
**Presenter:** B. Trout

C.	Discussion and possible action to elect new board officers.	19
	<b>Presenter:</b> S. Coronado	
	1. President	
	2. Vice-President	
	3. Secretary	
5.	<b>CONSENT AGENDA-VOTING</b>	
	A. <i>BUSINESS SERVICES</i>	
	1. Approval of the Meeting Minutes	
	a. October 21, 2021 Special Board Meeting	22
	b. October 26, 2021 Regular Board Meeting	24
	2. Approval of the Monthly Financials.	28
	<b>Presenter:</b> C. Pulley	
	3. Approval of the Monthly Warrant List.	29
	<b>Presenter:</b> C. Pulley	
	4. Approval of the Monthly Donations.	30
	<b>Presenter:</b> C. Pulley	
	5. Approval of the Budget Amendments.	33
	<b>Presenter:</b> C. Pulley	
	6. Approval of the Quarterly Investment Report for the Quarter Ended September 30, 2021.	36
	<b>Presenter:</b> C. Pulley	
	7. Acceptance of the Comprehensive Annual Financial Report for the Year Ended June 30, 2021.	46
	<b>Presenter:</b> M. Piekarski / C. Pulley	
	8. Approval of the 2022 Board of Trustee Regular Board Meeting Dates.	188
	<b>Presenter:</b> P. Galaviz	
	B. <i>CURRICULUM</i>	
	1. Approval of Memorandum of Agreement between Canutillo ISD and the University of Texas at El Paso for the teacher residency program in partnership with UTEP.	189
	<b>Presenter:</b> M. Rocha/S. Carrillo	
	2. Approval of COVID Rapid Testing Stipends in the amount of \$500 (yearly).	197
	<b>Presenter:</b> M. Rocha/M. Reyes	
	3. Acceptance of the Academic Language Services Report on English Learners.	198
	<b>Presenter:</b> M. Rocha/M. Silva	
	C. <i>HUMAN RESOURCES</i>	
	1. Approval of TASB Policy Update 117. <b>1st Reading</b>	200
	<b>Presenter:</b> M. Carrasco	
6.	<b>ADJOURNMENT</b>	

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.

# CANUTILLO A Premier District



## **Vision**

Canutillo ISD is the premier district.  
We lead today to positively impact tomorrow.

## **Mission**

Canutillo ISD supports and embraces diversity in a multi-cultural society. Our school community thrives in a safe, engaging, inclusive learning environment. We provide equitable opportunities to ensure our future-ready students are inspired to explore, learn, grow and excel.

**#BeCanutillo**  
**Tomorrow's<sup>4</sup> Best Today**

# TRUSTEE ETHICAL GUIDELINES

CANUTILLO INDEPENDENT SCHOOL DISTRICT

# 1. Student-Centered Focus

- 1.1 I will be continuously guided by what is best for all students of the District.

## 2. Equity in Attitude

- 2.1 I will be fair, just, and impartial in all my decisions and actions.
- 2.2 I will accord others the respect I wish for myself.
- 2.3 I will encourage expressions of different opinions and listen with an open mind to others' ideas.

### 3. Honor in Conduct

- 3.1 I will tell the truth.
- 3.2 I will share my views while working for consensus.
- 3.3 I will arrive at conclusions only after discussing all aspects of the issue at hand with my fellow Board members in meetings. I will respect the opinions of others and abide by the principle of majority-rule.
- 3.4 I will base my decisions on fact rather than supposition, opinion, or public favor.

## 4. Integrity of Character

- 4.1 I will refuse to surrender judgment to any individual or group at the expense of the District as a whole.
- 4.2 I will consistently uphold all applicable laws, rules, policies, and governance procedures.
- 4.3 I will not disclose information that is confidential by law or that will needlessly harm the District if disclosed.

## 5. Trustworthiness in Stewardship

- 5.1** I will be accountable to the public by representing District policies, programs, priorities, and progress accurately.
- 5.2** I will strive to involve the community by ensuring that it is fully and accurately informed about our schools and will try to interpret community aspirations to the school staff.
- 5.3** I will work to ensure prudent and accountable use of District resources.
- 5.4** I will recognize that authority rests only with the whole Board assembled in meeting and will make no personal promise to take private action that may compromise my performance or my responsibilities.
- 5.5** I will refer all complaints through the proper 'chain of command' within the system and will act on such complaints at public meetings only when administrative solutions fail.

# TRUSTEE ETHICAL GUIDELINES

## 6. Commitment to Service

- 6.1** I will focus my attention on fulfilling the Board's responsibilities of goal setting, policymaking, and evaluation.
- 6.2** I will diligently prepare for and attend Board meetings;  
I will notify, in advance, either the Board President or the Superintendent when I am unable to attend a Board meeting.
- 6.3** I will avoid personal involvement in activities the Board has delegated to the Superintendent.
- 6.4** I will seek continuing education that will enhance my ability to fulfill my duties effectively.

**A RESOLUTION CANVASSING THE RETURNS AND DECLARING THE RESULTS OF A BOND ELECTION; AND OTHER MATTERS IN CONNECTION THEREWITH**

\*\*\*\*\*

WHEREAS, on August 10, 2021, the Board of Trustees (the *Board*) of the Canutillo Independent School District (the *District*) ordered an election to be held on November 2, 2021 for the purpose of determining whether the resident, qualified voters of the District would authorize the issuance of general obligation bonds by the District; and

WHEREAS, the Board has reviewed and investigated all matters pertaining to this election, including the resolving, notices, election officers, holding, and returns thereof; and

WHEREAS, the Board hereby canvasses the returns of this election, at which there was submitted to all resident, qualified voters of the District for their action thereupon, the following propositions:

PROPOSITION A [SCHOOL FACILITIES]

“Shall the Board of Trustees of the Canutillo Independent School District be authorized to issue and sell bonds of the District in the principal amount not to exceed \$177,500,000 for the purposes of designing, constructing, renovating, improving, upgrading, updating, acquiring, and equipping school facilities, to wit: one (1) new middle school; converting a middle school to District alternative education program, community based programming and office space; multi-purpose rooms at four (4) elementary schools; a career and technical education center at the high school, early college high school classroom buildings; warehouse space; additional classrooms and renovations at school campuses; additions, renovations and improvements to libraries, science labs, special education and fine arts facilities; various system infrastructure repairs, replacements, improvements, and equipment upgrades including roof repair or replacement, waterproofing, air-conditioning, heating, lighting, plumbing, electric, flooring, technology, paving, drainage, parking, safety and security and other structural and mechanical systems; additions, expansion, renovations, and improvements to athletic facilities; and other additions, renovations, and improvements to instructional and non-instructional District facilities, auditoriums, kitchens and cafeterias at school campuses; planning for new schools and related facilities; any necessary or related removal of existing facilities; and the purchase of the necessary sites for schools and school facilities; such bonds to mature serially or otherwise (not more than 40 years from their date) in accordance with law; any issue or series of such bonds to bear interest per annum at such rate or rates (fixed, floating, variable, or otherwise) as may be determined within the discretion of the Board of Trustees, provided that such rate or rates of interest shall not exceed the maximum rate per annum authorized by law at the time of the issuance of any issue or series of such bonds; and shall the Board of

Trustees of the District be authorized to levy and pledge, and cause to be assessed and collected, annual ad valorem taxes on all taxable property in the District sufficient, without limit as to rate or amount, to pay the principal of and interest on the bonds and the cost of any credit agreements executed in connection with the bonds?”

PROPOSITION B [REFUNDING OF MAINTENANCE TAX NOTES]

“Shall the Board of Trustees of the Canutillo Independent School District be authorized to issue and sell bonds of the District in the principal amount not to exceed \$10,000,000 for the purposes of refunding all or a portion of the principal and/or interest on certain previously issued maintenance tax obligations styled “Canutillo Independent School District Maintenance Tax Notes, Series 2020”, dated June 1, 2020, and any refunding obligations thereof; such bonds to mature serially or otherwise (not more than 10 years from their date) in accordance with law; any issue or series of such bonds to bear interest per annum at such rate or rates (fixed, floating, variable, or otherwise) as may be determined within the discretion of the Board of Trustees, provided that such rate or rates of interest shall not exceed the maximum rate per annum authorized by law at the time of the issuance of any issue or series of such bonds; and shall the Board of Trustees of the District be authorized to levy and pledge, and cause to be assessed and collected, annual ad valorem taxes on all taxable property in the District sufficient, without limit as to rate or amount, to pay the principal of and interest on the bonds and the cost of any credit agreements executed in connection with the bonds?”

and

WHEREAS, the Board has diligently inquired into the poll lists and the official election returns which were duly and lawfully made to the Board by the judges and clerks holding and conducting such election; the poll lists and the official election returns showing separately the votes cast in the election; and

WHEREAS, from these returns, this Board hereby finds that the following votes were cast in the election by voters who were resident, qualified voters of the District:

PROPOSITION A

“THE ISSUANCE OF \$177,500,000 OF BONDS BY THE CANUTILLO INDEPENDENT SCHOOL DISTRICT FOR SCHOOL FACILITIES, THE PURCHASE OF LAND FOR SCHOOLS AND SCHOOL FACILITIES AND THE LEVYING OF A TAX IN PAYMENT THEREOF. THIS IS A PROPERTY TAX INCREASE.”

	<u>For</u>	<u>Against</u>
Early Votes (including mail ballots)	302	476
Election Day Votes	<u>277</u>	<u>583</u>
TOTAL	579	1059

### PROPOSITION B

“THE ISSUANCE OF \$10,000,000 OF REFUNDING BONDS BY THE CANUTILLO INDEPENDENT SCHOOL DISTRICT FOR THE PURPOSE OF REFUNDING ALL OR A PORTION OF THE PRINCIPAL AND/OR INTEREST ON CERTAIN PREVIOUSLY ISSUED MAINTENANCE TAX OBLIGATIONS OF THE DISTRICT STYLED “CANUTILLO INDEPENDENT SCHOOL DISTRICT MAINTENANCE TAX NOTES, SERIES 2020,” AND ANY REFUNDING OBLIGATIONS THEREOF AND THE LEVYING OF A TAX IN PAYMENT THEREOF. THIS IS A PROPERTY TAX INCREASE.”

	<u>For</u>	<u>Against</u>
Early Votes (including mail ballots)	308	468
Election Day Votes	<u>262</u>	<u>594</u>
TOTAL	570	1062

NOW, THEREFORE,

IT IS ACCORDINGLY FOUND, DECLARED, AND RESOLVED BY  
THE BOARD OF TRUSTEES OF  
THE CANUTILLO INDEPENDENT SCHOOL DISTRICT THAT:

SECTION 1: The Board officially finds, determines, and declares that the election was duly and properly ordered, that proper legal notice of such election was duly given in the English language and the Spanish language (to the extent required by law), that proper election officers were duly appointed prior to the election, that the election was duly and legally held, that all resident, qualified voters of the District were permitted to vote at the election, that due returns of the results of the election had been made and delivered, and that the Board has duly canvassed such returns, all in accordance with the laws of the State of Texas and of the United States of America, and the order calling the election.

SECTION 2: A MAJORITY of the resident, qualified voters of the Canutillo Independent School District voting in such election, having voted AGAINST the authorization and issuance of \$177,500,000 of bonds and the levy and pledge of the tax in payment thereof as provided in Proposition A, the Board hereby finds and determines that Proposition A [passed/failed] at the election, that the election was duly called, that proper notice was given, and that the election was held in all aspects in conformity with the law, and that the Board is hereby

accordingly authorized to issue the bonds and to levy the tax in accordance with the authority granted in the Proposition and with law.

SECTION 3: A MAJORITY of the resident, qualified voters of the Canutillo Independent School District voting in such election, having voted AGAINST the authorization and issuance of \$10,000,000 of bonds and the levy and pledge of the tax in payment thereof as provided in Proposition B, the Board hereby finds and determines that Proposition B [passed/failed] at the election, that the election was duly called, that proper notice was given, and that the election was held in all aspects in conformity with the law, and that the Board is hereby accordingly authorized to issue the bonds and to levy the tax in accordance with the authority granted in the Proposition and with law.

SECTION 4: The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board.

SECTION 5: All orders and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

SECTION 6: This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 7: If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Board hereby declares that this Resolution would have been enacted without such invalid provision.

SECTION 8: It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 9: Pursuant to the provisions of Section 1201.028, as amended, Texas Government Code, this Resolution shall be effective immediately upon adoption.

\* \* \*

PASSED, ADOPTED AND APPROVED on November \_\_\_\_, 2021, the date of the canvassing meeting.

CANUTILLO INDEPENDENT SCHOOL  
DISTRICT

---

President, Board of Trustees

ATTEST:

---

Secretary, Board of Trustees

(DISTRICT SEAL)

## *A Resolution of the Canutillo Independent School District Board of Trustees*

**WHEREAS**, the Board of Trustees of the Canutillo Independent School District, consisting of seven elected officials, is the governing body for Canutillo ISD; and

**WHEREAS**, the Board of Trustees are committed to protecting the welfare of all students within the District; and

**WHEREAS**, domestic minor sex trafficking is the recruitment, harboring, transportation, provision or obtaining of a person for the purpose of a commercial sex act;

**WHEREAS**, addressing and preventing domestic minor sex trafficking requires the collective efforts of trained individuals internally and externally to the school system;

**WHEREAS**, prevention of domestic minor sex trafficking starts with training and awareness of the warning signs and identification of behaviors of at-risk minors;

**WHEREAS**, in keeping with the Board of Trustees' paramount concern for all students throughout the District, the Trustees adopt this Resolution.

**NOW, THEREFORE, BE IT RESOLVED**, the Canutillo ISD Board of Trustees adopt the following resolutions:

1. It shall be the policy of the Canutillo ISD Board of Trustees that any person employed by Canutillo ISD, including but not limited to contractors, consultants and volunteers, must report instances of domestic minor sex trafficking to the individual point-of-contact within any given campus' incident response team in alignment with set procedures.
2. Persons making such reports are immune from any civil or criminal liability that might be otherwise imposed.
3. The Board of Trustees join and support the State Board of Education in its adoption of Rule HB 111 - TEC § 38.0041(c) providing for instruction for the prevention and awareness of minor sex trafficking.
4. The Board of Trustees adopt this Resolution for the purpose of bringing awareness and education regarding this topic, and to further implement the instruction required by the State Board of Education; and to further the Board of Trustees support, the Board of Trustees intend to develop and adopt a policy providing for awareness and education, including establishing the identification of warning signs for at-risk minors, in order to prevent minor sex trafficking, and in order to provide appropriate referrals and services for the victims.
5. The Board of Trustees shall post this resolution with the minutes of its November 15, 2021 regular school board meeting.
6. This Resolution shall become effective immediately upon its adoption.

PASSED, ADOPTED AND APPROVED on November 15, 2021, the date of the meeting.

---

Sergio Coronado, School Board President

---

Patsy Mendoza, School Board Secretary



OFFICERS AND OFFICIALS  
DUTIES AND REQUIREMENTS OF BOARD OFFICERS

BDAA  
(LEGAL)

- Selection of Officers** At the first meeting after each election and qualification of Board members, the members of the Board shall organize by selecting:
1. A president, who shall be a member of the Board.
  2. A secretary, who may or may not be a member of the Board.
  3. Such other officers and committees as the Board may deem necessary.

*Education Code 11.061(c)*

**Reorganization** In addition to the required post-election organization, the Board may also organize at other times. *Atty. Gen. Op. MW-531 (1982)*

**Duties / Powers of Board President** The duties and powers of the President of the Board include, but are not limited to, the following:

1. Call a meeting of the Board, giving public notice not earlier than the 30th day or later than the tenth day before the meeting, to discuss and adopt the budget and the proposed tax rate. *Education Code 44.004* [See CE and CCG]
2. Ensure that the annual financial statements are published as required by law. *Local Gov't Code 140.006* [See CFA]
3. Execute an oil and/or gas lease or sell, exchange, and convey the minerals in land belonging to the District, approved by resolution of the Board. *Education Code 11.153*
4. Execute the deed for the sale of property, other than minerals, held in trust for free school purposes. *Education Code 11.154(b)*

OFFICERS AND OFFICIALS  
DUTIES AND REQUIREMENTS OF BOARD OFFICERS

BDAA  
(LOCAL)

**Board Officers**

The Board shall elect a President, a Vice President, and a Secretary who shall be members of the Board. The Board may assign a District employee to provide clerical assistance to the Board. Officers shall be elected by majority vote of the members present and voting.

Vacancy

A vacancy among officers of the Board shall be filled by majority action of the Board.

**Term and Duties**

Board officers shall serve for a term of one year or until a successor is elected. Officers may succeed themselves in office. Each officer shall perform any legal duties of the office and other duties as required by action of the Board.

President

In addition to the duties required by law, the President of the Board shall:

1. Preside at all Board meetings unless unable to attend.
2. Have the right to discuss, make motions and resolutions, and vote on all matters coming before the Board.
3. Send, or cause to be sent, notices of Board meetings.
4. Call special meetings of the Board. [See BE]
5. Sign all legal documents, warrants, vouchers, and reports, as required by statute, state or federal regulations, or Board policy.
6. Decide all questions of order in accordance with *Robert's Rules of Order, Newly Revised*, as modified by Board policy.
7. Serve as the Board's spokesperson.

Vice President

The Vice President of the Board shall:

1. Act in the capacity and perform the duties of the President of the Board in the event of the absence or incapacity of the President.
2. Automatically become President of the Board if a vacancy in that office occurs. The Board will then hold an election for the office of President.
3. Serve as spokesperson for the Board when the President is unavailable.

Secretary

The Secretary of the Board shall:

1. Ensure that an accurate record is kept of the proceedings of each Board meeting.

OFFICERS AND OFFICIALS  
DUTIES AND REQUIREMENTS OF BOARD OFFICERS

BDAA  
(LOCAL)

2. Ensure that notices of Board meetings are posted and sent as required by law.
3. In the absence of the President and Vice President, call the meeting to order and act as presiding officer.
4. Sign or countersign documents as directed by action of the Board.

**1. GENERAL FUNCTIONS**

1.A. Call to Order

The meeting was called to order at **2:04 pm** by Board President Coronado.

1.B. Roll Call

Trustees Coronado, Hernandez, Mendoza, Rodriguez, Searls and Trout were present.  
Trustee Payan was absent.

1.C. Trustee Ethical Guidelines

The Trustees reviewed and discussed Ethical Guideline 6.3 Commitment to Service. I will avoid personal involvement in activities the Board has delegated to the Superintendent.

**2. BOARD HONORS**

2.A. Campus principals will be recognized as part of Principal's Month.

Campus Principals were recognized as part of Principal's Month.

**3. TRAINING/WORKSHOP**

3.A. Discussion and possible action to approve the quarterly board self-evaluation.

After a lengthy discussion the board agreed to the following Quarterly Progress Tracker Goals:

- Vision and Goals 1, Current Quarter 1, Next Quarter Target, 12
- Vision and Goals 2, Current Quarter 1, Next Quarter Target, 12
- Vision and Goals 3, Current Quarter 9, Next Quarter Target, 9
- Vision and Goals 4, Current Quarter 0, Next Quarter Target, 4
- Progress and Accountability 1, Current Quarter 0, Next Quarter Target, 0
- Progress and Accountability 2, Current Quarter 0, Next Quarter Target, 0
- Systems and Processes, Current Quarter 0, Next Quarter Target, 0
- Advocacy and Engagement, Current Quarter 0, Next Quarter Target, 0
- Synergy and Teamwork, Current Quarter 3, Next Quarter Target, 9

It was motioned by Mr. Trout, seconded by Mr. Hernandez and passed unanimously to approve the quarterly board self-evaluation.

3.B. Discussion regarding the Canutillo ISD Vision Statement.

The board discussed the new Canutillo ISD Vision Statement.

3.C. Discussion regarding a 3rd grade comprehensive needs assessment in reading, math and College, Career and Military Readiness (CCMR).

It was motioned by Mrs. Searls, seconded by Mrs. Trout and passed unanimously to postpone items **3.C** and **3.D** for a later date.

3.D. Discussion and possible action regarding tentative student outcome goals.  
*See comments from 3.C*

#### 4. **ADJOURNMENT**

The meeting adjourned at **4:29 pm** by unanimous consent.

Presented to the Board of Trustees for approval on **November 15, 2021**. 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 **5:03 pm** by Board President Coronado.

### 1.B. Pledge of Allegiance

The Pledge of Allegiance was led by Retired Navy Rear Admiral S. Perez Jr.

### 1.C. Texas Pledge of Allegiance

The Texas Pledge of Allegiance was led by Retired Navy Rear Admiral S. Perez Jr.

### 1.D. Roll Call

Trustees Coronado, Mendoza, Payan, Rodriguez, Searls and Mrs. Trout were present  
Trustee Hernandez was absent.

### 1.E. CISD Vision and Mission Statements

Mrs. Trout read the Vision Statement and Mrs. Searls read the Mission Statement.

### 1.F. Trustee Ethical Guidelines

This item was tabled.

## 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.

Speaker #1: Mrs. B. Barnes asked that her comments be read into the record. I, Breanna Barnes come to you tonight as a parent and community member that is sickened by the lack of regard for our students and the districts disregard for parent's rights and opinions. John Joyner sat up here on the record last month warning you all to investigate the book Gender Queer in one of our libraries because it's completely inappropriate. Did any of you go and research this book or make any calls about it? Apparently not because it's still listed on our online link library data base and shows that it is currently checked out to one of our CISD students. All of you please take a look at the screen shots of the pornographic pictures and words depicted in this book on the page I provided to you. Some of you didn't want to look at it and I heard gasps when you opened it. Those are the reactions you should be hearing but somehow this is appropriate to be in the hands of our students. This is wrong. If I seem passionate or mad good because I am. I am mad that someone requested this book and even more mad that someone approved it. I am stating on the record now that I should hear from someone in the district within 24 hours of what

the approval process is and how this mistake, I am hoping it was a mistake, was made and what we are doing in the future to make sure that this never happens again. I also want to know how someone that approves this inappropriate material is being held accountable when its reported and it was reported last month. When the high school librarian found out that I wanted to reference this book because I was a concerned parent I was told if I wanted to see it, I was going to have to go and purchase it myself and she said she didn't see anything wrong with this book. That is infuriating and sickening. I want someone from the district to explain to me how as a parent and community member in the district I was denied the right to view instructional materials that are being put in the hands of our students. Again, I will give you 24 hours to provide me with that legal protocol. I have the packet filled out that Mrs. Rocha gave to us when we brought this up and a petition, I went further within one day. I got a petition of signatures to get this book removed. I didn't have one person say, oh I don't see anything wrong with this book. I wanted each and everyone of you to know I am dead serious in saying that if this book remains on the shelf of our school everyone involved will be reported to the appropriate authorities for child abuse under Texas state law. Please don't make me do that.

### **3. BOARD HONORS- OTHER**

3.A. Recognition of the Canutillo ISD Human Resources Dept. during Texas Education Human Resources Day for their important contributions.

The Canutillo ISD Human Resources Dept. was recognized during Texas Education Human Resources Day for their important contributions.

### **4. SPECIAL PRESENTATION-OTHER**

4.A. Proclamation in honor of U.S. Navy veteran and Canutillo alumnus, retired Rear Admiral Samuel Perez Jr. for his dedication, contributions, and service to the country.

The Canutillo ISD District made a Proclamation in honor of U.S. Navy veteran and Canutillo alumnus, retired Rear Admiral Samuel Perez Jr. for his dedication, contributions, and service to the country.

### **5. PUBLIC HEARING**

5.A. Public Hearing regarding the Canutillo ISD's Financial Integrity Rating System of Texas (FIRST). The public is invited to make comments.

5.A.1. Consider approval of the Canutillo ISD's Financial Integrity Rating System of Texas (FIRST).

Mrs. Pulley gave a presentation regarding the 2021 CISD FIRST rating. She informed the board that the district received a perfect score of 100 (A=Superior Achievement) and was in a strong financial position. Mr. Coronado thank the Finance Department and noted that this was the first time the district had received a perfect score. Mrs. Searls thanked the Finance Department for addressing and correcting the administrative ratio issue. Mr. Payan thanked Ms. Piekarski and her department for all their work. He stated Ms. Piekarski had all his trust. Mrs. Trout thanked Ms. Piekarski for her leadership. Dr. Galaviz stated the Finance Department had done a good job but it was a team effort. Mr. Rodriguez thanked finance for finding ways to improve the districts capacity.

No public comments

It was motioned by Mr. Payan, seconded by Mrs. Trout, and passed unanimously to approve the Canutillo ISD's Financial Integrity Rating System of Texas (FIRST).

## 6. BOARD OF TRUSTEE BUSINESS

6.A. Approval of the Board Member Continuing Education Credits for the Oct. 1, 2020 to Oct. 26, 2021 year per BBD Legal.

Mrs. Trout informed the board that her credit hours were incorrect. She stated she had already contacted TASB to make the necessary adjustments. Mr. Coronado noted that 6 of the 7 trustees had met or exceeded their continuing education hours. Mrs. Searls informed the board that she would satisfy her missing EISO hours as soon as possible.

It was motioned by Mr. Rodriguez, seconded by Mrs. Trout, and passed unanimously to approve the Board Member Continuing Credits with the changes mentioned by Mrs. B. Trout.

## 7. CONSENT AGENDA-VOTING

### 7.A. BUSINESS SERVICES

7.A.1. Approval of the Meeting Minutes

7.A.1.a. Sept. 7, 2021 SBM Minutes

7.A.1.b. Sept. 28, 2021 RBM Minutes

7.A.1.c. Sept. 30, 2021 SBM Minutes

7.A.2. Approval of the Monthly Financials

7.A.3. Approval of the Monthly Warrant List.

7.A.4. Approval of the Monthly Donations.

### 7.B. CURRICULUM & INSTRUCTION

7.B.1. Approval of the El Paso Regional Day School Program for the Deaf between El Paso ISD and Canutillo ISD for the 2021-2022 school year.

7.B.2. Acceptance of the School Health Advisory Council Annual Report (SHAC).

### 7.C. HUMAN RESOURCES

7.C.1. Approval of a board resolution authorizing a one-time lump sum payment as a retention strategy to certain district employees.

7.C.2. Approval of an amendment to the 2021-2022 Compensation and Temporary Employment Non-Contractual Stipend and Supplemental Pay Schedule.

### **Approval of the Consent Agenda**

It was motioned by Mrs. Trout, seconded by Mr. Payan and passed unanimously to approve the Consent Agenda as presented.

## 8. ADJOURNMENT

The meeting adjourned at **5:48 pm** by unanimous consent.

Presented to the Board of Trustees for approval on **November 15, 2021**. 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: \_\_\_\_\_

## 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):



# Board of Trustees

## Executive Summary of Board Agenda Item

Meeting Date: \_\_\_\_\_

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):



## Executive Summary of Board Agenda Item

Subject/Title for Agenda Posting: Acceptance of Donations Report

Justification Statement: Presentation for your review and acceptance of the Donations Report for the Month of October, 2021

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

Staff Responsible: Cristina Pulley

---

*Signature of Requester(s)*  
**Cristina Pulley** *Cristina Pulley* 11/02/2021

---

*Signature of Presenter(s)*  
**Elizabeth B. Sida** *[Signature]* 11/2/2021

---

*Business Services Approval (Initials)* *[Initials]* *Date*

### Agenda Summary:

Presentation of Donations Report for the month of October, 2021, for the Boards review and acceptance

Administration recommends that the Board accept this Donations Report as presented

### RECOMMENDATION:

PRIOR BOARD ACTION: Yes      AWARDED: Yes      AWARDED AMOUNT:

AMOUNT(S): \$1,449.00

ACCOUNT NO(S):  
NA

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): ✓ Donations Report



**CISD Approved October 2021 Donations**

<b>Board Approval Date: November 16, 2021</b>							
<b>Date</b>	<b>Donor Name</b>	<b>Address</b>		<b>Donation</b>	<b>Campus/Department</b>	<b>Purpose of Donation</b>	<b>Value</b>
10/26/2021	JDE Parents	N/A		Bags of Candy	Jose Damian Elementary	For Parade and Movie Night - Non-monetary Donation	\$ -
10/28/2021	Reyes PTO	N/A		Pumpkins	Sylvestre & Carolina Reyes Elementary	For pumpkin challenge	\$ 130.00
10/28/2021	Mr. & Mrs. Carlos Lerma	5713 Wakes	Santa Teresa, NM 88008	Cash	Canutillo High School	Volleyball Program	\$ 300.00
10/28/2021	Lowes	436 E. Redd Rd	El Paso, TX 79912	10 x 25ft Plastic (qty 6)	Jose Damian Elementary	Housted House	\$ 19.00
	On-Line Donations (See attached Report)						\$ 1,000.00
							\$ 1,449.00

### CISD Approved Online October 2021 Donations

Date	Item Name	Sub Total	Purchaser First Name	Purchaser Last Name	Address 1	Address 2	City	State	Zip
10/13/2021	Canutillo High School Donations - CHS Clubs and Activities - Baseball	1,000.00	Claudia	Munoz	1048 Dona Beatriz Circle		El Paso	TX	79932
	Total Online Donations	1,000.00							

# 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)*

*CPullay*

*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):





# FINANCIAL SERVICES

## CANUTILLO A Premier District

TO: Board of Trustees  
Dr. Pedro Galaviz, Superintendent

FROM: Cristina Pulley, Director of Financial Services

DATE: November 1, 2021

SUBJECT: Budget Amendments for October 2021

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

Admin Cost Ratio Formula:

21 Instructional Leadership + 41 General Administration

11 Instruction + 12 Instructional Resources/Media Services +  
13 Curriculum/Staff Development + 31 Guidance/Counseling Services

**BJE 341045** – This budget amendment will allocate funds from Function 21 – Instructional Leadership to Function 13 – Curriculum/Staff Development for professional development of Career and Technology Education faculty. This budget amendment will have a positive impact on the administrative cost ratio by increasing, curriculum and staff development costs.

