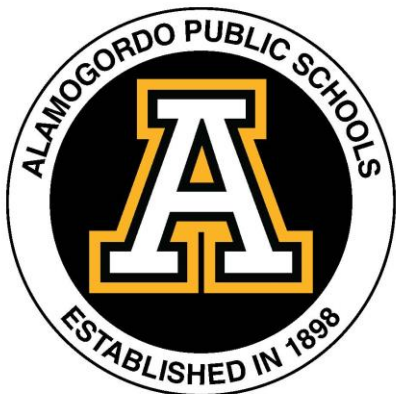


Alamogordo School District

Finance Plan Update

January 10, 2023

STRICTLY PRIVATE AND CONFIDENTIAL



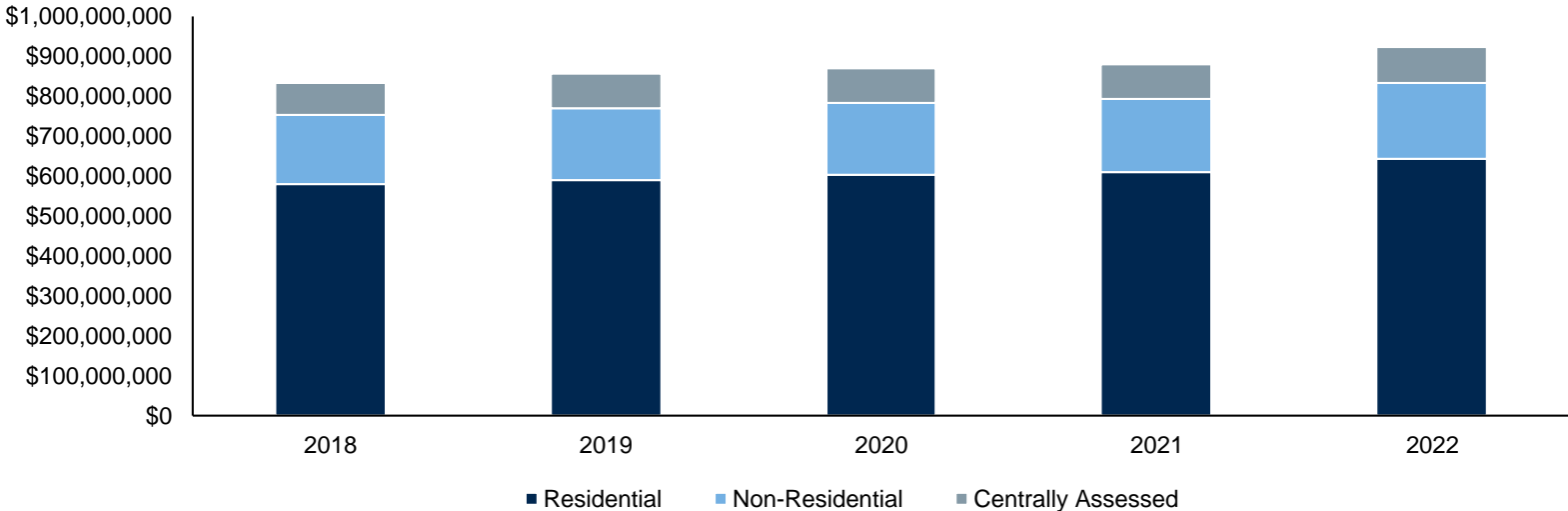
Capital
Markets

History of Assessed Valuation

Tax Year	Residential	%Growth	Centrally Assessed	%Growth	Non-Residential	%Growth	Total Valuation	%Growth
2018	\$579,912,203	2.16%	\$78,376,527	3.95%	\$174,111,873	1.04%	\$832,400,603	2.09%
2019	590,337,254	1.80%	87,561,690	11.72%	178,708,637	2.64%	856,607,581	2.91%
2020	602,980,034	2.14%	84,889,485	-3.05%	181,648,666	1.65%	869,518,185	1.51%
2021	611,206,449	1.36%	87,219,279	2.74%	182,122,509	0.26%	880,548,237	1.27%
2022	644,289,866	5.41%	89,665,063	2.80%	191,184,025	4.98%	925,138,954	5.06%

