

**NOTICE**  
SANTA FE PUBLIC SCHOOL DISTRICT  
Santa Fe County, New Mexico

\$40,000,000\* General Obligation School Building Bonds, Series 2026 (the "Bonds")  
\$6,000,000\* Taxable Education Technology General Obligation Lease Purchase Notes, Series 2026A  
\$5,000,000\* Tax-Exempt Education Technology General Obligation Lease Purchase Notes, Series 2026B (the "Notes")

Preliminary Official Statement  
May 7, 2026

The Preliminary Official Statement, dated May 7, 2026 (the "Preliminary Official Statement") relating to the above-described Bonds and Notes of the Santa Fe Public School District (the "Issuer" or the "District"), has been posted on the Internet as a matter of convenience. A copy of the Preliminary Official Statement is available from the Issuer by contacting the Municipal Advisor, RBC Capital Markets, LLC, at (505) 872-5999 by electronic mail or upon payment of reasonable copying, handling, and delivery charge. The posted version of the Preliminary Official Statement has been formatted in Adobe Portable Document Format (Adobe Acrobat 11.0). Although this format should replicate the Preliminary Official Statement available from the Issuer, its appearance may vary for a number of reasons, including electronic communication difficulties or particular user software or hardware. Using software other than Adobe Acrobat 11.0 may cause the Preliminary Official Statement that you view or print to differ in format from the Preliminary Official Statement.

This Official Statement speaks only as of its date, and the information contained herein is subject to change. A copy of the Final Official Statement will be filed with the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access ("EMMA") system. See "CONTINUING DISCLOSURE UNDERTAKING" for a description of the Issuer's undertaking to provide certain information on a continuing basis.

*The Preliminary Official Statement and the information contained therein are subject to completion or amendment or other change without notice. Under no circumstances shall the Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds or Notes in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.*

For the purposes of compliance with Rule 15c2-12 (the "Rule") promulgated by the United States Securities and Exchange Commission, this document constitutes the "Official Statement" that the Issuer has "deemed final" as of its date with respect to the Bonds and Notes, except for certain pertinent information permitted by the Rule to be omitted therefrom.

No person has been authorized to give any information or to make any representations other than those contained in the Preliminary Official Statement in connection with the offer and sale of the Bonds and Notes, and, if given or made, such information or representations must not be relied upon as having been authorized. The information and expressions of opinion in the Preliminary Official Statement are subject to change without notice and neither the delivery of the Official Statement nor any sale made thereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date of the Preliminary Official Statement.

The Municipal Advisor has provided the following sentence for inclusion in this Official Statement. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information in this Official Statement.

THE BONDS AND NOTES ARE EXEMPT FROM REGISTRATION WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION AND CONSEQUENTLY HAVE NOT BEEN REGISTERED THEREWITH. THE REGISTRATION, QUALIFICATION, OR EXEMPTION OF THE BONDS AND NOTES IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THESE BONDS AND NOTES HAVE BEEN REGISTERED, QUALIFIED, OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION FOR THE PURCHASE THEREOF.

None of the Issuer, the Municipal Advisor, the Underwriter or their agents or counsel make any representation or warranty with respect to the information contained in this Official Statement regarding The Depository Trust Company, New York, New York ("DTC") or its book-entry-only system described under APPENDIX C - "BOOK-ENTRY-ONLY SYSTEM" as such information has been provided by DTC.

INVESTORS SHOULD READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING ALL APPENDICES ATTACHED HERETO, TO OBTAIN INFORMATION ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION WITH RESPECT TO THE BONDS AND NOTES.

NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE BONDS OR NOTES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

By choosing to proceed and view the electronic version of the Preliminary Official Statement, the viewer acknowledges reading and understanding this Notice.

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\*Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of such jurisdiction.

**PRELIMINARY OFFICIAL STATEMENT  
DATED MAY 7, 2026**

**2026 Rating:** S&P (Unenhanced) – AA-  
**2026A Rating:** S&P (Unenhanced) – AA-  
**2026B Rating:** S&P (Unenhanced) – AA-  
See "RATING" herein.

**NEW ISSUES – Book-Entry-Only**

**SANTA FE PUBLIC SCHOOL DISTRICT  
Santa Fe County, New Mexico**

**\$40,000,000<sup>1</sup> General Obligation School Building Bonds, Series 2026  
\$6,000,000<sup>1</sup> Taxable Education Technology General Obligation Lease Purchase Notes, Series 2026A  
\$5,000,000<sup>1</sup> Tax-Exempt Education Technology General Obligation Lease Purchase Notes, Series 2026B**

**PURPOSES AND AUTHORITY:** Proceeds of the above described bonds (the "Bonds") will be used to (1) erect, remodel, make additions to and furnish school buildings within the Santa Fe Public School District (the "District"), to purchase or improve school grounds, to purchase computer software and hardware for student use in public schools, and to provide matching funds for capital outlay projects funded pursuant to the Public School Capital Outlay Act, or any combination of those purposes within the District, and (2) pay costs of issuing of the Bonds. The Bonds are being issued pursuant to the resolution adopted by the Board of Education of the District (the "Board") on April 16, 2026 authorizing the issuance of the Bonds and a pricing certificate to be executed on the date of sale of the Bonds as designated in the resolution which will contain the final terms of sale and complete the sale of the Bonds (the resolution and the pricing certificate are collectively referred to herein as the "Bond Resolution"), as permitted by Section 6-14-10.2, NMSA 1978. Proceeds of the above described notes (collectively, the "Notes") will be used to (1) finance the lease-purchase of education technology equipment for learning and administrative use in schools and related facilities within the Santa Fe Public School District (the "District" or the "Lessee") pursuant to the Education Technology Equipment Act, NMSA 1978 Sections 6-15A-1 through 6-15A-16, as amended, and (2) pay costs of issuing the Notes. On April 16, 2026, the Board of Education of the District (the "Board") approved a resolution relating to the Notes (the "Note Resolution") authorizing the sale and delivery of the Notes.

**THE BONDS:** The Bonds are issuable as fully registered obligations and when initially issued will be registered in the name of Cede & Co., as nominee of the Depository Trust Company, New York, New York ("DTC"). Purchases of the Bonds will be made in book-entry-only form, in the principal amount of \$5,000 or any integral multiple thereof, through brokers and dealers who are, or who act through a DTC participant. Beneficial owners of the Bonds will not be entitled to receive physical delivery of the Bonds so long as DTC or a successor securities depository acts as the securities depository with respect to the Bonds. Interest on the Bonds is payable on each August 1 and February 1, commencing August 1, 2026. As long as DTC or its nominee is the registered owner of the Bonds, reference in this Official Statement to registered owner will mean Cede & Co., and payments of principal of and interest on the Bonds will be made directly to DTC by the Paying Agent/Registrar (identified below). Disbursements of such payments to DTC participants are the responsibility of DTC. See "THE BONDS – Limited Book-Entry Responsibilities" and APPENDIX C - "BOOK-ENTRY-ONLY SYSTEM." BOKF, N.A., Albuquerque, New Mexico or its successor is the Registrar/Paying Agent for the Bonds.

**THE NOTES:** The Series 2026A Notes (the "Series 2026A Notes") and the Series 2026B Notes (the "Series 2026B Notes" and referred to collectively with the Series 2026A Notes, the "Notes") represent undivided interests in the rental payments (the "Rent Payments") to be made by the District to the Lessor, pursuant to a certain Lease-Purchase Agreement (the "Lease") dated as of the closing date. The Lease provides for the District to use and acquire certain computer equipment and related personal property. Interest on the Notes, when delivered by installments, is payable on each August 1 and February 1, commencing August 1, 2026. The Notes will be issued in fully registered form, initially registered in the name of Cede & Co., as nominee of the DTC. Purchases of the Notes will be made in book-entry-only form, in the principal amount of \$5,000 or any integral multiple thereof, through brokers and dealers who are, or who act through a DTC participant. Beneficial owners of the Notes will not be entitled to receive physical delivery of the Notes so long as DTC or a successor securities depository acts as the securities depository with respect to the Notes. As long as DTC or its nominee is the registered owner of the Notes, reference in this Official Statement to registered owner will mean Cede & Co., and payments of principal of and interest on the Notes will be made directly to DTC by the Paying Agent/Registrar (identified below). Disbursements of such payments to DTC participants are the responsibility of DTC. See "THE BONDS AND THE NOTES – Limited Book-Entry Responsibilities" and APPENDIX C - "BOOK-ENTRY-ONLY SYSTEM." BOKF, N.A., Albuquerque, New Mexico or its successor is the Registrar/Paying Agent for the Notes.

**OPTIONAL REDEMPTION OF BONDS:** The Bonds are subject to redemption prior to maturity as provided herein. See "THE BONDS AND THE NOTES – Optional Prior Redemption of Bonds."

**NO OPTIONAL REDEMPTION OF NOTES:** The Notes are not subject to redemption prior to maturity. See "THE BONDS AND THE NOTES – No Optional Prior Redemption of Notes."

**SECURITY:** The Bonds are general obligations of the District payable from general (ad valorem) property taxes which are required to be levied against all taxable property within the District, without limitation of rate or amount. The Notes are payable from the respective Rent Payments received by the Trustee and such Rent Payments are direct obligations of the District payable from the proceeds of a continuing direct annual ad valorem tax levied against all taxable property in the District, without limitation as to rate or amount. The obligation of the District to make the Rent Payments is a debt of the District and is not subject to annual appropriation by the District.

**OPINION OF BOND COUNSEL:** In the opinion of Modrall, Sperling, Roehl, Harris & Sisk, P.A., Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds and the Series 2026B Notes (as defined below) is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"). In the further opinion of Bond Counsel, interest on the Bonds and the Series 2026B Notes is not a specific preference item for purposes of the federal alternative minimum tax; however, for tax years beginning after December 31, 2022, interest on the Bonds and the Series 2026B Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Bond Counsel is also of the opinion based on existing laws of the State of New Mexico as enacted and construed that interest on the Bonds and the Notes is exempt from all taxation by the State of New Mexico or any political subdivision thereof. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds and the Series 2026B Notes. Bond Counsel observes that interest on the Series 2026A Notes is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. See "TAX MATTERS" herein.

**DATE OF DELIVERY:** When, as and if issued, through DTC's facilities, on or about June 18, 2026 (the "Date of Delivery").

**DATED DATE:** June 18, 2026.

**INTEREST:** Accrues from Date of Delivery.

**DUE DATE:** August 1, as shown on the inside cover hereof.

**STIFEL**

*The Bonds and Notes are offered for delivery when, as and if issued, subject to the approval of legality by Modrall, Sperling, Roehl, Harris & Sisk, P.A., Bond Counsel. Additionally, certain legal matters will be passed upon for the District by Modrall, Sperling, Roehl, Harris & Sisk, P.A. as Disclosure Counsel to the District. Certain matters will be passed upon for the Underwriter by McCall, Parkhurst & Horton L.L.P., Dallas, Texas as counsel to the Underwriter. It is expected that the Bonds and Notes will be available for delivery through the facilities of DTC on or about the Date of Delivery.*

<sup>1</sup> Preliminary, subject to change.

**MATURITY SCHEDULE\***

**\$40,000,000\***  
**Santa Fe Public School District**  
**General Obligation School Building Bonds, Series 2026**

Year Maturing (August 1)	Principal*	Interest Rate	Yield	Cusip # Suffix 802088 <sup>(1)</sup>	Year Maturing (August 1)	Principal*	Interest Rate	Yield	Cusip # Suffix 802088 <sup>(1)</sup>
2026	\$19,500,000				2033	\$1,320,000			
2027	6,000,000				2034	1,320,000			
2028	1,320,000				2035	1,320,000			
2029	1,320,000				2036	1,320,000			
2030	1,320,000				2037	1,320,000			
2031	1,320,000				2038	1,300,000			
2032	1,320,000								

(Interest accrues from the Date of Delivery)

**\$6,000,000\***  
**Santa Fe Public School District**  
**Taxable Education Technology General Obligation Lease Purchase Notes, Series 2026A**

Year Maturing (August 1)	Principal	Interest Rate	Yield	Cusip # Suffix 802088 <sup>(1)</sup>
2026	\$1,200,000			
2027	4,800,000			

(Interest accrues from the Date of Delivery)

**\$5,000,000\***  
**Santa Fe Public School District**  
**Tax-Exempt Education Technology General Obligation Lease Purchase Notes, Series 2026B**

Year Maturing (August 1)	Principal	Interest Rate	Yield	Cusip # Suffix 802088 <sup>(1)</sup>
2027	\$1,200,000			
2028	3,800,000			

(Interest accrues from the Date of Delivery)

The District reserves the right to redeem the Bonds maturing on and after August 1, 2035\*, in whole or in part, in the principal amount of \$5,000 or any integral multiple thereof, on August 1, 2034\* or any date thereafter, at the redemption price of par plus accrued interest to the date of redemption. If two or more serial Bonds of consecutive maturity are combined into one or more "term" Bonds (the "Term Bonds") by the Underwriter, such Term Bonds will be subject to mandatory sinking fund redemption in accordance with the provisions of the Bond Resolution. See "THE BONDS AND THE NOTES – Optional Prior Redemption of Bonds" herein.

The Notes are not subject to optional redemption by the District prior to their stated maturity date. See "THE BONDS AND THE NOTES – No Optional Prior Redemption of Notes."

\* Preliminary, subject to change.

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**ISSUER**

*Santa Fe Public School District  
Santa Fe County, New Mexico  
610 Alta Vista Street  
Santa Fe, New Mexico 87505  
(505) 982-2631; (505) 995-3301 – Fax*

**LESSEE**

The Education Technology Leasing Company, LLC  
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1017 5<sup>th</sup> Street  
Albuquerque, New Mexico 87102

**BOARD OF EDUCATION**

*President: Kate Noble  
Vice-President: Sarah Boses  
Secretary: Carmen Gonzales  
Member: Roman Abeyta  
Member: Juan Blea*

**DISTRICT ADMINISTRATION**

*Superintendent: Dr. Christine Griffin  
Chief Financial Officer: Richard Halford*

**MUNICIPAL ADVISOR**

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**UNDERWRITER'S COUNSEL**

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Dallas, Texas 75201

**PAYING AGENT/REGISTRAR**

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Albuquerque, New Mexico 87109  
(505) 222-8447

**DISSEMINATION AGENT**

Accu-Disclose, LLC  
P. O. Box 93155  
Albuquerque, New Mexico 87199  
(505) 250-6292

## Use of Information in the Official Statement

This Official Statement is not an offer to sell or solicitation of an offer to buy the Bonds and Notes in any jurisdiction where it is unlawful to make such offer, solicitation, or sale and no unlawful offer, solicitation, or sale of the Bonds and Notes may occur through this Official Statement or otherwise. This Official Statement is not a contract and provides no investment advice. Investors should consult their advisors and legal counsel with questions about this Official Statement, the Bonds, the Notes or anything else related to these issuances.

The estimates, forecasts, projections and opinions in this Official Statement are forward looking statements, and no one, including the District, guarantees them.

The District and other reliable sources have provided information for this Official Statement, based upon the information available as of the date hereof.

Modrall, Sperling, Roehl, Harris & Sisk, P.A., Albuquerque, New Mexico, serving as bond counsel and disclosure counsel to the District, was not asked and did not take part in the preparation of the Official Statement nor has such firm undertaken to independently verify any of the information contained herein. Except as discussed in "LEGAL MATTERS" herein, such firm has no responsibility for the accuracy or completeness of any information furnished in connection with any offer or sale of the Bonds and the Notes in the Official Statement or otherwise. The legal fees to be paid to bond counsel and disclosure counsel for services rendered in connection with the issuance of the Bonds and the Notes are contingent upon the sale and delivery of such Bonds and Notes, and all legal fees will be paid from Bond and Note proceeds.

The Underwriter has reviewed the information contained in the Official Statement in accordance with its responsibilities to investors under federal securities laws as applicable to the circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The Underwriter makes no representation as to the accuracy, completeness, or adequacy of the information supplied by DTC for use in this Official Statement.

Any part of this Official Statement may change at any time, without prior notice. Also, important information about the District and other relevant matters may change after the date of this Official Statement.

All document summaries are not complete or definitive, and they may omit relevant information. Such documents are qualified in their entirety by reference to the complete documents. Any investor who wishes to review the full text of documents may request copies at no cost from the District or the Municipal Advisor as follows:

**District**  
Santa Fe Public School District  
610 Alta Vista Street  
Santa Fe, New Mexico 87505  
Attention: Richard Halford

**Municipal Advisor**  
RBC Capital Markets, LLC  
6301 Uptown Blvd. NE, Suite 110  
Albuquerque, New Mexico 87110  
Attention: Erik Harrigan

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**SANTA FE PUBLIC SCHOOL DISTRICT**  
**Santa Fe County, New Mexico**

**\$40,000,000\* General Obligation School Building Bonds, Series 2026**

**\$6,000,000\* Taxable Education Technology General Obligation Lease Purchase Notes, Series 2026A**

**\$5,000,000\* Tax-Exempt Education Technology General Obligation Lease Purchase Notes, Series 2026B**

**INTRODUCTION**

The Santa Fe Public School District, Santa Fe County, New Mexico (the "District") intends to sell its \$40,000,000\* General Obligation School Building Bonds, Series 2026 (the "Bonds") and its \$6,000,000\* General Obligation Education Technology Notes, Series 2026A (the "Series 2026A Notes") and its \$5,000,000\* General Obligation Education Technology Notes, Series 2026B (the "Series 2026B Notes" and collectively with the Series 2026A Notes, the "Notes") on May 14, 2026 in accordance to a bond purchase agreement to be entered into between the District and the Stifel, Nicolaus & Company, Incorporated (the "Underwriter"). This Official Statement provides information regarding the Bonds and Notes, their security, and the risks involved in an investment in the Bonds and Notes.

Although the District has approved this Official Statement, it does not intend it to substitute for competent investment advice, tailored to a particular individual's situation.

**The Issuer**

The District is a political subdivision of the State of New Mexico (the "State") organized for the purpose of operating and maintaining an educational program for the school-age children residing within its boundaries. The District encompasses almost all of Santa Fe County, New Mexico (the "County") located in the north central part of the State. The District's boundaries encompass all of the City of Santa Fe, New Mexico (the "City") and certain unincorporated portions of the County. The District's 2025 assessed valuation is \$10,016,139,010. The District had an enrollment of 10,674 students for the 2025-26 school year based on the 40th day count, which includes charter school enrollment of 401. See "THE DISTRICT" herein.

**Security**

The Bonds are general obligations of the District payable from general (ad valorem) property taxes which are required to be levied against all taxable property within the District without limitation of rate or amount. The District has covenanted in the Bond Resolution to levy, collect and direct annual ad valorem taxes sufficient to pay the principal of and interest on the Bonds. The District may pay the principal of and interest on the Bonds from any funds belonging to the District, which funds may be reimbursed from the ad valorem taxes when the same are collected.

The Notes are secured by rent payments (the "Rent Payments") made pursuant to a Lease Purchase Arrangement dated as of June 18, 2026 (the "Lease") with The Education Technology Leasing Company, LLC (the "Lessor"), which Lease is entered into for the purpose of acquiring certain education technology equipment, pursuant to the Education Technology Equipment Act, NMSA 1978, Sections 6-15A-1 through 6-15A-16, as amended (the "Act"). The Lessor is a New Mexico limited liability company. The Rent Payments are general obligations of the District, payable from general (ad valorem) property taxes which are required to be levied against all taxable property in the District without limitation as to rate or amount. The Lessor has assigned the Rent Payments received from the District (as lessee) to the Paying Agent/Registrar for payment to the owners of the Notes. The District's obligation to make Rent Payments under the Lease is considered a binding general obligation of the District payable from general (ad valorem) property taxes which are required be levied against all taxable property in the District without limitation as to rate or amount. See APPENDIX F - "LEASE PURCHASE ARRANGEMENT" herein. The District has covenanted in the Note Resolution to levy and collect direct annual ad valorem taxes sufficient to pay the principal of and interest on the Notes. The District may pay the principal of and interest on the Notes from any funds belonging to the District, which funds may be reimbursed from the ad valorem taxes when the same are collected.

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\* Preliminary, subject to change

Other than funds received from the District representing the Rent Payments (defined herein), the Lessor is not obligated to, and shall not, make any payment on the Notes or pursuant to the Lease. The ability of the Lessor to perform under the Lease may be limited by laws applicable to the Lessor relating to bankruptcy, reorganization and other matters affecting creditor's rights and general equitable powers of courts.

None of the State, the County or the City has any responsibility to pay the debt service on the Bonds or the Notes.

### **Additional Security for the Bonds**

The Bonds are general obligation bonds of the District and are payable from ad valorem taxes which shall be levied against all taxable property within the boundaries of the District without limitation as to rate or amount. The Bonds are additionally secured by the New Mexico School District Enhancement Program ("NMSDEP") as discussed in more detail under "NEW MEXICO SCHOOL DISTRICT ENHANCEMENT PROGRAM" herein. Pursuant to NMSA 1978, Section 22-18-13, in the event the school district is unable to make a debt service payment on the Bonds, the Department of Finance and Administration of the State will forward the amount of the payment due to the Paying Agent/Registrar to avoid a default on the Bonds.

### **Plan of Finance**

Proceeds of the Bonds will be used to (1) erect, remodel, make additions to and furnish school buildings within the District, to purchase or improve school grounds, to purchase computer software and hardware for student use in public schools, and to provide matching funds for capital outlay projects funded pursuant to the Public School Capital Outlay Act, or any combination of those purposes within the District, and (2) paying costs of issuing of the Bonds. The Bonds represent the first series issued of the \$150,000,000 of general obligation bonds authorized by the qualified voters of the District at an election held on November 4, 2025. After the issuance of the Bonds, \$110,000,000\* of the general obligation bonds will remain authorized but unissued from the November 4, 2025 election.

Proceeds of the Notes will be used for the purpose of (1) securing funds for financing education technology equipment for learning and administrative use in schools and related facilities within the District or any other use pursuant to the Education Technology Equipment Act Section 6-15A-1 et seq., NMSA 1978, as amended, and (2) paying costs of issuance of the Notes. The Notes represent the third series issued against \$55,000,000 authorized by voters at an election held on November 7, 2023. After the issuance of the Notes, \$22,000,000\* of Education Technology General Obligation Lease Purchase Notes will remain authorized but unissued from the November 7, 2023 election.

### **Limited Role of Auditors**

This document presents information from District records and other sources, including a portion of the audited financial statements of the District for the fiscal year ended June 30, 2025, contained in APPENDIX B.

Jaramillo Accounting Group LLC (JAG), the District's independent auditor, has not been engaged to perform and has not performed, since the date of the report included herein, any procedures on the financial statements addressed in that report. It also has not performed any procedures relating to this Official Statement.

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\* Preliminary, subject to change

## Selected Debt Ratio

Table 1

	<u>Tax Year 2025</u>
2025 Assessed Valuation	\$10,016,139,010
2025 Estimated Actual Valuation	\$33,884,432,898 <sup>(1)</sup>
District General Obligation Debt Outstanding	\$195,640,000 <sup>(2)</sup>
Less Debt Service Fund	<u>55,577,956</u> <sup>(3)</sup>
District Net General Obligation Debt	\$140,062,044
Estimated Direct & Overlapping G/O Debt	\$381,195,857
<b><i>District Net Debt as a Percentage of</i></b>	
Assessed Valuation	1.40%
Estimated Actual Valuation	0.41%
<b><i>Direct and Overlapping Debt as a % of</i></b>	
Assessed Valuation	3.81%
Estimated Actual Valuation	1.12%
Estimated Population	158,506
District Net Debt Per Capita	\$883.64
Direct & Overlapping Debt Per Capita	\$2,404.93

(1) Estimated actual valuation is computed by adding the exemptions to the assessed valuation and multiplying the result by three.

(2) Preliminary, subject to change. Includes the 2026 Bond and Notes.

(3) The cash balance for the debt service fund including both GO and ETN was \$65,595,939 as of 04/27/2026. The amount properly attributable to principal reduction is 84.73%.

## RISK FACTORS

### Climate Change and Natural Disasters

The State could experience, and is susceptible to additional, weather events and natural disasters that could be deemed extreme including, without limitation, periods of heat, droughts, floods, mud slides, tornadoes and other wind conditions and wildfires, which could result in negative economic impacts on the State and the District. Such effects may be exacerbated by a longer term shift in the climate over several decades, commonly referred to as climate change. Numerous scientific studies on climate change show that, among other effects on the global ecosystem, extreme temperatures may become more common, and extreme weather events may become more frequent as a result of increasing global temperatures attributable to atmospheric pollution. As a result, the District could lose tax revenues and many residents, businesses, and governmental operations could be displaced. Additionally, climate change concerns have led, and may continue to lead, to new laws and regulations at the federal and state levels (including but not limited to air, water, hazardous substances and waste regulations) that could have a material adverse effect on the operations and/or financial condition of the District. The State cannot predict the occurrence or

extent of any future extreme weather events or natural disasters or the economic impacts that the occurrence of any such events may have on the State or the District.

### **Cybersecurity**

The District, like other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other electronic sensitive information, the District may be the subject of cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized remote access to the District's systems for the purposes of misappropriating assets or information or causing operational disruption or damage, or demanding ransom for restored access to files or information. No assurance can be given that the District's current efforts to manage cyber threats and security will, in all cases, be successful. The District cannot predict what future cyber security events may occur and what impact said events could have on its operations or finances.

The District relies on other entities and service providers in the course of operating the District, including the County with respect to the levy and collection of ad valorem property taxes, as well as other trustees, fiscal agents and dissemination agents. No assurance can be given that future cyber threats and attacks against other third party entities or service providers will not impact the District and the owners of the Bonds, including the possibility of impacting the timely payments of debt service of the Bonds or timely filings pursuant to the Continuing Disclosure Certificate.

### **Property Subject to Taxation**

Real property is subject to taxation with certain exemptions. Within the real property classification, exemptions include: property of the United States of America; property of the State, all counties, towns, cities and school districts or other municipal corporations; public libraries; community ditches and all laterals thereof; all church property not used for commercial purposes; all property used for educational and charitable purposes; all cemeteries not used or held for private or corporate profit; and motor vehicles (other than mobile homes). Also, certain amounts of the taxable value of property is exempt from taxation if such property is owned by the head of a family who is a State resident (\$2,000 of residential property) or is owned by a veteran or a veteran's unmarried surviving spouse if the veteran or spouse is a State resident. All tangible personal property has been exempted from property taxation by statute except for tangible personal property used, produced, manufactured, held for sale, leased or maintained by a person for purposes of his profession, business or occupation (unless otherwise specifically exempted from property taxation by the Federal or State Constitution or law); tangible property for which the owner has claimed a deduction from depreciation for federal income tax purposes; mobile homes; livestock; and certain inventories of personal property.

In 2024, New Mexico voters approved two amendments to New Mexico's Constitution that impact property tax revenues. Amendment 1 amended Article 8, Section 15 of the Constitution to extend the property tax exemption, previously only allowed for one hundred percent disabled veterans and their widow and widowers, to veterans with less than one hundred percent disability and their widows and widowers, based on the veteran's disability rating. Amendment 2 amended Article 8, Section 5 of the Constitution to increase the property tax abatement for honorably discharged members of the armed forces and their widows and widowers. This amendment increased the property tax exemption from \$4,000 to \$10,000 a year.

In the 2025 regular legislative session, the New Mexico Legislature adopted, and on March 20, 2025 the Governor signed, House Bill 47 implementing the expanded property tax exemptions created by these amendments. House Bill 47 contained an emergency clause making it effective upon the Governor's signature. The legislation made the \$10,000 veteran exemption applicable for the 2025 property tax year and provided for annual inflation adjustments based on the consumer price index beginning with the 2026 property tax year. The disabled veterans' exemption becomes applicable for the 2026 property tax year. Veterans eligible for both exemptions may be able to receive both exemptions applicable to a property in the order and manner set forth in the legislation.

In its impact report relating to the constitutional amendments, the New Mexico Taxation and Revenue Department estimated, based on tax year 2020, that approximately 74,000 veterans claimed an exemption from property tax and that 63% of the veteran population reside in Bernalillo, Dona Ana, Sandoval, Santa Fe, and Otero counties. Those counties may be able to mitigate 40% of the lost revenue resulting from the constitutional amendments through yield control under NMSA 1978, § 7-37-7.1. The Taxation and Revenue Department estimated that the expanded exemptions would create an annual average property tax reduction of \$180 per qualifying veteran, which may result in an increase in annual per capita tax burden of \$34 on the overall population. The Taxation and Revenue Department's estimates are based on numerous assumptions as set forth in its report,

and the actual economic effect of the expanded exemptions may not align with those calculations. The economic impact of the two Constitutional Amendments on the District cannot be predicted at this time.

There can be no assurance that there won't be further constitutional amendments and legislative changes impacting the imposition and collection of property taxes in the future.

### **Public Health Emergencies**

Regional, national or global public health emergencies could have materially adverse regional, national or global economic and social impacts causing, among other things, the promulgation of local or state orders limiting certain activities, extreme fluctuations in financial markets and contraction in available liquidity, prohibitions of gatherings and public meetings in such places as entertainment venues, extensive job losses and declines in business activity across important sectors of the economy, impacts on supply chain and availability of resources, declines in business and consumer confidence that negatively impact economic conditions or cause an economic recession. The District cannot predict the extent to which its operations or financial condition may decline nor the amount of increased costs, if any, that may be incurred by the District associated with operating during any public health emergencies, including, but not limited to, the amount of (1) costs to clean, sanitize and maintain its facilities, (2) costs to hire substitute employees, (3) costs to acquire supporting goods and services, or (4) costs to operate remotely and support the employees of the District. Accordingly, the District cannot predict the effect any public health emergencies will have on the finances or operations of the District or whether any such effects will have a material adverse effect on its ability to pay debt service on the Bonds.

## **THE BONDS AND THE NOTES**

State law enables the District to issue the Bonds pursuant to NMSA 1978, Sections 6-15-1 through 6-15-22. The New Mexico Attorney General will provide an opinion with respect to the Bonds. On April 16, 2026, the District's Board of Education (the "Board") delegated, pursuant to a Notice of Sale and Delegation of Authority Resolution (the "Delegation Resolution"), permitted by NMSA 1978, Section 6-14-10.2, pricing of the Bonds and certain other matters to the District's Superintendent, who will approve the "Bond Award" (together with the Delegation Resolution, the "Bond Resolution"), which will contain the final terms of sale and will complete the sale of the Bonds.

State law enables the District to issue the Notes pursuant to NMSA 1978, Section 6-15A-1 through Section 6-15A-17. As the delegation authority applicable to the Bonds does not extend to the Notes, the Board, on April 16, 2025, will approve a resolution relating to the Notes (the "Note Resolution") allowing the sale of the Notes. The Notes are payable from periodic Rent Payments composed of principal and interest components which are secured by the full faith and credit of the District and payable thereby from general (ad valorem) property taxes which are levied against all taxable property in the District without limitation as to rate or amount. The Form of the Notes is attached to the Lease as APPENDIX F to this Official Statement. The Notes are issuable as fully registered Notes and when initially issued will be registered in the Name of Cede & Co., as nominee of the Depository Trust Company, New York, New York ("DTC"). The New Mexico Attorney General will not provide an opinion with respect to the Notes.

As long as DTC or its nominee is the registered owner of the Bonds and the Notes, reference in the Official Statement to registered owner will mean Cede and Co., and payments to DTC participants are the responsibility of DTC. See "The BONDS AND THE NOTES – Limited Book-Entry Responsibilities."

BOKF, NA or its successor is the Paying Agent/Registrar for the Bonds and Notes.

### **General Terms and Description of the Bonds and the Notes**

The Bonds and Notes will bear interest at the rates and mature in the amounts and on the dates shown in the applicable table appearing on the inside front cover of this Official Statement. Interest on the Bonds and the Notes is payable each February 1 and August 1, commencing August 1, 2026. All Bonds and Notes are fully registered in denominations of \$5,000 or integral multiples thereof in conformance with the Constitution and laws of the State and pursuant to the Bond Resolution and the Note Resolution, respectively. Bond and Note payments are made to the DTC, and DTC will then remit the payments to its participants for disbursement to the beneficial owners of the Bonds and the Notes. See "BOOK-ENTRY-ONLY SYSTEM" in APPENDIX C.

Interest on the Bonds and Notes will be computed on the basis of a 360-day year, consisting of twelve 30-day months.

## **Payment of Principal of and Interest on the Bonds and Notes**

The principal of the Bonds and Notes is payable to the registered owners of the Notes at the principal office of the Paying Agent/Registrar. Interest on the Bonds and Notes is payable (i) by check or draft to the Paying Agent mailed on or before each interest payment date to the registered owners of the Bonds and Notes as of the close of business on the 15<sup>th</sup> day of the month (whether or not a business day) preceding the interest payment date (the "Record Date") at the addresses appearing in the registration books maintained by the Paying Agent/Registrar or (ii) upon the written request of the Owner of any Bond or Note (determined as provided in clause(i)) in the principal amount of at least \$1,000,000, delivered to the Paying Agent/Registrar on or before the Record Date prior to applicable interest payment date, by wire transfer to any designated account in the United States of America in an institution which has the wire service facilities of the Federal Reserve Bank.

## **Paying Agent/Registrar**

BOKF, N.A., Albuquerque, New Mexico will serve as the initial Paying Agent/Registrar (the "Paying Agent/Registrar") for the Bonds. In the Bond Resolution, the District covenants to provide a Paying Agent/Registrar at all times until the Bonds are paid, and any Paying Agent/Registrar selected by the District shall be a commercial bank, a trust company, a financial institution or any other entity, as provided by State law, duly qualified and legally authorized to serve and perform the duties of the Paying Agent/Registrar. The registration books for the Bonds will be maintained by the Paying Agent/Registrar containing the names and addresses of the registered owners of the Bonds. In the Bond Resolution, the District retains the right to replace the Paying Agent/Registrar. If the Paying Agent/Registrar is replaced by the District, such Paying Agent/Registrar, promptly upon the appointment of a successor, is required to deliver the registration books to the successor paying agent/registrar. In the event there is a change in the Paying Agent/Registrar for the Bonds the District has agreed to notify each registered owner of the Bonds affected by the change by United States mail, first-class postage prepaid, at the address in the registration books, stating the effective date of the change and the mailing address of the successor Paying Agent/Registrar.

BOKF, N.A., Albuquerque, New Mexico will serve as the initial Paying Agent/Registrar for the Notes. In the Note Resolution, the District covenants to provide a Paying Agent/Registrar at all times until the Notes are paid, and any Paying Agent/Registrar selected by the District shall be a commercial bank, a trust company, a financial institution or any other entity, as provided by State law, duly qualified and legally authorized to serve and perform the duties of the Paying Agent/Registrar. The registration books for the Notes will be maintained by the Paying Agent/Registrar containing the names and addresses of the registered owners of the Notes. In the Note Resolution, the District retains the right to replace the Paying Agent/Registrar. If the Paying Agent/Registrar is replaced by the District, such Paying Agent/Registrar, promptly upon the appointment of a successor, is required to deliver the registration books to the successor paying agent/registrar. In the event there is a change in the Paying Agent/Registrar for the Notes, the District has agreed to notify each registered owner of the Note affected by the change by United States mail, first-class postage prepaid, at the address in the registration books, stating the effective date of the change and the mailing address of the successor Paying Agent/Registrar.

## **Optional Prior Redemption of Bonds**

The Bonds maturing on or after August 1, 2035\* may be redeemed prior to their scheduled maturities on August 1, 2034\* or on any date thereafter, in whole or in part, at the option of the District, with funds derived from any available and lawful source, at the redemption price of par, plus accrued interest to the date fixed for redemption. If two or more serial Bonds of consecutive maturity are combined into one or more "term" Bonds (the "Term Bonds") by the Underwriter, such Term Bonds will be subject to mandatory sinking fund redemption in accordance with the provisions of the Bond Resolution. If less than all of the Bonds are to be redeemed, the District shall determine the amounts and maturities thereof to be redeemed and shall direct the Paying Agent/Registrar to select by lot the Bonds, or portions thereof, to be redeemed.

## **No Optional Prior Redemption of Notes**

The Notes are not subject to optional redemption by the District prior to their stated maturity date.

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\* Preliminary, subject to change.

## **Selection of Bonds for Redemption**

If less than all of the Bonds are to be redeemed, the District shall determine the Bonds to be redeemed. If a Bond (or any portion of the principal sum thereof) shall have been called for redemption and notice of such redemption shall have been given, such Bond (or the principal amount thereof to be redeemed) shall become due and payable on such redemption date, provided funds for the payment of the redemption price are held by the Paying Agent/Registrar on the redemption date.

The Paying Agent/Registrar and the District, so long as a Book-Entry-Only System is used for the Bonds, will send any notice of redemption, notice of proposed amendment to the Bond Resolution or other notices with respect to the Bonds only to DTC. Any failure by DTC to advise any DTC participant, or of any DTC participant or indirect participant to notify the beneficial owner, shall not affect the validity of the redemption of the Bonds called for redemption or any other action premised on any such notice. Redemption of portions of the Bonds by the District will reduce the outstanding principal amount of such Bonds held by DTC. In such event, DTC may implement, through its Book-Entry-Only System, a redemption of such Bonds held for the account of DTC participants in accordance with its rules or other agreements with DTC participants and then DTC participants and indirect participants may implement a redemption of such Bonds from the beneficial owners.

Any such selection of Bonds to be redeemed will not be governed by the Bond Resolution and will not be conducted by the District or the Paying Agent/Registrar. Neither the District nor the Paying Agent/Registrar will have any responsibility to DTC participants, indirect participants or the persons for whom DTC participants act as nominees, with respect to the payments on the Bonds or the providing of notice to DTC participants, indirect participants, or beneficial owners of the selection of portions of the Bonds for redemption. See "BOOK-ENTRY-ONLY SYSTEM" in APPENDIX C.

## **Notice of Redemption**

Not less than 30 days prior to any redemption date for the Bonds, the District shall cause a notice of redemption to be sent by United States mail, first class, postage prepaid, to the registered owners of such Bonds, to be redeemed, in whole or in part, at the address of the registered owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing such notice.

With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Bond Resolution have been met and money sufficient to pay the principal of and interest on the Bonds to be redeemed will have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice will state that said redemption may, at the option of the District, be conditional upon the satisfaction of such prerequisites and receipt of such money by the Paying Agent/Registrar on or prior to the date fixed for such redemption or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not fulfilled, such notice will be of no force and effect, the District will not redeem such Bonds, and the Paying Agent/Registrar will give notice in the manner in which the notice of redemption was given, to the effect that such Bonds have not been redeemed.

ANY NOTICE SO MAILED SHALL BE CONCLUSIVELY PRESUMED TO HAVE BEEN DULY GIVEN, WHETHER OR NOT THE REGISTERED OWNER RECEIVES SUCH NOTICE. NOTICE HAVING BEEN SO GIVEN, THE BONDS CALLED FOR REDEMPTION SHALL BECOME DUE AND PAYABLE ON THE SPECIFIED REDEMPTION DATE. Notwithstanding that any Bond or portion thereof has not been surrendered for payment, interest on such Bond or portion thereof shall cease to accrue.

## **Transfers and Exchanges**

In the event the Book-Entry-Only System should be discontinued, the Bonds may be transferred and exchanged on the registration books of the Paying Agent/Registrar only upon presentation and surrender thereof to the Paying Agent/Registrar and such transfer or exchange will be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration, exchange and transfer. A Bond may be assigned by the execution of an assignment form on the Bond or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. A new Bond or Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bond being transferred or exchanged, at the principal office of the Paying Agent/Registrar, or sent by United States mail, first-class, postage prepaid, to the new registered owner or his designee. To the extent possible, new Bonds issued in an exchange or transfer of Bonds will be delivered to the registered owner or assignee of the registered owner in not more than three business days after the receipt of the Bonds to be canceled, and the written instrument of transfer or request for exchange duly executed by the registered owner of his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Bonds registered and delivered in

an exchange or transfer shall be in any integral multiple of \$5,000 for any one maturity and for a like aggregate principal amount as the Bond or Bonds surrendered for exchange or transfer. See "BOOK-ENTRY-ONLY SYSTEM" in APPENDIX C.

### **Limitation on Transfer of Bonds**

Neither the District nor the Paying Agent/Registrar are required to transfer or exchange any Bond (i) during the period commencing at the close of business on the Record Date, as defined below, and ending at the opening of business on the next interest payment date and (ii) called for redemption, in whole or in part, within 45 days of the date fixed for redemption; provided, however, such limitation of transfer will not be applicable to an exchange by the registered owner of the uncalled balance, with respect to the series Bonds.

### **Limited Book-Entry Responsibilities**

The District and the Municipal Advisor have no responsibility or liability for any aspects of the records relating to or payments made on account of beneficial ownership, or for maintaining, supervising or reviewing any records relating to beneficial ownership of interests in the Bonds and Notes.

The District and the Municipal Advisor cannot and do not give any assurances that DTC will distribute payments to DTC Participants or that DTC Participants or others will distribute payments with respect to the Bonds and Notes received by DTC or its nominees as the holder or any redemption notices (related to the Bonds) or other notices to the beneficial holders of the Bonds and Notes, or that they will do so on a timely basis, or that DTC will serve and act in the manner described in this Official Statement. See "BOOK-ENTRY-ONLY SYSTEM" in APPENDIX C.

If the Paying Agent/Registrar gives proper redemption notice (related to the Bonds) and the Paying Agent/Registrar holds money to pay the redemption price of the affected Bonds, then on the redemption date the Bonds called for redemption will become due and payable. Thereafter, no interest will accrue on those Bonds, and their owners' only right will be to receive payment of the redemption price upon surrender of those Bonds to the Paying Agent/Registrar.

While the Bonds and Notes remain under the Book-Entry-Only System, the Paying Agent/Registrar will send notices only to DTC. Any problems from DTC through its system to the beneficial owners of the Bonds will not affect the validity of the Bond redemption or (with respect to the Bonds and Notes) any other action based on the Paying Agent/Registrar's notice. Investors in the Bonds and Notes might consider arranging to receive redemption notices (relating to the Bonds) or other communications from DTC which affect them, including notice of interest payments. See "BOOK-ENTRY-ONLY SYSTEM" in APPENDIX C.

### **Record Date**

The record date (the "Record Date") for the Bonds and Notes with respect to any interest payment date is the fifteenth (15<sup>th</sup>) day of the month (whether or not a business day) immediately preceding the interest payment date. The person in whose name any Bond or Note is registered on any Record Date with respect to any interest payment date shall be entitled to receive the interest payable thereon on such interest payment date notwithstanding any transfer or exchange thereof subsequent to such Record Date and prior to such interest payment date.

## **SUMMARY OF DOCUMENTS**

### **The Lease**

The Lease provides for the District to acquire the Property for the benefit of the Lessor and lease such Property under the terms of the Lease. The Lease authorizes the District to enter into contracts or purchase orders for the acquisition of the Property and to take possession of the Property under the terms and provisions of the Lease. The costs of acquisition of the Property will be paid from proceeds of the sale of the Notes. The Lessee will hold title to the Property during the term of the Lease. The Lessor maintains an equitable lien on the Property, but upon payment of the final Rent Payment relating to the Notes, the Lessee has exercised its purchase option for the Property and all interest of the Lessor to such Property will terminate. Under the Lease, the District has agreed to pay a Rent Payment (denominated into components of principal and interest) in the amounts specified therein. The Rent Payment will be made by the District on or before the 15th day prior to the scheduled date for payment of principal and interest with respect to the Notes. The Rent Payment will be deposited in the Rent Payment Fund for the benefit of the Owners of the Notes. The Lease may be modified or canceled only with the consent of the Lessor and the District. See APPENDIX F.

## **Defeasance of the Bonds**

General. The Bond Resolution provides for the defeasance of the Bonds and the termination of the pledge of taxes and revenues and all other general defeasance covenants in the Bond Resolution under certain circumstances. Any Bond and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Bond") within the meaning of the Bond Resolution when the payment of all principal and interest payable with respect to such Bond to the due date or dates thereof (whether such due date or dates be by reason of maturity, upon redemption, or otherwise) either (1) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption) or (2) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar or an eligible entity for such payment (a) lawful money of the United States of America sufficient to make such payment, (b) Defeasance Securities (defined below) that mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment and when proper arrangements have been made by the District with the Paying Agent/Registrar or an eligible entity for the payment of its services until after all Defeased Bonds shall have become due and payable or (c) any combination of (a) and (b). At such time as a Bond shall be deemed to be a Defeased Bond, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes or revenues levied and pledged as provided in the Bond Resolution, and such principal and interest shall be payable solely from such money or Defeasance Securities.

The deposit under clause (2) above shall be deemed a payment of a Bond when proper notice of redemption of such Bonds shall have been given, in accordance with the Bond Resolution. Any money so deposited with the Paying Agent/Registrar or an eligible entity may at the discretion of the District also be invested in Defeasance Securities, maturing in the amounts and at the times as set forth in the Bond Resolution, and all income from such Defeasance Securities received by the Paying Agent/Registrar or an eligible trust company or commercial bank that is not required for the payment of the Bonds and interest thereon, with respect to which such money has been so deposited, shall be remitted to the District.

All money or Defeasance Securities set aside and held in trust pursuant to the provisions of the Bond Resolution for the payment of principal of the Bonds and premium, if any, and interest thereon, shall be applied to and used solely for the payment of the particular Bonds and premium, if any, and interest thereon, with respect to which such money or Defeasance Securities have been so set aside in trust. Until all Defeased Bonds shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Bonds the same as if they had not been defeased, and the District shall make proper arrangements to provide and pay for such services as required by the Bond Resolution.

If money or Defeasance Securities have been deposited or set aside with the Paying Agent/Registrar or an eligible entity for the payment of Bonds and such Bonds shall not have in fact been actually paid in full, no amendment of the defeasance provisions of the Bond Resolution shall be made without the consent of the registered owner of each Bond affected thereby.

Investments. Any escrow agreement or other instrument entered into between the District and the Paying Agent/Registrar or an eligible entity pursuant to which money and/or Defeasance Securities are held by the Paying Agent/Registrar or an eligible trust company or commercial bank for the payment of Defeased Bonds may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of certain requirements. All income from such Defeasance Securities received by the Paying Agent/Registrar or an eligible trust company or commercial bank which is not required for the payment of the Bonds and interest thereon, with respect to which such money has been so deposited, will be remitted to the District.

For the purposes of these provisions, "Defeasance Securities" means direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America.

## **SECURITY AND REMEDIES**

### *The Bonds*

The Bonds are general obligations of the District payable from general (ad valorem) property taxes which are required to be levied against all taxable property within the District without limitation of rate or amount.

The Bonds are secured by the obligation to levy and collect upon all taxable property within the District a tax levy sufficient, together with other legally available revenues, to meet the debt service on the Bonds. Such annual levy for debt service creates

a statutory tax lien which can be enforced personally against the owner of the property and enforced by sale of the property. Neither the State nor any other political subdivision of the State, other than the District, has any responsibility to pay debt service on the Bonds. Pursuant to NMSA 1978, Section 22-18-13, in the event the school district is unable to make a debt service payment, the Department of Finance and Administration of the State will forward the amount of the payment due to the Paying Agent/Registrar to avoid a default.

Various State laws and constitutional provisions apply to the assessment and collection of ad valorem property taxes. Future legislative changes relating to the assessment and collection of ad valorem property taxes may have a material impact on the District.

The Bonds are additionally secured by the New Mexico School District Enhancement Program as discussed in more detail under "NEW MEXICO SCHOOL DISTRICT ENHANCEMENT PROGRAM" herein.

#### *The Notes*

The Notes are payable from the Rent Payments and such Rent Payments due from the District under the Lease are direct obligations of the District payable from the proceeds of a continuing direct annual ad valorem tax levied against all taxable property located within the District, without limit as to rate or amount. *The obligation of the District to make the Rent Payment is a debt of the District and is not subject to annual appropriation by the District.*

The District must use all of the property taxes collected for debt service, and any other legally available money, to pay the Rent Payments on the Lease (relating to the debt service on the Notes) and the debt service on the other outstanding general obligation debt of the District.

Various State laws and constitutional provisions apply to the assessment and collection of ad valorem property taxes. Future legislative changes relating to the assessment and collection of ad valorem property taxes may have a material impact on the District.

#### **Limitations of Remedies**

There is no provision for acceleration of maturity of the principal of the Bonds and Notes in the event of a default in the payment of principal or interest on the Bonds or Notes. Consequently, remedies available to the owners of the Bonds and Notes may need to be enforced from year to year. Owners of the Notes must exhaust the mandamus remedy for the District to levy property taxes sufficient to pay any Rental Payments before pursuing any other remedy under the Lease or state law.

The enforceability of the rights and remedies of the owners of the Bonds and Notes, the obligations incurred by the District in issuing the Bonds and Notes, and the ability of the lessor and lessee to perform under the Lease (relating to the debt service of the Notes) are subject to the following: the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditor's rights generally, now or hereafter in effect; usual equity principles that may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Bonds and Notes to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

## SOURCES AND USES OF FUNDS

It is anticipated that the proceeds of the Bonds and Notes will be applied as follows:

Table 2

Sources	Series 2026 General Obligation School Bonds	Series 2026A Taxable Education Technology Notes	Series 2026B Tax Exempt Education Technology Notes
Par Amount			
Reoffering Premium			
<b>Total</b>			
<b>Uses</b>			
Project Fund			
Costs of Issuance			
Underwriter's Discount			
Deposit to Debt Service Fund			
<b>Total</b>			

## NEW MEXICO SCHOOL DISTRICT ENHANCEMENT PROGRAM

The State Legislature amended NMSA 1978, Section 22-18-1 et seq. in the first session of 2003 by adding Section 22-18-13 which became effective July 1, 2003. Section 22-18-13 was further amended in 2007 and provides that, if the school district indicates that it will not make the payment by the date on which it is due, the New Mexico Department of Finance and Administration ("DFA") shall forward the amount in immediately available funds necessary to make the payment due on the bonds to the paying agent from the current fiscal year's undistributed State Equalization Guarantee ("SEG") distribution to that school district and, if not otherwise repaid by the school district from other legally available funds, withhold the distributions from the school district until the amount has been recouped by the DFA, provided that, if the amount of the undistributed SEG distribution in the current fiscal year is less than the payment due on the bond, the DFA shall:

1. forward in immediately available funds to the paying agent an amount equal to the total amount of the school district's undistributed SEG distribution and, if not otherwise repaid by the school district from other legally available funds, withhold all distributions to the school district for the remainder of the fiscal year; and
2. on July 1 of the following fiscal year, forward in immediately available funds an amount equal to the remaining amount due to the paying agent from that year's SEG distribution and, if not otherwise repaid by the school district from other legally available funds, withhold an equal amount from the distribution to the school district until the amount paid has been recouped in full.

The amounts forwarded to the paying agent by the department of finance and administration shall be applied by the paying agent solely to the payment of the principal or interest due on the general obligation bonds of the school district.

### The provisions above apply to all New Mexico school districts.

The New Mexico School District Enhancement Program was initially put on watch list for possible downgrade on May 15, 2007, after the state adopted new legislation that altered the mechanics of the program. After a review of the law and policies regarding the implementation of the law, program ratings were bifurcated, with one rating applying to bonds issued prior to the March 30, 2007, effective date of the legislation and a second rating applying to bonds issued on or after the March 30, 2007 effective date. Under the new law, the State cannot immediately advance more than the remaining undistributed SEG payments for the fiscal year of default. As a result, those districts with principal and interest payments that fall in the latter part of the fiscal year

or that are significant in amount relative to the district's total annual SEG distribution may not have sufficient undistributed SEG payments to cover debt service payments in the event of a default.

Moody's upgraded the New Mexico School District Enhancement Program (Pre- and Post-Default) to Aa2 from Aa3 and assigned a stable outlook on January 9, 2026. By request, Moody's will assign a rating to school district bonds upon verification of a requirement in the authorizing Bond Resolution that an independent, third-party paying agent will be appointed and maintained.

Section 22-18-13 requires filing the bond resolution, bond offering documents and contact information for the relevant paying agent with the Department of Finance and Administration. Failure to file such information will not invalidate the obligation of the State Treasurer to pay the bond payment and withhold the State Equalization Guaranteed distribution.

The District will qualify the Bonds under the New Mexico School District Enhancement Program, however, the District is not seeking a rating from Moody's in connection therewith.

The New Mexico School District Enhancement Program does not apply to the Notes.

## **DEBT AND OTHER FINANCIAL OBLIGATIONS**

Article IX, Section 11 of the New Mexico Constitution limits the powers of a district to incur general obligation debt extending beyond the fiscal year. The District can incur such debt for the purpose of erecting, remodeling, making additions to and furnishing school buildings or purchasing or improving school grounds, to purchase computer software and hardware for student use in public schools, to provide matching funds for capital outlay projects funded pursuant to the Public School Capital Outlay Act, or any combination of these purposes but only after the proposition to create any such debt has been submitted to a vote of the qualified voters of the District, and a majority of those voting on the question vote in favor of creating the debt. The total indebtedness of the District may not exceed 6% of the assessed valuation of the taxable property within the District as shown by the last preceding general assessment. The issuance of refunding bonds and notes does not have to be submitted to a vote of the qualified electors of the District.

Notwithstanding the constitutional requirements described immediately above, the District may create a general obligation debt by entering into a lease-purchase arrangement to acquire education technology equipment without submitting the proposition to a vote of the qualified electors of the District, but any such debt is subject to the 6% debt limitation.

The assessed valuation of taxable property within the District is \$10,016,139,010 for tax year 2025, as approved by the State of New Mexico Taxation and Revenue Department, Property Tax Division. The maximum general obligation indebtedness of the District may not exceed 6% of the assessed valuation, or \$600,968,341.

After the Bonds are issued, together with the Notes being concurrently issued with the sale of the Bonds, the ratio of total outstanding general obligation debt of the District to the 2025 assessed valuation will be no greater than 1.40% as summarized in the table on the following page:

Table 3

	<u>Tax Year 2025</u>
2025 Assessed Valuation	\$10,016,139,010
2025 Estimated Actual Valuation	\$33,884,432,898 <sup>(1)</sup>
Total Bonded Debt Outstanding (Including the Bonds & the Notes)	\$195,640,000 <sup>(2)</sup>
Less Debt Service Fund Balance	<u>55,577,956</u> <sup>(3)</sup>
NET DEBT	<u>\$140,062,044</u>
Ratio of Net Debt to 2025 Assessed Valuation:	1.40%
Ratio of Net Debt to 2025 Estimated Actual Valuation:	0.41%
Per Capita Net Debt:	\$883.64
Est. Population:	158,506

(1) Estimated actual valuation is computed by adding the exemptions to the assessed valuation and multiplying the result by three.

(2) Preliminary, subject to change.

(3) The cash balance for the debt service fund including both GO and ETN was \$65,595,939 as of 04/27/2026. The amount properly attributable to principal reduction is 84.73%.

### Outstanding Debt

The District has issued debt ("Outstanding Debt") in the past for various capital improvements and has never defaulted in the payment of any of its ad valorem debt or other obligations or received debt payment assistance from the New Mexico School District Enhancement Program. Listed below is the District's total general obligation debt outstanding including the Bonds and the Notes.

Table 4

Series	Original Amount	Final Maturity	Principal Outstanding
2015	\$30,000,000	08/01/2028	\$10,900,000
2017	40,000,000	08/01/2029	13,250,000
2018	30,000,000	08/01/2030	15,425,000
2019	15,000,000	08/01/2031	8,700,000
2020	15,000,000	08/01/2032	9,950,000
2022	30,000,000	08/01/2034	23,995,000
2023	20,000,000	08/01/2034	17,470,000
2023A ETNs	5,000,000	08/01/2026	4,200,000
2024	28,000,000	08/01/2036	24,000,000
2024A ETNs	5,000,000	08/01/2027	5,000,000
2024B ETNs	6,000,000	08/01/2026	4,000,000
2025 ETN	11,000,000	08/01/2027	7,750,000
2026 <sup>(1)</sup>	40,000,000	08/01/2038	40,000,000
2026A ETNs <sup>(1)</sup>	6,000,000	08/01/2027	4,100,000
2026B ETNs <sup>(1)</sup>	5,000,000	08/01/2029	6,900,000
<b>Total</b>	<b>\$286,000,000</b>		<b>\$195,640,000</b>

(1) Preliminary, subject to change.

## Pro Forma Debt Service Requirements to Maturity

The District schedules principal and interest payments at the time of the Bond and Note sales with constraints being general obligation debt capacity and expected property tax revenues. Below is a summary of the currently scheduled principal and interest on the District's outstanding general obligation debt as well as the proposed principal and interest payments on the Bonds and Notes.

Table 5

Calendar Year	Current G/O Bond Requirements			Series 2026 GO Bond <sup>(1)</sup>			Total G/O Bond Requirements		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2026	\$19,515,000	\$5,661,250	\$25,176,250	\$19,500,000	\$238,889	\$19,738,889	\$39,015,000	\$5,900,139	\$44,915,139
2027	19,715,000	4,757,500	24,472,500	6,000,000	1,025,000	7,025,000	25,715,000	5,782,500	31,497,500
2028	19,715,000	3,844,750	23,559,750	1,320,000	725,000	2,045,000	21,035,000	4,569,750	25,604,750
2029	16,065,000	3,025,969	19,090,969	1,320,000	659,000	1,979,000	17,385,000	3,684,969	21,069,969
2030	12,815,000	2,345,500	15,160,500	1,320,000	593,000	1,913,000	14,135,000	2,938,500	17,073,500
2031	9,690,000	1,750,500	11,440,500	1,320,000	527,000	1,847,000	11,010,000	2,277,500	13,287,500
2032	8,215,000	1,294,750	9,509,750	1,320,000	461,000	1,781,000	9,535,000	1,755,750	11,290,750
2033	6,815,000	898,000	7,713,000	1,320,000	395,000	1,715,000	8,135,000	1,293,000	9,428,000
2034	6,745,000	557,250	7,302,250	1,320,000	329,000	1,649,000	8,065,000	886,250	8,951,250
2035	2,200,000	220,000	2,420,000	1,320,000	263,000	1,583,000	3,520,000	483,000	4,003,000
2036	2,200,000	110,000	2,310,000	1,320,000	197,000	1,517,000	3,520,000	307,000	3,827,000
2037				1,320,000	131,000	1,451,000	1,320,000	131,000	1,451,000
2038				1,300,000	65,000	1,365,000	1,300,000	65,000	1,365,000
<b>Total</b>	<b>\$123,690,000</b>	<b>\$24,465,469</b>	<b>\$148,155,469</b>	<b>\$40,000,000</b>	<b>\$5,608,889</b>	<b>\$45,608,889</b>	<b>\$163,690,000</b>	<b>\$30,074,358</b>	<b>\$193,764,358</b>

Calendar Year	Current G/O Ed Tech Requirements			Series 2026A - Taxable G/O Ed Tech <sup>(1)</sup>			Series 2026B - Tax Exempt G/O Ed Tech <sup>(1)</sup>			Total ETN Requirements		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2026	\$14,050,000	\$1,033,700	\$15,083,700	\$1,200,000	\$35,833	\$1,235,833		\$29,861	\$29,861	\$15,250,000	\$1,099,394	\$16,349,394
2027	6,900,000	338,400	7,238,400	4,800,000	240,000	5,040,000	\$1,200,000	250,000	1,450,000	12,900,000	828,400	13,728,400
2028							\$3,800,000	190,000	3,990,000	3,800,000	190,000	3,990,000
<b>Total</b>	<b>\$20,950,000</b>	<b>\$1,372,100</b>	<b>\$22,322,100</b>	<b>\$6,000,000</b>	<b>\$275,833</b>	<b>\$6,275,833</b>	<b>\$5,000,000</b>	<b>\$469,861</b>	<b>\$5,469,861</b>	<b>\$31,950,000</b>	<b>\$2,117,794</b>	<b>\$34,067,794</b>

(1) Preliminary, subject to change. Assumes a 5.00% interest rate for illustrational purposes.

## Statement of Estimated Direct and Overlapping Debt

The following is a calculation of the debt ad valorem load and per capita debt of the District payable from property taxes. In addition to outstanding debt of the District, the calculation takes into account debt attributable to overlapping taxing entities which is the responsibility of taxpayers within the boundaries of the District ("Overlapping Debt").

Table 6

Municipal Entity	2025 Assessed Valuation	G/O Debt Outstanding	Percent Applicable	Amount
State of New Mexico	\$112,757,519,845	\$416,585,000	8.88%	\$37,004,834
Santa Fe County	10,801,520,856	103,135,000	92.73%	95,636,023
City of Santa Fe	6,217,414,404	36,740,000	100.00%	36,740,000
Santa Fe Community College	10,016,139,010	16,175,000	100.00%	16,175,000
Santa Fe Public Schools	10,016,139,010	195,640,000 <sup>(1)</sup>	100.00%	195,640,000 <sup>(1)</sup>
<b>Total Direct &amp; Overlapping Debt</b>				<b>\$381,195,857 <sup>(1)</sup></b>

Ratio of Direct & Overlapping Debt to 2025 Assessed Valuation:	3.81%
Ratio of Direct & Overlapping Debt to 2025 Estimated Actual Valuation:	1.12%
Per Capita Direct & Overlapping Debt:	\$2,404.93

Source: Santa Fe County Assessor's Office and individual entities.

(1) Includes the 2026 Bonds and Notes.

# TAX BASE

## Analysis of Assessed Valuation

Assessed valuation of property within the District is calculated as follows: Of the total estimated actual valuation of all taxable property in the District, 33-1/3% is legally subject to ad valorem taxes. After deduction of certain personal exemptions, the 2025 assessed valuation is \$10,016,139,010. The actual value of personal property within the District (see "Assessments" below) is determined by the Santa Fe County Assessor (the "County Assessor"). The actual value of certain property within the District (see "Centrally Assessed" below) is determined by the State of New Mexico, Taxation and Revenue Department, Property Tax Division. The analysis of assessed valuation follows.

Table 7

	2021	2022	2023	2024	2025
<b>Assessments</b>					
Value of Land	\$2,125,493,468	\$2,266,906,678	\$2,356,092,829	\$2,452,373,045	\$2,542,745,561
Improvements	5,924,462,834	6,479,961,719	7,434,296,551	7,953,442,081	8,528,050,288
Personal Property	57,559,226	58,976,041	59,431,874	60,452,765	67,498,242
Mobile Homes	19,659,514	20,749,434	22,990,427	24,686,542	27,050,119
Livestock	680,227	760,393	721,021	842,659	1,050,928
<b>Assessor's Total Taxable Valuation</b>	<b>\$8,127,855,269</b>	<b>\$8,827,354,265</b>	<b>\$9,873,532,702</b>	<b>\$10,491,797,092</b>	<b>\$11,166,395,138</b>
<b>Less Exemptions</b>					
Head of Family	\$39,950,846	\$39,454,935	\$39,154,779	\$39,297,723	\$40,078,477
Veterans	68,995,838	71,362,695	76,370,243	86,313,160	124,072,101
Other	730,750,886	808,855,771	987,339,437	1,057,311,176	1,114,521,378
<b>Total Exemptions</b>	<b>\$839,697,570</b>	<b>\$919,673,401</b>	<b>\$1,102,864,459</b>	<b>\$1,182,922,059</b>	<b>\$1,278,671,956</b>
<b>Assessor's Net Taxable Valuation</b>	<b>\$7,288,157,699</b>	<b>\$7,907,680,864</b>	<b>\$8,770,668,243</b>	<b>\$9,308,875,033</b>	<b>\$9,887,723,182</b>
<b>Centrally Assessed</b>	<b>117,716,832</b>	<b>111,055,852</b>	<b>114,980,119</b>	<b>124,352,059</b>	<b>128,415,828</b>
<b>Total Assessed Valuation</b>	<b>\$7,405,874,531</b>	<b>\$8,018,736,716</b>	<b>\$8,885,648,362</b>	<b>\$9,433,227,092</b>	<b>\$10,016,139,010</b>
<b>Summary by Property Type</b>					
	2021	2022	2023	2024	2025
Residential	\$6,025,012,250	\$6,518,189,419	\$7,050,191,242	\$7,483,846,543	\$7,990,710,779
Non-Residential	1,380,862,281	1,500,547,297	1,835,457,120	1,949,380,549	2,025,428,231
<b>Total</b>	<b>\$7,405,874,531</b>	<b>\$8,018,736,716</b>	<b>\$8,885,648,362</b>	<b>\$9,433,227,092</b>	<b>\$10,016,139,010</b>

Source: Santa Fe County Assessor's Office.

