OFFICIAL STATEMENT
Dated: December 19, 2024

<u>NEW ISSUE</u> – BOOK-ENTRY ONLY | **Moody's Rating – "Baa1"**
Moody's Enhanced Rating – "Aa3"

BANK QUALIFIED

The delivery of the Bonds is subject to the opinions of Rodey, Dickason, Sloan, Akin, & Robb, P.A., Bond Counsel. On the initial date of delivery of the Bonds, Rodey, Dickason, Sloan, Akin, & Robb, P.A. will render its opinion that, under existing laws, regulations, rulings, and judicial decisions, and assuming continuing compliance with the covenants described herein, interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Code. Also on the initial date of delivery of the Bonds, Bond Counsel will render its opinion that interest on the Bonds is exempt, under existing law, from personal income taxation by the State of New Mexico. See "LEGALITY" and "TAX MATTERS" herein for a discussion of Bond Counsel's opinion. See "TAX MATTERS" regarding certain other tax considerations.

$7,000,000
SILVER CONSOLIDATED SCHOOL DISTRICT NO. 1
GRANT COUNTY, NEW MEXICO
GENERAL OBLIGATION SCHOOL BUILDING BONDS, SERIES 2025

The $7,000,000 Silver Consolidated School District No. 1 (the "District") General Obligation School Building Bonds, Series 2025 (the "Bonds") are issuable as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC") to which principal and interest payments on the Bonds will be made. Individual purchases will be made in book-entry form only, in the principal amount of $5,000 or any whole multiple thereof. Purchasers of the Bonds will not receive physical delivery of bond certificates. Interest on the Bonds will accrue from the Delivery Date (defined below) to the underwriter named below (the "Underwriter"), will be payable February 1 and August 1 of each year commencing August 1, 2025, until maturity or prior redemption, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. Principal will be payable on August 1 of each year, until maturity or prior redemption, as set forth herein. So long as Cede & Co. is the registered owner of the Bonds, reference herein to the holders of the Bonds or registered owner of the Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, the principal and interest are payable to Cede & Co., which will in turn remit such principal and interest to the DTC Participants (as defined herein) for subsequent disbursement to the Beneficial Owners of the Bonds. See "Book-Entry Only System" herein.

The Bonds maturing on and after August 1, 2036 are subject to optional redemption on August 1, 2034, or any date thereafter at par plus accrued interest to the redemption date. The Term Bonds maturing on August 1, 2036, 2040 and 2044 are also subject to mandatory sinking fund redemption as set forth herein.

The Bonds were authorized at a special election held within the District on August 20, 2024, and by Resolution of the Board of Education of the District (the "Board") adopted on November 8, 2024 (the "Bond Resolution") and a Final Terms Certificate setting forth the final terms of the bonds, dated December 19, 2024, and are issued pursuant to the Public Securities Act, NMSA 1978, Sections 6-14-1 to -3 (1970, as amended through 1999), the Public Securities Limitation of Action Act, NMSA 1978, Sections 6-14-4 to -7 (1975), the Supplemental Public Securities Act, NMSA 1978, Sections 6-14-8 to -11 (1983, as amended through 2017), and NMSA 1978, Sections 6-15-1 to -22 (1925, as amended through 2013) and acts amendatory and supplemental thereto (collectively, the "Act"). Proceeds of the Bonds will be used for the purpose of erecting, remodeling, making additions to and furnishing school buildings; purchasing or improving school grounds, purchasing computer software and hardware for student use in public schools, providing matching funds for capital outlay projects funded pursuant to the Public School Capital Outlay Act; or any combination of these purposes, and to pay the cost of issuance of the Bonds. Said Bonds are to be payable from general (ad valorem) taxes and issued and sold at such time or times upon such terms and conditions as the Board may determine.

MATURITY SCHEDULE

Date Maturing	Principal Amount	Interest Rate	Yield	CUSIP
8/1/2025	$250,000	5.000%	3.650%	827513HM7
8/1/2026	$2,500,000	5.000%	3.600%	827513HN5
8/1/2027	$500,000	5.000%	3.560%	827513HP0
8/1/2028	$200,000	5.000%	3.590%	827513HQ8
8/1/2029	$180,000	5.000%	3.640%	827513HR6
8/1/2030	$195,000	5.000%	3.680%	827513HS4
8/1/2031	$200,000	5.000%	3.710%	827513HT2
8/1/2032	$210,000	5.000%	3.750%	827513HU9
8/1/2033	$185,000	5.000%	3.820%	827513HV7
8/1/2034	$195,000	5.000%	3.860%	827513HW5
8/1/2037	$225,000	5.000%	3.950%*	827513HY1

Term Bonds

$420,000 6.000% Term Bonds due August 1, 2036; Yield 3.850%*; CUSIP No. 827513HX3
$740,000 4.000% Term Bonds due August 1, 2040; Yield 4.450%; CUSIP No. 827513HZ8
$1,000,000 4.500% Term Bonds Due August 1, 2044; Yield 4.600%; CUSIP No. 827513JA1

*Yield calculated to first optional redemption date of August 1, 2034.

The Bonds are offered for delivery when, as, and if issued, subject to the approval of legality by Rodey, Dickason, Sloan, Akin, & Robb, PA., Santa Fe, New Mexico, Bond Counsel, and certain other conditions. The written approval of the New Mexico Department of Justice of the Bonds as to form and legality will be supplied. Certain legal matters will be passed upon for the Underwriter by its counsel, McCall, Parkhurst & Horton, L.L.P., Dallas, Texas. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about January 15, 2025 (the "Delivery Date").

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. 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.

Dated: December 19, 2024.

HILLTOPSECURITIES

USE OF INFORMATION IN THIS OFFICIAL STATEMENT

No dealer, salesman or other person has been authorized by the Silver Consolidated School District No. 1 (the "District") to give any information or to make any statements or representations, other than those contained in this Official Statement, and, if given or made, such other information, statements or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Bonds in any jurisdiction in which such offer or solicitation is not authorized, or in which any person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information set forth or included in this Official Statement has been provided by the District and from other sources believed by the District to be reliable. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall create any implication that there has been no change in the financial condition or operations of the District described herein since the date hereof. This Official Statement contains, in part, estimates and matters of opinion that are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions or that they will be realized.

The Bonds have not been registered under the Securities Act of 1933, in reliance upon exemptions contained in such Act. The registration and qualification of the Bonds in accordance with applicable provisions of the securities law of the states in which the Bonds have been registered or qualified and the exemption from registration or qualification in other states cannot be regarded as a recommendation regarding the purchase of the Bonds. None of the United States Securities and Exchange Commission (the "SEC") or any other federal, state, municipal or other governmental entity, or any agency or department thereof, has passed upon the merits of the Bonds or the accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE DISTRICT AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This Official Statement contains statements that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimate," "project," "intend," "expect," and similar expressions are intended to identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.

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 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.

SILVER CONSOLIDATED SCHOOL DISTRICT NO. 1
GRANT COUNTY, NEW MEXICO

2810 N. Swan Street
Silver City, New Mexico 88061
(575) 956-2000

BOARD OF EDUCATION

President	Ashley Montenegro
Vice President	Michelle Diaz
Secretary	Patrick Cohn
Member	Mike McMillan
Member	Kimberly Klement

ADMINISTRATION

Superintendent	William Hawkins
Associate Superintendent	Louis Alvarez
Associate Superintendent, Instruction	Cindy Ann Barris
Director of Finance	Michele McCain
Comptroller	Martha Alvarez

BOND COUNSEL

Rodey, Dickason, Sloan, Akin & Robb, P.A.
119 E. Marcy Street, Suite 200
Santa Fe, NM 87501
(505) 954-3900

PAYING AGENT/REGISTRAR

BOKF, NA
100 Sun Avenue
Albuquerque, New Mexico 87109
(505) 222-8447

MUNICIPAL ADVISOR

Bosque Advisors, LLC.
2305 Renard Place, SE, Suite 220
Albuquerque, NM 87106
(505) 532-2701

UNDERWRITER

Hilltop Securities Inc.
717 N Harwood St, Suite 3400
Dallas, TX 75201
(214) 953-4033

UNDERWRITER'S COUNSEL

McCall, Parkhurst & Horton, L.L.P.
717 North Harwood Suite 900
Dallas, TX 75201
(214) 754-9223

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INTRODUCTION

Thank you for your interest in learning more about the $7,000,000 Silver Consolidated School District No. 1, Grant County, New Mexico (the "District" or "Issuer"), GENERAL OBLIGATION SCHOOL BUILDING BONDS, Series 2025 (the "Bonds"). This Official Statement will tell you about the Bonds, their security, the District and the risks involved in an investment in the Bonds.

Although the District has approved this Official Statement, the District does not intend it to substitute for competent investment advice, tailored for your situation.

The Bonds are fully registered bonds in denominations of $5,000 or integral multiples thereof as described in the Bond Resolution (defined herein). The Bonds will mature and bear interest as presented on the cover page of the Final Official Statement.

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's 2024 assessed valuation is $660,425,686 and its 2023-24 enrollment was 2,166. See "THE DISTRICT."

Purposes of the Series 2025 Bonds

Proceeds from the sale of the Series 2025 Bonds will be used to finance certain District projects relating to (1) erecting, remodeling, making additions to and furnishing school buildings, purchasing or improving school grounds, purchasing computer software and hardware for student use in public school classrooms, providing matching funds for capital projects funded pursuant to the Public School Capital Outlay Act, NMSA 1978, Sections 22-24-1, et seq., or any combination of these purposes within the District and (2) paying the costs of issuance of the Bonds. See "PLAN OF FINANCING – The Project."

Security

The Bonds are general obligations of the District and paid from ad valorem taxes that are levied against all taxable property within the District. The District has covenanted in the Bond Resolution to levy and collect 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. 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. 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. Pursuant to NMSA 1978, Section 22-18-13, in the event of 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.

The Municipal Advisor

The District has retained Bosque Advisors, LLC as municipal advisor (the "Municipal Advisor") in connection with the preparation, authorization and issuance of the Bonds. The Municipal Advisor is not obligated to undertake and has not undertaken to make an independent verification of or assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement. The fee of the Municipal Advisor for services with respect to the Bonds is contingent upon the issuance and sale of the Bonds.

Limited Role of Auditor

Stone, McGee & Co., the District's auditor has not been engaged to perform and has not performed any procedures relating to this Official Statement.

Except for the audited financial statements of the District for the year ended June 30, 2023, contained in Appendix C, this Official Statement presents unaudited financial and statistical information from District records and other sources.

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 because 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.

THE BONDS

Authority

The Bonds are being issued pursuant to a resolution adopted by the Board of Education of the District (the "Board") on November 8, 2024, authorizing the issuance of the Bonds, in which pricing of the Bonds was delegated to a "Pricing Officer," and a pricing certificate was executed on the date of sale of the Bonds (the resolution and the pricing certificate are collectively referred to herein as the "Bond Resolution") and NMSA 1978, Sections 22-18-1 to -13 (1967, as amended through 2021), NMSA 1978, Sections 6-15-1 to -22, as amended through 2024, and amended and supplemented, the Constitution of the State of New Mexico and other laws of the State. The Bonds constitute the first installment of $7,000,000 of the $25,000,000 of general obligation bonds authorized by the qualified voters of the District at a special election held on August 20, 2024. After the issuance of the Bonds, $18,000,000 of such voted authorization will remain to be issued. Pursuant to NMSA 1978, Section 22-18-9, the written approval of the New Mexico Attorney General will be supplied as to the form and legality of the Bonds. See "LEGAL MATTERS" herein.

General Terms

The Bonds will bear interest at the rates and mature in the amounts and on the dates shown on the front cover of this Official Statement. All Bonds are fully registered in denominations of $5,000 or multiples of $5,000. Interest is payable on August 1, 2025, and each February 1 and August 1 thereafter until maturity or prior redemption and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. Bond payments will be made by the Paying Agent/Registrar to The Depository Trust Company, New York, New York ("DTC"), and DTC will then remit the payments to its participants for disbursement to the beneficial owners of the Bonds. See "Book-Entry-Only System" herein.

Plan of Finance – The Project

The Bonds are being offered for the purpose of providing approximately $7,000,000 for (1) erecting, remodeling, making additions to and furnishing school buildings, purchasing or improving school grounds, purchasing computer software and hardware for student use in public school classrooms, providing matching funds for capital projects funded pursuant to the Public School Capital Outlay Act, NMSA 1978, Sections 22-24-1, et seq., or any combination of these purposes within the District and (2) paying the costs of issuance of the Bonds.

On May 20, 2024, the Governing Board adopted a 5-year Facilities Master Plan (FMP), outlining more than $73.6 million of capital infrastructure improvement projects throughout the District. At a special election held on August 20, 2024, voters approved $25 million of general obligation bonds to address and serve as matching funds for the capital needs identified in the FMP. The first tranche of $7,000,000 –
the Series 2025 bonds – will be used to fund (1) the local match for Phase 1 of the replacement of Cliff K-12 Schools and (2) the local match for districtwide roof replacement, campus safety and security upgrades.

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 as discussed in more detail under "NEW MEXICO SCHOOL DISTRICT ENHANCEMENT PROGRAM" herein. The District has provided in the Bond Resolution to levy, in addition to all other taxes, 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 legally available funds belonging to the District, which funds may be reimbursed from the ad valorem taxes when the same are collected.

Bond Registrar and Paying Agent

BOKF, NA, Albuquerque, New Mexico (or its successor) will serve as the Registrar (the "Registrar") and Paying Agent (the "Paying Agent") for the Bonds. In the Bond Resolution, the District provides for a Paying Agent/Registrar at all times until the Bonds are paid, and any Paying Agent/Registrar selected by the District shall be, a trust company, or a national or state banking association or other financial institution or any other entity, 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.

Payment of Principal and Interest; Record Date

The principal and interest on the Bonds is payable to the registered owners of the Bonds at the principal office of the Paying Agent/Registrar. Interest on the Bonds is payable by check or draft mailed, or by Automated Clearing House or electronic payment sent 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 to the registered owners of the Bonds as of the close of business on the fifteenth day of the month preceding the interest payment date (the "Record Date") at the addresses appearing in the registration books maintained by the Registrar. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the District. Notice of the Special Record Date and of the scheduled payment date of the past due interest ("Special Payment Date," which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Owner of a Bond appearing on the registration books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

Optional Prior Redemption

The Bonds maturing on and after August 1, 2036, 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, and the District shall designate the amount that is to be redeemed, and if less than a whole maturity is to be redeemed, the District shall direct the Paying Agent/Registrar to call by lot Bonds, or portions thereof within such maturity, for redemption (provided that a portion of a Bond may be redeemed only in an integral multiple of $5,000), at the redemption price of par plus accrued interest to the date fixed for prepayment or redemption.

Mandatory Sinking Fund Redemption

The Bonds maturing on August 1, 2036 are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date. As and for a sinking fund for the redemption of the Bonds maturing on August 1, 2036, the District shall cause to be deposited in the District's interest and sinking fund a sum which is sufficient to redeem (after credit as provided in the Resolution and described below) the following principal amounts of such Bonds.

Redemption Date (August 1)	Principal to be Redeemed
2035	$205,000
2036*	$215,000

*Stated Maturity

The Bonds maturing on August 1, 2040 are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date. As and for a sinking fund for the redemption of the Bonds maturing on August 1, 2040, the District shall cause to be deposited in the District's interest and sinking fund a sum which is sufficient to redeem (after credit as provided in the Resolution and described below) the following principal amounts of such Bonds.

Redemption Date (August 1)	Principal to be Redeemed
2038	$235,000
2039	$250,000
2040*	$255,000

*Stated Maturity

The Bonds maturing on August 1, 2044 are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date. As and for a sinking fund for the redemption of the Bonds maturing on August 1, 2044, the District shall cause to be deposited in the District's interest and sinking fund a sum which is sufficient to redeem (after credit as provided in the Resolution and described below) the following principal amounts of such Bonds.

Redemption Date (August 1)	Principal to be Redeemed
2041	$235,000
2042	$245,000
2043	$255,000
2044*	$265,000

*Stated Maturity

Redemption Notices

The Registrar must, by first class mail, give redemption notices to the registered owners of the Bonds to be redeemed and to various securities depositories and information services not less than 30 days prior to the redemption date. Please note that failure to give notice or any defect in such notice will not affect the validity of the redemption of the Bonds for which notice was properly given. No transfer of Bonds called for redemption shall be made within 45 days of the date of redemption.

With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption have been met and moneys sufficient to pay the principal of and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice shall state that said redemption may, at the option of the District, be conditional upon the satisfaction of such prerequisites and receipt of such moneys 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 and sufficient moneys are not received, such notice shall be of no force and effect, the District shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

While the Bonds 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 any other action based on the Paying Agent/Registrar's notice. Investors in the Bonds might consider arranging to receive redemption notices or other communications from DTC which affect them, including notice of interest payments. See "Book-Entry-Only System".

If the Paying Agent/Registrar gives proper redemption notice 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 Registrar.

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".

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 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 of a Bond.

Limited Book-Entry Responsibilities

While a book-entry-only system is used for the Bonds, the Paying Agent/Registrar will send redemption and other notices only to DTC. Any failure of DTC to advise any DTC Participant or of any

DTC Participant to notify any Beneficial Owner (as defined herein), of any notice and its content or effect will not affect the validity or sufficiency of the proceedings relating to the Bond redemption or any other action based on the notice.

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.

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 received by DTC or its nominees as the holder or any redemption notices or other notices to the beneficial holders, 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.

Book-Entry-Only System

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by The Depository Trust Company, New York, New York ("DTC") while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The District, the Municipal Advisor and the Underwriter believe the source of such information to be reliable but take no responsibility for the accuracy or completeness thereof.

The District and the Underwriter cannot and do not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption notices or other notices to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption notices or other notices to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the United States Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Bonds. The Bonds 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 Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity and will be deposited with DTC.

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 S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the United States Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("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 Bonds 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 Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds 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 Bonds 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 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds 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. 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 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds 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.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

All payments on the Bonds 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 the District or the Paying Agent/Registrar, 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, the Paying Agent/Registrar, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time.

All payments, with respect to the Bonds, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) are the responsibility of the District or the Paying Agent/Registrar, 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.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered. The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor Securities depository). In that event, Bond certificates will be printed and delivered to bond holders. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District, the Municipal Advisor and the Underwriter believe to be reliable, but none of the District, the Municipal Advisor or the Underwriter take any responsibility for the accuracy thereof.

<u>Use of Certain Terms in Other Sections of this Official Statement</u>. In reading this Official Statement it should be understood that while the Bonds are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Direct or Indirect Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Bond Order will be given only to DTC.

<u>Effect of Termination of Book-Entry-Only System</u>. In the event that the Book-Entry-Only System is discontinued by DTC or the use of the Book-Entry-Only System is discontinued by the District, printed Bonds will be issued to the holders and the Bonds will be subject to transfer, exchange and registration provisions as set forth in the Resolution and summarized under "The Bonds" below in this Official Statement.

Defeasance

General. 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). When 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 turned over to the District.

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.

SOURCES AND USES OF FUNDS

SOURCES OF FUNDS:	
Principal Amount of the Bonds	$7,000,000.00
Net Reoffering Premium	209,100.30
TOTAL SOURCES OF FUNDS	$7,209,100.30
USES OF FUNDS:	
Deposit to Project Fund	7,000,000.00
Cost of Issuance	108,360.00
Underwriter’s Discount	39,104.35
Deposit to Interest and Sinking Fund	61,635.95
TOTAL USES OF FUNDS	$7,209,100.30

SECURITY AND REMEDIES

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

The District must use all of the property taxes collected for debt service, and any other legally available money, to pay the debt service on the Bonds and other outstanding general obligation debt. Various New Mexico laws and constitutional provisions apply to the assessment and collection of ad valorem property taxes. There is no guarantee that there will not be any changes in the law that would have a material effect 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.

Limitations of Remedies

There is no provision for acceleration of maturity of the principal of the Bonds in the event of a default in the payment of principal of or interest on the Bonds. Consequently, remedies available to the owners of the Bonds, including mandamus, may have to be enforced from year to year.

The enforceability of the rights and remedies of the owners of the Bonds, and the obligations incurred by the District in issuing the Bonds, 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 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.

NEW MEXICO SCHOOL DISTRICT ENHANCEMENT PROGRAM

The New Mexico legislature amended NMSA 1978, Sections 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 a school district indicates that it will not make a 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:

- 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
- 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.

This provision applies to all New Mexico school districts. Withholding of the SEG distribution may affect the District's ability to continue to operate.

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 those districts total annual SEG distribution may not have sufficient undistributed SEG payments to cover debt service payments in the event of a default.

Moody's downgraded the New Mexico School District Enhancement Program (pre- and post-default) to Aa2 from Aa1 and assigned a negative outlook on November 1, 2016. On June 18, 2018, Moody's further downgraded the enhancement rating from "Aa2" to "Aa3" and assigned a stable outlook. 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 be appointed and maintained.

The District has qualified the Bonds under the New Mexico School District Enhancement Program and received a rating of "Aa3" on the Bonds.

DEBT AND OTHER FINANCIAL OBLIGATIONS

Article IX, Section 11 of the New Mexico Constitution limits the powers of a school 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 and purchasing or improving school grounds and purchasing computer software and hardware for student use in public schools, providing 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 electors 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 percent of the assessed valuation of the taxable property within the District as shown by the last preceding general assessment. The District also may create a 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 percent debt limitation. Refunding bonds are not subject to the 6 percent debt limitation.

Table 1. District Bonding Capacity		
2024 Limitation (6%x $660,425,686)	$	39,625,541
Less: Outstanding Direct General Obligation School Building Bonds		13,650,000
Less: The Series 2025 Bonds		7,000,000
Unused Borrowing Capacity	$	18,975,541

Source: EMMA MSRB, New Mexico Department of Finance and Administration: Certificates of Property Tax Rates

The assessed valuation of taxable property within the District is $660,425,686 for tax year 2024. Therefore, the maximum general obligation debt may not exceed $39,625,541. Currently, the District has $20,650,000 in principal general obligation debt outstanding, including the proposed Bonds.

Estimated Direct and Overlapping Debt

The following is a calculation that is useful to investors in assessing the debt load and per capita debt of the District payable from property taxes. In addition to the outstanding debt of the District, the calculation takes into account general obligation debt attributable to other taxing entities that are the responsibility of taxpayers within the boundaries of the District. After the Bonds are issued, the ratio of total outstanding net general obligation debt of the District to the 2024 assessed valuation will be no greater than 3.1% as summarized below:

Table 2. District Property Tax Values and Financial Information		
2024 Estimated Actual Valuation (1)	$	1,981,277,058
2024 Assessed Valuation (2)		660,425,686
Outstanding Direct Debt:		
The Series 2025 Bonds	$	7,000,000
The Existing Direct Debt		13,650,000
Total Direct Debt	$	20,650,000

(1) Estimated Actual Valuation is calculated by multiplying estimated assessed value times three plus estimated exemptions.

(2) New Mexico assessed values represent 33 1/3% (the maximum assessment ratio permitted by the New Mexico Constitution) of the actual property value after deduction of certain exemptions. Property tax levies are based upon the certified assessed valuation.

Source: New Mexico Department of Finance and Administration: Certificates of Property Tax Rates

Table 3. Overlapping G.O. Bonded Indebtedness & Debt Ratios				
Taxing Body	**2024 Final Assessed Valuation**	**Bond Debt as of 9/1/2024**	**Estimated Percentage Applicable**	**Net Amount**
State of New Mexico	$ 110,900,910,856	$ 447,170,000	0.6%	$ 2,662,941
Grant County	901,589,763	5,065,000	73.3%	3,710,175
Town of Silver City	240,928,763	-	100.0%	-
Silver Consolidated School District (1)	660,425,686	20,650,000	100.0%	20,650,000
Total Overlapping Debt		$ 472,885,000		$ 6,373,116
Total Direct and Overlapping Debt (Includes the Bonds)				**$ 34,023,116**
Direct Debt to Assessed Value				3.13%
Direct and Overlapping Debt to Assessed Value				5.15%
Direct Debt to Actual Valuation				1.04%
Direct and Overlapping Debt to Actual Valuation				1.72%
Estimated District Population (2023 Data)				21,031
Per Capita Direct Debt				$ 981.88
Per Capita Direct and Overlapping Debt				$ 1,617.76
Per Capita Assessed Valuation				$ 31,402.49
Per Capita Actual Valuation				$ 94,207.46

(1) Bond Debt includes new proposed bonds.

Source: District Files, State of New Mexico Property Tax Data, New Mexico Department of Finance and Administration: Certificates of Property Tax Rates.

Outstanding Debt

The District has never defaulted in the payment of any of its debt or other obligations. Listed below is the District's total general obligation debt outstanding including the proposed Bonds.