5 Year Average Growth Rate	2.56%
10 Year Average Growth Rate	2.80%

Source: Otero County Assessor

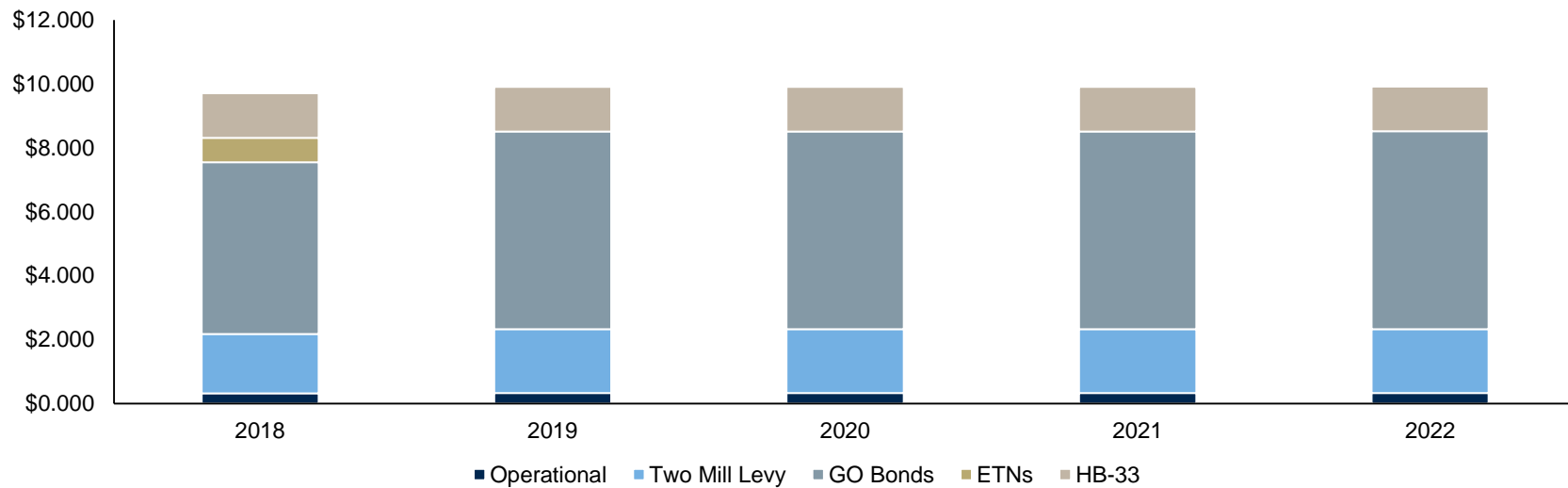


History of Tax Rates

Tax Year	Operational		Two Mill Levy		HB-33		Debt Service			Total	
	Res	Non Res	Res	Non Res	Res	Non Res	GO Bonds	ETNs	Total	Res	Non Res
2018	\$0.321	\$0.500	\$1.853	\$2.000	\$1.400	\$1.400	\$5.373	\$0.765	\$6.138	\$9.712	\$10.038
2019	0.328	0.500	2.000	2.000	1.400	1.400	6.181	0.000	6.181	9.909	10.081
2020	0.328	0.500	1.999	2.000	1.399	1.400	6.183	0.000	6.183	9.909	10.083
2021	0.331	0.500	2.000	2.000	1.400	1.400	6.180	0.000	6.180	9.911	10.080
2022	0.330	0.500	2.000	2.000	1.400	1.400	6.188	0.000	6.188	9.918	10.088