## History of Assessed Valuation

Listed below is a 10-year history of assessed valuation for the District compared with the City and the County. The tax base of the District has increased 37.8% since 2016 compared with a 36.8% increase for the City and a 37.2% increase for the County.

Table 8

<b>Tax Year</b>	<b>District</b>	<b>City of Santa Fe</b>	<b>Santa Fe County</b>
2016	\$6,229,707,981	\$3,930,466,905	\$6,779,951,802
2017	6,443,048,335	4,057,690,611	7,008,048,090
2018	6,592,643,059	4,168,975,147	7,162,838,494
2018	6,935,690,753	4,392,470,494	7,521,589,551
2020	7,219,907,403	4,557,743,975	7,828,549,667
2021	7,405,874,531	4,610,893,874	8,039,694,774
2022	8,018,736,716	4,960,434,915	8,694,115,447
2023	8,885,648,362	5,574,965,537	9,603,851,513
2024	9,433,227,092	5,884,882,813	10,196,838,890
2025	10,016,139,010	6,217,414,404	10,801,520,856

Source: Santa Fe County Assessor's Office

## Major Taxpayers

As highlighted in the table below, the ten largest taxpayers in the District for tax year 2025 have a combined assessed valuation of \$258,063,947 which represents 2.58% of the District's total 2025 assessed valuation.

Table 9

<b>Name</b>	<b>Business</b>	<b>2025 AV</b>	<b>% of AV</b>
Public Service Company of NM	Electric Utility	\$63,491,498	0.63%
Presbyterian Healthcare Services	Healthcare	44,480,408	0.44%
St. Vincent Hospital	Healthcare	37,866,836	0.38%
Madera Apartments D1 LLC	Apartments	17,451,738	0.17%
BNSF Railway	Railroad	17,344,713	0.17%
Comcast	Cable Provider	16,087,852	0.16%
Santa Fe Portfolio LLC	Real Estate	16,022,542	0.16%
La Fonda Holdings LLC	Hotel	15,511,993	0.15%
7978 CCB LLC & 7978 CCB 8 LLC	Real Estate	15,480,857	0.15%
Guadalupe Hotel Investment LLC	Hotel	14,325,510	0.14%
<b>Total</b>		<b>\$258,063,947</b>	<b>2.58%</b>

Source: Santa Fe County Assessor's Office.

## School Tax Rates

The following table summarizes the historical school tax levies on residential and non-residential property within the District since the 2021 tax year (2021-22 fiscal year). In November 2021, voters re-authorized the Public School Buildings Act levy (the “HB33” levy) for residential property for property tax years 2021, 2022, 2023, 2024, 2025 and 2026. In November 2023, voters authorized the Public School Capital Improvements Tax Levy (the “Two Mill Levy”) for property tax years 2024, 2025, 2026, 2027, 2028, and 2029.

Table 10

Tax Year	Operational		Two Mill Levy		HB33		Debt Service		Total Debt	Total	
	Resid.	Non-Resid.	Resid.	Non-Resid.	Resid.	Non-Resid.	G/O Bonds	ETNs	Service	Resid.	Non-Resid.
2025	\$0.137	\$0.500	\$1.474	\$1.643	\$1.310	\$1.500	\$4.282	\$1.510	\$5.792	\$8.713	\$9.435
2024	0.139	0.500	1.500	1.500	1.333	1.500	4.282	1.510	5.792	8.764	9.292
2023	0.142	0.484	1.902	1.936	1.363	1.465	4.282	1.560	5.842	9.249	9.727
2022	0.143	0.496	1.923	1.982	1.378	1.500	4.282	1.524	5.806	9.250	9.784
2021	0.142	0.500	1.903	2.000	1.500	1.500	4.283	1.525	5.808	9.353	9.808

Source: New Mexico Department of Finance & Administration.

## Tax Rates

Article VIII, Section 2, of the New Mexico Constitution limits the total ad valorem taxes for operational purposes levied by all overlapping governmental units within the District to \$20.00 per \$1,000 of assessed value. This limitation does not apply to levies for public debt and levies for additional taxes if authorized at an election by a majority of the qualified voters of the jurisdiction voting on the question. The following table summarizes the tax status on residential property in Santa Fe County for tax year 2025 and the previous four years.

Table 11

### Within 20 Mill Limit for General Purposes

	2025	2024	2023	2022	2021
State of New Mexico	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Santa Fe County	5.228	5.311	5.428	5.484	5.560
Santa Fe Community College	2.724	2.770	2.820	2.851	2.892
City of Santa Fe	1.446	1.469	1.503	1.523	1.545
Santa Fe Schools	0.137	0.139	0.142	0.143	0.142
<b>Total</b>	<b>\$9.535</b>	<b>\$9.689</b>	<b>\$9.893</b>	<b>\$10.001</b>	<b>\$10.139</b>

### Over 20 Mill Limit - Interest, Principal, Judgment, etc.

	2025	2024	2023	2022	2021
State of New Mexico	\$1.360	\$1.360	\$1.360	\$1.360	\$1.360
Santa Fe County	2.129	2.129	2.129	2.124	2.124
Santa Fe Community College	0.650	0.650	0.650	0.650	0.650
City of Santa Fe	0.522	0.408	0.408	0.475	0.567
Santa Fe Schools	8.576	8.625	9.107	9.107	9.211
<b>Total</b>	<b>\$13.237</b>	<b>\$13.172</b>	<b>\$13.654</b>	<b>\$13.716</b>	<b>\$13.912</b>

### Total Levy

	2025	2024	2023	2022	2021
State of New Mexico	\$1.360	\$1.360	\$1.360	\$1.360	\$1.360
Santa Fe County	7.357	7.440	7.557	7.608	7.684
Santa Fe Community College	3.374	3.420	3.470	3.501	3.542
City of Santa Fe	1.968	1.877	1.911	1.998	2.112
Santa Fe Schools	8.713	8.764	9.249	9.250	9.353
<b>Total Residential in City of Santa Fe</b>	<b>\$22.772</b>	<b>\$22.861</b>	<b>\$23.547</b>	<b>\$23.717</b>	<b>\$24.051</b>
<b>Total Non-Residential in City of Santa Fe</b>	<b>\$32.464</b>	<b>\$32.207</b>	<b>\$32.157</b>	<b>\$32.672</b>	<b>\$32.877</b>
<b>Total Residential in Unincorporated County</b>	<b>\$26.015</b>	<b>\$25.259</b>	<b>\$21.636</b>	<b>\$21.719</b>	<b>\$21.939</b>
<b>Total Non-Residential in Unincorporated County</b>	<b>\$33.970</b>	<b>\$32.891</b>	<b>\$28.659</b>	<b>\$29.014</b>	<b>\$29.127</b>

Source: New Mexico Department of Finance & Administration.

## Yield Control Limitation

State law limits property tax increases from the prior property tax year. Specifically, no taxing entity may set a rate or impose a tax (excluding oil and gas production ad valorem and oil and gas production equipment ad valorem taxes) or assessment which will produce revenues which exceed the prior year's tax revenues from residential and non-residential property multiplied by a "growth control factor." The growth control factor is the percentage equal to the sum of (a) "percent change I" plus (b) the prior property tax year's total taxable property value plus "net new value", as defined by statute, divided by such prior property tax year's total taxable property value, but if that percentage is less than 100%, then the growth control factor is (a) "percent change I" plus (b) 100%. "Percent change I" is based upon the annual implicit price deflator index for State and local government purchases of goods and services (as published in the United States Department of Commerce monthly publication entitled "Survey of Current Business," or any successor publication) and is a percent (not to exceed 5%) that is derived by dividing the increase in the prior calendar year (unless there was a decrease, in which case zero is used) by the index for such calendar year next preceding the prior calendar year.

*The growth control factor applies to authorized operating levies and to any capital improvements levies, but does not apply to levies for paying principal and interest on public general obligation debt, including the Bonds and Notes.*

## Developments Limiting Residential Property Tax Increases

In an effort to limit large annual increases in residential property taxes in some areas of the State (particularly the City and Taos areas which historically experienced large increases in residential property values), an amendment to the uniformity clause (Article VIII, Section 1) of the New Mexico Constitution was proposed during the 1997 Legislative Session. The amendment was submitted to voters of the State at the general election held on November 3, 1998 and was approved by a wide margin.

The amendment directs the State Legislature to provide for valuation of residential property in a manner that limits annual increases in valuation. The New Mexico limitation may be applied to classes of residential property taxpayers based on occupancy, age or income. Further, the limitations may be authorized statewide or at the option of a local jurisdiction and may include conditions for applying the limitations.

Bills implementing the constitutional amendment were enacted in 2000 and were codified as Sections 7-36-21.2, NMSA 1978 and 7-36-21.3, NMSA 1978 ("Section 7-36-21.3").

Section 7-36-21.2, NMSA 1978 establishes a statewide limitation on residential property valuation increases beginning in tax year 2001 (the "Statutory Valuation Cap on Residential Increases"). Annual valuation increases are limited to 3% over the prior year's valuation or 6.1% over the valuation from two years prior. Subject to certain exceptions, these limitations do not apply:

1. To property that is being valued for the first time;
2. To physical improvements, except for solar energy system installations made to the property in the preceding year;
3. When the property is transferred to a person other than a spouse, or a child who occupies the property as his principal residence and who qualifies for the head of household exemption on the property under the Property Tax Code;
4. When a change occurs in the zoning or use of the property; and
5. To property that is subject to the valuation limitations under Section 7-36-21.3.

On March 28, 2012, in *Zhao v. Montoya*, 2012-NMCA-056, the New Mexico Court of Appeals upheld the constitutionality of a law capping residential valuation increases until a home changes ownership. The plaintiff appealed the case to the New Mexico Supreme Court, 2014-NMSC-025, which affirmed in part and reversed in part the Court of Appeals' decision and upheld the constitutionality of the law on other grounds. The New Mexico Supreme Court stated that the Court of Appeals' holding based on the taxpayer's classification creates the impression that ownership alone may equate to owner-occupant. The New Mexico Supreme Court held instead that the change-of-ownership exception to the valuation cap is constitutional because it focuses on the nature of the property, when it was acquired, and not on the classification of the taxpayer, whether the taxpayer is an owner-occupant. Thus, although the Supreme Court's decision in *Zhao* focused on the constitutionality of the exception to the annual limitations on residential property revaluation, its holding supports that the New Mexico Property Tax Code is constitutional, including the general annual valuation cap. *Zhao* also supports that the Property Tax Code's additional exceptions to the cap for properties which have changed use or which have been subject to a zoning change during the previous year are also constitutional, as they similarly focus on the nature of property, rather than on the taxpayer.

The State Legislature has brought up the issue of the disparity in valuations in the past several years, but has not enacted any of the bills into law. To the extent that court or legislative action is taken or a further constitutional amendment is passed amending the valuation provisions, it could have a material impact on the valuation of residential property in the District.

Section 7-36-21.3 places a limitation on the increase in value for property taxation purposes for single-family dwellings occupied by low-income owners who are 65 years of age or older or who are disabled. The statute fixes the valuation of the property to the valuation in the year that the owner turned 65 or became disabled. The Section 7-36-21.3 limitation does not apply:

1. To property that is being valued for the first time;
2. To a change in valuation resulting from physical improvements made to the property in the preceding year; and
3. To a change in valuation resulting from a change in the zoning or permitted use of the property in the preceding year.

**Tax Collections**

General (ad valorem) taxes for all units of government are collected by the county treasurer and distributed monthly to the various political subdivisions to which they are due.

Property taxes are due in two installments. The first half installment is due on November 10 and becomes delinquent on December 10. The second half installment is due on April 10 and becomes delinquent on May 10.

Collection statistics for all political subdivisions for which the Santa Fe County Treasurer (the "County Treasurer") collects taxes are presented below:

Table 12

Property Tax Collections for Santa Fe County						
Tax Year	Fiscal Year	Net Taxes Charged to Treasurer	Current Tax Collections <sup>(1)</sup>	Current Collections as a % of Net Levied	Current/Delinquent Tax Collections <sup>(2)</sup>	Current/Delinquent Collections as a % of Net Levied
2024	24/25	\$245,479,817	\$234,135,768	95.38%	\$234,135,768	95.38%
2023	23/24	236,172,098	226,200,296	95.78%	234,305,664	99.21%
2022	22/23	214,709,027	208,544,585	97.13%	213,733,497	99.55%
2021	21/22	199,793,777	193,596,999	96.90%	198,510,912	99.36%
2020	20/21	196,131,939	191,796,346	97.79%	195,089,505	99.47%
2019	19/20	190,979,394	184,211,903	96.46%	190,150,894	99.57%
2018	18/19	182,838,376	176,420,838	96.49%	182,118,027	99.61%
2017	17/18	179,087,935	173,269,194	96.74%	178,701,408	99.78%
2016	16/17	168,538,813	162,656,064	96.39%	168,261,426	99.84%
2015	15/16	164,739,093	158,750,208	96.29%	164,549,712	99.89%

(1) As of June 30 of each year.

(2) As of June 30, 2025.

Source: Santa Fe County Treasurer's Office.

**Interest on Delinquent Taxes**

Pursuant to NMSA 1978, Section 7-38-49, if property taxes are not paid for any reason within thirty (30) days after the date they are due, interest on the unpaid taxes shall accrue from the thirtieth (30th) day after they are due until the date they are paid. Interest accrues at the rate of one percent (1%) per month or any fraction of a month.

## **Penalty for Delinquent Taxes**

Pursuant to NMSA 1978 Section 7-38-50, if property taxes become delinquent, a penalty of one percent (1%) of the delinquent tax for each month, or any portion of a month, they remain unpaid shall be imposed, but the total penalty shall not exceed five percent (5%) of the delinquent taxes. The minimum penalty imposed is \$5.00. A county can suspend application of the minimum penalty requirement for any tax year.

If property taxes become delinquent because of an intent to defraud by the property owner, fifty percent (50%) of the property tax due or fifty dollars (\$50.00), whichever is greater, shall be added as a penalty.

## **Remedies Available for Non-Payment of Taxes**

Pursuant to NMSA 1978, Section 7-38-47, property taxes are the personal obligation of the person owning the property on the date on which the property was subject to valuation for property taxation purposes. A personal judgment may be rendered against the taxpayer for payment of taxes that are delinquent, together with any penalty and interest on the delinquent taxes.

Taxes on real property are a lien against the real property. Pursuant to NMSA 1978 Section 7-38-65 delinquent taxes on real property may be collected by selling the real property on which taxes are delinquent.

Pursuant to NMSA 1978, Section 7-38-53, delinquent property taxes on personal property may be collected by asserting a claim against the owner(s) of the personal property for which taxes are delinquent.

## **Protest**

Pursuant to NMSA 1978, Section 7-38-39, after receiving his or her property tax bill and after making payment prior to the delinquency date of all property taxes due in accordance with the bill, a property owner may protest the value or classification determined for his or her property for property taxation purposes, the allocation of value of his or her property to a particular governmental unit, the application to his or her property of an administrative fee adopted pursuant to NMSA 1978, Section 7-38-36.1 or a denial of a claim for an exemption by filing a claim for refund in the district court. Pursuant to NMSA 1978, Section 7-38-41, the portion of any property taxes paid to the County Treasurer that is not admitted to be due and is the subject of a claim for refund will be deposited in a "property tax suspense fund." Moneys in the property tax suspense fund may not be used for the payment of debt service on the Bonds or Notes.

## **THE DISTRICT**

The District is a political subdivision of the State organized for the purpose of operating and maintaining an education program for school-age children residing within its boundaries.

Currently the District operates and maintains a variety of facilities in meeting its obligation to provide an educational program within its boundaries that cover 1,016 square miles.

The District is the fifth largest district in the State with a 2025-26 student enrollment of 10,674, which includes charter school enrollment of 401. The District operates 28 school sites, 2 comprehensive high schools, 3 alternative high schools, to include an International Baccalaureate (IB) school which serves grades 7-12, 3 middle schools, 15 elementary schools and 5 K-8 community schools. In addition, within the District there is 1 district charter school and 5 State charter schools. The District's educational program additionally includes vocational, technical and occupational training.

## **School District Powers**

The District's powers are subject to regulations adopted by the New Mexico Public Education Department ("PED"). Pursuant to an amendment to Article XII, Section 6 of the New Mexico Constitution, adopted at a special election held September 23, 2003, the Secretary of Education (the "Secretary") is the governing authority and has control, management, and direction of all public schools pursuant to power provided by law. The Secretary further exercises supervision and authority over the PED. Generally, the powers of the Secretary and the PED include determining policy regarding operations of all public schools, designating courses of instruction, adopting regulations, determining qualifications for teachers, counselors and their assistants, and prescribing minimum educational standards. The Secretary may order the creation or consolidation of school districts.

## Management

The District Board of Education (the “Board”), subject to regulations of PED, develops educational policies for the District. The Board employs a superintendent of schools, delegates administrative and supervisory functions to the superintendent, fixes the superintendent’s salary, has the capacity to sue and be sued, enter into contracts, leases, purchase and sell property for the District, acquires and disposes of all property, provides for the repair and maintenance of the District’s property, and adopts regulations pertaining to the administration of all powers or duties of the Board. Members serve without compensation for four-year terms of office and are elected in non-partisan elections held every two years on the first Tuesday in November. The current District Board members are:

Kate Noble, President  
Term expires December 31, 2029

Sarah Boses, Vice President  
Term expires December 31, 2027

Carmen Gonzales, Secretary  
Term expires December 31, 2027

Roman Abeyta, Member  
Term expires December 31, 2027

Juan Blea, Member  
Term expires December 31, 2029

The Superintendent is selected by and serves at the discretion of the Board. All other staff members are selected by the Superintendent. The current administrative staff is:

*Dr. Christine Griffin, Superintendent.* With more than two decades of experience in public education, Dr. Griffin has cultivated a career dedicated to student success, instructional excellence, innovation, and community engagement.

Before stepping into the role of superintendent in 2023, Dr. Griffin served as Executive Director of Educational Services and Innovation, where she led districtwide initiatives in curriculum alignment, instructional technology, and data-informed decision-making. Her principal leadership in two different schools is marked by transformative program development—including the launch of a STEM-focused curriculum, a 4-Star Quality First Preschool, and an ARTS enrichment program—leading to increased enrollment and improved school performance.

Dr. Griffin began her career in education as a paraprofessional, a classroom teacher and instructional coach, with experience ranging from K–8 special education to district-level intervention coordination. Her leadership reflects a strong commitment to equitable access, whole-child development, and community partnership. She has successfully secured and implemented numerous grants, including ESSER, ESEA, 21st Century Learning, and First Things First.

Dr. Griffin holds a Doctorate in Educational Leadership from Northern Arizona University, where she also earned her Master of Education in Educational Leadership and her Bachelor of Science in Special and Elementary Education. She holds multiple Arizona certifications, including Superintendent, Principal, Reading Specialist, and Cross-Categorical Special Education.

She is a passionate advocate for professional learning and has completed extensive training in High-Reliability Schools, RTI, instructional coaching, school law, special education leadership, and inclusive instructional practices. She actively contributes to the education community through her work with Education Foundations, Chamber of Commerce, and several advisory and strategic planning committees. Through every role, Dr. Griffin remains committed to fostering innovative learning environments, supporting educators, and ensuring that every student has the opportunity to thrive.

*Richard Halford, Chief Financial Officer.* Richard Halford was hired at Santa Fe Public Schools as their Chief Financial Officer in September 2025, marking a return to the district where he previously worked for 12 years, all within the financial office. Overall, he brings 33 years of government finance experience, 24 of which were in school finance. In addition to his previous work with Santa Fe Public Schools, he has worked at the Public Education Department for 6 years, at Espanola Public Schools for three years (where he officially retired) and at a local private school for the 2 ½ years prior to his return to Santa Fe Public Schools.

## Insurance

The District is a member of the New Mexico State Public School Insurance Authority (the “Insurance Authority”) which was established to provide a comprehensive liability and casualty insurance program for school districts, board members and public school employees in the State. The Insurance Authority provides risk-related insurance to the District such as workman’s compensation, property and casualty insurance, general automobile and fire insurance and general liability insurance for the District, its property, the Board, and employees.

## Energy Obligations

During 2016, the Board approved a unique financing agreement which provided \$2,962,734 to construct solar array fields at two school sites. The funding was provided by the New Mexico Finance Authority (“NMFA”) through the issuance of the Energy Efficiency and Renewable Energy Bonds, Series 2016A. These bonds are special limited obligations of the NMFA, and are payable with pledged revenue, which includes money transferred by the PED from deductions to the SEG distribution of the District. The amount of savings the District expects to gain from the project is designed to be approximately 11% more than the reduction, making for a positive net impact on the District’s finances.

## Intergovernmental Agreements

The District has entered into various joint powers’ agreements with other governmental entities in the State which permit all the governmental entities to jointly provide certain equipment purchases and other services cooperatively. The agreements allow the District to “piggyback” onto price agreements and use Cooperative Purchasing entities such as CES (Cooperative Educational Services) and multi-district agreements to purchase food for the District’s Student Nutrition Program. Without these procurement vehicles, the District would have to procure these services on its own and most likely would not receive the same discounts as it does when collaborating with other districts.

## School Property

Currently, the District operates and maintains a variety of facilities in meeting its obligations to provide an educational program for the school-aged children residing within its boundaries. In addition, within the District there is 1 district charter school and 5 state charter schools. The District owns the land upon which school buildings and facilities are located which includes two district administration buildings, a maintenance shop and custodial center, a student nutrition warehouse and numerous vehicles. The District owns a fleet of buses which are used only to transport students to and from school and school activity events. The replacement value of all school facilities and equipment for insurance purposes is estimated to be over \$261 million.

## Student Enrollment

The District’s student enrollment for the current and previous four years is detailed below.

Table 13

	2021-22	2022-23	2023-24	2024-25	2025-26
Elementary	4,507	5,314	6,056	6,079	5,812
Middle School	3,306	2,496	1,421	1,374	1,362
High School	3,456	3,448	3,691	3,375	3,099
Sub-Total:	11,269	11,258	11,168	10,828	10,273
Charter Schools	398	392	397	398	401
<b>Total</b>	<b>11,667</b>	<b>11,650</b>	<b>11,565</b>	<b>11,226</b>	<b>10,674</b>

Source: New Mexico Public Education Department.

## Accreditation

All of the District’s high schools are accredited by the North Central Association of Schools and Colleges (the “Association”), a voluntary organization of school improvement agencies that is also known as Cognia (previously known as AdvancED). The Association serves approximately 32,000 public and private schools and school systems with over 20 million students across

the United States and 70 countries. The District is subject to periodic monitoring by the Association to ensure continued compliance with accreditation standards.

## **FINANCES OF THE EDUCATIONAL PROGRAM**

The basic format for the financial operation of the District is provided by the PED through the School Budget Planning Division which is directed by State law to supervise and control the preparation of all budgets of all school districts. The District receives revenue from a variety of local, State, and federal sources, the most important of which are described below. The State's public school finance laws are subject to review and examination through the judicial process, and are subject to legislative changes as well. As a result, the District cannot anticipate with certainty all of the factors which may influence the financing of its future activities. There is no assurance that there will not be any change in, interpretation of, or addition to the applicable laws, provisions, and regulations which would have a material effect, directly or indirectly, on the affairs of the District.

### **District Budget Process**

Each year, the school district budget process begins with the educational appropriations passed by the State Legislature and signed into law by the Governor. The actual budget process follows specific steps set by the PED.

- Pursuant to instruction by the PED, the District must submit an operating budget for the next school year to the PED. If the District fails to submit a budget, the PED must prepare a District budget for the ensuing year. Upon written approval of the state Secretary of Education, the date for the submission of the operating budget may be extended to a later date fixed by the state Secretary of Education (NMSA 1978, Section 22-8-6).
- Before May 31 of each year, the Board must hold a public hearing to fix the estimated budget for the next school year.
- Before June 20 of each year, the District must submit a balanced budget to the PED.
- On or before July 1 of each year, the PED must approve and certify an approved operating budget for use by the Board.

No school board, officer or employee of a school district may make an expenditure or incur any obligation for the expenditure of public funds unless that expenditure is made in accordance with an operating budget approved by the PED. This requirement, however, does not prohibit the transfer of funds between line items within a series of a budget. Final budgets may not be altered or amended after approval by the PED except upon the District's request to the PED. An instance in which such requests will be approved include a change within the budget that does not increase the total amount of the budget. Additional budget items may also be approved if the District is to receive unanticipated revenues. Finally, if it becomes necessary to increase the District's budget by more than \$1,000 for any reason other than those listed above, the PED may order a special public hearing to consider the requested increase.

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and Debt Service Fund with appropriations lapsing at year end. Total expenditures of any function category may not exceed categorical appropriations.

To conform with PED's requirements, budgets for all funds of the District are adopted on the cash basis of accounting except for State instructional material credit. State instructional material funds provide for free textbooks from the PED. As a result, budgets are not prepared in conformity with generally accepted accounting principles (GAAP), and budgetary comparisons are presented on the cash basis of accounting.

Pursuant to the District's internal policy, it has historically budgeted a 5% cash balance reserve.

### **Sources of Revenue for General Fund**

The General Fund is the primary operating fund of the District and accounts for all financial resources, except those required to be accounted for in other funds. The sources of revenue for the District's General Fund are:

Local Revenues. Local revenues are a minor source of revenue to the District composed, in part, by a property tax annually levied on and against all of the taxable property within the District for operational purposes. The levy is limited by NMSA 1978, Section 7-37-7 to a rate of 50 cents for each \$1,000 of net taxable value of taxable property. Other sources of local revenues include interest income earned on the District's investments, rentals and sale of property and charges for service. In fiscal year

2025, the District received \$1,610,421 from local sources. Such payments represented approximately 1% of actual fiscal year 2025 General Fund revenues.

Federal Revenues. Another minor source of annual revenue for the District's General Fund is derived from federal grant funds related to vocational, special education, and various other programs and federal impact funds paid to the District in lieu of taxes on federal land located in the District. In fiscal year 2025, the District received \$448,660 in federal revenues for its General Fund. Such payments represented approximately less than 1% of actual fiscal year 2025 General Fund revenues.

State Revenues. The District's largest source of annual revenue is derived from the SEG payments described below. During fiscal year 2025, the District received \$144,508,342 from State sources. Such payments represented approximately 98% of actual fiscal year 2025 General Fund revenues.

### **State Equalization Guarantee**

The State Legislature enacted the State's current public school funding formula in 1974. Designed to distribute operational funds to local school districts in an objective manner, the funding formula is based upon the educational needs of individual students and costs of the programs designed to meet those needs. Program cost differentials are based upon nationwide data regarding the relative costs of various school programs, as well as data specific to the State. The objectives of the formula are (1) to equalize educational opportunity Statewide (by crediting certain local and federal support and then distributing State support in an objective manner), and (2) to retain local autonomy in actual use of funds by allowing funds to be used in local districts at the discretion of local policy making bodies. The formula is divided into three basic parts:

1. Educational program units that reflect the different costs of identified programs;
2. Training and experience units that attempt to provide additional funds so that districts may hire and retain better educated and more experienced instructional staff; and
3. Size adjustment units that recognize local school and community needs, economies of scale, types of students, marginal costs increases for growth in enrollment from one year to the next, and adjustments for the creation of new districts.

SEG payments are made monthly and prior to June 30 each fiscal year. The calculation of the distribution is also based on the local and federal revenues received from June 1 of the previous fiscal year through May 31 of the fiscal year for which the SEG payment is being computed. In the event that a district receives more SEG funds than its entitlement, the district must make a refund to the State's general fund.

Even though the current public school funding formula has been in place for more than three decades, some districts have indicated a concern about the fact that some districts receive less revenue per pupil compared to others. In response to these concerns, the State Legislature, the Governor, and the State Board of Education authorized an independent, comprehensive study of the formula that was conducted in 1996. In its principal finding the independent consultant concluded: "When evaluated on the basis of generally accepted standards of equity, the New Mexico public school funding formula is a highly equitable formula . . . [S]pending disparities are less than in other states and statistically insignificant."

Despite the acknowledged equity of the formula, the independent consultant pointed out a strong perception of unfairness in the so-called "density" factor and in the training and experience computations of some districts. As a result, the State Legislature enacted the following changes to the funding formula:

- Required that special education students be counted with regular students with "add-on" weights assigned depending upon the severity of the disability;
- Changed weights for special education ancillary services and included diagnosticians in ancillary services computations; and
- Repealed the so-called "density" factor and replaced it with an at-risk factor that is available to all school districts.

SEG payments to the District for the current and previous four fiscal years are as follows:

Table 14

School Year	Program Unit Value	Number of Program Units	SEG Amount
2025-26	\$6,877	21,752	\$149,588,087
2024-25	6,554	21,387	144,307,928
2023-24	6,242	22,390	139,247,975
2022-23	5,523	22,124	122,177,071
2021-22	4,863	24,510	119,193,206

*Note: Includes Santa Fe Charters*

*Source: New Mexico Public Education Department.*

The District is also reimbursed by the State for the costs of transporting pupils to and from school. These payments are based upon a formula consisting of the number of students per square mile that are transported. In fiscal year 2025, the District received \$8,918,137 for transportation purposes.

## Statement of Net Position

Below is a five-year history of the Statement of Net Position for the District. See financial statements for the fiscal year ending June 30, 2025 attached as APPENDIX B. The complete audit report for the fiscal year ending June 30, 2025 and the prior four fiscal years can be downloaded from the State Auditor's website.

Table 15

Fiscal Year Ending June 30	<u>Statement of Net Position (Governmental Activities)</u>				
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<b>Assets</b>					
Cash and Equivalents	\$71,511,622	\$65,134,269	\$77,157,965	\$92,392,058	\$86,763,848
Receivables	11,544,773	12,448,379	19,528,111	16,011,389	15,474,226
Inventories	441,204	433,760	436,106	407,838	352,939
<b>Total Current Assets</b>	<b>83,497,599</b>	<b>78,016,408</b>	<b>97,122,182</b>	<b>108,811,285</b>	<b>102,591,013</b>
Restricted cash and cash equivalents	50,605,820	93,477,149	87,647,221	97,173,192	75,173,192
Capital Assets	368,866,518	353,879,781	348,604,660	338,635,683	343,902,183
<b>Total Assets</b>	<b>\$502,969,937</b>	<b>\$525,373,338</b>	<b>\$533,374,063</b>	<b>\$544,620,160</b>	<b>\$521,666,388</b>
<b>Deferred Outflow of Resources</b>					
Deferred outflow of resources related to pensions	\$276,893,282	\$172,463,983	\$75,776,124	\$35,021,648	\$44,934,691
<b>Liabilities</b>					
Accounts payable	\$2,115,997	\$1,285,024	\$2,567,685	\$5,690,898	\$3,089,110
Other Accrued Liabilities	8,061,553	7,959,018	8,844,109	8,994,117	9,710,967
Deferred Income	3,603,855	3,575,034	3,203,668	3,477,141	3,387,377
Compensated Absences	840,205	886,749	1,054,593	1,109,853	4,910,995
Unamortized Bond Premium	13,217,518	11,624,566	10,532,188	12,819,405	9,731,333
Short-term Liabilities	33,562,803	37,140,178	40,720,529	40,298,658	41,647,856
Due to Agency Funds	-	-	-	-	-
Net Pension Liability	547,213,477	188,786,016	220,111,536	220,525,260	216,579,269
Net OPEB Liability <sup>(2)</sup>	75,057,160	57,348,823	39,690,780	28,745,426	28,823,769
Accrued Liabilities	-	-	-	-	-
Long-term Liabilities	182,842,337	189,972,907	183,561,360	182,304,456	142,293,205
<b>Total Liabilities</b>	<b>\$866,514,905</b>	<b>\$498,578,315</b>	<b>\$510,286,448</b>	<b>\$503,965,214</b>	<b>\$460,173,881</b>
<b>Deferred Inflows of Resources</b>					
Deferred Inflow of resources related to pensions	\$29,677,544	\$299,239,979	\$175,219,812	\$80,344,540	\$47,509,338
<b>Net Assets</b>					
Invested in capital assets, net of related debt	\$140,123,371	\$116,004,710	\$111,449,141	\$107,003,822	\$152,657,052
Restricted					
Restricted for Debt Service	51,209,628	22,842,903	64,899,700	74,015,620	80,535,955
Capital Projects	62,471,199	57,246,707	88,774,173	91,271,594	54,733,041
Other	5,790,866	7,103,370	10,301,036	7,428,975	7,505,564
Unrestricted <sup>(1) (2)</sup>	(375,924,294)	(303,178,663)	(351,780,123)	(281,387,957)	(236,513,752)
<b>Total Net Position</b>	<b>(\$116,329,230)</b>	<b>(\$99,980,973)</b>	<b>(\$76,356,073)</b>	<b>(\$4,667,946)</b>	<b>\$58,917,860</b>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<b>\$779,863,219</b>	<b>\$697,837,321</b>	<b>\$609,150,187</b>	<b>\$579,641,808</b>	<b>\$566,601,079</b>

(1) Reduction primarily due to implementation of GASB #68

(2) Reduction primarily due to implementation of GASB #75

Source: The figures above have been extracted from the District's audited financial statements. Such figures are excerpts only and do not purport to be complete. A portion of the independent audit report for year ending June 30, 2025 is attached as APPENDIX B.

## Statement of Activities

Below is a five-year history of the Statement of Activities for the District. See financial statements for the fiscal year ending June 30, 2025 attached as APPENDIX B. The complete audit report for the fiscal year ending June 30, 2025 and the prior four fiscal years can be downloaded from the State Auditor's website.

Table 16

**Statement of Activities**

Fiscal Year Ending June 30	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<b>Governmental Activities:</b>					
Direct Instruction	(\$187,188,057)	(\$74,280,770)	(\$71,192,493)	(\$25,559,498)	(\$46,112,301)
Student Support Services	(13,715,953)	(11,975,738)	(12,793,071)	(14,593,236)	(17,485,882)
Instruction Support Services	(3,984,766)	(3,315,073)	(6,268,779)	(5,367,393)	(6,341,120)
General Administration Support Services	(2,920,562)	(1,801,596)	(1,334,544)	(2,758,765)	(3,421,344)
School Administration Support Services	(7,752,203)	(6,390,099)	(7,411,966)	(6,829,339)	(7,768,243)
Other Support Services	(309,227)	(726,177)	(8,892)	(212,416)	(8,225)
Central services	(3,247,115)	(3,277,313)	(3,708,194)	(3,905,124)	(4,225,662)
Operation & maintenance of plant	(30,684,074)	(31,044,863)	(66,476,568)	(81,208,428)	(60,978,808)
Pupil Transportation	(3,009,166)	(244,449)	(993,693)	(768,306)	(992,341)
Food services	(2,424,405)	449,866	336,286	53,517	36,507
Community services	(82,452)	(6,968)	(31,646)	(1,933)	(2,107)
Interest on long-term debt	(6,071,545)	(4,522,253)	(4,219,940)	(4,673,237)	(5,162,052)
Facilities, Materials, Supplies & Other Services	<u>(18,719,729)</u>	<u>(27,815,777)</u>	-	-	<u>205,957</u>
Total governmental activities	<u>(\$280,109,254)</u>	<u>(\$164,951,210)</u>	<u>(\$174,103,500)</u>	<u>(\$145,824,158)</u>	<u>(\$152,255,621)</u>
Component Units	(7,641,730)	(5,101,658)	-	-	-
<b>Revenues:</b>					
State Equalization Guarantee	106,262,794	115,609,894	118,126,387	134,742,861	139,946,816
<b>Taxes</b>					
Property Taxes for general purposes	1,543,140	1,548,954	1,683,244	1,881,631	2,005,743
Property Taxes for debt services	41,016,950	31,774,162	46,729,561	51,763,310	207,457
Property taxes for capital projects	20,501,563	31,786,076	21,974,830	23,527,818	74,185,327
Interest and investment earnings	226,644	92,107	2,564,624	4,242,006	4,161,775
Loss on disposal of capital assets	-	-	-	-	-
Miscellaneous	<u>1,780,235</u>	<u>488,274</u>	<u>6,649,754</u>	<u>1,354,659</u>	<u>1,029,136</u>
<b>Subtotal, general revenues</b>	<u>171,331,326</u>	<u>181,299,467</u>	<u>197,728,400</u>	<u>217,512,285</u>	<u>221,536,254</u>
Changes in net assets	(108,777,928)	16,348,257	23,624,900	71,688,127	69,280,633
Net assets, beginning	(8,795,428)	(116,329,230)	(99,980,973)	(76,356,073)	(4,667,946)
Restatement	1,244,126	-	-	-	(5,694,827)
Nets assets, ending	<sup>(1)</sup> <u>(116,329,230)</u>	<u>(99,980,973)</u>	<u>(76,356,073)</u>	<u>(4,667,946)</u>	<u>58,917,860</u>

Source: The figures above have been extracted from the District's audited financial statements. Such figures are excerpts only and do not purport to be complete. A portion of the independent audit report for year ending June 30, 2025 is attached as APPENDIX B.

(1) GASB issued a new accounting pronouncement (Statement No. 75 – Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans) effective for the year ended June 30, 2019. The implementation of GASB 75 has created a restatement of the District's net position.

## Balance Sheet – General Fund

Below is a five-year history of the Balance Sheet for the General Fund for the District. See financial statements for the fiscal year ending June 30, 2025 attached as APPENDIX B. The complete audit report for the fiscal year ending June 30, 2025 and the prior four fiscal years can be downloaded from the State Auditor’s website.

Table 17

GENERAL FUND*					
Fiscal Year Ending June 30	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<b>ASSETS:</b>					
Cash & cash equivalent	\$10,258,529	\$4,065,297	\$678,252	\$2,878,136	\$7,681,848
Investments	500,000	500,000	500,000	6,000,000	6,000,000
Accounts receivable					
Taxes	122,341	129,784	132,923	-	-
Leases	-	-	598,219	356,774	414,063
Due from other governments	-	-	366,056	1,703,740	705,634
Interfund receivables <sup>(1)</sup>	10,252,865	11,576,548	13,343,654	13,866,833	12,540,886
Other	-	-	-	-	-
Inventory	441,204	433,760	436,106	407,838	352,939
<b>Total Assets</b>	<b><u>\$21,574,939</u></b>	<b><u>\$16,705,389</u></b>	<b><u>\$16,055,210</u></b>	<b><u>\$25,213,321</u></b>	<b><u>\$27,695,370</u></b>
<b>LIABILITIES AND FUND BALANCE:</b>					
<i>Liabilities:</i>					
Accounts payable	\$302,061	\$138,243	\$154,915	\$179,076	\$381,862
Accrued liabilities	7,171,939	7,044,676	7,524,675	7,653,661	8,390,656
Interfund payables	10,387,342	162,942	480,668	471,732	164,067
Deferred revenue - property taxes	61,323	59,697	59,718	-	-
Deferred revenue - leases	-	-	579,763	334,929	399,027
<b>Total Liabilities</b>	<b><u>\$17,922,665</u></b>	<b><u>\$7,405,558</u></b>	<b><u>\$8,799,739</u></b>	<b><u>\$8,639,398</u></b>	<b><u>\$9,335,612</u></b>
<i>Fund Balance:</i>					
Nonspendable	\$441,204	\$433,760	\$436,106	\$407,838	\$352,939
Reserved for instructional materials	27,848	-	27,848	27,848	44
Reserved for transportation	188,116	282,289	-	-	143,185
Unreserved:					
Restricted:	-	-	-	-	-
Unassigned	2,995,106	8,583,782	6,791,517	15,138,237	17,863,590
<b>Total Fund Balance</b>	<b><u>3,652,274</u></b>	<b><u>9,299,831</u></b>	<b><u>7,255,471</u></b>	<b><u>15,573,923</u></b>	<b><u>18,359,758</u></b>
<b>Total Liabilities and Fund Balance</b>	<b><u>\$21,574,939</u></b>	<b><u>\$16,705,389</u></b>	<b><u>\$16,055,210</u></b>	<b><u>\$24,213,321</u></b>	<b><u>\$27,695,370</u></b>

\*General Fund includes Operational, Teacherage, Transportation and Instructional Materials.

(1) Includes amounts received from the Bond Building Fund, Capital Improvement's Education Tech Fund, Special Revenue Funds and Capital Projects Funds.

Source: The figures above have been extracted from the District's audited financial statements. Such figures are excerpts only and do not purport to be complete.

A portion of the independent audit report for year ending June 30, 2025 is attached as APPENDIX B.

## Statement of Revenues & Expenditures & Changes in Fund Balances – General Fund

Below is a five-year history of the Statement of Revenues & Expenditures & Changes in Fund Balances (General Fund only) for the District. See financial statements for the fiscal year ending June 30, 2025 attached as APPENDIX B. The complete audit report for the fiscal year ending June 30, 2025 and the prior four fiscal years can be downloaded from the State Auditor’s website.

Table 18  
GENERAL FUND\*

Fiscal Year Ending June 30	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<b>Revenues:</b>					
Local sources	\$1,549,365	\$1,550,580	\$3,118	\$0	\$0
State sources	110,228,585	121,163,785	122,150,764	138,525,387	144,508,342
Federal sources	582,252	721,424	740,617	655,255	448,660
Charges for services	584,917	662,291	865,995	857,725	834,071
Investment income	3,436	1,440	43,542	122,707	308,329
Miscellaneous income	1,237,109	410,723	2,949,127	734,494	468,021
<b>Total Revenues</b>	<b><u>\$114,185,664</u></b>	<b><u>\$124,510,243</u></b>	<b><u>\$126,753,163</u></b>	<b><u>\$140,895,568</u></b>	<b><u>\$146,567,423</u></b>
<b>Expenditures:</b>					
Direct Instruction	\$73,793,874	\$76,606,656	\$82,194,663	\$84,663,757	\$90,156,621
Student Support Services	12,832,109	12,150,759	12,910,722	14,716,768	16,886,563
Instruction Support Services	3,058,640	3,012,846	3,525,735	3,736,138	4,258,535
General Administration Support Services	1,947,057	2,316,899	3,573,450	2,899,739	3,546,142
School Administration Support Services	7,607,936	6,390,099	7,411,966	6,829,339	7,768,243
Central Services	3,415,988	3,537,985	3,689,771	3,798,225	4,118,763
Operation/Plant Maintenance	9,097,825	10,908,766	11,163,981	11,900,854	12,544,477
Student Transportation	3,601,780	3,766,619	4,176,583	3,744,742	3,977,779
Other Support Services	8,164	8,574	8,892	212,416	8,225
Community Services	1,990	4,244	31,646	1,933	2,107
Food Service Operations	57,469	159,239	29,734	-	-
<b>Total Expenditures</b>	<b><u>\$115,422,832</u></b>	<b><u>\$118,862,686</u></b>	<b><u>\$128,717,143</u></b>	<b><u>\$132,503,911</u></b>	<b><u>\$143,267,455</u></b>
Excess (deficiency) of revenue over (under) expenditures	<u>(\$1,237,168)</u>	<u>\$5,647,557</u>	<u>(\$1,963,980)</u>	<u>\$8,391,657</u>	<u>\$3,299,968</u>
Other financing sources (uses)					
Operating transfers out	\$0	\$0	(\$80,380)	(\$73,205)	(\$514,133)
Net changes in fund balances	(\$1,237,168)	\$5,647,557	(\$2,044,360)	\$8,318,452	\$2,785,835
Fund balance at beginning of year	\$4,889,442	\$3,652,274	\$9,299,831	\$7,255,471	\$15,573,923
<b>Fund Balance at Year End</b>	<b><u>\$3,652,274</u></b>	<b><u>\$9,299,831</u></b>	<b><u>\$7,255,471</u></b>	<b><u>\$15,573,923</u></b>	<b><u>\$18,359,758</u></b>
<b>General Fund Balance as % of Revenues</b>	<b><u>3.20%</u></b>	<b><u>7.47%</u></b>	<b><u>5.72%</u></b>	<b><u>11.05%</u></b>	<b><u>12.53%</u></b>

\* General Fund includes Operational, Teacherage, Transportation and Instructional Materials.

Source: The figures above have been extracted from the District’s audited financial statements. Such figures are excerpts only and do not purport to be complete. A portion of the independent audit report for year ending June 30, 2025 is attached as APPENDIX B.

## **Debt Service Funds**

The County Treasurer levies and collects debt service funds sufficient to retire bonded debt as it becomes due and payable. Such funds are distributed to the District and accounted for separately from operating funds. The District is allowed to utilize any lawfully available District funds if the collections are insufficient but such borrowings must be repaid from tax collections. Debt service funds may not be used for general operating purposes.

## **Capital Projects Funds**

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

a) Public School Capital Improvements Act

The Capital Projects Fund is used to account for revenues received under provisions of the Public School Capital Improvements Act, NMSA 1978, Section 22-25-1 et seq., for a period up to six years. The Act provides for imposition of a property tax to produce revenue for maintenance of capital improvements. The Act further provides that funds will be distributed by the State from the Public School Capital Improvements Fund to those school districts that impose the special property tax, provided that local collections are less than \$35 per mill imposed times the number of units generated by full-time equivalent students.

b) Public School Buildings Act

The Capital Projects Fund is also used to account for the costs relating to erecting, remodeling, making additions to, providing equipment for, or furnishing public school buildings and purchasing or improving school grounds. Financing is provided through property taxes authorized by the voters for a period up to six years, as specified by the Public School Buildings Act, NMSA 1978, Sections 22-26-1 et seq.

c) Special Building State Appropriations

The State Legislature appropriates general fund and severance tax bond moneys on an annual basis to school districts throughout the State. This money is used for various capital outlay projects. The District accounts for the revenues received and corresponding expenditures in the Capital Projects Fund.

d) General Obligation Debt Obligations

The Capital Projects Fund is used to account for the proceeds of bond issues such as the Bonds. The Bond proceeds may be used to pay costs associated with the erecting, remodeling, making additions to, and furnishing school buildings and purchasing and improving school grounds, and purchasing computer software and hardware for student use in public school classrooms.

## **Fiduciary Funds**

The District acts as an agent for the various organizations by facilitating collection of revenues and payments of expenses. Agency funds are custodial in nature and do not involve measurement of results of operations. These funds relate primarily to the various activities of the individual high schools, middle schools and elementary schools. While these funds are under the supervision of the District and enhance the District's educational programs, these are funds of the individual schools and/or their student bodies and are not available for use by the District.

## **Special Revenue Funds**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes. In accordance with 6.20.2.2 NMAC and 6.20.2.6 NMAC, the District prepares financial information utilizing a standard chart of accounts. A list of specific funds may be obtained by requesting a copy of the complete 2025 Audited Financial Statements from the District.

## Employees and Retirement Plan

The District employs 1,569 permanent employees of which 797 are certified educational staff (teachers/counselors) and 178 are classroom educational assistants for a total of 975 direct classroom employees.

### Education Retirement Board Pension Plan

Substantially all of the District's full-time employees participate in a public employee retirement system authorized under the Educational Retirement Act (NMSA 1978, Sections 22-11-1 et seq.). The Educational Retirement Board ("ERB") is the administrator of the plan, which is a cost-sharing, multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members (certified teachers and other employees of State public school districts, colleges and universities) and beneficiaries. ERB issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. The report may be obtained by written request to ERB, P.O. Box 26129, Santa Fe, New Mexico 87502. The report is also available on ERB's website at [www.nmerb.org](http://www.nmerb.org).

### Contributions

The contribution requirements are established under the Public Employees Retirement Act (NMSA 1978, Sections 10-11-1 et seq.). The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2025 and 2024, the District paid employee and employer contributions of \$10,759,381 and \$18,759,381, respectively, which equal the amount of the required contributions for each fiscal year. For the fiscal years ended June 30, 2025 and 2024, the Charter paid employee and employer contributions of \$354,455 and \$616,856, respectively, which equal the amount of the required contributions for each fiscal year.

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

At June 30, 2025, the District reported a liability of \$216,579,269 for its proportionate share of the net pension liability. At June 30, 2025, the Charter reported a liability of \$6,929,334 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2024 using generally accepted actuarial principles.

House Bill 360 made several changes to benefit provisions, which were effective July 1, 2019. These included:

- Increasing the employer contribution rate by 0.25%, from 13.9% to 14.15%;
- Increasing from \$20,000 to \$24,000 the member salary range subject to the lower 7.90% contribution rate (higher rate is 10.70%);
- Increasing the employer contribution to ERB on behalf of ARP members from 3.0% to 3.25%;
- Implementing anti-spiking measures to prevent artificially increasing benefits; and
- Requiring all working retirees and their employers to contribute to ERB.

NMSA 1978, Section 22-11-21 was amended again in 2021 and 2022 to include the following:

- Increase the employer contribution rate by 1.00%, from 14.15% to 15.15% for the period between July 1, 2021 and June 30, 2022;
- Increase the employer contribution rate by 2.00%, from 15.15% to 17.15% for the period between July 1, 2022 and June 30, 2023; and
- Increase the employer contribution rate by 1.00% from 17.15% to 18.15% on and after July 1, 2023.

On June 25, 2012, the Governmental Accounting Standards Board approved Statement No. 68 ("Statement No. 68") which addresses accounting and financial reporting for pensions that are provided to employees of State and local government employers through pension plans that are administered through trusts and also establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses. According to Statement No. 68, the District, as a contributor to ERB, is required to recognize its proportionate share of the collective net pension liability,

pension expense, and deferred inflows or outflows of resources of the cost-sharing, multi-employer plan with ERB. The District continues to assess the full extent of the effect of Statement No. 68 on the District’s audited financial statements. Statement No. 68 was effective beginning with the fiscal year ending June 30, 2016 for the District.

In July 2012, the ERB adopted goals of achieving 95%, plus or minus 5% funded ratio by the year 2042. To achieve this goal, the State Legislature amended the Educational Retirement Act in the 2013 legislative session (Senate Bill 115; Chapter 61, Laws 2013). The amendments increased employee contributions for members whose salary exceeds \$20,000 per year to 10.1% in Fiscal Year 2014 and 10.7% in Fiscal Year 2015 (ERB members who make less than \$20,000 contribute 7.9% of their gross salary). The legislation also kept in place scheduled increases in employer contribution rates, created a new tier membership for persons who become members of the ERB Fund on or after July 1, 2013, created certain actuarial limitations on benefits of new tier members, placed limitations on future cost of living adjustments (“COLA”) for current and future retirees which are tied to the future funded ratios of the Fund, and made certain other clarifying and technical changes.

In December 2013, the New Mexico Supreme Court (the “Court”) in, *Barlett v. Cameron*, 316 P.3d 889 (N.M. 2013), rejected the claims of certain retired teachers, professors and other public education employees challenging the State constitutionality of Senate Bill 115 to the extent that it reduces the future amounts that all education retirees might receive as annual COLA. The Court held that Article XX, Section 22 of the New Mexico Constitution did not grant the retirees a right to an annual COLA based on the formula in effect on the date of their retirement for the entirety of their retirement. The Court held that in the absence of any contrary indication from the State Legislature, any future COLA to a retirement benefit is merely a year-to-year expectation that, until paid, does not create a property right under the New Mexico Constitution. Once paid, the COLA, by statute, becomes part of the retirement benefit, and a property right subject to those constitutional protections.

On April 17, 2020, NMERB’s Board of Trustees adopted new assumptions presented in the 2020 Actuarial Experience Study. Those new assumptions have been reflected in the roll-forward and in the projections used to determine the single discount rate.

Contributions to the Fund from the District were \$19,453,233 for the year ended June 30, 2025. Contributions to the Fund from the Charter were \$103,026 for the year ended June 30, 2025.

**Pension Plan Statistics**

Following is a 5-year history of employer and employee contributions statewide and net asset balance held in trust:

Table 19

Fiscal Year Ending June 30	Employer Contributions	Employee Contributions	Net Assets Held in Trust
2021	\$452,872,287	\$330,066,887	\$16,361,524,358
2022	511,943,988	347,917,165	15,550,701,708
2023	662,750,272	395,815,181	16,261,793,470
2024	770,384,190	435,808,030	17,498,210,024
2025	802,437,237	453,872,084	18,960,350,984

Source: State of New Mexico Educational Retirement Board.

Post-Employment Benefits

The Retiree Health Care Act, NMSA 1978, Sections 10-7C-1 through -16 (“RHCA”), issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the post-employment healthcare plan. That report and further information can be obtained via written request to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107 or online at [www.nmrhca.state.nm.us](http://www.nmrhca.state.nm.us).

Section 10-7C-13 NMSA 1978 of the RHCA authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer’s RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims

and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at [www.nmrhca.state.nm.us](http://www.nmrhca.state.nm.us).

The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the employer and employee contributions can be changed by the New Mexico State Legislature. Employers that choose to become participating employers after January 1, 1998 are required to make contributions to the RHCA fund in the amount determined to be appropriate by the Board.

NMSA 1978, Section 10-7C-15 of the RHCA is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (State police and adult correctional officer member coverage plan 1; municipal police member coverage plan 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to NMSA 1978, Section 10-7C-15(G), at the first session of the State Legislature following July 1, 2013, the State Legislature shall review and adjust the distributions pursuant to NMSA 1978, Section 7-1-6.1 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the RHCA.

The District believes it does not have any liability should the plan be underfunded. In the future, the District's on-going contribution percentage may be increased. Employer and employee contributions to the Fund total 3% for non-enhanced retirement plans and 3.75% for enhanced retirement plans of each participating employee's salary as required by NMSA 1978, Section 10-7C-15. The contributions are established by statute and are not based on an actuarial calculation. All employer and employee contributions are non-refundable under any circumstance, including termination of the employer's participation in the Fund. Contributions to the Fund from the District were \$3,024,639 for the year ended June 30, 2025. Contributions to the Fund from the Charter were \$914,481 for the year ended June 30, 2025.

*Restatement Of Net Position – Adoption Of New Accounting Standard.* The Governmental Accounting Standards Board (GASB) issued a new accounting pronouncement (Statement No. 75 – Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans) effective for the year ended June 30, 2018. The implementation of GASB 75 has created a restatement of the District's and Charter's beginning net position.

As a cost-share employer participating the Retiree Health Care Authority ("Plan" or "RHCA"), the District is required to, and has included, in its June 30, 2025 financial statements, the pro rata share of the Plan's collective "Net Retiree Healthcare Liability". This share represents the difference between the Plan's "Total Plan Liability" and the Plan's "Net Plan Position", reported at the market value of the investment assets.

## **TAX MATTERS**

### **Tax Exemption**

In the opinion of Modrall, Sperling, Roehl, Harris & Sisk, P.A., Bond Counsel, to be delivered at the time of original issuance of the Bonds and Series 2026B Notes, under existing laws, regulations rulings and judicial decisions, and assuming compliance with covenants described herein, interest on the Bonds and the Series 2026B Notes is excludable from gross income for federal income tax purposes and is not an item of tax preference under Section 57 of the Code (as defined below) for purposes of the federal alternative minimum tax imposed for the owners thereof. However, for tax years beginning after December 31, 2022, interest on the Bonds and the Series 2026B Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Bond Counsel observes that interest on the Series 2026A Notes is not excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel is also of the opinion, based on existing laws of the State of New Mexico as enacted and construed, that interest on the Bonds and the Notes is exempt from all taxation by the State of New Mexico or any political subdivision thereof. See APPENDIX D – "FORM OF BOND COUNSEL OPINIONS" for the form of opinions of Modrall, Sperling, Roehl, Harris & Sisk, P.A.

The Internal Revenue Code of 1986, as amended (the “Code”), imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal tax purposes of interest on obligations such as the Bonds. The District has made various representations and warranties with respect to, and has covenanted in the resolution authorizing issuance of the Bonds and the Series 2026B Notes and other documents, instruments and certificates to comply with the applicable provisions of the Code to assure that interest on the Bonds and the Series 2026B Notes will not become includable in gross income. Failure to comply with these covenants or the inaccuracy of these representations and warranties may result in interest on the Bonds and the Series 2026B Notes being included in gross income from the date of issue of the Bonds and the Series 2026B Notes. The opinion of Bond Counsel assumes compliance with the covenants and the accuracy of such representations and warranties.

Although Bond Counsel has rendered an opinion that interest on the Bonds and the Series 2026B Notes is excludable from gross income for federal income tax purposes, the accrual or receipt of interest on the Bonds and the Series 2026B Notes may otherwise affect the federal income tax liability of the recipient. The extent of these other tax consequences will depend upon the recipient’s particular tax status or other items of income or deduction. Bond Counsel expresses no opinion regarding any such consequences. Before purchasing any of the Bonds and the Series 2026B Notes, potential purchasers should consult their tax advisors as to the tax consequences of purchasing or owning the Bonds and the Series 2026B Notes.

The opinions expressed by Bond Counsel are based upon existing law as of the date of issuance and delivery of the Bonds and the Series 2026B Notes, and Bond Counsel expresses no opinion as of any date subsequent thereto or with respect to any pending legislation.

From time to time, there are legislative proposals in Congress that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Bonds and the Series 2026B Notes. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted, it would apply to Bonds and the Series 2026B Notes issued prior to enactment. Each purchaser of the Bonds and the Series 2026B Notes should consult his or her own tax advisor regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

### **Internal Revenue Service Audit Program**

The Internal Revenue Service (the “Service”) has an ongoing program auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether the Service will commence an audit of the Bonds and the Series 2026B Notes. If an audit is commenced, under current procedures the Service will treat the District as the taxpayer and the Bond or Series 2026B Note owners may have no right to participate in such procedure. Neither the initial purchasers of the Series 2026 Bonds nor Bond Counsel is obligated to defend the tax-exempt status of the Bonds and the Series 2026B Notes. The District has covenanted in the Bond Resolution not to take any action that would cause the interest on the Bonds and the Series 2026B Notes to become includable in gross income except to the extent described above for the owners thereof for federal income tax purposes. None of the District, the initial purchasers of the Bonds and the Series 2026B Notes, or Bond Counsel is responsible to pay or reimburse the costs of any Bond owner with respect to any audit or litigation relating to the Bonds and the Series 2026B Notes.

### **Original Issue Discount**

The Bonds and the Series 2026B Notes may be offered at a discount (“original issue discount”) equal generally to the difference between public offering price and principal amount. For federal income tax purposes, original issue discount on a Bond accrues periodically over the term of the Bond as interest with the same tax exemption and alternative minimum tax status as regular interest. The accrual of original issue discount increases the holders’ tax basis in the Bonds or Series 2026B Notes for determining taxable gain or loss from sale or from redemption prior to maturity. Holders of Bonds or Series 2026B Notes offered at original issue discount should consult their tax advisor for an explanation of the accrual rules.

### **Original Issue Premium**

The Bonds and the Series 2026B Notes may be offered at a premium (“original issue premium”) over their principal amount. For federal income tax purposes, original issue premium is amortizable periodically over the term of a Bonds or Series 2026B Notes through reductions in the holders’ tax basis in the Bonds or Series 2026B Notes for determining taxable gain or loss from sale or from redemption prior to maturity. Amortizable premium is accounted for as reducing the tax-exempt interest on the Bonds or

Series 2026B Notes rather than creating a deductible expense or loss. Holders of Bonds or Series 2026B Notes offered at an original issue premium should consult their tax advisor for an explanation of the amortization rules.

## **LITIGATION**

In the opinion of various officials of the District, except as disclosed in this Official Statement, there is no litigation or other proceeding pending against or, to its knowledge, threatened against the District in any court, agency, or administrative body contesting the validity of the Bonds and Notes or the use of Bond and Note proceeds, the corporate existence of the District or the titles of its officers or contesting or affecting the District's ability to receive taxes that could be used for Bond and Note payments.

At the time of the original delivery of the Bonds and Notes, the District will deliver a no-litigation certificate to the effect that no litigation or administrative action or proceeding is pending or, to the knowledge of the appropriate officials, threatened, restraining or enjoining, or seeking to restrain or enjoin, the issuance and delivery of the Bonds or Notes, the effectiveness of the Bond Resolution or the Note Resolution, the levying or collection of taxes to pay the principal of and interest on the Bonds or Notes or contesting or questioning the proceedings and authority under which the Bonds and Notes have been authorized and are to be issued, sold, executed or delivered, or the validity of the Bonds or Notes.

### **Legal Matters Relating to State Education System**

Two lawsuits have been filed challenging the funding of the State's primary and secondary education system. In March 2014, individual plaintiffs in New Mexico District Court in McKinley County brought suit against the State, among others, alleging, among other things, that the State's educational funding formula violates the sufficiency of education and uniform system of public schools provision of the New Mexico Constitution and asks the court for injunctive relief ordering the State to develop a budget and funding formula that sufficiently, uniformly and equitably funds the public school system. In April 2014, individual plaintiffs in New Mexico District Court in Santa Fe County brought suit against the State, among others, alleging, among other things, that the State had failed to provide a sufficient and uniform system of education in violation of the sufficiency, uniformity, equal protection and due process provisions of the New Mexico Constitution because of an inadequate and arbitrary funding system.

The two lawsuits were consolidated in 2015. The lawsuits asked for a declaratory judgment and injunctive relief requiring the adoption of a school finance system to remedy these violations. Neither lawsuit asked for a specific award of damages. The consolidated cases were tried in 2017. On July 20, 2018 the District Court entered its Decision which concluded that the State had failed to provide educational funding sufficient to meet its obligations under Article XII, §1 of the New Mexico Constitution, the state Constitution's Equal Protection Clause and its Due Process Clause with respect to "at risk" students. The District Court entered a Declaratory Judgment as to the Constitutional violations and an injunction directing the State to take immediate steps, prior to April 15, 2019, to provide sufficient resources to "at risk" students. In response, during the 2019 Regular Session, the Legislature increase public school funding by approximately \$400 million. On December 29, 2020, the trial court filed a Decision and Order ruling in favor of the Plaintiffs. The court has not indicated whether this will be sufficient to satisfy the requirements of the Judgment. The Decision is expected to continue to affect future funding for all school age students. It is premature to assess what ongoing effect these lawsuits may have on the State's school financing system, or the District.

## **RATING**

S&P Global Ratings ("S&P") assigned a rating of "AA-" with a stable outlook to the Bonds and a rating of "AA-" with a stable outlook to the Notes, without regard to any enhancement program. The rating reflects only the views of such rating agency, and an explanation of the significance of the rating may be obtained only from the rating agency. There is no assurance that the rating will continue for any given period of time or that the rating will not be revised downward, upward or withdrawn entirely by the rating agency, if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an effect on the market price or marketability of the Bonds and Notes.

## **UNDERWRITING**

Stifel, Nicolaus & Company, Incorporated ("Stifel"), as the sole book-running managing underwriter (the "Underwriter"), has agreed, subject to certain conditions, to purchase the Bonds from the District at the prices indicated on the inside front cover of

this Official Statement, less an underwriting discount of \$\_\_\_\_, and no accrued interest. The Underwriter will be obligated to purchase all of the Bonds if any Bonds are purchased. The Bonds to be offered to the public may be offered and sold to certain dealers (including the Underwriter and other dealers depositing Bonds into investment trusts) at prices lower than the public offering prices of such Bonds, and such public offering prices may be changed, from time to time, by the Underwriter.