Table 4. Outstanding General Obligation Bonds			
Series	Original Issue Amount	Final Maturity	Principal Outstanding
2017	$ 5,000,000	2037	$ 2,775,000
2018	5,000,000	2037	3,150,000
2019	5,000,000	2037	3,570,000
2020	5,000,000	2037	4,155,000
2025	7,000,000	2044	7,000,000

Source: District Files, EMMA MSRB

Debt Service Requirements to Maturity

The District schedules principal and interest payments at the time of the Bond 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 debt as well as the proposed principal payments on the Bonds. Interest payments for the Series 2025 are not shown in the table and will be determined with the acceptance of the Pricing Certificate. The Final Official Statement will provide interest costs for the Series 2025 bonds.

Table 5. Outstanding Debt with Series 2025 General Obligation Debt									
	Current Requirements			Series 2025			Total Requirements		
Year	Principal	Interest	Total DS	Principal	Interest	Total DS	Principal	Interest	Total DS
2025	$ 820,000	$ 548,850	1,368,850	$ 250,000	$ 186,091	$ 436,091	$ 1,070,000	$ 734,941	$ 1,804,941
2026	850,000	515,400	1,365,400	2,500,000	329,300	2,829,300	3,350,000	844,700	4,194,700
2027	890,000	480,700	1,370,700	500,000	204,300	704,300	1,390,000	685,000	2,075,000
2028	920,000	444,300	1,364,300	200,000	179,300	379,300	1,120,000	623,600	1,743,600
2029	955,000	406,650	1,361,650	180,000	169,300	349,300	1,135,000	575,950	1,710,950
2030	1,000,000	367,500	1,367,500	195,000	160,300	355,300	1,195,000	527,800	1,722,800
2031	1,040,000	326,500	1,366,500	200,000	150,550	350,550	1,240,000	477,050	1,717,050
2032	1,080,000	287,000	1,367,000	210,000	140,550	350,550	1,290,000	427,550	1,717,550
2033	1,125,000	243,800	1,368,800	185,000	130,050	315,050	1,310,000	373,850	1,683,850
2034	1,170,000	198,800	1,368,800	195,000	120,800	315,800	1,365,000	319,600	1,684,600
2035	1,220,000	152,000	1,372,000	205,000	111,050	316,050	1,425,000	263,050	1,688,050
2036	1,260,000	103,200	1,363,200	215,000	98,750	313,750	1,475,000	201,950	1,676,950
2037	1,320,000	52,800	1,372,800	225,000	85,850	310,850	1,545,000	138,650	1,683,650
2038	-	-	-	235,000	74,600	309,600	235,000	74,600	309,600
2039	-	-	-	250,000	65,200	315,200	250,000	65,200	315,200
2040	-	-	-	255,000	55,200	310,200	255,000	55,200	310,200
2041	-	-	-	235,000	45,000	280,000	235,000	45,000	280,000
2042	-	-	-	245,000	34,425	279,425	245,000	34,425	279,425
2043	-	-	-	255,000	23,400	278,400	255,000	23,400	278,400
2044	-	-	-	265,000	11,925	276,925	265,000	11,925	276,925
Totals:	**$ 13,650,000**	**$ 4,127,500**	**$ 17,777,500**	**$ 7,000,000**	**$ 2,375,941**	**$ 9,375,941**	**$ 20,650,000**	**$ 6,503,441**	**$ 27,153,441**

Source: EMMA MSRB Final OS and final pricing wire.

TAX BASE

History of Assessed Valuation

The following is a five-year history of assessed valuation for the District compared with Grant County.

Table 6. History of Assessed Values		
Tax Year	**Grant County AV**	**District AV**
2024	$ 901,589,763	$ 660,425,686
2023	852,304,320	636,925,602
2022	829,059,547	615,740,796
2021	801,803,791	595,689,234
2020	818,453,839	590,647,292

Source: New Mexico Department of Finance and Administration: Certificates of Property Tax Rates

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 percent is legally subject to ad valorem taxes. This means the assessment ratio is 33 1/3 percent. After deduction of certain personal exemptions, the District's 2023 assessed valuation was $636,925,602. The District's 2024 assessed valuation is $660,425,686. The actual value of personal property within the District (see "Assessments" below) is determined by the County Assessor.

The actual value of certain corporate property within the District (see "Central Assessments" below) is determined by the State of New Mexico, Taxation and Revenue Department, Property Tax Division. The analysis of assessed valuation for 2024 and the previous two years follows.

At the November 5, 2024 general election, the qualified electors of the state approved the amendment of Article VIII, Section 15 of the Constitution of New Mexico to extend a property tax exemption, previously allowed only for 100% disabled veterans and their widows and widowers, to veterans with less than a 100% disability and their widows and widowers and basing the amount of the exemption on a veteran's federal disability. The qualified electors also approved amending Article VIII, Section 5 of the Constitution of New Mexico to increase the property tax exemption for honorably discharged members of the armed forces and their widows and widowers. The impact on the District's collection of property tax revenues from these changes is still being assessed.

Table 7. Analysis of Assessed Value within District	2022	2023	2024
Assessments			
Value of Land	$ 160,815,436	$ 159,601,047	$ 159,871,928
Improvements	$ 384,493,178	$ 395,378,704	$ 424,022,763
Personal Property	$ 7,730,649	$ 7,817,582	$ 7,673,947
Mobile Homes	$ 10,090,393	$ 10,688,711	$ 10,763,847
Livestock	$ 4,186,295	$ 4,820,594	$ 5,568,919
Assessors Total Taxable Value	$ 567,315,951	$ 578,306,638	$ 607,901,404
Less Exemptions			
Head of Family	$ 6,204,422	$ 6,226,309	$ 5,918,760
Veterans	$ 11,161,033	$ 11,066,969	$ 11,194,808
Other	$ 24,195,061	$ 24,666,310	$ 41,284,836
Total Exemptions	$ 41,560,516	$ 41,959,588	$ 58,398,404
Assessors Net Taxable Value	$ 525,755,435	$ 536,347,050	$ 549,503,000
Centrally Assessed	$ 50,472,584	$ 52,390,823	$ 56,584,594
Totals			
Residential	$ 390,198,901	$ 396,010,564	$ 405,976,605
Non-Residential	$ 181,125,111	$ 187,134,180	$ 193,287,083
Livestock	$ 4,186,295	$ 4,820,594	$ 5,568,919
Copper	$ 40,230,489	$ 48,960,264	$ 55,593,079
Totals Assessed Valuation	**$ 615,740,796**	**$ 636,925,602**	**$ 660,425,686**

Source: New Mexico Department of Finance and Administration: Certificates of Property Tax Rates, Grant County Assessor

Major Taxpayers

The following is a list of the ten largest taxpayers in the District, along with the 2024 assessed valuation for each. Property taxes are current for these taxpayers. The following table is useful in assessing the concentration risk of the tax base. The ten largest taxpayers assessed valuation is 9.21% of the District's total 2024 assessed value.

Table 8. 10 Largest Centrally Assessed Taxpayers in the District

Taxpayer	2024 AV	% of 2024 AV
Union Pacific Railroad Company	$ 24,473,364	3.71%
Public Service Company of New Mexico	14,208,786	2.15%
El Paso Natural Gas Co.	5,063,863	0.77%
New Mexico Gas Company	3,731,555	0.57%
Comcast Of New Mexico LLC	3,637,452	0.55%
Western New Mexico Telephone Company Inc.	3,080,146	0.47%
WNM Communications Corp	2,652,518	0.40%
Centurylink Communications LLC	1,652,675	0.25%
SFPP Communications LP	1,498,813	0.23%
New Mexico RSA 5 Limited Partnership	854,075	0.13%
	$ 60,853,247	9.21%

Source: Grant County Assessor, New Mexico Department of Finance and Administration: Certificates of Property Tax Rates

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 overlapping tax rates on residential property for the 2024 tax year and the previous four years. The District expects no change in the level of its taxes in the foreseeable future but is unable to predict what overlapping entities might do.

Table 9. Silver Consolidated School District Tax Rates - Total										
Within 20 Mill Limit for General Purposes										
	2020		2021		2022		2023		2024	
	R*	NR**	R*	NR**	R*	NR**	R*	NR**	R*	NR**
State of New Mexico	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Grant County	6.407	11.850	6.411	11.850	6.650	11.850	6.930	11.850	6.911	11.850
Town of Silver City	2.692	3.825	2.684	3.825	2.757	3.825	2.828	3.825	2.805	3.825
The District	0.266	0.486	0.266	0.500	0.276	0.500	0.288	0.500	0.287	0.500
Total	**9.365**	**16.161**	**9.361**	**16.175**	**9.683**	**16.175**	**10.046**	**16.175**	**10.003**	**16.175**
Over 20 Mill Limit - Interest, Principal, Judgment, etc.										
	2020		2021		2022		2023		2024	
	R*	NR**	R*	NR**	R*	NR**	R*	NR**	R*	NR**
State of New Mexico	1.360	1.360	1.360	1.360	1.360	1.360	1.360	1.360	1.360	1.360
Grant County	1.197	1.197	1.071	1.071	1.123	1.123	1.123	1.123	1.166	1.166
Town of Silver City	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
The District	3.931	3.947	5.084	5.100	5.427	5.427	5.423	5.423	5.666	5.675
Total	**6.488**	**6.504**	**7.515**	**7.531**	**7.910**	**7.910**	**7.906**	**7.906**	**8.192**	**8.201**
Total Levy										
	2020		2021		2022		2023		2024	
	R*	NR**	R*	NR**	R*	NR**	R*	NR**	R*	NR**
State of New Mexico	1.360	1.360	1.360	1.360	1.360	1.360	1.360	1.360	1.360	1.360
Grant County	7.604	13.047	7.482	12.921	7.773	12.973	8.053	12.973	8.077	13.016
Town of Silver City	2.692	3.825	2.684	3.825	2.757	3.825	2.828	3.825	2.805	3.825
The District	4.197	4.433	5.350	5.600	5.703	5.927	5.711	5.923	5.953	6.175
Total Levy	**15.853**	**22.665**	**16.876**	**23.706**	**17.593**	**24.085**	**17.952**	**24.081**	**18.195**	**24.376**

*Residential, **Non-Residential

Source: New Mexico Department of Finance and Administration: Certificates of Property Tax Rates

School Tax Rates

The following table shows the historical school tax levies on property within the District since the 2020 tax year (2020 - 2021 fiscal year). The Two Mill Levy, a capital improvements tax imposition, is renewed every six years, most recently in November 2019. House Bill 33, a school building tax levy, is renewed every six years, most recently in 2023. This table breaks down the District's total tax rate shown in the previous tables.

Table 10. Tax Rate per $1,000 of Assessed Valuation							
Tax Year	Assessed Valuation		Operating Levy	Debt Service Levy	Capital Improvement Levy	Building Improvement Levy	Total
2024	$ 660,425,686	Residential	0.287	2.175	1.995	1.496	5.953
		Non-Residential	0.500	2.175	2.000	1.500	6.175
2023	636,925,602	Residential	0.288	1.923	2.000	1.500	5.711
		Non-Residential	0.500	1.923	2.000	1.500	5.923
2022	615,740,796	Residential	0.276	1.927	2.000	1.500	5.703
		Non-Residential	0.500	1.927	2.000	1.500	5.927
2021	595,689,234	Residential	0.266	1.600	1.991	1.493	5.350
		Non-Residential	0.500	1.600	2.000	1.500	5.600
2020	590,647,292	Residential	0.266	0.447	1.991	1.493	4.197
		Non-Residential	0.486	0.447	2.000	1.500	4.433

Source: New Mexico Department of Finance and Administration: Certificates of Property Tax Rates

Developments Limiting Residential Property Tax Increases

To limit large annual increases in residential property taxes in some areas of the State, 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 Legislature to provide for valuation of residential property in a manner that limits annual increases in valuation. The 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 2001 and were codified as NMSA 1978, Sections 7-36-21.2 and 7-36-21.3. NMSA 1978, Section 7-36-21.2 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 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 their 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 NMSA 1978, Section 7-36-21.3.

On March 28, 2012, the New Mexico Court of Appeals upheld the constitutionality of a law capping residential valuation increases until a home changes ownership. On appeal, the New Mexico Supreme Court affirmed this decision on June 30, 2014. The New Mexico 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 within the boundaries of the District.

NMSA 1978, 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 NMSA 1978, Section 7-36-21.3 limitation does not apply to:

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

Tax Collections

The level of tax collections is an important component in the analysis of the District's ability to pay principal and interest on a timely basis. General property taxes, apart from those taxes on oil and gas production and equipment, 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 is due on November 10 and become 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 County Treasurer collects taxes are as follows:

Table 11. Tax Collections Grant County, New Mexico

Tax Year	Net Taxes Charged to Treasurer	Taxes Collected (as of 9/30/2024)	Percentage Collected
2023	$ 13,898,755	$ 13,026,500	93.72%
2022	13,290,552	12,681,854	95.42%
2021	12,631,667	12,153,860	96.22%
2020	11,883,030	11,456,117	96.41%
2019	12,643,158	12,199,886	96.49%
2018	12,369,861	11,925,256	96.41%
2017	12,033,193	11,605,268	96.44%
2016	11,731,173	11,328,098	96.56%
2015	11,623,479	11,187,807	96.25%
2014	11,638,434	11,115,689	95.51%

Source: Grant County Treasurer, Tax Schedule Maintenance Report as of September 30, 2024

Interest on Delinquent Taxes

Pursuant to NMSA 1978, Section 7-38-49, if property taxes are not paid for any reason within 30 days after the date they are due, interest on the unpaid taxes shall accrue from the 30th day after they are due until the date they are paid. Interest accrues at the rate of 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 1% of the delinquent tax for each month, or any portion of a month, they remain unpaid must be imposed, but the total penalty shall not exceed 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, 50% of the property tax due or $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 upon 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 upon which taxes are delinquent.

Yield Control Limitations

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 that will produce revenues that 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. However, if that percentage is less than 100%, 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, “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.

Protest

Pursuant to Section 7-38-39 NMSA 1978, 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 Section 7-38-36.1 NMSA 1978 or a denial of a claim for an exemption by filing a claim for refund in the district court. Pursuant to Section 7-38-41 NMSA 1978, 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.

THE DISTRICT

The District is a political subdivision of the State organized for the purpose of operating and maintaining an educational program for school-age children residing within its boundaries. The District is located in the western portion of Grant County and southwest New Mexico. The District owns the land upon which school buildings and facilities are located, which includes a PreK, one Kindergarten center, three elementary schools (first through sixth grades), one middle school (seventh through eighth grades), and one high school (ninth through twelfth grades), and a comprehensive kindergarten to twelfth grade school located in Cliff, New Mexico, which is approximately 30 miles northwest of Silver City. Other facilities include five administrative/support facilities and 640,289 gross square feet (GSF) of permanent building area.

School District Powers

Pursuant to an amendment to Article XII, Section 6 of the New Mexico Constitution adopted at a special election held on September 23, 2003 and Chapter 27, Laws 2004 passed in the 2004 legislative session, the District's powers are subject to regulations promulgated by the Secretary of the New Mexico Public Education Department (the "Secretary") with the advice of the Public Education Commission. The Secretary of the Public Education Department ("PED") is responsible for control, management and direction of all public schools. The Public Education Commission is comprised of ten members, elected from public education districts for staggered four-year terms. Generally, the powers of the PED include determining policy of operations of all public schools; designating courses of instruction for all public schools in the State; adopting regulations for the administration of all public schools; determining qualifications for teachers, counselors, and their assistants; and prescribing minimum educational standards for all public schools. The PED may order the creation of new school districts or may require consolidation of school districts.

Governing Body and Administration

The Board, subject to regulations of the Secretary of the NMPED, develops educational policies for the District. The Board employs a superintendent of schools, delegates administrative and supervisory functions to the superintendent, including fixing the salaries of all employees, reviews and approves the annual District budget, has the capacity to sue and be sued, contracts, leases, purchases and sells for the District, acquires and disposes of all property, develops educational policies subject to rules of the NMPED 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 in non-partisan elections, which effective July 1, 2018, are held on the first Tuesday after the first Monday in November of odd-numbered years. The Board Members are:

Ashley Montenegro, President Term; December 31, 2025	Mike McMillan, Member Term: December 31, 2027	Patrick Cohn, Secretary Term: December 31, 2027
Michelle Diaz, Vice President Term: December 31, 2027	Kimberly Klement, Member Term: December 31, 2025	

The superintendent of schools is selected by and serves at the discretion of the Board. All other employees are selected by the superintendent. The current superintendent is William Hawkins.

William Hawkins. William D. "Will" Hawkins is the Superintendent of Silver Consolidated Schools in Silver City, NM. His career in education spans over 23 years, beginning as an English and History teacher. He has also served as a principal and held various administrative roles, including Assistant Superintendent for Human Resources and Secondary Instruction in Hobbs Municipal Schools. Mr. Hawkins is known for his focus on teacher development and student engagement. He emphasizes collaboration and teamwork among educators to create a supportive and effective learning environment. He holds a Bachelor of Arts and a Master's in Education from Angelo State University. He is active in community outreach and engagement within Grant County and serves on the Board of Trustees for the Gila Regional Medical Center.

Michele McCain. Michele McCain is the Director of Finance for the Silver Consolidated Schools in Silver City, New Mexico. She plays a crucial role in managing the district's financial operations and ensuring the budget is effectively utilized to support educational programs. Michele is dedicated to maintaining the financial health of the school district. Michele McCain has been instrumental in several key projects and initiatives at Silver Consolidated Schools. One of her notable achievements includes successfully managing the district's budget during challenging financial times, ensuring that educational programs and resources remained adequately funded. Additionally, Michele has been involved in implementing financial strategies that have improved the efficiency and transparency of the district's financial operations. Her efforts have contributed significantly to the overall financial health and stability of the school district.

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 insurance program for school districts, board members and retirees and public school employees and retirees with the State. The Insurance Authority provides risk related insurance to the District such as worker's compensation, property and casualty insurance, general automobile and fire insurance and general liability insurance for the District, its property, its board members and employees. The Insurance Authority also provides health, dental and vision insurance to the District.

Intergovernmental Agreements

The District has entered into various joint powers agreements with other governmental entities in the State that permit them to provide equipment purchases and other services jointly. Without these procurement vehicles, the District would have to procure these services on their own and most likely would not receive the same discounts as they do when collaborating with other districts.

Enrollment

Set forth below is the District's enrollment for the last seven school years. For a discussion of the relationship between student enrollment and amounts of financial support provided by the State for public schools, see "FINANCES OF THE EDUCATIONAL PROGRAM – Sources of Revenues for General Fund."

Table 12. Enrollment History

School Year	Enrollment
2023-24*	2,166
2022-23	2,285
2021-22	2,274
2020-21	2,294
2019-20	2,483
2018-19	2,486
2017-18	2,609

Source: NMPED Enrollment Reports, 40-day Count

* The latest disclosure reported 2,135 students, based on District estimate at that time.

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. New Mexico's public school finance laws are subject to review and examination through both the judicial and legislative processes. As a result, the District cannot anticipate with certainty all of the factors that may influence the financing of its future activities. There is no assurance that there will not be any change in, interpretation of or additions to the applicable laws, provisions and regulations that would have a material effect, directly or indirectly, on the affairs of the District.

See “LITIGATION” for a discussion of current litigation that could impact the funding of education in the State.

Recent and Current Legislative Action

During the New Mexico State Legislature’s 2018 regular session, the New Mexico State Legislature passed House Bill 98 (HB 98) which enacted the Local Elections Act amending the State’s election statutes to consolidate virtually all nonpartisan local elections on the same day. HB 98 was signed by Governor Susana Martinez on March 7, 2018, and took effect on July 1, 2018. Among other things, the Local Election Act provides elections for school districts, community college districts, flood control districts, special zoning districts and soil and water sanitation districts be merged starting in 2019. The Local Election Act, which was amended in the 2019 Legislative session, also permits certain municipalities to opt-in to the regular elections. As a result of the statutory amendments, the dates for all these nonpartisan regular elections occur on the first Tuesday after the first Monday in November of each odd-numbered year.

Matters voted on at these regular elections include election of school board members, municipal officers and the officers for other districts that have taxation authority. Ballots may also include bond questions and local mill levies for the voter’s consideration. HB 98 amended the special election provisions contained under NMSA Section 1-24-1 to eliminate in-person voting at special elections and to require that all such special elections be conducted by mailed ballot.

The voters of the District approved the issuance of $25,000,000 in general obligation bonds (including the Bonds) at a special election held in the District on August 20, 2024.

During the 2023 legislative session, the New Mexico State Legislature passed several bills signed by Governor Lujan-Grisham affecting public education including House Bill 130 increasing the number of instructional hours for kindergarten through 12th grade, and Senate Bill 131 making changes to public school capital outlay funding to improve districts’ access to funding.

Sources of Revenue for General Fund

The General Fund is used to account for resources of the operational fund, student activity funds and other resources not accounted for in another fund. The sources of revenue for the District's General Fund are:

Local Revenues - Local revenues are a minor source of revenue for the District made up, 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 State law 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. In the Fiscal Year 2023, the District received $544,088 from local sources.

Federal Revenues - Another minor source of annual revenue for the District's General Fund is derived from indirect costs of direct federal grant funds related to vocational, special education, and various other programs and P.L. 874 federal impact moneys paid to the District in lieu of taxes on federal land located in the District. In Fiscal Year 2023, the District received $221,190 in federal revenues for its General Fund.

State Revenues - The District's largest source of annual revenue is derived from the State Equalization Guarantee distribution described below. During fiscal year 2023, the District received $26,824,198 from all State sources. Such payments represented approximately 96 percent of actual Fiscal Year 2023 General Fund Revenue.

State Equalization Guarantee Program

The State Legislature enacted New Mexico'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 New Mexico. 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. Teacher Cost Index 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 increase 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 July 1 of the previous fiscal year through May 31 of the fiscal year for which the State distribution is being computed. If 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 two 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 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, an 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 Legislature enacted the following changes to the funding formula:

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

In addition, the equalization funding for a district is based on previous year's enrollment rather than current year enrollment. SEG payments to the District for the prior five years are as follows:

Table 13. State Equalization Guarantee - Annual Amount

Year	Program Unit Value	Number of Program Units	SEG Payment
2024-25*	$ 6,554	4,434.309	$ 29,061,352.61
2023-24	6,242	4,645.623	$ 28,996,445.71
2022-23	5,451	4,675.498	$ 25,486,139.60
2021-22	4,863	4,614.370	$ 22,439,681.31
2020-21	4,537	4,925.679	$ 22,346,574.20

*Preliminary Unit Value

Source: NMPED and District

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 2023, the District received $1,100,261 for transportation purposes.

Balance Sheet

The following is a history of the District's General Fund Balance Sheet. The General Fund includes Operational, Transportation and Instructional Materials. See financial statements for the fiscal year ending June 30, 2023, attached as Appendix C. The complete audit report for the fiscal year ending June 30, 2023, and the prior four fiscal years can be downloaded from the State Auditor's website using the following link: Audit Report Search | NM Office of the State Auditor (saonm.org)

Table 14. Silver Consolidated School District
General Fund - Balance Sheets Governmental Funds

	Fiscal Year Ended June 30,				
	2023	2022	2021	2020	2019
ASSETS					
Cash and investments	964,100	765,985	1,039,806	384,376	1,042,152
Accounts receivable					
Property Taxes Receivables	18,852	20,193	48,022	47,666	57,018
Due from other governments	100,376	-	-	-	-
Interfund receivable	2,338,156	2,361,822	1,004,746	681,512	-
Total Assets	**3,421,484**	**3,148,000**	**2,092,574**	**1,113,554**	**1,099,170**
LIABILITIES					
Accounts payable	45,824	81,688	43,463	74,436	111,905
	-	-	-	-	-
Total Liabilities	**45,824**	**81,688**	**43,463**	**74,436**	**111,905**
DEFERRED INFLOWS OF RESOURCES					
Property taxes	-	-	-	-	-
Unavailable revenue	62,076	13,680	40,231	41,668	51,510
	-	-	-	-	-
Total deferred inflows of resources	**62,076**	**13,680**	**40,231**	**41,668**	**51,510**
Fund Balance:					
Non-spendable:					
Inventories	-	-	-	-	-
Restricted for:					
Education	-	-	79,552	83,148	190,577
Transportation	3,216	-	6,360	12,718	19
Unassigned	3,310,368	3,052,632	1,922,968	901,584	745,159
Total Fund Balance	3,313,584	3,052,632	2,008,880	997,450	935,755
Total liabilities, deferred inflows of resources and fund balances	**3,421,484**	**3,148,000**	**2,092,574**	**1,113,554**	**1,099,170**

Source: District Audited Financials for FY2019-FY2023

Statement of Revenues, Expenditures & Changes in Fund Balances

The following is a history of the District's General Fund Statement of Revenues, Expenditures & Changes in Fund Balances. See financial statements for the fiscal year ending June 30, 2023, attached as Appendix C. The complete audit report for the fiscal year ending June 30, 2023, and the prior four fiscal years can be downloaded from the State Auditor's website using the following link: Audit Report Search | NM Office of the State Auditor (saonm.org).

