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APPENDIX A
THE FOUNDATION, THE CHARTER SCHOOL, AND THE SCHOOL FACILITY

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION.....	A-1
THE CHARTER CONTRACT AND THE AUTHORIZER	A-1
Charter Contract.....	A-1
Authorizer	A-2
THE CHARTER SCHOOL’S MISSION AND HISTORY	A-2
Vision.....	A-2
Mission.....	A-2
Guiding Principles.....	A-2
Awards and Recognitions	A-2
History	A-3
CURRICULUM AND EXTRACURRICULAR ACTIVITIES	A-3
Curriculum	A-3
Math.....	A-4
Science	A-4
Social Studies.....	A-4
Language Arts.....	A-5
Associated Arts	A-5
Extracurricular Activities.....	A-5
GOVERNANCE; ADMINISTRATION; FACULTY AND FACULTY RETENTION	A-6
Governance	A-6
Governing Council Members.....	A-6
Administration	A-7
Faculty and Personnel.....	A-7
Teacher Retention	A-8
Teacher Employment Status	A-8
Parent Teacher Organization and Volunteers.....	A-8
THE FOUNDATION.....	A-9
The Foundation’s Mission	A-9
Obligations and Responsibilities.....	A-9
SCHOOL FACILITY.....	A-10
School Facility	A-10
Marketing/Recruiting Plan.....	A-10
Phase I Acquisition and Renovation	A-10
Phase II Construction	A-10
Developer.....	A-12
ENROLLMENT; DEMOGRAPHICS AND TRANSPORTATION	A-13
Historical and Current Enrollment.....	A-13
Future Enrollment Projections	A-14
Demographics	A-14
Waiting List	A-15

Student Retention.....	A-15
Transportation.....	A-15
SERVICE AREA	A-15
COMPETING SCHOOLS	A-17
ACADEMIC ACHIEVEMENT INDICATORS	A-17
Other Academic Performance Measures.....	A-18
Parent Satisfaction Survey	A-20
STATE AID PAYMENTS.....	A-21
Government Funding	A-21
State Equalization Guarantee	A-21
Public School Capital Outlay Funds	A-21
BUDGET; ACCOUNTING; AND DEBT	A-22
Finance Manager.....	A-22
Budgeting and Accounting.....	A-22
Historical Financial Data	A-23
Summary of Financial Statements and Projections.....	A-24
Audit	A-25
Employee Retirement Plan.....	A-25
No Existing Debt Obligations	A-25
Academy Foundation and Fundraising	A-25
NO LITIGATION	A-26

APPENDIX A

THE FOUNDATION, THE CHARTER SCHOOL, AND THE SCHOOL FACILITY

INTRODUCTION

21st Century Public Academy (the “Charter School”) is a New Mexico public charter school under provisions of the New Mexico Charter Schools Act, Section 22-8B-1-17 et seq (the “Charter School Act”). The Charter School is also a 501(c)(3) tax-exempt organization. The Charter School opened for the 2000-2001 school year and is beginning its eighteenth year of operation for students in grades five through eight and has slowly grown in enrollment. As of October 10, 2018, 294 students were enrolled at the Charter School for the 2018-2019 school year with a waitlist of 112 students.

The Charter School is based on the “Community as a Classroom” curriculum in which students experience Outside School Instruction (“OSI”) 20 times per year. The Charter School emphasizes a core curriculum of Math, Science, Social Studies, and Language Arts for grades five through eight, and also offers two Associated Arts courses every semester. See “CURRICULUM AND EXTRACURRICULAR ACTIVITIES – Curriculum” in this Appendix A for additional information.

Cutler Charitable Foundation (the “Foundation”) is a New Mexico nonprofit corporation and a 501(c)(3) tax-exempt organization, as defined in the Internal Revenue Code of 1986, as amended (the “Code”). The Foundation was created to support the Charter School and for the purpose of providing the Charter School with a charter school facility pursuant to NMSA 1978 §22-8B-4.2.

The proceeds of the Series 2018 Bonds will be used by the Foundation in order to: (i) refinance prior indebtedness (the “Prior Loans”) previously incurred by the Foundation in connection with (a) the acquisition and initial improvements (“Phase I”) of the school facility located at 4300 Cutler Avenue Northeast in Albuquerque, New Mexico (the “School Facility”) for grades five through eight, and (b) the costs of the construction, renovation, expansion, and improvement of an approximately 27,000 square foot addition to the School Facility, including 9 classrooms, a gymnasium, a music room, and other related facilities (“Phase II”); (ii) fund the completion of the construction and equipping of Phase II; (iii) fund a deposit to the Reserve Fund for the Series 2018 Bonds; and (iv) pay the costs of issuance of the Series 2018 Bonds. Phase I included the acquisition and certain improvements to the School Facility including the construction of ADA compliant classrooms, cafeteria, a complete nurse’s office and administration offices. Phase II includes the construction of 9 classrooms, a gymnasium, a music room, and other related facilities. The Foundation currently leases the School Facility to the Charter School pursuant to the terms of a Lease Purchase Agreement, as may be assigned or amended from time to time (the “Lease”). In connection with the issuance of the Series 2018 Bonds, the Lease will be amended and the term of the Lease will be equal to the term of the Series 2018 Bonds. See “SCHOOL FACILITY” in this Appendix A.

THE CHARTER CONTRACT AND THE AUTHORIZER

Charter Contract

The Charter School operates pursuant to a charter contract between the Charter School and its authorizer, Albuquerque Public Schools (the “Authorizer” or “APS”). The Authorizer has been the Charter School’s authorizer since its inception. The current Charter Contract between the Authorizer and the Charter School commenced July 1, 2015 and has a term of five (5) years, expiring June 30, 2020 (the “Charter Contract”). The Charter School’s first charter contract with the Authorizer was entered into in August 2000 and has been renewed three times. The Authorizer and the Charter School also entered into a Charter School Performance Contract, effective July 1, 2013 (the “Performance Contract”), in which certain educational criteria is set forth for the Charter School to meet. If the Charter School desires to modify or amend a certain criteria, the Charter School would submit an amendment to the Authorizer to amend the Performance Contract. The Charter Contract authorizes the Charter School to educate students in grades five through eight, provided that the Charter School will continue to focus on the expansion of its existing program during the current renewal term through the end of the 2019-2020 school year.

Authorizer

The Charter School Act grants certain agencies the right to authorize charter schools, including the Authorizer. The Authorizer is a unified school district for Albuquerque, New Mexico. The Authorizer's district includes approximately 121 elementary schools and/or middle schools, 26 high schools, and 29 district sponsored charter schools. The Authorizer's district serves approximately 80,000 students. The Authorizer authorizes 29 charters schools in the Albuquerque Public School District (including the Charter School). See "APPENDIX B – NEW MEXICO LAWS RELATING TO CHARTER SCHOOLS" in this Official Statement for more information on authorizers.

THE CHARTER SCHOOL'S MISSION AND HISTORY¹

Vision

The Charter School has adopted the following Vision Statement:

21st Century Public Academy will provide experiences, situations, and opportunities for students to develop talents and to understand their role in the community. The body, mind, and spirit of each person will grow through lessons learned at school. Students will acquire a sense of personal responsibility, independence, and community interdependence.

Mission

The Charter School has adopted the following Mission Statement:

It is the mission of 21st Century Public Academy to continually search for positive learning experiences that enrich students and staff. Many of these lessons will take place in the arena in which they are practiced.

Guiding Principles

The Charter School is guided by the following principles:

- Greater collaboration between home and school
- Communication and collaboration are essential ingredients for every child's success in school
- Small class size and proven teaching methods are key to successful academic experiences for all kinds of learners
- Every day can be productive, safe, and successful
- People learn by hearing, seeing and doing, especially with constructive, consistent feedback
- The Community as a Classroom

Awards and Recognitions

The Charter School has received the following awards and recognitions:

- 2009 – One of 18 New Mexico Schools honored by the Public Education Department for Math and Science Achievement
- 2008 – National Charter School of the Year from the National Alliance for Charter Schools sponsored by the U.S. Department of Education

The National Board Certified Teachers New Mexico Network also awarded Mary Tarango, principal of the Charter School, Administrator of the Year in 2016.

¹ Unless otherwise noted, data about the Charter School is taken from the Charter School's own internal records.