Stifel, as the sole book-running managing underwriter, has agreed, subject to certain conditions, to purchase the Notes from the District at the prices indicated on the inside front cover of this Official Statement, less an underwriting discount of \$\_\_\_\_, and no accrued interest. The Underwriter will be obligated to purchase all of the Notes if any Notes are purchased. The Notes to be offered to the public may be offered and sold to certain dealers (including the Underwriter and other dealers depositing Notes into investment trusts) at prices lower than the public offering prices of such Notes, and such public offering prices may be changed, from time to time, by the Underwriter.

The Underwriter and their affiliates comprise a full service financial institutions engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriter and their affiliates may have provided, and may in the future provide, a variety of these services to the District and to persons and entities with relationships with the District, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, the Underwriter and their affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the District (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the District.

The Underwriter and their affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the District.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

## **THE MUNICIPAL ADVISOR**

RBC Capital Markets, LLC (“RBCCM”) is employed as Municipal Advisor to the District in connection with the issuance of the Bonds and Notes. The Municipal Advisor’s fee for services rendered with respect to the sale of the Bonds and Notes is contingent upon the issuance and delivery of the Bonds and Notes. RBCCM, in its capacity as Municipal Advisor, has relied on the opinion of Bond Counsel and has not verified and does not assume any responsibility for the information, covenants, and representations contained in any of the Bond or Note documentation with respect to the federal income tax status of the Bonds or Notes. In the normal course of business, the Municipal Advisor may also from time to time sell investment securities to the District for the investment of proceeds or other funds of the District upon the request of the District.

The Municipal Advisor has provided the following sentence for inclusion in this Official Statement. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information in this Official Statement.

## **LEGAL MATTERS**

The delivery of the Bonds is subject to the approval of the Attorney General of New Mexico. Additionally, the firm of Modrall, Sperling, Roehl, Harris & Sisk, P.A. Albuquerque, New Mexico has been retained as Bond Counsel to the District. Bond Counsel will provide an unqualified opinion that the Bonds and Notes are legally issued under New Mexico law and that the interest income from the Bonds and Series 2026B Notes is exempt from Federal and State of New Mexico income taxes as described in the Form of Bond Counsel Opinions attached hereto as APPENDIX D. Certain legal matters will be passed upon for the District by Modrall, Sperling, Roehl, Harris & Sisk, P.A. as Disclosure Counsel. In connection with the transactions described in

this Official Statement, Bond Counsel and Disclosure Counsel only represent the District. The legal fees to be paid to Bond Counsel and Disclosure Counsel for services rendered in connection with the issuance of the Bonds and Notes are contingent in part upon the sale and delivery of the Bonds and Notes.

Certain legal matters will be passed upon for the Underwriter by McCall, Parkhurst & Horton L.L.P., Dallas, Texas. The fee to be paid to Counsel to the Underwriter is contingent upon the sale and delivery of the Bonds and Notes.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinion as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon or of the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

## **CONTINUING DISCLOSURE UNDERTAKING**

In the Bond Resolution and Note Resolution, the District has made the following agreement for the benefit of the holders and beneficial owners of the Bonds and Notes. The District is required to observe the agreement while it remains obligated to advance funds to pay the Bonds and Notes. Under the agreement, the District will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified events. This information is available free of charge from the Municipal Securities Rulemaking Board (“MSRB”) via the Electronic Municipal Market Access (“EMMA”) system at [www.emma.msrb.org](http://www.emma.msrb.org).

### **Annual Reports**

The District will provide annually certain updated financial information and operating data to the MSRB. The information to be updated includes all quantitative financial information and operating data with respect to the District of the general type included under Tables 3 through 18 in this Official Statement and “APPENDIX B.” The District will update and provide this information March 31 of each year beginning in 2027.

The District may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by SEC Rule 15c2-12. The updated information will include audited financial statements, if the District commissions an audit and it is completed by the required time. If audited financial statements are not available by the required time, the District will provide unaudited financial statements by the required time and will provide audited financial statements when and if the audit report becomes available. Any such financial statements will be prepared in accordance with accounting principles as in the District’s annual financial statements attached hereto or such other accounting principles as the District may be required to employ from time to time pursuant to State law or regulation.

The District’s current fiscal year end is June 30. Accordingly, it must provide updated information by March 31 in each year, unless the District changes its fiscal year. If the District changes its fiscal year, it will notify the MSRB of the change.

### **Event Notices**

The District will provide timely notices of certain events to the MSRB, but in no event will such notices be provided to the MSRB in excess of ten business days after the occurrence of an event. The District will provide notice of any of the following events with respect to the Bonds and Notes: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds and Notes, or other material events affecting the tax status of the Bonds and Notes; (7) modifications to rights of Beneficial Owners of the Bonds and Notes, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds and Notes, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the District or other obligated person within the meaning of CFR § 240.15c2-12 (the “Rule”); (13) consummation of a merger, consolidation, or acquisition involving the District or other obligated person within the meaning of the Rule or the sale of all or substantially all of the assets of the District or other obligated person within the meaning of the Rule, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination

of an definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation (as defined by the Rule, which includes certain debt, debt-like, and debt-related obligations) of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties. For these purposes, the District intends the words used in clauses (15) and (16) above, including the term "financial obligation," to have the meanings ascribed to them in SEC Release No. 34-83885, dated August 20, 2018.

### **Availability of Information from the MSRB**

The District has agreed to provide the foregoing information only to the MSRB. All documents provided by the District to the MSRB described under "Annual Reports" and "Event Notices" will be in an electronic format and accompanied by identifying information as prescribed by the MSRB.

The address of the MSRB is 1300 I Street NW, Suite 1000, Washington, DC 20005 and its telephone number is (202) 838-1500.

### **Limitations and Amendments**

The District has agreed to update information and to provide notices of material events only as described above. The District has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition or prospects or agreed to update any information that is provided, except as described above. The District makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell bonds and notes at any future date. The District disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders of Bonds and Notes may seek a writ of mandamus to compel the District to comply with its agreement.

This continuing disclosure agreement may be amended by the District from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law or a change in the identity, nature, status or type of operations of the District, but only if (1) the provisions, as so amended, would have permitted an underwriter to purchase or sell bonds or notes in the primary offering of the Bonds or Notes in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of the Bond Resolution or Note Resolution that authorizes such an amendment) of the outstanding Bonds or Notes consent to such amendment or (b) a person that is unaffiliated with the District (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the Holders and beneficial owners of the Bonds or Notes. The District may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling bonds or notes in the primary offering of the Bonds or Notes.

### **Compliance with Prior Undertakings**

In disclosure reports filed for fiscal years 2019 and 2020 (due 3/31/2020 and 3/31/2021, respectively) in connection with the Series 2019 and Series 2020 School Building Bonds and Education Technology Notes, certain annual financial information and operating data relating to the Charter School State Equalization Guarantee distributions was inadvertently omitted from the reports. Modified disclosure reports to include the omitted information were subsequently filed on January 27, 2022, along with a failure to file notice. After issuing its 2020 Education Technology Notes, the District learned of an error related to continuing disclosure and subsequently filed an addendum to the official statement for those notes and a related notice on EMMA. The filing aimed to correct a scrivener's error to the contents of annual reports to be provided under the continuing disclosure agreement for those bonds. Except as described above, during the past five years, the District has complied in all material respects with its existing continuing disclosure agreements in accordance with the Rule.

The District intends to maintain compliance with its continuing disclosure undertakings in future years through the collective oversight and effort of District staff and private consultants, all of whom have experience and knowledge related to the District's continuing disclosure obligations.

## **DISCLOSURE CERTIFICATES**

The final certificates included in the respective transcripts of legal proceedings will include the following: At closing the Superintendent of Schools and the Executive Director of Finance & Administration will sign certificates stating, after reasonable investigation, that to the best of their knowledge (a) no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, public board, or body, is pending, or, to the best of their knowledge, threatened in any way contesting the completeness or accuracy of this Official Statement, (b) this Official Statement, as it pertains to the District, the Bonds and the Notes, does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading, and (c) no event affecting the District has occurred since the date of this Official Statement, which should be disclosed therein for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any respect.

## **OTHER PERTINENT INFORMATION**

### **Authenticity of Financial Information**

The financial data and other information contained herein have been obtained from the District's records, audited financial statements and other sources, which are believed to be reliable. All of the summaries of the statutes, documents and orders contained in this Official Statement are made subject to all of the provisions of such statutes, documents and orders. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

### **Registration and Qualification of Bonds and Notes for Sale**

No registration statement relating to the Bonds and Notes has been filed with the SEC under the Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2). The Bonds and Notes have not been approved or disapproved by the SEC, nor has the SEC passed upon the accuracy or adequacy of the Official Statement. The Bonds and Notes have not been registered or qualified under the Securities Act of the State in reliance upon various exemptions contained therein, nor have the Bonds and Notes been registered or qualified under the securities act of any other jurisdiction. The District assumes no responsibility for registration or qualification of the Bonds and Notes under the securities laws of any jurisdiction in which the Bonds and Notes may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Bonds and Notes shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions.

It is the obligation of the Underwriter to register or qualify the sale of the Bonds and Notes under the securities laws of any jurisdiction which so requires. The District agrees to cooperate, at the Underwriter's written request and sole expense, in registering or qualifying the Bonds and Notes or in obtaining an exemption from registration or qualification in any state where such action is necessary; provided, however, that the District shall not be required to qualify as a foreign corporation or to execute a general or special consent to service of process in any jurisdiction.

## **ADDITIONAL MATTERS**

All summaries of the statutes, resolutions, opinions, contracts, agreements, financial and statistical data and other related reports described in this Official Statement are subject to the actual provisions of such documents. The summaries do not purport to be complete statements of such provisions and reference is made to such documents, copies of which are either publicly available or available for inspection during normal business hours at the offices of the District located at the School Administration Office, or at the offices of RBC Capital Markets, LLC, 6301 Uptown Boulevard, NE, Suite 110, Albuquerque, New Mexico 87110.

## **FORWARD LOOKING STATEMENTS**

The statements contained in this Official Statement, and in any other information provided by the District, that are not purely historical, are forward-looking statements, including statements regarding the District's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward looking

statements included in this Official Statement are based on information available to the District on the date hereof, and the District assumes no obligation to update any such forward-looking statements. It is important to note that the District's actual results could differ materially from those in such forward-looking statements.

The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the District. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement would prove to be accurate.

## **CONCLUDING STATEMENTS**

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, the Rule.

No person has been authorized to give any information or to make any representations other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the District.

This Official Statement has been approved by the Board for distribution in accordance with provisions of the Rule codified at 17 C.F.R. Section 240.15c2-12, as amended.

The Bond Resolution and Note Resolution approved the form and content of this Official Statement and any addenda, supplement or amendment thereto and authorized its further use in the reoffering of the Bonds and Notes by the Underwriter.

Neither this Official Statement nor any other written or oral information is to be construed as a contract with the holders of the Bonds and Notes.

The District has duly authorized the execution and delivery of this Official Statement.

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President, Board of Education

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Secretary, Board of Education

## **APPENDIX A**

### **ECONOMIC & DEMOGRAPHIC INFORMATION**

## General

The District is geographically situated in the north central part of the State. The District's boundaries encompass all of the City plus unincorporated portions of the County. The District covers 1,016 square miles and served 10,674 students in 2025-26. The District is crossed by Interstate Highway 25 and is served by the Burlington North and Santa Fe railroad and the Albuquerque International Sunport and Santa Fe Regional Airport. The District is also bisected by the Rio Grande River, which provides irrigation to support continued agriculture despite increased urbanization.

The area within the District is part of the Santa Fe Metropolitan Statistical Area ("Santa Fe MSA") which includes the County and Los Alamos County. The Santa Fe MSA represents one of the largest commercial and industrial centers in the State. The area is economically dynamic as evidenced by strong population growth, continued residential and non-residential construction, and income levels above both the State as a whole and the nation.

## Population

The following chart sets forth historical and projected population data for the County and the State.

Table 20

<b>Census Year</b>	<b>Santa Fe County</b>	<b>State of New Mexico</b>
1960	44,970	951,023
1970	54,774	1,017,055
1980	75,519	1,303,143
1990	98,928	1,515,069
2000	129,292	1,826,280
2010	144,172	2,059,174
2020	154,823	2,117,522
2026 <sup>(1)</sup>	158,506	2,130,660
2031 <sup>(2)</sup>	161,119	2,138,427
Projected Growth 2026-2031 <sup>(2)</sup>	1.65%	0.36%

Source: U.S. Census Bureau: State and County QuickFacts.

1) Estimates. Source: Spotlight, March 2026

2) Projected. Source: Spotlight, March 2026

## Age Distribution

The following table sets forth a comparative age distribution profile for Santa Fe MSA, the State and the United States.

Table 21  
**Percent of Population**

Age Group	Santa Fe MSA	New Mexico	United States
0 - 17	14.83%	20.48%	20.97%
18 - 24	7.30%	9.76%	9.52%
25 - 34	10.57%	12.77%	13.02%
35 - 44	11.68%	13.01%	13.32%
45 - 54	11.43%	11.36%	12.09%
55 and Older	44.19%	32.62%	31.08%

Source: *Spotlight, March 2026*

## Effective Buying Income

The following table reflects the percentage of households by Effective Buying Income (“EBI”) and a five-year comparison of the estimated median household income as reported by The Nielsen Company. EBI is personal income less personal tax and non-tax payments. Personal income includes wages and salaries, other labor income, proprietors’ income, rental income, dividends, personal interest income and transfer payments. Deductions are made for federal, State and local taxes, non-tax payments such as fines and penalties, and personal contributions for social security insurance. During the period shown in the following chart, the estimated median household income level for Santa Fe MSA compares favorably with the United States and has been consistently higher than the State level over the last 5 years.

Table 22

Effective Buying Income Group	Santa Fe MSA	New Mexico	United States
Under \$25,000	12.55%	18.40%	13.62%
\$25,000 - \$34,999	6.07%	7.91%	6.13%
\$35,000 - \$49,999	10.02%	11.07%	9.63%
\$50,000 - \$74,999	13.92%	16.25%	14.77%
\$75,000 & Over	57.44%	46.37%	55.85%
2022 Est. Median Household Income	\$65,939	\$55,028	\$72,191
2023 Est. Median Household Income	65,811	57,526	73,336
2024 Est. Median Household Income	67,132	60,814	75,781
2025 Est. Median Household Income	73,479	63,588	78,426
2026 Est. Median Household Income	88,016	68,927	86,286

Source: *Spotlight, March 2026.*

## Gross Receipts

The following table shows the total reported gross receipts generated (both in retail trade only and in total) in the City, the County and the State. For the purposes of this table, gross receipts means the total amount of money received from selling property in the State of New Mexico, from leasing property employed in the State and from performing services in the State. Gross receipts includes, among other things, food sales and services such as legal and medical services.

Table 23

Fiscal Year 30-Jun	City of Santa Fe		Santa Fe County		State of New Mexico	
	Retail Trade	Total	Retail Trade	Total	Retail Trade	Total
2026 <sup>(1)</sup>	\$802,898,334	\$3,008,106,196	\$1,063,075,477	\$4,471,682,650	\$11,465,413,229	\$54,803,662,337
2025	1,464,807,438	5,584,237,338	1,942,092,375	8,183,895,900	20,480,079,013	102,429,369,359
2024	1,418,113,932	5,302,560,889	1,856,570,210	7,764,244,444	20,194,107,748	97,465,135,538
2023	1,160,538,499	4,162,815,188	1,513,480,640	6,131,990,579	16,385,595,101	77,791,110,291
2022	984,904,445	3,396,811,476	1,795,771,877	4,787,618,938	16,634,688,935	72,895,961,670

(1) Data as of Q4 2025

Source: New Mexico Taxation & Revenue Department

## Employment

The following table, derived from information supplied by the New Mexico Department of Workforce Solutions, presents information on employment within the Santa Fe MSA, the State and United States, for the periods indicated. The annual unemployment figures indicate average rates for the entire year and does not reflect monthly or seasonal trends.

Table 24

Year <sup>(1)</sup>	Santa Fe MSA		State of New Mexico		United States
	Labor Force	% Unemployed	Labor Force	% Unemployed	% Unemployed
2025 <sup>(2)</sup>	75,156	3.60%	993,675	4.20%	4.10%
2024	74,188	3.70%	983,093	4.10%	4.00%
2023	72,966	3.40%	965,244	3.80%	3.70%
2022	72,151	2.80%	937,512	3.40%	3.70%
2021	72,572	6.20%	952,531	7.00%	5.40%
2020	71,346	8.30%	943,287	8.40%	8.10%
2019	76,226	3.50%	966,863	4.50%	3.40%
2018	73,415	4.60%	934,178	5.80%	4.40%
2017	72,851	5.10%	929,567	6.20%	4.40%
2016	72,574	5.40%	927,355	6.70%	4.90%

1) - Numbers are annual averages.

2) - Data for the month of December 2025. Numbers are Preliminary

Source: U.S. Bureau of Labor Statistics, March 2026.

## Non-Agricultural Wage and Salary Employment by Major Sector

The New Mexico Department of Workforce Solutions publishes reports of non-agricultural wages and salary employment according to the North American Industry Classification System ("NAICS"). Detailed below is the report for Santa Fe MSA.

Table 25

<b>Santa Fe County</b>					
	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025<sup>(1)</sup></b>
<b>Grand Total</b>	<b>57,829</b>	<b>60,148</b>	<b>61,097</b>	<b>61,826</b>	<b>61,962</b>
Total Private	43,453	45,629	46,545	46,702	46,630
Accommodation and Food Services	7,651	9,066	9,682	9,916	9,829
Administrative and Waste Services	2,195	2,401	2,244	1,964	1,828
Agriculture, Forestry, Fishing & Hunting	319	323	244	247	249
Arts, Entertainment, and Recreation	1,377	1,491	1,654	1,788	1,804
Construction	2,975	2,976	2,999	2,884	3,113
Educational Services	1,403	1,522	1,839	1,940	1,755
Finance and Insurance	1,480	1,472	1,435	1,427	1,389
Health Care and Social Assistance	8,197	8,126	8,009	8,289	8,620
Information	841	926	794	828	748
Management of Companies and Enterprises	266	308	304	310	316
Manufacturing	803	799	824	801	755
Mining	46	49	43	35	40
Other Services, Ex. Public Admin	2,519	2,705	2,721	2,561	2,570
Professional and Technical Services	2,786	2,852	2,907	2,923	2,861
Real Estate and Rental and Leasing	781	790	817	806	711
Retail Trade	7,989	8,047	8,266	8,246	8,376
Transportation and Warehousing	788	777	710	713	693
Utilities	119	117	117	113	115
Wholesale Trade	918	882	936	911	858
Total Government	14,376	14,519	14,552	15,124	15,332

(1) Data as of Q3 2025

Note: Figures shown here are annual averages of quarterly data.

Source: New Mexico Department of Workforce Solutions, Quarterly Census of Employment and Wages program.

## Major Employers

The following are the largest employers located in the Santa Fe MSA:

Table 26

<b>Employer</b>	<b>Business</b>	<b># of Employees</b>
State of New Mexico	Government	26,280 <sup>(1)</sup>
Los Alamos National Laboratory	Government	11,956 <sup>(1)</sup>
Christus St. Vincent Hospital	Healthcare	2,365
Santa Fe Public Schools	Education	1,800
City of Santa Fe	Government	1,500
Santa Fe Community College	Education	1,200
Santa Fe County	Government	1,035
Santa Fe Opera	Fine Arts	715
Peters Corporation	Retail	565
Walmart	Retail	547
<b>Total Top 10</b>		<b>47,963</b>

Source: Santa Fe County Annual Comprehensive Financial Report FY2025

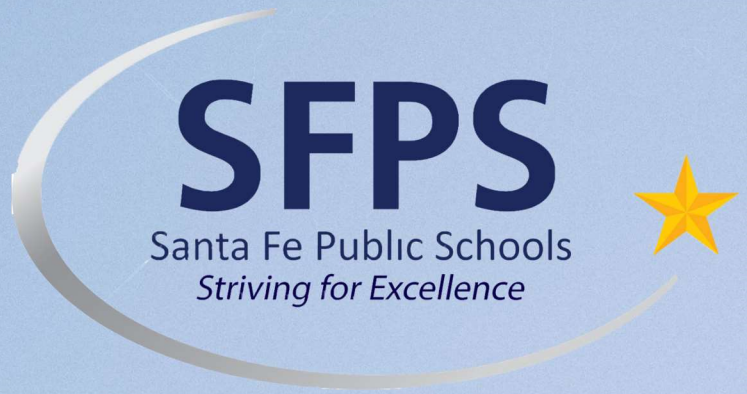
(1) Statewide Employment Number, of which Santa Fe County Contributes

## **APPENDIX B**

### **AUDITED FINANCIAL STATEMENTS – JUNE 30, 2025**

The information contained in this appendix consists of the Santa Fe Public School District Audited Financial Statements (the "Report") for the fiscal year ended June 30, 2025.

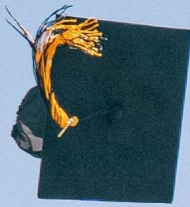
The information presented represents only a part of the Report and does not purport to be a complete statement of the District's financial condition. Reference is made to the complete Report for additional information.



# SANTA FE PUBLIC SCHOOLS

## Financial Statements and Supplementary Information

JUNE 30, 2025



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**OFFICIAL ROSTER  
AS OF JUNE 30, 2025**

<b>NAME</b>	<b>TITLE</b>
<u>Board of Education</u>	
Sascha Guinn Anderson	President
Roman "Tiger" Abeyta	Vice President
Dr. Carmen Gonzales	Secretary
Kate Noble	Member
Sarah Boses	Member

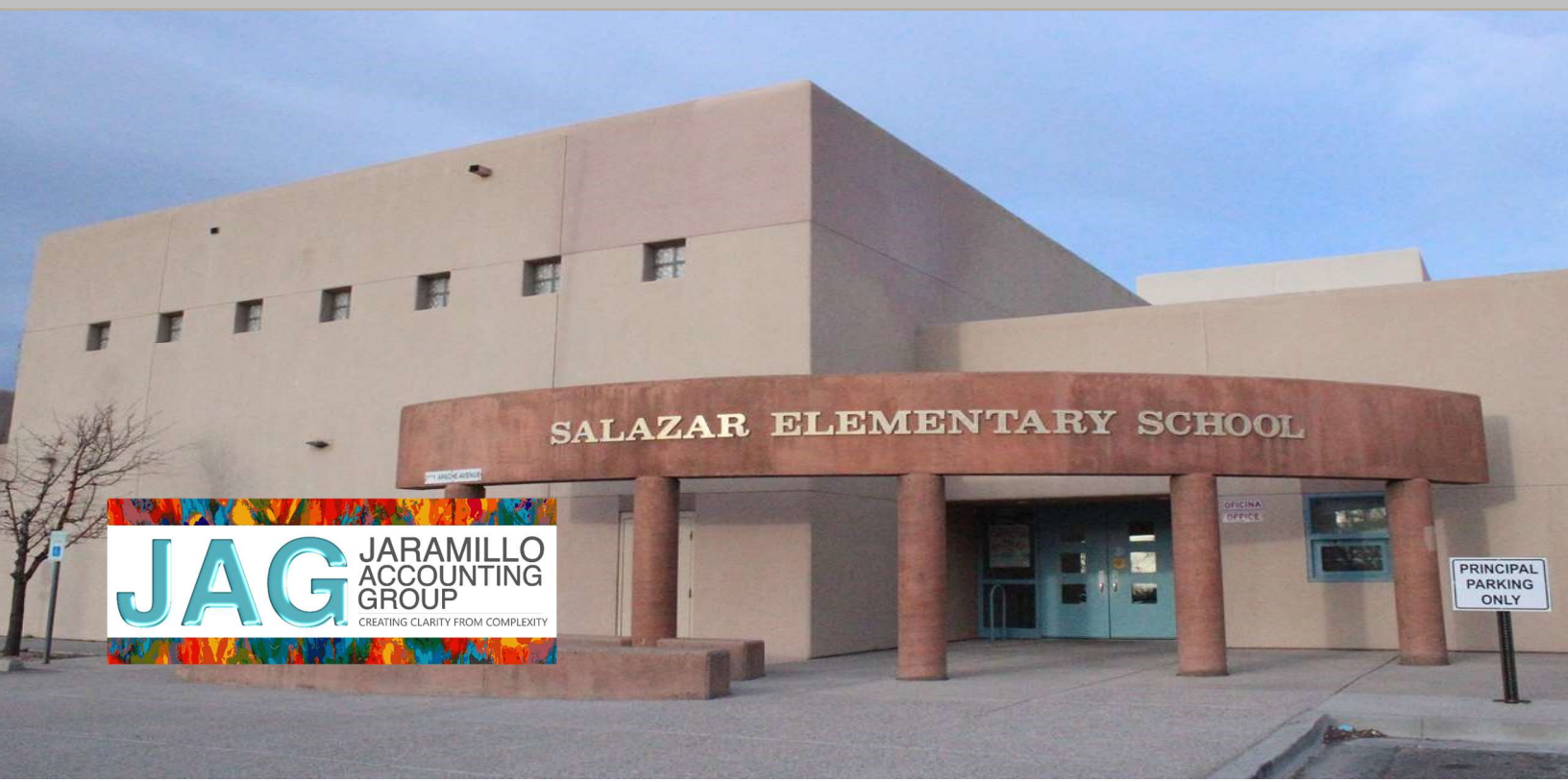
<u>School Officials</u>	
Dr. Veronica C. Garcia	Superintendent
Beverly Aguilar	Interim Chief Financial Officer





# FINANCIAL SECTION

## INDEPENDENT AUDITOR'S REPORT



PRINCIPAL  
PARKING  
ONLY



## INDEPENDENT AUDITOR'S REPORT

**The Board of Education**  
**Santa Fe Public Schools**  
Santa Fe, New Mexico and

**Mr. Joseph M. Maestas, P.E., CFE**  
**New Mexico State Auditor**  
Santa Fe, New Mexico

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### *OPINIONS*

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue fund of Santa Fe Public Schools (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the District as of June 30, 2025, and the respective changes in financial position, and the respective budgetary comparisons for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *BASIS FOR OPINIONS*

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

#### *RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS*

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern

for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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

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

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

### **REQUIRED SUPPLEMENTARY INFORMATION**

Management has omitted the *Management's Discussion and Analysis* that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for the placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America requires the Schedule of the District's Proportionate Share of the Net Pension Liability, Schedule of the District's Pension Contributions, Schedule of the District's Proportionate Share of the Net OPEB Liability, Schedule of the District's RHCA OPEB Contributions, and the Notes to Required Supplementary Information on pages 52-56 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or

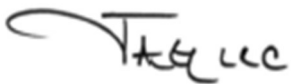
historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### **SUPPLEMENTARY INFORMATION**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The discretely presented component unit, as presented on pages A-1 to A-36, Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Schedule of Collateral Pledged by Depository for Public Funds, Schedule of Cash and Temporary Investment Accounts, Schedule of Cash Reconciliation, Combining Balance Sheet, Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (for Nonmajor Governmental Funds, Special Revenue Funds, and Capital Project Funds) presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the discretely presented component unit as presented on pages A-1 to A-36, Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, , Schedule of Collateral Pledged by Depository for Public Funds, Schedule of Cash and Temporary Investment Accounts, Schedule of Cash Reconciliation, Combining Balance Sheet, Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (for Nonmajor Governmental Funds, Special Revenue Funds, and Capital Project Funds) are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### **OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2026 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Jaramillo Accounting Group LLC (JAG)  
Albuquerque, New Mexico  
January 15, 2026

# Basic Financial Statements

## STATEMENT OF NET POSITION

JUNE 30, 2025

	Governmental Activities	
	Primary Government	Component Unit
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents (overdraft)	\$ 7,278,009	\$ (31,030)
Restricted cash	79,485,839	998,371
Receivables		
Taxes, due from other governments, other	15,060,163	697,183
Leases	414,063	-
Inventory	352,939	-
Prepaid expenses	-	101,045
<b>Total current assets</b>	<b>102,591,013</b>	<b>1,765,569</b>
<b>Non-current Assets</b>		
Restricted investments	75,173,192	-
Capital assets, net of accumulated depreciation and amortization	343,902,183	9,996,976
<b>Total non-current assets</b>	<b>419,075,375</b>	<b>9,996,976</b>
<b>Total assets</b>	<b>521,666,388</b>	<b>11,762,545</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Related to pensions	36,440,606	1,696,179
Related to OPEB	8,494,085	446,854
<b>Total deferred outflows of resources</b>	<b>44,934,691</b>	<b>2,143,033</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable	3,089,110	133
Accrued liabilities	9,710,967	267,888
Accrued interest	3,387,377	-
Bond premiums, net of amortization	2,153,092	-
Current portion of compensated absences	4,910,995	564,781
Current portion of long-term debt	41,590,385	88,901
Current portion of SBITA liability	57,471	-
<b>Total current liabilities</b>	<b>64,899,397</b>	<b>921,703</b>
<b>Non-current Liabilities</b>		
Bond premiums, net of amortization	7,578,241	-
Net pension liability	216,579,269	6,929,334
Net OPEB liability	28,823,769	914,481
Long-term portion of compensated absences	2,427,263	-
Long-term portion of debt	139,865,942	2,878,516
<b>Total non-current liabilities</b>	<b>395,274,484</b>	<b>10,722,331</b>
<b>Total liabilities</b>	<b>460,173,881</b>	<b>11,644,034</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Related to pensions	21,861,460	528,420
Related to OPEB	25,248,851	695,323
Related to leases	399,027	-
<b>Total deferred inflows of resources</b>	<b>47,509,338</b>	<b>1,223,743</b>
<b>NET POSITION</b>		
Net investment in capital assets	152,657,052	7,029,559
Restricted for		
Debt service	80,535,955	-
Capital projects	54,733,041	7,029,559
Grants	7,505,564	1,218,259
Unrestricted (deficit)	(236,513,752)	(14,239,576)
<b>Total net position (deficit)</b>	<b>\$ 58,917,860</b>	<b>\$ 1,037,801</b>

See Accompanying Notes.

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2025**

Functions/Programs	Expenses	Program Revenues			Net (Expenses)	
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Revenues and Changes in Net Position	Component Unit
<b>Primary Government</b>						
<b>Governmental activities</b>						
Instruction	\$ 56,360,940	\$ 1,187,305	\$ 9,061,334	\$ -	\$ (46,112,301)	\$ (3,021,991)
Support services						
Students	24,627,060	320,030	6,821,148	-	(17,485,882)	(168,434)
Instruction	10,500,176	1,543,339	2,615,717	-	(6,341,120)	(60,475)
General administration	5,060,127	834,071	804,712	-	(3,421,344)	(279,870)
School administration	8,120,510	-	352,267	-	(7,768,243)	(125,574)
Other	8,225	-	-	-	(8,225)	-
Central services	4,494,605	-	268,943	-	(4,225,662)	(189,145)
Operation & maintenance of plant	62,554,967	-	45,616	1,530,543	(60,978,808)	(1,433,981)
Student transportation	9,910,478	-	8,918,137	-	(992,341)	-
Food services operation	7,271,936	81,168	7,227,275	-	36,507	-
Community services operations	22,692	-	20,585	-	(2,107)	-
Facilities, materials, and other	-	-	957	205,000	205,957	-
Interest/amortization and bond cost on long-term debt	5,162,052	-	-	-	(5,162,052)	(171,773)
<b>Total governmental activities</b>	<b>\$ 194,093,768</b>	<b>\$ 3,965,913</b>	<b>\$ 36,136,691</b>	<b>\$ 1,735,543</b>	<b>(152,255,621)</b>	<b>(5,451,243)</b>
<b>Component Unit</b>	<b>\$ 6,287,275</b>	<b>\$ -</b>	<b>\$ 231,889</b>	<b>\$ 604,143</b>		<b>\$ (5,451,243)</b>

<b>General Revenues</b>		
Property taxes		
Levied for general purposes	2,005,743	879,381
Levied for debt service	207,457	-
Levied for capital projects	74,185,327	-
State Equalization Guarantee revenue	139,946,816	4,361,112
Unrestricted investment earnings	4,161,775	-
Transfer of capital assets	-	-
Miscellaneous	1,029,136	378,916
<b>Total general revenues</b>	<b>221,536,254</b>	<b>5,619,409</b>
<b>Changes in net position</b>	<b>69,280,633</b>	<b>168,166</b>
Net position (deficit), beginning of year	(4,667,946)	1,195,238
Restatement	(5,694,827)	(325,603)
Net position - beginning (deficit), as restated	(10,362,773)	869,635
<b>Net position (deficit), end of year</b>	<b>\$ 58,917,860</b>	<b>\$ 1,037,801</b>

See Accompanying Notes.

**BALANCE SHEET – GOVERNMENTAL FUNDS**  
**JUNE 30, 2025**

	General Fund			
	General	Pupil	Instructional	Local Revenue
	Operational <u>11000</u>	Transportation <u>13000</u>	Materials <u>14000</u>	Operational <u>15200</u>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 7,278,009	\$ -	\$ -	\$ -
Restricted cash and cash equivalents	-	403,795	44	1,491,126
Investments	6,000,000	-	-	-
Receivables				
Taxes	-	-	-	256,645
Leases	414,063	-	-	-
Due from other governments	705,634	-	-	-
Interfund receivable	12,533,749	7,137	-	-
Other receivables	-	-	-	-
Inventory	-	352,939	-	-
<b>Total current assets</b>	<b>\$ 26,931,455</b>	<b>\$ 763,871</b>	<b>\$ 44</b>	<b>\$ 1,747,771</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ 350,361	\$ 31,501	\$ -	\$ -
Due to other governments	-	-	-	-
Accrued expenses	8,246,207	144,449	-	100,155
Interfund payables	72,270	91,797	-	-
<b>Total current liabilities</b>	<b>8,668,838</b>	<b>267,747</b>	<b>-</b>	<b>100,155</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	93,568
Leases	399,027	-	-	-
<b>Total deferred inflows of resources</b>	<b>399,027</b>	<b>-</b>	<b>-</b>	<b>93,568</b>
<b>FUND BALANCES</b>				
Nonspendable	-	352,939	-	-
Restricted for transportation	-	143,185	-	-
Restricted for instructional materials	-	-	44	-
Restricted for debt service	-	-	-	-
Restricted by grantor	-	-	-	-
Restricted for capital projects	-	-	-	-
Unassigned	17,863,590	-	-	1,554,048
<b>Total fund balances</b>	<b>17,863,590</b>	<b>496,124</b>	<b>44</b>	<b>1,554,048</b>
<b>Total liabilities, deferred inflows, and fund balances</b>	<b>\$ 26,931,455</b>	<b>\$ 763,871</b>	<b>\$ 44</b>	<b>\$ 1,747,771</b>

See Accompanying Notes.

**BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2025**

	School Bus Replacement <u>27178</u>	Bond Building <u>31100</u>	Capital Improvements Educ. Tech. <u>31900</u>	Debt Service <u>41000</u>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Restricted cash and cash equivalents	-	-	-	52,361,642
Investments	-	37,500,000	12,012,879	7,393,086
Receivables				
Taxes	-	-	-	3,145,919
Leases	-	-	-	-
Due from other governments	2,997,108	-	-	-
Interfund receivable	-	-	-	-
Other receivables	-	-	-	-
Inventory	-	-	-	-
<b>Total current assets</b>	<u>\$ 2,997,108</u>	<u>\$ 37,500,000</u>	<u>\$ 12,012,879</u>	<u>\$ 62,900,647</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ -	\$ 1,313,269	\$ 839,604	\$ -
Due to other governments	-	-	-	-
Accrued expenses	-	-	150,982	-
Interfund payables	2,997,108	1,859,331	4,880,602	598
<b>Total current liabilities</b>	<u>2,997,108</u>	<u>3,172,600</u>	<u>5,871,188</u>	<u>598</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	1,146,940
Leases	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,146,940</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted for transportation	-	-	-	-
Restricted for instructional materials	-	-	-	-
Restricted for debt service	-	-	-	61,753,109
Restricted by grantor	-	-	-	-
Restricted for capital projects	-	34,327,400	6,141,691	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<u>-</u>	<u>34,327,400</u>	<u>6,141,691</u>	<u>61,753,109</u>
<b>Total liabilities, deferred inflows, and fund balances</b>	<u>\$ 2,997,108</u>	<u>\$ 37,500,000</u>	<u>\$ 12,012,879</u>	<u>\$ 62,900,647</u>

See Accompanying Notes.

**BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2025**

	Educ Tech Debt 43000	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ -	\$ -	\$ 7,278,009
Restricted cash and cash equivalents	6,054,181	19,175,051	79,485,839
Investments	12,017,227	250,000	75,173,192
Receivables			
Taxes	1,121,761	1,823,147	6,347,472
Leases	-	-	414,063
Due from other governments	-	5,009,949	8,712,691
Interfund receivable	-	164,066	12,704,952
Other receivables	-	-	-
Inventory	-	-	352,939
<b>Total current assets</b>	<b>\$ 19,193,169</b>	<b>\$ 26,422,213</b>	<b>\$ 190,469,157</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ 1,351	\$ 553,024	\$ 3,089,110
Due to other governments	-	-	-
Accrued expenses	-	1,069,174	9,710,967
Interfund payables	-	2,803,246	12,704,952
<b>Total current liabilities</b>	<b>1,351</b>	<b>4,425,444</b>	<b>25,505,029</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property taxes	408,972	664,683	2,314,163
Leases	-	-	399,027
<b>Total deferred inflows of resources</b>	<b>408,972</b>	<b>664,683</b>	<b>2,713,190</b>
<b>FUND BALANCES</b>			
Nonspendable	-	-	352,939
Restricted for transportation	-	-	143,185
Restricted for instructional materials	-	-	44
Restricted for debt service	18,782,846	-	80,535,955
Restricted by grantor	-	7,362,335	7,362,335
Restricted for capital projects	-	14,263,950	54,733,041
Unassigned	-	(294,199)	19,123,439
<b>Total fund balances</b>	<b>18,782,846</b>	<b>21,332,086</b>	<b>162,250,938</b>
<b>Total liabilities, deferred inflows, and fund balances</b>	<b>\$ 19,193,169</b>	<b>\$ 26,422,213</b>	<b>\$ 190,469,157</b>

See Accompanying Notes.

**RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION  
JUNE 30, 2025**

<b>Amounts reported for governmental activities in the Statement of Net Position are different because:</b>	
Fund balances - total governmental funds	\$ 162,250,938
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	343,902,183
Deferred outflow of resources related to pensions and OPEB	44,934,691
Deferred inflow of resources related to pensions, and OPEB	(47,110,311)
<b>Other assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:</b>	
Property taxes	2,314,163
<b>Original issue discounts and premiums are not financial resources and, therefore, are not reported in the funds:</b>	
Bond issuance premiums, net of accumulated amortization	(9,731,333)
Accrued interest	(3,387,377)
<b>Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:</b>	
Net pension and OPEB liability	(245,403,038)
Accrued compensated absences	(7,338,258)
Long-term debt	(181,456,327)
Lease and SBITA liability	<u>(57,471)</u>
<b>Net Position - Total Governmental Activities</b>	<b><u>\$ 58,917,860</u></b>

*See Accompanying Notes.*

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

	General Fund			
	General	Pupil	Instructional	Local Revenue
	Operational <u>11000</u>	Transportation <u>13000</u>	Materials <u>14000</u>	Operational <u>15200</u>
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ 1,989,223
State grants	140,231,978	4,276,364	-	-
Federal grants	448,660	-	-	16,533
Charges for services	834,071	-	-	-
Miscellaneous	446,695	21,326	-	-
Interest	308,329	-	-	-
<b>Total revenues</b>	<u>142,269,733</u>	<u>4,297,690</u>	<u>-</u>	<u>2,005,756</u>
<b>EXPENDITURES</b>				
Current				
Instruction	90,128,817	-	27,804	993,639
Support services				
Students	16,886,563	-	-	911,350
Instruction	4,258,535	-	-	-
General administration	3,546,142	-	-	19,407
School administration	7,768,243	-	-	-
Other support services	8,225	-	-	-
Central services	4,118,763	-	-	-
Operation & maintenance of plant	12,544,477	-	-	-
Student transportation	-	3,977,779	-	-
Food services operations	-	-	-	-
Community service	2,107	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>139,261,872</u>	<u>3,977,779</u>	<u>27,804</u>	<u>1,924,396</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>3,007,861</u>	<u>319,911</u>	<u>(27,804)</u>	<u>81,360</u>
<b>Other Financing Sources (Uses)</b>				
Bond issuance premiums	-	-	-	-
Proceeds from loans and bonds	-	-	-	-
Lease and SBITA financing	-	-	-	-
Permanent transfers	(514,133)	-	-	-
<b>Total other financing sources (uses)</b>	<u>(514,133)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	<u>2,493,728</u>	<u>319,911</u>	<u>(27,804)</u>	<u>81,360</u>
Fund balances, beginning of year	<u>15,369,862</u>	<u>176,213</u>	<u>27,848</u>	<u>1,472,688</u>
<b>Fund balances, end of year</b>	<u>\$ 17,863,590</u>	<u>\$ 496,124</u>	<u>\$ 44</u>	<u>\$ 1,554,048</u>

See Accompanying Notes.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS  
(CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2025**

	School Bus Replacement <u>27178</u>	Bond Building <u>31100</u>	Capital Improvements Educ. Tech. <u>31900</u>	Debt Service <u>41000</u>
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ 40,291,999
State grants	3,098,487	-	-	205,000
Federal grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	34,981	-
Interest	-	2,138,108	736,440	613,623
<b>Total revenues</b>	<u>3,098,487</u>	<u>2,138,108</u>	<u>771,421</u>	<u>41,110,622</u>
<b>EXPENDITURES</b>				
Current				
Instruction	-	-	-	44,654
Support services				
Students	-	-	-	-
Instruction	-	-	3,625,924	-
General administration	-	-	-	352,995
School administration	-	-	-	-
Other support services	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	3,098,487	-	-	-
Food services operations	-	-	-	-
Community service	-	-	-	-
Capital outlay	-	18,669,076	10,275,163	-
Debt service				
Principal	-	-	55,851	28,731,919
Interest	-	-	3,287	7,064,225
<b>Total expenditures</b>	<u>3,098,487</u>	<u>18,669,076</u>	<u>13,960,225</u>	<u>36,193,793</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>(16,530,968)</u>	<u>(13,188,804)</u>	<u>4,916,829</u>
<b>Other Financing Sources (Uses)</b>				
Bond issuance premiums	-	-	-	-
Proceeds from loans and bonds	-	-	-	-
Lease and SBITA financing	-	-	-	-
Permanent transfers	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	<u>-</u>	<u>(16,530,968)</u>	<u>(13,188,804)</u>	<u>4,916,829</u>
Fund balances, beginning of year	<u>-</u>	<u>50,858,368</u>	<u>19,330,495</u>	<u>56,836,280</u>
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ 34,327,400</u>	<u>\$ 6,141,691</u>	<u>\$ 61,753,109</u>

See Accompanying Notes.

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS  
(CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2025

	Educ Tech Debt <u>43000</u>	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Property taxes	\$ 14,213,091	\$ 19,661,521	\$ 76,155,834
State grants	-	11,045,492	158,857,321
Federal grants	-	18,496,536	18,961,729
Charges for services	-	3,131,842	3,965,913
Miscellaneous	-	526,134	1,029,136
Interest	306,813	58,462	4,161,775
<b>Total revenues</b>	<u>14,519,904</u>	<u>52,919,987</u>	<u>263,131,708</u>
<b>EXPENDITURES</b>			
Current			
Instruction	-	12,000,248	103,195,162
Support services			
Students	-	6,821,148	24,619,061
Instruction	-	2,615,717	10,500,176
General administration	140,334	999,348	5,058,226
School administration	-	352,267	8,120,510
Other support services	-	-	8,225
Central services	-	268,943	4,387,706
Operation & maintenance of plant	-	45,616	12,590,093
Student transportation	-	1,543,286	8,619,552
Food services operations	-	7,227,275	7,227,275
Community service	-	20,585	22,692
Capital outlay	-	27,842,370	56,786,609
Debt service			
Principal	11,503,874	7,014	40,298,658
Interest	1,272,190	186	8,339,888
<b>Total expenditures</b>	<u>12,916,398</u>	<u>59,744,003</u>	<u>289,773,833</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>1,603,506</u>	<u>(6,824,016)</u>	<u>(26,642,125)</u>
<b>Other Financing Sources (Uses)</b>			
Bond issuance premiums	-	-	-
Proceeds from loans and bonds	-	-	-
Lease and SBITA financing	-	-	-
Permanent transfers	-	514,133	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>514,133</u>	<u>-</u>
<b>Net changes in fund balances</b>	<u>1,603,506</u>	<u>(6,309,883)</u>	<u>(26,642,125)</u>
Fund balances, beginning of year	<u>17,179,340</u>	<u>27,641,969</u>	<u>188,893,063</u>
<b>Fund balances, end of year</b>	<u>\$ 18,782,846</u>	<u>\$ 21,332,086</u>	<u>\$ 162,250,938</u>

See Accompanying Notes.

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

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

Net changes in fund balances - total governmental funds	\$ (26,642,125)
District pension and OPEB contributions	(20,817,745)
Additional GASB 68 and 75 pension and OPEB income	67,497,736
Increase in accrued compensated absences	257,080
Increase in unavailable revenue related to property tax receivable	242,693

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which capital outlays exceed depreciation for the period.

Depreciation and amortization expense	(25,329,603)
Capital expenditures recorded in capital outlays	30,596,103
Gains (losses) on disposal	-

The issuance of long-term debt (e.g., bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. In addition, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Proceeds of long-term debt	-
Bond premium upon issuance	-
Bond premium amortization	3,088,072
(Increase) decrease in accrued interest	89,764
Principal payments on debt, leases and SBITA	<u>40,298,658</u>

<b>Changes in Net Position - Total Governmental Activities</b>	<b><u>\$ 69,280,633</u></b>
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*See Accompanying Notes.*

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL –  
GENERAL OPERATIONAL FUND (11000)  
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	135,004,998	140,262,260	140,231,978	(30,282)
Federal grants	623,918	623,918	448,660	(175,258)
Charges for services	850,500	850,500	859,898	9,398
Miscellaneous	553,617	553,617	446,698	(106,919)
Interest	28,000	28,000	289,312	261,312
<b>Total revenues</b>	<b>137,061,033</b>	<b>142,318,295</b>	<b>142,276,546</b>	<b>(41,749)</b>
<b>EXPENDITURES</b>				
Current				
Instruction	90,631,907	92,104,259	90,128,899	1,975,360
Support services				
Students	15,966,283	16,428,223	16,898,129	(469,906)
Instruction	4,500,919	4,514,468	4,258,535	255,933
General administration	2,971,872	3,237,025	3,554,995	(317,970)
School administration	7,707,212	7,712,563	7,768,243	(55,680)
Central services	3,793,450	3,940,533	4,116,885	(176,352)
Operation & maintenance of plant	13,013,763	13,268,186	12,453,130	815,056
Student transportation	-	-	-	-
Other support services	14,476,810	14,917,297	8,225	14,909,072
Food services operations	5,174	5,190	-	5,190
Community services	5,174	5,190	2,107	3,083
<b>Total expenditures</b>	<b>153,086,065</b>	<b>156,167,435</b>	<b>139,189,148</b>	<b>16,978,287</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(16,025,032)</b>	<b>(13,849,140)</b>	<b>3,087,398</b>	<b>16,936,538</b>
<b>Other Financing Sources</b>				
Designated cash	-	-	-	-
Operating transfers	-	(514,137)	(514,137)	-
<b>Total other financing sources</b>	<b>-</b>	<b>(514,137)</b>	<b>(514,137)</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>\$ (16,025,032)</b>	<b>\$ (14,363,277)</b>	<b>2,573,261</b>	<b>\$ 16,936,538</b>
Fund balances - beginning of year			23,970,639	
<b>Fund balances - end of year</b>			<b>26,543,900</b>	
<b>Reconciliation to GAAP Basis</b>				
Adjustments to revenues			(6,810)	
Adjustments to expenditures			(72,723)	
<b>Excess (deficiency) of revenues and other sources over expenditures (GAAP Basis)</b>			<b>\$ 2,493,728</b>	

See Accompanying Notes.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL –  
PUPIL TRANSPORTATION FUND (13000)  
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	4,276,364	4,276,364	4,276,364	-
Federal grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	21,326	21,326
Interest	-	-	-	-
<b>Total revenues</b>	<u>4,276,364</u>	<u>4,276,364</u>	<u>4,297,690</u>	<u>21,326</u>
<b>EXPENDITURES</b>				
Current				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	4,276,364	4,276,364	3,932,522	343,842
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
<b>Total expenditures</b>	<u>4,276,364</u>	<u>4,276,364</u>	<u>3,932,522</u>	<u>343,842</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>365,168</u>	<u>365,168</u>
<b>Other Financing Sources</b>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	-	-	365,168	365,168
Fund balances - beginning of year	-	(148,763)	149,693	298,456
<b>Fund balances - end of year</b>	<u>\$ -</u>	<u>\$ (148,763)</u>	<u>514,861</u>	<u>\$ 663,624</u>
<b>Reconciliation to GAAP Basis</b>				
Adjustments to revenues			-	
Adjustments to expenditures			(45,257)	
<b>Excess (deficiency) of revenues and other sources over expenditures (GAAP Basis)</b>			<u>\$ 319,911</u>	

See Accompanying Notes.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL –  
INSTRUCTIONAL MATERIALS FUND (14000)  
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES</b>				
Current				
Instruction	-	27,848	27,804	44
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>27,848</b>	<b>27,804</b>	<b>44</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>(27,848)</b>	<b>(27,804)</b>	<b>44</b>
<b>Other Financing Sources</b>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>-</b>	<b>(27,848)</b>	<b>(27,804)</b>	<b>44</b>
Fund balances - beginning of year	(55,332)	(55,696)	-	55,696
<b>Fund balances - end of year</b>	<b>\$ (55,332)</b>	<b>\$ (83,544)</b>	<b>(27,804)</b>	<b>\$ 55,740</b>
<b>Reconciliation to GAAP Basis</b>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
<b>Excess (deficiency) of revenues and other sources over expenditures (GAAP Basis)</b>			<b>\$ (27,804)</b>	

See Accompanying Notes.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL –  
 LOCAL REVENUE OPERATIONAL (15200)  
 FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<b>REVENUES</b>				
Property taxes	\$ 1,808,689	\$ 1,808,689	\$ 1,940,713	\$ 132,024
State grants	-	-	-	-
Federal grants	-	-	16,533	16,533
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>1,808,689</u>	<u>1,808,689</u>	<u>1,957,246</u>	<u>148,557</u>
<b>EXPENDITURES</b>				
Current				
Instruction	1,857,028	1,857,028	993,639	863,389
Support services				
Students	751,167	751,167	911,350	(160,183)
Instruction	435,049	495,839	-	495,839
General administration	12,776	62,776	19,407	43,369
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
<b>Total expenditures</b>	<u>3,056,020</u>	<u>3,166,810</u>	<u>1,924,396</u>	<u>1,242,414</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(1,247,331)</u>	<u>(1,358,121)</u>	<u>32,850</u>	<u>1,390,971</u>
<b>Other Financing Sources</b>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	(1,247,331)	(1,358,121)	32,850	1,390,971
Fund balances - beginning of year	<u>(440,201)</u>	<u>(647,118)</u>	<u>1,358,120</u>	<u>2,005,238</u>
<b>Fund balances - end of year</b>	<u>\$ (1,687,532)</u>	<u>\$ (2,005,239)</u>	<u>1,390,970</u>	<u>\$ 3,396,209</u>
<b>Reconciliation to GAAP Basis</b>				
Adjustments to revenues			48,510	
Adjustments to expenditures			-	
<b>Excess (deficiency) of revenues and other sources over expenditures (GAAP Basis)</b>			<u>\$ 81,360</u>	

See Accompanying Notes.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL –  
SCHOOL BUS (27178)  
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	1,832,338	3,131,477	101,379	(3,030,098)
Federal grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<b>1,832,338</b>	<b>3,131,477</b>	<b>101,379</b>	<b>(3,030,098)</b>
<b>EXPENDITURES</b>				
Current				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	1,832,338	3,131,477	3,098,487	32,990
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
<b>Total expenditures</b>	<b>1,832,338</b>	<b>3,131,477</b>	<b>3,098,487</b>	<b>32,990</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>-</b>	<b>(2,997,108)</b>	<b>(2,997,108)</b>
<b>Other Financing Sources</b>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>-</b>	<b>-</b>	<b>(2,997,108)</b>	<b>(2,997,108)</b>
Fund balances - beginning of year	-	-	701,332	701,332
<b>Fund balances - end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(2,295,776)</b>	<b>\$ (2,295,776)</b>
<b>Reconciliation to GAAP Basis</b>				
Adjustments to revenues			2,997,108	
Adjustments to expenditures			-	
<b>Excess (deficiency) of revenues and other sources over expenditures (GAAP Basis)</b>			<b>\$ -</b>	

See Accompanying Notes.

# Notes to Financial Statements

JUNE 30, 2025

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Santa Fe Public School Board was created under the provision of Chapter 22, Article 5, Paragraph 4, New Mexico Statutes 1978 to provide public education for the children within the District. The School Board is authorized to establish policies and regulations for its own government consistent with the laws of the state of New Mexico and the regulations of the State Board of Education and the Legislative Finance Committee. The School Board is comprised of five members who are elected.

The School Board provides educational services to approximately 11,500 pupils. In conjunction with the regular educational programs, some of these schools offer special education. In addition, the School Board provides transportation and school food services for the students.

The financial statements of Santa Fe Public Schools (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standard Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of the District's accounting policies are described below.

### A. Reporting Entity

In evaluating the District as a reporting entity, management has addressed all potential Component Unit for which the District may be financially accountable and, as such, should be included within the District's financial statements. The District (the primary government) is financially accountable if (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the District. Organizations for which the District is not financially accountable are also included when doing so is necessary in order to prevent the District's financial statements from being misleading. Discretely presented Component Unit are reported in separate columns in the government-wide financial statements. Based upon the application of these criteria, the following is a brief review of the potential Component Unit addressed in defining the government's reporting entity:

The Academy for Technology and the Classics is a Component Unit of the District, as defined by GASB Statement No. 14 and/or GASB Statement No. 39 and have a separate governing board. The Charter Schools do not issue separate financial statements. Charter schools operate under the Senate Bill 192, Chapter 281, Laws of 1999 and are responsible for maintaining separate accounting records, and are Component Units of the school districts they operate within. The Academy for Technology and the Classics operates its foundation as a Component Unit of the Charter School as defined by GASB Statements No. 14, 39, 61, and 80. See Note 1 in the Component Unit section for certain information on Charter School assets and liabilities.

### B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities and changes in net position) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

GASB No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB No. 65, *Items Previously Reported as Assets and Liabilities*, amend GASB No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis for State and Local Governments*, to incorporate deferred outflows of resources and deferred inflows of resources in the financial reporting model.

**Deferred Outflows of Resources** – a consumption of net position by the government that is applicable to a future reporting period. It has a positive effect on net position, similar to assets.

	District	Charter
<b>Deferred Outflows of Resources</b>		
Related to net pension liability	\$ 36,440,606	\$ 1,696,179
Related to net OPEB liability	8,494,085	446,854
<b>Total deferred outflows of resources</b>	<b>\$ 44,934,691</b>	<b>\$ 2,143,033</b>

**Deferred Inflows of Resources** – an acquisition of net position by the government that is applicable to a future reporting period. It has a negative effect on net position, similar to liabilities.

	District	Charter
<b>Deferred Inflows of Resources</b>		
Related to net pension liability	\$ 21,861,460	\$ 528,420
Related to net OPEB liability	25,248,851	695,323
Related to leases	399,027	-
<b>Total deferred inflows of resources</b>	<b>\$ 47,509,338</b>	<b>\$ 1,223,743</b>

**Net Position** – the residual of the net effects of assets, deferred outflows of resources, liabilities, and deferred inflows of resources.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

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

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Sales and use taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Ad valorem taxes (property taxes) and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

Proprietary fund operating revenue, such as charges for service, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenue, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

Governmental funds are used to account for the District's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets, and the servicing of long-term debt.

The District is required to present certain of its governmental funds as major funds based upon certain criteria. The major funds presented in the fund financial statements include the General Fund and the subgroup operating funds noted below, as well as the following funds:

Governmental funds include:

**General Operating Fund (Fund 11000)** - is the primary operating fund of the District and accounts for all financial resources, except those required to be accounted for in other funds. In addition to Fund 11000, the following funds are subgroups of the operating fund:

**Pupil Transportation Fund (Fund 13000)** - is used to account for the State Equalization received from the State Department of Education which is used to pay for the costs associated with transporting school age children.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Instructional Materials Fund (Fund 14000)** - is used to account for the monies received from the State Department of Education for the purposes of purchasing instructional materials (books, manuals, periodicals, etc.) used in the education of students.

**Local Revenue Operational (Fund 15200)** - is used to account for monies from local revenue sources.

The Special Revenue Fund accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The following fund is a major special revenue fund:

**School Bus (27178)** – Appropriation to purchase school buses statewide. Laws of 2013 SB60 Section 53.

The Debt Service Fund is used to account for the accumulation of resources for the payment of long-term debt principal and interest. The following fund is a major debt service fund:

**Debt Service Fund (41000)** - is used to account for the accumulation of resources for, and the payment of, GO Bond principal and interest.

**Education Technology Debt (43000)** is used to account for the accumulation of resources for, and the payment of, Educational Technology note principal and interest.

The Capital Projects Funds account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or non-expendable trust funds. The following fund is a major capital projects fund:

**Bond Building Capital Projects Fund (Fund 31100)** - is used to account for bond proceeds and any income earned thereon. The proceeds are restricted for the purpose of making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof, as approved by the voters of the District.

**Education Technology Equipment Act Fund (31900)** - is used to account for proceeds of Education Technology Notes. The proceeds are restricted to the purchase of technology equipment for use in school classrooms.

Each nonmajor capital project fund is presented following the notes to financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayer or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues.

Private-sector standards of accounting and financial reporting issued prior to November 30, 1989, generally are followed in both the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The District has elected not to follow subsequent private-sector guidance.

Program revenues are categorized as (a) charges for services, which include revenues collected for cafeteria fees and lost books, etc., (b) program-specific operating grants, which includes revenues received from state and federal sources such as Title I, IDEA-B, Charter Schools, and other State and Federal funding to be used as specified within each program grant agreement, and (c) program-specific capital grants and contributions, which include revenues from state sources such as bond building, SB-9 and special capital outlay funding to be used for capital projects. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed. The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. The District does not currently employ indirect cost allocation systems. Depreciation expense is specifically identified by function and is included in the direct expense of each function, except for that portion of depreciation that is identified as unallocated on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

### D. Assets, Liabilities and Net Position or Equity

**Cash and Temporary Investments:** The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the District to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer's Investment Pool.

Investments for the District are reported at fair value. The State Treasurer's Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

**Receivables and Payables:** Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. There is no allowance for doubtful account in the current year. The District receives monthly income from a tax levy in Santa Fe County. The funds are collected by the County Treasurer and

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

are remitted to the School District the following month. Under the modified accrual method of accounting, the amount remitted by the Santa Fe County Treasurer in July 2025 and August 2025 is considered measurable and available and, accordingly, is recorded as revenue during the year ended June 30, 2025.

Certain Special Revenue funds are administered on a reimbursement method of funding; other funds are operated on a cash advance method of funding. The funds incurred the cost and submitted the necessary request for reimbursement or advance, respectively.

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

**Instructional Materials:** The New Mexico State Department of Education receives federal material leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, 70% is restricted to the requisition of material listed in the State Board of Education 'State Adopted Instructional Material' list, while 30% of each allocation is available for purchases directly from vendors, for which the school district receives cash drawdowns, or transfer to the 70% account for requisition of material from the adopted list.

**Inventory:** Inventory is valued at lower of cost (first-in, first-out) or market. Inventory in the Special Revenue Funds consists of USDA commodities and other purchased food and non-food supplies. The cost of purchased food is recorded as an expenditure at the time individual inventory items are consumed. The U.S.D.A. commodities are recorded at year-end by audit adjusting entries. Commodities consumed during the year are reported as revenues and expenditures; unused commodities are reported as inventories and deferred revenue. Non-commodity inventories are equally offset by a fund balance reserve, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. No unearned revenue was recorded for unused commodity inventory as of June 30, 2025. Inventories in the Transportation Fund consisted of related supplies.

**Capital Assets:** Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000, per Section 12-6-10 NMSA 1978, 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. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets (retroactive to 1979) is to be included as part of the governmental capital assets reported in the government-wide financial statements. However, infrastructure assets have not been included in the June 30, 2024 financial statements of Santa Fe Public Schools since the District did not own any infrastructure assets as of June 30, 2025. Information technology equipment, including software, is being capitalized and included in furniture and equipment as the District did not maintain internally-developed software. The District expenses the cost of library books when purchased. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction during the year ended June 30, 2025.

Capital expenditures made on the District's building construction projects by the New Mexico Public School Facilities Authority have been recorded as a revenue and expenditure in the fund financial statements and have been included as capital assets in the District's government-wide financial statements.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Property, plant, and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

Land Improvements	20 years
Buildings	20-50 years
Building Improvements	7-30 years
Equipment	5-20 years
Furniture & Fixtures	20 years
Vehicles	5-12 years

**Unearned Revenues:** The District recognizes grant revenue at the time the related expense is made if the expenditure of funds is the prime factor for determining eligibility for reimbursement; therefore, amounts received and not expended in the Special Revenue Funds are shown as unearned revenues. Amounts receivable from the property taxes levied for the current year that are not considered to be “available” under the current financial resource’s measurement focus are reported as unearned revenues in the governmental fund financial statements.

**Compensated Absences:** The District records compensated absences in accordance with GASB Statement No. 101. Covered benefits include annual leave and sick leave. A liability is recognized for leave that accumulates and is more likely than not to be used for time off or, in the case of annual leave, paid upon termination. Annual leave may accumulate without limit, but only the portion eligible for payout under District policy is recognized as a liability. Sick leave may accumulate but is not paid out; therefore, a liability is recorded only for the amount expected to be used before separation.

**Long-term Obligations:** In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

For fund financial reporting, bond premiums and discounts, as well as issuance costs, are recognized in the period the bonds are issued. Bond proceeds are reported as another financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

**Pensions:** For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Educational Retirement Plan (ERP) and additions to/deductions from ERP’s fiduciary net position have been determined on the same basis as they are reported by ERP. For this purpose, 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.

**Post-employment Benefits Other Than Pensions (OPEB):** For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the New Mexico Retiree Health Care Authority (NMRHCA) and additions to and deductions from NMRHCA’s fiduciary net position have been determined on the same basis as they are reported by NMRHCA. For this purpose, NMRHCA recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Net Position or Fund Equity:** Governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

In the government-wide financial statements, fund equity is classified as net position and is displayed in three components:

**Net Investment In Capital Assets:** Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

**Restricted Net Position:** Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Descriptions for the related restrictions for net position are restricted for “debt service or capital projects.”

**Unrestricted Net Position:** All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

The District’s policy is to apply restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

In the governmental fund financial statements, fund balance is classified and is displayed in five components:

**Nonspendable** – Consists of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

**Restricted** – Consists of amounts that are restricted to specific purposes as a result of a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation.