The FY24 unaudited fund balance, reported by the District, is $4,637,567.

Table 15. Silver Consolidated Schools
General Fund - Combined Statement of Revenues, Expenditures and Changes in Fund Balance

	Fiscal Year Ended June 30,				
	2023	2022	2021	2020	2019
REVENUES					
Property Taxes	218,514	204,903	204,208	197,449	189,399
Charges for Services	128,054	125,115	181,560	67,813	71,812
Intergovernmental:					
State grants	26,924,574	23,797,221	23,078,424	23,852,752	22,246,863
Federal Grants	221,190	226,893	179,930	201,195	216,402
Earnings on Investments	-	-	3,865	4,926	5,586
Miscellaneous	147,784	173,962	57,817	211,993	419,448
Total Operating Revenues	**27,640,116**	**24,528,094**	**23,705,804**	**24,536,128**	**23,149,510**
Expenditures					
Instruction	15,620,908	13,589,326	12,608,045	13,904,479	13,479,193
Support Services - Students	3,093,387	2,612,422	2,448,968	2,755,473	3,137,314
Support Services - Instruction	663,652	776,443	849,962	778,064	603,467
General Administration	684,565	723,144	556,388	561,531	675,131
School Administration	1,865,880	656,408	1,560,033	1,610,714	1,579,273
Central Services	630,100	643,217	513,088	485,830	483,994
Operation & Maintenance of Plant	3,694,370	3,294,180	3,054,456	3,094,202	2,825,576
Food Services Operations	-	-	65,014	136,152	-
Student Transportation	1,099,937	1,066,733	1,033,420	1,147,988	1,027,500
Capital Outlay	26,365	-	5,000	-	-
Total Expenditures	27,379,164	23,361,873	22,694,374	24,474,433	23,811,448
Increase/(Decrease) in Net Position	**260,952**	**1,043,752**	**1,011,430**	**61,695**	**(661,938)**
Fund Balances, Beginning of Year	3,052,632	2,008,880	997,450	935,755	1,597,693
Change in Accounting Principle, if any	-	-	-	-	-
Fund Balances, End of Year	3,313,584	3,052,632	2,008,880	997,450	935,755

Source: District Audited Financials for FY2019-FY2023

Title I Special Revenue Funds

The Special Revenue Fund program is used to provide supplemental educational opportunity for academically disadvantaged children residing in the area. 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 criterion that identifies a campus; educational need determines the students to be served, and the funds are allocated to the District through the New Mexico Public Education Department. Authority is Part A of Chapter I of Title I of Elementary and Secondary Education Act ESEA of 1965, as amended, P.L. 103-383.

Debt Service

The Debt Service Fund is used to account for accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Bond Building Capital Projects

The Bond Building Capital Projects Fund is used to account for bond proceeds plus any income earned thereon. The proceeds are restricted for the purpose of erecting, remodeling and making additions to and furnishing of school buildings or purchasing or improving school grounds, purchasing computer software and hardware for student use in public classrooms, providing matching funds for capital projects funded pursuant to the Public School Capital Outlay Act, or any combination thereof, as approved by the voters of the District.

Agency Funds

The Agency Funds account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

District Budget Process

Each year, the school district budget process begins with the educational appropriations passed by the Legislature and signed into law by the Governor. The actual budget process follows specific steps set forth in the Public School Finance Act:

1. Before April 15 of each year, the District must submit an estimated budget for the next school year to the NMPED. If the District fails to submit a budget, the NMPED must prepare a District budget for the ensuing year.
2. Before June 20 of each year, the Board must hold a public hearing to fix the estimated budget for the next school year.
3. On or before July 1 of each year, the NMPED 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 NMPED. 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 NMPED except upon the District’s request to the NMPED. Instances 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 NMPED 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 to the 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 Non-GAAP basis of accounting.

Employees and Retirement Plan

The District currently employs approximately 259 teachers and 224 non-instructional support staff as food service employees, and Administrators, Principals, and Coordinators for an approximate total of 483 full time employees.

ERB Pension Plan

Employees of the District participate in a public employee retirement system authorized under the Educational Retirement Act ("ERA"). The Educational Retirement Board ("ERB"), pursuant to NMSA 1978, Section 22-11-6, 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 and beneficiaries. The ERB issues a separate, publicly available financial report that includes financial statements and required supplementary information of the Plan. That report is available on the ERB's website at www.nmerb.org.

Following is a partial history of employer and employee contributions statewide, and average asset balance of the Plan:

Table 16. ERB Contributions History

Fiscal Year Ending June 30	Employer Contributions	Employee Contributions	Net Assets Held in Trust
2023	$ 662,750,272	$ 395,815,181	$ 16,261,793,470
2022	511,943,988	347,917,165	15,550,701,708
2021	452,872,287	330,066,887	16,361,524,358
2020	451,556,144	328,080,239	13,019,196,862
2019	406,549,056	303,442,092	13,544,691,114

Source: New Mexico Educational Retirement Board Report FY2023-2019

Funding Policy

Contributions. The contribution requirements of defined benefit plan members and the District are established in state statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. Senate Bill 36 passed in the 2022 Regular Legislative Session made incremental changes to the benefit contributions:

- Effective July 1, 2022 the employer contribution rate increased by 2.00%, from 15.15% to 17.15%

• Effective July 1, 2023 the employer contribution rate increased by 1.00%, from 17.15% to 18.15%

For the past five fiscal years, 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
2024	7/1/2023 to	Over $24k	10.70%	18.15%	28.85%	1.00%
	6/30/2024	$24k or Less	7.90%	18.15%	26.05%	1.00%
2023	7/1/2022 to	Over $24k	10.70%	17.15%	27.85%	2.00%
	6/30/2023	$24k or Less	7.90%	17.15%	25.05%	2.00%
2022	7/1/2021 to	Over $24k	10.70%	15.15%	25.85%	1.00%
	6/30/2022	$24k or Less	7.90%	15.15%	23.05%	1.00%
2021	7/1/2020 to	Over $24k	10.70%	14.15%	24.85%	1.00%
	6/30/2021	$24k or Less	7.90%	14.15%	22.05%	1.00%
2020	7/1/2019 to	Over $24k	10.70%	14.15%	24.85%	0.25%
	6/30/2020	$24k or Less	7.90%	14.15%	22.05%	0.25%

For the fiscal years ended June 30, 2023 and 2022, the District paid employee and employer contributions of $3,326,879 and $2,644,356, 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, 2023, the District reported a liability of $43,371,814 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2022, using generally accepted actuarial principles.

These changes have been reflected in the roll-forward and in the projection 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, 2022, actuarially determined. At June 30, 2022, the District's proportion was 0.51500%, which was an increase of 0.000658% from its proportion measured as of June 30, 2021. For the year ended June 30, 2023, the District recognized pension expense of $3,326,879.

On June 25, 2012, the Governmental Accounting Standards Board Approved 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.

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 New Mexico Legislature amended the Act in the 2013 legislative session (Senate Bill 115; Chapter 61, Laws 2013). The legislation 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 Plan, and made certain other clarifying and technical changes.

In December 2013, the New Mexico Supreme 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 New Mexico 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.

Post-Employment Benefits

The District contributes to the New Mexico Retiree Health Care Fund ("Fund"), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority ("RHCA"). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (NMSA 1978, Chapter 10, Article 7C). The RHCA Board is responsible to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies. Eligible retirees are 1) retirees who make contributions to the Fund for at least five years prior to retirement and whose eligible employer made contributions as a participant in the plan; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) (the "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 by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

Funding Policy

The Retiree Health Care Act (NMSA 1978, Section 10-7C-13) 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.

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 Fund in the amount determined to be appropriate by the RHCA board.

The Retiree Health Care Act 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, 2016, 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.

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 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 $193,537 (employee) and $387,079 (employer) for the year ended June 30, 2023.

Other post employee benefits ("OPEB") Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At June 30, 2023, the District reported a liability of $7,874,578 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, 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 proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2022. At June 30, 2022, the District's proportion was 0.34065%.

For the year ended June 30, 2023, the District recognized OPEB expense of $1,955,008. 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, 2021.

As a cost-share employer participating in the Retiree Health Care Authority Plan, the District is required to, and has included, in its June 30, 2023 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.

Recent Legislative Changes

Recent legislative changes enacted during the 2012, 2013, 2019 and 2022 legislative sessions also amended various provisions of the ERA. House Bill 360 from the 2019 legislative session made significant changes to ERA and Senate Bill 36 in 2022 made contribution increases to protect the solvency of ERA.

House Bill 360 ("HB-360") amends the ERA to: increase employer contributions to the educational retirement fund; increase the salary level employees would be required to reach before paying a higher contribution rate; increase the age or years of service requirements for new members to be eligible for retirement and reduce retirement benefits for new employees who work for less than 30 years; make changes to the return-to-work program; require most retirees from the Public Employees Retirement

Association (PERA) to make contributions to the educational retirement fund if they become employed by an ERA-covered employer; change the salary calculation for determining retirement benefits for employees that receive a salary increase of more than 30 percent; and require substitute teachers to become members of the ERB if they are employed at least one quarter time (0.25 FTE) increase employer contributions.

HB-360 amended ERA to provide for employer contribution of 14.15 percent of annual salary, rather than 14.4 percent of annual salary, to eliminate contribution increases in FY21 and FY22, to require that a retired employee working 0.25 FTE or less make nonrefundable contributions to the educational retirement fund, and delayed the date for which substitute teachers with a FTE of more than 0.25 FTE would be required to become a member of the Educational Retirement Board (ERB) to July 1, 2020. House Bill 2 also approved by the legislature in 2019 included changes to the state equalization guarantee for FY 2020 to increase employer contributions to ERB to offset the impact of HB-360.

SB-36 amended ERA to provide for increased employer contributions July 1, 2022 from 15.15 percent to 17.15 percent on all covered salaries. It further increased employer contributions July 1, 2023 from 17.15 percent to 18.15 percent on all covered salaries.

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 Grant County treasurer 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 its continuing disclosure agreements made in accordance with SEC Rule 15c2-12.

Ensuring continuous services, regarding operations and financial transactions, is accomplished through both cloud-based and on-premises protocols that include both preventative and responsive actions. The District currently maintains financial data and processes on an in-house server which is backed up nightly to financial provider disaster recovery platform in addition to a a separate backup and replication appliance to help protect mission-critical data. This process ensures continuous access via shared responsibility agreements and recovery action plans for any affected services or operations. The District's network is equipped with a firewall and access controls, email filtering services, and endpoint management and artificial intelligence anomaly-detection software to ensure alert detection, threat visibility, proactive hunting, and threat response are safeguarding personally identifiable information and financial data. Current remediation for any impacts on payments of debts or financial processes may include conducting a full replication from backed up financial data and moving to an unaffected server or network.

TAX MATTERS

Federal Income Tax Opinion

On the date of initial delivery of the Bonds, Rodey, Dickason, Sloan, Akin & Robb, P.A., Santa Fe, New Mexico, Bond Counsel, will render its opinion that, under existing laws, regulations, published rulings and court decisions existing on the date thereof ("Existing Law"), and assuming compliance with covenants described herein, interest on the Bonds is excludable from gross income for federal income tax purposes and is an item of tax preference under Section 57 of the Internal Revenue Code of 1986, as amended (the "Code") for the 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 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 Law, as enacted and construed, that interest on the Bonds is exempt from all taxation by the State of New Mexico or any political subdivision thereof. Except as stated in this subsection and the subsection "New Mexico Income Tax Opinion," Bond Counsel will express no opinion as to any other federal, state or local tax consequences of the purchase, ownership or disposition of the Bonds. See Appendix B for Form of Bond Counsel Opinion of Rodey, Dickason, Sloan, Akin & Robb, P.A.

In rendering its opinion, Rodey, Dickason, Sloan, Akin & Robb, P.A. will rely upon (a) the District's federal tax certificate and (b) various representations, warranties, and covenants of the District with respect to arbitrage, the application of the proceeds to be received from the issuance and sale of the Bonds and certain other matters. Failure of the District to comply with these representations or covenants could cause the interest on the Bonds to become includable in gross income retroactively to the date of issuance of the Bonds. The opinion of Bond Counsel assumes compliance with the covenants and the accuracy of such representations and warranties.

The Code and the regulations promulgated thereunder contain several requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be, and to remain, excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The opinion of Rodey, Dickason, Sloan, Akin & Robb, P.A. is conditioned on compliance by the District with such requirements, and Rodey, Dickason, Sloan, Akin & Robb, P.A. has not been retained to monitor compliance with these requirements subsequent to the issuance of the Bonds.

Although Bond Counsel has rendered an 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. Bond Counsel expresses no opinion regarding any such consequences. Before purchasing any of the Bonds, potential purchasers should consult their tax advisors as to the tax consequences of purchasing or owning the Bonds.

The opinions expressed by Bond Counsel are based upon Existing Law as of the date of issuance and delivery of the Bonds, and Bond Counsel expresses no opinion as of any date subsequent thereto or with respect to any pending legislation.

The opinion rendered by Rodey, Dickason, Sloan, Akin & Robb, P.A. represents its legal judgement based upon its review of Existing Law and the reliance on the aforementioned information, representations, warranties, and covenants. The opinion expressed by Rodey, Dickason, Sloan, Akin & Robb, P.A. is not a guarantee of a result. Existing Law is subject to change by Congress and to subsequent judicial and administrative interpretation by the courts and the Department of the Treasury. There can be no assurance that Existing Law or the interpretation thereof will not be changed in a manner which would adversely affect the tax treatment of the purchase, ownership or disposition of the Bonds.

A ruling was not sought from the Internal Revenue Service by the Issuer with respect to the Bonds or the property financed or refinanced with proceeds of the Bonds. No assurances can be given as to whether the Internal Revenue Service will commence an audit of the Bonds, or as to whether the Internal Revenue Service would agree with the opinion rendered by Rodey, Dickason, Sloan, Akin & Robb, P.A. If an audit is commenced, under current procedures the Internal Revenue Service is likely to treat the District as the taxpayer and the Bondholders may have no right to participate in such procedure. No additional interest will be paid upon any determination of taxability.

New Mexico Income Tax Opinion

On the date of initial delivery of the Bonds, Rodey, Dickason, Sloan, Akin & Robb, P.A., Santa Fe, New Mexico, Bond Counsel will render their opinions that interest on the Bonds will be excluded from net income for purposes of New Mexico state income tax. Rodey, Dickason, Sloan, Akin & Robb, P.A. expresses no opinion as to any other federal, state or local tax consequences, except as described in this subsection. See Appendix B "Form of Bond Counsel's Opinion".

Original Issue Discount

The Bonds may be offered at a discount ("original issue discount") equal generally to the difference between the 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 Bond for determining taxable gain or loss from sale or from redemption prior to maturity. Holders of bond offered at original issue discount should consult their tax advisors for an explanation of the accrual rules.

Original Issue Premium

The Bonds 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 Bond through reductions in the holders' tax basis in the Bond for determining taxable gain or loss from the sale or from redemption prior to maturity. Amortizable premium is accounted for as reducing the tax-exempt interest on the Bond rather than creating a deductible expense or loss. Holder of bonds offered at an original issue premium should consult their tax advisors for an explanation of the amortization rules.

State, Local & Foreign Taxes

Investors should consult their own tax advisors concerning the tax implications of the purchase, ownership or disposition of the Bonds under applicable state or local laws. Foreign investors should also consult their own tax advisors regarding the tax consequences unique to investors who are not United States persons.

Information Reporting and Backup Withholding

Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the Bonds will be sent to each registered holder and to the IRS. Payments of interest and principal may be subject to backup withholding under Section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner's social security number or other taxpayer identification number ("TIN"), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient's federal income tax. Special rules apply to partnerships, estates and trusts, and in certain circumstances, and in respect of non- U.S. holders, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

Future and Proposed Legislation

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under Federal or state law and could affect the market price or marketability of the Bonds. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

Qualified Tax-Exempt Obligations for Financial Institutions

Section 265(a) of the Code provides, in pertinent part, that interest paid or incurred by a taxpayer, including a "financial institution," on indebtedness incurred or continued to purchase or carry tax-exempt obligations is not deductible in determining the taxpayer's taxable income. Section 265(b) of the Code provides an exception to the disallowance of such deduction for any interest expense paid or incurred on indebtedness of a taxpayer that is a "financial institution" allocable to tax-exempt obligations, other than "private activity bonds," that are designated by a "qualified small issuer" as "qualified tax-exempt obligations." A "qualified small issuer" is any governmental issuer (together with any "on- behalf of" and "subordinate" issuers) who issues no more than $10,000,000 of tax-exempt obligations during the calendar year. Section 265(b)(5) of the Code defines the term "financial institution" as any "bank" described in Section 585(a)(2) of the Code, or any person accepting deposits from the public in the ordinary course of such person's trade or business that is subject to federal or state supervision as a financial institution. Notwithstanding the exception to the disallowance of the deduction of interest on indebtedness related to "qualified tax-exempt obligations" provided by Section 265(b) of the Code, Section 291 of the Code provides that the allowable deduction to a "bank," as defined in Section 585(a)(2) of the Code, for interest on indebtedness incurred or continued to purchase "qualified tax-exempt obligations" shall be reduced by twenty-percent (20%) as a "financial institution preference item."

The District has designated the Bonds as "qualified tax-exempt obligations" within the meaning of section 265(b) of the Code. In furtherance of that designation, the District will covenant to take such action which would assure, or to refrain from such action which would adversely affect, the treatment of the Bonds as "qualified tax-exempt obligations." **Potential purchasers should be aware that if the issue price to the public of all tax-exempt obligations issued by the District during the calendar year exceeds $10,000,000, there is a reasonable basis to conclude that the payment of a de minimis amount of premium in excess of $10,000,000 is disregarded; however, the Internal Revenue Service could take a contrary view. If the Internal Revenue Service takes the position that the amount of such premium is not disregarded, then such obligations might fail to satisfy the aforementioned dollar limitation, and the Bonds would not be "qualified tax-exempt obligations."**

CONTINUING DISCLOSURE UNDERTAKING

In the Continuing Disclosure Undertaking, the District has made the following agreement for the benefit of the holders and beneficial owners of the Bonds. The District is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the District will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified material events, to the Municipal Securities Rulemaking Board (the "MSRB"). This information will be publicly available on the MSRB's website at www.emma.msrb.org. A draft of the Continuing Disclosure Undertaking is attached hereto as Appendix D.

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 in this Official Statement. The District will update and provide this information on or before March 31 of each fiscal year beginning in 2025.

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 of 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: (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, or other material events affecting the tax status of the Bonds; (7) modifications to rights of Beneficial Owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, 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) in the preceding paragraph, including the term "financial obligation," to have the meanings ascribed to them in SEC Release No. 34-83885, dated August 20, 2018. In addition, the District will provide timely notice of any failure by the District to provide information, data, or financial statements in accordance with its agreement described above under "Annual Reports."

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) 898-1500.

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 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 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 in the primary offering of the Bonds 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 that authorizes such an amendment) of the outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the District (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interest of the Holders and beneficial owners of the Bonds. 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 in the primary offering of the Bonds.

Compliance with Prior Undertakings

During the past five years the District has made continuing disclosure agreements in accordance with SEC Rule 15c2- 12 and is in material compliance with such agreements.

LITIGATION IMPACTING PUBLIC SCHOOLS

At the time of the original delivery of the Bonds, the District will deliver a no-litigation certificate to the effect that no litigation or administrative action or proceedings are 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, the effectiveness of the Bond Resolution, the levying or collecting of taxes to pay the principal of and interest on the Bonds except as described below or contesting or questioning the proceedings and authority under which the Bonds have been authorized and are to be issued, sold, executed or delivered, or the validity of the Bonds.

There have been various legal challenges to the State's funding process for primary and secondary public education. In 2014, two plaintiff groups filed lawsuits, each of which challenged the sufficiency of school funding and the school funding formula as applied to the needs of at-risk students. The lawsuits were consolidated (*Martinez, et al. v. the State of New Mexico* consolidated with *Yazzie, et al. v. the State of New Mexico*, No. D-101-CV-2014-00793) and proceeded to a bench trial in 2017. On February 14, 2019, the Court entered a Final Judgment and Order that the State violated the Education Clause, the Equal Protection Clause, and the Due Process Clause of the New Mexico Constitution. The Court required the State to ensure schools have resources, including funding and accountability measures, to give at-risk students an opportunity to obtain a sufficient education. In response, during the 2019 Regular Session, the Legislature increased public school funding by approximately $400 million. In October 2019, the Plaintiffs filed motions claiming that the State had not complied with the order. The Court entered a stipulated order setting forth a schedule for discovery to determine what steps the State has taken since the 2018 order. The discovery deadlines in that order have been extended and discovery is ongoing. On May 18, 2021, the Court granted the Yazzie Plaintiffs' expedited motion for further relief concerning the State's failure to provide essential technology to at-risk public school students in response to the Covid-19 pandemic.

In a lawsuit filed in the New Mexico Eleventh Judicial District Court in 1998, (*Zuni Public School District, et al., v. the State of New Mexico, et al.*, No. D-1113-CV-9800014), two school districts sought a declaratory judgment that the State's method of funding of capital improvements for public schools violated the State Constitutional requirement to provide a "uniform" and "adequate" system of funding capital improvements. On December 29, 2020, the trial court filed a Decision and Order ruling in favor of the Plaintiffs. On June 18, 2021, the State filed a notice of appeal to the New Mexico Court of Appeals. The appeal (No. A-1-CA-39902) operates as an automatic stay of the District Court's judgment.

The Brief in Chief was filed by the State on August 22, 2022, seeking a reversal of the district court's finding that the Public School Capital Outlay Act, NMSA 1978, §§ 22-24-1 to -12 ("PSCOA"), and Public School Capital Improvements Act, NMSA 1978, §§ 22-25-1 to -11 ("PSCIA"), are unconstitutional and enjoining the State to create a different capital outlay system. Zuni and Gallup-McKinley Districts filed a response brief on November 11, 2022, and the State filed its reply brief on December 19, 2022. A motion for oral argument was made on November 30, 2022. On July 7, 2023, the appeal was assigned to a Court of Appeals panel. The Gallup-McKinley School District subsequently filed an opposed motion to certify the appeal to the New Mexico Supreme Court on July 19, 2023. However, on August 1, 2023, the State submitted a Notice of Supplemental Authority ("NSA") pointing out the enactment of SB 131 effectively amends the two laws—the PSCOA and PSCIA—that were held unconstitutional by the district court, which were the subject of the appeal. See SB 131 § 9 (effective July 1, 2023). The State argued in its NSA that "the changes to the capital outlay funding system render the appeal moot or warrant remand." On August 7, 2023, the Court of Appeals certified the case to the New Mexico Supreme Court. On December 2, 2024, the New Mexico Supreme Court issued a Dispositional Order of Remand determining that case was moot because the district court's 2020 decision declared that the State’s then-existing statutory capital outlay scheme for funding public school facilities was unconstitutional, and the legislature had made substantial amendments to the capital outlay scheme that funds public school facilities after the district court had rendered its decision. The Supreme Court remanded the case to the district court for further proceedings with instructions to consider the constitutionality of the current statutory scheme, should the school districts decide to pursue such litigation.

The outcome of the litigation described above, if pursued by the school district, may impact the school financing system and the District; however, the extent of such impact is currently unknown.

RATINGS

Moody's Investors Service has assigned the Bonds a rating of “Aa3” with the understanding that the Bonds will qualify under the New Mexico School District Enhancement Program. See “New Mexico School District Enhancement Program” herein. The underlying rating on the Bonds is “Baa1”. An explanation of the significance of the rating given by Moody's Investors Service may be obtained from Moody's Investors Service, 99 Church Street, New York, New York 10007. There is no assurance that the rating will not be revised downward 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 adverse effect on the market price or marketability of the Bonds.

LEGAL MATTERS

The delivery of the Bonds is subject to the approval of the Attorney General of New Mexico. Additionally, the firms of Rodey, Dickason, Sloan, Akin & Robb, P.A., Santa Fe, New Mexico, have been retained as Bond Counsel to the District (“Bond Counsel”). Bond Counsel will provide unqualified opinions that the Bonds are legally issued under New Mexico law and that the interest income from the Bonds is excludable from Federal and State of New Mexico income taxes. In connection with the transactions described in this Official Statement, Bond Counsel only represents the District. 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 by the Underwriter is contingent upon the sale and delivery of the Bonds. The legal fees to be paid to Bond Counsel for services rendered in connection with the issuance of the Bonds are contingent in part upon the sale and delivery of the Bonds. The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of the 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.

