
Western Maricopa Education Center District No. 402

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2025



Western Maricopa Education Center District No. 402

Glendale, Arizona

**Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2025**

Issued by:
Business and Finance Department

Western Maricopa Education Center District No. 402

Table of Contents

<u>Introductory Section</u>	<u>Page</u>
Letter of Transmittal	1
ASBO Certificate of Excellence	7
GFOA Certificate of Achievement	8
Organization Chart	9
List of Principal Officials	10
<u>Financial Section</u>	
Independent Auditor's Report	13
Management's Discussion and Analysis (MD&A)	19
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Position	32
Statement of Activities	33
Fund Financial Statements:	
Balance Sheet – Governmental Funds	36
Reconciliation of the Balance Sheet –	
Governmental Funds to the Statement of Net Position	39
Statement of Revenues, Expenditures and Changes in Fund Balances –	
Governmental Funds	40
Reconciliation of the Statement of Revenues, Expenditures and	
Changes in Fund Balances – Governmental Funds to the Statement of Activities	42
Statement of Net Position – Proprietary Fund	43
Statement of Revenues, Expenses and Changes in Fund Net Position –	
Proprietary Fund	44
Statement of Cash Flows – Proprietary Fund	45
Notes to Financial Statements	46
Required Supplementary Information	
Schedule of Revenues Expenditures and Changes in Fund Balances – Budget and Actual:	
General Fund	69
Pension Schedules	70
Notes to Required Supplementary Information	72
Combining and Individual Fund Financial Statements and Schedules	
Governmental Funds:	
Combining Balance Sheet – All Non-Major Governmental Funds	78
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –	
All Non-Major Governmental Funds	80
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
Classroom Site	82
Instructional Improvement	83
Federal and State Grants	84

Western Maricopa Education Center District No. 402

Table of Contents

<u>Financial Section</u>	<u>Page</u>
Combining and Individual Fund Financial Statements and Schedules	
Governmental Funds:	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
Other Special Revenue Funds	85
Debt Service	86
Bond Building	87
<u>Statistical Section</u>	
Financial Trends:	
Net Position by Component	90
Expenses, Program Revenues, and Net (Expense)/Revenue	91
General Revenues and Total Changes in Net Position	93
Fund Balances – Governmental Funds	95
Governmental Funds Revenues	97
Governmental Funds Expenditures and Debt Service Ratio	99
Other Financing Sources and Uses and Net Changes in Fund Balances – Governmental Funds	101
Revenue Capacity:	
Net Limited Assessed Value and Full Cash Value of Taxable Property by Class	102
Net Full Cash Assessed Value of Taxable Property by Class	103
Property Tax Assessment Ratios	104
Direct and Overlapping Property Tax Rates	105
Principal Property Taxpayers	106
Property Tax Levies and Collections	107
Debt Capacity:	
Outstanding Debt by Type	108
Direct and Overlapping Governmental Activities Debt	109
Direct and Overlapping General Bonded Debt Ratios	110
Legal Debt Margin Information	111
Demographic and Economic Information:	
County-Wide Demographic and Economic Statistics	112
Principal Employers	113
Operating Information:	
Full-Time Equivalent District Employees by Type	114
Operating Statistics	116
Capital Assets Information	117

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Introductory Section

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December 16, 2025

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, 2025.

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, 2025, 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, 2025, 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.

"Preparing students today, for tomorrow's careers."

5487 N. 99th Avenue, Glendale, AZ 85305 | 623.738.0022 | www.west-mec.edu

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) is established at the individual fund level for all funds. Funds that are not required to legally adopt a budget may have over expenditures 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. Given the strong economic momentum in Phoenix-especially in infrastructure, technology and business-West-MEC is well-positioned to expand its programs and partnerships to meet the region's growing demand for skilled professionals, aligning its career and technical education offerings with the area's projected above-average economic growth through 2025 and beyond. With the introduction of new programs and ongoing efforts to equip students with the skills and tools needed for workforce readiness, we anticipate an average annual enrollment growth of approximately 353 students per year over the next five years. Fiscal year 2025 student enrollment was approximately 45,000, calculated by formula to 8,602 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, 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 Fire Science programs, Paradise Valley Community College, which hosts, Esports, and Emergency Medical Technology 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.

Phoenix is Arizona's capital, its most populous city and also serves as the seat of Maricopa County. 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 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.; Kroger/Fry's Food Stores; Wells Fargo Company; TSMC; Intel Corp.; Honor Health; US Airways; Bank of America; Apollo Group; JP Morgan Chase; Av Net; Freeport McMoran; and Amazon. 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 2024 population was estimated at 4,673,000 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's footprint encompasses 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. The District is committed to serving the needs of the community, and in order to do that, is preparing to expand the number of central campuses. The November 2025 election include proposition 403 which would allow West-MEC to access \$415M in bond authorization to expand programs and campuses. If the proposition passes, West-MEC expects to add approximately 60 programs for students, 4 new campuses, and expansion to 4 other campuses. This will affectively double the number of seats available to students at the central campuses.

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, 2024. This was the 20th 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, 2024. 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, 2025 certificates.

In the 2024-2025 school year, West-MEC won a multitude of awards. West-MEC won an ASPRA Excellence in Communication Awards in Video, News Writing and Annual Report. They also received NSPRA Awards for Excellence in Communications in Video, News Writing, Annual Report, Website, Social Media and Branding. For excellence in teaching and advising West-MEC won the following awards Jamal Bechri and JD Burgess won the ACTEAZ Outstanding CTE Program in Physical Therapy. Mr. Paul Getz won the ATIEA Teacher of the Month. Chris Judd received the Nathan Burbank Environmental Educator Award. Bracy Mitchell receive four awards from Skills USA which included Arizona SkillsUSA Advisor of the Year, Region 5 Advisor of the Year, National Advisor of the Year and SkillsUSA Model of Excellence in Technical Skills. The American Welding Society (AWS) awarded Eric Phye with the AWS District/Section Educator of the Year. Maria Romero won the Arizona Health Careers Education Association Region 2 Teacher of the Year. The Association for Career and Technical Education awarded Denise Saldamando the ACTE Outstanding Professional in Counseling and Career Development and the Arizona International Text and Evaluation Association (ATIEA) awarded Bradley Whitaker the ATIEA Teacher of the Month. In addition to these awards, West-MEC received the following awards in Professional Growth and Innovation. Mr. Frank Quinn received the Founder's Award from the National Coalition of Certification Centers (NC3) and West-MEC won the START Award from the National Coalition of Certification Centers (NC3). Finally for the awards in Community Partnerships in Action, Project Search -Renaissance Hotel Location received the Excellent Employment Outcome Award from the National Project Search Office. We are very proud of all these accomplishments.

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,

A handwritten signature in blue ink, appearing to read "Scott Spurgeon".

Dr. Scott Spurgeon
Superintendent

A handwritten signature in blue ink, appearing to read "Ryan French".

Ryan French
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, 2024.**

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

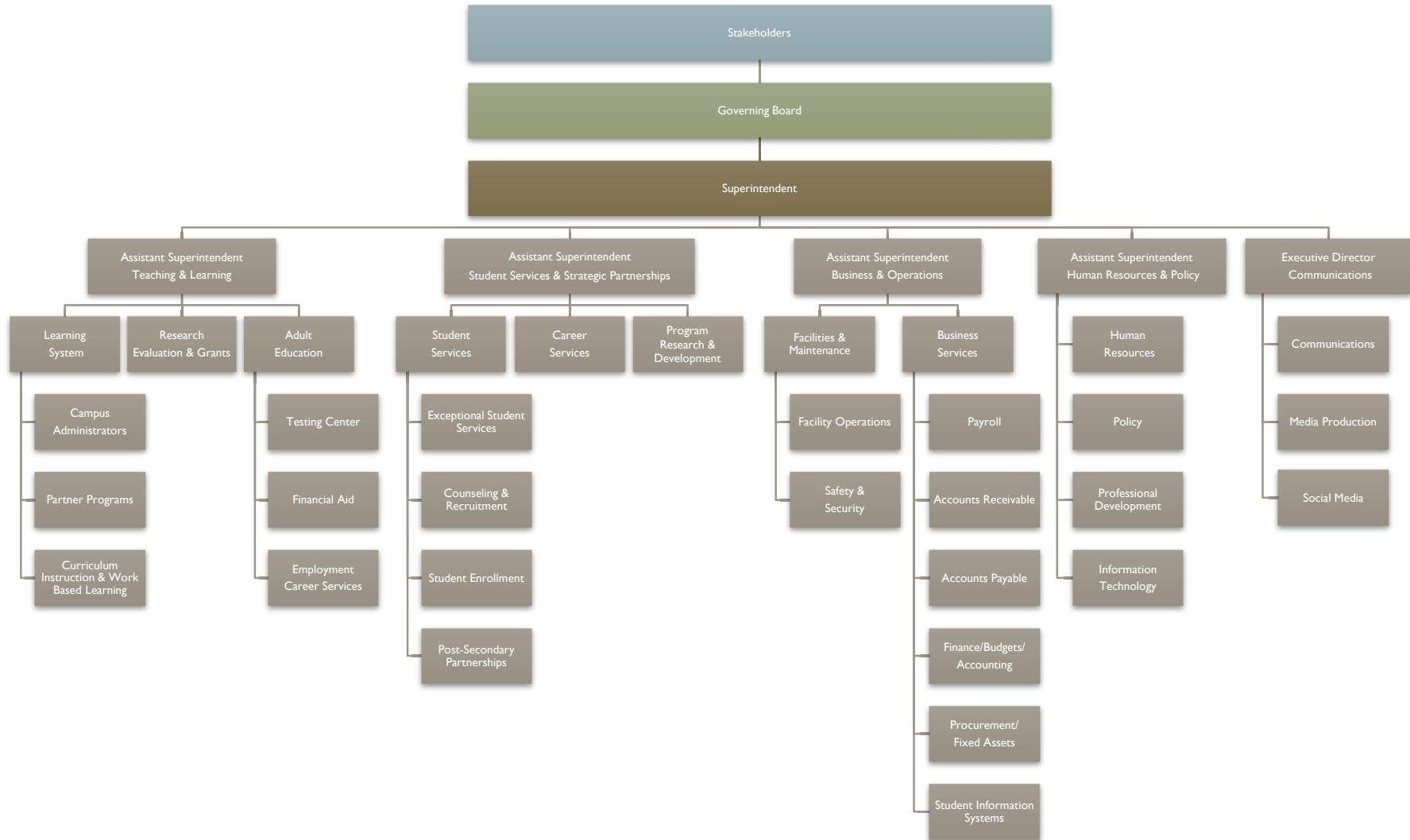
**Western Maricopa Education Center District No. 402
Arizona**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO



Western Maricopa Education Center District No. 402

List of Principal Officials

Governing Board

Juan Ramirez, Chairman

Robert Garcia, Vice-Chairman

Frank Straka, Member

Linda Busam, Member

Barbara Wyllie, Member

Edward Molina, Member

Terry Stines, Member

District Administrative Staff

Dr. Scott Spurgeon, Superintendent

Cathey Mayes, Assistant Superintendent

Jarett Guy Assistant Superintendent

Ryan French, Assistant Superintendent

Megan Mills, Assistant Principal

List of Building Principals

Troy Gabaldon, Central Campus

David Svorinic, Northeast Campus

Holly Medina, Northwest Campus

Aaron Parsons, Southwest Campus

Mike Johnson, Career Academy at Agua Fria

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, 2025, 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, 2025, 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.

Change in Accounting Principle

As described in Note 1 to the financial statements, the District implemented the provisions of GASB Statement No. 101, *Compensated Absences*, for the year ended June 30, 2025. Our opinion is not modified with respect to this matter.

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 16, 2025, 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 16, 2025

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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, 2025

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, 2025. 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 \$62.0 million which represents a 28 percent increase from the prior fiscal year primarily due to an increase in unrestricted state aid.
- General revenues accounted for \$129.8 million in revenue, or 93 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$9.6 million or seven percent of total current fiscal year revenues.
- The District had approximately \$77.4 million in expenses related to governmental activities, an increase of 18 percent from the prior fiscal year primarily due to the expansion of instructional square footage from capital improvement projects for new buildings at several campuses and an increase in pass-through payments for intergovernmental agreements.
- Among major funds, the General Fund had \$99.4 million current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$73.4 million in expenditures. The General Fund's fund balance increased from \$86.9 million at the prior fiscal year end to \$115.7 million at the end of the current fiscal year was primarily due to an increase in State Equalization Assistance revenues as a result from an increase in the base support level and increased student enrollment.
- Net position for the Internal Service Funds increased \$12,417 from the prior fiscal year, which is not significant.

