
WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2022



WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402

GLENDALE, ARIZONA

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Issued by:
Business and Finance Department

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402

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INTRODUCTORY SECTION

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January 4, 2023

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, 2022.

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, 2022, 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, 2022, 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.

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

The District is one of 58 public school districts located in Maricopa County, Arizona and one of two Career Technical Education Districts. It provides a program of career and technical education to grades 10-12, with a current estimated enrollment of 39,000 students.

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 six 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 annual expenditure budget serves as the foundation for the District's financial planning and control. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual expenditure budget approved by the District's Governing Board.

The expenditure budget is prepared by fund for all Governmental Funds, and includes function and object code detail for the General Fund and some Special Revenue and Capital Projects Funds. The legal level of budgetary control (that is, the level at which expenditures cannot 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 overexpenditures of budgeted funds. The budget for these funds is simply an estimate and does not prevent the District from exceeding the budget as long as the necessary revenue is earned. The District is not required to prepare an annual budget of revenue, therefore a deficit budgeted fund balance may be presented. However, this does not affect the District's ability to expend monies.

FACTORS AFFECTING FINANCIAL CONDITION

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

Local Economy. The economic condition of the West-MEC school district is solid, with expanded career and technical education programs and certifications available to students. This has helped West-MEC not only to sustain but to grow through the current economic downturn. West-MEC has worked with business and industry to help build programs. With projected new programs and continued efforts to provide students with skills and tools to enter the workforce, our projected enrollment is expected to grow at approximately 353 students per year over the next five years. Fiscal year 2022 student enrollment was 39,000, calculated by formula to 7,815 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 coding, aviation, avionics, welding technology precision manufacturing, law/public safety. West-MEC Northeast campus programs include medical assisting, veterinary assisting, pharmacy technician, coding, automotive collision and automotive technology, medium heavy diesel, air conditioning technology, HVAC and general construction. The Southwest campus programs include hair styling, dental assisting, welding technology, energy and industrial, general construction, pharmacy technician, medical assisting, physical therapy and IT security. West-MEC's fourth campus is Northwest campus. The Northwest campus programs include hair styling, dental assisting, physical therapy, IT security, law/public safety, medical assisting, automotive technology, powersports, nursing services, and esthetician. West-MEC currently has 26 buildings with the oldest built in 2010 and the newest completed in July 2019.

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

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

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

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

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

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

Long-term Financial Planning. The District purchased approximately 30 acres in Phoenix, Arizona. This is located between Thomas Road and Indian School Road on the east side of the 101 Freeway. The District also purchased 30 acres in Glendale, Arizona located at Glendale Ave and Glen Harbor Blvd.

Also, during the 2020-21 school year, one program was added at our Southwest campus, physical therapy; and two programs were added to our Northwest campus, powersports and nursing services.

The District purchased, in spring of 2009, two buildings located at 99th Avenue just south of Bethany Home Road. These buildings serve as a training site for teachers, student training programs, and District offices, all of which encompass 42,000 square feet. The District occupied this facility in November 2010.

In November 2009, West-MEC purchased 17 acres of land in Buckeye, Arizona. This land is located at Verrado Way and Van Buren. This is located approximately 1/2 mile south of I-10 on Airport Road and Verrado Drive. The Southwest campus was complete in August of 2019.

West-MEC has received, through the generosity of the John F. Long family trust, a donation of six acres located at the Glendale Airport. This property is located on the southeast corner of Glendale Avenue and Glen Harbor Boulevard. This campus was complete in 2012.

Through a voter approved Bond in 2012, West-MEC purchased 9.45 acres with two buildings near 16th Avenue and Williams Drive in Phoenix, Arizona. The buildings have been renovated along with new constructed buildings and was complete in 2014.

With the approval of the voters for another bond in November 2016 West-MEC was able to use these funds to finish the build-out of the Southwest and Northwest campuses.

During the 2012 legislative session, Senate Bill (1617) was passed by the Arizona Legislature amending A.R.S. §15-393 (D) (11). This amendment requires that Career technical education districts only include pupils in grades 10 through 12 in the calculation of average daily membership. With the passage of Senate Bill (1617), Western Maricopa Education Center District no longer receives state funding for ninth grade students. This heavily impacted the budget in fiscal year 2012 and will continue to in future years.

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, 2021. This was the 17th consecutive year that the District has received this prestigious award. As of the date of this letter, the District has not received notification from the Government Finance Officers Association (GFOA) regarding the Certificate of Achievement for Excellence in Financial Reporting for the annual comprehensive financial report for the fiscal year ended June 30, 2022. 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, 2022 certificates.