BUDGET ACCOUNT NUMBER		CURRENT BUDGET	CHANGE	AMENDED BUDGET
199.21.6398.00.917.22	Controlled Assets - Technology	\$ 5,825	\$ (3,026)	\$ 2,799
199.13.6411.00.917.22	Employee Travel	\$ 8,118	\$ 3,026	\$ 11,144

**BJE 341105** – This budget amendment will allocate funds from Function 13 – Curriculum/Staff Development to Function 31 – Guidance/Counseling Services for Association of Compensatory Educators in Texas (ACET) registration fee for the Director of Student/Community Services. This budget amendment will have no impact on the administrative cost ratio.

BUDGET ACCOUNT NUMBER		CURRENT BUDGET	CHANGE	AMENDED BUDGET
185.13.6411.00.912.24	Travel	\$ 12,461	\$ (300)	\$ 12,161
185.31.6411.00.912.24	Travel	\$ 0	\$ 300	\$ 300

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

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).

**BJE 341143** - This budget amendment will allocate funds from Function 11 – Instruction to Function 13 – Curriculum/Staff Development to cover travel costs for staff development. This budget amendment will have no impact on the administrative cost ratio.

BUDGET ACCOUNT NUMBER		CURRENT BUDGET	CHANGE	AMENDED BUDGET
199.11.6398.00.001.11	Controlled Assets - Technology	\$ 5,400	\$ (5,000)	\$ 400
199.13.6411.00.001.11	Employee Travel	\$ 2,280	\$ 5,000	\$ 7,280

**BJE 341147** – This budget amendment will allocate funds from Function 11 – Instruction to Function 13 – Curriculum/Staff Development to cover staff development travel costs for dyslexia trainings. This budget amendment will have no impact on the administrative cost ratio.

BUDGET ACCOUNT NUMBER		CURRENT BUDGET	CHANGE	AMENDED BUDGET
199.11.6399.00.918.37	General Supplies	\$ 12,000	\$ (9,365)	\$ 2,635
199.13.6411.00.918.37	Travel	\$ 0	\$ 9,365	\$ 9,365

**BJE 341150** – This budget amendment will allocate funds from Function 11 – Instruction to Function 13 – Curriculum/Staff Development to cover staff development costs for virtual and in-person trainings, conferences and seminars. This budget amendment will have no impact on the administrative cost ratio.

BUDGET ACCOUNT NUMBER		CURRENT BUDGET	CHANGE	AMENDED BUDGET
199.11.6411.00.918.23	Travel	\$ 9,000	\$ (8,606)	\$ 394
199.13.6411.00.918.23	Employee Travel	\$ 5,000	\$ 8,606	\$ 13,606

**BJE 341174** – This budget amendment will allocate funds from Fund Balance to Function 81 – Facilities Acquisition and Construction to provide funding for two portable classrooms at Reyes Elementary to help accommodate overcrowding. This budget amendment will have no impact on the administrative cost ratio.

BUDGET ACCOUNT NUMBER		CURRENT BUDGET	CHANGE	AMENDED BUDGET
199.00.3600.00.000.00	Fund Balance	\$ 15,925,829	\$ (300,000)	\$ 15,625,829
199.81.6629.00.106.99	Building Purchase/ Construction/ Improvement	\$ -0-	\$ 300,000	\$ 300,000

# Board of Trustees

## Executive Summary of Board Agenda Item

Meeting Date: \_\_\_\_\_

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. Pedro Galaviz, Superintendent

Through: Martha E. Piekarski, Chief Business Officer

From: Cristina Pulley, Director of Financial Service

Date: October 21, 2021

Subject: Quarterly Investment Report for September 30, 2021

This report of investments for the Canutillo Independent School District for the quarter ending September 31, 2021, is in full compliance with the Investment Policy and strategy as established for the District with the Public Funds Investment Act (Chapter 2256). The Public Funds Investment Act requires quarterly reporting of investment activity and balances (both book and market values) be presented 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 2021-2022, the District maintained its investments in governmental investment pools and fixed term maturities with Logic, Lone Star, Texas Class, Texpool, TexSTAR. The portfolio within this investment pools includes Money Market, Commercial Paper, U.S. Treasury Securities, Government Obligation, and Repurchase Agreements.

During the first quarter, the District's total investment of \$17,181,790 were invested at an average interest yield of 0.0620%; which resulted in interest income of \$3,754. Operating fund investments of \$5.498 million generated interest revenue of \$1,509. In July, payroll disbursements were higher due to the advance payment of August's calendars such as teachers, librarians and bus drivers. Lastly, the debt service fund balance decreased from \$11.310 million to \$6.802 million. In August, there was a high cash disbursement of \$4.241 million to pay the bond debt.

At the end of the quarter, the investment rates continued low in the equity markets; and the investment ratings for all six investments 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.

*M E Piekarski*

---

Martha E. Piekarski, Chief Business Officer

*Cristina Pulley*

---

Cristina Pulley, Director of Financial Services

*Leticia Ekery*

---

Leticia Ekery, Accountant

*Laura D.*

---

Laura Dorado, Accountant

7965 Artcraft | El Paso, TX 79932  
915.877.7400 | [www.canutillo-isd.org](http://www.canutillo-isd.org)

Follow us on: [f](#) [t](#) [v](#)



**Canutillo Independent School District  
Quarterly Summary of Investments  
September 30, 2021**

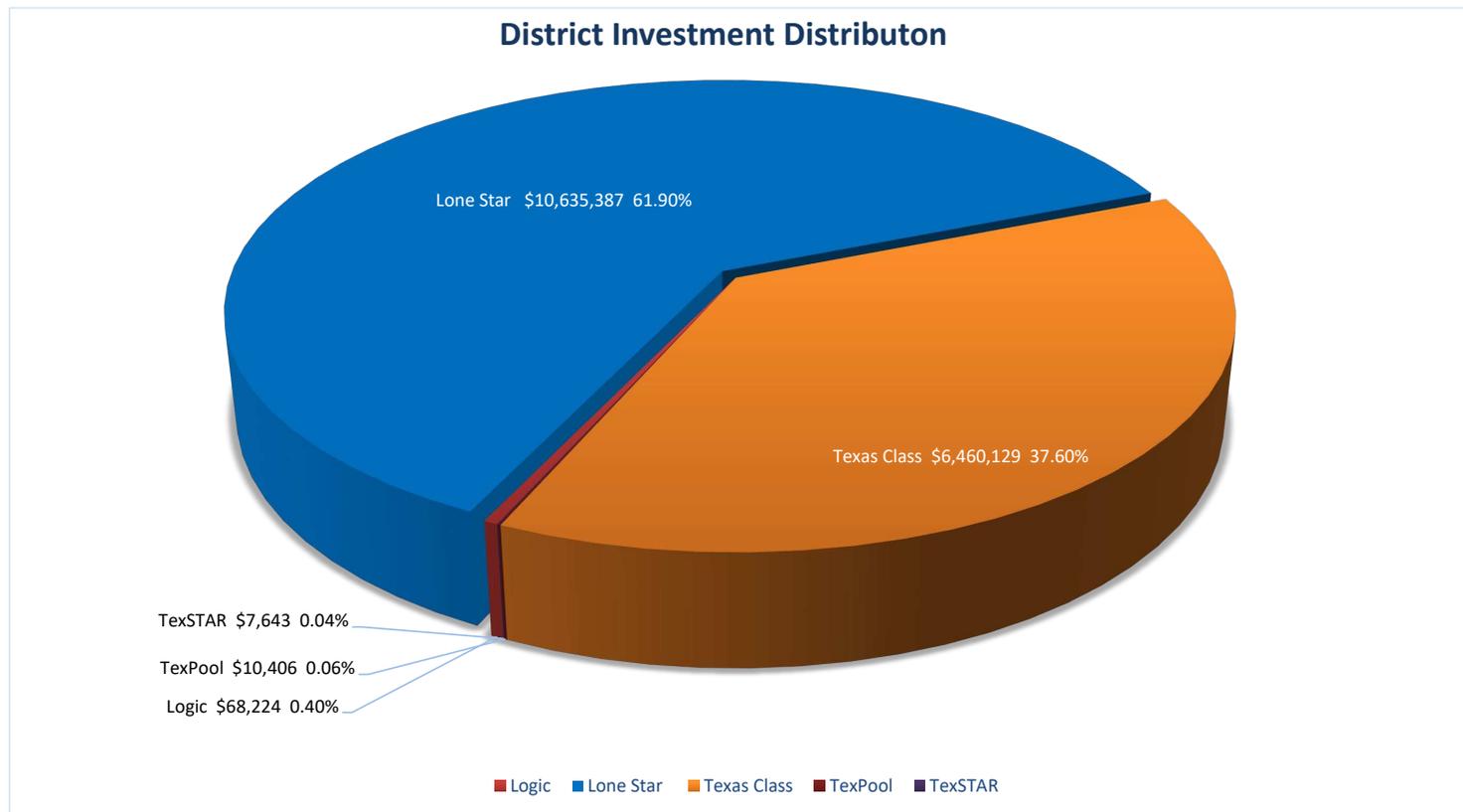
Description	Maturity Date	Current Month Interest Rate	9/30/2021 Book Value	9/30/2021 Market Value	6/30/2021 Book Value	6/30/2021 Market Value	Quarterly Accrued Interest	Book Value Increase/Decrease
<b>Operating Fund</b>								
Logic	On Demand	0.0364%	\$ 50,814	\$ 50,814	\$ 50,809	\$ 50,813	\$ 5	\$ 1
Lone Star Corporate	On Demand	0.0800%	4,791,859	4,791,859	7,291,122	7,291,122	1,281	(2,499,263)
Texas Class	On Demand	0.0443%	637,756	637,756	2,871,260	2,871,260	221	(2,233,504)
TexPool	On Demand	0.0279%	10,406	10,406	10,406	10,406	1	1
TexSTAR	On Demand	0.0100%	7,477	7,477	7,477	7,477	0	0
<b>Subtotal</b>		<b>0.0753%</b>	<b>\$ 5,498,312</b>	<b>\$ 5,498,313</b>	<b>\$ 10,231,072</b>	<b>\$ 10,231,077</b>	<b>\$ 1,509</b>	<b>\$ (4,732,764)</b>
<b>Debt Service Fund</b>								
Lone Star Corporate	On Demand	0.0800%	\$ 979,985	\$ 979,985	\$ 978,838	\$ 978,838	\$ 211	1,147
Texas Class	On Demand	0.0443%	5,822,373	5,822,373	10,331,027	10,331,027	1,009	(4,508,653)
TexSTAR	On Demand	0.0100%	166	166	166	166	-	-
<b>Subtotal</b>		<b>0.0494%</b>	<b>\$ 6,802,524</b>	<b>\$ 6,802,524</b>	<b>\$ 11,310,031</b>	<b>\$ 11,310,031</b>	<b>\$ 1,220</b>	<b>\$ (4,507,507)</b>
<b>Food Service Fund</b>								
Lone Star Corporate	On Demand	0.0800%	\$ 2,157,022	\$ 2,157,022	\$ 2,156,558	\$ 2,156,558	\$ 464	\$ 464
<b>Health Insurance Fund</b>								
Lone Star Corporate	On Demand	0.0800%	\$ 2,507,401	\$ 2,507,401	\$ 2,506,862	\$ 2,506,862	\$ 517	\$ 539
<b>Construction Fund</b>								
Lone Star 2011	On Demand	0.0800%	143,222	143,222	143,191	143,191	12	31
Logic 2013	On Demand	0.0364%	17,410	17,411	17,408	17,410	2	2
Lonestar 2013	On Demand	0.0800%	55,898	55,898	55,886	55,886	31	12
<b>Subtotal</b>		<b>0.0765%</b>	<b>\$ 216,530</b>	<b>\$ 216,532</b>	<b>\$ 216,486</b>	<b>\$ 216,487</b>	<b>\$ 45</b>	<b>\$ 44</b>
<b>Total Investments</b>		<b>0.0663%</b>	<b>\$ 17,181,790</b>	<b>\$ 17,181,792</b>	<b>\$ 26,421,009</b>	<b>\$ 26,421,015</b>	<b>\$ 3,754</b>	<b>\$ (9,239,223)</b>

Portfolio Weighted Average Maturity						S&P Credit
Asset	Book Value	Days to Maturity	Weighted Average Maturity (WAM)	Maturity Date of	Each Asset	Ratings as of: 9/30/2021
Logic	68,224	1	0.004	10/1/2021	Liquid pool, due on demand	AAAm
Lone Star	10,635,387	1	0.619	10/1/2021	Liquid pool, due on demand	AAAf/S1+
Texas Class	6,460,129	1	0.376	10/1/2021	Liquid pool, due on demand	AAAm
TexPool	10,406	1	0.001	10/1/2021	Liquid pool, due on demand	AAAm
TexSTAR	7,643	1	0.000	10/1/2021	Liquid pool, due on demand	AAAm
<b>\$</b>	<b>17,181,790</b>		<b>1.000</b>			

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)

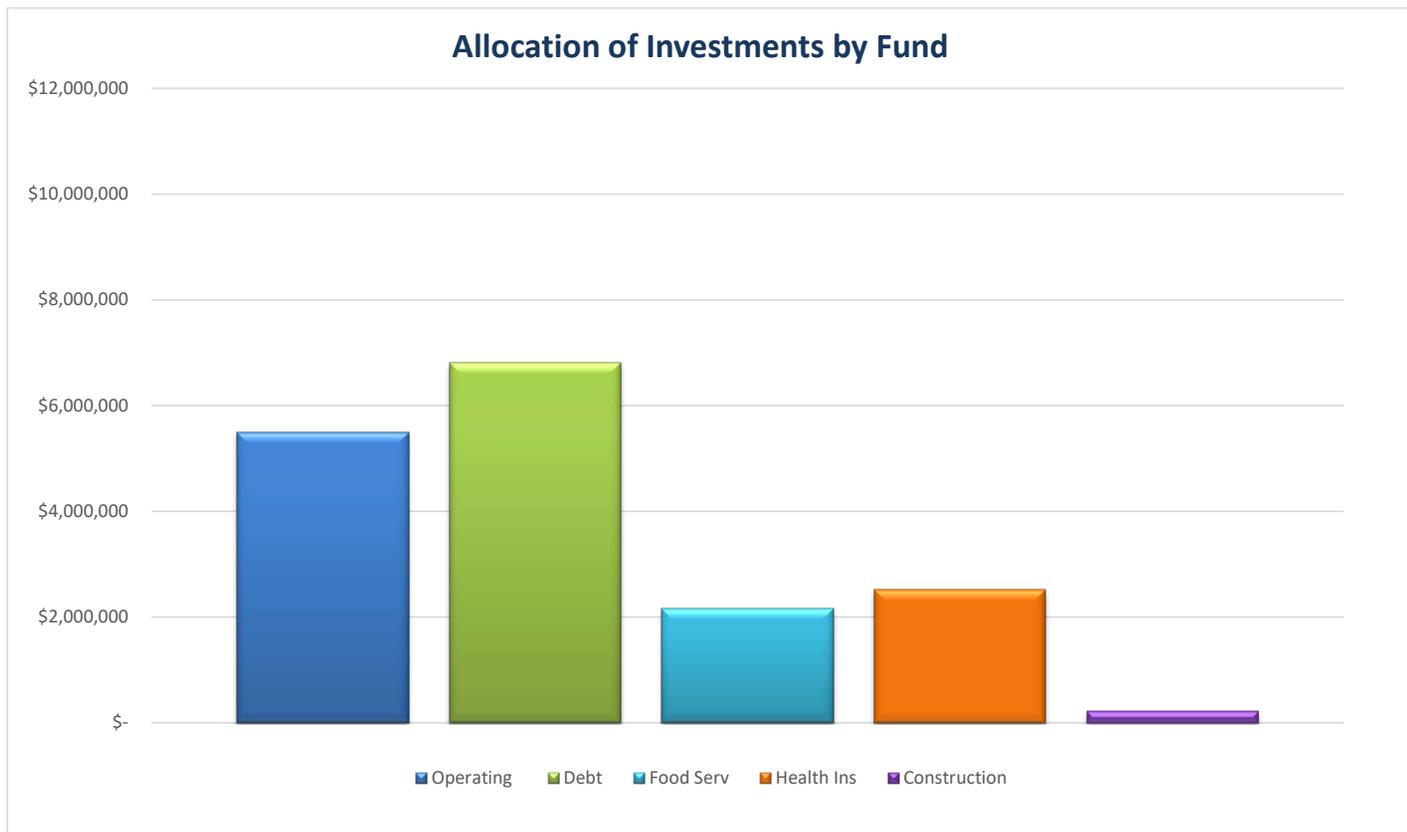
**Canutillo Independent School District  
Quarterly Summary of Investments  
September 30, 2021**

Investment	Amount	Percentage
Logic	\$ 68,224	0.40%
Lone Star	\$ 10,635,387	61.90%
Texas Class	\$ 6,460,129	37.60%
TexPool	\$ 10,406	0.06%
TexSTAR	\$ 7,643	0.04%
<b>Total</b>	<b>\$ 17,181,790</b>	<b>100.00%</b>



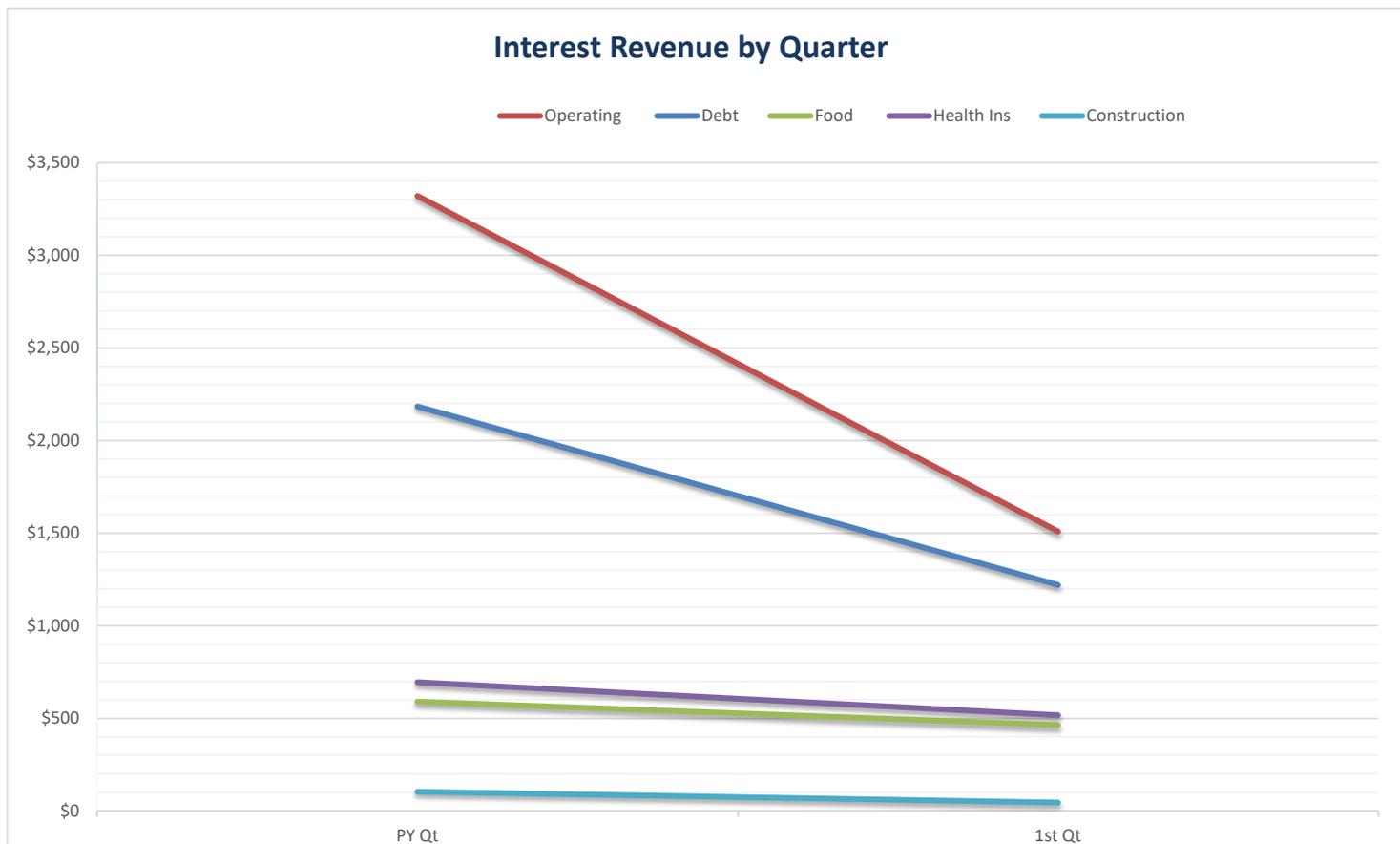
**Canutillo Independent School District  
Quarterly Summary of Investments  
September 30, 2021**

Fund	Amount	Percentage
Operating	\$ 5,498,312	32.00%
Debt	\$ 6,802,524	39.59%
Food Serv	\$ 2,157,022	12.55%
Health Ins	\$ 2,507,401	14.59%
Construction	\$ 216,530	1.26%
<b>Total</b>	<b>\$ 17,181,790</b>	<b>100.00%</b>



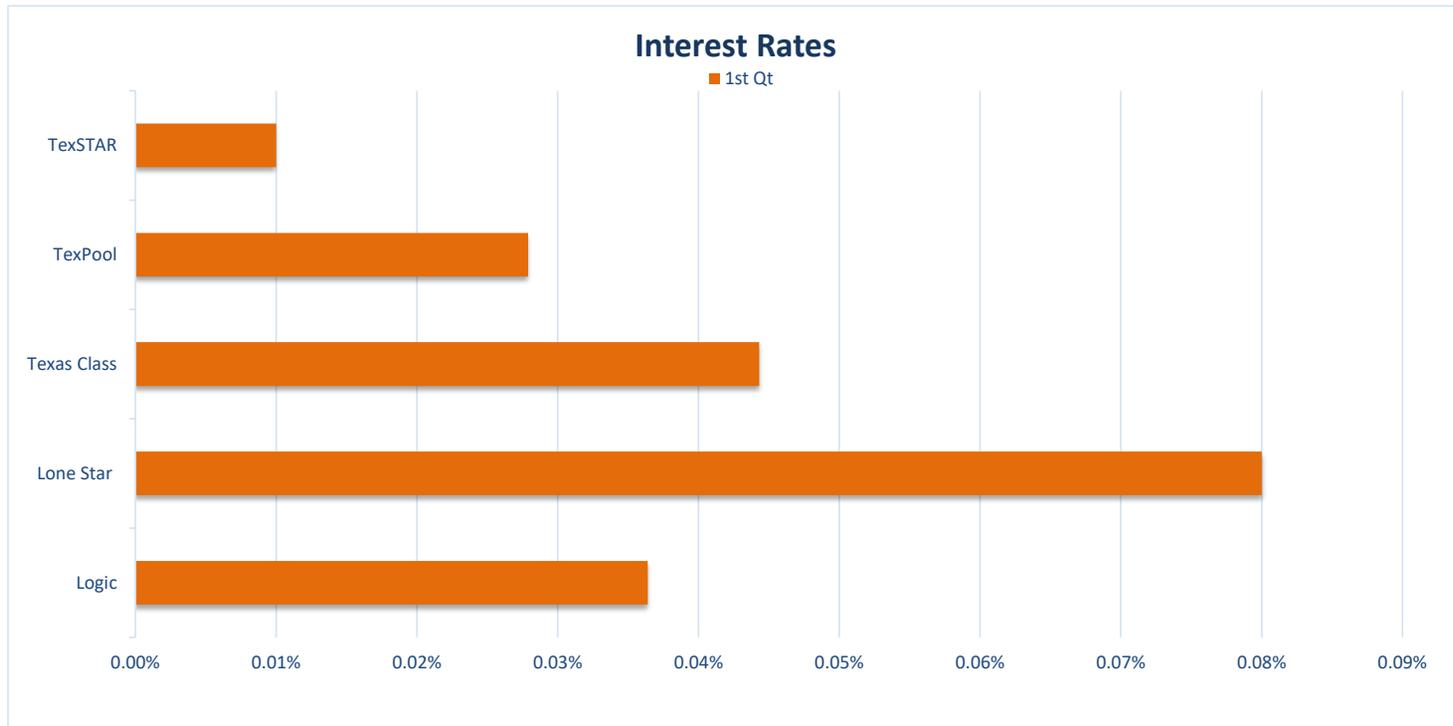
**Canutillo Independent School District  
Quarterly Summary of Investments  
September 30, 2021**

Interest	PY Qt	1st Qt	2nd Qt	3rd Qt	4th Qt
Operating	\$ 3,320	\$ 1,509	\$ -	\$ -	\$ -
Debt	\$ 2,184	\$ 1,220	\$ -	\$ -	\$ -
Food	\$ 590	\$ 464	\$ -	\$ -	\$ -
Health Ins	\$ 695	\$ 517	\$ -	\$ -	\$ -
Construction	\$ 103	\$ 45	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 6,892</b>	<b>\$ 3,754</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



**Canutillo Independent School District  
Quarterly Summary of Investments  
September 30, 2021**

Investment	1st Qt	2nd Qt	3rd Qt	4th Qt
Logic	0.04%			
Lone Star	0.08%			
Texas Class	0.04%			
TexPool	0.03%			
TexSTAR	0.01%			
<b>Average</b>	<b>0.05%</b>			



**SIGNATURE CERTIFICATE**



**REFERENCE NUMBER**  
0D321899-DDBD-4F5C-864C-6A773CB6EEB6

TRANSACTION DETAILS	DOCUMENT DETAILS
---------------------	------------------

<p><b>Reference Number</b> 0D321899-DDBD-4F5C-864C-6A773CB6EEB6</p> <p><b>Transaction Type</b> Signature Request</p> <p><b>Sent At</b> 11/03/2021 18:08 EDT</p> <p><b>Executed At</b> 11/03/2021 19:31 EDT</p> <p><b>Identity Method</b> email</p> <p><b>Distribution Method</b> email</p> <p><b>Signed Checksum</b> e1b541a2bc7ed0e052105d4045242f7b415ca6ee8ae3d7af79334759fa54527f</p> <p><b>Signer Sequencing</b> Disabled</p> <p><b>Document Passcode</b> Disabled</p>	<p><b>Document Name</b> 1st Qtr Report - September 30 2021</p> <p><b>Filename</b> 1st_qtr_report_-_september_30_2021.pdf</p> <p><b>Pages</b> 6 pages</p> <p><b>Content Type</b> application/pdf</p> <p><b>File Size</b> 1.13 MB</p> <p><b>Original Checksum</b> 7b23189f2e84cf32e475102ab1b0c9532838a48a6163f7e8187ffe0b193fecfc</p>
---	--

**SIGNERS**

SIGNER	E-SIGNATURE	EVENTS
<p><b>Name</b> Cristina Pulley</p> <p><b>Email</b> cpulley@canutillo-isd.org</p> <p><b>Components</b> 1</p>	<p><b>Status</b> signed</p> <p><b>Multi-factor Digital Fingerprint Checksum</b> 2cbdcad50f992259c33114b77e27a9dd1781c7b6344a7175c4915d7d2f38e0a3</p> <p><b>IP Address</b> 70.125.228.98</p> <p><b>Device</b> Chrome via Windows</p> <p><b>Typed Signature</b> </p> <p><b>Signature Reference ID</b> 2A233D0E</p>	<p><b>Viewed At</b> 11/03/2021 19:31 EDT</p> <p><b>Identity Authenticated At</b> 11/03/2021 19:31 EDT</p> <p><b>Signed At</b> 11/03/2021 19:31 EDT</p>
<p><b>Name</b> Martha Piekarski</p> <p><b>Email</b> mpiekarski@canutillo-isd.org</p> <p><b>Components</b> 1</p>	<p><b>Status</b> signed</p> <p><b>Multi-factor Digital Fingerprint Checksum</b> b4a40c55d0304fd19371119008b50586111a2f9b32e374861c7163d748421a96</p> <p><b>IP Address</b> 70.125.228.98</p> <p><b>Device</b> Chrome via Windows</p> <p><b>Typed Signature</b> </p> <p><b>Signature Reference ID</b> 2A306825</p>	<p><b>Viewed At</b> 11/03/2021 18:24 EDT</p> <p><b>Identity Authenticated At</b> 11/03/2021 18:28 EDT</p> <p><b>Signed At</b> 11/03/2021 18:28 EDT</p>
<p><b>Name</b> Leticia Ekery</p> <p><b>Email</b></p>	<p><b>Status</b> signed</p> <p><b>Multi-factor Digital Fingerprint Checksum</b> 43</p>	<p><b>Viewed At</b> 11/03/2021 18:19 EDT</p> <p><b>Identity Authenticated At</b></p>

lekery@canutillo-isd.org

c6ad2486f78c8961e6947967739e8ca24d72263ceaaa8a314096b350b68db33b

11/03/2021 18:21 EDT

**Components**

1

**IP Address**

70.125.228.98

**Signed At**

11/03/2021 18:21 EDT

**Device**

Chrome via Windows

**Typed Signature**



**Signature Reference ID**

75358483

**Name**

Laura Dorado

**Status**

signed

**Viewed At**

11/03/2021 18:08 EDT

**Email**

ldorado@canutillo-isd.org

**Multi-factor Digital Fingerprint Checksum**

f90cfdc70d17fc2e62fa14adea7b6663d3b2724704d3d982c199d10e8bb8c6e5

**Identity Authenticated At**

11/03/2021 18:15 EDT

**Components**

1

**IP Address**

70.125.228.98

**Signed At**

11/03/2021 18:15 EDT

**Device**

Chrome via Windows

**Typed Signature**



**Signature Reference ID**

71D51204

## AUDITS

TIMESTAMP	AUDIT
11/03/2021 18:08 EDT	CISD Finance Department (finance@canutillo-isd.org) created document '1st_qtr_report_-_september_30_2021.pdf' on Chrome via Windows from 70.125.228.98.
11/03/2021 18:08 EDT	Laura Dorado (ldorado@canutillo-isd.org) was emailed a link to sign.
11/03/2021 18:08 EDT	Cristina Pulley (cpulley@canutillo-isd.org) was emailed a link to sign.
11/03/2021 18:08 EDT	Martha Piekarski (mpiekarski@canutillo-isd.org) was emailed a link to sign.
11/03/2021 18:08 EDT	Leticia Ekery (lekery@canutillo-isd.org) was emailed a link to sign.
11/03/2021 18:08 EDT	Laura Dorado (ldorado@canutillo-isd.org) viewed the document on Chrome via Windows from 70.125.228.98.
11/03/2021 18:15 EDT	Laura Dorado (ldorado@canutillo-isd.org) authenticated via email on Chrome via Windows from 70.125.228.98.
11/03/2021 18:15 EDT	Laura Dorado (ldorado@canutillo-isd.org) signed the document on Chrome via Windows from 70.125.228.98.
11/03/2021 18:19 EDT	Leticia Ekery (lekery@canutillo-isd.org) viewed the document on Chrome via Windows from 70.125.228.98.
11/03/2021 18:21 EDT	Leticia Ekery (lekery@canutillo-isd.org) authenticated via email on Chrome via Windows from 70.125.228.98.
11/03/2021 18:21 EDT	Leticia Ekery (lekery@canutillo-isd.org) signed the document on Chrome via Windows from 70.125.228.98.
11/03/2021 18:24 EDT	Martha Piekarski (mpiekarski@canutillo-isd.org) viewed the document on Chrome via Windows from 70.125.228.98.
11/03/2021 18:28 EDT	Martha Piekarski (mpiekarski@canutillo-isd.org) authenticated via email on Chrome via Windows from 70.125.228.98.
11/03/2021 18:28 EDT	Martha Piekarski (mpiekarski@canutillo-isd.org) signed the document on Chrome via Windows from 70.125.228.98.
11/03/2021 19:31 EDT	Cristina Pulley (cpulley@canutillo-isd.org) viewed the document on Chrome via Windows from

70.125.228.98.