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, 2025

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, 2025

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 was previously 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, 2025

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 \$285.6 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, 2025 and June 30, 2024.

	As of June 30, 2025	As of June 30, 2024
Current and other assets	\$ 191,873,525	\$ 189,389,614
Capital assets, net	236,109,253	189,328,313
Total assets	<u>427,982,778</u>	<u>378,717,927</u>
Deferred outflows	<u>4,437,895</u>	<u>2,975,266</u>
Current liabilities	20,098,376	10,914,843
Long-term liabilities	<u>121,159,103</u>	<u>141,759,820</u>
Total liabilities	<u>141,257,479</u>	<u>152,674,663</u>
Deferred inflows	<u>5,514,707</u>	<u>5,326,449</u>
Net position:		
Net investment in capital assets	144,431,272	115,888,176
Restricted	24,102,557	19,555,860
Unrestricted	<u>117,114,658</u>	<u>88,248,045</u>
Total net position	<u>\$ 285,648,487</u>	<u>\$ 223,692,081</u>

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, 2025**

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.

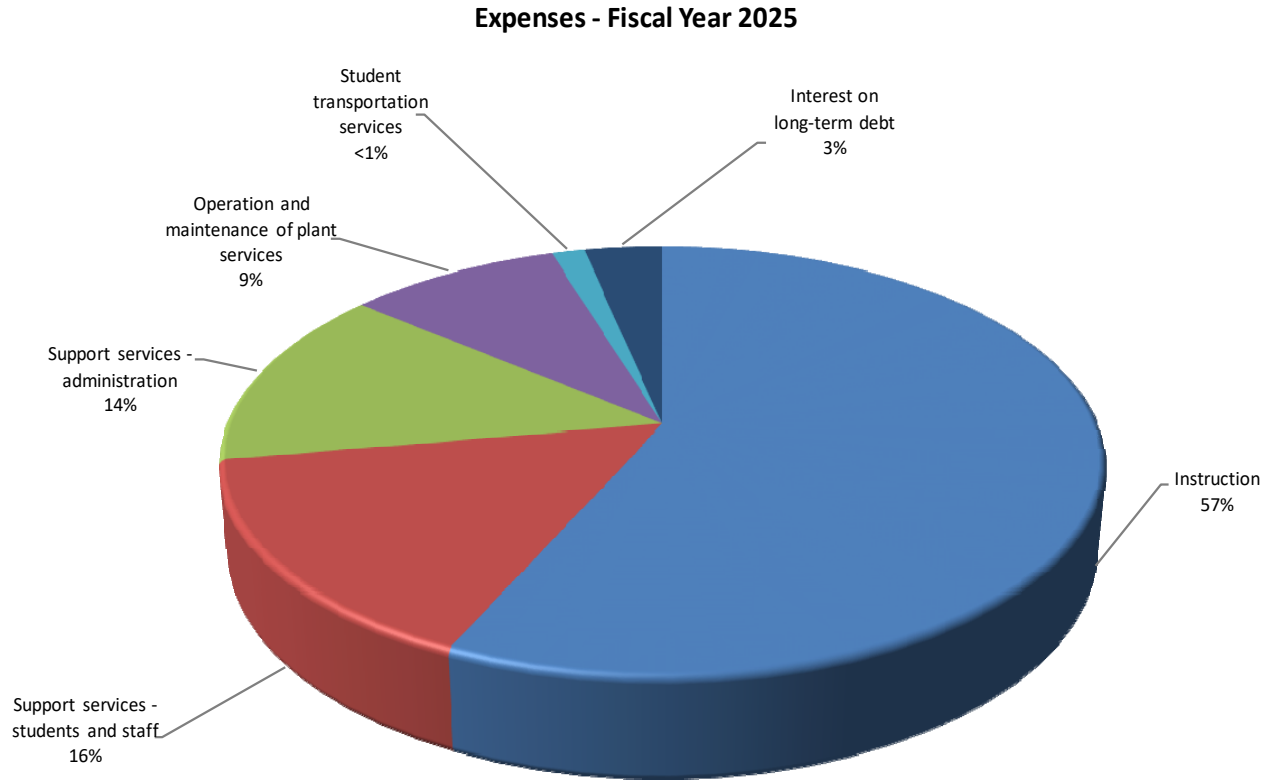
- The principal retirement of \$23.1 million in general obligation bonds.
- The addition of \$52.3 million in capital assets.
- The addition of \$5.5 million in accumulated depreciation.

Changes in net position. The District's total revenues for the current fiscal year were \$139.4 million. The total cost of all programs and services was \$77.4 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2025 and June 30, 2024.

	Fiscal Year Ended June 30, 2025	Fiscal Year Ended June 30, 2024
Revenues:		
Program revenues:		
Charges for services	\$ 5,843,370	\$ 3,951,607
Operating grants and contributions	3,798,903	4,401,059
Capital grants and contributions		53,391
General revenues:		
Property taxes	40,689,276	37,925,009
Investment income	5,936,063	4,347,010
Unrestricted state aid	83,125,283	47,752,401
Total revenues	139,392,895	98,430,477
Expenses:		
Instruction	43,961,769	36,008,125
Support services - students and staff	12,048,018	7,266,548
Support services - administration	10,568,857	12,133,816
Operation and maintenance of plant services	7,149,775	6,415,148
Student transportation services	1,110,532	1,023,706
Interest on long-term debt	2,597,538	2,949,648
Total expenses	77,436,489	65,796,991
Changes in net position	61,956,406	32,633,486
Net position, beginning, as restated	223,692,081	191,058,595
Net position, ending	\$ 285,648,487	\$ 223,692,081

**Western Maricopa Education Center District No. 402
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025**

Government-Wide Financial Analysis



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

- Unrestricted state aid increased \$35.4 million as a result of an increase in funding from the state legislature and a recalculation of student enrollment figures of previous years.
- Instructional expenses increased \$8.0 million primarily due to the increase of instructional square footage from capital improvement projects and capital improvements for new buildings at several campuses.

**Western Maricopa Education Center District No. 402
Management’s Discussion and Analysis (MD&A)
Year Ended June 30, 2025**

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, 2025		Year Ended June 30, 2024	
	Total	Net (Expense)/	Total	Net (Expense)/
	Expenses	Revenue	Expenses	Revenue
Instruction	\$ 43,961,769	\$ (36,613,261)	\$ 36,008,125	\$ (31,372,306)
Support services - students and staff	12,048,018	(11,328,066)	7,266,548	(6,811,765)
Support services - administration	10,568,857	(9,990,472)	12,133,816	(11,880,295)
Operation and maintenance of plant services	7,149,775	(6,646,316)	6,415,148	(5,723,563)
Student transportation services	1,110,532	(618,563)	1,023,706	1,346,643
Interest on long-term debt	2,597,538	(2,597,538)	2,949,648	(2,949,648)
Total	\$ 77,436,489	\$ (67,794,216)	\$ 65,796,991	\$ (57,390,934)

- The cost of all governmental activities this year was \$77.4 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$9.6 million.
- Net cost of governmental activities of \$67.8 million was financed by general revenues, which are made up of primarily property taxes of \$40.7 million and state aid of \$83.1 million. Investment earnings accounted for \$5.9 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.

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 \$148.7 million, a decrease of \$7.8 million due primarily to the utilization of bond proceeds for capital outlay activity.

Western Maricopa Education Center District No. 402
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025

Financial Analysis of the District's Funds

The General Fund comprises 78 percent of the total fund balance. Approximately \$115.7 million, or 100 percent 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 \$28.8 million to \$115.7 million as of fiscal year end was a result of an increase in state aid.

The fund balance in the Debt Service Fund increased \$2.8 million to \$12.5 million as of fiscal year end primarily due to increases in property taxes revenues as a result of planning for scheduled principal and interest payments.

The fund balance in the Bond Building Fund decreased \$40.9 million to \$9.3 million as of fiscal year end primarily due to the utilization of bond proceeds for capital outlay activity.

Proprietary funds. Unrestricted net position of the Internal Service Fund at the end of the fiscal year amounted to \$558,480. The increase of \$12,417 from the prior fiscal year was not significant.

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 \$2.4 million decrease, or four percent, due to the change in allocation for budgeted expenditures between Maintenance and Operation and Unrestricted Capital Outlay.

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 \$7.5 million in instruction was a result of conservative budgeting to ensure a healthy contingency balance.
- The favorable variance of \$4.2 million in operation and maintenance of plant services was a result of conservative budgeting to ensure a healthy contingency balance.

Capital Assets and Debt Administration

Capital Assets. At year end, the District had invested \$275.6 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 \$52.2 million from the prior fiscal year, primarily due to the expansion of buildings and building improvements at its Northeast Campus, its academy at Agua Fria High School, and construction of its new Southeast Campus. Total depreciation expense for the current fiscal year was \$5.5 million.

**Western Maricopa Education Center District No. 402
Management’s Discussion and Analysis (MD&A)
Year Ended June 30, 2025**

Capital Assets and Debt Administration

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2025 and June 30, 2024.

	As of June 30, 2025	As of June 30, 2024
Capital assets - non-depreciable	\$ 67,529,039	\$ 27,272,514
Capital assets - depreciable, net	168,580,214	162,055,799
Total	\$ 236,109,253	\$ 189,328,313

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

Debt Administration. At year end, the District had \$101.0 million in long-term debt outstanding, \$17.8 million due within one year. Long-term debt decreased by \$22.7 million due to the retirement of debt according to the District’s debt agreements and the partial early retirement of a school improvement bond.

The District’s general obligation bonds are subject to 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 \$438.7 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 2025-26 budget. Among them:

- Fiscal year 2024-25 budget balance carry forward (estimated \$11.9 million).
- Central and satellite campuses student population (estimated 9,350)
- Employee salaries.

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

Budgeted expenditures in the General Fund increased seven percent to \$71.0 million in fiscal year 2025-26 due to increased budget carry forward and student count as well as a change in allocation for expenditures between Maintenance and Operation and Unrestricted Capital Outlay. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2025-26 budget.

**Western Maricopa Education Center District No. 402
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025**

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, 2025

	Governmental Activities
Assets	
Current assets:	
Cash and investments	\$ 172,470,054
Property taxes receivable	513,055
Accounts receivable	10,400
Due from governmental entities	14,604,386
Leases receivable	4,275,630
Total current assets	191,873,525
Noncurrent assets:	
Capital assets not being depreciated	67,529,039
Capital assets, net accumulated depreciation	168,580,214
Total noncurrent assets	236,109,253
Total assets	427,982,778
 Deferred outflows of resources	
Pension plan items	4,437,895
Total deferred outflows of resources	4,437,895
 Liabilities	
Current liabilities:	
Accounts payable	16,997,895
Accrued payroll and employee benefits	1,041,816
Unearned revenues	107,875
Compensated absences payable	499,293
Leases payable	205,205
Bonds payable	17,640,000
Accrued interest payable	1,950,790
Total current liabilities	38,442,874
Noncurrent liabilities:	
Non-current portion of long-term obligations	102,814,605
Total noncurrent liabilities	102,814,605
Total liabilities	141,257,479
 Deferred inflows of resources	
Pension plan items	1,160,028
Leases	4,354,679
Total deferred inflows of resources	5,514,707
 Net position	
Net investment in capital assets	144,431,272
Restricted for:	
Instruction	9,093,208
Non-instructional purposes	2,278,110
Debt service	12,731,239
Unrestricted	117,114,658
Total net position	\$ 285,648,487

Western Maricopa Education Center District No. 402
Statement of Activities
For the Year Ended June 30, 2025

Functions/Programs	Program Revenue			Net (Expense)
	Expenses	Operating Grants		Revenue and
		Charges for	and	Changes in Net
		Services	Contributions	Position
				Governmental
				Activities
Governmental activities				
Instruction	\$ 43,961,769	\$ 4,570,445	\$ 2,778,063	\$ (36,613,261)
Support services - students and staff	12,048,018	566,271	153,681	(11,328,066)
Support services - administration	10,568,857	578,385		(9,990,472)
Operation and maintenance of plant services	7,149,775	128,269	375,190	(6,646,316)
Student transportation services	1,110,532		491,969	(618,563)
Interest on long-term debt	2,597,538			(2,597,538)
Total governmental activities	\$ 77,436,489	\$ 5,843,370	\$ 3,798,903	(67,794,216)
General revenues				
Property taxes				40,689,276
Investment income				5,936,063
Unrestricted state aid				83,125,283
Total general revenues				129,750,622
Changes in net position				61,956,406
Net position, beginning of year				223,692,081
Net position, end of year				\$ 285,648,487