The Charter School was the first charter school in Albuquerque to participate in the Network to Transform Teaching (NT3), funded through a federal U.S. Department of Education Seed Grant (2013-2018). NT3 is a consortium of 10 states, 50 districts, and 130+ schools that seek to strengthen teacher development systems so all students have access to accomplished teachers every day. NT3 is anchored in the National Board for Professional Teaching Standards' longstanding promise to the field to be by teachers, for teachers. NT3 relies on the wisdom of practitioners at the school, district and state levels to develop resources and strategies that will bring accomplished, Board-certified teaching to scale. As a Networked Improvement Community, NT3 uses a structured approach to find systematic solutions to complex problems using an evidence-based process, balancing local context with nationwide applicability. Teachers at the Charter School continue to benefit from training and materials.

History

The Charter School was started by teachers who had worked together under a charter at Taylor Middle School in the City of Albuquerque, New Mexico (the "City") and was declared an official charter school in 1999 by the Board of the Albuquerque Public Schools and the New Mexico Public Education Department ("PED"), making it the first charter middle school in the City. The Charter School is organized pursuant to the Charter School Act and is exempt from federal income taxation as a governmental entity. The Charter School began its first year of operations and instruction for the 2000-2001 school year and just completed its seventeenth school year of operation (starting its eighteenth year for the 2018-2019 school year).

The Charter School initially served 40 students in grade six for the 2000-2001 school year. Grade seven was added in the 2001-2002 school year and grade eight was added in the 2002-2003 school year. As of October 10, 2018, 294 students were enrolled at the Charter School for the 2018-2019 school year. For the 2018-2019 school year, students of the Charter School are drawn from a total of 23 different zip codes in and around the City metro area located in Bernalillo County. See "SERVICE AREA" in this Appendix A.

The Charter School operates on a semester calendar from early September through mid-June and prior to moving to the School Facility was located at 6805 Academy Parkway West Northeast in the City (the "Prior Facility") for sixteen school years. Prior to occupying the Prior Facility, the Charter School occupied a facility not far from the site of the School Facility.

In 2016, the Charter School began a search for a larger facility due to its continued growth that has included waiting lists for many grades. After a detailed site search, the Charter School ultimately decided to focus on the School Facility. Pursuant to the terms of a Purchase and Sale Agreement (the "Purchase Agreement"), the Foundation purchased the School Facility from MELD, LLC (the "Seller") for a purchase price of \$5,500,000, including the Phase I improvements of \$1,833,258 in 2017. The Foundation completed Phase I in time for the beginning of the Charter School's 2017-2018 school year. The Foundation is currently leasing the School Facility to the Charter School pursuant to the Lease.

In connection with the Charter School's projected growth and expansion of its current curriculum and programming, the Foundation, on behalf of the Charter School and using proceeds of the Series 2018 Bonds, will construct Phase II which commenced construction in July 2018. Construction of Phase II will include the addition of 9 classrooms, a gymnasium, a music room, and other related facilities necessary for the School Facility. Phase II is expected to be completed by the middle of the 2018-2019 school year.

CURRICULUM AND EXTRACURRICULAR ACTIVITIES

Curriculum

As mentioned previously, the Charter School's curriculum is based on the "Community as a Classroom" model in which students experience outside school instruction 20 times per year. The Charter School's curriculum emphasizes a core curriculum of Math, Science, Social Studies, and Language Arts for grades five through eight. The Charter School also offers two Associated Arts courses for every student every semester.

The Charter School provides an educational program that is data driven based on the results of NWEA-MAPS. Charter School students are tested at the beginning of each school year, mid-year and at the end of the year. Based on initial assessments, students are placed in classes based on their performance in Math and Language Arts. If students display other indicators that require movement within the classes, the team of teachers can move them to the most appropriate class/grouping. Based on research students are provided instruction at a level above their performance indicators. The Charter School does not use a specific curriculum but utilizes the data driven instruction. In Language Arts, the Charter School has materials available but also utilizes instructional material money to provide materials that are specific to the areas of needed instructional support. Students have individual email accounts and each student uses a Chromebook to access materials and textbooks online. The Charter School promotes Kahn Academy as an online resource and also for classroom support in order to provide instructional access away from school. Students are aware of their performance scores immediately after the test and set personal goals for the next testing window.

The Charter School has its own domain for inter-school communication and each student has a computer notebook for classroom use. This allows students to have 24-hour access to teacher websites and assignments and contributes to the Charter School's technology-based presentation of curriculum for more global access to information.

The Charter School uses the promotional phrase "A private education at the public school price." The Charter School's classes are organized based on proficiency levels in Language Arts and Math to allow for more targeted instruction. The Charter School continuously performs in the top 10 middle schools in the State of New Mexico (the "State") in Language Arts, Math and Science. This information was gathered from the Annual Report Cards with the Science Results and then combined for grades six, seven and eight.

Math

In fifth grade, students practice math using real life situations such as balancing a bank statement, purchasing items on a budget, calculating tax and tip at a restaurant, constructing a miniature hot air balloon, and sketching and identifying geometric objects. In sixth grade, students learn to sharpen computational skills, gain additional knowledge in Statistics and Probability, and are introduced to new ideas such as 3-D geometry and using variables. In seventh grade, students gain experience with fractions, geometry concepts involving angle measure, surface area and volume, and statistics and probability. In eighth grade, students develop skills to prepare for high school algebra, such as solving variables, slope, and polynomials. Some students may be placed in algebra and may earn high school credit if they pass the End of Course test. Students will also learn to keep track of finances and the importance of investing money by visiting a credit union.

Science

In fifth grade, students learn how the world works through discovering science in the community, such as visiting a plant nursery, planting a garden, sketching and observing wildlife at the Nature Center, and experiencing STEM activities through participation in the La Luz Academy at Kirtland Airforce Base. The sixth grade science curriculum begins with the concepts of matter, mass, atomic structure, volume, and density. Students then learn about the concepts and structure of the geosphere, including the layers of the Earth and forces that shape and change the surface, the atmosphere, the weather, the solar system and space. The focus in seventh grade is on the Life Sciences, such as Cell Theory, Theory of Evolution through Natural Selection, viruses, bacteria, insects, plants, human body systems, and dissection of organs. In eighth grade, the students turn their focus to Physical Science by exploring the properties of matter, mixtures and solutions, compounds, elements, the periodic table, motion and forces, magnetism and electricity, along with space and ocean science.

Social Studies

The Charter School provides rich content in both World and American history at each grade level. In fifth grade, students learn about the history, geography, and government of the United States. In sixth grade, the students study World History. In seventh grade, students focus on New Mexico geography, mapping, history, culture, economics, and government. Eighth grade students learn how to use current technology to determine relationships between United States History, the current world and the world of the past.

Language Arts

In language arts, the Charter School focuses on improving students reading and writing skills. In fifth grade, students hone their writing skills to be able to persuade, entertain, inform, and explain their thinking. In sixth grade, students begin to create complex writing, find their own voice in written expression, critically examine literature, and read and write daily. Seventh grade students explore the different literary genres and understanding of grammar and writing styles. In eighth grade, students read a variety of fiction and nonfiction texts to challenge their thinking about the meaning of progress and offer evidence to support their research.

Associated Arts

The Charter School offers the following classes every semester and each student may choose two courses:

Physical Education. Students experience a wide range of non-traditional activities, such as Geo-Caching and Rock Climbing, as well as traditional activities to develop motor skills. The physical education program also provides lessons on nutrition and health as well as some anatomy.

Media Arts. Students explore various methods that are used today to share messages and ideas with a mass audience. Students will produce media for use in the Charter School's yearbook and website. The Charter School has secured two 3-D printers and other current apparatus to prepare students to present projects in other classes in a more up-to-date format. This allows the students to stay on the cutting edge in the use of technology in the classroom.

Modern Band and Music. The Charter School believes every student should experience music education. Studies have proven that music enhances a student academically, socially and physically. Students learn how to perform as a unit, creating harmony and synergy, and how to overcome obstacles. The University of Wisconsin has recognized the Charter School's music instructor's curriculum as unique and more appropriate to develop a lifelong appreciation of music. The music program offers more than playing an instrument but indeed explores all facets of the music industry. The Charter School's music instructor has been invited to present the Charter School's music program to the University of Wisconsin's Music Department.

