
Western Maricopa Education Center District No. 402

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2024



Western Maricopa Education Center District No. 402

Glendale, Arizona

**Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2024**

Issued by:
Business and Finance Department

Western Maricopa Education Center District No. 402

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Introductory Section

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December 21, 2024

Citizens and Governing Board
Western Maricopa Education Center District No. 402
5487 North 99th Avenue
Glendale, Arizona 85305

State law mandates that school districts required to undergo an annual audit publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States by a certified public accounting firm licensed in the State of Arizona. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the Western Maricopa Education Center District No. 402 (District) for the fiscal year ended June 30, 2024.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free of material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The District's financial statements have been audited by Heinfeld, Meech & Co., P.C., a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2024, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2024, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

623.738.0012
www.west-mec.org

Western Maricopa Education Center
5487 North 99th Avenue
Glendale, AZ 85305

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

Profile of the District

West-MEC is a career technical education public school district focusing solely on innovative career and technical education (CTE) programs that prepare students to enter the workforce and pursue continuing education. West-MEC CTE programs provide students opportunities to earn college credit and industry credentials. West-MEC serves more than 45,000 students from 49 high schools across 3,800 square miles in the northern and western cities of the Phoenix Metropolitan area. West-MEC now also offers seven adult education programs.

The District's Governing Board is organized under Section 15-321 of the Arizona Revised Statutes (A.R.S.). Management of the District is independent of other state or local governments. The County Treasurer collects taxes for the District, but exercises no control over its expenditures/expenses.

The membership of the Governing Board consists of seven members elected by the public. Under existing statutes, the Governing Board's duties and powers include, but are not limited to, the acquisition, maintenance and disposition of school property; the development and adoption of a school program; and the establishment, organization and operation of schools. The Board also has broad financial responsibilities, including the approval of the annual budget, and the establishment of a system of accounting and budgetary controls.

The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and the District is not included in any other governmental reporting entity. Consequently, the District's financial statements include only the funds of those organizational entities for which its elected governing board is financially accountable. The District's major operation is education.

The District maintains budgetary controls as an integral part of its overall system of internal controls. The objective of these budgetary controls is to ensure compliance with legal provisions included in the annual expenditure budget adopted by the District's Governing Board. The annual expenditure budget also serves as the foundation for the District's financial planning and control. Activities of the general fund, special revenue funds, and capital projects funds are included in the annual appropriated budget. The legal level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) established at the individual fund level for all funds. Funds that are not required to legally adopt a budget may have overexpenditures of budgeted funds, as the budget for these funds is simply an estimate and does not prevent the District from exceeding the budget as long as necessary revenue is earned. Arizona Revised Statutes permits the adopted expenditure budget to be revised annually. The District additionally exercises management control and oversight of the budget at the fund level. The District is not required to prepare an annual budget of revenue; therefore, a deficit budgeted fund balance may be presented.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the District operates.

Local Economy. The economic condition of the West-MEC school district is solid, with expanded career and technical education programs and certifications available to students. This has helped West-MEC not only to sustain but to grow through the current economic downturn. West-MEC has worked with business and industry to help build programs. With projected new programs and continued efforts to provide students with skills and tools to enter the workforce, our projected enrollment is expected to grow at approximately 353 students per year over the next five years. Fiscal year 2024 student enrollment was approximately 45,000, calculated by formula to 8,985 average daily membership (ADM). West-MEC is a Career Technical Education District (CTED) whose sole purpose is career and technical education. Most students remain at their home high school for career and technical education programs which are supported by West-MEC. West-MEC has built four campuses. The Central Campus programs include Aviation Maintenance Technology, Coding, Drone Technology, Law & Public Safety, Precision Machining and Welding Technology. The Northeast Campus programs include Advanced Manufacturing, Air Conditioning Technology, Automotive Technology, Coding, Collision Repair and Refinishing, Electrical Trade Specialty, General Construction Technology, Medical Assisting, Medium/Heavy Diesel Technology, Pharmacy Science and Veterinary Science. The Northwest Campus programs include Aesthetics, Automotive Technology, Biomedical Science, Dental Assisting, Hairstyling, IT Security, Law & Public Safety, Medical Assisting, Nursing Services, Physical Therapy, Powersports Technology, and Veterinary Science. The Southwest Campus programs include Automation & Robotics Systems, Automotive Technology, Cloud Technology, Dental Assisting, Electrical Trade Specialty, Energy & Manufacturing Systems, General Construction Technology, Hairstyling, IT Security, Medical Assisting, Medical Laboratory Science, Pharmacy Science, Physical Therapy, Veterinary Science, Water Systems and Welding Technology. In addition to West-MEC's four central campuses, West-MEC has four partner program campuses, including Gateway Community College - Deer Valley Campus, which hosts Aesthetics, Cosmetology, and Emergency Medical Technology programs, Glendale Community College - Main Campus, which hosts the Automotive Technology and Fire Science programs, Paradise Valley Community College, which hosts the Clinical Data Coordinator, Esports, Emergency Medical Technology and Paralegal programs and Estrella Mountain Community College which hosts the Culinary Arts program. West-MEC will be opening the Career Academy at Agua Fria in the fall of 2025, which hosts the Air Conditioning Technology, Electrical Trade Specialty, Medium/Heavy Diesel Technology, and Welding Technology programs.

The City of Phoenix is the capital and largest city of Arizona and is the county seat as well. The city encompasses an area of over 500 square miles. Phoenix was the fifth most populous city in the United States according to the 2020 census. The population of Maricopa County is 1,900,000. The Phoenix metropolitan area is the population and economic activity center of the entire state. Phoenix is one of the leaders in the economics of the Southwestern area of the United States. The City of Phoenix maintains a Moody's general obligation bond rating of Aa1. It enjoys a highly diversified economic base consisting of manufacturing, agriculture, tourism, construction, education, distribution centers, finance and retailing.

The Phoenix metropolitan area and the rest of Maricopa County have become one of the largest regional markets in the United States. The number of manufacturing and wholesale businesses located in the metropolitan area is approaching 100,000. This growth has been stimulated by a combination of warm climate, a substantial well educated labor pool, a wide range of support industries, and a governmental climate that is supportive of economic growth and investment.

A few of the major firms represented in the Phoenix metropolitan area include Banner Health Systems; Arizona State University; Walmart Stores, Inc.; Fry's Food Stores; Wells Fargo Company; Maricopa County; City of Phoenix; Intel Corp.; Honor Health; Intel; US Airways; Bank of America; Apollo Group; JP Morgan Chase; Av Net; and Freeport McMoran. In addition, the metropolitan area provides excellent educational and training opportunities through seven community colleges, four private colleges and graduate schools, and one state university.

Maricopa County is currently the nation's fourth largest county in terms of population size and the 14th in land area. The County's 2019 population was estimated at 4,485,414 and is expected to grow over the next 15 years. Maricopa County has a very wide range of economic sectors supporting its substantial growth. Maricopa County has, for some time, enjoyed an unemployment rate that was somewhat lower than the national average. West-MEC is located in Maricopa County, Arizona and encompasses an area of approximately 3,900 square miles. West-MEC services the cities of Phoenix, Peoria, Glendale, Surprise, Buckeye, Avondale, Wickenburg, Youngtown, Tonopah, El Mirage, Goodyear, Litchfield Park, Tolleson and Gila Bend.

Service is the largest employment sector in the County, partly fueled by the \$2+ billion per year tourist industry. The County has excellent accommodations, diverse cultural and recreational activities, and a favorable climate attracting millions to the area annually. Wholesale and retail trade is the second largest employment category, employing over a quarter million people.

Manufacturing consisting primarily of high technology companies is the third largest employer. Other factors aiding economic growth include major expansions of the international airport serving the area, a favorable business climate and the presence of a well-developed and expanding transportation infrastructure.

Long-term Financial Planning. The District will be opening a new campus in Phoenix, Arizona located between Thomas Road and Indian School Road on the east side of the 101 Freeway in the fall of 2026 and a campus adjacent to the Agua Fria High School in Avondale, Arizona in the fall of 2025.

Awards and Acknowledgments

Awards. The Association of School Business Officials (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2023. This was the 19th consecutive year that the District has received this prestigious award. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2023. The District believes the prior year annual comprehensive financial report meets the Certificate of Achievement Program's requirements. In order to be awarded these certificates, the District published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

These certificates are valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the programs' requirements and we are submitting it to ASBO and GFOA to determine its eligibility for the fiscal year ended June 30, 2024 certificates.

In the 2023-24 school year, West-MEC won a multitude of awards. Medical Assisting instructor Teodora Robles won ACTEAZ's New CTE Teacher of the Year award. Administrative Assistant Carol Risano won ACTEAZ's Outstanding Administrative Assistant of the Year award. West-MEC won the AASBO Best Practices Award for its work in transportation for CTED students. West-MEC won two ASPRA Publication & Electronic Media Awards of Excellence for its annual report and video series. West-MEC won two NSPRA Publication & Digital Media Awards, one for excellence in annual report and one for merit in video series. West-MEC won the Arizona Office of Economic Opportunity CTE Connections Award. West-MEC was labeled as an NC3 School on the Rise. Northwest Campus Counselor Kristina Guy won the ACTE Counseling and Career Development Award. Work-Based Learning Specialist Susan Leon won the 2024 Brightpath Work-Based Learning Professional of the Year Award. Welding Technology Instructor Eric Phye won the Arizona Section Meritorious Award from the American Welding Society. West-MEC's Superintendent, Dr. Scott Spurgeon, won multiple awards, including the Arizona Capitol Times 2023 Leader of the Year in Public Policy, the 2023 Cognia Circle of Excellence Award, the Office of Economic Opportunity 2024 Workforce Connector of the Year Award, and the Phoenix Business Journal 2024 Most Admired Leader of the Year Award.

Acknowledgments. The preparation of the annual comprehensive financial report on a timely basis was made possible by the dedicated service of the entire staff of the business and finance department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

In closing, without the leadership and support of the Governing Board of the District, preparation of this report would not have been possible.

Respectfully submitted,



Dr. Scott Spurgeon
Superintendent



Marcie Rodriguez
Assistant Superintendent of
Business & Operations



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

**Western Maricopa Education Center
District No. 402**

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2023.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, reading 'Ryan S. Stechschulte'.

Ryan S. Stechschulte
President

A handwritten signature in black ink, reading 'James M. Rowan'.

James M. Rowan, CAE, SFO
CEO/Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

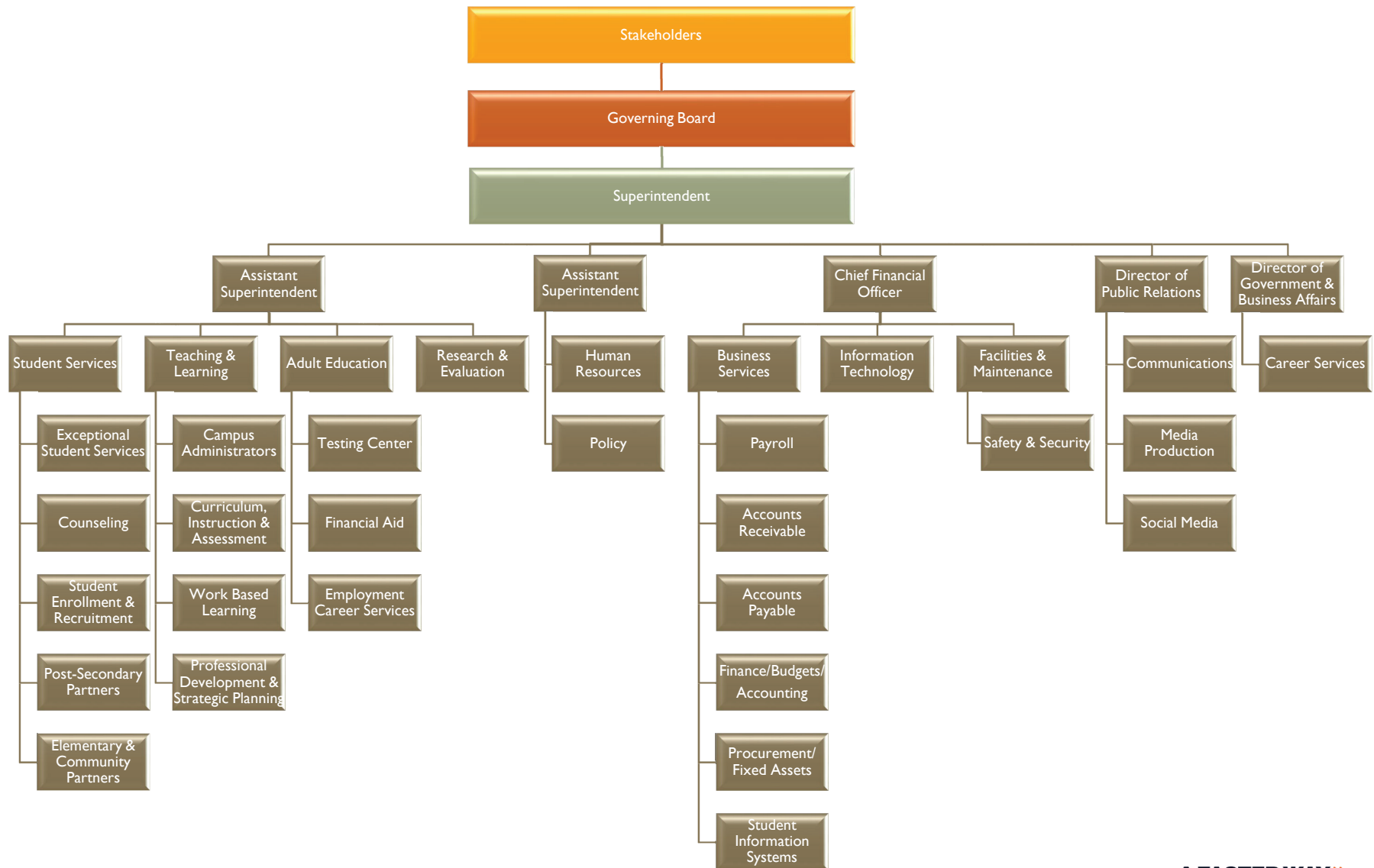
**Western Maricopa Education Center District No. 402
Arizona**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO



Western Maricopa Education Center District No. 402

List of Principal Officials

Governing Board

Frank Straka, Chairman

Juan Ramirez, Vice Chairman

Linda Busam, Member

Robert Garcia, Member

Jim Migliorino, Member

Edward Molina, Member

Barbara Wyllie, Member

District Administrative Staff

Dr. Scott Spurgeon, Superintendent

Cathey Mayes, Assistant Superintendent

Stephen Weltsch, Assistant Superintendent

Marcie Rodriguez, Assistant Superintendent

List of Building Principals

Troy Gabaldon, Central Campus

David Svorinic, Northeast Campus

Holly Medina, Northwest Campus

Aaron Parsons, Southwest Campus

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Financial Section

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Independent Auditor's Report

Governing Board
Western Maricopa Education Center District No. 402

Report on Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Western Maricopa Education Center District No. 402 (District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Western Maricopa Education Center District No. 402, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Western Maricopa Education Center District No. 402 and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, and net pension liability information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Combining and Individual Fund Financial Statements and Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Fund Financial Statements and Schedules information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Statistical Section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on other work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2024, on our consideration of Western Maricopa Education Center District No. 402's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Western Maricopa Education Center District No. 402's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Western Maricopa Education Center District No. 402's internal control over financial reporting and compliance.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Scottsdale, Arizona
December 21, 2024

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**Management's Discussion and Analysis (MD&A)
(Required Supplementary Information)**

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Western Maricopa Education Center District No. 402
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024

As management of the Western Maricopa Education Center District No. 402 (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2024. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The District's total net position of governmental activities increased \$32.6 million which represents a 17 percent increase from the prior fiscal year primarily due to an increase in property taxes, unrestricted state aid and investment income.
- General revenues accounted for \$90.0 million in revenue, or 91 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$8.4 million or nine percent of total current fiscal year revenues.
- The District had approximately \$65.8 million in expenses related to governmental activities, an increase of 14 percent from the prior fiscal year primarily due to salary and benefit increases.
- Among major funds, the General Fund had \$60.8 million current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$55.8 million in expenditures. The General Fund's fund balance increased from \$81.9 million at the prior fiscal year end to \$86.9 million at the end of the current fiscal year was primarily due to an increase in state aid.
- Net position for the Internal Service Funds increased \$91,380 from the prior fiscal year. Operating revenues of \$150,000 exceeded operating expenses of \$71,280 at the end of the current fiscal year.

Overview of Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Western Maricopa Education Center District No. 402
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024

Overview of Financial Statements

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The accrual basis of accounting is used for the government-wide financial statements.

The statement of net position presents information on all of the District's assets, liabilities, and deferred inflows/outflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

The government-wide financial statements outline functions of the District that are principally supported by property taxes and intergovernmental revenues. The governmental activities of the District include instruction, support services, operation and maintenance of plant services, and interest on long-term debt.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements use the modified accrual basis of accounting and focus on near-term inflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Western Maricopa Education Center District No. 402
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024

Overview of Financial Statements

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Debt Service, and Bond Building Funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules.