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Fund Financial Statements

Western Maricopa Education Center District No. 402
Balance Sheet
Governmental Funds
June 30, 2025

	<u>General</u>	<u>Debt Service</u>	<u>Bond Building</u>	<u>Non-Major Governmental Funds</u>
Assets				
Cash and investments	\$ 109,184,220	\$ 31,949,537	\$ 19,367,853	\$ 11,409,964
Accounts receivable				10,400
Property taxes receivable	140,563	372,492		
Due from governmental entities	14,336,362			268,024
Leases receivable	4,275,630			
Total assets	<u>\$ 127,936,775</u>	<u>\$ 32,322,029</u>	<u>\$ 19,367,853</u>	<u>\$ 11,688,388</u>
Liabilities				
Accounts payable	\$ 6,810,469	\$	\$ 10,073,599	\$ 113,827
Accrued payroll and employee benefits	946,448			95,368
Unearned revenues				107,875
Bonds payable		17,640,000		
Bond interest payable		1,950,790		
Total liabilities	<u>7,756,917</u>	<u>19,590,790</u>	<u>10,073,599</u>	<u>317,070</u>
Deferred inflows of resources				
Unavailable revenues - property taxes	95,498	260,264		
Unavailable revenues - intergovernmental				168,233
Leases	4,354,679			
Total deferred inflows of resources	<u>4,450,177</u>	<u>260,264</u>		<u>168,233</u>
Fund balances				
Restricted		12,470,975	9,294,254	11,203,085
Unassigned	115,729,681			
Total fund balances	<u>115,729,681</u>	<u>12,470,975</u>	<u>9,294,254</u>	<u>11,203,085</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 127,936,775</u>	<u>\$ 32,322,029</u>	<u>\$ 19,367,853</u>	<u>\$ 11,688,388</u>

**Total
Governmental
Funds**

\$ 171,911,574
10,400
513,055
14,604,386
4,275,630
\$ 191,315,045

\$ 16,997,895
1,041,816
107,875
17,640,000
1,950,790
37,738,376

355,762
168,233
4,354,679
4,878,674

32,968,314
115,729,681
148,697,995

\$ 191,315,045

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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, 2025

Total fund balances - governmental funds **\$ 148,697,995**

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	\$ 275,641,772	
Less accumulated depreciation	<u>(39,532,519)</u>	
		236,109,253

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

Property taxes	355,762	
Intergovernmental	<u>168,233</u>	
		523,995

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	4,437,895	
Deferred inflows of resources related to pensions	<u>(1,160,028)</u>	
		3,277,867

The Internal Service Fund is used by management to account for activities related to agreements with other governments. The assets and liabilities of the Internal Service Fund are included in the Statement of Net Position.

558,480

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

Compensated absences payable	(2,021,959)	
Leases payable	(2,439,966)	
Bonds payable	(80,892,269)	
Net pension liability	<u>(18,164,909)</u>	
		(103,519,103)

Net position of governmental activities **\$ 285,648,487**

Western Maricopa Education Center District No. 402
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	<u>General</u>	<u>Debt Service</u>	<u>Bond Building</u>	<u>Non-Major Governmental Funds</u>
Revenues				
Other local	\$ 7,190,718	\$ 2,003,999	\$ 82,060	\$ 4,179,686
Property taxes	10,929,984	29,714,714		
State aid and grants	81,244,283			2,434,584
Federal aid, grants and reimbursements				<u>1,367,744</u>
Total revenues	<u>99,364,985</u>	<u>31,718,713</u>	<u>82,060</u>	<u>7,982,014</u>
Expenditures				
Current:				
Instruction	30,308,003			4,507,846
Support services - students and staff	10,412,970			914,753
Support services - administration	8,032,335			228,978
Operation and maintenance of plant services	5,432,176			8,825
Student transportation services	438,754			671,778
Capital outlay	18,475,120		40,937,586	88,241
Debt service:				
Principal retirement	300,000	24,315,000		
Interest and fiscal charges		4,642,246		
Total expenditures	<u>73,399,358</u>	<u>28,957,246</u>	<u>40,937,586</u>	<u>6,420,421</u>
Excess (deficiency) of revenues over expenditures	<u>25,965,627</u>	<u>2,761,467</u>	<u>(40,855,526)</u>	<u>1,561,593</u>
Other financing sources (uses)				
Transfers in	9,000	82,060		
Transfers out			(82,060)	(9,000)
Lease agreements	2,739,966			
Proceeds from sale of capital assets	<u>74,541</u>			
Total other financing sources (uses)	<u>2,823,507</u>	<u>82,060</u>	<u>(82,060)</u>	<u>(9,000)</u>
Changes in fund balances	<u>28,789,134</u>	<u>2,843,527</u>	<u>(40,937,586)</u>	<u>1,552,593</u>
Fund balances, beginning of year	<u>86,940,547</u>	<u>9,627,448</u>	<u>50,231,840</u>	<u>9,650,492</u>
Fund balances, end of year	<u>\$ 115,729,681</u>	<u>\$ 12,470,975</u>	<u>\$ 9,294,254</u>	<u>\$ 11,203,085</u>

**Total
Governmental
Funds**

\$ 13,456,463
40,644,698
83,678,867
1,367,744
139,147,772

34,815,849
11,327,723
8,261,313
5,441,001
1,110,532
59,500,947

24,615,000
4,642,246
149,714,611

(10,566,839)

91,060
(91,060)
2,739,966
74,541
2,814,507

(7,752,332)

156,450,327

\$ 148,697,995

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, 2025

Changes in fund balances - total governmental funds **\$ (7,752,332)**

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 expense.

Expenditures for capitalized assets	\$ 52,282,788	
Less current year depreciation	<u>(5,480,678)</u>	
		46,802,110

Issuance of long-term debt provides current financial resources to governmental funds, but the issuance increases long-term liabilities in the Statement of Net Position.

Lease agreements		(2,739,966)
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Some revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	44,578	
Intergovernmental	<u>113,587</u>	
		158,165

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.

Lease principal retirement	300,000	
Bond principal retirement	<u>24,315,000</u>	
		24,615,000

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	2,010,915	
Pension expense	<u>(2,540,074)</u>	
		(529,159)

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	(21,170)	
Amortization of deferred bond items	2,044,708	
Compensated absences	<u>(633,367)</u>	
		1,390,171

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.

		<u>12,417</u>
Changes in net position in governmental activities		<u>\$ 61,956,406</u>

Western Maricopa Education Center District No. 402
Statement of Net Position
Proprietary Fund
June 30, 2025

	Governmental Activities Internal Service Fund
Assets	
Current assets:	
Cash and investments	\$ 558,480
Total current assets	558,480
Total assets	558,480
Net position	
Unrestricted	558,480
Total net position	\$ 558,480

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, 2025

	Governmental Activities
	Internal Service Fund
Nonoperating revenues (expenses)	
Investment income	12,417
Total nonoperating revenue (expenses)	12,417
Changes in net position	12,417
Net position, beginning of year	546,063
Net position, end of year	\$ 558,480

Western Maricopa Education Center District No. 402
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2025

	Governmental Activities Internal Service Fund
<u>Increase/Decrease in Cash and Cash Equivalents</u>	
Cash flows from operating activities	
Cash received from contributions	\$ 17,000
Net cash provided by/used for operating activities	17,000
Cash flows from investing activities	
Investment income	12,417
Net cash provided by/used for investing activities	12,417
Net increase/decrease in cash and cash equivalents	29,417
Cash and cash equivalents, beginning of year	529,063
Cash and cash equivalents, end of year	\$ 558,480
 <u>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position</u>	
Cash and investments	\$ 558,480
Total cash and cash equivalents	\$ 558,480
 <u>Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating</u>	
Operating income/loss	\$ -
Adjustments to reconcile operating income/loss to net cash provided by/used for operating activities:	
Changes in assets and liabilities:	
Increase/decrease in due from governmental entities	17,000
Total adjustments	17,000
Net cash provided by/used for operating activities	\$ 17,000

Western Maricopa Education Center District No. 402
Notes to Financial Statements
June 30, 2025

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.

During the year ended June 30, 2025, the District implemented the provisions of GASB Statement No. 101, *Compensated Absences*. This Statement updates the recognition and measurement guidance for compensated absences. Liabilities are recognized for leave that has not been used, as well as leave that has been used but not yet paid in cash or settled through noncash means. The District's analysis of compensated absences in effect at the beginning of the year resulted in no changes to beginning balances reported in the financial statements due to the implementation of this standard.

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.

Western Maricopa Education Center District No. 402
Notes to Financial Statements
June 30, 2025

Note 1 – Summary of Significant Accounting Policies

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.

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. 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, 2025

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.

Separate financial statements are presented for governmental funds and proprietary funds. 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 other funds that 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.

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.

Western Maricopa Education Center District No. 402
Notes to Financial Statements
June 30, 2025

Note 1 – Summary of Significant Accounting Policies

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 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, 2025

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, 2025

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. Amortization of right-to-use assets is included with depreciation expense. 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, 2025

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 more likely than not to be used or paid 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.

L. Leases

As lessor and 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 or is charged by the lessor) 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 and payables.

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, 2025

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.

Western Maricopa Education Center District No. 402
Notes to Financial Statements
June 30, 2025

Note 2 – Fund Balance Classifications

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.

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.

Western Maricopa Education Center District No. 402
Notes to Financial Statements
June 30, 2025

Note 2 – Fund Balance Classifications

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
Fund Balances:				
Restricted:				
Debt service	\$	\$ 12,470,975	\$	\$
Bond building projects			9,294,254	
Voter approved initiatives				5,406,458
Federal and state projects				2,922,278
Civic center				315,470
Community schools				1,962,640
Extracurricular activities				113,872
Career and technical education projects				251,908
Student activities				108,729
Intergovernmental agreements				121,730
Unassigned	115,729,681			
Total fund balances	<u>\$ 115,729,681</u>	<u>\$ 12,470,975</u>	<u>\$ 9,294,254</u>	<u>\$ 11,203,085</u>

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 \$350,835 and the bank balance was \$816,986. 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

Western Maricopa Education Center District No. 402
Notes to Financial Statements
June 30, 2025

Note 4 – Cash and Investments

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:

	Average Maturities	Fair Value
County Treasurer’s investment pool	452 days	\$ 172,119,219

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	\$	\$ 207,560
Due from state government	14,336,362	60,464
Net due from governmental entities	\$ 14,336,362	\$ 268,024

Western Maricopa Education Center District No. 402
Notes to Financial Statements
June 30, 2025

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.

Note 7 – Capital Assets

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

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 27,272,514	\$ 1,488,124	\$	\$ 28,760,638
Construction in progress		43,760,416	4,992,015	38,768,401
Total capital assets, not being depreciated	<u>27,272,514</u>	<u>45,248,540</u>	<u>4,992,015</u>	<u>67,529,039</u>
Capital assets, being depreciated:				
Land improvements	2,430,805	136,186		2,566,991
Buildings and improvements	180,325,122	5,579,491		185,904,613
Vehicles, furniture and equipment	13,459,123	3,570,620	128,580	16,901,163
Right-to-use leased land		2,739,966		2,739,966
Total capital assets being depreciated	<u>196,215,050</u>	<u>12,026,263</u>	<u>128,580</u>	<u>208,112,733</u>
Less accumulated depreciation for:				
Land improvements	(620,128)	(124,250)		(744,378)
Buildings and improvements	(26,817,955)	(3,987,174)		(30,805,129)
Vehicles, furniture and equipment	(6,721,168)	(1,095,257)	(107,410)	(7,709,015)
Right-to-use leased land		(273,997)		(273,997)
Total accumulated depreciation	<u>(34,159,251)</u>	<u>(5,480,678)</u>	<u>(107,410)</u>	<u>(39,532,519)</u>
Total capital assets being depreciated, net	<u>162,055,799</u>	<u>6,545,585</u>	<u>21,170</u>	<u>168,580,214</u>
Governmental activities capital assets, net	<u>\$ 189,328,313</u>	<u>\$ 51,794,125</u>	<u>\$ 5,013,185</u>	<u>\$ 236,109,253</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 4,639,948
Support services – students and staff	96,762
Support services – administration	326,077
Operation and maintenance of plant services	417,891
Total depreciation expense – governmental activities	<u>\$ 5,480,678</u>

Western Maricopa Education Center District No. 402
Notes to Financial Statements
June 30, 2025

Note 7 – Capital Assets

Construction Commitments – At year end, the District had contractual commitments related to various capital projects for the construction of new buildings at the District’s northeast campus, southeast campus, and at Agua Fria High School. At year end the District had spent \$38.8 million on the projects and had estimated remaining contractual commitments of \$2.4 million. These projects are being funded with bond proceeds.

