NOTICE

WEST LAS VEGAS SCHOOL DISTRICT NO. 1
County of San Miguel, New Mexico
General Obligation School Bonds,
Series 2017

Preliminary Official Statement,
dated August 29, 2017

The Preliminary Official Statement, dated August 29, 2017 relating to the above-described bonds (the "Bonds") of the West Las Vegas School District No. 1 (the "Issuer" or the "District"), has been posted on the internet as a matter of convenience. The posted version of the Preliminary Official Statement has been formatted in Adobe Portable Document Format (Adobe Acrobat XI). Although this format should replicate the Preliminary Official Statement available from the Issuer, its appearance may vary for a number of reasons, including electronic communication difficulties or particular user software or hardware. Using software other than Adobe Acrobat XI may cause the Preliminary Official Statement that you view or print to differ in format from the Preliminary Official Statement available from the issuer.

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

For purposes of Rule 15c2-12 promulgated by the United States Securities and Exchange Commission, the Preliminary Official Statement alone, and no other document or information on the internet, constitutes the "Official Statement" that the Issuer has deemed "final" as of its date in respect of the Bonds, except for certain pertinent information permitted to be omitted therefrom.

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

By choosing to proceed and view the electronic version of the Preliminary Official Statement, you acknowledge that you have read and understood this Notice.

Preliminary Official Statement dated August 29, 2017.

[1] Preliminary, subject to change.

PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 29, 2017

$2,500,000[1]
WEST LAS VEGAS SCHOOL DISTRICT NO. 1
County of San Miguel, New Mexico
General Obligation School Bonds, Series 2017

NEW ISSUE	Bank-Qualified
Book-Entry Only	Moody's Rating: __ Underlying/___ Enhanced

PURPOSES

Proceeds of the $2,500,000 West Las Vegas School District No.1 General Obligation School Bonds, Series 2017 (the "Bonds") will be used for the purpose of (i) 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 [NMSA 1978, §§ 22-24-1 et. seq.], or any combination of these purposes and (ii) paying costs of issuance.

THE BONDS

The Bonds are issuable, pursuant to a resolution authorizing the issuance of the Bonds adopted by the District's Board and a pricing certificate to be executed on the date of sale of the Bonds as designated in the resolution (the resolution and the pricing certificate are collectively referred to herein as the "Bond Resolution"), as fully registered bonds and when initially issued will be registered in the name of Cede & Co., as nominee of the Depository Trust Company, New York, New York ("DTC"). Purchases of the Bonds will be made in book-entry-only form, in the principal amount of $5,000 or any integral multiple thereof, through brokers and dealers who are, or who act through a DTC Participant. Beneficial owners of the Bonds will not be entitled to receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the Bonds. Interest on the Bonds is payable on each February 15 and August 15, commencing February 15, 2018. As long as DTC or its nominee is the registered owner of the Bonds, reference in this Official Statement to registered owner will mean Cede & Co., and payments of principal of and interest on the Bonds will be made directly to DTC by the Paying Agent. Disbursements of such payments to DTC Participants is the responsibility of DTC. See "The Bonds - Book-Entry-Only System". BOKF, N.A., Albuquerque, New Mexico (or successor) will serve as the Registrar and Paying Agent for the Bonds.

OPTIONAL PRIOR REDEMPTION

The Series 2017 Bonds are subject to redemption prior to maturity as provided herein. See "THE BONDS – Optional Prior Redemption."

SECURITY

The Bonds are general obligations of the West Las Vegas School District No. 1, San Miguel County, New Mexico ("the District"), payable solely out of general (ad valorem) property taxes that are required to be levied against all taxable property in the District without limitation as to rate or amount.

BOND AND TAX OPINION

The delivery of the Bonds is subject to the opinions of Cuddy & McCarthy, LLP, and McCall, Parkhurst & Horton L.L.P., Co-Bond Counsel, as to the validity of the Bonds and the opinion of McCall, Parkhurst & Horton L.L.P., to the effect that interest on the Bonds is excludable from gross income for purposes of federal income taxation, under existing statutes, regulations, published rulings and court decisions, and the Bonds will not be "specified private activity bonds", as described under "TAX MATTERS" herein. See "LEGAL MATTERS" and "TAX MATTERS" herein for a discussion of Co-Bond Counsel's opinions, including a description of certain collateral federal tax consequences including the alternative minimum tax consequences for corporations. The District will designate the Bonds as "qualified tax-exempt obligations," for financial institutions.

DELIVERY

When, as and if issued, through DTC's facilities, on or about October 10, 2017.

DATED DATE

Date of initial delivery expected to be October 10, 2017.

DUE DATE

August 15, as shown below:

[1] Preliminary, subject to change.

Year Maturing (August 15)	Principal [1]	Interest Rate	Yield or Price	Cusip # 953769
2018	$ 375,000			
2019	180,000			
2020	190,000			
2021	195,000			
2022	195,000			
2023	195,000			
2024	$ 195,000			
2025	195,000			
2026	195,000			
2027	195,000			
2028	195,000			
2029	195,000			

Sealed and electronic bids will be opened at 10:00 AM, prevailing Mountain Time on September 6, 2017.
See "Notice of Bond Sale" enclosed.

[1] Preliminary, subject to change.

ISSUER

WEST LAS VEGAS SCHOOL DISTRICT NO. 1
County of San Miguel, New Mexico
179 Bridge Street
Las Vegas, New Mexico 87701
Phone: (505) 426-2311
Fax: (505) 426-2332

BOARD OF EDUCATION

Chairman: Marvin Martinez
Vice-Chairman: Patrick Marquez
Secretary: Christine Ludi
Member: Linda Montoya
Member: Ambrosio Castellano

FINANCIAL ADVISOR

RBC Capital Markets, LLC
6301Uptown Blvd. NE, Suite 110
Albuquerque, New Mexico 87110
(505) 872-5999

PAYING AGENT/REGISTRAR

BOKF, N.A.
100 Sun Avenue NE, Suite 500
Albuquerque, New Mexico 87109
(505) 222-8447

DISTRICT ADMINISTRATION

Superintendent: Christopher Gutierrez
Business Manager: Dinah Maynes

CO-BOND COUNSEL

Cuddy & McCarthy, LLP
1701 Old Pecos Trail
Santa Fe, New Mexico 87505
(505) 988-4476

McCall, Parkhurst & Horton L.L.P.
600 Congress Avenue, Suite 1800
Austin, Texas 78701
(512) 478-3805

ELECTRONIC BID PROVIDER

i-Deal Bidcomp/Parity
1359 Broadway, 2nd Floor
New York, New York 10018
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$2,500,000[1]
WEST LAS VEGAS SCHOOL DISTRICT NO. 1
County of San Miguel, New Mexico
General Obligation School Bonds, Series 2017

Introduction:

Thank you for your interest in learning more about the $2,500,000 West Las Vegas School District No. 1, County of San Miguel, New Mexico (the "District"), General Obligation School Bonds, Series 2017 (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. The Bonds mature and bear interest as presented on the cover page of this Official Statement.

The Financial Advisor

RBC Capital Markets, LLC (the "Financial Advisor") is employed as Financial Advisor to the District in connection with the issuance of the Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. The Financial 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 in this Official Statement.

The Issuer

The District is a political subdivision of the State of New Mexico organized for the purpose of operating and maintaining an educational program for the school-age children residing within its boundaries. The District encompasses approximately 3,065 square miles in the north central region of New Mexico and includes the City of Las Vegas and portions of unincorporated San Miguel County in northern New Mexico. The District's 2017 preliminary assessed valuation is $189,311,124 and its 2016/2017 40th day enrollment excluding charter schools was 1,439. See "THE DISTRICT."

Limited Role Of Auditors

Except for the audited financial statements of the District for the year ended June 30, 2016, contained in Appendix B, this Preliminary Official Statement presents unaudited financial and statistical information from District records and other sources.

Purpose

Proceeds of the Bonds will be used for the purposes of (i) erecting, remodeling, making additions to and furnishing school buildings, purchasing or improving school grounds and purchasing computer software and hardware for student use in public school classrooms, providing matching funds for capital outlay projects funded pursuant to the Public School Capital Outlay Act (NMSA 1978, §§ 22-24-1 et seq.) or any combination of these purposes; and (ii) paying costs of issuance. The sale of Bonds represents the first series of $9.5 million authorized on February 7, 2017.

[1] Preliminary, subject to change.

The Bonds

New Mexico law (NMSA 1978, §§ 6-15-1 through 6-15-22) enables the District to issue the Bonds. The New Mexico Attorney General will provide a written approving opinion with respect to the Bonds.