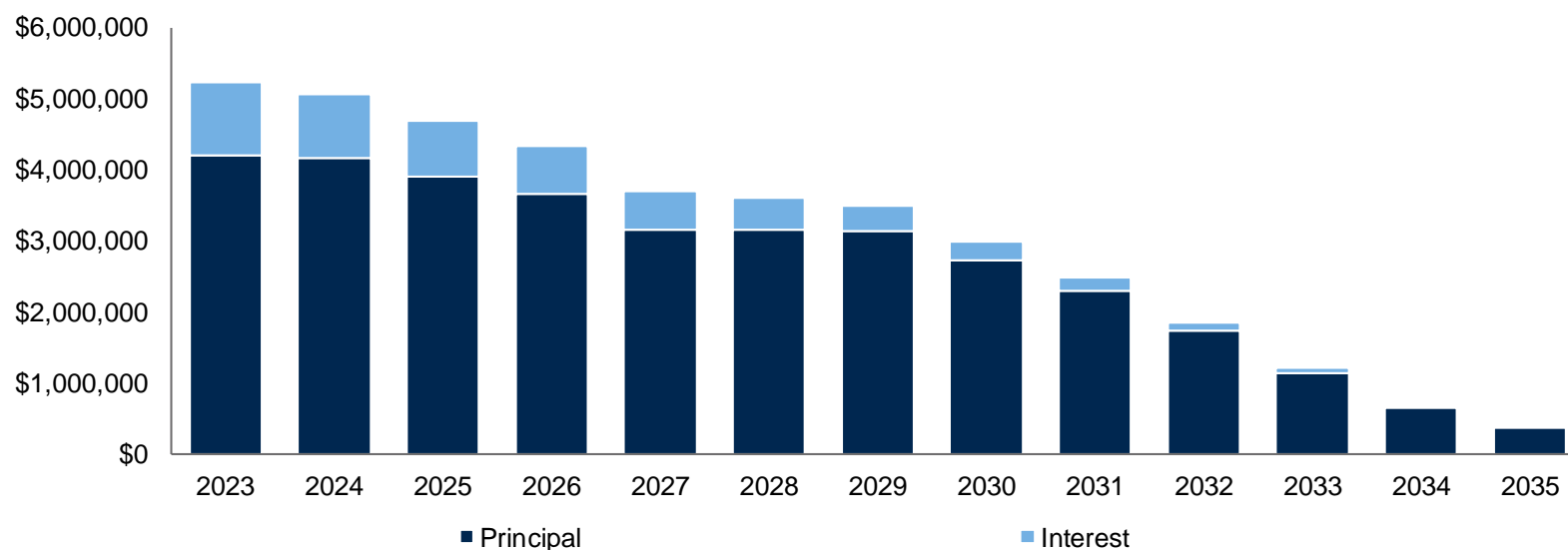
Source: New Mexico Department of Finance & Administration.

- HB-33 was approved in by voters in 2018 in order to replace ETN program
- HB-33 rate of \$1.40 generates approximately \$1.25 million on an annual basis



Outstanding Debt Summary

	Original Par Amount	Principal Outstanding	Call Date	Coupons	Final Maturity
Series 2012	\$6,000,000	\$2,000,000	08/01/2021	2.000%	08/01/2024
Series 2013	5,000,000	2,000,000	08/01/2021	2.000% - 2.500%	08/01/2025
Series 2014	5,000,000	2,700,000	08/01/2022	2.050% - 2.500%	08/01/2026
Series 2015	5,565,000	1,355,000	08/01/2023	2.000% - 2.100%	08/01/2025
Series 2016	5,000,000	2,950,000	08/01/2024	2.000%	08/01/2029
Series 2017	3,000,000	2,000,000	08/01/2026	3.000%	08/01/2030
Series 2018	4,740,000	3,950,000	08/01/2027	3.000% - 5.000%	08/01/2031
Series 2019	6,635,000	5,660,000	08/01/2027	2.250% - 4.000%	08/01/2032
Series 2020	4,490,000	4,390,000	08/01/2028	4.000%	08/01/2033
Series 2021	3,830,000	3,330,000	08/01/2029	2.000% - 3.000%	08/01/2034
Series 2022	4,000,000	4,000,000	08/01/2030	3.000%	08/01/2035
Total	\$53,260,000	\$34,335,000			



Finance Plan

- Election Timing
 - Two Mill Levy election every six years, most recently in February, 2019. Next election recommended in November 2023 due to change in the election law
 - HB-33 Election in 2018. Next election recommended in November 2023 due to change in the election law
 - Bond election every four years
- Successful GO bond election in November 2019 for \$17 million to be sold over a four year period or as directed by the district
 - \$4,490,000 sold in 2020
 - \$3,830,000 sold in 2021
 - \$4,000,000 sold in 2022
 - \$4,000,000 to be sold in 2023
- Next GO bond elections are 2023 and 2027. Size of the election will depend on the growth in the assessed value and FMP needs of the District

Bonding Capacity	
2022 Assessed Valuation	\$ 925,138,954
Constitutional Debt Limitation (6% of Assessed Valuation)	\$ 55,508,337
Less Current Outstanding Debt	(34,335,000)
Available Debt Capacity	\$ 21,173,337
% Bonded to Capacity	61.86%

SB-9, HB-33 and GO Election Timing

Election			
GO Bond	Nov 2019	Nov 2023*	Nov 2027*
GO Amount	\$17,000,000	\$15,000,000	\$16,000,000
SB-9	Feb 2019	Nov 2023	Nov 2029
HB-33	Apr 2018	Nov 2023	Nov 2029

** The Election amount is preliminary and subject to change based on the growth in the Assessed Value and FMP needs of the District*

GO Election Options and AV Growth Rate Scenarios

Scenarios	AV Growth Assumptions			Election Sizes		
	2024-2028	2029-2033	2034-2044	2019	2023	2027
Base Case	+1.0%	+1.5%	+2.0%	\$17,000,000	\$15,000,000	\$16,000,000
I		+2.0%		17,000,000	17,000,000	17,000,000
II		+2.5%		17,000,000	18,000,000	19,000,000
III		+3.0%		17,000,000	19,000,000	21,000,000

Note: The Election amounts are preliminary and subject to change.