11/03/2021 19:31 EDT

Cristina Pulley (cpulley@canutillo-isd.org) authenticated via email on Chrome via Windows from 70.125.228.98.

11/03/2021 19:31 EDT

Cristina Pulley (cpulley@canutillo-isd.org) signed the document on Chrome via Windows from 70.125.228.98.

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

**ANNUAL COMPREHENSIVE FINANCIAL  
REPORT FOR THE FISCAL YEAR ENDED  
JUNE 30, 2021**

***PREPARED BY  
FINANCIAL SERVICES DEPARTMENT***



**CANUTILLO INDEPENDENT SCHOOL DISTRICT**  
 Annual Comprehensive Financial Report  
 For the Fiscal Year Ended June 30, 2021

**Table of Contents**

	<u>Page</u>	<u>Exhibit</u>
<b><u>Introductory Section (Unaudited)</u></b> .....	1	
Letter of Transmittal ..	3	
GFOA Certificate of Achievement for Excellence in Financial Reporting .....	16	
ASBO Certificate of Excellence in Financial Reporting .....	17	
Canutillo ISD Organizational Chart .....	18	
List of Elected and Appointed Officials (Directory) .....	20	
Certificate of Board ..	21	
<b><u>Financial Section</u></b> .....	23	
Independent Auditor's Report .....	25	
Management's Discussion and Analysis .....	29	
<b><u>Basic Financial Statements</u></b> .....	43	
Government-Wide Financial Statements		
Statement of Net Position .....	44	A-1
Statement of Activities .....	45	B-1
Governmental Fund Financial Statements .....	47	
Balance Sheet - Governmental Funds .....	48	C-1
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position .....	49	C-2
Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds .....	50	C-3
Reconciliation of the Governmental Funds Statement of Revenue, Expenditures, And Changes in Fund Balance to the Statement of Activities .....	51	C-4
Proprietary Fund Financial Statements .....	53	
Statement of Net Position .....	54	D-1
Statement of Revenues, Expenses, and Changes in Fund Net Position .....	55	D-2
Statement of Cash Flows .....	56	D-3
Fiduciary Fund Financial Statements .....	57	
Statement of Fiduciary Net Position .....	58	E-1
Statement of Changes in Fiduciary Fund Net Position .....	59	E-2
Notes to the Basic Financial Statements .....	60	
<b><u>Required Supplementary Information</u></b> .....	105	
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual - General Fund .....	106	G-1
Notes to the Required Supplementary Information - Budget and Actual General Fund .....	107	
Schedule of the District's Proportionate Share of the Net Pension Liability- Teacher Retirement System of Texas .....	108	G-2
Schedule of the District's Contributions for Pensions - Teacher Retirement System of Texas ..	110	G-3
Notes to Required Supplementary Information TRS for Pensions .....	112	
Schedule of the District's Proportionate Share of the Net OPEB Liability- Teacher Retirement System of Texas .....	113	G-4
Schedule of the District's OPEB Contributions - Teacher Retirement System of Texas .....	114	G-5
Notes to Required Supplementary Information TRS for OPEB .....	115	

**CANUTILLO INDEPENDENT SCHOOL DISTRICT**  
**Table of Contents**  
**(Continued)**

	<u>Page</u>	<u>Exhibit</u>
<u>Combining and Other Statements</u> .....	117	
Nonmajor Governmental Funds .....	119	
Combining Balance Sheet .....	124	H-1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	130	H-2
<u>Other Information - Required TEA Schedules</u> .....	135	
Schedule of Delinquent Taxes Receivable .....	136	J-1
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual - Child Nutrition Program .....	139	J-2
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual - Debt Service Fund .....	140	J-3
		<u>Table</u>
<u>Statistical Section (Unaudited)</u> .....	141	
Financial Trends .....	143	
Net Position by Component .....	145	I
Expenses, Program Revenues, and Net (Expense)/Revenue .....		II
General Revenues and Total Change in Net Position .....		III
Fund Balances, Governmental Funds .....		IV
Revenue Capacity Information .....	153	
Governmental Funds Revenues .....		V
Governmental Funds Expenditures and Debt Service Ratio .....		VI
Other Financing Sources and Uses and Net Change in Fund Balances .....		VII
Assessed Value and Actual Value of Taxable Property .....		VIII
Direct and Overlapping Property Tax Rates .....		IX
Principal Property Taxpayers .....		X
Property Tax Levies and Collections .....		XI
Debt Capacity Information .....	165	
Outstanding Debt by Type .....		XII
Direct and Overlapping Governmental Activities Debt .....		XIII
Legal Debt Margin Information .....		XIV
Ratio of Net General Obligation Bonded Debt Outstanding .....		XV
Demographic and Economic Information .....	171	
Demographic and Economic Statistics .....		XVI
Principal Employers .....		XVII
Operating Information .....	175	
Full-Time Equivalent District Employees by Type .....		XVIII
Operating Statistics .....		XIX
Building Information .....		XX

**CANUTILLO INDEPENDENT SCHOOL DISTRICT**  
**Table of Contents**  
**(Continued)**

	<u>Page</u>	<u>Exhibit</u>
<b><u>Reports on Compliance, Internal Control and Federal Awards</u></b> .....	183	
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 <i>Government Auditing Standards</i> .....	185	
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance .....	187	
Schedule of Findings and Questioned Costs .....	189	
Schedule of Status of Prior Findings .....	192	
Schedule of Expenditures of Federal Awards .....	193	K-1
Notes to Schedule of Expenditures of Federal Awards .....	195	

Draft

**INTRODUCTORY SECTION  
(UNAUDITED)**

Draft

This page is left blank intentionally.

Draft

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, 2021, at a meeting of the board of trustees of such school district on the 15<sup>th</sup> day of November 2021.

\_\_\_\_\_  
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)

This page is left blank intentionally.

Draft

**FINANCIAL SECTION**

Draft

This page is left blank intentionally.

Draft

## Independent Auditor's Report

To the Board of Trustees  
Canutillo Independent School District

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Canutillo Independent School District (District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditor's Responsibility***

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

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

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

## ***Opinions***

In our opinion, the financial statements referred to 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, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Change in Accounting Principle***

As described in Note I.F. to the financial statements, in 2021, the District adopted a new guidance, GASBS No. 84, Fiduciary Activities. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the pension and other post employment benefits information on pages 29 through 41 and 103 through 111 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, required TEA schedules, and the statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

The introductory section, required TEA schedules, and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated \_\_\_\_\_, 2021, 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  
\_\_\_\_\_, 2021

Draft

This page is left blank intentionally.

Draft

**MANAGEMENT'S DISCUSSION & ANALYSIS**

Draft

This page is left blank intentionally.

Draft

This page is left blank intentionally.

Draft

**BASIC FINANCIAL STATEMENTS**

Draft

CANUTILLO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2021

EXHIBIT A-1

Data Control Codes	Primary Government Governmental Activities
<b>ASSETS</b>	
1110 Cash and Cash Equivalents	\$ 36,377,227
1220 Property Taxes - Delinquent	2,341,827
1230 Allowance for Uncollectible Taxes	(468,366)
1240 Due from Other Governments	14,062,094
1290 Other Receivables, Net	6,813
1300 Inventories	364,581
1410 Prepayments	298,169
Capital Assets:	
1510 Land	6,835,222
1520 Buildings, Net	98,729,969
1530 Furniture and Equipment, Net	1,584,649
1540 Vehicles, Net	4,349,110
1550 Capital Leases, Net	1,354,486
1580 Construction/Technology Projects in Progress	906,729
1000 Total Assets	166,742,510
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
1701 Deferred Charge for Refunding	3,413,510
1703 Deferred Outflow Related to TRS OPEB	2,716,496
1705 Deferred Outflow Related to TRS Pension	6,690,797
1700 Total Deferred Outflows of Resources	12,820,803
<b>LIABILITIES</b>	
2110 Accounts Payable	1,397,247
2140 Interest Payable	1,305,394
2150 Payroll Deductions and Withholdings	574,753
2160 Accrued Wages Payable	5,757,865
2177 Due to External Parties	94,419
2180 Due to Other Governments	18,040
2200 Accrued Expenses	654,545
2300 Unearned Revenue	2,801,937
Noncurrent Liabilities:	
2501 Due Within One Year: Loans, Note, Leases, etc.	7,590,744
Due in More than One Year:	
2502 Bonds, Notes, Leases, etc.	96,413,104
2540 Net Pension Liability (District's Share)	18,985,016
2545 Net OPEB Liability (District's Share)	18,556,130
2000 Total Liabilities	154,149,194
<b>DEFERRED INFLOWS OF RESOURCES</b>	
2602 Deferred Inflow Gain on Refunding	864,999
2605 Deferred Inflow Related to TRS Pension	3,258,143
2606 Deferred Inflow Related to TRS OPEB	13,935,801
2600 Total Deferred Inflows of Resources	18,058,943
<b>NET POSITION</b>	
3200 Net Investment in Capital Assets	19,669,875
Restricted:	
3820 Restricted for Federal and State Programs	3,338,234
3850 Restricted for Debt Service	7,243,081
3870 Restricted for Campus Activities	385,800
3900 Unrestricted	(23,281,814)
3000 Total Net Position	\$ 7,355,176

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

CANUTILLO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021

EXHIBIT B-1

Data	Program Revenues			Net (Expense)
Control	1	3	4	Revenue and
Codes	Expenses	Charges for	Operating	Changes in Net
		Services	Grants and	Position
			Contributions	Primary Gov.
				Governmental
				Activities

**Primary Government:**

GOVERNMENTAL ACTIVITIES:

11	Instruction	\$ 48,720,511	-	\$ 5,624,865	\$ (43,095,646)
12	Instructional Resources and Media Services	1,106,823	-	191,350	(915,473)
13	Curriculum and Instructional Staff Development	1,764,406	-	908,993	(855,413)
21	Instructional Leadership	1,373,281	-	722,902	(650,379)
23	School Leadership	4,330,479	-	389,388	(3,941,091)
31	Guidance, Counseling, and Evaluation Services	2,523,196	-	280,334	(2,242,862)
32	Social Work Services	201,944	-	3,216	(198,728)
33	Health Services	1,230,988	-	1,265,759	34,771
34	Student (Pupil) Transportation	2,026,654	-	92,000	(1,934,654)
35	Food Services	5,319,221	2,325	5,192,470	(124,426)
36	Extracurricular Activities	1,686,786	70,548	78,897	(1,537,341)
41	General Administration	3,496,294	131,565	766,149	(2,598,580)
51	Facilities Maintenance and Operations	9,125,403	7,849	1,212,806	(7,904,748)
52	Security and Monitoring Services	963,495	-	52,442	(911,053)
53	Data Processing Services	3,076,892	-	102,997	(2,973,895)
61	Community Services	466,875	-	321,402	(145,473)
72	Interest and Fees on Long-Term Debt	3,138,742	-	169,452	(2,969,290)
99	Other Intergovernmental Charges	401,812	-	-	(401,812)
[TP] TOTAL PRIMARY GOVERNMENT:		\$ 90,953,802	\$ 212,287	\$ 17,375,422	(73,366,093)

Data	General Revenues:		
Control	Taxes:		
Codes			
MT	Property Taxes, Levied for General Purposes		27,082,411
DT	Property Taxes, Levied for Debt Service		9,402,017
SF	State Aid - Formula Grants		30,593,287
IE	Investment Earnings		37,667
MI	Miscellaneous Local and Intermediate Revenue		252,059
S2	Special Item - Gain on Disposal of Assets		1,143,254
TR	Total General Revenues & Special Items		68,510,695
CN	Change in Net Position		(4,855,398)
NB	Net Position - Beginning		12,210,574
NE	Net Position - Ending		\$ 7,355,176

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

This page is left blank intentionally.

Draft

**GOVERNMENTAL FUND FINANCIAL STATEMENTS**

Draft

CANUTILLO INDEPENDENT SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2021

Data Control Codes	10 General Fund	Debt Service Fund	Other Funds	Total Governmental Funds
<b>ASSETS</b>				
1110 Cash and Cash Equivalents	\$ 21,740,076	\$ 11,327,948	\$ 216,615	\$ 33,284,639
1220 Property Taxes - Delinquent	1,774,854	566,973	-	2,341,827
1230 Allowance for Uncollectible Taxes	(354,971)	(113,395)	-	(468,366)
1240 Due from Other Governments	9,412,520	-	4,649,574	14,062,094
1260 Due from Other Funds	4,524,058	-	708,759	5,232,817
1290 Other Receivables	3,998	-	2,815	6,813
1300 Inventories	364,581	-	-	364,581
1410 Prepayments	152,678	-	-	152,678
1000 Total Assets	<u>\$ 37,617,794</u>	<u>\$ 11,781,526</u>	<u>\$ 5,577,763</u>	<u>\$ 54,977,083</u>
<b>LIABILITIES</b>				
2110 Accounts Payable	\$ 1,071,503	\$ -	\$ 144,189	\$ 1,215,692
2150 Payroll Deductions and Withholdings Payable	574,753	-	-	574,753
2160 Accrued Wages Payable	5,480,034	-	277,831	5,757,865
2170 Due to Other Funds	806,693	137,862	4,386,196	5,330,751
2180 Due to Other Governments	13,423	4,617	-	18,040
2300 Unearned Revenue	2,605,225	3,292	193,420	2,801,937
2000 Total Liabilities	<u>10,551,631</u>	<u>145,771</u>	<u>5,001,636</u>	<u>15,699,038</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
2601 Unavailable Revenue - Property Taxes	1,446,003	463,158	-	1,909,161
2600 Total Deferred Inflows of Resources	<u>1,446,003</u>	<u>463,158</u>	<u>-</u>	<u>1,909,161</u>
<b>FUND BALANCES</b>				
Nonspendable Fund Balance:				
3410 Inventories	340,951	-	-	340,951
3430 Prepaid Items	152,678	-	-	152,678
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	3,163,873	-	150,507	3,314,380
3470 Capital Acquisition and Contractual Obligation	3,434,606	-	39,820	3,474,426
3480 Retirement of Long-Term Debt	-	11,172,597	-	11,172,597
3490 Other Restricted Fund Balance	-	-	385,800	385,800
Assigned Fund Balance:				
3550 Construction	883,850	-	-	883,850
3570 Capital Expenditures for Equipment	1,669,533	-	-	1,669,533
3590 Other Assigned Fund Balance	48,840	-	-	48,840
3600 Unassigned Fund Balance	15,925,829	-	-	15,925,829
3000 Total Fund Balances	<u>25,620,160</u>	<u>11,172,597</u>	<u>576,127</u>	<u>37,368,884</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 37,617,794</u>	<u>\$ 11,781,526</u>	<u>\$ 5,577,763</u>	<u>\$ 54,977,083</u>

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

CANUTILLO INDEPENDENT SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
JUNE 30, 2021

EXHIBIT C-2

<b>1 Total Fund Balances - Governmental Funds</b>	<b>37,368,884</b>
2 Amounts reported for the governmental activities in the statement of net position are different due to the following:	-
3 Capital assets of \$188,081,940 net of accumulated depreciation of (\$74,321,775) are not financial resources, and therefore, are not reported as assets in governmental funds.	113,760,165
4 Property taxes are not available to pay for the current period's expenditures and therefore, are deferred in the funds.	1,909,161
5 Internal service funds are 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 funds are included in governmental activities.	2,260,003
6 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.	(104,003,848)
- Bonds Payable (\$82,389,627)	
- Accretion Payable (\$3,087,280)	
- Premium on Bonds Payable (\$4,692,357)	
- Capital Leases (\$2,868,774)	
- Maintenance Tax Notes (\$9,775,000)	
- Premium on Maintenance Tax Notes (\$387,439)	
- Compensated Absences Payable (\$803,371)	
7 Accrued interest is not due and payable in the current period and therefore is not reported as a liability in the governmental funds.	(1,305,394)
8 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 Refunding is \$3,413,510 as of June 30, 2021, and the Deferred Gain on Refunding is (\$864,999) as of June 30, 2021.	2,548,511
9 Included in the items related to debt is the recognition of the District's proportionate share of pension liability required by GASB 68:	(15,552,362)
- Net Pension Liability (\$18,985,016)	
- Deferred Outflow Related to TRS Pension \$6,690,797	
- Deferred Inflow Related to TRS Pension (\$3,258,143)	
10 Included in the items related to debt is the recognition of the District's proportionate share of the OPEB liability required by GASB 75:	(29,775,435)
- Net OPEB Liability (\$18,556,130)	
- Deferred Outflow Related to TRS OPEB \$2,716,496	
- Deferred Inflow Related to TRS OPEB (\$13,935,801)	
11 Prepaid Insurance amortization is not reported in the fund financial statements but is reported as part of the Statement of Net Position.	145,491
<b>19 Net Position of Governmental Activities</b>	<u><u>\$ 7,355,176</u></u>

The notes to the financial statements are an integral part of this statement. 69

CANUTILLO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2021

Data Control Codes	10 General Fund	Debt Service Fund	Other Funds	Total Governmental Funds
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ 27,120,539	\$ 9,426,115	\$ 250,325	\$ 36,796,979
5800 State Program Revenues	33,887,463	169,452	575,214	34,632,129
5900 Federal Program Revenues	7,640,934	-	4,969,402	12,610,336
5020 Total Revenues	<u>68,648,936</u>	<u>9,595,567</u>	<u>5,794,941</u>	<u>84,039,444</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
0011 Instruction	40,423,078	-	3,277,294	43,700,372
0012 Instructional Resources and Media Services	777,630	-	141,503	919,133
0013 Curriculum and Instructional Staff Development	819,300	-	867,053	1,686,353
0021 Instructional Leadership	627,574	-	649,916	1,277,490
0023 School Leadership	3,935,422	-	156,674	4,092,096
0031 Guidance, Counseling, and Evaluation Services	2,275,718	-	119,960	2,395,678
0032 Social Work Services	190,847	-	3,216	194,063
0033 Health Services	1,167,545	-	2,785	1,170,330
0034 Student (Pupil) Transportation	1,961,342	-	-	1,961,342
0035 Food Services	4,903,269	-	2,750	4,906,019
0036 Extracurricular Activities	1,336,326	-	25,852	1,362,178
0041 General Administration	3,119,696	-	236,597	3,356,293
0051 Facilities Maintenance and Operations	8,256,107	-	37,534	8,293,641
0052 Security and Monitoring Services	1,038,277	-	-	1,038,277
0053 Data Processing Services	3,175,744	-	164,482	3,340,226
0061 Community Services	29,943	-	320,558	350,501
<b>Debt Service:</b>				
0071 Principal on Long-Term Debt	328,478	3,445,000	-	3,773,478
0072 Interest on Long-Term Debt	82,059	2,529,146	-	2,611,205
0073 Bond Issuance Cost and Fees	203,124	310,402	-	513,526
<b>Capital Outlay:</b>				
0081 Facilities Acquisition and Construction	1,476,273	-	110,665	1,586,938
<b>Intergovernmental:</b>				
0099 Other Intergovernmental Charges	401,812	-	-	401,812
6030 Total Expenditures	<u>76,529,564</u>	<u>6,284,548</u>	<u>6,116,839</u>	<u>88,930,951</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(7,880,628)</u>	<u>3,311,019</u>	<u>(321,898)</u>	<u>(4,891,507)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
7911 Capital Related Debt Issued	9,775,000	20,454,627	-	30,229,627
7912 Sale of Real and Personal Property	1,200,000	-	-	1,200,000
7916 Premium or Discount on Issuance of Bonds	428,124	3,030,437	-	3,458,561
8949 Other (Uses) Placed in Escrow for Refunded Bonds	-	(23,616,412)	-	(23,616,412)
7080 Total Other Financing Sources (Uses)	<u>11,403,124</u>	<u>(131,348)</u>	<u>-</u>	<u>11,271,776</u>
1200 Net Change in Fund Balances	3,522,496	3,179,671	(321,898)	6,380,269
0100 Fund Balance - July 1 (Beginning)	<u>22,097,664</u>	<u>7,992,926</u>	<u>898,025</u>	<u>30,988,615</u>
3000 Fund Balance - June 30 (Ending)	<u>\$ 25,620,160</u>	<u>\$ 11,172,597</u>	<u>\$ 576,127</u>	<u>\$ 37,368,884</u>

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

CANUTILLO INDEPENDENT SCHOOL DISTRICT  
 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, 2021

EXHIBIT C-4

<b>Total Net Change in Fund Balances - Governmental Funds</b>	\$	6,380,269
Amounts reported for governmental activities in the statement of activities are different 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 expense. Thus the cost of current year outlays is removed from expense and depreciation is added to expense, except for land which is does not depreciate over the estimated useful lives.		(3,232,863)
- Additions to furniture and equipment \$555,890		
- Additions to vehicles \$563,867		
- Additions to construction in progress \$1,586,938		
- Disposal of assets and reclassification (\$107,199)		
- Depreciation expense (\$5,882,812)		
- Remove accumulated depreciation for assets disposes \$50,453		
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 at year end consist of the following:		(7,438,044)
- Net change in bonds payable \$3,485,373		
- Net change in accretion payable (\$3,087,280)		
- Net change in premium on bonds payable \$1,783,269		
- Net change in capital lease payable \$328,478		
- Net change in maintenance tax notes (\$9,775,000)		
- Net change in premium on maintenance tax notes (\$387,439)		
- Net change in accumulated leave benefits \$214,555		
Deferred inflows and outflows of gains and losses on debt refundings are amortized over the term of the bonds in the statements but are expensed in the year incurred in governmental funds.		1,388,288
- Net deferred charge for refunding \$1,219,656		
- Net deferred inflow gain on refunding \$168,632		
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.		371,442
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.		(47,998)
Prepaid insurance amortization is not reported in the fund financial statements. The net change in prepaid insurance is reported in the statement of activities.		69,633
Internal service funds are used by management to charge the costs of health insurance to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.		(1,639,725)

The notes to the financial statements are an integral part of this statement.71

CANUTILLO INDEPENDENT SCHOOL DISTRICT  
 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, 2021

EXHIBIT C-4

<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 \$1,248,357. 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 (\$1,236,992). 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 (\$1,350,950). The net result is a decrease in the change in net position.</p>	<p>(1,339,585)</p>
<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 \$311,434. 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 (\$311,215). Finally, the proportionate share of the TRS care OPEB expense increased the change in net position by \$632,966. The net result is an increase in the change in net position.</p>	<p>633,185</p>
<p><b>Change in Net Position of Governmental Activities</b></p>	<p style="border-top: 1px solid black; border-bottom: 3px double black;">\$ (4,855,398)</p>

Draft

**PROPRIETARY FUND FINANCIAL STATEMENTS**

Draft

CANUTILLO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2021

	Governmental Activities -
	Internal Service Fund
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 3,092,588
Due from Other Funds	3,515
Total Assets	3,096,103
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	181,555
Accrued Expenses	654,545
Total Liabilities	836,100
<b>NET POSITION</b>	
Unrestricted Net Position	2,260,003
Total Net Position	\$ 2,260,003

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

CANUTILLO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2021

	Governmental Activities -
	Internal Service Fund
OPERATING REVENUES:	
Local and Intermediate Sources	\$ 6,797,411
Total Operating Revenues	6,797,411
OPERATING EXPENSES:	
Professional and Contracted Services	7,490,104
Other Operating Costs	952,526
Total Operating Expenses	8,442,630
Operating Income (Loss)	(1,645,219)
NONOPERATING REVENUES (EXPENSES):	
Earnings from Temporary Deposits & Investments	5,494
Total Nonoperating Revenues (Expenses)	5,494
Change in Net Position	(1,639,725)
Total Net Position - July 1 (Beginning)	3,899,728
Total Net Position - June 30 (Ending)	\$ 2,260,003

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

CANUTILLO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2021

EXHIBIT D-3

	Governmental Activities -
	Internal Service Fund
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Assessments - Other Funds	\$ 6,917,873
Cash Payments for Insurance Claims	(7,472,181)
Cash Payments for Insurance Fees	(955,617)
Net Cash Used for Operating Activities	(1,509,925)
<u>Cash Flows from Investing Activities:</u>	
Interest and Dividends on Investments	5,494
Net Decrease in Cash and Cash Equivalents	(1,504,431)
Cash and Cash Equivalents at Beginning of Year	4,597,019
Cash and Cash Equivalents at End of Year	\$ 3,092,588
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>	
<u>Used for Operating Activities:</u>	
Operating Income (Loss):	\$ (1,645,219)
Effect of Increases and Decreases in Current Assets and Liabilities:	
Decrease (increase) in Due from Other Funds	120,462
Increase (decrease) in Accounts Payable	(3,091)
Increase (decrease) in Accrued Expenses	17,923
Net Cash Used for Operating Activities	\$ (1,509,925)

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

**FIDUCIARY FUND FINANCIAL STATEMENTS**

Draft

CANUTILLO INDEPENDENT SCHOOL DISTRICT  
 STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 JUNE 30, 2021

	Custodial Fund
<hr/>	
ASSETS	
Due from Other Funds	\$ 94,419
Other Receivables	635
Total Assets	95,054
LIABILITIES	
Accounts Payable	3,951
Total Liabilities	3,951
NET POSITION	
Restricted for Individual Organizations	91,103
Total Net Position	\$ 91,103

Draft

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

CANUTILLO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY FUND NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2021

	Custodial Fund
<b>ADDITIONS:</b>	
Contributions to Student Groups	\$ 30,962
Total Additions	30,962
<b>DEDUCTIONS:</b>	
Professional and Contracted Services	150
Supplies and Materials	15,584
Other Deductions	33,672
Total Deductions	49,406
Change in Fiduciary Net Position	(18,444)
Total Net Position - July 1 (Beginning)	-
Prior Period Adjustment	109,547
Total Net Position - June 30 (Ending)	\$ 91,103

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

# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

---

### 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, 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.

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.