**Committed** – Consist of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

**Assigned** – Consist of amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

**Unassigned** – Represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

**Interfund Transactions:** Quasi-external transactions are accounted for as revenues or expenditures/expenses. Transactions that constitute reimbursements to a fund from expenditures/expenses initially made from it, that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

All other interfund transactions, except quasi-external transactions and reimbursements are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**Estimates:** 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates affecting the District's financial statements include management's estimate of the useful lives of capital assets.

### E. Revenues

**State Equalization Guarantee:** School districts in the State of New Mexico receive a 'state equalization guarantee distribution' which is defined as "that amount of money distributed to each school district to ensure that the school district's operating revenue, including its local and federal revenues as defined (in Chapter 22, Article 8, Section 22-8-25, NMSA 1978) is at least equal to the school district's program cost.

A school district's program costs are determined through the use of various formulas using 'program units' which take into consideration 1) early childhood education, 2) basic education, 3) special education, 4) bilingual-multicultural education, and 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance.

**Tax Revenues:** The District receives mill levy and ad-valorem tax revenues primarily for debt service and capital outlay purposes. Tax revenues are recognized when they are in the hands of the collecting agency. The District records only the portion of the taxes considered to be 'measurable' and 'available'. Descriptions of the individual debt service and capital outlay funds contained in these financial statements include information regarding the authority for the collection and use of these taxes.

Property taxes attach an enforceable lien on property as of January 1. Tax notices are sent to property owners by November 1 of each year to be paid in whole or in two instalments by November 10 and April 10 of each year. Santa Fe County collects County, City and School taxes and distributes them to each fund once per month, except in June when the taxes are distributed twice to close out the fiscal year.

**Transportation Distribution:** School districts in the State of New Mexico receive student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades K through 12 attending public school within the school district.

**Instructional Materials:** The New Mexico Public Education Department (PED) receives federal mineral leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, 70% is restricted to the requisition of materials listed in the State Board of Education "State Adopted Instructional Material" list, while 30% of each allocation is available for purchases directly from vendors.

**Federal Grants:** The District receives revenues from various Federal departments (both direct and indirect), which are legally restricted to expenditures for specific purposes. These programs are reported as Special Revenue Funds. Each program operated under its own budget, which has been approved by the Federal Department or

## **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

the flow through agency (usually the New Mexico Department of Education). The various budgets are approved by the Local School Board and the New Mexico Public Education Department.

### **Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report separate sections for deferred outflows/inflows of resources. These separate financial statement elements, deferred outflows/inflows of resources, represents a decrease/increase of net position that applies to a future period(s) and so will not be recognized as an outflow/inflow of resources (expense/expenditure or revenue/income) until then. In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

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

## **NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

### **Budgetary Information**

Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are prepared by management and are approved by the local Board of Education and the School Budget and Planning Unit of the Public Education Department. Auxiliary student activity accounts are not budgeted.

These budgets are prepared on the cash basis, excluding encumbrances, and secure appropriation of funds for only one year and reconciled to the modified accrual GAAP financial statements. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year.

Actual expenditures may not exceed the budget at the major function level, as required by 2.2.2.10(Q)(2) NMAC. Budgets may be amended in two ways. If a budget transfer is necessary within a major category (a "series"), it may be accomplished with local Board of Education approval. If a transfer between series or a budget increase is required, approval must also be obtained from the Public School Finance Division.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

In April or May, the local school board submits to the District Budget Planning Unit (DBPU) of the New Mexico Public Education Department a proposed operating budget for the ensuing fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets submitted to the State of New Mexico Public Education Department (PED) by the District shall contain headings and details as described by law and have been approved by the PED.

## **NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)**

In May or June of each year, the proposed “operating” budget will be reviewed and approved by the DBPU and certified and approved by the local school board at a public hearing of which notice has been published by the local school board which fixes the estimated budget for the school district for the ensuing fiscal year.

The school board meeting, while not intended for the general public, is open for the general public unless a closed meeting has been called.

The “operating” budget will be used by the District until they have been notified that the budget has been approved by the DBPU and the local school board. The budget shall be integrated formally into the accounting system. Encumbrances shall be used as an element of control and shall be integrated into the budget system. The District shall make corrections, revisions and amendments to the estimated budgets fixed by the local school board to recognize actual cash balances and carryover funds, if any. These adjustments shall be reviewed and approved by the DBPU.

The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the school board and the PED.

Budget change requests are processed in accordance with Supplement 1 (Budget Preparation and Maintenance) of the Manual of Procedures Public School Accounting and Budgeting. Such changes are initiated by the school district and approved by the SBPU.

Legal budget control for expenditures is by major function.

Appropriations lapse at fiscal year-end. Funds unused during the fiscal year may be carried over into the next fiscal year by budgeting those in the subsequent fiscal year’s budget. The budget of Santa Fe Public Schools has been amended during the current fiscal year in accordance with these procedures. The budget schedules included in the accompanying financial statements reflect the approved budget and amendments thereto.

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Funds.

Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are adopted on a cash basis and are reconciled on a GAAP basis. Encumbrances are treated the same way for GAAP purposes and for budget purposes.

The Board of Education may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. New Mexico state law prohibits a Governmental Agency from exceeding an individual line item.

The accompanying Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual present comparisons of the legally adopted budget with actual data on a budgetary basis and reconciled to the GAAP basis.

## **NOTE 3. CASH AND TEMPORARY INVESTMENTS**

State statutes authorize the investment of District funds in a wide variety of instruments, including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the District properly followed State investment requirements as of June 30, 2025.

**NOTE 3. CASH AND TEMPORARY INVESTMENTS (CONTINUED)**

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the District. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond given by the financial institution.

The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than 100% of the asked price on United States treasury bills of the same maturity on the day of deposit.

Excess of funds may be temporarily invested in securities which are issued by the State or by the United States government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments.

The collateral pledged is listed on the Schedule of Collateral Pledged by Depository for Public Funds. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district, or political subdivision of the State of New Mexico.

According to the Federal Deposit Insurance Corporation, public unit deposits are funds owned by the public unit. Time deposits, savings deposits, and interest-bearing NOW accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution.

**Deposits.** New Mexico State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the Schools for at least one half of the amount on deposit with the institution. The schedule presented below meets the requirements in reporting the insured portion of the deposits.

	Sunflower Bank	Wells Fargo	Morgan Stanley	Total
Total amounts of deposits	\$ 84,524,645	\$ 1,768,496	\$ 297,060	\$ 86,590,201
FDIC coverage	(500,000)	(250,000)	(297,060)	(1,047,060)
<b>Total uninsured public funds</b>	<b>84,024,645</b>	<b>1,518,496</b>	<b>-</b>	<b>85,543,141</b>
Collateral requirement (50% of uninsured Public funds)	42,012,323	759,248	-	42,771,571
Pledged collateral held by pledging bank trust department or agent but not in District's name	88,713,242	965,380	-	89,678,622
<b>Total under (over) collateralized</b>	<b>\$ (46,700,920)</b>	<b>\$ (206,132)</b>	<b>\$ -</b>	<b>\$ (46,907,052)</b>

**Custodial Credit Risk – Deposit.** Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2025, the District’s banks were not exposed to custodial credit risk.

**NOTE 3. CASH AND TEMPORARY INVESTMENTS (CONTINUED)**

**Investments.** The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. There are no Level 2 or Level 3 inputs.

As of June 30, 2025, the District had the following investments and maturities:

Investment Type (Level 1 inputs)	Fair Value
New MexiGROW LGIP	\$ 75,173,192

**Interest Rate Risk – Investments.** The District does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates. The District’s investments were rated AAAM by Standard & Poors and have a weighted-average days to maturity (WAM) as follows:

WAM(R) was 18 days and the WAM(F) was 75 days.

**Concentration Credit Risk – Investment.** For an investment, concentration credit risk is when any one issuer is 5% or more of the investment portfolio of the District. The investments in the State LGIP Fund represent 100% of the investment portfolio. Since the District only purchases investment with the highest credit rating, the additional concentration is not viewed to be an additional risk by the District. The District’s policy related to concentration risk is to comply with the state statute as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978).

**NOTE 4. RECEIVABLES**

Receivables as of June 30, 2025 are as follows:

	Local						Total
	General	Operational	School Bus Replacement	Debt Service	Educ Tech Debt	Other Governmental	
Property taxes	\$ -	\$ 256,645	\$ -	\$ 3,145,919	\$ 1,121,761	\$ 1,823,147	\$ 6,347,472
Leases	414,063	-	-	-	-	5,009,949	5,424,012
Intergovernmental-grants	705,634	-	2,997,108	-	-	-	3,702,742
Other	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 1,119,697</b>	<b>\$ 256,645</b>	<b>\$ 2,997,108</b>	<b>\$ 3,145,919</b>	<b>\$ 1,121,761</b>	<b>\$ 6,833,096</b>	<b>\$ 15,474,226</b>

The above receivables are deemed 100% collectible. Property tax revenue recognized on property tax receivables in the governmental fund financial statements are net of deferred inflows-property taxes of \$2,314,163.

**Lessor Leases.** The District has entered into a long-term agreements of ground leases to third parties with 10-20 year terms. Under these leases, the vendors paid the District monthly, totaling \$303,426 during fiscal year 2025. There are no variable payment components for these leases. The lease receivable is measured as of the date of their inception or, for leases existing prior to the implementation year at the remaining terms of the agreement. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate equal to the incremental borrowing rate at the commencement

**NOTE 4. RECEIVABLES (CONTINUED)**

of each lease. In fiscal year 2025, the District recognized \$246,137 of lease revenue and \$19,017 of interest revenue under the lease.

**NOTE 5. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

“Interfund balances” have primarily been recorded when funds overdraw their share of pooled cash when the District is waiting for reimbursements. The composition of interfund balances as of June 30, 2025 is as follows:

	Interfund Receivables	Interfund Payables
<b>Major Funds</b>		
General Fund	\$ 12,540,887	\$ 164,066
Special Revenue Funds	-	2,997,108
Debt Service	-	6,739,933
Capital Project Funds	-	598
<b>Nonmajor Funds</b>		
Special Revenue Funds	164,066	2,509,049
Capital Project Funds	-	294,199
<b>Total</b>	<b><u>\$ 12,704,953</u></b>	<b><u>\$ 12,704,953</u></b>

Permanent transfers have primarily been recorded when expenditures are moved from one fund to another and reimbursement was received for those expenditures. Permanent transfers were recorded in the year ended June 30, 2025, as detailed in the following table:

	Transfer In	Transfer Out
<b>Major Funds</b>		
General Fund	\$ -	\$ 514,133
<b>Nonmajor Funds</b>		
Special Revenue Funds	<u>514,133</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 514,133</u></b>	<b><u>\$ 514,133</u></b>

**NOTE 6. CAPITAL ASSETS**

A summary of capital assets and changes occurring during the year ended June 30, 2025 follows. Land is not subject to depreciation.

	Balance June 30, 2024	Adjustments/ Transfers	Additions	Deletions	Balance June 30, 2025
<b>Governmental Activities</b>					
<b>Capital Assets not Depreciated</b>					
Construction in progress	\$ 26,272,698	\$ -	\$ 22,224,794		\$ 48,497,492
Land	3,327,556	-	-	-	3,327,556
<b>Total capital assets not being depreciated</b>	<u>29,600,254</u>	<u>-</u>	<u>22,224,794</u>	<u>-</u>	<u>51,825,048</u>
<b>Capital Assets Subject to Depreciation and Amortization</b>					
Land improvements	34,918,496	-	29,551	-	34,948,047
Buildings and building improvements	628,893,977	-	326,044	(402,572)	628,817,449
Furniture, fixtures and equipment	43,907,151	-	8,009,542	(259,258)	51,657,435
Right-to-use lease assets	20,064	6,172	-	-	26,236
Right-of-use SBITA assets	172,461	-	-	-	172,461
<b>Total capital assets being depreciated and amortized</b>	<u>707,912,149</u>	<u>6,172</u>	<u>8,365,137</u>	<u>(661,830)</u>	<u>715,621,628</u>
<b>Accumulated Depreciation and Amortization</b>					
Land improvements	\$ (26,101,767)	\$ -	\$ (1,266,983)	\$ -	\$ (27,368,750)
Buildings and building improvements	(337,601,158)	-	(20,268,977)	402,572	(357,467,563)
Furniture, fixtures and equipment	(35,111,068)	-	(3,722,835)	259,258	(38,574,645)
Right-to-use lease assets	(13,247)	(6,430)	(6,559)	-	(26,236)
Right-of-use SBITA assets	(49,480)	-	(57,819)	-	(107,299)
<b>Total accumulated depreciation and amortization</b>	<u>(398,876,720)</u>	<u>(6,430)</u>	<u>(25,323,173)</u>	<u>661,830</u>	<u>(423,544,493)</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 338,635,683</u>	<u>\$ (258)</u>	<u>\$ 5,266,758</u>	<u>\$ -</u>	<u>\$ 343,902,183</u>

**NOTE 6. CAPITAL ASSETS (CONTINUED)**

Depreciation expense for the year ended June 30, 2025 was charged to governmental activities as follows:

Instruction	\$ 102,850
Support Services - Students	7,999
Support Services - General Administration	1,900
Central Services	106,899
Operations and maintenance of plant	23,767,938
Transportation	1,290,926
Food services	44,661
<b>Total</b>	<b>\$ 25,323,173</b>

**NOTE 7. LONG-TERM DEBT**

Long-term debt issued and outstanding at June 30, 2025 is as follows:

Issuance	Date of		Interest Rate	Original Amount of Issue	Balance June 30, 2025
	Issuance	Due Date			
General Obligation Bonds Series 2013	5/8/2013	8/1/2025	3.0 - 5.0%	\$ 50,000,000	\$ 9,225,000
General Obligation Bonds Series 2014	5/7/2014	8/1/2025	3.0 - 5.0%	27,000,000	3,725,000
General Obligation Bonds Series 2015	6/10/2015	8/1/2028	3.0 - 5.0%	30,000,000	14,400,000
General Obligation Bonds Series 2017	6/6/2017	8/1/2029	3.0 - 5.0%	40,000,000	16,600,000
General Obligation Bonds Series 2018	7/18/2018	8/1/2030	3.375-5.0%	30,000,000	18,500,000
General Obligation Bonds Series 2019	7/24/2019	8/1/2031	3.0 - 5.0%	15,000,000	10,150,000
General Obligation Bonds Series 2020	7/20/2020	8/1/2032	4.0 - 5.0%	15,000,000	10,950,000
General Obligation Bonds Series 2022	4/21/2022	8/1/2034	5%	30,000,000	24,745,000
General Obligation Bonds Series 2023	6/15/2023	8/1/2034	5%	20,000,000	18,970,000
General Obligation Bonds Series 2024	6/13/2024	8/1/2036	5%	28,000,000	26,000,000
				285,000,000	153,265,000

**NOTE 7. LONG-TERM DEBT (CONTINUED)**

Issuance	Date of Issuance	Due Date	Interest Rate	Original Amount of Issue	Balance June 30, 2025
Education Technology Note Series 2021	6/17/2021	8/1/2024	4%	\$ 11,000,000	\$ -
Education Technology Note Series 2022A	4/21/2022	8/1/2025	5%	7,000,000	<b>5,600,000</b>
Education Technology Note Series 2022B	4/21/2022	8/1/2024	1.850-2.050%	4,000,000	-
Education Technology Note Series 2023A	6/15/2023	8/1/2026	5%	5,000,000	<b>5,000,000</b>
Education Technology Note Series 2023B	6/15/2023	8/1/2025	4.500-4.550%	6,000,000	<b>3,500,000</b>
Education Technology Note Series 2024A	6/13/2024	8/1/2027	5%	5,000,000	<b>5,000,000</b>
Education Technology Note Series 2024B	6/13/2024	8/1/2026	5.120-5.320%	6,000,000	<b>6,000,000</b>
Series 2016 Renewable Energy Bonds	6/1/2016	6/1/2041	3%	2,962,734	<b>2,265,584</b>
Series 2018 Renewable Energy Bonds	5/11/2018	6/1/2043	3.61%	971,258	<b>825,743</b>
<b>Total</b>				<b>\$ 332,933,992</b>	<b>\$ 181,456,327</b>

The District’s general obligation bonds were issued for the purposes of creating, remodelling, making additions to and furnishing school buildings, and purchasing and improving school grounds; payable solely from general property taxes that are levied against all taxable property in the District.

The District’s Education Technology notes were issued for the purposes of purchasing technology equipment for use in school classrooms and are payable solely from the proceeds of their sale to a third-party. The bonds are payable out of the Debt Service Fund (Fund 41000). Interest payments are due semi-annually on August 1. Interest rates on the bonds range from 2% to 5%. Principal payments in varying amounts are due annually on August 1 through 2028. The notes are payable out of the Debt Service Fund (Fund 43000). Interest payments are due semi-annually on August 1. Interest rates range from .35% to 5%.

During 2016, Santa Fe Public School (SFPS) District Board of Education approved a unique financing agreement which provided \$2,962,734 to construct solar array fields at two (2) school sites. The funding was provided by the New Mexico Finance Authority (NMFA) issuance of 2016A Series Energy Efficiency and Renewable Energy Bonds. The Bonds are special limited obligations of NMFA, and are payable with pledged revenue, which includes money transferred by the Public Education Department from deductions to the State Equalization Guarantee (SEG) distribution of the District. The amount of savings the District expects to gain from the project is designed to be approximately 11% more than the reduction, making for an expected positive net impact on the finances.

The requirements to amortize the General Obligation Bonds, Education Technology Notes, and Solar Array Note Payable as of June 30, 2025, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2026	\$ 41,590,385	\$ 7,326,648	\$ 48,917,033
2027	28,687,043	5,741,881	34,428,924
2028	23,994,257	4,516,341	28,510,598
2029	19,851,990	3,525,505	23,377,495
2030	16,210,262	2,772,107	18,982,369
2031-2035	45,148,978	6,143,103	51,292,081
2036-2040	5,562,995	418,665	5,981,660
2041-2045	410,417	22,065	432,482
2046-2050	-	-	-
<b>Total</b>	<b>\$ 181,456,327</b>	<b>\$ 30,466,315</b>	<b>\$ 211,922,642</b>

**NOTE 7. LONG-TERM DEBT (CONTINUED)**

In prior years, the general fund was typically used to liquidate long-term liabilities other than debt.

**Lessee Leases.** The District has entered into long-term agreements to lease a parking lot in prior years. The lease agreements were recorded at the present value of the future lease payments as of the date of their inception or, for leases existing prior to the implementation year, at the remaining terms of the agreement. The liability was measured at a discount rate equal to the incremental borrowing rate at the commencement of each lease. The District also recorded intangible right-to-use lease assets, initially measured at an amount equal to the initial measurement of the related lease liability. (See Note 6).

As of June 30, 2025, the District does not have any active leases or related right-to-use lease assets.

**Subscription-Based IT Arrangements.** The District has entered into three agreements for subscription-based IT arrangements (SBITAs). The IT subscription costs are recorded at the present value of future lease payments as of the inception date of each agreement. As of June 30, 2025, the net book value of the right-to-use SBITA assets is \$65,162 (see Note 6).

The present value of the future minimum obligations for the right-to-use SBITA assets as of June 30, 2025, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2026	\$ 57,471	\$ 1,667	\$ 59,138
2027	-	-	-
2028	-	-	-
2029	-	-	-
2030	-	-	-
<b>Total</b>	<b>\$ 57,471</b>	<b>\$ 1,667</b>	<b>\$ 59,138</b>

**NOTE 7. LONG-TERM DEBT (CONTINUED)**

During the year ended June 30, 2025, the following changes occurred in the liabilities reported in the District’s government-wide Statement of Net Position:

	Balance June 30, 2024	Restatement	Balance (As Restated) June 30, 2024	Additions	Deletions	Balance June 30, 2025	Due Within One Year
Bonds/notes payable	\$ 221,692,120	\$ -	\$ 221,692,120	\$ -	\$ (40,235,793)	\$ 181,456,327	\$ 41,590,385
Bond premium, net of amortization	12,819,405	-	\$ 12,819,405	-	(3,088,072)	9,731,333	2,153,092
Compensated absences	1,900,511	5,694,827	7,595,338	-	(257,080) *	7,338,258	4,910,995
Lease liability	7,014	-	-	-	(7,014)	-	-
SBITA liability	113,322	-	-	-	(55,851)	57,471	57,471
<b>Total</b>	<b>\$ 236,532,372</b>	<b>\$ 5,694,827</b>	<b>\$ 242,106,863</b>	<b>\$ -</b>	<b>\$ (43,643,810)</b>	<b>\$ 198,583,389</b>	<b>\$ 48,711,943</b>

\* The change in compensated absences liability is presented as a net change.

**NOTE 8. RISK MANAGEMENT**

The District is a member of the New Mexico Public Schools Insurance Authority (NMPSIA). The Authority was created to provide comprehensive core insurance programs by expanding the pool of subscribers to maximize cost containment opportunities for required insurance coverage. The District pays an annual premium to the NMPSIA based on claim experience and the status of the pool. The Risk Management Program includes Workers Compensation, General and Automobile Liability, Automobile Physical Damage, and Property and Crime coverage. Also included under the risk management program are Boiler, Machinery, and Student Accident Insurance.

The NMPSIA provides coverage for up to a maximum of \$750,000,000 for each property damage claim with a \$25,000 deductible per occurrence with a maximum annual deductible of \$100,000. General liability coverage is afforded to all employees, volunteers, and Board members, and the limit is subject to the NMSA Tort Claims Act on a per occurrence basis. The automobile and property liability limit is subject to the provisions of the Tort Claims Act. The crime limit is \$250,000 per occurrence for Faithful Performance. A limit of \$250,000 applies to Depositor’s Forgery, Credit Card Forgery, and Money Orders. A limit of \$250,000 applies to Money and Securities, which include a \$750 deductible.

In case the NMPSIA’s assets are not sufficient to meet its liability claims, the agreement provides that subscribers, including the District, cannot be assessed additional premiums to cover the shortfall. As of June 30, 2025, there have been no claims that have exceeded insurance coverage.

Beginning July 1, 2025, Sexual Molestation or Sexual Abuse Claims/Lawsuits through NMPSIA require a paid deductible for the District based on average daily attendance student enrollment numbers.

**NOTE 9. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES**

Generally accepted accounting principles require disclosures as part of certain information concerning individual funds including:

- A. Deficit fund balance of individual funds. The following funds reported a deficit fund balance at June 30, 2025:

Capital Improvements SB-9 State (Fund 31700)	\$ (294,199) *
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\* Negative fund balance amount was later adjusted through a permanent transfer that was approved by Board of Education and NM Public Education Department in July 2025

- B. Excess of expenditures over appropriations. The following funds exceeded approved budgetary authority for the year ended June 30, 2025:

Non Instructional Support (Fund 23000)	
Support Services	\$ 460,991
Non Instructional Support (Fund 23000)	
Capital Outlay	957
Indian Education Formula Grant (Fund 25184)	
Instruction Services	240
Capital Improvements HB - 33 (Fund 31600)	
Support Services	8,648
Education Technology Equipment Act Fund(Fund 31900)	
Support Services	502,084
Debt Service (Fund 41000)	
Support Services	24,559
Tech equip debt service (Fund 43000)	
Support Services	4,445

**NOTE 10. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD**

**Plan Description.** The New Mexico Educational Retirement Act (ERA) was enacted in 1957. The act created the Educational Employees Retirement Plan (Plan) and, to administer it, the New Mexico Educational Retirement Board (NMERB). The Plan is included in NMERB’s Annual Comprehensive Financial Report. The report can be found on NMERB’s Web site at [https://www.nmerb.org/Annual\\_reports.html](https://www.nmerb.org/Annual_reports.html).

The Plan is a cost-sharing, multiple-employer pension plan established to provide retirement and disability benefits for certified teachers and other employees of the state’s public schools, institutions of higher learning, and state agencies providing educational programs. Additional tenets of the ERA can be found in Section 22-11-1 through 22-11-55, NMSA 1978, as amended.

The Plan is a pension trust fund of the State of New Mexico. The ERA assigns the authority to establish and amend benefit provisions to a nine-member Board of Trustees (Board); the state legislature has the authority to set or amend contribution rates and other terms of the plan. NMERB is self-funded through investment income and educational employer contributions. The Plan does not receive General Fund Appropriations from the State of New Mexico.

**NOTE 10. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)**

All accumulated assets are held by the Plan in trust to pay benefits, including refunds of contributions as defined in the terms of the Plan. Eligibility for membership in the Plan is a condition of employment, as defined in Section 22-11-2, NMSA 1978. Employees of public schools, universities, junior and community colleges, public technical and vocational institutions, state special schools, charter schools, regional education cooperatives, the New Mexico Activities Association, and certain employees at state agencies that provide an educational program, who are employed more than 25% of a full-time equivalency, are required to be members of the Plan, unless specifically excluded.

**Pension Benefit.** A member’s retirement benefit is determined by a formula which includes three component parts: 1) the member’s final average salary (FAS), 2) the number of years of service credit, and 3) a multiplier.

For members hired on or before June 30, 2019 (Tiers 1-3 members) the multiplier is 2.35%. For members hired after June 30, 2019 the multiplier accrues as follows:

Years of Service	Benefit Percentage Earned
10 or less	1.35%
10.25 to 20	2.35%
20.25 to 30	3.35%
30.25 plus	2.40%

FAS is the average of the member’s fiscal annual earnings for the last 20 calendar service quarters (60 months) prior to retirement or the highest average fiscal annual earning for any 20 consecutive calendar quarters.

**Summary of Plan Provisions for Retirement Eligibility.**

**Tier 1: Membership prior to July 1, 2010.** For members employed before July 1, 2010, a member is eligible to retire when one of the following events occurs:

- The member’s age and earned service credit add up to the sum of 75 or more. Those who retire under the age of 60, and who have fewer than 25 years of earned service credit will receive reduced retirement benefits, or
- The member is at least 65 years of age and has five or more years of earned service credit, or
- The member has service credit totalling 25 years or more.

**Tier 2: Membership on or after July 1, 2010, but prior to July 1, 2013.** Chapter 288, Laws of 2009 changed the eligibility requirements for new members who were first employed on or after July 1, 2010, but before July 1, 2013 — or before July 1, 2010, terminated employment, subsequently withdrew all contributions, and then becomes re-employed after July 1, 2010. These members must meet one of the following requirements.

- The member’s age and earned service credit add up to the sum of 80 or more. Those who retire under the age of 65 and who have fewer than 30 years of earned service credit will receive reduced retirement benefits, or
- The member is at least 67 years of age and has five or more years of earned service credit, or
- The member has service credit totaling 30 years or more.

**Tier 3: Membership beginning on or after July 1, 2013.** Section 2-11-23.2, NMSA 1978 added eligibility requirements for new members who were first employed on or after July 1, 2013, or who were employed before July 1, 2013 but terminated employment and subsequently withdrew all contributions and returned to work for an ERB employer on or after July 1, 2013. These members must meet one of the following requirements:

#### NOTE 10. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

- The member's minimum age is 55 and has earned 30 or more years of service credit. Those who retire earlier than age 55, but with 30 years of earned service credit will have a reduction in benefits to the actuarial equivalent of retiring at age 55, or
- The member's minimum age and earned service credit add up to the sum of 80 or more. Those who retire under the age of 65, and who have fewer than 30 years of earned service credit will receive reduced retirement benefits, or
- The member's age is 67 and has earned 5 or more years of service credit.

**Tier 4: Membership beginning on or after July 1, 2019.** Section 2-11-23.3, NMSA 1978, added eligibility requirements for new members who were first employed on or after July 1, 2019 — and had, before that date, been refunded all member contributions and had not restored all refunded contributions and interest before July 1, 2019. A member in this tier must meet one of the following requirements.

- The member is any age and has 30 or more years of earned service credit, or
- The member is at least 67 years of age and have 5 or more years or earned service credit, or
- The sum of the member's age and years of earned service credit equals at least 80.

**Forms of Payment.** The benefit is paid as a monthly life annuity with a guarantee that, if the payments made do not exceed the member's accumulated contributions plus accumulated interest, determined as of the date of retirement, the balance will be paid in a lump sum to the member's surviving beneficiary.

**Benefit Options.** The Plan has three benefit options available:

- **Option A – Straight Life Benefit.** The single life annuity option has no reductions to the monthly benefit, and there is no continuing benefit due to a beneficiary or estate, except the balance, if any, of member contributions plus interest less benefits paid prior to the member's death.
- **Option B – Joint 100% Survivor Benefit.** The single life annuity monthly benefit is reduced to provide for a 100% survivor's benefit. The reduced benefit is payable during the life of the member, with the provision that, upon death, the same benefit is paid to the beneficiary for his or her lifetime. If the beneficiary predeceases the member, the member's monthly benefit is increased to the amount the member would have received under Option A Straight Life benefit. The member's increased monthly benefit commences in the month following the beneficiary's death.
- **Option C – Joint 50% Survivor Benefit.** The single life annuity monthly benefit is reduced to provide for a 50% survivor's benefit. The reduced benefit is payable during the life of the member, with the provision that, upon death, the reduced 50% benefit is paid to the beneficiary for his or her lifetime. If the beneficiary predeceases the member, the member's monthly benefit is increased to the amount the member would have received under Option A Straight Life benefit. The member's increased monthly benefit commences in the month following the beneficiary's death.

**Disability Benefit.** An NMERB member is eligible for disability benefits if they have acquired at least ten years of earned service credit and is found totally disabled. The disability benefit is equal to 2% of the member's Final Average Salary (FAS) multiplied by the number of years of total service credits. However, the disability benefit shall not be less than the smaller of (a) one-third of the member's FAS or (b) 2% of the member's FAS multiplied by total years of service credit projected to age 60.

**Cost of Living Adjustment (COLA).** All retired members and beneficiaries receiving benefits may receive an adjustment in their benefit on July 1 following the year a member retires or July 1 following the year a member reaches the age below, whichever is later.

**NOTE 10. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)**

Membership	Age Eligible for COLA
Tier 1	65
Tier 2	65
Tier 3	67
Tier 4	67

If a member is eligible for a COLA, the amount depends on the annual change in the Consumer Price Index (CPI) and whether the fund is fully funded (that is, the fund’s funded ratio is 100%). Accordingly, if there is no increase in the CPI, or the CPI is negative, the amount of the COLA will be zero (if the CPI is negative, retirement benefits will not be decreased).

When CPI has increased and the fund is fully funded, the COLA will be the same amount as the increase in the CPI except as follows: If the increase in the CPI is 2% or greater, the COLA will be one-half of the CPI increase, not to exceed 4% or to be less than 2%.

However, while the fund is not fully funded, the COLA for retirees will be reduced based on the median annual retirement benefit, calculated after the end of each fiscal year:

- When the funded ratio is 90% or less, the COLA for retirees whose annuity is at or below the median and who have 25 or more years of service credit at retirement will be reduced by 10%. For retirees whose annuity is either greater than the median or who have less than 25 years of service credit at retirement, the COLA will be reduced by 20%.
- When the funded ratio exceeds 90% but is less than 100%, the COLA for retirees whose annuity is at or below the median adjusted annuity and who had 25 or more years of service credit at retirement and will be reduced by 5%. For retirees whose annuity is either greater than the median or who have less than 25 years of service credit at retirement, the COLA will be reduced by 10%.

Members on disability retirement are entitled to a COLA commencing on July 1 of the third full year following disability retirement. A member on regular retirement who can prove retirement because of a disability may qualify for a COLA beginning July 1 in the third full year of retirement.

**Refund of Contributions.** Members may withdraw their contributions only when they terminate covered employment in the State and their former employer(s) certification determination has been received by NMERB. Interest is paid to members when they withdraw their contributions following termination of employment at a rate set by the Board. Interest is not earned on contributions credited to accounts prior to July 1, 1971, or for contributions held for less than one year.

**Contributions.** For the fiscal years ended June 30, 2025 and 2024, educational employers contributed to the Plan based on the following rate schedule:

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase Over Prior Year
2025	7-1-24 to 6-30-25	Over \$24K	10.70%	18.15%	28.85%	1.00%
2025	7-1-24 to 6-30-25	\$24K or less	7.90%	18.15%	26.05%	1.00%
2024	7-1-23 to 6-30-24	Over \$24K	10.70%	18.15%	28.85%	1.00%
2024	7-1-23 to 6-30-24	\$24K or less	7.90%	18.15%	26.05%	1.00%

**NOTE 10. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)**

The contribution requirements are established in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2025 and 2024, the District paid employee and employer contributions of \$10,759,381 and \$18,759,381, respectively, which equal the amount of the required contributions for each fiscal year. For the fiscal years ended June 30, 2025 and 2024, the Charter paid employee and employer contributions of \$354,455 and \$616,856, respectively, which equal the amount of the required contributions for each fiscal year.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.*** At June 30, 2025, the District reported a liability of \$216,579,269 for its proportionate share of the net pension liability. At June 30, 2025, the Charter reported a liability of \$6,929,334 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2024 using generally accepted actuarial principles. On April 17, 2020, NMERB’s Board of Trustees adopted new assumptions presented in the 2020 Actuarial Experience Study. Those new assumptions have been reflected in the roll-forward and in the projections used to determine the single discount rate.

The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating educational institutions at June 30, 2023, actuarially determined. At June 30, 2024, the District’s proportion was 2.46449%, which was a decrease of 0.07487% from its proportion measured as of June 30, 2023. At June 30, 2024, the Charter’s proportion was 0.07885%, which was an increase of 0.00104% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized pension income of \$19,453,233. For the year ended June 30, 2025, the Charter recognized pension income of \$103,026.

At June 30, 2025, the District and Charter reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>District:</b>	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 17,660,830	\$ 480,153
Changes of assumptions	-	5,675,974
Net difference between projected and actual earnings on pension plan investments	-	6,560,592
Changes in proportion and differences between contributions and proportionate share of contributions	-	9,144,741
District contributions subsequent to the measurement date	18,779,776	-
<b>Total</b>	<b>\$ 36,440,606</b>	<b>\$ 21,861,460</b>

**NOTE 10. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)**

Charter:	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 565,049	\$ 15,362
Changes of assumptions	-	181,600
Net difference between projected and actual earnings on pension plan investments	-	209,903
Changes in proportion and differences between contributions and proportionate share of contributions	514,274	121,555
District contributions subsequent to the measurement date	616,856	-
<b>Total</b>	<b>\$ 1,696,179</b>	<b>\$ 528,420</b>

The District reported \$18,779,776 and the Charter reported \$616,856 as deferred outflows of resources related to pensions resulting from the District’s and Charter’s contributions subsequent to the measurement date June 30, 2025 will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

District:		Charter:	
Year Ending June 30, 2025		Year Ending June 30, 2025	
2026	\$ (8,799,700)	2026	\$ 210,497
2027	7,334,850	2027	415,056
2028	959,423	2028	(17,816)
2029	1,776,357	2029	(56,834)
2030	-	2030	-
	<b>\$ 1,270,930</b>		<b>\$ 550,903</b>

**Actuarial Assumptions.** Actuarial assumptions and methods are set by the Board of Trustees, based upon recommendations made by the plan’s actuary. The assumption for year ending June 30, 2024 were based on Board adopted assumptions on April 17, 2020, in conjunction with the six-year actuarial experience study period ending June 30, 2019. The total pension liability in the June 30, 2024, actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases	3.00%, composed of 2.30% inflation, plus a 0.70% productivity increase rate, plus a step-rate promotional increase for members with less than 15 years of service.
Investment rate of return	7.00%
Mortality	<p><b>Healthy males:</b> 2020 GRS Southwest Region Teacher Mortality Table, set back one year and scaled at 95%. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020.</p> <p><b>Healthy females:</b> 2020 GRS Southwest Region Teacher Mortality Table, set back one year. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020.</p>

**NOTE 10. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)**

The long-term expected rate of return on pension plan investments was determined using a building-block approach that includes the following:

- Rate of return projections that are the sum of current yield plus projected changes in price (valuations, defaults, etc.).
- Application of key economic projections (inflation, real growth, dividends, etc.).
- Structural themes (supply and demand imbalances, capital flows, etc.) developed for each major asset class.

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Equities	24%	
Fixed income	23%	
Alternatives	52%	
Cash	1%	
	<u>100%</u>	<u>7.00%</u>

**Discount Rate.** A single discount rate of 7.00% was used to measure the total pension liability as of June 30, 2024. This is the same rate used for June 30, 2023. The 7.00% single discount rate was based on a long-term expected rate of return on pension plan investments of 7.00%. Based on the stated assumptions and the projection of cash flows, the pension plan’s fiduciary net position and future contributions were sufficient to finance all projected future benefit payments of current plan members. As a result, 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 projections of cash flows used to determine the single discount rate assumed that plan member and employer contributions will be made at the current statutory levels.

**Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.** The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate.

	1 % Decrease 6.00%	Current Discount Rate 7.00%	1 % Increase 8.00%
District's proportionate share of the net pension liability	\$ 297,808,654	\$ 216,579,269	\$ 149,352,138
Charter's proportionate share of the net pension liability	\$ 9,528,224	\$ 6,929,334	\$ 4,778,439

**Pension Plan Fiduciary Net Position.** Detailed information about the ERB’s fiduciary net position is available in the separately issued audited financial statements as of and for the years ended June 30, 2025 and 2024, which are publicly available at [www.nmerb.org](http://www.nmerb.org).

## NOTE 11. OTHER POST EMPLOYMENT BENEFITS (OPEB) – STATE RETIREE HEALTH CARE PLAN

**Plan Description.** Employees of the District are provided with OPEB through the Retiree Health Care Fund (the Fund)—a cost-sharing multiple-employer defined benefit OPEB plan administered by the New Mexico Retiree Health Care Authority (NMRHCA). NMRHCA was formed February 13, 1990, under the New Mexico Retiree Health Care Act (the Act) of New Mexico Statutes Annotated, as amended (NMSA 1978), to administer the Fund under Section 10-7C-1-19 NMSA 1978. The Fund was created to provide comprehensive group health insurance coverage for individuals (and their spouses, dependents, and surviving spouses) who have retired or will retire from public service in New Mexico.

NMRHCA is an independent agency of the State of New Mexico. The funds administered by NMRHCA are considered part of the State of New Mexico financial reporting entity and are OPEB trust funds of the State of New Mexico. NMRHCA's financial information is included with the financial presentation of the State of New Mexico.

**Benefits Provided.** The Fund is a multiple employer cost sharing defined benefit healthcare plan that provides eligible retirees (including terminated employees who have accumulated benefits but are not yet receiving them), their spouses, dependents and surviving spouses and dependents with health insurance and prescription drug benefits consisting of a plan, or optional plans of benefits, that can be contributions to the Fund and by co-payments or out-of-pocket payments of eligible retirees.

**Contributions.** Employer and employee contributions to the Fund total 3% for non-enhanced retirement plans and 3.75% of enhanced retirement plans of each participating employee's salary as required by Section 10-7C-15 NMSA 1978. The contributions are established by statute and are not based on an actuarial calculation. All employer and employee contributions are non-refundable under any circumstance, including termination of the employer's participation in the Fund. Contributions to the Fund from the District were \$3,024,639 for the year ended June 30, 2025. Contributions to the Fund from the Charter were \$100,483 for the year ended June 30, 2025.

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.** At June 30, 2025, the District reported a liability of \$28,823,769 for its proportionate share of the net OPEB liability. At June 30, 2025, the Charter reported a liability of \$914,481 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

The District's and Charter's proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2024. At June 30, 2024, the District's proportion was 1.61496%. The Charter's proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2024. At June 30, 2024, the Charter's proportion was 0.05124%.

For the year ended June 30, 2025, the District recognized OPEB income of \$6,369,885. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**NOTE 11. OTHER POST EMPLOYMENT BENEFITS (OPEB) – STATE RETIREE HEALTH CARE PLAN (CONTINUED)**

<b>District:</b>	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 308,906	\$ 3,010,769
Net difference between projected and actual investment earnings on OPEB	257,657	-
Changes of assumptions	5,393,649	18,278,219
Change in proportion	495,904	3,959,865
Contributions made after the measurement date	2,037,969	-
<b>Total</b>	<b>\$ 8,494,085</b>	<b>\$ 25,248,853</b>

For the year ended June 30, 2025, the Charter recognized OPEB income of \$102,027. At June 30, 2025, the Charter reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<b>Charter:</b>	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 9,801	\$ 95,522
Net difference between projected and actual investment earnings on OPEB	8,175	-
Changes of assumptions	171,122	579,906
Change in proportion	190,832	19,895
Contributions made after the measurement date	66,924	-
<b>Total</b>	<b>\$ 446,854</b>	<b>\$ 695,323</b>

**NOTE 11. OTHER POST EMPLOYMENT BENEFITS (OPEB) – STATE RETIREE HEALTH CARE PLAN (CONTINUED)**

Deferred outflows of resources totalling \$2,037,969 represent District contributions to the Fund made subsequent to the measurement date and will be recognized as a reduction of net OPEB liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

<u>Year Ending June 30, 2025</u>	
2026	\$ (5,153,853)
2027	(7,317,975)
2028	(4,801,533)
2029	(1,595,312)
2030	75,938
<b>Total</b>	<b>\$ (18,792,735)</b>

Deferred outflows of resources totalling \$66,924 represent Charter contributions to the Fund made subsequent to the measurement date and will be recognized as a reduction of net OPEB liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

<u>Year Ending June 30, 2025</u>	
2026	\$ (75,388)
2027	(140,028)
2028	(106,263)
2029	(8,253)
2030	14,539
<b>Total</b>	<b>\$ (315,393)</b>

**Actuarial Assumptions.** The total OPEB liability was determined by an actuarial valuation using the following actuarial assumptions:

Valuation Date	June 30, 2023
Actuarial cost method	Entry age normal, level percent of pay, calculated on individual employee basis
Asset valuation method	Market value of assets
Actuarial assumptions:	
Inflation	2.30% for ERB members; 2.50% for PERA members
Projected payroll increases	3.00% to 13.00%, based on years of service, including inflation
Investment rate of return	7.00%, net of OPEB plan investment expense and margin for adverse deviation including inflation
Health care cost trend rate	8% graded down to 4.5% over 14 years for Non- Medicare medical plan costs and 8.5% graded down to 4.5% over 16 years for Medicare medical plan costs
Mortality	ERB members: 2020 GRS Southwest Region Teacher Mortality Table, set back one year (and scaled at 95% for males). Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020. PERA members: Headcount-Weighted RP-2014 Blue Collar Annuitant Mortality, set forward one year for females, projected generationally with Scale MP-2017 times 60%.

**NOTE 11. OTHER POST EMPLOYMENT BENEFITS (OPEB) – STATE RETIREE HEALTH CARE PLAN (CONTINUED)**

**Rate of Return.** The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which the expected future real rates of return (net of investment fees and inflation) are developed for each major asset class. These returns 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, adding expected inflation, and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumptions.

The best estimates for the long-term expected rate of return are summarized as follows:

Asset Class	Long-Term Rate of Return
U.S. core fixed income	1.6%
U.S. equity - large cap	6.9%
Non U.S. - emerging markets	8.7%
Non U.S. - developed equities	7.2%
Private equity	10.0%
Credit and structured finance	3.7%
Real estate	3.6%
Absolute return	3.2%
U.S. equity - small/mid cap	6.9%

**Discount Rate.** The discount rate used to measure the Fund’s total OPEB liability is 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates proportional to the actuary determined contribution rates. For this purpose, employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries are included. Based on those assumptions, the Authority's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. The 7.00% discount rate, which includes the assumed inflation 2.50%, was used to calculate the net OPEB liability.

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates.** The following presents the net OPEB liability of the District, calculated using the discount rate of 7.00% as of June 30, 2024, as well as what the District’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the **current discount rate**:

1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
\$ 36,348,669	\$ 28,823,769	\$ 22,655,290

**NOTE 11. OTHER POST EMPLOYMENT BENEFITS (OPEB) – STATE RETIREE HEALTH CARE PLAN (CONTINUED)**

The following presents the net OPEB liability of the Charter, as well as what the Charter’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current discount rate:

1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
\$ 1,153,220	\$ 914,481	\$ 718,776

The following presents the net OPEB liability of the District, as well as what the District’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the **current healthcare cost trend rates**:

1% Decrease	Current Trend Rates	1% Increase
\$ 22,274,696	\$ 28,823,769	\$ 45,642,606

The following presents the net OPEB liability of the Charter, as well as what the Charter’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the **current healthcare cost trend rates**:

1% Decrease	Current Trend Rates	1% Increase
\$ 706,701	\$ 914,481	\$ 1,448,085

**OPEB Plan Fiduciary Net Position.** Detailed information about the OPEB plan’s fiduciary net position is available in NMRHCA’s audited financial statements for the year ended June 30, 2025.

**NOTE 12. CONTINGENT LIABILITIES**

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

The District is involved in various claims and lawsuits arising in the normal course of business. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the District’s legal counsel that the resolution of these matters will not have a material adverse effect on the financial condition of the District.

During fiscal year 2020, the Internal Revenue Service informed the District that IRS Forms 1094-C and 1095-C were not filed with the IRS in a timely manner for tax year 2016. IRS Form 1094-C *Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns*, and Form 1095-C, *Employer-Provided Health Insurance Offer and Coverage*, is used to report the information required under section 6056, about offers of health coverage to full-time employees (and family member). Because the District did not file the returns timely, the IRS has assessed the District interest and penalties. The District has appealed the determination made by the IRS and is waiting to hear from the IRS to determine the next steps in the appeal process. As of January 15, 2026, the District is working with the IRS in an effort to abate the penalties and interest which may be material to the financial statements.

**NOTE 13. JOINT POWERS AGREEMENTS**

<b>Participants:</b>	Santa Fe Public Schools, NM Health Services Dept.	Cooperative Educational Services	National Joint Powers Alliance	High Plain Regional Education Cooperative	US Communities	Buy Board Nat'l Purchasing Cooperative
<b>Responsible Party:</b>	SFPS and NMHSD	N/A	N/A	N/A	N/A	N/A
<b>Description:</b>	To improve the health and development outcomes of children and youth in New Mexico by providing quality health care and service through the program and assuring the appropriate use of public funds in accordance with applicable state and federal requirements.	Cooperative purchasing agreement	Cooperative purchasing agreement	Cooperative purchasing agreement	Cooperative purchasing agreement	Cooperative purchasing agreement
<b>Begin Date:</b>	5/9/2003	12/18/1984	11/4/2009	7/26/2007	9/23/2014	5/26/2010
<b>End Date:</b>	Indefinitely	Indefinitely	Indefinitely	Indefinitely	Indefinitely	Indefinitely
<b>Total Estimated Amount of the Project and Portion Applicable to the District:</b>	Not to exceed \$500,000 each fiscal year	N/A	N/A	N/A	N/A	N/A
<b>Amount Contributed in Fiscal Year:</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Audit Responsibility:</b>	SFPS	N/A	N/A	N/A	N/A	N/A
<b>Name of Govt Agency Report Rev &amp; Exp:</b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>Fiscal Agent:</b>	N/A	N/A	N/A	N/A	N/A	N/A

**NOTE 14. POST-EMPLOYMENT BENEFITS – DEFERRED COMPENSATION PLAN**

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). The plan, available to all District employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries.

**NOTE 15. TAX ABATEMENTS**

GASB Statement No. 77, *Tax Abatement Disclosures*, has been implemented by governmental entities for the fiscal year ended June 30, 2025. The District does not abate taxes and has not been materially impacted by any tax abatement agreements entered into by other governmental entities.

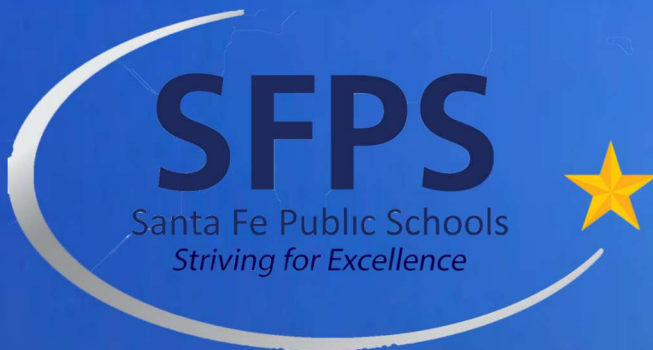
## NOTE 16. ADOPTION OF NEW ACCOUNTING STANDARDS AND RESTATEMENT

Effective July 1, 2024, the District adopted GASB 101, *Compensated Absences*.

GASB 101 requires governmental entities to recognize liabilities for both unused compensated absences (vacation, sick leave, parental leave, bereavement leave, etc.) and used but unpaid or unsettled leave. It also provides updated guidance on measuring these liabilities, including associated salary-related payments and noncash settlements. The standard applies retroactively, and is effective July 1, 2024. The financial statements were restated due to the implementation of this new accounting principle, which resulted in a decrease in opening net position as presented in the Statement of Activities in the amount of \$5,694,827. Further disclosure on compensated absences can be found in Note 7.

Effective July 1, 2024, the District adopted GASB 102, *Certain Risk Disclosures*.

GASB 102 requires governments to disclose information about certain concentrations and constraints that could expose them to financial risk. Specifically, governments must disclose concentrations if, based on reasonably available information, it is at least reasonably possible within three years of the financial statement date that the events could cause a substantial effect on the government's ability to continue to provide services at the level provided. Governments must also disclose constraints if, based on reasonably available information, it is at least reasonably possible that such constraints will be imposed within three years of the financial statement date and, if imposed, would substantially limit the government's ability to acquire resources. The adoption of this new standard had no impact on the June 30, 2025 financial statements.



**REQUIRED SUPPLEMENTARY  
INFORMATION (UNAUDITED)**



**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – EDUCATIONAL RETIREMENT BOARD (ERB) PENSION PLAN  
LAST 10 FISCAL YEARS (UNAUDITED)**

	Fiscal Year Measurement Date	2025 2024	2024 2023	2023 2022	2022 2021	2021 2020	2020 2019	2019 2018	2018 2017	2017 2016	2016 2015
District's proportion of the net pension liability		<b>2.46449%</b>	2.53936%	2.61362%	2.66366%	2.70017%	2.63747%	2.62848%	2.62437%	2.68673%	2.63247%
District's proportionate share of the net pension liability		<b>\$ 216,579,269</b>	\$ 220,525,260	\$ 220,111,536	\$ 188,786,016	\$ 547,213,477	\$ 199,849,080	\$ 312,561,256	\$ 291,658,526	\$ 193,348,739	\$ 170,512,077
District's covered employee payroll		<b>\$ 102,909,574</b>	\$ 104,399,906	\$ 97,989,017	\$ 88,559,938	\$ 85,161,280	\$ 86,192,338	\$ 77,096,798	\$ 73,444,754	\$ 74,686,466	\$ 71,874,864
District's proportionate share of the net pension liability as a percentage of its covered employee payroll		<b>210%</b>	211%	225%	213%	643%	232%	405%	397%	259%	237%
Plan fiduciary net position as a percentage of total pension liability		<b>66.57%</b>	65.19%	64.87%	69.77%	39.11%	64.13%	52.17%	52.95%	61.58%	63.97%

*See Notes to Required Supplementary Information.*

**SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS – EDUCATIONAL RETIREMENT BOARD (ERB) PENSION PLAN  
LAST 10 FISCAL YEARS (UNAUDITED)**

	June 30, 2025									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutory required contributions	\$ 18,779,776	\$ 18,948,583	\$ 16,805,116	\$ 13,416,068	\$ 12,071,888	\$ 12,202,983	\$ 10,720,340	\$ 10,209,684	\$ 10,381,419	\$ 10,655,553
Contributions in relation to contractually required contributions	<u>18,779,776</u>	<u>18,948,583</u>	<u>16,805,116</u>	<u>13,416,068</u>	<u>12,071,888</u>	<u>12,202,983</u>	<u>10,720,340</u>	<u>10,209,684</u>	<u>10,381,419</u>	<u>10,655,553</u>
Annual contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

*See Notes to Required Supplementary Information.*

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY – RETIREE HEALTH CARE AUTHORITY (RHCA) OPEB PLAN  
LAST 10 FISCAL YEARS\* (UNAUDITED)**

	Fiscal Year Measurement Date	2025 2024	2024 2023	2023 2022	2022 2021	2021 2020	2020 2019	2019 2018	2018 2017
District's proportion of the net OPEB liability		<b>1.61496%</b>	1.68799%	1.71702%	1.74294%	1.78754%	1.72861%	1.70749%	1.74188%
District's proportionate share of the net OPEB liability		<b>\$ 28,823,769</b>	\$ 28,745,426	\$ 39,690,780	\$ 57,348,823	\$ 75,057,160	\$ 56,048,256	\$ 74,247,724	\$ 78,936,306
District's covered-employee payroll		<b>\$ 90,585,200</b>	\$ 83,589,605	\$ 81,474,775	\$ 80,423,502	\$ 84,161,181	\$ 72,133,662	\$ 73,261,852	\$ 72,560,578
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll		<b>31.82%</b>	34.39%	48.72%	71.31%	97.69%	77.70%	101.35%	108.79%
Plan fiduciary net position as a percentage of the total OPEB liability		<b>46.99%</b>	44.16%	33.33%	25.39%	16.50%	18.92%	13.14%	11.34%

\*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District will present information for available years.

*See Notes to Required Supplementary Information*

**SCHEDULE OF THE DISTRICT'S RETIREE HEALTH CARE CONTRIBUTIONS – RETIREE HEALTH CARE AUTHORITY (RHCA) OPEB PLAN  
LAST 10 FISCAL YEARS\* (UNAUDITED)**

	June 30, 2025								
	2025	2024	2023	2022	2021	2020	2019	2018	
Contractually required contribution	\$ 2,037,969	\$ 2,056,822	\$ 1,933,468	\$ 1,744,265	\$ 1,682,421	\$ 1,530,103	\$ 2,668,239	\$ 5,531,287	
Contributions in relation to the contractually required contribution	<u>2,037,969</u>	<u>2,056,822</u>	<u>1,933,468</u>	<u>1,744,265</u>	<u>1,682,421</u>	<u>1,530,103</u>	<u>2,635,660</u>	<u>2,776,090</u>	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,579	\$ 2,755,197	
Employer's covered-employee payroll	\$ 101,989,427	\$ 102,841,100	\$ 96,673,400	\$ 87,213,250	\$ 84,161,181	\$ 72,133,662	\$ 73,261,852	\$ 72,560,578	
Contributions as a percentage of covered-employee payroll	2.00%	2.00%	2.00%	2.00%	2.00%	2.12%	3.60%	3.83%	

\*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District will present information for available years.

*See Notes to Required Supplementary Information.*

# Notes to Required Supplementary Information (Unaudited)

JUNE 30, 2025

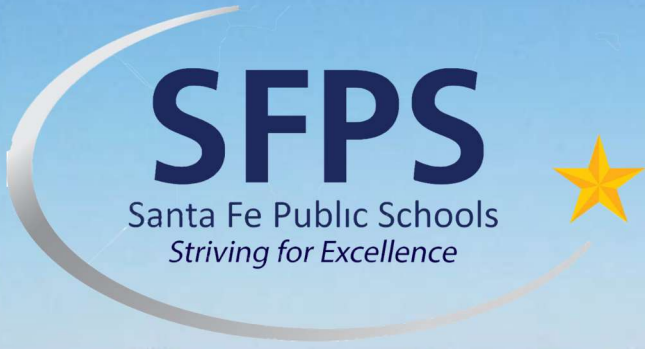
## ERB PLAN

**Changes in benefit provisions.** There were no modifications to the benefit provisions that were reflected in the actuarial valuation as of June 30, 2023 and rolled forward to June 30, 2024.

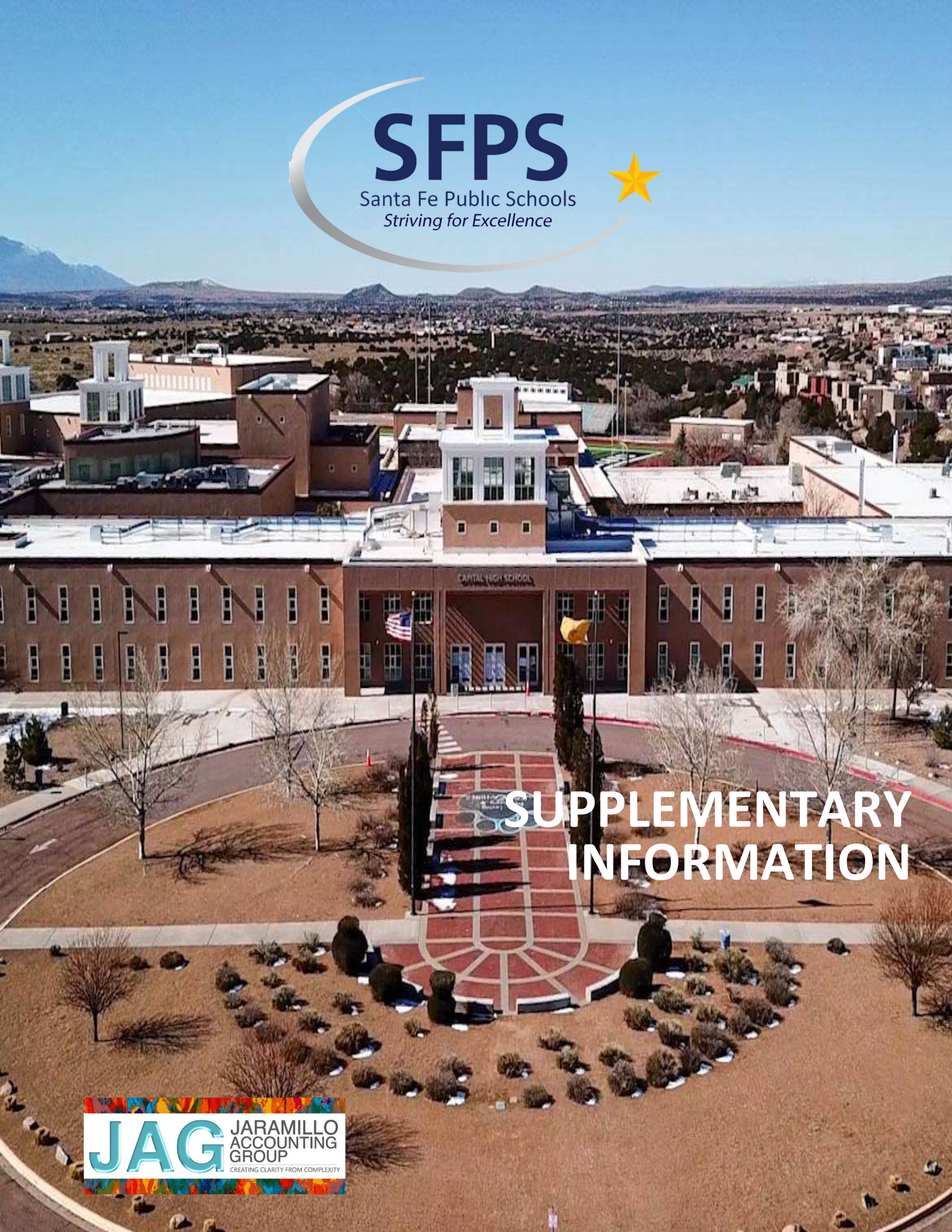
**Changes in assumptions and methods.** Actuarial assumptions and methods are set by the Board of Trustees of the New Mexico Educational Retirement Board based upon recommendations made by the Plan's actuary. The Board adopted new assumptions on April 17, 2020, in conjunction with the six-year actuarial experience study period ended June 30, 2019. No changes have been made to the assumptions since the prior valuation.

## RHCA Plan

In the total OPEB liability measured as of June 30, 2024, changes in assumptions include adjustments resulting from an decrease in the discount rate from 6.22% to 7.00%.



**SFPS**  
Santa Fe Public Schools  
*Striving for Excellence*



# SUPPLEMENTARY INFORMATION



COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2025

	Special Revenue	Capital Projects	Debt Service	Total
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Restricted cash and cash equivalents	5,801,119	13,373,932	-	19,175,051
Investments	-	250,000	-	250,000
Receivables				
Taxes	-	1,823,147	-	1,823,147
Due from other governments	5,009,949	-	-	5,009,949
Interfund receivables	164,066	-	-	164,066
Other receivables	-	-	-	-
Inventory	-	-	-	-
<b>Total current assets</b>	<b>\$ 10,975,134</b>	<b>\$ 15,447,079</b>	<b>\$ -</b>	<b>\$ 26,422,213</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ 46,050	\$ 506,974	\$ -	\$ 553,024
Cash overdraft	-	-	-	-
Due to government	-	-	-	-
Accrued payroll liabilities	1,057,702	11,472	-	1,069,174
Interfund payables	2,509,047	294,199	-	2,803,246
<b>Total current liabilities</b>	<b>3,612,799</b>	<b>812,645</b>	<b>-</b>	<b>4,425,444</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	664,683	-	664,683
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	7,362,335	14,263,950	-	21,626,285
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	(294,199)	-	(294,199)
<b>Total fund balances</b>	<b>7,362,335</b>	<b>13,969,751</b>	<b>-</b>	<b>21,332,086</b>
<b>Total liab., deferred inflows, and fund balances</b>	<b>\$ 10,975,134</b>	<b>\$ 15,447,079</b>	<b>\$ -</b>	<b>\$ 26,422,213</b>

See Accompanying Notes.

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR  
 GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2025

	Special Revenue	Capital Projects	Debt Service	Total
<b>REVENUES</b>				
Property taxes	\$ -	\$ 19,661,521	\$ -	\$ 19,661,521
State grants	9,514,949	1,530,543	-	11,045,492
Federal grants	18,496,536	-	-	18,496,536
Charges for services	3,131,842	-	-	3,131,842
Miscellaneous	476,317	49,817	-	526,134
Interest	43,197	15,265	-	58,462
<b>Total revenues</b>	<b>31,662,841</b>	<b>21,257,146</b>	<b>-</b>	<b>52,919,987</b>
<b>EXPENDITURES</b>				
Current				
Instruction	12,001,020	(772)	-	12,000,248
Support services				
Students	6,821,148	-	-	6,821,148
Instruction	2,615,717	-	-	2,615,717
General administration	804,712	194,636	-	999,348
School administration	352,267	-	-	352,267
Central services	268,943	-	-	268,943
Operation & maintenance of plant	45,616	-	-	45,616
Student transportation	1,543,286	-	-	1,543,286
Food services operations	7,227,275	-	-	7,227,275
Community service	20,585	-	-	20,585
Capital outlay	957	27,841,413	-	27,842,370
Debt service				
Principal	-	7,014	-	7,014
Interest	-	186	-	186
<b>Total expenditures</b>	<b>31,701,526</b>	<b>28,042,477</b>	<b>-</b>	<b>59,744,003</b>
<b>Excess of revenues over expenditures</b>	<b>(38,685)</b>	<b>(6,785,331)</b>	<b>-</b>	<b>(6,824,016)</b>
<b>Other Financing Sources (Uses)</b>				
Operating transfers	514,133	-	-	514,133
Proceeds from loans and bonds	-	-	-	-
Lease and SBITA financing	-	-	-	-
Bond issuance premiums	-	-	-	-
<b>Total other financing sources</b>	<b>514,133</b>	<b>-</b>	<b>-</b>	<b>514,133</b>
<b>Net changes in fund balances</b>	<b>475,448</b>	<b>(6,785,331)</b>	<b>-</b>	<b>(6,309,883)</b>
Fund balances, beginning of year	6,886,887	20,755,082	-	27,641,969
<b>Fund balances, end of year</b>	<b>\$ 7,362,335</b>	<b>\$ 13,969,751</b>	<b>\$ -</b>	<b>\$ 21,332,086</b>

See Accompanying Notes.