2023 Preliminary Bond Sale Time Schedule

Date	Activity	Responsibility
Tuesday, March 14, 2023	Rating conference call with Moody's at 2:00 PM (MST)	SD, FA
Wednesday, March 15, 2023	Board adopts Notice of Sale Resolution & Delegation Resolution	SD, FA, BC
Tuesday, April 04, 2023	Post Preliminary Official Statement on MuniHub	FA
Wednesday, April 05, 2023	Publish Notice of Sale	BC
Tuesday, April 11, 2023	Bond sale at 9:00 AM (MST)	SD, FA, BC
Tuesday, April 11, 2023	Superintendent/Finance Director signs award certificate	SD, FA, BC
Thursday, April 13, 2023	Notice of Adoption published in paper of local circulation	BC
Monday, May 15, 2023	Thirty day limitation of action period expires	
Wednesday, May 17, 2023	Presentation to School Board on Bond Sale Results (no action taken)	SD, FA, BC
Wednesday, May 17, 2023	Bond Closing	SD, FA, BC

Working Group Key		
Code	Participant	Role
SD	Alamogordo School District	Issuer
FA	RBC Capital Markets	Financial Advisor
BC	Cuddy & McCarthy	Bond Counsel

Note 1: School Board meets 3rd Wednesday of every month

Note 2: Publications in the Alamogordo Daily News

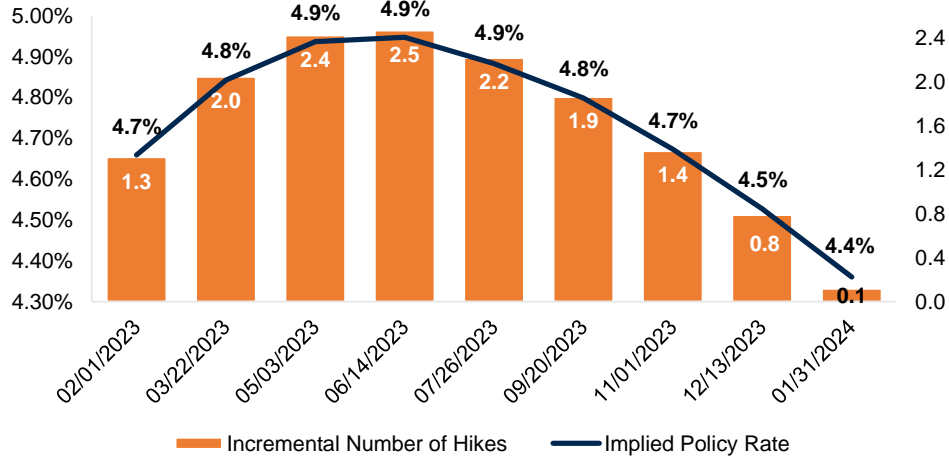
Market Update



Capital
Markets

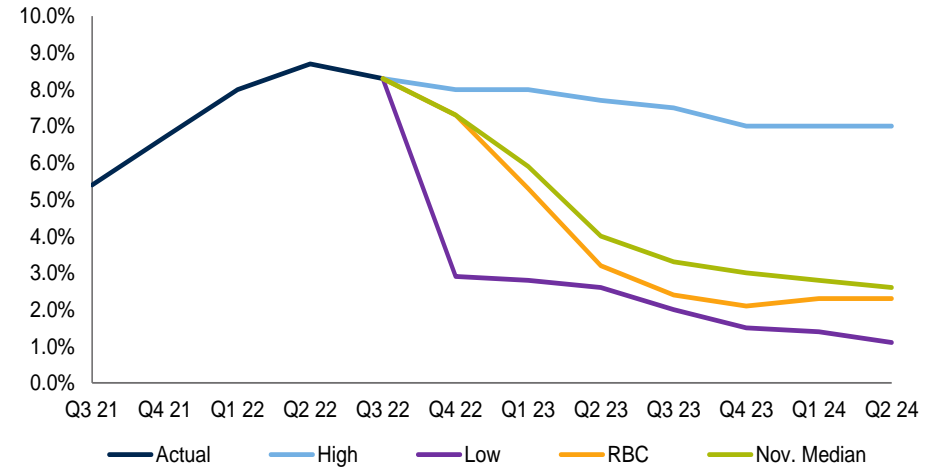
Continued Volatility – Mixed Economic Signals