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. Bond payments will be made by the Paying Agent/Registrar to The Depository Trust Company ("DTC"), and DTC will then remit the payments to its participants for disbursement to the beneficial owners of the Bonds. See Appendix C -"THE BOOK-ENTRY ONLY SYSTEM."

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 Credit Enhancement Program as discussed in more detail under "NEW MEXICO SCHOOL DISTRICT ENHANCEMENT PROGRAM," herein. The District will covenant 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 funds belonging to the District, which funds may be reimbursed from the ad valorem taxes when the same are collected.

Registrar and Paying Agent

BOKF, N.A., Albuquerque, New Mexico (or successor in function) will serve as the Registrar (the "Registrar") and Paying Agent (the "Paying Agent") for the Bonds.

In the Bond Resolution, adopted by the Board of Education of the District ("Board") on August 10, 2017 ("Bond Resolution") the District covenants to provide a Paying Agent/Registrar at all times until the Bonds are paid, and any Paying Agent/Registrar selected by the District shall be a commercial bank, a trust company, a financial institution or any other entity, as provided by State law, duly qualified and legally authorized to serve and perform the duties of the Paying Agent/Registrar. The Registration Books for the Bonds will be maintained by the Paying Agent/Registrar containing the names and addresses of the registered owners of the Bonds. In the Bond Resolution, the District retains the right to replace the Paying Agent/Registrar. If the Paying Agent/Registrar is replaced by the District, such Paying Agent/Registrar, promptly upon the appointment of a successor, is required to deliver the Registration Books to the successor Paying Agent/Registrar. In the event there is a change in the Paying Agent/Registrar for the Bonds, the District has agreed to notify each registered owner of the Bonds affected by the change by United States mail, first-class postage prepaid, at the address in the Registration Books, stating the effective date of the change and the mailing address of the successor Paying Agent/Registrar.

Payment of Principal and Interest; Record Date

The principal of the Bonds is payable to the registered owners of the Bonds at the principal office of the Paying Agent. Interest on the Bonds is payable by check or draft of the Paying Agent mailed on or before each interest payment date to the registered owners of the Bonds as of the close of business on the last business day of the month preceding the interest payment date (the "Regular 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

Bonds maturing on and after August 15, 2027, are subject to prior redemption at the District's option on and after August 15, 2026, in whole or in part at any time. The Bonds will be redeemed in $5,000 units or multiples of $5,000. The redemption price will equal principal of Bonds being redeemed plus accrued interest to the redemption date, without any premium. If the District redeems only part of the Bonds of a given maturity, the Registrar will select those Bonds by lot.

With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Bond Resolution 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.

Redemption Notices

The Registrar must, by first class mail, give redemption notices to the registered owners of the affected bonds 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 affect the validity of the redemption for 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.

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 "APPENDIX C - BOOK-ENTRY-ONLY SYSTEM" herein.

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 or his duly authorized agent, in a 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 APPENDIX C - "BOOK-ENTRY-ONLY SYSTEM" herein.

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) within 45 days of the date fixed for redemption; provided such limitation of transfer shall not be applicable to an exchange by the registered owner of the uncalled balance of a Bond called for redemption in part.

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, 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 Financial 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 Financial 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 owners, 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.

Defeasance

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

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

Security and Remedies

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

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 that would have a material effect on the District.

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 Bond 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 the payment by the date on which it is due, the New Mexico Department of Finance and Administration ("DFA") shall forward the amount in immediately available funds necessary to make the payment due on the bonds to the paying agent from the current fiscal year's undistributed State Equalization Guarantee ("SEG") distribution to that school district and, if not otherwise repaid by the school district from other legally available funds, withhold the distributions from the school district until the amount has been recouped by the DFA, provided that, if the amount of the undistributed SEG distribution in the current fiscal year is less than the payment due on the bond, the DFA shall:

(1) forward in immediately available funds to the paying agent an amount equal to the total amount of the school district's undistributed SEG distribution and, if not otherwise repaid by the school district from other legally available funds, withhold all distributions to the school district for the remainder of the fiscal year; and

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

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 school districts with principal and interest payments that fall in the latter part of the fiscal year or that are significant in amount relative to the district's total annual SEG distribution may not have sufficient undistributed SEG payments to cover debt service payments in the event of a default.

Moody's 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, which reflects the State of New Mexico recent rating downgrade and outlook.

The Moody's general rating for the New Mexico School District Enhancement Program is Aa2 (negative 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 will be appointed and maintained. The District has qualified the Bonds under the New Mexico School District Enhancement Program.

Debt and Other Financial Obligations

Article IX, Section 11 of the New Mexico Constitution limits the powers of a District to incur general obligation debt extending beyond the fiscal year. The District can incur such debt for the purpose of erecting, remodeling, making additions to and furnishing school buildings or purchasing or improving school grounds or purchasing computer software or hardware for student use in public school classrooms, 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% 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% debt limitation. An issuance of refunding bonds does not have to be submitted to a vote of the qualified electors of the District.

The preliminary valuation of taxable property within the District is $189,311,124 for tax year 2017. Therefore, the maximum general obligation debt may not exceed $11,358,667.

After the Bonds are issued, the ratio of total outstanding general obligation debt of the District to the 2017 preliminary assessed valuation will be no greater than 3.89% as summarized:

2017 Preliminary Assessed Valuation	$189,311,124
2017 Preliminary Estimated Actual Valuation (1)	611,832,231
Bonds Outstanding (including the Bonds)	$8,675,000 (2)
Less Debt Service Fund Balance (3)	1,307,814
ESTIMATED NET DEBT	$7,367,186

(1) Preliminary actual valuation is computed by adding the 2016 exemptions to the 2017 preliminary asssessed valuation and multiplying the result by three.

(2) Preliminary; subject to change.

(3) The debt service cash balance for the Bonds was $1,476,996.56 as of 6/30/2017. The amount properly attributable to principal reduction is 88.5%.

Selected Debt Ratios

2017 Preliminary Assessed Valuation	$189,311,124
2017 Preliminary Estimated Actual Valuation [1]	611,832,231
District's Estimated Net Debt as a Percentage of	
Assessed Valuation	3.89%
Estimated Actual Valuation	1.20%
Direct & Overlapping Debt as a Percentage of	
Assessed Valuation	5.29%
Estimated Actual Valuation	1.64%
Estimated Population	16,000
District's General Obligation Bonds & Notes Debt Outstanding (Including the Bonds)	$8,675,000
District Net General Obligation Debt	7,367,186
Estimated Direct & Overlapping G/O Debt	10,015,849
District Net Debt Per Capita	$460.45
Direct and Overlapping Debt Per Capita	$625.99

(1) Preliminary estimated actual valuation is computed by adding the 2016 exemptions to the 2017 preliminary assessed valuation and multiplying the result by three.

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 outstanding general obligation debt including the proposed Bonds.

Series	Original Amount Issued	Final Maturity	Principal Outstanding [1]
2005	$1,200,000	12/01/2018	$235,000
2011	1,200,000	08/15/2019	850,000
2012	975,000	10/01/2019	825,000
2013	800,000	08/15/2025	725,000
2014	1,000,000	08/15/2026	840,000
2015	1,500,000	08/15/2027	1,470,000
2016	1,700,000	08/15/2028	1,230,000
2017	2,500,000	08/15/2029	2,500,000
	$10,875,000		**$8,675,000**

(1) Principal outstanding after 8/15/2017.

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 at the desired tax rate. Below is a summary of the currently scheduled principal and interest on the District's outstanding debt as well as the proposed principal and interest payments on the Bonds.

Calendar	Current Requirements			Series 2017 (1)			Total Requirements (2)		
Year	Principal	Interest	Total	Principal	Coupon	Interest	Principal	Interest	Total
2017	$ 240,000	$ 12,009	$ 252,009				$ 240,000	$ 12,009	$ 252,009
2018	1,170,000	134,182	1,304,182	375,000	4.00%	$ 84,722	1,545,000	218,904	1,763,904
2019	1,200,000	109,076	1,309,076	180,000	4.00%	85,000	1,380,000	194,076	1,574,076
2020	460,000	80,566	540,566	190,000	4.00%	77,800	650,000	158,366	808,366
2021	485,000	69,791	554,791	195,000	4.00%	70,200	680,000	139,991	819,991
2022	460,000	58,271	518,271	195,000	4.00%	62,400	655,000	120,671	775,671
2023	460,000	47,040	507,040	195,000	4.00%	54,600	655,000	101,640	756,640
2024	460,000	35,650	495,650	195,000	4.00%	46,800	655,000	82,450	737,450
2025	460,000	27,350	487,350	195,000	4.00%	39,000	655,000	66,350	721,350
2026	360,000	18,975	378,975	195,000	4.00%	31,200	555,000	50,175	605,175
2027	310,000	10,000	320,000	195,000	4.00%	23,400	505,000	33,400	538,400
2028	110,000	2,750	112,750	195,000	4.00%	15,600	305,000	18,350	323,350
2029				195,000	4.00%	7,800	195,000	7,800	202,800
TOTAL	**$6,175,000**	**$ 605,660**	**$ 6,780,660**	**$ 2,500,000**		**$ 598,522**	**$ 8,675,000**	**$1,204,182**	**$ 9,879,182**

(1) Numbers are preliminary, subject to change. Calculated using average coupon rate of 4%. For illustrational purposes only.