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

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

Respectfully submitted,



Dr. Scott Spurgeon
Superintendent



Dr. Jack Erb
Associate Superintendent



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

**Western Maricopa Education Center
District 402**

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2021.**

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

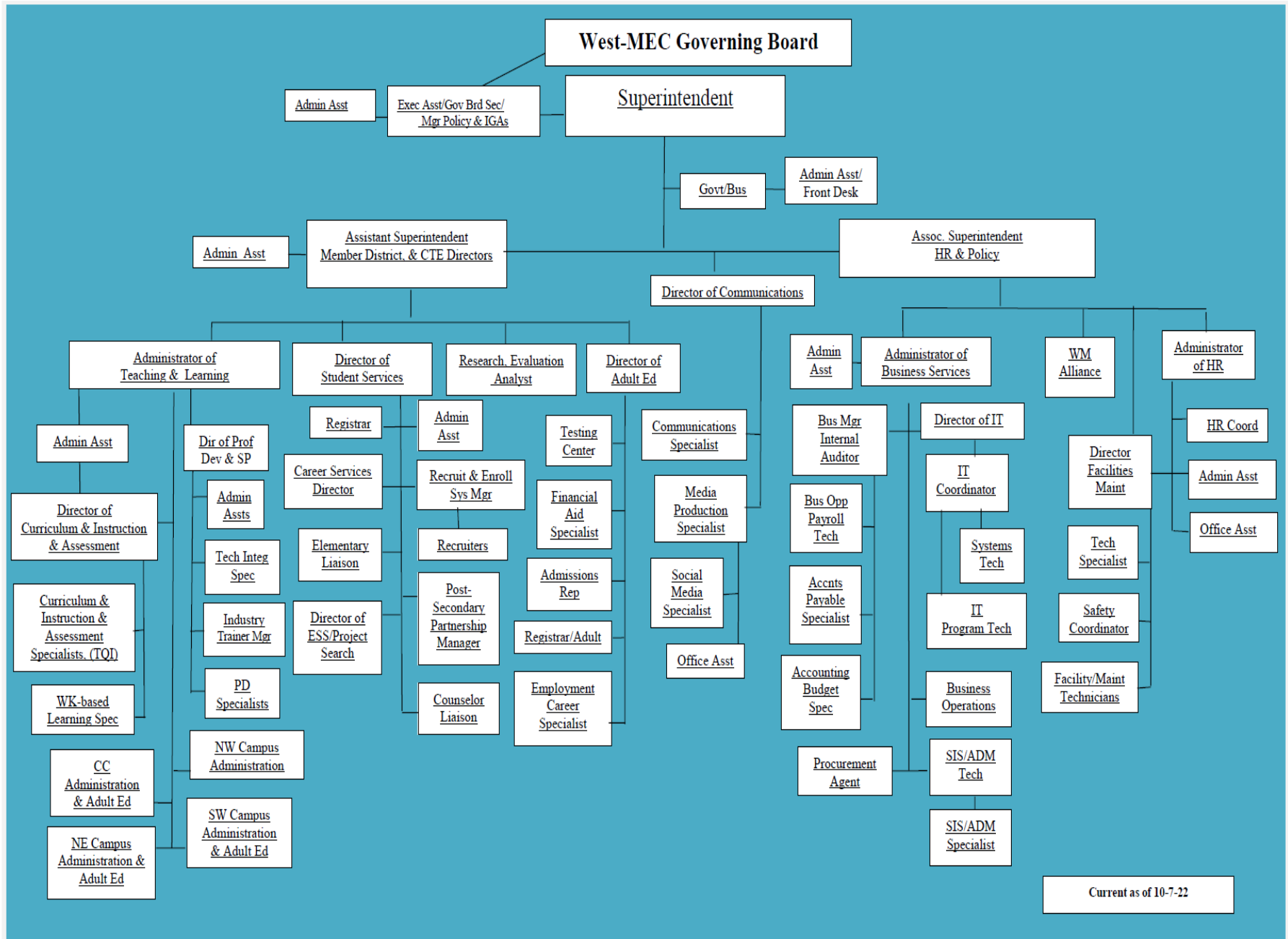


A handwritten signature in black ink, appearing to read 'William A. Sutter'.

William A. Sutter
President

A handwritten signature in black ink, appearing to read 'David J. Lewis'.

David J. Lewis
Executive Director



Current as of 10-7-22

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

Frank Straka, Chairman

Dr. Peter Pingerelli, Vice Chairman

Barbara Wyllie, Member

Juan Ramirez, Member

James Kaltenbach, Member

Jim Migliorino, Member

DISTRICT ADMINISTRATIVE STAFF

Dr. Scott Spurgeon, Superintendent

Dr. Jack Erb, Associate Superintendent

Stephen Weltsch, Assistant Superintendent

LIST OF BUILDING PRINCIPALS

Troy Gabaldon, Central Campus

David Svorinic, Northeast Campus

Holly Medina, Northwest Campus

Aaron Parsons, Southwest Campus

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, 2022, 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, 2022, 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, the District implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the year ended June 30, 2022, which represents a change in accounting principle. 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 January 4, 2023, 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
January 4, 2023

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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, 2022**

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, 2022. 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 \$26.2 million which represents a 19 percent increase from the prior fiscal year primarily due to an increase in unrestricted state aid.
- General revenues accounted for \$72.9 million in revenue, or 94 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$4.7 million or six percent of total current fiscal year revenues.
- The District had approximately \$51.3 million in expenses related to governmental activities, an increase of four percent from the prior fiscal year primarily due to an increase in spending for instructional supplies and equipment.
- Among major funds, the General Fund had \$47.5 million current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$33.5 million in expenditures. The General Fund's fund balance increase from \$38.1 million at the prior fiscal year end to \$52.1 million at the end of the current fiscal year was primarily due to an increase in the state aid allocation.
- Net position for the Internal Service Funds increased \$24,153 from the prior fiscal year. Operating revenues of \$289,034 exceeded operating expenses of \$267,275 at the end of the current fiscal year.

OVERVIEW OF FINANCIAL STATEMENTS

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

**WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

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, 2022**

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, Unrestricted Capital Outlay, and Bond Building Funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules.

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

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

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

**WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

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 \$166.2 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, 2022 and June 30, 2021.