Proprietary funds. The District maintains one type of proprietary fund. The internal service fund is an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses its internal service fund to account for its Lobbying Fund which accounts for financial activities related to agreements with other governments where the District is the fiscal agent. Because these activities predominately benefit governmental functions, they have been included within governmental activities in the government-wide financial statements.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process and pension plan. The District adopts an annual expenditure budget for all governmental funds. A schedule of revenues, expenditures and changes in fund balances – budget and actual has been provided for the General Fund as required supplementary information. Schedules for the pension plan have been provided as required supplementary information.

Western Maricopa Education Center District No. 402
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024

Government-Wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$223.7 million at the current fiscal year end.

The largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment and construction in progress), less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related outstanding debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. In addition, a portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance is unrestricted and may be used to meet the District's ongoing obligations to its citizens and creditors.

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2024 and June 30, 2023.

	As of June 30, 2024	As of June 30, 2023
Current assets	\$ 189,389,614	\$ 171,183,053
Capital assets, net	189,328,313	188,201,383
Total assets	378,717,927	359,384,436
 Deferred outflows	 2,975,266	 2,781,804
Current liabilities	10,914,843	6,758,475
Long-term liabilities	141,759,820	158,813,369
Total liabilities	152,674,663	165,571,844
 Deferred inflows	 5,326,449	 5,535,801
 Net position:		
Net investment in capital assets	115,888,176	98,929,645
Restricted	19,555,860	10,029,890
Unrestricted	88,248,045	82,099,060
Total net position	\$ 223,692,081	\$ 191,058,595

At the end of the current fiscal year the District reported positive balances in all three categories of net position. The same situation held true for the prior fiscal year.

**Western Maricopa Education Center District No. 402
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024**

Government-Wide Financial Analysis

The District's financial position is the product of several financial transactions including the net result of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets. The following are significant current year transactions that had an impact on the Statement of Net Position.

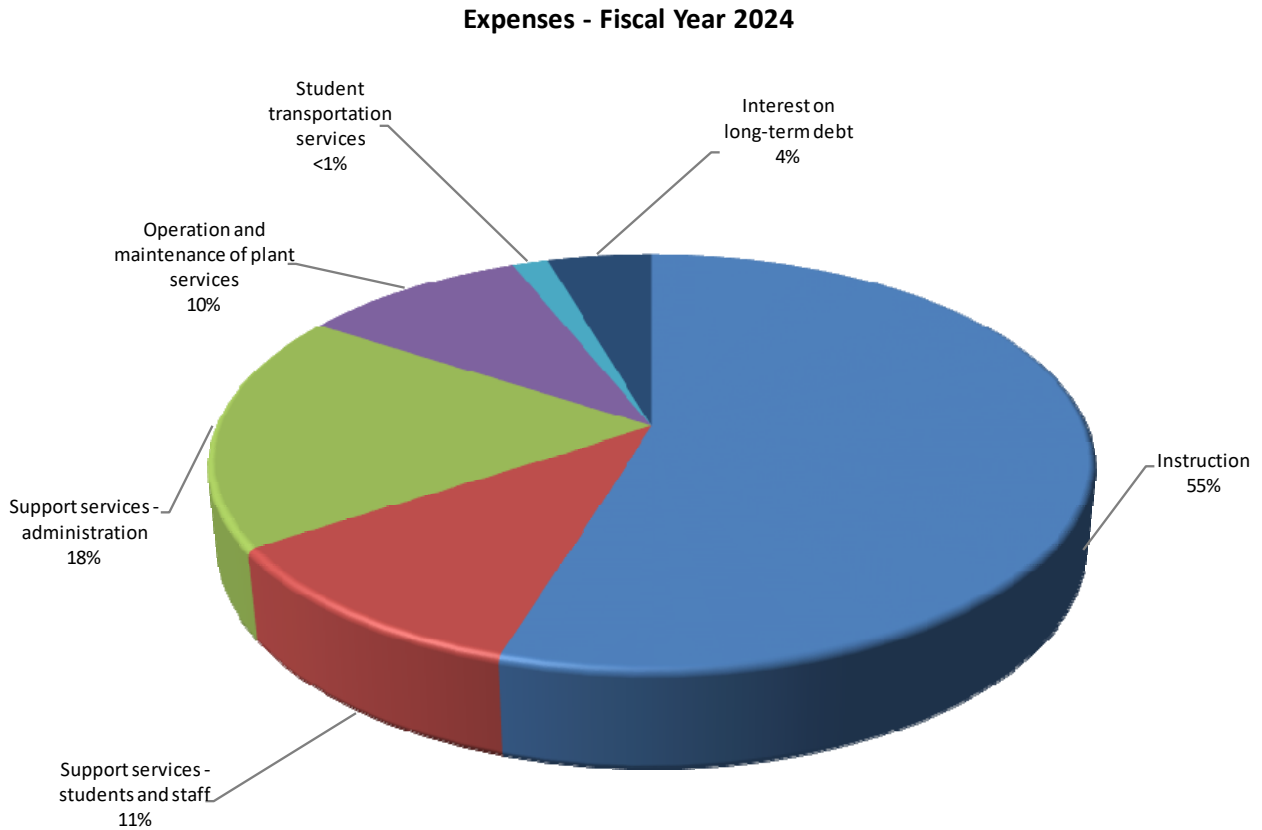
- The principal retirement of \$15.3 million in general obligation bonds.
- The addition of \$4.9 million in accumulated depreciation.
- The addition of \$3.3 million in capital assets.

Changes in net position. The District's total revenues for the current fiscal year were \$98.4 million. The total cost of all programs and services was \$65.8 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2024 and June 30, 2023.

	Fiscal Year Ended June 30, 2024	Fiscal Year Ended June 30, 2023
Revenues:		
Program revenues:		
Charges for services	\$ 3,951,607	\$ 3,296,747
Operating grants and contributions	4,401,059	2,061,375
Capital grants and contributions	53,391	670,841
General revenues:		
Property taxes	37,925,009	30,178,173
Investment income	4,347,010	2,614,472
Unrestricted state aid	47,752,401	43,545,486
Total revenues	98,430,477	82,367,094
Expenses:		
Instruction	36,008,125	32,240,956
Support services - students and staff	7,266,548	6,828,376
Support services - administration	12,133,816	10,106,271
Operation and maintenance of plant services	6,415,148	4,622,597
Student transportation services	1,023,706	147,044
Operation of non-instructional services		2,396
Interest on long-term debt	2,949,648	3,674,872
Total expenses	65,796,991	57,622,512
Changes in net position	32,633,486	24,744,582
Net position, beginning, as restated	191,058,595	166,314,013
Net position, ending	\$ 223,692,081	\$ 191,058,595

**Western Maricopa Education Center District No. 402
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024**

Government-Wide Financial Analysis



The following are significant current year transactions that have had an impact on the change in net position.

- Property taxes increased \$7.7 million as a result of an increase in the current year debt service tax rate.
- Unrestricted state aid increased \$4.2 million as a result of an increase in funding from the state legislature.
- Instruction expenses increased \$3.8 million primarily due to growth in additional programs and an increase in salaries and benefits.

**Western Maricopa Education Center District No. 402
Management’s Discussion and Analysis (MD&A)
Year Ended June 30, 2024**

Government-Wide Financial Analysis

The following table presents the cost of the District’s major functional activities. The table also shows each function’s net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and District’s taxpayers by each of these functions.

	Year Ended June 30, 2024		Year Ended June 30, 2023	
	Total	Net (Expense)/	Total	Net (Expense)/
	Expenses	Revenue	Expenses	Revenue
Instruction	\$ 36,008,125	\$ (31,372,306)	\$ 32,240,956	\$ (28,064,357)
Support services - students and staff	7,266,548	(6,811,765)	6,828,376	(5,928,540)
Support services - administration	12,133,816	(11,880,295)	10,106,271	(9,586,417)
Operation and maintenance of plant services	6,415,148	(5,723,563)	4,622,597	(4,189,923)
Student transportation services	1,023,706	1,346,643	147,044	(147,044)
Operation of non-instructional services			2,396	(2,396)
Interest on long-term debt	2,949,648	(2,949,648)	3,674,872	(3,674,872)
Total	\$ 65,796,991	\$ (57,390,934)	\$ 57,622,512	\$ (51,593,549)

- The cost of all governmental activities this year was \$65.8 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$8.4 million.
- Net cost of governmental activities of \$57.4 million was financed by general revenues, which are made up of primarily property taxes of \$37.9 million and state aid of \$47.8 million. Investment earnings accounted for \$4.3 million of funding.

Financial Analysis of the District’s Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District’s net resources available for spending at the end of the fiscal year.

Western Maricopa Education Center District No. 402
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024

Financial Analysis of the District's Funds

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$156.5 million, an increase of \$14.4 million due primarily to an increase in property taxes and state aid and grants.

The General Fund comprises 56 percent of the total fund balance. The entire \$86.9 million of the General Fund's fund balance is unassigned. The General Fund is the principal operating fund of the District. The increase in fund balance of \$5.1 million to \$86.9 million as of fiscal year end was a result of an increase in property taxes and state aid. General Fund revenues increased \$6.1 million as a result of an increase in property taxes and state aid. General Fund expenditures increased \$13.3 million as a result of increases in programs and salaries and benefits.

The fund balance in the Debt Service Fund increased \$7.7 million to \$9.6 million as of fiscal year end primarily due to an increase in property taxes.

The fund balance in the Bond Building Fund decreased \$1.5 million to \$50.2 million as of fiscal year end primarily due to construction service expenditures in the current fiscal year.

Proprietary funds. Unrestricted net position of the Internal Service Fund at the end of the fiscal year amounted to \$546,063. The increase of \$91,380 from the prior fiscal year was a result of contributions exceeding costs of services.

Budgetary Highlights

Over the course of the year, the District revised the General Fund annual expenditure budget. The difference between the original budget and the final amended budget was a \$16.8 million increase, or 31 percent, due to an increase in the District's student population.

Significant variances for the final amended budget and actual revenues resulted from the District not being required by the State of Arizona to prepare a revenue budget. A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund is provided in this report as required supplementary information. The significant variances are summarized as follows:

- The favorable variance of \$20.8 million in instruction was a result of conservative budgeting to ensure a healthy contingency balance.
- The favorable variance of \$3.8 million in support services - administration was a result of conservative budgeting to ensure a healthy contingency balance.
- The favorable variance of \$1.2 million in operation and maintenance of plant services was a result of conservative budgeting to ensure a healthy contingency balance.

**Western Maricopa Education Center District No. 402
Management’s Discussion and Analysis (MD&A)
Year Ended June 30, 2024**

Capital Assets and Debt Administration

Capital Assets. At year end, the District had invested \$223.5 million in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$3.2 million from the prior fiscal year, primarily due to the Central campus building and land improvements. Total depreciation expense for the current fiscal year was \$4.9 million.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2024 and June 30, 2023.

	As of June 30, 2024	As of June 30, 2023
Capital assets - non-depreciable	\$ 27,272,514	\$ 27,272,514
Capital assets - depreciable, net	162,055,799	160,928,869
Total	\$ 189,328,313	\$ 188,201,383

Additional information on the District’s capital assets can be found in Note 7.

Debt Administration. At year end, the District had \$123.7 million in long-term debt outstanding, \$16.4 million due within one year. Long-term debt decreased by \$17.3 million due to the retirement of debt according to the District’s debt agreements.

The District’s general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds and the statutory debt limit on Class B bonds. The total debt limitation and the Class B debt limit are the same for the District (up to one percent of the total net full cash assessed valuation). The current total debt limitation and Class B debt limit for the District is \$351.3 million, which is more than the District’s total outstanding general obligation and Class B debt.

Additional information on the District’s long-term debt can be found in Notes 10 and 11.

Economic Factors and Next Year’s Budget and Rates

Many factors were considered by the District’s administration during the process of developing the fiscal year 2024-25 budget. Among them:

- Fiscal year 2023-24 budget balance carry forward (estimated \$16.6 million).
- Central and satellite campuses student population (estimated 9,200)
- Employee salaries.

**Western Maricopa Education Center District No. 402
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024**

Economic Factors and Next Year's Budget and Rates

Also considered in the development of the budget is the local economy and inflation of the surrounding area.

Budgeted expenditures in the General Fund decreased three percent to \$68.8 million in fiscal year 2024-25 due to 9th grade funding not being included in the adopted budget. These funds will be included in the revised budget once the amount is calculated by the Arizona Department of Education. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2024-25 budget.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business and Finance Department, Western Maricopa Education Center District No. 402, 5487 North 99th Avenue, Glendale, Arizona 85305.

Basic Financial Statements

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Government-Wide Financial Statements

Western Maricopa Education Center District No. 402
Statement of Net Position
June 30, 2024

	Governmental Activities
Assets	
Current assets:	
Cash and investments	\$ 175,848,077
Property taxes receivable	566,123
Accounts receivable	67,096
Due from governmental entities	8,495,565
Leases receivable	4,412,753
Total current assets	189,389,614
Noncurrent assets:	
Capital assets not being depreciated	27,272,514
Capital assets, net accumulated depreciation	162,055,799
Total noncurrent assets	189,328,313
Total assets	378,717,927
 Deferred outflows of resources	
Pension plan items	2,975,266
Total deferred outflows of resources	2,975,266
 Liabilities	
Current liabilities:	
Accounts payable	4,756,552
Accrued payroll and employee benefits	1,980,206
Unearned revenues	54,564
Compensated absences payable	104,144
Claims and judgments payable	1,626,943
Bonds payable	16,420,000
Accrued interest payable	2,496,578
Total current liabilities	27,438,987
Noncurrent liabilities:	
Non-current portion of long-term obligations	125,235,676
Total noncurrent liabilities	125,235,676
Total liabilities	152,674,663
 Deferred inflows of resources	
Pension plan items	633,898
Leases	4,692,551
Total deferred inflows of resources	5,326,449
 Net position	
Net investment in capital assets	115,888,176
Restricted for:	
Instruction	8,337,186
Non-instructional purposes	1,367,952
Debt service	9,850,722
Unrestricted	88,248,045
Total net position	\$ 223,692,081

Western Maricopa Education Center District No. 402
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenue			Net (Expense)
		Charges for	Operating Grants	Capital Grants	Revenue and
			Services	and	and
			Contributions	Contributions	Position
					Governmental
					Activities
Governmental activities					
Instruction	\$ 36,008,125	\$ 2,501,759	\$ 2,134,060	\$	\$ (31,372,306)
Support services - students and staff	7,266,548	367,489	87,294		(6,811,765)
Support services - administration	12,133,816	253,521			(11,880,295)
Operation and maintenance of plant services	6,415,148	339,851	298,343	53,391	(5,723,563)
Student transportation services	1,023,706	488,987	1,881,362		1,346,643
Interest on long-term debt	2,949,648				(2,949,648)
Total governmental activities	<u>\$ 65,796,991</u>	<u>\$ 3,951,607</u>	<u>\$ 4,401,059</u>	<u>\$ 53,391</u>	<u>(57,390,934)</u>
General revenues					
Property taxes					37,925,009
Investment income					4,347,010
Unrestricted state aid					47,752,401
Total general revenues					<u>90,024,420</u>
Changes in net position					32,633,486
Net position, beginning of year					<u>191,058,595</u>
Net position, end of year					<u>\$ 223,692,081</u>

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Fund Financial Statements

Western Maricopa Education Center District No. 402

**Balance Sheet
Governmental Funds
June 30, 2024**

	<u>General</u>	<u>Debt Service</u>	<u>Bond Building</u>	<u>Non-Major Governmental Funds</u>
Assets				
Cash and investments	\$ 84,859,210	\$ 28,357,824	\$ 51,136,662	\$ 10,965,318
Accounts receivable	11,241			55,855
Property taxes receivable	156,647	409,476		
Due from governmental entities	8,013,982			464,583
Leases receivable	4,412,753			
Total assets	<u>\$ 97,453,833</u>	<u>\$ 28,767,300</u>	<u>\$ 51,136,662</u>	<u>\$ 11,485,756</u>
Liabilities				
Accounts payable	\$ 3,065,501	\$	\$ 904,822	\$ 786,229
Claims and judgments payable	1,626,943			
Accrued payroll and employee benefits	1,040,381			939,825
Unearned revenues				54,564
Bonds payable		16,420,000		
Bond interest payable		2,496,578		
Total liabilities	<u>5,732,825</u>	<u>18,916,578</u>	<u>904,822</u>	<u>1,780,618</u>
Deferred inflows of resources				
Unavailable revenues - property taxes	87,910	223,274		
Unavailable revenues - intergovernmental				54,646
Leases	4,692,551			
Total deferred inflows of resources	<u>4,780,461</u>	<u>223,274</u>	<u></u>	<u>54,646</u>
Fund balances				
Restricted		9,627,448	50,231,840	9,650,492
Unassigned	86,940,547			
Total fund balances	<u>86,940,547</u>	<u>9,627,448</u>	<u>50,231,840</u>	<u>9,650,492</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 97,453,833</u>	<u>\$ 28,767,300</u>	<u>\$ 51,136,662</u>	<u>\$ 11,485,756</u>

**Total
Governmental
Funds**

\$ 175,319,014
67,096
566,123
8,478,565
4,412,753
\$ 188,843,551

\$ 4,756,552
1,626,943
1,980,206
54,564
16,420,000
2,496,578
27,334,843

311,184
54,646
4,692,551
5,058,381

69,509,780
86,940,547
156,450,327

\$ 188,843,551

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Western Maricopa Education Center District No. 402
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2024

Total fund balances - governmental funds **\$ 156,450,327**

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Governmental capital assets	\$ 223,487,564	
Less accumulated depreciation	<u>(34,159,251)</u>	
		189,328,313

Some receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.