Note 8 – Leases Payable

The District has acquired land under the provisions of a contract classified as a lease, which also includes an option to purchase the property. In accordance with the agreement and the lease, the District is responsible for developing a CTE campus on the property. The related obligation under the lease agreement has been recorded at the present value of its future minimum lease payments as of the inception date. Revenues from the General Fund, a major fund, are used to pay the lease obligation. Amortization of right-to-use assets recorded under leases is included with depreciation expense.

The net present value and future minimum lease payments at year end were as follows:

Year ending June 30:	Governmental Activities	
	Principal	Interest
2026	\$ 205,205	\$ 94,795
2027	214,049	85,951
2028	230,775	76,725
2029	248,409	66,779
2030	266,995	56,072
2031-34	1,274,533	100,547
Total	\$ 2,439,966	\$ 480,869

The right-to-use assets recorded under leases that meet the District’s capitalization threshold are as follows:

	Governmental Activities
Asset:	
Right-to-use leased land	\$ 2,739,966
Less: Accumulated amortization	273,997
Total	\$ 2,465,969

Western Maricopa Education Center District No. 402
Notes to Financial Statements
June 30, 2025

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.

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 \$438.7 million, and the available margin is \$339.4 million.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2025	Due Within One Year
Governmental activities:					
School Improvement Bonds					
Project of 2012 Series A (2013)	\$ 35,000,000	3.00-5.00%	7/1/25-32	\$ 18,280,000	\$ 2,000,000
School Improvement Bonds					
Project of 2012 Series B (2014)	25,000,000	3.00-4.50%	7/1/25-34	11,325,000	1,050,000
School Improvement Bonds					
Project of 2012 Series C (2015)	14,900,000	3.00-4.25%	7/1/25-35	10,815,000	485,000
School Improvement Bonds					
Project of 2016 Series A (2017)	70,035,000	5.00%	7/1/25-27	27,515,000	8,855,000
School Improvement Bonds					
Project of 2016 Series B (2019)	53,035,000	1.50-5.00%	7/1/25-28	<u>23,900,000</u>	<u>5,250,000</u>
Total				<u>\$ 91,835,000</u>	<u>\$ 17,640,000</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
2026	\$ 17,640,000	\$ 3,468,255
2027	19,005,000	2,690,905
2028	20,160,000	1,869,324
2029	9,600,000	1,177,156
2030	4,095,000	887,512
2031-35	16,185,000	2,227,945
2036	<u>5,150,000</u>	<u>103,000</u>
Total	<u>\$ 91,835,000</u>	<u>\$ 12,424,097</u>

Western Maricopa Education Center District No. 402
Notes to Financial Statements
June 30, 2025

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	\$ 114,930,000	\$	\$ 23,095,000	\$ 91,835,000	\$ 17,640,000
Premium	8,741,977		2,044,708	6,697,269	
Total bonds payable	<u>123,671,977</u>		<u>25,139,708</u>	<u>98,532,269</u>	<u>17,640,000</u>
Leases payable		2,739,966	300,000	2,439,966	205,205
Net pension liability	16,699,251	1,465,658		18,164,909	
Compensated absences payable	<u>1,388,592</u>	<u>633,367</u>		<u>2,021,959</u>	<u>499,293</u>
Total long-term liabilities	<u>\$ 141,759,820</u>	<u>\$ 4,838,991</u>	<u>\$ 25,439,708</u>	<u>\$ 121,159,103</u>	<u>\$ 18,344,498</u>

Note 12 – Interfund Transfers

At year end, interfund balances were as follows:

Transfers out	Transfers in		
	General	Debt Service	Total
Bond Building	\$	\$ 82,060	\$ 82,060
Non-Major Governmental Funds	<u>9,000</u>		<u>9,000</u>
Total	<u>\$ 9,000</u>	<u>\$ 82,060</u>	<u>\$ 91,060</u>

Transfers between funds were used to (1) move investment income earned in the Bond Building Fund, that is required by statute to be expended in the Debt Service Fund, and (2) to move federal grant funds restricted for indirect costs.

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.

Arbitrage – Under the Tax Reform Act of 1986, interest earned on the debt proceeds in excess of interest expense or expenditure prior to the disbursement of the proceeds must be rebated to the Internal Revenue Service (IRS). Management believes there is no tax arbitrage rebate liability at year end.

Western Maricopa Education Center District No. 402
Notes to Financial Statements
June 30, 2025

Note 14 – 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 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.

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 15 – 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.

Western Maricopa Education Center District No. 402
Notes to Financial Statements
June 30, 2025

Note 15 – Pensions

Aggregate Amounts. At June 30, 2025, the District reported the following aggregate amounts related to pensions and OPEB for all plans to which it contributes:

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

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.

Western Maricopa Education Center District No. 402
Notes to Financial Statements
June 30, 2025

Note 15 – Pensions

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 12.27 percent (12.12 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 12.27 percent (12.05 percent for retirement, 0.07 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, 2025 were \$2,010,915.

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 10.19 percent (10.14 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, 2024. 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, 2023, to the measurement date of June 30, 2024. 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, 2024.

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, 2024, the District’s percentage proportion for the plan and the related change from its proportion measured as of June 30, 2023 was:

Net Liability	District % Proportion	Increase (Decrease)
\$ 18,164,909	0.114	0.010

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, 2025 was \$2,540,074.

Western Maricopa Education Center District No. 402
Notes to Financial Statements
June 30, 2025

Note 15 – Pensions

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	\$ 1,013,948	\$
Net difference between projected and actual earnings on pension investments		1,160,028
Changes in proportion and differences between contributions and proportionate share of contributions	1,413,032	
Contributions subsequent to the measurement date	2,010,915	
Total	\$ 4,437,895	\$ 1,160,028

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, 2026. 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:	
2026	\$ 360,895
2027	1,412,577
2028	(293,641)
2029	(212,879)

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

Actuarial valuation date	June 30, 2023
Actuarial roll forward date	June 30, 2024
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

Western Maricopa Education Center District No. 402
Notes to Financial Statements
June 30, 2025

Note 15 – Pensions

The actuarial assumptions used in the June 30, 2023, 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%	4.48%
Credit	23	4.40
Interest rate sensitive	6	(.45)
Private equity	10	6.11
Real estate	17	6.05
Total	100%	

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.

Western Maricopa Education Center District No. 402
Notes to Financial Statements
June 30, 2025

Note 15 – Pensions

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	\$ 27,814,190	\$ 18,164,909	\$ 10,123,076

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 16 – Subsequent Event

On July 24, 2025, the District paid \$8.2 million for the optional redemption of its School Improvement Bond Project 2012 Series B (2014) and Series C (2015).

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, 2025

	<u>Budget</u>		<u>Non-GAAP Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local	\$	\$	\$ 1,268,268	\$ 1,268,268
Property taxes			10,948,909	10,948,909
State aid and grants			45,861,621	45,861,621
Total revenues			<u>58,078,798</u>	<u>58,078,798</u>
Expenditures				
Current:				
Instruction	44,650,742	37,201,349	29,680,695	7,520,654
Support services - students and staff	5,614,000	10,615,238	10,334,312	280,926
Support services - administration	14,594,500	8,807,000	8,031,975	775,025
Operation and maintenance of plant services	3,877,500	9,545,000	5,379,432	4,165,568
Student transportation services	78,000	200,000	301,336	(101,336)
Total expenditures	<u>68,814,742</u>	<u>66,368,587</u>	<u>53,727,750</u>	<u>12,640,837</u>
Excess (deficiency) of revenues over expenditures	<u>(68,814,742)</u>	<u>(66,368,587)</u>	<u>4,351,048</u>	<u>70,719,635</u>
Changes in fund balances	<u>(68,814,742)</u>	<u>(66,368,587)</u>	<u>4,351,048</u>	<u>70,719,635</u>
Fund balances, beginning of year			<u>31,566,032</u>	<u>31,566,032</u>
Fund balances, end of year	<u>\$ (68,814,742)</u>	<u>\$ (66,368,587)</u>	<u>\$ 35,917,080</u>	<u>\$ 102,285,667</u>

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>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Measurement date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
District's proportion of the net pension (assets) liability	0.11%	0.10%	0.10%	0.10%
District's proportionate share of the net pension (assets) liability	\$ 18,164,909	\$ 16,699,251	\$ 15,734,621	\$ 12,783,474
District's covered payroll	\$ 15,856,933	\$ 13,454,002	\$ 11,490,092	\$ 10,901,391
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	114.55%	124.12%	136.94%	117.26%
Plan fiduciary net position as a percentage of the total pension liability	76.93%	75.47%	74.26%	78.58%

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Actuarially determined contribution	\$ 2,010,915	\$ 1,907,589	\$ 1,603,717	\$ 1,379,960
Contributions in relation to the actuarially determined contribution	<u>2,010,915</u>	<u>1,907,589</u>	<u>1,603,717</u>	<u>1,379,960</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 16,688,091	\$ 15,856,933	\$ 13,454,002	\$ 11,490,092
Contributions as a percentage of covered payroll	12.05%	12.03%	11.92%	12.01%

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
0.09%	0.09%	0.08%	0.07%	0.05%	0.04%
\$ 15,907,478	\$ 12,633,320	\$ 10,925,673	\$ 10,384,329	\$ 8,720,985	\$ 6,473,683
\$ 9,992,908	\$ 9,112,299	\$ 7,771,422	\$ 6,489,499	\$ 5,033,014	\$ 3,805,161
159.19%	138.64%	140.59%	160.02%	173.28%	170.13%
69.33%	73.24%	73.40%	69.92%	67.06%	68.35%

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 1,270,012	\$ 1,144,188	\$ 1,018,755	\$ 847,085	\$ 699,568	\$ 546,082
<u>1,270,012</u>	<u>1,144,188</u>	<u>1,018,755</u>	<u>847,085</u>	<u>699,568</u>	<u>546,082</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 10,901,391	\$ 9,992,908	\$ 9,112,299	\$ 7,771,422	\$ 6,489,499	\$ 5,033,014
11.65%	11.45%	11.18%	10.90%	10.78%	10.85%

Western Maricopa Education Center District No. 402
Notes to Required Supplementary Information
June 30, 2025

Note 1 – Budgetary Basis of Accounting

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

- Employee insurance expenditures are budgeted in the year the employee insurance account is funded.

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, as presented on page 69.