(2) Numbers are preliminary, subject to change.

Statement of Estimated Direct and Overlapping Debt

The following is a calculation, which 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 debt attributable to other taxing entities that are the responsibility of taxpayers within the boundaries of the District. Revenue bonds are not payable from property taxes.

Taxing Entity	2017 Preliminary Assessed Valuation (1)	G/O Debt Outstanding	Percent Applicable	Amount
State of New Mexico	$56,922,567,412	$403,170,000	0.33%	$1,340,849
San Miguel County	594,296,206	-	31.85%	-
City of Las Vegas	206,386,974	-	100.00%	-
Luna Community College	772,457,910	-	24.51%	-
West Las Vegas Schools	189,311,124	8,675,000	100.00%	8,675,000
Total Direct & Overlapping Debt				**$10,015,849**

(1) Preliminary, subject to change. State of New Mexico assessed valuation as of 2016.

Ratio of Estimated Direct & Overlapping Debt to 2017 Preliminary Assessed Valuation	5.29%
Ratio of Estimated Direct & Overlapping Debt to 2017 Preliminary Estimated Actual Valuation	1.64%
Per Capita Direct & Overlapping Debt:	$625.99

Tax Base

Analysis of Assessed Valuation

Assessed Valuation of property within the District is calculated as follows: Of the total estimated actual valuation of all taxable property in the District, 33-1/3% is legally subject to ad valorem taxes. This means the assessment ratio is 33-1/3%. After deduction of certain personal exemptions, the District's 2017 preliminary assessed valuation is $189,311,124. 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 "Centrally Assessed" below) is determined by the State of New Mexico, Taxation and Revenue Department, Property Tax Division. The analysis of Assessed Valuation for 2016 and the previous four years follows.

	2017*	2016	2015	2014	2013	2012
Assessments						
Value of Land		$ 58,518,141	$ 54,594,164	$ 53,169,219	$ 53,046,132	$ 51,735,240
Improvements		106,169,924	100,808,501	97,479,942	96,267,870	91,132,487
Personal Property		1,973,727	2,176,530	2,237,015	2,420,396	2,397,047
Mobile Homes		7,069,438	6,949,857	7,292,878	7,363,040	7,255,912
Livestock		9,058,679	8,123,374	5,956,951	5,969,238	5,118,677
Assessor's Total Taxable Value		**$ 182,789,909**	**$ 172,652,426**	**$ 166,136,005**	**$ 165,066,676**	**$ 172,939,699**
Less Exemptions						
Head of Family		$ 3,296,369	$ 3,238,750	$ 3,359,837	$ 3,355,123	$ 3,379,324
Veterans		1,772,832	1,664,000	1,656,000	1,648,000	1,656,000
Exemption Waiver**		3,216,468	242,093	2,842,831	2,599,985	2,391,742
Other		6,347,284	-	-	-	-
Total		**$ 14,632,953**	**$ 5,144,843**	**$ 7,858,668**	**$ 7,603,108**	**$ 7,427,066**
Assessors Net Taxable Value	$ 168,858,438	$ 168,156,956	$ 167,507,583	$ 158,277,337	$ 157,463,568	$ 165,512,633
Centrally Assessed	20,452,686	19,161,984	18,443,092	17,220,748	16,111,512	14,823,544
Total Assessed Valuation	**$ 189,311,124**	**$ 187,318,940**	**$ 185,950,675**	**$ 175,498,085**	**$ 173,575,080**	**$ 180,336,177**
*** 100% Exempt - 100% Disabled Veterans*						
	2017*	**2016**	**2015**	**2014**	**2013**	**2012**
Residential	$ 125,950,596	$ 122,114,698	$ 121,975,579	$ 115,143,808	$ 113,975,447	$ 107,175,379
Non-Residential	63,360,528	65,204,242	63,975,096	60,354,277	59,599,633	73,160,798
Total	**$ 189,311,124**	**$ 187,318,940**	**$ 185,950,675**	**$ 175,498,085**	**$ 173,575,080**	**$ 180,336,177**

**Preliminary. Excludes protested property and detail is not available.*

Source: San Miguel County Assessor's Office.

History of Assessed Valuation

The following is a six-year history of assessed valuation for the District compared with the City of Las Vegas and San Miguel County.

Tax Year	West Las Vegas Schools	City of Las Vegas	San Miguel County
2017*	$189,311,124	$206,386,974	$594,296,206
2016	187,318,940	203,536,672	584,869,067
2015	185,950,675	202,339,104	581,715,048
2014	175,498,085	196,290,923	555,350,345
2013	173,575,080	195,294,091	548,963,663
2012	180,336,177	190,467,676	525,620,688

**Preliminary. Excludes protested property.*

Source: San Miguel County Assessor's Office.

Major Taxpayers

The following is a list of the largest taxpayers in the District, along with the 2016 assessed valuation for each. Property taxes are current for these taxpayers. This table is useful in assessing the concentration risk of the tax base. The ten largest taxpayers' assessed valuation is 12.40% of the District's total 2016 assessed valuation.

Taxpayer	Business	2016 Valuation	% of Assessed Valuation
BN&SF	Railroad	$9,305,946	4.97%
Silver Spur Land & Cattle	Real Estate	2,978,964	1.59%
Singleton Properties LLC	Electric Utility	2,364,088	1.26%
ENMR	Telephone	2,216,150	1.18%
Farmer's Electric	Electric Utility	1,455,895	0.78%
Public Service Co. of NM	Electric Utility	1,306,868	0.70%
Trinidad Lodging LLC	Real Estate	1,295,155	0.69%
McCormick	Real Estate	1,206,789	0.64%
Westrelita Properties	Real Estate	1,089,313	0.58%
Total		**$23,219,168**	**12.40%**

Source: San Miguel County Assessor's Office.

Tax Rates

Article VIII, Section 2 of the New Mexico Constitution limits the total ad valorem taxes for operational purposes levied by all overlapping governmental units within the District to $20.00 per $1,000 of assessed value. This limitation does not apply to levies for public debt and levies for additional taxes if authorized at an election by a majority of the qualified voters of the jurisdiction voting on the question. The following table summarizes the tax situation on residential property for the 2016 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. A high level of taxation may impact the District's ability to repay bonds.

Within 20 Mill Limit for General Purposes

	2016	2015	2014	2013	2012
State of New Mexico	$0.000	$0.000	$0.000	$0.000	$0.000
San Miguel County	5.202	5.225	5.420	5.323	5.429
Las Vegas, City of	6.641	6.715	7.010	6.873	7.031
West Las Vegas Schools	0.216	0.215	0.223	0.219	0.223
Total	**$12.059**	**$12.155**	**$12.653**	**$12.415**	**$12.683**

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

	2016	2015	2014	2013	2012
State of New Mexico	$1.360	$1.360	$1.360	$1.360	$1.360
San Miguel County	0.000	0.000	0.000	0.000	0.000
Las Vegas, City of	0.000	0.000	0.000	0.000	0.000
West Las Vegas Schools	12.718	12.410	12.529	12.531	11.845
Luna Community College	2.254	2.268	2.304	2.307	2.378
Total	**$16.332**	**$16.038**	**$16.193**	**$16.198**	**$15.583**

Total Levy

	2016	2015	2014	2013	2012
State of New Mexico	$1.360	$1.360	$1.360	$1.360	$1.360
San Miguel County	5.202	5.225	5.420	5.323	5.429
Las Vegas, City of	6.641	6.715	7.010	6.873	7.031
West Las Vegas Schools	12.934	12.625	12.752	12.750	12.068
Luna Community College	2.254	2.268	2.304	2.307	2.378
Total Residential in Las Vegas	**$28.391**	**$28.193**	**$28.846**	**$28.613**	**$28.266**
Total Non-Residential in Las Vegas	**$37.030**	**$36.764**	**$36.889**	**$36.891**	**$36.286**
Total Residential in Unincorporated County	$21.750	$21.478	$21.835	$21.740	$21.235
Total Non-Residential in Unincorporated County	$29.380	$29.114	$29.239	$29.241	$28.636

Source: New Mexico Department of Finance & Administration.