	As of June 30, 2022	As of June 30, 2021
Current assets	\$ 159,487,083	\$ 143,508,107
Capital assets, net	189,667,771	187,968,799
Total assets	<u>349,154,854</u>	<u>331,476,906</u>
Deferred outflows	<u>4,027,576</u>	<u>3,831,210</u>
Current liabilities	7,820,961	6,234,152
Long-term liabilities	171,506,758	189,084,559
Total liabilities	<u>179,327,719</u>	<u>195,318,711</u>
Deferred inflows	<u>7,616,140</u>	<u></u>
Net position:		
Net investment in capital assets	86,814,556	70,215,926
Restricted	27,409,469	31,690,173
Unrestricted	52,014,546	38,083,306
Total net position	<u>\$ 166,238,571</u>	<u>\$ 139,989,405</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, 2022**

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.

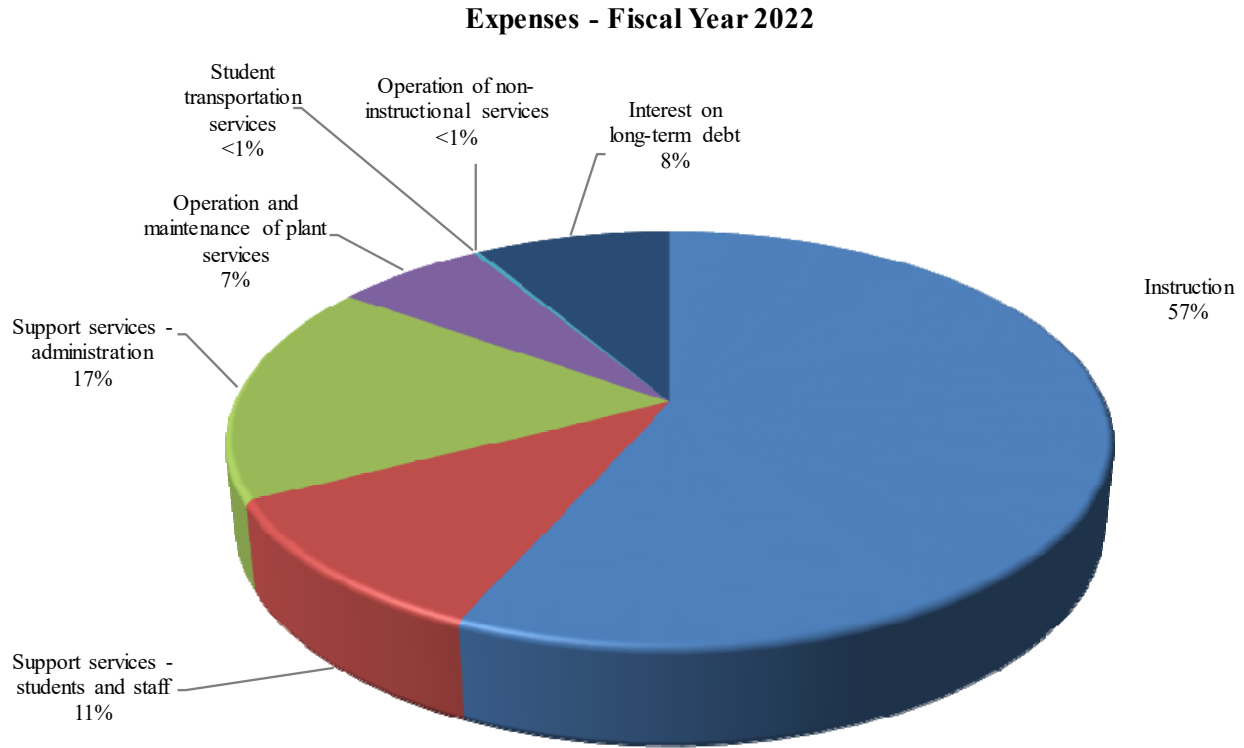
- The principal retirement of \$12.9 million in general obligation bonds.
- The addition of \$7.5 million in capital assets.
- The addition of \$5.8 million in accumulated depreciation.
- The decrease of \$3.1 million in pension liabilities.

Changes in net position. The District's total revenues for the current fiscal year were \$77.5 million. The total cost of all programs and services was \$51.3 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2022 and June 30, 2021.

	Fiscal Year Ended June 30, 2022	Fiscal Year Ended June 30, 2021
Revenues:		
Program revenues:		
Charges for services	\$ 2,830,471	\$ 2,831,518
Operating grants and contributions	1,727,925	3,141,096
Capital grants and contributions	123,989	863,146
General revenues:		
Property taxes	28,877,123	28,126,315
Investment income	1,104,004	1,271,905
Unrestricted county aid	3,839,031	2,773,710
Unrestricted state aid	39,044,837	26,241,416
Total revenues	77,547,380	65,249,106
Expenses:		
Instruction	29,053,120	27,069,815
Support services - students and staff	5,606,457	5,450,450
Support services - administration	8,846,800	8,618,610
Operation and maintenance of plant services	3,321,375	3,213,103
Student transportation services	134,800	
Operation of non-instructional services	3,538	4,781
Interest on long-term debt	4,332,124	4,860,773
Total expenses	51,298,214	49,217,532
Changes in net position	26,249,166	16,031,574
Net position, beginning	139,989,405	123,957,831
Net position, ending	\$ 166,238,571	\$ 139,989,405

**WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

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 \$12.8 million as a result of an increase in funding from the State legislature.
- Instructional expenditures increased \$2.0 million primarily due to increased spending on instructional supplies and equipment.
- Operating grants and contributions decreased \$1.4 million as a result of grant funding received in the prior year due to the COVID-19 pandemic.

**WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

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.

	<u>Year Ended June 30, 2022</u>		<u>Year Ended June 30, 2021</u>	
	Total	Net (Expense)/	Total	Net (Expense)/
	<u>Expenses</u>	<u>Revenue</u>	<u>Expenses</u>	<u>Revenue</u>
Instruction	\$ 29,053,120	\$ (24,878,021)	\$ 27,069,815	\$ (21,292,955)
Support services - students and staff	5,606,457	(5,418,551)	5,450,450	(5,404,946)
Support services - administration	8,846,800	(8,602,749)	8,618,610	(8,358,837)
Operation and maintenance of plant services	3,321,375	(3,246,046)	3,213,103	(2,459,480)
Student transportation services	134,800	(134,800)		
Operation of non-instructional services	3,538	(3,538)	4,781	(4,781)
Interest on long-term debt	4,332,124	(4,332,124)	4,860,773	(4,860,773)
Total	<u>\$ 51,298,214</u>	<u>\$ (46,615,829)</u>	<u>\$ 49,217,532</u>	<u>\$ (42,381,772)</u>

- The cost of all governmental activities this year was \$51.3 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$4.7 million.
- Net cost of governmental activities of \$46.6 million was financed by general revenues, which are made up of primarily property taxes of \$28.9 million and state and county aid of \$42.9 million. Investment earnings accounted for \$1.1 million of funding.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

**WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

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 \$133.0 million, an increase of \$9.6 million due primarily to an increase in staid aid.

The General Fund comprises 39 percent of the total fund balance. The entire \$52.1 million of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. There was an increase in fund balance of \$14.0 million to \$52.1 million as of fiscal year end primarily due to an increase in funding received from the State legislature.

The fund balance in the Debt Service Fund decreased \$125,003 to \$1.4 million, which is insignificant.

The fund balance in the Unrestricted Capital Outlay Fund decreased \$6.8 million to \$17.3 million primarily due to the purchase of a parcel of land for \$4.5 million in addition to routine capital purchases.

The fund balance in the Bond Building Fund decreased less than one percent to \$54.2 million as of year end.

Proprietary funds. Unrestricted net position of the Internal Service Fund at the end of the fiscal year amounted to \$333,826. The increase of \$24,153 from the prior fiscal year was a result of an increase in lobbying services.

**WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

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 \$150,345 decrease, or less than one percent.

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 favorable variance of \$840,798 in instruction expenditures was the result of the opportunity to spend ESSER funds to support instruction.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$215.9 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 \$7.5 million from the prior fiscal year, primarily due to the acquisition of land for a new school site. Total depreciation expense for the current fiscal year was \$5.8 million.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2022 and June 30, 2021.

	As of June 30, 2022	As of June 30, 2021
Capital assets - non-depreciable	\$ 28,846,478	\$ 22,850,672
Capital assets - depreciable, net	160,821,293	165,118,127
Total	\$ 189,667,771	\$ 187,968,799

The estimated cost to complete current construction projects is \$1.9 million. Additional information on the District's capital assets can be found in Note 7.

**WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Debt Administration. At year end, the District had \$157.1 million in long-term debt outstanding, \$14.0 million due within one year. Long-term debt decreased by \$14.9 million due to the retirement of debt according to the District's debt agreements.

The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds and the statutory debt limit on Class B bonds. The total debt limitation and the Class B debt limit are the same for the District (up to one percent of the total net full cash assessed valuation). The current total debt limitation and Class B debt limit for the District is \$253.1 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 2022-23 budget. Among them:

- Fiscal year 2021-22 budget balance carry forward (estimated \$45,284).
- Central Campus student population (estimated 7,823).
- 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 18 percent to \$39.5 million in fiscal year 2022-23 as a result of an increase in ADM as well as three percent salary increases. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2022-23 budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 147,016,684
Property taxes receivable	376,458
Due from governmental entities	9,221,822
Leases receivable	2,872,119
Total current assets	159,487,083
Noncurrent assets:	
Capital assets not being depreciated	28,846,478
Capital assets, net of accumulated depreciation	160,821,293
Total noncurrent assets	189,667,771
Total assets	349,154,854
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension plan items	4,027,576
 <u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	2,708,572
Due to governmental entities	816,667
Accrued payroll and employee benefits	1,107,906
Compensated absences payable	149,050
Accrued interest payable	3,187,816
Bonds payable	14,025,000
Total current liabilities	21,995,011
Noncurrent liabilities:	
Non-current portion of long-term obligations	157,332,708
Total noncurrent liabilities	157,332,708
Total liabilities	179,327,719
 <u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension plan items	4,050,254
Leases	3,565,886
Total deferred inflows of resources	7,616,140
 <u>NET POSITION</u>	
Net investment in capital assets	86,814,556
Restricted for:	
Instruction	5,561,923
Non-instructional purposes	3,065,366
Debt service	1,483,345
Capital outlay	17,298,835
Unrestricted	52,014,546
Total net position	\$ 166,238,571

The notes to the basic financial statements are an integral part of this statement.