UNDERWRITING

The Bonds are being purchased by Hilltop Securities Inc. (the “Underwriter”) pursuant to a Bond Purchase Agreement dated December 19, 2024. The Underwriter has agreed, subject to certain conditions, to purchase the Bonds from the District at a price of $ 7,169,995.95 (representing the par amount of the Bonds of $7,000,000.00, plus a net original issue premium of $ 209,100.30, less an Underwriter's discount of $39,104.35). The Bond Purchase Agreement provides that the Underwriter will purchase all of the Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in the Bond Purchase Agreement, including approval of certain legal matters by counsel and certain other conditions.

The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information. The prices at which the Bonds are offered to the public (and the yields resulting therefrom) may vary from the initial public offering prices appearing on the cover page of this Official Statement. In addition, the Underwriter may allow commissions or discounts from such initial offering prices to dealers and others.

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 Bosque Advisors, LLC, 2305 Renard Place SE, Suite 220, Albuquerque, New Mexico 87106.

A LAST WORD

Anything in this Official Statement involving matters of opinion or estimates – whether labeled as such or not – are just that. They are not representations of fact. They might not prove true. Neither this Official Statement nor any other written or oral information is to be construed as a contract with the registered owners of the Bonds.

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

/s/ Ashley Montenegro
President, Board of Education

/s/ Patrick Cohn
Secretary, Board of Education

Appendix A

General Information - Silver Consolidated School District, Grant County, New Mexico

The District

The Silver Consolidated School District operates one PreK, one Kindergarten center, three elementary schools (1st - 6th grade), one middle school (7th-8th grade) and one high school (9th-12th grade); the district also operates a K-12 school in the community of Cliff, approximately 30 miles northwest of Silver City. The district also has five administrative/support facilities and 640,289 gross square feet (GSF) of permanent building area.

The District serves all but the northeastern corner of Grant County, in southwestern New Mexico. The district is headquartered in Silver City, NM, which is located in the northcentral portion of the county and shares a western border with Arizona (see map below). The area is known for its beautiful high desert and mountain terrain, which affords residents a moderate climate that is atypical of much of the southwestern United States.

Western New Mexico University (WNMU) is a public, four-year institution that has been based in Silver City since 1893; the university offers a wide variety of associate's, bachelor's and master's degree programs. In addition, Aldo Leopold Charter School is located on the WNMU campus, offering 9th-12th grade students the opportunity to dual-enroll in both high school and college classes.

The District schools provide a comprehensive curriculum, offering fine arts, physical education, visual arts, and other special education programming with the core curriculum. It should be noted, however, that the special education population is average in all grades. The addition of Pre-Kindergarten to the elementary school grades has increased the need for more resources for these grades.

The Community

The Town of Silver City is the county seat of Grant County and home to most of the district's facilities. Located along U.S.-180 and adjacent to the Gila National Forest, the town takes great pride in its Native American and Old West heritage, local arts community, recreational attractions and small-town quality of life. The area has been home to Native American, Hispanic and Anglo settlers for centuries, and Silver City has strong ties to historical figures, such as Wyatt Earp, Billy the Kid and the Apache Chief Geronimo. In addition, the ancient Gila Cliff dwellings, which date back to 800 B.C., are located nearby.

The District serves several smaller communities in the western part of Grant County such as Cliff and the nearby town of Gila which were settled in 1884, in the Gila River Valley. The area was and is primarily a ranching and farming community. The local Cliff Post Office was established on August 4, 1894. Cliff schools are part of the Silver Consolidated School District.

Enrollment at the District

Kindergarten through 12th grade (K-12) enrollment in the district totaled 2,123 students in the fall of the 2023/2024 academic year, representing a decrease of 82 students (3.7 percent) compared with the prior year. Enrollment has declined marginally year over year for the past decade, or by 800 students in the past decade. In the 2022/2023 academic year, nearly 10,700 household units in the district house a population of 20,600 people, resulting in a population per household of 2.259 persons. The population per household in the district has been declining slowly and this trend is projected to continue, falling to 2.22 by 2030.

Population

Based on information gained from the Bureau of Business & Economic Research, the following table shows the historical and projected population data for the Town of Silver City, Grant County and the State.

Table 17. Projected Population		
Year	Grant County	State
2018**	28,446	2,110,281
2019**	28,296	2,113,988
2020*	28,185	2,117,522
2021**	28,176	2,118,699
2022**	27,847	2,122,443
2023**	27,686	2,126,186

*Census Year

** Estimated

Source: The University of New Mexico Geospatial and Population Studies

The following table sets forth a comparative age distribution profile for Grant County, the State and the United States.

Table 18. Percentage of Population by Age		
Age	Grant County	New Mexico
0-19	21.5%	23.7%
20-44	25.5%	32.8%
45-64	24.7%	23.4%
65-84	25.0%	18.0%
85 and Older	3.4%	2.0%

Source: US Census Bureau

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 Environics Analytics. 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.

Table 19. Percent of Household by Effective buying Income Groups as of 2023		
Income by Group	Grant County	New Mexico
Under $25,000	25.80%	20.50%
$25,000 - 34,999	14.80%	8.30%
$35,000 - 49,999	14.70%	11.80%
$50,000 - 74,999	14.70%	17.60%
75,000 and Over	30.00%	41.70%

Source: New Mexico Workforce Solutions

Employment

The following table provides a six-year history of labor force and unemployment rates for Grant County, and the State of New Mexico.

Table 20. Employment				
	Grant County		State of New Mexico	
Year*	Labor Force	Percent Unemployed	Labor Force	Percent Unemployed
2019	12,158	5.4%	960,440	5.7%
2020	11,254	11.2%	919,625	9.6%
2021	11,548	8.9%	947,773	8.4%
2022	11,765	4.4%	947,654	4.7%
2023	11,481	4.0%	972,321	4.3%
2024	12,416	4.1%	981,448	4.8%

* Data pulled from the month of June for every year

Source: State of New Mexico Department of Workforce Solutions

Average Annual Employment by Sector (Covered Wage & Salary Workers)

New Mexico Workforce Solutions publishes quarterly reports of covered employment and wages classified according to the North American Industry Classification System (NAICS).

Table 21. Employment in Grant County by NAICS Sector			
Industry	Number of Establishments	Employment	Avg Weekly Wage
Agriculture	Confidential	Confidential	Confidential
Mining, Quarrying, Oil & Gas	Confidential	Confidential	Confidential
Utilities	15	93	1096
Construction	74	425	734
Manufacturing	16	98	474
Wholesale Trade	19	74	1058
Retail Trade	88	1076	540
Transportation & Warehousing	29	129	759
Information	18	108	1099
Finance & Insurance	37	153	914
Real Estate & Rental	31	87	700
Professional, Scientific, Tech Services	50	140	845
Management of Companies	Confidential	109	1171
Administration & Support	32	336	1609
Educational Services	12	1188	853
Health Care & Social Assistance	155	1849	873
Arts, Entertainment, & Recreation	Confidential	Confidential	Confidential
Accommodation & Food Services	70	788	310
Other Services	57	183	585
Public Administration	43	530	1093
Totals	783	8440	925

(1) Data as of First Quarter of 2024

Note: Figures shown here are annual averages of quarterly data

Note: Starting in 2019, government employment numbers for certain occupations were no longer disclosed due to confidential information

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

Major Employers

The largest employers in Grant County are set forth below. No independent investigation into their affairs has been made and consequently there can be no representation as to the stability or financial condition of the companies listed hereafter, or the likelihood that such companies will maintain their status as major employers in the area.

Table 22. Grant County, NM - Major Employers with Estimated Number of Employees		
Employer	Type of Business	# of Employees
Freeport McMoRan	Mining	1,400
Western New Mexico University	Educational	722
Gila Regional Medical Center	Medical	700
Silver Consolidated Schools	Educational	473
Walmart	Retail	275
Bayard Medical Center	Medical	250-499
Cobre Schools	Educational	219
Albertsons	Retail	100-249

Source: New Mexico Partnership

Median Household Income

Table 23. Median Household Income		
Date	Grant County	New Mexico
2015	39,792	45,524
2016	39,750	46,844
2017	40,684	47,086
2018	38,341	47,405
2019	43,175	52,021
2020	43,557	52,285
2021	46,503	54,304
2022	47,099	59,842
2023	Not Available	Not Available
2024	44,895	62,268

Source: St. Louis Federal Reserve, US Census Bureau

Wage and Salary Employment

The New Mexico Department of Workforce Solutions publishes quarterly and annual reports of covered employment and wages. Employment is classified according to the North American Industry Classification System (NAICS).

Table 24. Wage and Salary Employment					
Industry	2020*	2021*	2022*	2023*	2024*
Natural Resources & Mining	1,520	1,007	1,031	1,158	1,224
Construction	351	374	384	345	415
Manufacturing	113	94	102	101	94
Trade Transportations & Utilities	1,293	1,308	1,346	1,361	1,304
Information	93	96	100	91	107
Financial Activities	254	236	239	218	222
Professional and Business Services	454	477	748	946	1,203
Education & Health	1,115	1,164	1,165	1,095	958
Leasure and Hospitality	1,015	749	885	852	800
Other Services	190	179	184	251	245
Totals	6,398	5,684	6,184	6,418	6,572

*Reflects First Quarter Reportings Only

Source: US Bureau of Labor Statistics

Appendix B

Form of Bond Counsel's Opinion

Silver Consolidated School

District No. 1

[Subject to Review and Approval by Opinions Committee]

$7,000,000

Silver Consolidated School District No. 1

General Obligation School

Building Bonds

Series 2025

Ladies and Gentlemen:

We have acted as bond counsel to the Silver Consolidated School District No. 1 (the "District") in connection with the issuance of its $7,000,000 General Obligation School Building Bonds, Series 2025 (the "Bonds"), dated January 15, 2025. The Bonds are issued pursuant to the Constitution and laws of the State of New Mexico (the "State") and the Authorizing & Delegating Resolution adopted by the District's Board of Education on November 8, 2024, and a Final Terms Certificate setting forth the final terms of the Bonds dated December 19, 2024.

In such capacity, we have examined the transcript of proceedings (the "Transcript") relating to the issuance of the Bonds and have also examined the law under authority of which the Bonds are issued. Based on our examination, we are of the opinion that, under the law existing on the date of this opinion, subject to the provisions of federal bankruptcy law and other laws affecting creditors' rights and further subject to exercise of judicial discretion in accordance with general principles of equity:

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 court 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 on 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 of the State.

4. The Bonds are qualified tax-exempt obligations within the meaning of Section 265(b)(3) of the Code.

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.

Other than as described herein, we have not addressed nor are we opining on the tax consequences to any person of the investment in, or the receipt of interest on, 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 principals 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 opinions expressed herein represent our legal judgment based upon existing law, legislation, regulations and rulings 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 a result. We express no opinion with respect to any pending legislation.

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.

Very truly yours,

Appendix C

FY2023 Financial Audit

State of New Mexico

Silver Consolidated School District No. 1
FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS'
REPORT THEREON

For The Fiscal Year Ended June 30, 2023

Silver Consolidated School District No. 1

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June 30, 2023

REQUIRED SUPPLEMENTARY INFORMATION

Silver Consolidated School District No. 1
DIRECTORY OF OFFICIALS
June 30, 2023

BOARD OF EDUCATION

Ashley Montenegro	President
Michelle Diaz	Vice-President
Patrick Cohn	Secretary
Eddie Flores	Member
Michael McMillan	Member

SCHOOL OFFICIALS

William Hawkins	Superintendent
Michele McCain	Director of Finance

Stone, McGee & Co.

Certified Public Accountants

The CPA, Never Underestimate the Value.®

MIKE STONE, C.P.A.
LINDA STONE McGEE, C.P.A.
KAY STONE, C.P.A.
KELLEY WYATT, C.P.A

1311 N. GRANT ST.
P.O. BOX 2828
SILVER CITY, NEW MEXICO 88062
TELEPHONE (575) 388-1777
(575) 538-3795
FAX (575) 388-5040
E-MAIL: admin@stone-mcgee.com

INDEPENDENT AUDITOR'S REPORT

Joseph M. Maestas, P.E., State Auditor
And
Board of Education
Silver Consolidated School District No. 1
Silver City, New Mexico

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying 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 funds of the Silver Consolidated School District No. 1, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Silver Consolidated School District No. 1's basic financials statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Silver Consolidated School District No. 1 as of June 30, 2023, and the respective changes in financial position and the respective budgetary comparisons for the general fund and major special revenue funds 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Silver Consolidated School District No. 1 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe 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 Silver

Consolidated School District No. 1'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 generally accepted auditing standards 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. 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 generally accepted auditing standards and *Government Auditing Standards,* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatements 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 Silver Consolidated School District No. 1'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 Silver Consolidated School District No. 1's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that information related to the Silver Consolidated School District No. 1's pension plan presented on pages 45 to 49 and the Silver Consolidated School District No. 1's other postemployment benefits presented on pages 50 to 52 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.

Management has omitted 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 financial reporting for 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Silver Consolidated School District No. 1's basic financial statements. The Schedule of Expenditures of Federal Awards, as required by the Title 1 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* and the other schedules presented as other supplementary information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 Schedule of Expenditures of Federal Awards and the other supplementary information as stated in the table of contents 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 November 8, 2023, on our consideration of the Silver Consolidated School District No. 1's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Silver Consolidated School District No. 1's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Silver Consolidated School District No. 1's internal control over financial reporting and compliance.

Stone, McGee & Co CPAs

Silver City, New Mexico
November 8, 2023

Silver Consolidated School District No. 1

STATEMENT OF NET POSITION

June 30, 2023

		Governmental Activities
Assets		
Cash and cash equivalents	$	5,186,802
Property taxes receivable		310,948
Due from other governments		2,798,387
Inventory		21,629
Capital assets:		
Land and improvements		6,776,920
Buildings and improvements		71,211,884
Equipment		5,783,439
Less accumulated depreciation		(51,036,401)
Total capital assets, net of depreciation	$	32,735,842
Total assets	$	41,053,608
Deferred Outflows of Resources		
Related to pensions	$	12,729,606
Related to other postemployment benefits		2,344,108
Total deferred outflows of resources	$	15,073,714
Liabilities		
Accounts payable	$	245,464
Long-term liabilities:		
Portion due or payable within one year:		
Bonds payable		760,000
Accrued interest payable		253,458
Portion due or payable after one year:		
Net pension liability		43,371,814
Net other postemployment benefits liability		7,874,578
Bonds payable		14,440,000
Bond premiums		1,041,019
Compensated absences		100,018
Total liabilities	$	68,086,351
Deferred Inflows of Resources		
Unavailable revenue	$	49,909
Related to pensions		27,472,667
Related to other postemployment benefits		7,926,023
Total deferred inflows of resources	$	35,448,599
Net Position		
Ne investment in capital assets	$	17,535,842
Restricted for:		
Capital projects		800,527
Debt service		287,577
Other purposes		2,847,444
Unrestricted		(68,879,018)
Total net position	$	(47,407,628)

The accompanying notes are an integral part of these financial statements

Silver Consolidated School District No. 1
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2023

	Expenses	Program Charges for Services
Functions/Programs		
Governmental activities:		
Instruction	$ 17,706,198	$ 217,222
Support services - Students	4,041,176	
Support services - Instruction	1,335,150	
General administration	792,356	
School administration	1,722,940	
Central services	711,764	
Operation of plant	5,414,670	
Food services	1,656,311	25,389
Transportation	1,141,604	
Other support services		
Interest on long-term debt	479,037	
Total governmental activities	$ 35,001,206	$ 242,611
General revenues:		
Property taxes:		
Levied for general purposes		
Levied for debt service		
Levied for plant maintenance and improvements		
Levied for capital projects		
State aid - formula grants		
Federal aid - formula grants		
Recoveries and refunds		
Unrestricted investment earnings		
Total general revenues and special items		
Change in net position		
Net position - beginning of year		
Net position - end of year		

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

Operating Grants and Contributions (Revenues)	Capital Grants and Contributions (Revenues)	Net (Expense) Revenue and Changes in Net Position: Total Governmental Activities
$ 3,808,905	$ 496,651	$ (13,183,420)
1,189,248		(2,851,928)
862,042	82,525	(390,583)
139,992		(652,364)
135,508		(1,587,432)
12,009		(699,755)
53,345		(5,361,325)
1,356,894		(274,028)
1,413,092		271,488
		-
		(479,037)
$ 8,971,035	$ 579,176	$ (25,208,384)
		$ 217,001
		1,258,518
		1,142,332
		804,869
		25,820,438
		221,190
		147,784
		-
		$ 29,612,132
		$ 4,403,748
		(51,811,376)
		$ (47,407,628)

Silver Consolidated School District No. 1

BALANCE SHEETS

GOVERNMENTAL FUNDS

June 30, 2023

	General Fund 11000 13000 15200	ARP ESSER III 24330	Medicaid 25153
Assets			
Cash and investments	$ 964,100	$ -	$ 988,947
Property taxes receivable	18,852		
Accounts receivable			
Inventory			
Due from other governments	100,376	509,454	86,021
Interfund receivable	2,338,156		
Total assets	$ 3,421,484	$ 509,454	$ 1,074,968
Liabilities			
Accounts payable	$ 45,824	$ 110,668	$ 41,750
Interfund payable		398,786	
Total liabilities	$ 45,824	$ 509,454	$ 41,750
Deferred Inflows of Resources			
Unavailable revenue	$ 62,076	$ 110,667	$ -
Total deferred inflows of resources	$ 62,076	$ 110,667	$ -
Fund balance:			
Nonexpendable:			
Inventories	$ -	$ -	$ -
Restricted for:			
Education			
Transportation	3,216		
Food service			
Social services			1,033,218
Capital projects			
Debt service			
Unassigned	3,310,368	(110,667)	
Total fund balances	$ 3,313,584	$ (110,667)	$ 1,033,218
Total liabilities, deferred inflows of resources and fund balances	$ 3,421,484	$ 509,454	$ 1,074,968

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

CTE Statewide Innovation Zones 27552	Special Capital Outlay 31400	Debt Service 41000	Other Funds	Total Governmental Funds
$ -	$ -	$ 1,470,764	$ 1,762,991	$ 5,186,802
		111,290	180,806	310,948
				-
			21,629	21,629
429,491	174,733		1,498,312	2,798,387
				2,338,156
$ 429,491	$ 174,733	$ 1,582,054	$ 3,463,738	$ 10,655,922
$ 10,372	$ 3,499	$ -	$ 33,351	$ 245,464
419,119	171,234		1,349,017	2,338,156
$ 429,491	$ 174,733	$ -	$ 1,382,368	$ 2,583,620
$ 10,373	$ 174,733	$ 74,804	$ 303,561	$ 736,214
$ 10,373	$ 174,733	$ 74,804	$ 303,561	$ 736,214
$ -	$ -	$ -	$ 21,629	$ 21,629
			387,146	387,146
				3,216
			834,001	834,001
			18,517	1,051,735
			750,910	750,910
		1,507,250		1,507,250
(10,373)	(174,733)		(234,394)	2,780,201
$ (10,373)	$ (174,733)	$ 1,507,250	$ 1,777,809	$ 7,336,088
$ 429,491	$ 174,733	$ 1,582,054	$ 3,463,738	$ 10,655,922

Silver Consolidated School District No. 1

RECONCILIATION OF THE BALANCE SHEET-GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

June 30, 2023

Total governmental fund balances	$	7,336,088
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		32,735,842
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property taxes subject to the 60 day availability period		200,423
Intergovernmental receivables subject to the 60 day availability period		485,882
Deferred outflows and inflows of resources related to pensions and other postemployment benefits apply to future periods and, therefore, are not reported in the funds:		
Deferred inflows of resources related to pensions		(27,472,667)
Deferred outflows of resources related to pensions		12,729,606
Deferred inflows related to other postemployment benefits		(7,926,023)
Deferred outflows related to other postemployment benefits		2,344,108
Long-term liabilities, including bonds payable, compensated absences, bond premiums and accrued interest payable are not due and payable in the current period and therefore are not reported in the funds:		
Net pension liability		(43,371,814)
Net other postemployment benefits liability		(7,874,578)
Bonds payable		(15,200,000)
Bond premiums		(1,041,019)
Accrued interest payable		(253,458)
Compensated absences payable		(100,018)
Net Position of Governmental Activities	$	(47,407,628)

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

Silver Consolidated School District No. 1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2023

	General Fund 11000 13000 15200	ARP ESSER III 24330	Medicaid 25153
Revenues:			
Property taxes	$ 218,514	$ -	$ -
Fees and charges	128,054		
State aid	26,924,574		
Federal aid	221,190	1,614,940	815,485
Miscellaneous	147,784		
Total revenues	$ 27,640,116	$ 1,614,940	$ 815,485
Expenditures:			
Current:			
Instruction	$ 15,620,908	$ 828,350	$ -
Support services - Students	3,093,387	115,256	1,148,262
Support services - Instruction	663,652	75,743	
General administration	684,565	71,759	
School administration	1,865,880	116,043	
Central services	630,100	12,009	
Operation of plant	3,694,370	53,345	
Food service		308,956	
Transportation	1,099,937		
Other support services			
Debt service--Principal			
Interest			
Capital outlay	26,365	77,531	
Total expenditures	$ 27,379,164	$ 1,658,992	$ 1,148,262
Excess (deficiency) of revenues over expenditures	$ 260,952	$ (44,052)	$ (332,777)
Other financing sources (uses):			
Transfers in			
Transfers out			
Net change in fund balance	$ 260,952	$ (44,052)	$ (332,777)
Fund balance, July 1, 2022	3,052,632	(66,615)	1,365,995
Fund balance June 30, 2023	$ 3,313,584	$ (110,667)	$ 1,033,218

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

CTE Statewide Innovation Zones 27552	Special Capital Outlay 31400	Debt Service 41000	Other Funds	Total Governmental Funds
$ -	$ -	$ 1,234,921	$ 2,017,842	$ 3,471,277
			114,557	242,611
437,048			1,195,553	28,557,175
			3,985,484	6,637,099
			99,749	247,533
$ 437,048	$ -	$ 1,234,921	$ 7,413,185	$ 39,155,695
$ 160,172	$ -		$ 2,741,557	$ 19,350,987
105,978			137,470	4,600,353
			760,106	1,499,501
10,372		10,991	87,679	865,366
			9,093	1,991,016
				642,109
	135,206		1,266,431	5,149,352
			1,406,919	1,715,875
				1,099,937
				-
		730,000		730,000
		622,250		622,250
170,899	56,657		1,054,017	1,385,469
$ 447,421	$ 191,863	$ 1,363,241	$ 7,463,272	$ 39,652,215
$ (10,373)	$ (191,863)	$ (128,320)	$ (50,087)	$ (496,520)
			12,974	12,974
		(12,974)		(12,974)
$ (10,373)	$ (191,863)	$ (141,294)	$ (37,113)	$ (496,520)
	17,130	1,648,544	1,814,922	7,832,608
$ (10,373)	$ (174,733)	$ 1,507,250	$ 1,777,809	$ 7,336,088

Silver Consolidated School District No. 1

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2022

Net change in fund balances- total governmental funds	$	(496,520)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense:		
Capital outlay		1,385,469
Depreciation expense		(1,740,720)
Bond proceeds are reported as financing sources in the funds. In the Statement of Activities, however, issuing debt increases long term liabilities:		
Bond proceeds		
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This is the net change during the year:		
Property taxes subject to the 60 day availability period		(48,557)
Intergovernmental receivables subject to the 60 day availability period		297,816
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets:		
Payment of bond principal		730,000
Bond premiums are revenue in the funds but are capitalized and amortized in the Statement of Activities:		
Bond premiums		
Amortization		131,588
In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. This is the net change during the year.		11,625

Silver Consolidated School District No. 1

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2022

Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense:	
Pension contributions	$ 3,326,879
Cost of benefits earned	(1,551,110)
Governmental funds report other postemployment benefits contributions as expenditures. However, in the Statement of Activities, the cost of postemployment benefits earned net of employee contributions is reported as other postemployment benefits expense:	
Postemployment benefit contributions	380,018
Costs of benefits earned	1,955,008
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each disposal. This is the basis in the assets disposed of.	-
Some expense reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This is the net change in compensated absences for the year.	22,252
Change in Net Position of Governmental Activities	$ 4,403,748