School Tax Rates

The following table shows the historical school tax levies on residential and non-residential property within the District since the 2012 tax year (2012-13 fiscal year). The Two Mill Levy is renewed every six years, most recently on February 5, 2013.

Tax	Operational		Two Mill Levy		Bond	Total	
Year	Res.	Non-Res.	Res.	Non-Res.	Debt	Res.	Non-Res.
2016	$0.216	$0.478	$1.937	$1.911	$10.781	$12.934	$13.170
2015	0.215	0.486	1.932	1.942	10.478	12.625	12.906
2014	0.223	0.500	2.000	2.000	10.529	12.752	13.029
2013	0.219	0.500	2.000	2.000	10.531	12.750	13.031
2012	0.223	0.409	1.919	1.635	9.101	11.243	11.145

Source: New Mexico Department of Finance & Administration

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 which will produce revenues which exceed the prior year's tax revenues from residential and non-residential property multiplied by a "growth control factor." The growth control factor is the percentage equal to the sum of (a) "percent change I" plus (b) the prior property tax year's total taxable property value plus "net new value", as defined by statute, divided by such prior property tax year's total taxable property value, but if that percentage is less than 100%, then the growth control factor is (a) "percent change I" plus (b) 100%. "Percent change I" is based upon the annual implicit price deflator index for state and local government purchases of goods and services (as published in the United States Department of Commerce monthly publication entitled "Survey of Current Business," or any successor publication) and is a percent (not to exceed 5%) that is derived by dividing the increase in the prior calendar year (unless there was a decrease, in which case zero is used) by the index for such calendar year next preceding the prior calendar year. *The growth control factor applies to authorized operating levies and to any capital improvements levies, but does not apply to levies for paying principal and interest on public general obligation debt..*

Developments Limiting Residential Property Tax Increases

In an effort to limit large annual increases in residential property taxes in some areas of the State (particularly the Santa Fe and Taos areas which have experienced large increases in residential property values in recent years), 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 his principal residence and who qualifies for the head of household exemption on the property under the Property Tax Code;
4. When a change occurs in the zoning or use of the property; and
5. To property that is subject to the valuation limitations under NMSA 1978, Section 7-36-21.3; and

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. This decision was appealed to the New Mexico Supreme Court which 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 the bill 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 Section 7-36-21.3 limitation does not apply:

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

Tax Collections

The level of tax collections is an important component in the analysis of the ability to pay principal and interest on a timely basis. General property taxes, with the exception of 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 becomes delinquent on December 10. The second half 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:

Tax Year	Fiscal Year	Net Taxes Charged to Treasurer	Current Tax Collections (1)	Current Collections as a % of Net Levied	Current/ Delinquent Tax Collections (2)	Current/Delinquent Collections as a % of Net Levied
2016	16/17	$ 14,868,420	$ 12,583,680	84.6%	$ 12,583,680	84.6%
2015	15/16	14,615,626	12,268,993	83.9%	13,541,928	92.7%
2014	14/15	14,211,330	12,551,958	88.3%	13,507,568	95.0%
2013	13/14	14,080,928	12,038,295	85.5%	13,603,748	96.6%
2012	12/13	13,604,632	11,455,607	84.2%	13,226,517	97.2%

(1) Current collections through June 30 of each tax year.
(2) As of June 30, 2017.
Source: San Miguel County Treasurer's Office

Interest on Delinquent Taxes

Pursuant to NMSA 1978, Section 7-38-49, if property taxes are not paid for any reason within 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 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.

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 Las Vegas, New Mexico and is approximately 120 miles northeast of Albuquerque and approximately 70 miles northeast of Santa Fe. The City of Las Vegas is the largest community in San Miguel County and the county seat.

School District Powers

Pursuant to 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 ("PED") with the advice of the Public Education Commission. The Secretary of the PED (the "Secretary") is responsible for control, management and direction of all public schools. The Public Education Commission is comprised of 10 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.

Management

The District Board of Education (the "Board"), subject to regulations of the Secretary, develops educational policies for the District. The Board employs the 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, 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 held every two years on the first Tuesday in February. The current Board Members are:

Marvin Martinez, Chairman;
term expires March 1, 2019

Patrick Marquez, Vice-Chairman;
term expires March 1, 2019

Ambrosio Castellano, Member;
term expires March 1, 2021

Christine Ludi, Secretary;
term expires March 1, 2021

Linda Montoya, Member;
term expires March 1, 2021

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

Christopher Gutierrez, Superintendent. Mr. Gutierrez has served in the position of Superintendent since September of 2016. He is a graduate of New Mexico Highlands University. Prior to the position as Superintendent, Mr. Gutierrez served as a High School Math and Science teacher for nine and a half years and a year and a half as the Middle School principal, both for the West Las Vegas School District. He holds a Bachelor's degree in General Science for Secondary Education Teachers, a Master's degree in Educational Leadership, enough hours for endorsements in Special Education and Reading, and is working towards a gifted endorsement.

Dinah Maynes, Business Manager. Ms. Maynes has served in the position of Business Manager since 2010. She, also, is a proud graduate of the West Las Vegas Schools and New Mexico Highlands University. Prior to the position of Business Manager, Ms. Maynes served as bookkeeper for Federal Programs for 16 years. She holds a Bachelor's Degree in Business Administration with an emphasis in Accounting from New Mexico Highlands University.

Insurance

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

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.

School Property

In addition to the school buildings and their contents, the District owns the land upon which school buildings and facilities are located, which includes the District Administration Building, a Maintenance Shop and Custodial Center, a Curriculum and Instruction Center, an instructional materials warehouse and numerous vehicles. The District contracts buses, which are used only to transport students to and from school and school activity events.

Enrollment

Set forth below is a five year history of the District's enrollment. 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 DISTRICT - SOURCES OF REVENUES".

School Year	Total Enrollment	Enrollment Without Charters
2016-17	1,516	1,439
2015-16	1,552	1,476
2014-15	1,576	1,438
2013-14	1,591	1,488
2012-13	1,610	1,515

Source: NM Public Education Department & the District.

Finances of the District

The basic format for the financial operation of the District is provided by 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.

Sources of Revenues 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 to 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 fiscal year 2015/16, the District received $217,478 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 2015/16, the District received $71,982 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 2015/16, the District received $13,843,016 from state sources. Such payments represented approximately 98% of actual fiscal year General Fund Revenues.

State Equalization Guarantee

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 school districts at the discretion of local policy making bodies. The formula is divided into three basic parts:

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

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

Even though the current public school funding formula has been in place for several decades, some school districts have indicated a concern about the fact that some school 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 the independent consultant concluded, "...When evaluated on the basis of generally accepted standards of equity, the New Mexico public school funding formula is a highly equitable formula. . . .[S]pending disparities are less than in other states and statistically insignificant."

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

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

The equalization funding for a school district is based on previous years’ enrollments rather than current year enrollment.

Budgeted and historical SEG payments are as follows:

Year	Program Unit Value	Amount
2012-2013	$3,668	$12,785,570
2013-2014	3,818	13,917,047
2014-2015	4,006	12,903,891
2015-2016	4,028	12,895,623
2016-2017	3,980	12,394,987

Source: New Mexico Public Education Department & the District.

The New Mexico PED receives Federal mineral-leasing funds from which it makes annual allocations to the District for purchasing textbooks. In fiscal year 2015/16, the District received $104,941 for instructional materials.

The District is also reimbursed by the State for the costs of transporting students 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 2015/16, the District received $787,185 for transportation purposes.

Balance Sheet

Listed below is the Balance Sheet (General Fund only) for fiscal years 2012 through 2016.The complete audit report for the fiscal year ending June 30, 2016 and the last four years can be downloaded from the State Auditor's website by using use the following link http://www.saonm.org/financial_audits.

BALANCE SHEET - GENERAL FUND (1)

Year Ended June 30	2012	2013	2014	2015	2016
Assets:					
Cash and Investments	$ 488,958	$ 611,560	$ 384,393	$ 416,057	$ 568,759
Receivables:					
Taxes	954	-	584	701	10,241
Interfund receivables	35,000	30,482	50,149	788,370	573,377
Other receivables	-	-	-	5,454	-
Total Assets	**$ 524,912**	**$ 642,042**	**$ 435,126**	**$ 1,210,582**	**$ 1,152,377**
Liabilities:					
Accounts payable	$ 6,414	$ 351,561	$ 210,171	$ 43,588	$ 50,170
Total Liabilities	**$ 6,414**	**$ 351,561**	**$ 210,171**	**$ 43,588**	**$ 50,170**
Deferred Inflows of Resources	**$ -**	**$ -**	**$ -**	**$ -**	**$ 9,428**
Fund Balances:					
Reserved:					
Restricted	$ 67,244	$ 290,481	$ 224,955	$ 43,805	$ -
Capital Improvements	-	-	-	-	-
Assigned	-	-	-	-	-
Commited	-	-	-	1,149,345	1,092,779
Unreserved, Undesignated	451,254	-	-	-	-
Total Fund Balance	**$ 518,498**	**$ 290,481**	**$ 224,955**	**$ 1,193,150**	**$ 1,092,779**
Total Liabilities and Fund Balance	**$ 524,912**	**$ 642,042**	**$ 435,126**	**$ 1,236,738**	**$ 1,152,377**

(1) General Fund includes Operational, Transportation and Instructional Materials.