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

	<u>Total</u>	<u>Fund</u>
	<u>Expenditures</u>	<u>Balances</u>
		<u>End of Year</u>
Statement of Revenues, Expenditures and Changes in		
Fund Balances - Governmental Funds	\$ 73,399,358	\$ 115,729,681
Other funds presented in the General Fund	(19,680,073)	(79,781,549)
Employee insurance account	8,465	(31,052)
Schedule of Revenue, Expenditures and Changes in		
Fund Balances – Budget and Actual - General Fund	\$ 53,727,750	\$ 35,917,080

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, 2023, 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, 2025

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	\$ 4,553,105	\$ 804,519	\$ 2,990,826	\$ 3,061,514
Accounts receivable				10,400
Due from governmental entities		60,464	207,560	
Total assets	<u>\$ 4,553,105</u>	<u>\$ 864,983</u>	<u>\$ 3,198,386</u>	<u>\$ 3,071,914</u>
Liabilities				
Accounts payable	\$	\$	\$	\$ 113,827
Accrued payroll and employee benefits	11,630			83,738
Unearned revenues			107,875	
Total liabilities	<u>11,630</u>		<u>107,875</u>	<u>197,565</u>
Deferred inflows of resources				
Unavailable revenues - intergovernmental			168,233	
Total deferred inflows of resources			<u>168,233</u>	
Fund balances				
Restricted	4,541,475	864,983	2,922,278	2,874,349
Total fund balances	<u>4,541,475</u>	<u>864,983</u>	<u>2,922,278</u>	<u>2,874,349</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,553,105</u>	<u>\$ 864,983</u>	<u>\$ 3,198,386</u>	<u>\$ 3,071,914</u>

**Total Non-Major
Governmental
Funds**

\$ 11,409,964
10,400
268,024
\$ 11,688,388

\$ 113,827
95,368
107,875
317,070

168,233
168,233

11,203,085
11,203,085

\$ 11,688,388

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, 2025

	<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	\$ 147,296	\$ 31,034	\$ 12,894	\$ 3,988,462
State aid and grants	1,754,149	126,851	553,584	
Federal aid, grants and reimbursements			1,367,744	
Total revenues	<u>1,901,445</u>	<u>157,885</u>	<u>1,934,222</u>	<u>3,988,462</u>
Expenditures				
Current:				
Instruction	937,367		1,384,709	2,185,770
Support services - students and staff	141,447		232,782	540,524
Support services - administration				228,978
Operation and maintenance of plant services				8,825
Student transportation services			671,778	
Capital outlay				88,241
Total expenditures	<u>1,078,814</u>	<u> </u>	<u>2,289,269</u>	<u>3,052,338</u>
Excess (deficiency) of revenues over expenditures	<u>822,631</u>	<u>157,885</u>	<u>(355,047)</u>	<u>936,124</u>
Other financing sources (uses)				
Transfers out			(9,000)	
Total other financing sources (uses)			<u>(9,000)</u>	
Changes in fund balances	<u>822,631</u>	<u>157,885</u>	<u>(364,047)</u>	<u>936,124</u>
Fund balances, beginning of year	<u>3,718,844</u>	<u>707,098</u>	<u>3,286,325</u>	<u>1,938,225</u>
Fund balances, end of year	<u>\$ 4,541,475</u>	<u>\$ 864,983</u>	<u>\$ 2,922,278</u>	<u>\$ 2,874,349</u>

**Total Non-Major
Governmental
Funds**

\$ 4,179,686
2,434,584
1,367,744
7,982,014

4,507,846
914,753
228,978
8,825
671,778
88,241

6,420,421

1,561,593

(9,000)

(9,000)

1,552,593

9,650,492

\$ 11,203,085

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, 2025

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local	\$	\$	\$ 147,296	\$ 147,296
State aid and grants			1,754,149	1,754,149
Total revenues			<u>1,901,445</u>	<u>1,901,445</u>
Expenditures				
Current:				
Instruction	3,829,385	5,611,050	937,367	4,673,683
Support services - students and staff	141,447	141,447	141,447	
Total expenditures	<u>3,970,832</u>	<u>5,752,497</u>	<u>1,078,814</u>	<u>4,673,683</u>
Changes in fund balances	<u>(3,970,832)</u>	<u>(5,752,497)</u>	<u>822,631</u>	<u>6,575,128</u>
Fund balances, beginning of year			<u>3,718,844</u>	<u>3,718,844</u>
Fund balances, end of year	<u>\$ (3,970,832)</u>	<u>\$ (5,752,497)</u>	<u>\$ 4,541,475</u>	<u>\$ 10,293,972</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, 2025

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local	\$	\$	\$ 31,034	\$ 31,034
State aid and grants			<u>126,851</u>	<u>126,851</u>
Total revenues			<u>157,885</u>	<u>157,885</u>
Expenditures				
Current:				
Support services - students and staff	<u>600,000</u>	<u>700,000</u>		<u>700,000</u>
Total expenditures	<u>600,000</u>	<u>700,000</u>		<u>700,000</u>
Changes in fund balances	<u>(600,000)</u>	<u>(700,000)</u>	<u>157,885</u>	<u>857,885</u>
Fund balances, beginning of year			<u>707,098</u>	<u>707,098</u>
Fund balances, end of year	<u>\$ (600,000)</u>	<u>\$ (700,000)</u>	<u>\$ 864,983</u>	<u>\$ 1,564,983</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, 2025

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local	\$	\$	\$ 12,894	\$ 12,894
State aid and grants			553,584	553,584
Federal aid, grants and reimbursements			1,367,744	1,367,744
Total revenues			<u>1,934,222</u>	<u>1,934,222</u>
Expenditures				
Current:				
Instruction	731,892	2,072,682	1,384,709	687,973
Support services - students and staff	123,038	348,436	232,782	115,654
Student transportation services	355,070	1,005,541	671,778	333,763
Total expenditures	<u>1,210,000</u>	<u>3,426,659</u>	<u>2,289,269</u>	<u>1,137,390</u>
Excess (deficiency) of revenues over expenditures	<u>(1,210,000)</u>	<u>(3,426,659)</u>	<u>(355,047)</u>	<u>3,071,612</u>
Other financing sources (uses)				
Transfers out			(9,000)	(9,000)
Total other financing sources (uses)			<u>(9,000)</u>	<u>(9,000)</u>
Changes in fund balances	<u>(1,210,000)</u>	<u>(3,426,659)</u>	<u>(364,047)</u>	<u>3,062,612</u>
Fund balances, beginning of year			<u>3,286,325</u>	<u>3,286,325</u>
Fund balances, end of year	<u>\$ (1,210,000)</u>	<u>\$ (3,426,659)</u>	<u>\$ 2,922,278</u>	<u>\$ 6,348,937</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, 2025

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local	\$	\$	\$ 3,988,462	\$ 3,988,462
Total revenues			<u>3,988,462</u>	<u>3,988,462</u>
Expenditures				
Current:				
Instruction	1,987,169	2,334,476	2,185,770	148,706
Support services - students and staff	491,412	577,298	540,524	36,774
Support services - administration	208,173	244,556	228,978	15,578
Operation and maintenance of plant services	8,023	9,425	8,825	600
Capital outlay	80,223	94,244	88,241	6,003
Total expenditures	<u>2,775,000</u>	<u>3,260,000</u>	<u>3,052,338</u>	<u>207,662</u>
Changes in fund balances	<u>(2,775,000)</u>	<u>(3,260,000)</u>	<u>936,124</u>	<u>4,196,124</u>
Fund balances, beginning of year			<u>1,938,225</u>	<u>1,938,225</u>
Fund balances, end of year	<u>\$ (2,775,000)</u>	<u>\$ (3,260,000)</u>	<u>\$ 2,874,349</u>	<u>\$ 6,134,349</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, 2025

	<u>Budget</u>		Variance with Final Budget
	<u>Original and Final</u>	<u>Actual</u>	
Revenues			
Other local	\$	\$ 2,003,999	\$ 2,003,999
Property taxes		<u>29,714,714</u>	<u>29,714,714</u>
Total revenues		<u>31,718,713</u>	<u>31,718,713</u>
Expenditures			
Debt service:			
Principal retirement	24,315,000	24,315,000	
Interest and fiscal charges	<u>685,000</u>	<u>4,642,246</u>	<u>(3,957,246)</u>
Total expenditures	<u>25,000,000</u>	<u>28,957,246</u>	<u>(3,957,246)</u>
Excess (deficiency) of revenues over expenditures	<u>(25,000,000)</u>	<u>2,761,467</u>	<u>27,761,467</u>
Other financing sources (uses)			
Transfers in		<u>82,060</u>	<u>82,060</u>
Total other financing sources (uses)		<u>82,060</u>	<u>82,060</u>
Changes in fund balances	<u>(25,000,000)</u>	<u>2,843,527</u>	<u>27,843,527</u>
Fund balances, beginning of year		<u>9,627,448</u>	<u>9,627,448</u>
Fund balances, end of year	<u>\$ (25,000,000)</u>	<u>\$ 12,470,975</u>	<u>\$ 37,470,975</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, 2025

	<u>Budget</u>		Variance with Final Budget
	<u>Original and Final</u>	<u>Actual</u>	
Revenues			
Other local	\$ _____	\$ 82,060	\$ 82,060
Total revenues	<u>_____</u>	<u>82,060</u>	<u>82,060</u>
Expenditures			
Capital outlay	50,709,947	40,937,586	9,772,361
Total expenditures	<u>50,709,947</u>	<u>40,937,586</u>	<u>9,772,361</u>
Excess (deficiency) of revenues over expenditures	<u>(50,709,947)</u>	<u>(40,855,526)</u>	<u>9,854,421</u>
Other financing sources (uses)			
Transfers out	_____	(82,060)	(82,060)
Total other financing sources (uses)	<u>_____</u>	<u>(82,060)</u>	<u>(82,060)</u>
Changes in fund balances	<u>(50,709,947)</u>	<u>(40,937,586)</u>	<u>9,772,361</u>
Fund balances, beginning of year	_____	50,231,840	50,231,840
Fund balances, end of year	<u>\$ (50,709,947)</u>	<u>\$ 9,294,254</u>	<u>\$ 60,004,201</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.

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>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Net Position:					
Net investment in capital assets	\$ 144,431,272	\$ 115,888,176	\$ 98,929,645	\$ 86,814,556	\$ 70,215,926
Restricted	24,102,557	19,555,860	10,029,890	27,409,469	31,690,173
Unrestricted	117,114,658	88,248,045	82,099,060	52,014,546	38,083,306
Total net position	\$ 285,648,487	\$ 223,692,081	\$ 191,058,595	\$ 166,238,571	\$ 139,989,405
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Net Position:					
Net investment in capital assets	\$ 58,119,098	\$ 42,397,958	\$ 37,803,401	\$ 36,382,033	\$ 30,496,841
Restricted	31,842,400	32,652,335	24,793,511	22,653,975	24,190,160
Unrestricted	33,996,333	20,145,371	22,433,457	9,940,733	10,752,024
Total net position	\$ 123,957,831	\$ 95,195,664	\$ 85,030,369	\$ 68,976,741	\$ 65,439,025

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>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Expenses					
Instruction	\$ 43,961,769	\$ 36,008,125	\$ 32,240,956	\$ 29,053,120	\$ 27,069,815
Support services - students and staff	12,048,018	7,266,548	6,828,376	5,606,457	5,450,450
Support services - administration	10,568,857	12,133,816	10,106,271	8,846,800	8,618,610
Operation and maintenance of plant services	7,149,775	6,415,148	4,622,597	3,321,375	3,213,103
Student transportation services	1,110,532	1,023,706	147,044	134,800	
Operation of non-instructional services			2,396	3,538	4,781
Interest on long-term debt	2,597,538	2,949,648	3,674,872	4,332,124	4,860,773
Total expenses	<u>77,436,489</u>	<u>65,796,991</u>	<u>57,622,512</u>	<u>51,298,214</u>	<u>49,217,532</u>
Program Revenues					
Charges for services:					
Instruction	4,570,445	2,501,759	2,443,087	2,595,979	2,365,384
Other activities	1,272,925	1,449,848	853,660	234,492	466,134
Operating grants and contributions	3,798,903	4,401,059	2,061,375	1,727,925	3,141,096
Capital grants and contributions		53,391	670,841	123,989	863,146
Total program revenues	<u>9,642,273</u>	<u>8,406,057</u>	<u>6,028,963</u>	<u>4,682,385</u>	<u>6,835,760</u>
Net (Expense)/Revenue	<u>\$ (67,794,216)</u>	<u>\$ (57,390,934)</u>	<u>\$ (51,593,549)</u>	<u>\$ (46,615,829)</u>	<u>\$ (42,381,772)</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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Expenses					
Instruction	\$ 25,189,552	\$ 28,381,606	\$ 20,559,036	\$ 20,352,708	\$ 19,272,358
Support services - students and staff	5,268,546	5,310,247	4,224,989	3,722,992	2,727,203
Support services - administration	7,280,450	8,192,043	5,919,305	5,540,120	4,027,507
Operation and maintenance of plant services	2,789,203	2,524,230	2,045,377	1,723,476	1,429,262
Student transportation services	12,956	99,476	43,960	19,064	
Operation of non-instructional services	4,781	4,781	3,038	80,825	
Interest on long-term debt	4,745,949	4,164,294	5,121,721	2,406,922	2,362,337
Total expenses	<u>45,291,437</u>	<u>48,676,677</u>	<u>37,917,426</u>	<u>33,846,107</u>	<u>29,818,667</u>
Program Revenues					
Charges for services:					
Instruction	2,398,629	1,575,165	1,500,031	618,348	1,370,557
Other activities	408,584	270,821	260,266	829,668	316,392
Operating grants and contributions	131,460	569,476	217,179	310,480	327,669
Capital grants and contributions	122,792	67,861			
Total program revenues	<u>3,061,465</u>	<u>2,483,323</u>	<u>1,977,476</u>	<u>1,758,496</u>	<u>2,014,618</u>
Net (Expense)/Revenue	<u>\$ (42,229,972)</u>	<u>\$ (46,193,354)</u>	<u>\$ (35,939,950)</u>	<u>\$ (32,087,611)</u>	<u>\$ (27,804,049)</u>

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

Note: Support services – administration were higher than normal in fiscal year 2023-24 due to the claims and judgments payment related to the Qasimyar v. Maricopa County, Class Action Judgment.