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

Silver Consolidated School District No. 1

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

For the Fiscal Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Revenues:				
Property taxes	$ 210,012	$ 210,012	$ 218,342	$ 8,330
Fees and charges	198,000	198,000	177,963	(20,037)
Federal sources	160,000	160,000	221,190	61,190
State sources	26,973,401	26,924,574	26,824,198	(100,376)
Local sources	80,000	80,000	139,309	59,309
Interest income			8,474	8,474
Total revenues	$ 27,621,413	$ 27,572,586	$ 27,589,476	$ 16,890
Expenditures:				
Current:				
Instruction	$ 16,585,477	$ 16,424,977	$ 15,645,206	$ 779,771
Support services - Students	3,093,435	3,244,931	3,093,387	151,544
Support services - Instruction	627,430	670,211	663,809	6,402
General administration	781,350	771,850	685,501	86,349
School administration	1,902,062	1,877,705	1,865,880	11,825
Central services	698,069	698,069	630,611	67,458
Operation of plant	3,897,301	4,001,381	3,730,373	271,008
Pupil transportation	1,104,136	1,104,136	1,100,261	3,875
Food services				-
Other support services	2,095,470	1,907,792		1,907,792
Capital outlay				-
Total expenditures	$ 30,784,730	$ 30,701,052	$ 27,415,028	$ 3,286,024
Revenues over (under) expenditures	$ (3,163,317)	$ (3,128,466)	$ 174,448	$ 3,302,914
Other financing sources (uses):				
Transfers in				-
Transfers out				-
Reversion to State of NM				-
Net change in fund balance	$ (3,163,317)	$ (3,128,466)	$ 174,448	$ 3,302,914
Fund balance, July 1, 2022	3,163,317	3,128,466	3,127,808	(658)
Fund balance, June 30, 2023	$ -	$ -	$ 3,302,256	$ 3,302,256

Net change in fund balance, GAAP basis	$ 260,952
Revenue accruals (net)	(50,640)
Expenditure accruals (net)	(35,864)
Intra-fund transfer	
Net change in fund balance, NON-GAAP budgetary basis	$ 174,448

The accompanying notes are an integral part of these financial statements

Silver Consolidated School District No. 1

ARP ESSER III

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

For the Fiscal Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	$ 6,868,293	$ 7,155,202	$ 1,272,740	$ (5,882,462)
Total revenues	$ 6,868,293	$ 7,155,202	$ 1,272,740	$ (5,882,462)
Expenditures:				
Current:				
Instruction	$ 2,077,773	$ 2,357,139	$ 872,709	$ 1,484,430
Support services-Students	336,943	336,943	45,273	291,670
Support services-Instruction	142,000	142,000	75,778	66,222
General administration	180,569	188,112	93,269	94,843
School administration	688,808	648,808	116,043	532,765
Central services	445,000	445,000	12,009	432,991
Operation of plant	2,457,600	2,497,600	90,903	2,406,697
Food services	539,600	539,600	308,956	230,644
Total expenditures	$ 6,868,293	$ 7,155,202	$ 1,614,940	$ 5,540,262
Net change in fund balance	$ -	$ -	$ (342,200)	$ (342,200)
Fund balance, June 30, 2022			(56,586)	(56,586)
Fund balance, June 30, 2023	$ -	$ -	$ (398,786)	$ (398,786)
Net change in fund balance, GAAP basis			$ (44,052)	
Revenue accruals (net)			(342,200)	
Expenditure accruals (net)			44,052	
Net change in fund balance, NON-GAAP budgetary basis			$ (342,200)	

The accompanying notes are an integral part of these financial statements

Silver Consolidated School District No. 1

SPECIAL REVENUE FUND - MEDICAID

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

For the Fiscal Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	$ 740,737	$ 740,737	$ 809,347	$ 68,610
Expenditures:				
Current:				
Support services-Students	$ 1,701,251	$ 2,034,087	$ 1,113,750	$ 920,337
Total expenditures	$ 1,701,251	$ 2,034,087	$ 1,113,750	$ 920,337
Net change in fund balance	$ (960,514)	$(1,293,350)	$ (304,403)	$ 988,947
Fund balance, June 30, 2022	1,293,350	1,293,350	1,293,350	-
Fund balance, June 30, 2023	$ 332,836	$ -	$ 988,947	$ 988,947
Net change in fund balance, GAAP			$ (332,777)	
Revenue accruals (net)			(6,138)	
Expenditure accruals (net)			34,512	
Net change in fund balance, NON-GAAP budgetary basis			$ (304,403)	

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

Silver Consolidated School District No. 1

CTE STATEWIDE INNOVATION ZONES

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

For the Fiscal Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Revenues:				
State sources	$ -	$ 510,214	$ 17,931	$ (492,283)
Total revenues	$ -	$ 510,214	$ 17,931	$ (492,283)
Expenditures:				
Current:				
Instruction	$ -	$ 233,419	$ 165,899	$ 67,520
Support services - Students		109,929	105,978	3,951
Capital outlay		166,866	165,173	1,693
Total expenditures	$ -	$ 510,214	$ 437,050	$ 73,164
Revenues over (under) expenditures	$ -	$ -	$ (419,119)	$ (419,119)
Other financing sources (uses):				
Transfers in				-
Transfers out				-
Reversion to State of NM				-
Net change in fund balance	$ -	$ -	$ (419,119)	$ (419,119)
Fund balance, July 1, 2022				-
Fund balance, June 30, 2023	$ -	$ -	$ (419,119)	$ (419,119)

Net change in fund balance, GAAP basis	$ (10,373)
Revenue accruals (net)	(419,118)
Expenditure accruals (net)	10,372
Intra-fund transfer	
Net change in fund balance, NON-GAAP budgetary basis	$ (419,119)

The accompanying notes are an integral part of these financial statements

Silver Consolidated School District No. 1
STATEMENT OF FIDUCIARY FUNDS
NET POSITION
June 30, 2023

	Private Purpose Trust Funds	Custodial Funds
Assets		
Restricted cash and equivalents	$ 77,511	$ 1,239,650
Total assets	$ 77,511	$ 1,239,650
Net Position		
Restricted for:		
Scholarships	$ 77,511	$ -
Individuals, Organizations and Other Governments	-	1,239,650
Total Net Position	$ 77,511	$ 1,239,650

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

Silver Consolidated School District No. 1
STATEMENT OF CHANGES IN FIDUCIARY NET POSITIONS
For the Fiscal Year Ended June 30, 2023

	Private Purpose Trust Funds	Custodial Funds
Additions		
Gifts and contributions	$ 4,000	$ -
Funds held for others	-	1,239,650
Totsl additions	$ 4,000	$ 1,239,650
Deductions		
Scholarships awarded	$ 2,500	$ -
Funds held for others	-	927,563
Total deductions	$ 2,500	$ 927,563
Changes in net position	$ 1,500	$ 312,087
Net position, beginning of year	76,011	927,563
Net position June 30, 2022	$ 77,511	$ 1,239,650

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

Note 1 **Summary of Significant Accounting Policies**

Silver Consolidated School District No. 1, organized under the laws of the State of New Mexico, operates under the school board-superintendent form of government. The System provides public education opportunities for children from first through twelfth grade, including but not limited to classroom and vocational studies; as well as school oriented social and athletic activities.

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the District are discussed below.

A. REPORTING ENTITY

These financial statements present the District (the primary government). As defined by GAAP, component units are legally separate entities that are included in the District's reporting entity because of the significance of their operating or financial relations with the District. Based on the criterion in GAAP, the District has no component units.

B. BASIS OF PRESENTATION

Government-wide Financial Statements:

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The District has no business-type activities.

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds are organized into two major categories: governmental, and fiduciary. An emphasis is placed on major funds within the governmental categories. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type.

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

The General Fund is the primary operating fund of the District and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds. Included in the General Fund are sub-funds; Operational, the Unrestricted District Fund; Transportation, which accounts for State source revenue used to transport students; Instructional Materials, which accounts for State Source Funds used to purchase textbooks; and Non-instructional Support, which accounts for various student extracurricular activities.

Special Revenue Funds

Special Revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes.

Capital Project Fund

The Capital project Funds are used to account for resources restricted for the acquisition or construction of specific capital projects or items.

Debt Service Fund

The Debt Service Fund accounts for the accumulation of financial resources for the payment of interest and principle on the general long-term debt of the District.

Fiduciary Funds

Fiduciary Funds are used to report assets held in a trustee or custodial capacity for others and therefore are not available to support District programs. The reporting focus is on net position and changes in net position and are reported using accounting principles similar to proprietary funds.

Custodial Funds account for assets held in a purely custodial capacity. Typically, these funds are owned by clubs, athletic teams, and/or student organizations.

The emphasis in fund financial statements is on the major funds in the governmental category. Non-major funds are summarized into a single column.

The District's fiduciary funds are presented in the fiduciary fund financial statements by type (pension, private purpose and custodial). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated in to the government-wide statements.

Major Fund Descriptions

General – See above description.

Medicaid - to account for the federal assistance to improve primary health care and increase health education (P.L. 015-33); and is a Special Revenue Fund.

ARP ESSER III - To account for the federal resources administered by the New Mexico Public Education Department under the Elementary and Secondary School Emergency Relief Fund (ESSER III), a component of the Coronavirus Aid, Relief, and Economic Security (CARES) Act. These monies are to be used to supplement educational opportunities during the coronavirus pandemic. Authorization is Public Law No. 748-284.

CTE Statewide Innovation Zones – To account for the State flow-through grant to enhance career technical education. Authorized by the New Mexico Public Education Department.

Special Capital Outlay - To account for the Special Capital Outlay Funds provided by the New Mexico Department of Education to improve school facilities. Authorized by the New Mexico Public Education Department.

Debt Service – See above description.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus as defined in item "b" below.

In the fund financial statements, the "current financial resources" measurement focus is used.

a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets, deferred outflows of resources, liabilities and deferred inflows of resources are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
b. The government-wide financial statements utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), and financial position. All assets, deferred outflows of resources, liabilities and deferred inflows of resources (whether current or noncurrent) associated with their activities are reported. Revenues, expenses, gains, losses, assets, deferred outflow of resources, liabilities and deferred inflows of resources resulting from non-exchange transactions are recognized when the earnings process is complete.

BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual:
   The government-wide financial statements and the fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

2. Modified Accrual:
   The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

   Substantially all governmental fund revenues are accrued. In applying GASBS No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as deferred outflows of resources by the provider and deferred inflows of resources by the recipient. Grant revenues not collected within 60 days of year end are recorded as receivables and deferred inflows of resources. Such amounts are recorded net of estimated uncollectible accounts.

   Property tax receivables are recognized net of estimated refunds and uncollectible amounts in the period for which the taxes are levied, even if they are not available. Property taxes not collected within 60 days of year end are reported as deferred inflows of resources in the fund statements. Property taxes are considered fully collectible.

   In the government –wide Statement of Net Position, the governmental activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a fully accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The District first utilizes restricted resources when an expense is incurred and for purposes for which both restricted and unrestricted net positions are available.

   The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions. The functions are also supported by generally government revenues (property taxes, certain intergovernmental revenues, and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Charges for services include revenues based on exchange or exchange-like transactions. These revenues arise from charges to customers or applicants who purchase use or directly benefit from the goods, services or privileges provided. Revenues in this category include fees charged for specific services, such as attendance at athletic events, food service, copies and auxiliary services. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function) are normally covered by general revenue (property taxes, intergovernmental revenues, interest income, etc.).

The District does not allocate indirect costs.

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

D. BUDGETS

Budgets for the General, Special Revenue, Debt Service and Capital Projects funds are prepared by management and approved by the local school board and the Public Finance School Division of the Department of Education. Included in the bond building fund, when applicable, are payments made by the Public School Facilities Authority directly to vendors on behalf of the District, and bond proceeds held and disbursed to vendors by the New Mexico Finance Authority. Such amounts are excluded from the budgetary comparison of the bond building fund.

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

Actual expenditures may not exceed the budget on a functional category basis, i.e., each budgeted expenditure must be within budgeted amounts. Budgets may be amended in two ways. If a budget transfer is necessary within a major category called a "series", this may be accomplished with only local Board of Education approval. If a transfer between "series" or a budget increase is required, approval must also be obtained from Public Education Department.

The budgetary information presented in these financial statements has been amended in accordance with the above procedures.

E. CASH AND INVESTMENTS

Cash includes amounts in demand deposits as well as short-term investments with a maturity of six months from the date acquired by the government. State statutes authorize the government to invest in obligations of the U.S. Treasury, interest-bearing accounts with local financial institutions and the State Treasurer Pool.

New Mexico Statutes require that financial institutions with public monies on deposit pledge collateral, to the owners of such monies, in an amount not less than 50% of the public monies held on deposit. Collateral pledged is held in safekeeping by other financial institutions, with safekeeping receipts held by the District. The pledged securities remain in the name of the financial institution. Repurchase agreements are required to be collateralized 102%.

F. INVENTORIES

Except for U.S.D.A. commodities, which are shown at estimated value, inventories are valued at cost (first-in, first-out). Inventory in the Cafeteria Fund consists mainly of food items. Inventories, in other governmental fund types, consist primarily of supply-type assets.

G. CAPITAL ASSETS

Capital assets purchased or acquired with an original cost of $5,000.00 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20-50 years
Software and library resources	3-5 years
Machinery and equipment	5-10 years
Improvements	10-20 years

The accounting treatment over property, plant and equipment depends on whether they are reported in the government-wide financial statements or fund financial statements. In the government-wide financial statements, fixed assets are accounted for as capital assets. In the fund financial statements, fixed assets are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

H. LONG-TERM DEBT

The accounting treatment of long-term debt depends on whether the assets are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of bonds payable and accrued compensated absences. Bond premiums, which are amounts paid by bond purchasers above the face value of the bonds purchased are amortized by the interest method, as an adjustment to interest expense.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principle and interest reported as expenditures.

I. COMPENSATED ABSENCES

The District's policies, regarding vacation time, permit employees to accumulate earned but unused vacation leave. The liability for these compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources. These liabilities have typically been liquidated from general fund resources.

J. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents consumption of net position that applies to a future period, and so will not be recognized as an outflow or resource (expenses/expenditures) until then. The Government has deferred outflows of resources related to pensions as discussed in Note 5, and other postemployment benefits as discussed in Note 6.

In addition to liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenues) until that time. The Government has three types of items which arise under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item unavailable revenue, is reported in the governmental funds balance sheet, if necessary. The amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The Government reports unavailable revenue from the following sources:

		Governmental Funds Balance Sheet						
	Government Wide Balance Balance Sheet	General Fund	ARP ESSER III	CTE Statewide Innovation	Special Capital Outlay	Debt Service	Other Funds	Total
Revenue received prior to earned	$ 49,909	$ 49,909	$ -	$ -	$ -	$ -	$ -	$ 49,909
Revenue not received within 60 days of year end			110,667	10,373	174,733	-	190,109	485,882
Property taxes	-	12,167	-	-	-	74,804	113,452	200,423
Total	$ 49,909	$ 62,076	$ 110,667	$ 10,373	$ 174,733	$ 74,804	$303,561	$ 736,214

In addition, the District reports deferred inflows of resources related to pensions as discussed in Note 5, and other postemployment benefits as discussed in Note 6.

K. EQUITY CLASSIFICATIONS

Government-wide Statements
Equity is classified as net position and displayed in three components:

a. 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.

b. Restricted net position – consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

c. Unrestricted net position – all other net positions that do not meet the definition of "restricted" or "net investment in capital assets."

Fund Statements

During the year ended June 30, 2011, the District implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions". This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used.

- Non-spendable fund balance – amounts that are not in a spendable form (such as inventory) or are required to remain intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by the government itself, using its highest level of decision-making authority, to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change its constraints.
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the government body delegates the authority.
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

The Board of Education establishes (and modifies or rescinds) fund balance commitments by adoption of a resolution or a vote of the Board. This is typically done through the adoption and amendment of the budget. Assigned fund balance is established by the Board of Education through adoption or amendment of the budget as intended for a specific purpose (such as purchase of fixed assets, construction, debt service or for other purposes). Expenditures incurred are normally paid from the most highly constrained fund balance.

L. PROPERTY TAX

Property taxes attach as an enforceable lien on property as of January 1. Property tax rates for the year are set no later than September 1 each year by the Secretary of Finance and Administration. The rates of tax are then used by County Assessors to develop the property tax schedule by October 1. Taxes are payable in equal semiannual installments by November 10 and April 10 of the subsequent year and become delinquent 30 days later. Taxes are collected on behalf of the District by the County Treasurer and are remitted to the District in the month following collection. Because the Treasurer of the County in which the District is located is statutorily required to collect taxes as an intermediary agency for all forms of government, distribution of taxes are made through the applicable County to the District.

The District is permitted to levy taxes for general operating purposes up to $.50 per $1,000 of taxable value for both residential and nonresidential property, taxable value being defined as one third of the fully assessed value. In addition, the District is allowed to levy taxes for payments of bond principal and interest in amounts approved by voters of the District, as well as a Two Mill Levy for District improvements. The District's total tax rate to finance general government services for the year ended June 30, 2023 was $.50 per $1,000 for non-residential property and $.276 for residential property. The District's tax rate for debt service was $1.927 per $1,000 for both residential and nonresidential property. The District's tax rate for District improvements was $1.861 per $1,000 for residential and $1.861 for nonresidential property. The District's rate for the HB33 was $1.50 for residential and $1.50 for non-residential property.

M. INTERFUND ACTIVITY

Inter-fund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as inter-fund receivables and payable as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other inter-fund transactions are treated as transfers. Inter-fund activity between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

N. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 Custodial Credit Risk

Custodial credit risk is the risk in the event of a bank failure the government's deposits may not be returned to it. The District does not have a deposit policy for credit risk beyond that disclosed in Note 1.

As of June 30, 2023 $4,657,304 of the government bank balance of $11,954,140 was exposed to custodial credit risk as follows:

Uninsured and collateralized	$ 4,657,304

	Bank Balance	Carrying Amount
Deposits by custodial risk category:		
Insured	$ 250,000	$ 250,000
Collateral held by the pledging bank's agent in the District's name	7,046,836	6,253,963
Uninsured and collateralized	4,657,304	-0-
	$ 11,954,140	$ 6,503,963

The District does not have a risk policy beyond that required by State Statute.

Note 3 Capital Assets

Capital asset activity for the year ended June 30, 2023, was as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Capital assets not being depreciated:				
Land	$ 270,563	$	$	$ 270,563
Construction in progress	-0-			-0-
Total assets not being depreciated	$ 270,563	$ -0-	$ -0-	$ 270,563
Other capital assets:				
Building & improvements	$ 70,174,751	$ 1,037,133	$	$ 71,211,884
Furniture and equipment	5,504,354	279,085		5,783,439
Land improvements	6,437,106	69,251	-	6,506,357
Total other assets at historical cost	$ 82,116,211	$ 1,385,469	$ -	$ 83,501,680
Less accumulated depreciation:				
Buildings and improvements	$(39,487,841)	$(1,619,454)	$ -	$ (41,107,295)
Land improvements	(5,148,514)	(16,437)		(5,164,951)
Furniture and equipment	(4,659,326)	(104,829)	-	(4,764,155)
Total accumulated depreciation	$(49,295,681)	$ (1,740,720)	$ -	$ (51,036,401)
Total capital assets, net	$ 33,091,093	$(355,251)	$ -	$ 32,735,842

Depreciation expense was charged to the governmental activities as follows:

Instruction	$ 800,731
Student support	17,407
Instructional support	52,222
Administration general	34,814
Administration school	26,111
Central services	156,665
Plant operation	539,623
Transportation	113,147
	$ 1,740.720

The District has no construction commitments at June 30, 2023.

Note 4 Long-term Debt

Changes in long-term debt were as follows during the year end June 30, 2023:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due In One Year
G.O. Bonds 2017	$ 3,270,000	$	$ 160,000	$ 3,110,000	$ 165,000
G.O. Bonds 2018	3,690,000		175,000	3,515,000	180,000
G.O. Bonds 2019	4,165,000		190,000	3,975,000	200,000
G.O. Bonds 2020	4,805,000	-0-	205,000	4,600,000	215,000
	$ 15,930,000	$ -0-	$ 730,000	$15,200,000	$ 760,000
Compensated absences	$ 122.270	$ 219,933	$ 242,186	$ 100,017	$ -0-

Annual debt service for bonds payable requirements are as follows:

Due in fiscal year ending June 30:

	Principal	Interest
2024	$ 760,000	$ 593,750
2025	790,000	564,025
2026	820,000	532,125
2027	850,000	498,050
2028	890,000	462,500
2029-2033	4,995,000	1,678,600
2034-2038	6,095,000	681,800
	$ 15,200,000	$ 5,010,850

No compensated absences are considered due and payable in the next fiscal year.

GENERAL OBLIGATION BONDS

The bonds and bond interest are paid from property tax levies enacted specifically for the debt retirement. The revenues pledged totaled $20,210,850 at June 30, 2023, and equal 100% of the tax levies enacted to repay the bonded indebtedness. The bonds were sold to erect and furnish facilities for the District. Interest rates range from 2.00% to 5.00% for individually scheduled retirements, and maturity dates range from 2024 through 2038. The property tax levies expire when the related bond indebtedness is repaid.

During the year ended June 30, 2023, the District recognized $1,234,921 in property taxes pledged to retire the bonded indebtedness and retired $1,352,250 in bond principal and interest.

Note 5 Pension Plan

Summary 0f Significant Accounting Policies

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 Board (ERB) and additions to/deductions from ERB's fiduciary net position have been determined on the same basis as they are reported by ERB, on the economic resources measurement focus and accrual basis of accounting. 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 amortized cost.

General Information about the Pension Plan

<u>Plan Description</u>

ERB was created by the State's Education Retirement Act, Section 22-11-1 through 22-11-52. NMSA 1978, as amended, to administer the New Mexico Educational Employees' Retirement Plan (Plan). The Plan is a cost-sharing, multiple employer 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 agencies providing educational programs. The Plan is a pension trust fund of the State of New Mexico. The New Mexico Legislature has the authority to set or amend contribution rates.

ERB issues a publicly available financial report and a comprehensive annual financial report that can be obtained at the New Mexico Educational Retirement Board's website.

<u>Benefits Provided</u>

A member's retirement benefit is determined by a formula which includes three component parts: the member's final average salary (FAS), the number of years of service credit, and a 0.0235 multiplier. The FAS is the average of the member's salaries for the last five years of service or any other consecutive five-year period, whichever is greater. A brief summary of Plan coverage provisions follows:

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; the member is at least sixty-five years of age and has five or more years of earned service credit; or the member has service credit totaling 25 years or more.

Chapter 288, Laws of 2009 changed the eligibility requirements for new members first employed on or after July 1, 2010, and before July 1, 2013. The eligibility for a member who either becomes a new member on or after July 1, 2010, and before July 1, 2013, or at any time prior to that date refunded all member contributions and then became, or becomes, reemployed after that date is as follows: the member's age and earned service credit add up to the sum of 80 or more; the member is at least sixty-seven years of age and has five or more years of earned service credit; or the member has service credit totaling 30 years or more.

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:

- The member's minimum age of 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,
- 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.
- The member's age is 67 and has earned 5 or more years of service credit.

Section 2.11.23.3, NMSA 1978, added eligibility requirements for new members who were first employed on or after July 1, 2019, or who were employed before July 1, 2019, terminated employment, and subsequently withdrew all contributions, and returned to work for an ERB employer on or after July 1, 2019. A member in this tier must meet one of the follow requirements:

- The member's minimum age must be 58, and the member has earned 30 or more years of service credit. (A member who retires earlier than age 58, receives a reduction in benefits equal to the actuarial equivalent of retiring at age 58).

- 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, receive reduced retirement benefits).

- Or, the member's age is 67, and the member has earned five or more years of service credit.

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 lump sum to the member's surviving beneficiary. There are three benefit options available: single life annuity; single life annuity monthly benefit reduced to provide for a 100% survivor's benefit; or single life annuity monthly benefit is reduce to provide for a 50% survivor's benefit.

Retired members and surviving beneficiaries receiving benefits receive an automatic cost of living adjustment (COLA) to their benefit each July 1, beginning in the year the member attains or would have attained age 65 or on July 1 of the year following the member's retirement date, whichever is later. Prior to June 30, 2013 the COLA adjustment was equal to one half the change in the Consumer Price Index (CPI), except that the COLA shall not exceed 4% nor be less than 2%, unless the change in CPI is less than 2%, in which case, the COLA would equal the change in the CPI, but never less than zero. As of July 1, 2013, for current and future retirees the COLA was immediately reduced until the plan is 100% funded. The COLA reduction was based on the median retirement benefit of all retirees excluding disability retirements. Retirees with benefits at or below the median and with 25 or more years of service credit will have a 10% COLA reduction; their average COLA will be 1.8%. All other retirees will have a 20% COLA reduction; their average COLA will be 1.6%. Once the funding is greater than 90%, the COLA reductions will decrease. The retirees with benefits at or below the median and with 25 or more years of service credit will have a 5% COLA reduction; their average COLA will be 1.9%. All other retirees will have a 10% COLA reduction; their average will be 1.8%. 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.

A member is eligible for a disability benefit provided (a) he or she has credit for at least 10 years of service, and (b) the disability is approved by ERB. The monthly benefit is equal to 2% of FAS times years of service, but not less than the smaller of (a) one-third of FAS or (b) 2% of FAS times year of service projected to age 60. The disability benefit commences immediately upon the member's retirement. Disability benefits are payable as a monthly life annuity, with a guarantee that, if the payments made do not exceed the member's accumulated contributions, determined as of the date of retirement, the balance will be paid in a lump sum to the member's surviving beneficiary. If the disabled member survives to age 60, the regular optional forms of payment are then applied. A member with five or more years of earned service credit on deferred status may retire on disability retirement when eligible under the Rule of 75 or when the member attains age 65.