Futures Market – Fed Funds Rate Hike Probability (Current Target Rate: 4.25%-4.50%)



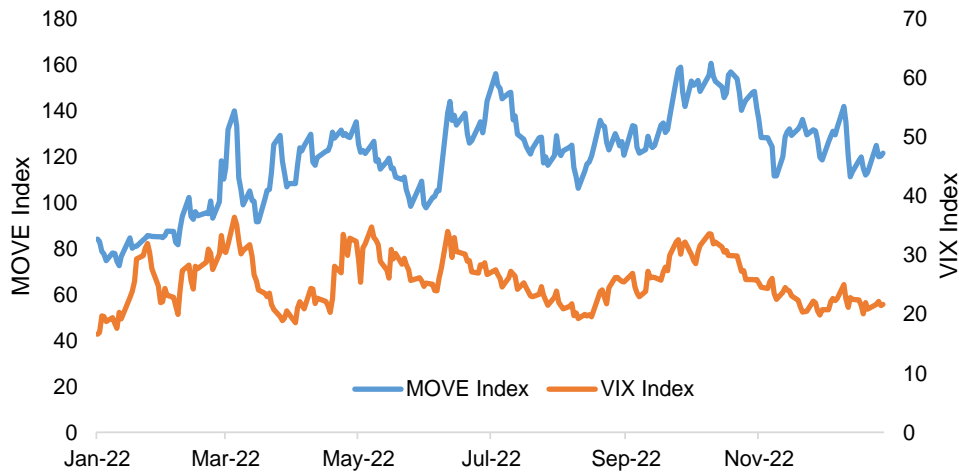
Source: Bloomberg, publicly traded securities as of market close December 30, 2022

Inflation Survey (Headline CPI – YOY%)



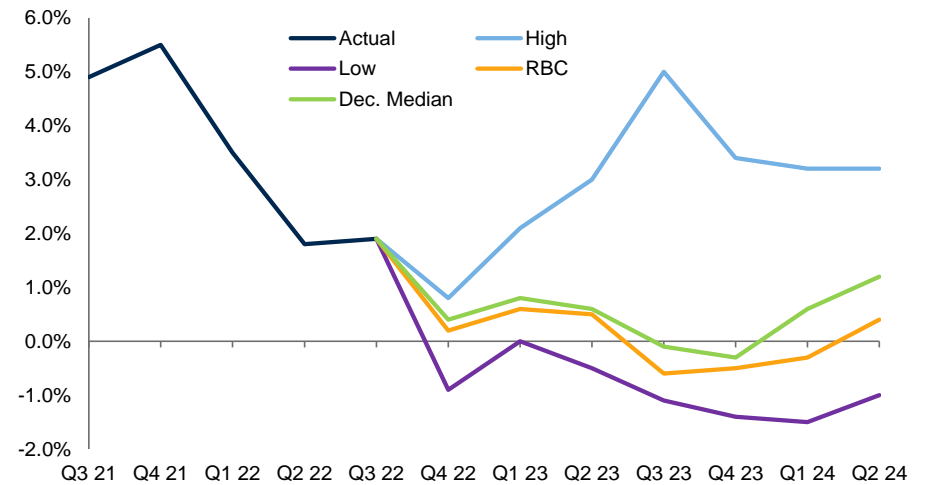
Source: Bloomberg, latest data for week ending December 30, 2022

Treasury and Equity Volatility has Recently Eased to Support Levels



Source: Bloomberg, latest data for week ending December 30, 2022

GDP Survey (YOY%)



Source: Bloomberg, latest data for week ending December 30, 2022

Recent Performance of Major Asset Classes

Commentary

- US stocks posted their worst performance since 2008, with the DJIA, SPX, and Nasdaq declining 8.8%, 19.4%, and 33.1%, respectively, in 2022
- The FOMC hiked rates by 425bp last year from 0-25bp at the start of the year to 4.25-4.50% by mid-December
 - Futures are split between hikes of 25/50bp in February and 0/25bp in March
 - Two cuts of 25bp are pricing in for 2H '23
- RBC expects the hiking cycle to conclude with a terminal rate of 5.00-5.25% and concurs with the outlook for two cuts in 2023
- Inflation hit 40-year highs during 2022 and showed few signs of moderating until the fourth quarter
 - December CPI data will be released on January 12th, and the Bloomberg consensus calls for an unchanged reading
- Market participants expect continued volatility and a challenging economic outlook heading into 2023
- US IG/corporate issuance totaled \$1.26tn in 2022, down 17% from \$1.52tn in 2021, according to Bloomberg
- The Bloomberg US Aggregate credit index ended 2022 at 130bp, widening 38bp year-over-year