# Nonmajor Special Revenue Funds

JUNE 30, 2025

The Special Revenue Funds are used to account for Federal, State and Local funded grants. These grants are awarded to the District with the purpose of accomplishing specific educational tasks. Grants accounted for in the Special Revenue Funds include:

**Food Services (21000)** – This fund is used to account for the cost of operating a student breakfast, lunch, snack bar and summer lunch program and is financed with federal grants and fees paid by program users.

**Universal Free Meals (21100)** – This funding is to be used specifically for school meals including breakfast, lunch, snack and supper. This will serve as the critical to mitigate hunger and improve educational outcomes.

**Athletics (22000)** – This fund is used to account for fees generated at athletic activities throughout the School District. The gate receipts are obtained from the general public and are expended in this fund. The authority for creation of this fund is 6.20.2 NMAC.

**Non-Institutional Support (23000)** – To account for revenue and expenditures associated with the District’s non-instructional support activities (primarily after-school activities).

**Title I Fund (24101)** – This fund is used to provide supplemental educational opportunity for academically disadvantaged children in the area of residing. Campuses are identified for program participation by the percentage of students on free or reduced-price lunches. Any school with a free and reduced-price lunch percentage that is equal to or greater than the total district percentage becomes eligible for program participation. Any student whose test scores fall below District established criteria and who is attending a Title I campus is eligible to receive Title I services. Poverty is the criteria that identifies a campus; educational need determines the students to be served. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Department of Education. Authority for creation of this fund is Part A of Chapter I of Title I of Elementary and Secondary Education Act (ESEA) of 1965, as amended, Public Law 103-383.

**Entitlement IDEA-B (24106)** – To account for a program funded by a Federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by Individuals with Disabilities Education Act, Part B, Section 611- 620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100,639, and 101-476, 20 U.S.C. 1411-1420.

**Preschool IDEA-B (24109)** – The objective of the Assistance to States for the Education of Handicapped Children Program is to assist in providing free, appropriate public education to all handicapped children from ages three to five. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Department of Children, Youth and Families. Authority for creation of this fund is Public Law 105-17.

**Education of Homeless (24113)** – To ensure that homeless children and youth have equal access to the same free, appropriate public education as other children; to provide activities for and services to ensure that these children enroll in, attend, and achieve success in school; to establish or designate an office in each State educational agency (SEA) for the coordination of education for homeless children and youth; to develop and implement programs for school personnel to heighten awareness of specific problems of homeless children and youth; and to provide grants to local educational agencies (LEAs). Authorized by McKinney-Vento Homeless Assistance Act, Title VII, Subtitle B.

**IDEA-B Private School Share (24115)** - A proportionate allocation subtracted from the total IDEA-B Entitlement (24106) award to the Private school students with disabilities.

**21<sup>st</sup> Century Community Learning Centers 2008-2014 (24119)** – To provide assistance for graduates in achieving jobs in their field of education. Authority: Carl D. Perkins Vocational and Technical Education Act of 1998, Title I; Workforce Investment Act, Section 503.

**Title 1-1003g Grant (24124)** – A federal grant aimed at improving academic achievement in schools identified as needing improvement, particularly in reading and math. This grant provides additional resources to help these schools implement evidence-based interventions and strategies to enhance student performance.

**Charter Schools (24146)** – Federal flow through funding geared towards promoting the setup, continuation, and thriving of charter schools.

**English Language Acquisition (24153)** – To provide funds to improve the educational performance of limited English proficient students by assisting the children to learn English and meet State academic content standards.

**Teacher/Principal Training & Recruiting (24154)** – To improve the skills of teachers and the quality of instruction in mathematics and science, and also to increase the accessibility of such instruction to all students.

**Secondary Current (24174) and Secondary Redistribution (24176)** – The objective of this grant is to provide secondary and post-secondary educational institutions the opportunity to develop, implement, and operate programs using different models of curricula that integrate vocational and academic learning. Funds are acquired from federal sources through the New Mexico Department of Education. Authority for creation of this fund is Carl D. Perkins Vocational and Applied Technology Education Act of 1990, as amended, Public Law 105-332.

**Title I Student Support & Academic Enrichment Program (24189)** – To account for funds used to improve student’s academic achievement by increasing the capacity of States, local educational agencies (LEAs), schools and local communities to: (1) provide all students with access to a well-rounded education; (2) improve school conditions for student learning; and (3) improve the use of technology in order to improve the academic achievement and digital literacy for all students. Authorized by Section 4101 of the Elementary and Secondary Education Act.

**CLSD Grants (24194)** – Used to improve literacy skill of preschool and increase percentage of elementary, middle, and high school students to meet NM standards, birth to grade 12. Awarding agency – US Dept. of Ed.

**Project Aware (24195)** – (Advancing Wellness and Resilience in Education) is a grant initiative aimed at improving mental health awareness and services in schools across New Mexico. This fund focuses on the financial management and reporting aspects to ensure that the allocated resources are used effectively and in compliance with regulations.

**Stronger Connections Grant (24196)** – Offers supplement funding to New Mexico’s local educational agencies (LEAs) for activities promoting safe and healthy students, including school safety and mental health services.

**CARES Act – Education Stabilization (24301)** – The ESSER Fund is a highly flexible federal program designed to provide local education agencies (LEAs) with funding to meet a diverse array of educational and COVID response related needs. By law, awards from the ESSER Fund are based on LEA’s proportional share of final 2019-20 Title I, Part A allocations received. Authorization: Title The Coronavirus Aid, Relief, and Economic Security Act (CARES Act), 116-136.

**CRRSA Act – ESSER II (24308)** – To provide local education agencies with funding to safely reopen schools, measure and effectively address significant learning loss, and to mitigate the impact of COVID-19. LEAs must expend all ESSER (24301) funds and submit the associated requests for reimbursement before expending any of the ESSER II

(24308) funds. Authorization: Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, Elementary and Secondary School Education Relief Fund (ESSER II Fund).

**CRRSA Retention Stipend (24312)** – A retention stipend in the amount of \$100 is available if an eligible employee was required to work, and did work, in-person, physically on school district, charter school, or school premises at least 50% of their paid hours or more, between September 8, 2020 and February 19, 2021. Authorization: Coronavirus Response and Relief supplemental Appropriations (CRRSA) Act, Elementary and Secondary School Education Relief Fund (ESSER II SEA Reserve).

**USDE CRRSA ESSER II Air Quality (24316)** – This is a sub-award for funding through the Elementary and Secondary School Emergency Relief Fund for air quality improvements relate to COVID-19. Authorization: Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act Elementary and Secondary School Education Relief Fund (ESSER II SEA Reserve).

**ARP ESSER III (24330)** – to account for funds awarded through the Elementary and Secondary School Education Relief Fund (ESSER Fund), a component of the recently enacted Coronavirus Aid, Relief, and Economic Security (CARES) Act, Pub.L. 116–136.

**ESSER III Near Peer Tutoring (24333)** – Part of the Elementary and Secondary School Emergency Relief (ESSER) funds provided under the American Rescue Plan (ARP). This specific fund is allocated to support near-peer tutoring programs in New Mexico, aimed at accelerating learning and addressing educational disruptions caused by the COVID-19 pandemic.

**ESSR III Student & Staff Development (24344)** – Part of the Elementary and Secondary School Emergency Relief (ESSER) funds provided under the American Rescue Plan (ARP) Act. This fund is specifically allocated to support the professional development of students and staff in New Mexico, addressing the educational challenges posed by the COVID-19 pandemic.

**Idea B/American Rescue Plan Act (24346)** – Federal funding aid in response to the COVID-19 pandemic, distributed with the specific purpose of assisting with Special Education Student needs. Authorization: 2 C.F.R. Part 200: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 1 2 C.F.R Part 3474: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 C.F.R. Part 3485: Non-procurement Debarment and Suspension.

**Idea/American Rescue Plan Act of 2021 (ARP) Preschool (24349)** – Federal funding aid in response to the COVID-19 Pandemic, distributed with the specific purpose of assisting with Special Education Student needs. Funding under this award must be used in compliance with the applicable provisions of IDEA B. 2. C.F.R. Part 200: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Authorization: 2 C.F.R. Part 3474: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 C.F.R. Part 3485: Non-procurement Debarment and Suspension.

**ARP – HCY (24350)** – (American Rescue Plan – Homeless Children and Youth) is part of the American Rescue Plan Act of 2021. This fund is specifically allocated to support homeless children and youth in New Mexico, providing them with wrap-around services to address the challenges posed by the COVID-19 pandemic.

**ARP – HCY II (24355)** – (American Rescue Plan – Homeless Children and Youth II) is part of the American Rescue Plan Act of 2021. This fund is specifically allocated to provide additional support to homeless children and youth in New Mexico, addressing the ongoing challenges posed by the COVID-19 pandemic.

**Johnson O'Malley (25131)** – To account for revenues and expenditures funded by the Department of Interior, Bureau of Indian Affairs, through the Navajo Tribe provided to supplement programs in special education and other special needs for New Mexico public schools where eligible Indian children are enrolled. The fund was created by the authority of federal grant provisions. (PL 103-382).

**Safe Routes to School – NMDOT - (25146)** – Administered by the New Mexico Department of Transportation, this program funds infrastructure improvements and activities to make walking and biking to school safer and easier.

**XIX Medicaid (25153)** – To account for a program providing school-based screening, diagnostic services, and other related health services and administrative activities in conformance with the approved Medicaid State Plan in order to improve health and developmental outcomes for children. Authority for creation of this fund is the Public Education Department.

**Santa Fe Underage Drinking Alliance (25181)** – The Drug-Free Communities Support Program is a collaborative effort between the Office of Nation Drug Control Policy and the Substance Abuse and Mental Health Services Administration. Grant awards are issued to community coalitions through an interagency agreement with SAMHSA. The purpose of DFC funding is to address two major goals: 1) establish and strengthen collaboration among communities, public and private non-profit agencies, and Federal, State, Local and Tribal governments to support the efforts of community coalitions, and 2) reduce substance abuse among youth and over time young adults.

**Indian Education Formula Grant (25184)** – To make grants to State, Territories, Tribes and tribal organizations serving federally-recognized tribes (public institutions of higher education and hospitals are not eligible applicants) for child care assistance for low-income families and to: 1) allow each State maximum flexibility in developing child care programs and policies that best suit the needs of children and parents within such State; 2) promote parental choice to empower working parents to make their own decisions on the child care that best suits their families' needs; 3) encourage States to provide consumer education information to help parents make informed choices about child care; 4) assist States to provide child care to parents trying to achieve independence from public assistance; and 5) assist States in implementing the health, safety, licensing and registration standards established in State regulations.

**ROTC (25200)** – To provide financial assistance to school districts to reimburse a portion of the salaries paid to R.O.T.C. instructors. The funding is provided by the U.S. Marine Corps.

**GEAR UP (25205)** – Gear Up New Mexico funds will support successful high school graduation and post-secondary attendance.

**Safe Drug Free School/Community (25243)** – PL 107-110 Safe & Drug Free Schools & Communities Act of ESEA, as amended by NCLB Program Title: Safe and Drug-Free Schools and Communities- National Programs.

**REC District Fiscal Agent (26107)** – State funding flowing through RECs as fiscal agent. This fund is presented as a nonmajor fund used to manage and distribute funds for various educational programs and services. This fund supports the administrative functions of Regional Education Cooperatives (RECs) and school districts, ensuring that resources are effectively allocated and managed.

**LANL Foundation (26113)** – Educational enrichment grant received from Los Alamos National Laboratory.

**PNM Foundation Grant (26123)** – To account for PNM funding supporting various grant requests. These are small classroom projects proposed by individual teachers within the district.

**Emergency Connectivity Fund (26222)** – Program established by the Federal Communications Commission (FCC) under the American Rescue Plan Act of 2021. This fund aims to help schools and libraries provide the necessary tools and services for remote learning during the COVID-19 pandemic. The goal is to close the 'homework gap' by ensuring that all students have access to the internet and the devices they need to participate in remote learning.

**2012 G.O. Bond Student Library Fund (SB 66) (27107)** – Funds used to purchase books, supplies and other media for school libraries. Laws of 2012.

**Instructional Materials Special Appropriation (27109)** – Intended specifically for the purchase of instructional materials to make up for the shortfall in past appropriations.

**NM Reads to Lead K-3 Reading Initiative (27114)** – A program aimed at improving reading proficiency for students in kindergarten through third grade in New Mexico. The program prioritizes schools with the highest percentages of students struggling with reading, ensuring targeted support where it's most needed.

**Community Schools Planning & Improvement Grants (27126 & 27127)** – To account for grant funds awarded by NMPED for community school initiatives, which shall be used to establish, operate, and sustain the community school framework pursuant to Section 22-32-4, NMSA 1978.

**Truancy Initiative PED (27141)** – To hire Truancy and Dropout Prevention Coaches with appropriate state licensure. The coaches will monitor and report on the performance of each school assigned a coach. The reporting will include information about truancy and dropout statistics, as well as documentation about various events and programming provided by the school as related to truancy and dropout prevention.

**Pre-K Initiative (27149)** – To provide high quality Pre-K services that align to NM Pre-K standards to underserved 4-year-olds in the District. To expand early childhood educational capacity so that all families of 4-year-olds in the district who want to enroll their child in a high-quality Pre-K program can do regardless of income or ethnicity.

**Indian Education Act (27150)** – To account for funds to help support the educational reform initiatives outlined in the District's Educational Plan for Student Success (EPSS). The grant expenditures must support how the identified EPSS focus areas/ activities/ strategies will be deployed for addressing the needs of American Indian students to ensure improved academic performance and closing of the achievement gap.

**Extended Learning Transportation (27153)** – All funds are solely for expenditures incurred for transporting students to Extended Learning time program. Funding was made available through an appropriation contained in the Laws of 2019, Chapter 271, Section 4, Subsection K, Public School Support, paragraph 2 HB 2.

**Kindergarten – Three Plus (27166)** – The funding is part of a pilot project for Kindergarten through third grade students at both Ann Parish Elementary and Desert View Elementary. Funds are used for teachers, educational assistants, nurses, an academic coach, and PE coach at both schools. HB 198 Laws 2007 Parkinson/Paolillo.

**NM Grown Fruits and Vegetables (27183)** – Funds under this award are to be used to purchase locally grown New Mexico fresh fruits and vegetables, to be made available at no charge to students. 2013 HB2 Special Appropriation, Section 5, Page 217.

**K-3 Plus 4&5 Pilot (27198)** – Provides funding for additional educational time for students in the kindergarten through fifth grade with at least 25 instructional days, beginning up to two months earlier than the regular school year.

**Indigenous Education Initiatives (27199)** – to account for funds awarded by NMPED for improving academic and cultural achievement opportunities in alignment with the requirements of the Indian Education Act. Grants will be made available to tribal departments of education and local education agencies (LEAs) and charter schools serving significant numbers of Native American students for purposes that align with New Mexico's Indian Education Act (NMSA 1978 Section 22-23A-1 through 22-23A-8).

**Inter Governmental Agreement (27400)** – Facilities collaboration between New Mexico state agencies and other governmental entities, supporting projects that enhance public service efficiency and effectiveness.

**Family Income Index (27407)** – A financial initiative in New Mexico aimed at supporting economically disadvantaged students. This fund is used to allocate resources based on the Family Income Index, which identifies schools with high percentages of low-income students.

**State Funded Out of School Program (27416)** – Provides financial support for after-school and summer programs, focusing on academic enrichment, physical activity, and social development to improve student outcomes.

**Career Tech Ed (Pilot) (27502)** – Subaward for Next Gen CTE funding to be spent per application. Funding Agency- NM Public Education Dept, Special Appropriation fund, Career Technical. Education Pilot, NM Laws 2019, Section IV, Item (b); Section V, Item (103).

**Bilingual Multicultural Education (27575)** – Supports programs addressing cultural and linguistic needs by providing instruction in English and a second language, promoting dual language programs and cultural history.

**State Appropriation – Behavioral Health (27583)** – Funds efforts to improve mental health and substance abuse services, emphasizing prevention, early intervention, recovery, and resiliency across New Mexico.

**Attendance Success Initiative (27584)** – Aims to reduce chronic absenteeism by supporting the implementation of the Attendance for Success Act, providing grants, funding campaigns, and sharing best practices.

**ECHS Flowthrough Funding (27589)** – Supports Early College High School programs, helping students earn college credits, associate degrees, or industry certifications while in high school, focusing on high-need students.

**Educational & Cultural Outcomes (27901)** – Funds programs that integrate cultural education with academic learning, promoting a well-rounded education that respects and incorporates New Mexico’s diverse cultural heritage.

**ASSIST Tobacco DOH (28122)** – To account for monies received from the State of New Mexico to be used for the implementation of prevention and intervention programs for student use of tobacco, including professional development for teachers.

**Sub Abuse Ed/ Prev DOH (28142)** – To account for revenues received for the implementation of innovative and accessible school-based programs which effectively address the mental health and substance abuse needs of high-risk children, youth, and their families. Authority: NMSA Section 29-17-2.

**NM Grads Childcare (28189)** – Program to provide licensed childcare services for parenting teens, as described in the GRADS “Scope of Work” with the New Mexico Public Education Department for the well-being of children born to Parenting Teen Families. Authority for creating this fund are the Laws of 2014.

**NM Grads Instructional (28190)** – Program to provide summer case management for parenting teens, as described in the GRADS “Scope of Work” with the New Mexico Public Education Department for the well-being of children born to Parenting Teen Families. Authority for creating this fund are the Laws of 2014.

**State Underage Drinking Prevention – Department of Transportation (28196)** – State of New Mexico, New Mexico Department of Transportation, Programs Division, Traffic Safety Division. Purpose: to fund activities to reduce DWI, which are of permanent direct benefit to traffic safety in New Mexico. Funding for this underage drinking prevention program is from state funds authorized by NMSA 66-5-35 “limited driving privilege upon suspension or revocation” which includes a \$45 interlock fee collected and transferred to the Department to be used for DWI prevention and education programs for elementary and secondary school students.

**Energy Minerals and Natural Resources Grant (28197)** – New Mexico Finance Authority Energy Efficiency and Renewable Energy Bonds (Santa Fe Public School District), Series 2016A for the purpose of providing funds for the construction of PV Solar Array Systems at Santa Fe High School and Ramirez Thomas Elementary School.

**Grads Plus (28203)** – Program to provide GRADS PLUS: Making Connections for Success model services at Capital and Santa Fe High School. Authority for creation of this fund are the Laws of 2014.

**ECECD Direct (28208)** – Managed by the New Mexico Early Childhood Education and Care Department (ECECD). This Fund is allocated to support various early childhood education initiatives, including PreK programs and educator compensation increases.

**NM ENV Department – Volkswagen Mitigation (28209)** – Managed by the New Mexico Environment Department is primarily aimed at reducing nitrogen oxide (NOx) emissions and improving air quality. While the primary focus is on environmental projects, some of these funds can be used for initiatives that benefit schools such as: Replacing or upgrading school buses with cleaner, more efficient models and installing electric vehicle (EV) charging infrastructure at schools to support the use of electric buses and other vehicles. These projects help reduce emissions around schools, contributing to a healthier environment for students and staff.

**NM Schools Covid-19 Testing (28211)** – To strengthen school health services infrastructure and may be used to prevent, mitigate and reduce the consequences of COVID infections.

**NM Project Aware (28214)** – Part of the Project AWARE (Advancing Wellness and Resilience in Education) initiative in New Mexico. This fund is dedicated to improving mental health awareness and services in schools across the state. The goal is to enhance the mental health and well-being of students through various programs and interventions.

**Private Dir Grants (Categorical) (29102)** – To account for local grants awarded to provide additional funding for specific projects. AEL was awarded to provide training for the LLHS Administration. Milken was used for beautification purposes at a school site.

**City/County Grant (29107)** – To provide support for a health education program within the school and to provide workbooks, materials for educational demonstrations and funds to support nutrition-focused event for the school.

**McCune Charitable Foundation (29114)** – Santa Fe Public School E-STEM Program - Preparing Today's Students for Tomorrow's Challenges. Energy and Water Conservation Program.

**COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2025**

	Food Services <u>21000</u>	Universal Free Meals <u>21100</u>	Athletics <u>22000</u>	Non Instructional Support <u>23000</u>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Restricted cash and cash equivalents	355,628	392,400	43,915	2,040,178
Investments	-	-	-	-
Receivables				
Taxes	-	-	-	-
Due from other governments	1,048,295	330,215	-	-
Interfund receivables	33,722	-	12,955	117,389
Other receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
<b>Total current assets</b>	<b><u>\$ 1,437,645</u></b>	<b><u>\$ 722,615</u></b>	<b><u>\$ 56,870</u></b>	<b><u>\$ 2,157,567</u></b>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ 16,286	\$ -	\$ 735	\$ (957)
Due to government	-	-	-	-
Accrued payroll liabilities	271,984	-	-	(445)
Interfund payables	7,137	-	-	-
<b>Total current liabilities</b>	<b><u>295,407</u></b>	<b><u>-</u></b>	<b><u>735</u></b>	<b><u>(1,402)</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	1,142,238	722,615	56,135	2,158,969
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b><u>1,142,238</u></b>	<b><u>722,615</u></b>	<b><u>56,135</u></b>	<b><u>2,158,969</u></b>
<b>Total liabilities, deferred inflows, and fund balances</b>	<b><u>\$ 1,437,645</u></b>	<b><u>\$ 722,615</u></b>	<b><u>\$ 56,870</u></b>	<b><u>\$ 2,157,567</u></b>

See Accompanying Notes.

**COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)**  
**JUNE 30, 2025**

	Title I IASA <u>24101</u>	IDEA-B Entitlement <u>24106</u>	IDEA-B Preschool <u>24109</u>	Education of Homeless <u>24113</u>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Restricted cash and cash equivalents	-	-	-	1,425
Investments	-	-	-	-
Receivables				
Taxes	-	-	-	-
Due from other governments	363,053	339,461	4,139	2,088
Interfund receivables	-	-	-	-
Other receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
<b>Total current assets</b>	<b>\$ 363,053</b>	<b>\$ 339,461</b>	<b>\$ 4,139</b>	<b>\$ 3,513</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ 20	\$ 280	\$ -	\$ -
Due to government	-	-	-	-
Accrued payroll liabilities	151,714	96,879	1	3,513
Interfund payables	207,123	235,528	4,137	-
<b>Total current liabilities</b>	<b>358,857</b>	<b>332,687</b>	<b>4,138</b>	<b>3,513</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	4,197	6,776	1	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b>4,197</b>	<b>6,776</b>	<b>1</b>	<b>-</b>
<b>Total liabilities, deferred inflows, and fund balances</b>	<b>\$ 363,054</b>	<b>\$ 339,463</b>	<b>\$ 4,139</b>	<b>\$ 3,513</b>

See Accompanying Notes.

**COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)**  
**JUNE 30, 2025**

	IDEA-B Private School <u>24115</u>	21st Century Community Learning Centers <u>24119</u>	Title I - 1003g Grant <u>24124</u>	Charter Schools <u>24146</u>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Restricted cash and cash equivalents	1,802	-	3,701	577
Investments	-	-	-	-
Receivables				
Taxes	-	-	-	-
Due from other governments	-	51,474	-	-
Interfund receivables	-	-	-	-
Other receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
<b>Total current assets</b>	<b>\$ 1,802</b>	<b>\$ 51,474</b>	<b>\$ 3,701</b>	<b>\$ 577</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ -	\$ 2,000	\$ -	\$ -
Due to government	-	-	-	-
Accrued payroll liabilities	1,802	(540)	-	-
Interfund payables	-	49,262	-	-
<b>Total current liabilities</b>	<b>1,802</b>	<b>50,722</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	752	3,701	577
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b>-</b>	<b>752</b>	<b>3,701</b>	<b>577</b>
<b>Total liabilities, deferred inflows, and fund balances</b>	<b>\$ 1,802</b>	<b>\$ 51,474</b>	<b>\$ 3,701</b>	<b>\$ 577</b>

See Accompanying Notes.

**COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)**  
**JUNE 30, 2025**

	English Language Acquisition <u>24153</u>	Teacher/Princi pal Training & Recruiting <u>24154</u>	Carl D. Perkins Secondary Current <u>24174</u>	Carl D. Perkins Secondary Redistribution <u>24176</u>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Restricted cash and cash equivalents	-	-	-	-
Investments	-	-	-	-
Receivables				
Taxes	-	-	-	-
Due from other governments	115,146	385,964	12,173	-
Interfund receivables	-	-	-	-
Other receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
<b>Total current assets</b>	<b>\$ 115,146</b>	<b>\$ 385,964</b>	<b>\$ 12,173</b>	<b>\$ -</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ 52	\$ -	\$ -	\$ -
Due to government	-	-	-	-
Accrued payroll liabilities	10,753	8,220	-	-
Interfund payables	104,341	377,121	12,173	-
<b>Total current liabilities</b>	<b>115,146</b>	<b>385,341</b>	<b>12,173</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	623	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b>-</b>	<b>623</b>	<b>-</b>	<b>-</b>
<b>Total liabilities, deferred inflows, and fund balances</b>	<b>\$ 115,146</b>	<b>\$ 385,964</b>	<b>\$ 12,173</b>	<b>\$ -</b>

See Accompanying Notes.

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

JUNE 30, 2025

	Title I Student Support and Academic Enrichment <u>24189</u>	Title I Comprehensive Support and Improvement (CSI) <u>24190</u>	CLSD Grants <u>24194</u>	Project Aware <u>24195</u>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Restricted cash and cash equivalents	-	-	-	-
Investments	-	-	-	-
Receivables				
Taxes	-	-	-	-
Due from other governments	61,455	1,541	51,974	-
Interfund receivables	-	-	-	-
Other receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
<b>Total current assets</b>	<b>\$ 61,455</b>	<b>\$ 1,541</b>	<b>\$ 51,974</b>	<b>\$ -</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to government	-	-	-	-
Accrued payroll liabilities	5,127	-	34,707	-
Interfund payables	56,328	1,541	17,267	-
<b>Total current liabilities</b>	<b>61,455</b>	<b>1,541</b>	<b>51,974</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities, deferred inflows, and fund balances</b>	<b>\$ 61,455</b>	<b>\$ 1,541</b>	<b>\$ 51,974</b>	<b>\$ -</b>

See Accompanying Notes.

**COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)**  
**JUNE 30, 2025**

	Stronger Connections Grant <u>24196</u>	CTE Non- Traditional Planning Grant <u>24198</u>	ESSER I <u>24301</u>	CRRSA, ESSER II <u>24308</u>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Restricted cash and cash equivalents	-	-	-	-
Investments	-	-	-	-
Receivables				
Taxes	-	-	-	-
Due from other governments	-	-	-	-
Interfund receivables	-	-	-	-
Other receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
<b>Total current assets</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ (469)
Due to government	-	-	-	-
Accrued payroll liabilities	-	-	(1,238)	(3,005)
Interfund payables	-	-	773	2,402
<b>Total current liabilities</b>	<u>-</u>	<u>-</u>	<u>(465)</u>	<u>(1,072)</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	-	466	1,072
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<u>-</u>	<u>-</u>	<u>466</u>	<u>1,072</u>
<b>Total liabilities, deferred inflows, and fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>

See Accompanying Notes.

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
 JUNE 30, 2025

	CRRSA Retention Stipends <u>24312</u>	ARP ESSER III <u>24330</u>	ESSER III - Near Peer Tutoring <u>24333</u>	ESSR III Student & Staff Dev <u>24344</u>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Restricted cash and cash equivalents	-	23,227	1,428	649
Investments	-	-	-	-
Receivables				
Taxes	-	-	-	-
Due from other governments	-	-	-	-
Interfund receivables	-	-	-	-
Other receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
<b>Total current assets</b>	<u>\$ -</u>	<u>\$ 23,227</u>	<u>\$ 1,428</u>	<u>\$ 649</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to government	-	-	-	-
Accrued payroll liabilities	(127)	14,876	(83)	649
Interfund payables	19	-	-	-
<b>Total current liabilities</b>	<u>(108)</u>	<u>14,876</u>	<u>(83)</u>	<u>649</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	107	8,352	1,513	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<u>107</u>	<u>8,352</u>	<u>1,513</u>	<u>-</u>
<b>Total liabilities, deferred inflows, and fund balances</b>	<u>\$ (1)</u>	<u>\$ 23,228</u>	<u>\$ 1,430</u>	<u>\$ 649</u>

See Accompanying Notes.

**COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)**  
**JUNE 30, 2025**

	Individuals with Disabilities Education Act <u>24346</u>	IDEA ARP Preschool <u>24349</u>	ARP-HCY <u>24350</u>	ARP-HCY II <u>24355</u>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Restricted cash and cash equivalents	-	-	-	81
Investments	-	-	-	-
Receivables				
Taxes	-	-	-	-
Due from other governments	-	-	-	-
Interfund receivables	-	-	-	-
Other receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
<b>Total current assets</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 81</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to government	-	-	-	-
Accrued payroll liabilities	-	-	-	81
Interfund payables	-	-	-	-
<b>Total current liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>81</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities, deferred inflows, and fund balance:</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 81</u>

See Accompanying Notes.

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

JUNE 30, 2025

	Johnson O'Malley <u>25131</u>	Safe Routes to School - NMDOT <u>25146</u>	Title XIX Medicaid 3/21 Years <u>25153</u>	Santa Fe Underage Drinking Alliance <u>25181</u>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Restricted cash and cash equivalents	4,917	-	-	-
Investments	-	-	-	-
Receivables				
Taxes	-	-	-	-
Due from other governments	2,922	33,377	1,057,992	-
Interfund receivables	-	-	-	-
Other receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
<b>Total current assets</b>	<b>\$ 7,839</b>	<b>\$ 33,377</b>	<b>\$ 1,057,992</b>	<b>\$ -</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ 6,411	\$ -	\$ 1,616	\$ -
Due to government	-	-	-	-
Accrued payroll liabilities	-	6,034	109,655	-
Interfund payables	-	27,343	754,927	-
<b>Total current liabilities</b>	<b>6,411</b>	<b>33,377</b>	<b>866,198</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	1,428	-	191,794	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b>1,428</b>	<b>-</b>	<b>191,794</b>	<b>-</b>
<b>Total liabilities, deferred inflows, and fund balances</b>	<b>\$ 7,839</b>	<b>\$ 33,377</b>	<b>\$ 1,057,992</b>	<b>\$ -</b>

See Accompanying Notes.

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
 JUNE 30, 2025

	Indian Education Formula Grant <u>25184</u>	ROTC <u>25200</u>	GEAR UP <u>25205</u>	Farm to School Planning Grant <u>25208</u>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Restricted cash and cash equivalents	-	39,642	-	-
Investments	-	-	-	-
Receivables				
Taxes	-	-	-	-
Due from other governments	6,751	-	55,497	6,049
Interfund receivables	-	-	-	-
Other receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
<b>Total current assets</b>	<u>\$ 6,751</u>	<u>\$ 39,642</u>	<u>\$ 55,497</u>	<u>\$ 6,049</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to government	-	-	-	-
Accrued payroll liabilities	1,103	541	11,654	-
Interfund payables	<u>5,648</u>	<u>-</u>	<u>43,842</u>	<u>6,049</u>
<b>Total current liabilities</b>	<u>6,751</u>	<u>541</u>	<u>55,496</u>	<u>6,049</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	39,099	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<u>-</u>	<u>39,099</u>	<u>-</u>	<u>-</u>
<b>Total liabilities, deferred inflows, and fund balance:</b>	<u>\$ 6,751</u>	<u>\$ 39,640</u>	<u>\$ 55,496</u>	<u>\$ 6,049</u>

See Accompanying Notes.

**COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)**  
**JUNE 30, 2025**

	Safe Drug Free School Comm <u>25243</u>	School Nurse Workforce Grant (DoH NM) - CDC RFA TP18 <u>25275</u>	REC District Fiscal Agent <u>26107</u>	LANL Foundation <u>26113</u>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Restricted cash and cash equivalents	143	2,223	1,397	657,830
Investments	-	-	-	-
Receivables				
Taxes	-	-	-	-
Due from other governments	-	-	-	-
Interfund receivables	-	-	-	-
Other receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
<b>Total current assets</b>	<b>\$ 143</b>	<b>\$ 2,223</b>	<b>\$ 1,397</b>	<b>\$ 657,830</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to government	-	-	-	-
Accrued payroll liabilities	-	1,086	-	-
Interfund payables	-	-	-	-
<b>Total current liabilities</b>	<b>-</b>	<b>1,086</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	143	1,136	1,397	657,830
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b>143</b>	<b>1,136</b>	<b>1,397</b>	<b>657,830</b>
<b>Total liabilities, deferred inflows, and fund balances</b>	<b>\$ 143</b>	<b>\$ 2,222</b>	<b>\$ 1,397</b>	<b>\$ 657,830</b>

See Accompanying Notes.

**COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)**  
**JUNE 30, 2025**

	PNM Foundation, Inc. <u>26123</u>	Emergency Connectivity Fund FCC <u>26222</u>	2012 GO Bonds Student Library SB-66 <u>27107</u>	Instructional Materials Special Appro. <u>27109</u>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Restricted cash and cash equivalents	10,000	1,351,850	-	208,106
Investments	-	-	-	-
Receivables				
Taxes	-	-	-	-
Due from other governments	-	-	777	-
Interfund receivables	-	-	-	-
Other receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
<b>Total current assets</b>	<u>\$ 10,000</u>	<u>\$ 1,351,850</u>	<u>\$ 777</u>	<u>\$ 208,106</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to government	-	-	-	-
Accrued payroll liabilities	-	7,716	-	-
Interfund payables	-	-	777	-
<b>Total current liabilities</b>	<u>-</u>	<u>7,716</u>	<u>777</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	10,000	1,344,133	-	208,106
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<u>10,000</u>	<u>1,344,133</u>	<u>-</u>	<u>208,106</u>
<b>Total liabilities, deferred inflows, and fund balances</b>	<u>\$ 10,000</u>	<u>\$ 1,351,849</u>	<u>\$ 777</u>	<u>\$ 208,106</u>

See Accompanying Notes.

**COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)**  
**JUNE 30, 2025**

	NM Reads to Lead K-3 Reading Initiative <u>27114</u>	Community Schools Planning Grant <u>27126</u>	Community Schools Impn Grant <u>27127</u>	Truancy Initiative PED <u>27141</u>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Restricted cash and cash equivalents	-	960	2,341	-
Investments	-	-	-	-
Receivables				
Taxes	-	-	-	-
Due from other governments	-	-	-	-
Interfund receivables	-	-	-	-
Other receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
<b>Total current assets</b>	<u>\$ -</u>	<u>\$ 960</u>	<u>\$ 2,341</u>	<u>\$ -</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ -	\$ 8,330	\$ 2,040	\$ -
Due to government	-	-	-	-
Accrued payroll liabilities	(94)	(7,370)	301	(150)
Interfund payables	<u>94</u>	<u>-</u>	<u>-</u>	<u>150</u>
<b>Total current liabilities</b>	<u>-</u>	<u>960</u>	<u>2,341</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total fund balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities, deferred inflows, and fund balances</b>	<u>\$ -</u>	<u>\$ 960</u>	<u>\$ 2,341</u>	<u>\$ -</u>

See Accompanying Notes.

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

JUNE 30, 2025

	Pre K Initiative	Indian Educational Act	Extended Learning Transportation	Kindergarten - Three Plus
	<u>27149</u>	<u>27150</u>	<u>27153</u>	<u>27166</u>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Restricted cash and cash equivalents	79,449	135	17,374	-
Investments	-	-	-	-
Receivables				
Taxes	-	-	-	-
Due from other governments	197,086	-	-	-
Interfund receivables	-	-	-	-
Other receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
<b>Total current assets</b>	<u>\$ 276,535</u>	<u>\$ 135</u>	<u>\$ 17,374</u>	<u>\$ -</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ 128	\$ -	\$ -	\$ -
Due to government	-	-	-	-
Accrued payroll liabilities	276,272	-	-	-
Interfund payables	-	-	-	-
<b>Total current liabilities</b>	<u>276,400</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	136	134	17,374	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<u>136</u>	<u>134</u>	<u>17,374</u>	<u>-</u>
<b>Total liabilities, deferred inflows, and fund balances:</b>	<u>\$ 276,536</u>	<u>\$ 134</u>	<u>\$ 17,374</u>	<u>\$ -</u>

See Accompanying Notes.

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

JUNE 30, 2025

	NM Grown FVV <u>27183</u>	K3 Plus 4&5 Pilot <u>27198</u>	Indigenous Education Initiatives <u>27199</u>	Intergovernm ental Agreement <u>27400</u>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Restricted cash and cash equivalents	-	-	-	67,321
Investments	-	-	-	-
Receivables				
Taxes	-	-	-	-
Due from other governments	825	-	-	-
Interfund receivables	-	-	-	-
Other receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
<b>Total current assets</b>	<b>\$ 825</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 67,321</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to government	-	-	-	-
Accrued payroll liabilities	-	-	-	5,696
Interfund payables	825	-	-	-
<b>Total current liabilities</b>	<b>825</b>	<b>-</b>	<b>-</b>	<b>5,696</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	-	-	61,625
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61,625</b>
<b>Total liabilities, deferred inflows, and fund balances</b>	<b>\$ 825</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 67,321</b>

See Accompanying Notes.

**COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)**  
**JUNE 30, 2025**

	School Bus Cameras <u>27405</u>	Family Income Index <u>27407</u>	At-Risk Intervention Response Fund (AIR) <u>27412</u>	Reg22 SB212 School Bus Infrastructure <u>27413</u>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Restricted cash and cash equivalents	-	10,605	4,040	-
Investments	-	-	-	-
Receivables				
Taxes	-	-	-	-
Due from other governments	-	-	-	362,000
Interfund receivables	-	-	-	-
Other receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
<b>Total current assets</b>	<b>\$ -</b>	<b>\$ 10,605</b>	<b>\$ 4,040</b>	<b>\$ 362,000</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ 4,040	\$ -
Due to government	-	-	-	-
Accrued payroll liabilities	-	10,605	-	-
Interfund payables	-	-	-	362,000
<b>Total current liabilities</b>	<b>-</b>	<b>10,605</b>	<b>4,040</b>	<b>362,000</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities, deferred inflows, and fund balances</b>	<b>\$ -</b>	<b>\$ 10,605</b>	<b>\$ 4,040</b>	<b>\$ 362,000</b>

See Accompanying Notes.

**COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)**  
**JUNE 30, 2025**

	State Funded Out of School Program <u>27416</u>	Career Technical Education (Pilot) <u>27502</u>	High-dosage tutoring Planning Award <u>27512</u>	Outdoor Learning Initiative Start Up Grant <u>27516</u>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Restricted cash and cash equivalents	-	-	-	-
Investments	-	-	-	-
Receivables				
Taxes	-	-	-	-
Due from other governments	10,188	19,810	31,812	21,057
Interfund receivables	-	-	-	-
Other receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
<b>Total current assets</b>	<b>\$ 10,188</b>	<b>\$ 19,810</b>	<b>\$ 31,812</b>	<b>\$ 21,057</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to government	-	-	-	-
Accrued payroll liabilities	-	-	-	-
Interfund payables	10,188	19,810	31,812	21,057
<b>Total current liabilities</b>	<b>10,188</b>	<b>19,810</b>	<b>31,812</b>	<b>21,057</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	-	-	1
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>
<b>Total liabilities, deferred inflows, and fund balances</b>	<b>\$ 10,188</b>	<b>\$ 19,810</b>	<b>\$ 31,812</b>	<b>\$ 21,058</b>

See Accompanying Notes.

**COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)**  
**JUNE 30, 2025**

	FY24	FY25			
	Community	School and	Near Peer	International	Bilingual
	Engagement	Family	Tutoring	Baccalaureate	Multicultural Ed
	27528		Program	Test Assistance	
			27533	27567	27575
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted cash and cash equivalents	-	-	-	-	-
Investments	-	-	-	-	-
Receivables					
Taxes	-	-	-	-	-
Due from other governments	45,306	17,987	21,127	-	-
Interfund receivables	-	-	-	-	-
Other receivables	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-
Inventory	-	-	-	-	-
<b>Total current assets</b>	<b>\$ 45,306</b>	<b>\$ 17,987</b>	<b>\$ 21,127</b>	<b>\$ -</b>	<b>\$ -</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to government	-	-	-	-	-
Accrued payroll liabilities	11,849	-	-	-	-
Interfund payables	33,457	17,987	21,127	-	-
<b>Total current liabilities</b>	<b>45,306</b>	<b>17,987</b>	<b>21,127</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property taxes	-	-	-	-	-
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities, deferred inflows, and fund balances</b>	<b>\$ 45,306</b>	<b>\$ 17,987</b>	<b>\$ 21,127</b>	<b>\$ -</b>	<b>\$ -</b>

See Accompanying Notes.

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
 JUNE 30, 2025

	State Appropriation - Behavioral Health <u>27583</u>	Attendance Success Initiative <u>27584</u>	ECHS Flowthrough Funding <u>27589</u>	Educational & Cultural Outcomes <u>27901</u>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Restricted cash and cash equivalents	-	-	-	-
Investments	-	-	-	-
Receivables				
Taxes	-	-	-	-
Due from other governments	-	22,368	-	16,694
Interfund receivables	-	-	-	-
Other receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
<b>Total current assets</b>	<u>\$ -</u>	<u>\$ 22,368</u>	<u>\$ -</u>	<u>\$ 16,694</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to government	-	-	-	-
Accrued payroll liabilities	-	-	-	3,559
Interfund payables	-	22,368	-	13,135
<b>Total current liabilities</b>	<u>-</u>	<u>22,368</u>	<u>-</u>	<u>16,694</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities, deferred inflows, and fund balances</b>	<u>\$ -</u>	<u>\$ 22,368</u>	<u>\$ -</u>	<u>\$ 16,694</u>

See Accompanying Notes.

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
 JUNE 30, 2025

	ASSIST Tobacco DOH <u>28122</u>	Substance Abuse Ed/Prev DOH <u>28142</u>	GRADS - Child Care <u>28189</u>	GRADS - Instruction <u>28190</u>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Restricted cash and cash equivalents	78,855	27,950	37,667	1,291
Investments	-	-	-	-
Receivables				
Taxes	-	-	-	-
Due from other governments	-	-	-	-
Interfund receivables	-	-	-	-
Other receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
<b>Total current assets</b>	<u>\$ 78,855</u>	<u>\$ 27,950</u>	<u>\$ 37,667</u>	<u>\$ 1,291</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ 876	\$ -	\$ -	\$ 95
Due to government	-	-	-	-
Accrued payroll liabilities	(177)	-	-	(199)
Interfund payables	-	-	-	-
<b>Total current liabilities</b>	<u>699</u>	<u>-</u>	<u>-</u>	<u>(104)</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	78,156	27,950	37,667	1,395
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<u>78,156</u>	<u>27,950</u>	<u>37,667</u>	<u>1,395</u>
<b>Total liabilities, deferred inflows, and fund balances</b>	<u>\$ 78,855</u>	<u>\$ 27,950</u>	<u>\$ 37,667</u>	<u>\$ 1,291</u>

See Accompanying Notes.

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

JUNE 30, 2025

	State Underage Drinking Prevention DOT <u>28196</u>	Energy Minerals and Nat Resources Grant <u>28197</u>	GRADS Plus <u>28203</u>	ECECD Direct <u>28208</u>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Restricted cash and cash equivalents	3,875	-	8,708	17,732
Investments	-	-	-	-
Receivables				
Taxes	-	-	-	-
Due from other governments	-	-	-	39,768
Interfund receivables	-	-	-	-
Other receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
<b>Total current assets</b>	<b>\$ 3,875</b>	<b>\$ -</b>	<b>\$ 8,708</b>	<b>\$ 57,500</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to government	-	-	-	-
Accrued payroll liabilities	-	-	-	5,768
Interfund payables	-	-	-	-
<b>Total current liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,768</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	3,875	-	8,708	51,732
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b>3,875</b>	<b>-</b>	<b>8,708</b>	<b>51,732</b>
<b>Total liabilities, deferred inflows, and fund balances</b>	<b>\$ 3,875</b>	<b>\$ -</b>	<b>\$ 8,708</b>	<b>\$ 57,500</b>

See Accompanying Notes.

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
 JUNE 30, 2025

	NM Env Dept - Volkswagen Mitigation <u>28209</u>	NM Schools COVID-19 Testing <u>28211</u>	NM Project Aware <u>28214</u>	Private Dir Grants (Categorical) <u>29102</u>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Restricted cash and cash equivalents	-	-	-	301,697
Investments	-	-	-	-
Receivables				
Taxes	-	-	-	-
Due from other governments	-	-	-	-
Interfund receivables	-	-	-	-
Other receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
<b>Total current assets</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 301,697</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 4,067
Due to government	-	-	-	-
Accrued payroll liabilities	-	-	-	1,695
Interfund payables	-	-	-	-
<b>Total current liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,762</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	-	-	295,935
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>295,935</u>
<b>Total liabilities, deferred inflows, and fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 301,697</u>

See Accompanying Notes.

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
 JUNE 30, 2025

	City/County Grants <u>29107</u>	McCune Charitable Foundation <u>29114</u>	<u>Total</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ -	\$ -	\$ -
Restricted cash and cash equivalents	-	-	5,801,119
Investments	-	-	-
Receivables			
Taxes	-	-	-
Due from other governments	273,578	-	5,009,949
Interfund receivables	-	-	164,066
Other receivables	-	-	-
Prepaid expenditures	-	-	-
Inventory	-	-	-
<b>Total current assets</b>	<b>\$ 273,578</b>	<b>\$ -</b>	<b>\$ 10,975,134</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ 500	\$ -	\$ 46,050
Due to government	-	-	-
Accrued payroll liabilities	18,108	(818)	1,057,702
Interfund payables	40,784	515	2,509,047
<b>Total current liabilities</b>	<b>59,392</b>	<b>(303)</b>	<b>3,612,799</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property taxes	-	-	-
<b>FUND BALANCES</b>			
Nonspendable	-	-	-
Restricted	214,185	302	7,362,335
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
<b>Total fund balances</b>	<b>214,185</b>	<b>302</b>	<b>7,362,335</b>
<b>Total liabilities, deferred inflows, and fund balances</b>	<b>\$ 273,577</b>	<b>\$ (1)</b>	<b>\$ 10,975,134</b>

See Accompanying Notes.

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2025**

	Food Services <u>21000</u>	Universal Free Meals <u>21100</u>	Athletics <u>22000</u>	Non Instructional Support <u>23000</u>
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	81,108	1,617,658	-	38,548
Federal grants	5,103,788	-	-	-
Charges for services	81,168	-	320,030	1,543,339
Miscellaneous	-	-	-	69
Interest	349	-	-	42,848
<b>Total revenues</b>	<u>5,266,413</u>	<u>1,617,658</u>	<u>320,030</u>	<u>1,624,804</u>
<b>EXPENDITURES</b>				
Current				
Instruction	-	-	329,083	1,200,825
Support services				
Students	-	-	-	65,453
Instruction	-	-	-	-
General administration	-	-	-	223
School administration	-	-	-	-
Other support services	-	-	-	-
Central services	-	-	-	3,816
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	421,499
Food services operations	4,756,578	2,351,309	-	-
Community service	-	-	-	-
Capital outlay	-	-	-	957
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>4,756,578</u>	<u>2,351,309</u>	<u>329,083</u>	<u>1,692,773</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>509,835</u>	<u>(733,651)</u>	<u>(9,053)</u>	<u>(67,969)</u>
<b>Other Financing Sources</b>				
Operating transfers	-	-	-	-
Proceeds from loans and bonds	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	509,835	(733,651)	(9,053)	(67,969)
Fund balances, beginning of year	<u>632,403</u>	<u>1,456,266</u>	<u>65,188</u>	<u>2,226,938</u>
Permanent transfers	-	-	-	-
Fund balances, beginning of year, as restated	<u>632,403</u>	<u>1,456,266</u>	<u>65,188</u>	<u>2,226,938</u>
<b>Fund balances, end of year</b>	<u>\$ 1,142,238</u>	<u>\$ 722,615</u>	<u>\$ 56,135</u>	<u>\$ 2,158,969</u>

See Accompanying Notes.

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2025**

	Title I IASA <u>24101</u>	IDEA-B Entitlement <u>24106</u>	IDEA-B Preschool <u>24109</u>	Education of Homeless <u>24113</u>
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	2,977,402	3,257,801	50,299	122,964
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>2,977,402</u>	<u>3,257,801</u>	<u>50,299</u>	<u>122,964</u>
<b>EXPENDITURES</b>				
Current				
Instruction	2,204,506	313,959	-	-
Support services				
Students	296,109	2,757,399	48,405	106,143
Instruction	311,451	3,870	-	12,162
General administration	112,036	122,587	1,893	4,627
School administration	32,715	-	-	-
Other support services	-	-	-	-
Central services	-	60,186	-	-
Operation & maintenance of plant	-	-	-	32
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community service	20,585	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>2,977,402</u>	<u>3,258,001</u>	<u>50,298</u>	<u>122,964</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>(200)</u>	<u>1</u>	<u>-</u>
<b>Other Financing Sources</b>				
Operating transfers	-	-	-	-
Proceeds from loans and bonds	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	-	(200)	1	-
Fund balances, beginning of year	4,197	6,976	-	-
Permanent transfers	-	-	-	-
Fund balances, beginning of year, as restated	4,197	6,976	-	-
<b>Fund balances, end of year</b>	<u>\$ 4,197</u>	<u>\$ 6,776</u>	<u>\$ 1</u>	<u>\$ -</u>

See Accompanying Notes.

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2025

	IDEA-B Private School <u>24115</u>	21st Century Community Learning Centers <u>24119</u>	Title I - 1003g Grant <u>24124</u>	Charter Schools <u>24146</u>
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	871,470	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>871,470</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES</b>				
Current				
Instruction	-	703,446	-	-
Support services				
Students	-	65,391	-	-
Instruction	-	14,699	-	-
General administration	-	32,792	-	-
School administration	-	42,141	-	-
Other support services	-	-	-	-
Central services	-	13,000	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>871,469</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>
<b>Other Financing Sources</b>				
Operating transfers	-	-	-	-
Proceeds from loans and bonds	-	-	-	-
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>
Fund balances, beginning of year	-	751	3,701	577
Permanent transfers	-	-	-	-
Fund balances, beginning of year, as restated	-	751	3,701	577
<b>Fund balances, end of year</b>	<b>\$ -</b>	<b>\$ 752</b>	<b>\$ 3,701</b>	<b>\$ 577</b>

See Accompanying Notes.

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2025**

	English Language Acquisition <u>24153</u>	Teacher/Principal Training & Recruiting <u>24154</u>	Carl D. Perkins Secondary Current <u>24174</u>	Carl D. Perkins Secondary Redistribution <u>24176</u>
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	816,642	656,329	117,384	4,500
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>816,642</u>	<u>656,329</u>	<u>117,384</u>	<u>4,500</u>
<b>EXPENDITURES</b>				
Current				
Instruction	513,109	320,179	96,763	4,500
Support services				
Students	7,423	20,550	-	-
Instruction	265,381	278,847	-	-
General administration	30,729	24,697	-	-
School administration	-	2,007	-	-
Other support services	-	-	-	-
Central services	-	10,048	20,533	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>816,642</u>	<u>656,328</u>	<u>117,296</u>	<u>4,500</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>1</u>	<u>88</u>	<u>-</u>
<b>Other Financing Sources</b>				
Operating transfers	-	-	-	-
Proceeds from loans and bonds	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	-	1	88	-
Fund balances, beginning of year	-	622	(88)	-
Permanent transfers	-	-	-	-
Fund balances, beginning of year, as restated	-	622	(88)	-
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ 623</u>	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Notes.

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2025**

	Title I Student Support and Academic Enrichment <u>24189</u>	Title I Comprehensive Support and Improvement (CSI) <u>24190</u>	CLSD Grants <u>24194</u>	Project Aware <u>24195</u>
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	265,184	231,456	265,754	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>265,184</u>	<u>231,456</u>	<u>265,754</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current				
Instruction	12,030	207,817	36,283	-
Support services				
Students	205,048	-	-	-
Instruction	38,283	15,530	229,471	-
General administration	9,823	-	-	-
School administration	-	8,109	-	-
Other support services	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>265,184</u>	<u>231,456</u>	<u>265,754</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources</b>				
Operating transfers	-	-	-	112,861
Proceeds from loans and bonds	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>112,861</u>
<b>Net changes in fund balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>112,861</u>
Fund balances, beginning of year	-	-	-	(112,861)
Permanent transfers	-	-	-	-
Fund balances, beginning of year, as restated	-	-	-	(112,861)
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Notes.

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2025**

	Stronger Connections Grant <u>24196</u>	CTE Non- Traditional Planning Grant <u>24198</u>	ESSER I <u>24301</u>	CRRSA, ESSER II <u>24308</u>
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	220,500	18,230	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>220,500</u>	<u>18,230</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current				
Instruction	-	18,230	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	220,500	-	-	-
School administration	-	-	-	-
Other support services	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>220,500</u>	<u>18,230</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources</b>				
Operating transfers	-	-	-	-
Proceeds from loans and bonds	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	-	-	-	-
Fund balances, beginning of year	-	-	466	1,072
Permanent transfers	-	-	-	-
Fund balances, beginning of year, as restated	-	-	466	1,072
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 466</u>	<u>\$ 1,072</u>

See Accompanying Notes.

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2025**

	CRRSA Retention Stipends <u>24312</u>	ARP ESSER III <u>24330</u>	ESSER III - Near Peer Tutoring <u>24333</u>	ESSR III Student & Staff Dev <u>24344</u>
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	593,141	5,842	-
Charges for services	-	-	1,512	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>593,141</u>	<u>7,354</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current				
Instruction	-	120,500	5,622	-
Support services				
Students	-	36,253	-	-
Instruction	-	87,176	-	-
General administration	-	76,528	220	-
School administration	-	267,263	-	-
Other support services	-	-	-	-
Central services	-	5,421	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>593,141</u>	<u>5,842</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>1,512</u>	<u>-</u>
<b>Other Financing Sources</b>				
Operating transfers	-	-	1,800	-
Proceeds from loans and bonds	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>1,800</u>	<u>-</u>
<b>Net changes in fund balances</b>	-	-	3,312	-
Fund balances, beginning of year	<u>107</u>	<u>8,352</u>	<u>(1,799)</u>	<u>-</u>
Permanent transfers	-	-	-	-
Fund balances, beginning of year, as restated	<u>107</u>	<u>8,352</u>	<u>(1,799)</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 107</u>	<u>\$ 8,352</u>	<u>\$ 1,513</u>	<u>\$ -</u>

See Accompanying Notes.

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2025**

	Individuals with Disabilities Education Act <u>24346</u>	IDEA ARP Preschool <u>24349</u>	ARP-HCY <u>24350</u>	ARP-HCY II <u>24355</u>
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	40,884
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,884</u>
<b>EXPENDITURES</b>				
Current				
Instruction	-	-	-	-
Support services				
Students	-	-	-	39,346
Instruction	-	-	-	-
General administration	-	-	-	1,538
School administration	-	-	-	-
Other support services	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,884</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources</b>				
Operating transfers	-	-	-	-
Proceeds from loans and bonds	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Permanent transfers	-	-	-	-
Fund balances, beginning of year, as restated	-	-	-	-
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Notes.

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2025**

	Johnson O'Malley <u>25131</u>	Safe Routes to School - NMDOT <u>25146</u>	Title XIX Medicaid 3/21 Years <u>25153</u>	Santa Fe Underage Drinking Alliance <u>25181</u>
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	126,803	-	-
Federal grants	13,092	8,075	2,067,611	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>13,092</u>	<u>134,878</u>	<u>2,067,611</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current				
Instruction	6,112	-	-	-
Support services				
Students	-	-	1,795,902	(21)
Instruction	5,126	134,878	9,615	-
General administration	427	-	59,119	-
School administration	-	-	-	-
Other support services	-	-	-	-
Central services	-	-	51,120	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>11,665</u>	<u>134,878</u>	<u>1,915,756</u>	<u>(21)</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>1,427</u>	<u>-</u>	<u>151,855</u>	<u>21</u>
<b>Other Financing Sources</b>				
Operating transfers	1,941	4,312	-	-
Proceeds from loans and bonds	-	-	-	-
<b>Total other financing sources</b>	<u>1,941</u>	<u>4,312</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	3,368	4,312	151,855	21
Fund balances, beginning of year	(1,940)	(4,312)	39,939	(21)
Permanent transfers	-	-	-	-
Fund balances, beginning of year, as restated	(1,940)	(4,312)	39,939	(21)
<b>Fund balances, end of year</b>	<u>\$ 1,428</u>	<u>\$ -</u>	<u>\$ 191,794</u>	<u>\$ -</u>

See Accompanying Notes.

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2025**

	Indian Education Formula Grant <u>25184</u>	ROTC <u>25200</u>	GEAR UP <u>25205</u>	Farm to School Planning Grant <u>25208</u>
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	79,271	47,489	514,583	6,049
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>79,271</u>	<u>47,489</u>	<u>514,583</u>	<u>6,049</u>
<b>EXPENDITURES</b>				
Current				
Instruction	659	70,272	276,592	2,819
Support services				
Students	-	-	-	3,230
Instruction	75,629	-	218,628	-
General administration	2,983	-	19,363	-
School administration	-	-	-	-
Other support services	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>79,271</u>	<u>70,272</u>	<u>514,583</u>	<u>6,049</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	-	(22,783)	-	-
<b>Other Financing Sources</b>				
Operating transfers	-	-	-	-
Proceeds from loans and bonds	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	-	(22,783)	-	-
Fund balances, beginning of year	-	61,882	-	-
Permanent transfers	-	-	-	-
Fund balances, beginning of year, as restated	-	61,882	-	-
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ 39,099</u>	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Notes.

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2025**

	Safe Drug Free School Comm <u>25243</u>	School Nurse Workforce Grant (DoH NM) - CDC RFA TP18 1802 <u>25275</u>	REC District Fiscal Agent <u>26107</u>	LANL Foundation <u>26113</u>
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	93,969	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>93,969</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current				
Instruction	-	-	-	-
Support services				
Students	-	92,062	-	-
Instruction	-	771	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Other support services	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>92,833</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>1,136</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources</b>				
Operating transfers	-	-	-	-
Proceeds from loans and bonds	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	-	1,136	-	-
Fund balances, beginning of year	<u>143</u>	<u>-</u>	<u>1,397</u>	<u>657,830</u>
Permanent transfers	-	-	-	-
Fund balances, beginning of year, as restated	<u>143</u>	<u>-</u>	<u>1,397</u>	<u>657,830</u>
<b>Fund balances, end of year</b>	<u>\$ 143</u>	<u>\$ 1,136</u>	<u>\$ 1,397</u>	<u>\$ 657,830</u>

See Accompanying Notes.

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2025**

	PNM Foundation, Inc. <u>26123</u>	Emergency Connectivity Fund FCC <u>26222</u>	2012 GO Bonds Student Library SB-66 <u>27107</u>	Instructional Materials Special Appro. <u>27109</u>
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	52,798	-
Federal grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	249,659	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>249,659</u>	<u>52,798</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current				
Instruction	-	-	-	-
Support services				
Students	-	263,012	-	-
Instruction	-	-	52,798	-
General administration	-	-	-	-
School administration	-	-	-	-
Other support services	-	-	-	-
Central services	-	98,306	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>361,318</u>	<u>52,798</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>(111,659)</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources</b>				
Operating transfers	-	-	-	-
Proceeds from loans and bonds	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	-	(111,659)	-	-
Fund balances, beginning of year	<u>10,000</u>	<u>1,455,792</u>	<u>-</u>	<u>208,106</u>
Permanent transfers	-	-	-	-
Fund balances, beginning of year, as restated	<u>10,000</u>	<u>1,455,792</u>	<u>-</u>	<u>208,106</u>
<b>Fund balances, end of year</b>	<u>\$ 10,000</u>	<u>\$ 1,344,133</u>	<u>\$ -</u>	<u>\$ 208,106</u>

See Accompanying Notes.

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2025**

	NM Reads to Lead K-3 Reading Initiative <u>27114</u>	Community Schools Planning Grant <u>27126</u>	Community Schools Impn Grant <u>27127</u>	Truancy Initiative PED <u>27141</u>
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Other support services	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources</b>				
Operating transfers	-	8,329	-	-
Proceeds from loans and bonds	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>8,329</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	<u>-</u>	<u>8,329</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	<u>-</u>	<u>(8,329)</u>	<u>-</u>	<u>-</u>
Permanent transfers	-	-	-	-
Fund balances, beginning of year, as restated	<u>-</u>	<u>(8,329)</u>	<u>-</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Notes.

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2025**

	Pre K Initiative <u>27149</u>	Indian Educational Act <u>27150</u>	Extended Learning Transportation <u>27153</u>	Kindergarten - Three Plus <u>27166</u>
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	4,623,612	-	-	-
Federal grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>4,623,612</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current				
Instruction	4,023,934	-	-	-
Support services				
Students	30,033	-	-	-
Instruction	421,014	-	-	-
General administration	45,778	-	-	-
School administration	-	-	-	-
Other support services	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	45,584	-	-	-
Student transportation	-	-	-	-
Food services operations	57,269	-	-	-
Community service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>4,623,612</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources</b>				
Operating transfers	-	-	-	19,791
Proceeds from loans and bonds	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,791</u>
<b>Net changes in fund balances</b>	-	-	-	19,791
Fund balances, beginning of year	<u>136</u>	<u>134</u>	<u>17,374</u>	<u>(19,791)</u>
Permanent transfers	-	-	-	-
Fund balances, beginning of year, as restated	<u>136</u>	<u>134</u>	<u>17,374</u>	<u>(19,791)</u>
<b>Fund balances, end of year</b>	<u>\$ 136</u>	<u>\$ 134</u>	<u>\$ 17,374</u>	<u>\$ -</u>

See Accompanying Notes.

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2025**

	NM Grown FVV <u>27183</u>	K3 Plus 4&5 Pilot <u>27198</u>	Indigenous Education Initiatives <u>27199</u>	Intergovernmen tal Agreement <u>27400</u>
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	62,119	-	-	526,396
Federal grants	-	-	-	-
Charges for services	-	-	-	19
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>62,119</u>	<u>-</u>	<u>-</u>	<u>526,415</u>
<b>EXPENDITURES</b>				
Current				
Instruction	-	-	-	-
Support services				
Students	-	-	-	447,301
Instruction	-	-	-	-
General administration	-	-	-	17,489
School administration	-	-	-	-
Other support services	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	62,119	-	-	-
Community service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>62,119</u>	<u>-</u>	<u>-</u>	<u>464,790</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,625</u>
<b>Other Financing Sources</b>				
Operating transfers	-	14,125	-	327,042
Proceeds from loans and bonds	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>14,125</u>	<u>-</u>	<u>327,042</u>
<b>Net changes in fund balances</b>	-	14,125	-	388,667
Fund balances, beginning of year	-	(14,125)	-	(327,042)
Permanent transfers	-	-	-	-
Fund balances, beginning of year, as restated	-	(14,125)	-	(327,042)
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,625</u>

See Accompanying Notes.