Property taxes	311,184	
Intergovernmental	<u>54,646</u>	
		365,830

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to pensions	2,975,266	
Deferred inflows of resources related to pensions	<u>(633,898)</u>	
		2,341,368

The Internal Service Fund is used by management to charge the cost of insurance to the individual funds. The assets and liabilities of the Internal Service Fund are included in the Statement of Net Position.

546,063

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Compensated absences payable	(1,388,592)	
Bonds payable	(107,251,977)	
Net pension liability	<u>(16,699,251)</u>	
		<u>(125,339,820)</u>

Net position of governmental activities **\$ 223,692,081**

Western Maricopa Education Center District No. 402
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	<u>General</u>	<u>Debt Service</u>	<u>Bond Building</u>	<u>Non-Major Governmental Funds</u>
Revenues				
Other local	\$ 4,121,229	\$ 179,648	\$ 1,637,679	\$ 2,510,564
Property taxes	10,458,663	27,340,512		
State aid and grants	46,215,911			4,827,777
Federal aid, grants and reimbursements				<u>2,272,632</u>
Total revenues	<u>60,795,803</u>	<u>27,520,160</u>	<u>1,637,679</u>	<u>9,610,973</u>
Expenditures				
Current:				
Instruction	27,397,494			4,296,744
Support services - students and staff	6,093,391			926,243
Support services - administration	8,908,233			460,812
Operation and maintenance of plant services	4,590,904			3,173
Student transportation services	239,087			784,619
Capital outlay	8,613,369		1,478,107	69,600
Debt service:				
Principal retirement		16,420,000		
Interest and fiscal charges		4,994,356		
Total expenditures	<u>55,842,478</u>	<u>21,414,356</u>	<u>1,478,107</u>	<u>6,541,191</u>
Excess (deficiency) of revenues over expenditures	<u>4,953,325</u>	<u>6,105,804</u>	<u>159,572</u>	<u>3,069,782</u>
Other financing sources (uses)				
Transfers in		1,637,679		
Transfers out			(1,637,679)	
Proceeds from sale of capital assets	116,469			
Total other financing sources (uses)	<u>116,469</u>	<u>1,637,679</u>	<u>(1,637,679)</u>	
Changes in fund balances	<u>5,069,794</u>	<u>7,743,483</u>	<u>(1,478,107)</u>	<u>3,069,782</u>
Fund balances, beginning of year	<u>81,870,753</u>	<u>1,883,965</u>	<u>51,709,947</u>	<u>6,580,710</u>
Fund balances, end of year	<u>\$ 86,940,547</u>	<u>\$ 9,627,448</u>	<u>\$ 50,231,840</u>	<u>\$ 9,650,492</u>

**Total
Governmental
Funds**

\$ 8,449,120
37,799,175
51,043,688
2,272,632
99,564,615

31,694,238
7,019,634
9,369,045
4,594,077
1,023,706
10,161,076

16,420,000
4,994,356
85,276,132

14,288,483

1,637,679
(1,637,679)
116,469
116,469

14,404,952

142,045,375

\$ 156,450,327

Western Maricopa Education Center District No. 402
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2024

Changes in fund balances - total governmental funds **\$ 14,404,952**

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

Governmental funds report the portion of capital outlay for capitalized assets as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation/amortization expense.

Expenditures for capitalized assets	\$ 3,287,532	
Less current year depreciation	<u>(4,905,828)</u>	
		(1,618,296)

Some revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	125,834	
Intergovernmental	<u>(1,389,101)</u>	
		(1,263,267)

Repayments of long-term debt principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 16,420,000

Governmental funds report pension contributions as expenditures. However, they are reported as deferred outflows of resources in the Statement of Net Position. The change in the net pension liability, adjusted for deferred items, is reported as pension expense in the Statement of Activities.

Current year pension contributions	1,907,589	
Pension expense	<u>(2,807,277)</u>	
		(899,688)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Loss on disposal of assets	2,745,226	
Amortization of deferred bond items	2,044,708	
Compensated absences	<u>708,471</u>	
		5,498,405

The Internal Service Fund is used by management to charge the cost of insurance to the individual funds. The changes in net position of the Internal Service Fund is reported with governmental activities in the Statement of Activities. 91,380

Changes in net position in governmental activities **\$ 32,633,486**

Western Maricopa Education Center District No. 402
Statement of Net Position
Proprietary Fund
June 30, 2024

	Governmental Activities Internal Service Fund
Assets	
Current assets:	
Cash and investments	\$ 529,063
Due from governmental entities	17,000
Total current assets	546,063
Net position	
Unrestricted	546,063
Total net position	\$ 546,063

Western Maricopa Education Center District No. 402
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
For the Year Ended June 30, 2024

	Governmental Activities Internal Service Fund
Operating revenues	
Contributions	\$ 150,000
Total operating revenues	150,000
Operating expenses	
Costs of services	71,280
Total operating expenses	71,280
Operating income (loss)	78,720
Nonoperating revenues (expenses)	
Investment income	12,660
Total nonoperating revenue (expenses)	12,660
Changes in net position	91,380
Net position, beginning of year	454,683
Net position, end of year	\$ 546,063

Western Maricopa Education Center District No. 402
Statement of Cash Flows
Proprietary Fund
June 30, 2024

	Governmental Activities Internal Service Fund
<u>Increase/Decrease in Cash and Cash Equivalents</u>	
Cash flows from operating activities	
Cash received from contributions	\$ 133,000
Cash payments to suppliers for goods and services	(71,703)
Net cash provided by/used for operating activities	61,297
Cash flows from investing activities	
Investment income	12,660
Net cash provided by/used for investing activities	12,660
Net increase/decrease in cash and cash equivalents	73,957
Cash and cash equivalents, beginning of year	455,106
Cash and cash equivalents, end of year	\$ 529,063
<u>Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating</u>	
Operating income/loss	\$ 78,720
Adjustments to reconcile operating income/loss to net cash provided by/used for operating activities:	
Changes in assets and liabilities:	
Increase/decrease in accrued payroll	(423)
Increase/decrease in due from governmental entities	(17,000)
Total adjustments	(17,423)
Net cash provided by/used for operating activities	\$ 61,297

Western Maricopa Education Center District No. 402
Notes to Financial Statements
June 30, 2024

Note 1 – Summary of Significant Accounting Policies

The financial statements of the Western Maricopa Education Center District No. 402 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the District's accounting policies are described below.

A. Reporting Entity

The Governing Board is organized under Section 15-321 of the Arizona Revised Statutes (A.R.S.). Management of the District is independent of other state or local governments. The County Treasurer collects taxes for the District, but exercises no control over its expenditures/expenses.

The membership of the Governing Board consists of seven members elected by the public. Under existing statutes, the Governing Board's duties and powers include, but are not limited to, the acquisition, maintenance and disposition of school property; the development and adoption of a school program; and the establishment, organization and operation of schools.

The Board also has broad financial responsibilities, including the approval of the annual budget, and the establishment of a system of accounting and budgetary controls.

The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and the District is not included in any other governmental reporting entity. Consequently, the District's financial statements include only the funds of those organizational entities for which its elected governing board is financially accountable. The District's major operations include education and construction and maintenance of District facilities.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information about the District as a whole. The reported information includes all of the nonfiduciary activities of the District. For the most part, the effect of internal activity has been removed from these statements. These statements are to distinguish between the governmental and business-type activities of the District. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District does not have any business-type activities or fiduciary activities.

Western Maricopa Education Center District No. 402
Notes to Financial Statements
June 30, 2024

Note 1 – Summary of Significant Accounting Policies

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The District does not allocate indirect expenses to programs of functions. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. Taxes, unrestricted state aid, and other items not included among program revenues are reported instead as general revenues.

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

Government-Wide Financial Statements – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. As a general rule, the effect of internal activity has been eliminated from the government-wide financial statements; however, the effects of interfund services provided and used between functions are reported as expenses and program revenues at amounts approximating their external exchange value.

Fund Financial Statements – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. As permitted by generally accepted accounting principles, the District applies the “early recognition” option for debt service payments.

Property tax resources are provided in the Debt Service Fund during the current year for the payment of debt service principal and interest due early in the following year (less than one month). Therefore, the expenditures and related liabilities have been recognized in the current period. Capital asset acquisitions are reported as expenditures in governmental funds. Issuances of long-term debt and acquisitions under lease contracts and subscription-based information technology arrangements are reported as other financing sources.

Western Maricopa Education Center District No. 402
Notes to Financial Statements
June 30, 2024

Note 1 – Summary of Significant Accounting Policies

Property taxes, state aid, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. Unearned revenues arise when resources are received by the District before it has legal claim to them, as when grant monies are received prior to meeting all eligibility requirements imposed by the provider.

Delinquent property taxes and other receivables that will not be collected within the available period have been reported as unavailable revenues on the governmental fund financial statements.

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The Internal Service Fund is presented in a single column on the face of the proprietary fund statements.

The District reports the following major governmental funds:

General Fund – The General Fund is the District’s primary operating fund. It accounts for all resources used to finance District maintenance and operation except those required to be accounted for in other funds. The General Fund includes the District’s Maintenance and Operation Fund and the Unrestricted Capital Outlay Fund, as well as certain activities budgeted in separate funds in accordance with A.R.S. These funds are maintained as separate funds for budgetary purposes but do not meet the criteria for separate reporting in the financial statements.

Debt Service Fund – The Debt Service Fund accounts for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs.

Bond Building Fund – The Bond Building Fund accounts for proceeds from District bond issues that are expended on the acquisition or lease of sites, construction or renovation of school buildings, improving school grounds, or purchasing pupil transportation vehicles.

Western Maricopa Education Center District No. 402
Notes to Financial Statements
June 30, 2024

Note 1 – Summary of Significant Accounting Policies

Additionally, the District reports the following fund type:

Proprietary Fund – The Proprietary Fund is an Internal Service Fund that accounts for activities related to agreements with other governments where the District is the fiscal agent.

The Proprietary Fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting and are presented in a single column. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service fund is contributions for shared lobbying services. Operating expenses for the internal service fund include the cost of professional lobbying services, administrative expenses, and depreciation/amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Cash and Investments

For purposes of the Statement of Cash Flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents at year end were cash and investments held by the County Treasurer.

A.R.S. require the District to deposit all cash with the County Treasurer, except as discussed below. Cash with the County Treasurer is pooled for investment purposes, except for cash of the Debt Service and Bond Building Funds that may be invested separately. Interest earned from investments purchased with pooled monies is allocated to each of the District's funds based on their average balances. As required by statute, interest earnings of the Bond Building Fund are recorded initially in that fund, but then transferred to the Debt Service Fund. All investments are stated at fair value.

Statute authorizes the District to separately invest monies of the Bond Building and Debt Service Funds in the State Treasurer's investment pools; obligations issued and guaranteed by the United States or any of its agencies or instrumentalities; specified state and local government bonds and notes; and interest bearing savings accounts or certificates of deposit.

Statute authorizes the District to deposit monies of the Auxiliary Operations and Student Activities Funds in bank accounts. Monies in these funds may also be invested. In addition, statute authorizes the District to maintain various bank accounts such as clearing accounts to temporarily deposit receipts before they are transmitted to the County Treasurer; revolving accounts to pay minor disbursements; and withholdings accounts for taxes and employee insurance programs. Some of these bank accounts may be interest bearing.

Western Maricopa Education Center District No. 402
Notes to Financial Statements
June 30, 2024

Note 1 – Summary of Significant Accounting Policies

Statute does not include any requirements for credit risk, concentration of credit risk, interest rate risk, or foreign currency risk. Arizona statute requires a pooled collateral program for public deposits and a Statewide Collateral Pool Administrator (Administrator) in the State Treasurer's Office. The purpose of the pooled collateral program is to ensure that governmental entities' public deposits placed in participating depositories are secured with collateral of 102 percent of the public deposits, less any applicable federal depository insurance. An eligible depository may not retain or accept any public deposit unless it has deposited the required collateral with a qualified escrow agent or the Administrator. The Administrator manages the pooled collateral program, including reporting on each depository's compliance with the program.

E. Investment Income

Investment income is composed of interest, dividends, and net changes in the fair value of applicable investments. Investment income is included in other local revenue in the fund financial statements.

F. Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Interfund balances between governmental funds are eliminated on the Statement of Net Position.

All receivables, including property taxes receivable, are shown net of an allowance for uncollectibles.

G. Property Tax Calendar

The County Treasurer is responsible for collecting property taxes for all governmental entities within the county. The county levies real property taxes on or before the third Monday in August that become due and payable in two equal installments. The first installment is due on the first day of October and becomes delinquent after the first business day of November. The second installment is due on the first day of March of the next year and becomes delinquent after the first business day of May.

Pursuant to A.R.S., a lien against assessed real and personal property attaches on the first day of January preceding assessment and levy; however according to case law, an enforceable legal claim to the asset does not arise.

Western Maricopa Education Center District No. 402
Notes to Financial Statements
June 30, 2024

Note 1 – Summary of Significant Accounting Policies

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

I. Capital Assets

Capital assets, which include land, leasehold improvements; buildings and improvements; vehicles, furniture and equipment; construction in progress; and intangible right-to-use assets are reported in the government-wide financial statements.

Capital assets are defined by the District as assets with an initial, individual cost in excess of \$5,000 and an estimated useful life of more than one year. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Capital assets are depreciated using the straight-line method over the estimated useful life of the asset. Intangible right-to-use assets are amortized over the shorter of the lease/subscription term or the underlying asset's useful life. The estimated useful lives and amortization periods are as follows:

Land improvements	20 years
Buildings and improvements	20 - 50 years
Vehicles, furniture and equipment	5 - 20 years

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position may report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position may report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

Western Maricopa Education Center District No. 402
Notes to Financial Statements
June 30, 2024

Note 1 – Summary of Significant Accounting Policies

K. Compensated Absences

The District's employee vacation and sick leave policies generally provide for granting vacation and sick leave with pay in varying amounts. Only benefits considered vested are recognized in the financial statements. The liability for vacation and sick leave is reported in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignations and retirements. Generally, resources from the General Fund are used to pay for compensated absences.

L. Leases

As lessor, if there is no stated rate in the lease contract (or if the stated rate is not the rate the District charges the lessee) and the implicit rate cannot be determined, the District uses an interest rate based on the Applicable Federal Rate as the discount rate to measure lease receivables.

M. Pensions

For purposes of measuring the net pension liability, related deferred outflows of resources and deferred inflows of resources, and pension expense, information about the pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

N. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Deferred amounts on refunding result from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

Western Maricopa Education Center District No. 402
Notes to Financial Statements
June 30, 2024

Note 1 – Summary of Significant Accounting Policies

O. Interfund Activity

Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund transfers in the fund financial statements are reported as other financing sources/uses in governmental funds.

P. Net Position Flow Assumption

In the government-wide and proprietary fund financial statements the District applies restricted resources first when outlays are incurred for purposes for which either restricted or unrestricted amounts are available.

Q. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 2 – Fund Balance Classifications

Fund balances of the governmental funds are reported separately within classifications based on a hierarchy of the constraints placed on the use of those resources. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The classifications are nonspendable, restricted, and unrestricted, which includes committed, assigned, and unassigned fund balance classifications.

Nonspendable. The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact.

Restricted. Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation.

Committed. The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action of the Governing Board. Those committed amounts cannot be used for any other purpose unless the Governing Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The District does not have a formal policy or procedures for the utilization of committed fund balance, accordingly, no committed fund balance amounts are reported.

Western Maricopa Education Center District No. 402
Notes to Financial Statements
June 30, 2024

Note 2 – Fund Balance Classifications

Assigned. Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Governing Board or a management official delegated that authority by the formal Governing Board action. The District does not have a formal policy for the utilization of assigned fund balance, accordingly, no assigned fund balance amounts are reported.

Unassigned. Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The District applies restricted resources first when outlays are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

The table below provides detail of the major components of the District’s fund balance classifications at year end.

	General	Debt Service	Bond Building	Non-Major Governmental Funds
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund Balances:				
Restricted:				
Debt service	\$	\$ 9,627,448	\$	\$
Bond building projects			50,231,840	
Voter approved initiatives				4,425,942
Federal and state projects				3,286,325
Civic center				305,484
Community school				1,062,468
Extracurricular activities				106,461
Career and technical education projects				272,301
Student activities				96,080
Intergovernmental agreements				95,431
Unassigned	86,940,547			
Total fund balances	<u>\$ 86,940,547</u>	<u>\$ 9,627,448</u>	<u>\$ 50,231,840</u>	<u>\$ 9,650,492</u>

Western Maricopa Education Center District No. 402
Notes to Financial Statements
June 30, 2024

Note 3 – Stewardship, Compliance and Accountability

Excess Expenditures Over Budget – At year end, the District had expenditures in funds that exceeded the budgets, however, this does not constitute a violation of any legal provisions.