Asset Class / Sector Performance

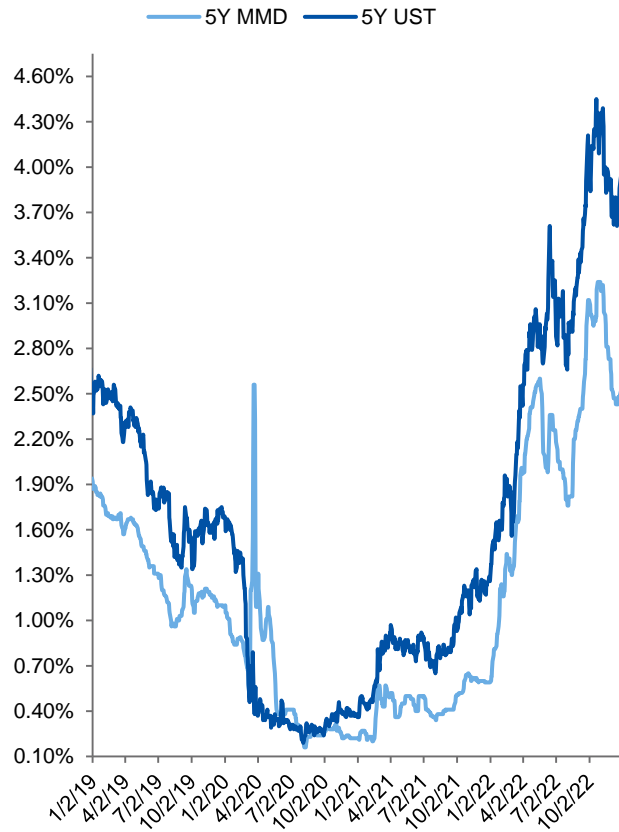
	Ticker	1 Wk	4 Wk	12 Wk	1 Year
Municipal Bonds					
National Muni Bond ETF	MUB	-0.21%	-0.68%	1.94%	-9.25%
Taxable Muni Bond ETF	BAB	-1.08%	-2.58%	0.51%	-22.00%
Short Term Muni Bond ETF	SUB	0.04%	-0.07%	1.31%	-2.89%
Treasury / Corporate Bonds					
Treasury Short Term Bonds	SHY	-0.18%	-0.29%	0.17%	-5.11%
Treasury Intermediate Term Bonds	IEF	-1.00%	-2.94%	0.59%	-16.71%
Treasury Long Term Bonds	TLT	-2.55%	-7.03%	-1.42%	-32.82%
Corporate Bonds - Aggregate	AGG	-1.00%	-2.32%	1.27%	-14.98%
High Yield Bonds	HYG	-1.02%	-2.55%	2.09%	-15.38%
Equities					
Dow Jones Industrials Average	DIA	-0.18%	-3.89%	13.09%	-8.80%
S&P 500 Index	SPX	-0.14%	-5.70%	5.49%	-19.44%
NASDAQ Composite index	CCMP	-0.30%	-8.68%	-1.75%	-33.10%
Russell 2000 Index	RTY	0.02%	-6.95%	3.47%	-21.56%
Commodities					
Oil	USO	1.14%	0.39%	-6.64%	28.97%
Agriculture	DBA	-0.25%	1.46%	-0.15%	2.03%
Base Metals	DBB	-0.56%	-5.03%	6.17%	-12.62%
Currencies					
US Dollar	UUP	-0.61%	-1.49%	-8.22%	8.51%
Gold	GLD	1.42%	1.42%	7.45%	-0.77%
Bitcoin	BITO	-0.67%	-1.97%	-12.79%	-63.91%

Source: Bloomberg, Refinitiv, and RBC Capital Markets as of December 30, 2022. For more sources, see disclaimer slide.