Source: The figures above have been extracted from the District's audited financial statements. Such figures are excerpts only and do not purport to be complete. A portion of the District's FY2016 audited financial statements is provided in Appendix B.

Statement of Revenues, Expenditures & Changes in Fund Balances

Below is a five year history of Revenues and Expenditures for the District. The complete audit report for the fiscal year ending June 30, 2016 and the last four years can be downloaded from the State Auditor's website by using use the following link http://www.saonm.org/financial_audits.

STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES - GENERAL FUND [1]

Fiscal Year Ended June 30	2012	2013	2014	2015	2016
Revenues:					
Local Sources	$ 114,819	$ 161,936	$ 171,354	$ 680,668	$ 217,478
State Sources	13,402,130	13,822,568	13,805,539	14,159,871	13,843,016
Federal Sources	138,788	248,662	62,907	12,079	71,982
Total Revenues	$ 13,655,737	$ 14,233,166	$ 14,039,800	$ 14,852,618	$ 14,132,476
Expenditures:					
Instruction	$ 6,752,383	$ 6,990,364	$ 6,832,333	$ 6,717,054	$ 6,779,717
Student support services	1,312,072	1,479,025	1,499,460	1,483,796	1,597,890
Instruction support services	492,989	486,723	354,464	310,944	301,363
General administration	593,338	439,017	490,835	582,763	595,343
School administration	1,076,363	1,062,695	1,034,026	1,026,504	1,011,063
Central services	522,590	490,105	537,812	511,665	498,847
Op. & Maintenance of Plant	2,174,587	2,697,976	2,481,789	2,387,546	2,426,621
Pupil Transportation	690,980	802,017	846,786	846,831	852,670
Other	397	13,261	27,821	-	141,583
Capital Outlay	-	-	-	-	35,056
Total Expenditures	$ 13,615,699	$ 14,461,183	$ 14,105,326	$ 13,867,103	$ 14,240,153
Excess (Deficiency)					
of Revenues over Expenditures	$ 40,038	$ (228,017)	$ (65,526)	$ 968,195	$ (107,677)
Operating Transfers	60,000	-	-	-	-
Restated fund balance	$ 100,038	$ (228,017)	$ (65,526)	$ 968,195	$ (107,677)
Fund Balance-Beginning	418,460	518,498	290,481	224,955	1,193,150
Restatement	-	-	-	-	7,306
Fund Balance-Ending	$ 518,498	$ 290,481	$ 224,955	$ 1,193,150	$ 1,092,779
	3.80%	2.04%	1.60%	8.03%	7.73%

(1) General Fund includes Operational, Transportation and Instructional Materials.

Source: The figures above have been extracted from the District's audited financial statements. Such figures are excerpts only and do not purport to be complete. A portion of the District's FY2016 audited financial statements is provided in Appendix B.

Statement of Net Assets

Below is a five year history of Net Assets for the District (Governmental Activities). The complete audit report for the fiscal year ending June 30, 2016 and the last four years can be downloaded from the State Auditor's website by using use the following link http://www.saonm.org/financial_audits.

Fiscal Year Ended June 30	2012	2013	2014	2015	2016
ASSETS					
Current assets:					
Cash & cash equivalents	$ 4,187,945	$ 4,424,771	$ 4,075,651	$ 4,845,754	$ 5,538,828
Taxes receivable	38,853	77,704	86,083	30,177	419,631
Due from other governmental entities	576,212	861,072	965,349	972,311	650,119
Accounts Recievable	-	-	-	31,662	-
Inventory	13,664	-	-	-	16,844
Total current assets	$ 4,816,674	$ 5,363,547	$ 5,127,083	$ 5,879,904	$ 6,625,422
Noncurrent assets:					
Bond issuance costs	218,189	156,869	-	-	-
Capital assets	84,340,361	85,280,616	87,835,303	89,764,540	91,090,900
Less: Accumulated depreciation	(38,170,939)	(40,688,463)	(42,951,140)	(45,157,463)	(47,270,840)
Total noncurrent assets	46,387,611	44,749,022	44,884,163	44,607,077	43,820,060
Total Assets	51,204,285	50,112,569	50,011,246	50,486,981	50,445,482
Deferred Outflows of Resources	$ -	$ -	$ -	$ 1,342,498	$ 2,073,973
LIABILITIES					
Current liabilities:					
Accounts payable	$ 58,916	$ 580,921	$ 507,339	$ 205,274	$ 583,798
Accrued liabilities	139,377	139,377	132,821	133,326	211,372
Accrued interest	123,845	103,615	92,887	88,544	66,110
Deferred revenue	-	70,055	42,568	4,542	-
Current portion of long-term obligations	1,185,000	1,275,000	1,370,000	2,070,000	1,650,000
Total current liabilities	$ 1,507,138	$ 2,168,968	$ 2,145,615	$ 2,501,686	$ 2,511,280
Long-term obligations					
Compensated absences payable	$ 192,472	$ -	$ -	$ -	$ -
Bond underwriter premiumums	12,517	-	-	-	-
P{ension Liability	-	-	-	-	22,013,637
Noncurrent portion of long term obligations	7,700,000	7,534,629	6,955,834	26,158,173	5,610,000
Total long-term obligations	7,904,989	7,534,629	6,955,834	26,158,173	27,623,637
Total Liabilities	9,412,127	9,703,597	9,101,449	28,659,859	30,134,917
Deferred Inflows of Resources	$ -	$ -	$ -	$ 3,091,570	$ 2,771,915
NET ASSETS					
Invested in capital assets, net of related debt	$ 39,949,341	$ 38,570,239	$ 39,098,553	$ 39,151,964	$ 36,560,060
Restricted for:					
Debt service	1,391,749	1,409,503	1,639,232	1,806,155	436,710
Capital projects	249,836	360,290	302,675	329,524	3,297,958
Unrestricted	201,232	68,940	(130,663)	(21,209,593)	(20,152,105)
TOTAL NET ASSETS	$ 41,792,158	$ 40,408,972	$ 40,909,797	$ 20,078,050	$ 20,142,623

Source: The figures above have been extracted from the District's audited financial statements. Such figures are excerpts only and do not purport to be complete. A portion of the District's FY2016 audited financial statements is provided in Appendix B.

Statement of Activities

Below is a five year history of Activities for the District (Governmental Activities). The complete audit report for the fiscal year ending June 30, 2016 and the last four years can be downloaded from the State Auditor's website by using use the following link http://www.saonm.org/financial_audits.

Fiscal Year Ended June 30 EXPENSES:	**2012**	**2013**	**2014**	**2015**	**2016**
Governmental activities					
Instruction	$ (6,761,533)	$ (8,452,378)	$ (8,541,630)	$ (8,566,275)	$ (8,286,637)
Student support services	(1,377,475)	(1,516,560)	(1,582,786)	(1,497,545)	(1,553,280)
Instruction support services	(522,240)	(505,329)	(369,424)	(356,585)	(221,106)
General administration	(611,216)	(450,827)	(521,635)	(585,690)	(621,630)
School administration	(1,118,231)	(1,097,749)	(1,135,414)	(1,014,275)	(967,116)
Other support services	(397)	(13,446)	(28,466)	(17,439)	-
Central services	(536,987)	(506,650)	(563,858)	(507,179)	(422,342)
Pupil transportation services	(144,156)	(151,550)	(180,598)	(82,246)	(61,508)
Operation & maintenance of plant	(4,321,390)	(2,489,260)	(766,788)	(1,143,370)	(2,271,801)
Food services	190,323	(114,205)	(347,128)	16,620	238,075
Interest on long-term obligations	(390,746)	(412,461)	(440,361)	(266,174)	(181,283)
Total governmental activities	$ (15,594,048)	$ (15,710,415)	$ (14,478,088)	$ (14,020,158)	$ (14,490,211)
General revenues					
Property taxes for general purposes	$ 49,440	$ 48,945	$ 54,867	$ 53,739	$ 50,948
Property taxes for debt service	1,527,523	1,563,627	1,802,570	1,788,509	1,739,176
Property taxes for capital projects	300,304	280,628	344,229	340,561	323,919
General Federal & State aid	12,277,866	12,319,269	12,771,039	13,284,963	13,022,872
Interest & investment earnings	17,603	7,926	6,208	6,922	16,919
Miscellaneous	158,403	-	-	-	20,202
Subtotal, general revenues	14,331,139	14,220,395	14,978,913	15,474,694	15,174,036
Change in net assets	(1,262,909)	(1,490,020)	500,825	1,452,536	683,825
Net assets - beginning, as adjusted	43,055,067	41,898,992	40,408,972	40,909,797	20,078,050
Restatement	-	-	-	(22,284,283)	(619,252)
Net Assets - End of Year	$ 41,792,158	$ 40,408,972	$ 40,909,797	$ 20,078,050	$ 20,142,623

Source: The figures above have been extracted from the District's audited financial statements. Such figures are excerpts only and do not purport to be complete. A portion of the District's FY2016 audited financial statements is provided in Appendix B.