(Continued)

# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

---

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 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.

As of and for the year ended June 30, 2021, 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, 2021, 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, charges to school districts for services, 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 position 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 and the net differences between projected and actual earnings on pension and OPEB plan investments; results of differences in actuarial assumptions; differences between expected and actual economic experiences; and changes in the District's proportional share of 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 FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

---

### 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 position 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 from pension and OPEB changes in actuarial assumptions; differences between expected and actual economic experiences; and changes in the District's proportional share of 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 inflow 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 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 other resources 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 FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

---

### 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 outflow or resources, current liabilities, deferred inflow 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, 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 as revenue 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, services provided to districts and teachers, and investment income. 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 they 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 FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

---

### 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 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 investment in capital assets, restricted, and unrestricted.

### 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.

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.
2. Capital Project Funds - The proceeds from long-term debt financing will be used to construct, renovate, acquire and equip school buildings in the District and pay any associated costs.
3. Permanent Funds - The District has no Permanent Funds.

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

---

I. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Proprietary Funds:

4. Enterprise Funds - The District has no Enterprise Funds.
5. 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:

6. Private Purpose Trust Funds - The District has no Private Purpose Trust Funds.
7. Pension (and Other Employee Benefit) Trust Funds - The District has no Pension Trust Funds.
8. Investment Trust Fund - The District has no Investment Trust Funds.
9. Agency Funds - The District accounts for resources held for others in a custodial capacity in agency funds. Assets equal liabilities, and this fund does not include measurements or results of operations. The District's Agency Fund is the Student Activity Account.

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 based on quoted market prices as of year end, except for nonparticipating interest-earning investment contracts which are reported at cost. Investments with an original maturity of less than one year are reported at amortized cost.
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.

(Continued)

# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

---

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 - The District is not exposed to credit risk.

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, 2021, the District's investments in TexPool, TexStar, Logic, and Texas Class investment pools were rated AAAM by Standard & Poor's. The Lone Star investment pools was rated AAAf by Standard & Poor's.

***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 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.

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

---

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

***Concentration of Credit Risk:***

Deposits - The District is not exposed to concentration of credit risk.

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.

***Interest Rate Risk:***

Deposits - The District is not exposed to interest rate risk.

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.

***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.

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 market values supplied by the Texas Department of Agriculture when received. At year end, the commodities inventory is recorded to inventory and unearned revenue.

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

8. In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type Statement of Net Position. When applicable, premiums and discounts are presented as a component of liabilities while deferred losses 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.

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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, 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.

- 9. It is the District’s policy to permit some employees to accumulate earned but unused vacation and sick pay benefits. The District currently does not have a policy to pay any amounts related to unpaid accumulated sick leave when employees separate from service with the District. However, prior to August 31, 1996, the District did allow up to 80 days of sick leave to be accumulated and paid upon separation from service and the liability recorded relates to those employees that were eligible. All vacation pay is accrued when incurred in the government-wide financial statements.
- 10. Capital assets, which include land, buildings, furniture and equipment, are reported in the applicable governmental activities columns 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.

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.

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	3 - 60
Portable buildings	20
Vehicles	20
Other Equipment	10
Computer Equipment	10

- 11. Net Position on the Statement of Net Position include the following:
  - **Net Investment in Capital Assets** - This component of net position consists of capital assets, net accumulated depreciation, 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.

(Continued)

# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

---

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- **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 agency(s).
  - **Restricted for Debt Service** - This component of net position consists of restricted assets reduced by liabilities and deferred inflow of resources related to those assets. The assets arise from bond issuance which have constraints placed on them by the bond covenant(s) for the purpose of future debt service payments.
  - **Restricted for Campus Activities** - This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources 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.
  - **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.
  - **Committed Fund Balance** - Represents amounts that are restricted 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.

(Continued)

# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

---

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- **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 (unreserved) balance shall not be less than two 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. 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.
14. 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. 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.

15. 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.

(Continued)

# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

---

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

16. 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.
  17. 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.
  18. 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.
  19. 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. 84, Fiduciary Activities, which establishes criteria for identifying fiduciary activities of all state and local governments.

(Continued)

# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

---

### 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, including bonds payable, and the District's proportionate share of the net pension and OPEB 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 FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

---

### 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 special revenue funds). 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-3 and J-4, 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 20 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 23, 2020, 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.

Exhibit J-3 presents an unfavorable budget variance in Other (Uses) Placed in Escrow for Refunded Bonds account of (\$448,106); which was for interest accrued up to the date of issuance of the Unlimited Tax Refunding Bond Series 2020. The District budgeted for this amount as Bond Issuance Costs and Fees. Overall, the debt service fund budget reported a favorable budget variance of \$3,627,778.

(Continued)

**CANUTILLO INDEPENDENT SCHOOL DISTRICT**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

**IV. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

At June 30, 2021, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts including fiduciary funds cash and internal service funds cash) was \$9,956,217 and the bank balance was \$10,412,959. The District's cash deposits at June 30, 2021 were entirely 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 market value of bonds and securities pledged as of the date of the highest combined balance on deposit was \$19,204,792.
- c. The highest combined balances of cash, savings, and time deposit accounts amounted to \$15,868,321 and occurred during the month of July 2020.
- d. Total amount of FDIC coverage at the time of the largest combined bank balance was \$500,000.

Due to the immediate availability of the funds, the District's temporary investments are presented as cash and cash equivalents as of June 30, 2021 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	Nonmajor Governmental Funds	Internal Service Funds	Total
Logic**	\$ 50,809	\$ -	\$ 17,408	\$ -	\$ 68,217
Lone Star - Corporate Overnight Plus**	9,447,680	978,838	199,077	2,506,862	13,132,457
Tex Pool*	10,406	-	-	-	10,406
Tex Star*	7,477	166	-	-	7,643
Texas Class**	2,871,260	10,331,027	-	-	13,202,287
<b>Total</b>	<b>\$ 12,387,632</b>	<b>\$ 11,310,031</b>	<b>\$ 216,485</b>	<b>\$ 2,506,862</b>	<b>\$ 26,421,010</b>

\* - measured at amortized cost

\*\* - measured at fair value

(Continued)

**CANUTILLO INDEPENDENT SCHOOL DISTRICT**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

**IV. DETAILED NOTES ON ALL FUNDS (Continued)**

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. The Lone Star Investment Pool is a member owned, member-governed public funds investment pool. It is managed by an eleven member Board of Trustees and the Board is authorized to adopt and maintain bylaws. There is also an Advisory Board composed of participants that gathers and exchanges information from participants relating to the operation of the Pool. TexStar and LOGIC are investment pools created under the Inter-local Cooperation Act and are administered by First Southwest and JP Morgan Asset Management. 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 which has appointed an Advisory Board composed of Participants and other persons who are qualified to advise the Trust. 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.

**B. Interfund Receivables and Payables**

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, 2021 consisted of the following individual fund balances:

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
General Fund:		
Debt Service Fund	\$ 137,862	\$ -
Nonmajor Governmental Funds	4,386,196	708,759
Internal Service Fund	-	3,515
Agency Fund	-	94,419
Total General Fund	<u>4,524,058</u>	<u>806,693</u>
Debt Service Funds:		
General Fund	<u>-</u>	<u>137,862</u>
Nonmajor Governmental Funds:		
General Fund	<u>708,759</u>	<u>4,386,196</u>
Internal Service Fund:		
General Fund	<u>3,515</u>	<u>-</u>
Agency Fund:		
General Fund	<u>94,419</u>	<u>-</u>
Total	<u>\$ 5,330,751</u>	<u>\$ 5,330,751</u>

(Continued)

**CANUTILLO INDEPENDENT SCHOOL DISTRICT**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

**IV. DETAILED NOTES ON ALL FUNDS (Continued)**

**C. Capital Asset Activity**

Capital asset activity for the District for the year ended June 30, 2021, was as follows:

	Primary Governments			
	Beginning Balance	Additions	Deletions and Reclassifications	Ending Balance
<u>Governmental activities</u>				
Non-depreciable assets:				
Land	\$ 6,878,121	\$ -	\$ (42,899)	\$ 6,835,222
Construction in progress	1,241,920	1,586,938	(2,628,939)	199,919
Technology projects in progress	706,810	-	-	706,810
Total non-depreciable assets	8,826,851	1,586,938	(2,671,838)	7,741,951
Depreciable assets:				
Buildings and improvements	159,452,180	-	2,628,939	162,081,119
Furniture and equipment	6,189,051	555,890	-	6,744,941
Vehicles	5,997,950	563,867	(64,300)	6,497,517
Capital leases - equipment	5,016,412	-	-	5,016,412
Total depreciable assets	176,655,593	1,119,757	2,564,639	180,339,989
Less accumulated depreciation for:				
Buildings and improvements	58,590,174	4,760,976	-	63,351,150
Furniture and equipment	4,854,807	305,485	-	5,160,292
Vehicles	1,884,150	314,710	(50,453)	2,148,407
Capital leases - equipment	3,160,285	501,641	-	3,661,926
Total accumulated depreciation	68,489,416	5,882,812	(50,453)	74,321,775
Governmental activities capital assets, net	\$ 116,993,028	\$ (3,176,117)	\$ (56,746)	\$ 113,760,165

(Continued)

**CANUTILLO INDEPENDENT SCHOOL DISTRICT**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

**IV. DETAILED NOTES ON ALL FUNDS (Continued)**

Depreciation expense was charged to governmental functions as follows:

11	Instruction	\$ 3,449,394
12	Instructional resources and media services	149,316
13	Curriculum development and instructional staff development	8,656
21	Instructional Leadership	37,505
23	School leadership	64,404
31	Guidance, counseling and evaluation services	20,214
32	Social work services	742
33	Health services	16,179
34	Student (pupil) transportation	295,250
35	Food services	425,952
36	Cocurricular/extracurricular activities	282,497
41	General administration	91,957
51	Plant maintenance and operations	853,560
52	Security and monitoring services	1,831
53	Data processing services	86,709
61	Community services	98,646
		<hr/>
	Total depreciation expense	<u><u>\$ 5,882,812</u></u>

**D. Deferred Outflows and Inflows of Resources for Bonds**

Deferred charges on refunding of bonds for the year ended June 30, 2021, presented as deferred outflows of resources, were as follows:

	Beginning Balance	Deferred Charge New Issues	Amortization Recognized	Ending Balance
Series 2012	\$ 531,077	\$ -	\$ 47,709	\$ 483,368
Series 2014	452,461	-	55,643	396,818
Series 2015	508,109	-	41,874	466,235
Series 2016	250,327	-	27,414	222,913
Series 2017	451,880	-	31,971	419,909
Series 2020	-	1,503,054	78,787	1,424,267
	<hr/>			
	\$ 2,193,854	\$ 1,503,054	\$ 283,398	\$ 3,413,510
	<hr/>			

(Continued)

**CANUTILLO INDEPENDENT SCHOOL DISTRICT**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

**IV. DETAILED NOTES ON ALL FUNDS (Continued)**

Deferred gain on refunding of bonds for the year ended June 30, 2021, presented as deferred inflows of resources, was as follow:

	Beginning Balance	Deferred Gain New Issues	Amortization Recognized	Ending Balance
Series 2011	\$ 284,513	\$ -	\$ 46,402	\$ 238,111
Series 2019	749,118	-	122,230	626,888
	<u>\$ 1,033,631</u>	<u>\$ -</u>	<u>\$ 168,632</u>	<u>\$ 864,999</u>

**E. Changes in Long-Term Liabilities**

A summary of changes in general long-term liabilities for the year ended June 30, 2021 is as follows:

	Funded By	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>						
Building and Refunding Bonds Payable	Debt Service	\$ 85,875,000	\$ 20,454,627	\$ 23,940,000	\$ 82,389,627	\$ 5,995,000
Accretion Payable - Series 2020 CABS	Debt Service	-	3,087,280	-	3,087,280	-
Unamortized Premiums on Bonds		6,475,626	-	1,783,269	4,692,357	-
		<u>92,350,626</u>	<u>23,541,907</u>	<u>25,723,269</u>	<u>90,169,264</u>	<u>5,995,000</u>
<b>Other Liabilities:</b>						
Capital Leases	General Fund	3,197,252	-	328,478	2,868,774	345,771
2020 Maintenance Tax Notes	General Fund	-	9,775,000	-	9,775,000	680,000
Unamortized Premiums on 2020 Maintenance Tax Notes	General Fund	-	428,124	40,685	387,439	-
Accumulated unpaid vacation and sick leave	General Fund	1,017,926	613,137	827,692	803,371	569,973
Total Other Liabilities		<u>4,215,178</u>	<u>10,816,261</u>	<u>1,196,855</u>	<u>13,834,584</u>	<u>1,595,744</u>
Total Governmental Long-term Liabilities		<u>\$ 96,565,804</u>	<u>\$ 34,358,168</u>	<u>\$ 26,920,124</u>	<u>\$104,003,848</u>	<u>\$ 7,590,744</u>

(Continued)

**CANUTILLO INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2021**

**IV. DETAILED NOTES ON ALL FUNDS (Continued)**

**F. Bonds Payable**

A summary of changes in bonds payable for the year ended June 30, 2021 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 2010	2.00 - 4.50% 08/15/2021	\$ 26,215,000	\$ 3,475,000	\$ -	\$ 1,695,000	\$ 1,780,000	\$ 1,780,000
Unlimited Tax School Building and Refunding Bonds 2011	2.00 - 5.00% 08/15/2021	24,770,000	1,080,000	-	495,000	585,000	585,000
Unlimited Tax Refunding Bonds 2012	2.00 - 3.00% 08/15/2031	6,150,000	5,380,000	-	395,000	4,985,000	405,000
Unlimited Tax School Building Bonds 2013	1.59 - 3.46% 08/15/2038	20,705,000	20,615,000	-	20,615,000	-	-
Unlimited Tax Refunding Bonds 2014	2.00 - 4.00% 08/15/2028	8,795,000	8,080,000	-	325,000	7,755,000	395,000
Unlimited Tax Refunding Bonds 2015	2.00 - 4.00% 08/15/2032	8,075,000	7,840,000	-	-	7,840,000	-
Unlimited Tax Refunding Bonds 2016	2.00 - 4.00% 08/15/2031	8,645,000	8,465,000	-	-	8,465,000	-
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	22,635,000	-	100,000	22,535,000	2,515,000
Unlimited Tax Refunding Bonds 2020 - Current Interest Bonds	0.60%-2.34% 02/15/2038	20,290,000	-	20,290,000	315,000	19,975,000	315,000
Unlimited Tax Refunding Bonds 2020 - Capital Appreciation Bonds	1.73%-2.09% 02/15/2030	164,627	-	164,627	-	164,627	-
<b>Total</b>			<b>\$ 85,875,000</b>	<b>\$ 20,454,627</b>	<b>\$ 23,940,000</b>	<b>\$ 82,389,627</b>	<b>\$ 5,995,000</b>

On July 29, 2020, the District issued Unlimited Tax Refunding Bonds, Taxable Series 2020 in the amount of \$20,454,627. The bonds and interest are payable on February 15 and August 15 of each year, commencing on February 15, 2021 and ending on February 15, 2038. The bonds were issued to refund portions of the Unlimited Tax Refunding Bonds Series 2013 and to pay the cost associated with the issuance sale of the bonds. As a result, \$20,495,000 of the 2013 Series bonds are considered to be defeased and not presented in these financial statements. The amount of defeased debt still outstanding at June 30, 2021 was \$20,495,000 and the related escrow balance was \$22,704,218. The refundings resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1,503,054. This difference, reported in the accompanying financial statements in the deferred outflow of resources category, is amortized over the remaining life of the old debt bond using the straight line method. The refunding reduced future debt service costs (difference between cash flow to service old debt and that required for new debt) by \$3,833,340, and resulted in an economic gain (difference between the present values of the old and new debt service payments) of \$2,977,935.

(Continued)

**CANUTILLO INDEPENDENT SCHOOL DISTRICT**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

**IV. DETAILED NOTES ON ALL FUNDS (Continued)**

Debt service requirements of the bonds are as follows:

Year Ending June 30,	Principal	Interest	Total Requirements
2022	\$ 5,995,000	\$ 2,593,325	\$ 8,588,325
2023	4,045,000	2,469,418	6,514,418
2024	4,575,000	2,302,591	6,877,591
2025	4,860,000	2,158,616	7,018,616
2026	5,225,000	2,002,399	7,227,399
2027-2031	22,059,627	11,159,706	33,219,333
2032-2036	29,115,000	3,028,211	32,143,211
2037-2038	6,515,000	229,848	6,744,848
<b>Total</b>	<b>\$ 82,389,627</b>	<b>\$ 25,944,114</b>	<b>\$ 108,333,741</b>

Unamortized Premiums/Discounts on bonds the year ended June 30, 2021 are as follows:

Description	Beginning Balance	Premiums and Discounts on New Issues	Net Amortization Recognized	Ending Balance
Series 2010	\$ 138,769	\$ -	\$ 123,238	\$ 15,531
Series 2011	34,460	-	30,603	3,857
Series 2012	597,039	-	53,635	543,404
Series 2013	1,209,208	-	1,209,208	-
Series 2014	546,317	-	67,185	479,132
Series 2015	830,353	-	68,430	761,923
Series 2016	907,612	-	81,535	826,077
Series 2017	1,175,126	-	83,140	1,091,986
Series 2019	1,036,742	-	66,295	970,447
<b>Total Premiums</b>	<b>\$ 6,475,626</b>	<b>\$ -</b>	<b>\$ 1,783,269</b>	<b>\$ 4,692,357</b>

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, 2021. For the year ended June 30, 2021, the District paid \$2,529,146 in interest costs related to bonds payable.

(Continued)

**CANUTILLO INDEPENDENT SCHOOL DISTRICT**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

**IV. DETAILED NOTES ON ALL FUNDS (Continued)**

**G. Capital Leases**

The District has entered into two lease agreements for the purchase of energy management equipment. The lease term is 15 years for both leases and annual interest rates are 2.543% and 2.626%.

As of June 30, 2021, the future minimum lease payment requirements are as follows:

Year Ending June 30,	Principal	Interest	Total Requirements
2022	\$ 345,771	\$ 73,634	\$ 419,405
2023	363,768	64,765	428,533
2024	391,705	55,433	447,138
2025	411,717	45,378	457,095
2026	432,538	34,809	467,347
2027-2028	923,275	35,685	958,960
Total	<u>\$ 2,868,774</u>	<u>\$ 309,704</u>	<u>\$ 3,178,478</u>

The interest paid during the fiscal year ending June 30, 2021, related to capital leases was \$82,059.

**H. 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. The final principal payment on the notes is on August 15, 2030. The District did not pay principal or interest on this note during the fiscal year ending June 30, 2021.

Debt service requirements of the notes are as follows:

Year Ending June 30,	Principal	Interest	Total Requirements
2022	\$ 680,000	\$ 475,571	\$ 1,155,571
2023	890,000	263,950	1,153,950
2024	920,000	232,350	1,152,350
2025	950,000	204,300	1,154,300
2026	980,000	175,350	1,155,350
2027-2031	5,355,000	410,925	5,765,925
Total	<u>\$ 9,775,000</u>	<u>\$ 1,762,446</u>	<u>\$ 11,537,446</u>

(Continued)

**CANUTILLO INDEPENDENT SCHOOL DISTRICT**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

**IV. DETAILED NOTES ON ALL FUNDS (Continued)**

Unamortized Premiums/Discounts on maintenance tax notes for the year ended June 30, 2021 are as follows:

Description	Beginning Balance	Premiums and Discounts on New Issues	Net Amortization Recognized	Ending Balance
Series 2020	\$ -	\$ 428,124	\$ 40,685	\$ 387,439
Total Premiums	\$ -	\$ -	\$ 40,685	\$ 387,439

**I. Accumulated Unpaid Vacation and Sick Leave Benefits**

Sick leave is available at the beginning of the year. The actual liability may increase or decrease due to teachers moving into and out of the district, and either using or accumulating more sick leave. Additionally, the Board of Trustees may change the District's policy with respect to accrued benefits.

Upon retirement or death of certain employees, the District pays any accrued sick leave and vacation leave in a lump cash payment to such employee or his/her estate. Individuals employed after October 1, 1985 are not eligible to receive the lump sum payments.

Only full-time support service personnel in assignments of 12 months of service are eligible for paid vacation. The number of paid vacation days an employee is entitled to depends upon the years of service.

A summary of changes in the accumulated sick leave and vacation liability follows:

	<u>Sick and Vacation Leave</u>
Balance June 30, 2020	\$ 1,017,926
Additions - New Entrants and Salary Increments	613,137
Deductions - Payments to Participants	<u>827,692</u>
Balance June 30, 2021	<u>\$ 803,371</u>

**J. Commitments Under Operating Leases**

The District is obligated under various operating lease agreements for copy machine equipment, printers, and postage equipment. Operating leases with a term of more than one year provide for minimum future rental payments as of June 30, 2021, as follows:

(Continued)

**CANUTILLO INDEPENDENT SCHOOL DISTRICT**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

**IV. DETAILED NOTES ON ALL FUNDS (Continued)**

<u>Year Ending June 30,</u>	
2022	\$ 263,681
2023	138,641
2024	7,350
2025	<u>1,561</u>
Total Potential Minimum Rentals	<u>\$ 411,233</u>

Rental expenditures for the year ended June 30, 2021 totaled \$287,637.

**K. Defined Benefit Pension Plan**

**Plan Description:** The District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). 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/TRS%20Documents/cafr\\_2020.pdf](https://www.trs.texas.gov/TRS%20Documents/cafr_2020.pdf); by writing to TRS at 1000 Red River Street, Austin, TX 78701-2698; or by calling (512) 542-6592.

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

(Continued)

**CANUTILLO INDEPENDENT SCHOOL DISTRICT**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

**IV. DETAILED NOTES ON ALL FUNDS (Continued)**

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

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

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

	<u>Contribution Rates</u>	
	<u>Plan Fiscal Year</u>	
	<u>2020</u>	<u>2021</u>
Member	7.7%	7.7%
Non-Employer Contributing Entity (State)	7.5%	7.5%
Employers	7.5%	7.5%

Contributions Required and Made

2021 Employer Contributions	\$ 1,474,123
2021 Member Contributions	3,429,259
2020 Plan Year NECE On-Behalf Contributions (State)	2,359,938

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

(Continued)

# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

---

### IV. DETAILED NOTES ON ALL FUNDS (Continued)

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 2021, the District paid \$562,545 for the Public Education Employer Contribution. The District did not pay retiree surcharges for fiscal year 2020. 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 1.5 percent of the member's salary beginning in fiscal year 2020, gradually increasing to 2 percent in fiscal year 2025.

**Actuarial Assumptions:** The actuarial valuation was performed as of August 31, 2019. Update procedures were used to roll forward the total pension liability to August 31, 2020. The actuarial methods and assumption used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2019. 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 three year period ending August 31, 2017 and were adopted in July 2018. The following table discloses the assumptions that were applied to this measurement period:

(Continued)

**CANUTILLO INDEPENDENT SCHOOL DISTRICT**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

**IV. DETAILED NOTES ON ALL FUNDS (Continued)**

Valuation Date	August 31, 2019 rolled forward to August 31, 2020
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	7.25%
Mortality Assumption	The active mortality rates were based on 90 percent of RP 2014 Employee Mortality Tables for males and females with full generational mortality. The post-retirement mortality rates were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables with full generational projection using the ultimate improvement rates from the most recently published projection scale U-MP.
Long-term expected Investment Rate of Return	7.25%
Municipal Bond Rate as of August 2020	2.33%. Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index"
Last year ending August 31 in Projection Period (100 years)	2119
Inflation	2.30%
Salary Increases	3.05% to 9.05% including inflation
Ad hoc post-employment benefit changes	None

**Discount Rate:** A single discount rate used to measure the total pension liability was 7.25 percent. The single discount rate was based on the expected rate of return on pension plan investments of 7.25 percent. The projection of cash flows used to determine the 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 8.50 percent of payroll in fiscal year 2020 gradually increasing to 9.55 percent of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all 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 7.25 percent and was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2020 are summarized below:

(Continued)

**CANUTILLO INDEPENDENT SCHOOL DISTRICT**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

**IV. DETAILED NOTES ON ALL FUNDS (Continued)**

Asset Class	Target Allocation*	Long-Term Expected Geometric Real Rate of Return**	Expected Contribution to Long-Term Portfolio Returns
<b>Global Equity</b>			
U.S.	18.00%	3.90%	0.99%
Non-U.S. Developed	13.00%	5.10%	0.92%
Emerging Markets	9.00%	5.60%	0.83%
Private Equity	14.00%	6.70%	1.41%
<b>Stable Value</b>			
Government Bonds	16.00%	-0.70%	-0.05%
Absolute Return (Including Credit Sensitive Investments)	-	1.80%	-
Stable Value Hedge Funds	5.00%	1.90%	0.11%
<b>Real Return</b>			
Real Estate	15.00%	4.60%	1.01%
Energy, Natural Resources and Infrastructure	6.00%	6.00%	0.42%
Commodities	-	0.80%	-
<b>Risk Parity</b>			
Risk Parity	8.00%	3.00%	0.30%
<b>Asset Allocation Leverage</b>			
Cash	2.00%	-1.50%	-0.03%
Asset Allocation Leverage	-6.00%	-1.30%	0.08%
Inflation Expectation			2.00%
Volatility Drag***			-0.67%
<b>Total</b>	<b>100.00%</b>		<b>7.33%</b>

\*Target allocations are based on the FY2020 policy model

\*\*Capital Market Assumptions come from Aon Hewitt (as of 8/31/2020)

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

(Continued)

**CANUTILLO INDEPENDENT SCHOOL DISTRICT**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

**IV. DETAILED NOTES ON ALL FUNDS (Continued)**

**Discount Rate Sensitivity Analysis:** The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.25%) in measuring the Net Pension Liability:

	1% Decrease 6.25%	Current Single Discount Rate 7.25%	1% Increase 8.25%
District's proportionate share of the net pension liability	\$ 29,274,555	\$ 18,985,016	\$ 10,624,991

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:** At June 30, 2021, the District reported a liability of \$18,985,016 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

The District's proportionate share of the collective net pension liability	\$ 18,985,016
State's proportionate share that is associated with the District	<u>30,633,266</u>
<b>Total</b>	<u><u>\$ 49,618,282</u></u>

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

At August 31, 2020 the employer's proportion of the collective net pension liability was 0.0354476083% which was a decrease of 0.0013116402% from its proportion measured as of August 31, 2019.

**Changes since the Prior Actuarial Valuation:** There were no changes in assumptions since the prior measurement date.

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

For the year ended June 30, 2021, the District recognized pension expense of \$3,684,502 and revenue of \$3,684,502 for support provided by the State.

The amount of pension expense recognized by the District in the reporting period was \$6,498,210.

(Continued)

**CANUTILLO INDEPENDENT SCHOOL DISTRICT**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

**IV. DETAILED NOTES ON ALL FUNDS (Continued)**

At June 30, 2021, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 34,665	\$ 529,821
Changes in actuarial assumptions	4,405,199	1,873,060
Net difference between projected and actual investment earnings	384,335	-
Changes in proportion and difference between District's contributions and proportionate share of contributions	618,241	855,262
District contributions to TRS subsequent to the measurement date	1,248,357	-
Total	<u>\$ 6,690,797</u>	<u>\$ 3,258,143</u>

The \$1,248,357 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, 2022.

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

Year Ended June 30	Amount
2022	\$ 574,086
2023	782,236
2024	856,732
2025	261,130
2026	(258,564)
Thereafter	(31,323)
	<u>\$ 2,184,297</u>

(Continued)

**CANUTILLO INDEPENDENT SCHOOL DISTRICT**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

**IV. DETAILED NOTES ON ALL FUNDS (Continued)**

***Changes in Net Pension Liability:***

	Beginning Balance	Additions	Reductions	Ending Balance
Net Pension Liability	\$ 19,108,607	\$ 1,338,987	\$ 1,462,578	\$ 18,985,016

***Payable to the Pension Plan:*** At June 30, 2021, the District reported a payable of \$413,176 to the pension plan for the outstanding amount of contractually required contributions related to past service costs. Member contributions included in this payable were \$287,753.

**L. 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 multiple-employer, cost-sharing 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/TRS%20Documents/cafr\\_2020.pdf](https://www.trs.texas.gov/TRS%20Documents/cafr_2020.pdf); by writing to TRS at 1000 Red River Street, Austin, TX 78701-2698; or by calling (512) 542-6592.

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

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

(Continued)

**CANUTILLO INDEPENDENT SCHOOL DISTRICT**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

**IV. DETAILED NOTES ON ALL FUNDS (Continued)**

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

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

**Contributions:** Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, and school districts based 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. The following table shows contributions to the TRS-Care plan by type of contributor.