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction	\$ 29,053,120	\$ 2,595,979	\$ 1,455,131	\$ 123,989	\$ (24,878,021)
Support services - students and staff	5,606,457		187,906		(5,418,551)
Support services - administration	8,846,800	234,492	9,559		(8,602,749)
Operation and maintenance of plant services	3,321,375		75,329		(3,246,046)
Student transportation services	134,800				(134,800)
Operation of non-instructional services	3,538				(3,538)
Interest on long-term debt	4,332,124				(4,332,124)
Total governmental activities	<u>\$ 51,298,214</u>	<u>\$ 2,830,471</u>	<u>\$ 1,727,925</u>	<u>\$ 123,989</u>	<u>(46,615,829)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	8,235,007
Property taxes, levied for debt service	19,731,129
Property taxes, levied for capital outlay	910,987
Investment income	1,104,004
Unrestricted county aid	3,839,031
Unrestricted state aid	39,044,837
Total general revenues	<u>72,864,995</u>

Changes in net position 26,249,166

Net position, beginning of year 139,989,405

Net position, end of year \$ 166,238,571

The notes to the basic financial statements are an integral part of this statement.

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FUND FINANCIAL STATEMENTS

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022

	General	Debt Service	Unrestricted Capital Outlay
<u>ASSETS</u>			
Cash and investments	\$ 47,003,008	\$ 18,438,911	\$ 17,315,309
Property taxes receivable	119,208	257,250	
Due from governmental entities	7,456,312		930,991
Due from other funds	441,780		
Leases receivable	2,872,119		
Total assets	\$ 57,892,427	\$ 18,696,161	\$ 18,246,300
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 1,406,211	\$	\$ 947,465
Due to governmental entities			
Due to other funds			
Accrued payroll and employee benefits	786,567		
Bonds payable		14,025,000	
Bond interest payable		3,187,816	
Total liabilities	2,192,778	17,212,816	947,465
Deferred inflows of resources:			
Unavailable revenues - property taxes	54,747	102,939	
Unavailable revenues - intergovernmental			
Leases	3,565,886		
Total deferred inflows of resources	3,620,633	102,939	
Fund balances (deficits):			
Restricted		1,380,406	17,298,835
Unassigned	52,079,016		
Total fund balances	52,079,016	1,380,406	17,298,835
Total liabilities, deferred inflows of resources and fund balances	\$ 57,892,427	\$ 18,696,161	\$ 18,246,300

The notes to the basic financial statements are an integral part of this statement.

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WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

Total governmental fund balances **\$ 133,046,254**

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	\$ 215,924,812	
Less accumulated depreciation	<u>(26,257,041)</u>	189,667,771

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

Property taxes	157,686	
Intergovernmental	<u>537,470</u>	695,156

Deferred outflows 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	4,027,576	
Deferred inflows of resources related to pensions	<u>(4,050,254)</u>	(22,678)

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

333,826

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

Compensated absences payable	(1,671,891)	
Net pension liability	(12,783,474)	
Bonds payable	<u>(143,026,393)</u>	<u>(157,481,758)</u>

Net position of governmental activities **\$ 166,238,571**

The notes to the basic financial statements are an integral part of this statement.

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	General	Debt Service	Unrestricted Capital Outlay
Revenues:			
Other local	\$ 4,802,026	\$ 61,475	\$ 617,058
Property taxes	8,233,342	19,753,907	910,987
State aid and grants	34,416,602		3,083,732
Federal aid, grants and reimbursements			
Total revenues	47,451,970	19,815,382	4,611,777
Expenditures:			
Current -			
Instruction	19,514,437		
Support services - students and staff	4,590,928		
Support services - administration	6,163,937		
Operation and maintenance of plant services	3,062,717		
Student transportation services	125,366		
Capital outlay			11,372,836
Debt service -			
Principal retirement		14,025,000	
Interest and fiscal charges		6,376,832	
Total expenditures	33,457,385	20,401,832	11,372,836
Excess (deficiency) of revenues over expenditures	13,994,585	(586,450)	(6,761,059)
Other financing sources (uses):			
Transfers in		461,447	
Transfers out			
Total other financing sources (uses)		461,447	
Changes in fund balances	13,994,585	(125,003)	(6,761,059)
Fund balances, beginning of year, as restated	38,084,431	1,505,409	24,059,894
Fund balances, end of year	\$ 52,079,016	\$ 1,380,406	\$ 17,298,835

The notes to the basic financial statements are an integral part of this statement.

<u>Bond Building</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 461,697	\$ 2,332,286	\$ 8,274,542
	1,984,112	28,898,236
	1,159,345	39,484,446
<u>461,697</u>	<u>5,475,743</u>	<u>1,159,345</u>
		<u>77,816,569</u>
	2,191,944	21,706,381
	342,499	4,933,427
	254,599	6,418,536
	4,638	3,067,355
	9,434	134,800
300	150,478	11,523,614
		14,025,000
		6,376,832
<u>300</u>	<u>2,953,592</u>	<u>68,185,945</u>
<u>461,397</u>	<u>2,522,151</u>	<u>9,630,624</u>
		461,447
<u>(461,447)</u>		<u>(461,447)</u>
<u>(50)</u>	<u>2,522,151</u>	<u>9,630,624</u>
54,198,228	5,567,668	123,415,630
<u>\$ 54,198,178</u>	<u>\$ 8,089,819</u>	<u>\$ 133,046,254</u>

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

Changes in fund balances - total governmental funds		\$ 9,630,624
<p>Amounts reported for <i>governmental activities</i> in the Statement of Activities are different because:</p>		
<p>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.</p>		
Expenditures for capitalized assets	\$ 7,507,645	
Less current year depreciation	<u>(5,808,673)</u>	1,698,972
<p>Some revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Property taxes	(21,113)	
Intergovernmental	<u>22,617</u>	1,504
<p>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.</p>		
Bond principal retirement		14,025,000
<p>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.</p>		
Current year pension contributions	1,379,960	
Pension expense	<u>(2,109,844)</u>	(729,884)
<p>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.</p>		
Amortization of deferred bond items	2,044,708	
Compensated absences	<u>(445,911)</u>	1,598,797
<p>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.</p>		
		<u>24,153</u>
Changes in net position in governmental activities		<u>\$ 26,249,166</u>

The notes to the basic financial statements are an integral part of this statement.