Special Revenue Funds

The Special Revenue Fund accounts are used to account for grant funds received from various sources that are legally required to be used for purposes specified in the grant awards and may not be used for any other purpose.

Debt Service

Debt service funds are used to account for accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. The County remits property taxes collected on locally assessed and centrally assessed property to the District as one lump sum and does not break down the amounts as to principal or interest reduction in accordance with instructions from PED.

Capital Projects

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

The Capital Projects Fund, which consists of the Bond Building Fund, accounts for the resources and major costs of capital improvements in the District such as erecting, remodeling, making additions to and furnishing school buildings and purchasing and improving school grounds. Revenue is provided through general obligation bonds and earnings on investments.

Fiduciary Funds – Trust & Agency

These funds are used to 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. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Expendable trust funds are accounted for in essentially the same manner as governmental 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:

- Before April 15 of each year, the District must submit an estimated budget for the next school year to PED. If the District fails to submit a budget, PED must prepare a District budget for the ensuing year.
- Before June 20 of each year, the Board must hold a public hearing to fix the estimated budget for the next school year.
- On or before July 1 of each year, PED must approve and certify an approved operating budget for use by the Board.

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

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

To conform with PED's requirements, budgets for all funds of the District are adopted on the cash basis of accounting except for state instructional material credit. State instructional material funds provide for free textbooks from 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 employs approximately 250 permanent employees of which 15 are administrators, 120 are teachers and other professional instructional personnel including special education support personnel, 25 are instructional assistants, and 90 are support, custodial and administrative staff. This includes federal programs (Head Start, etc).

Post-Employment Benefits – State Retiree Healthcare Plan

Plan Description. The District contributes to the New Mexico Retiree Health Care 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, §§ 10-7C-1 through 10-7C-16). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized 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 during that period of time made contributions as a participant in the RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; 2) retirees defined by the Retiree Health Care 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 RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment 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 (at 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 RHCA fund in the amount determined to be appropriate by the RHCA Board.

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

The District's contributions to the RHCA for the years ended June 30, 2016, 2015 and 2014 were $192,459, $192,671, and $194,410 respectively, which equal the required contributions for each year.

Pension Plan – Educational Retirement Board

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

Following is a partial history of employer and employee contributions statewide and net assets held in trust of the retirement fund.

Fiscal Year Ending June 30	Employer Contributions	Employee Contributions	Net Assets Held in Trust
2012	$253,845,277	$289,852,094	$9,606,304,017
2013	299,657,530	248,785,187	10,358,058,861
2014	362,462,537	268,693,991	11,442,171,449
2015	395,129,621	294,560,840	11,642,543,051
2016	396,988,557	293,847,970	11,532,837,951

Source: New Mexico Educational Retirement Board, Financial Report

Funding Policy

<u>Contributions.</u>

The contribution requirements of defined benefit plan members and the District are established in state statue under NMSA 1978 Chapter 10, Article 11. The requirements may be amended by acts of the legislature. For fiscal year ended June 30, 2015 employers contributed 13.90%, and employees earning $20,000 or less continued to contribute 7.90%, and employees earning more than $20,000 contributed an increased amount of 10.70% of their gross annual salary. Contributions to the pension plan from the District were $1,316,807 and $72,031 for the component unit for the year ended June 30, 2016.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The total ERB Pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2014. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2015, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2015. At June 30, 2016, the District reported a liability of $22,013,637 and the component unit reported a liability of $1,515,680 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, 2015. The contribution amounts were defined by NMSA 1978 Section 22-11-21, the District proportion was 0.33986 percent, which was a decrease of 0.02417 from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of $774,303 and the component unit recognized a pension of $346,273. A the June 30, 2016, the District reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources: The contribution requirements of defined benefit plan members, District, and the Charter School are established in state statute under NMSA 1978, Chapter 10, Article 11. The requirements may be amended by acts of the legislature. For the fiscal year ended June 30, 2014 employers contributed 13.15% of employees' gross annual salary to the Plan. Employees earning $20,000 or less contributed 7.90% and employees earning more than $20,000 contributed 10.10% of their gross annual salary. For fiscal year ended June 30, 2015 employers contributed 13.90%, and employees earning $20,000 or less continued to contribute 7.90% and employees earning more than $20,000 contributed an increased amount of 10.70% of their gross annual salary. Contributions to the pension plan from the District and Charter School were $1,342,498 and $92,404, respectively.

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. The District is assessing the full extent of the effect of the new standards on the District's audited financial statements. Statement No. 68 is effective beginning with the fiscal year ending June 30, 2014 for the District.

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

In December 2013, the New Mexico Supreme Court, 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.

Tax Matters

Federal Income Tax Opinion

On the date of initial delivery of the Bonds, McCall, Parkhurst & Horton L.L.P., Austin, Texas, will render its opinion that, in accordance with statutes, regulations, published rulings, and court decisions existing on the date thereof, (1) interest on the Bonds for federal income tax purposes will be excludable from the "gross income" of the holders thereof and (2) the Bonds will not be treated as “specified private activity bonds" the interest on which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code"). Except as stated in this subsection and the subsection "New Mexico Income Tax Opinion," McCall, Parkhurst & Horton L.L.P. 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 D -- Forms of Co-Bond Counsels’ Opinion”.

In rendering its opinion, McCall, Parkhurst & Horton L.L.P. will rely upon (a) the District's federal tax certificate, (b) 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 (c) 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 Code and the regulations promulgated thereunder contain a number of 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 McCall, Parkhurst & Horton L.L.P. is conditioned on compliance by the District with such requirements, and McCall, Parkhurst & Horton L.L.P. has not been retained to monitor compliance with these requirements subsequent to the issuance of the Bonds.

The opinion rendered by McCall, Parkhurst & Horton L.L.P. represents its legal judgment based upon its review of Existing Law and the reliance on the aforementioned information, representations, and covenants. The opinion rendered by McCall, Parkhurst & Horton L.L.P. is not a guarantee of a result. The Existing Law is subject to change by the Congress and to subsequent judicial and administrative interpretation by the courts and the Department of the Treasury. There can be no assurance that such 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 District 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 McCall, Parkhurst & Horton L.L.P. 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, Cuddy & McCarthy, LLP and McCall, Parkhurst & Horton L.L.P. will render their opinions that interest on the Bonds will be excluded from net income for purposes of New Mexico state income tax. Cuddy & McCarthy, LLP expresses no opinion as to any other federal, state or local tax consequences, except as described in this subsection. See “Appendix D -- Forms of Co-Bond Counsels’ Opinion”.

Federal Income Tax Accounting Treatment of Original Issue Discount

The initial public offering price to be paid for one or more maturities of the Bonds may be less than the principal amount thereof or one or more periods for the payment of interest on the Bonds may not be equal to the accrual period or be in excess of one year (the "Original Issue Discount Bonds"). In such event, the difference between (i) the "stated redemption price at maturity" of each Original Issue Discount Bond, and (ii) the initial offering price to the public of such Original Issue Discount Bond would constitute original issue discount. The "stated redemption price at maturity" means the sum of all payments to be made on the Bonds less the amount of all periodic interest payments. Periodic interest payments are payments which are made during equal accrual periods (or during any unequal period if it is the initial or final period) and which are made during accrual periods which do not exceed one year.

Under existing law, any owner who has purchased such Original Issue Discount Bond in the initial public offering is entitled to exclude from gross income (as defined in section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the accrual period. For a discussion of certain collateral federal tax consequences, see discussion set forth below.

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Bond was held by such initial owner) is includable in gross income.

Under existing law, the original issue discount on each Original Issue Discount Bond is accrued daily to the stated maturity thereof (in amounts calculated as described below for each accrual period and ratably within each such accrual period) and the accrued amount is added to an initial owner's basis for such Original Issue Discount Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (a) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Original Issue Discount Bond.

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition of Original Issue Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. All owners of Original Issue Discount Bonds should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of the treatment of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such Original Issue Discount Bonds.