	<b>Contributions Rates</b>	
	<u>2020</u>	<u>2021</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%
2021 Employer Contributions	\$ 371,241	
2021 Member Contributions	289,481	
2020 Plan Year NECE On-behalf Contributions (State)	498,548	

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 employers hire a TRS retiree, employers are required to pay to TRS Care a monthly surcharge of \$535 per retiree. During the year ended June 30, 2021, 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 FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

**IV. DETAILED NOTES ON ALL FUNDS (Continued)**

A supplemental appropriation was authorized by Senate Bill 1264 of the 86<sup>th</sup> Texas Legislature to provide \$2,208,137, for fiscal year 2020 and \$3,312,206 for fiscal year 2021, for consumer protections against medical and health care billing by certain out-of-network providers. Funding will be in fiscal year 2021.

House Bill 1, 86<sup>th</sup> Texas Legislature, Regular Session, 2019 provided an additional \$230 million to continue to support the program. The District's proportionate share of this amount totaled \$19,013, representing the 2 months July and August 2020 that overlap with the District's current fiscal year.

*Actuarial Assumptions:* The total OPEB liability (TOL) in the August 31, 2019 actuarial valuation was rolled forward to August 31, 2020 using update procedures. The actuarial valuation of TRS-Care is similar to the actuarial valuations performed for the pension plan, except that the OPEB valuation is more complex. All of the demographic assumptions, including rates of retirement, termination, and disability, and most of the economic assumptions, including general inflation and salary increases, used in the OPEB valuation were identical to those used in the respective TRS pension valuation. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

The total OPEB liability in the August 31, 2019 actuarial valuation was determined using the actuarial assumptions below. Those assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2019 TRS pension actuarial valuation that was rolled forward to August 31, 2020:

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, 2019 rolled forward to August 31, 2020
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	2.33% as of August 31, 2020
Salary Increases	3.05% to 9.05%, 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, 2017.

(Continued)

CANUTILLO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

IV. DETAILED NOTES ON ALL FUNDS (Continued)

Mortality Assumption	The active mortality rates were based on 90 percent of the RP-2014 Employee Mortality Tables for males and females, with full generational mortality using Scale BB. The post-retirement mortality rates for healthy lives were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables, with full generational projection using the ultimate improvement rates from the most recently published scale (“U-MP”).
Health Care Trend Rates	Initial medical trend rates of 9.00 percent for Medicare retirees and 7.3 percent for non-Medicare retirees. Initial prescription drug trend rate of 9.00 percent for all retirees. Initial trend rates decrease to an ultimate trend rate of 4.25 over a period of 13 years.
Election Rates	Normal Retirement: 65 percent participation prior to age 65 and 40 percent participation after age 65; 25 percent pre-65 retirees are assumed to discontinue coverage at age 65
Aging Factors	Based on plan specific experience.
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Other Information	
Ad hoc post-employment benefit changes	None
Notes	Assumption changes include a discount rate change from 2.63% as of August 31, 2019 to 2.33% as of August 31, 2020, lowering the participation rate assumption for employees who retire after the age of 65, and lowering the ultimate health care trend assumption to reflect the repeal of the excise (Cadillac) tax on high-cost employer health plans.

**Discount Rate:** A single discount rate of 2.33 percent was used to measure the total OPEB liability. There was a decrease of 0.30 percent in the discount rate since the previous year. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to *not be able* to make all future benefit payments of current plan members. Therefore, the municipal bond rate was used for the long-term rate of return and was applied to all periods of projected benefit payments to determine the total OPEB liability.

(Continued)

**CANUTILLO INDEPENDENT SCHOOL DISTRICT**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

**IV. DETAILED NOTES ON ALL FUNDS (Continued)**

The source of the municipal bond rate is the Fidelity “20-year Municipal GO AA Index” as of August 31, 2020 using the fixed-income municipal bonds with 20 years to maturity that include only federally tax exempt municipal bonds.

**Discount Rate Sensitivity Analysis:** The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate 1.33%	Current Single Discount Rate 2.33%	1% Increase in Discount Rate 3.33%
District’s proportionate share of the Net OPEB Liability:	\$ 22,267,314	\$ 18,556,130	\$ 15,624,828

**Healthcare Cost Trend Rates Sensitivity Analysis:** The following presents the Net OPEB Liability of the plan using the assumed healthcare cost trend rate, as well as what the Net OPEB Liability would be if it were calculated using a trend rate that is one-percentage point lower or one-percentage point higher than the assumed health-care cost trend rate:

	1% Decrease	Current Healthcare Trend Rate	1% Increase
District’s proportionate share of the Net OPEB Liability:	\$ 15,157,981	\$ 18,556,130	\$ 23,081,985

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs:** At June 30, 2021, the District reported a liability of \$18,556,130 for its proportionate share of the TRS’s Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

The District’s proportionate share of the collective Net OPEB Liability	\$ 18,556,130
State’s proportionate share that is associated with the District	<u>24,934,991</u>
Total	<u><u>\$ 43,491,121</u></u>

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

(Continued)

**CANUTILLO INDEPENDENT SCHOOL DISTRICT**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

**IV. DETAILED NOTES ON ALL FUNDS (Continued)**

At August 31, 2020 the employer’s proportion of the collective Net OPEB Liability was 0.0488132755%, which was a decrease of 0.0006219134% from its proportion measured as of August 31, 2019.

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

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

There were no changes to benefit terms that affected measurement of the Total OPEB liability during the measurement period.

For the year ended June 30, 2021, the District recognized OPEB expense of \$(173,139) and revenue of \$(173,139) for support provided by the State.

The amount of OPEB expense recognized by the District in the reporting period was \$(435,083).

At June 30, 2021, the District reported its proportionate share of the TRS’s deferred outflows of resources and deferred inflows of resources related to other post-employment benefits (OPEB) from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 971,592	\$ 8,492,234
Changes in actuarial assumptions	1,144,527	5,095,609
Difference between projected and actual investment earnings	6,030	-
Changes in proportion and difference between the District’s contributions and the proportionate share of contributions	282,913	347,958
Contributions paid to TRS subsequent to the measurement date	311,434	
Total	\$ 2,716,496	\$ 13,935,801

(Continued)

**CANUTILLO INDEPENDENT SCHOOL DISTRICT**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

**IV. DETAILED NOTES ON ALL FUNDS (Continued)**

The \$311,434 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, 2022. The net amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	OPEB Expense Amount
2022	\$ (1,911,996)
2023	(1,912,802)
2024	(1,913,263)
2025	(1,913,137)
2026	(1,417,496)
Thereafter	(2,462,045)
	\$ (11,530,739)

***Changes in Net OPEB Liability:***

	Beginning Balance	Additions	Reductions	Ending Balance
Net OPEB Liability	\$ 23,378,505	\$-	\$ 4,822,375	\$ 18,556,130

***Payable to the OPEB Plan:*** At June 30, 2021, the District reported a payable of \$55,570 to the OPEB plan for the outstanding amount of contractually required contributions related to past service costs. Member contributions included in this payable were \$24,291.

**M. 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, 2021.

(Continued)

**CANUTILLO INDEPENDENT SCHOOL DISTRICT**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

**IV. DETAILED NOTES ON ALL FUNDS (Continued)**

N. 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, 2021, Canutillo Independent School District carried insurance for building, contents, and property in the amount of \$339,131,470 with deductibles ranging from \$1,000 to \$250,000 per occurrence.

O. Health Care Coverage

During the year ended June 30, 2021, 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 is the third party administrator for the plan. 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, 2021 to \$125,000 for any individual participant. There was no aggregate limit for the Fund.

Estimates of claims payable and of claims incurred but not reported (IBNR) at June 30, 2021, 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 balances of claims during the 2020-2021 year were as follows:

	2021	2020	2019
Unpaid claims, beginning of year	\$ 636,622	\$ 677,171	\$ 618,023
Incurred claims (including IBNRs)	5,427,215	5,180,247	5,575,035
Claim payments	(5,409,292)	(5,220,796)	(5,515,887)
Unpaid claims, end of fiscal year	\$ 654,545	\$ 636,622	\$ 677,171

(Continued)

**CANUTILLO INDEPENDENT SCHOOL DISTRICT**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

**IV. DETAILED NOTES ON ALL FUNDS (Continued)**

**P. Unemployment Compensation Pool**

During the year ended June 30, 2021, 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, 2021, 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, 2020, are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

**Q. Unearned Revenue**

Unearned revenue at June 30, 2021, consisted of the following:

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total
Federal Grants	\$ -	\$ -	\$ 107,560	\$ 107,560
State and Local Grants	-	-	85,860	85,860
State Support	2,581,595	3,292	-	2,584,887
USDA Commodities	23,630	-	-	23,630
<b>Total</b>	<b>\$ 2,605,225</b>	<b>\$ 3,292</b>	<b>\$ 193,420</b>	<b>\$ 2,801,937</b>

(Continued)

**CANUTILLO INDEPENDENT SCHOOL DISTRICT**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

**IV. DETAILED NOTES ON ALL FUNDS (Continued)**

**R. 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. Amounts due from federal and state governments as of June 30, 2021, consisted of the following:

	General Fund	Nonmajor Governmental Funds	Total
Federal Grants	\$ 740,047	\$ 3,556,658	\$ 4,296,705
State Grants	-	1,092,916	1,092,916
State Support	8,672,473	-	8,672,473
<b>Total</b>	<b>\$ 9,412,520</b>	<b>\$ 4,649,574</b>	<b>\$ 14,062,094</b>

**S. Revenue from Local and Intermediate Sources**

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

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total
Property taxes	\$ 26,763,280	\$ 9,349,706	\$ -	\$ 36,112,986
Penalties, interest and other tax related income	187,150	64,910	-	252,060
Enterprising services	-	-	70,548	70,548
Investment income	28,370	11,499	1,530	41,399
Food Service Activity	2,325	-	-	2,325
Revenue from Foundations	-	-	178,247	178,247
Rent	7,849	-	-	7,849
Other	131,565	-	-	131,565
<b>Total</b>	<b>\$ 27,120,539</b>	<b>\$ 9,426,115</b>	<b>\$ 250,325</b>	<b>\$ 36,796,979</b>

**T. Litigation**

During the normal course of business the District is subject to various legal claims. As of June 30, 2021, management is not aware of any such claim which would have a material adverse effect on the financial statements.

(Continued)

**CANUTILLO INDEPENDENT SCHOOL DISTRICT**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

---

**IV. DETAILED NOTES ON ALL FUNDS (Continued)**

**U. Top Ten Taxpayers**

The following businesses and individuals represent the top ten taxpayers for Canutillo Independent School District's tax base:

<u>Name of Taxpayer</u>	<u>Net Taxable Value</u>
Tenet Hospitals Limited	\$ 85,570,000
El Paso Outlet Center CMBS LLC	73,918,759
Rop Artcraft LLC	48,107,686
Care Fusion 213 LLC	39,302,554
Wal-Mart Stores Inc	29,173,680
El Paso Electric Co	25,381,125
Jordan Foster Construction	22,497,145
El Paso Behavioral Hospital LLC	20,653,053
Plexxar Joint Venture	20,624,791
Sumitomo Electric Wiring System Inc.	19,727,027
Total of top 10 Taxpayer's	<u>\$ 384,955,820</u>

**V. Construction and Other Significant Commitments and Contingencies**

**Construction Commitments**

The District had an ongoing capital project under non-cancelable contract at June 30, 2021 for the CMS Wastewater Management. The amount paid to date is \$378,459 of which \$262,269 were capitalized in fiscal year 2020 and \$116,190 are included in the construction in progress balance. The remaining commitment for this project is \$1,057,093.

**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 FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

**IV. DETAILED NOTES ON ALL FUNDS (Continued)**

**W. 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 2020-2021 fiscal year.

**X. Fund Balances**

As of June 30, 2021, fund balances are composed of the following:

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Inventories	\$ 340,951	\$ -	\$ -	\$ 340,951
Prepayments	152,678	-	-	152,678
Restricted:				
Food Services	3,163,873	-	-	3,163,873
Summer Feeding Program	-	-	150,507	150,507
Capital Acquisition	3,434,606	-	39,820	3,474,426
Campus Activities	-	-	385,800	385,800
Retirement of Long-Term Debt	-	11,172,597	-	11,172,597
Assigned:				
Construction	883,850	-	-	883,850
Equipment	1,669,533	-	-	1,669,533
Facilities Master Plan	48,840	-	-	48,840
Unassigned	15,925,829	-	-	15,925,829
<b>Total fund balances</b>	<b>\$ 25,620,160</b>	<b>\$ 11,172,597</b>	<b>\$ 576,127</b>	<b>\$ 37,368,884</b>

As of June 30, 2021, there were no committed fund balances.

As discussed in Note Y, as of June 30, 2021, the District has \$1,985,135 of encumbrances of operating funds in major funds that rolled over into the next fiscal year.

(Continued)

**CANUTILLO INDEPENDENT SCHOOL DISTRICT**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

**IV. DETAILED NOTES ON ALL FUNDS (Continued)**

**Y. Encumbrances**

Encumbrance accounting is employed as an extension of formal budgetary integration for the general fund, special revenue funds, and capital projects funds. At June 30, 2021, 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	\$ 488,171	\$ 1,469,622	\$ 1,957,793
Nonmajor Funds	27,342	-	27,342
Total	<u>\$ 515,513</u>	<u>\$ 1,469,622</u>	<u>\$ 1,985,135</u>

**Z. 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 the current period related to prior year's settle-up amounts was \$1,081,288.

**AA. Subsequent Events**

(Continued)

# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

---

### IV. DETAILED NOTES ON ALL FUNDS (Continued)

#### AB. 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 No. 87, *Leases*, effective for fiscal years beginning after June 15, 2021. GASB No. 87 requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases.
- GASB No. 89, *Accounting for Interest Costs Incurred before the End of a Construction Period*, effective for fiscal years beginning after December 15, 2020. GASB No. 89 establishes accounting requirements for interest cost incurred before the end of a construction period.
- GASB No. 90, *Majority Equity Interests - an Amendment of GASB Statements No. 14 and No. 61*, effective for fiscal years beginning after December 15, 2019. GASB No. 90 modifies previous guidance for reporting a government's majority equity interest in legally separate organizations. This statement also provides guidance for reporting a component unit if a government acquires a 100 percent equity interest in that component unit.
- GASB No. 91, *Conduit Debt Obligations*, effective for periods beginning after December 15, 2021. GASB 91 requires issuers to disclose information about their conduit debt obligations.
- GASB No. 92, *Omnibus*, effective for periods beginning after June 15, 2021. GASB No. 92 enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.
- GASB No. 93, *Replacement of Interbank Offered Rates*, with exception of paragraphs 11b, 13, and 14, was effective for reporting periods beginning after June 15, 2020. The requirement of 11b is effective for reporting periods ending December 31, 2021. The requirements in paragraph 13 and 14 are effective for fiscal years beginning after June 15, 2021, and all reporting periods thereafter. GASB No. 93 addresses accounting and financial implications that result from the replacement of an interbank offered rate.
- GASB No. 94, *Public-Private and Public-Public Partnerships and Availability Arrangements*, effective for periods beginning after June 15, 2022. GASB No. 94 improves financial reporting by addressing issues related to public private and public-public partnerships arrangements (PPPs) as well as availability payment arrangements (APAs).
- GASB No. 96, *Subscription-Based Information Technology Arrangements*, effective for periods beginning after June 15, 2022. GASB No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements.

# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

---

### IV. DETAILED NOTES ON ALL FUNDS (Continued)

- GASB No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for IRS Code Section 457 Deferred Compensation Plans*, effective for periods beginning after June 15, 2021. GASB No. 97 provides specific guidance related to (1) reporting of fiduciary component units that perform duties of a governing board; (2) narrows applicability of certain requirements from GASB No. 84 related to defined benefit pension and OPEB plans and; (3) specific guidance for Internal Revenue Code Section 457 plans that meet the definition of a pension plan and for benefits provided through those plans.

#### AC. COVID-19

As a result of the public health emergency related to the outbreak of COVID-19 in the United States, the Texas Education Agency has been awarded Coronavirus financial aid packages which are being distributed to the various school districts in Texas. Canutillo ISD received \$41,045 and \$1,196,100 in ESSER I funds and in Corona Relief Fund Operation Connectivity Prior Purchase Reimbursement Program, respectively, for the 2020-2021 fiscal year.

As of September 2, 2021, the Texas Education Agency (TEA) informed local education agencies (LEAs) that it has no plans to issue missed school day waivers due to COVID-19 during the 2021-2022 school year if the LEA or its campuses are closed. Each LEA will need to plan to make up time for school closures during the school year and may need to add additional instructional days and/or minutes to their calendar to meet the 75,600 operational minute requirement. As of the date of this report, the District has not had any missed school days due to COVID-19 and as such, has not determined the impact, if any, on the District.

#### AD. Prior Period Adjustment

For the student activity funds that met the criteria to be included as a fiduciary funds, the District re-evaluated the opening amounts of the "Due to Student Groups" in relation to GASB 84. As a result, these amounts were reclassified from "Due to Student Groups" to restricted net position in the custodial fund in the amount of \$109,547.

**REQUIRED SUPPLEMENTARY INFORMATION**

Draft

CANUTILLO INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2021

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ 26,461,513	\$ 26,461,513	\$ 27,120,539	\$ 659,026
5800 State Program Revenues	35,352,757	35,733,457	33,887,463	(1,845,994)
5900 Federal Program Revenues	6,270,000	6,289,375	7,640,934	1,351,559
5020 Total Revenues	68,084,270	68,484,345	68,648,936	164,591
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	35,818,133	41,507,740	40,423,078	1,084,662
0012 Instructional Resources and Media Services	755,185	778,295	777,630	665
0013 Curriculum and Instructional Staff Development	770,960	906,691	819,300	87,391
0021 Instructional Leadership	1,096,637	1,020,557	627,574	392,983
0023 School Leadership	4,012,001	3,935,422	3,935,422	-
0031 Guidance, Counseling, and Evaluation Services	2,249,354	2,275,718	2,275,718	-
0032 Social Work Services	227,407	227,407	190,847	36,560
0033 Health Services	994,613	1,167,545	1,167,545	-
0034 Student (Pupil) Transportation	1,832,522	2,004,478	1,961,342	43,136
0035 Food Services	4,832,356	5,685,199	4,903,269	781,930
0036 Extracurricular Activities	1,677,105	1,615,814	1,336,326	279,488
0041 General Administration	3,308,372	3,465,977	3,119,696	346,281
0051 Facilities Maintenance and Operations	6,726,222	8,869,595	8,256,107	613,488
0052 Security and Monitoring Services	965,361	1,109,140	1,038,277	70,863
0053 Data Processing Services	1,815,858	4,906,712	3,175,744	1,730,968
0061 Community Services	25,450	29,943	29,943	-
Debt Service:				
0071 Principal on Long-Term Debt	328,478	328,478	328,478	-
0072 Interest on Long-Term Debt	82,060	82,060	82,059	1
0073 Bond Issuance Cost and Fees	-	203,124	203,124	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	1,735,035	1,476,273	258,762
Intergovernmental:				
0099 Other Intergovernmental Charges	436,196	436,196	401,812	34,384
6030 Total Expenditures	67,954,270	82,291,126	76,529,564	5,761,562
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	130,000	(13,806,781)	(7,880,628)	5,926,153
<b>OTHER FINANCING SOURCES (USES):</b>				
7911 Capital Related Debt Issued	-	9,775,000	9,775,000	-
7912 Sale of Real and Personal Property	-	1,200,000	1,200,000	-
7916 Premium or Discount on Issuance of Bonds	-	428,124	428,124	-
7080 Total Other Financing Sources (Uses)	-	11,403,124	11,403,124	-
1200 Net Change in Fund Balances	130,000	(2,403,657)	3,522,496	5,926,153
0100 Fund Balance - July 1 (Beginning)	22,097,664	22,097,664	22,097,664	-
3000 Fund Balance - June 30 (Ending)	\$ 22,227,664	\$ 19,694,007	\$ 25,620,160	\$ 5,926,153

# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION BUDGET AND ACTUAL GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2021

---

### **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, National School Breakfast and Lunch Program, and Debt Service funds before the beginning of the fiscal year.

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 budget, which is 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, National School Breakfast and Lunch Program, and Debt Service funds. On June 23, 2020, the 2020-2021 budget was legally adopted by the Board.

The District's administration performs budget reviews during the year in which budget requirements are reevaluated 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. Several amendments were necessary during the year. However, none of these were significant.

Expenditures may not legally exceed budget appropriations, as amended, at the function level by fund. 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.

### **Expenditures in Excess of Appropriations**

During the fiscal year ended June 30, 2021, the District did not have any expenditures over appropriations in the General Fund.

CANUTILLO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR THE YEAR ENDED JUNE 30, 2021

	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018
District's Proportion of the Net Pension Liability (Asset)	0.035447608%	0.036759249%	0.035997568%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 18,985,016	\$ 19,108,607	\$ 19,813,935
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	30,633,266	29,564,299	31,961,880
Total	<u>\$ 49,618,282</u>	<u>\$ 48,672,906</u>	<u>\$ 51,775,815</u>
District's Covered Payroll	\$ 44,089,488	\$ 41,741,050	\$ 39,933,236
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	43.06%	45.78%	49.62%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.54%	75.24%	73.74%

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, 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, August 31, 2015 for year 2016 and August 31, 2014 for year 2015.

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 2018 Plan Year 2017	FY 2017 Plan Year 2016	FY 2016 Plan Year 2015	FY 2015 Plan Year 2014
0.035982245%	0.036977475%	0.0411727%	0.0291367%
\$ 11,505,183	\$ 13,973,238	\$ 14,554,001	\$ 7,782,816
18,983,563	23,778,787	22,458,036	19,466,520
<u>\$ 30,488,746</u>	<u>\$ 37,752,025</u>	<u>\$ 37,012,037</u>	<u>\$ 27,249,336</u>
\$ 38,748,832	\$ 39,201,808	\$ 38,499,576	\$ 37,740,467
29.69%	35.64%	37.80%	20.62%
82.17%	78.00%	78.43%	83.25%

Draft

CANUTILLO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR FISCAL YEAR 2021

	2021	2020	2019
Contractually Required Contribution	\$ 1,474,123	\$ 1,436,786	\$ 1,281,153
Contribution in Relation to the Contractually Required Contribution	(1,474,123)	(1,436,786)	(1,281,153)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 44,535,785	\$ 43,789,111	\$ 41,549,521
Contributions as a Percentage of Covered Payroll	3.31%	3.28%	3.08%

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.

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.

Draft

	2018	2017	2016	2015
\$	1,214,756	\$ 1,197,336	\$ 1,196,817	\$ 1,147,171
	(1,214,756)	(1,197,336)	(1,196,817)	(1,147,171)
\$	-	\$ -	\$ -	\$ -
\$	39,701,704	\$ 38,676,504	\$ 39,201,808	\$ 38,499,576
	3.06%	3.10%	3.05%	2.98%

Draft

**CANUTILLO INDEPENDENT SCHOOL DISTRICT**

**NOTES TO REQUIRED SUPPLEMENTARY PENSION INFORMATION**

**TEACHER RETIREMENT SYSTEM OF TEXAS**

**FOR THE YEAR ENDED JUNE 30, 2021**

---

***Changes of Benefit Terms***

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

***Changes of Assumptions***

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

Draft

CANUTILLO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR THE YEAR ENDED JUNE 30, 2021

	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.048813276%	0.049435189%	0.048982176%	\$ 0.0488264%
District's Proportionate Share of Net OPEB Liability (Asset)	\$ 18,556,130	\$ 23,378,505	\$ 24,457,249	\$ 21,232,770
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	24,934,991	31,064,806	33,425,073	\$ 29,245,802
Total	<u>\$ 43,491,121</u>	<u>\$ 54,443,311</u>	<u>\$ 57,882,322</u>	<u>\$ 50,478,572</u>
District's Covered Payroll	\$ 44,089,488	\$ 41,714,050	\$ 39,933,236	\$ 38,748,832
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	42.09%	56.04%	61.25%	\$ 54.80%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	4.99%	2.66%	1.57%	\$ 0.91%

Note: GASB Codification, Vol. 2, P50.238 states that the information on this schedule should be determined as of the measurement date. Therefore the amounts reported for FY 2021 are for the measurement date of August 31, 2020. The amounts for FY 2020 are for the measurement date of August 31, 2019. The amounts for FY 2019 are for the measurement date August 31, 2018. The amounts for FY 2018 are based on the August 31, 2017 measurement date.

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.

CANUTILLO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR FISCAL YEAR 2021

	2021	2020	2019	2018
Contractually Required Contribution	\$ 371,241	\$ 368,057	\$ 350,279	\$ 322,102
Contribution in Relation to the Contractually Required Contribution	(371,241)	(368,057)	(350,279)	(322,102)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 44,535,785	\$ 43,789,111	\$ 41,549,521	\$ 39,701,704
Contributions as a Percentage of Covered Payroll	0.83%	0.84%	0.84%	0.81%

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.

**CANUTILLO INDEPENDENT SCHOOL DISTRICT**

**NOTES TO REQUIRED SUPPLEMENTARY OPEB INFORMATION**

**TEACHER RETIREMENT SYSTEM OF TEXAS**

**FOR THE YEAR ENDED JUNE 30, 2021**

---

***Changes of Benefit Terms Since the Prior Measurement Period***

There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

***Changes Since the Prior Actuarial Valuation***

The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB liability since the prior measurement period:

- The discount rate changed from 2.63 percent as of August 31, 2019 to 2.33 percent as of August 31, 2020. This change increased the Total OPEB Liability.
- The participation rate for post-65 retirees was lowered from 50 percent to 40 percent. This change lowered the Total OPEB Liability.
- The ultimate health care trend rate assumption was lowered from 4.50 percent to 4.25 percent as a result of Congress' repeal of the excise (Cadillac) tax on high-cost employer health plans in December 2019. This change lowered the Total OPEB Liability.
- The primary reasons for this year's liability reduction related to the difference between expected and actual experience were due to (a) savings to the fully-insured Medicare Advantage premiums, which resulted from Congress' repeal of the Health Insurer Fee in December of 2019 and the vendor premium guarantees, and (b) favorable claims and rebate experience for the prescription drug benefits provided to Medicare retirees.

This page is left blank intentionally.

Draft

**COMBINING AND OTHER STATEMENTS**

Draft

This page is left blank intentionally.

Draft

## NONMAJOR GOVERNMENTAL FUNDS

---

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

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.

### **225 - Individuals with Disabilities Education Act (IDEA) - Part B, Preschool**

Funds are used to operate educational programs for preschool 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 - Supporting Effective Instruction**

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.

### **266 - Elementary and Secondary Emergency Relief Fund**

Funds are used to continue to provide equitable services to students and teachers as required under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

### **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.

(Continued)

## NONMAJOR GOVERNMENTAL FUNDS

---

### 276 - Instructional Continuity

Districts and open-enrollment charter schools with at least one federally identified Targeted Support and Improvement Title I campus are eligible to apply for the formula grant and may receive a grant to support the work of instructional continuity during campus closures due to COVID-19.

### 277 - Coronavirus Relief Fund CARES

Funds to cover necessary expenditures incurred due to the public health emergency with respect to Coronavirus Diseases 2019 (COVID-19).

### 281 - Elementary and Secondary School Emergency Relief Fund II (ESSER II) of the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act

ESSER II funds granted to LEAs through the CRRSA Act to support LEAs' ability to operate, instruct its students, address learning loss, prepare schools for reopening, test, repair, and upgrade projects to improve air quality in school buildings during the coronavirus pandemic.

### 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.

**Behavioral Health Workforce Education and Training** - Funds to develop and expand training opportunities in counseling and social work.

**Lone Star STEM Cycle I Year 2** - Lone Star STEM Cycle 2 Year 1 grant, the goal of the grant is to increase high-quality science, technology, engineering, and mathematics (STEM) education opportunities and outcomes for high-needs students, with a particular focus on implementing programs of study that help students gain the skills, postsecondary credentials, and experience necessary to embark on well-paying careers in STEM fields, including careers in computer science and cybersecurity.

**COVID-19 Provider Relief Fund** - Funds may be used to cover lost revenue or health related expenses to prevent, prepare for, and respond to coronavirus.

### 397 - Advanced Placement Incentives

Funds are used for enhancement of academic programs.

### 410 - State Instructional Materials Fund

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

### 429 - Other State Special Revenue Funds

**Texas College & Career Readiness School Models** - Funds to provide financial aid and technical support to Northwest Early College High School, a designated CCRSM campus.

**Special Education Fiscal Support Performance Contract** - Funds to assist in securing appropriately certified/licensed providers or extending the use of existing staff to fill short-term needs related to Full and Individual initial Evaluations (FIEs), Independent Educational Evaluations (IEEs), Compensatory Services, and Extended School Year (ESY) services.

(Continued)

## NONMAJOR GOVERNMENTAL FUNDS

---

### 429 - Other State Special Revenue Funds (Continued)

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

**School Safety and Security Grant** - Funds to provide additional campus safety and security equipment.

**Expanding the 3 E's Nutritional Grant Program** - Funds to assist in incorporating nutrition education components into programs currently provided to children in order to promote better health and prevent obesity among children.