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022

	Governmental Activities: Internal Service Funds
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 339,712
Total current assets	339,712
Total assets	339,712
 <u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	5,886
Total current liabilities	5,886
Total liabilities	5,886
 <u>NET POSITION</u>	
Unrestricted	333,826
Total net position	\$ 333,826

The notes to the basic financial statements are an integral part of this statement.

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Governmental Activities: Internal Service Funds
Operating revenues:	
Contributions	\$ 289,034
Total operating revenues	289,034
Operating expenses:	
Cost of services	267,275
Total operating expenses	267,275
Operating income (loss)	21,759
Nonoperating revenues (expenses):	
Investment income	2,394
Total nonoperating revenues (expenses)	2,394
Changes in net position	24,153
Total net position, beginning of year	309,673
Total net position, end of year	\$ 333,826

The notes to the basic financial statements are an integral part of this statement.

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	Governmental Activities: Internal Service Funds
<u>Increase/Decrease in Cash and Cash Equivalents</u>	
Cash flows from operating activities:	
Cash received from contributions	\$ 289,034
Cash payments to suppliers for goods and services	(299,389)
Net cash provided by/used for operating activities	(10,355)
 Cash flows from investing activities:	
Investment income	2,394
Net cash provided by/used for investing activities	2,394
 Net increase/decrease in cash and cash equivalents	
	(7,961)
Cash and cash equivalents, beginning of year	347,673
Cash and cash equivalents, end of year	\$ 339,712
 <u>Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating Activities</u>	
Operating income/loss	\$ 21,759
Adjustments to reconcile operating income/loss to net cash provided by/used for operating activities:	
Changes in assets and liabilities:	
Increase/decrease in accounts payable	(32,114)
Total adjustments	(32,114)
Net cash provided by/used for operating activities	\$ (10,355)

The notes to the basic financial statements are an integral part of this statement.

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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, 2022, the District implemented the provisions of GASB Statement No. 87, *Leases*. This Statement increases the usefulness of the financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. The statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The District's analysis of contracts and agreements 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 six 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.

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

B. Government-Wide and Fund Financial Statements

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

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. 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 and county 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.

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

The District reports the following major governmental funds:

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

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

Unrestricted Capital Outlay Fund – The Unrestricted Capital Outlay Fund accounts for transactions relating to the acquisition of capital items.

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.

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. 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.

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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. Prepaid items are recorded as expenses when consumed in the government-wide financial statements and as expenditures when purchased in the fund financial statements.

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 following estimated useful lives:

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

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

K. Compensated Absences

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

L. Leases

As lessor, the District recognizes lease receivables with an initial, individual value of \$50,000 or more. If there is no stated rate in the lease contract (or if the stated rate is not the rate the District charges the lessee) and the implicit rate cannot be determined, the District uses an interest rate based on the Applicable Federal Rate as the discount rate to measure lease receivables.

M. Pensions

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

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

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

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

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, 2022

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 Fund	Debt Service Fund	Unrestricted Capital Outlay Fund	Bond Building Fund	Non-Major Governmental Funds
Fund Balances:					
Restricted:					
Debt service	\$	\$ 1,380,406		\$	\$
Capital projects			17,298,835		
Bond building projects				54,198,178	
Voter approved initiatives:					3,574,059
Federal and state projects					1,295,550
Civic center					672,347
Community school					2,393,019
Extracurricular activities					67,793
Gifts and donations					428,234
Student activities					72,282
Career and technical education projects					124,005
Unassigned	52,079,016				(537,470)
Total fund balances	\$ 52,079,016	\$ 1,380,406	\$ 17,298,835	\$54,198,178	\$ 8,089,819

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Individual Deficit Fund Balances – At year end, the following individual non-major governmental funds reported deficits in fund balance.

	Deficit
Non-Major Governmental Funds:	
Vocational Education	\$ 284,184
Other Federal Projects	167,966
Arizona Industry Credentials Incentive	157,596

The deficits arose because of pending grant reimbursements. Additional revenues received in fiscal year 2022-23 are expected to eliminate the deficits.

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.

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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 \$44,450 and the bank balance was \$630,223. All of the bank balance was insured.

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

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

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

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

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer’s investment pool	623 days	\$146,972,234

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.

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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 funds and non-major governmental and internal service funds in the aggregate were as follows:

	General Fund	Unrestricted Capital Outlay Fund	Non-Major Governmental and Other Funds
Due from other governmental entities:			
Due from federal government	\$	\$	\$ 648,287
Due from state government	7,456,312	930,991	186,232
Net due from governmental entities	\$ 7,456,312	\$ 930,991	\$ 834,519

NOTE 6 – LEASES RECEIVABLE

The District acts as lessor in an agreement to lease building space under the provisions of a contract classified as lease. The related receivable under the lease agreement has been recorded at the present value of its future minimum lease payments as of the inception date. Lease revenue was received as a lump-sum prepayment in fiscal year 2016.