Interest Rate Movements

Relative Performance of Municipal Yields Versus Treasury Yields

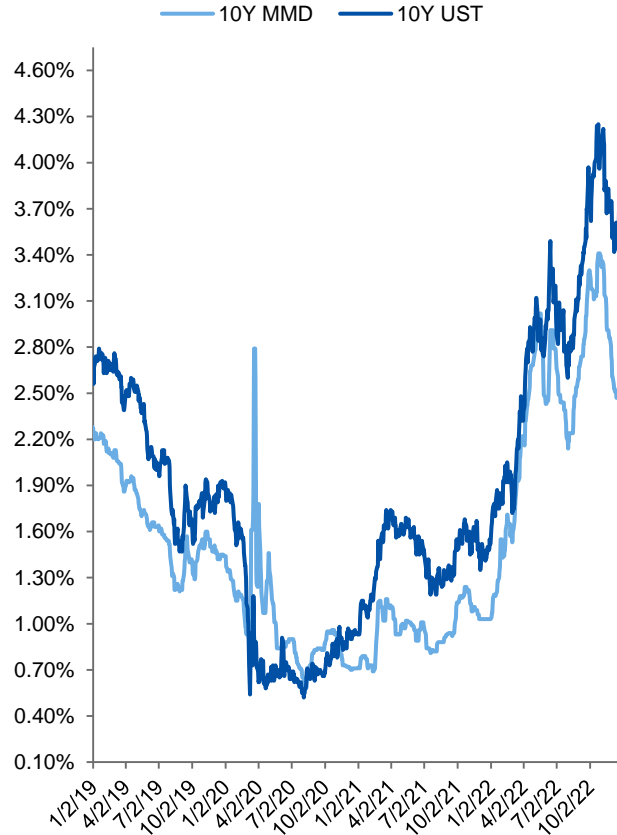
5 Year MMD⁽¹⁾ and 5 Year UST



Change in 5 Year MMD and UST

	Current Prior Values	2.52 Δ MMD (bps)	Current Prior Values	3.99 Δ UST (bps)
3 Months	3.12	-60	4.06	-7
6 Months	2.22	30	3.01	98
1 Year	0.59	193	1.27	272
2 Years	0.22	230	0.37	362

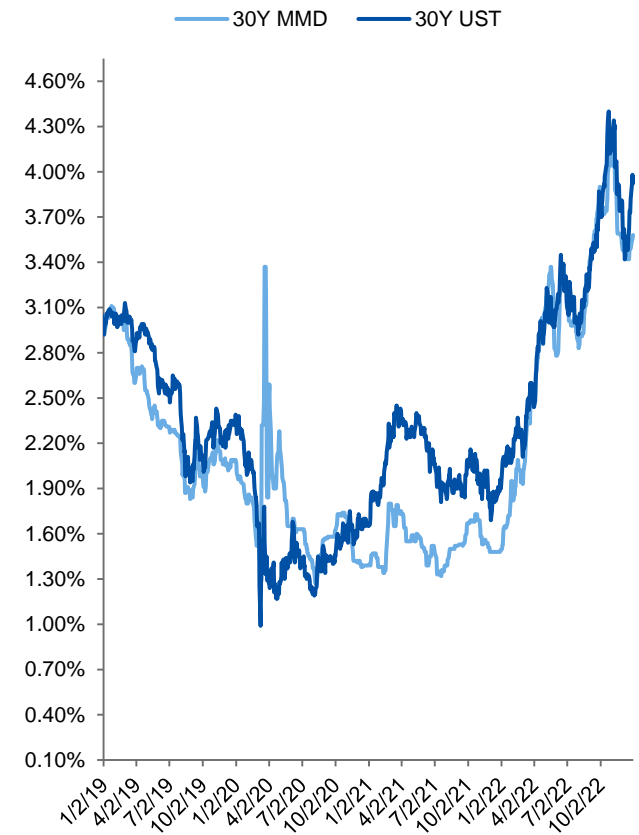
10 Year MMD and 10 Year UST



Change in 10 Year MMD and UST

	Current Prior Values	2.63 Δ MMD (bps)	Current Prior Values	3.88 Δ UST (bps)
3 Months	3.30	-67	3.83	5
6 Months	2.72	-9	2.98	90
1 Year	1.03	160	1.52	236
2 Years	0.71	192	0.93	295