Study Lab. The Study Lab is a place students can get help with their studies, such as further explanation, clarification, or just additional time to complete an assignment.

Art. Students experience a wide range of art techniques, such as using recycled and new materials to create projects which are used in the State Fair competitions and the APS Art Festival. The eight grade class also participates in the Mural Fest at Midtown.

Extracurricular Activities

The Charter School participates in the APIAL Athletic League and includes a variety of sports-related extracurricular opportunities such as track, volleyball, cross country, golf, tennis, basketball, flag football, soccer, color guard, and softball. Participation is open to all students at all grade levels, including student managers, so no student with an interest is unable to participate.

The Charter School competes annually in the City-wide Science Bowl, Geography Bee and each year the sixth grade students go to Roundhouse and participate with the Wild Friends Program.

After School Enrichment. The Charter School offers after school programs such as Spanish club, music, tutoring, Student Council, including activities offered by the PTA throughout the year which include babysitting, cake decorating, CPR, yoga, magic, and art. A select group of students who participate in Student Council are given the opportunity to serve as pages for the State's Senators and Legislators.

Before and After School Supervision. Teachers at the Charter School are available before and after school to provide assistance, supervision and tutoring for students outside of the regular school day.

GOVERNANCE; ADMINISTRATION; FACULTY AND FACULTY RETENTION

Governance

New Mexico law requires all public charter schools to be governed by a governing council. All New Mexico charter school boards are subject to New Mexico's public meeting laws and are open to the public. The charter school law requires the governing council to have at least five members and no more than seven members, with at least two parents or legal guardians of a current student in the school, and no more than four qualified business or local community members who are neither employed at the school nor have a child enrolled at the school.

The Charter School is currently governed by a governing council (the "Governing Council"). The bylaws of the Governing Council state that there will be no fewer than five (5), but no more than seven (7) voting members. Voting members will consist of no fewer than two (2), but no more than three (3) qualified parent members and no fewer than three (3) and no more than four (4) qualified business or local community members. No voting member of the Governing Council may be an employee of the Charter School. The Governing Council currently has seven (7) sitting members, comprised of three parents of enrolled students and four community members who are not employed by the Charter School and do not have a child enrolled at the Charter School. Minutes of the Charter School's Governing Council are posted on the Charter School's website.

The Charter School's Bylaws require an election for Governing Council seats to be held each year at the Governing Council's annual meeting in August, or such earlier date as may be set by the Governing Council. The most recent election was held on September 17, 2018. Newly elected Governing Council members are seated in September for terms of two years and may run for up to four subsequent terms. Regular Governing Council meetings are held on the third Monday of each month. There are currently three standing committees that generally meet once a month: Finance, Audit, and Nominating. The Charter School will also establish and maintain a School Advisory Committee to assist the principal with school-based decision-making and involve parents in their children's education.

Governing Council Members

The following individuals currently serve as members of the Charter School's Governing Council:

<u>Name</u>	<u>Board Position</u>	<u>Month Seated</u>
Virginia Trujillo	President, Community member	September 2018
Art Silva	Vice President, Community member	September 2018
Kathy Webb	Secretary, Community member	September 2018
Phil Sapien	Parent Member	
Evelyn Dow	Community member	
Elizabeth Piazza	Parent member	
Victoria Tafoya	Parent member	
Mary Tarango	Principal, Non-Voting member	
Michael Vigil	Business Manager, Non-Voting member	

The following is a summary of information about the Charter School Governing Council:

Virginia Trujillo, President, Community Member. Ms. Trujillo currently serves as President of the Governing Council. She has served on the Governing Council since October 2013. Ms. Trujillo is currently serving on the Central New Mexico Community College Governing Board. Ms. Trujillo has served on the Board of Education for 12 years and the New Mexico Technical Vocational Institution governing board for four years. Ms. Trujillo earned a Bachelor's degree in Child Development and a Master's degree in Secondary Administration and Secondary and Adult Emphasis on Work Force Development from the University of New Mexico.

Art Silva, Vice President, Community Member. Mr. Silva currently serves as Vice President of the Governing Council and serves as Vice President of the Governance Council Committee. Mr. Silva has been a member of the Governing Council since October 2015. Mr. Silva is a founder of the Charter School and prior to retirement, Mr. Silva was employed as a Level III Master Math Teacher. Mr. Silva earned a Bachelor's degree in Math from New Mexico Tech.

Kathy Webb, Secretary, Community Member. Ms. Webb currently serves as Secretary of the Governing Council and has been a member of the Governing Council since June 2017. Ms. Webb is currently retired but previously taught fifth and seventh grade at the Charter School. Ms. Webb earned a Master's degree in Math with a minor in Science from the University of New Mexico.

Phil Sapien, Parent Member. Mr. Sapien has served on the Governing Council since September 2016 and serves on the Policy Committee. He is a practicing civil and criminal litigator at Sapien Law. Mr. Sapien earned a Juris Doctorate degree from the University of Arizona. Mr. Sapien has one child enrolled at the Charter School.

Evelyn Dow, Community Member. Ms. Dow has served on the Governing Council since September 2018 and serves on the Audit Committee. She is currently employed as a Director at CNM Ingenuity, Inc., facilitating varied Central New Mexico Community College space and property resources to business and industry throughout ten campus locations. Ms. Dow earned a Bachelor of Science degree from Arizona State University and a Master's in Business Administration from the University of Phoenix.

Elizabeth Piazza, Parent Member. Ms. Piazza has served on the Governing Council since September 2018. She is currently employed as an attorney at Guebert Bruckner Gentile, P.C. Ms. Piazza earned a Juris Doctorate from the University of New Mexico School of Law. Ms. Piazza has one child enrolled at the Charter School.

Victoria Tafoya, Parent Member. Ms. Tafoya has served on the Governing Council since September 2018. She is currently employed as a Director of Operations at Dual Language Education of New Mexico. Ms. Tafoya earned a Master's degree in Educational Administration from the University of New Mexico. Ms. Tafoya has one child enrolled at the Charter School.

Administration

Key administrators of the Charter School include the following individuals:

Mary Tarango, Principal. Ms. Tarango has been the Principal of the Charter School since July 2012. Prior to joining the Charter School, Ms. Tarango was employed at Albuquerque Public Schools as a middle school science, math and language arts teacher. Ms. Tarango was also a middle school Principal and Assistant Principal as well as a College Career Counselor. Ms. Tarango earned a Bachelor's degree in Elementary Education from the University of New Mexico, a Master's degree in Computers in Education from Leslie College, and a Master's degree in School Administration from the University of New Mexico.

Michael Vigil, Business Manager. Mr. Vigil and his business The Vigil Group, LLC have been the Business Manager at the Charter School since April 2015. Mr. Vigil is the founder and Chief Executive Officer of The Vigil Group, LLC (the Charter School's finance manager). Mr. Vigil has worked in public school finance for 28 years, including various positions in the Albuquerque Public School District such as Director of Internal Audit, Chief Financial Officer, Chief Business Officer, Associate Superintendent, and Superintendent for Business, and as Executive Director and the Chief Operations Officer of the New Mexico Coalition for Charter Schools. Mr. Vigil is a licensed Certified Public Accountant and is a Level II Licensed Business Manager. Mr. Vigil earned a Business degree from the Anderson School of Management at the University of New Mexico.

Faculty and Personnel

As of October 10, 2018, the Charter School employed 26 full-time employees and three part-time employees, including 17 full-time teachers and two part-time teachers. Of these teachers, all hold bachelor's

degrees, six hold master’s degrees, and three are National Board Certified with two in training. The student-teacher ratio for the Charter School is approximately 21:1. 14 teachers have more than 5 years of teaching experience.

Faculty

	<u>2015–2016</u>	<u>2016–2017</u>	<u>2017–2018</u>	<u>2018–2019*</u>
Teachers	16	17	18	19
Administrators	2	2	2	2
Professional Support	7	7	7	7
Total Employees	25	26	27	28
Average Student: Teacher Ratio	17:1	17:1	17:1	21:1

**As of October 10, 2018.
Source: The Charter School.*

Teaching Experience

	<u>2018-2019</u>
Beginning Teachers	2
1-5 Years’ Experience	5
6-10 Years’ Experience	1
Over 10 Years’ Experience	13

Source: The Charter School.