Financial Institution Interest Deduction

The Tax Code generally provides that a financial institution may not deduct that portion of its interest expense which is allocable to tax-exempt interest. The interest expense which is allocable to tax-exempt interest is an amount which bears the same ratio to the institution's interest expense as the institution's average adjusted basis of tax-exempt obligations acquired after August 7, 1986 bears to the average adjusted basis of all assets of the institution. Tax exempt obligations may be treated as if issued prior to August 7, 1986 (and therefore are not subject to this rule) if they are "qualified tax-exempt obligations" as defined in the Code and are designated for this purpose by the issuer. The District has designated the Bonds as "qualified tax-exempt obligations" for this purpose; however, under provisions of the Code dealing with financial institution preference items, certain financial institutions, including banks, are denied 20 percent of their otherwise allowable deduction for interest expense with respect to obligations incurred or continued to purchase or carry the Bonds. In general, interest expense with respect to obligations incurred or continued to purchase or carry the Bonds will be in an amount which bears the same ratio as the institution's average adjusted basis in the Bonds bears to the average adjusted basis of all assets of the institution.

Collateral Federal Income Tax Consequences

The following discussion is a summary of certain collateral federal income tax consequences resulting from the purchase, ownership, or disposition of the Bonds. This discussion is based on existing statutes, regulations, published rulings, and court decisions, all of which are subject to change or modification, retroactively.

The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, such as financial institutions, property and casualty insurance companies, life insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals allowed an earned income credit, certain S corporations with accumulated earnings and profits and excessive passive investment income, foreign corporations subject to the branch profits tax, taxpayers qualifying for the health insurance premium assistance credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase tax-exempt obligations.

INVESTORS, INCLUDING THOSE WHO ARE SUBJECT TO SPECIAL PROVISIONS OF THE CODE, SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP, AND DISPOSITION OF TAX-EXEMPT OBLIGATIONS BEFORE DETERMINING WHETHER TO PURCHASE THE BONDS.

Interest on the Bonds will be includable as an adjustment for "adjusted current earnings" to calculate the alternative minimum tax imposed on corporations by section 55 of the Code.

Under section 6012 of the Code, holders of tax-exempt obligations, such as the Bonds, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation.

Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Bonds, if such obligation was acquired at a "market discount" and if the fixed maturity of such obligation is equal to, or exceeds, one year from the date of issue. Such treatment applies to "market discount bonds" to the extent such gain does not exceed the accrued market discount of such bonds; although for this purpose, a de minimis amount of market discount is ignored. A "market discount bond" is one which is acquired by the holder at a purchase price which is less than the stated redemption price at maturity or, in the case of a bond issued at an original issue discount, the "revised issue price" (i.e., the issue price plus accrued original issue discount). The "accrued market discount" is the amount which bears the same ratio to the market discount as the number of days during which the holder holds the obligation bears to the number of days between the acquisition date and the final maturity date.

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 citizens.

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 Internal Revenue Service. 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 expects to designate 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 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 Bond Resolution, 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.

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 under the headings "DEBT AND OTHER FINANCIAL OBLIGATIONS", "TAX BASE", "THE DISTRICT - Enrollment" and "FINANCES OF THE DISTRICT - State Equalization Guarantee," "Balance Sheet," and Statement of Revenues, Expenditures and Changes in Fund Balances" and "Appendix B." The District will update and provide this information by March 31 of each year beginning in 2018.

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 information 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. If the District changes its fiscal year, it will notify the MSRB of the change.

Event Notices

The District shall notify the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, of any of the following events with respect to the Bonds: 1) Principal and interest payment delinquencies; 2) Non-payment related defaults, if material within the meaning of the federal securities laws; 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-exempt status of the Bonds or the Lease, or other events affecting the tax-exempt status of the Bonds; 7) Modifications to rights of holders of the Bonds, if material within the meaning of the federal securities laws; 8) Bond calls, if material within the meaning of the federal securities laws; 9) Defeasances; 10) Release, substitution, or sale of property securing repayment of the Bonds, if material within the meaning of the federal securities laws; 11) Rating changes; 12) tender offers; 13) Bankruptcy, insolvency, receivership or similar event of the District; 14) The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, 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 within the meaning of the federal securities laws; and 15) Appointment of a successor or additional trustee or the change of name of a trustee, if material within the meaning of the federal securities laws.

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.

During the past 5 years the District has complied with its obligation under these continuing disclosure requirements.

The address of the MSRB is 1900 Duke Street, Suite 6000, Alexandria, Virginia 22314, and its telephone number is (703) 797-6600.

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) determined 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

For the past five years, the District has complied in all material respects with its existing continuing disclosure agreements in accordance with SEC Rule 15c2-12. The District notes that the otherwise timely filings of the 2012 audited financial statements and the 2013 annual continuing disclosure report were not linked to all of the then outstanding CUSIP numbers without filing a notice of late filing with respect to those CUSIPs. The District has implemented procedures to assure compliance with its continuing disclosure agreements.

Litigation

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 proceeding is pending or, to the knowledge of the appropriate officials, threatened, restraining or enjoining, or seeking to restrain or enjoin, the issuance and delivery of the Bonds, 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.

Recent Events

Recently two lawsuits were filed challenging the funding of the State's primary and secondary education system. In March 2014, individual plaintiffs in New Mexico District Court in McKinley County brought suit against the State, among others, alleging, among other things, that the State's educational funding formula violates the sufficiency of education and uniform system of public schools provision of the New Mexico Constitution and asks the court for injunctive relief ordering the State to develop a budget and funding formula that sufficiently, uniformly and equitably funds the public school system. In April 2014, individual plaintiffs in New Mexico District Court in Santa Fe County brought suit against the State, among others, alleging, among other things, that the State has failed to provide a sufficient and uniform system of education in violation of the sufficiency, uniformity, equal protection and due process provisions of the New Mexico Constitution because of an inadequate and arbitrary funding system. The lawsuit asks for a declaratory judgment and injunctive relief requiring the adoption of a school finance system to remedy these violations. Neither lawsuit asks for a specific award of damages. Because the allegations of violations have not been fully litigated or proven, the State believes it is premature to assess what effect, if any, these lawsuits might have on State budget matters.

Rating

Moody's Investors Service has assigned the Bonds a rating of '____ Enhanced' on the understanding that the Bonds will qualify under the New Mexico School District Enhancement Program. The underlying rating for the District is '____'. See "New Mexico School District Enhancement Program" herein. 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 of the Bonds.

Legal Matters

The written approval from the New Mexico Attorney General will be obtained for the Bonds. The legality of the Bonds will be approved by Cuddy & McCarthy, LLP, Santa Fe, New Mexico and McCall, Parkhurst & Horton L.L.P., Austin, Texas, as Co-Bond Counsel, whose unqualified opinions approving the legality of the Bonds will be furnished to the initial purchasers. Co-Bond Counsel, Cuddy & McCarthy LLP, Santa Fe, New Mexico and McCall, Parkhurst & Horton L.L.P., Austin, Texas, were not requested to and did not take part in the preparation of this Official Statement, nor have these firms undertaken to independently verify any of the information contained herein. Such firms have no responsibility for the accuracy or completeness of any information furnished in connection with any offer or sale of the Bonds in this Official Statement or otherwise.

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.

Disclosure Certificate

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

Additional Matters

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

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/____________________________________
Chairman, Board of Education

/s/____________________________________
Secretary, Board of Education

APPENDIX A

ECONOMIC & DEMOGRAPHIC INFORMATION

THE ECONOMY

The West Las Vegas School District No. 1 is located in the north central region of New Mexico. Two school districts serve the City of Las Vegas and surrounding area.

The City of Las Vegas (2010 U.S. Census population of 13,753), incorporated in 1906, is the County Seat and principal city in San Miguel County, and serves as a trade and service center for the surrounding area. It is located approximately 125 miles northeast of Albuquerque and approximately 70 miles southeast of Santa Fe. In the late 1800s, as a major trading point on the Santa Fe Trail, Las Vegas was one of the largest towns in the region and had become a prosperous town, rivaling Denver, El Paso and Tucson. Unlike any other town in New Mexico, Las Vegas is home to a number of beautiful Victorian homes and buildings, with over 900 buildings on the historic register.

The decline of Las Vegas from a prosperous commercial center began around 1905 when major rail traffic was diverted to the south. An agricultural depression in the mid-1920s, the Great Depression of the 1930s, and a long drought put an end to Las Vegas' growth and its boomtown prosperity.

Today, Las Vegas is a thriving community of distinctive cultures. Las Vegas and the communities in San Miguel County are rich in history, architecture, cultural traditions, arts and natural beauty. Considered one of America's oldest film locations, many movies were filmed, in whole or in part, in and around Las Vegas.