Contributions

The contribution requirements of defined benefit plan members and the Silver Consolidated School District No. 1 are established in state statute under Chapter 10, Article 11, NMSA, 1978. The requirements may be amended by acts of the legislature. For fiscal year ended June 30, 2022 employers contributed 17.15% and employees earning $24,000 or less to contribute 7.9% and employees earning more than $24,000 contributed 10.70% of their gross annual salary. Contributions to the pension plan from the Silver Consolidated School District No. 1 were $3,326,879 for the year ended June 30, 2023.

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

The total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2021. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2022, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2022. At June 30, 2023, the Silver Consolidated School District No. 1 reported a liability of $43,371,814 for its proportionate share of the net pension liability. The District's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2022. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2022, the District's proportion was .51500 percent, which was an increase of .000658 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the Silver Consolidated School District No. 1 recognized pension expense of $1,551,110. At June 30, 2023, the Silver Consolidated School District No. 1 reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	$ 1,556,522	$ (708,438)
Changes of assumptions	7,305,962	(24,102,577)

Net difference between projected and actual earnings on pension plan investments	-0-	(990,591)
Changes in proportion and differences between Silver Consolidated School District #1 contributions and proportionate share of contributions	540,243	(1,671,061)
Silver Consolidated School District No. 1 contributions subsequent to the measurement date	3,326,879	-
Total	$ 12,729,606	$(27,472,667)

$3,326,879 reported as deferred outflows of resources related to pensions resulting from Silver Consolidated School District No. 1 contributions subsequent to the measurement date June 30, 2021 will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2024	$(10,876,564)
2025	(7,158,575)
2026	(1.543,630)
2027	1,508.829

Actuarial Assumptions

As described above, the total ERB pension liability and net pension liability are based on an actuarial valuation performed as of June 30, 2021. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2022 using generally accepted actuarial principles. Specifically, the liabilities measured as of June 30, 2021 incorporate the following assumptions:

1. All members with an annual salary of more than $24,000 will contribute 10.7%.

2. Members hired after June 30, 2013 will have an actuarially reduced retirement benefit if they retire before age 55 and their COLA will be deferred until age 67.

3. COLA's for most retirees are reduced until ERB attains a 100% funded status.

4. These assumptions were adopted by ERB in conjunction with the six-year experience study period ending June 30, 2021.

For the purposes of projecting future benefits, it is assumed that the full COLA is paid in all future years. The actuarial methods and assumptions used to determine contribution rates included in the measurement are as follows:

Actuarial Cost Method	Entry Age Normal
Single discount rate	7.00 Years
Inflation	2.30%

Salary Increases	Composition: 2.30% inflation, plus .70% productivity increase rate, plus step rate promotional increases for members with less than 15 years of service
Investment Rate of Return	7.00%
Retirement Age	Experience based table of age and service rates
Mortality	Healthy males: RP-2000 GRS Southwest Regional Teacher Mortality table, set back one year and scaled at 95%. Healthy females: GRS Southwest Regional Teacher Mortality table, set back one year.

The long-term expected rate of return on pension plan investments is determined annually using a building-block approach that includes the following: 1) Rate of return projections are the sum of current yield plus projected changes in price (valuation, defaults, etc.). 2) Application of key economic projections (inflation, real growth, dividends, etc.), and 3) Structural themes (supply and demand imbalances, capital flows, etc.). These items are developed for each major asset class.

Discount Rate

A single discount rate of 7.00% was used to measure the total ERB pension liability as of June 30, 2022. This single discount rate was based on the expected rate of return on pension plan investments of 7.00%. Based on the stated assumptions and the projection of cash flows, the Plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The projection of cash flows used to determine this single discount rate assumed that Plan contributions will be made at the current statutory levels. Additionally, contributions received through the Alternative Retirement Plan (ARP), ERBs defined contribution plan, are included in the projection of cash flows. ARP contributions are assumed to remain at a level percentage of ERB payroll, where the percentage of payroll is based on the most recent five year contribution history.

Sensitivity of the Silver Consolidated School District No. 1 Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table shows the sensitivity of the net pension liability to changes in the discount rate as of the fiscal year end 2022. In particular, the table presents the District's net pension liability under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.00%) or one percentage point higher (8.00%) than the single discount rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Silver Consolidated School District No. 1's proportionate share of the net pension liability	$58,808,557	$43,371,814	$ 30,613,567

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, 2022 and 2021 which are publicly available at the NM Educational Retirements Board's websiten

Note 6 Retiree Health Care Plan

Summary of Significant Accounting Policies

For purposes of measuring the net other postemployment benefits liability (OPEB) deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Retiree Health Care Authority (RHCA) and additions to/deductions from RHCA's fiduciary net position have been determined on the same basis as they are reported by RHCA, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Health Care Authority

The New Mexico Retiree Health Care Authority (the Authority) 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 Retiree Health Care Fund (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.

RHCA issues a publicly available financial report and an annual comprehensive financial report that can be obtained at the NM RHCA's website, or by contacting the New Mexico Retiree Health Care Authority at 4308 Carlisle N.E., Albuquerque, N.M. 87107.

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. Employees of the Authority also participate in the Fund.

The plan has 303 participating employers and 157,371 current members, including active employees, terminated eligible members, retirees, and surviving spouses. As of June 30, 2022, membership in the plan consists of the following:

Plan membership:	
Current retirees and surviving spouses	53,092
Inactive and eligible for deferred benefit	11,759
Current active members	92,520
	157,371
State General	18,691
State Police and Corrections	1,919
Municipal General	20,357
Municipal Police	1,573
Municipal Fire	756
Educational Retirement Board	49,224
	92,520

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

Employer and employee contributions to the Authority 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 Authority.

Current retirees are required to make monthly contributions for individual basic medical coverage. The Board may designate other plans as "optional coverages". See Section 10-7C-13 NMSA 1978 for more details.

The plan's actuarial valuation and measurement of the net OPEB liability and other OPEB amounts were performed by the Authority's independent actuary as of June 30, 2022. The plan's valuation and measurement of the total OPEB liability and related net OPEB liability were performed in accordance with GASB No. 74. The components of the net OPEB liability as of June 30, 2022 are as follows:

	June 30, 2022
Total OPEB liability	$ 3,467,298,517
Plan fiduciary net position	(1,155,695,465)
Net OPEB liability	$ 2,311,603,052
Plan fiduciary net position as a percentage of the total OPEB liability (funded status)	33.33%

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Postemployment Benefits

The Silver Consolidated School District No. 1 reported a liability of $7,874,578 for its proportionate share of the net OPEB liability. The District's proportion of the net OPEB liability based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2022. At June 30, 2022, the District's proportion was .34065 percent, an increase of .00121 from the previous year.

For the year ended June 30, 2023, the District recognized OPEB expense of $(1,955,008). At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to other postemployment benefits from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	$ 130,977	$(1,167,180)
Net difference between projected and actual earnings on plan investments	108,583	-0-
Changes of assumptions	1,680,248	(5,837,336)
Changes in proportion and differences between contributions made and the District's proportionate share of contributions	44,282	(921,507)
The District's contributions subsequent to the measurement date	380,018	
Total	$ 2,344,108	$ 7,926,023

$380,018 reported as deferred outflows of resources related to OPEB resulting from the District contributions subsequent to the measurement date, June 30, 2022 will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	
2024	$(1,876,840)
2025	(1,402,716)
2026	(931,271)
2027	(1,161,621)
2028	589,845

Actuarial Valuation

The total OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021. The mortality, retirement, disability, turnover and salary increase assumptions are based on the PERA annual valuation as of June 30, 2018 and the ERB actuarial experience study as of June 30, 2020. The following actuarial assumptions were applied to the actuary's measurement:

Valuation Date	June 30, 2021
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	3.25% to 13.00% based on years of service and 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 7.5% graded down to 4.5% over 12 years for Medicare medical plan costs
Mortality	ERB members: 2020GRS Southwest Region Mortality Table, set back one year (and scaled at 95%) for males. Generational mortality improvements in accordance with the Ultimate MP scales are projected for 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%

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 is summarized as follows:

Asset Class	Target Allocation	Long-term Rate of Return
U.S. Core Fixed Income	20%	.4%
U.S. Equity – Large Cap	20%	6.6%
Non U.S. – Emerging Markets	15%	9.2%
Non U.S. – Developed Equities	12%	7.3%
Private Equity	10%	10.6%
Credit and Structured Finance	10%	3.1%
Real Estate	5%	3.7%
Absolute Return	5%	2.5%
U.S. Equity – Small/Mid Cap	3%	6.6%

Discount Rate

The discount rate used to measure the total OPEB liability is 5.42% as of June 30, 2022. 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 not included. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members through the fiscal year ending June 30, 2059. Thus, the 7.00% discount rate was used to calculate the net OPEB liability through 2059. Beyond 2059, the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher (3.54%) was applied. Thus 5.42% is the blended discount rate.

Sensitivity of the Net District's OPEB Liability

The following presents the District's net OPEB liability, calculated using the discount rate of 5.42%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percent lower or l-percent higher than the current rate:

1% Decrease (4.42%)	Current Discount (5.42%)	1% Increase (6.42%)
$ 9,799,427	$ 7,478,578	$ 6,339,897

The following represents the Districts net OPEB liability, calculated using the current health cost trend rate as well as a health cost trend rate that is 1% lower or 1% higher than the current rate.

1% Decrease	Current Trend Rates	1% Increase
$ 6,309,587	$ 7,874,578	$ 9,208,360

Note 7 Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Because the District was unable to obtain general liability insurance at a cost it considered to be economically justifiable, it joined together with other school districts in the State and obtained insurance coverage with New Mexico Public Schools Insurance Authority, a public entity risk pool currently operating as a common risk management and insurance program for member school districts. The District pays an annual premium to New Mexico Public Schools Insurance Authority for its general insurance coverage, and risk of loss is transferred. No losses exceeded insurance in the past three years.

The New Mexico Public Schools Insurance Authority is self-insured for property and liability losses below $250,000 and purchases excess insurance above the self-insured retention. The self-insured retention aggregate for property is set at $2,000,000 with a $1,000,000 stop loss. The self-insured retention aggregate for liability is $3,000,000 with a $1,000,000 stop loss.

Note 8 Contingent Liabilities

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

Note 9 Inter-fund Activity

	Inter-Fund Payable				
	CTE Statewide	Special Capital Outlay	ARP ESSER III	Other Funds	Total
Inter-fund Receivable					
General	$ 419,119	$ 171,234	$ 398,786	$1,349,017	$2,338,156

These transactions were used to fund operations in the short-term, and are expected to be repaid within one year.

The following transfers were made during the year ended June 30, 2023:

	Transfers Out	
	Debt Service	Total
Transfers In:		
Other Funds	$ 12,974	$ 12,974
	$ 12,974	$ 12,974

Transfers were made to clear stale funds.

Note 10 Restricted Net Position

At June 30, 2023, net positions restricted for other purposes included the following balances:

Education	$ 645,675
Social Services	1,051,735
Food Service	855,630
Plant Operations	294,404
	$ 2,847,444

The District reports restricted positions of $3,935,548 of which $3,892,655 is restricted by enabling legislation.

Note 11 Endowment

The District received an endowment from Dr. Theodore Draelos Estate. This endowment is to be used for investment purposes only with the proceeds from such investments restricted to use for scholarships. The corpus of $22,500 was to remain for twenty-years with a starting date of 1988. However, the corpus may be invaded if necessary to fund scholarships. This is in accordance with State law.

Net appreciation of $77,511 is available for expenditure by the governing board and is reported in net position as "restricted for scholarships".

Note 12 Evaluation of Subsequent Events

The District has evaluated subsequent events through November 8, 2023, the date which the financial statements were available to be issued.

Note 13 Deficit Fund Balance

The District had the following non-major funds deficit fund balances as of June 30, 2023:

Career Technical Education	$ (76)
Pre-K Initiative	(19,885)
Teacher Training	(41,946)
Rural Education	(109,437)
K-12 ELTP Planning	(606)
SB-9 State Match	(61,814)
Academic Title IV	(180)
Family Income Index	(450)

Fund balance deficits occur through the application of modified accrual accounting to cash basis budgeting. As funds are received in the subsequent year, or transfers are made, the deficit fund balances will be reduced.

Note 14 Joint Powers Agreement

The District and the Town of Silver City hold a joint powers agreement for the monthly payments of water, electricity, phone, utility bills and the maintenance of the four baseball parks located at Ben Altamirano Park. The District and the City are equally responsible, and share the expenditures equally.

The term of the agreement was three years from the date of approval by the Director of Finance and Administration, with the provision that it is automatically renewed for three year terms thereafter unless one party gives notice of non-renewal at least thirty days before the first day of a succeeding three year term.

Note 15 Tax Abatement Disclosures

The District has no need to make tax abatement disclosures as required by Governmental Accounting Standards Board Statement 77, since no abatements exist.

Note 16 Jointly Governed Organization

The District participate in the Southwest Regional Education Cooperative No. 10. This regional cooperative was formed to consolidate the application for and the processing of supplementary federal and state funds. Representative of the independent school districts, which are members, govern the Cooperative.

Note 17 Leasing Activities

The District has no material leasing activities extending beyond one year, so GASBS 87 does not apply.

Note 18 GASB 96 Effect on Financial Statements

Governmental Accounting Standards Board Statement 96 requires capitalization of subscription-based information technology arrangements (SBITAs) which have remaining periods in excess of twelve months and is effective for the year ended June 30, 2023. However, the District has no SBITAs exceeding twelve months. Therefore, GASB 96 has no effect on the June 30, 2023, financial statements.

Silver Consolidated School District No. 1

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY OF THE EDUCATIONAL RETIREMENT BOARD (ERB) PLAN

LAST 10 FISCAL YEARS*

	2023	2022	2021	2020
Silver Consolidated School District No. 1's proportion of the net pension liability	.51500%	.50842%	.54045%	.56124
Silver Consolidated School District No. 1's proportionate share of the net pension liability	$ 43,371,814	$ 36,034,098	$ 109,527,002	$ 42,526,853
Silver Consolidated School District No. 1's covered payroll	$ 19,410,096	$ 17,435,175	$ 16,299,348	$ 17,263,314
Silver Consolidated School District No. 1's proportionate share of the net pension liability as a percentage of its covered payroll	223%	207%	672%	246%
Plan fiduciary net position as a percentage of the total pension liability	64.87%	69.77%	39.11%	64.13%

*The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10 year trend is compiled, Silver Consolidated School District No. 1 will present information for those years for which information is available.

2019	2018	2017	2016	2015
.56545%	.56149%	.59373%	.60853%	.61778%
$ 67,239,531	$ 62,401,013	$ 42,727,385	$ 39,416,109	$ 35,248,855
$ 16,415,865	$ 15,798,769	$ 15,983,859	$ 16,614,818	$ 17,028,423
410%	394%	267%	237%	207%
52.17%	52.95%	61.58%	63.97%	66.54%

Silver Consolidated School District No. 1

SCHEDULE OF CONTRIBUTIONS

EDUCATIONAL RETIREMENT BOARD (ERB) PENSION PLAN

***LAST 10 FISCAL YEARS**

	2023	2022	2021	2020
Contractually required contributions	$ 3,326,879	$ 2,644,356	$ 2,306,357	$ 2,442,953
Contributions in relation to contractually required contribution	(3,326,879)	(2,644,356)	(2,306,357)	(2,442,953)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Silver Consolidated School District No. 1's covered payroll	$ 19,410,096	17,435,175	16,299,348	17,263,314
Contributions as a percentage of covered payroll	17.15%	15.15%	14.15%	14.15%

*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, Silver Consolidated School District No. 1 will present information for those years for which information is available.

2019	2018	2017	2016	2015
$ 2,278,705	$ 2,196,028	$ 2,221,756	$ 2,357,009	$ 2,403,983
(2,278,705)	(2,196,028)	(2,221,756)	(2,357,009)	$ (2,403,983)
$ -	$ -	$ -	$ -	$ -
16,415,865	15,798,769	$ 15,983,859	$ 16,957,435	$ 17,028,423
13.90%	13.90%	13.90%	13.90%	13.90%

Changes in benefit terms – The retirement eligibility benefits changes in recent years are described in the **Benefits Provided** subsection of the financial statement note disclosure **General Information on the Pension Plan.**

Changes of Assumptions

ERB conducts an actuarial experience study for the Plan on a six year basis. Based on the six-year actuarial experience study for period ending June 30, 2021, ERB implemented the following changes in assumptions for the fiscal year 2021:

1. Fiscal year 2022 valuation assumptions based on this study:

    a. Inflation assumption 2.30%
    b. Payroll growth 3.00%
    c. Wage inflation rate 2.30%
    d. Investment return assumption 7.00%

The report indicates the total increase in the unfunded actuarial accrued liability is $1,334,244,776 and results in a decrease in the funded ratio from 69.77% to 64.87%

See also the **Actuarial Assumptions** subsection of the financial statement note disclosure **General Information on the Pension Plan**.

Silver Consolidated School District No. 1

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY OF THE RETIREE HEALTH CARE AUTHORITY (RHCA) PLAN

LAST 10 FISCAL YEARS*

	2023	2022	2021	2020	2019	2018
Silver Consolidated School District No. 1's proportion of the net OPEB liability	.34065%	.33944%	.35470%	.36903%	.37089%	.37565%
Silver Consolidated School District No. 1's share of the OPEB liability	$ 7,874,578	$ 11,168,763	$ 14,893,527	$ 11,965,387	$ 16,127,613	$ 17,023,230
Silver Consolidated School District No. 1's covered employee payroll	$ 19,000,913	$ 17,478,491	$ 16,366,611	$ 17,114,908	$ 16,318,553	$ 15,837,513
Silver Consolidated School District No. 1's proportionate share of the net OPEB liability as a percentage of it covered employee payroll	41%	64%	91%	70%	99%	107%
Plan fiduciary net position as a percentage of the total OPEB liability	33.33%	25.39%	16.50%	18.92%	13.14%	11.34%

*The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10 year trend is compiled, Silver Consolidated School District No. 1 will present information for those years for which information is available.

Silver Consolidated School District No. 1

SCHEDULE OF CONTRIBUTIONS

RETIREE HEALTH CARE AUTHORITY (RHCA) PLAN

LAST 10 FISCAL YEARS*

	2023	2022	2021	2020	2019	2018
Contractually required contributions	$ 380,018	$ 349,570	$ 327,332	$ 342,298	$ 326,371	$ 316,750
Contributions in relation to contractually required contributions	$ (380,018)	(349,570)	(327,332)	(342,298)	(326,371)	(316,750)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Silver Consolidated School District No. 1's covered employee payroll	$ 19,000,913	$ 17,478,491	$ 16,366,611	$ 17,114,908	$ 16,318,553	$ 15,837,153
Silver Consolidated School District No. 1's contributions as a percentage of its covered employee payroll	2%	2%	2%	2%	2%	2%

*The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10 year trend is compiled, Silver Consolidated School District No. 1 will present information for those years for which information is available.

Changes in benefit terms – The eligibility benefits changes in recent years are described in the **Benefits Provided** subsection of the financial statement note disclosure **General Information on the Retiree Health Care Plan.**

Changes of Assumptions

RHCA conducted an actuarial experience study for the Plan as of June 30, 2021. The mortality, retirement, disability, turnover and salary increase assumptions are based on the Public Employees Retirement Association (PERA) of New Mexico Actuarial Valuation as of June 30, 2018, and the New Mexico Educational Retirement Board (ERB) Actuarial Experience Study as of June 30, 2020. Changes in those assumptions as they relate to the Silver Consolidated School District No. 1 are detailed in the ERB notes to supplementary information included elsewhere in this report.

1. Fiscal year 2021 valuation assumptions are as follows:

    a. Inflation assumptions 2.30% for ERB, 2.50% for PERA
    b. Investment return assumption 7.00%
    c. Health care trend 8% graded down to 4.5% over 14 years for Non-Medicare medical plan costs and 7.5% graded down to 4.5% over 12 years for Medicare medical plan costs

The report indicates the total decrease to the unfunded actuarial liability is $978,746,738, and results in an increase to the funded ratio from $25.39% to 33.33%.

See also the **Actuarial Assumptions** subsection of the financial statement note disclosure **General Information on the Pension Plan**.

SPECIAL REVENUE FUNDS

Cafeteria – Fund used to account for revenues generated by the District as well as the federal assistance received and the related expenditures necessary to provide food services for the District. Required by the New Mexico Department of Education Manual of Procedures for New Mexico School Districts to be accounted for as a separate fund within the Special Revenue Funds (PSAB, Supplement 17).

Athletics – To account for the revenues received, and the related expenditures incurred, by the District related to athletic functions (PSAB, Supplement 3).

Entitlement – Fund used to account for federal resources administered by the New Mexico State Department of Education to provide for the special education needs of handicapped children. Required by the New Mexico Department of Education Manual of Procedures for New Mexico School Districts to be accounted for as a separate fund within the Special Revenue Funds (P.L. 94-142 and P.L. 99-457).

Teacher Training – Created by P.L. 107-110 to improve teacher and principal quality and ensure that all teachers are highly qualified.

Rural Education – Created to provide financial assistance to rural districts to carry out activities help improve the quality of teaching and learning in their schools. (Elementary and Secondary Education Act of 1965 (ESEA), Title VI, Part B, as amended).

Title I – Fund used to account for federal resources administered by the New Mexico State Department of Education to provide assistance to educationally deprived students in low-income areas of the District. Required by the New Mexico Department of Education Manual of Procedures for New Mexico School Districts to be accounted for as a separate fund within the Special Revenue Funds (P.L. 103-382).

New Mexico Grown Fresh – To account for the resources granted to ensure that children get an adequate diet of fruits and vegetables with meals. (NMPED regulations).

SB-9/SB-9 State Match - Created by State law to account for the District tax levy restricted solely for use in improvements to the physical plant (NMSA 1978 22-25-1) and are Special Revenue Funds.

Instructional Materials – To account for providing funding for high quality core and supplementary learning materials.

State Equalization Stimulus – Education stabilization funds are used to restore state funding to public schools and higher education institutions.

Library G.O. Bonds – to account for funds to upgrade libraries, books, and equipment (NMPED), Laws of 2004.

PED Technology for Education – The purpose of this grant is to assist the District to develop and implement a strategic, long-term plan for utilizing educational technology in the school system. Funds account for in this fund are received from the State of New Mexico. The authority creation of this fund is NMSA 22-15A-1 to 22-15A-10.

Teacher Mentoring – To account for the federal resources intended to improve teacher quality. (No Child Left Behind Act).

Career Technical Education – To provide courses and programs that focus on the skills and knowledge required for specific jobs or fields of work. The occupational fields included in this definition are: agriculture and natural resources; business support, management, and finance; communications; computer and information sciences; construction; consumer services; education; engineering and architecture; health sciences; manufacturing; marketing; public, social, and protective services; repair; and transportation.

Preschool Fund – Entitlement funds are used to account for federal resources administered by the New Mexico State Department of Education to provide for the special education needs of handicapped children three to five years old. Required by the New Mexico Department of Education Manual of Procedures for New Mexico School Districts to be accounted for as a separate fund within Special Revenue Funds (P.L. 94-142 and P.L. 99-457).

Education of Homeless/Homeless Emergency – Fund used to account for federal resources administered by the New Mexico State Department of Education to provide comprehensive services to homeless children and youth and their families, and expedited evaluations of homeless children's needs to help facilitate enrollment, attendance, and success in school (Steward B. McKinney Homeless Assistance Act of 1987).

Perkins Secondary - Vocational and Technical Education Act was first authorized by the federal government in 1984 and reauthorized in 1998, 2006, and 2018. Perkins, the act aims to increase the quality of technical education within the United States in order to help the economy.

American Rescue Plan/Cares Act – The Coronavirus Aid, Relief, and Economic Security Act (2020) and the Coronavirus Response and Consolidated Appropriations Act (2021) provided fast and direct economic assistance to schools during the pandemic.

CRRSA Social Learning/ARP EESER III/CRRSA ESSER II, USDE ESSER II- The Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act of 2021 and American Rescue Plan (ARP) Elementary and Secondary School Emergency Relief Fund (ESSER) – Funding to help education continue for elementary and secondary schools impacted during the COVID-19 pandemic.

IDEA Private Schools - Funds are for children with disabilities enrolled by their parents in private school.

Family Income Index – To direct additional funding to schools with concentrated poverty.

NM Schools – COVID-19 – Funds from CARES Act to provide for COVID-19 testing of students and teachers.

ECECD Direct – Incentive payments from the CRRSA for funding of early childhood education and childcare professionals.

STEM Projects- To account for the state grants from the New Mexico Public Education Department to train teachers to more effectively educate students in science technology and math. Authorization is the New Mexico Public Education Department.