Teacher Retention

The table below shows the teacher retention rate for the 2016-2017 through 2018-2019 school years, or the percentage of teachers employed by the Charter School in September as compared to those who were employed in June of the prior year.

Teacher Retention Rate from the 2016-2017 to 2018-2019 School Years

	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>
Percent of Teachers Retained From Prior School Year	81%	82%	88%

Source: The Charter School.

Teacher Employment Status

All of the Charter School teachers are at-will employees. To the Charter School’s knowledge, there have been no efforts to date by the Charter School teachers to organize into a union.

Parent Teacher Organization and Volunteers

The Charter School’s Parents and Teacher Association (“PTA”) is organized under the authority of the New Mexico Congress of Parents and Teachers, a branch of the National Congress of Parents and Teachers. The PTA’s purpose is to (i) promote the welfare of children and youth in home, school, community, and place of worship, (ii) raise the standards of home life, (iii) secure adequate laws for the care and protection of children and youth, (iv) bring into closer relation the home and the school, that parents and teachers may cooperate intelligently in the education of children and youth, and (v) develop between educators and the general public such united efforts as will secure for all children and youth the highest advantages in physical, mental, social, and spiritual education.

The PTA organizes two large community events, the Fall Festival and the Spring Fling, and organize fundraising events for the Charter School to provide support to teachers in the classroom. The PTA also selects the vendor for the Charter School uniforms and maintains a clothing bank for students. All parents, grandparents and community members are welcome to attend all monthly meetings.

THE FOUNDATION

Cutler Charitable Foundation (the “Foundation”) is a New Mexico nonprofit corporation and a 501(c)(3) tax-exempt organization as defined in the Code. The Foundation was created to support the Charter School and for the purpose of providing the Charter School with a charter school facility pursuant to NMSA 1978 §22-8B-4.2. The Foundation was incorporated as a New Mexico nonprofit entity on January 18, 2017 and received its IRS determination letter on July 6, 2017.

The current Board of Directors of the Foundation (the “Foundation Board”) consists of three (3) officers and additional members that make up a voting board of trustees, as noted below:

Name	Board Position
Alec Houser	President/Secretary
Marc Chavez	Vice President
Hugo Sanchez	Treasurer

Alec Houser, President/Secretary, Foundation Board. Mr. Houser is currently serving as President/Secretary of the Foundation Board. He is currently employed at Document Solutions as an Account Executive. Mr. Houser earned a Bachelor’s degree in Business Management from Metro State.

Marc Chavez, Vice President, Foundation Board. Mr. Chavez is currently serving as the Vice President of the Foundation Board. He is currently employed as the Executive Administrator for the Office of the Bernalillo County Manager.

Hugo Sanchez, Treasurer, Foundation Board. Mr. Sanchez is currently serving as Treasurer of the Foundation Board. He is currently employed at Western Union as a District Sales Representative. Mr. Sanchez earned a Bachelor’s degree in Education from the University of New Mexico.

The Foundation’s Mission

The mission of the Foundation is to support the educational goals and operations of the Charter School and to provide a source of funds for any unanticipated expenses, including capital expenditures that cannot be paid for by “public funds” or where public funds are either unavailable or inadequate to fulfill the purpose of the Charter School.

The Foundation will provide further support to the Charter School through the issuance of the Series 2018 Bonds, the proceeds of which will be loaned to the Foundation to refinance the Prior Loans and finance the construction, renovation, expansion, and improvement of Phase II. The School Facility is currently leased to the Charter School by the Foundation pursuant to the Lease. In connection with the issuance of the Series 2018 Bonds, the Lease will be amended and the term of the Lease will be equal to the term of the Series 2018 Bonds. The Lease provides the Charter School an option to purchase the School Facility. See “SCHOOL FACILITY – Phase I Acquisition and Renovation” in this Appendix A for additional information.

Obligations and Responsibilities

The Foundation has no substantial assets other than the School Facility and does not intend to acquire any other substantial assets or to engage in any substantial business activities other than those related to the School Facility and the Foundation’s stated mission.

The obligations and liabilities of the Foundation under the Loan Agreement and the Amended and Restated Deed of Trust are of a full recourse nature but are nonetheless limited to the School Facility and monies derived from the operation of the School Facility, including revenues received pursuant to the Lease with the Charter School, since the School Facility will be the only significant asset of the Foundation. No representation is made that the Foundation has substantial funds available for the School Facility or for repayment of the Series 2018 Bonds other than from rents received under the Lease.

The Foundation does not have, and is not expected to have, any employees of its own. Consequently, pursuant to the Lease, the Charter School is required to perform all property maintenance functions for the School Facility, including major repairs/replacement of structural/building systems.

SCHOOL FACILITY

School Facility

Prior to acquiring the School Facility, the Charter School operated in the Prior Facility which contained approximately 15,600 square feet of leased space by the Charter School. The Prior Facility was approximately 7.4 miles from the School Facility, which will contain approximately 52,000 square feet upon completion of Phase II.

In 2017, the Foundation purchased the School Facility from the Seller. The Foundation renovated the approximately 25,000 square foot School Facility to accommodate increasing enrollment at the Charter School. The Foundation currently leases the School Facility to the Charter School pursuant to the Lease. In connection with the issuance of the Series 2018 Bonds, the Lease will be amended and the term of the Lease will be equal to the term of the Series 2018 Bonds.

Marketing/Recruiting Plan

The Charter School has a marketing plan in place to recruit students to the expanded School Facility for the 2019-2020 academic year. The Charter School's marketing and recruiting began in the summer of 2016 for school year 2017-2018 enrollment. The marketing plan includes mailings, press releases in local newspapers, radio advertisement, email campaigns, social media, informational flyers, and publicly held information sessions advertised through all these media. APS holds an annual School of Choice Fair which occurs in the fall and the Charter School generates approximately 50% of its waitlist from this event. General information sessions are held for all interested families, as well as specific information sessions for each grade level that will allow prospective families to meet administration and teaching staff. Tours of the School Facility and Open House events are also scheduled annually. See "ENROLLMENT; DEMOGRAPHICS AND TRANSPORTATION – Future Enrollment Projections" in this Appendix A.

Phase I Acquisition and Renovation

Pursuant to the Purchase Agreement, the Foundation purchased the School Facility site from the Seller in 2017 for a purchase price of \$5,500,000 upon the terms set forth in the Purchase Agreement. The costs of Phase I were included in the purchase price by the Foundation under the Purchase Agreement and Public School Capital Outlay Funds in the amount of \$1,582,258 were spent in connection with Phase I with an additional \$250,000 from the Charter School Capital Funds. The Foundation currently leases the School Facility to the Charter School pursuant to the Lease for use by the Charter School as a public school facility. The Lease provides the Charter School an option to purchase the School Facility from the Foundation after certain requirements in the Lease are met.