Note 4 – Cash and Investments

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the District's deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District's deposits was \$241,750 and the bank balance was \$271,282. All of the bank balance was insured.

Fair Value Measurements. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

- Level 1 inputs are quoted prices in active markets for identical assets
- Level 2 inputs are significant other observable inputs
- Level 3 inputs are significant unobservable inputs

The County Treasurer's pool is an external investment pool with no regulatory oversight. The pool is not required to register (and is not registered) with the Securities and Exchange Commission. The fair value of each participant's position in the County Treasurer investment pool approximates the value of the participant's shares in the pool and the participants' shares are not identified with specific investments. Participants in the pool are not required to categorize the value of shares in accordance with the fair value hierarchy.

At year end, the District's investments consisted of the following:

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer's investment pool	365 days	\$ 175,606,327

Western Maricopa Education Center District No. 402
Notes to Financial Statements
June 30, 2024

Note 4 – Cash and Investments

Interest Rate Risk. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. The District has no investment policy that would further limit its investment choices. As of year end, the District’s investment in the County Treasurer’s investment pool did not receive a credit quality rating from a national rating agency.

Custodial Credit Risk – Investments. The District’s investment in the County Treasurer’s investment pool represents a proportionate interest in the pool’s portfolio; however, the District’s portion is not identified with specific investments and is not subject to custodial credit risk.

Note 5 – Receivables

Receivable balances, net of allowance for uncollectibles, have been disaggregated by type and presented separately in the financial statements with the exception of due from governmental entities. Due from governmental entities, net of allowance for uncollectibles, as of year end for the District’s individual major fund and non-major governmental in the aggregate were as follows:

	General	Non-Major Governmental Funds
Due from other governmental entities:		
Due from federal government	\$	\$ 43,557
Due from state government	8,013,982	421,026
Net due from governmental entities	\$ 8,013,982	\$ 464,583

Western Maricopa Education Center District No. 402
Notes to Financial Statements
June 30, 2024

Note 6 – Leases Receivable

The District acts as lessor in two agreements to lease building space under the provisions of contracts classified as leases. The related receivables under the lease agreements have been recorded at the present value of their future minimum lease payments as of the inception dates. Lease revenue of \$337,872 and related interest revenue of \$4,029 are recorded as other local revenue in the General Fund.

Future minimum lease payments to be received under the lease agreements at year end are summarized as follows:

Year Ending June 30:	Governmental Activities	
	Principal	Interest
2025	\$ 137,123	\$ 3,698
2026	238,771	6,285
2027	335,352	9,704
2028	336,192	8,864
2029	337,032	8,024
2030-34	1,748,193	27,137
2035-39	1,003,132	9,358
2040-41	276,958	542
Total	\$ 4,412,753	\$ 73,612

Note 7 – Capital Assets

A summary of capital asset activity for the current fiscal year follows:

	Beginning Balance	Increase	Decrease/ Adjustments	Ending Balance
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 27,272,514	\$	\$	\$ 27,272,514
Total capital assets, not being depreciated	27,272,514			27,272,514
Capital assets, being depreciated:				
Land improvements	2,291,778	139,027		2,430,805
Buildings and improvements	179,310,615	1,014,507		180,325,122
Vehicles, furniture and equipment	11,460,781	2,133,998	135,656	13,459,123
Total capital assets being depreciated	193,063,174	3,287,532	135,656	196,215,050
Less accumulated depreciation for:				
Land improvements	(511,965)	(115,846)	(7,683)	(620,128)
Buildings and improvements	(25,152,692)	(3,875,751)	(2,210,488)	(26,817,955)
Vehicles, furniture and equipment	(6,469,648)	(914,231)	(662,711)	(6,721,168)
Total accumulated depreciation	(32,134,305)	(4,905,828)	(2,880,882)	(34,159,251)
Total capital assets, being depreciated, net	160,928,869	(1,618,296)	(2,745,226)	162,055,799
Governmental activities capital assets, net	\$ 188,201,383	\$ (1,618,296)	\$ (2,745,226)	\$ 189,328,313

During the fiscal year, the District made immaterial adjustments to certain categories that are included in the Decrease/Adjustments column above.

Western Maricopa Education Center District No. 402
Notes to Financial Statements
June 30, 2024

Note 7 – Capital Assets

Depreciation expense was charged to governmental functions as follows:

Instruction	\$	4,253,388
Support services – students and staff		100,842
Support services – administration		289,410
Operation and maintenance of plant services		<u>262,188</u>
Total depreciation expense – governmental activities	\$	<u>4,905,828</u>

Note 8 – Claims and Judgments Payable

During fiscal year 2023-24, the District received notice that the Qasimyar v. Maricopa County, Class Action Judgment had been finalized by the Tax Court. The District, along with all taxing districts in Maricopa County, was affected by the judgment. The Tax Court ruling spanned multiple tax years and, in most cases, resulted in a decrease to the Limited Property Value along with a corresponding refund to individual taxpayers.

As a result of the judgment, the County Treasurer’s Office published the estimated financial impact for all taxing districts. This amount is reported as a claims and judgments payable in the District’s General Fund. It is expected that the liability will be paid in the next fiscal year.

Although the District is responsible for repayment of the entire liability, due to the property tax formula the Arizona Department of Education will be recalculating basic state aid owed to the District, which is expected to be received in the next fiscal year. Any amounts expected to be received from the state are included in the due from governmental entities receivable.

Note 9 – Short Term Debt – Revolving Line of Credit

The District has a \$1.0 million revolving line of credit to provide cash flow during the year to mitigate the impact of timing differences of expenditures and the receipt of state aid and property tax revenues. At year end, the District had \$1.0 million in unused line of credit.

Western Maricopa Education Center District No. 402
Notes to Financial Statements
June 30, 2024

Note 10 – General Obligation Bonds Payable

Bonds payable at year end consisted of the following outstanding general obligation bonds. Of the total amount originally authorized, none remains unissued. The bonds are both callable and noncallable with interest payable semiannually. Property taxes from the Debt Service Fund will be used to pay bonded debt. The District’s legal debt limit is \$351.3 million, and the available margin is \$227.0 million.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2024	Due Within One Year
Governmental activities:					
School Improvement Bonds					
Project of 2012 Series A (2013)	\$ 35,000,000	3.00-5.00%	7/1/24-32	\$ 20,185,000	\$ 1,905,000
School Improvement Bonds					
Project of 2012 Series B (2014)	25,000,000	3.00-4.50%	7/1/24-34	19,025,000	1,025,000
School Improvement Bonds					
Project of 2012 Series C (2015)	14,900,000	3.00-4.25%	7/1/24-35	11,280,000	465,000
School Improvement Bonds					
Project of 2016 Series A (2017)	70,035,000	5.00%	7/1/24-27	34,490,000	6,975,000
School Improvement Bonds					
Project of 2016 Series B (2019)	53,035,000	1.50-5.00%	7/1/24-28	<u>29,950,000</u>	<u>6,050,000</u>
Total				<u>\$ 114,930,000</u>	<u>\$ 16,420,000</u>

Annual debt service requirements to maturity on general obligation bonds at year end are summarized as follows:

Year ending June 30:	Governmental Activities	
	Principal	Interest
2025	\$ 16,420,000	\$ 4,597,555
2026	17,640,000	3,768,630
2027	19,005,000	2,991,280
2028	20,160,000	2,169,699
2029	9,600,000	1,477,531
2030-34	22,020,000	4,345,777
2035-36	<u>10,085,000</u>	<u>416,738</u>
Total	<u>\$ 114,930,000</u>	<u>\$ 19,767,210</u>

Western Maricopa Education Center District No. 402
Notes to Financial Statements
June 30, 2024

Note 11 – Changes in Long-Term Liabilities

Long-term liability activity for the current fiscal year follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 130,195,000	\$	\$ 15,265,000	\$ 114,930,000	\$ 16,420,000
Premium	10,786,685		2,044,708	8,741,977	
Total bonds payable	<u>140,981,685</u>		<u>17,309,708</u>	<u>123,671,977</u>	<u>16,420,000</u>
Net pension liability	15,734,621	964,630		16,699,251	
Compensated absences payable	<u>2,097,063</u>		<u>708,471</u>	<u>1,388,592</u>	<u>104,144</u>
Total long-term liabilities	<u>\$ 158,813,369</u>	<u>\$ 964,630</u>	<u>\$ 18,018,179</u>	<u>\$ 141,759,820</u>	<u>\$ 16,524,144</u>

Note 12 – Interfund Transfers

At year end, interfund balances were as follows:

Transfers between funds of \$1,637,679 were used to move investment income earned in the Bond Building Fund that is required by statute to be expended in the Debt Service Fund.

Note 13 – Contingent Liabilities

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

Note 14 – Restatements of Beginning Balances

Correction of an Error – The July 1, 2023 fund balance of the Federal and State Grants and Other Special Revenue Funds, both non-major funds, do not agree to the prior year financial statements due to an error. Unallowable expenditures originally charged to the Federal and State Grants Fund in fiscal years 2020-21 and 2021-22 were moved to the Other Special Revenue Fund in the current year.

Western Maricopa Education Center District No. 402
Notes to Financial Statements
June 30, 2024

Note 14 – Restatements of Beginning Balances

The effect of the matters noted above resulted in adjustments to and restatements of beginning net position and fund net position, as follows:

	June 30, 2023, As Previously Reported	Correction of an Error	June 30, 2023, As Restated
Governmental Funds			
Nonmajor Funds:			
Classroom Site	\$ 3,238,055	\$	\$ 3,238,055
Instructional Improvement	589,401		589,401
Federal and State Grants	83,695	90,907	174,602
Other Special Revenue	<u>2,669,559</u>	<u>(90,907)</u>	<u>2,578,652</u>
Total Nonmajor Funds	<u>\$ 6,580,710</u>	<u>\$</u>	<u>\$ 6,580,710</u>

Note 15 – Risk Management

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

The District was unable to obtain general property and liability insurance at a cost it considered to be economically justifiable. Therefore, the District joined the Arizona School Risk Retention Trust, Inc. (ASRRT). ASRRT is a public entity risk pool currently operating as a common risk management and insurance program for school districts and community colleges in the State. The District pays an annual premium to ASRRT for its general insurance coverage. The agreement provides that ASRRT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of specified amounts.

The District’s employees have health and accident insurance coverage with the Arizona School Board Association Insurance Trust (ASBAIT). ASBAIT is a public entity risk pool currently operating as a common risk management and insurance program for school districts in the State. The District pays a monthly premium to ASBAIT for employees’ health and accident insurance coverage. The agreement provides that ASBAIT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of specified amounts.

The District joined the Arizona School Alliance for Workers’ Compensation, Inc. (Alliance) together with other school districts in the state for risks of loss related to workers’ compensation claims. The Alliance is a public entity risk pool currently operating as a common risk management and insurance program for school districts in the State. The District pays quarterly premiums to the Alliance for its employee workers’ compensation coverage. The agreement provides that the Alliance will be self-sustaining through members’ premiums and will reinsure through commercial companies for claims in excess of specified amounts for each insured event.

Western Maricopa Education Center District No. 402
Notes to Financial Statements
June 30, 2024

Note 15 – Risk Management

The District continues to carry commercial insurance for all other risks of loss, including dental insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 16 – Pensions

Plan Description. District employees participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. ASRS is a component unit of the State of Arizona. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on the ASRS website at www.azasrs.gov.

The ASRS OPEB plans are not further disclosed because of their relative insignificance to the District’s financial statements.

Benefits Provided. The ASRS provides retirement, health insurance premium supplement, long-term disability, and survivor benefits. State statute establishes benefit terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

	Retirement Initial Membership Date:	
	Before July 1, 2011	On or After July 1, 2011
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years, age 62 5 years, age 50* Any years, age 65	30 years, age 55 25 years, age 60 10 years, age 62 5 years, age 50* Any years, age 65
Final average salary is based on	Highest 36 months of last 120 months	Highest 60 months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%
	*With actuarially reduced benefits	

Western Maricopa Education Center District No. 402
Notes to Financial Statements
June 30, 2024

Note 16 – Pensions

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earnings. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member's death. For retired members, the survivor benefit is determined by the retirement benefit option chosen. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contributions and employer's contributions, plus interest earned.

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.29 percent (12.14 percent for retirement and 0.15 percent for long-term disability) of the members' annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 12.29 percent (12.03 percent for retirement, 0.11 percent for health insurance premium benefit, and 0.15 percent for long-term disability) of the active members' annual covered payroll. The District's contributions to the pension plan for the year ended June 30, 2024 were \$1,907,589.

Employers are also required to pay an Alternate Contribution Rate (ACR), for retired members who return to work in positions that would typically be filled by an employee who contributes to ASRS. The District was required by statute to contribute at the actuarially determined rate of 9.99 percent (9.94 for retirement, 0.05 percent for health insurance premium benefit, and 0.07 percent for long-term disability). ACR contributions are included in employer contributions presented above.

The District's pension plan contributions are paid by the same funds as the employee's salary, with the largest component coming from the General Fund.

Pension Liability. The net pension liability was measured as of June 30, 2023. The total liability used to calculate the net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2022, to the measurement date of June 30, 2023. The District's proportion of the net liability was based on the District's actual contributions to the applicable plan relative to the total of all participating employers' contributions to the plan for the year ended June 30, 2023.

Western Maricopa Education Center District No. 402
Notes to Financial Statements
June 30, 2024

Note 16 – Pensions

At June 30, 2024, the District reported the following amounts for its proportionate share of the pension plan net liability. In addition, at June 30, 2023, the District's percentage proportion for the plan and the related change from its proportion measured as of June 30, 2022 was:

Net Liability	District % Proportion	Increase (Decrease)
\$ 16,699,251	0.103	0.007

Pension Expense and Deferred Outflows/Inflows of Resources. The District has deferred outflows and inflows of resources related to the net pension liability. Certain changes in the net pension liability are recognized as pension expense over a period of time rather than the year of occurrence. The District's pension expense for the year ended June 30, 2024 was \$2,807,277.

The District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 377,336	\$
Net difference between projected and actual earnings on pension investments		590,834
Changes in proportion and differences between contributions and proportionate share of contributions	690,341	43,064
Contributions subsequent to the measurement date	1,907,589	
Total	\$ 2,975,266	\$ 633,898

The amounts of deferred outflows of resources resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as an adjustment of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	
2025	\$ 225,332
2026	(384,877)
2027	636,744
2028	(73,420)

Western Maricopa Education Center District No. 402
Notes to Financial Statements
June 30, 2024

Note 16 – Pensions

Actuarial Assumptions. The significant actuarial assumptions used to measure the total pension liability are as follows:

Actuarial valuation date	June 30, 2022
Actuarial roll forward date	June 30, 2023
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Inflation	2.3%
Projected salary increases	2.9-8.4%
Permanent base increases	Included
Mortality rates	2017 SRA Scale U-MP

The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2020, actuarial valuation.

The long-term expected rate of return on ASRS plan investments was determined to be 7.0 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, excluding any expected inflation.

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Public equity	44%	3.50%
Credit	23%	5.90
Interest rate sensitive	6%	1.50
Private equity	10%	6.70
Real estate	17%	5.90
Total	100%	

Western Maricopa Education Center District No. 402
Notes to Financial Statements
June 30, 2024

Note 16 – Pensions

Discount Rate. The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Rate	6.0%	7.0%	8.0%
Net liability	\$ 25,013,026	\$ 16,699,251	\$ 9,767,034

Pension Plan Fiduciary Net Position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued ASRS financial report. The report is available on the ASRS website at www.azasrs.gov.

Note 17 – Jointly Funded Operations

The District is the fiscal agent for an agreement among other State of Arizona career technical education districts primarily to fund the services of a lobbyist, as well as costs for career meetings and ventures among the career technical education districts.