**Texas Volkswagen Environmental Mitigation Program** - Funds to provide financial assistance for emission reduction projects.

**LoneStar STEM** - Funds to assist the District in the continued development of a STEM program.

**LoneStar STEM Pilot** - Funds to assist the District in developing a STEM program.

**Wild Eagles 2020** - Canutillo ISD will administer Wild Eagles 2020 providing fishing, archery, orienteering, survival skills, and shoot sports opportunities. The project will utilize TPWD sites, programs and/or personnel as described in the application to develop and enhance participants' relationships with TPWD.

**Blended Learning Grant Program** - Implement Math Innovation Zones or non-math blended learning pilots at selected campuses.

### 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.

### 488 - Oliver Foundation Healthy Girls-Promote healthy eating for girls

### 499 - Other Local Special Revenue Funds

**Prudential Math Challenge** - Funds to increase math competency.

**Project Lead the Way** - Funds to implement STEM program in Canutillo Middle School.

**Dollar General Literacy Program** - Funds to enhance the libraries at the elementary schools.

**HEB Grant** - Pre award funds for academic achievement for all schools.

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

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

**American Chemical Society Chemistry for Life** - Funds to support science labs at Canutillo High School.

**New York Life Foundation** - Funds to support counseling services.

**Common Threads Cooking for Life** - Funds to promote healthy cooking education for students.

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

**United Way Vita Program** - To support VITA services offered at CISD.

**Oliver Foundation** - To promote healthy eating and active students thru various activities.

**PDNHF Catch Grant** - Implement evidence based CATCH program at ES and MS to improve nutrition, increase physical activity, prevent obesity and promote lifelong healthy habits for students.

**New Tech Network Grant** - Provide access to students for College Access networks for applying to Universities.

(Continued)

## NONMAJOR GOVERNMENTAL FUNDS

---

### **692 - 2011 Bonds 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 Bonds Capital Projects Fund**

Funds are used to support technology, transportation, and energy conservation, and address critical renovations and improvements at facilities across the district.

### **699 - Capital Projects Funds**

Funds are used to address critical renovations and improvements at facilities across the district.

Draft

This page is left blank intentionally.

Draft

CANUTILLO INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2021

Data Control Codes	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant	224 IDEA - Part B Formula	225 IDEA - Part B Preschool
<b>ASSETS</b>				
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ -
1240	Due from Other Governments	1,308,868	136,392	789,554
1260	Due from Other Funds	-	-	-
1290	Other Receivables	255	-	-
1000	<b>Total Assets</b>	<u>\$ 1,309,123</u>	<u>\$ 136,392</u>	<u>\$ 789,554</u>
<b>LIABILITIES</b>				
2110	Accounts Payable	\$ 16,612	\$ 600	\$ -
2160	Accrued Wages Payable	131,865	7,617	109,651
2170	Due to Other Funds	1,160,646	128,175	679,903
2300	Unearned Revenue	-	-	-
2000	<b>Total Liabilities</b>	<u>1,309,123</u>	<u>136,392</u>	<u>789,554</u>
<b>FUND BALANCES</b>				
Restricted Fund Balance:				
3450	Federal or State Funds Grant Restriction	-	-	-
3470	Capital Acquisition and Contractual Obligation	-	-	-
3490	Other Restricted Fund Balance	-	-	-
3000	<b>Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>-</u>
4000	<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,309,123</u>	<u>\$ 136,392</u>	<u>\$ 789,554</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	266 ESSER -School Emergency Relief	272 Medicaid Admin. Claim MAC	276 Instructional Continuity Program	277 Coronavirus Relief Fund CARES
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	72,508	212,594	158,932	-	15,474	17,400	-
150,507	-	-	-	-	50,527	-	-
-	40	2,400	-	-	-	-	-
<u>\$ 150,507</u>	<u>\$ 72,548</u>	<u>\$ 214,994</u>	<u>\$ 158,932</u>	<u>\$ -</u>	<u>\$ 66,001</u>	<u>\$ 17,400</u>	<u>\$ -</u>
\$ -	\$ -	\$ 15,894	\$ 931	\$ -	\$ -	\$ -	\$ -
-	-	-	7,631	-	-	-	-
-	72,548	199,100	150,370	-	-	17,400	-
-	-	-	-	-	66,001	-	-
-	<u>72,548</u>	<u>214,994</u>	<u>158,932</u>	-	<u>66,001</u>	<u>17,400</u>	-
150,507	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>150,507</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 150,507</u>	<u>\$ 72,548</u>	<u>\$ 214,994</u>	<u>\$ 158,932</u>	<u>\$ -</u>	<u>\$ 66,001</u>	<u>\$ 17,400</u>	<u>\$ -</u>

CANUTILLO INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2021

Data Control Codes	281 ESSER II and PPRP	289 Other Federal Special Revenue Funds	397 Advanced Placement Incentives	410 State Instructional Materials	
<b>ASSETS</b>					
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
1240	Due from Other Governments	708,053	122,812	-	29,172
1260	Due from Other Funds	-	-	3,768	-
1290	Other Receivables	-	-	-	-
1000	<b>Total Assets</b>	<u>\$ 708,053</u>	<u>\$ 122,812</u>	<u>\$ 3,768</u>	<u>\$ 29,172</u>
<b>LIABILITIES</b>					
2110	Accounts Payable	\$ -	\$ 14,823	\$ -	\$ 322
2160	Accrued Wages Payable	-	3,467	-	-
2170	Due to Other Funds	708,053	62,963	-	20,951
2300	Unearned Revenue	-	41,559	3,768	7,899
2000	<b>Total Liabilities</b>	<u>708,053</u>	<u>122,812</u>	<u>3,768</u>	<u>29,172</u>
<b>FUND BALANCES</b>					
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	-	-	-
3470	Capital Acquisition and Contractual Obligation	-	-	-	-
3490	Other Restricted Fund Balance	-	-	-	-
3000	<b>Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	<b>Total Liabilities and Fund Balances</b>	<u>\$ 708,053</u>	<u>\$ 122,812</u>	<u>\$ 3,768</u>	<u>\$ 29,172</u>

429 Other State Special Revenue Funds	461 Campus Activity Funds	487 CREEED Accelrated Certification	488 Oliver Foundation Healthy Girls	499 Other Local Special Revenue Funds	Total Nonmajor Special Revenue Funds	692 2011 Bonds Capital Projects Fund	693 2013 Bonds Capital Projects Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 143,191	\$ 73,294
1,063,744	-	-	-	-	4,649,574	-	-
-	399,977	64,759	259	38,962	708,759	-	-
-	120	-	-	-	2,815	-	-
<u>\$ 1,063,744</u>	<u>\$ 400,097</u>	<u>\$ 64,759</u>	<u>\$ 259</u>	<u>\$ 38,962</u>	<u>\$ 5,361,148</u>	<u>\$ 143,191</u>	<u>\$ 73,294</u>
\$ 7,210	\$ 14,148	\$ 11,574	\$ -	\$ 8,486	\$ 91,313	\$ 27,901	\$ 24,975
-	149	14,133	-	3,318	277,831	-	-
1,048,810	-	-	-	-	4,262,277	109,517	14,272
7,724	-	39,052	259	27,158	193,420	-	-
<u>1,063,744</u>	<u>14,297</u>	<u>64,759</u>	<u>259</u>	<u>38,962</u>	<u>4,824,841</u>	<u>137,418</u>	<u>39,247</u>
-	-	-	-	-	150,507	-	-
-	-	-	-	-	-	5,773	34,047
-	385,800	-	-	-	385,800	-	-
-	385,800	-	-	-	536,307	5,773	34,047
<u>\$ 1,063,744</u>	<u>\$ 400,097</u>	<u>\$ 64,759</u>	<u>\$ 259</u>	<u>\$ 38,962</u>	<u>\$ 5,361,148</u>	<u>\$ 143,191</u>	<u>\$ 73,294</u>

CANUTILLO INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2021

Data Control Codes	699 Capital Projects Fund	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds	
<b>ASSETS</b>				
1110	Cash and Cash Equivalents	\$ 130	\$ 216,615	\$ 216,615
1240	Due from Other Governments	-	-	4,649,574
1260	Due from Other Funds	-	-	708,759
1290	Other Receivables	-	-	2,815
1000	Total Assets	<u>\$ 130</u>	<u>\$ 216,615</u>	<u>\$ 5,577,763</u>
<b>LIABILITIES</b>				
2110	Accounts Payable	\$ -	\$ 52,876	\$ 144,189
2160	Accrued Wages Payable	-	-	277,831
2170	Due to Other Funds	130	123,919	4,386,196
2300	Unearned Revenue	-	-	193,420
2000	Total Liabilities	<u>130</u>	<u>176,795</u>	<u>5,001,636</u>
<b>FUND BALANCES</b>				
Restricted Fund Balance:				
3450	Federal or State Funds Grant Restriction	-	-	150,507
3470	Capital Acquisition and Contractual Obligation	-	39,820	39,820
3490	Other Restricted Fund Balance	-	-	385,800
3000	Total Fund Balances	<u>-</u>	<u>39,820</u>	<u>576,127</u>
4000	Total Liabilities and Fund Balances	<u>\$ 130</u>	<u>\$ 216,615</u>	<u>\$ 5,577,763</u>

This page is left blank intentionally.

Draft

CANUTILLO INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2021

Data Control Codes	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant	224 IDEA - Part B Formula	225 IDEA - Part B Preschool
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	1,385,131	136,392	789,555	14,071
5020 Total Revenues	1,385,131	136,392	789,555	14,071
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	303,512	35,784	679,248	14,071
0012 Instructional Resources and Media Services	139,371	-	-	-
0013 Curriculum and Instructional Staff Development	569,689	525	-	-
0021 Instructional Leadership	73,460	99,650	40,650	-
0023 School Leadership	3,249	-	-	-
0031 Guidance, Counseling, and Evaluation Services	-	-	69,657	-
0032 Social Work Services	-	-	-	-
0033 Health Services	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0053 Data Processing Services	-	-	-	-
0061 Community Services	295,850	433	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
6030 Total Expenditures	1,385,131	136,392	789,555	14,071
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - July 1 (Beginning)	-	-	-	-
3000 Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ -

242 Summer Feeding Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	266 ESSER -School Emergency Relief	272 Medicaid Admin. Claim MAC	276 Instructional Continuity Program	277 Coronavirus Relief Fund CARES
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	72,508	212,594	158,932	34,900	573	17,400	117,563
-	72,508	212,594	158,932	34,900	573	17,400	117,563
-	60,408	47,770	54,698	-	-	17,400	117,563
-	-	-	-	-	-	-	-
-	12,100	104,598	101,185	-	-	-	-
-	-	-	2,084	34,900	-	-	-
-	-	60,226	640	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	573	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	325	-	-	-	-
-	-	-	-	-	-	-	-
-	72,508	212,594	158,932	34,900	573	17,400	117,563
-	-	-	-	-	-	-	-
150,507	-	-	-	-	-	-	-
\$ 150,507	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CANUTILLO INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2021

Data Control Codes	281 ESSER II and PPRP	289 Other Federal Special Revenue Funds	397 Advanced Placement Incentives	410 State Instructional Materials
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	363,690
5900 Federal Program Revenues	1,904,153	125,630	-	-
5020 Total Revenues	1,904,153	125,630	-	363,690
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	1,196,100	69,319	-	363,690
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	28,699	-	-
0021 Instructional Leadership	398,973	199	-	-
0023 School Leadership	41,291	-	-	-
0031 Guidance, Counseling, and Evaluation Services	21,431	13,076	-	-
0032 Social Work Services	-	3,216	-	-
0033 Health Services	2,212	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	236,597	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0053 Data Processing Services	-	-	-	-
0061 Community Services	7,549	11,121	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
6030 Total Expenditures	1,904,153	125,630	-	363,690
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 CREEED Accelrated Certification	488 Oliver Foundation Healthy Girls	499 Other Local Special Revenue Funds	Total Nonmajor Special Revenue Funds	692 2011 Bonds Capital Projects Fund	693 2013 Bonds Capital Projects Fund
\$ -	\$ 70,548	\$ 121,830	\$ 370	\$ 56,047	\$ 248,795	\$ 1,354	\$ 176
211,524	-	-	-	-	575,214	-	-
-	-	-	-	-	4,969,402	-	-
211,524	70,548	121,830	370	56,047	5,793,411	1,354	176
109,901	34,953	121,830	-	51,047	3,277,294	-	-
-	2,132	-	-	-	141,503	-	-
50,047	210	-	-	-	867,053	-	-
-	-	-	-	-	649,916	-	-
-	51,268	-	-	-	156,674	-	-
15,796	-	-	-	-	119,960	-	-
-	-	-	-	-	3,216	-	-
-	-	-	-	-	2,785	-	-
2,380	-	-	370	-	2,750	-	-
-	25,852	-	-	-	25,852	-	-
-	-	-	-	-	236,597	-	-
33,400	4,134	-	-	-	37,534	-	-
-	-	-	-	-	-	125,235	39,247
-	280	-	-	5,000	320,558	-	-
-	-	-	-	-	-	110,665	-
211,524	118,829	121,830	370	56,047	5,841,692	235,900	39,247
-	(48,281)	-	-	-	(48,281)	(234,546)	(39,071)
-	434,081	-	-	-	584,588	240,319	73,118
\$ -	\$ 385,800	\$ -	\$ -	\$ -	\$ 536,307	\$ 5,773	\$ 34,047

CANUTILLO INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2021

Data Control Codes	699 Capital Projects Fund	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
<b>REVENUES:</b>			
5700 Total Local and Intermediate Sources	\$ -	\$ 1,530	\$ 250,325
5800 State Program Revenues	-	-	575,214
5900 Federal Program Revenues	-	-	4,969,402
5020 Total Revenues	-	1,530	5,794,941
<b>EXPENDITURES:</b>			
Current:			
0011 Instruction	-	-	3,277,294
0012 Instructional Resources and Media Services	-	-	141,503
0013 Curriculum and Instructional Staff Development	-	-	867,053
0021 Instructional Leadership	-	-	649,916
0023 School Leadership	-	-	156,674
0031 Guidance, Counseling, and Evaluation Services	-	-	119,960
0032 Social Work Services	-	-	3,216
0033 Health Services	-	-	2,785
0035 Food Services	-	-	2,750
0036 Extracurricular Activities	-	-	25,852
0041 General Administration	-	-	236,597
0051 Facilities Maintenance and Operations	-	-	37,534
0053 Data Processing Services	-	164,482	164,482
0061 Community Services	-	-	320,558
Capital Outlay:			
0081 Facilities Acquisition and Construction	-	110,665	110,665
6030 Total Expenditures	-	275,147	6,116,839
1200 Net Change in Fund Balance	-	(273,617)	(321,898)
0100 Fund Balance - July 1 (Beginning)	-	313,437	898,025
3000 Fund Balance - June 30 (Ending)	\$ -	\$ 39,820	\$ 576,127

**OTHER INFORMATION - REQUIRED TEA SCHEDULES**

Draft

CANUTILLO INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
 FISCAL YEAR ENDED JUNE 30, 2021

Last 10 Years	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2012 and prior years	Various	Various	\$ Various
2013	1.170000	0.252100	1,578,565,823
2014	1.170000	0.252100	1,613,244,660
2015	1.170000	0.360000	1,675,080,534
2016	1.170000	0.360000	1,756,031,914
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 (School year under audit)	1.030100	0.360000	2,632,957,722
1000 TOTALS			

(10) Beginning Balance 7/1/2020	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 6/30/2021
\$ 624,024	\$ -	\$ 9,806	\$ 3,871	\$ (23,039)	\$ 587,308
64,726	-	3,012	649	-	61,065
99,497	-	6,319	1,728	-	91,450
114,334	-	6,539	2,012	-	105,783
117,744	-	10,101	3,108	7,796	112,331
121,693	-	10,625	3,269	28,577	136,376
126,807	-	18,879	5,809	31,968	134,087
255,658	-	18,333	5,641	(29,214)	202,470
616,975	-	187,030	63,023	(92,333)	274,589
-	36,600,745	26,650,532	9,313,845	-	636,368
<u>\$ 2,141,458</u>	<u>\$ 36,600,745</u>	<u>\$ 26,921,176</u>	<u>\$ 9,402,955</u>	<u>\$ (76,245)</u>	<u>\$ 2,341,827</u>

CANUTILLO INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM  
 FOR THE YEAR ENDED JUNE 30, 2021

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	\$ 82,000	\$ 82,000	\$ 6,057	\$ (75,943)
5800 State Program Revenues	25,000	25,000	23,514	(1,486)
5900 Federal Program Revenues	5,330,000	5,349,375	6,088,351	738,976
5020 Total Revenues	<u>5,437,000</u>	<u>5,456,375</u>	<u>6,117,922</u>	<u>661,547</u>
EXPENDITURES:				
Current:				
0035 Food Services	4,832,356	5,685,199	4,903,269	781,930
0051 Facilities Maintenance and Operations	474,644	1,146,239	890,056	256,183
6030 Total Expenditures	<u>5,307,000</u>	<u>6,831,438</u>	<u>5,793,325</u>	<u>1,038,113</u>
1200 Net Change in Fund Balances	130,000	(1,375,063)	324,597	1,699,660
0100 Fund Balance - July 1 (Beginning)	<u>2,863,130</u>	<u>2,863,130</u>	<u>2,863,130</u>	<u>-</u>
3000 Fund Balance - June 30 (Ending)	<u>\$ 2,993,130</u>	<u>\$ 1,488,067</u>	<u>\$ 3,187,727</u>	<u>\$ 1,699,660</u>

CANUTILLO INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - DEBT SERVICE FUND  
 FOR THE YEAR ENDED JUNE 30, 2021

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	\$ 9,064,571	\$ 9,064,571	\$ 9,426,115	\$ 361,544
5800 State Program Revenues	166,435	166,435	169,452	3,017
5020 Total Revenues	9,231,006	9,231,006	9,595,567	364,561
EXPENDITURES:				
Debt Service:				
0071 Principal on Long-Term Debt	3,445,000	3,445,000	3,445,000	-
0072 Interest on Long-Term Debt	2,529,146	2,529,146	2,529,146	-
0073 Bond Issuance Cost and Fees	3,256,860	4,021,725	310,402	3,711,323
6030 Total Expenditures	9,231,006	9,995,871	6,284,548	3,711,323
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(764,865)	3,311,019	4,075,884
OTHER FINANCING SOURCES (USES):				
7911 Capital Related Debt Issued	-	20,454,627	20,454,627	-
7916 Premium or Discount on Issuance of Bonds	-	3,030,437	3,030,437	-
8949 Other (Uses) Placed in Escrow for Refunded Bonds	-	(23,168,306)	(23,616,412)	(448,106)
7080 Total Other Financing Sources (Uses)	-	316,758	(131,348)	(448,106)
1200 Net Change in Fund Balances	-	(448,107)	3,179,671	3,627,778
0100 Fund Balance - July 1 (Beginning)	7,992,926	7,992,926	7,992,926	-
3000 Fund Balance - June 30 (Ending)	\$ 7,992,926	\$ 7,544,819	\$ 11,172,597	\$ 3,627,778

**CANUTILLO INDEPENDENT SCHOOL DISTRICT**  
**Index for Statistical Section**  
**(Unaudited)**

---

Canutillo Independent School District's Comprehensive Annual 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>
<b>Financials Trends</b>	139
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	149
These schedules contain information to help the reader assess the government's most significant local revenue sources, the property tax.	
<b>Debt Capacity</b>	161
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.	
<b>Demographic &amp; Economic Indicators</b>	167
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities takes places.	
<b>Operating Information</b>	171
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.	

This page is left blank intentionally.

Draft

**FINANCIAL TRENDS**

Draft

This page is left blank intentionally.

Draft

This page is left blank intentionally.

Draft

**REVENUE CAPACITY INFORMATION**

Draft

This page is left blank intentionally.

Draft

**DEBT CAPACITY INFORMATION**

Draft

**DEMOGRAPHIC AND ECONOMIC INFORMATION**

Draft

This page is left blank intentionally.

Draft

**OPERATING INFORMATION**

Draft

This page is left blank intentionally.

Draft

This page is left blank intentionally.

Draft

**FEDERAL AWARDS SECTION**

Draft

This page is left blank intentionally.

Draft

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, 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, 2021, 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 \_\_\_\_\_, 2021.

**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 may exist that have not been identified.

## 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

\_\_\_\_\_, 2021

Draft

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**

We have audited Canutillo Independent School District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Canutillo Independent School District's major federal programs for the year ended June 30, 2021. 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.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

***Opinion on Each Major Federal Program***

In our opinion, Canutillo Independent School District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

## Report on Internal Control Over Compliance

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

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

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

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

Gibson Ruddock Patterson, LLC  
El Paso, Texas

\_\_\_\_\_, 2021

CANUTILLO INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF FINDINGS & QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2021

---

**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:**

**ESEA Title I, Part A, Assistance Listing 84.010A**

**Special Education Cluster Program, Assistance Listing 84.027A and 84.173A**

**Elementary and Secondary Emergency Relief Fund and Coronavirus Relief Fund Operation Connectivity Prior Purchase Reimbursement Program, Assistance Listing 84.425D**

(Continued)

**CANUTILLO INDEPENDENT SCHOOL DISTRICT**

**SCHEDULE OF FINDINGS & QUESTIONED COSTS**

**FOR THE YEAR ENDED JUNE 30, 2021**

---

**SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

**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

Draft

**CANUTILLO INDEPENDENT SCHOOL DISTRICT**

**SCHEDULE OF FINDINGS & QUESTIONED COSTS**

**FOR THE YEAR ENDED JUNE 30, 2021**

---

**SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

**FINANCIAL STATEMENT FINDINGS**

There are no current year findings.

**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

There are no current findings or questioned costs.

Draft

**CANUTILLO INDEPENDENT SCHOOL DISTRICT**

**SCHEDULE OF STATUS OF PRIOR FINDINGS**

**FOR THE YEAR ENDED JUNE 30, 2021**

---

**FINANCIAL STATEMENT FINDINGS**

There were no prior year findings.

**FEDERAL AWARD FINDING AND QUESTIONED COSTS**

There were no prior year findings.

Draft

CANUTILLO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2021

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal Assistance Listing No.	Pass-Through Entity Identifying Number	Federal Expenditures
<b>DEPARTMENT OF THE TREASURY</b>			
<u>Passed Through El Paso County</u>			
COVID-19 Operation Connectivity	21.019	2020-1062	\$ 39,188
Total Passed Through El Paso County			39,188
<u>Passed Through State Department of Education</u>			
COVID - 19 Coronavirus Relief Fund	21.019		78,375
Total Passed Through State Department of Education			78,375
<b>TOTAL DEPARTMENT OF THE TREASURY</b>			117,563
 <b>U.S. DEPARTMENT OF DEFENSE</b>			
<u>Direct Programs</u>			
Navy JROTC	12.000		73,891
Total Direct Programs			73,891
<b>TOTAL U.S. DEPARTMENT OF DEFENSE</b>			73,891
 <b>U.S. DEPARTMENT OF EDUCATION</b>			
<u>Passed Through State Department of Education</u>			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	20610101071907	153,135
ESEA, Title I, Part A - Improving Basic Programs	84.010A	21610101071907	1,317,264
Total Assistance Listing Number 84.010A			1,470,399
ESEA, Title I, Part C - Migratory Children	84.011	20615001071907	104,028
ESEA, Title I, Part C - Migratory Children	84.011	21615001071907	40,760
Total Assistance Listing Number 84.011			144,788
*IDEA - Part B, Formula	84.027	206600010719076600	98,882
*IDEA - Part B, Formula	84.027	216600010719076600	739,278
Total Assistance Listing Number 84.027			838,160
*IDEA - Part B, Preschool	84.173	206610010719076610	6,770
*IDEA - Part B, Preschool	84.173	216610010719076610	8,168
Total Assistance Listing Number 84.173			14,938
Total Special Education Cluster (IDEA)			853,098
Career and Technical - Basic Grant	84.048	21420006071907	76,133
ESEA, Title II, Part A, Teacher Principal Training	84.367A	20694501071907	88,630
ESEA, Title II, Part A, Teacher Principal Training	84.367A	21694501071907	137,051
Total Assistance Listing Number 84.367A			225,681
Title III, Part A - English Language Acquisition	84.365A	20671001071907	40,930
Title III, Part A - English Language Acquisition	84.365A	21671001071907	127,722
Total Assistance Listing Number 84.365A			168,652
Instructional Continuity	84.377A	17610740071907	18,000

CANUTILLO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2021

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal Assistance Listing No.	Pass-Through Entity Identifying Number	Federal Expenditures
COVID-19 ESSER I	84.425D	20521001071907	41,045
COVID-19 ESSER II	84.425D	[REDACTED]	832,713
COVID-19 CRF Operation Connectivity PPRP	84.425D	52102135	1,196,100
Total Assistance Listing Number 84.425			2,069,858
Title IV, Part A Subpart I	84.424	20680101071907	69,068
Title IV, Part A Subpart I	84.424	21680101071907	51,381
Total Assistance Listing Number 84.424			120,449
Lone Star STEM Cycle 1 Year 2	84.411B	203929017110015	9,916
Total Passed Through State Department of Education			5,156,974
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			5,156,974
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<u>Passed Through The University of Texas at El Paso</u>			
Behavioral Health Workforce Education and Training	93.732	226141244E	2,818
Total Passed Through The University of Texas at El Paso			2,818
<u>Passed Through Texas Health and Human Services</u>			
Medicaid Administrative Claiming Program - MAC	93.778	HHS000537900038	573
Total Passed Through Texas Health and Human Services			573
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			3,391
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<u>Passed Through the State Department of Agriculture</u>			
**School Breakfast Program	10.553	806780706	1,845,344
**National School Lunch Program - Cash Assistance	10.555	806780706	3,155,528
**National School Lunch Prog. -Non-Cash Assistance	10.555	806780706	372,491
Total Assistance Listing Number 10.555			3,528,019
Total Child Nutrition Cluster			5,373,363
Fresh Fruit and Vegetables Program	10.582	806780706	93,270
Child & Adult Care Food Program - Cash Assistance	10.558	806780706	621,719
Total Passed Through the State Department of Agriculture			6,088,352
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			6,088,352
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 11,440,171</b>

\*, \*\* Clustered Programs

# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2021

---

### 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, 2021. 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. Predominately, federal grant funds were accounted for in a Special Revenue Fund, a component of the Governmental Fund type, with the exception of the National School Lunch and Breakfast Program, SHARS, Child and Adult Care Food Program, Fresh and Vegetables Program, NSLP Equipment Assistance Grant, and Navy JROTC, which were accounted for in the General Fund. 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.

(Continued)

**CANUTILLO INDEPENDENT SCHOOL DISTRICT**

NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2021

**2. BASIS OF ACCOUNTING (Continued)**

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 upon receipt of the reimbursement notice from federal government.

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 - July 2021.

Matching - To assist local education agencies in meeting match requirements for the Texas Education Agency/Region 4 Operation Connectivity Bulk-order, the El Paso County, Texas matched a total of \$39,188 for the District for the Coronavirus Relief Grant, Assistance Listing No. 21.019.

Program Income - The Child Nutrition Cluster generated program income in the amount of \$6,057 for the year ended June 30, 2021.

**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	\$ 85,269
ESEA, Title I, Part C - Migratory Children	84.011	8,396
IDEA - Part B, Formula	84.027	48,605
IDEA - Part B, Preschool	84.173	866
Career and Technical Education - Basic Grant	84.048	3,625
ESEA, Title II, Part A - Teacher Principal Training	84.367A	13,087
Title III, Part A - English Language Acquisition	84.365A	9,720
COVID-19 Education Stabilization Fund - ESSER I	84.425D	6,145
Instructional Continuity	84.377A	600
COVID-19 Education Stabilization Fund - ESSER II	84.425D	124,660
Title IV, Part A, Subpart 1	84.424	<u>7,553</u>
Total Indirect Costs		<u>\$ 308,526</u>

186  
(Continued)

**CANUTILLO INDEPENDENT SCHOOL DISTRICT**

NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2021

**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	\$ 1,845,344
National School Lunch Program - Cash Assistance	10.555	3,155,528
National School Lunch Program - Non-Cash Assistance	10.555	372,491
Child & Adult Care Food Program	10.558	621,719
Fresh Fruit & Vegetable	10.582	93,270
Navy JROTC	12.000	73,891
Indirect Costs	84.XXX	<u>308,526</u>
		6,470,769
Reimbursement for prior year expenditures - TDEM	21.019	88,877
SHARS (not included in Exhibit K-1)		<u>1,081,288</u>
Total General Fund federal revenue per Exhibit C-3		<u><u>\$ 7,640,934</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		\$ 11,440,171
Reimbursement for prior year expenditures - TDEM	21.019	88,877
School Health and Related Services (SHARS) reimbursements		<u>1,081,288</u>
Total federal revenue per Exhibit C-3		<u><u>\$ 12,610,336</u></u>

## 2021 Board Meeting Timelines

Month	Board Meeting	Agenda listing & back up due dates followed by posting dates
January	Jan 26	Back up from Finance due January 12, 2021. Posting January 19, 2021.
February	Feb 23	Back up from Finance due February 09, 2021. Posting February 16, 2021.
March	March 23	Back up from Finance due March 2, 2021. Posting March 9, 2021. <i>(Spring Break from March 15-19)</i>
April	April 27	Back up from Finance due April 13, 2021. Posting April 20, 2021.
May	May 25	Back up from Finance due May 11, 2021. Posting May 18, 2021.
June	June 22	Back up from Finance due June 8, 2021. Posting June 15, 2021.
July	No meeting	No meeting
August	August 24	Back up from Finance due August 10, 2021. Posting on August 17, 2021.
September	September 28	Back up from Finance due September 14, 2021. Posting on September 21, 2021.
October	October 26	Back up from Finance due October 12, 2021. Posting on October 19, 2021.
November	November 16	Back up from Finance due November 2, 2021. Posting on November 9, 2021. <i>(Short Month)</i>
December	December 14	Back up due Finance due November 30, 2021. Posting on December 7, 2021. <i>(Short Month)</i>

Executive Summary of Board Agenda Item

Subject/Title for Agenda Posting: MOA between Canutillo ISD and The University of Texas at El Paso

Justification Statement: By accepting this MOA with UTEP it allows the district the opportunity to establish one year teacher residencies in Canutillo Schools. Currently, the only districts participating are EPISD, SISD, and YISD. Canutillo would be the first small district invited to participate.