Phase II Construction

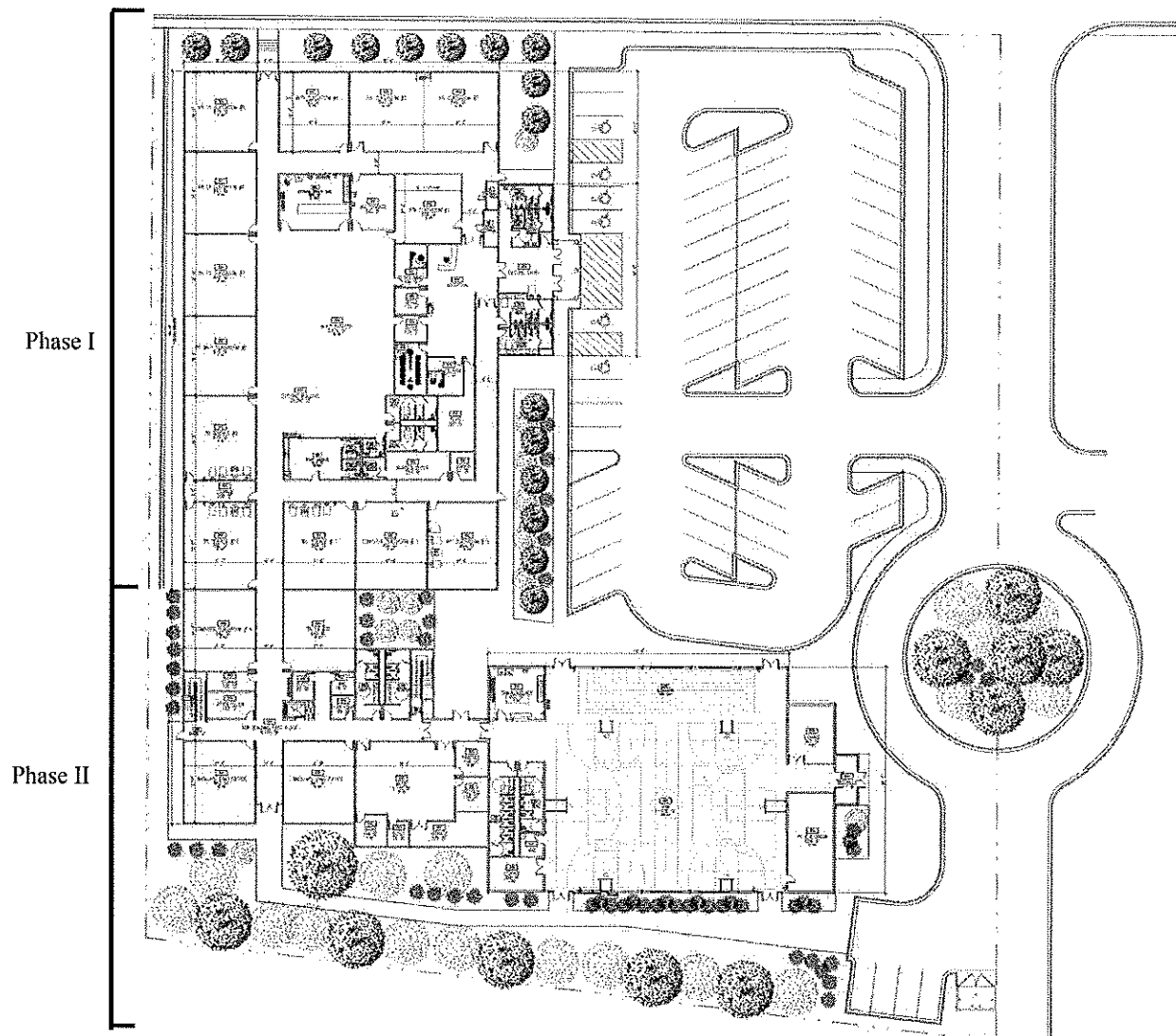
The Foundation and the Charter School will use a portion of the proceeds of the Series 2018 Bonds to construct Phase II to the School Facility. The School Facility will be used as the Charter School's public school facility. The School Facility will accommodate increasing enrollment at the Charter School.

Phase II of the School Facility will be constructed by William Cervantes Enterprises, Inc. (the "Contractor") and completed under the terms of a Standard Form of Agreement Between Owner and Contractor where the basis of payment is a Stipulated Sum, dated May 24, 2018 (the "Phase II Construction Contract"), between the Foundation and the Contractor. The Phase II Construction Contract has a stipulated price of \$3,657,510, subject to additions and deductions as provided in the Phase II Construction Contract. The stipulated price under the Phase II Construction Contract includes a contingency amount of 5% of the cost of Phase II. The Phase II Construction Contract provides that the Contractor will achieve substantial completion of Phase II by December 31, 2018 (commenced construction in July 2018) and does not provide for liquidated damages if the Contractor fails to achieve substantial completion or is delayed. The Foundation currently believes construction of Phase II will be completed by February 2019 (subject to punchlist items). The Phase II Construction Contract provides that the stipulated sum will be paid in monthly draws. The Phase II Construction Contract does not require the Contractor to provide any payment or performance bond.

Phase II will consist of the construction of an approximately 27,000 square foot addition to the School Facility which commenced construction in July 2018. Construction will include the addition of 9 classrooms, a gymnasium, a music room, and other related facilities necessary for the School Facility. Phase II construction is expected to be completed by February 2019.

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Site Plan of School Facility



Source: *The Charter School.*

Developer

The Company purchased the School Facility from the Seller, of which DePonte Investments, Inc. (the "Developer") is an affiliate. The Company engaged the Developer to complete the renovations in connection with Phase I. The Developer is assisting the Company with completion of Phase II and will be paid a fee of \$200,000.

The Developer was formed in 1985 and focuses primarily on commercial real estate development, leasing and management. The Developer specializes in United States government leases and has completed projects for the United States General Services Administration in Arizona, New Mexico, Illinois, and Louisiana. The Developer has represented numerous national and international corporate and government clients. The largest single commercial lease and redevelopment negotiated to date by the Developer has been a 335,000 square foot office building in Denver, Colorado leased to the government on behalf of Provident Life and Accident Company of Chattanooga, Tennessee. The Developer has recently completed two approximately 150,000 square foot buildings for the Bureau of Indian Affairs in Albuquerque, New Mexico, which include new federal requirements for a Level 4 security building and progressive collapse structural systems. Over the last twenty years, the Developer has negotiated over 5 million square feet of leased space for corporate and government needs.

ENROLLMENT; DEMOGRAPHICS AND TRANSPORTATION

Historical and Current Enrollment

The Charter School's current student enrollment is 294 students as of October 10, 2018 for the 2018-2019 school year, and historical enrollment for the five (5) most recently completed school years is below:

Historical Enrollment – 40 Day Count

Grade	2013- 2014	2014- 2015	2015- 2016	2016- 2017	2017- 2018	2018- 2019
5	33	21	23	32	36	38
6	78	70	81	59	70	94
7	73	84	83	82	66	87
8	72	61	73	80	68	75
TOTAL	256	236	260	253	240	294

Source: The Charter School.

Note: The 40 Day Count for the 2018-2019 school year was taken on October 10, 2018.

Historical Enrollment – 80 Day Count

Grade	2013- 2014	2014- 2015	2015- 2016	2016- 2017	2017- 2018
5	33	25	24	30	36
6	77	75	79	59	70
7	73	84	81	78	66
8	72	64	72	79	69
TOTAL	255	248	256	246	241

Source: The Charter School.

Note: The 80 Day Count for the 2018-2019 school year will be taken on December 3, 2018.

Historical Enrollment – 120 Day Count

Grade	2013- 2014	2014- 2015	2015- 2016	2016- 2017	2017- 2018
5	36	31	24	31	36
6	78	77	75	62	72
7	75	82	78	77	76
8	69	65	69	81	82
TOTAL	258	255	246	251	266

Source: The Charter School.

Note: The 120 Day Count for the 2018-2019 school year will be taken on February 13, 2019.

Current Enrollment

Grade	2018-2019*
5	38
6	94
7	87
8	75
TOTAL	294

**Enrollment as of October 10, 2018.*

Source: The Charter School.

Future Enrollment Projections

The Charter School’s expansion plans are focused on expanding its program from a 120 day count of 266 students for the 2017-2018 school year toward full projected enrollment of approximately 598 students by the 2022-2023 school year. The following table shows the future enrollment projections at the Charter School. Enrollment plans include expansion to 598 students by the 2022-2023 school year.

Projected Enrollment

Grade	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
5	38	70	70	70	110
6	94	176	176	176	176
7	87	94	176	176	176
8	75	90	94	176	176
TOTAL	294	430	516	598	598

Source: The Charter School.

Demographics

It is the Charter School’s policy to provide equal educational opportunity for all students. The Charter School does not unlawfully discriminate on the basis of race, color, creed, religion, national origin, sex, marital status, parental status, status with regard to public assistance, disability, sexual orientation or age.

The following table shows the Charter School’s demographics for the 2018-2019 school year.

	Percentage of Students		No. of Students
Hispanic	64.3%	Limited English Proficient	16
Caucasian	28.2	Special Education	77
African American	2.7	Free Lunch	101
Asian/Pacific	1.7	Reduced Lunch	28
Native American	3.1		

Source: The Charter School.

Waiting List

The Charter School enrolls an eligible pupil who submits a timely application, unless the number of applications exceeds the capacity of a grade level. In this case, pupils are accepted by lottery. The Charter School has developed and published an admissions policy on its website. In accordance with law, the Charter School gives enrollment preference to returning pupils and a sibling of a currently enrolled or previously enrolled pupil.