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

Year ending June 30:		
	2023	\$ - 0 -
	2024	- 0 -
	2025	- 0 -
	2026	2,000,000
	2027	- 0 -
	2028-32	- 0 -
	2033-36	925,000
Total		\$ 2,925,000

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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	\$ 22,727,863	\$ 4,544,651	\$	\$ 27,272,514
Construction in progress	122,809	1,494,215	43,060	1,573,964
Total capital assets, not being depreciated	<u>22,850,672</u>	<u>6,038,866</u>	<u>43,060</u>	<u>28,846,478</u>
Capital assets, being depreciated:				
Land improvements	1,102,831			1,102,831
Buildings and improvements	174,477,201	846,106		175,323,307
Vehicles, furniture and equipment	9,991,914	665,733	5,451	10,652,196
Total capital assets being depreciated	<u>185,571,946</u>	<u>1,511,839</u>	<u>5,451</u>	<u>187,078,334</u>
Less accumulated depreciation for:				
Land and improvements	(373,247)	(59,598)		(432,845)
Buildings and improvements	(15,688,850)	(4,697,074)		(20,385,924)
Vehicles, furniture and equipment	(4,391,722)	(1,052,001)	(5,451)	(5,438,272)
Total accumulated depreciation	<u>(20,453,819)</u>	<u>(5,808,673)</u>	<u>(5,451)</u>	<u>(26,257,041)</u>
Total capital assets, being depreciated, net	<u>165,118,127</u>	<u>(4,296,834)</u>		<u>160,821,293</u>
Governmental activities capital assets, net	<u>\$ 187,968,799</u>	<u>\$ 1,742,032</u>	<u>\$ 43,060</u>	<u>\$ 189,667,771</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ (5,258,933)
Support services – students and staff	(117,056)
Support services – administration	(369,861)
Operation and maintenance of plant services	(59,285)
Operation of non-instructional services	(3,538)
Total depreciation expense – governmental activities	<u>\$ (5,808,673)</u>

Construction Commitments – At year end, the District had contractual commitments related to a capital project for construction at the Northeast Campus. At year end, the District had spent \$1,573,964 on the projects and had estimated remaining contractual commitments of \$1,874,185. This project is being funded with proceeds from the Unrestricted Capital Outlay Fund.

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 – DUE TO GOVERNMENTAL ENTITIES

As of year end, the District had a due to governmental entities of \$816,667 as a result of the Coronavirus Relief Fund, a federal grant passed through the State of Arizona Governor’s Office.

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 \$253.1 million, and the available margin is \$96.1 million.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2022	Due Within One Year
Governmental activities:					
School Improvement Bonds, Project of 2012, Series A (2013)	\$ 35,000,000	3.0-5.0%	7/1/22-32	\$ 23,760,000	\$ 1,750,000
School Improvement Bonds, Project of 2012, Series B (2014)	25,000,000	3.0-4.5%	7/1/22-34	21,000,000	975,000
School Improvement Bonds, Project of 2012, Series C (2015)	14,900,000	2.5-4.25%	7/1/22-35	12,155,000	430,000
School Improvement Bonds, Project of 2016, Series A (2017)	70,035,000	5.0%	7/1/22-27	44,605,000	4,870,000
School Improvement Bonds, Project of 2016, Series B (2019)	53,035,000	1.5-5.0%	7/1/22-28	42,700,000	6,000,000
Total				<u>\$ 144,220,000</u>	<u>\$ 14,025,000</u>

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 – GENERAL OBLIGATION BONDS PAYABLE

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
2023	\$ 14,025,000	\$ 6,047,006
2024	15,265,000	5,355,768
2025	16,420,000	4,597,555
2026	17,640,000	3,768,630
2027	19,005,000	2,991,280
2028-32	42,495,000	6,751,450
2033-36	19,370,000	1,658,295
Total	<u>\$ 144,220,000</u>	<u>\$ 31,169,984</u>

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	\$ 157,075,000	\$	\$ 12,855,000	\$ 144,220,000	\$ 14,025,000
Premium	14,876,101		2,044,708	12,831,393	
Total bonds payable	<u>171,951,101</u>		<u>14,899,708</u>	<u>157,051,393</u>	<u>14,025,000</u>
Net pension liability	15,907,478		3,124,004	12,783,474	
Compensated absences payable	1,225,980	1,127,831	681,920	1,671,891	149,050
Governmental activity long-term liabilities	<u>\$ 189,084,559</u>	<u>\$ 1,127,831</u>	<u>\$ 18,705,632</u>	<u>\$ 171,506,758</u>	<u>\$ 14,174,050</u>

NOTE 12 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, interfund balances were as follows:

Transfers between funds of \$461,447 were used to move investment income earned in the Bond Building Fund that is required by statute to be expended in the Debt Service Fund.

At year end, two non-major governmental funds had negative cash balances in the Treasurer's pooled cash accounts. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with the General Fund of \$441,780. All interfund balances are expected to be paid within one year.

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 13 – CONTINGENT LIABILITIES

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

NOTE 14 – PRIOR PERIOD ADJUSTMENT

The July 1, 2021 fund balance of the Other State Projects and the Arizona Industry Credentials Incentive Funds do not agree to the prior year financial statements due to a correction of an error. The District recorded activity in the Arizona Industry Credentials Incentive Fund that belonged in the Other State Projects Fund in prior years. The restatement is as follows:

	Non-Major Governmental Funds	
	Other State Projects	Arizona Industry Credentials Incentive
Fund balance, June 30, 2021, as previously reported	\$	\$ 562,321
Activity recorded in wrong fund	709,655	(709,655)
Fund balance, July 1, 2021, as restated	\$ 709,655	\$ (147,334)

NOTE 15 – RISK MANAGEMENT

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

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

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 15 – RISK MANAGEMENT

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

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

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

NOTE 16 – PENSIONS

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

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

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 16 – PENSIONS

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.