The base of Las Vegas' economy is its institutional jobs housed within eight major institutions. These include: New Mexico Behavioral Health Institute, New Mexico Highlands University, Luna Community College, City of Las Vegas, San Miguel County, the West Las Vegas School District, the Las Vegas City School District, and Alta Vista Regional Hospital. Other institutional employers include the New Mexico Department of Transportation District 4 office and Armand Hammer United World College.

In addition to the City's glorious and infamous history, its location and natural resources provide a variety of outdoor and recreation opportunities such as hiking, biking, fishing, hunting, boating and golf.

The City operates under the Mayor-Council form of government.

New Mexico Highlands University

Founded in 1893, New Mexico Highlands University ("NMHU") has served as a leading academic, cultural and economic institution for the communities of Northern New Mexico. In addition to its main campus in Las Vegas, it also has centers in Farmington, Roswell, Espanola/Santa Fe, Rio Rancho/Albuquerque and Raton. Undergraduate and graduate programs are offered in the arts and sciences, business, education and social work.

The Fall 2016 undergraduate enrollment at the main campus of NMHU was 1,303. The enrollment including all branch centers totaled 3,512.

Luna Community College

Luna Community College ("LCC") is the only community college in northeastern New Mexico. LCC is located in the lower slopes of the majestic Sangre de Cristo Mountain Range overlooking the City of Las Vegas, New Mexico. LCC enjoys an outstanding reputation for its caliber of facilities, teaching methods, curricula, and dedication to excellence. 2,064 students were enrolled as of fall 2015.

LCC has satellite centers in the northeastern New Mexico towns of Mora, Springer and Santa Rosa. These satellites, in addition to the main campus, serve participants of the Springer Municipal Schools, the Maxwell Municipal Schools, and the Santa Rosa Consolidated Schools, which are within Colfax and Guadalupe Counties. LCC also has a presence in the Pecos and Wagon Mound Schools.

All campuses are administered and supervised by LCC and governed by an elected Board of Trustees from the service area. LCC continues to offer a broad range of vocational, technical and professional education programs.

Population

Based on information gained from the Bureau of Business & Economic Research, the following table shows both the historical and projected population data for the City of Las Vegas, San Miguel County, and the State of New Mexico.

Census Year	City of Las Vegas	County of San Miguel	State of New Mexico
1970	13,835	21,951	1,017,055
1980	14,322	22,751	1,303,143
1990	14,522	25,743	1,515,069
2000	14,565	30,126	1,826,280
2010	13,753	29,393	2,065,826
2016*	13,285	27,760	2,081,015
2017(1)	12,862	27,464	2,087,058
2022(1)	12,362	26,501	2,110,892

**Estimates. Source: U.S. Census Bureau: State and County QuickFacts.*
1) Estimates. Source: Spotlight, 2017.
2) Projected. Source: Spotlight, 2017.

The following table sets forth a comparative age distribution profile for San Miguel County, the State of New Mexico and the United States.

	Percent of Population		
Age Group	San Miguel County	New Mexico	United States
0 - 17	20.00%	23.90%	22.80%
18 - 24	10.17%	9.80%	9.80%
25 - 34	11.97%	13.30%	13.40%
35 - 44	10.25%	11.87%	12.60%
45 - 54	12.59%	11.90%	13.10%
55 and Older	35.02%	29.23%	28.30%

Source: Spotlight, 2017.

Effective Buying Income

The following table reflects the percentage of households by Effective Buying Income ("EBI") and a five-year comparison of the estimated median household income as reported by The Nielsen Company. EBI is personal income less personal tax and non-tax payments. Personal income includes wages and salaries, other labor income, proprietors' income, rental income, dividends, personal interest income, and transfer payments. Deductions are made for federal, state, and local taxes, non-tax payments such as fines and penalties, and personal contributions for social security insurance. The following chart depicts the median household EBI level for San Miguel County, the State of New Mexico and the United States.

Effective Buying Income Group	San Miguel County	New Mexico	United States
Under $25,000	43.66%	27.90%	21.90%
$25,000 - $34,999	13.04%	10.80%	9.70%
$35,000 - $49,999	12.88%	14.10%	13.20%
$50,000 - $74,999	13.15%	16.60%	17.40%
$75,000 & Over	17.27%	30.60%	37.80%
2013 Est. Median Household Income	$31,603	$43,273	$49,297
2014 Est. Median Household Income	$33,569	$44,292	$51,579
2015 Est. Median Household Income	$31,903	$45,633	$53,706
2016 Est. Median Household Income	$28,567	$45,445	$55,551
2017 Est. Median Household Income	$29,605	$47,043	$57,462

Source: Spotlight, 2017.

Employment

Historically, the unemployment rates for San Miguel County and the State of New Mexico have remained higher than national levels. The following table provides a ten-year history of labor force and unemployment rates for San Miguel County, the State and the United States.

Year(1)	San Miguel County		State of New Mexico		United States
	Labor Force	% Unemployed	Labor Force	% Unemployed	% Unemployed
2017 (2)	10,826	8.50%	938,625	6.70%	4.50%
2016	10,984	7.70%	927,355	6.70%	4.90%
2015	10,988	7.70%	919,889	6.60%	5.30%
2014	10,927	8.20%	918,206	6.50%	6.20%
2013	11,076	8.30%	922,960	6.90%	7.40%
2012	11,103	8.90%	928,050	7.10%	8.10%
2011	11,044	9.50%	929,862	7.60%	8.90%
2010	11,173	9.60%	936,088	8.10%	9.60%
2009	13,294	7.30%	940,352	7.50%	9.30%
2008	13,314	4.90%	944,548	4.50%	5.80%

(1) Numbers are annual averages.

(2) Data for the month of June 2017. Numbers are Preliminary.

Source: U.S. Bureau of Labor Statistics, June 2017.

Major Employers

Major employers include the following:

Largest Employers in San Miguel County
New Mexico Behavioral Health Institute -1,000
West Las Vegas Schools - 495
Las Vegas City Schools - 490
Alta Vista Regional Hospital - 325
New Mexico Highlands University - 300
Wal-Mart - 300
Las Vegas City Government - 290
Luna Community College - 200
San Miguel County Government - 125
Franken Companies - 40-50

Source: Las Vegas Chamber of Commerce, August 2017

Average Annual Employment by NAICS Code Classification

The New Mexico Department of Workforce Solutions publishes quarterly reports of covered employment and wages according to the North American Industry Classification System (NAICS). Detailed below is the report for San Miguel County.

Sector	2012	2013	2014	2015	2016(1)
Accommodation and Food Services	834	864	819	820	813
Administrative and Waste Services	61	62	56	20	17
Agriculture, Forestry, Fishing & Hunting	49	38	37	46	47
Arts, Entertainment, and Recreation	*	82	74	*	*
Construction	415	420	414	246	234
Educational Services	*	*	1,642	*	*
Finance and Insurance	213	205	215	228	251
Health Care and Social Assistance	2,408	2,652	2,644	1,826	1,859
Information	75	67	51	40	38
Management of Companies and Enterprises	*	*	7	7	7
Manufacturing	65	75	102	93	88
Mining	*	22	10	8	13
Other Services, Ex. Public Admin	123	116	117	149	108
Professional and Technical Services	95	95	103	96	92
Real Estate and Rental and Leasing	48	57	58	52	45
Retail Trade	932	916	927	924	897
Transportation and Warehousing	174	225	298	273	256
Utilities	98	107	99	27	26
Wholesale Trade	37	40	27	26	33
Total Government	3,582	3,482	3,398	3,301	3,231
Total Private	4,450	4,720	4,752	5,014	4,973
Grand Total	**8,032**	**8,202**	**8,150**	**8,315**	**8,204**

(1) Data as of Fourth Quarter of 2016

** Withheld to avoid disclosing confidential data. Data that are not disclosed for individual industries are always included in the totals. Therefore, the individual industries may not sum to the totals.*

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

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

APPENDIX B

JUNE 30, 2016 AUDITED FINANCIAL STATEMENTS

APPENDIX C

THE 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 Financial Advisor and the Underwriters believe the source of such information to be reliable, but take no responsibility for the accuracy or completeness thereof.

The District and the Underwriters 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 Financial Advisor and the Underwriters believe to be reliable, but none of the District, the Financial Advisor or the Underwriters take any responsibility for the accuracy thereof.

Use of Certain Terms in Other Sections of this Official Statement

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.

Effect of Termination of Book-Entry-Only System

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.

APPENDIX D

FORMS OF CO-BOND COUNSELS' OPINION

APPENDIX E

OFFICAL NOTICE OF BOND SALE, BID FORM & ISSUE PRICE CERTIFICATE