30 Year MMD and 30 Year UST



Change in 30 Year MMD and UST

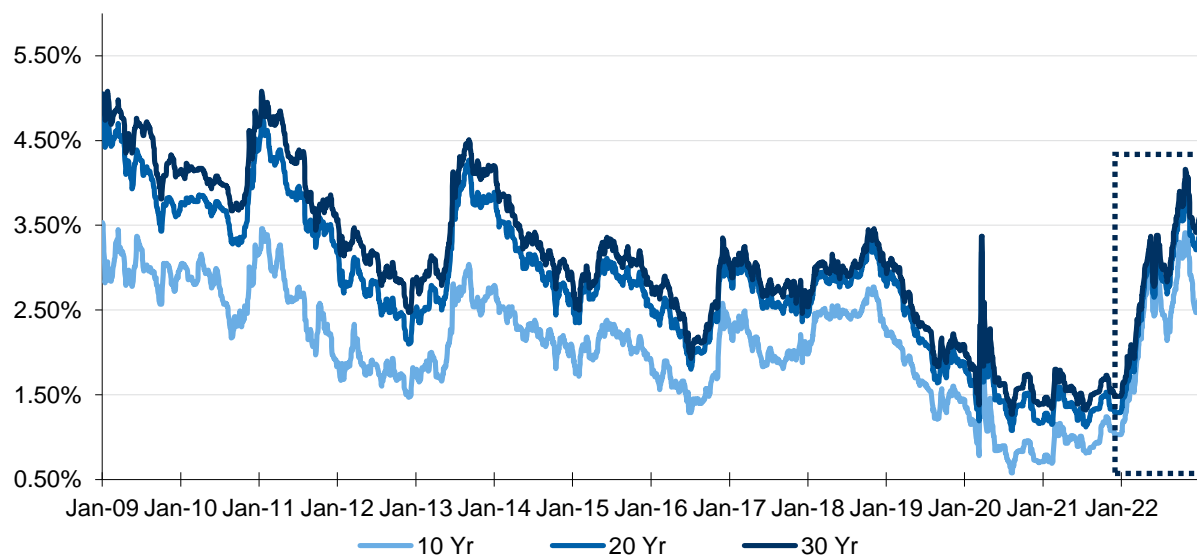
	Current Prior Values	3.58 Δ MMD (bps)	Current Prior Values	3.97 Δ UST (bps)
3 Months	3.90	-32	3.79	18
6 Months	3.18	40	3.14	83
1 Year	1.49	209	1.93	204
2 Years	1.39	219	1.66	231

(1) MMD stands for Municipal Market Data; which is the daily index off of which all municipal bonds are priced.
Source: Refinitiv

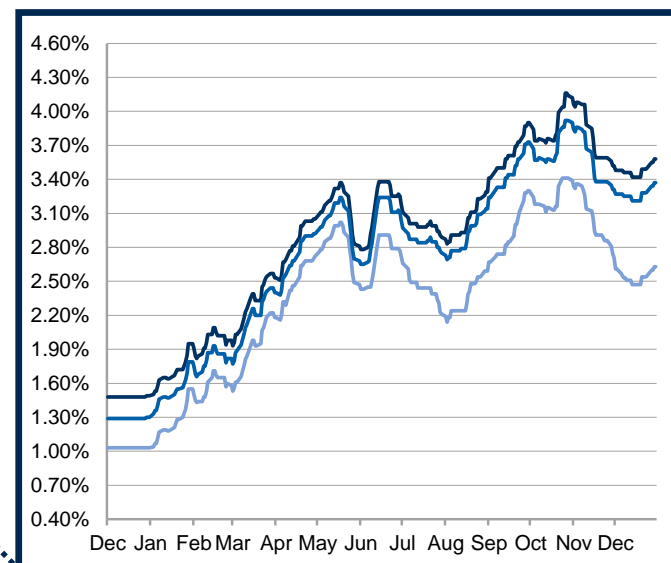
Current Municipal Market Conditions: "AAA" MMD

After closing at 3.49% the previous week, 30-year "AAA" MMD increased 9 bps on the week

"AAA" MMD January 1, 2009 to Present



Shift in "AAA" MMD Since December 2021



January 1, 2009 to Present

	10 Year	20 Year	30 Year
Maximum	3.53%	4.89%	5.08%
Minimum	0.58%	1.08%	1.27%
Current	2.63%	3.37%	3.58%

Shift in 30-year "AAA" MMD

	2014	2015	2016	2017	2018	2019	2020
	-1.34%	-0.01%	0.27%	-0.51%	0.47%	-0.93%	-0.68%

December 1, 2021 to Present

	10 Year	20 Year	30 Year
Maximum	3.41%	3.92%	4.16%
Minimum	1.03%	1.29%	1.48%
Average	2.33%	2.71%	2.87%

Source: Refinitiv
10, 20, and 30 year "AAA" MMD shown to represent different average lives of municipal transactions
Rates as of December 30, 2022

Disclaimer

Sources include: https://www.rbccm.com/assets/rbccm/docs/uploads/2017/RBCCM_Muni_Markets_Weekly_Newsletter.pdf, <http://www.rbc.com/economics/>, RBC Capital Markets.

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