Required Supplementary Information

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Western Maricopa Education Center District No. 402
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General
For the Year Ended June 30, 2024

	Budget		Non-GAAP Actual	Variance with Final Budget
	Original	Final		
Revenues				
Other local	\$	\$	\$ 1,975,055	\$ 1,975,055
Property taxes			9,679,384	9,679,384
State aid and grants			42,504,517	42,504,517
Total revenues			54,158,956	54,158,956
Expenditures				
Current:				
Instruction	30,082,882	47,823,410	27,038,617	20,784,793
Support services - students and staff	5,514,422	6,094,601	6,082,151	12,450
Support services - administration	14,463,840	11,093,232	7,282,693	3,810,539
Operation and maintenance of plant services	3,826,960	5,800,943	4,590,904	1,210,039
Student transportation services	78,000	78,000	36,525	41,475
Operation of non-instructional services	96,600			
Total expenditures	54,062,704	70,890,186	45,030,890	25,859,296
Excess (deficiency) of revenues over expenditures	(54,062,704)	(70,890,186)	9,128,066	80,018,252
Changes in fund balances	(54,062,704)	(70,890,186)	9,128,066	80,018,252
Fund balances, beginning of year			66,206,438	66,206,438
Fund balances, end of year	\$ (54,062,704)	\$ (70,890,186)	\$ 75,334,504	\$ 146,224,690

Western Maricopa Education Center District No. 402
Schedule of the Proportionate Share of the Net Pension Liability
Arizona State Retirement System
Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Measurement date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
District's proportion of the net pension (assets) liability	0.10%	0.10%	0.10%	0.09%
District's proportionate share of the net pension (assets) liability	\$ 16,699,251	\$ 15,734,621	\$ 12,783,474	\$ 15,907,478
District's covered payroll	\$ 13,454,002	\$ 11,490,092	\$ 10,901,391	\$ 9,992,908
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	124.12%	136.94%	117.26%	159.19%
Plan fiduciary net position as a percentage of the total pension liability	75.47%	74.26%	78.58%	69.33%

Schedule of Pension Contributions
Arizona State Retirement System
Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Actuarially determined contribution	\$ 1,907,589	\$ 1,603,717	\$ 1,379,960	\$ 1,270,012
Contributions in relation to the actuarially determined contribution	<u>1,907,589</u>	<u>1,603,717</u>	<u>1,379,960</u>	<u>1,270,012</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 15,856,933	\$ 13,454,002	\$ 11,490,092	\$ 10,901,391
Contributions as a percentage of covered payroll	12.03%	11.92%	12.01%	11.65%

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
0.09%	0.08%	0.07%	0.05%	0.04%	0.03%
\$ 12,633,320	\$ 10,925,673	\$ 10,384,329	\$ 8,720,985	\$ 6,473,683	\$ 4,782,969
\$ 9,112,299	\$ 7,771,422	\$ 6,489,499	\$ 5,033,014	\$ 3,805,161	\$ 2,939,262
138.64%	140.59%	160.02%	173.28%	170.13%	162.73%
73.24%	73.40%	69.92%	67.06%	68.35%	69.49%

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 1,144,188	\$ 1,018,755	\$ 847,085	\$ 699,568	\$ 546,082	\$ 414,382
<u>1,144,188</u>	<u>1,018,755</u>	<u>847,085</u>	<u>699,568</u>	<u>546,082</u>	<u>414,382</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 9,992,908	\$ 9,112,299	\$ 7,771,422	\$ 6,489,499	\$ 5,033,014	\$ 3,805,161
11.45%	11.18%	10.90%	10.78%	10.85%	10.89%

Western Maricopa Education Center District No. 402
Notes to Required Supplementary Information
June 30, 2024

Note 1 – Budgetary Basis of Accounting

The District budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America, except for the following items.

- Employee insurance expenditures are budgeted in the year the employee insurance account is funded.
- Expenditures for claims and judgments are not budgeted.

Additionally, the General Fund includes the Maintenance and Operations Fund and other funds that do not meet the criteria for separate reporting in the financial statements, and which do not have legally adopted budgets. Arizona Revised Statutes requires a Maintenance and Operations Fund budget, and therefore these other funds must be subtracted to present only the activity of the Maintenance and Operations Fund.

The following schedule reconciles expenditures and fund balances at the end of year.

	Total	Fund
	Expenditures	Balances
	<u> </u>	<u>End of Year</u>
Statement of Revenues, Expenditures and Changes in		
Fund Balances - Governmental Funds	\$ 55,842,478	\$ 86,940,547
Other funds presented in the General Fund	(9,193,875)	(13,210,399)
Claims and judgments	(1,626,943)	1,626,943
Employee insurance account	<u>9,230</u>	<u>(22,587)</u>
Schedule of Revenue, Expenditures and Changes in		
Fund Balances – Budget and Actual - General Fund	<u>\$ 45,030,890</u>	<u>\$ 75,334,504</u>

Note 2 – Pension Plan Schedules

Actuarial Assumptions for Valuations Performed. The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated, which is the most recent actuarial valuation. The actuarial assumptions used are disclosed in the notes to the financial statements.

Factors that Affect Trends. The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2020, actuarial valuation.

**Combining and Individual
Fund Financial Statements and Schedules**

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Governmental Funds

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Non-Major Governmental Funds

Special Revenue Funds

Classroom Site – to account for the financial activity for the portion of state sales tax collections and permanent state school fund earnings.

Instructional Improvement – to account for the activity of monies received from gaming revenue.

Federal and State Grants – to account for financial assistance received for federal and state grants and projects, including the following: Vocational Education, E-Rate, Other Federal Projects, State Vocational Education, College Credit Exam Incentives, Other State Projects, and Arizona Industry Credentials Incentive.

Other Special Revenue Funds – to account for the revenues and expenditures of other special revenue activities, including the following: civic center, community school, extracurricular activities fees tax credit, career and technical education projects, student activities, and intergovernmental agreements.

Western Maricopa Education Center District No. 402
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2024

Special Revenue Funds

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>Federal and State Grants</u>	<u>Other Special Revenue</u>
Assets				
Cash and investments	\$ 4,569,579	\$ 658,696	\$ 3,732,439	\$ 2,004,604
Accounts receivable				55,855
Due from governmental entities		48,402	416,181	
Total assets	<u>\$ 4,569,579</u>	<u>\$ 707,098</u>	<u>\$ 4,148,620</u>	<u>\$ 2,060,459</u>
Liabilities				
Accounts payable	\$	\$	\$ 753,085	\$ 33,144
Accrued payroll and employee benefits	850,735			89,090
Unearned revenues			54,564	
Total liabilities	<u>850,735</u>		<u>807,649</u>	<u>122,234</u>
Deferred inflows of resources				
Unavailable revenues - intergovernmental			54,646	
Total deferred inflows of resources			<u>54,646</u>	
Fund balances				
Restricted	<u>3,718,844</u>	<u>707,098</u>	<u>3,286,325</u>	<u>1,938,225</u>
Total fund balances	<u>3,718,844</u>	<u>707,098</u>	<u>3,286,325</u>	<u>1,938,225</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,569,579</u>	<u>\$ 707,098</u>	<u>\$ 4,148,620</u>	<u>\$ 2,060,459</u>

**Total Non-Major
Governmental
Funds**

\$ 10,965,318
55,855
464,583
\$ 11,485,756

\$ 786,229
939,825
54,564
1,780,618

54,646
54,646

9,650,492
9,650,492

\$ 11,485,756

Western Maricopa Education Center District No. 402
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2024

	<u>Special Revenue Funds</u>			
	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>Federal and State Grants</u>	<u>Other Special Revenue</u>
Revenues				
Other local	\$ 107,745	\$ 16,613	\$ 6,092	\$ 2,380,114
State aid and grants	1,432,480	104,010	3,291,287	
Federal aid, grants and reimbursements			<u>2,272,632</u>	
Total revenues	<u>1,540,225</u>	<u>120,623</u>	<u>5,570,011</u>	<u>2,380,114</u>
Expenditures				
Current:				
Instruction	910,658		1,380,013	2,006,073
Support services - students and staff	148,778	2,926	251,958	522,581
Support services - administration				460,812
Operation and maintenance of plant services				3,173
Student transportation services			784,619	
Capital outlay			<u>41,698</u>	<u>27,902</u>
Total expenditures	<u>1,059,436</u>	<u>2,926</u>	<u>2,458,288</u>	<u>3,020,541</u>
Excess (deficiency) of revenues over expenditures	<u>480,789</u>	<u>117,697</u>	<u>3,111,723</u>	<u>(640,427)</u>
Changes in fund balances	<u>480,789</u>	<u>117,697</u>	<u>3,111,723</u>	<u>(640,427)</u>
Fund balances, beginning of year, previously reported	3,238,055	589,401	83,695	2,669,559
Adjustments to beginning fund balances			<u>90,907</u>	<u>(90,907)</u>
Fund balances, beginning of year, as restated	<u>3,238,055</u>	<u>589,401</u>	<u>174,602</u>	<u>2,578,652</u>
Fund balances, end of year	<u>\$ 3,718,844</u>	<u>\$ 707,098</u>	<u>\$ 3,286,325</u>	<u>\$ 1,938,225</u>

**Total Non-Major
Governmental
Funds**

\$ 2,510,564
4,827,777
2,272,632
9,610,973

4,296,744
926,243
460,812
3,173
784,619
69,600

6,541,191

3,069,782

3,069,782

6,580,710

6,580,710

\$ 9,650,492

Western Maricopa Education Center District No. 402
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Classroom Site
For the Year Ended June 30, 2024

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local	\$	\$	\$ 107,745	\$ 107,745
State aid and grants			1,432,480	1,432,480
Total revenues			<u>1,540,225</u>	<u>1,540,225</u>
Expenditures				
Current:				
Instruction	32,054,296	4,532,054	910,658	3,621,396
Support services - students and staff	148,778	148,778	148,778	
Total expenditures	<u>32,203,074</u>	<u>4,680,832</u>	<u>1,059,436</u>	<u>3,621,396</u>
Changes in fund balances	<u>(32,203,074)</u>	<u>(4,680,832)</u>	<u>480,789</u>	<u>5,161,621</u>
Fund balances, beginning of year			<u>3,238,055</u>	<u>3,238,055</u>
Fund balances, end of year	<u>\$ (32,203,074)</u>	<u>\$ (4,680,832)</u>	<u>\$ 3,718,844</u>	<u>\$ 8,399,676</u>

Western Maricopa Education Center District No. 402
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Instructional Improvement
For the Year Ended June 30, 2024

	<u>Budget</u>		
	<u>Original and Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Other local	\$	\$ 16,613	\$ 16,613
State aid and grants		<u>104,010</u>	<u>104,010</u>
Total revenues		<u>120,623</u>	<u>120,623</u>
Expenditures			
Current:			
Support services - students and staff	<u>513,838</u>	<u>2,926</u>	<u>510,912</u>
Total expenditures	<u>513,838</u>	<u>2,926</u>	<u>510,912</u>
Changes in fund balances	<u>(513,838)</u>	<u>117,697</u>	<u>631,535</u>
Fund balances, beginning of year		<u>589,401</u>	<u>589,401</u>
Fund balances, end of year	<u>\$ (513,838)</u>	<u>\$ 707,098</u>	<u>\$ 1,220,936</u>

Western Maricopa Education Center District No. 402
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Federal and State Grants
For the Year Ended June 30, 2024

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local	\$	\$	\$ 6,092	\$ 6,092
State aid and grants			3,291,287	3,291,287
Federal aid, grants and reimbursements			2,272,632	2,272,632
Total revenues			<u>5,570,011</u>	<u>5,570,011</u>
Expenditures				
Current:				
Instruction	2,031,737	2,153,413	1,380,013	773,400
Support services - students and staff	370,947	393,163	251,958	141,205
Student transportation services	1,155,162	1,224,343	784,619	439,724
Capital outlay	61,390	65,067	41,698	23,369
Total expenditures	<u>3,619,236</u>	<u>3,835,986</u>	<u>2,458,288</u>	<u>1,377,698</u>
Excess (deficiency) of revenues over expenditures	<u>(3,619,236)</u>	<u>(3,835,986)</u>	<u>3,111,723</u>	<u>6,947,709</u>
Changes in fund balances	<u>(3,619,236)</u>	<u>(3,835,986)</u>	<u>3,111,723</u>	<u>6,947,709</u>
Fund balances, beginning of year, previously reported			83,695	83,695
Adjustments to beginning fund balances			90,907	90,907
Fund balances, beginning of year, as restated			<u>174,602</u>	<u>174,602</u>
Fund balances, end of year	<u>\$ (3,619,236)</u>	<u>\$ (3,835,986)</u>	<u>\$ 3,286,325</u>	<u>\$ 7,122,311</u>

Western Maricopa Education Center District No. 402
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Special Revenue
For the Year Ended June 30, 2024

	<u>Budget</u>		Variance with Final Budget
	<u>Original and Final</u>	<u>Actual</u>	
Revenues			
Other local	\$	\$ 2,380,114	\$ 2,380,114
Total revenues		<u>2,380,114</u>	<u>2,380,114</u>
Expenditures			
Current:			
Instruction	1,761,121	2,006,073	(244,952)
Support services - students and staff	458,771	522,581	(63,810)
Support services - administration	404,544	460,812	(56,268)
Operation and maintenance of plant services	2,786	3,173	(387)
Capital outlay	24,495	27,902	(3,407)
Total expenditures	<u>2,651,717</u>	<u>3,020,541</u>	<u>(368,824)</u>
Excess (deficiency) of revenues over expenditures	<u>(2,651,717)</u>	<u>(640,427)</u>	<u>2,011,290</u>
Changes in fund balances	<u>(2,651,717)</u>	<u>(640,427)</u>	<u>2,011,290</u>
Fund balances, beginning of year, previously reported		2,669,559	2,669,559
Adjustments to beginning fund balances		(90,907)	(90,907)
Fund balances, beginning of year, as restated		<u>2,578,652</u>	<u>2,578,652</u>
Fund balances, end of year	<u>\$ (2,651,717)</u>	<u>\$ 1,938,225</u>	<u>\$ 4,589,942</u>

Western Maricopa Education Center District No. 402
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Debt Service
For the Year Ended June 30, 2024

	<u>Budget</u>		Variance with Final Budget
	<u>Original and Final</u>	<u>Actual</u>	
Revenues			
Other local	\$	\$ 179,648	\$ 179,648
Property taxes		<u>27,340,512</u>	<u>27,340,512</u>
Total revenues		<u>27,520,160</u>	<u>27,520,160</u>
Expenditures			
Debt service:			
Principal retirement	16,420,000	16,420,000	
Interest and fiscal charges	<u>3,082,755</u>	<u>4,994,356</u>	<u>(1,911,601)</u>
Total expenditures	<u>19,502,755</u>	<u>21,414,356</u>	<u>(1,911,601)</u>
Excess (deficiency) of revenues over expenditures	<u>(19,502,755)</u>	<u>6,105,804</u>	<u>25,608,559</u>
Other financing sources (uses)			
Transfers in		<u>1,637,679</u>	<u>1,637,679</u>
Total other financing sources (uses)		<u>1,637,679</u>	<u>1,637,679</u>
Changes in fund balances	<u>(19,502,755)</u>	<u>7,743,483</u>	<u>27,246,238</u>
Fund balances, beginning of year		<u>1,883,965</u>	<u>1,883,965</u>
Fund balances, end of year	<u>\$ (19,502,755)</u>	<u>\$ 9,627,448</u>	<u>\$ 29,130,203</u>

Western Maricopa Education Center District No. 402
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Bond Building
For the Year Ended June 30, 2024

	<u>Budget</u>		Variance with Final Budget
	<u>Original and Final</u>	<u>Actual</u>	
Revenues			
Other local	\$ _____	\$ 1,637,679	\$ 1,637,679
Total revenues	<u>_____</u>	<u>1,637,679</u>	<u>1,637,679</u>
Expenditures			
Capital outlay	51,664,188	1,478,107	50,186,081
Total expenditures	<u>51,664,188</u>	<u>1,478,107</u>	<u>50,186,081</u>
Excess (deficiency) of revenues over expenditures	<u>(51,664,188)</u>	<u>159,572</u>	<u>51,823,760</u>
Other financing sources (uses)			
Transfers out	_____	(1,637,679)	(1,637,679)
Total other financing sources (uses)	_____	<u>(1,637,679)</u>	<u>(1,637,679)</u>
Changes in fund balances	<u>(51,664,188)</u>	<u>(1,478,107)</u>	<u>50,186,081</u>
Fund balances, beginning of year	_____	<u>51,709,947</u>	<u>51,709,947</u>
Fund balances, end of year	<u>\$ (51,664,188)</u>	<u>\$ 50,231,840</u>	<u>\$ 101,896,028</u>

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Statistical Section

The statistical section presents financial statement trends as well as detailed financial and operational information not available elsewhere in the report. The statistical section is intended to enhance the reader's understanding of the information presented in the financial statements, notes to the financial statements, and other supplementary information presented in this report. The statistical section is comprised of the five categories of statistical information presented below.

Financial Trends

These schedules contain information on financial trends to help the reader understand how the District's financial position and financial activities have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the District's ability to generate revenue.

Debt Capacity

These schedules present information to help the reader evaluate the District's current levels of outstanding debt as well as assess the District's ability to make debt payments and/or issue additional debt in the future.

Demographic and Economic Information

These schedules present various demographic and economic indicators to help the reader understand the environment in which the District's financial activities take place and to help make comparisons with other school districts.

Operating Information

These schedules contain information about the District's operations and various resources to help the reader draw conclusions as to how the District's financial information relates to the services provided by the District.

Due to cost considerations for the accumulation of data, the District has elected to present less than ten years of data, or data from less than nine years prior, for certain statistical schedules. This information will be accumulated and reported each year until the complete ten years of data is presented.