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2025**

	School Bus Cameras <u>27405</u>	Family Income Index <u>27407</u>	At-Risk Intervention Response Fund (AIR) <u>27412</u>	Reg22 SB212 School Bus Infrastructure <u>27413</u>
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	87,616	-	362,000
Federal grants	25,700	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>25,700</u>	<u>87,616</u>	<u>-</u>	<u>362,000</u>
<b>EXPENDITURES</b>				
Current				
Instruction	-	87,616	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Other support services	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	25,700	-	-	362,000
Food services operations	-	-	-	-
Community service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>25,700</u>	<u>87,616</u>	<u>-</u>	<u>362,000</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources</b>				
Operating transfers	-	-	-	-
Proceeds from loans and bonds	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Permanent transfers	-	-	-	-
Fund balances, beginning of year, as restated	-	-	-	-
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Notes.

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2025**

	State Funded Out of School Program <u>27416</u>	Career Technical Education (Pilot) <u>27502</u>	High-dosage tutoring Planning Award <u>27512</u>	Outdoor Learning Initiative Start Up Grant <u>27516</u>
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	33,096	115,164	116,132	43,482
Federal grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>33,096</u>	<u>115,164</u>	<u>116,132</u>	<u>43,482</u>
<b>EXPENDITURES</b>				
Current				
Instruction	33,096	97,714	116,132	38,249
Support services				
Students	-	-	-	-
Instruction	-	10,937	-	5,232
General administration	-	-	-	-
School administration	-	-	-	-
Other support services	-	-	-	-
Central services	-	6,513	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>33,096</u>	<u>115,164</u>	<u>116,132</u>	<u>43,481</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
<b>Other Financing Sources</b>				
Operating transfers	-	-	-	-
Proceeds from loans and bonds	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
Fund balances, beginning of year	-	-	-	-
Permanent transfers	-	-	-	-
Fund balances, beginning of year, as restated	-	-	-	-
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>

See Accompanying Notes.

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2025**

	FY24 FY25 Community School and Family Engagement			
	Initiatives - reg 2024 HB2 page 210-214 <u>27528</u>	Near Peer Tutoring Program <u>27533</u>	International Baccalaureate Test Assistance <u>27567</u>	Bilingual Multicultural Ed <u>27575</u>
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	348,408	91,763	-	-
Federal grants	-	-	21,127	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>348,408</u>	<u>91,763</u>	<u>21,127</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current				
Instruction	-	85,805	-	-
Support services				
Students	-	377	-	-
Instruction	348,408	5,581	21,127	-
General administration	-	-	-	-
School administration	-	-	-	-
Other support services	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>348,408</u>	<u>91,763</u>	<u>21,127</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources</b>				
Operating transfers	-	-	-	-
Proceeds from loans and bonds	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Permanent transfers	-	-	-	-
Fund balances, beginning of year, as restated	-	-	-	-
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Notes.

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2025**

	State Appropriation - Behavioral Health <u>27583</u>	Attendance Success Initiative <u>27584</u>	ECHS Flowthrough Funding <u>27589</u>	Educational & Cultural Outcomes <u>27901</u>
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	152,062	-	70,486
Federal grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>152,062</u>	<u>-</u>	<u>70,486</u>
<b>EXPENDITURES</b>				
Current				
Instruction	-	152,062	-	-
Support services				
Students	-	-	-	70,454
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	32
Other support services	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>152,062</u>	<u>-</u>	<u>70,486</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources</b>				
Operating transfers	-	-	6,879	-
Proceeds from loans and bonds	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>6,879</u>	<u>-</u>
<b>Net changes in fund balances</b>	<u>-</u>	<u>-</u>	<u>6,879</u>	<u>-</u>
Fund balances, beginning of year	-	-	(6,879)	-
Permanent transfers	-	-	-	-
Fund balances, beginning of year, as restated	-	-	(6,879)	-
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Notes.

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2025

	ASSIST Tobacco DOH <u>28122</u>	Substance Abuse Ed/Prev DOH <u>28142</u>	GRADS - Child Care <u>28189</u>	GRADS - Instruction <u>28190</u>
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	37,660	32,334
Federal grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>37,660</u>	<u>32,334</u>
<b>EXPENDITURES</b>				
Current				
Instruction	-	-	-	993
Support services				
Students	-	-	-	35,279
Instruction	-	-	-	181
General administration	-	-	-	1,425
School administration	-	-	-	-
Other support services	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,878</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>37,660</u>	<u>(5,544)</u>
<b>Other Financing Sources</b>				
Operating transfers	-	-	-	-
Proceeds from loans and bonds	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	-	-	37,660	(5,544)
Fund balances, beginning of year	<u>78,156</u>	<u>27,950</u>	<u>7</u>	<u>6,939</u>
Permanent transfers	-	-	-	-
Fund balances, beginning of year, as restated	<u>78,156</u>	<u>27,950</u>	<u>7</u>	<u>6,939</u>
<b>Fund balances, end of year</b>	<u>\$ 78,156</u>	<u>\$ 27,950</u>	<u>\$ 37,667</u>	<u>\$ 1,395</u>

See Accompanying Notes.

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2025

	State Underage Drinking Prevention DOT <u>28196</u>	Energy Minerals and Nat Resources Grant <u>28197</u>	GRADS Plus <u>28203</u>	ECECD Direct <u>28208</u>
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	161,617
Federal grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>161,617</u>
<b>EXPENDITURES</b>				
Current				
Instruction	-	-	-	131,809
Support services				
Students				
Instruction	-	-	-	42,494
General administration	-	-	-	5,350
School administration	-	-	-	-
Other support services	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>179,653</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(18,036)</u>
<b>Other Financing Sources</b>				
Operating transfers	-	14,280	-	-
Proceeds from loans and bonds	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>14,280</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	<u>-</u>	<u>14,280</u>	<u>-</u>	<u>(18,036)</u>
Fund balances, beginning of year	<u>3,875</u>	<u>(14,280)</u>	<u>8,708</u>	<u>69,768</u>
Permanent transfers	-	-	-	-
Fund balances, beginning of year, as restated	<u>3,875</u>	<u>(14,280)</u>	<u>8,708</u>	<u>69,768</u>
<b>Fund balances, end of year</b>	<u>\$ 3,875</u>	<u>\$ -</u>	<u>\$ 8,708</u>	<u>\$ 51,732</u>

See Accompanying Notes.

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2025

	NM Env Dept - Volkswagen Mitigation <u>28209</u>	NM Schools COVID-19 Testing <u>28211</u>	NM Project Aware <u>28214</u>	Private Dir Grants (Categorical) <u>29102</u>
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	734,087	-	-	-
Federal grants	-	-	-	-
Charges for services	-	-	-	73,560
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>734,087</u>	<u>-</u>	<u>-</u>	<u>73,560</u>
<b>EXPENDITURES</b>				
Current				
Instruction	-	-	-	35,584
Support services				
Students	-	-	-	19,147
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Other support services	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	734,087	-	-	-
Food services operations	-	-	-	-
Community service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>734,087</u>	<u>-</u>	<u>-</u>	<u>54,731</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,829</u>
<b>Other Financing Sources</b>				
Operating transfers	-	-	2,773	-
Proceeds from loans and bonds	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>2,773</u>	<u>-</u>
<b>Net changes in fund balances</b>	<u>-</u>	<u>-</u>	<u>2,773</u>	<u>18,829</u>
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>(2,773)</u>	<u>277,106</u>
Permanent transfers	-	-	-	-
Fund balances, beginning of year, as restated	<u>-</u>	<u>-</u>	<u>(2,773)</u>	<u>277,106</u>
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 295,935</u>

See Accompanying Notes.

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2025

	City/County Grants <u>29107</u>	McCune Charitable Foundation <u>29114</u>	<u>Total</u>
<b>REVENUES</b>			
Property taxes	\$ -	\$ -	\$ -
State grants	-	-	9,514,949
Federal grants	-	-	18,496,536
Charges for services	1,112,214	-	3,131,842
Miscellaneous	226,589	-	476,317
Interest	-	-	43,197
<b>Total revenues</b>	<b>1,338,803</b>	<b>-</b>	<b>31,662,841</b>
<b>EXPENDITURES</b>			
Current			
Instruction	754,720	-	12,001,020
Support services			-
Students	416,852	-	6,821,148
Instruction	6,428	-	2,615,717
General administration	14,585	-	804,712
School administration	-	-	352,267
Other support services	-	-	-
Central services	-	-	268,943
Operation & maintenance of plant	-	-	45,616
Student transportation	-	-	1,543,286
Food services operations	-	-	7,227,275
Community service	-	-	20,585
Capital outlay	-	-	957
Debt service			
Principal	-	-	-
Interest	-	-	-
<b>Total expenditures</b>	<b>1,192,585</b>	<b>-</b>	<b>31,701,526</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>146,218</b>	<b>-</b>	<b>(38,685)</b>
<b>Other Financing Sources</b>			
Operating transfers	-	-	514,133
Proceeds from loans and bonds	-	-	-
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>514,133</b>
<b>Net changes in fund balances</b>	<b>146,218</b>	<b>-</b>	<b>475,448</b>
Fund balances, beginning of year	67,967	302	6,886,887
Permanent transfers	-	-	-
Fund balances, beginning of year, as restated	67,967	302	6,886,887
<b>Fund balances, end of year</b>	<b>\$ 214,185</b>	<b>\$ 302</b>	<b>\$ 7,362,335</b>

See Accompanying Notes.

# Nonmajor Capital Project Funds

JUNE 30, 2025

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The District has the following separate funds classified as Capital Projects Funds:

**Public School Capital Outlay (31200)** – The purpose of this fund is to account for funding provided to the District from the State of New Mexico for capital improvement projects approved by the Public School Capital Outlay Council. Funding is authorized by NMAC 6.20.2 through the New Mexico Public Education Department. No minimum balance required according to legislation.

**Special Capital Outlay State (31400)** – To account for special appropriations monies received from the State of New Mexico under Chapter 4, Laws of 1996 for the purpose of upgrading the school facilities.

**Capital Improvements HB-33 (31600)** – to account for monies received from the State of New Mexico under Chapter 4, Laws of 1996 for the purpose of erecting, remodeling, making additions to, providing equipment for or furnishing public school buildings, purchasing or improving public school grounds.

**Capital Improvements SB-9 (31700)** – To account for erecting, remodeling, making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof as identified by the local school board. Financing is provided by the State of New Mexico's State Equalization Matching and a special tax levy as authorized by the Public School District Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978).

**Capital Improvements SB-9 Local (31701)** - is used to account for erecting, remodeling, making additions to, and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof as identified by the local school board. Financing is provided by the State of New Mexico's State Equalization Matching and a special tax levy as authorized by the Public School District Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978).

**SB-9 State Match Cash (31703)** – NM State Allocation for state match to be deposited into the school district's account for Capital Improvements. All proceeds shall be expended in accordance with the 22-25-2 NMSA 1978.

**Education Technology Equipment Act Fund (31900)** - is used to account for proceeds of Education Technology Notes. The proceeds are restricted to the purchase of technology equipment for use in school classrooms.

**COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS  
JUNE 30, 2025**

	Public School Capital Outlay <u>31200</u>	Special Capital Outlay State <u>31400</u>	Capital Improvements HB-33 <u>31600</u>	SB-9 Local <u>31701</u>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Restricted cash and cash equivalents	47,710	-	822,625	10,571,177
Investments	-	-	250,000	-
Accounts receivable				
Taxes	-	-	813,064	1,010,083
Due from other governments	-	-	-	-
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	-	-	-	-
<b>Total current assets</b>	<b>\$ 47,710</b>	<b>\$ -</b>	<b>\$ 1,885,689</b>	<b>\$ 11,581,260</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	\$ -	\$ -	\$ 190,835	\$ 316,139
Due to government	-	-	-	-
Accrued payroll liabilities	-	-	11,472	-
Interfund payables	-	-	-	-
<b>Total current liabilities</b>	<b>-</b>	<b>-</b>	<b>202,307</b>	<b>316,139</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	296,427	368,256
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	47,710	-	1,386,955	10,896,865
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b>47,710</b>	<b>-</b>	<b>1,386,955</b>	<b>10,896,865</b>
<b>Total liabilities, deferred inflows, and fund balances</b>	<b>\$ 47,710</b>	<b>\$ -</b>	<b>\$ 1,885,689</b>	<b>\$ 11,581,260</b>

See Accompanying Notes.

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS (CONTINUED)  
 JUNE 30, 2025

	Capital Improvements SB-9 State <u>31700</u>	Capital Improvements SB-9 State <u>31703</u>	<u>Total</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ -	\$ -	\$ -
Restricted cash and cash equivalents	-	1,932,420	13,373,932
Investments	-	-	250,000
Accounts receivable			
Taxes	-	-	1,823,147
Due from other governments	-	-	-
Interfund receivables	-	-	-
Other	-	-	-
Inventory	-	-	-
<b>Total current assets</b>	<u>\$ -</u>	<u>\$ 1,932,420</u>	<u>\$ 15,447,079</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable	\$ -	\$ -	\$ 506,974
Due to government	-	-	-
Accrued payroll liabilities	-	-	11,472
Interfund payables	294,199	-	294,199
<b>Total current liabilities</b>	<u>294,199</u>	<u>-</u>	<u>812,645</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property taxes	-	-	664,683
<b>FUND BALANCES</b>			
Nonspendable	-	-	-
Restricted	-	1,932,420	14,263,950
Committed	-	-	-
Assigned	-	-	-
Unassigned	(294,199)	-	(294,199)
<b>Total fund balances</b>	<u>(294,199)</u>	<u>1,932,420</u>	<u>13,969,751</u>
<b>Total liabilities, deferred inflows, and fund balances</b>	<u>\$ -</u>	<u>\$ 1,932,420</u>	<u>\$ 15,447,079</u>

See Accompanying Notes.

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
NONMAJOR CAPITAL PROJECT FUNDS  
FOR THE YEAR ENDED JUNE 30, 2025**

	Public School Capital Outlay	Special Capital Outlay State	Capital Improvements HB-33	SB-9 Local
	<u>31200</u>	<u>31400</u>	<u>31600</u>	<u>31701</u>
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ 8,992,955	\$ 10,668,566
State grants	-	495,000	54,268	13,595
Federal grants	-	-	-	-
Miscellaneous	-	-	16,367	-
Interest	-	-	-	15,265
<b>Total revenues</b>	<u>-</u>	<u>495,000</u>	<u>9,063,590</u>	<u>10,697,426</u>
<b>EXPENDITURES</b>				
Current				
Instruction	-	-	-	(772)
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	88,648	105,988
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community service	-	-	-	-
Capital outlay	1,193,855	495,000	13,811,156	12,341,402
Debt service				
Principal	-	-	7,014	-
Interest	-	-	186	-
<b>Total expenditures</b>	<u>1,193,855</u>	<u>495,000</u>	<u>13,907,004</u>	<u>12,446,618</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(1,193,855)</u>	<u>-</u>	<u>(4,843,414)</u>	<u>(1,749,192)</u>
<b>Other Financing Sources</b>				
Proceeds from loans and bonds	-	-	-	-
Lease and SBITA financing	-	-	-	-
Operating transfers	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	<u>(1,193,855)</u>	<u>-</u>	<u>(4,843,414)</u>	<u>(1,749,192)</u>
Fund balances, beginning of year	<u>1,241,565</u>	<u>-</u>	<u>6,230,369</u>	<u>12,646,057</u>
<b>Fund balances, end of year</b>	<u>\$ 47,710</u>	<u>\$ -</u>	<u>\$ 1,386,955</u>	<u>\$ 10,896,865</u>

See Accompanying Notes.

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
NONMAJOR CAPITAL PROJECT FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2025

	Capital Improvements SB- 9 State <u>31700</u>	Capital Improvements SB- 9 State <u>31703</u>	<u>Total</u>
<b>REVENUES</b>			
Property taxes	\$ -	\$ -	\$ 19,661,521
State grants	-	967,680	1,530,543
Federal grants	-	-	-
Miscellaneous	33,450	-	49,817
Interest	-	-	15,265
<b>Total revenues</b>	<u>33,450</u>	<u>967,680</u>	<u>21,257,146</u>
<b>EXPENDITURES</b>			
Current			
Instruction	-	-	(772)
Support services			-
Students	-	-	-
Instruction	-	-	-
General administration	-	-	194,636
School administration	-	-	-
Central services	-	-	-
Operation & maintenance of plant	-	-	-
Student transportation	-	-	-
Other support services	-	-	-
Food services operations	-	-	-
Community service	-	-	-
Capital outlay	-	-	27,841,413
Debt service			-
Principal	-	-	7,014
Interest	-	-	186
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>28,042,477</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>33,450</u>	<u>967,680</u>	<u>(6,785,331)</u>
<b>Other Financing Sources</b>			
Proceeds from loans and bonds	-	-	-
Lease and SBITA financing	-	-	-
Operating transfers	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	33,450	967,680	(6,785,331)
Fund balances, beginning of year	(327,649)	964,740	20,755,082
<b>Fund balances, end of year</b>	<u>\$ (294,199)</u>	<u>\$ 1,932,420</u>	<u>\$ 13,969,751</u>

See Accompanying Notes.



# OTHER SUPPLEMENTARY INFORMATION



**SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY FOR PUBLIC FUNDS  
JUNE 30, 2025**

Name of Depository	Description of Pledged Collateral	Type	Maturity	CUSIP Number	Face Value or Fair Market Value
<b>Sunflower Bank</b>					
Sunflower Bank	FHLMC	Bond	8/1/2040	3133KYTX7	\$ 4,804,517
Sunflower Bank	FNR	Bond	9/25/2047	3136AXC86	882,712
Sunflower Bank	FNMA	Bond	2/1/2032	3140HXP95	6,256,914
Sunflower Bank	FNMA	Bond	7/1/2031	3140LCVB4	8,534,200
Sunflower Bank	FNMA	Bond	12/1/2031	3140LEKA4	4,604,657
Sunflower Bank	GNR	Bond	2/20/2070	38380L3G6	10,698,657
Sunflower Bank	GNR	Bond	6/20/2069	38380LVEO	3,708,553
Sunflower Bank	GNR	Bond	3/20/2051	38382PEK4	4,258,444
Sunflower Bank	GNR	Bond	6/20/2051	38382TN83	5,964,587
Sunflower Bank	Letter of Credit	LOC	7/29/2025	LOC031251	<u>39,000,000</u>
<b>Total Sunflower Bank</b>					<b>\$ <u>88,713,241</u></b>
<b>Wells Fargo Bank</b>					
Bank of New York Mellon	FMAC	Bond	11/1/2051	3132DWCN1	\$ 6,053
Bank of New York Mellon	FMAC	Bond	1/1/2051	3133AE3S1	18,568
Bank of New York Mellon	FNMA	Bond	11/1/2050	3140KFMH5	41,601
Bank of New York Mellon	FNMA	Bond	5/1/2047	3140XDN85	4,345
Bank of New York Mellon	FNMA	Bond	10/1/2042	31417DKC6	82,885
Bank of New York Mellon	FNMA	Bond	4/1/2051	31418DYZ7	69,352
Bank of New York Mellon	FNMA	Bond	6/1/2051	31418DZV7	608,737
Bank of New York Mellon	GNMA	Bond	6/20/2052	36179W7L6	62,174
Bank of New York Mellon	GNMA	Bond	11/20/2051	36179WR26	8,008
Bank of New York Mellon	GNMA	Bond	11/20/2051	36179WRZ3	47,520
Bank of New York Mellon	GNMA	Bond	4/20/2053	36179XX50	<u>16,140</u>
<b>Total Wells Fargo Bank</b>					<b>\$ <u>965,380</u></b>

**SCHEDULE OF CASH AND TEMPORARY INVESTMENT ACCOUNTS**  
**JUNE 30, 2025**

Bank Account Type	Interest Bearing	Morgan Stanley			Total
		Sunflower Bank	Wells Fargo	Stanley	
Checking - Accounts Payable Clearing	No	\$ 2,512,622	\$ -	\$ -	\$ 2,512,622
Checking - Capital Projects	Yes	6,775,434	-	-	6,775,434
Checking - Debt Service	Yes	58,414,471	-	-	58,414,471
Checking - Operational Account	Yes	10,503,502	-	-	10,503,502
Checking - Payroll Clearing	No	5,821,861	-	-	5,821,861
Checking - Student Nutrition Fund (Cafeteria)	No	496,755	-	-	496,755
Checking - Activity	No	-	1,768,496	-	1,768,496
Investment Accounts	No	-	-	297,060	297,060
<b>Total on Deposit</b>		<b>84,524,645</b>	<b>1,768,496</b>	<b>297,060</b>	<b>86,590,201</b>
Reconciling Items		<u>(8,788,387)</u>	<u>2,089</u>	<u>-</u>	<u>(8,786,298)</u>
<b>Reconciled Balance, June 30, 2025</b>		<b><u>\$ 75,736,258</u></b>	<b><u>\$ 1,770,585</u></b>	<b><u>\$ 297,060</u></b>	<b><u>77,803,903</u></b>
Checks held at year-end					8,959,945
Investments with State of New Mexico Treasurer's Office					<u>75,173,192</u>
					<b><u>\$ 161,937,040</u></b>

**SCHEDULE OF CASH RECONCILIATION**  
**JUNE 30, 2025**

	Operational Account 11000	Transportation Account 13000	Instructional Materials 14000	Local Revenue Operational 15200	Food Services Account 21000	Universal Free Meals 21100
Cash, June 30, 2024	\$ 8,683,659	\$ 166,629	\$ 27,848	\$ 1,457,411	\$ 325,726	\$ 1,120,331
<b>Add:</b>						
2024-25 revenues	142,276,544	4,297,690	-	1,957,246	4,325,711	1,429,679
Receipt of prior year loans	12,859,696	7,137	-	-	33,722	193,699
Loans from other funds	(221,929)	91,797	-	-	7,137	-
<b>Total cash available</b>	<b>163,597,970</b>	<b>4,563,253</b>	<b>27,848</b>	<b>3,414,657</b>	<b>4,692,296</b>	<b>2,743,709</b>
<b>Less:</b>						
2024-25 expenditures	(139,189,148)	(3,932,522)	(27,804)	(1,924,396)	(4,300,797)	(2,351,309)
Change in accruals	1,217,678	40,658	-	(90)	10,827	-
Repayment of loans	(227,420)	(244,312)	-	-	(13,032)	-
Loans to other funds	(12,533,749)	(7,137)	-	-	(33,722)	-
Change due to held checks and payroll liabilities	412,678	(16,145)	-	955	56	-
<b>Cash, June 30, 2025</b>	<b>\$ 13,278,009</b>	<b>\$ 403,795</b>	<b>\$ 44</b>	<b>\$ 1,491,126</b>	<b>\$ 355,628</b>	<b>\$ 392,400</b>

**SCHEDULE OF CASH RECONCILIATION (CONTINUED)**  
**JUNE 30, 2025**

	Athletics Account 22000	Non-Instruction Account 23000	Federal Flowthrough 24000	Federal Direct 25000	Local Grants 26000	State Flowthrough 27000
Cash, June 30, 2024	\$ 67,147	\$ 2,167,323	\$ 420,259	\$ 263,382	\$ 2,089,822	\$ 601,694
<b>Add:</b>						
2024-25 revenues	320,030	1,624,804	13,757,310	2,482,474	288,598	8,198,557
Receipt of prior year loans	12,955	78,841	-	-	-	-
Loans from other funds	-	-	1,068,015	837,809	-	3,551,895
<b>Total cash available</b>	<b>400,132</b>	<b>3,870,968</b>	<b>15,245,584</b>	<b>3,583,665</b>	<b>2,378,420</b>	<b>12,352,146</b>
<b>Less:</b>						
2024-25 expenditures	(329,082)	(1,696,604)	(10,515,779)	(2,827,584)	(361,317)	(9,768,843)
Change in accruals	-	113	216,450	(60,203)	3,974	399,503
Repayment of loans	(14,180)	(16,910)	(4,752,274)	(649,509)	-	(2,628,560)
Loans to other funds	(12,955)	(117,389)	-	-	-	-
Change due to held checks and payroll liabilities	-	-	(161,091)	556	-	36,085
<b>Cash, June 30, 2025</b>	<b>\$ 43,915</b>	<b>\$ 2,040,178</b>	<b>\$ 32,890</b>	<b>\$ 46,925</b>	<b>\$ 2,021,077</b>	<b>\$ 390,331</b>

**SCHEDULE OF CASH RECONCILIATION (CONTINUED)**  
**JUNE 30, 2025**

	State Direct 28000	Local or State Fund 29000	Bond Building 31100	School Capital Outlay 31200	Special Capital Outlay State 31400	Capital Improvement HB 33 31600
Cash, June 30, 2024	\$ 155,847	\$ 317,859	\$ 54,032,561	\$ 1,241,565	\$ 105,754	\$ 6,281,874
<b>Add:</b>						
2024-25 revenues	1,362,247	1,252,530	2,138,107	-	544,857	8,935,398
Receipt of prior year loans	-	-	-	-	-	-
Loans from other funds	-	41,299	1,859,331	-	-	-
<b>Total cash available</b>	<b>1,518,094</b>	<b>1,611,688</b>	<b>58,029,999</b>	<b>1,241,565</b>	<b>650,611</b>	<b>15,217,272</b>
<b>Less:</b>						
2024-25 expenditures	(951,616)	(1,246,671)	(20,529,999)	(1,193,855)	(495,000)	(14,151,902)
Change in accruals	17,107	(57,523)	(5,757)	-	-	7,255
Repayment of loans	(406,407)	(49,964)	-	-	(155,611)	-
Loans to other funds	-	-	-	-	-	-
Change due to held checks and payroll liabilities	(1,100)	44,167	5,757	-	-	-
<b>Cash, June 30, 2025</b>	<b>\$ 176,078</b>	<b>\$ 301,697</b>	<b>\$ 37,500,000</b>	<b>\$ 47,710</b>	<b>\$ -</b>	<b>\$ 1,072,625</b>

**SCHEDULE OF CASH RECONCILIATION (CONTINUED)**  
**JUNE 30, 2025**

	Cap. Improv. SB9 - State 31700	Cap. Improv. SB9 - Local 31701	Capital Improvements SB-9 State 31703	Ed Tech Equip Act Fund 31900	Debt Service Fund 41000
Cash, June 30, 2024	\$ 1,107,851	\$ 14,948,990	\$ 1,299,422	\$ 20,669,217	\$ 55,365,475
<b>Add:</b>					
2024-25 revenues	-	10,627,676	967,680	771,421	40,378,645
Receipt of prior year loans	-	-	-	-	-
Loans from other funds	294,199	-	-	4,880,602	-
<b>Total cash available</b>	<b>1,402,050</b>	<b>25,576,666</b>	<b>2,267,102</b>	<b>26,321,240</b>	<b>95,744,120</b>
<b>Less:</b>					
2024-25 expenditures	-	(12,715,545)	-	(14,373,769)	(35,988,794)
Change in accruals	3,951	(353)	-	65,408	599
Repayment of loans	(1,402,049)	(2,289,945)	(334,682)	-	(1,197)
Loans to other funds	-	-	-	-	-
Change due to held checks and payroll liabilities	(3,952)	354	-	-	-
<b>Cash, June 30, 2025</b>	<b>\$ -</b>	<b>\$ 10,571,177</b>	<b>\$ 1,932,420</b>	<b>\$ 12,012,879</b>	<b>\$ 59,754,728</b>

**SCHEDULE OF CASH RECONCILIATION (CONTINUED)**  
**JUNE 30, 2025**

	Ed Tech Debt Service Fund 43000	Total
Cash, June 30, 2024	\$ 16,647,604	\$ 189,565,250
<b>Add:</b>		
2024-25 revenues	14,340,202	262,277,406
Receipt of prior year loans	-	13,186,050
Loans from other funds	-	12,410,155
<b>Total cash available</b>	<b>30,987,806</b>	<b>477,438,861</b>
<b>Less:</b>		
2024-25 expenditures	(12,916,398)	(291,788,734)
Change in accruals	(2,536)	1,857,061
Repayment of loans	-	(13,186,052)
Loans to other funds	-	(12,704,952)
Change due to held checks and payroll liabilities	2,536	320,856
<b>Cash, June 30, 2025</b>	<b>\$ 18,071,408</b>	<b>\$ 161,937,040</b>

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2025**

Federal Grantor or Pass-Through Grantor / Program Title	Assistance Listings Number	Pass-through Number	Passed Through to Subrecipients	Federal Expenditures June 30, 2025
<b>U.S. Department of Education</b>				
<b>Direct Grants</b>				
Indian Education Grants to Local Educational Agencies	84.060		\$ -	\$ 79,271
<b>Pass-through State of New Mexico Public Education Dept.</b>				
Title I Grants to Local Educational Agencies	84.010	24101	-	3,208,857
<i>Special Education Cluster</i>				
		24106		
Special Education Grants to States	84.027	24115		
		24346	60,186	3,257,999
Special Education Preschool Grants	84.173	24109		
		24349	-	50,299
<b>Total Special Education Cluster</b>			<b>60,186</b>	<b>3,308,298</b>
<i>COVID-19 Education Stabilization Fund</i>				
Education Stabilization Fund	84.425D	24333	-	5,842
Education Stabilization Fund	84.425U	24330	-	593,141
Education Stabilization Fund		24350		
Education Stabilization Fund	84.425W	24355	-	40,885
<b>Total COVID-19 Education Stabilization Fund</b>			<b>-</b>	<b>639,868</b>
Education for Homeless Children and Youth	84.196	24113	-	122,964
21st Century Community Learning Centers	84.287	24119	-	871,469
English Language Acquisition State Grants	84.365	24153	-	816,642
Supporting Effective Instruction State Grants	84.367	24154	10,048	656,329
Comprehensive Literacy Development	84.371	24194	-	265,754
Student Support and Academic Enrichment Program	84.424	24189	-	485,684
Career and Technical Education - Basic Grants to States	84.048	24174	20,532	140,026
<b>Subtotal - Pass-through State of New Mexico PED</b>			<b>90,766</b>	<b>10,515,891</b>
Pass-through State of New Mexico Higher Education Department				
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	25205	-	514,583
<b>Total U.S. Department of Education</b>			<b>90,766</b>	<b>11,109,745</b>
<b>U.S. Department of Agriculture</b>				
<i>Child Nutrition Cluster</i>				
Pass-through State of New Mexico Children, Youth, and Families Department				
Summer Food Service Program for Children	10.559	21000	-	126,360
Pass-through State of New Mexico Public Education Dept.				
School Breakfast Program	10.553	21000	-	978,217
National School Lunch Program	10.555	21000	-	3,555,357
Pass-through State of New Mexico Human Services Dept.				
Non-Cash Assistance				
National School Lunch Program (Commodities)	10.555	21000	-	443,854
<b>Total Child Nutrition Cluster</b>			<b>-</b>	<b>5,103,788</b>
<b>Total U.S. Department of Agriculture</b>			<b>-</b>	<b>5,103,788</b>

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2025**

Federal Grantor or Pass-Through Grantor / Program Title	Assistance Listings Number	Pass-through Number	Passed Through to Subrecipients	Federal Expenditures June 30, 2025
<b>U.S. Department of Health and Human Services</b>				
Pass-through State of New Mexico Department of Health School Nurse Workforce Grant	93.359	25275	-	92,832
<b>Total U.S. Department of Health and Human Services</b>			-	92,832
<b>U.S. Department of Health and Human Services</b>				
Pass-through State of New Mexico Public Education Dept. Projects of Regional and National Significance	93.243	25208	\$ -	6,049
<b>U.S. Department of Defense</b>				
ROTC Language and Culture Training Grants	12.357		-	70,272
<b>U.S. Department of Interior</b>				
Indian Education Assistance to Schools	15.130		-	11,664
<b>Total Federal Financial Assistance</b>			\$ 90,766	\$ 16,394,350

*See Notes to Schedule of Expenditures of Federal Awards.*

# Notes to Schedule of Expenditures of Federal Awards

JUNE 30, 2025

## NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Santa Fe Public Schools (the District) under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) 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 or changes in financial position of the District.

## NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, which is the same basis as was used to prepare the fund financial statements. 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.

## NOTE 3. NONCASH FEDERAL ASSISTANCE

The District receives USDA Commodities for use in sponsoring the National School Lunch program. Per USDA guidance (FPI-18-2), donated USDA commodities should be grouped with the National School Lunch Program and use the same Assistance Listings Number as the National School Lunch Program. The value of commodities received for the year ended June 30, 2025 was \$443,854. Commodities are recorded as revenues and expenditures in the Food Service fund.

## NOTE 4. INDIRECT COST RATE

During the year ended June 30, 2025, the New Mexico Public Education Department reimbursed the District for indirect costs at 3.91%.

## NOTE 5. RECONCILIATION OF FEDERAL REVENUE TO FEDERAL EXPENDITURES

Federal expenditures as reported on Schedule of Expenditure of Federal Awards	\$ 16,394,350
District as contractor relationship	2,202,289
Indirect cost recovery (Fund 11000)	448,660
Reporting differences	<u>(83,570)</u>
<b>Federal revenue as reported in the financial statements</b>	<b><u>\$ 18,961,729</u></b>



# COMPONENT UNIT

The Academy for Technology and  
the Classics



# Basic Financial Statements

THE ACADEMY FOR TECHNOLOGY AND THE CLASSICS

STATEMENT OF NET POSITION

JUNE 30, 2025

	Governmental Activities
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and cash equivalents (overdraft)	\$ (31,030)
Restricted cash and cash equivalents	998,371
Receivables	697,183
Prepaid expenses	101,045
<b>Total current assets</b>	<b>1,765,569</b>
<b>Non-current assets</b>	
Capital assets, net	9,996,976
<b>Total assets</b>	<b>11,762,545</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Related to pensions and OPEB	2,143,033
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Accounts payable	133
Accrued salaries and benefits	267,888
Compensated absences	564,781
Current portion of mortgage payable	88,901
<b>Total current liabilities</b>	<b>921,703</b>
<b>Non-current Liabilities</b>	
Net pension liability	6,929,334
Net OPEB liability	914,481
Mortgage payable	2,878,516
<b>Total non-current liabilities</b>	<b>10,722,331</b>
<b>Total liabilities</b>	<b>11,644,034</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Related to pensions and OPEB	1,223,743
<b>NET POSITION</b>	
Net investment in capital assets	7,029,559
Restricted	1,218,259
Unrestricted (deficit)	(7,210,017)
<b>Total net position</b>	<b>\$ 1,037,801</b>

See Accompanying Notes.

THE ACADEMY FOR TECHNOLOGY AND THE CLASSICS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental Activities</b>					
Instruction	\$ 3,253,880	\$ -	\$ 231,889	\$ -	\$ (3,021,991)
Support services					
Students	168,434	-	-	-	(168,434)
Instruction	60,475	-	-	-	(60,475)
General administration	287,156	-	-	7,286	(279,870)
School administration	125,574	-	-	-	(125,574)
Central services	189,145	-	-	-	(189,145)
Operation & maintenance of plant	2,030,838	-	-	596,857	(1,433,981)
Student transportation	-	-	-	-	-
Food services operation	-	-	-	-	-
Non-instructional support	-	-	-	-	-
Facilities materials, supplies and other	-	-	-	-	-
Interest/amortization	171,773	-	-	-	(171,773)
<b>Total governmental activities</b>	<b>\$ 6,287,275</b>	<b>\$ -</b>	<b>\$ 231,889</b>	<b>\$ 604,143</b>	<b>(5,451,243)</b>

<b>General Revenues</b>	
Property taxes	879,381
State Equalization Guarantee	4,361,112
Miscellaneous	378,916
<b>Total general revenues</b>	<b>5,619,409</b>
<b>Changes in net position</b>	
	168,166
Net position, beginning of year, as originally stated	1,195,238
Restatement	(325,603)
Net position, beginning, restated	869,635
<b>Net position, end of year</b>	<b>\$ 1,037,801</b>

See Accompanying Notes.

THE ACADEMY FOR TECHNOLOGY AND THE CLASSICS  
BALANCE SHEET – GOVERNMENTAL FUNDS  
JUNE 30, 2025

	General Funds			
	General Operational*	Instructional Materials*	Athletics	IDEA-B Entitlement
	11000	14000	22000	24106
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents (overdraft)	\$ (31,030)	\$ -	\$ -	\$ -
Restricted cash and cash equivalents	-	10,351	5,998	136
Receivables				
Property taxes	-	-	-	-
Due from other governments	-	-	-	-
Interfund receivables	81,026	-	-	-
Prepaid expenses	-	-	-	-
<b>Total current assets</b>	<b>\$ 49,996</b>	<b>\$ 10,351</b>	<b>\$ 5,998</b>	<b>\$ 136</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ 372	\$ -	\$ -	\$ -
Accrued payroll liabilities	247,737	-	-	17
Interfund payables	-	-	-	-
<b>Total current liabilities</b>	<b>248,109</b>	<b>-</b>	<b>-</b>	<b>17</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Restricted	-	10,351	5,998	119
Unassigned	(198,113)	-	-	-
<b>Total fund balances</b>	<b>(198,113)</b>	<b>10,351</b>	<b>5,998</b>	<b>119</b>
<b>Total liabilities, deferred inflows, &amp; fund bal.</b>	<b>\$ 49,996</b>	<b>\$ 10,351</b>	<b>\$ 5,998</b>	<b>\$ 136</b>

\* Major fund

See Accompanying Notes.

THE ACADEMY FOR TECHNOLOGY AND THE CLASSICS  
BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2025

	Charter Schools 24146	Teacher/Principal Training & Recruiting 24154	Carl D Perkins Secondary - Current 24174	ARP ESSER III 24330
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents (overdraft)	\$ -	\$ -	\$ -	\$ -
Restricted cash and cash equivalents	28	-	-	24
Receivables				
Property taxes	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Prepaid expenses	-	-	-	-
<b>Total current assets</b>	<b>\$ 28</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 24</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll liabilities	-	-	-	24
Interfund payables	-	-	-	-
<b>Total current liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Restricted	-	-	-	-
Unassigned	28	-	-	-
<b>Total fund balances</b>	<b>28</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities, deferred inflows, &amp; fund bal.</b>	<b>\$ 28</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 24</b>

\* Major fund

See Accompanying Notes.

THE ACADEMY FOR TECHNOLOGY AND THE CLASSICS  
BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2025

	Local Grants 26000	2012 GO Bond Student Library 27107	Instructional Materials Special Appro. 27109	Career Technical Education Program (Pilot) 27502
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents (overdraft)	\$ -	\$ -	\$ -	\$ -
Restricted cash and cash equivalents	-	9,440	2,740	4,161
Receivables				
Property taxes	-	-	-	-
Due from other governments	-	-	-	6,513
Due from other funds	-	-	-	-
Prepaid expenses	-	-	-	-
<b>Total current assets</b>	<b>\$ -</b>	<b>\$ 9,440</b>	<b>\$ 2,740</b>	<b>\$ 10,674</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll liabilities	-	-	-	61
Interfund payables	-	-	-	-
<b>Total current liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Restricted	-	9,440	2,740	10,613
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b>-</b>	<b>9,440</b>	<b>2,740</b>	<b>10,613</b>
<b>Total liabilities, deferred inflows, &amp; fund bal</b>	<b>\$ -</b>	<b>\$ 9,440</b>	<b>\$ 2,740</b>	<b>\$ 10,674</b>

\* Major fund

See Accompanying Notes.

THE ACADEMY FOR TECHNOLOGY AND THE CLASSICS  
BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2025

	CTE State Wide Innovation Zones - Reg 27552	Private Dir Grants (Categorical) 29102	City/Country Grant 29107	Public School Capital Outlay 31200
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents (overdraft)	\$ -	\$ -	\$ -	\$ -
Restricted cash and cash equivalents	-	35,552	9,445	37,762
Receivables				
Property taxes	-	-	-	-
Due from other governments	81,026	-	-	110,376
Due from other funds	-	-	-	-
Prepaid expenses	-	-	-	-
<b>Total current assets</b>	<b>\$ 81,026</b>	<b>\$ 35,552</b>	<b>\$ 9,445</b>	<b>\$ 148,138</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 1
Accrued payroll liabilities	890	-	-	-
Interfund payables	81,026	-	-	-
<b>Total current liabilities</b>	<b>81,916</b>	<b>-</b>	<b>-</b>	<b>1</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Restricted	-	35,552	9,445	148,137
Unassigned	(890)	-	-	-
<b>Total fund balances</b>	<b>(890)</b>	<b>35,552</b>	<b>9,445</b>	<b>148,137</b>
<b>Total liabilities, deferred inflows, &amp; fund bal.</b>	<b>\$ 81,026</b>	<b>\$ 35,552</b>	<b>\$ 9,445</b>	<b>\$ 148,138</b>

\* Major fund

See Accompanying Notes.

THE ACADEMY FOR TECHNOLOGY AND THE CLASSICS  
BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2025

	Capital Improvements HB-33* 31600	Capital Improvements SB-9 State 31700	Capital Improvements SB-9 Local* 31701	SB-9 State Match Cash 31703
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents (overdraft)	\$ -	\$ -	\$ -	\$ -
Restricted cash and cash equivalents	-	13,825	504,012	96,426
Receivables				
Property taxes	232,717	-	265,476	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Prepaid expenses	-	-	-	-
<b>Total current assets</b>	<b>\$ 232,717</b>	<b>\$ 13,825</b>	<b>\$ 769,488</b>	<b>\$ 96,426</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ 85	\$ -	\$ -	\$ -
Accrued payroll liabilities	16,132	-	-	-
Interfund payables	-	-	-	-
<b>Total current liabilities</b>	<b>16,217</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	229,463	-	261,764	-
<b>FUND BALANCES</b>				
Restricted	-	13,825	507,724	96,426
Unassigned	(12,963)	-	-	-
<b>Total fund balances</b>	<b>(12,963)</b>	<b>13,825</b>	<b>507,724</b>	<b>96,426</b>
<b>Total liabilities, deferred inflows, &amp; fund bal.</b>	<b>\$ 232,717</b>	<b>\$ 13,825</b>	<b>\$ 769,488</b>	<b>\$ 96,426</b>

\* Major fund

See Accompanying Notes.

THE ACADEMY FOR TECHNOLOGY AND THE CLASSICS  
BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2025

	Education Technology 31900	ATC Foundation*	Total Governmental Funds
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents (overdraft)	\$ -	\$ -	\$ (31,030)
Restricted cash and cash equivalents	180,548	87,923	998,371
Receivables			
Property taxes	-	-	498,193
Due from other governments	1,075	-	198,990
Due from other funds	-	-	81,026
Prepaid expenses	-	101,045	101,045
<b>Total current assets</b>	<b>\$ 181,623</b>	<b>\$ 188,968</b>	<b>\$ 1,846,595</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ -	\$ (325)	\$ 133
Accrued payroll liabilities	3,027	-	267,888
Interfund payables	-	-	81,026
<b>Total current liabilities</b>	<b>3,027</b>	<b>(325)</b>	<b>349,047</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property taxes	-	-	491,227
<b>FUND BALANCES</b>			
Restricted	178,596	189,293	1,218,259
Unassigned	-	-	(211,938)
<b>Total fund balances</b>	<b>178,596</b>	<b>189,293</b>	<b>1,006,321</b>
<b>Total liabilities, deferred inflows, &amp; fund bal.</b>	<b>\$ 181,623</b>	<b>\$ 188,968</b>	<b>\$ 1,846,595</b>

\* Major fund

See Accompanying Notes.

THE ACADEMY FOR TECHNOLOGY AND THE CLASSICS  
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION  
JUNE 30, 2025

	Governmental Funds
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Fund balances - total governmental funds	\$ 1,006,321
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	9,996,976
Pension and OPEB plans deferred outflows are not financial resources and, therefore, are not reported in the funds	2,143,033
Property taxes are not available to pay for current-period expenditures and, therefore, are deferred in the fund:	491,227
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:	
Compensated absences	(564,781)
Net pension and OPEB liability	(7,843,815)
Mortgage payable	(2,967,417)
Pension and OPEB plans deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds	<u>(1,223,743)</u>
<b>Net Position - Total Governmental Activities</b>	<b><u>\$ 1,037,801</u></b>

See Accompanying Notes.

THE ACADEMY FOR TECHNOLOGY AND THE CLASSICS  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2025

	General Funds			
	General Operational*	Instructional Materials*	Athletics	IDEA-B Entitlement
	11000	14000	22000	24106
<b>REVENUES</b>				
Interest income	\$ 5,969	\$ -	\$ -	\$ -
State grants	4,361,112	-	-	-
Federal grants	-	-	-	60,186
Property taxes	-	-	-	-
Miscellaneous income	3,829	-	20,630	-
<b>Total revenues</b>	<b>4,370,910</b>	<b>-</b>	<b>20,630</b>	<b>60,186</b>
<b>EXPENDITURES</b>				
Current				
Instruction	3,500,453	-	15,454	60,186
Support services				
Students	159,246	-	-	-
Instruction	-	-	-	-
General administration	279,870	-	-	-
School administration	125,574	-	-	-
Central services	189,145	-	-	-
Operation & maintenance of plant	208,851	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<b>4,463,139</b>	<b>-</b>	<b>15,454</b>	<b>60,186</b>
<b>Other Financing Sources (Uses)</b>				
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(92,229)</b>	<b>-</b>	<b>5,176</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>(92,229)</b>	<b>-</b>	<b>5,176</b>	<b>-</b>
Fund balances, beginning of year	(105,884)	10,351	822	119
<b>Fund balances, end of year</b>	<b>\$ (198,113)</b>	<b>\$ 10,351</b>	<b>\$ 5,998</b>	<b>\$ 119</b>

\* Major fund

See Accompanying Notes.

THE ACADEMY FOR TECHNOLOGY AND THE CLASSICS  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS  
 (CONTINUED)  
 FOR THE YEAR ENDED JUNE 30, 2025

	Charter Schools 24146	Teacher/Principal Training & Recruiting 24154	Carl D Perkins Secondary - Current 24174	ARP ESSER III 24330
<b>REVENUES</b>				
Interest income	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	10,048	15,038	(35,383)
Property taxes	-	-	-	-
Miscellaneous income	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>10,048</b>	<b>15,038</b>	<b>(35,383)</b>
<b>EXPENDITURES</b>				
Current				
Instruction	-	(55)	15,038	-
Support services				
Students	-	-	-	-
Instruction	-	10,103	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>10,048</b>	<b>15,038</b>	<b>-</b>
<b>Other Financing Sources (Uses)</b>				
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(35,383)</b>
<b>Net changes in fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(35,383)</b>
Fund balances, beginning of year	28	-	-	35,383
<b>Fund balances, end of year</b>	<b>\$ 28</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

\* Major fund

See Accompanying Notes.

THE ACADEMY FOR TECHNOLOGY AND THE CLASSICS  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS  
 (CONTINUED)  
 FOR THE YEAR ENDED JUNE 30, 2025

	Local Grants 26000	2012 GO Bond Student Library 27107	Instructional Materials Special Appro. 27109	Career Technical Education Program (Pilot) 27502
<b>REVENUES</b>				
Interest income	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Property taxes	-	-	-	-
Miscellaneous income	-	-	-	24,014
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,014</b>
<b>EXPENDITURES</b>				
Current				
Instruction	-	(9,440)	-	13,401
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>(9,440)</b>	<b>-</b>	<b>13,401</b>
<b>Other Financing Sources (Uses)</b>				
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>9,440</b>	<b>-</b>	<b>10,613</b>
<b>Net changes in fund balances</b>	<b>-</b>	<b>9,440</b>	<b>-</b>	<b>10,613</b>
Fund balances, beginning of year	-	-	2,740	-
<b>Fund balances, end of year</b>	<b>\$ -</b>	<b>\$ 9,440</b>	<b>\$ 2,740</b>	<b>\$ 10,613</b>

\* Major fund

See Accompanying Notes.

THE ACADEMY FOR TECHNOLOGY AND THE CLASSICS  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS  
 (CONTINUED)  
 FOR THE YEAR ENDED JUNE 30, 2025

	CTE State Wide Innovation Zones - Reg 2022, HB2, P200, Item 108 27552	Private Dir Grants (Categorical) 29102	City/Country Grant 29107	Public School Capital Outlay 31200
<b>REVENUES</b>				
Interest income	\$ -	\$ -	\$ -	\$ -
State grants	182,000	-	-	237,286
Federal grants	-	-	-	-
Property taxes	-	-	-	-
Miscellaneous income	-	14,021	-	16,554
<b>Total revenues</b>	<b>182,000</b>	<b>14,021</b>	<b>-</b>	<b>253,840</b>
<b>EXPENDITURES</b>				
Current				
Instruction	182,890	(23)	-	-
Support services				
Students	-	9,188	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Service	-	-	-	-
Capital outlay	-	-	-	294,000
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<b>182,890</b>	<b>9,165</b>	<b>-</b>	<b>294,000</b>
<b>Other Financing Sources (Uses)</b>				
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(890)</b>	<b>4,856</b>	<b>-</b>	<b>(40,160)</b>
<b>Net changes in fund balances</b>	<b>(890)</b>	<b>4,856</b>	<b>-</b>	<b>(40,160)</b>
Fund balances, beginning of year	-	30,696	9,445	188,297
<b>Fund balances, end of year</b>	<b>\$ (890)</b>	<b>\$ 35,552</b>	<b>\$ 9,445</b>	<b>\$ 148,137</b>

\* Major fund

See Accompanying Notes.

THE ACADEMY FOR TECHNOLOGY AND THE CLASSICS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS  
(CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2025

	Capital Improvements HB- 33* 31600	Capital Improvements SB-9 State 31700	Capital Improvements SB-9 Local* 31701	SB-9 State Match Cash 31703
<b>REVENUES</b>				
Interest income	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	35,423
Federal grants	-	-	-	-
Property taxes	347,057	-	380,680	-
Miscellaneous income	-	-	-	-
<b>Total revenues</b>	<b>347,057</b>	<b>-</b>	<b>380,680</b>	<b>35,423</b>
<b>EXPENDITURES</b>				
Current				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	3,472	-	3,814	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Service	-	-	-	-
Capital outlay	383,469	-	539,615	5,397
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<b>386,941</b>	<b>-</b>	<b>543,429</b>	<b>5,397</b>
<b>Other Financing Sources (Uses)</b>				
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(39,884)</b>	<b>-</b>	<b>(162,749)</b>	<b>30,026</b>
<b>Net changes in fund balances</b>	<b>(39,884)</b>	<b>-</b>	<b>(162,749)</b>	<b>30,026</b>
Fund balances, beginning of year	26,921	13,825	670,473	66,400
<b>Fund balances, end of year</b>	<b>\$ (12,963)</b>	<b>\$ 13,825</b>	<b>\$ 507,724</b>	<b>\$ 96,426</b>

\* Major fund

See Accompanying Notes.

THE ACADEMY FOR TECHNOLOGY AND THE CLASSICS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS  
(CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2025

	Education Technology 31900	ATC Foundation*	Total Governmental Funds
<b>REVENUES</b>			
Interest income	\$ -	\$ (101)	\$ 5,868
State grants	331,434	-	5,147,255
Federal grants	-	-	49,889
Property taxes	-	-	727,737
Miscellaneous income	-	294,000	373,048
<b>Total revenues</b>	<b>331,434</b>	<b>293,899</b>	<b>6,303,797</b>
<b>EXPENDITURES</b>			
Current			
Instruction	-	-	3,777,904
Support services	-	-	-
Students	-	-	168,434
Instruction	50,372	-	60,475
General administration	-	-	287,156
School administration	-	-	125,574
Central services	-	-	189,145
Operation & maintenance of plant	-	55,665	264,516
Student transportation	-	-	-
Food services operations	-	-	-
Student Transportation	-	-	-
Other Support Services	-	-	-
Food Services Operations	-	-	-
Community Service	-	-	-
Capital outlay	390,682	-	1,613,163
Debt service	-	-	-
Principal	-	84,622	84,622
Interest	-	171,773	171,773
<b>Total expenditures</b>	<b>441,054</b>	<b>312,060</b>	<b>6,742,762</b>
<b>Other Financing Sources (Uses)</b>			
Operating transfers	-	-	-
Proceeds from bond issues	-	-	-
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(109,620)</b>	<b>(18,161)</b>	<b>(438,965)</b>
<b>Net changes in fund balances</b>	<b>(109,620)</b>	<b>(18,161)</b>	<b>(438,965)</b>
Fund balances, beginning of year	288,216	207,454	1,445,286
<b>Fund balances, end of year</b>	<b>\$ 178,596</b>	<b>\$ 189,293</b>	<b>\$ 1,006,321</b>

\* Major fund

See Accompanying Notes.

THE ACADEMY FOR TECHNOLOGY AND THE CLASSICS  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2025

	Governmental Funds
Amounts reported for governmental activities in the Statement of Activities are different because:	
Net changes in fund balances - total governmental funds	\$ (438,965)
Charter pension and OPEB contributions	(683,780)
Additional GASB 68 and 75 pension and OPEB expenses	1,572,241
Change in unavailable revenue related to property taxes	151,644
<p>Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which depreciation exceeds capital outlays for the period.</p>	
Capital outlays	-
Depreciation expense	(338,174)
Loss on disposal of assets	(6,492)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.</p>	
Increase in accrued compensated absences	(172,931)
Principal payments on debt	84,623
<b>Changes in Net Position - Total Governmental Activities</b>	<b>\$ 168,166</b>

See Accompanying Notes.

THE ACADEMY FOR TECHNOLOGY AND THE CLASSICS  
SCHEDULE OF BUDGET COMPARISONS – BUDGETARY BASIS –  
GENERAL OPERATIONAL FUND (11000)  
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<b>REVENUES</b>				
Interest Income	\$ 9,500	\$ 9,500	\$ 5,972	\$ (3,528)
State grants	4,277,670	4,361,112	4,361,112	-
Federal grants	-	-	-	-
Miscellaneous	46,000	46,000	3,826	(42,174)
<b>Total revenues</b>	<b>4,333,170</b>	<b>4,416,612</b>	<b>4,370,910</b>	<b>(45,702)</b>
<b>EXPENDITURES</b>				
Current				
Instruction	3,575,474	3,649,744	3,501,553	148,191
Support services				
Students	177,561	177,561	159,246	18,315
Instruction	-	-	-	-
General administration	279,950	279,950	279,870	80
School administration	116,393	125,565	125,574	(9)
Central services	193,443	193,443	189,145	4,298
Operation & maintenance of plant	210,456	210,456	208,851	1,605
Student transportation	-	-	-	-
Other support services	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>4,553,277</b>	<b>4,636,719</b>	<b>4,464,239</b>	<b>172,480</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(220,107)</b>	<b>(220,107)</b>	<b>(93,329)</b>	<b>126,778</b>
<b>Other Financing Sources</b>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>\$ (220,107)</b>	<b>\$ (220,107)</b>	<b>(93,329)</b>	<b>\$ (93,329)</b>
Fund balances, beginning of year			(105,884)	
<b>Fund balances, end of year</b>			<b>\$ (199,213)</b>	
<b>Reconciliation to GAAP Basis</b>				
Adjustments to revenues			-	
Adjustments to expenditures			1,100	
<b>Changes in fund balances</b>			<b>\$ (92,229)</b>	

See Accompanying Notes.

THE ACADEMY FOR TECHNOLOGY AND THE CLASSICS  
 SCHEDULE OF BUDGET COMPARISONS – BUDGETARY BASIS – INSTRUCTIONAL FUND (14000)  
 FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<b>REVENUES</b>				
Interest Income	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES</b>				
Current				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Financing Sources</b>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
Fund balances, beginning of year			10,351	
<b>Fund balances, end of year</b>			<b>\$ 10,351</b>	
<b>Reconciliation to GAAP Basis</b>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
<b>Changes in fund balances</b>			<b>\$ -</b>	

See Accompanying Notes.

THE ACADEMY FOR TECHNOLOGY AND THE CLASSICS  
 STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS  
 JUNE 30, 2025

	<b>Custodial Funds</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 93,190
<b>Total assets</b>	<b>\$ 93,190</b>
<b>LIABILITIES AND NET POSITION</b>	
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	\$ 3,614
<b>Total liabilities</b>	<b>3,614</b>
<b>NET POSITION</b>	
Restricted for student organizations	89,576
<b>Total net position</b>	<b>89,576</b>
<b>Total liabilities and net position</b>	<b>\$ 93,190</b>

*See Accompanying Notes.*

THE ACADEMY FOR TECHNOLOGY AND THE CLASSICS  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS  
 JUNE 30, 2025

	Custodial Funds
<b>Additions</b>	
Charges for services	\$ 54,729
<b>Total additions</b>	<u>54,729</u>
<b>Deductions</b>	
Current	
Instruction	72,535
<b>Total deductions</b>	<u>72,535</u>
<b>Change in net position</b>	(17,806)
Net position, beginning of year	<u>107,382</u>
<b>Net position - end of year</b>	<u>\$ 89,576</u>

*See Accompanying Notes.*

# Notes to Financial Statements

JUNE 30, 2025

## NOTE 1. COMPONENT UNIT

The Academy for Technology and the Classics was formed under NMSA 22-8A and as such are presented here as discrete Component Unit of Santa Fe Public Schools:

### The Academy for Technology and the Classics (ATC)

District management has determined that the charter school is a Component Unit under GASB Statement No. 61 since their operating budget and charter are presented and approved by the District’s board and a financial burden exists upon closure of a school or when the school is in need of financial assistance. The charter school is considered a legally separate entity and has a separate board from the District board. The District does not appoint members of the charter school board. The New Mexico State Auditor has determined that a charter school is a major Component Unit of their respective Districts. Refer to previous footnotes of the District for significant policies of the charter schools, as they are subject to the same State and Federal regulations and follow the same policies as the District. Additionally, pension and OPEB related footnotes can be found with the District’s footnotes. The following are summarized details of the charter school balances and transactions as of June 30, 2025 and for the year then ended:

In defining the reporting entity of ATC, management considered all possible Component Units, and it was determined (due to the significance of the relationship between the ATC Foundation, a non-profit corporation under the IRC Sec. 501(c)(3) and ATC), the Foundation qualified for inclusion in the financial statements of ATC as a blended Component Unit. This Component Unit has a separate appointed board and provides the building that houses ATC under the terms of a 30-year cancellable lease. This activity is eliminated in the government-wide financial statements. For tax purposes, the ATC Foundation has a December 31 year end.

### A. Cash and Temporary Investments

**Deposits.** New Mexico State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the Schools for a least one half of the amount on deposit with the institution. The ATC Foundation is not subject to the Public Monies Act and is not included in the schedule below. The schedule presented below meets the requirements in reporting the insured portion of the deposits.

	The Academy for Technology and the Classics <u>Enterprise Bank and Trust</u>
Total amounts of deposit	\$ 1,060,462
FDIC coverage	<u>(250,000)</u>
<b>Total uninsured public funds</b>	<b><u>\$ 810,462</u></b>
Collateral requirement (50% of uninsured public funds)	\$ 405,231
Pledged security	<u>2,207,512</u>
<b>Total under (over) collateralized</b>	<b><u>\$ (1,802,281)</u></b>

**NOTE 1. COMPONENT UNIT (CONTINUED)**

**Custodial Credit Risk – Deposits.** Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2025, none of the Charter School’s banks were exposed to custodial credit risk.

**B. Receivables**

Receivables as of June 30, 2025 are as follows:

	Capital				Total
	General Operational	Public School Capital Outlay	Improvements SB-9 Local	Other Governmental	
Property taxes	\$ -	\$ -	\$ 265,476	\$ 232,717	\$ 498,193
Intergovernmental- grants	-	110,376	-	88,614	198,990
<b>Total</b>	<b>\$ -</b>	<b>\$ 110,376</b>	<b>\$ 265,476</b>	<b>\$ 321,331</b>	<b>\$ 697,183</b>

The above receivables are deemed 100% collectible. Property tax revenue recognized on property tax receivables in the governmental fund financial statements are net of deferred inflows-property taxes of \$491,227.

**C. Capital Assets**

A summary of capital assets and changes occurring during the year ended June 30, 2025 follows:

	Balance			Balance
	June 30, 2024	Additions	Deletions	June 30, 2025
<b>The Academy for Technology and the Classics</b>				
Land improvements	\$ 135,835	\$ -	\$ (6,492)	\$ 129,343
Construction in Progress	44,416	-	-	44,416
Building and building improvements	6,888,453	-	-	6,888,453
Furniture, fixtures and equipment	572,982	-	-	572,982
Accumulated depreciation	(1,150,903)	(191,507)	-	(1,342,410)
	<u>6,490,783</u>	<u>(191,507)</u>	<u>(6,492)</u>	<u>6,292,784</u>
<b>ATC Foundation</b>				
Land	451,000	-	-	451,000
Land and land improvements	74,791	-	-	74,791
Construction in Progress	-	-	-	-
Building and building improvements	5,796,487	-	-	5,796,487
Furniture, fixtures and equipment	-	-	-	-
Accumulated depreciation	(2,471,419)	(146,667)	-	(2,618,086)
	<u>3,850,859</u>	<u>(146,667)</u>	<u>-</u>	<u>3,704,192</u>
<b>Capital assets, net</b>	<b>\$ 10,341,642</b>	<b>\$ (338,174)</b>	<b>\$ (6,492)</b>	<b>\$ 9,996,976</b>

Depreciation expense for the year ended June 30, 2025 was charged to governmental activities as follows:

Charter - Instruction	\$ 191,507
Foundation	146,667
<b>Total</b>	<b>\$ 338,174</b>

**NOTE 1. COMPONENT UNIT (CONTINUED)**

**D. Commitment and Liabilities**

*The Academy for Technology and the Classics* – The Charter’s policy permits qualified employees to earn and accumulate annual leave of up to 200 hours per year, depending on length of service, the employee’s hire date, and employment status. Upon termination, employees will be paid for up to 20 days may be paid to employees, 30 days for the superintendent, of accrued annual leave depending on employment status.

Vested or accumulated leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. In prior years, substantially all of the related expenditures have been liquidated by the general fund. Amounts of vested or accumulated leave that are not expected to be liquidated with expendable available financial resources are reported in the government-wide statement of net position.

On September 29, 2014, ATC Foundation refinanced an outstanding principal balance amount of \$4,200,000 with Los Alamos National Bank; total amount of loan, including financed fees was \$4,300,000. In addition, as part of the agreement with Los Alamos National Bank, ATC agreed to the conditional guarantee of 80% of the loan amount with Unites States Department of Agriculture (Rural Development program). The loan guarantee is subject to an annual renewal fee of .50% of the guaranteed portion of the outstanding principal balance as of December 31 of each year. Annual renewal fee payments not received by April 1 of the following year are considered delinquent and may result in cancellation of the guarantee to the lender. The long-term mortgage payable for ATC Foundation as of June 30, 2025 is as follows:

Los Alamos National Bank Mortgage; interest rate 5.75%;  
 matures December 2041, secured by building \$2,967,417

The requirements to amortize the mortgage note payable as of June 30, 2025, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2026	\$ 88,901	\$ 168,314	\$ 257,215
2027	94,149	163,059	257,208
2028	99,708	157,501	257,209
2029	105,594	151,614	257,208
2030	111,829	145,380	257,209
203-2035	243,854	270,562	514,416
2036-2040	<u>2,223,382</u>	<u>709,623</u>	<u>2,933,005</u>
<b>Total</b>	<b><u>\$ 2,967,417</u></b>	<b><u>\$ 1,766,053</u></b>	<b><u>\$ 4,733,470</u></b>

During the year ended June 30, 2025, the following changes occurred in the liabilities reported in the Charter’s Statement of Net Position:

	Balance		Balance (As Restated)			Balance June 30, 2025	Due Within One Year
	June 30, 2024	Restatement	June 30, 2024	Additions	Deletions		
Mortgage payable	\$ 3,052,040		\$ 3,052,040	\$ -	\$ 84,623	\$ 2,967,417	\$ 88,901
Compensated absences	<u>66,247</u>	<u>325,603</u>	<u>391,850</u>	<u>172,931</u>	-	<u>564,781</u>	<u>564,781</u>
<b>Total</b>	<b><u>\$ 3,118,287</u></b>	<b><u>\$ 325,603</u></b>	<b><u>\$ 3,443,890</u></b>	<b><u>\$ 172,931</u></b>	<b><u>\$ 84,623</u></b>	<b><u>\$ 3,532,198</u></b>	<b><u>\$ 653,682</u></b>

## NOTE 1. COMPONENT UNIT (CONTINUED)

### E. Other Required Individual Fund Disclosures

*The Academy for Technology and the Classics:*

- A. Excess of expenditures over budgeted appropriations: There were two funds with excess of expenditures over budgeted appropriations. The General Operational Fund had an excess of \$890.
- B. Receivables and payables from interfund transactions as of June 30, 2025 are listed below. Funds which interfund transactions were affected or created due to cash overdrafts are represented: None
- C. There were three fund reporting a deficit fund balance at June 30, 2025. The General Operational Fund had a deficit of \$198,113. The CTE Statewide Innovation Zones had a deficit of \$890. The Capital Improvements HB-33 Fund had a deficit of \$12,963.