Grads/Grads Plus – To provide grants to States or Territories to assist needy families with children so that children can be cared for in their own homes; to reduce dependency by promoting job preparation, work, and marriage; to reduce and prevent out-of-wedlock pregnancies; and to encourage the formation and maintenance of two-parent families. Social security Act, Title IV, Part A, as amended; Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193. The fund was created by state grant provision.

Academic Title IV – To advance pre-literacy and literacy skills by developing a continuum of language, emergent literacy, and literacy supports for children from birth through grade 12 using interventions with moderate or strong evidence of effectiveness.

Individuals with Disabilities – To account for the Federal resources administered by the New Mexico Public Education Department for use in providing aid to individuals with disabilities in the educational environment. Authorization is the NMPED.

School Mental Health – To account for the federal funding to be utilized to identify and treat students with mental health issues. Authorized under the U.S. Department of Education.

K-12 ELTP Planning -To account for the state funding to fund professional development, planning time, and community outreach or marketing for the extended learning time for students. Authorization is the NMPED.

At Risk Intervention – To account for the state grant to help struggling students increase their learning skills. Authorization is NMPED.

REC District Agent – To account for the monies received in partnership with the Southwest Regional Education Cooperative to increase learning among students. Authorization is the Southwest Regional Education Cooperative, in conjunction with the NMPED.

Breakfast for Elementary – To account for the state resources to be used to enhance breakfast programs for elementary school students. Authorization is the NMPED.

Pre-K Initiative – To account for State resources to be used to enhance breakfast programs for elementary school students. Authorization is the NMPED.

CAPITAL PROJECT FUNDS

Public School Capital Outlay – State – To account for the state resources to be used for specific Capital Outlay.

HB-33 – The fund is 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 public school grounds. Financing is provided through property taxes as specified by Article 26 of the Public School Buildings Act. (House Bill 33) and is a Capital Project Fund.

Bond Building – To account for bond proceeds plus 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. This is a Capital Project Fund.

Silver Consolidated School District No. 1
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2023

	Special Revenue Funds			
	Cafeteria 21000	Athletics 22000	Preschool 24109	Teacher Training 24154
Assets				
Cash and investments	$ 673,422	$ 42,893	$ -	$ -
Inventory	21,629			
Property taxes receivable				
Interfund receivable				
Due from other governments	160,579		13,878	60,554
Total assets	$ 855,630	$ 42,893	$ 13,878	$ 60,554
Liabilities				
Accounts payable	$ -	$ -	$ -	$ 408
Interfund payable			10,728	60,146
Total liabilities	$ -	$ -	$ 10,728	$ 60,554
Deferred Inflows of Resources				
Unavailable revenue	$ -	$ -	$ 3,150	$ 41,946
Total deferred inflows of resources	$ -	$ -	$ 3,150	$ 41,946
Fund balance:				
Nonexpendable:				
Inventories	$ 21,629	$ -	$ -	$ -
Restricted for:				
Education		42,893		
Food service	834,001			
Social services				
Capital projects				
Unassigned				(41,946)
Total fund balances	$ 855,630	$ 42,893	$ -	$ (41,946)
Total liabilities, deferred inflows of resources, and fund balances	$ 855,630	$ 42,893	$ 13,878	$ 60,554

Special Revenue Funds				
Individuals with Disabilities 24346	Title I 24101	American Rescue Plan 24349	Rural Education 24160	Perkins Secondary 24174
$ -	$ -	$ -	$ -	$ -
26,901	18,509		115,279	2,402
$ 26,901	$ 18,509	$ -	$ 115,279	$ 2,402
$ -	$ -	$ -	$ -	$ -
26,901	10,120		115,279	2,402
$ 26,901	$ 10,120	$ -	$ 115,279	$ 2,402
	$ 8,389	$ -	$ 109,437	$ -
$ -	$ 8,389	$ -	$ 109,437	$ -
$ -	$ -	$ -	$ -	$ -
			(109,437)	
$ -	$ -	$ -	$ (109,437)	$ -
$ 26,901	$ 18,509	$ -	$ 115,279	$ 2,402

Silver Consolidated School District No. 1
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (continued)
June 30, 2023

	Special Revenue Funds		
	Career Technical 24176	School Mental Health 25277	NM Grown FVV 27183
Assets			
Cash and investments	$ -	$ 18,517	$ -
Inventory			
Property taxes receivable			
Interfund receivable			
Due from other governments	27,890		3,964
Total assets	$ 27,890	$ 18,517	$ 3,964
Liabilities			
Accounts payable	$ -	$ -	$ -
Interfund payable	27,890		3,964
Total liabilities	$ 27,890	$ -	$ 3,964
Deferred Inflows of Resources			
Unavailable revenue	$ 76	$ -	$ -
Total deferred inflows of resources	$ 76	$ -	$ -
Fund balance:			
Nonexpendable:			
Inventories	$ -	$ -	$ -
Restricted for:			
Education			
Food service			
Social services		18,517	
Capital projects			
Unassigned	(76)		
Total fund balances	$ (76)	$ 18,517	$ -
Total liabilities, deferred inflows of resources, and fund balances	$ 27,890	$ 18,517	$ 3,964

Special Revenue Funds				
K-12 ELTP Planning 27408	At Risk Intervention 27412	REC District Agent 26107	SB-9 31701	SB-9 State Match 31703
$ -	$ -	$ -	$ 212,041	$ -
			101,309	
175,353	19,028	21,189		
$ 175,353	$ 19,028	$ 21,189	$ 313,350	$ -
$ 246	$ -	$ -	$ 18,946	$ 13,751
175,107	19,028	21,189		48,063
$ 175,353	$ 19,028	$ 21,189	$ 18,946	$ 61,814
$ 606	$ -	$ -	$ 63,835	$ -
$ 606	$ -	$ -	$ 63,835	$ -
$ -	$ -	$ -	$ -	$ -
			230,569	
(606)				(61,814)
$ (606)	$ -	$ -	$ 230,569	$ (61,814)
$ 175,353	$ 19,028	$ 21,189	$ 313,350	$ -

Silver Consolidated School District No. 1
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (continued)
June 30, 2023

	Special Revenue Funds			
	IDEA Private Schools 24115	Entitlement 24106	Instructional Materials 27119	Academic Title IV 24189
Assets				
Cash and investments	$ -	$ -	$ 44,119	$ -
Inventory				
Property taxes receivable				
Interfund receivable				
Due from other governments		264,696		51,885
Total assets	$ -	$ 264,696	$ 44,119	$ 51,885
Liabilities				
Accounts payable	$ -	$ -	$ -	$ -
Interfund payable		264,696		51,885
Total liabilities	$ -	$ 264,696	$ -	$ 51,885
Deferred Inflows of Resources				
Unavailable revenue	$ -	$ -	$ -	$ 180
Total deferred inflows of resources	$ -	$ -	$ -	$ 180
Fund balance:				
Nonexpendable:				
Inventories	$ -	$ -	$ -	$ -
Restricted for:				
Education			44,119	
Food service				
Social services				
Capital projects				
Unassigned				(180)
Total fund balances	$ -	$ -	$ 44,119	$ (180)
Total liabilities, deferred inflows of resources, and fund balances	$ -	$ 264,696	$ 44,119	$ 51,885

Special Revenue Funds					
Education of Homeless 24113	Teacher Mentoring 27154	ECEDC Direct 28208	2008 GO Bonds 27549	2010 GO Bond Library 27106	2012 GO Bond Library 27107
$ 1,826	$ 6,428	$ -	$ 11,166	$ -	$ -
				31,627	11,376
$ 1,826	$ 6,428	$ -	$ 11,166	$ 31,627	$ 11,376
$ -	$ -	$ -	$ -	$ -	$ -
				22,572	11,376
$ -	$ -	$ -	$ -	$ 22,572	$ 11,376
$ -	$ -	$ -	$ -	$ 5,990	$ -
$ -	$ -	$ -	$ -	$ 5,990	$ -
$ -	$ -	$ -	$ -	$ -	$ -
1,826	6,428		11,166	3,065	
$ 1,826	$ 6,428	$ -	$ 11,166	$ 3,065	$ -
$ 1,826	$ 6,428	$ -	$ 11,166	$ 31,627	$ 11,376

Silver Consolidated School District No. 1

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET (continued)

June 30, 2023

	Special Revenue Funds		
	Tech For Education 27117	CRRSA Social Learning 24309	STEM 27135
Assets			
Cash and investments	$ 11,825	$ -	$ 6,480
Inventory			
Property taxes receivable			
Interfund receivable			
Due from other governments		6,161	
Total assets	$ 11,825	$ 6,161	$ 6,480
Liabilities			
Accounts payable	$ -	$ -	$ -
Interfund payable		6,161	
Total liabilities	$ -	$ 6,161	$ -
Deferred Inflows of Resources			
Unavailable revenue	$ -	$ -	$ -
Total deferred inflows of resources	$ -	$ -	$ -
Fund balance:			
Nonexpendable:			
Inventories	$ -	$ -	$ -
Restricted for:			
Education	11,825		6,480
Food service			
Social services			
Capital projects			
Unassigned			
Total fund balances	$ 11,825	$ -	$ 6,480
Total liabilities, deferred inflows of resources, and fund balances	$ 11,825	$ 6,161	$ 6,480

	Special Revenue Funds				
	Cares Act 24301	CRRSA ESSER II 24308	USDE CRRSA ESSER II 24316	Breakfast for Elementary 27155	Covid 19 28211
	$ -	$ -	$ -	$ -	$ 7,312
		153,596		465	
	$ -	$ 153,596	$ -	$ 465	$ 7,312
	$ -	$ -	$ -	$ -	$ -
		153,596		465	
	$ -	$ 153,596	$ -	$ 465	$ -
	$ -	$ -	$ -		$ -
	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -
					7,312
	$ -	$ -	$ -	$ -	$ 7,312
	$ -	$ 153,596	$ -	$ 465	$ 7,312

Silver Consolidated School District No. 1

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET (continued)

June 30, 2023

	Special Revenue Funds		
	2008 Library Books 27549	Family Income Index 27407	Career Technical Education 27502
Assets			
Cash and investments	$ 191	$ -	$ 5,157
Inventory			
Property taxes receivable			
Interfund receivable			
Due from other governments		128,490	15,531
Total assets	$ 191	$ 128,490	$ 20,688
Liabilities			
Accounts payable	$ -	$ -	$ -
Interfund payable		128,490	
Total liabilities	$ -	$ 128,490	$ -
Deferred Inflows of Resources			
Unavailable revenue	$ -	$ 450	$ -
Total deferred inflows of resources	$ -	$ 450	$ -
Fund balance:			
Nonexpendable:			
Inventories	$ -	$ -	$ -
Restricted for:			
Education	191		20,688
Food service			
Social services			
Capital projects			
Unassigned	-	(450)	
Total fund balances	$ 191	$ (450)	$ 20,688
Total liabilities, deferred inflows of resources, and fund balances	$ 191	$ 128,490	$ 20,688

Special Revenue Funds			
Homeless Emergency 24355	Pre-K Initiative 27149	GRADS 28190	GRADS Plus 28203
$ -	$ -	$ 51	$ 533
3,364	185,595		
$ 3,364	$ 185,595	$ 51	$ 533
$ -	$ -	$ -	$ -
3,364	185,595		
$ 3,364	$ 185,595	$ -	$ -
$ -	$ 19,885	$ -	$ -
$ -	$ 19,885	$ -	$ -
$ -	$ -	$ -	$ -
		51	533
	(19,885)		
$ -	$ (19,885)	$ 51	$ 533
$ 3,364	$ 185,595	$ 51	$ 533

Silver Consolidated School District No. 1
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (concluded)
June 30, 2023

	Capital Project Fund			
	Public School Capital Outlay 31200	HB 33 31600	Bond Building 31100	Total
Assets				
Cash and investments	$ 86,147	$ 634,883	$ -	$ 1,762,991
Inventory				21,629
Property taxes receivable		79,497		180,806
Interfund receivable				-
Due from other governments				1,498,312
Total assets	$ 86,147	$ 714,380	$ -	$ 3,463,738
Liabilities				
Accounts payable	$ -	$ -	$ -	$ 33,351
Interfund payable				1,349,017
Total liabilities	$ -	$ -	$ -	$ 1,382,368
Deferred Inflows of Resources				
Unavailable revenue	$ -	$ 49,617	$ -	$ 303,561
Total deferred inflows of resources	$ -	$ 49,617	$ -	$ 303,561
Fund balance:				
Nonexpendable:				
Inventories	$ -	$ -	$ -	$ 21,629
Restricted for:				
Education				387,146
Food service				834,001
Social services				18,517
Capital projects	86,147	664,763		750,910
Unassigned				(234,394)
Total fund balances	$ 86,147	$ 664,763	$ -	$ 1,777,809
Total liabilities, deferred inflows of resources, and fund balances	$ 86,147	$ 714,380	$ -	$ 3,463,738

Silver Consolidated School District No. 1

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the Fiscal Year Ended June 30, 2023

	Special Revenue Funds		
	Cafeteria 21000	Athletics 22000	Preschool 24109
Revenues:			
Property taxes	$ -	$ -	$ -
Fees and charges	25,389	89,168	
State aid			
Federal aid	1,323,764		28,451
Miscellaneous			
Total revenues	$ 1,349,153	$ 89,168	$ 28,451
Expenditures:			
Current:			
Instruction	$ -	$ 93,534	$ 28,451
Support services - Students			
Support services - Instruction			
General administration			
School administration			
Central services			
Operation of plant			
Food services	1,373,789		
Transportation			
Capital outlay			
Total expenditures	$ 1,373,789	$ 93,534	$ 28,451
Revenues over (under) expenditures	$ (24,636)	$ (4,366)	$ -
Other financing sources (uses):			
Transfers in			
Transfers out			
Net change in fund balance	$ (24,636)	$ (4,366)	$ -
Fund balance, June 30, 2022	880,266	47,259	-
Fund balance, June 30, 2023	$ 855,630	$ 42,893	$ -

Special Revenue Funds				
Teacher Training 24154	American Rescue Plan 24349	Rural Education 24160	Perkins Secondary 24174	Individuals With Disabilities 24346
$ -	$ -	$ -	$ -	$ -
97,649	4,209	4,419	11,767	100,396
$ 97,649	$ 4,209	$ 4,419	$ 11,767	$ 100,396
$ 120,052	$ 4,209	$ 100,410	$ 11,458	$ 68,232
6,605				29,501
3,845		2,993	309	2,663
9,093				
		10,453		
$ 139,595	$ 4,209	$ 113,856	$ 11,767	$ 100,396
$ (41,946)	$ -	$ (109,437)	$ -	$ -
$ (41,946)	$ -	$ (109,437)	$ -	$ -
-	-	-	-	-
$ (41,946)	$ -	$ (109,437)	$ -	$ -

Silver Consolidated School District No. 1

NONMAJOR GOVERNMENTAL FUNDS

COMBNING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (continued)

For the Fiscal Year Ended June 30, 2023

	Special Revenue Funds			
	Title I 24101	Career Technical 24176	School Mental Health 25277	NM Grown FVV 27183
Revenues:				
Property taxes	$ -	$ -	$ -	$ -
Fees and charges				
State aid				10,252
Federal aid	997,170		41,052	
Miscellaneous				
Total revenues	$ 997,170	$ -	$ 41,052	$ 10,252
Expenditures:				
Current:				
Instruction	$ 467,709	$ -	$ -	
Support services - Students			21,954	
Support services - Instruction	498,729			
General administration	30,732		581	
School administration				
Central services				
Operation of plant				
Food services				10,252
Transportation				
Capital outlay				
Total expenditures	$ 997,170	$ -	$ 22,535	$ 10,252
Revenues over (under) expenditures	$ -	$ -	$ 18,517	$ -
Other financing sources (uses):				
Transfers in				
Transfers out				
Net change in fund balance	$ -	$ -	$ 18,517	$ -
Fund balance, June 30, 2022	-	(76)	-	-
Fund balance, June 30, 2023	$ -	$ (76)	$ 18,517	$ -

Special Revenue Funds					
K-12 ELTP Planning 27408	At Risk Intervention 27412	REC District Agent 26107	SB-9 31701	SB-9 State Match 31703	IDEA Private Schools 24115
$ -	$ -	$ -	$ 1,151,894	$ -	$ -
203,202	47,046				
					649
		99,749			
$ 203,202	$ 47,046	$ 99,749	$ 1,151,894	$ -	$ 649
$ 203,808	$ 47,046	$ 99,749	$ -	$ -	$ -
			10,789		
			1,042,611		
			125,322	200,704	
$ 203,808	$ 47,046	$ 99,749	$ 1,178,722	$ 200,704	$ -
$ (606)	$ -	$ -	$ (26,828)	$ (200,704)	$ 649
			$ 11,708		
$ (606)	$ -	$ -	$ (15,120)	$ (200,704)	$ 649
-	-	-	245,689	138,890	(649)
$ (606)	$ -	$ -	$ 230,569	$ (61,814)	$ -

Silver Consolidated School District NO. 1
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (continued)
For the Fiscal Year Ended June 30, 2023

	Special Revenue Funds			
	Entitlement 24106	Instructional Materials 27119	Academic Title IV 24189	Education of Homeless 24113
Revenues:				
Property taxes	$ -	$ -	$ -	$ -
Fees and charges				
State aid				
Federal aid	897,243		83,550	
Miscellaneous				
Total revenues	$ 897,243	$ -	$ 83,550	$ -
Expenditures:				
Current:				
Instruction	$ 640,895	$ -	$ 81,529	$ -
Support services - Students	19,410			
Support services - Instruction	210,373			
General administration	23,606		2,201	
School administration				
Central services	-			
Operation of plant				
Food services				
Transportation				
Capital outlay				
Total expenditures	$ 894,284	$ -	$ 83,730	$ -
Revenues over (under) expenditures	$ 2,959	$ -	$ (180)	$ -
Other financing sources (uses):				
Transfers in				
Transfers out				
Net change in fund balance	$ 2,959	$ -	$ (180)	$ -
Fund balance, June 30, 2022	(2,959)	44,119	-	1,826
Fund balance, June 30, 2023	$ -	$ 44,119	$ (180)	$ 1,826

Special Revenue Funds					
REC Operating 26107	Teacher Mentoring 27154	ECEDC Direct 28208	2008 GO Bonds 27549	2010 GO Bond Library 27106	2012 GO Bond Library 27107
$ -	$ -	$ -	$ -	$ -	$ -
					37,013
$ -	$ -	$ -	$ -	$ -	$ 37,013
$ -	$ -	$ -	$ -	$ -	$ -
-					14,278
$ -	$ -	$ -	$ -	$ -	$ 14,278
$ -	$ -	$ -	$ -	$ -	$ 22,735
$ -	$ -	$ -	$ -	$ -	$ 22,735
-	6,428	-	11,166	3,065	(22,735)
$ -	$ 6,428	$ -	$ 11,166	$ 3,065	$ -

Silver Consolidated School District NO. 1

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (continued)

For the Fiscal Year Ended June 30, 2023

	Special Revenue Funds			
	Tech For Education 27117	CRRSA Social Learning 24309	STEM 27135	Cares Act 24301
Revenues:				
Property taxes	$ -	$ -	$ -	$ -
Fees and charges				
State aid				
Federal aid		6,162		
Miscellaneous				
Total revenues	$ -	$ 6,162	$ -	$ -
Expenditures:				
Current:				
Instruction	$ -	$ 6,162	$ -	$ -
Support services - Students				
Support services - Instruction				
General administration				
School administration				
Central services				
Operation of plant				
Food services				
Transportation				
Capital outlay				
Total expenditures	$ -	$ 6,162	$ -	$ -
Revenues over (under) expenditures	$ -	$ -	$ -	$ -
Other financing sources (uses):				
Transfers in				
Transfers out				
Net change in fund balance	$ -	$ -	$ -	$ -
Fund balance, June 30, 2022	11,825	-	6,480	-
Fund balance, June 30, 2023	$ 11,825	$ -	$ 6,480	$ -

Special Revenue Funds

CRRSA ESSER II 24308	USDE CRRSA ESSER II 24316	Breakfast for Elementary 27155	Covid 19 28211	2008 Library Books 27549
$ -	$ -	$ -	$ -	$ -
-		22,571	7,312	
172,704				
$ 172,704	$ -	$ 22,571	$ 7,312	$ -
$ 125,372	$ -	$ -	$ -	$ -
36,726				
1,303				
-				
-				
		22,878		
5,217				
$ 168,618	$ -	$ 22,878	$ -	$ -
$ 4,086	$ -	$ (307)	$ 7,312	$ -
$ 4,086	$ -	$ (307)	$ 7,312	$ -
(4,086)	-	307	-	191
$ -	$ -	$ -	$ 7,312	$ 191

Silver Consolidated School District NO. 1

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (continued)

For the Fiscal Year Ended June 30, 2023

	Special Revenue Funds			
	Family Income Index 27407	Career Technical Education 27502	Homeless Emergency 24355	Pre-K Initiative 27149
Revenues:				
Property taxes	$ -	$ -	$ -	$ -
Fees and charges				
State aid	172,930	97,522		505,180
Federal aid			4,712	
Miscellaneous				
Total revenues	$ 172,930	$ 97,522	$ 4,712	$ 505,180
Expenditures:				
Current:				
Instruction	$ 173,380	$ 9,749	$ 4,712	$ 445,179
Support services - Students				60,000
Support services - Instruction				
General administration				
School administration				
Central services				
Operation of plant				
Food services				
Transportation				
Capital outlay				
Total expenditures	$ 173,380	$ 9,749	$ 4,712	$ 505,179
Revenues over (under) expenditures	$ (450)	$ 87,773	$ -	$ 1
Other financing sources (uses):				
Transfers in				
Transfers out				
Net change in fund balance	$ (450)	$ 87,773	$ -	$ 1
Fund balance, June 30, 2022	-	(67,085)	-	(19,886)
Fund balance, June 30, 2023	$ (450)	$ 20,688	$ -	$ (19,885)

Special Revenue Funds		Capital Project Fund			
GRADS	GRADS Plus	Public School Capital Outlay	HB 33	Bond Building	Total
28190	28203	31200	31600	31100	
$ -	$ -	$ -	$ 865,948	$ -	$ 2,017,842
					114,557
10,000			82,525		1,195,553
		211,587			3,985,484
					99,749
$ 10,000	$ -	$ 211,587	$ 948,473	$ -	$ 7,413,185
$ 9,921	$ -	$ -	$ -	$ -	$ 2,741,557
					137,470
					760,106
			8,657		87,679
					9,093
					-
		43,500	180,320		1,266,431
					1,406,919
					-
		81,940	630,381		1,054,017
$ 9,921	$ -	$ 125,440	$ 819,358	$ -	$ 7,463,272
$ 79	$ -	$ 86,147	$ 129,115	$ -	$ (50,087)
				$ 1,266	$ 12,974
					-
$ 79	$ -	$ 86,147	$ 129,115	$ 1,266	$ (37,113)
(28)	533	-	535,648	(1,266)	1,814,922
$ 51	$ 533	$ 86,147	$ 664,763	$ -	1,777,809

Silver Consolidated School District No. 1
GENERAL FUND
COMBINING BALANCE SHEET
June 30, 2023

	Operational 11000	Transportation 13000	Local Revenue 15200	Total
Assets				
Cash and investments	$ 851,938	$ (97,160)	$ 209,322	$ 964,100
Taxes receivable	18,478	374		18,852
Due from other governments		100,376		100,376
Interfund receivable	2,338,156			2,338,156
Total assets	$ 3,208,572	$ 3,590	$ 209,322	$ 3,421,484
Liabilities				
Accounts payable	$ 45,824	$ -	$ -	$ 45,824
Interfund payable				-
Total liabilities	$ 45,824	$ -	$ -	$ 45,824
Deferred Inflows of Resources				
Unavailable revenue	$ 62,076	$ -	$ -	$ 62,076
Total deferred inflows of resources	$ 62,076	$ -	$ -	$ 62,076
Fund balance:				
Restricted for:				
Education	$ -	$ -	$ -	$ -
Transportation		3,216		3,216
Unassigned	3,101,046		209,322	3,310,368
Total fund balances	$ 3,101,046	$ 3,216	$ 209,322	$ 3,313,584
Total liabilities, deferred inflows of resources, and fund balances	$ 3,208,946	$ 3,216	$ 209,322	$ 3,421,484

Silver Consolidated School District No. 1

GENERAL FUND

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For The Fiscal Year Ended June 30, 2023