(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>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Net (Expense)/Revenue	\$ (67,794,216)	\$ (57,390,934)	\$ (51,593,549)	\$ (46,615,829)	\$ (42,381,772)
General Revenues:					
Property taxes	40,689,276	37,925,009	30,178,173	28,877,123	28,126,315
Investment income	5,936,063	4,347,010	2,614,472	1,104,004	1,271,905
Unrestricted county aid				3,839,031	2,773,710
Unrestricted state aid	83,125,283	47,752,401	43,545,486	39,044,837	26,241,416
Total general revenues	129,750,622	90,024,420	76,338,131	72,864,995	58,413,346
Changes in Net Position	\$ 61,956,406	\$ 32,633,486	\$ 24,744,582	\$ 26,249,166	\$ 16,031,574

(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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Net (Expense)/Revenue	\$ (42,229,972)	\$ (46,193,354)	\$ (35,939,950)	\$ (32,087,611)	\$ (27,804,049)
General Revenues:					
Property taxes	25,900,087	22,531,094	25,112,776	11,307,931	9,051,893
Investment income	2,065,728	1,936,977	1,202,191	366,734	286,706
Unrestricted county aid	3,362,486	2,979,765	2,624,181	2,434,275	2,036,013
Unrestricted state aid	31,957,655	28,910,813	23,044,177	22,169,857	18,404,129
Total general revenues	<u>63,285,956</u>	<u>56,358,649</u>	<u>51,983,325</u>	<u>36,278,797</u>	<u>29,778,741</u>
Changes in Net Position	<u>\$ 21,055,984</u>	<u>\$ 10,165,295</u>	<u>\$ 16,043,375</u>	<u>\$ 4,191,186</u>	<u>\$ 1,974,692</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>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
General Fund:					
Unassigned	\$ 115,729,681	\$ 86,940,547	\$ 81,870,753	\$ 52,079,016	\$ 38,084,431
Total General Fund	<u>\$ 115,729,681</u>	<u>\$ 86,940,547</u>	<u>\$ 81,870,753</u>	<u>\$ 52,079,016</u>	<u>\$ 38,084,431</u>
All Other Governmental Funds:					
Restricted	\$ 32,968,314	\$ 69,509,780	\$ 60,174,622	\$ 81,504,708	\$ 85,762,684
Unassigned				(537,470)	(431,485)
Total all other governmental funds	<u>\$ 32,968,314</u>	<u>\$ 69,509,780</u>	<u>\$ 60,174,622</u>	<u>\$ 80,967,238</u>	<u>\$ 85,331,199</u>

(Continued)

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General Fund:					
Unassigned	\$ 32,080,407	\$ 19,191,678	\$ 18,248,708	\$ 14,110,709	\$ 14,364,948
Total General Fund	<u>\$ 32,080,407</u>	<u>\$ 19,191,678</u>	<u>\$ 18,248,708</u>	<u>\$ 14,110,709</u>	<u>\$ 14,364,948</u>
All Other Governmental Funds:					
Restricted	\$ 93,895,313	\$ 38,290,366	\$ 74,755,069	\$ 99,962,780	\$ 32,923,791
Total all other governmental funds	<u>\$ 93,895,313</u>	<u>\$ 38,290,366</u>	<u>\$ 74,755,069</u>	<u>\$ 99,962,780</u>	<u>\$ 32,923,791</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>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Federal sources:					
Federal grants	\$ 1,367,744	\$ 2,272,632	\$ 541,204	\$ 1,159,345	\$ 3,048,409
Total federal sources	<u>1,367,744</u>	<u>2,272,632</u>	<u>541,204</u>	<u>1,159,345</u>	<u>3,048,409</u>
State sources:					
State equalization assistance	81,244,283	46,215,911	42,005,991	37,500,334	25,298,918
State grants	553,584	2,744,127	648,859	439,609	345,588
Other revenues	<u>1,881,000</u>	<u>2,083,650</u>	<u>2,054,380</u>	<u>1,544,503</u>	<u>942,498</u>
Total state sources	<u>83,678,867</u>	<u>51,043,688</u>	<u>44,709,230</u>	<u>39,484,446</u>	<u>26,587,004</u>
Local sources:					
Property taxes	40,644,698	37,799,175	30,150,509	28,898,236	28,267,314
County aid				3,839,031	2,773,710
Investment income	5,923,645	4,347,010	2,614,472	1,101,610	1,267,996
Other revenues	<u>7,532,818</u>	<u>4,102,110</u>	<u>3,377,751</u>	<u>3,333,901</u>	<u>2,926,910</u>
Total local sources	<u>54,101,161</u>	<u>46,248,295</u>	<u>36,142,732</u>	<u>37,172,778</u>	<u>35,235,930</u>
Total revenues	<u><u>\$ 139,147,772</u></u>	<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>

(Continued)

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Federal sources:					
Federal grants	\$ 173,077	\$ 67,861	\$ 100,132	\$ 84,326	\$ 74,743
Total federal sources	<u>173,077</u>	<u>67,861</u>	<u>100,132</u>	<u>84,326</u>	<u>74,743</u>
State sources:					
State equalization assistance	31,123,598	28,183,811	22,458,091	21,707,822	19,508,137
State grants	6,882	272,968	2,790	29,115	481
Other revenues	834,057	727,002	586,086	462,035	359,731
Total state sources	<u>31,964,537</u>	<u>29,183,781</u>	<u>23,046,967</u>	<u>22,198,972</u>	<u>19,868,349</u>
Local sources:					
Property taxes	25,756,238	22,525,131	25,016,123	11,323,260	9,083,676
County aid	3,362,486	2,979,765	2,624,181	2,434,275	2,036,013
Investment income	2,060,511	1,960,065	1,183,401	362,426	286,552
Other revenues	2,881,506	2,119,406	1,887,160	1,648,522	1,669,556
Total local sources	<u>34,060,741</u>	<u>29,584,367</u>	<u>30,710,865</u>	<u>15,768,483</u>	<u>13,075,797</u>
Total revenues	<u>\$ 66,198,355</u>	<u>\$ 58,836,009</u>	<u>\$ 53,857,964</u>	<u>\$ 38,051,781</u>	<u>\$ 33,018,889</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>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Expenditures:					
Current -					
Instruction	\$ 34,815,849	\$ 31,694,238	\$ 23,560,451	\$ 21,706,381	\$ 19,464,377
Support services - students and staff	11,327,723	7,019,634	5,962,804	4,933,427	4,498,641
Support services - administration	8,261,313	9,369,045	7,184,929	6,418,536	5,871,491
Operation and maintenance of plant services	5,441,001	4,594,077	4,314,803	3,067,355	3,023,743
Student transportation services	1,110,532	1,023,706	147,044	134,800	
Operation of non-instructional services					
Capital outlay	59,500,947	10,161,076	10,309,306	11,523,614	14,812,700
Debt service -					
Principal retirement	24,615,000	16,420,000	15,265,000	14,025,000	12,855,000
Interest and fiscal charges	4,642,246	4,994,356	5,719,580	6,376,832	6,905,481
Bond issuance costs					
Total expenditures	<u><u>\$ 149,714,611</u></u>	<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>
Expenditures for capitalized assets	\$ 52,282,788	\$ 3,287,532	\$ 4,410,876	\$ 7,507,645	\$ 9,296,868
Debt service as a percentage of noncapital expenditures	30%	26%	31%	34%	34%

(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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Expenditures:					
Current -					
Instruction	\$ 17,817,771	\$ 17,638,080	\$ 16,335,919	\$ 16,202,003	\$ 15,864,936
Support services - students and staff	4,265,042	4,517,121	3,723,915	3,240,145	2,488,848
Support services - administration	5,159,627	4,574,363	3,988,460	4,476,042	3,314,942
Operation and maintenance of plant services	2,675,833	2,139,840	1,825,030	1,499,152	1,309,909
Student transportation services	12,956	99,476	43,960	19,064	
Operation of non-instructional services			3,038	30,894	
Capital outlay	9,728,467	49,931,139	30,627,204	20,321,105	22,233,803
Debt service -					
Principal retirement	12,470,000	10,090,000	12,055,000	2,600,000	1,775,000
Interest and fiscal charges	6,790,657	5,367,723	6,325,150	2,556,806	2,512,221
Bond issuance costs	511,815			622,628	197,140
Total expenditures	<u>\$ 59,432,168</u>	<u>\$ 94,357,742</u>	<u>\$ 74,927,676</u>	<u>\$ 51,567,839</u>	<u>\$ 49,696,799</u>
Expenditures for capitalized assets	\$ 5,279,892	\$ 38,739,441	\$ 27,041,182	\$ 18,015,864	\$ 20,061,186
Debt service as a percentage of noncapital expenditures	36%	28%	38%	15%	14%

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

Note: Support services – administration were higher than normal in fiscal year 2023-24 due to the claims and judgments payment related to the Qasimyar v. Maricopa County, Class Action Judgment.

(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>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Excess (deficiency) of revenues over expenditures	\$ (10,566,839)	\$ 14,288,483	\$ 8,929,249	\$ 9,630,624	\$ (2,560,090)
Other financing sources (uses):					
Lease agreements	2,739,966				
Proceeds from sale of capital assets	74,541	116,469	32,173		
Transfers in	91,060	1,637,679	1,135,570	461,447	609,654
Transfers out	(91,060)	(1,637,679)	(1,135,570)	(461,447)	(609,654)
Total other financing sources (uses)	<u>2,814,507</u>	<u>116,469</u>	<u>32,173</u>		
Changes in fund balances	<u>\$ (7,752,332)</u>	<u>\$ 14,404,952</u>	<u>\$ 8,961,422</u>	<u>\$ 9,630,624</u>	<u>\$ (2,560,090)</u>
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Excess (deficiency) of revenues over expenditures	\$ 6,766,187	\$ (35,521,733)	\$ (21,069,712)	\$ (13,516,058)	\$ (16,677,910)
Other financing sources (uses):					
Issuance of school improvement bonds	53,035,000			70,035,000	14,900,000
Premium on sale of bonds	8,412,790			10,535,453	350,542
Transfers in	830,997	589,862	658,691	7,290,763	647,556
Transfers out	(830,997)	(589,862)	(658,691)	(7,290,763)	(647,556)
Total other financing sources (uses)	<u>61,447,790</u>	<u></u>	<u></u>	<u>80,570,453</u>	<u>15,250,542</u>
Changes in fund balances	<u>\$ 68,213,977</u>	<u>\$ (35,521,733)</u>	<u>\$ (21,069,712)</u>	<u>\$ 67,054,395</u>	<u>\$ (1,427,368)</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>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Commercial, Industrial, Utilities and Mining	\$ 7,673,599,895	\$ 7,000,016,135	\$ 6,592,403,028	\$ 6,291,765,915	\$ 5,846,041,477
Agricultural and Vacant	690,681,146	660,803,465	576,147,730	544,079,923	541,798,802
Residential (Owner Occupied)	9,683,391,424	9,055,680,384	8,503,728,915	7,966,582,054	7,405,925,790
Residential (Rental)	4,376,013,498	3,973,734,149	3,558,357,110	3,197,912,002	3,002,157,575
Railroad, Private Cars and Airlines	30,328,151	24,872,179	25,200,995	17,762,364	16,206,556
Historical Property	75,770,315	46,209,738	43,626,747	26,488,014	20,574,260
Certain Government Property Improvements	1,051,832	220,359	1,026,471	1,038,039	1,005,910
Total	\$ 22,530,836,261	\$ 20,761,536,409	\$ 19,300,490,996	\$ 18,045,628,311	\$ 16,833,710,370
Gross Full Cash Value	\$ 431,549,772,263	\$ 343,615,188,291	\$ 267,868,568,346	\$ 244,095,208,670	\$ 223,137,693,431
Ratio of Net Limited Assessed Value to Gross Full Cash Value	5%	6%	7%	7%	8%
Total Direct Rate	0.18	0.15	0.16	0.17	0.16

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Commercial, Industrial, Utilities and Mining	\$ 5,654,835,951	\$ 5,300,279,109	\$ 5,132,211,689	\$ 4,927,565,948	\$ 4,874,184,349
Agricultural and Vacant	534,845,482	479,636,940	471,596,986	462,608,449	504,996,285
Residential (Owner Occupied)	6,865,475,402	6,444,238,034	5,983,886,022	5,584,502,253	5,273,415,434
Residential (Rental)	2,801,212,713	2,520,823,595	2,383,242,954	2,261,987,125	2,100,938,471
Railroad, Private Cars and Airlines	16,731,932	16,719,484	17,369,811	16,304,920	17,497,470
Historical Property	20,711,166	16,409,630	16,865,677	18,200,234	18,993,799
Certain Government Property Improvements	1,017,109	974,858	661,182	621,842	457,940
Total	\$ 15,894,829,755	\$ 14,779,081,650	\$ 14,005,834,321	\$ 13,271,790,771	\$ 12,790,483,748
Gross Full Cash Value	\$ 202,728,989,763	\$ 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%	8%	9%
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.