### F. Pension and OPEB Plans

Information pertaining to pension and OPEB plans can be found on Pages 38-50 of the financial statements.

### G. Risk Management

The Charter is a member of the New Mexico Public Schools Insurance Authority (NMPSIA). The Authority was created to provide comprehensive core insurance programs by expanding the pool of subscribers to maximize cost containment opportunities for required insurance coverage. The Charter pays an annual premium to the NMPSIA based on claim experience and the status of the pool. The Risk Management Program includes Workers Compensation, General and Automobile Liability, Automobile Physical Damage, and Property and Crime coverage. Also included under the risk management program are Boiler, Machinery, and Student Accident Insurance.

The NMPSIA provides coverage for up to a maximum of \$750,000,000 for each property damage claim with a \$25,000 deductible per occurrence with a maximum annual deductible of \$100,000. General liability coverage is afforded to all employees, volunteers, and Board members, and the limit is subject to the NMSA Tort Claims Act on a per occurrence basis. The automobile and property liability limit is subject to the provisions of the Tort Claims Act. The crime limit is \$250,000 per occurrence for Faithful Performance. A limit of \$250,000 applies to Depositor's Forgery, Credit Card Forgery, and Money Orders. A limit of \$250,000 applies to Money and Securities, which include a \$750 deductible.

In case the NMPSIA's assets are not sufficient to meet its liability claims, the agreement provides that subscribers, including the Charter, cannot be assessed additional premiums to cover the shortfall. As of June 30, 2025, there have been no claims that have exceeded insurance coverage.

Beginning July 1, 2025, Sexual Molestation or Sexual Abuse Claims/Lawsuits through NMPSIA require a paid deductible for the Charter based on average daily attendance student enrollment numbers.

**THE ACADEMY FOR TECHNOLOGY AND THE CLASSICS**  
**SCHEDULE OF THE CHARTER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – EDUCATIONAL RETIREMENT BOARD (ERB) PENSION PLAN**  
**Last 10 Fiscal Years (Unaudited)**

	Fiscal Year Measurement Date	2025 2024	2024 2023	2023 2022	2022 2021	2021 2020	2020 2019	2019 2018	2018 2017	2017 2016	2016 2015
Charter's proportion of the net pension liability		<b>0.07885%</b>	0.07989%	0.06869%	0.07301%	0.06707%	0.06502%	0.06153%	0.06197%	0.06056%	0.06209%
Charter's proportionate share of the net pension liability	\$	<b>6,929,334</b>	\$ 6,937,875	\$ 5,784,874	\$ 5,174,559	\$ 13,592,332	\$ 4,926,762	\$ 7,316,736	\$ 6,887,016	\$ 4,358,160	\$ 4,021,729
Charter's covered payroll	\$	<b>3,346,200</b>	\$ 3,262,802	\$ 2,988,671	\$ 2,495,075	\$ 2,248,569	\$ 2,152,975	\$ 1,860,810	\$ 1,709,067	\$ 1,764,053	\$ 1,695,256
Charter's proportionate share of the net pension liability as a percentage of its covered employee payroll		<b>207%</b>	213%	194%	207%	604%	229%	393%	403%	247%	237%
Plan fiduciary net position as a percentage of total pension liability		<b>66.57%</b>	65.19%	64.87%	69.77%	39.11%	64.13%	52.17%	52.95%	61.58%	63.97%

*See Notes to Required Supplementary Information.*

THE ACADEMY FOR TECHNOLOGY AND THE CLASSICS  
 SCHEDULE OF THE CHARTER'S PENSION CONTRIBUTIONS – EDUCATIONAL RETIREMENT BOARD (ERB) PENSION PLAN  
 Last 10 Fiscal Years (Unaudited)

	June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutory required contributions	\$ 616,856	\$ 607,845	\$ 483,047	\$ 349,501	\$ 329,875	\$ 227,423	\$ 265,461	\$ 238,559	\$ 245,203	\$ 240,351
Contributions in relation to contractually required contributions	<u>616,856</u>	<u>607,845</u>	<u>483,047</u>	<u>349,501</u>	<u>329,875</u>	<u>227,423</u>	<u>265,461</u>	<u>238,559</u>	<u>245,203</u>	<u>240,351</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See Notes to Required Supplementary Information.

THE ACADEMY FOR TECHNOLOGY AND THE CLASSICS

SCHEDULE OF THE CHARTER'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY – RETIREE HEALTH CARE AUTHORITY (RHCA) OPEB PLAN

Last 10 Fiscal Years\* (Unaudited)

	Fiscal Year	2025	2024	2023	2022	2021	2020	2019	2018
	Measurement Date	2024	2023	2022	2021	2020	2019	2018	2017
Charter's proportion of the net OPEB liability		<b>0.05124%</b>	0.05116%	4.68800%	0.04780%	0.04340%	0.04212%	0.03951%	0.04111%
Charter's proportionate share of the net OPEB liability	\$	<b>914,481</b>	\$ 871,149	\$ 1,083,606	\$ 1,572,787	\$ 1,822,326	\$ 1,365,694	\$ 1,718,035	\$ 1,862,971
Charter's covered-employee payroll	\$	<b>2,873,962</b>	\$ 2,533,237	\$ 2,224,360	\$ 2,205,609	\$ 1,865,383	\$ 1,757,638	\$ 1,695,223	\$ 1,712,498
Charter's proportionate share of the net OPEB liability as a percentage of its covered employee payroll		<b>31.82%</b>	34.39%	48.72%	71.31%	97.69%	77.70%	101.35%	108.79%
RHCA Plan fiduciary net position as a percentage of the total OPEB liability		<b>46.99%</b>	44.16%	33.33%	25.39%	16.50%	18.92%	13.14%	11.34%

\*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Charter will present information for available years.

See Notes to Required Supplementary Information.

THE ACADEMY FOR TECHNOLOGY AND THE CLASSICS

SCHEDULE OF THE CHARTER'S PROPORTIONATE SHARE OF OPEB CONTRIBUTIONS – RETIREE HEALTH CARE AUTHORITY (RHCA) OPEB PLAN

Last 10 Fiscal Years\* (Unaudited)

	June 30,								
	2025	2024	2023	2022	2021	2020	2019	2018	
Contractually required contribution	\$ 66,924	\$ 65,256	\$ 58,595	\$ 47,619	\$ 46,188	\$ 37,283	\$ 61,741	\$ 130,543	
Contributions in relation to the contractually required	<u>66,924</u>	<u>65,256</u>	<u>58,595</u>	<u>47,619</u>	<u>46,188</u>	<u>37,283</u>	<u>60,987</u>	<u>65,518</u>	
Charter's proportion of the net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 754	\$ 65,025	
Employer's covered employee payroll	\$ 3,346,200	\$ 3,262,800	\$ 2,929,739	\$ 2,380,950	\$ 2,310,381	\$ 1,757,638	\$ 1,695,223	\$ 1,712,498	
Contributions as a percentage of covered employee payroll	2.00%	2.00%	2.00%	2.00%	2.00%	2.12%	3.60%	3.83%	

\*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Charter will present information for available years.

See Notes to Required Supplementary Information.

# Notes to Required Supplementary Information (Unaudited)

THE ACADEMY FOR TECHNOLOGY AND THE CLASSICS  
JUNE 30, 2025

## ERB PLAN

**Changes in benefit provisions.** There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2024.

**Changes in assumptions and methods.** Actuarial assumptions and methods are set by the Board of Trustees, based upon recommendations made by the plan's actuary. The Board adopted new assumptions on April 17, 2020, in conjunction with the six-year actuarial experience study period ending June 30, 2019.

## RHCA Plan

In the total OPEB liability measured as of June 30, 2024, changes in assumptions include adjustments resulting from an increase in the discount rate from 6.22% to 7.00%.

THE ACADEMY FOR TECHNOLOGY AND THE CLASSICS  
 SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY FOR PUBLIC FUNDS  
 JUNE 30, 2025

Name of Depository	Description of Pledged Collateral	CUSIP	Fair Market Value June 30, 2025	Maturity Date	Name & Location of Safekeeper
Wells Fargo Bank	FREDDIE MAC POOL #RA4211	3133KKVC0	\$ 1,270,440	12/1/2045	Wells Fargo Bank
Wells Fargo Bank	GINNIE MAE CMO SERIES 22-25	38383G6Q9	<u>937,071</u>	6/20/2038	Wells Fargo Bank
<b>Total</b>			<u>\$ 2,207,512</u>		

THE ACADEMY FOR TECHNOLOGY AND THE CLASSICS  
 SCHEDULE OF CASH AND TEMPORARY INVESTMENT ACCOUNTS  
 JUNE 30, 2025

<u>Bank Account Type</u>	<u>Interest Bearing</u>	<u>Amount</u>
Enterprise-Operational Checking	Yes	\$ 1,060,462
Foundation		
Enterprise-Checking and Savings	Yes	\$ 44,733
Enterprise - Lockbox	Yes	40,701
Charles Schwab	Yes	<u>2,489</u>
<b>Total</b>		<b>87,923</b>
Reconciling Items		<u>(87,854)</u>
<b>Reconciled balance, June 30, 2025</b>		<b>1,060,531</b>
Less: Custodial Funds		<u>93,190</u>
<b>Total governmental funds</b>		<b>\$ <u>967,341</u></b>

THE ACADEMY FOR TECHNOLOGY AND THE CLASSICS  
SCHEDULE OF CASH RECONCILIATION  
JUNE 30, 2025

	Operational Account 11000	Instructional Materials 14000	Food Services Account 21000	Athletics Account 22000	Non-Instruction Account 23000
Cash, June 30, 2024	\$ 69,603	\$ 10,351	\$ -	\$ 822	\$ -
<b>Add:</b>					
2024-25 revenues	4,370,913	-	-	20,630	-
Repayment of loans	100,573	-	-	-	-
Loans from other funds	-	-	-	-	-
<b>Total cash available</b>	<b>4,541,089</b>	<b>10,351</b>	<b>-</b>	<b>21,452</b>	<b>-</b>
<b>Less:</b>					
2024-25 expenditures	(4,464,239)	-	-	(15,454)	-
Repayment of loans	-	-	-	-	-
Change in accruals	(26,854)	-	-	-	-
Loans to other funds	(81,026)	-	-	-	-
<b>Cash, June 30, 2025</b>	<b>\$ (31,030)</b>	<b>\$ 10,351</b>	<b>\$ -</b>	<b>\$ 5,998</b>	<b>\$ -</b>

THE ACADEMY FOR TECHNOLOGY AND THE CLASSICS  
SCHEDULE OF CASH RECONCILIATION (CONTINUED)  
JUNE 30, 2025

	Federal Flowthrough 24000	Federal Direct 25000	Local Grants 26000	State Flowthrough 27000	State Direct 28000
Cash, June 30, 2024	\$ 163	\$ -	\$ -	\$ 2,778	\$ -
<b>Add:</b>					
2024-25 revenues	87,607	-	-	284,362	-
Repayment of loans	-	-	-	-	-
Loans from other funds	-	-	-	81,026	-
<b>Total cash available</b>	<b>87,770</b>	<b>-</b>	<b>-</b>	<b>368,166</b>	<b>-</b>
<b>Less:</b>					
2024-25 expenditures	(85,263)	-	-	(186,851)	-
Repayment of loans	(31,362)	-	-	(69,211)	-
Change in accruals	29,043	-	-	(95,763)	-
Loans to other funds	-	-	-	-	-
<b>Cash, June 30, 2025</b>	<b>\$ 188</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 16,341</b>	<b>\$ -</b>

THE ACADEMY FOR TECHNOLOGY AND THE CLASSICS  
SCHEDULE OF CASH RECONCILIATION (CONTINUED)  
JUNE 30, 2025

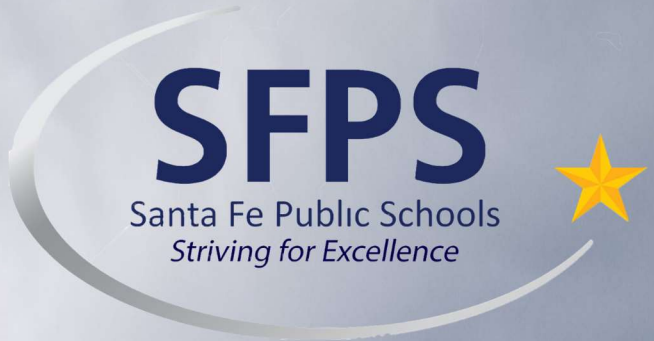
	Local or State Fund 29000	Bond Building 31100	Public School Capital Outlay 31200	Special Capital Outlay State 31400	Capital Improvement HB 33 31600
Cash, June 30, 2024	\$ 40,141	\$ -	\$ 141,382	\$ -	\$ 39,842
<b>Add:</b>					
2024-25 revenues	14,021	-	253,842	-	347,185
Repayment of loans	-	-	-	-	-
Loans from other funds	-	-	-	-	-
<b>Total cash available</b>	<b>54,162</b>	<b>-</b>	<b>395,224</b>	<b>-</b>	<b>387,027</b>
<b>Less:</b>					
2024-25 expenditures	(9,165)	-	(294,000)	-	(367,133)
Repayment of loans	-	-	-	-	-
Change in accruals	-	-	(63,462)	-	(19,894)
Loans to other funds	-	-	-	-	-
<b>Cash, June 30, 2025</b>	<b>\$ 44,997</b>	<b>\$ -</b>	<b>\$ 37,762</b>	<b>\$ -</b>	<b>\$ (0)</b>

THE ACADEMY FOR TECHNOLOGY AND THE CLASSICS  
SCHEDULE OF CASH RECONCILIATION (CONTINUED)  
JUNE 30, 2025

	Cap. Improv. SB9 State 31700	Cap. Improv. SB9 Local 31701	SB-9 State Match Cash 31703	Education Technology Account 31900	ATC Foundation
Cash, June 30, 2024	\$ 13,825	\$ 665,801	\$ 66,400	\$ 288,216	\$ 126,231
<b>Add:</b>					
2024-25 revenues	-	381,639	35,421	331,434	293,899
Repayment of loans	-	-	-	-	-
Loans from other funds	-	-	-	-	-
<b>Total cash available</b>	<b>13,825</b>	<b>1,047,440</b>	<b>101,821</b>	<b>619,650</b>	<b>420,130</b>
<b>Less:</b>					
2024-25 expenditures	-	(562,429)	(5,397)	(441,054)	(282,294)
Repayment of loans	-	-	-	-	-
Change in accruals	-	19,001	2	1,952	(49,913)
Loans to other funds	-	-	-	-	-
<b>Cash, June 30, 2025</b>	<b>\$ 13,825</b>	<b>\$ 504,012</b>	<b>\$ 96,426</b>	<b>\$ 180,548</b>	<b>\$ 87,923</b>

THE ACADEMY FOR TECHNOLOGY AND THE CLASSICS  
 SCHEDULE OF CASH RECONCILIATION (CONTINUED)  
 JUNE 30, 2025

	Custodial Funds	Total
Cash, June 30, 2024	\$ 112,351	\$ 1,577,906
<b>Add:</b>		
2024-25 revenues	54,730	6,475,683
Repayment of loans	-	100,573
Loans from other funds	-	81,026
<b>Total cash available</b>	<b>167,081</b>	<b>8,235,188</b>
<b>Less:</b>		
2024-25 expenditures	(72,535)	(6,785,814)
Repayment of loans	-	(100,573)
Change in accruals	(1,356)	(207,244)
Loans to other funds	-	(81,026)
<b>Cash, June 30, 2025</b>	<b>\$ 93,190</b>	<b>\$ 1,060,531</b>



Milagro Middle School

# COMPLIANCE SECTION





**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***

**INDEPENDENT AUDITOR'S REPORT**

**The Board of Education**  
**Santa Fe Public Schools**  
Santa Fe, New Mexico and

**Mr. Joseph M. Maestas, P.E., CFE**  
**New Mexico State Auditor**  
Santa Fe, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparisons of the general fund and major special revenue fund of Santa Fe Public Schools (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents. We have also audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information and the budgetary comparisons for the general fund and major special revenue fund of the discretely presented component unit, presented as supplementary information, as defined by the Governmental Accounting Standards Board (GASB) as of and for the year ended June 30, 2025, as listed in the Table of Contents, and have issued our report thereon dated January 15, 2026.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit of the financial statements, we considered District's internal control over financial reporting (internal control) to determine the 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2025-001, 2025-002, 2025-005, 2025-006, and 2025-007 that we consider to be significant deficiencies.

#### COMPLIANCE AND OTHER MATTERS

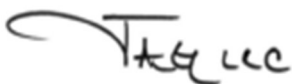
As part of obtaining reasonable assurance about whether District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. 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 instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards* as items 2025-002, 2025-003, 2025-004, 2025-005, 2025-008 and 2025-009.

#### DISTRICT'S RESPONSE TO FINDINGS

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The District's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

#### 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 result 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.



Jaramillo Accounting Group LLC (JAG)  
Albuquerque, New Mexico  
January 15, 2026



Jaramillo Accounting Group LLC

Certified Public Accountants

Audit, Fraud, Consulting

[www.JAG.CPA](http://www.JAG.CPA)

**REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

**INDEPENDENT AUDITOR'S REPORT**

**The Board of Education**  
**Santa Fe Public Schools**  
Santa Fe, New Mexico and

**Mr. Joseph M. Maestas, P.E., CFE**  
**New Mexico State Auditor**  
Santa Fe, New Mexico

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM**

***OPINION ON EACH MAJOR FEDERAL PROGRAM***

We have audited Santa Fe Public Schools' (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs for the year ended June 30, 2025.

***BASIS FOR OPINION ON EACH MAJOR FEDERAL PROGRAM***

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

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

## **RESPONSIBILITIES OF MANAGEMENT FOR COMPLIANCE**

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

## **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF COMPLIANCE**

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

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

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

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

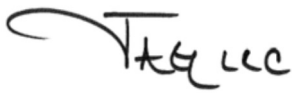
## **REPORT ON INTERNAL CONTROL OVER COMPLIANCE**

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

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

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

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

A handwritten signature in black ink that reads "JAG LLC". The signature is stylized, with a large, sweeping initial "J" and "A" followed by "G LLC".

Jaramillo Accounting Group LLC (JAG)  
Albuquerque, New Mexico  
January 15, 2026

# Summary Schedule of Prior Audit Findings

JUNE 30, 2025

<u>Finding No.</u>	<u>Description</u>	<u>Current Year Status</u>
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**PRIMARY GOVERNMENT  
SANTA FE PUBLIC SCHOOLS**

**Financial Statement Findings**

<u>Original</u>	<u>Prior Year</u>		
2019-001	2024-001	Internal Control over Financial Close and Reporting	Resolved
2020-003	2024-002	Negative Cash Balances in Activity Funds	Repeated and Modified
2021-004	2024-003	Budgetary Conditions	Repeated and Modified

**Federal Awards Findings**

NONE

**Section 12-6-5, NMSA 1978 Findings**

2017-004	2024-004	Compliance with School Personnel Act	Repeated and Modified
2024-005	2024-005	Education Retirement Board (ERB) Contribution Rates	Repeated and Modified

**COMPONENT UNIT  
ACADEMY FOR TECHNOLOGY & THE CLASSICS CHARTER SCHOOL**

**Financial Statement Findings**

NONE

# Schedule of Findings and Questioned Costs

JUNE 30, 2025

## SECTION I: SUMMARY OF AUDITOR'S RESULTS

### Financial Statement:

- |  |            |
|--|------------|
| 1. Type of auditor's report issued   | Unmodified |
| 2. Internal control over financial reporting:                                    |            |
| a. Material weakness identified?   | No         |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes        |
| c. Non-compliance material to financial statements noted?                        | No         |

### Federal Awards:

- |   |            |
|---|------------|
| 1. Internal control over major programs:  |            |
| a. Material weakness identified?  | No         |
| b. Significant deficiencies identified not considered to be material weaknesses?                              | No         |
| 2. Type of auditor's report issued on compliance for major programs   | Unmodified |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? | No         |

4. Identification of major programs:

<u>Assistance Listings Number</u>	<u>Assistance Listings Program Title</u>
84.027, 84.173	Special Education Cluster (IDEA-B)
84.365	English Language Acquisition

- |   |           |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| 6. Auditee qualified as low-risk auditee?                                   | Yes       |



# Schedule of Findings and Questioned Costs (Continued)

JUNE 30, 2025

## SECTION II: FINANCIAL STATEMENT FINDINGS

2025-001 (2020-003)	DISTRICT – NEGATIVE CASH BALANCES IN ACTIVITY FUNDS – REPEATED AND MODIFIED
<b>Type of Finding</b>	Significant Deficiency
<b>Condition</b>	As of June 30, 2025, there was a total of \$228,691 negative cash involving 57 different activity funds. The District reported these amounts as year end balances per the G/L for various activity/athletic cash account balances taken from various funds numbering 23000 through 23957.
<b>Criteria</b>	<p><b>Update for Fiscal Year 2025:</b> The District has not made progress by increasing the deficit by \$21,125. However, the number of affected activity funds has increased from 48 in FY24 to 57 in FY25.</p> <p><u>NMSA 1978 Section 6-10-2 Public money; cash books; daily balance; public record.</u> It is the duty of every public official or agency of this state that receives or disburses public money to maintain a cash record in which is entered daily, in detail, all items of receipts and disbursements of public money. The cash record shall be balanced daily so as to show the balance of public money on hand at the close of each day’s business. Except as may be otherwise provided by law, the cash record is a public record and is open to public inspection.</p> <p><u>NM Public Education Department (PED) Manual of Procedures – PSAB Supplement 18 – Student Activity &amp; Athletics.</u> No activity fund account shall ever be permitted to incur a deficit. Financial records of student activity funds must be in accordance with generally accepted accounting principles and an adequate internal control structure established and maintained, as well as audit trails, in the same manner as the school district’s regular funds.</p>
<b>Effect</b>	It is not allowable to provide operational public funds to outside individuals or entities; therefore, the cash account balances must be restored through using each current year activity fund revenue against each negative balance.
<b>Cause</b>	The District did not implement proper internal controls over the budgeting, expenditure, and reconciliation of activity funds in place to ensure that no activity fund accounts were permitted to incur a deficit.
<b>Recommendation</b>	We recommend the District assess the risks associated with the activity accounts and put into place strong controls and accountability to detect and prevent any future activity cash account deficits. The District’s policy does allow old accounts to revert to others and we recommend analysis of those old accounts.
<b>Management Response</b>	<b>Corrective Action:</b> The District has struggled to correct some of the larger deficit balances because, by nature, they cannot be corrected from a transfer from the Operational fund and therefore must be covered with future “Activity revenues”. This, however, does not excuse the fact that the number of funds in question has grown from 48 to 57 and for that we are taking full responsibility. Our supervisory team has met and we have decided that we will be more aggressive in fixing these deficits, by taking the following action: Once the 3rd quarter (March 31st) is completed, we will group all of the activity funds by location and work with principals to transfer funds from their General Activity funds into ones with deficits. If deficits still exist, we will attempt to cover them with funds generated by the districtwide activities. If deficits still exist, we will have to make filling these deficits a priority in the next year.

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The district has tightened the requirement that all fundraising requests be sent to Business Services for approval and the district will deny these requests if we do not feel the incoming funds would be sufficient to cover the proposed usage of these funds.  
Finally, we also discussed ways to better track the existing cash balances and deny purchase requests when we do not believe the fund has the resources to adequately cover the purchase.

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**Due Date of Completion:** June 30, 2026

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**Responsible Party:** Chief Financial Officer

# Schedule of Findings and Questioned Costs (Continued)

JUNE 30, 2025

## SECTION II: FINANCIAL STATEMENT FINDINGS (CONTINUED)

2025-002 (2021-004)	DISTRICT – BUDGETARY CONDITIONS – REPEATED AND MODIFIED		
<b>Type of Finding</b>	Significant Deficiency, Other Non-Compliance		
<b>Condition</b>	The District has expenditure functions where actual expenditures exceeded budgetary authority:		
	Non-Instructional Support (Fund 23000)	Support Services	\$460,991
	Non-Instructional Support (Fund 23000)	Capital Outlay	\$957
	Indian Education Formula Grant (Fund 25184)	Instruction Services	\$240
	Capital Improvements HB-33 (Fund 31600)	Support Services	\$8,648
	Education Technology Equipment Act (Fund 31900)	Support Services	\$502,084
	Debt Service Fund (Fund 41000)	Support Services	\$24,559
	Debt Service Fund (Fund 43000)	Support Services	\$4,445
	<b>Update for Fiscal Year 2025:</b> The District has not made progress over this finding from the prior year.		
<b>Criteria</b>	Per <u>NMAC 6.20.2.9(A)</u> every school district shall follow budget requirements stated in <u>NMSA 1978 Sections 22-8-5 through 22-8-12.2</u> , and procedures of the department in preparing, submitting, maintaining, and reporting budgetary information. Budgetary control shall be at the function level. Over-expenditure of a function shall not be allowed.		
<b>Effect</b>	The District is out of compliance with New Mexico state statute and the control established by the use of budgets has been compromised, which could result in deficit fund balances and unnecessary usage of operating funds to cover the over-expenditures.		
<b>Cause</b>	The necessary budget adjustment request (BAR) was not submitted timely to allow for proper budgetary allowance within the affected funds. Sometimes Board of Education meetings are cancelled at which BARs need to be approved. Regarding certain funds, the District reports the PED will not allow them to overbudget the funds, which revenue and expenses may vary.		
<b>Recommendation</b>	We recommend the District continue its reconciling the budget between the Public Education Department's Operating Budget Management System and Visions to the function level weekly, and closely monitor their budgetary review by the governing council or finance committee at the end of each quarter and have the governing council approve the necessary budgetary adjustments to ensure funds are not over expended. We recommend holding a short special meeting in June so the Board of Education may approve BARs as necessary to prevent over budget situations.		
<b>Management Response</b>	<b>Corrective Action:</b> The board granted the District permission to make cleanup transfers without prior approval from the board and we believe this new flexibility will make it easier to avoid similar issues in the future but also acknowledge that we can do a better job of monitoring these funds as another tool to avoid these issues. In addition to the recommendations made above, two weeks prior to the closing of any of the four quarters, the CFO will send a list of potential funding shortfalls to each of the assigned accountants who will be responsible for ensuring the funds are not overspent. This will be accomplished by either increasing budget, decreasing and/or denying encumbrances and/or purchases, or transferring expenditures to other funds, when allowable.		
	<b>Due Date of Completion:</b> June 30, 2026		
	<b>Responsible Party:</b> Chief Financial Officer		

# SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

JUNE 30, 2025

2025-003 (2017-004)	DISTRICT – COMPLIANCE WITH SCHOOL PERSONNEL ACT – REPEATED AND MODIFIED
<b>Type of Finding</b>	Other Non-compliance
<b>Condition</b>	<p>During testing of 10 employee contracts for compliance with the School Personnel Act, we noted that 8 contracts were executed between August 14 and August 16, 2024, rather than at least 10 days before the first day of school on August 9, 2024, for the 2024-25 academic year. Additionally, we tested a sample of 5 employees (4 full-time and 1 part-time) for compliance with training requirements under §22-10A-32. We noted that 4 of the 5 employees did not complete the required training on substance abuse, within their first year of employment as required by statute.</p>
<b>Criteria</b>	<p><b>Update from Fiscal Year 2025:</b> The District continues to make improvements to its controls over compliance with the School Personnel Act. The employee files we reviewed contain the necessary background checks and related documents.</p> <p><u>NMSA 1978 Section 22-10A-23 (2023) B.</u> states that delivery of the written acceptance of reemployment by a certified school instructor creates a binding employment contract between the certified school instructor and the local school board or the governing authority of the state agency until the parties enter into a formal written employment contract. Written employment contracts between local school boards or governing authorities of state agencies and certified school instructors shall be executed by the parties not later than ten days before the first day of a school year.</p>
<b>Effect</b>	<p>The District is not in compliance with the School Personnel Act. This delay creates uncertainty for employees, may postpone start dates, and can disrupt scheduled classes or activities they were hired for.</p>
<b>Cause</b>	<p>The District's formal written policies do not incorporate the 10-day requirement established by the School Personnel Act. There are inadequate controls to ensure timely contract submission by employees, who are only required to commence work one week before the academic year and to sign their contracts by that time.</p>
<b>Recommendation</b>	<p>We recommend the District integrate a timeline into their annual planning to ensure that all employee contracts are executed at least 10 days before the start of each school year.</p> <p>This process should involve coordination between HR and administrative staff to finalize contracts in advance, particularly for employees scheduled to start at the beginning of the academic term. Implementing a checklist or tracking system can enhance timely contract execution and help prevent future delays.</p> <p>We also recommend an electronic signature option to make obtaining signatures more convenient.</p>
<b>Management Response</b>	<p><b>Corrective Action:</b> Corrective Action: One of the issues that we identified as a leading cause for the delay in getting signed contracts done timely is when the final salary tables have been approved by NEA. To combat this issue, Human Resources Department has worked closely with Business Services to make meaningful changes that we believe will help alleviate this problem, including starting annual budget meeting with school sites sooner, moving the transfer deadline up so we know where teachers will be placed in the upcoming year sooner, and finally having the salary schedules completed and approved sooner so they can be incorporated into the contracts at an earlier date, giving teachers more time to sign and return these employment contracts We are also exploring digital options that will make it easier for staff to access their contracts remotely and complete on-line without the need to be physically present to sign.</p>

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To help correct the training issue, HR will be hiring a compliance coordinator whose duties will include making sure all SFPS employees have taken and are updated on all the required training.

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**Due Date of Completion:** June 30, 2026

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**Responsible Party:** Human Resources Director

# SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

JUNE 30, 2025

2025-004 (2024-005)	DISTRICT – EDUCATION RETIREMENT BOARD (ERB) CONTRIBUTION RATES
<b>Type of Finding</b>	Other Non-compliance
<b>Condition</b>	<p>In testing 40 employee payrolls, we noted that for 1 employee with gross pay exceeding \$24,000, the District applied a 7.90% ERB rate, intended for earnings under \$24,000, rather than the correct rate of 10.7% for gross pay of more than \$24,000. Although these employees received salary changes during FY25, the District did not adjust the rate to reflect the changes.</p> <p><b>Update for Fiscal Year 2025:</b> The District has not made progress over this finding from the prior year.</p>
<b>Criteria</b>	<p><u>NMSA 1978 Section 22-11-21 (2023) A and B.</u> For a member whose annual salary is greater than twenty-four thousand dollars (\$24,000), the member shall make contributions to the fund at the rate of ten and seven-tenths percent of the member's annual salary. For a member whose annual salary is twenty-four thousand dollars (\$24,000) or less, the member shall make contributions to the fund at the rate of seven and nine-tenths percent of the member's annual salary.</p>
<b>Effect</b>	<p>Due to the application of an incorrect ERB contribution rate, the District has under-contributed to the retirement fund for the employees. The discrepancy may lead to potential underfunding of the employees' retirement contributions and may require retroactive payments to correct the contributions.</p>
<b>Cause</b>	<p>The Human Resources Department did not provide the Payroll Department an updated ERB Data form from the Human Resources Department when one employee changed positions and another employee's FTE status was adjusted.</p>
<b>Recommendation</b>	<p>We recommend the District establish refined information and communication protocols between HR and Payroll departments to ensure timely updates of employee data, especially during position changes and FTE adjustments.</p>
<b>Management Response</b>	<p>We further recommend that the District conduct regular payroll audits to ensure the correct ERB rates are applied to all employees, particularly after salary changes; provide payroll staff with training on statutory requirements and correct contribution rate application; and retroactively adjust any discrepancies identified, with timely communication of changes to ERB as needed.</p> <p><b>Corrective Action:</b> They have been corrected in FY26 moving forward. Form 9s will be submitted to ERB and the District will be responsible for the catch-up contributions to their ERB account. Business Services worked out a process with HR to ensure no transfers or rehires don't have the appropriate paperwork on file.</p>
	<b>Due Date of Completion:</b> July 15, 2025
	<b>Responsible Party:</b> Human Resources Director

# Schedule of Findings and Questioned Costs (Continued)

JUNE 30, 2025

2025-005	CHARTER - BUDGETARY CONDITIONS
<b>Type of Finding</b>	Significant Deficiency, Other Non-Compliance
<b>Condition</b>	Academy for Technology and the Classics did not timely submit its quarterly budget to the Public Education Department (PED) Operating Budget Management System (OBMS). The Q4 report was submitted late and approved after the deadline. Additionally, we noted that Fund 27552 (Major budgeted function - Instructional Services) had overspending of \$890.
<b>Criteria</b>	Per NMAC 6.20.2.9(A), every school district and charter school shall follow budget requirements stated in NMSA 1978 Sections 22-8-5 through 22-8-12.2, and procedures of the department in preparing, submitting, maintaining, and reporting budgetary information. Budgetary control shall be at the function level. Over-expenditure of a function shall not be allowed.
<b>Effect</b>	Academy for Technology and the Classics is out of compliance with New Mexico state statute and PED requirements. Untimely submission and overspending compromise budgetary control and may result in deficit fund balances.
<b>Cause</b>	The Q4 report was delayed due to finance staff being on medical leave of absence. Overspending occurred because the necessary budget adjustment request (BAR) was not submitted timely.
<b>Recommendation</b>	We recommend Academy for Technology and the Classics implement procedures to ensure timely submission of quarterly budgets and monitor expenditures at the function level to prevent overspending. Consider designating backup personnel or implementing a contingency plan for staff absences.
<b>Management Response</b>	<b>Corrective Action:</b> Corrective Action: ATC acknowledges the delay and overspending. The Q4 report has since been submitted and approved. Moving forward, ATC will implement a backup process for budget submissions and monitor function-level expenditures weekly.
	<b>Due Date of Completion:</b> June 30, 2026
	<b>Responsible Party:</b> Finance Director

# Schedule of Findings and Questioned Costs (Continued)

JUNE 30, 2025

2025-006	CHARTER - CASH RECONCILIATION AND STALE-DATED CHECK POLICY
<b>Type of Finding</b>	Significant Deficiency
<b>Condition</b>	Academy for Technology and the Classics does not have a defined policy for handling stale-dated checks and outstanding checks older than 12 months. During testing, we noted six checks outstanding for more than 12 months. Additionally, there was a \$28,000 unreconciled difference between cash per books and bank statements.
<b>Criteria</b>	Best practices and internal control standards require entities to maintain policies for handling stale-dated checks and ensure timely bank reconciliations to prevent misstatements.
<b>Effect</b>	Failure to address stale checks and unreconciled differences may result in misstated cash balances and potential misuse of funds.
<b>Cause</b>	Academy for Technology and the Classics advised that checks older than 12 months are usually voided but no formal policy exists. The unreconciled difference was due to timing and lack of review.
<b>Recommendation</b>	We recommend Academy for Technology and the Classics establish a formal policy for stale-dated checks, review outstanding items monthly, and resolve unreconciled differences promptly. A contractor may be helpful assisting in the bank reconciliations.
<b>Management Response</b>	<b>Corrective Action:</b> ATC will adopt a stale-dated check policy and reconcile cash differences by fiscal year-end.
<b>Due Date of Completion:</b> June 30, 2026	
<b>Responsible Party:</b> Finance Director	

# Schedule of Findings and Questioned Costs (Continued)

JUNE 30, 2025

2025-007	CHARTER - FINANCIAL CLOSE AND REPORTING
<b>Type of Finding</b>	Significant Deficiency
<b>Condition</b>	Academy for Technology and the Classics provided a modified accrual trial balance which included certain receivables instead of a cash basis trial balance for audit purposes. Upon recording accounts receivable reclassification entries, we noted that certain receivables had already been recorded in the modified accrual trial balance. This resulted in duplicate entries and required audit adjustments to correct the balances.
<b>Criteria</b>	<p>Per the New Mexico Manual of Procedures for Public School Accounting and Budget (PSAB), Supplement 2, Internal Control Structure, the Financial Management System (FMS) generally produces reports on a cash basis of accounting, which is required for budgeting and reporting purposes. For audit purposes, ATC should provide accurate cash basis trial balances for each fund, free of material misstatement, and then reconcile modified accrual and full accrual entries separately for financial reporting.</p> <p>Auditing standards (SAS AU Section 325) require that internal controls over financial reporting include accurate preparation of trial balances and supporting schedules.</p>
<b>Effect</b>	Providing a modified accrual trial balance instead of a cash basis trial balance caused inefficiencies during the audit and increased the risk of misstatement in the financial statements. Duplicate receivable entries required adjustments to ensure accurate reporting.
<b>Cause</b>	Academy for Technology and the Classics misunderstood the requirement to provide cash basis trial balances and instead provided modified accrual balances, which already included certain receivable entries.
<b>Recommendation</b>	We recommend Academy for Technology and the Classics implement a clear process for preparing and reviewing cash basis trial balances at year-end and ensure that modified accrual and full accrual entries are tracked and recorded separately for financial reporting purposes. Staff should receive training on governmental accounting standards and the differences between cash basis, modified accrual, and full accrual reporting.
<b>Management Response</b>	<b>Corrective Action:</b> ATC will ensure that cash basis trial balances are prepared and provided for audit purposes going forward. Modified accrual and full accrual entries will be tracked separately to avoid duplication. Training will be provided to finance staff on proper year-end reporting requirements.
<b>Due Date of Completion:</b> June 30, 2026	
<b>Responsible Party:</b> Finance Director	

## Schedule of Findings and Questioned Costs (Continued)

JUNE 30, 2025

<b>2025-008</b>	<b>CHARTER - TRAVEL AND PER DIEM</b>
<b>Type of Finding</b>	Other Non-Compliance
<b>Condition</b>	Academy for Technology and the Classics reimbursed mileage at \$0.70 per mile instead of the approved rate of \$0.67 per mile.
<b>Criteria</b>	Per NM State Travel Per Diem and Mileage Act, mileage reimbursement rates must comply with the rates established by the Department of Finance and Administration.
<b>Effect</b>	Overpayment of mileage reimbursements results in non-compliance and unnecessary expenditure of public funds.
<b>Cause</b>	Academy for Technology and the Classics applied an outdated mileage rate.
<b>Recommendation</b>	We recommend Academy for Technology and the Classics update its travel reimbursement policy to reflect current state-approved rates and review rates published by the NM Department of Finance and Administration semi-annually.
<b>Management Response</b>	<b>Corrective Action:</b> ATC has updated its policy to reflect the correct mileage rate and will monitor compliance going forward.
	<b>Due Date of Completion:</b> June 30, 2026
	<b>Responsible Party:</b> Finance Director

# Schedule of Findings and Questioned Costs (Continued)

JUNE 30, 2025

2025-009	CHARTER - ERB CONTRIBUTION CALCULATIONS
<b>Type of Finding</b>	Other Non-Compliance
<b>Condition</b>	During testing of payroll, we noted that a leave payout included in a final check was incorrectly factored into ERB contribution calculations resulting in \$1,066 collected from the employee in error and \$2,875 overpayment (including employer contribution of \$1,809) to ERB.
<b>Criteria</b>	NMSA 1978 Section 22-11-21 and NM Education Retirement Board rules require that ERB contributions exclude certain types of compensation, including leave payouts, from contribution calculations.
<b>Effect</b>	Incorrect ERB contributions may result in overpayment or underpayment to the retirement fund, requiring adjustments and communication with ERB. This violates NM Education Retirement Act Section 2-82.3.8, which excludes certain payouts from ERB contributions. Academy for Technology and the Classics was not aware of this exclusion requirement.
<b>Cause</b>	Lack of awareness of statutory exclusion requirements and absence of internal controls to verify ERB contribution calculations for special payouts.
<b>Recommendation</b>	We recommend Academy for Technology and the Classics provide payroll staff with training on ERB contribution requirements and implement a review process for final checks to ensure compliance.
<b>Management Response</b>	<b>Corrective Action:</b> ATC will adjust ERB contributions retroactively and communicate changes to ERB. Payroll staff will receive training on statutory requirements.
<b>Due Date of Completion:</b> June 30, 2026	
<b>Responsible Party:</b> Finance Director	

# Exit Conference

**JUNE 30, 2025**

An exit conference for Santa Fe Public Schools was held on January 8, 2026 and an exit conference for the Charter was held on January 16, 2026. The following individuals were in attendance:

## **REPRESENTING SANTA FE PUBLIC SCHOOLS:**

**DR. CHRISTINE GRIFFIN**  
Superintendent

**RICHARD HALFORD**  
Chief Financial Officer

**ROBERT L. MARTINEZ II**  
Current Contractor and Former Chief  
Financial Officer

**BEVERLY AGUILAR**  
Deputy Chief Financial Officer

**KATE NOBLE**  
Chair-Vice President Board Member

**MARGO SHIRLEY**  
Audit Committee Member

**CARL LUFF**  
Audit Committee Member

**JANIE THELIN**  
Audit Committee Member

## **REPRESENTING JARAMILLO ACCOUNTING GROUP LLC (JAG):**

**SCOTT ELIASON, CPA**  
Partner

**LUIS GARIBAY**  
Audit Senior

## **REPRESENTING THE ACADEMY FOR TECHNOLOGY AND THE CLASSICS CHARTER SCHOOL:**

**JASON MORGAN**  
Principal

**SANDEEP PATEL**  
Governing Council President

**JENNIFER CINTAS**  
Business Manager

**CHRISTINE GARCIA**  
Internal Auditor

**SUSAN LUMLEY**  
Governing Council Vice President

**DANIEL BURNS**  
Governing Council Finance Member

**MELANIE MORGAN**  
Parent

## **REPRESENTING JARAMILLO ACCOUNTING GROUP LLC (JAG):**

**SCOTT ELIASON, CPA**  
Partner

**LUIS GARIBAY**  
Audit Senior

*JAG, the District's independent public auditor, assisted the District in the preparation of the accompanying financial statements. The financial statements; however, are the responsibility of the District's management.*



# OTHER INFORMATION





## CORRECTION ACTION PLAN

January 15, 2026

U.S. Department of Education

Santa Fe Public Schools respectfully submits the following corrective action plan for the year ended June 30, 2025.

Name and address of independent public accounting firm:

**Jaramillo Accounting Group LLC  
4700 Lincoln Rd NE  
Albuquerque, New Mexico 87109**

Audit period:

**June 30, 2025**

The findings from the June 30, 2025 Schedule of Findings and Questioned Costs are discussed below. **The Corrective Action Plan does not include the corrective actions for our discretely presented component unit, The Academy for Technology and the Classics Charter School (ATC). ATC does not have federal funds in excess of \$750,000.** The findings are numbered consistently with the numbers assigned in the schedule.

### **FINDINGS - FINANCIAL STATEMENT AUDIT - DISTRICT**

#### **SIGNIFICANT DEFICIENCY**

##### **2025-001 (2020-003) NEGATIVE CASH BALANCES IN ACTIVITY FUNDS – REPEATED AND MODIFIED**

#### **RECOMMENDATION**

We recommend the District assess the risks associated with the activity accounts and put into place strong controls and accountability to detect and prevent any future activity cash account deficits. The District's policy does allow old accounts to revert to others and we recommend analysis of those old accounts.

#### **MANAGEMENT RESPONSE**

**Corrective Action:** The District has struggled to correct some of the larger deficit balances because, by nature, they cannot be corrected from a transfer from the Operational fund and therefore must be covered with future "Activity revenues". This, however, does not excuse the fact that the number of funds in question has grown from 48 to 57 and for that we are taking full responsibility. Our supervisory team has met and we have decided that we will be more aggressive in fixing these deficits, by taking the following action: Once the 3rd quarter (March 31st) is completed, we will group all of the activity funds by location and work with principals to transfer funds from their General Activity funds into ones with deficits. If deficits still exist, we will attempt to cover them with funds generated by the districtwide activities. If deficits still exist, we will have to make filling these deficits a priority in the next year.

The District has tightened the requirement that all fundraising requests be sent to Business Services for approval and the District will deny these requests if we do not feel the incoming funds would be sufficient to cover the proposed usage of these funds.

Educational Services Center / 610 Alta Vista, Santa Fe, NM 87505 / Telephone (505) 467-2000 / [www.sfps.info](http://www.sfps.info)

Finally, we also discussed ways to better track the existing cash balances and deny purchase requests when we do not believe the fund has the resources to adequately cover the purchase.

**Due Date of Completion:** June 30, 2026

**Responsible Party(ies):** Chief Financial Officer

## **2025-002 (2021-004) BUDGETARY CONDITIONS – REPEATED AND MODIFIED**

### **RECOMMENDATION**

We recommend the District continue its reconciling the budget between the Public Education Department's Operating Budget Management System and Visions to the function level weekly, and closely monitor their budgetary review by the governing council or finance committee at the end of each quarter and have the governing council approve the necessary budgetary adjustments to ensure funds are not over expended. We recommend holding a short special meeting in June so the Board of Education may approve BARs as necessary to prevent over budget situations.

### **MANAGEMENT RESPONSE**

**Corrective Action:** The Board granted the District permission to make cleanup transfers without prior approval from the board and we believe this new flexibility will make it easier to avoid similar issues in the future but also acknowledge that we can do a better job of monitoring these funds as another tool to avoid these issues. In addition to the recommendations made above, two weeks prior to the closing of any of the four quarters, the CFO will send a list of potential funding shortfalls to each of the assigned accountants who will be responsible for ensuring the funds are not overspent. This will be accomplished by either increasing budget, decreasing and/or denying encumbrances and/or purchases, or transferring expenditures to other funds, when allowable.

**Due Date of Completion:** June 30, 2026

**Responsible Party(ies):** Chief Financial Officer

If the U.S. Department of Education has questions regarding this plan, please call me at 505-467-2038.

Sincerely yours,



Richard Halford

Chief Financial Officer

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# JARAMILLO ACCOUNTING GROUP LLC (JAG)

CERTIFIED PUBLIC ACCOUNTANTS

4700 LINCOLN RD NE, ALBUQUERQUE, NM 87109

T: 505.323.2035

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**JARAMILLO ACCOUNTING GROUP**

**CREATING CLARITY FROM COMPLEXITY**

*Audit, Tax, Fraud, Consulting*

## APPENDIX C

### BOOK-ENTRY-ONLY SYSTEM

## Book-Entry-Only System

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]
2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).
3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.
4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.
5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events

with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.
7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).
8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.
9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.
10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.
11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.
12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

**APPENDIX D**

**FORM OF BOND COUNSEL OPINIONS**

Form of Bond Counsel Opinion

June 18, 2026

Board of Education  
Santa Fe Public School District  
Santa Fe, New Mexico

***Re: \$40,000,000 Santa Fe Public School District, General  
Obligation School Building Bonds, Series 2026 (the "Bonds")***

We have acted as bond counsel to Santa Fe Public School District (the "District") in connection with the issuance of its \$40,000,000 General Obligation School Building Bonds, Series 2026 (the "Bonds"), dated June 18, 2026, with interest payable on August 1, 2026, and semi-annually thereafter on each February 1 and August 1, until maturity, and being Bonds in registered form maturing on August 1 in the years 2026 through 2038.

We have examined the laws of the State and the United States of America relevant to the opinions herein, the transcript of proceedings (the "Transcript") and other documents relevant to the issuance of the Bonds by the District. As to the questions of fact material to our opinion, we have relied upon representations of the District contained in the proceedings and other certifications furnished to us, without undertaking to verify the same by independent investigation.

Based upon the foregoing, and subject to the assumptions and qualifications set forth below, we are of the opinion that, under existing law on the date of this opinion:

1. The Bonds constitute valid and binding general obligations of the District and are to be paid from the proceeds of the levy of ad valorem taxes on all taxable property within the District without limitation as to rate or amount.

2. Under existing laws, regulations, rulings and judicial decisions, interest on the Bonds is excludable from gross income for federal income tax purposes. We are also of the opinion that interest on the Bonds is not a specific preference item for purposes of calculating the alternative minimum tax imposed under provisions contained in the Internal Revenue Code of 1986, as amended (the "Code"). Although we are of the opinion that interest on the Bonds is excludable from gross income for federal income tax purposes, the accrual or receipt of interest on the Bonds may otherwise affect the federal income tax liability of the recipient. The extent of these other tax consequences will depend upon the recipient's particular tax status or other items of income or deduction. We express no opinion regarding any such consequences.

3. The Bonds and the income from the Bonds are exempt from all taxation by the State or any political subdivision thereof.

The opinions set forth above in Paragraph 2 above are subject to continuing compliance by the District with covenants regarding federal tax law contained in the proceedings and other documents relevant to the issuance of the Bonds by the District. Failure to comply with these covenants may result in interest on the Bonds being included in gross income retroactive to their date of issuance.

The opinions expressed herein are based upon existing law as of the date of issuance and delivery of the Bonds. We express no opinion as of any date subsequent hereto, and our engagement with respect to the Bonds has concluded with their issuance. We disclaim any obligation to update this opinion.

The obligations of the District related to the Bonds are subject to the reasonable exercise in the future by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of the powers (including bankruptcy powers) delegated to it by the United States Constitution. The obligations of the District and the security provided therefor may be subject to general principles of equity which permit the exercise of judicial discretion and are subject to the provisions of applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect.

The foregoing opinions represent our legal judgment based upon a review of existing legal authorities as of the date of issuance and delivery of the Bonds that we deem relevant to render such opinions and are not a guarantee of result. We express no opinion with respect to any pending legislation.

As bond counsel, we are passing upon only those matters set forth in this opinion and are not passing upon the accuracy or completeness of any statement made in connection with any sale of the Bonds or upon any tax consequences arising from the receipt or accrual of interest on, or the ownership of, the Bonds except those specifically addressed in Paragraphs 2 and 3 above.

Respectfully submitted,

Form of Bond Counsel Opinion

June 18, 2026

Board of Education  
Santa Fe Public School District  
Santa Fe, New Mexico

***Re: \$6,000,000\* Santa Fe Public School District, Taxable Education Technology General Obligation Lease Purchase Notes, Series 2026A (the "Notes")***

We have acted as bond counsel to Santa Fe Public School District (the "District") in connection with the issuance of its \$6,000,000\* Taxable Education Technology General Obligation Lease Purchase Arrangement Notes, Series 2026A (the "Notes"), dated June 18, 2026, with interest payable on August 1, 2026, and semi-annually thereafter on each February 1 and August 1 until maturity, and being Notes in registered form maturing on August 1 in the years 2026 through 2027.

We have examined the laws of the State and the United States of America relevant to the opinions herein, the transcript of proceedings (the "Transcript") and other documents relevant to the issuance of the Bonds by the District. As to the questions of fact material to our opinion, we have relied upon representations of the District contained in the proceedings and other certifications furnished to us, without undertaking to verify the same by independent investigation.

Based upon the foregoing, and subject to the assumptions and qualifications set forth below, we are of the opinion that, under existing law on the date of this opinion:

1. The Notes constitute valid and binding general obligations of the District and are to be paid from the proceeds of the levy of ad valorem taxes on all taxable property within the District without limitation as to rate or amount.
2. The Notes and the income from the Notes are exempt from all taxation by the State or any political subdivision thereof.

The opinions set forth above in Paragraph 2 above are subject to continuing compliance by the District with covenants regarding New Mexico tax law contained in the proceedings and other documents relevant to the issuance of the Notes by the District. Failure to comply with these covenants may result in interest on the Notes being included in gross income retroactive to their date of issuance.

The opinions expressed herein are based upon existing law as of the date of issuance and delivery of the Notes. We express no opinion as of any date subsequent hereto, and our engagement with respect to the Notes has concluded with their issuance. We disclaim any obligation to update this opinion.

The obligations of the District related to the Notes are subject to the reasonable exercise in the future by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of the powers (including bankruptcy powers) delegated to it by the United States Constitution. The obligations of the District and the security provided therefor may be subject to general principles of equity which permit the exercise of judicial discretion and are subject to the provisions of applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect.

The foregoing opinions represent our legal judgment based upon a review of existing legal authorities as of the date of issuance and delivery of the Notes that we deem relevant to render such opinions and are not a guarantee of result. We express no opinion with respect to any pending legislation.

As bond counsel, we are passing upon only those matters set forth in this opinion and are not passing upon the accuracy or completeness of any statement made in connection with any sale of the Notes or upon any tax consequences arising from the receipt or accrual of interest on, or the ownership of, the Notes except those specifically addressed in Paragraph 2 above.

Respectfully submitted,

Form of Bond Counsel Opinion

June 18, 2026

Board of Education  
Santa Fe Public School District  
Santa Fe, New Mexico

***Re: \$5,000,000\* Santa Fe Public School District, Tax-Exempt  
Education Technology General Obligation Lease Purchase Notes, Series 2026B  
(the "Notes")***

We have acted as bond counsel to Santa Fe Public School District (the "District") in connection with the issuance of its \$5,000,000\* Tax-Exempt Education Technology General Obligation Lease Purchase Arrangement Notes, Series 2026B (the "Notes"), dated June 18, 2026, with interest payable on August 1, 2026, and semi-annually thereafter on each February 1 and August 1 until maturity, and being Notes in registered form maturing on August 1 in the years 2027 through 2028.

We have examined the laws of the State and the United States of America relevant to the opinions herein, the transcript of proceedings (the "Transcript") and other documents relevant to the issuance of the Notes by the District. As to the questions of fact material to our opinion, we have relied upon representations of the District contained in the proceedings and other certifications furnished to us, without undertaking to verify the same by independent investigation.

Based upon the foregoing, and subject to the assumptions and qualifications set forth below, we are of the opinion that, under existing law on the date of this opinion:

1. The Notes constitute valid and binding general obligations of the District and are to be paid from the proceeds of the levy of ad valorem taxes on all taxable property within the District without limitation as to rate or amount.

2. Under existing laws, regulations, rulings and judicial decisions, interest on the Notes is excludable from gross income for federal income tax purposes. We are also of the opinion that interest on the Notes is not a specific preference item for purposes of calculating the alternative minimum tax imposed under provisions contained in the Internal Revenue Code of 1986, as amended (the "Code"). Although we are of the opinion that interest on the Notes is excludable from gross income for federal income tax purposes, the accrual or receipt of interest on the Notes may otherwise affect the federal income tax liability of the recipient. The extent of these other tax consequences will depend upon the recipient's particular tax status or other items of income or deduction. We express no opinion regarding any such consequences.

3. The Notes and the income from the Notes are exempt from all taxation by the State or any political subdivision thereof.

The opinions set forth above in Paragraph 2 above are subject to continuing compliance by the District with covenants regarding federal tax law contained in the proceedings and other documents relevant to the issuance of the Notes by the District. Failure to comply with these covenants may result in interest on the Notes being included in gross income retroactive to their date of issuance.

The opinions expressed herein are based upon existing law as of the date of issuance and delivery of the Notes. We express no opinion as of any date subsequent hereto, and our engagement with respect to the Notes has concluded with their issuance. We disclaim any obligation to update this opinion.

The obligations of the District related to the Notes are subject to the reasonable exercise in the future by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of the powers (including bankruptcy powers) delegated to it by the United States Constitution. The obligations of the District and the security provided therefor may be subject to general principles of equity which permit the exercise of judicial discretion and are subject to the provisions of applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect.

The foregoing opinions represent our legal judgment based upon a review of existing legal authorities as of the date of issuance and delivery of the Notes that we deem relevant to render such opinions and are not a guarantee of result. We express no opinion with respect to any pending legislation.

As bond counsel, we are passing upon only those matters set forth in this opinion and are not passing upon the accuracy or completeness of any statement made in connection with any sale of the Notes or upon any tax consequences arising from the receipt or accrual of interest on, or the ownership of, the Notes except those specifically addressed in Paragraphs 2 and 3 above.

Respectfully submitted

## **APPENDIX E**

### **CONTINUING DISCLOSURE UNDERTAKINGS**

## CONTINUING DISCLOSURE UNDERTAKING

Section 1. Recitals. This Continuing Disclosure Undertaking (the “Undertaking”) is executed and delivered by the Santa Fe Public School District, Santa Fe County, New Mexico (the “District”), in connection with the issuance of the Santa Fe Public School District, Santa Fe County, New Mexico, General Obligation School Building Bonds, Series 2026 (the “Bonds”). The Bonds are being issued pursuant to Resolution of the District adopted on April 16, 2026 (the “Resolution”). Pursuant to the Resolution to allow the underwriter of the Bonds to comply with the Rule (defined below), the District is required to make certain continuing disclosure undertakings for the benefit of owners (including beneficial owners) of the Bonds (the “Owners”). This Undertaking is intended to satisfy the requirements of the Rule.

### Section 2. Definitions.

(a) “Annual Financial Information” means the financial information (which will be based on financial statements prepared in accordance with generally accepted accounting principles, as in effect from time to time (“GAAP”), for governmental units as prescribed by the Governmental Accounting Standards Board (“GASB”)) and operating data with respect to the District, delivered at least annually pursuant to Sections 3(a) and 3(b) of this Undertaking, consisting of information of the type set forth under Tables 3 through 18 in the Official Statement and “APPENDIX B”. The District will update and provide this information no later than March 31 of each year, commencing March 31, 2027, for the fiscal year ending on the preceding June 30.

(b) “Audited Financial Statements” means the District’s annual financial statements prepared in accordance with generally accepted accounting principles, as in effect from time to time (“GAAP”), for governmental units as prescribed by the Governmental Accounting Standards Board (“GASB”), which financial statements have been audited as may then be required or permitted by the laws of the State.

(c) “EMMA” means the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System located on its website at [emma.msrb.org](http://emma.msrb.org).

(d) “Event Information” means the information delivered pursuant to Section 3(d).

(e) “MSRB” means the Municipal Securities Rulemaking Board. The current address of the MSRB is 1900 Duke Street, Suite 600, Alexandria, Virginia 22314, phone (703) 797-6600, fax (703) 797-6708.

(f) “Official Statement” means the Official Statement dated \_\_\_\_\_, 2026, delivered in connection with the original issue and sale of the Bonds.

(g) “Report Date” means March 31 of each year, beginning in 2027.

(h) “Rule” means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as amended (17 C.F.R. Part 240, § 240.15c2-12), as the same may be amended from time to time.

(i) “SEC” means the United States Securities and Exchange Commission.

(j) “State” means the State of New Mexico.

### Section 3. Provision of Annual Financial Information and Reporting of Event Information.

(a) The District, or its designated agent, will provide the Annual Financial Information for the preceding fiscal year to EMMA on or before each Report Date while the Bonds are outstanding.

(b) If Audited Financial Statements are not provided as a part of the Annual Financial Information, the District, or its designated agent, will provide unaudited financial statements as part of the Annual Financial Information. The District will timely provide to EMMA notice of failure to provide Annual Financial Information or Audited Financial Statements in the event these items are not available by the Report Date.

(c) The District, or its designated agent, may provide Annual Financial Information by specific reference to other documents, including information reports and official statements relating to other debt issues of the District, which have been submitted to EMMA or filed with the SEC; provided, however, that if the document so referenced is a “final official statement” within the meaning of the Rule, such final official statement must also be available from the MSRB.

(d) The District, or its designated agent, will provide, to EMMA, notice of any of the following events with respect to the Bonds in a timely manner not in excess of ten (10) business days after the occurrence of the event:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;

(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(vii) modifications to rights of holders of the Bonds, if material;

(viii) note calls, if material, and tender offers;

(ix) defeasances;

(x) release, substitution or sale of property securing repayment of the Bonds, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership or a similar event with respect to the District, which shall occur as described below;

(xiii) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) appointment of a successor or additional trustee, or the change of name of a trustee, if material.

(xv) incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material; and

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

For these purposes, any event described in (xii) in the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or

jurisdiction over substantially all of the assets or business of the District. For the purposes of the above described event notices (xv) and (xvi), the term “financial obligation” means a (i) debt obligation, (ii) derivative instrument entered into in connection with or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) a guarantee of (i) or (ii); provided however, that a “financial obligation” shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

(e) The District, or its designated agent, will provide, in a timely manner not in excess of ten (10) business days after the occurrence of the event, to EMMA, notice of any: (i) failure of the District to timely provide the Annual Financial Information as specified in Sections 3(a) and 3(b); (ii) changes in its fiscal year-end; and (iii) amendment of this Undertaking.

Section 4. Method of Transmission. The District, or its designated agent, will employ such methods of electronic or physical information transmission as are requested or recommended from time to time by EMMA, the MSRB or the SEC.

Section 5. Enforcement. The obligations of the District under this Undertaking are for the benefit of the Owners. Each Owner is authorized to take action to seek specific performance by court order to compel the District to comply with its obligations under this Undertaking, which action will be the exclusive remedy available to it or any other Owner. The District's breach of its obligations under this Undertaking will not constitute an event of default under the Resolution, and none of the rights and remedies provided by such Resolution will be available to the Owners with respect to such a breach.

Section 6. Term. The District's obligations under this Undertaking will be in effect from and after the issuance and delivery of the Bonds and will extend to the earliest of (i) the date all principal and interest on the Bonds has been paid or legally defeased pursuant to the terms of the Resolution; (ii) the date on which the District is no longer an “obligated person” with respect to the Bonds within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this Undertaking are determined to be invalid or unenforceable by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Bonds.

Section 7. Amendments. The District may amend this Undertaking from time to time, without the consent of any Owner, upon the District's receipt of an opinion of independent counsel experienced in federal securities laws to the effect that such amendment:

(a) is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law or a change in the identity, nature or status of the District;

(b) this Undertaking, as amended, would have complied with the Rule at the time of the initial issue and sale of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any changes in circumstances; and

(c) the amendment does not materially impair the interests of the Owners.

Any Annual Financial Information containing amended operating data or financial information will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided. If an amendment changes the accounting principles to be followed in preparing financial statements, the Annual Financial Information and Audited Financial Statements for the year in which the change is made will present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 8. Beneficiaries. This Undertaking binds and inures to the sole benefit of the District and the Owners and creates no rights in any other person or entity.

Section 9. Subject to Appropriation. This Undertaking shall be subject to annual appropriation by the District's Board of Education and shall not be construed as a general obligation of the District.

Section 10. Governing Law. This Undertaking is governed by and is to be construed in accordance with the law of the State.

Date: \_\_\_\_\_, 2026

BOARD OF EDUCATION  
SANTA FE PUBLIC SCHOOL DISTRICT

By: \_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

## CONTINUING DISCLOSURE UNDERTAKING

Section 1. Recitals. This Continuing Disclosure Undertaking (the “Undertaking”) is executed and delivered by the Santa Fe Public School District, Santa Fe County, New Mexico (the “District”), in connection with the issuance of the \$6,000,000\* Taxable Education Technology General Obligation Lease Purchase Notes, Series 2026A and \$5,000,000\* Tax-Exempt Education Technology General Obligation Lease Purchase Notes, Series 2026B (collectively, the “Notes”). The Notes are being issued pursuant to Resolutions of the District adopted on April 16, 2026 and May 14, 2026 (collectively, the “Resolution”). Pursuant to the Resolution to allow the underwriter of the Notes to comply with the Rule (defined below), the District is required to make certain continuing disclosure undertakings for the benefit of owners (including beneficial owners) of the Notes (the “Owners”). This Undertaking is intended to satisfy the requirements of the Rule.