	Operational 11000	Transportation 13000	Local Revenue 15200	Total
Revenues:				
Property taxes	$ -	$ -	$ 218,514	$ 218,514
Fees and charges	128,054			128,054
State aid	25,820,438	1,104,136		26,924,574
Federal aid	221,190			221,190
Miscellaneous	147,784			147,784
Total revenues	$ 26,317,466	$ 1,104,136	$ 218,514	$ 27,640,116
Expenditures:				
Current:				
Instruction	$ 15,613,908	$ -	$ 7,000	$ 15,620,908
Support services - Students	3,093,387			3,093,387
Support services - Instruction	663,652			663,652
General administration	682,545		2,020	684,565
School administration	1,865,880			1,865,880
Central services	630,100			630,100
Operation of plant	3,694,370			3,694,370
Transportation		1,099,937		1,099,937
Capital outlay	26,365			26,365
Total expenditures	$ 26,270,207	$ 1,099,937	$ 9,020	$ 27,379,164
Total revenue over (under) expenditures	$ 47,259	$ 4,199	$ 209,494	$ 260,952
Other financing sources (uses):				
Reversion				-
Transfer in				-
Transfer out				-
Net change in fund balance	$ 47,259	$ 4,199	$ 209,494	$ 260,952
Fund balance, June 30, 2022	3,053,291	(659)		3,052,632
Fund balance, June 30, 2023	$ 3,100,550	$ 3,540	$ 209,494	$ 3,313,584

Silver Consolidated School District No.1

GENERAL FUND/OPERATIONAL

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

For the Fiscal Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Fees and charges	$ 198,000	$ 198,000	$ 177,963	$ (20,037)
Federal sources	160,000	160,000	221,190	61,190
State sources	25,869,265	25,820,438	25,820,438	-
Local sources	80,000	80,000	139,309	59,309
Interest income			8,474	8,474
Total revenues	$ 26,307,265	$ 26,258,438	$ 26,367,374	$ 108,936
Expenditures:				
Current:				
Instruction	$ 16,377,373	$ 16,217,373	$ 15,638,206	$ 579,167
Support services - Students	3,093,435	3,244,931	3,093,387	151,544
Support services - Instruction	627,430	670,211	663,809	6,402
General administration	779,442	769,442	683,481	85,961
School administration	1,902,062	1,877,705	1,865,880	11,825
Central services	698,069	698,069	630,611	67,458
Operation of plant	3,897,301	4,001,381	3,730,373	271,008
Other support services	2,095,470	1,907,792		1,907,792
Transportation				-
Food services				-
Capital outlay				-
Total expenditures	$ 29,470,582	$ 29,386,904	$ 26,305,747	$ 3,081,157
Revenues over (under) expenditures	$ (3,163,317)	$ (3,128,466)	$ 61,627	$ 3,190,093
Other financing sources(uses):				
Transfers in				-
Transfers out				-
Net change in fund balance	$ (3,163,317)	$ (3,128,466)	$ 61,627	$ 3,190,093
Fund balance, July 1, 2022	3,163,317	3,128,466	3,128,467	1
Fund balance, June 30, 2023	$ -	$ -	$ 3,190,094	$ 3,190,094

Budgetary reconciliation:	
Net change in fund balance, GAAP basis	$ 47,259
Revenue accruals (net)	48,223
Expenditure accruals (net)	(33,855)
Net change in fund balance, NON-GAAP budgetary basis	$ 61,627

The accompanying notes are an integral part of these financial statements

Silver Consolidated School District No. 1

GENERAL FUND/LOCAL REVENUE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

For the Fiscal Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Property taxes	$ 210,012	$ 210,012	$ 218,342	$ 8,330
Expenditures:				
Current:				
Instruction	$ 208,104	$ 207,604	$ 7,000	$ 200,604
Support services - General administration	1,908	2,408	2,020	388
Total expenditures	$ 210,012	$ 210,012	$ 9,020	$ 200,992
Net change in fund balance	$ -	$ -	$ 209,322	$ 209,322
Fund balance, July 1, 2022				-
Fund balance, June 30, 2023	$ -	$ -	$ 209,322	$ 209,322
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			$ 209,494	
Revenue accruals (net)			1,513	
Expenditure accruals (net)			(1,685)	
Net change in fund balance, NON-GAAP budgetary basis			$ 209,322	

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

Silver Consolidated School District No. 1

GENERAL FUND/TRANSPORTATION

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

For the Fiscal Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	$ 1,104,136	$ 1,104,136	$ 1,003,760	$ (100,376)
Expenditures:				
Current:				
Pupil transportation	1,104,136	1,104,136	1,100,261	3,875
Revenues over (under) expenditures	$ -	$ -	$ (96,501)	$ (96,501)
Other financing sources(uses):				
Reversion	-	-		-
Net change in fund balance	$ -	$ -	$ (96,501)	$ (96,501)
Fund balance, July 1, 2022		-	(659)	(659)
Fund balance, June 30, 2023	$ -	$ -	$ (97,160)	$ (97,160)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			$ 4,199	
Revenue accruals (net)			(100,376)	
Expenditure accruals (net)			(324)	
Net change in fund balance, NON-GAAP budgetary basis			$ (96,501)	

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

Silver Consolidated School District No. 1
SCHEDULE OF PLEDGED COLLATERAL
June 30, 2023

	First American Bank	Total
Checking and CD's	$ 11,954,140	$ 11,954,140
Total on deposit	$ 11,954,140	$ 11,954,140
Less: FDIC insurance	(250,000)	(250,000)
Total uninsured public funds	$ 11,704,140	$ 11,704,140
50% collateralization requirement (Section 6-10-17 NMSA)	$ 5,852,070	$ 5,852,070
Pledged Securities:		
FHLB Cusip 6474294R7 04/01/40	$ 1,570,387	$ 1,570,387
FHLB Cusip 36179RJH3 7/20/45	210,856	210,856
FHLB Cusip 189414KD6 8/1/23	323,954	323,954
FHLB Cusip 085279SJ7 8/1/25	447,075	447,075
FHLB Cusip 085279SK4 8/1/26	497,920	497,920
FHLB Cusip 31410LGN6 1/1/27	45,425	45,425
FHLB Cusip 545562RP7 7/15/27	228,209	228,209
FHLB Cusip 898439ET7 8/1/28	300,033	300,033
FHLB Cusip 257579DB5 9/1/29	260,447	260,447
FHLB Cusip 3140HRNJ8 10/1/30	1,172,673	1,172,673
FHLB Cusip 3128MFHZ4 11/1/32	313,032	313,032
FHLB Cusip 3138ERLC2 05/01/46	232,715	232,715
FHLB Cusip 142735FJ3 8/1/34	1,444,110	1,444,110
Total pledged securities	$ 7,046,836	$ 7,046,836
Pledged securities over (under) requirement	$ 1,194,766	$ 1,194,766

Securities pledged for First American are held by the Federal Home Loan Bank in Dallas, TX. The securities are presented at fair market value.

Silver Consolidated School District No. 1

SCHEDULE OF INDIVIDUAL DEPOSIT ACCOUNTS AND INVESTMENTS

June 30, 2023

	Type of Account	Interest Bearing	Bank Balance	Reconciled Balance
First American Bank				
Operational	Checking	Yes	$ 8,005,342	$ 4,470,487
Cliff Athletics	Checking	No	7,763	7,202
Athletics	Checking	No	51,317	35,691
Food Service	Checking	No	905,334	673,422
Trust	Checking	Yes	1,111,129	1,317,161
Payroll	Checking	Yes	1,873,255	-
Total Cash and Investments			$ 11,954,140	$ 6,503,963

Silver Consolidated School District No. 1

CASH RECONCILIATION

For The Fiscal Year Ended June 30, 2023

	Operational	Transportation	Local Revenue	Food Services	Athletics
Total cash and investments as of June 30, 2022	$ 3,128,466	$ (660)	$ -	$ 682,981	$ 47,259
Add: Current year receipts	26,367,374	1,003,760	218,342	1,249,664	89,168
Voided warrants					
Adjustments	(20,007)				
Less: Current year expenditures	(26,285,739)	(1,100,261)	(9,020)	(1,259,224)	(93,535)
Overdrafts					
Loans	(2,388,814)	100,376			
Receivables/payables					
Transfers					
Total cash and investments as of June 30, 2023	$ 801,280	$ 3,215	$ 209,322	$ 673,421	$ 42,892

Silver Consolidated School District No. 1

CASH RECONCILIATION (continued)

For The Fiscal Year Ended June 30, 2023

	Non Instructional	Special Capital Outlay State	Federal Flowthrough	Federal Direct	State Flowthrough
Total cash and investments as of June 30, 2022	$ 1,005,074	$ 17,130	$ (1,918,569)	$ 1,293,350	$ (297,376)
Add: Current year receipts	1,328,073		4,970,756	850,398	833,388
Voided warrants					
Adjustments			173,255	(135,089)	19148
Less: Current year expenditures	(1,015,986)	(188,364)	(4,355,569)	(1,001,196)	(1,435,509)
Overdrafts					
Loans		171,234	1,130,127		880,349
Receivables/payables					
Transfers					
Total cash and investments as of June 30, 2023	$ 1,317,161	$ -	$ -	$ 1,007,463	$ -

Silver Consolidated School District No. 1
CASH RECONCILIATION (continued)
For The Fiscal Year Ended June 30, 2023

	Local Grants	Capital Improvements HB 33	SB-9-State	SB-9 Local	Debt Service
Total cash and investments as of June 30, 2022	$ -	$ 529,063	$ 138,891	$ 226,334	$ 1,618,382
Add: Current year receipts	78,560	862,518		1,149,671	1,228,598
Chargebacks					
Adjustments				11,708	(12,974)
Less: Current year expenditures	(99,749)	(756,698)	(186,954)	(1,175,672)	(1,363,242)
Overdrafts					
Loan	21,189		85,538		
Receivables/payables					
Transfers					
Total cash and investments as of June 30, 2023	$ -	$ 634,883	$ 37,475	$ 212,041	$ 1,470,764

Silver Consolidated School District No. 1
CASH RECONCILIATION (concluded)
For The Fiscal Year Ended June 30, 2023

	Non-Instructional Student Support	Capital Improvements SB-9 Cash	Trust & Agency	State Direct	Total
Total cash and investments as of June 30, 2022		$ -		(99,044)	$ 6,371,281
Add: Current year receipts		211,587		116,861	40,558,718
Chargebacks					-
Adjustments					36,041
Less: Current year expenditures		(125,440)		(9,921)	(40,462,079)
Overdrafts					-
Loan					(1)
Receivables/payables					-
Transfers					-
Total cash and investments as of June 30, 2023	$ -	$ 86,147	$ -	7,896	$ 6,503,960
Adjustment for rounding					3
Total cash and investments as of June 30, 2023					$ 6,503,963

Silver Consolidated School District No. 1

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Fiscal Year Ended June 30, 2023

Federal Grantor/Pass-through Grantor/ Program Title	Assistance Listing Number	Pass-through Grantor's Number	Passed Through to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION				
Direct:				
School Based Mental Health	84.184H	25.277	$ -	$ 22,535
Passed through N.M. Public Education Department:				
Title I Grants to Lea's	84.010	24.101	$ -	$ 997,170
Special Education Cluster:				
Special Education- Grants to States	84.027	24.106	$ -	$ 894,284
Special Education-Preschool Grants	84.173	24.109	-	28,451
Total Special Education Cluster			$ -	$ 922,735
Elementary and Secondary Education Cluster:				
American Rescue Plan	84.425A	24.349	$ -	$ 4,209
American Rescue Plan Elementary and Secondary School Emergency Relief	84.425U	24.330		1,658,992
Elementary and Secondary School Emergency Relief	84.425D	24.309,24.308		174,780
Total Elementary and Secondary Education Cluster			$ -	$ 1,837,981
Rural Education	84.358	24.160	$ -	$ 113,856
Teacher Quality State Grants	84.367	24.154		139,595
Individuals with Disabilities	84.325	24.346		100,396
Education of the Homeless	84.196	24.113		4,712
Student Support and Academic Enrichment	84.424	24.189		83,730
Career and Technical Education- Grants to States	84.048	24.174		11,767
Total U.S. Department of Education			$ -	$ 4,234,477
U.S. DEPARTMENT OF AGRICULTURE				
Direct Programs:				
Schools and Roads-Grants to States	10.665	N/A	$ -	$ 221,190
Passed through N.M. Public Education Department:				
Child Nutrition Cluster:				
National School Lunch Program	10.555	N/A	$ -	$ 921,643
Summer Food Service Program For Children	10.559	N/A		56,304
School Breakfast Program	10.553	N/A		345,817
Total Child Nutrition Cluster			$ -	$ 1,323,764
Total U.S. Department of Agriculture			$ -	$ 1,544,954
Total expenditures of federal awards			$ -	$ 5,779,431

See the accompanying notes to the Schedule of Expenditures of Federal Awards.

Silver Consolidated School District No. 1
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2023

Note 1 Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Silver Consolidated School District No. 1, under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Silver Consolidated School District No. 1, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Silver Consolidated School District No. 1.

Note 2 Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following cost principles contained in the Uniform Guidance.

Note 3 Non-Monetary Assistance

Non-monetary assistance is reported in the schedule at the fair market value of the USDA commodities received. The District received $102,575 in food commodities during the 2022-2023 fiscal year.

Note 4 Indirect Costs

The District has elected not to use the 10% de Minimis indirect cost rate as allowed under the Uniform Guidance.

Stone, McGee & Co.
Certified Public Accountants
The CPA, Never Underestimate the Value.®

MIKE STONE, C.P.A.
LINDA STONE McGEE, C.P.A.
KAY STONE, C.P.A.
KELLEY WYATT, C.P.A

1311 N. GRANT ST.
P.O. BOX 2828
SILVER CITY, NEW MEXICO 88062
TELEPHONE (575) 388-1777
(575) 538-3795
FAX (575) 388-5040
E-MAIL: admin@stone-mcgee.com

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

INDEPENDENT AUDITOR'S REPORT

Joseph M. Maestas, P.E., State Auditor
And
Board of Education
Silver Consolidated School District No. 1
Silver City, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general and major special revenue funds of Silver Consolidated School District No. 1 as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Silver Consolidated School District No. 1's basic financial statements, and have issued our report thereon dated November 8, 2023.

Internal Control Over financial Reporting

In planning and performing our audit of the financial statements, we considered Silver Consolidated School District No. 1'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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of Silver Consolidated School District No. 1'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 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 combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Silver Consolidated School District No. 1's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.

Stone, McGee & Co., CPAs

Silver City, New Mexico
November 8, 2023

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Certified Public Accountants

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MIKE STONE, C.P.A.
LINDA STONE McGEE, C.P.A.
KAY STONE, C.P.A.
KELLEY WYATT, C.P.A

1311 N. GRANT ST.
P.O. BOX 2828
SILVER CITY, NEW MEXICO 88062
TELEPHONE (575) 388-1777
(575) 538-3795
FAX (575) 388-5040
E-MAIL: admin@stone-mcgee.com

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Joseph M. Maestas, P.E., State Auditor
And
Board of Education
Silver Consolidated School District No. 1
Silver City, New Mexico

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Silver Consolidated School District No. 1's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Silver Consolidated School District No. 1's major federal programs for the year ended June 30, 2023. Silver Consolidated School District No. 1'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, Silver Consolidated School District No. 1 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 Silver Consolidated School District No. 1 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 Silver Consolidated School District No. 1'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 Silver Consolidated School District No. 1'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 Silver Consolidated School District No. 1'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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Silver Consolidated School District No. 1's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Silver Consolidated School District No. 1'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 Silver Consolidated School District No. 1'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 Silver Consolidated School District No. 1'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 noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Stone, McGee & Co., CPAs

Silver City, New Mexico
November 8, 2023

Silver Consolidated School District No. 1

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Fiscal Year Ended June 30, 2023

Current Status

Findings – Financial Statement Audit

None

Findings and Questioned Costs – Major Federal Award Programs

None

Silver Consolidated School District No. 1
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2023

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Silver Consolidated School District No. 1 were prepared in accordance with Generally Accepted Accounting Principles.

2. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the *Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.*

3. No instances of noncompliance material to the financial statements of Silver Consolidated School District No. 1, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

4. No significant deficiencies or material weaknesses in internal control over major federal award programs are reported in the *Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.*

5. The auditor's report on compliance for the major federal award programs for Silver Consolidated School District No. 1 expresses an unmodified opinion on all major programs.

6. No audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a) were noted during the audit.

7. The programs tested as major programs included: The Elementary and Secondary Education Cluster, consisting of the Education Stabilization Fund - State Educational Agency, Assistance Listing No. 84.425A, the Elementary and Secondary School Emergency Relief, Assistance Listing No. 84.45D, and the American Rescue Plan Elementary and Secondary School Emergency Relief, Assistance Listing No. 84.425U.

8. The threshold for distinguishing types A and B programs was $750,000.

9. Silver Consolidated School District No. 1 is a low-risk auditee.

FINDINGS – FINANCIAL STATEMENT AUDIT

None

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS

None

Silver Consolidated School District No. 1
EXIT CONFERENCE
For the Fiscal Year Ended June 30, 2023

EXIT CONFERENCE

The contents of this report were discussed November 8, 2023. Attending this exit conference were:

Name	Title	Affiliation
Ashley Montenegro	Board President	Silver Consolidated Schools
Patrick Cohn	Board Secretary	Silver Consolidated Schools
William Hawkins	Superintendent	Silver Consolidated Schools
Michele McCain	Director of Finance	Silver Consolidated Schools
Lisa Lucero	Secretary to the Board	Silver Consolidated Schools
Vivian Flores	Audit Committee Member	Silver Consolidated Schools
Lorraine Escobar	Audit Committee Member	Silver Consolidated Schools
Mike Stone, CPA	Shareholder	Stone, McGee & Co., CPAs

OTHER – FINANCIAL STATEMENT PREPARATION

The financial statements were prepared by Stone, McGee & Co., C.P.A.'s, with substantial assistance from District personnel, who have acknowledged and accepted responsibility for the financial statements.

Appendix D

Continuing Disclosure Agreement

CONTINUING DISCLOSURE UNDERTAKING

$7,000,000

SILVER CONSOLIDATED SCHOOL DISTRICT NO. 1

GRANT COUNTY, NEW MEXICO

GENERAL OBLIGATION SCHOOL BUILDING BONDS

SERIES 2025

This instrument constitutes the written undertaking (the "Disclosure Undertaking") by Silver Consolidated School District No. 1, Grant County, New Mexico (the "Issuer") through the Board of Education of the District (the "Board") for the benefit of the holders of the above-captioned bonds (the "Bonds") required by Section (b)(5)(i) of SEC Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 C.F.R. Part 240, § 240. 15c2-12) (the "Rule"). Capitalized terms used in this Disclosure Undertaking and not otherwise defined in a Resolution of the Board adopted on November 4, 2024 (the "Bond Resolution") shall have the meaning assigned such terms in subsection 3 hereof.

1. The issuer undertakes to provide the following information as provided herein:

   a. Annual Financial Information;

   b. Audited Financial Statements, if any; and

   c. Event Notices.

2. a. The Issuer shall, while any Bonds are outstanding, provide the Annual Financial Information on or before March 31 of each year (the "Report Date"), beginning in 2025 to EMMA or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule. The Issuer may adjust the Report Date if the Issuer changes its fiscal year by providing written notice of the change of fiscal year and the new Report Date to EMMA; provided that the new Report Date shall be 270 days after the end of the new fiscal year and provided further that the period between the final Report Date relating to the former fiscal year and the initial Report Date relating to the new fiscal year shall not exceed one year in duration. It shall be sufficient if the Issuer provides to EMMA the Annual Financial Information by specific reference to documents previously provided to EMMA or filed with the SEC and, if such a document is a final statement within the meaning of the Rule, it must be available from the MSRB.

b. If not provided as part of the Annual Financial Information, the Issuer shall provide the Audited Financial Statements when and if available while any Bonds are Outstanding to EMMA.

c. If an Event occurs while any Bonds are outstanding, the Issuer shall provide an Event Notice in a timely manner not in excess of ten (10) business days after the occurrence of the event to EMMA. Each Event Notice shall be captioned and shall prominently state the date, title and CUSIP numbers of the Bonds.

d. The Issuer shall provide in a timely manner to EMMA notice of any failure by the Issuer while any Bonds are Outstanding to provide to EMMA Annual Financial Information on or before the Report Date.

e. The Issuer 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 Issuer 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 Disclosure Undertaking.

3. The following are definitions of the capitalized terms used herein and not otherwise defined in the Bond Resolution or this Disclosure Undertaking:

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")) or operating data with respect to the Issuer, provided at least annually, of the type included in the final official statement with respect to the Bonds; which Annual Financial Information may, but is not required to, include Audited Financial Statements.

b. "Audited Financial Statements" means the Issuer's annual financial statements which financial statements, prepared in accordance with GAAP for governmental units as prescribed by GASB, which financial statements shall have been audited by such auditor as shall be then required or permitted by the laws of the State.

c. "EMMA" means the Municipal Securities Rulemaking Board's Electrical Municipal Market Access system located on its website at emma.msrb.org.

d. "Event" means any of the following events, if material, with respect to the Bonds:

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 or events affecting the tax-exempt status of the security;
vii. Modifications to rights of security holders, if material;
viii. Bond calls, if material, or tender offers;
ix. Defeasances;
x. Release, substitution, or sale of property securing repayment of the securities;
xi. Rating changes;
xii. Bankruptcy, insolvency, receivership or a similar event with respect to the Issuer or an obligated person;
xiii. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into 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 a change of name of a trustee, if material;
xv. Incurrence of a Financial Obligation of the obligated person, if material, or an 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

xvi. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of an obligated person, any of which reflect financial difficulties.

e. "Event Notice" means written or electronic notice of an event.

f. "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) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board in compliance with Rule 15c2-12.

g. "MSRB" means the Municipal Securities Rulemaking Board.

h. "SEC" means the United States Securities and Exchange Commission.

4. Unless otherwise required by law and subject to technical and economic feasibility, the Issuer shall employ such methods of information transmission as shall be requested or recommended by the designated recipients of the Issuer's information.

5. The continuing obligation hereunder of the Issuer to provide Annual Financial Information, Audited Financial Statements, if any, and Event Notices shall terminate immediately once Bonds are no longer outstanding. This Disclosure Undertaking, or any provision hereof, shall be null and void in the event that the Issuer delivers to EMMA an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require this Disclosure Undertaking, or any such provision, are invalid, have been repealed retroactively or otherwise do not apply to the Bonds. This Disclosure Undertaking may be amended without the consent of the Bondholders, but only upon the delivery by the Issuer to EMMA of the proposed amendment and an opinion of nationally recognized bond counsel to the effect that such amendment, and giving effect thereto, will not adversely affect the compliance of this Disclosure Undertaking by the Issuer with the Rule. The Issuer shall provide notice of any such amendment or waiver to EMMA.

6. Nothing in this Disclosure Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other annual information or notice of occurrence of an event which is not an Event, in addition to that which is required by this Disclosure Undertaking; provided that the Issuer shall not be required to do so. If the Issuer chooses to include any annual information or notice of occurrence of an event in addition to that which is specifically required by this Disclosure Undertaking, the Issuer shall have no obligation under this Disclosure Undertaking to update such information or include it in any future annual filing or notice of occurrence of an Event.

7. If the Issuer fails to comply with any provision of this Disclosure Undertaking, any owner of the Bonds may take action to seek specific performance by court order to compel the Issuer to comply with its obligations under this Disclosure Undertaking; provided that any owner of the Bonds seeking to require the Issuer to so comply shall first provide at least 30 days' prior written notice to the Issuer of the Issuer's failure (giving reasonable details of such failure), following which notice the Issuer shall have 30 days to comply and, provided further, that only the owners of no less than a majority in aggregate principal amount of the Bonds may take action to seek specific performance in connection with a challenge to the adequacy of the information provided by the Issuer in accordance with this Disclosure Undertaking, after notice and opportunity to comply as provided herein, and such action shall be taken only in a court of competent jurisdiction in the State of New Mexico. A DEFAULT UNDER THIS

DISCLOSURE UNDERTAKING SHALL NOT BE DEEMED AN EVENT OF DEFAULT UNDER THE BOND RESOLUTION OR THE BONDS, AND THE SOLE REMEDY UNDER THIS DISCLOSURE UNDERTAKING IN THE EVENT OF ANY FAILURE OF THE ISSUER TO COMPLY WITH THIS DISCLOSURE UNDERTAKING SHALL BE AN ACTION TO COMPEL PERFORMANCE.

8. The Disclosure Undertaking shall inure solely to the benefit of the Issuer, the Underwriter and owners of the Bonds from time to time of the Bonds, and shall create no rights in any other person or entity.

In Witness Whereof, the Issuer has caused this instrument to be signed, subscribed, and executed and attested with the signature of the Chair of the Board; has caused its corporate seal to be affixed on this instrument; all as of [January 15], 2025.

SILVER CONSOLIDATED SCHOOL DISTRICT NO. 1

BOARD OF EDUCATION

____

By: Ashley Montenegro, President

SILVER CONSOLIDATED SCHOOL DISTRICT NO. 1

____

By: William Hawkins, Superintendent