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>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Commercial, Industrial, Utilities and Mining	\$ 11,650,593,284	\$ 9,606,052,110	\$ 8,260,350,075	\$ 8,040,258,147	\$ 7,389,901,977
Agricultural and Vacant	1,934,497,591	1,621,023,124	1,140,163,285	1,058,227,661	1,010,659,313
Residential (Owner Occupied)	19,794,961,257	15,977,533,086	12,160,534,665	11,086,794,969	10,131,140,717
Residential (Rental)	10,308,921,332	7,823,651,248	5,844,609,248	5,065,201,463	4,502,671,997
Railroad, Private Cars and Airlines	43,814,035	31,718,301	32,658,221	22,586,551	20,256,726
Historical Property	136,428,852	74,539,212	58,511,844	34,061,076	27,904,948
Certain Government Property Improvements	<u>1,571,030</u>	<u>334,189</u>	<u>1,231,464</u>	<u>1,289,686</u>	<u>1,273,004</u>
Total	\$ <u>43,870,787,381</u>	\$ <u>35,134,851,270</u>	\$ <u>27,498,058,802</u>	\$ <u>25,308,419,553</u>	\$ <u>23,083,808,682</u>
Gross Full Cash Value	\$ 431,549,772,263	\$ 343,615,188,291	\$ 267,868,568,346	\$ 244,095,208,670	\$ 223,137,693,431
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10%	10%	10%	10%	10%
Estimated Net Full Cash Value	375,158,206,108	296,211,109,118	228,205,940,942	206,796,876,313	188,160,192,325
Total Direct Rate	0.18	0.15	0.16	0.17	0.16

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Commercial, Industrial, Utilities and Mining	\$ 6,914,606,840	\$ 6,382,292,818	\$ 6,117,760,083	\$ 5,617,637,297	\$ 5,154,420,263
Agricultural and Vacant	924,113,112	827,808,162	813,448,173	718,632,137	659,271,876
Residential (Owner Occupied)	9,131,347,839	8,483,137,081	7,656,293,107	7,166,687,452	6,718,998,804
Residential (Rental)	4,063,015,100	3,552,765,401	3,228,223,369	2,957,243,945	2,677,757,120
Railroad, Private Cars and Airlines	20,470,412	19,973,186	20,144,883	17,416,181	17,823,342
Historical Property	26,657,892	21,675,195	20,957,518	25,452,183	26,359,763
Certain Government Property Improvements	<u>1,253,706</u>	<u>2,534,738</u>	<u>896,940</u>	<u>797,628</u>	<u>490,147</u>
Total	\$ <u>21,081,464,901</u>	\$ <u>19,290,186,581</u>	\$ <u>17,857,724,073</u>	\$ <u>16,503,866,823</u>	\$ <u>15,255,121,315</u>
Gross Full Cash Value	\$ 202,728,989,763	\$ 185,742,509,338	\$ 171,817,379,619	\$ 158,920,689,132	\$ 145,378,421,744
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10%	10%	10%	10%	10%
Estimated Net Full Cash Value	171,310,350,114	156,594,037,923	143,776,768,363	133,122,999,233	121,208,517,916
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.

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

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Commercial, Industrial, Utilities and Mining	17 %	17 %	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	14	15	15	15

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Commercial, Industrial, Utilities and Mining	18 %	18 %	18 %	18 %	19 %
Agricultural and Vacant	15	15	15	15	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	14	15	14	15

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		<u>2024</u>	<u>2025</u>	<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>
Overlapping Rates	State of Arizona	\$ 88,425,625,840	0.00	0.00	0.00	0.43	0.44	0.46	0.47	0.49	0.50	0.51
	Maricopa County	\$ 58,328,686,358	1.16	1.20	1.25	1.35	1.40	1.40	1.40	1.40	1.40	1.36
	Maricopa County CCD	\$ 58,328,686,358	1.10	1.14	1.19	1.23	1.29	1.33	1.38	1.41	1.47	1.49
	Maricopa County Library District	\$ 58,328,686,358	0.05	0.05	0.05	0.06	0.06	0.06	0.06	0.06	0.06	0.06
	Maricopa County Fire District	\$ 58,328,686,358	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	\$ 58,328,686,358	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14
	City of Avondale	\$ 647,533,043	1.46	1.46	1.55	1.42	1.42	1.65	1.76	1.60	1.70	1.75
	Town of Buckeye	\$ 953,508,266	1.61	1.65	1.70	1.77	1.79	1.80	1.80	1.80	1.80	1.80
	Town of Cave Creek	\$ 196,749,307	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	City of El Mirage	\$ 179,507,582	2.79	2.98	3.21	3.39	3.68	3.74	3.96	3.63	3.78	3.84
	City of Phoenix	\$ 17,190,475,853	2.08	2.10	2.11	2.12	2.13	2.13	2.14	2.16	2.17	1.82
	City of Glendale	\$ 2,106,043,229	1.49	1.56	1.67	1.73	1.80	1.86	1.98	2.08	2.15	2.20
	City of Goodyear	\$ 1,635,614,667	1.74	1.74	1.74	1.74	1.73	1.73	1.74	1.73	1.86	1.87
	City of Peoria	\$ 2,141,570,868	1.44	1.44	1.44	1.44	1.44	1.79	1.44	1.44	1.44	1.44
	City of Surprise	\$ 1,724,324,128	0.96	1.15	1.15	1.15	1.15	1.15	0.76	0.76	0.76	0.76
	City of Tolleson	\$ 315,791,337	2.68	2.64	2.68	2.75	3.53	3.72	3.83	3.99	3.97	3.97
	Town of Wickenburg	\$ 52,089,630	0.41	0.46	0.50	0.50	0.50	0.50	0.53	0.53	0.53	0.53
	Agua Fria Union High School District No. 216	\$ 2,450,770,067	3.25	3.32	3.12	3.30	3.35	3.33	3.48	3.71	3.47	3.27
	Arlington Elementary School District No. 47	\$ 295,419,205	1.21	1.23	1.28	1.17	1.43	1.37	1.24	1.25	1.20	1.33
	Avondale Elementary School District No. 44	\$ 773,268,016	3.21	3.50	3.69	4.24	4.26	4.54	5.01	5.22	6.40	6.23
	Buckeye Elementary School District No. 33	\$ 408,052,990	4.64	5.10	5.73	6.27	5.96	5.66	5.67	5.39	5.92	5.58
	Buckeye Union High School District No. 201	\$ 1,212,427,951	2.97	2.99	2.95	3.08	3.17	3.33	3.27	3.34	3.22	3.34
	Cartwright Elementary School District No. 83	\$ 358,206,970	8.42	9.44	9.08	9.52	9.15	9.01	10.62	11.05	11.10	11.14
	Deer Valley Unified School District No. 97	\$ 3,607,812,783	5.50	5.74	5.84	6.06	6.28	6.44	6.63	6.75	6.70	6.32
	Dysart Unified School District No. 89	\$ 2,158,782,971	5.51	5.56	5.89	6.18	6.45	6.58	6.89	6.96	7.13	6.68
	Fowler Elementary School District No. 45	\$ 511,633,262	4.70	3.24	3.40	3.31	3.40	3.55	3.82	4.10	4.98	4.05
	Glendale Elementary School District No. 40	\$ 417,676,342	6.01	5.18	5.52	5.24	5.84	6.17	6.05	6.38	6.07	5.84
	Glendale Union High School District No. 205	\$ 2,097,748,280	3.46	3.60	3.68	3.78	3.83	3.96	4.11	4.60	4.67	4.46
	Liberty Elementary School District No. 25	\$ 473,488,465	3.76	4.09	3.81	4.12	3.93	3.34	3.54	3.72	3.79	4.28
	Litchfield Elementary School District No. 79	\$ 1,677,502,051	3.00	3.01	3.30	3.50	3.52	3.67	3.85	3.48	3.81	3.84
	Palo Verde Elementary School District No. 49	\$ 35,467,290	3.36	3.55	3.54	3.89	3.94	3.93	4.05	3.95	4.64	4.48
Paradise Valley Unified School District No. 69	\$ 4,655,224,073	5.32	4.50	5.86	5.81	5.85	6.39	6.56	6.55	6.97	6.99	
Pendergast Elementary School District No. 92	\$ 552,883,050	5.40	5.68	5.69	5.81	6.02	6.33	6.71	6.85	6.69	6.88	
Peoria Unified School District No. 11	\$ 2,642,784,882	5.05	5.52	5.77	6.16	6.66	6.80	7.02	7.54	8.04	7.78	
Phoenix Union High School District No. 210	\$ 6,827,278,367	4.33	4.50	4.61	4.72	4.83	4.99	5.20	5.03	5.07	4.96	
Saddle Mountain Unified School District No. 90	\$ 905,688,786	3.13	3.19	3.49	2.77	2.71	2.39	2.50	2.54	2.55	2.60	
Tolleson Union High School District No. 214	\$ 1,928,260,874	4.70	5.31	5.41	4.73	4.71	5.01	4.45	3.94	3.57	4.01	
Washington Elementary School District No. 6	\$ 1,680,071,937	4.25	4.39	4.45	4.56	4.69	4.94	5.10	5.21	5.63	5.79	
Wickenburg Unified School District No. 9	\$ 69,401,931	3.40	3.57	3.89	3.62	3.86	4.33	4.64	5.02	5.40	5.08	
Buckeye Valley Fire District	\$ 240,596,027	4.07	4.02	3.92	3.80	3.85	3.13	3.25	3.25	3.25	3.25	
Sun City Fire District	\$ 435,795,794	3.91	3.67	3.52	3.45	3.45	3.48	3.14	3.47	3.25	3.25	
North County Fire District	\$ 674,993,901	3.08	3.08	2.91	2.86	2.86	2.86	2.86	2.86	2.80	2.86	
Wickenburg Fire District	\$ 22,698,529	2.82	1.92	2.05	1.75	1.50	1.57	1.72	1.75	1.54	1.33	
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	0.18	0.15	0.16	0.17	0.16	0.15	0.18	0.08	0.07
	Total	\$ 22,600,303,729	0.18	0.18	0.15	0.16	0.17	0.16	0.15	0.18	0.08	0.07

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	2025		2016	
	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	\$ 1,061,055,134	4.71 %	780,958,998	5.12 %
Southern California Edison Co (T&D)	98,377,510	0.44	133,170,041	0.87
El Paso Electric Co (T&D)	98,065,315	0.44	119,303,834	0.78
Southwest Gas Corporation (T&D)	93,584,621	0.42	50,530,055	0.33
Public Service Company of New Mexico (T&D)	61,166,878	0.27	69,246,708	0.45
New Harquahala Generating Co. LLC	46,112,781	0.20	52,725,000	0.35
Unisource Energy Corporation	40,788,623	0.18		
Wal-Mart Stores Inc	39,341,874	0.17	54,888,056	0.36
Smiths Food & Drug Centers Inc	38,837,836	0.17		
Mesquite Power LLC	33,621,788	0.15	44,432,745	0.29
Southern Cal Public Pwr Auth (Palo Verde)			45,672,423	0.30
Qwest Corporation			42,309,905	0.33
Total	<u><u>\$ 1,610,952,360</u></u>	<u><u>7.15</u></u> %	<u><u>\$ 1,393,237,765</u></u>	<u><u>9.18</u></u> %

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

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
2025	\$ 40,570,507	\$ 39,955,767	98.48 %	\$	\$ 39,955,767	98.48 %
2024	37,751,218	36,920,966	97.80	817,971	37,738,937	99.97
2023	29,842,532	29,339,292	98.31	493,832	29,833,124	99.97
2022	28,533,347	28,116,702	98.54	411,114	28,527,816	99.98
2021	27,971,961	27,507,966	98.34	459,997	27,967,963	99.99
2020	25,817,738	25,345,578	98.17	469,348	25,814,926	99.99
2019	22,225,741	21,882,575	98.46	340,993	22,223,568	99.99
2018	24,915,890	24,542,391	98.50	372,068	24,914,459	99.99
2017	11,160,892	10,984,292	98.42	175,987	11,160,279	99.99
2016	8,933,321	8,794,486	98.45	138,447	8,932,933	100.00

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	Financed Purchases/ Leases/SBITA	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income
2025	\$ 98,532,269	\$ 12,731,239	\$ 85,801,030	\$ 0.02 %	N/A	\$ 2,439,966	\$ 100,972,235	0.02 %	N/A	0.03 %
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

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

Note: N/A indicates that the information is not available.