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(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes;

(vii) modifications to rights of holders of the Notes, if material;

(viii) note calls, if material, and tender offers;

(ix) defeasances;

(x) release, substitution or sale of property securing repayment of the Notes, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership or a similar event with respect to the District, which shall occur as described below;

(xiii) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) appointment of a successor or additional trustee, or the change of name of a trustee, if material.

(xv) incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material; and

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

For these purposes, any event described in (xii) in the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization,

arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District. For the purposes of the above described event notices (xv) and (xvi), the term “financial obligation” means a (i) debt obligation, (ii) derivative instrument entered into in connection with or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) a guarantee of (i) or (ii); provided however, that a “financial obligation” shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

(e) The District, or its designated agent, will provide, in a timely manner not in excess of ten (10) business days after the occurrence of the event, to EMMA, notice of any: (i) failure of the District to timely provide the Annual Financial Information as specified in Sections 3(a) and 3(b); (ii) changes in its fiscal year-end; and (iii) amendment of this Undertaking.

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Section 6. Term. The District's obligations under this Undertaking will be in effect from and after the issuance and delivery of the Notes and will extend to the earliest of (i) the date all principal and interest on the Notes has been paid or legally defeased pursuant to the terms of the Resolution; (ii) the date on which the District is no longer an “obligated person” with respect to the Notes within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this Undertaking are determined to be invalid or unenforceable by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Notes.

Section 7. Amendments. The District may amend this Undertaking from time to time, without the consent of any Owner, upon the District's receipt of an opinion of independent counsel experienced in federal securities laws to the effect that such amendment:

(a) is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law or a change in the identity, nature or status of the District;

(b) this Undertaking, as amended, would have complied with the Rule at the time of the initial issue and sale of the Notes, after taking into account any amendments or interpretations of the Rule, as well as any changes in circumstances; and

(c) the amendment does not materially impair the interests of the Owners.

Any Annual Financial Information containing amended operating data or financial information will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided. If an amendment changes the accounting principles to be followed in preparing financial statements, the Annual Financial Information and Audited Financial Statements for the year in which the change is made will present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 8. Beneficiaries. This Undertaking binds and inures to the sole benefit of the District and the Owners and creates no rights in any other person or entity.

Section 9. Subject to Appropriation. This Undertaking shall be subject to annual appropriation by the District's Board of Education and shall not be construed as a general obligation of the District.

Section 10. Governing Law. This Undertaking is governed by and is to be construed in accordance with the law of the State.

Date: \_\_\_\_\_, 2026

BOARD OF EDUCATION  
SANTA FE PUBLIC SCHOOL DISTRICT

By: \_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

## **APPENDIX F**

### **LEASE PURCHASE ARRANGEMENT**

**LEASE PURCHASE ARRANGEMENT  
AND NOTES**

**Dated as of June 18, 2026**

**By and between**

**The Education Technology Leasing Company, LLC  
As Lessor**

**and**

**The Board of Education of the  
Santa Fe Public School District,  
As Lessee**

## LEASE PURCHASE ARRANGEMENT

THIS LEASE PURCHASE ARRANGEMENT, dated as of June 18, 2026 (“Lease”), by and between The Education Technology Leasing Company, LLC, as lessor (such lessor, together with any successor by merger, acquisition or otherwise, “Lessor”), and the Board of Education (the “Board”) as the governing body of the Santa Fe Public School District (the “District”), a school district created pursuant to the laws of the State of New Mexico, as lessee (“Lessee”);

WITNESETH:

WHEREAS, Lessee, which is a school board as defined in NMSA 1978, Section 6-15A-3(D), as amended, wishes to facilitate the acquisition and purchase of certain Property (as defined herein) to be used by Lessee, and Lessee is authorized pursuant to the laws of the State of New Mexico, particularly The Education Technology Equipment Act, NMSA 1978, Sections 6-15A-1 to 6-15A-16, as amended (the “Act”), to execute, perform, and make payments under contracts for such purposes and for the financing of “education technology equipment,” as defined in the Act at NMSA 1978, Section 6-15A-3B and, in the Technology for Education Act, Section NMSA 1978, 22-15A-2, as amended; and

WHEREAS, the Board has determined that in order to accomplish its purposes, it is necessary and desirable to acquire the Property pursuant to this Lease; and

WHEREAS, Lessor will cause to be provided funds for the acquisition, delivery, and purchase of the Property to be leased pursuant to this Lease; and

NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained, and for other good and valuable consideration, Lessor and Lessee agree as follows:

### ARTICLE I: DEFINITIONS

Section 1. Definitions. Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Lease, have the meanings herein specified.

“Acquisition Costs” means, with respect to any item of the Property, the contract price paid or to be paid therefor upon acquisition or purchase thereof in accordance with a purchase order or contract therefor. Acquisition Costs also include the administrative, engineering, legal, financial, and other costs incurred by Lessee in connection with the acquisition, purchase, or financing of the Property to the extent permitted by the Act.

“Acquisition Fund” means the 2026 Lease Acquisition Fund by that name established and maintained by Lessee pursuant to Section 3.1 of this Lease.

“Act” means the Education Technology Equipment Act, NMSA 1978, Sections 6-15A-1 to 6-15A-16, as amended.

“Authorized Denominations” means \$5,000 and multiples thereof or, if less, the principal amount outstanding on the Note.

“Bond Counsel” means an attorney duly admitted to the practice of law before the highest court of the State in which he/she maintains an office and who is not an employee of Lessor or Lessee.

“Certificate of Acceptance” means a written acknowledgment of Lessee Representative to Lessor stating that all of the Property described in such acknowledgment has been acquired, delivered, and installed in conformity with the specifications of the seller, in substantially the form of Exhibit C hereto.

“Closing Date” means the date on which this Lease is duly executed and delivered by the parties hereto and the Note is issued.

“Fiscal Year” means the period beginning on July 1 in any year and ending on June 30 in the next year.

“Lease” means this Lease Purchase Arrangement.

“Lessee” means the Board of the District, a local school district organized and existing under the laws of the State of New Mexico.

“Lessee Representative” means the Superintendent of Schools or a designee thereof to act on behalf of Lessee under or with respect to this Lease.

“Lessor” means The Education Technology Leasing Company, LLC, and any successor thereto by merger, acquisition, assignment, or otherwise.

“Lessor's Representative” means a person authorized by Lessor to act on behalf of Lessor under or with respect to this Lease.

“Maximum Rate” means a net effective interest rate (as defined in and calculated in accordance with the provisions of NMSA 1978, Sections 6-14-1 through 6-14-3, as amended) of twelve percent (12%).

“Municipal Advisor” means RBC Capital Markets, LLC.

“Note” means a note or notes in the form attached hereto as Exhibit D evidencing the right to receive Rent Payments with components of principal and interest.

“Permitted Investments” means any investment allowed under the laws of the State for school districts.

“Person” means an individual, joint stock company, trust, unincorporated association, joint venture, corporation, business or owner trust, partnership, or other organization or entity (whether governmental or private).

“Purchaser” means Stifel, Nicolaus & Company, Incorporated and its successors and assigns.

“Property” means, to the extent permitted by the NMSA 1978 §§ 6-15A-3(B), and 22-15A-2 education technology equipment used in the educational process that constitute learning and administrative resources.

“Rent Payment” means the payment or payments composed of principal and interest components which are secured by the full faith and credit of the District and payable out of general (ad valorem) property taxes which are levied against all taxable property in the District without limitation as to rate or amount, including the principal and interest component, due from Lessee to Lessor in accordance with Section 4.4 hereof.

“Rent Payment Date” means the dates on which Rent Payments are due under this Lease as provided in Section 4.4.

“Rent Payment Fund” means the fund or funds by that name established by Lessee pursuant to Section 4.4(c) of this Lease.

“State” means the State of New Mexico.

“Term” or “Term of this Lease” means the time during which this Lease is in effect, as provided in Section 4.2 hereof.

## **ARTICLE II: REPRESENTATIONS, COVENANTS AND WARRANTIES**

Section 2.1. Representations, Covenants and Warranties of Lessee. Lessee represents, covenants, and warrants to Lessor as follows:

(a) Lessee has full power and authority to execute, deliver, and perform under this Lease; all required procedures with respect to Lessee's execution, delivery, and performance of this Lease have been (or will be) complied with properly and in a timely manner; the execution, delivery, and performance of this Lease by Lessee has been duly authorized by Lessee and is not in contravention of any applicable laws or the terms of any other agreement to which Lessee is a party; this Lease evidences a valid and binding obligation of Lessee enforceable in accordance with its terms; and the Rent Payments are contractual obligations of Lessee.

(b) There are no pending or threatened actions, suits, proceedings, or investigations contesting the authority for execution, delivery, or performance of, or expenditure of funds pursuant to this Lease.

(c) Information supplied and statements made or to be made by Lessee in any financial statement or current budget prior to or contemporaneously with this Lease are now, and will be true and correct on the Closing Date, and do not and will not omit to state any material facts required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading.

(d) Lessee has immediate need for, and expects to make immediate use of, substantially all of the Property being leased under this Lease, which need, at the time of approval of this Lease, is not temporary or expected to diminish in the foreseeable future.

(e) Lessee will provide Lessor the annual budget of Lessee for the following fiscal year within 30 days following the approval of the budget by the State Public Education Department.

Section 2.2. Representations, Covenants and Warranties of Lessor. Lessor represents, covenants, and warrants to Lessee as follows:

(a) **Organization and Good Standing.** Lessor is in good standing; has power to enter into this Lease; and has duly authorized the execution and delivery of this Lease.

(b) **No Conflicts.** Neither the execution and delivery of this Lease nor the fulfillment of or compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which Lessor is now a party or by which Lessor is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge, or encumbrance whatsoever upon any of the property or assets of Lessor or upon the Property, except as provided under the terms hereof.

(c) **Valid and Binding Obligation.** This Lease, when executed and delivered by Lessor and assuming the valid execution and delivery hereof by Lessee, will constitute a legal, valid, and binding obligation of Lessor enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights generally and general equitable principles.

### **ARTICLE III: DEPOSIT OF MONEYS; ACQUISITION OF THE PROPERTY**

Section 3.1. Deposit of Moneys. On the Closing Date, Lessor shall coincident with the payment of Eleven Million Dollars (\$11,000,000) by the Purchaser of the Note on the Closing Date, cause, in accordance with the terms of the closing memorandum provided by the Municipal Advisor, payment to be made to the District of the aforementioned Eleven Million Dollars (\$11,000,000) to be deposited into the Acquisition Fund, to be established and maintained at a depository of the District, to acquire the

Property set forth in Exhibit A and to pay the financial and legal costs of the District associated with this Lease.

Section 3.2. Acquisition of the Property. Except as otherwise provided in this Section, Lessor agrees to the acquisition of the Property set forth in Exhibit A. Lessor hereby authorizes Lessee to act as its agent and to enter into one or more contracts or purchase orders providing for the acquisition, purchase use and support of the Property. Lessee agrees that upon acquisition of any item of the Property it will take possession of that item of the Property under the terms and provisions of this Lease.

Lessee as agent for Lessor shall acquire the Property under this Lease within a reasonable period of time. Lessee as agent for Lessor may substitute other education technology equipment qualifying for financing pursuant to the Act for any item of Property, provided Lessee shall notify Lessor of such substitution and after all property (and property substituted for the Property) is acquired, Lessee shall provide an inventory and deliver the Certificate of Acceptance of the Property actually acquired under this Lease to Lessor.

Notwithstanding the foregoing, there shall be no offset or reduction for any reason of the Rent Payments required to be made by Lessee which are described herein.

Section 3.3. Payment of Acquisition Costs. As provided in Section 3.1, payment of the cost of acquiring Property shall be made from the moneys deposited by Purchaser with Lessee in the Acquisition Fund.

Section 3.4. Unexpended Proceeds in Acquisition Fund. On the earlier of (a) three years from the Closing Date or (b) the filing with Lessor of the final inventory of Property as contemplated in the second paragraph of Section 3.2, Lessee shall cause to be transferred to the Rent Payment Fund all excess moneys remaining in the Acquisition Fund maintained by Lessee (other than any moneys, if any, retained therein to pay Acquisition Costs not then due and payable) to be applied to pay any portion of Rent Payments thereafter coming due.

#### **ARTICLE IV: AGREEMENT TO LEASE; TERMINATION OF THIS LEASE; RENT PAYMENTS; TITLE TO PROPERTY**

Section 4.1. Lease. Lessor hereby leases to Lessee the Property, and Lessee hereby leases the Property from Lessor, upon the terms and conditions set forth herein.

Section 4.2. Term of Lease. The Term of this Lease and of the right to use the Property described therein shall commence on the Closing Date and shall continue until all payments under this Lease to finance such Property have been paid in accordance with Exhibit B hereto and are no longer outstanding.

Section 4.3. Possession. It is contemplated that Lessee will take possession of each item of the Property in accordance with the terms of the acquisition contracts and purchase orders described in Section 3.2 hereof. Notwithstanding the failure of Lessee to

take possession of any item of Property, however, each Rent Payment hereunder shall be due on the date set out in this Lease.

Section 4.4. Notes, Paying Agent/Registrar, Rent Payments, Tax Pledge.

(a) Notes. The Notes are payable from periodic rent payments (which Lessor hereby assigns to the Paying Agent/Registrar) composed of principal and interest components which are secured by the full faith and credit of the District and payable out of general (ad valorem) property taxes which are levied against all taxable property in the District without limitation as to rate or amount. The Lessor hereby assigns the Rent Payments received from the Lessee to the Paying Agent/Registrar to thereafter be paid by the Paying Agent/Registrar to the owners of the Note.

The right to receive Rent Payments shall be evidenced by the Note in the form attached hereto as Exhibit D. The Purchaser or its assignee may assign the right to receive all or a part of the Rent Payments in Authorized Denominations to any Person.

(b) Paying Agent/Registrar. The principal of and interest components of the Rent Payments shall be payable in accordance with Exhibit B to the owners of the Note as shown on the registration books kept by the BOKF, NA, Albuquerque, New Mexico as paying agent/registrar (such entity and any successor thereto, the "Paying Agent/Registrar") for the Lease and Note, when due, upon maturity and upon presentation and surrender thereof at the principal offices of the Paying Agent/Registrar upon the final maturity of the Note. Payment of interest on the Note shall be made by check or draft mailed by the Paying Agent/Registrar (or by such other arrangement as may be mutually agreed to by the Paying Agent/Registrar and the owner of any Note), on or before each interest payment date (or, if such interest payment date is not a business day, on or before the next succeeding business day), to the Note owner on the Record Date (defined below) at the address as it appears on the registration books kept by the Paying Agent/Registrar. All such payments shall be made in lawful money of the United States of America. The term "Record Date" as used herein with respect to any interest payment date shall mean the 15th day of the month (whether or not a business day) preceding the interest payment date. The owner of the Note as shown on the registration books on any Record Date with respect to any interest payment date shall be entitled to receive the interest payable thereon on such interest payment date notwithstanding any transfer or exchange thereof subsequent to such Record Date and prior to such interest payment date; but interest which is not timely paid or duly provided for shall cease to be payable as provided above and shall be payable to the person in whose name the Note is registered at the close of business on a special record date (the "Special Record Date") fixed by the Paying Agent/Registrar for the payment of any such overdue interest. The Special Record Date shall be fixed by the Paying Agent/Registrar whenever moneys become available for payment of overdue interest, and notice of any such Special Record Date shall be given not less than ten days prior thereto, by first class mail, to the Note owner as of the fifth day preceding the mailing of such notice by the Paying Agent/Registrar, stating the Special Record Date and the date fixed for the payment of overdue interest. The principal of the Note shall be payable to the owners of the Note as shown on the registration books kept by the Paying Agent/Registrar

for the Note, upon maturity and upon presentation and surrender thereof at the principal offices of the Paying Agent/Registrar upon the final maturity of the Note. Payment of principal of the Note shall be made by check or draft mailed by the Paying Agent/Registrar (or by such other arrangement as may be mutually agreed to by the Paying Agent/Registrar and the owner of the Note).

(c) Obligation to Pay. Lessee agrees to pay Lessor, its successors, and assigns, for the right of use and support, of the Property, the sum obtained by adding the Rent Payments (denominated into components of principal and interest) in the amounts specified in Exhibit B hereto on each Rent Payment Date as reflected in such exhibit.

Lessee hereby covenants to establish and maintain with respect to the Lease, a special fund to be denoted the "Rent Payment Fund", at a depository of the Lessee, solely for the benefit of the Note. The Rent Payment Fund shall be kept separate and apart from all other funds and accounts of Lessee and held in trust for the benefit of the Lessor, and shall be used only for paying Rent Payments. All ad valorem taxes levied and collected for the purpose of making such Rent Payments shall be deposited into the Rent Payment Fund, prior to the Rent Payment Date in the amount to be paid pursuant to Exhibit B of the Lease. Any amount held in the Rent Payment Fund on any date when a Rent Payment is required to be made shall be credited towards the Rent Payment then due and payable; and no Rent Payment need be made by Lessee into the Rent Payment Fund if the amounts then held in the Rent Payment Fund are at least equal to the Rent Payment then required to be paid

Lessee agrees to pay any amounts required to be deposited to the Rebate Fund established under Section 5.4 hereof for rebate (hereinafter referred to as a "Rebate Payment") to the U.S. Department of the Treasury (which amounts shall be calculated by Lessee or its agent and the result of such calculation provided in writing to Lessor). Each Rebate Payment shall be made in accordance with the terms of Section 5.4 hereof.

The obligation of Lessee to make Rent Payments and Rebate Payments is absolute and unconditional and is not subject to abatement or set-off.

(d) Tax Pledge. There shall annually be assessed, levied, and collected upon all taxable property in District, in addition to all other taxes, a tax which will be sufficient to raise and produce the money required to pay the interest component of the Rent Payments as such interest component comes due and to provide and maintain a fund adequate to pay the principal component of the Rent Payments as such principal component matures, pursuant to Section 6-15A-6, as amended, as the same becomes due and payable, without limit as to rate or amount. The Board shall establish adequate budgetary provisions, approved by the New Mexico Public Education Department, to promptly pay all Rent Payments as they become due. This Section is hereby declared to be the certificate to the County Commissioners of the County of Santa Fe, New Mexico as to the amount of taxes necessary to be levied for the purposes herein stated. Said tax shall annually be assessed, levied and collected at the same time and in the same manner as other taxes are assessed and collected, but nothing herein contained shall be construed as to prevent Lessee

thereof from applying any other funds available for that purpose to the payment of said Rent Payments as the same respectively mature and become due, and upon such payments, the levies herein provided for, may thereupon, to that extent, be diminished. The sums produced by the levies above provided to meet the Rent Payments when due are hereby applied for that purpose, and the amount for each year will be included in the annual budget and the appropriation bills to be adopted and passed by the Board of Education in each year, respectively. The Board does hereby levy and order to be levied, taxes sufficient to pay the Rent Payments. It shall be the duty of the Board annually at the time and in the manner provided by law for levying other taxes, if such action shall be necessary, to effectuate the provisions hereof with reference to the levy and collection of taxes; and the Board shall levy, extend, and collect such taxes in the manner provided by law for the purpose of funding the Rent Payment Fund for the payment of the Rent Payments. Such taxes, when collected, shall be kept for and applied only to the payment of the Rent Payments as hereinbefore specified. Said ad valorem taxes, sufficient to provide for the payment of the interest component and principal component of the Rent Payments as such interest component comes due and such principal component matures, are hereby pledged for such payment.

Section 4.5. Fair Rental Value. The Rent Payments for each rent payment period during the Term of this Lease shall constitute the total amount due for such rent payment period and shall be paid by Lessee in each rent payment period for and in consideration of the right of the use of the Property during each such period for which such rental is to be paid. The parties hereto have agreed and determined that the total of Rent Payments represents the fair value of the Property.

Section 4.6 Quiet Enjoyment. During the Term of this Lease, Lessee shall peaceably and quietly have and hold and enjoy the Property, without suit, trouble or hindrance from Lessor or Purchaser, except as expressly set forth herein. Lessor will, at the request of Lessee and at Lessee's cost, join in any legal action in which Lessee asserts its right to such possession and enjoyment to the extent Lessor may lawfully do so. Notwithstanding the foregoing, Lessor shall have the right to inspect the Property as provided in Section 6.3 hereof.

Section 4.7. Title to the Property. During the Term of this Lease, Lessor shall hold title to the Property described herein and any and all additions which comprise repairs, replacements, or modifications. In the event of default as set forth in Section 8.1, remedies of the owner(s) of the Note shall be restricted as described in Section 8.2 hereof.

If Lessee pays all Rent Payments during the Term hereof as the same come due and payable, all right and interest of Lessor in and to all of the Property described in Exhibit A hereto shall be transferred to and vest in Lessee upon payment by Lessee of One Dollar (\$1.00) without the necessity of any additional document of transfer.

Section 4.8. Equitable Lien. Lessee hereby grants to the Purchaser an equitable lien on the ad valorem taxes pledged to pay the Rent Payments as set forth in Section 4.4(d)

hereof. Purchaser acknowledges that it has an equitable lien on the Pledged Taxes but no security interest in the Property.

## **ARTICLE V: MAINTENANCE, TAXES, TAX COVENANTS AND OTHER MATTERS**

Section 5.1. Maintenance, Utilities, Taxes and Assessments. Throughout the Term of this Lease, as part of the consideration this Lease, all improvement, repair, and maintenance of the Property shall be the responsibility of Lessee, and Lessee shall pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Property resulting from ordinary wear and tear or want of care on the part of Lessee or any sublessee thereof. In exchange for the Rent Payments herein provided, and subject to Purchaser's equitable lien as hereinbefore set forth, Lessor agrees to, and does hereby grant Lessee the right to use the Property as hereinbefore and hereafter or specifically set forth.

Lessee shall use the Property only for its proper purposes and will not install, use, operate or maintain the Property improperly, carelessly or in violation of any applicable law, ordinance, rule or regulation of any governmental authority, or in a manner contrary to the nature of the Property or the use contemplated by its manufacturer. The Property shall be used solely in the conduct of Lessee's operations. Lessee shall obtain, at its expense, all registrations, permits, and licenses, if any, required by law for the installation and operation of the Property.

Lessee shall also pay or cause to be paid all taxes and assessments of any type or nature charged to Lessor or Lessee or levied, assessed or charged against any item of the Property or the respective interests or estates therein; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, Lessee shall be obligated to pay only such installments as are required to be paid during the Term of this Lease as and when the same become due.

Lessee may, at Lessee's expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless Lessor or the Purchaser shall notify Lessee that nonpayment is affecting timely payment of the Rent Payments, or in the case that, in the opinion of Bond Counsel, by nonpayment of any such items, the interest of Lessor in the Property will be materially endangered or the Property or any part thereof will be subject to loss or forfeiture, in which event Lessee shall promptly pay such taxes, assessments, or charges or provide Lessor with full security against any loss which may result from nonpayment, in form satisfactory to Lessor and the Purchaser.

Section 5.2. Modification of the Property. Lessee, at its own expense, shall have the right to make additions, modifications and improvements to any item of the Property. All such additions, modifications and improvements shall thereafter comprise part of the Property and be subject to the provisions of this Lease. Such additions, modifications, and improvements shall not in any way damage the Property or cause it to be used for purposes other than those authorized under the provisions of state and federal law or in any way

which would impair the tax exempt status of the interest components of the Rent Payments required to be made with respect to the Property; and the Property, upon completion of any additions, modifications, and improvements made pursuant to this Section, shall be of a value which is not substantially less than the value of the Property immediately prior to the making of such additions, modifications and improvements. Lessee shall not alter, remove, destroy, or permanently cover any manufacturer's nameplate, serial number or other similar distinguishing number or mark on the Property. Lessee will not permit any mechanic's or other lien to be established or remain against the Property for labor or materials furnished in connection with any additions, modifications, improvements, repairs, renewals, or replacements made by Lessee pursuant to this Section; provided that if any such lien is established and Lessee shall first notify or cause to be notified Lessor of Lessee's intention to do so, Lessee may in good faith contest any lien filed or established against the Property, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom and shall provide Lessor with full security against any loss or forfeiture which might arise from the nonpayment of any such item, in form satisfactory to Lessor. Upon the request of and at the expense of Lessee, Lessor will cooperate fully in any such contest.

The Property is and shall at all times be and remain personal property and will not be affixed to or be a part of the real property upon which it may be situated. If requested by Lessor, Lessee, at Lessee's expense, will furnish a landlord or mortgage waiver with respect to the Property.

Section 5.3. Liens. Lessee shall not, directly or indirectly, create, incur, assume, or suffer to exist any mortgage, pledge, lien, charge, encumbrance, or claim on or with respect to the Property, other than the respective rights of Lessor and Lessee as herein provided. Except as expressly provided in this Article V, Lessee shall promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such mortgage, pledge, lien, encumbrance or claim, for which it is responsible, if the same shall arise at any time. Lessee shall reimburse Lessor for any expense incurred by it in order to discharge or remove any such mortgage, pledge, lien, charge, or encumbrance of claim.

Section 5.4. Tax Covenants with Respect to Lease and the Note. Lessee covenants to take any action necessary to assure, or to refrain from any action which would adversely affect, the treatment of each interest component of each Rent Payment ("Interest Component") to be made pursuant to this Lease as an obligation described in section 103 of the Internal Revenue Code of 1986 ("Code"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, Lessee covenants as follows:

(a) to take any action necessary to assure that no more than ten percent (10%) of the proceeds of the Lease or the projects financed therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141 (b)(6) of the Code or, if more than ten percent (10%) of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by Lessee, with respect to such private business use, do not, under the terms of this Lease or any

underlying arrangement, directly or indirectly, secure or provide for the payment of more than ten percent (10%) of the Rent Payments due under this Lease, in contravention of section 141(b)(2) of the Code;

(b) to take any action necessary to assure that in the event that the “private business use” described in subsection (a) hereof exceeds five percent (5%) of the proceeds of the Lease or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of five percent (5%) is used for a “private business use” which is “related” and not “disproportionate,” within the meaning of section 141(b)(3) of the Code, to the governmental use;

(c) to take any action necessary to assure that no amount which is greater than the lesser of Five Million Dollars (\$5,000,000), or five percent (5%) of the proceeds of the Lease (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141 (c) of the Code;

(d) to refrain from taking any action which would otherwise result in the Lease being treated as a “private activity bond” within the meaning of section 141(b) of the Code;

(e) to refrain from taking any action that would result in the Lease being “federally guaranteed” within the meaning of section 149(b) of the Code;

(f) to refrain from using any portion of the proceeds of the Lease, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code), which produces a materially higher yield over the term of the Lease, other than investment property acquired with:

(i) proceeds of this Lease invested for a reasonable temporary period of three (3) years or less or, in the case of a refunding obligation, for a period of thirty (30) days or less until such proceeds are needed for the purpose for which the obligation is issued,

(ii) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1 (b) of the Treasury Regulations, and

(iii) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed ten percent (10%) of the proceeds of this Lease;

(g) to otherwise restrict the use of the proceeds of this Lease or amounts treated as proceeds of this Lease, as may be necessary, so that the Lease does not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code (relating to advance refundings);

(h) to deposit in the Rebate Fund for the benefit of the United States of America at least once during each five-year period (beginning on the date of delivery of this Lease), and no later than the fifth anniversary of such date of delivery, an amount that is at least equal to ninety percent (90%) of the “Excess Earnings,” within the meaning of section 148(f) of the Code, and Lessee shall pay to the United States of America, not later than sixty (60) days after this Lease has been paid in full, one hundred percent (100%) of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code; and

(i) to maintain such records as will enable Lessee to fulfill its responsibilities under this section and section 148 of the Code and to retain such records for at least six (6) years following the final payment of principal and interest on this Lease.

In order to facilitate compliance with the above subsections (h) and (i), a “Rebate Fund” shall be established by Lessee for the sole benefit of the United States of America, and such fund shall not be subject to the claim of any other person, including without limitation Lessor. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

Lessee understands that the term “proceeds” includes “disposition proceeds” as defined in the Treasury Regulations and, in the case of refunding the Note, transferred proceeds (if any). It is the understanding of Lessee that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to this Lease, Lessee will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of the interest component of the Rent Payments under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated that impose additional requirements that are applicable to the Lease, Lessee agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of the Interest Component of the Rent Payments under section 103 of the Code. In furtherance of such intention, Lessee hereby authorizes and directs Lessee's Representative, respectively, to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of Lessee, which may be permitted by the Code, as are consistent with the purpose for the execution and delivery of the Lease.

Section 5.5. Damage to or Destruction of Property. Upon the passage of risk of loss under the Uniform Commercial Code, Lessee shall bear the entire risk of loss, damage, theft or destruction of such Property from any and every cause whatsoever. No loss, damage, destruction, or other event shall release Lessee from the obligation to pay the full amount of Rent Payments or from any other obligation hereunder.

Section 5.6. Allocation of and Limitation on, Expenditures for the Property. Lessee covenants to account for the expenditure of lease proceeds and investment earnings to be used for the Property on their books and records by allocating proceeds to expenditures within eighteen (18) months of the later of the date that (a) the expenditure is made, or (b) the Property is acquired. The foregoing notwithstanding, Lessee shall not expend lease proceeds or investment earnings thereon more than sixty (60) days after the earlier of (a) the fifth anniversary of the Closing Date of this Lease, or (b) the date this Lease expires, unless Lessee obtains an opinion of nationally-recognized bond counsel that such expenditure will not adversely affect the status, for federal income tax purposes, of this Lease or the interest component of any Rental Payment. For purposes hereof, Lessee shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest component of any Rental Payment.

Section 5.7. Disposition of Property. Lessee covenants that the Property will not be sold or otherwise disposed in a transaction resulting in the receipt by Lessee of cash or other compensation, unless Lessee obtains an opinion of nationally recognized bond counsel that such sale or other disposition will not adversely affect the status, for federal income tax purposes, of the interest component of any Rent Payment. For purposes of the foregoing, the portion of the Property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, Lessee shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest component of any Rental Payment.

## **ARTICLE VI: DISCLAIMER OF WARRANTIES; ACCESS**

Section 6.1. Warranties. Lessee acknowledges and agrees that the Property is of the size, design and capacity selected by Lessee based upon its own judgment. LESSOR HAS MADE AND MAKES NO WARRANTY, REPRESENTATION, OR COVENANT, EITHER EXPRESS OR IMPLIED, AND ASSUMES NO OBLIGATION WITH RESPECT TO THE TITLE, VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY LESSEE OF THE PROPERTY OR ANY ITEM THEREOF, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE PROPERTY OR ANY ITEM THEREOF ITS DESIGN, DELIVERY, INSTALLATION OR OPERATION OR THE CONFORMITY OF THE PROPERTY TO SPECIFICATIONS OR PURCHASE ORDERS. IN NO EVENT SHALL LESSOR BE LIABLE FOR INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES, IN CONNECTION WITH OR ARISING OUT OF THIS LEASE FOR THE EXISTENCE, FURNISHING, FUNCTIONING OR LESSEE'S USE OF THE EQUIPMENT.

Section 6.2. Lessee's Right to Enforce Warranties. Lessee shall have all rights with respect to the warranties of the manufacturers and any other persons with respect to

the Property and the right to enforce such warranties against the manufacturers and such other persons. Any recovery under a warranty shall be payable to Lessee.

Section 6.3. Access to the Property. Lessee agrees that Lessor and any Lessor Representative, and Lessor's successors or assigns, shall have the right at all times during regular business hours of Lessee and upon reasonable notice to Lessee to examine and inspect the Property.

Section 6.4. Release and Indemnification. Subject to the limitations and exceptions in the New Mexico Tort Claims Act, NMSA 1978, Sections 41-4-1 to 41-4-27, as amended, and to the extent it otherwise lawfully permitted may, Lessee shall indemnify and save harmless Lessor and its agents, employees, officers, and directors from and, at Lessee's expense, defend Lessor and its agents, employees, officers, and directors against all liability, obligations, losses, damages, penalties, claims, actions, costs, and expenses (including but not limited to reasonable attorneys' fees) of whatsoever kind or nature which in any way relate to or arise out of this Lease or the selection, purchase, delivery, ownership, rental, possession, operation, condition, sale or return of the Property; provided that Lessee shall not indemnify any person under this Section 6.4 for any liability arising from such person's own negligence or willful misconduct. All amounts which become due from Lessee under this provision shall be credited with any amounts received by Lessor from insurance provided by Lessee and shall be payable by Lessee within thirty (30) days following demand therefor by Lessor and shall survive the termination or expiration of this Lease.

## **ARTICLE VII: ASSIGNMENT, SUBLEASING AND AMENDMENT**

Section 7.1. Assignment and Subleasing by Lessee. This Lease may not be assigned or subleased by Lessee. Lessor may assign in whole or in part its rights, title and interest, under this Lease at any time subsequent to its execution without the necessity of obtaining the Lessee's consent.

Section 7.2. Amendment of Lease. This Lease may not be altered, modified or canceled without the written consent of Lessor, Lessee and the Purchaser. Notwithstanding anything herein to the contrary, without receiving the consent of any Person, Lessee may enter into personal property finance contracts with persons other than Lessor and pledge an ad valorem tax, as contemplated by the Constitution of the State of New Mexico and NMSA 1978, Section 6-15A-6, as amended, to support its obligations with respect to acquiring "education technology equipment," it being expressly agreed by Lessor and Lessee that this Lease does not constitute an exclusive method of financing or acquiring "education technology equipment" by Lessee.

## **ARTICLE VIII: EVENTS OF DEFAULT AND REMEDIES**

Section 8.1. Events of Default Defined. The following shall be events of default under this Lease and the terms "Events of Default" and "Default" shall mean, whenever they are used herein, any one or more of the following events whether occurring voluntarily

or involuntarily, by operation of law or pursuant to any order of any court or governmental agency:

(a) Lessee's failure to levy taxes in amounts sufficient to make any Rent Payment when due, to make such Rent Payment when due, or to provide the moneys levied for such purposes to Lessor in accordance with the terms hereof; or

(b) Lessee's failure to make any payment required hereunder, other than a Rent Payment, or its failure to comply with any other covenant, condition or agreement of Lessee hereunder for a period of thirty (30) days after notice thereof; or

(c) Any representation or warranty made by Lessee hereunder shall be found to be untrue in any material respect as of the date made; or

(d) Lessee makes, permits or suffers any unauthorized assignment, transfer or other disposition of this Lease or any interest herein, or of any part of the Property or any interest therein; or

(e) Lessee becomes insolvent or admits in writing its inability to pay its debts as they mature or applies for, consents to or acquiesces in the appointment of a trustee, receiver or custodian for Lessee or a substantial part of its property; or in the absence of such application, consent or acquiescence, a trustee, receiver or custodian is appointed for Lessee or a substantial part of its property and is not discharged within sixty (60) days of such appointment; or any bankruptcy, reorganization, debt arrangement, moratorium, or any proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding is instituted by or against Lessee and, if instituted against Lessee, is consented to or acquiesced in by Lessee or is not dismissed within sixty (60) days of such institution; or

Section 8.2. Remedies Upon Event of Default. Upon the happening and continuance of any event of default specified in Section 8.1, the holders of the Note(s), from time to time, may proceed to protect and enforce this Lease and enforce the pledge of Lessee's ad valorem taxes by such judicial proceedings as such Persons shall deem most effectual, either by suit in equity, mandamus or by action at law, whether for the specific performance of any covenant or agreement contained herein, or in aid of the exercise of any power granted herein. Before seeking to enforce any other legal or equitable right vested in the holders of the Note, from time to time, by this Lease or by law, such Persons must first seek through a mandamus action to enforce the payment of the Rent Payments due hereunder by the levying of ad valorem taxes, without limit as to rate or amount.

Section 8.3. No Waiver. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In the event any agreement contained herein should be breached by either party and thereafter waived by the other party and the Purchaser, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive

any other breach thereunder. In order to entitle the holders of the Note, from time to time, to exercise any remedy in this Article VIII, it shall not be necessary to give any notice, other than such notice as may be required in this Article VIII or by law.

#### **ARTICLE IX: PREPAYMENT OF RENT PAYMENTS AND EXERCISE OF PURCHASE OPTION AT END OF LEASE**

Section 9.1. Prepayment. The Rent Payments relating to this Lease may not be prepaid and the Note is not subject to redemption prior to maturity.

Section 9.2. Exercise of Lessee's Option to Purchase Property at End of Lease. Pursuant to the Act, Lessor grants to Lessee the right to purchase the Property at end of the Term of this Lease for One dollar (\$1.00). Lessee hereby exercises such option to purchase at the end of the Term of the Lease and Lessor hereby acknowledges receipt of One dollar (\$1.00) from Lessee and other valuable consideration.

#### **ARTICLE X: MISCELLANEOUS**

Section 10.1. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed to have been received forty-eight (48) hours after deposit in the United States mail in registered, certified form with postage fully prepaid or by overnight carrier:

If to Lessee: Board of Education of the  
Santa Fe Public School District  
610 Alta Vista Street  
Santa Fe, New Mexico 87505  
Attn: Superintendent

If to Lessor: The Education Technology Leasing Company, LLC  
Attn: Steven Campbell  
1017 5<sup>th</sup> Street  
Albuquerque, New Mexico 87102

Lessor and Lessee, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications will be sent.

Section 10.2. Binding Effect and Beneficiaries. This Lease shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns (to the extent permitted hereby). To the extent the Purchaser is determined not to be a direct beneficiary under this Lease, such entity shall be a direct third party beneficiary in interest under this Lease.

Section 10.3. Severability. In the event any provision of this Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 10.4. Investments. Amounts on deposit from time to time in the Rent Payment Fund and Acquisition Fund shall be invested in Permitted Investments subject to Section 5.4 hereof by Lessee.

Section 10.5. Net-Net-Net Lease. This Lease shall be deemed and construed to be a “net-net-net lease” and Lessee hereby agrees that Rent Payments shall be an absolute net return, free and clear of any expenses, charges, or set-offs whatsoever.

Section 10.6. Further Assurances and Corrective Instruments. Lessor and Lessee agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Property hereby leased or intended so to be or for carrying out the expressed intention of this Lease.

Section 10.7. Execution in Counterparts. This Lease may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 10.8. Applicable Law. This Lease shall be governed by and construed in accordance with the laws of the State.

Section 10.9. Timeliness. Time is of the essence. No covenant or obligation hereunder to be performed by Lessee may be waived except by the written consent of Lessor, and a waiver of any such covenant or obligation shall not be deemed a waiver of any other covenant or obligation as to any other occasion and shall not preclude Lessor from invoking such remedy at any later time prior to Lessee's cure of the condition giving rise to such remedy. Lessor's rights hereunder are cumulative and not alternative.

Section 10.10. Captions. The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Section hereof.

IN WITNESS WHEREOF, Lessor has caused this Lease to be executed in its name by its duly authorized officers; and Lessee has caused this Lease to be executed in its name by its duly authorized officers, as of the date first above written.

THE EDUCATION TECHNOLOGY  
LEASING COMPANY, LLC, as Lessor

By: \_\_\_\_\_  
Title: Chief Executive Officer

BOARD OF EDUCATION OF SANTA FE  
PUBLIC SCHOOL DISTRICT, as Lessee

By: \_\_\_\_\_  
President

ATTEST:

By: \_\_\_\_\_  
Secretary

**AUTHENTICATION**

This Lease is the Lease described in the Resolution adopted by the Board of Education of the Santa Fe Public School District on June 18, 2026 and has been duly registered on the registration books kept by the undersigned as Paying Agent/Registrar for the Lease and Note.

Date of Authentication and  
Registration: June 18, 2026

BOKF, NA, as Paying Agent/Registrar

By \_\_\_\_\_  
Authorized Officer

**EXHIBIT A  
LIST OF PROPERTY**

**Santa Fe Public Schools  
ETN 2026 Series\* Category A vs. Category B**

Note: While the annual ETN is \$11 Million, the SFPS portion is just over \$9.6 Million. There is an annual distribution to each of the public charter schools in Santa Fe. This funding is not included in the SFPS budget below.		
Category A: Equipment		
Amount	Description	Notes
\$400,000.00	Network Upgrade	Upgrade to Building Infrastructure (Cabling, Servers, UPS)
\$340,000.00	School Common Area Projection	Cafeteria or Gym Projection and Audio system
\$70,000.00	Wireless Upgrade	Upgrade to Wireless Access Points, Wireless Access Controllers
\$1,100,000.00	Classroom Interactive Whiteboards	950 classrooms, replaced on a 7 year cycle, \$4500
\$90,000.00	Document Cameras	950 classrooms, replaced on a 4 year cycle, \$365
\$500,000.00	School Labs	Reimagination of school labs as active learning hubs, computer equipment, 3D printers, printers, etc.
\$1,630,000.00	Student Mobile Devices	12000 students, refreshed every 3.5 years, \$475 bundle
\$480,000.00	Teacher Mobile Devices	950 teachers, 250 EAs (1210 laptops and 410 Chromebooks)
\$0.00	Computer Cart Refresh	Chromebook Carts being rebuilt as mobile learning labs (equipment)
\$0.00	Classroom Amplification System	950 classrooms, replaced on a 4 year cycle, \$1525
\$500,000.00	Computer Science Kits (Computers, Robotics, etc)	Computer Equipment for CS Schools
\$5,110,000.00	Total	
Category B: Services and Salaries		
Amount	Description	Notes
\$552,000.00	Network Monitoring & Security Support Contract (After Hours)	IT Connect Service Contract
\$120,000.00	Networks and Security Review	Contracted Pen. and Network Stability Assessment
\$40,000.00	PON Service Contract	IT Connect Service Contract
\$100,000.00	Misc. Computer Parts for Repair	Misc. Parts for Desktops, laptops, Chromebooks

\$100,000.00	Professional Development Stipends	Stipends for Technology trainings for teachers beyond contract	
\$250,000.00	Advanced DLC Professional Development	Contracted training, conferences, and travel for conferences	
\$65,000.00	Computer Science Conference	Expenses to put on a CS conference summer '22	
\$1,761,000.00	Digital Learning Coach Salaries and Benefits		
\$476,000.00	Technical Staff Salaries and Benefits (some billed to AS contract)		
343200	IT Connect Augmented Staff (Including Network Support)		
750000	Staff Salary Contingency	1/3 total salaries as a contingency to ETN approval	
\$125,000.00	Digital Textbooks	To supplement the state textbook adoption (7 year cycle)	
\$4,557,200.00	Total		
\$9,667,200.00	Grand Total Category A and B		

\*Preliminary; subject to pricing.

**EXHIBIT B**  
**RENT PAYMENTS, RENT PAYMENT DATES**  
**AND PREPAYMENTS**

Schedule of Rent Payments and Rent Payment Dates:

Each Rent Payment shall, in accordance with Section 4.4 of this Lease, be paid to Lessor on or before the date that it is due, and Lessor assigns the Rent Payments to the Paying Agent/Registrar for payment to the owners of the Notes. The Rent Payments relating to this Lease may not be prepaid and the Note is not subject to redemption prior to maturity.

Combined Principal and Interest Component:

Rent Payments: Annually in the following years and amounts:

<b>\$6,000,000*</b>	
<b>Santa Fe Public School District</b>	
<b>Taxable Education Technology General Obligation Lease Purchase Notes, Series 2026A</b>	
08/01/2026	\$1,200,000
08/01/2027	4,800,000

\*Preliminary; subject to pricing

<b>\$5,000,000*</b>	
<b>Santa Fe Public School District</b>	
<b>Tax-Exempt Education Technology General Obligation Lease Purchase Notes, Series 2026B</b>	
08/01/2027	\$1,200,000
08/01/2028	3,800,000

\*Preliminary; subject to pricing

**EXHIBIT C  
CERTIFICATE OF ACCEPTANCE**

Board of Education of the  
Santa Fe Public School District  
Santa Fe, New Mexico

We, the undersigned, hereby certify, the following:

1. The Property for which payment has been made from the Acquisition Fund is described and summarized in Exhibit A, to the Lease.
2. The Property described above has been acquired, delivered and installed in conformity with the specifications of the manufacturer.
3. This Certificate is the final Certificate of Acceptance pursuant to the above referenced Lease.

IN WITNESS WHEREOF, the undersigned have hereunto set our hands and affixed the seal of the Board of Education of the Santa Fe Public School District, Santa Fe County, New Mexico, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

SANTA FE PUBLIC SCHOOL DISTRICT

By: \_\_\_\_\_  
President, Board of Education

By: \_\_\_\_\_  
Superintendent

ATTEST:

By: \_\_\_\_\_  
Secretary, Board of Education

EXHIBIT D:  
FORM OF SERIES 2026A NOTE

**The Board of Education of the  
Santa Fe Public School District  
\$6,000,000  
Taxable Education Technology General Obligation  
Lease Purchase Notes, Series 2026A  
evidencing an undivided interest in  
the right to receive certain Rent Payments payable by  
Santa Fe Public School District,  
Santa Fe County, New Mexico  
under a  
Lease Purchase Arrangement  
dated as of June 18, 2026**

No. R-\_\_\_\_\_ \$ \_\_\_\_\_

**Interest Rate**  
\_\_\_\_\_ %

**Maturity Date**  
\_\_\_\_\_

**Original Dated Date**  
June 18, 2026

REGISTERED OWNER:

PRINCIPAL AMOUNT:       \*\*DOLLARS\*\*

THIS CERTIFIES THAT the registered owner specified above, or registered assigns, has an undivided interest in rights to receive certain Rent Payments by The Board of Education of the Santa Fe Public School District, County of Santa Fe, New Mexico (the "Board") under a Lease Purchase Arrangement dated as of June 18, 2026 (as amended or supplemented from time to time, the "Lease") between, The Education Technology Leasing Company, LLC as lessor (the "Lessor") and the Board as lessee (the "Lessee"). The interest of the registered owner of this Note is secured as provided in the Lease. As registered owners (the "Owners") of the Note, Series 2026A (the "Note"), evidencing an undivided interest in the right to receive certain Rent Payments in the original aggregate principal amount of \$6,000,000, Owners are entitled to receive Rent Payments consisting of principal and interest as set out in the Lease. Capitalized terms used but not defined herein have the meaning assigned to them in the Lease.

The Board on the full faith and credit and on behalf of Santa Fe Public School District, County of Santa Fe, New Mexico (the "District"), for value received, hereby promises to pay to the registered owner named above, or registered assigns, the principal amount hereof on the Maturity Date and to pay interest on the principal amount at the Interest Rate on August 1, 2026, and thereafter on each February 1 and August 1 of each year (each an "Interest Payment Date") from the Original Date to its maturity. The principal of the Note due at maturity and interest when due shall be payable to the registered owner thereof as shown on the registration books kept by BOKF, NA, as "Paying Agent/Registrar" (such entity and any successor thereto, the "Paying Agent/Registrar") for

the Note, upon maturity and upon presentation and surrender thereof at the principal offices of the Paying Agent/Registrar upon the final maturity of the Note. If the Note shall not be paid upon such presentation and surrender at or after maturity, it shall continue to draw interest at the rate borne by the Note until the principal thereof is paid in full. Payment of interest on the Note (other than at maturity) shall be made by check or draft mailed by the Paying Agent/Registrar (or by such other arrangement as may be mutually agreed to by the Paying Agent/Registrar and such registered owner), on or before each Interest Payment Date (or, if such Interest Payment Date is not a business day, on or before the next succeeding business day), to the registered owner thereof on the Record Date (defined below) at his address as it appears on the registration books kept by the Paying Agent/Registrar. All such payments shall be made in lawful money of the United States of America. The term "Record Date" as used herein with respect to any Interest Payment Date shall mean the fifteenth (15<sup>th</sup>) day of the month immediately preceding the Interest Payment Date. The person in whose name the Note is registered on any Record Date with respect to any Interest Payment Date shall be entitled to receive the interest payable thereon on such Interest Payment Date notwithstanding any transfer or exchange thereof subsequent to such Record Date and prior to such Interest Payment Date; but interest on the Note which is not timely paid or duly provided for shall cease to be payable as provided above and shall be payable to the person in whose name the Note is registered at the close of business on a special record date (the "Special Record Date") fixed by the Paying Agent/Registrar for the payment of any such overdue interest. The Special Record Date shall be fixed by the Paying Agent/Registrar whenever moneys become available for payment of overdue interest, and notice of any such Special Record Date shall be given not less than ten (10) days prior thereto, by first-class mail, to the registered owners of the Note as of the fifth (5<sup>th</sup>) day preceding the mailing of such notice by the Paying Agent/Registrar, stating the Special Record Date and the date fixed for the payment of overdue interest. The principal of the Note shall be payable to the owner of the Note as shown on the registration books kept by the Paying Agent/Registrar for the Note, upon maturity and upon presentation and surrender thereof at the principal offices of the Paying Agent/Registrar upon the final maturity of the Note. Payment of principal of the Note shall be made by check or draft mailed by the Paying Agent/Registrar (or by such other arrangement as may be mutually agreed to by the Paying Agent/Registrar and the owner of the Note).

The Note is fully registered and is issuable in denominations of \$5,000 and multiples thereof or, if less, the principal amount outstanding on the Note.

The Rent Payments relating to this Lease may not be prepaid and the Note is not subject to redemption prior to maturity.

The Note of which this Note is one to the extent more than one Note is issued, is limited to the total principal amount of \$6,000,000 of like tenor except as to number, denomination, maturity date, and interest rate, issued by the Board for the purpose of acquiring technology equipment to the extent permitted by NMSA 1978 §§ 6-15A-3 (B) and 22-15A-2, The Technology for Education Act, under the authority of and in full conformity with the Constitution and laws of the State of New Mexico (including §§ 6-15-3 through 6-15-10 NMSA 1978, and acts amendatory and supplemental thereto), and

pursuant to a resolution of the Board duly adopted and made a law of the District prior to the issuance of this Note (the "Lease Purchase Arrangement Resolution").

The Paying Agent/Registrar will maintain the books of the District for the registration of ownership of the Note. Upon the surrender for transfer of any Note at the principal office of the Paying Agent/Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing, the Paying Agent/Registrar shall authenticate and deliver not more than three (3) business days after receipt of the Note to be transferred in the name of the transferee or transferees a new Note in fully registered form of the same aggregate principal amount of authorized denominations, and of the same maturity, interest rate and series, bearing a number or numbers not contemporaneously outstanding. The Note may be exchanged at the principal offices of the Paying Agent/Registrar for an equal aggregate principal amount of the Note of other authorized denominations, and of the same maturity, series and interest rate. The Paying Agent/Registrar shall authenticate and deliver not more than three (3) business days after receipt of the Note to be exchanged a Note which the registered owner making the exchange is entitled to receive, bearing a number or numbers not contemporaneously outstanding. Exchanges and transfers of the Note as herein provided shall be without charge to the owner or any transferee, but the Paying Agent/Registrar may require the payment by the owner of any Note requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer.

The person in whose name the Note shall be registered on the registration books kept by the Paying Agent/Registrar, shall be deemed and regarded as the absolute owner thereof for the purpose of making payment thereof and for all other purposes except as may otherwise be provided with respect to payment of interest; and payment of or on account of either principal or interest on the Note shall be made only to or upon the written order of the registered owner thereof or his legal representative, but such registration may be changed upon transfer of the Note in the manner and subject to the conditions and limitations provided herein. All such payments shall be valid and effectual to discharge the liability upon the Note to the extent of the sum or sums so paid.

If the Note shall be lost, stolen, destroyed or mutilated, the Paying Agent/Registrar shall, upon receipt of the mutilated Note and such evidence, information or indemnity relating thereto as it may reasonably require and as may be required by law, authenticate and deliver a replacement Note of a like aggregate principal amount of authorized denominations, and of the same maturity, interest rate and series, bearing a number or numbers not contemporaneously outstanding. If such lost, stolen, destroyed or mutilated Note shall have matured, the Paying Agent/Registrar may pay such Note in lieu of replacement.

For the punctual payment of the principal of and interest on this Note as aforesaid and for the levy and collection of taxes in accordance with the statutes authorizing the issuance of this Note, the full faith and credit of the District is hereby irrevocably pledged. The Board has, by the Lease Purchase Arrangement Resolution, ordered the creation of an

interest and sinking fund for the payment of the Note. Such fund is to be held in trust for the benefit of the owner or owners of the Note.

It is hereby certified, recited and warranted that all the requirements of law have been complied with by the proper officials of the District in the issuance of this Note; that the total indebtedness of the District, including that of this Note, does not exceed any limit of indebtedness prescribed by the Constitution or laws of the State of New Mexico; that provision has been made for the levy and collection of annual taxes sufficient to pay the principal of and the interest on this Note when the same becomes due. This Note shall not be valid or obligatory for any purpose until the Paying Agent/Registrar shall have manually signed the Note of authentication hereon.

IN TESTIMONY WHEREOF, the Board of Education of Santa Fe Public School District, County of Santa Fe, New Mexico, constituting the governing board of the District, has caused the seal of the District to be hereto affixed and this Note to be signed and executed with the manual or facsimile signature of the President of the Board and subscribed and attested with the manual or facsimile signature of the Secretary of the Board, all as of the Original Dated Date.

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President, Board of Education  
Santa Fe Public School District

(SEAL)

ATTEST:

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Secretary, Board of Education  
Santa Fe Public School District

**CERTIFICATE OF AUTHENTICATION**

This Note is one of the Note described in the Lease Purchase Arrangement Resolution and has been duly registered on the registration books kept by the undersigned as Paying Agent/Registrar for the Note.

Date of Authentication and  
Registration: \_\_\_\_\_

BOKF, NA,  
as Paying Agent/Registrar

By \_\_\_\_\_  
Authorized Officer

**ASSIGNMENT**

For value received, the undersigned sells, assigns and transfers unto \_\_\_\_\_ whose social security or tax identification number is \_\_\_\_\_ the within Note and irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer such Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed: \_\_\_\_\_

NOTE: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the Note, in every particular, without alteration or enlargement or any change whatsoever.

FORM OF SERIES 2026B NOTE

**The Board of Education of the  
Santa Fe Public School District  
\$5,000,000  
Tax-Exempt Education Technology General Obligation  
Lease Purchase Notes, Series 2026B  
evidencing an undivided interest in  
the right to receive certain Rent Payments payable by  
Santa Fe Public School District,  
Santa Fe County, New Mexico  
under a  
Lease Purchase Arrangement  
dated as of June 18, 2026**

No. R- \_\_\_\_\_ \$ \_\_\_\_\_

**Interest Rate**

\_\_\_\_\_ %

**Maturity Date**

\_\_\_\_\_

**Original Dated Date**

June 18, 2026

REGISTERED OWNER:

PRINCIPAL AMOUNT:       \*\*DOLLARS\*\*

THIS CERTIFIES THAT the registered owner specified above, or registered assigns, has an undivided interest in rights to receive certain Rent Payments by The Board of Education of the Santa Fe Public School District, County of Santa Fe, New Mexico (the "Board") under a Lease Purchase Arrangement dated as of June 18, 2026 (as amended or supplemented from time to time, the "Lease") between, The Education Technology Leasing Company, LLC as lessor (the "Lessor") and the Board as lessee (the "Lessee"). The interest of the registered owner of this Note is secured as provided in the Lease. As registered owners (the "Owners") of the Note, Series 2026B (the "Note"), evidencing an undivided interest in the right to receive certain Rent Payments in the original aggregate principal amount of \$5,000,000, Owners are entitled to receive Rent Payments consisting of principal and interest as set out in the Lease. Capitalized terms used but not defined herein have the meaning assigned to them in the Lease.

The Board on the full faith and credit and on behalf of Santa Fe Public School District, County of Santa Fe, New Mexico (the "District"), for value received, hereby promises to pay to the registered owner named above, or registered assigns, the principal amount hereof on the Maturity Date and to pay interest on the principal amount at the Interest Rate on August 1, 2027, and thereafter on each February 1 and August 1 of each year (each an "Interest Payment Date") from the Original Date to its maturity. The principal of the Note due at maturity and interest when due shall be payable to the registered owner thereof as shown on the registration books kept by BOKF, NA, as "Paying Agent/Registrar" (such entity and any successor thereto, the "Paying Agent/Registrar") for

the Note, upon maturity and upon presentation and surrender thereof at the principal offices of the Paying Agent/Registrar upon the final maturity of the Note. If the Note shall not be paid upon such presentation and surrender at or after maturity, it shall continue to draw interest at the rate borne by the Note until the principal thereof is paid in full. Payment of interest on the Note (other than at maturity) shall be made by check or draft mailed by the Paying Agent/Registrar (or by such other arrangement as may be mutually agreed to by the Paying Agent/Registrar and such registered owner), on or before each Interest Payment Date (or, if such Interest Payment Date is not a business day, on or before the next succeeding business day), to the registered owner thereof on the Record Date (defined below) at his address as it appears on the registration books kept by the Paying Agent/Registrar. All such payments shall be made in lawful money of the United States of America. The term "Record Date" as used herein with respect to any Interest Payment Date shall mean the fifteenth (15<sup>th</sup>) day of the month immediately preceding the Interest Payment Date. The person in whose name the Note is registered on any Record Date with respect to any Interest Payment Date shall be entitled to receive the interest payable thereon on such Interest Payment Date notwithstanding any transfer or exchange thereof subsequent to such Record Date and prior to such Interest Payment Date; but interest on the Note which is not timely paid or duly provided for shall cease to be payable as provided above and shall be payable to the person in whose name the Note is registered at the close of business on a special record date (the "Special Record Date") fixed by the Paying Agent/Registrar for the payment of any such overdue interest. The Special Record Date shall be fixed by the Paying Agent/Registrar whenever moneys become available for payment of overdue interest, and notice of any such Special Record Date shall be given not less than ten (10) days prior thereto, by first-class mail, to the registered owners of the Note as of the fifth (5<sup>th</sup>) day preceding the mailing of such notice by the Paying Agent/Registrar, stating the Special Record Date and the date fixed for the payment of overdue interest. The principal of the Note shall be payable to the owner of the Note as shown on the registration books kept by the Paying Agent/Registrar for the Note, upon maturity and upon presentation and surrender thereof at the principal offices of the Paying Agent/Registrar upon the final maturity of the Note. Payment of principal of the Note shall be made by check or draft mailed by the Paying Agent/Registrar (or by such other arrangement as may be mutually agreed to by the Paying Agent/Registrar and the owner of the Note).

The Note is fully registered and is issuable in denominations of \$5,000 and multiples thereof or, if less, the principal amount outstanding on the Note.

The Rent Payments relating to this Lease may not be prepaid and the Note is not subject to redemption prior to maturity.

The Note of which this Note is one to the extent more than one Note is issued, is limited to the total principal amount of \$5,000,000 of like tenor except as to number, denomination, maturity date, and interest rate, issued by the Board for the purpose of acquiring technology equipment to the extent permitted by NMSA 1978 §§ 6-15A-3 (B) and 22-15A-2, The Technology for Education Act, under the authority of and in full conformity with the Constitution and laws of the State of New Mexico (including §§ 6-15-3 through 6-15-10 NMSA 1978, and acts amendatory and supplemental thereto), and

pursuant to a resolution of the Board duly adopted and made a law of the District prior to the issuance of this Note (the "Lease Purchase Arrangement Resolution").

The Paying Agent/Registrar will maintain the books of the District for the registration of ownership of the Note. Upon the surrender for transfer of any Note at the principal office of the Paying Agent/Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing, the Paying Agent/Registrar shall authenticate and deliver not more than three (3) business days after receipt of the Note to be transferred in the name of the transferee or transferees a new Note in fully registered form of the same aggregate principal amount of authorized denominations, and of the same maturity, interest rate and series, bearing a number or numbers not contemporaneously outstanding. The Note may be exchanged at the principal offices of the Paying Agent/Registrar for an equal aggregate principal amount of the Note of other authorized denominations, and of the same maturity, series and interest rate. The Paying Agent/Registrar shall authenticate and deliver not more than three (3) business days after receipt of the Note to be exchanged a Note which the registered owner making the exchange is entitled to receive, bearing a number or numbers not contemporaneously outstanding. Exchanges and transfers of the Note as herein provided shall be without charge to the owner or any transferee, but the Paying Agent/Registrar may require the payment by the owner of any Note requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer.

The person in whose name the Note shall be registered on the registration books kept by the Paying Agent/Registrar, shall be deemed and regarded as the absolute owner thereof for the purpose of making payment thereof and for all other purposes except as may otherwise be provided with respect to payment of interest; and payment of or on account of either principal or interest on the Note shall be made only to or upon the written order of the registered owner thereof or his legal representative, but such registration may be changed upon transfer of the Note in the manner and subject to the conditions and limitations provided herein. All such payments shall be valid and effectual to discharge the liability upon the Note to the extent of the sum or sums so paid.

If the Note shall be lost, stolen, destroyed or mutilated, the Paying Agent/Registrar shall, upon receipt of the mutilated Note and such evidence, information or indemnity relating thereto as it may reasonably require and as may be required by law, authenticate and deliver a replacement Note of a like aggregate principal amount of authorized denominations, and of the same maturity, interest rate and series, bearing a number or numbers not contemporaneously outstanding. If such lost, stolen, destroyed or mutilated Note shall have matured, the Paying Agent/Registrar may pay such Note in lieu of replacement.

For the punctual payment of the principal of and interest on this Note as aforesaid and for the levy and collection of taxes in accordance with the statutes authorizing the issuance of this Note, the full faith and credit of the District is hereby irrevocably pledged. The Board has, by the Lease Purchase Arrangement Resolution, ordered the creation of an

interest and sinking fund for the payment of the Note. Such fund is to be held in trust for the benefit of the owner or owners of the Note.

It is hereby certified, recited and warranted that all the requirements of law have been complied with by the proper officials of the District in the issuance of this Note; that the total indebtedness of the District, including that of this Note, does not exceed any limit of indebtedness prescribed by the Constitution or laws of the State of New Mexico; that provision has been made for the levy and collection of annual taxes sufficient to pay the principal of and the interest on this Note when the same becomes due. This Note shall not be valid or obligatory for any purpose until the Paying Agent/Registrar shall have manually signed the Note of authentication hereon.

IN TESTIMONY WHEREOF, the Board of Education of Santa Fe Public School District, County of Santa Fe, New Mexico, constituting the governing board of the District, has caused the seal of the District to be hereto affixed and this Note to be signed and executed with the manual or facsimile signature of the President of the Board and subscribed and attested with the manual or facsimile signature of the Secretary of the Board, all as of the Original Dated Date.

---

President, Board of Education  
Santa Fe Public School District

(SEAL)

ATTEST:

---

Secretary, Board of Education  
Santa Fe Public School District

**CERTIFICATE OF AUTHENTICATION**

This Note is one of the Note described in the Lease Purchase Arrangement Resolution and has been duly registered on the registration books kept by the undersigned as Paying Agent/Registrar for the Note.

Date of Authentication and  
Registration: \_\_\_\_\_

BOKF, NA,  
as Paying Agent/Registrar

By \_\_\_\_\_  
Authorized Officer

**ASSIGNMENT**

For value received, the undersigned sells, assigns and transfers unto \_\_\_\_\_ whose social security or tax identification number is \_\_\_\_\_ the within Note and irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer such Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed: \_\_\_\_\_

NOTE: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the Note, in every particular, without alteration or enlargement or any change whatsoever.