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

Staff Responsible: Marnie Rocha [Signature] Sandra Carrillo [Signature]
Signature of Requester(s)
Signature of Presenter(s)

Elizabeth B. Sida [Signature] 11/4/2021
Business Services Approval (Initials) Date

Agenda Summary:

The Texas COVID Learning Acceleration Supports (TCLAS) grant allows districts, who apply for monies to fund certain "Decisions". Decision 5 titled "Residency Program Support" provides the opportunity for districts to work with university partners to develop a one-year teacher residency program. This means that UTEP students would participate in student teaching for 2 semesters and receive a stipend. TCLAS has awarded Canutillo up to \$400,000 to place up to 20 student teachers at our campuses. Attached for your review is the MOA with UTEP a TEA designated partner.

This agreement will be effective from the date of the last signature on the Memorandum of Agreement, and will remain in effect so long as all parties agree. This agreement may only be terminated by written notification of either Party to the other Party at least six (6) months prior to the termination date. The timeline for implementation is scheduled for January 2022.

RECOMMENDATION: To accept the MOA with UTEP

PRIOR BOARD ACTION: NONE AWARDED: N/A AWARDED AMOUNT: N/A

AMOUNT(S): No direct district costs-Funds will come through TCLAS grant.

ACCOUNT NO(S): N/A

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

REQUESTING DEPARTMENT: Academics Division-Curriculum & Instruction

CONSEQUENCES OF NON-APPROVAL: Student teachers would not be placed at Canutillo Schools. Additionally, year long residencies better prepare student teachers.

IMPLEMENTATION TIMELINE: January 2022

ATTACHMENT(S): MOA and TCLAS Information



## EDUCATIONAL AFFILIATION AGREEMENT

between

CANUTILLO INDEPENDENT SCHOOL DISTRICT

and

THE UNIVERSITY OF TEXAS AT EL PASO

This Agreement is entered into effective as of the date of last signature below, between the Canutillo Independent School District (“CISD” or “District” indistinctly) and The University of Texas at El Paso, a Texas State Agency, Texas Public Institution of Higher Education and member institution of The University of Texas System (“UTEP”) for the joint exercise of their authority.

### RECITALS:

WHEREAS, UTEP students in its College of Education Teacher Preparation Program are required to do clinical student teaching as part of their degree program; and

WHEREAS, UTEP and the District have a history of collaborating in placing student teachers to perform their practicum education at Canutillo Independent School District schools; and

WHEREAS, UTEP has obtained external support for the implementation of a new program regarding teacher training and student teaching that involves collaboration between schools, colleges of education, PreK-12 schools, and school districts and is known as a “*Full Year Clinical Teaching Residency Program*”.

NOW, THEREFORE, in consideration of the mutual commitments contained in this Agreement, the parties agree as follows:

#### 1. Purpose.

The purpose of this Agreement is to allow UTEP and Canutillo Independent School District to implement the *Full Year Clinical Teaching Residency Program* in the District (“Program”). The Program differs from prior traditional teacher preparation models primarily in having specifically recruited and trained Mentor Teachers, teacher candidates who commit to a year-long residency program, and a full-time UTEP Site Coordinator for the Residency Program. A shared Governance Committee will provide leadership and oversight of the Program. During the initial year of implementation, the Program will receive technical support from the University-School Partnerships for the Renewal of Educator Preparation (“US PREP”) National Center housed at Texas Tech University. The US PREP model includes professional development, technical support, and data sharing focused on the transformation of university-based teacher preparation programs in Texas and nationwide.

## **2. Definitions.**

- 2.1. Mentor Teacher - a certified teacher that models good teaching and wise counseling; primarily responsible for supervising the work and activities of the Residents while performing student teaching.
- 2.2. Resident - a UTEP student who is a Teacher Candidate in his/her final year of the Teacher Preparation Program.
- 2.3. Site Principal – The Principal of a District school at which Residents perform student teaching under the supervision of Mentor Teachers.
- 2.4. Course Instructor - a College of Education faculty member.
- 2.5. UTEP Site Coordinator - a College of Education faculty member housed within the District to administer, coach, and evaluate Residents, teach courses, and coordinate and provide relevant Professional Development to Mentor Teachers.
- 2.6. Teacher Preparation Program - a professional preparation program for teacher certification according to the standards of the State Board of Educator Certification.
- 2.7. Professional Development (in-service) - activities designed to improve Mentor Teachers' effectiveness and increase their students' learning and achievement.
- 2.8. Governance Committee - a leadership and oversight committee for the Program as described in Section 5 of this Agreement.
- 2.9. Resident Improvement Plan (Plan) - a detailed improvement and accountability plan of action developed for UTEP Residents identified as falling far below the college's academic and/or professional standards or Program expectations.
- 2.10. FERPA. Family Educational Rights and Privacy Act (20 U.S.C. Section 1232g)
- 2.11. PK-12 Student. A PK-12 student enrolled in Canutillo Independent School District schools.

## **3. District Obligations.**

Pursuant to the terms of this Agreement, the District shall:

- 3.1. Recruit and provide high-quality Mentor Teachers sufficient in numbers for a cohort of up to 20 Residents, without additional compensation from UTEP.
- 3.2. Provide a training stipend of no more than \$20,000 annually to Residents placed in the District for the duration of the year-long residency.
- 3.3. Provide a classroom during after school hours sufficient in size to host up to 20 UTEP students, solely for conducting teacher education courses, seminars, and student counseling.
- 3.4. Provide office space at a site for the UTEP Site Coordinator that is secure and adequate for administrative duties and for individual conferences with Residents.
- 3.5. Share and analyze student achievement/benchmark data with UTEP for the purpose of improving student learning and for program improvement.

- 3.6. Assign Mentor Teachers, in conjunction with the UTEP Site Coordinator, to actively supervise, mentor and evaluate their assigned Residents using UTEP processes and performance assessment tools.
- 3.7. Provide opportunities for the Residents to attend district-level and school-level professional development activities.
- 3.8. Provide wireless internet access to Residents while at District facilities in conformance with District's Acceptable Use Policy.

#### **4. UTEP Obligations.**

Pursuant to this Agreement, UTEP shall:

- 4.1. Provide at its sole cost a full-time UTEP Site Coordinator employed by the UTEP College of Education to carry out the duties designated for the Program.
- 4.2. Consistent with UTEP hiring processes, utilize the cooperating district Governance Committee to provide recommendations to the Dean regarding potential Course Instructors for the Program.
- 4.3. Adapt and support programming that helps Program graduates meet state and federal guidelines, as well as district needs, for high-quality teacher preparation.
- 4.4. Assure that all Residents selected for participation in Program have satisfactorily completed all portions of the UTEP curriculum that are a prerequisite for participation in the Program.
- 4.5. Verify that prior to any UTEP Site Coordinator's, Course Instructor's, or Resident's initial interaction with District PK-12 Students at any District site under this Agreement, that such person undergoes background clearance as required by law.
- 4.6. To the extent not in conflict with UTEP's policies and procedures, comply with District policies and procedures that are made known to the UTEP College of Education and ensure that the UTEP Site Coordinator, all Course Instructors, and all Residents are aware of these policies.
- 4.7. Inform all UTEP Residents and personnel participating in the Program that they are required to comply with the rules and regulations of [DISTRICT] while on premises of [DISTRICT] schools and to comply with the requirements of federal and state laws and regulations regarding the confidentiality of information in records maintained by [DISTRICT].
- 4.8. Provide upfront and ongoing training to Mentor Teachers about the Program and their role and responsibilities.
- 4.9. Inform Residents that all student teaching or related work performed at the District is without compensation or employee benefits and that there is no promise or expectation of employment at the District or UTEP at any time.
- 4.10. Place a Resident on a Resident Performance Improvement Plan (Plan), monitor performance, and enforce Plan provisions when appropriate to ensure that Residents perform satisfactorily in the assessment by [DISTRICT] and UTEP.
- 4.11. Remove a Resident from the assignment to the Program when [DISTRICT] determines that the Resident has violated the rules and regulations of [DISTRICT]; has disclosed information that is confidential by law; or has engaged in conduct that disrupts the activities carried on by the [DISTRICT] or threatens the safety of [DISTRICT] personnel or students.

## 5. Governance Committee.

Pursuant to this Agreement, the Parties shall each in good faith actively participate in shared governance for the collaboration under the Program, including the following:

- 5.1. The Governance Committee shall be comprised of a minimum of Five (5) and a maximum of twelve (12) members based on the number of District campuses participating in Residency Placements.
- 5.2. The District shall appoint to the Governance Committee the Superintendent of the District or designee, the Site Principals, and such other members as the District determines appropriate, who are familiar with the Program.
- 5.3. UTEP shall appoint to the Governance Committee the Dean of the College of Education or designee, the UTEP Site Coordinator, UTEP program leads, and such other members as the UTEP determines appropriate.
- 5.4. Convene and attend Governance Committee meetings twice per semester and additionally as needed to address concerns or provide additional communication regarding the Program.
- 5.5. Actively participate in evaluation of UTEP in-service and pre-service teacher education program effectiveness, specifically including whether through the Program the Residents are learning key skills needed from the District's perspective.
- 5.6. Support for the distribution of program/graduate effectiveness surveys to District personnel in order to document the outcomes and effectiveness of the Program.
- 5.7. Support the distribution of PK-12 Student surveys for the purposes of professional learning.
- 5.8. Ensure that roles and responsibilities of the Site Coordinator and key operational components of the Program are established in writing and are updated as needed, consistent with this Agreement.
- 5.9. Ensure that the roles and responsibilities of UTEP and the District when applying for or performing under any grants awarded for support of the Program are established in writing and are previously agreed to by both Parties. The Governance Committee shall be provided advance notice of any grants sought by UTEP related to the Program. Absent express written agreement by the Governance Committee, there shall be no recourse against the District for expenditures made with grant funds.
- 5.10. Ensure that the Program and all related activities shall be conducted in a manner that does not discriminate against any person on a basis prohibited by applicable law, including but not limited to: race, color, national origin, religion, sex, age, veteran status, or disability.
- 5.11. Permit representatives of the accrediting entity for [DISTRICT] and/or UTEP to have reasonable access to premises of [DISTRICT] school for purposes related to the accreditation process.

## 6. FERPA

- 6.1. As to the educational records of Residents, UTEP is responsible for ensuring compliance with applicable privacy legislation and all other applicable laws and regulations including yet not limited to the confidentiality of personally identifiable student records under FERPA and applicable state law. For purposes of this Agreement, pursuant to FERPA, UTEP hereby designates [DISTRICT], ~~103~~ Resident's Mentor Teacher, Site Principal, and

Governance Committee members as school officials with a legitimate educational interest in the educational records of any Resident who participates in the Program to the extent that access to the records is required by [DISTRICT] to carry out the Program. [DISTRICT] agrees to maintain the confidentiality of the educational records in accordance with the provisions of FERPA.

6.2. As to the educational records of any PK-12 Student, [DISTRICT] is responsible for ensuring compliance with applicable privacy legislation and all other applicable laws and regulations including yet not limited to the confidentiality of personally identifiable student records under FERPA and applicable state law. For purposes of this Agreement, pursuant to FERPA, [DISTRICT] hereby designates a Resident who is a designated student teacher of a PK-12 Student as a school official with a legitimate educational interest in the educational records of such PK-12 Student to the extent that access to the records is required by the Resident to carry out the Full Year Clinical Teaching Residency Program. Each Resident shall agree to maintain the confidentiality of the educational records in accordance with the provisions of FERPA.

**7. Term.**

This Agreement will be effective from the date of last signature below (“Effective Date”) and ending five (5) years from Effective Date.

**8. Termination.**

Except as otherwise provided in this Agreement and applicable law, rule and regulation, this Agreement may only be terminated by written notification of either Party to the other Party at least six (6) months prior to the termination date. The Parties agree to use their best efforts to allow sufficient opportunity for Residents participating in the Program to graduate prior to the effective date of termination. Upon termination, unless otherwise expressly provided, any property purchased in furtherance of this Agreement shall remain the property of the Party that purchased such property.

**9. Notices.**

All notices required under this Agreement shall be in writing and delivered either by personal delivery or by United States certified mail, return receipt requested. Such notices shall be deemed given when received by such Party’s designated representative at the address as follows:

If to [DISTRICT]:  
[District]  
[Superintendent Name]  
Superintendent of Schools  
[District]  
Address:

If to UTEP:  
The University of Texas at El Paso  
Attn. Provost and Vice President for  
Academic Affairs  
500 W. University Ave  
El Paso, TX 79968

or such other address or addressee as later provided by a Party through written notice signed by a duly authorized representative to the other Party.

**11. Disputes:**

This Agreement is based on the common trust and good faith of the Parties. In case of disputes concerning any fact, interpretation, allowable costs, etc. arise during performance of this Agreement, reasonable efforts shall be made to find an amicable resolution to said dispute(s) through informal discussions between the Parties' duly authorized representatives.

**12. Amendment and Assignment:**

Any changes or amendments to this Agreement may only be made by mutual written agreement of the Parties signed by duly authorized representatives of each of the Parties. This Agreement may not be assigned by either Party without the express written consent of the other Party. Any attempt to assign without such consent shall be void, and shall be deemed a material breach of this Agreement. No oral representations of any officer, agent, or employee of [DISTRICT], or UTEP shall affect or modify any obligations of either Party under this Agreement.

**13. Entire Agreement:**

This Agreement and any subsequent amendments hereto constitute the entire and only agreement between the Parties relating to the matters described herein, and supersedes all prior agreements and discussions, whether written or oral. Unless expressly stated, this Agreement confers no rights on any person(s) or business entity(s) that is not a Party hereto.

**14. Budgetary Considerations**

Resources for implementation of this Program may come from either Party, depending upon budgetary availability. Neither Party is obligated to expend any resources in connection with the Program unless specifically stated otherwise in this Agreement. No implementation of any portion of the Program may be initiated prior to the written assurance of such budgetary availability to the other Party hereto. To the extent any external funding is required by a Party in order to implement the Program and funding for such purposes is not appropriated to that Party or is not otherwise available to the Party, the Party shall have no further financial obligations upon such determination. Should either Party not have funding to carry out any obligations of a particular exchange effort conducted under the Program, it shall immediately notify the other Party of such fact and of such portions of the Program that may be deemed terminated or modified due to the lack of funding.

**15. Relationship of the Parties.**

This Agreement shall not be construed to create a relationship of partners, brokers, employees, servants or agents as between the Parties. The Parties to the Agreement are acting as independent contractors. Faculty and Mentors who participate in the Program remain employees of their home organization.

**16. Use of Institutions' Name; Advertising and Publicity.**

Neither Party shall use the other Party's name, or any name that is likely to suggest that it is related to the other party, in any advertising, promotion or sales literature without first obtaining the written consent of the other Party.

**17. Waiver.**

A waiver of any breach of any provision of this Agreement shall not be construed as a continuing waiver of said breach or a waiver of any other breaches of the same or other provisions of the Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives on the dates established below.

THE UNIVERSITY OF TEXAS AT EL PASO THE [DISTRICT]

By: \_\_\_\_\_  
John Wiebe,  
Provost and Vice President for Academic  
Affairs

By: \_\_\_\_\_  
Superintendent of Schools

Date: \_\_\_\_\_

Date: \_\_\_\_\_



# OFFICE OF THE ASSOCIATE SUPERINTENDENT

## CANUTILLO A Premier District

**TO: Canutillo Board of Trustees and Superintendent Galaviz**

**FROM: Marnie Rocha**

**DATE: November 2, 2021**

**RE: COVID Rapid Testing Stipends**

Due to the limitations of finding employees to assist with COVID Rapid Testing on campuses, the district would like to authorize a 500-dollar yearly stipend for those individuals\* who are part of a campus rapid testing team.

These individuals have completed rapid test training and administer tests to students whose parents have give permission.

The monies will be paid out of the ESSER 3 grant which allows funds to be used to mitigate the spread of COVID19 outbreaks.

*\*Employees on the administrative pay scale are not eligible to receive stipends.*

---

**Street Address:**

7965 Artcraft Rd.  
El Paso, TX 79932

---

**Mailing Address:**

P.O. Box 100  
Canutillo, TX 79835

---

P: (915) 877-7475  
F: (915) 877-7523  
[canutillo-isd.org](http://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.



## ACADEMIC LANGUAGE SERVICES

### CANUTILLO A Premier District

**TO:** Board of Trustees and Dr. Pedro Galaviz, Superintendent  
**CC:** Marnie Rocha, Associate Superintendent  
**FROM:** Ms. Maria Elva Silva, Academic Language Services, Director  
**DATE:** November 16, 2021  
**RE:** Required Report – Bilingual Education / ESL Student Counts

The Canutillo ISD Board Policy Manual provides guidelines for reporting the number of students who are Limited English Proficient.

**EHBE  
(LEGAL)**

**SPECIAL PROGRAMS: BILINGUAL EDUCATION/ ESL**

*STUDENT COUNTS: Within four weeks of the beginning of school, the LPAC shall determine and report to the Board, the number of Emergent Bilingual (EB) students on each campus and shall classify each student accordingly to the language(s) in which the student possesses primary proficiency. The Board shall report that information to TEA before November 1<sup>st</sup> each year. (Education Code 29.053 (b)).*

The Director of Academic Language Services will present to the CISD Board of Trustees the required report of EL student counts and Comparison Table from 2020-21 to 2021-2022 as of the first nine-week enrollment period.

#### Drop in Enrollment

The ALS department considered possible reasons for the drop in enrollment in the district's prekindergarten and kindergarten student counts. Some possibilities include:

- Some parents may have chosen to keep their students at home during the pandemic because these are not required grades, the lack of vaccinations for younger students and/or parents were able to stay at home due to job loss.
- During the pandemic, there was the possibility that students went back to Juárez or the interior of México during the summer and were unable to cross back into the United States when the border was closed. The differing of immigration status among families may have led to the decision to stay together in Mexico.

---

**Street Address:**

7965 Artcraft Rd.  
El Paso, TX 79932

---

**Mailing Address:**

P.O. Box 100  
Canutillo, TX 79835

P: (915) 877-7435  
F: (915) 877-7528  
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).

**EL REPORT**  
by Campus/Grade  
Comparison Table from 2019-2020 to 2020-2021

CAMPUS	PK		KINDER		1 <sup>ST</sup>		2 <sup>ND</sup>		3 <sup>RD</sup>		4 <sup>TH</sup>		5 <sup>TH</sup>		TOTAL	
	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
	101 CES	30	12	45	25	40	33	46	41	32	35	45	39	41	30	271
102 DDE	10	10	25	18	23	16	27	23	23	22	21	26	30	26	199	141
103 JDE	24	13	25	27	23	26	33	25	37	24	24	37	31	34	188	186
104 BCE	17	13	24	28	12	17	20	26	23	12	23	22	26	26	168	144
105 GES	11	0	14	21	22	19	28	19	22	22	25	30	22	21	155	132
106 RES	20	14	35	32	26	43	36	42	35	35	32	40	12	38	193	244
<b>108</b>	<b>112</b>	<b>62</b>	<b>168</b>	<b>151</b>	<b>146</b>	<b>154</b>	<b>190</b>	<b>176</b>	<b>172</b>	<b>150</b>	<b>170</b>	<b>194</b>	<b>162</b>	<b>175</b>	<b>1174</b>	<b>1062</b>
<b>ELEMENTARY TOTALS</b>																

CAMPUS	6 <sup>TH</sup>		7 <sup>TH</sup>		8 <sup>TH</sup>		9 <sup>TH</sup>		10 <sup>TH</sup>		11 <sup>TH</sup>		12 <sup>TH</sup>		TOTAL	
	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
	041 CMS	66	63	56	65	58	67									180
042 AMS	95	97	75	85	85	93									255	275
001 CHS							119	150	108	107	76	96	68	51	371	404
003 NWECHS							15	24	12	17	4	8	0	8	31	57
<b>SECONDARY TOTALS</b>																
	161	160	131	150	143	160	134	174	120	124	80	104	68	59	837	931
<b>DISTRICT TOTALS</b>															2011	1993

## Executive Summary of Board Agenda Item

Subject/Title for Agenda Posting:

**Discussion and recommendation to approve TASB Policy Update 117**

Justification Statement:

To update legal and local policies online through Update 117

Purpose of Agenda Item:

Information  Discussion  Action

Item Type:

Curriculum & Instruction  HumanResources  Business Services

Staff Responsible:

*Martha Carrasco*  
Signature of Requester(s)

**Chief Human Resources Officer**

*Martha Carrasco*  
Signature of Presenter(s)

**Chief Human Resources Officer**

Business Services Approval (initials)

Date

### Agenda Summary:

Update 117 includes policy revisions in response to revised state and federal rules. In addition, the update includes a reorganization of the legally referenced policies in the CH and CV series regarding purchasing and facilities construction. Local policy recommendations address revisions to the leaves and absences policy DEC and an optional delegation to the superintendent for certain emergency contracts.

Local Policies affected **CH, CV, DEC.**

### RECOMMENDATION:

**That Update 117 goes through 1<sup>st</sup> reading and 2<sup>nd</sup> reading, respectively.**

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:

**Human Resources Division**

CONSEQUENCES OF NON-APPROVAL:

**Online Policy will not be current**

IMPLEMENTATION TIMELINE:

Immediately; 1<sup>st</sup> and 2<sup>nd</sup> readings required.

ATTACHMENT(S):

- **Policy Comparison Packet.**





## (LOCAL) Policy Comparison Packet

This packet is generated by an automated process that compares the updated policy to the district's current policy as found in TASB records.

In this packet, you will find:

- Policies being recommended for revision (annotated)
- New policies (not annotated)
- Policies recommended for deletion (annotated in PDF; omitted in Word)

Annotations are shown as follows.

- *Deletions* are shown in a red strike-through font: ~~deleted text~~.
- *Additions* are shown in a blue, bold font: **new text**.
- Blocks of text that have been *moved* without alteration are shown in green, with double underline and double strike-through formatting to distinguish the text's destination from its origin: ~~moved text~~ becomes moved text.
- *Revision bars* appear in the right margin, as above.

---

**Note:** While the annotation software competently identifies simple changes, large or complicated changes—as in an extensive rewrite—may be more difficult to follow. In addition, TASB's recent changes to the policy templates to facilitate accessibility sometimes makes formatting changes appear tracked, even though the text remains the same.

---

For further assistance in understanding policy changes, please refer to the explanatory notes in your Localized Policy Manual update packet or contact your policy consultant.

<b>Contact:</b>	<b>School Districts and Education Service Centers</b>	<b>Community Colleges</b>
	<a href="mailto:policy.service@tasb.org">policy.service@tasb.org</a>	<a href="mailto:colleges@tasb.org">colleges@tasb.org</a>
	800.580.7529 512.467.0222	800.580.1488 512.467.3689

**Purchasing  
Authority**

The Board delegates to the purchasing agent the authority to make budgeted purchases for goods or services. However, any single, budgeted purchase of goods or services that costs \$50,000 or more, regardless of whether the goods or services are competitively purchased, shall require Board approval before a transaction may take place, except as otherwise provided in this policy.

The following shall not require advance approval from the Board before payment:

1. All payroll and all payroll-related payments such as Texas Teacher Retirement System (TRS), income tax withholding, contributions to employee-directed annuities and insurance policies, and other payments authorized by employees from their salaries.
2. All payments arising from or relating to the District's self-funded health plan and self-funded workers' compensation plan.
3. All regularly scheduled payments for transactions previously approved by the Board such as payments on bonds, leases for equipment and/or vehicles, and all monthly payments for utilities, telephone service, and Internet service.
4. Legal, accounting, and auditing services.
5. Payment for fuel for District vehicles.
6. Payments to other governmental entities such as the Central Appraisal District or Region 19 Education Service Center.
7. Payments on District credit cards.
8. Premiums for property and casualty insurance, general liability insurance, motor vehicle insurance, Board and employee liability insurance, and similar insurance coverage of District property and staff.
9. Payments made pursuant to contracts or agreements previously approved by the Board.

Exception for  
Emergency  
Contracts

In the event of a catastrophe, emergency, or natural disaster affecting the District, the Board delegates to the Superintendent the authority to contract for the replacement, construction, or repair of school equipment or facilities in accordance with law, if emergency replacement, construction, or repair is necessary for the health and safety of District students and staff. The Superintendent shall report to the Board at the next regular meeting any contract made under this authority. [See Disaster Exception, CH(LEGAL)]

The delegation regarding emergency contracts does not waive competitive purchasing requirements under Education Code Chapter 44. Only the Board is authorized to waive competitive purchasing requirements under limited circumstances in accordance with Education Code 44.031(h). [See Emergency Damage or Destruction, CH(LEGAL)]

**Purchasing Procedures** The Superintendent shall develop purchasing procedures to implement the requirements of state and federal law. [See also CB, CBB, CH(LEGAL), and COA]

**Purchasing Method** The Board delegates to the Superintendent the authority and responsibility to determine the method of purchasing in accordance with CH(LEGAL) or CBB(LEGAL), as appropriate.

*Competitive Bidding* If competitive bidding is chosen as the purchasing method, the Superintendent shall prepare bid specifications. All bids shall be in accordance with administrative regulations. All bidders shall be invited to attend the bid opening. Any bid may be withdrawn prior to the scheduled time for opening. Bids received after the specified date and time shall not be considered. A vendor's past relationship with the District shall be part of the evaluation criteria when making the award.

The District may reject any and all bids in accordance with state or federal law, as applicable.

*Competitive Sealed Proposals* If competitive sealed proposals are chosen as the purchasing method, the Superintendent shall prepare the request for proposals and/or specifications for items to be purchased. All proposals shall be in accordance with administrative regulations. Proposals received after the specified time shall not be considered. Proposals shall be opened at the date and time specified, and all proposers shall be invited to attend the proposal opening. Proposals may be withdrawn prior to the scheduled time of opening. Changes in the content of a proposal, and in prices, may be negotiated after proposals are opened. A vendor's past relationship with the District shall be part of the evaluation criteria when making the award.

The District may reject any and all proposals in accordance with state or federal law, as applicable.

**Responsibility for Debts** The Board shall assume responsibility for debts incurred in the name of the District so long as those debts are for purchases made in accordance with the adopted budget, state law, Board policy, and the District's purchasing procedures. [See CE] The Board shall not be responsible for debts incurred by persons or organizations not directly under Board control. Persons making unauthorized purchases shall assume full responsibility for all such debts.