If an enrollment lottery is needed, names are drawn in February for the following school year. Students with siblings enrolled in the Charter School receive higher priority than remaining students per Charter law. The students whose names are not drawn are placed on a waiting list. The waiting list carries over from year to year. The table below is the waiting list for the 2019-2020 school year and for the current school year:

Historical and Current Waiting Lists

<u>Grade</u>	<u>Waiting List for 2018-2019</u>	<u>Waiting List for 2019-2020 (as of November 2, 2018)</u>
5	10	15
6	81	93
7	12	86
8	9	15
Totals	112	209

Source: The Charter School.

Student Retention

The following table shows the number of students who returned to the Charter School for the following school year.

Student Retention Rates During School Year

<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>
93.70%	92.69%	94.32%	91.89%	94.68%	95.85%

Source: The Charter School.

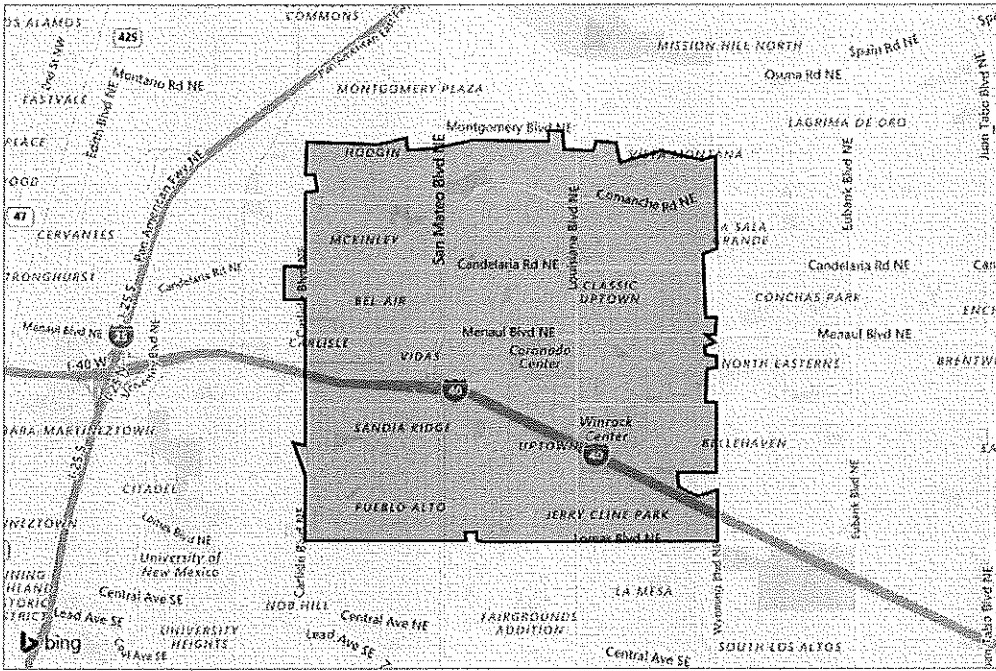
Transportation

All students who attend the Charter School are eligible to ride the bus within the bus boundaries. Approximately 30% of the students at the Charter School ride the buses provided by the Charter School through its contract with American Student Transportation. A map of the Charter School's boundaries for its busing service to students is the same as its primary service area. See "SERVICE AREA" below in this Appendix A. The Charter School's busing boundaries do not follow the boundaries of a single traditional school district. APS receives funding from PED and provides service for the Charter School. There is no cost to the Charter School for transportation.

SERVICE AREA

The School Facility is located at 4300 Cutler Avenue Northeast in the City. The Charter School is positioned in the Albuquerque Public School District and is approximately 7.4 miles from the Charter School's Prior Facility. The Albuquerque Public School District is the largest school district in New Mexico, serving approximately 80,000 students in the cities of Albuquerque, Corrales and Los Ranchos, the counties of Bernalillo and Sandoval, and the pueblos of Isleta and Laguna. The map on the following page shows the Albuquerque metro area that comprises the primary service or market area served by the Charter School during the 2018-2019 school year and the breakdown of enrollment by zip code. The general boundary of the service area is Montgomery

Boulevard Northeast to the North, Wyoming Boulevard Northeast to the East, Lomas Boulevard Northeast to the South, and Carlisle Boulevard Northeast to the West.



Source: The Charter School.



Source: Google maps.

<u>Zip Code</u>	<u>No. of Students</u>	<u>Zip Code</u>	<u>No. of Students</u>
87120	55	87113	14
87121	33	87112	8
87105	23	87104	7
87114	22	87106	6
87123	21	87031	5
87107	18	87102	5

The remaining 15 students come from the following zip codes: 87144, 87116, 87124, 87001, 87004, 87023, 87039, 87048, 87122, 87181, 87191.

COMPETING SCHOOLS

The following competing public schools are located within 9 miles of the School Facility.

Public Schools

<u>School Name</u>	<u>Grades Served</u>	<u>Enrollment*</u>	<u>Distance (miles) from the School Facility</u>
Garfield Middle School	6-8	349	8
McKinley Middle School	6-8	515	8
Cleveland Middle School	6-8	671	6
Hayes Middle School	6-8	379	5

**Estimated enrollment as of October 1, 2018 for the 2018-2019 school year.*

Source: The Charter School.

The Charter School does not believe that there are any charter schools in the area which educate the same types of students.

ACADEMIC ACHIEVEMENT INDICATORS

The tables on the following page present the academic performance of the Charter School, Albuquerque Public School District, the State of New Mexico, and competing schools' statewide averages as measured by the Partnership for Assessment of Readiness for College and Careers test ("PARCC"), annual state tests administered by schools to assess student performance in English language arts/literacy and math.

The PARCC tests help ensure that all students, regardless of income, family background or geography, have equal access to a world-class education that will prepare them for success after high school in college and/or careers. PARCC tests provide a valid and reliable evaluation of each student's progress towards State standards in English and mathematics. The tables on the following page summarize the past four years' proficiency results of the Charter School's students as compared to Albuquerque Public Schools, statewide, and certain competing schools.

All Student Reading Results – Percent Proficient and Above

	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>
21 st Century Public Academy	29%	30%	38%	40%
Albuquerque Public Schools District	8	28	28	34
Statewide	N/A	37	28	37
Garfield Middle School	5	5	12	18
McKinley Middle School	34	8	6	8
Cleveland Middle School	56	24	29	31
Hayes Middle School	32	6	8	7

Source: PED website.

All Student Math Results – Percent Proficient and Above

	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>
21 st Century Public Academy	18%	21%	20%	23%
Albuquerque Public Schools District	7	20	21	20
Statewide	N/A	20	20	20
Garfield Middle School	29	4	8	11
McKinley Middle School	24	9	7	6
Cleveland Middle School	41	21	25	24
Hayes Middle School	17	4	6	3

Source: PED website.

All Student Science Results – Percent Proficient and Above

	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>
21 st Century Public Academy	53%	52%	54%	57%
Albuquerque Public Schools District	42	45	45	40
Statewide	39	42	42	44
Garfield Middle School	9	9	22	31
McKinley Middle School	24	52	29	29
Cleveland Middle School	52	47	48	54
Hayes Middle School	19	29	30	20

Note: The State uses the Standards Based Assessment to assess student progress in science.

Source: PED website.

Other Academic Performance Measures

The PED grades schools in the State based on the following criteria: (i) current standing; (ii) school growth; (iii) student growth of highest performing students; and (iv) opportunity to learn. The table on the following page reflects the Charter School's grade for the past five years, as well as competing public schools:

PED Overall Final Grade of the Charter School and Competing Public Schools

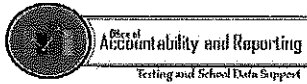
School	2013- 2014	2014- 2015	2015- 2016	2016- 2017	2017- 2018
21 st Century Public Academy	C	A	B	B	C
Garfield Middle School	D	F	D	D	F
McKinley Middle School	F	F	F	F	D
Cleveland Middle School	C	B	B	B	B
Hayes Middle School	D	F	F	F	D

Source: PED website.