Note: For locally assessed property (i.e., excluding mines, utilities, etc.) Proposition 117, approved by voters in 2012, amended the Arizona Constitution to require that all property taxes after fiscal year 2014-15 be based upon property values limited to five percent in annual growth. The aggregate assessed value of all taxable properties within a taxing jurisdiction (i.e., after applying assessment ratios based on the use of a property), including property values with a growth limit, is currently referred to as net limited assessed value and formerly as primary assessed value. In accordance with Proposition 117, this value is used for all taxing purposes beginning fiscal year 2015-16. Aggregate assessed value without a growth limit is currently referred to as net full cash assessed value and formerly as secondary assessed value. This remains the value utilized for determining debt capacity limits.

Western Maricopa Education Center District No. 402
Net Position by Component
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Net Position:					
Net investment in capital assets	\$ 115,888,176	\$ 98,929,645	\$ 86,814,556	\$ 70,215,926	\$ 58,119,098
Restricted	19,555,860	10,029,890	27,409,469	31,690,173	31,842,400
Unrestricted	<u>88,248,045</u>	<u>82,099,060</u>	<u>52,014,546</u>	<u>38,083,306</u>	<u>33,996,333</u>
Total net position	<u><u>\$ 223,692,081</u></u>	<u><u>\$ 191,058,595</u></u>	<u><u>\$ 166,238,571</u></u>	<u><u>\$ 139,989,405</u></u>	<u><u>\$ 123,957,831</u></u>
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Net Position:					
Net investment in capital assets	\$ 42,397,958	\$ 37,803,401	\$ 36,382,033	\$ 30,496,841	\$ 28,641,485
Restricted	32,652,335	24,793,511	22,653,975	24,190,160	29,780,068
Unrestricted	<u>20,145,371</u>	<u>22,433,457</u>	<u>9,940,733</u>	<u>10,752,024</u>	<u>5,042,780</u>
Total net position	<u><u>\$ 95,195,664</u></u>	<u><u>\$ 85,030,369</u></u>	<u><u>\$ 68,976,741</u></u>	<u><u>\$ 65,439,025</u></u>	<u><u>\$ 63,464,333</u></u>

Source: The source of this information is the District's financial records.

Western Maricopa Education Center District No. 402
Expenses, Program Revenues, and Net (Expense)/Revenue
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Expenses					
Instruction	\$ 36,008,125	\$ 32,240,956	\$ 29,053,120	\$ 27,069,815	\$ 25,189,552
Support services - students and staff	7,266,548	6,828,376	5,606,457	5,450,450	5,268,546
Support services - administration	12,133,816	10,106,271	8,846,800	8,618,610	7,280,450
Operation and maintenance of plant services	6,415,148	4,622,597	3,321,375	3,213,103	2,789,203
Student transportation services	1,023,706	147,044	134,800		12,956
Operation of non-instructional services		2,396	3,538	4,781	4,781
Interest on long-term debt	2,949,648	3,674,872	4,332,124	4,860,773	4,745,949
Total expenses	<u>65,796,991</u>	<u>57,622,512</u>	<u>51,298,214</u>	<u>49,217,532</u>	<u>45,291,437</u>
Program Revenues					
Charges for services:					
Instruction	2,501,759	2,443,087	2,595,979	2,365,384	2,398,629
Other activities	1,449,848	853,660	234,492	466,134	408,584
Operating grants and contributions	4,401,059	2,061,375	1,727,925	3,141,096	131,460
Capital grants and contributions	53,391	670,841	123,989	863,146	122,792
Total program revenues	<u>8,406,057</u>	<u>6,028,963</u>	<u>4,682,385</u>	<u>6,835,760</u>	<u>3,061,465</u>
Net (Expense)/Revenue	<u>\$ (57,390,934)</u>	<u>\$ (51,593,549)</u>	<u>\$ (46,615,829)</u>	<u>\$ (42,381,772)</u>	<u>\$ (42,229,972)</u>

(Continued)

Western Maricopa Education Center District No. 402
Expenses, Program Revenues, and Net (Expense)/Revenue
Last Ten Fiscal Years
(Accrual basis of accounting)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Expenses					
Instruction	\$ 28,381,606	\$ 20,559,036	\$ 20,352,708	\$ 19,272,358	\$ 17,237,909
Support services - students and staff	5,310,247	4,224,989	3,722,992	2,727,203	2,552,598
Support services - administration	8,192,043	5,919,305	5,540,120	4,027,507	3,058,392
Operation and maintenance of plant services	2,524,230	2,045,377	1,723,476	1,429,262	1,295,613
Student transportation services	99,476	43,960	19,064		
Operation of non-instructional services	4,781	3,038	80,825		
Interest on long-term debt	4,164,294	5,121,721	2,406,922	2,362,337	1,907,578
Total expenses	<u>48,676,677</u>	<u>37,917,426</u>	<u>33,846,107</u>	<u>29,818,667</u>	<u>26,052,090</u>
Program Revenues					
Charges for services:					
Instruction	1,575,165	1,500,031	618,348	1,370,557	930,445
Other activities	270,821	260,266	829,668	316,392	115,755
Operating grants and contributions	569,476	217,179	310,480	327,669	291,325
Capital grants and contributions	67,861				
Total program revenues	<u>2,483,323</u>	<u>1,977,476</u>	<u>1,758,496</u>	<u>2,014,618</u>	<u>1,337,525</u>
Net (Expense)/Revenue	<u>\$ (46,193,354)</u>	<u>\$ (35,939,950)</u>	<u>\$ (32,087,611)</u>	<u>\$ (27,804,049)</u>	<u>\$ (24,714,565)</u>

Source: The source of this information is the District's financial records.

(Concluded)

Western Maricopa Education Center District No. 402
General Revenues and Total Changes in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Net (Expense)/Revenue	\$ (57,390,934)	\$ (51,593,549)	\$ (46,615,829)	\$ (42,381,772)	\$ (42,229,972)
General Revenues:					
Property taxes	37,925,009	30,178,173	28,877,123	28,126,315	25,900,087
Investment income	4,347,010	2,614,472	1,104,004	1,271,905	2,065,728
Unrestricted county aid			3,839,031	2,773,710	3,362,486
Unrestricted state aid	47,752,401	43,545,486	39,044,837	26,241,416	31,957,655
Total general revenues	90,024,420	76,338,131	72,864,995	58,413,346	63,285,956
Changes in Net Position	\$ 32,633,486	\$ 24,744,582	\$ 26,249,166	\$ 16,031,574	\$ 21,055,984

(Continued)

Western Maricopa Education Center District No. 402
General Revenues and Total Changes in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Net (Expense)/Revenue	\$ (46,193,354)	\$ (35,939,950)	\$ (32,087,611)	\$ (27,804,049)	\$ (24,714,565)
General Revenues:					
Property taxes	22,531,094	25,112,776	11,307,931	9,051,893	10,559,293
Investment income	1,936,977	1,202,191	366,734	286,706	248,957
Unrestricted county aid	2,979,765	2,624,181	2,434,275	2,036,013	1,884,200
Unrestricted state aid	28,910,813	23,044,177	22,169,857	18,404,129	17,925,620
Total general revenues	<u>56,358,649</u>	<u>51,983,325</u>	<u>36,278,797</u>	<u>29,778,741</u>	<u>30,618,070</u>
Changes in Net Position	<u>\$ 10,165,295</u>	<u>\$ 16,043,375</u>	<u>\$ 4,191,186</u>	<u>\$ 1,974,692</u>	<u>\$ 5,903,505</u>

Source: The source of this information is the District's financial records.

Note: Due to a change in legislation, beginning with fiscal year 2023, unrestricted county aid is now presented with property taxes.

(Concluded)

Western Maricopa Education Center District No. 402
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
General Fund:					
Unassigned	\$ 86,940,547	\$ 81,870,753	\$ 52,079,016	\$ 38,084,431	\$ 32,080,407
Total General Fund	<u>\$ 86,940,547</u>	<u>\$ 81,870,753</u>	<u>\$ 52,079,016</u>	<u>\$ 38,084,431</u>	<u>\$ 32,080,407</u>
All Other Governmental Funds:					
Restricted	\$ 69,509,780	\$ 60,174,622	\$ 81,504,708	\$ 85,762,684	\$ 93,895,313
Unassigned			(537,470)	(431,485)	
Total all other governmental funds	<u>\$ 69,509,780</u>	<u>\$ 60,174,622</u>	<u>\$ 80,967,238</u>	<u>\$ 85,331,199</u>	<u>\$ 93,895,313</u>

(Continued)

Western Maricopa Education Center District No. 402
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Fund:					
Unassigned	\$ 19,191,678	\$ 18,248,708	\$ 14,110,709	\$ 14,364,948	\$ 7,930,939
Total General Fund	<u>\$ 19,191,678</u>	<u>\$ 18,248,708</u>	<u>\$ 14,110,709</u>	<u>\$ 14,364,948</u>	<u>\$ 7,930,939</u>
All Other Governmental Funds:					
Restricted	\$ 38,290,366	\$ 74,755,069	\$ 99,962,780	\$ 32,923,791	\$ 40,785,168
Total all other governmental funds	<u>\$ 38,290,366</u>	<u>\$ 74,755,069</u>	<u>\$ 99,962,780</u>	<u>\$ 32,923,791</u>	<u>\$ 40,785,168</u>

Source: The source of this information is the District's financial records.

(Concluded)

Western Maricopa Education Center District No. 402
Governmental Funds Revenues
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Federal sources:					
Federal grants	\$ 2,272,632	\$ 541,204	\$ 1,159,345	\$ 3,048,409	\$ 173,077
Total federal sources	<u>2,272,632</u>	<u>541,204</u>	<u>1,159,345</u>	<u>3,048,409</u>	<u>173,077</u>
State sources:					
State equalization assistance	46,215,911	42,005,991	37,500,334	25,298,918	31,123,598
State grants	2,744,127	648,859	439,609	345,588	6,882
Other revenues	<u>2,083,650</u>	<u>2,054,380</u>	<u>1,544,503</u>	<u>942,498</u>	<u>834,057</u>
Total state sources	<u>51,043,688</u>	<u>44,709,230</u>	<u>39,484,446</u>	<u>26,587,004</u>	<u>31,964,537</u>
Local sources:					
Property taxes	37,799,175	30,150,509	28,898,236	28,267,314	25,756,238
County aid			3,839,031	2,773,710	3,362,486
Investment income	4,347,010	2,614,472	1,101,610	1,267,996	2,060,511
Other revenues	<u>4,102,110</u>	<u>3,377,751</u>	<u>3,333,901</u>	<u>2,926,910</u>	<u>2,881,506</u>
Total local sources	<u>46,248,295</u>	<u>36,142,732</u>	<u>37,172,778</u>	<u>35,235,930</u>	<u>34,060,741</u>
Total revenues	<u><u>\$ 99,564,615</u></u>	<u><u>\$ 81,393,166</u></u>	<u><u>\$ 77,816,569</u></u>	<u><u>\$ 64,871,343</u></u>	<u><u>\$ 66,198,355</u></u>

(Continued)

Western Maricopa Education Center District No. 402
Governmental Funds Revenues
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Federal sources:					
Federal grants	\$ 67,861	\$ 100,132	\$ 84,326	\$ 74,743	\$ 64,671
Total federal sources	<u>67,861</u>	<u>100,132</u>	<u>84,326</u>	<u>74,743</u>	<u>64,671</u>
State sources:					
State equalization assistance	28,183,811	22,458,091	21,707,822	19,508,137	16,498,215
State grants	272,968	2,790	29,115	481	104,572
Other revenues	<u>727,002</u>	<u>586,086</u>	<u>462,035</u>	<u>359,731</u>	<u>242,698</u>
Total state sources	<u>29,183,781</u>	<u>23,046,967</u>	<u>22,198,972</u>	<u>19,868,349</u>	<u>16,845,485</u>
Local sources:					
Property taxes	22,525,131	25,016,123	11,323,260	9,083,676	10,541,099
County aid	2,979,765	2,624,181	2,434,275	2,036,013	1,884,200
Investment income	1,960,065	1,183,401	362,426	286,552	248,667
Other revenues	<u>2,119,406</u>	<u>1,887,160</u>	<u>1,648,522</u>	<u>1,669,556</u>	<u>1,173,471</u>
Total local sources	<u>29,584,367</u>	<u>30,710,865</u>	<u>15,768,483</u>	<u>13,075,797</u>	<u>13,847,437</u>
Total revenues	<u>\$ 58,836,009</u>	<u>\$ 53,857,964</u>	<u>\$ 38,051,781</u>	<u>\$ 33,018,889</u>	<u>\$ 30,757,593</u>

Source: The source of this information is the District's financial records.

Note: Due to a change in legislation, beginning with fiscal year 2023, county aid is now presented with property taxes.

(Concluded)

Western Maricopa Education Center District No. 402
Governmental Funds Expenditures and Debt Service Ratio
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Expenditures:					
Current -					
Instruction	\$ 31,694,238	\$ 23,560,451	\$ 21,706,381	\$ 19,464,377	\$ 17,817,771
Support services - students and staff	7,019,634	5,962,804	4,933,427	4,498,641	4,265,042
Support services - administration	9,369,045	7,184,929	6,418,536	5,871,491	5,159,627
Operation and maintenance of plant services	4,594,077	4,314,803	3,067,355	3,023,743	2,675,833
Student transportation services	1,023,706	147,044	134,800		12,956
Operation of non-instructional services					
Capital outlay	10,161,076	10,309,306	11,523,614	14,812,700	9,728,467
Debt service -					
Principal retirement	16,420,000	15,265,000	14,025,000	12,855,000	12,470,000
Interest and fiscal charges	4,994,356	5,719,580	6,376,832	6,905,481	6,790,657
Bond issuance costs					511,815
Total expenditures	<u><u>\$ 85,276,132</u></u>	<u><u>\$ 72,463,917</u></u>	<u><u>\$ 68,185,945</u></u>	<u><u>\$ 67,431,433</u></u>	<u><u>\$ 59,432,168</u></u>
Expenditures for capitalized assets	\$ 3,287,532	\$ 4,410,876	\$ 7,507,645	\$ 9,296,868	\$ 5,279,892
Debt service as a percentage of noncapital expenditures	26%	31%	34%	34%	36%

(Continued)

**Western Maricopa Education Center District No. 402
Governmental Funds Expenditures and Debt Service Ratio
Last Ten Fiscal Years
(Modified accrual basis of accounting)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Expenditures:					
Current -					
Instruction	\$ 17,638,080	\$ 16,335,919	\$ 16,202,003	\$ 15,864,936	\$ 14,601,176
Support services - students and staff	4,517,121	3,723,915	3,240,145	2,488,848	2,311,993
Support services - administration	4,574,363	3,988,460	4,476,042	3,314,942	2,521,794
Operation and maintenance of plant services	2,139,840	1,825,030	1,499,152	1,309,909	1,243,331
Student transportation services	99,476	43,960	19,064		
Operation of non-instructional services		3,038	30,894		
Capital outlay	49,931,139	30,627,204	20,321,105	22,233,803	19,897,094
Debt service -					
Principal retirement	10,090,000	12,055,000	2,600,000	1,775,000	950,000
Interest and fiscal charges	5,367,723	6,325,150	2,556,806	2,512,221	2,039,935
Bond issuance costs			622,628	197,140	282,250
Total expenditures	<u>\$ 94,357,742</u>	<u>\$ 74,927,676</u>	<u>\$ 51,567,839</u>	<u>\$ 49,696,799</u>	<u>\$ 43,847,573</u>
Expenditures for capitalized assets	\$ 38,739,441	\$ 27,041,182	\$ 18,015,864	\$ 20,061,186	\$ 18,608,065
Debt service as a percentage of noncapital expenditures	28%	38%	15%	14%	12%

Source: The source of this information is the District's financial records.

(Concluded)

Western Maricopa Education Center District No. 402
Other Financing Sources and Uses and Net Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Excess (deficiency) of revenues over expenditures	\$ 14,288,483	\$ 8,929,249	\$ 9,630,624	\$ (2,560,090)	\$ 6,766,187
Other financing sources (uses):					
Issuance of school improvement bonds					53,035,000
Premium on sale of bonds					8,412,790
Proceeds from sale of capital assets	116,469	32,173			
Transfers in	1,637,679	1,135,570	461,447	609,654	830,997
Transfers out	(1,637,679)	(1,135,570)	(461,447)	(609,654)	(830,997)
Total other financing sources (uses)	<u>116,469</u>	<u>32,173</u>	<u></u>	<u></u>	<u>61,447,790</u>
Changes in fund balances	<u>\$ 14,404,952</u>	<u>\$ 8,961,422</u>	<u>\$ 9,630,624</u>	<u>\$ (2,560,090)</u>	<u>\$ 68,213,977</u>
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Excess (deficiency) of revenues over expenditures	\$ (35,521,733)	\$ (21,069,712)	\$ (13,516,058)	\$ (16,677,910)	\$ (13,089,980)
Other financing sources (uses):					
Issuance of school improvement bonds			70,035,000	14,900,000	25,000,000
Premium on sale of bonds			10,535,453	350,542	1,232,892
Transfers in	589,862	658,691	7,290,763	647,556	16,253,643
Transfers out	(589,862)	(658,691)	(7,290,763)	(647,556)	(16,253,643)
Total other financing sources (uses)	<u></u>	<u></u>	<u>80,570,453</u>	<u>15,250,542</u>	<u>26,232,892</u>
Changes in fund balances	<u>\$ (35,521,733)</u>	<u>\$ (21,069,712)</u>	<u>\$ 67,054,395</u>	<u>\$ (1,427,368)</u>	<u>\$ 13,142,912</u>

Source: The source of this information is the District's financial records.