PURCHASING AND ACQUISITION

CH  
(LOCAL)

<b>Purchase Commitments</b>	All purchase commitments shall be made by the Superintendent in accordance with administrative procedures, including the District's purchasing procedures.
<b>Personal Purchases</b>	District employees shall not be permitted to make purchases for personal use through the District's business office.
<b>Other Contracted Services</b>	<p>The District shall contract with firms that have sufficient resources and capabilities to provide services to the District.</p> <p>Proposals for services shall be solicited as deemed appropriate. However, a mandatory review of all firms that have served the District for five consecutive years shall be required at the end of a five-year period. At that time, the Board may direct the Superintendent to prepare and issue a request for qualifications or proposals, as appropriate for the services.</p>
<b>Debarment</b>	<p>The Board shall protect the District's interests by ensuring that contracts and subcontracts are awarded to firms or individuals who provide the District with the best value. As one method of implementing this policy, the District may debar a vendor/contractor under the circumstances and procedures detailed below.</p>
Successors-in-Interest	<p>A successor-in-interest shall be defined as any business entity that is substantially similar to a business entity that is or was previously debarred. A business entity that employs, or is associated with any partner, member, officer, director, responsible managing officer, or responsible managing employee, or a business entity that is or was previously debarred is a successor-in-interest.</p> <p>The District, in its sole discretion, may debar a vendor/contractor, its partners, principals, members, directors, officers, responsible managing employees, agents, successors-in-interest, and other affiliates from bidding on or entering into contracts led by the District, from participating as a subcontractor on any contract, or from providing services, materials, equipment, goods, or supplies in any contract for any one or more of the reasons listed below. A proposed debarment may include all known successors-in-interest of a business entity and is presumed to do so unless otherwise stated in the debarment decision.</p>
Grounds for Debarment	<p>Grounds for debarment shall include the following:</p> <ol style="list-style-type: none"><li>1. Unsatisfactory performance of a contract or any history of failure to perform contracted services, either with the District or elsewhere;</li><li>2. Stating an unwillingness to honor a binding bid;</li></ol>

PURCHASING AND ACQUISITION

CH  
(LOCAL)

3. Knowingly and intentionally supplying false information in order to appear responsive to a solicitation, to obtain a contract, or to qualify for a bid performance;
4. Knowingly and intentionally conferring or offering to confer any gift, gratuity, favor, or advantage, present or future, upon any employee of the District or other governmental agency that exercises any official responsibility for an acquisition;
5. Conviction, plea of guilty or nolo contendere of any felony charge of fraud, bribery, collusion, conspiracy, payment of kickbacks, federal or state antitrust laws, or other criminal offense in connection with the bidding, award, or performance of any contract for goods and services with any state agency;
6. Any public admission to a bidding crime by a vendor/contractor, made individually or through one or more of its officers or partners;
7. Conviction of any offense that indicates a lack of moral or ethical integrity and that reasonably relates to or reflects upon the business practices of the vendor/contractor;
8. Violation of state ethics laws;
9. Failure to comply with terms and conditions of existing contracts; or
10. Disqualification of the vendor/contractor by any federal, state, or local governmental agency in Texas or other states for substantially violating any of these reasons. In such case, the period of debarment shall be the period of time as established by the governmental agency.

Period of  
Debarment

The period of a single debarment shall be no less than 12 months and no greater than 36 months. In cases of multiple offenses by the same vendor/contractor arising out of separate occurrences, the District may order additional periods of debarment, even though the total debarment period exceeds 36 months.

At the discretion of the District, a debarment of greater than 12 months may be modified, but only if it is both in the public interest and in the District's interest, as determined by the Superintendent. Mitigating circumstances that may be considered include, but are not limited to, degree of culpability, length of debarment necessary to protect the District's interests, restitution paid, cooperation with law enforcement authorities, or repudiation of any criminal or unethical activity prior to the completion of such activity.

Debarment  
Procedures

A vendor/contractor who is debarred for fraud or dishonesty shall be afforded notice and the opportunity for a hearing prior to debarment, except where there is a criminal indictment or an ongoing civil or criminal prosecution. Where the vendor/contractor has been criminally indicted, is under ongoing civil or criminal prosecution, or if a state or federal law enforcement authority determines that holding a pre-debarment hearing would jeopardize a civil or criminal prosecution, the vendor/contractor shall be provided with a full opportunity to submit rebuttal information in lieu of a hearing.

A vendor/contractor who is debarred for any other reasons or multiple reasons may be debarred immediately but may contest such debarment in accordance with these procedures. An opportunity to rebut charges must be afforded the vendor/contractor. A vendor/contractor who is debarred both for fraud or dishonesty and other reasons not implicating fraud or dishonesty may be debarred immediately in accordance with these procedures, but only for those reasons not implicating fraud or dishonesty. Such vendor/contractor shall be afforded notice and the opportunity for a hearing prior to debarment for fraud or dishonesty.

Debarment  
Committee

The Superintendent shall establish a three-member debarment committee and shall appoint three members and three alternates of diverse ethnicities and departments. Each committee member must be fair, objective, and of the highest integrity.

Commencement  
Proceedings

Anyone, including a Board member, District employee, contractor, or vendor, may submit to the purchasing agent a complaint, proposal to debar, or information that would support the debarment of a vendor/contractor, consultant, or bidder. A copy shall also be submitted to the chief financial officer.

The purchasing agent shall be responsible for establishing a computer database for tracking all submissions. The database shall, at a minimum, contain fields for the following:

1. The name of the vendor/contractor and DBA, where applicable.
2. The official business address and telephone number of the vendor/contractor.
3. The names of all principals, members, directors, officers, responsible managing employees, agents, successors-in-interest, or other affiliates.
4. The federal employer identification number.
5. Types of work performed.

6. Dates work was performed.
7. Dollar amount of contract.
8. Total amount paid.
9. Reasons for proposed debarment.
10. Name of complainants.
11. Dates of complaints.
12. Dates of responses, if any.
13. Disposition by debarment committee.
14. Names of the three members of debarment committee who rendered the disposition.

Notice	After the purchasing department has logged the complaint, proposal for debarment, or information that would support a debarment, the purchasing agent shall notify the vendor/contractor in writing of the proposed debarment and state with specificity the reasons for the proposed debarment. A sufficient notice may describe the irregularities on which the suspension is based in general terms without disclosing any evidence. The notice must also inform the vendor/contractor of his or her opportunity for rebuttal.
Opportunity for Rebuttal	Vendors/contractors shall have 14 calendar days to respond in writing to the proposed debarment and submit any documentation or other evidence to the purchasing department.
Conflict of Interest	Any member of the debarment committee who has a direct interest; is related to any employee, representative, or officer of a vendor/contractor under consideration; or has any other conflict of interest must recuse himself/herself from participation. Vendors/contractors and any other person who has an interest in the outcome of the decision may not directly or indirectly communicate with any member of the debarment committee regarding the merits of the proposed debarment.
Maintenance of Files	The purchasing department shall maintain all original documents and files and shall enter all vendor/contractor responses into the database prior to forwarding three packets, each containing copies of the complaint, response, and all supporting evidence to the debarment committee.
Debarment Committee Procedures	The following shall apply: <ol style="list-style-type: none"><li>1. For all proposed debarments not involving- allegations implicating fraud or dishonesty, the debarment committee shall:</li></ol>

- a. Review each packet prior to deliberating proposed debarments in committee;
  - b. Deliberate each proposed debarment in a committee meeting; and
  - c. Issue a final decision to the purchasing agent who shall be responsible for entering the decision into the database and communicating the decision in writing to the vendor/contractor.
2. For all proposed debarments or suspensions involving allegations implicating fraud or dishonesty, the debarment committee shall:
- a. Review each packet prior to deliberating proposed debarments in committee;
  - b. When there is no ongoing civil or criminal prosecution, schedule a meeting or hearing with the vendor/contractor to afford the vendor/contractor a full opportunity to present to a full committee evidence rebutting the alleged fraud or dishonesty. A full hearing shall be scheduled when the District's evidence is conflicting or not compelling. The vendor/contractor may be represented by an attorney if he or she wishes. When the vendor/contractor is represented by counsel, the District shall be represented by the office of legal services;
  - c. Obtain the signatures of all committee members, witnesses, representatives, and other participants in each meeting or hearing held; and
  - d. Issue a final decision to the purchasing agent who will be responsible for entering the decision into the database and communicating the decision in writing to the vendor/contractor.

Decision

All decisions shall be issued in writing within 15 days of receiving the vendor/contractor's rebuttal information. The decision shall include:

1. The allegations considered;
2. The evidence presented for both sides;
3. Any findings of credibility;
4. The committee's decision; and
5. The basis for the decision.

PURCHASING AND ACQUISITION

CH  
(LOCAL)

	<p>All decisions shall be supported by a rational basis and adequate evidence.</p>
<p>Referrals to Law Enforcement</p>	<p>Any case that may involve criminal activity shall be referred to law enforcement authorities, as appropriate, after consulting with the District's office of legal services and the special assistant to the Superintendent for public safety and loss prevention or the Superintendent.</p>
<p>Notification of Vendor / Contractor</p>	<p>The purchasing agent shall be responsible for all communications with vendors/contractors. After disposition by the debarment committee, the purchasing agent shall be responsible for communicating to the vendor/contractor the committee's final decision. The final decision shall be transmitted by facsimile and by certified and return receipt mail.</p>
<p>Enforcement of Debarment</p>	<p>When the debarment committee has issued a decision to debar the vendor/contractor, the purchasing agent shall be responsible for ensuring that debarred vendors/contractors do not participate in contracting with or supplying any goods or services to the District. Any participation of a currently debarred vendor/contractor may be grounds for the immediate termination of the purchasing agent and other purchasing department staff in accordance with District termination policies and procedures.</p>
<p>Appeal</p>	<p>A debarred vendor/contractor may appeal the debarment decision to the Superintendent. The appeal must be filed within ten calendar days of the decision. If an appeal is not filed within ten calendar days of the date the decision was faxed or the date of the return receipt, whichever is earlier, the debarment committee's decision is final and there is no other recourse.</p> <p>The Superintendent shall determine whether there was a rational basis and adequate evidence for the debarment committee's decision and shall uphold the decision if there is a finding of a rational basis and adequate evidence. If the evidence is found inadequate to support the decision or there is no rational basis for the decision, the Superintendent shall, as appropriate, request additional information or reverse the debarment committee's decision. The decision of the Superintendent shall be the final. The purchasing agent shall enter the appeal and final decision into the database.</p>
<p>Reports</p>	<p>The purchasing agent shall periodically distribute a report of all debarred vendors/contractors to the Board of Trustees, Superintendent, the chief financial officer, the legal services representative, and user departments.</p>

PURCHASING AND ACQUISITION

CH  
(LOCAL)

**Updates / Review**

This policy, along with CH(REGULATION) and the District's purchasing manual, shall be reviewed and updated at least annually in June or earlier as needed.

**Compliance with Law**

The Superintendent shall establish procedures that ensure that all school facilities within the District comply with applicable laws and local building codes.

**Construction Contracts**

Prior to advertising, the Board shall determine the project delivery/contract award method to be used for each construction contract valued at or above \$50,000. To assist the Board, the Superintendent shall recommend the project delivery/contract award method that he or she determines provides the best value to the District. [See CV series generally and CBB(LEGAL) for requirements if federal funds are involved.]

For construction contracts valued at or above \$10,000, the Superintendent shall also submit the resulting contract to the Board for approval. Lesser expenditures for construction and construction-related materials or services shall be at the discretion of the Superintendent and consistent with law and policy. [See also CH and CBB(LEGAL)]

---

**Note:** For provisions regarding delegation of authority for construction contracts in the event of a catastrophe, emergency, or natural disaster affecting the District, see CH(LOCAL).

---

**Change Orders**

Change orders permitted by law shall be approved prior to any changes being made in the approved plans or the actual construction of the facility.

Once a contract has been awarded for construction purposes, all change orders in excess of \$500 and less than \$5,000 per project shall be reported to the Board monthly. Any change order in excess of \$5,000 shall be reported to the Board for approval prior to the implementation of the change order.

**Project Administration**

All construction projects shall be administered by the Superintendent or designee.

The Superintendent shall keep the Board informed concerning construction projects and also shall provide information to the general public.

**Final Payment**

The District shall not make final payments for construction or the supervision of construction until the work has been completed and the Board has accepted the work.

**Leave Administration**

The Superintendent or designee shall develop administrative regulations addressing employee leaves and absences to implement the provisions of this policy.

**Definitions**

The term "immediate family" is defined as:

**Immediate Family**

1. Spouse.
2. Son or daughter, including a biological, adopted, or foster child, a son- or daughter-in-law, a stepchild, a legal ward, or a child for whom the employee stands *in loco parentis*.
3. Parent, stepparent, parent-in-law, or other individual who stands *in loco parentis* to the employee.
4. Sibling, stepsibling, and sibling-in-law.
5. Grandparent and grandchild.
6. Any person residing in the employee's household at the time of illness or death.

For purposes of the Family and Medical Leave Act (FMLA), the definitions of spouse, parent, son or daughter, and next of kin are found in DECA(LEGAL).

**Family Emergency**

The term "family emergency" shall be limited to disasters and life-threatening situations involving the employee or a member of the employee's immediate family.

**Leave Day**

A "leave day" for purposes of earning, ~~using~~**use**, or recording ~~of~~ leave shall mean the number of hours per day equivalent to the employee's usual assignment, whether full-time or part-time.

**School Year**

A "school year" for purposes of earning, using, or recording leave shall mean the term of the employee's annual employment as set by the District for the employee's usual assignment, whether full-time or part-time.

**Catastrophic Illness or Injury**

A catastrophic illness or injury is a severe condition or combination of conditions affecting the mental or physical health of the employee or a member of the employee's immediate family that requires the services of a licensed practitioner for a prolonged period of time and that forces the employee to exhaust all leave time earned by that employee and to lose compensation from the District. ~~Such conditions typically require prolonged hospitalization or recovery or are expected to result in disability or death. Conditions relating to pregnancy or childbirth shall be considered catastrophic if they meet the requirements of this paragraph. Complications resulting from pregnancy shall be treated the same as any other condition.~~

---

**Note:** For District contribution to employee insurance during leave, see CRD(LOCAL).

---

**Availability**

The District shall make state personal leave and local leave for the current year available for use at the beginning of the school year.

~~State Earning Local~~  
**Leave**

~~An employee shall not earn any local leave when he or she is in unpaid status. An employee using full or proportionate paid leave shall be considered to be in paid status.~~

**Deductions**

~~Leave without Pay~~

~~The District shall not approve paid leave for more leave days than have been accumulated in prior years plus leave currently available. Any unapproved absences or absences beyond accumulated and available paid leave shall result in deductions from the employee's pay.~~

~~Leave Proration~~  
~~Employed for~~  
~~Less Than Full~~  
~~Year~~

If an employee separates from employment with the District before his or her last duty day of the school year, or begins employment after the first duty day of the school year, state personal leave and local leave shall be prorated based on the actual time employed.

If an employee separates from employment before the last duty day of the school year, the employee's final paycheck shall be reduced for state personal leave the employee used beyond his or her pro rata entitlement for the school year.:

- ~~1. State personal leave the employee used beyond his or her pro rata entitlement for the school year; and~~
- ~~2. Local leave the employee used but had not earned as of the date of separation.~~

~~Employed for Full~~  
~~Year~~

~~If an employee uses more local leave than he or she earned and remains employed with the District through his or her last duty day, the District shall deduct the cost of the excess leave days from the employee's pay in accordance with administrative regulations.~~

**Recording**

Leave shall be recorded as follows:

- ~~1. For exempt positions, leave shall be recorded in half-day increments, even if a substitute is not employed. An exempt employee may be excused from duty by his or her immediate supervisor and in accordance with administrative regulations for as long as one hour for an emergency or temporary illness. Any absence over one hour must be reported to the employee's immediate supervisor or designee and recorded in the District's TEAMS system.~~
- ~~2. For nonexempt positions, leave shall be recorded on an hourly basis.~~

COMPENSATION AND BENEFITS  
LEAVES AND ABSENCES

DEC  
(LOCAL)

**Order of Use**

~~3. If the employee is taking intermittent FMLA leave, leave shall be recorded in one-hour increments.~~

~~4. If the employee chooses to offset leave against workers' compensation benefits, leave shall be recorded in the amount used.~~

~~Earned compensatory time shall be used before any available paid state and local leave. [See DEAB]~~

~~Unless an employee requests a different order, available paid state and local leave shall be used in the following order, as applicable:~~

~~1. Local leave.~~

~~2. State sick leave accumulated before the 1995-96 school year.~~

~~3. State personal leave.~~

~~Use of catastrophic sick leave bank days shall be permitted only after all available state and local leave has been exhausted.~~

**Concurrent Use of Leave**

~~When an absent employee is eligible for FMLA leave, the District shall designate the absence as FMLA leave.~~

~~The District shall require the employee to use temporary disability leave and paid leave, including compensatory time, concurrently with FMLA leave.~~

~~An employee receiving workers' compensation income benefits may be eligible for paid or unpaid leave. An absence due to a work-related injury or illness shall be designated as FMLA leave, temporary disability leave, and/or assault leave, as applicable.~~

**Medical Certification**

An employee shall submit medical certification of the need for leave if:

1. The employee is absent more than three consecutive work-days because of personal illness or illness in the immediate family;

2. The District requires medical certification due to a questionable pattern of absences or when deemed necessary by the supervisor or ~~Superintendent; or human resources;~~ Human Resources;

~~3. The employee requests FMLA leave for the employee's serious health condition; a serious health condition or that of the employee's~~ a spouse, parent, or child; or

	<p><del>4.3. The employee requests FMLA leave</del> for military caregiver leave purposes.</p> <p>In each case, medical certification shall be made by a health-care provider as defined by the FMLA. [See DECA(LEGAL)]</p>
	<hr/> <p><del><b>Note:</b> For District contribution to employee insurance during leave, see CRD(LOCAL).</del></p> <hr/>
<p><b>State Personal Leave</b></p>	<p>The Board requires employees to differentiate the manner in which state personal leave is used. :</p>
<p>Nondiscretionary <del>Non-Discretionary</del> Use</p>	<p><del>1.4. Nondiscretionary</del> <del>Non-discretionary</del> use of leave shall be for the same reasons and in the same manner as state sick leave accumulated before May 30, 1995. [See DEC(LEGAL)]</p> <p>Nondiscretionary use includes leave related to the birth or placement of a child and taken within the first year after the child's birth, adoption, or foster placement.</p>
<p>Discretionary Use</p>	<p><del>2.5.</del> Discretionary use of leave is at the individual employee's discretion, subject to limitations set out below.</p>
<p><i>Limitations</i> Request for Leave</p>	<p>In deciding whether to approve or deny a <del>The employee shall submit a written</del> request for discretionary use of state personal leave, <del>the</del> <del>at least three days in advance to the immediate supervisor</del> <del>or designee in accordance with administrative regulations.</del> <del>In deciding whether to approve or deny state personal leave, the supervisor or designee shall not seek or consider the reasons for which an employee requests to use leave. The supervisor</del> <del>or designee shall, however, consider the</del> duration of the requested absence in conjunction with the effect of the employee's absence on the educational program <del>and/or</del> District operations, as well as the availability of substitutes. <del>Requests shall be considered granted unless the immediate supervisor or designee notifies the employee to the contrary within 48 hours of the requested absence.</del></p> <p>Discretionary use of <del>state personal leave</del> <del>personal leave shall not be allowed the day before or after Thanksgiving break; Christmas break; spring break; days scheduled for end of semester or end of year exams; days scheduled for state mandated assessments on the employee's campus; professional or staff development days; or the first or last day of instruction.</del></p> <p><del>These limitations shall apply to all District employees except those on a 224 day, 238 day, or 258 day work schedule.</del></p>

COMPENSATION AND BENEFITS  
LEAVES AND ABSENCES

DEC  
(LOCAL)

<p><del>Duration of Personal Business Leave</del></p>	<p><del>Discretionary use of state and/or personal business leave shall not exceed five workdays per semester or ten workdays maximum in a school year.</del></p>
<p><del>State Sick Leave</del></p>	<p><del>State sick leave accumulated before 1995 is available and may be transferred to other school districts in Texas.</del></p> <p><del>State sick leave may be used for the following reasons only:</del></p> <ul style="list-style-type: none"><li><del>• Employee illness;</del></li><li><del>• Illness in the employee's immediate family;</del></li><li><del>• Family emergency (i.e., natural disasters or life-threatening situations);</del></li><li><del>• Death in the immediate family;</del></li><li><del>• Active military; or</del></li><li><del>• Other reason covered under the FMLA.</del></li></ul>
<p><b>Local Leave</b></p>	<p><del>Each</del>All professional employee and paraprofessional/auxiliary employee employees shall earn five, six, or seven additional days of paid local leave days per school year in accordance with administrative regulations. the following:</p> <ul style="list-style-type: none"><li><del>• 180-197 day work calendar five leave days</del></li><li><del>• 198-215 day work calendar six leave days</del></li><li><del>• 216 day or more work calendar seven leave days</del></li></ul> <p>Local leave shall accumulate without limit.</p>
<p><b>Flex Days</b></p>	<p>Local leave shall be used according to the terms and conditions of state personal leave. [See State Personal Leave, above]</p> <p><del>An eligible employee shall earn Flex days are unpaid days within the work calendar that may be scheduled and taken as approved by the supervisor. The number of flex days in accordance with administrative regulations.</del></p> <p><del>The District shall make flex days for the current year available for depends on the job and the number of days an employee is required to work in a 12-month period. Flex days shall be available to use at the beginning of the school year. work year based on the expectation that the employee is expected to work the entire year. Flex days shall not be interchangeable with local or state personal leave or local leave. days.</del></p> <p><del>An employee Staff may take flex days during the year that they are awarded or by December of the following school year.</del></p>

**Catastrophic Sick  
Leave Bank**

~~Flex days that are not used by for exempt staff not used within the timeframe outlined shall be forfeited.~~

~~Flex days for nonexempt staff shall be used by December of the following year. The District shall not compensate for flex days; however, accumulated flex days not used by for nonexempt staff not used by December shall be paid.~~

~~If an employee terminates employment before the end of the work year, the final paycheck shall be calculated based on actual days worked and shall not include any flex days for the current year.~~

The District shall establish a catastrophic-sick leave bank that full-time employees may join through contribution of two days of local leave.

~~each school year.~~ Leave contributed to the bank shall be solely for the use of the participating employees. An employee who is a member of the bank may request leave from the bank if the employee or a member of the employee's immediate family experiences a catastrophic illness or injury and the employee has exhausted all paid leave and any applicable compensatory time.

The Superintendent shall develop regulations for the operation Administration of the Catastrophic Sick Leave Bank

~~The catastrophic-sick leave bank that address the following: shall be administered in accordance with DEC(REGULATION).~~

1. Membership in the sick leave bank, including the number All requests for consideration of paid days an employee must contribute to become a member;
2. Procedures to request leave from the sick leave bank;
3. The maximum number bank shall be submitted to the executive director of days per school year a member employee may receive from the sick leave bank;
4. The committee human resources or administrator authorized to consider requests for leave from the sick leave bank and criteria designee for granting requests; review and

Other procedures deemed necessary for the operation of the sick leave bank approval.

Appeal

An employee may appeal a decision All decisions regarding the establishment or implementation of the District's catastrophic-sick leave bank may be appealed in accordance with DGBA(LOCAL), beginning with the Superintendent or appropriate administrator designee.

COMPENSATION AND BENEFITS  
LEAVES AND ABSENCES

DEC  
(LOCAL)

<del>Bereavement (Funeral) Leave</del>	<del>An employee may request to use accrued state leave, local sick leave, or flex time, if applicable, for absences due to the death of an immediate family member. If no accrued leave is available, the employee may request up to five unpaid workdays for the death of an immediate family member.</del>
Family and Medical Leave	FMLA leave shall run concurrently with applicable paid leave and compensatory time, as applicable. <hr/> <b>Note:</b> See DECA(LEGAL) for provisions addressing FMLA. <hr/>
Twelve-Month Period	For purposes of an employee's entitlement to FMLA leave, the 12-month period shall be measured forward from the date an individual employee's first FMLA leave begins.
Combined Leave for Spouses	<del>When</del> If both spouses are employed by the District, the District shall limit FMLA leave for the birth, adoption, or placement of a child, or to care for a parent with a serious health condition, to a combined total of 12 weeks. The District shall limit military caregiver leave to a combined total of 26 weeks. <del>[See DECA(LEGAL)]</del>
Intermittent or Reduced -Schedule Leave	The District shall not permit use of intermittent or reduced schedule FMLA leave for the care of a newborn child or for the adoption or placement of a child with the employee. <del>[See DECA(LEGAL) for use of intermittent or reduced schedule leave due to a medical necessity.]</del>
Certification of Leave	<del>When</del> If an employee requests leave, the employee shall provide certification, <del>in accordance with</del> as required by FMLA regulations, of the need for leave. <del>[See DECA(LEGAL)]</del>
Fitness-for-Duty Certification	<del>In accordance with administrative regulations,</del> <del>when</del> If an employee takes FMLA leave due to the employee's own serious health condition, the employee shall provide, before resuming work, a fitness-for-duty certification. <del>from a health care provider who is currently providing treatment to the employee. If the District will require certification of the employee's ability to perform essential job functions, the District shall provide a list of essential job functions to the employee with the FMLA designation notice.</del>
<del>Leave at the End of -Semester Leave</del>	<del>When</del> If a teacher takes leave near the end of the semester, the District may require the teacher to continue leave until the end of the semester. <del>[See DECA(LEGAL), Leave at the End of a Semester]</del>
<del>Failure to Return</del>	

COMPENSATION AND BENEFITS  
LEAVES AND ABSENCES

DEC  
(LOCAL)

	<p><del>If, at the expiration of FMLA leave, the employee is able to return to work but chooses not to do so, the District may require reimbursement of premiums paid by the District during the leave. [See DECA(LEGAL), Recovery of Benefit Cost]</del></p>
<b>Temporary Disability Leave</b>	<p>Any full-time employee whose position requires educator certification by the State Board for Educator Certification or by the District shall be eligible for temporary disability leave. The maximum length of temporary disability leave shall be 180 calendar days. [See DBB(LOCAL) for temporary disability leave placement and DEC(LEGAL) for return to active duty.]</p> <p>An employee's notification of need for extended absence due to the employee's own medical condition shall be forwarded to the Superintendent <del>or designee</del> as a request for temporary disability leave.</p>
	<p>The District shall require the employee to use temporary disability leave and paid leave, including any compensatory time, concurrently with FMLA leave.</p>
<b>Workers' Compensation</b>	<hr/> <p><b>Note:</b> Workers' compensation is not a form of leave. The workers' compensation law does not require the continuation of the District's contribution to health insurance. <del>[See CRD(LOCAL) regarding payment of insurance contribution during employee absences.]</del></p> <hr/>
	<p>An absence due to a work-related injury or illness shall be designated as FMLA leave, temporary disability leave, and/or assault leave, as applicable.</p>
<b>Paid Leave Offset</b>	<p>The District shall permit the option <del>An employee eligible</del> for paid leave offset in conjunction with workers' compensation income benefits, <del>and not on assault leave, may elect in writing to use available partial-day increments of paid leave to make up the difference between the employee's income benefits and the pre-injury wage.</del> [See CRE]</p>
<b>Court Appearances</b>	<p>Absences due to compliance with a valid subpoena or for jury duty shall be fully compensated by the District and shall not be deducted from the employee's pay or leave balance.</p>
<b>Payment Reimbursement for Accumulated Leave Upon Retirement</b>	<p>The following leave provisions shall apply to local leave <del>accumulated</del> <del>earned</del> beginning on the original effective date of this program.</p> <p>An employee who retires from the District shall be eligible for <del>payment</del> <del>reimbursement</del> for <del>accumulated</del> local leave under the following conditions:</p>

COMPENSATION AND BENEFITS  
LEAVES AND ABSENCES

DEC  
(LOCAL)

1. The employee's retirement is voluntary, i.e., the employee is not being discharged or nonrenewed.
2. The employee provides advance written notice of intent to retire. Contract employees must provide written notice at least ~~90-60~~ business days before the last day of employment. ~~Non-contract~~~~Non-contract~~ employees must provide written notice at least two weeks before the last day of employment.
3. The employee has at least ten years of service with the District.

The employee shall ~~receive payment~~~~be reimbursed~~ for each day of ~~accumulated~~ local leave, to a maximum of 30 days, at ~~a rate equal to 50 percent of the individual employee's daily rate of pay~~~~rate~~. If the employee is reemployed with the District, days for which the employee received payment shall not be available to that employee.

The rate established by the Board shall be in effect until the Board adopts a new rate. Any changes to the rate shall apply beginning with the school year following the adoption of the rate change.

**Neutral Absence  
Control Policy**

Abuse of Leave

Abuse of leave policies, misrepresentation of the need to use leave, or falsification of a document from a health-care provider shall constitute grounds for appropriate disciplinary action, up to and including termination, in accordance with District policies.

Excessive  
Absences

When an employee's absences become a concern or an employee establishes a pattern of absences, the employee's immediate supervisor shall discuss with the employee the ~~reasons~~~~reason~~ for ~~the~~~~such~~ absences. ~~Absences~~ ~~Such absences~~ may be subject to verification. If the absences are deemed excessive or ~~the supervisor determines~~~~it is determined~~ that a pattern has developed, the employee may be subject to disciplinary action up to and including termination of employment. [See Medical Certification, above]

A nonexempt employee who is absent from work for three or more consecutive ~~workdays~~~~work-days~~ without prior approval ~~from~~ or providing appropriate notice to the employee's supervisor shall be deemed to have abandoned his or her job and may be separated from service with the District in accordance with District policy.

An exempt employee who is absent from work for three or more consecutive ~~workdays~~~~work-days~~ without prior approval ~~from~~ or providing appropriate notice to the employee's supervisor shall be deemed to have abandoned his or her job and the District may pursue termination in accordance with the DF series of policies.

COMPENSATION AND BENEFITS  
LEAVES AND ABSENCES

DEC  
(LOCAL)

The employee's  
eligibility Documenta  
tion for reasonable  
Tardiness  
accommodations,  
as Absences

~~Documentation may be required for any absence at the discretion of the Superintendent or designee.~~

Employees shall arrive to work by the Americans with Disabilities Act [see DAA(LEGAL)], shall be considered before time designated by their work schedules. ~~Unexcused or excessive tardiness may result in disciplinary action, up to termination of employment. Unexcused or excessive tardiness shall constitute good cause for termination of employment.~~