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Parent Satisfaction Survey

The Charter School administered a Quality of Education survey to the parents of the students at the Charter School for the 2016-2017 school year. School year 2017-2018 is not yet available through PED. The goal of the survey was to collect and utilize feedback from the Charter School parents. The table below shows the results of the parent survey. Please note the Parent Response Rate:



2016-17 Quality of Education Parent Survey Results

Surveys distributed: 251
Surveys returned: 217
Response rate: 86.5%

27

21st Century Public Academy

	Strongly Agree	Agree	Disagree	Strongly Disagree	Do Not Know
1. My child is safe at school.	52%	44%	3%	0%	2%
2. My child's school building is in good repair and has sufficient space to support quality education.	21%	48%	24%	5%	2%
3. My child's school holds high expectations for academic achievement.	58%	38%	3%	1%	0%
4. School personnel encourage me to participate in my child's education.	45%	45%	6%	1%	3%
5. The school offers adequate access to up-to-date computer and technologies.	41%	42%	5%	1%	10%
6. School staff maintains consistent discipline which is conducive to learning.	43%	39%	10%	5%	3%
7. My child has an adequate choice of school sponsored extracurricular activities.	34%	47%	15%	1%	2%
8. My child's teacher provides sufficient and appropriate information regarding my child's academic progress.	53%	38%	6%	2%	1%
9. The school staff employs various instructional methods and strategies to meet my child's needs.	44%	45%	4%	1%	5%
10. My child takes responsibility for his, or her, learning.	42%	50%	7%	1%	0%
11. As a parent I am welcome at my child's school.	57%	37%	3%	0%	3%
12. My school provides opportunity for meaningful parent involvement/engagement.	44%	45%	8%	1%	2%
13. My school offers the academic challenge my child needs.	46%	44%	6%	2%	2%
14. The amount of testing in which my student participates is appropriate.	28%	47%	14%	5%	6%
15. My child receives a well-rounded education.	49%	44%	4%	0%	2%
16. Out of School Instruction (OSI) provides positive learning experiences that enrich students on community resources and opportunities.	63%	31%	3%	1%	1%
17. Smaller school and student/teacher ratio benefits student learning.	69%	28%	2%	0%	0%
18. My school celebrates student success and achievement in both academic and non-academic skills such as athletics, character, and grit.	41%	40%	9%	0%	10%
19. Student led conferences inform me of my child's progress.	53%	39%	4%	3%	1%
20. My child's agenda book encourages home to school communication.	42%	43%	12%	2%	1%



Source: The Charter School.

STATE AID PAYMENTS

Government Funding

The majority of the Charter School's funding is provided by the State of New Mexico and to a much lesser extent, the federal government. State funding is provided through various programs including State Equalization Guarantee and Public School Capital Outlay Funds for lease reimbursement. Revenue is recognized by the Charter School in the year it is received, not the year it is earned for State funding purposes, but this is reversed for the audited financial statements. At present, standard federal government funding is limited to funding a portion of the Charter School's special education expenses. Additionally, the Charter School has historically received Title funds from the federal government. More information on funding is shown below.

State Equalization Guarantee

The State Equalization Guarantee is a combination of several revenue categories that provide the major share of funding for school districts. State Equalization Guarantee is not restricted to any specific use. The total State Equalization Guarantee funding formula for the Charter School for 2015-2016 was \$4,007.75 per unit. The Charter School received \$1,647,720 from the State Equalization Guarantee in Fiscal Year 2017. The Charter School received \$1,807,312 in Fiscal Year 2018, and projects receiving \$2,114,476.98 in Fiscal Year 2019 (which is based on 294 students with a revised calculation under the SEG formula of full time equivalents for certain special education staff members and enrollment variations). See "APPENDIX C – BUDGET PROJECTION" in this Official Statement.

The following table summarizes the Preliminary and Final State Equalization Guarantee funding formulas for the stated school years, including the annual percentage changes from the immediately preceding year:

School Year	Preliminary Unit Value	Yr to Yr Change	Final Funded Unit Value	Yr to Yr Change
2012-2013	\$3,668.18		\$3,673.51	
2013-2014	3,817.55	4.07%	3,817.55	3.92%
2014-2015	4,005.75	4.93	4,007.75	4.98
2015-2014	4,027.75	0.55	4,037.75	0.75
2016-2017	4,040.24	0.31	3,979.64	(1.15)
2017-2018	4,053.55	0.33	4,084.26	2.63

Public School Capital Outlay Funds

The Charter School is currently eligible for lease reimbursement grant assistance through the Public School Capital Outlay Funds from the New Mexico Public Capital Outlay Council, which can only be used to pay lease payments for a public school facility. The Authorizer prepared a five-year facilities plan (the "APS Capital Master Plan") which budgeted Public School Capital Outlay Funds in the amount of \$1,582,258 to the Charter School for planning and design of a new facility, including acquisition and improvements to the School Facility. These funds were used to complete Phase I. See "THE SCHOOL FACILITY AND PLAN OF FINANCE – APS Capital Master Plan and Capital Outlay Funds" and "BONDHOLDERS' RISKS – State Lease Purchase Agreement, Additional Funding" in this Official Statement.

The Charter School received Public School Capital Outlay Funds of approximately \$414,100 for the 2014-2015 school year, \$399,991 for the 2015-2016 school year, \$491,800 for the 2016-2017 school year, and \$474,526 for the 2017-2018 school year. Pursuant to the APS Capital Master Plan, the Charter School anticipates receiving Public School Capital Outlay Funds in the amount of \$433,991 for Fiscal Year 2019. See "APPENDIX C – BUDGET PROJECTION" in this Official Statement.

BUDGET; ACCOUNTING; AND DEBT

Finance Manager

The Vigil Group LLC, a New Mexico limited liability company (the "Finance Manager"), in Los Ranchos, New Mexico, is the Finance Manager of the Charter School. Pursuant to the terms of a Financial Services Agreement between the Charter School and the Finance Manager (the "Finance Management Agreement"), the Finance Manager provides the Charter School with comprehensive financial services and support. The Finance Manager has provided financial management services to the Charter School since 2017.

The Finance Manager currently works with over 33 charter schools throughout New Mexico, including the Charter School.

Under the Finance Management Agreement, the Finance Manager is responsible for certain financial services to the Charter School, including but not limited to budgeting, state and federal reporting requirements, financial statements and cash flow analysis, and other financial services.

The Finance Manager and the Charter School believe that the Finance Management Agreement complies with safe harbors contained in Internal Revenue Service Revenue Procedures 97-13 and 2001-39 as amplified by Notice 2014-67, and Revenue Procedures 2016-44 and 2017-13 (the "Safe Harbors"). The current Finance Management Agreement is effective from July 1, 2018 through June 30, 2019, and is based on a monthly fee plus gross receipts, terminable by either party with a 60-day notice. The Charter School and the Finance Manager are currently in negotiation to expand the duties of the Finance Manager.

Budgeting and Accounting

The Charter School has a Finance Committee that is responsible for overseeing the financial welfare of the Charter School, as well as, overseeing all financial reporting requirements to outside organizations. The Charter School has implemented sound "best practices" financial policies, oversight, and strategic forward thinking which has allowed the Charter School to achieve a 3% fund balance at the end of Fiscal Year 2018. The Finance Committee oversees the creation of the annual budget, accounts for spending, controls contract bids, and works with the Governance Council and the Business Manager to achieve long-term financial goals and success. This committee also ensures adequate internal controls over spending, oversees the fund balance, and communicates financial data to stakeholders.

Each year in the spring, a budget is prepared by administration for the following fiscal year, with input and oversight by the Finance Committee, with underlying assumptions and estimates clearly documented. The budget is subject at all times to review by the Authorizer. As noted above, the budget is primarily based on state and federal educational funding.

The Charter School maintains a Governmental Fund in which all the activity of the Charter School is recorded. A budget is prepared for the Governmental Fund on the same basis of accounting as the year-end audited financial statements. Budgeted expenditure appropriations lapse at fiscal year-end. In the fall, after enrollment numbers are stabilized and government funding levels are known, the Finance Committee reviews the underlying assumptions and modifies the operating budget to reflect known changes. This modified budget is presented to the Board and adopted in the fall.

As required by New Mexico state law, the Charter School operates as a nonprofit corporation under the Charter School Act. State law requires the Charter School to comply with Uniform Financial Accounting and Reporting Standards for New Mexico School Districts, which mandates the use of a governmental fund accounting structure and mandatory reporting requirements.