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 2016-2021 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, 2025

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable to School District	Estimated Amount Applicable to School District
Overlapping:			
Maricopa County Community College District	\$ 87,320,000	36.77 %	\$ 32,107,564
Maricopa County Special Healthcare District	574,205,000	36.77	211,135,179
City of Avondale	67,194,737	99.91	67,134,262
City of El Mirage	26,418,824	2.21	583,856
City of Glendale	896,195,000	54.20	485,737,690
City of Goodyear	343,735,863	99.43	341,776,569
City of Peoria	353,423,434	86.29	304,969,081
City of Phoenix	6,464,480,388	89.22	5,767,609,402
City of Scottsdale	721,339,524	78.94	569,425,420
City of Surprise	66,374,134	2.45	1,626,166
City of Tolleson	18,683,600	100.00	18,683,600
Buckeye Valley Fire District	8,980,884	100.00	8,980,884
Sun City Fire District	50,660,000	100.00	50,660,000
Agua Fria Ranch Community Facilities District	-	100.00	-
Centerra Community Facilities District	1,821,000	100.00	1,821,000
Cortina Community Facilities District	1,095,000	100.00	1,095,000
Cottonflower Community Facilities District	815,000	100.00	815,000
Estrella Mountain Ranch Community Facilities District	37,104,000	100.00	37,104,000
Festival Ranch Community Facilities District	48,888,859	100.00	48,888,859
Goodyear Community Facilities General District No. 1	3,485,000	100.00	3,485,000
Goodyear Community Facilities Utilities District No. 1	21,485,000	100.00	21,485,000
Marley Park Community Facilities District	32,045,000	100.00	32,045,000
Palm Valley Community Facilities District No. 3	3,355,000	100.00	3,355,000
Sundance Community Facilities District	27,175,000	100.00	27,175,000
Tartesso West Community Facilities District	17,650,000	100.00	17,650,000
Verrado District Community Facilities District	64,770,000	100.00	64,770,000
Verrado Western Overlay Community Facilities District	5,690,000	100.00	5,690,000
Village at Litchfield Park Community Facilities District	1,045,000	100.00	1,045,000
Vistancia Community Facilities District	11,890,000	100.00	11,890,000
Vistancia West Community Facilities District	3,405,000	100.00	3,405,000
Westpark Community Facilities District	3,794,000	100.00	3,794,000
Wildflower Ranch Community Facilities District No. 1	-	100.00	-
Wildflower Ranch Community Facilities District No. 2	155,000	100.00	155,000
Avondale Elementary School District No. 44	33,440,000	100.00	33,440,000
Buckeye Elementary School District No. 33	57,705,000	100.00	57,705,000
Cartwright Elementary School District No. 83	107,400,000	100.00	107,400,000
Fowler Elementary School District No. 45	5,800,000	100.00	5,800,000
Glendale Elementary School District No. 40	46,492,461	100.00	46,492,461
Liberty Elementary School District No. 25	48,555,000	100.00	48,555,000
Litchfield Elementary School District No. 79	88,016,301	100.00	88,016,301
Littleton Elementary School District No. 65	43,490,084	100.00	43,490,084
Pendergast Elementary School District No. 92	82,385,336	100.00	82,385,336
Tolleson Elementary School District No. 17	35,015,000	100.00	35,015,000
Union Elementary School District No. 62	14,508,000	100.00	14,508,000
Washington Elementary School District No. 6	92,260,000	100.00	92,260,000
Agua Fria Union High School District No. 216	268,371,686	100.00	268,371,686
Buckeye Union High School District No. 201	57,065,000	100.00	57,065,000
Glendale Union High School District No. 205	156,565,000	100.00	156,565,000
Phoenix Union High School District No. 210	364,285,000	4.81	17,522,109
Tolleson Union High School District No. 214	272,199,600	100.00	272,199,600
Deer Valley Unified School District No. 97	176,740,000	100.00	176,740,000
Dysart Unified School District No. 89	70,020,316	100.00	70,020,316
Paradise Valley Unified School District No. 69	323,977,222	100.00	323,977,222
Peoria Unified School District No. 11	137,007,426	100.00	137,007,426
Saddle Mountain Unified School District No. 90	42,135,000	100.00	42,135,000
Wickenburg Unified School District No. 9	3,600,000	100.00	3,600,000
Subtotal, Overlapping Debt			<u>10,326,368,073</u>
Direct:			
Western Maricopa Education Center District No. 402			<u>100,972,235</u>
Total Direct and Overlapping Governmental Activities Debt			<u>\$ 10,427,340,308</u>

Source: The source of this information is the FY 2024 Report of Outstanding Indebtedness.

- 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, 2024 is presented for the overlapping governments as this is the most recent

**Western Maricopa Education Center District No. 402
Direct and Overlapping General Bonded Debt Ratios
June 30, 2025**

Net Direct General Obligation Bonded Debt		
Per Capita		N/A
As a Percentage of Net Limited Assessed Valuation		0.38 %
As a Percentage of Gross Full Cash Value		0.02 %
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$	14,013
As a Percentage of Net Limited Assessed Valuation		46.28 %
As a Percentage of Gross Full Cash Value		2.42 %

Source: The source of this information is the FY 2024 Report of Outstanding Indebtedness

Note: N/A indicates that the information is not available.

- 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, 2024 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 2025:

Net full cash assessed valuation	\$ 43,870,787,381
Debt limit (1% of assessed value)	438,707,874
Debt applicable to limit	<u>99,339,393</u>
Legal debt margin	<u><u>\$ 339,368,481</u></u>

For Fiscal Year 2025:

Total direct general obligation bonded debt outstanding	\$ 99,339,393
Net limited assessed valuation	22,530,836,261
Net full cash assessed valuation	43,870,787,381
Estimated net full cash value	375,158,206,108

Fiscal Year Ended June 30

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Debt Limit	\$ 438,707,874	\$ 351,348,513	\$ 274,980,588	\$ 253,084,196	\$ 230,838,087
Total net debt applicable to limit	<u>99,339,393</u>	<u>124,335,450</u>	<u>141,370,481</u>	<u>156,979,517</u>	<u>171,272,437</u>
Legal debt margin	<u><u>\$ 339,368,481</u></u>	<u><u>\$ 227,013,063</u></u>	<u><u>\$ 133,610,107</u></u>	<u><u>\$ 96,104,679</u></u>	<u><u>\$ 59,565,650</u></u>
Total net debt applicable to the limit as a percentage of debt limit	23%	35%	51%	62%	74%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Debt Limit	\$ 210,814,649	\$ 192,901,866	\$ 178,577,241	\$ 165,038,668	\$ 152,551,213
Total net debt applicable to limit	<u>185,127,281</u>	<u>134,217,281</u>	<u>147,288,914</u>	<u>151,220,000</u>	<u>72,995,000</u>
Legal debt margin	<u><u>\$ 25,687,368</u></u>	<u><u>\$ 58,684,585</u></u>	<u><u>\$ 31,288,327</u></u>	<u><u>\$ 13,818,668</u></u>	<u><u>\$ 79,556,213</u></u>
Total net debt applicable to the limit as a percentage of debt limit	88%	70%	82%	92%	48%

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

Notes: 1) The District's general obligation bonds are subject to the statutory debt limit on Class B bonds outstanding. The District does not have a constitutional debt limit. 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>
2024	4,726,247	\$ 312,350,417	\$ 68,111	3.1 %	N/A
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

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).

Note: N/A indicates that the information is not available.

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

<u>Employer</u>	<u>2025</u>		<u>2016</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
State of Arizona	28,870	1.49 %	50,816	2.77 %
Banner Health	28,350	1.47	35,406	1.93
Amazon	25,570	1.32		
Walmart Stores, Inc.	18,050	0.93	32,373	1.76
Maricopa County	15,320	0.79	13,567	0.74
Fry's Food Stores	14,790	0.77	17,286	0.94
Intel Corporation	12,990	0.67		
Wells Fargo	12,200	0.63	14,480	0.79
Maricopa County Community College District	11,670	0.60		
Arizona State University	10,970	0.57	12,676	0.69
City of Phoenix			14,585	0.79
Dignity Health			12,100	0.66
University of Arizona			11,442	0.62
Total	<u>178,780</u>	<u>9.24 %</u>	<u>214,731</u>	<u>11.69 %</u>
Total employment	<u>1,933,200</u>		<u>1,836,600</u>	

Source: The source of the 2025 information is the Maricopa Association of Governments.
The source of the 2016 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>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Supervisory					
Superintendent	1	1	1		
Assistant superintendents	4	3	2		
Consultants/supervisors of instruction			5	8	8
Principals	5	4	4		
Assistant principals	7	4	4		
Total supervisory	<u>17</u>	<u>12</u>	<u>16</u>	<u>8</u>	<u>8</u>
Instruction					
Teachers	74	63	66	58	63
Other professionals (instructional)	2	9	10		
Total instruction	<u>76</u>	<u>72</u>	<u>76</u>	<u>58</u>	<u>63</u>
Student Services					
Counselors/Advisors	7	11	6		
Technicians	12	12	17		
Total student services	<u>19</u>	<u>23</u>	<u>23</u>		
Support and Administration					
Other classified	106	80	89	118	112
Total support and administration	<u>106</u>	<u>80</u>	<u>89</u>	<u>118</u>	<u>112</u>
Total	<u><u>218</u></u>	<u><u>187</u></u>	<u><u>204</u></u>	<u><u>184</u></u>	<u><u>183</u></u>

(Continued)

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Supervisory					
Superintendent					
Assistant superintendents					
Consultants/supervisors of instruction	4	4	10	14	10
Principals					
Assistant principals					
Total supervisory	<u>4</u>	<u>4</u>	<u>10</u>	<u>14</u>	<u>10</u>
Instruction					
Teachers	58	53	62	51	43
Other professionals (instructional)					
Total instruction	<u>58</u>	<u>53</u>	<u>62</u>	<u>51</u>	<u>43</u>
Student Services					
Counselors/Advisors					
Technicians					
Total student services					
Support and Administration					
Other classified	100	99	79	65	77
Total support and administration	<u>100</u>	<u>99</u>	<u>79</u>	<u>65</u>	<u>77</u>
Total	<u><u>162</u></u>	<u><u>156</u></u>	<u><u>151</u></u>	<u><u>130</u></u>	<u><u>130</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
2025	8,602	\$ 60,956,418	\$ 7,086	18.57 %	\$ 77,436,489	\$ 9,002	22.93 %	74	116.2
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

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>2025</u>	<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>Schools</u>										
High										
Buildings	21	21	21	26	26	26	26	17	15	12
Square feet	514,311	531,188	531,188	568,331	568,331	568,331	562,634	421,284	411,496	343,092
Capacity	8,188	7,298	7,298							
Enrollment	2,626	1,670	1,670							
<u>Administrative</u>										
Buildings	6	5	5							
Square feet	78,757	88,537	88,537							

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

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