Western Maricopa Education Center District No. 402
Net Limited Assessed Value and Full Cash Value of Taxable Property by Class
Last Nine Fiscal Years

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Commercial, Industrial, Utilities and Mining	\$ 7,000,016,135	\$ 6,592,403,028	\$ 6,291,765,915	\$ 5,846,041,477	\$ 5,654,835,951
Agricultural and Vacant	660,803,465	576,147,730	544,079,923	541,798,802	534,845,482
Residential (Owner Occupied)	9,055,680,384	8,503,728,915	7,966,582,054	7,405,925,790	6,865,475,402
Residential (Rental)	3,973,734,149	3,558,357,110	3,197,912,002	3,002,157,575	2,801,212,713
Railroad, Private Cars and Airlines	24,872,179	25,200,995	17,762,364	16,206,556	16,731,932
Historical Property	46,209,738	43,626,747	26,488,014	20,574,260	20,711,166
Certain Government Property Improvements	220,359	1,026,471	1,038,039	1,005,910	1,017,109
Total	\$ 20,761,536,409	\$ 19,300,490,996	\$ 18,045,628,311	\$ 16,833,710,370	\$ 15,894,829,755
Gross Full Cash Value	\$ 343,615,188,291	\$ 267,868,568,346	\$ 244,095,208,670	\$ 223,137,693,431	\$ 202,728,989,763
Ratio of Net Limited Assessed Value to Gross Full Cash Value	6%	7%	7%	8%	8%
Total Direct Rate	0.18	0.15	0.16	0.17	0.16

<u>Class</u>	<u>Fiscal Year</u>			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Commercial, Industrial, Utilities and Mining	\$ 5,300,279,109	\$ 5,132,211,689	\$ 4,927,565,948	\$ 4,874,184,349
Agricultural and Vacant	479,636,940	471,596,986	462,608,449	504,996,285
Residential (Owner Occupied)	6,444,238,034	5,983,886,022	5,584,502,253	5,273,415,434
Residential (Rental)	2,520,823,595	2,383,242,954	2,261,987,125	2,100,938,471
Railroad, Private Cars and Airlines	16,719,484	17,369,811	16,304,920	17,497,470
Historical Property	16,409,630	16,865,677	18,200,234	18,993,799
Certain Government Property Improvements	974,858	661,182	621,842	457,940
Total	\$ 14,779,081,650	\$ 14,005,834,321	\$ 13,271,790,771	\$ 12,790,483,748
Gross Full Cash Value	\$ 185,742,509,338	\$ 171,817,379,619	\$ 158,920,689,132	\$ 145,378,421,744
Ratio of Net Limited Assessed Value to Gross Full Cash Value	8%	8%	8%	9%
Total Direct Rate	0.15	0.18	0.08	0.07

Source: The source of this information is the State and County Abstract of the Assessment Roll, Arizona Department of Revenue.

Note: On November 6, 2012, voters approved Proposition 117, an amendment to the Arizona Constitution. Beginning with Tax Year 2015 (Fiscal Year 2016), both primary and secondary taxes are levied against the net limited assessed value. Primary taxes are used for general District operations. Secondary taxes are used to service District bonded debt requirements and other voter-approved overrides.

Western Maricopa Education Center District No. 402
Net Full Cash Assessed Value of Taxable Property by Class
Last Ten Fiscal Years

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Commercial, Industrial, Utilities and Mining	\$ 9,606,052,110	\$ 8,260,350,075	\$ 8,040,258,147	\$ 7,389,901,977	\$ 6,914,606,840
Agricultural and Vacant	1,621,023,124	1,140,163,285	1,058,227,661	1,010,659,313	924,113,112
Residential (Owner Occupied)	15,977,533,086	12,160,534,665	11,086,794,969	10,131,140,717	9,131,347,839
Residential (Rental)	7,823,651,248	5,844,609,248	5,065,201,463	4,502,671,997	4,063,015,100
Railroad, Private Cars and Airlines	31,718,301	32,658,221	22,586,551	20,256,726	20,470,412
Historical Property	74,539,212	58,511,844	34,061,076	27,904,948	26,657,892
Certain Government Property Improvements	334,189	1,231,464	1,289,686	1,273,004	1,253,706
Total	\$ 35,134,851,270	\$ 27,498,058,802	\$ 25,308,419,553	\$ 23,083,808,682	\$ 21,081,464,901
Gross Full Cash Value	\$ 343,615,188,291	\$ 267,868,568,346	\$ 244,095,208,670	\$ 223,137,693,431	\$ 202,728,989,763
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10%	10%	10%	10%	10%
Estimated Net Full Cash Value	296,211,109,118	228,205,940,942	206,796,876,313	188,160,192,325	171,310,350,114
Total Direct Rate	0.18	0.15	0.16	0.17	0.16

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Commercial, Industrial, Utilities and Mining	\$ 6,382,292,818	\$ 6,117,760,083	\$ 5,617,637,297	\$ 5,154,420,263	\$ 5,025,236,725
Agricultural and Vacant	827,808,162	813,448,173	718,632,137	659,271,876	554,488,816
Residential (Owner Occupied)	8,483,137,081	7,656,293,107	7,166,687,452	6,718,998,804	5,345,752,510
Residential (Rental)	3,552,765,401	3,228,223,369	2,957,243,945	2,677,757,120	2,034,891,852
Railroad, Private Cars and Airlines	19,973,186	20,144,883	17,416,181	17,823,342	18,777,772
Historical Property	21,675,195	20,957,518	25,452,183	26,359,763	21,797,196
Certain Government Property Improvements	2,534,738	896,940	797,628	490,147	523,796
Total	\$ 19,290,186,581	\$ 17,857,724,073	\$ 16,503,866,823	\$ 15,255,121,315	\$ 13,001,468,667
Gross Full Cash Value	\$ 185,742,509,338	\$ 171,817,379,619	\$ 158,920,689,132	\$ 145,378,421,744	\$ 121,491,950,287
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10%	10%	10%	10%	11%
Estimated Net Full Cash Value	156,594,037,923	143,776,768,363	133,122,999,233	121,208,517,916	100,085,389,832
Total Direct Rate	0.15	0.18	0.08	0.07	0.08

Source: The source of this information is the State and County Abstract of the Assessment Roll, Arizona Department of Revenue.

Note: On November 6, 2012, voters approved Proposition 117, an amendment to the Arizona Constitution. Beginning with Tax Year 2015 (Fiscal Year 2016), both primary and secondary taxes are levied against the net limited assessed value. The net full cash assessed value is used for determining the District's bonding capacity and as the ceiling for net limited assessed value.

Western Maricopa Education Center District No. 402
Property Tax Assessment Ratios
Last Ten Fiscal Years

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Commercial, Industrial, Utilities and Mining	17 %	18 %	18 %	18 %	18 %
Agricultural and Vacant	15	15	15	15	15
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	14	15	15	15	15

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Commercial, Industrial, Utilities and Mining	18 %	18 %	18 %	19 %	19 %
Agricultural and Vacant	15	15	15	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	14	15	14	15	16

Source: The source of this information is the State and County Abstract of the Assessment Roll, Arizona Department of Revenue.

Note: Additional classes of property exist, but do not amount to a significant portion of the District's total valuation, therefore they are not included on this schedule.

Western Maricopa Education Center District No. 402
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

		Net Limited Assessed Valuation										
Fiscal Year Ended June 30		2023	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Overlapping Rates	State of Arizona	\$ 83,026,530,244	0.00	0.00	0.43	0.44	0.46	0.47	0.49	0.50	0.51	0.51
	Maricopa County	\$ 54,722,326,231	1.20	1.25	1.35	1.40	1.40	1.40	1.40	1.40	1.36	1.32
	Maricopa County CCD	\$ 54,722,326,231	1.14	1.19	1.23	1.29	1.33	1.38	1.41	1.47	1.49	1.52
	Maricopa County Library District	\$ 54,722,326,231	0.05	0.05	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06
	Maricopa County Fire District	\$ 54,722,326,231	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
	Central AZ Water Conservation District	\$ 54,722,326,231	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14
	City of Avondale	\$ 586,321,313	1.46	1.55	1.42	1.42	1.65	1.76	1.60	1.70	1.75	1.75
	Town of Buckeye	\$ 809,881,072	1.65	1.70	1.77	1.79	1.80	1.80	1.80	1.80	1.80	1.80
	Town of Cave Creek	\$ 186,867,705	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	City of El Mirage	\$ 159,194,795	2.98	3.21	3.39	3.68	3.74	3.96	3.63	3.78	3.84	3.54
	City of Phoenix	\$ 16,265,338,887	2.10	2.11	2.12	2.13	2.13	2.14	2.16	2.17	1.82	1.82
	City of Glendale	\$ 1,880,898,310	1.56	1.67	1.73	1.80	1.86	1.98	2.08	2.15	2.20	2.15
	City of Goodyear	\$ 1,447,839,128	1.74	1.74	1.74	1.73	1.73	1.74	1.73	1.86	1.87	1.87
	City of Peoria	\$ 2,014,265,024	1.44	1.44	1.44	1.44	1.79	1.44	1.44	1.44	1.44	1.44
	City of Surprise	\$ 1,553,012,027	1.15	1.15	1.15	1.15	1.15	0.76	0.76	0.76	0.76	0.76
	City of Tolleson	\$ 294,932,285	2.64	2.68	2.75	3.53	3.72	3.83	3.99	3.97	3.97	3.75
	Town of Wickenburg	\$ 86,251,288	0.46	0.50	0.50	0.50	0.50	0.53	0.53	0.53	0.53	0.53
	Agua Fria Union High School District No. 216	\$ 2,100,141,939	3.32	3.12	3.30	3.35	3.33	3.48	3.71	3.47	3.27	4.20
	Arlington Elementary School District No. 47	\$ 274,400,931	1.23	1.28	1.17	1.43	1.37	1.24	1.25	1.20	1.33	1.29
	Avondale Elementary School District No. 44	\$ 654,883,237	3.50	3.69	4.24	4.26	4.54	5.01	5.22	6.40	6.23	5.80
	Buckeye Elementary School District No. 33	\$ 334,735,211	5.10	5.73	6.27	5.96	5.66	5.67	5.39	5.92	5.58	5.91
	Buckeye Union High School District No. 201	\$ 1,064,942,792	2.99	2.95	3.08	3.17	3.33	3.27	3.34	3.22	3.34	3.51
	Cartwright Elementary School District No. 83	\$ 322,982,625	9.44	9.08	9.52	9.15	9.01	10.62	11.05	11.10	11.14	10.64
	Deer Valley Unified School District No. 97	\$ 3,400,363,542	5.74	5.84	6.06	6.28	6.44	6.63	6.75	6.70	6.32	6.48
	Dysart Unified School District No. 89	\$ 1,943,726,672	5.56	5.89	6.18	6.45	6.58	6.89	6.96	7.13	6.68	7.12
	Fowler Elementary School District No. 45	\$ 487,408,758	3.24	3.40	3.31	3.40	3.55	3.82	4.10	4.98	4.05	3.90
	Glendale Elementary School District No. 40	\$ 386,047,098	5.18	5.52	5.24	5.84	6.17	6.05	6.38	6.07	5.84	6.47
	Glendale Union High School District No. 205	\$ 1,981,644,250	3.60	3.68	3.78	3.83	3.96	4.11	4.60	4.67	4.46	4.42
	Liberty Elementary School District No. 25	\$ 422,757,247	4.09	3.81	4.12	3.93	3.34	3.54	3.72	3.79	4.28	4.50
	Litchfield Elementary School District No. 79	\$ 1,445,258,702	3.01	3.30	3.50	3.52	3.67	3.85	3.48	3.81	3.84	3.78
	Palo Verde Elementary School District No. 49	\$ 33,049,402	3.55	3.54	3.89	3.94	3.93	4.05	3.95	4.64	4.48	4.03
	Paradise Valley Unified School District No. 69	\$ 4,439,569,680	4.50	5.86	5.81	5.85	6.39	6.56	6.55	6.97	6.99	6.78
	Pendergast Elementary School District No. 92	\$ 487,084,666	5.68	5.69	5.81	6.02	6.33	6.71	6.85	6.69	6.88	7.19
Peoria Unified School District No. 11	\$ 2,465,686,542	5.52	5.77	6.16	6.66	6.80	7.02	7.54	8.04	7.78	7.27	
Phoenix Union High School District No. 210	\$ 6,473,626,844	4.50	4.61	4.72	4.83	4.99	5.20	5.03	5.07	4.96	4.62	
Saddle Mountain Unified School District No. 90	\$ 866,510,633	3.19	3.49	2.77	2.71	2.39	2.50	2.54	2.55	2.60	2.62	
Tolleson Union High School District No. 214	\$ 1,741,235,283	5.31	5.41	4.73	4.71	5.01	4.45	3.94	3.57	4.01	4.53	
Washington Elementary School District No. 6	\$ 1,595,597,152	4.39	4.45	4.56	4.69	4.94	5.10	5.21	5.63	5.79	5.70	
Wickenburg Unified School District No. 9	\$ 272,833,465	3.57	3.89	3.62	3.86	4.33	4.64	5.02	5.40	5.08	5.55	
Buckeye Valley Fire District	\$ 215,064,280	4.02	3.92	3.80	3.85	3.13	3.25	3.25	3.25	3.25	3.25	
Sun City Fire District	\$ 410,564,372	3.67	3.52	3.45	3.45	3.48	3.14	3.47	3.25	3.25	3.25	
North County Fire District	\$ 637,166,782	3.08	2.91	2.86	2.86	2.86	2.86	2.86	2.80	2.86	2.92	
Wickenburg Fire District	\$ 16,721,316	1.92	2.05	1.75	1.50	1.57	1.72	1.75	1.54	1.33	1.40	
District Direct Rates	Primary		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Secondary		0.18	0.15	0.16	0.17	0.16	0.15	0.18	0.08	0.07	0.08
	Total	\$ 20,761,536,409	0.18	0.15	0.16	0.17	0.16	0.15	0.18	0.08	0.07	0.08

Source: The source of this information is the Property Tax Rates and Assessed Values, Arizona Tax Research Foundation.
Note: There is no state equalization levy for the years ended June 30, 2023 and 2024.

**Western Maricopa Education Center District No. 402
Principal Property Taxpayers
Current Fiscal Year and Fiscal Year Nine Years Prior**

Taxpayer	2024		2015	
	Net Limited Assessed Valuation	Percentage of District's Net Limited Assessed Valuation	Net Full Cash Assessed Valuation	Percentage of District's Net Full Cash Assessed Valuation
Arizona Public Service Company	\$ 362,354,074	1.75 %	780,958,998	6.01 %
Southern California Edison Co (T&D)	86,634,019	0.42	133,170,041	1.02
Wal-Mart Stores Inc	40,133,199	0.19	54,888,056	0.42
Smiths Food & Drug Centers Inc	36,626,800	0.18		
BNSF Railway Company	34,057,076	0.16		
El Paso Electric Co (T&D)	33,142,707	0.16	119,303,834	0.92
Host Kierland LP	29,108,668	0.14		
Target Corporation	28,729,491	0.14		
Public Service Company of New Mexico (T&D)	25,859,350	0.12	69,246,708	0.53
United Services Automobile Association	24,848,125	0.12		
Southwest Gas Corporation (T&D)			50,530,055	0.39
Southern Cal Public Pwr Auth (Palo Verde)			45,672,423	0.35
Mesquite Power LLC			44,432,745	0.34
New Harqualhala Generating Co. LLC			52,725,000	0.41
Qwest Corporation			42,309,905	0.33
Total	<u><u>\$ 701,493,509</u></u>	<u><u>3.38 %</u></u>	<u><u>\$ 1,393,237,765</u></u>	<u><u>10.72 %</u></u>

Source: The source of this information is the Maricopa County Assessor's records.

Note: On November 6, 2012, voters approved Proposition 117, an amendment to the Arizona Constitution. Beginning with Tax Year 2015 (Fiscal Year 2016), both primary and secondary taxes are levied against the net limited assessed value.

Western Maricopa Education Center District No. 402
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2024	\$ 37,751,218	\$ 36,920,966	97.80 %	\$	\$ 36,920,966	97.80 %
2023	29,842,532	29,339,292	98.31	490,959	29,830,251	99.96
2022	28,533,347	28,116,702	98.54	404,845	28,521,547	99.96
2021	27,971,961	27,507,966	98.34	456,813	27,964,779	99.97
2020	25,817,738	25,345,578	98.17	466,485	25,812,063	99.98
2019	22,225,741	21,882,575	98.46	339,278	22,221,853	99.98
2018	24,915,890	24,542,391	98.50	370,507	24,912,898	99.99
2017	11,160,892	10,984,292	98.42	175,661	11,159,953	99.99
2016	8,933,321	8,794,486	98.45	138,157	8,932,643	99.99
2015	10,503,241	10,311,873	98.18	190,425	10,502,298	99.99

Source: The source of this information is the Maricopa County Treasurer's records.