APS includes the Charter School's financial statements in APS's annual audited financial statements. The Charter School financial statements have been extracted from the audited financial statements of APS for Fiscal Years 2017 and 2016 and are included in "APPENDIX D – EXCEPT OF FINANCIAL STATEMENTS FROM APS OF THE CHARTER SCHOOL FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016."

Historical Financial Data

The following financial data presents selected historical financial data of the Charter School, as shown in the Charter School's Audited Financial Statements.

Balance Sheet

	<u>2016</u>	<u>2017</u>	<u>Unaudited 2018</u>
Assets			
Cash and cash equivalents	\$997,568	\$934,920	\$330,082
Accounts receivable			
Due from other governments	62,108	153,694	47,934
Due from other funds	46,195	112,770	3,839
Prepays	14,182	-	-
Total Assets	\$1,120,053	\$1,201,384	\$381,855
Liabilities			
Current Liabilities			
Accounts payable	\$ 15	\$14,954	\$54,399
Accrued liabilities	209,376	219,304	203,257
Due to other funds	46,195	347,028	3,839
Total Liabilities	\$255,586	\$347,028	\$261,495
Fund Balances			
Nonspendable	\$14,182	\$ -	\$ -
Restricted	626,636	779,167	179,624
Assigned	210,719	35,613	-
Unassigned	8,257	36,918	(59,264)
Total Fund Balances (Deficit)	\$859,794	\$851,698	\$120,360
Total Liabilities and Fund Balances	\$1,120,053	\$1,201,384	\$381,855

Days Cash on Hand:

Total Expenses	\$2,111,726	\$2,254,555	\$2,945,337
Less: Non-Lease Capital Outlays	(121,405)	(122,800)	(579,223)
Total Operating Expenses	\$1,990,321	\$2,131,755	\$2,366,114
Unrestricted Cash	997,568	934,920	330,082
Days Cash on Hand:	182.94	160.08	50.92
Unrestricted Cash	\$997,568	\$934,920	\$330,082
PED Receivables	62,108	153,694	47,934
Adjusted Cash	\$1,059,676	\$1,088,614	\$378,016
Adjusted DCOH	183.16	176.24	46.85

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Income Statement

	2016	2017	Unaudited 2018
Revenues			
Property taxes	\$224,443	\$243,405	\$246,857
Local sources	14,643	33,848	\$ 48,169
State sources	2,054,950	1,898,970	1,915,837
Federal sources	79,791	70,236	3,136
Total Revenues	\$2,373,627	\$2,246,459	\$2,213,999
Expenditures			
Current			
Instruction	\$1,185,495	\$1,327,303	\$1,257,304
Support services			
Students	231,093	216,567	242,047
Instruction	19,695	9,906	11,809
General administration	93,917	96,519	109,099
School administration	87,003	84,904	85,374
Central services	85,535	96,684	133,356
Operation and maintenance of plant	97,799	105,465	86,573
Student transportation	-	-	-
Other support services	-	-	-
Operation of non-instructional services			
Community services operations	5,683	6,100	12,118
Food service operations	1,128	5,040	10,292
Capital outlay	304,378	306,067	997,365
Total Expenditures	\$2,111,726	\$2,254,555	\$2,945,337
Surplus	\$262,101	\$(8,096.00)	\$(731,338)
Fund Balance, Beginning of Year	\$597,693	\$859,794	\$851,698
Fund Balance, End of Year	\$859,794	\$851,698	\$120,360

[Insert narrative of 2018 Financial Results – from Charter School and Vigil Group]

Summary of Financial Statements and Projections

Financial projections for Fiscal Years 2019-2023 constitute “forward-looking” statements of the type described in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Although the Charter School believes that the assumptions upon which these financial projections are based are reasonable, any of the assumptions could prove to be inaccurate and, as a result, the forward-looking statements based on those assumptions could also be incorrect. All phases of the operations of the Charter School involve risks and uncertainties, many of which are outside of the Charter School’s control and any one of which, or a combination of which, could materially affect the Charter School’s results with respect to its future financial results.

Factors that could cause actual results to differ from those expected include, but are not limited to, general economic conditions; the willingness of the State to fund public schools including charter schools at present or increased levels; competitive conditions within the Charter Schools’ service area; lower-than-projected enrollment; unanticipated expenses; changes in government regulation including changes in the law governing charter schools in New Mexico; future claims for accidents against the Charter School and the extent of insurance coverage for such claims; and other risks discussed in this Official Statement. See “BONDHOLDERS’ RISKS” in this Official Statement.

The Underwriter has not independently verified the Charter School's projections, and makes no representations nor gives any assurances that such projections, or the assumptions underlying them, are complete or correct.

NO REPRESENTATION OR ASSURANCE CAN BE GIVEN THAT THE FOUNDATION WILL REALIZE REVENUES IN AMOUNTS SUFFICIENT TO MAKE ALL REQUIRED DEBT SERVICE PAYMENTS ON THE SERIES 2018 BONDS. THE REALIZATION OF FUTURE REVENUES DEPENDS ON, AMONG OTHER THINGS, THE MATTERS DESCRIBED IN "BONDHOLDERS' RISKS," AND FUTURE CHANGES IN ECONOMIC AND OTHER CONDITIONS THAT ARE UNPREDICTABLE AND CANNOT BE DETERMINED AT THIS TIME. THE UNDERWRITER MAKES NO REPRESENTATION AS TO THE ACCURACY OF THE PROJECTIONS CONTAINED HEREIN, NOR AS TO THE ASSUMPTIONS ON WHICH THE PROJECTIONS ARE BASED.

Audit

The Charter School's financial statements are included in the audited financial statements of APS. Extracts of the Charter School's financial statements for the Fiscal Years ending June 30, 2017 and 2016 are included in "APPENDIX D – EXCERPT OF FINANCIAL STATEMENTS FROM APS OF THE CHARTER SCHOOL FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016" in the Official Statement.

Employee Retirement Plan

The Charter School participates in the New Mexico Educational Retirement Plan (the "Plan"), which covers substantially all of its employees. Plan contributions are made by both eligible employees (ranging from 7.9% to 10.7% of eligible compensation) and the Charter School (13.9% of eligible compensation). Participation is mandatory for all employees who are employed for more than occasional work. The New Mexico Educational Retirement Board oversees the public pension plan. The Plan covers approximately 65,000 active members, 49,000 inactive members and 45,000 retirees. See "Note 5 – Pensions" in "APPENDIX D – EXCERPT OF FINANCIAL STATEMENTS FROM APS OF THE CHARTER SCHOOL FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016" in this Official Statement.

No Existing Debt Obligations

The Charter School does not have any existing debt obligations.

Academy Foundation and Fundraising

21st Century Public Academy Foundation (the "Academy Foundation") is a small organization that organizes two fundraising events each year: the annual Barnes & Noble sale and an annual golf tournament. The Academy Foundation operates separately from the Foundation and supports smaller projects like a lobbyist to pursue additional capital funding (outside of the main building expenses) and buses for the Charter School students. The Academy Foundation is comprised of officers and members but any community member may attend the bi-monthly meetings.

The Charter School is promoting several fundraising efforts to help raise money for the School Facility:

- Use a community partners tag for shopping at Albertson's and Smith's. The Academy Foundation has currently raised \$1,200 through this effort.
- Donate to United Way and designate your contribution to the Charter School. The Academy Foundation has currently raised \$800 through this effort.
- Annual Trash Bag sale – The Academy Foundation has currently raised \$3,500 through this effort.
- Annual Barnes and Noble sale – The weekend sales generate a 20% donation. The Academy Foundation has raised \$22,000 through this effort.
- Annual Golf Tournament – The Academy Foundation has raised \$24,000 through this effort.
- Fundraising efforts will increase when the gymnasium is completed.

NO LITIGATION

No action, suit proceeding, or investigation at law or in equity, before or by any court, any governmental agency, or any public board or body is pending or, to the best of the Foundation or Charter School's knowledge, threatened, affecting the validity of the Indenture, the Loan Agreement, the Covenant Agreement or the Series 2018 Bonds, or contesting the corporate existence or powers of either the Charter School or the Foundation. There is presently no material litigation pending or, to the best of its officers' knowledge, overtly threatened against either the Charter School or the Foundation.

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