- Notes:** 1) Amounts collected are on a cash basis.
2) Unsecured personal property taxes are not included in this schedule because the dates of the monthly rolls vary each year. On the average, 90% of unsecured property taxes are collected within 90 days after the due date.

Western Maricopa Education Center District No. 402
Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30	General Obligation Bonds					Total Outstanding Debt				
	General Obligation Bonds	Less: Restricted for Principal	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income	
2024	\$ 123,671,977	\$ 9,850,722	\$ 113,821,255	0.03 %	\$ 153	\$ 123,671,977	0.04 %	\$ 166	0.04 %	
2023	140,981,685	2,005,433	138,976,252	0.05	75	140,981,685	0.05	76	0.05	
2022	157,051,393	1,483,345	155,568,048	0.06	152	157,051,393	0.06	154	0.06	
2021	171,951,101	1,631,126	170,319,975	0.08	94	171,951,101	0.08	95	0.07	
2020	186,465,809	1,128,525	185,337,284	0.09	100	186,465,809	0.09	100	0.08	
2019	137,152,727	1,251,559	135,901,168	0.07	63	137,152,727	0.07	64	0.07	
2018	150,411,156	805,314	149,605,842	0.09	72	150,411,156	0.09	73	0.08	
2017	154,214,585	365,214	153,849,371	0.10	76	154,214,585	0.10	76	0.06	
2016	75,569,016	812,213	74,756,803	0.05	41	75,569,016	0.05	41	0.04	
2015	61,418,358	2,262,643	59,155,715	0.05	34	61,418,358	0.05	35	0.04	

Source: The source of this information is the District's financial records.

Note: The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 87 were adopted in fiscal year 2022. The standard replaces the previous capital and operating lease designations with financed purchases or leases depending on the substance of the transactions. The fiscal year 2014-2021 information within this column relates to the transactions previously designated as capital leases.

Western Maricopa Education Center District No. 402
Direct and Overlapping Governmental Activities Debt
June 30, 2024

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable to School District	Estimated Amount Applicable to School District
Overlapping:			
Maricopa County Community College District	\$ 135,585,000	36.77 %	\$ 49,854,605
Maricopa County Special Healthcare District	574,205,000	36.77	211,135,179
City of Avondale	70,177,042	99.91	70,113,883
City of El Mirage	29,309,463	2.21	647,739
City of Glendale	896,560,000	54.20	485,935,520
City of Goodyear	365,887,451	99.43	363,801,893
City of Peoria	308,778,653	86.29	266,445,100
City of Phoenix	6,446,331,084	89.22	5,751,416,593
City of Scottsdale	814,688,263	78.94	643,114,915
City of Surprise	106,815,002	2.45	2,616,968
City of Tolleson	22,217,105	100.00	22,217,105
Buckeye Valley Fire District	9,681,109	100.00	9,681,109
Sun City Fire District	51,040,000	100.00	51,040,000
Agua Fria Ranch Community Facilities District	1,350,000	100.00	1,350,000
Centerra Community Facilities District	2,046,000	100.00	2,046,000
Cortina Community Facilities District	1,230,000	100.00	1,230,000
Cottonflower Community Facilities District	1,000,000	100.00	1,000,000
Estrella Mountain Ranch Community Facilities District	28,872,000	100.00	28,872,000
Festival Ranch Community Facilities District	47,524,881	100.00	47,524,881
Goodyear Community Facilities General District No. 1	4,360,000	100.00	4,360,000
Goodyear Community Facilities Utilities District No. 1	23,690,000	100.00	23,690,000
Marley Park Community Facilities District	32,760,000	100.00	32,760,000
Palm Valley Community Facilities District No. 3	3,725,000	100.00	3,725,000
Sundance Community Facilities District	17,753,000	100.00	17,753,000
Tartesso West Community Facilities District	18,290,000	100.00	18,290,000
Verrado District Community Facilities District	43,465,000	100.00	43,465,000
Verrado Western Overlay Community Facilities District	6,115,000	100.00	6,115,000
Village at Litchfield Park Community Facilities District	1,375,000	100.00	1,375,000
Vistancia Community Facilities District	15,550,000	100.00	15,550,000
Vistancia West Community Facilities District	3,900,000	100.00	3,900,000
Westpark Community Facilities District	4,213,000	100.00	4,213,000
Wildflower Ranch Community Facilities District No. 1	-	100.00	-
Wildflower Ranch Community Facilities District No. 2	260,000	100.00	260,000
Avondale Elementary School District No. 44	35,110,000	100.00	35,110,000
Buckeye Elementary School District No. 33	54,357,546	100.00	54,357,546
Cartwright Elementary School District No. 83	97,490,000	100.00	97,490,000
Fowler Elementary School District No. 45	2,985,000	100.00	2,985,000
Glendale Elementary School District No. 40	49,681,148	100.00	49,681,148
Liberty Elementary School District No. 25	48,655,000	100.00	48,655,000
Litchfield Elementary School District No. 79	30,854,987	100.00	30,854,987
Littleton Elementary School District No. 65	45,920,511	100.00	45,920,511
Pendergast Elementary School District No. 92	73,960,396	100.00	73,960,396
Tolleson Elementary School District No. 17	18,780,000	100.00	18,780,000
Union Elementary School District No. 62	9,840,000	100.00	9,840,000
Washington Elementary School District No. 6	110,475,000	100.00	110,475,000
Agua Fria Union High School District No. 216	137,783,283	100.00	137,783,283
Buckeye Union High School District No. 201	61,245,901	100.00	61,245,901
Glendale Union High School District No. 205	169,452,000	100.00	169,452,000
Phoenix Union High School District No. 210	280,510,000	4.81	13,492,531
Tolleson Union High School District No. 214	221,901,044	100.00	221,901,044
Deer Valley Unified School District No. 97	176,750,000	100.00	176,750,000
Dysart Unified School District No. 89	86,448,068	100.00	86,448,068
Paradise Valley Unified School District No. 69	208,250,000	100.00	208,250,000
Peoria Unified School District No. 11	157,325,235	100.00	157,325,235
Saddle Mountain Unified School District No. 90	45,030,000	100.00	45,030,000
Wickenburg Unified School District No. 9	4,710,000	100.00	4,710,000
Subtotal, Overlapping Debt			<u>10,045,997,140</u>
Direct:			
Western Maricopa Education Center District No. 402			<u>123,671,977</u>
Total Direct and Overlapping Governmental Activities Debt			<u>\$ 10,169,669,117</u>

Source: FY23 Report of Outstanding Indebtedness, Arizona Department of Administration, December 2023.

Notes: Estimated percentage of debt outstanding applicable to the District is calculated based on a portion of the District's net limited assessed valuation as a percentage of the net limited assessed valuation of the overlapping jurisdiction.

**Western Maricopa Education Center District No. 402
Direct and Overlapping General Bonded Debt Ratios
June 30, 2024**

Net Direct General Obligation Bonded Debt		
Per Capita	\$	153
As a Percentage of Net Limited Assessed Valuation		0.55 %
As a Percentage of Gross Full Cash Value		0.03 %
 Net Direct and Overlapping General Bonded Debt		
Per Capita	\$	13,667
As a Percentage of Net Limited Assessed Valuation		48.98 %
As a Percentage of Gross Full Cash Value		2.96 %

Source: The source of this information is the District's records and the State and County Abstract of the Assessment Roll, Arizona Department of Revenue and the applicable governmental unit.

- Notes:**
- 1) Estimated percentage of debt outstanding applicable to the District is calculated based on a portion of the District's net limited assessed valuation as a percentage of the net limited assessed valuation of the overlapping jurisdiction.
 - 2) Outstanding debt as of June 30, 2023 is presented for the overlapping governments as this is the most recent available information.

**Western Maricopa Education Center District No. 402
Legal Debt Margin Information
Last Ten Fiscal Years**

Class B Bond Legal Debt Margin Calculation for Fiscal Year 2024:

Net full cash assessed valuation	\$ 35,134,851,270
Debt limit (1% of assessed value)	351,348,513
Debt applicable to limit	<u>124,335,450</u>
Legal debt margin	<u>\$ 227,013,063</u>

Current Year Statistics for Fiscal Year 2024:

Total direct general obligation bonded debt outstanding	\$ 124,335,450
Net limited assessed valuation	20,761,536,409
Net full cash assessed valuation	<u>35,134,851,270</u>
Estimated net full cash value	<u>\$ 296,211,109,118</u>

Fiscal Year Ended June 30

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Debt Limit	\$ 351,348,513	\$ 274,980,588	\$ 253,084,196	\$ 230,838,087	\$ 210,814,649
Total net debt applicable to limit	<u>124,335,450</u>	<u>141,370,481</u>	<u>156,979,517</u>	<u>171,272,437</u>	<u>185,127,281</u>
Legal debt margin	<u>\$ 227,013,063</u>	<u>\$ 133,610,107</u>	<u>\$ 96,104,679</u>	<u>\$ 59,565,650</u>	<u>\$ 25,687,368</u>
Total net debt applicable to the limit as a percentage of debt limit	35%	51%	62%	74%	88%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Debt Limit	\$ 192,901,866	\$ 178,577,241	\$ 165,038,668	\$ 152,551,213	\$ 1,950,220,300
Total net debt applicable to limit	<u>134,217,281</u>	<u>147,288,914</u>	<u>151,220,000</u>	<u>72,995,000</u>	<u>59,045,000</u>
Legal debt margin	<u>\$ 58,684,585</u>	<u>\$ 31,288,327</u>	<u>\$ 13,818,668</u>	<u>\$ 79,556,213</u>	<u>\$ 1,891,175,300</u>
Total net debt applicable to the limit as a percentage of debt limit	70%	82%	92%	48%	3%

Source: The source of this information is the District's financial records.

- Notes:** 1) The District's general obligation bonds are subject to two limits: the Constitutional debt limit (total debt limit) on all general obligation bonds outstanding and the statutory debt limit on Class B bonds outstanding. The calculations of the debt margins are presented in detail for the current fiscal year only.
- 2) Prior to FY17, net bond premium was restricted by amount and not subject to the statutory debt limit. Beginning with FY17, any additional net premium used for capital projects, bond counsel, printing and preparation of offering documents, a financial advisor, paying agent costs or to pay down debt is counted against both debt limits with the exception of amounts of premium deposited into the Debt Service Fund or a refunding escrow to pay interest payments.

**Western Maricopa Education Center District No. 402
County-Wide Demographic and Economic Statistics
Last Ten Calendar Years**

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Estimated District Population</u>
2023	4,665,020	\$ 288,842,282	\$ 63,461	3.4 %	744,116
2022	4,586,431	268,713,717	59,759	3.3	1,864,856
2021	4,507,419	249,677,860	56,255	4.5	1,022,117
2020	4,439,220	245,077,753	53,521	6.6	1,815,797
2019	4,367,835	222,943,072	49,704	3.6	1,857,347
2018	4,294,460	210,370,180	47,694	4.1	2,156,839
2017	4,221,684	196,286,191	45,573	4.2	2,066,940
2016	4,137,076	280,120,037	40,415	4.5	2,025,085
2015	4,076,438	184,784,917	42,092	5.5	1,825,052
2014	4,087,191	168,483,421	41,222	5.9	1,739,119

Sources: The source of the "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis. The source of the "Population" and "Unemployment Rate" information is the Arizona Office of Employment and Population Statistics. The source of the "Estimated District Population" is the U.S. Census Bureau, Small Area Income and Poverty Estimates (SAIPE) Program (data released in December 2023).

**Western Maricopa Education Center District No. 402
Principal Employers
Current Fiscal Year and Fiscal Year Nine Years Prior**

<u>Employer</u>	<u>2024</u>		<u>2015</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Banner Health	26,670	1.41 %	26,472	1.44 %
Amazon	23,260	1.23		
State of Arizona	22,350	1.18	49,800	2.71
Walmart Stores, Inc.	17,450	0.92	15,437	0.84
Fry's Food Stores	15,110	0.80		
Intel Corporation	12,810	0.68	11,760	0.64
Maricopa County	11,580	0.61	12,792	0.70
Arizona State University	11,300	0.60	11,185	0.61
Wells Fargo	10,420	0.55	13,308	0.72
United States Department of the Air Force	9,310	0.49		
City of Phoenix			15,100	0.82
JP Morgan Chase & Co.			11,042	0.60
Bank of America			13,300	0.72
Total	<u>160,260</u>	<u>8.47 %</u>	<u>180,196</u>	<u>9.80 %</u>
Total employment	<u>1,893,180</u>		<u>1,836,600</u>	

Source: The source of the 2024 information is the Maricopa Association of Governments.
The source of the 2015 information is the Business Journal Book of Lists.

Note: The principal employers were not available for the District alone, therefore, the principal employers for Maricopa County are presented.

Western Maricopa Education Center District No. 402
Full-Time Equivalent District Employees by Type
Last Ten Fiscal Years

	Full-time Equivalent Employees as of June 30				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Supervisory					
Superintendent	1	1			
Assistant superintendents	3	2			
Consultants/supervisors of instruction		5	8	8	4
Principals	4	4			
Assistant principals	4	4			
Total supervisory	<u>12</u>	<u>16</u>	<u>8</u>	<u>8</u>	<u>4</u>
Instruction					
Teachers	63	66	58	63	58
Other professionals (instructional)	9	10			
Total instruction	<u>72</u>	<u>76</u>	<u>58</u>	<u>63</u>	<u>58</u>
Student Services					
Counselors/Advisors	11	6			
Technicians	12	17			
Total student services	<u>23</u>	<u>23</u>			
Support and Administration					
Other classified	80	89	118	112	100
Total support and administration	<u>80</u>	<u>89</u>	<u>118</u>	<u>112</u>	<u>100</u>
Total	<u><u>187</u></u>	<u><u>204</u></u>	<u><u>184</u></u>	<u><u>183</u></u>	<u><u>162</u></u>

(Continued)

Western Maricopa Education Center District No. 402
Full-Time Equivalent District Employees by Type
Last Ten Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Supervisory					
Superintendent					
Assistant superintendents					
Consultants/supervisors of instruction	4	10	14	10	3
Principals					
Assistant principals					
Total supervisory	<u>4</u>	<u>10</u>	<u>14</u>	<u>10</u>	<u>3</u>
Instruction					
Teachers	53	62	51	43	22
Other professionals (instructional)					
Total instruction	<u>53</u>	<u>62</u>	<u>51</u>	<u>43</u>	<u>22</u>
Student Services					
Counselors/Advisors					
Technicians					
Total student services					
Support and Administration					
Other classified	99	79	65	77	60
Total support and administration	<u>99</u>	<u>79</u>	<u>65</u>	<u>77</u>	<u>60</u>
Total	<u><u>156</u></u>	<u><u>151</u></u>	<u><u>130</u></u>	<u><u>130</u></u>	<u><u>85</u></u>

Source: The source of this information is District personnel records.

(Concluded)

Western Maricopa Education Center District No. 402
Operating Statistics
Last Ten Fiscal Years

Fiscal Year Ended June 30	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio
2024	8,985	\$ 53,700,700	\$ 5,977	(4.93) %	\$ 65,796,991	\$ 7,323	(16.77) %	63	142.6
2023	6,549	41,170,031	6,286	35.49	57,622,512	8,799	34.04	66	99.2
2022	7,815	36,260,499	4,640	(4.20)	51,298,214	6,564	(9.52)	58	134.7
2021	6,784	32,858,252	4,843	15.36	49,217,532	7,255	14.19	63	107.7
2020	7,129	29,931,229	4,199	2.55	45,291,437	6,353	(7.65)	58	122.9
2019	7,076	28,968,880	4,094	8.11	48,676,677	6,879	24.18	53	133.5
2018	6,845	25,920,322	3,787	(2.65)	37,917,426	5,539	7.15	62	110.4
2017	6,547	25,467,300	3,890	2.84	33,846,107	5,170	5.32	51	128.4
2016	6,075	22,978,635	3,782	(0.09)	29,818,667	4,908	2.91	43	141.3
2015	5,462	20,678,294	3,786	14.26	26,052,090	4,770	19.82	22	248.3

Source: The source of this information is the District's financial records.

Note: Operating expenditures are total expenditures less debt service and capital outlay.

Western Maricopa Education Center District No. 402
Capital Assets Information
Last Ten Fiscal Years

	Fiscal Year Ended June 30									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Schools</u>										
High										
Buildings	21	21	26	26	26	26	17	15	12	9
Square feet	531,188	531,188	568,331	568,331	568,331	562,634	421,284	411,496	343,092	261,195
Capacity	7,298	7,298								
Enrollment	1,670	1,670								
<u>Administrative</u>										
Buildings	5	5								
Square feet	88,537	88,537								

Source: The source of this information is the District's facilities records.

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