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 12.41 percent (12.22 percent for retirement and 0.19 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 12.41 percent (12.01 percent for retirement, 0.21 percent for health insurance premium benefit, and 0.19 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, 2022 were \$1,379,960.

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 16 – PENSIONS

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 10.22 percent (10.13 for retirement, 0.09 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, 2021. 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, 2020, to the measurement date of June 30, 2021. 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, 2021. The total liabilities as of June 30, 2021, reflect changes in actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2020, including decreasing the discount rate from 7.5 percent to 7.0 percent and changing the projected salary increases from 2.7-7.2 percent to 2.9-8.4 percent.

At June 30, 2022, the District reported the following amounts for its proportionate share of the pension plan net liability. In addition, at June 30, 2021, the District’s percentage proportion for the plan and the related change from its proportion measured as of June 30, 2020 was:

Net Liability	District % Proportion	Increase (Decrease)
\$ 12,783,474	0.097	0.005

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, 2022 was \$2,109,844.

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 16 – 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	\$ 194,872	\$
Changes of assumptions or other inputs	1,663,871	
Net difference between projected and actual earnings on pension investments		4,050,254
Changes in proportion and differences between contributions and proportionate share of contributions	788,873	
Contributions subsequent to the measurement date	1,379,960	
Total	\$ 4,027,576	\$ 4,050,254

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, 2023. 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:		
2023	\$	577,000
2024		308,984
2025		(892,874)
2026		(1,395,748)

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 16 – PENSIONS

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

Actuarial valuation date	June 30, 2020
Actuarial roll forward date	June 30, 2021
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Inflation	2.3%
Projected salary increases	2.9-8.4%
Permanent base increases	Included
Mortality rates	2017 SRA Scale U-MP

The actuarial assumptions used in the June 30, 2020 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
Equity	50%	4.90%
Credit	20	5.20
Interest rate sensitive bonds	10	0.70
Real estate	20	5.70
Total	100%	

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 16 – PENSIONS

Discount Rate. The discount rate used to measure the total pension liability was 7.0 percent. The discount rate was lowered in the roll forward for the year June 30, 2021 from 7.5 percent, which was used for the actuarial assumptions at the valuation date. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease	Current Discount Rate	1% Increase
Rate	6.0%	7.0%	8.0%
Net liability	\$ 20,107,334	\$ 12,783,474	\$ 6,677,401

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

NOTE 17 – JOINTLY FUNDED OPERATIONS

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

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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
YEAR ENDED JUNE 30, 2022

	<u>Budgeted Amounts</u>		<u>Non-GAAP Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other local	\$	\$	\$ 3,895,496	\$ 3,895,496
Property taxes			8,233,342	8,233,342
State aid and grants			34,416,602	34,416,602
Total revenues			<u>46,545,440</u>	<u>46,545,440</u>
Expenditures:				
Current -				
Instruction	21,917,788	19,927,194	19,086,396	840,798
Support services - students and staff	4,335,593	4,637,315	4,586,853	50,462
Support services - administration	5,715,047	5,905,253	6,143,277	(238,024)
Operation and maintenance of plant services	1,684,410	3,060,731	3,530,944	(470,213)
Student transportation services	28,000		20,031	(20,031)
Total expenditures	<u>33,680,838</u>	<u>33,530,493</u>	<u>33,367,501</u>	<u>162,992</u>
Changes in fund balances	<u>(33,680,838)</u>	<u>(33,530,493)</u>	<u>13,177,939</u>	<u>46,708,432</u>
Fund balances, beginning of year			35,663,356	35,663,356
Increase (decrease) in reserve for prepaid items			573,857	573,857
Fund balances (deficits), end of year	<u>\$ (33,680,838)</u>	<u>\$ (33,530,493)</u>	<u>\$ 49,415,152</u>	<u>\$ 82,945,645</u>

See accompanying notes to this schedule.

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ARIZONA STATE RETIREMENT SYSTEM
LAST EIGHT FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Measurement date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
District's proportion of the net pension (assets) liability	0.10%	0.09%	0.09%	0.08%
District's proportionate share of the net pension (assets) liability	\$ 12,783,474	\$ 15,907,478	\$ 12,633,320	\$ 10,925,673
District's covered payroll	\$ 10,901,391	\$ 9,992,908	\$ 9,112,299	\$ 7,771,422
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	117.26%	159.19%	138.64%	140.59%
Plan fiduciary net position as a percentage of the total pension liability	78.58%	69.33%	73.24%	73.40%

SCHEDULE OF PENSION CONTRIBUTIONS
ARIZONA STATE RETIREMENT SYSTEM
LAST EIGHT FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially determined contribution	\$ 1,379,960	\$ 1,270,012	\$ 1,144,188	\$ 1,018,755
Contributions in relation to the actuarially determined contribution	<u>1,379,960</u>	<u>1,270,012</u>	<u>1,144,188</u>	<u>1,018,755</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 11,490,092	\$ 10,901,391	\$ 9,992,908	\$ 9,112,299
Contributions as a percentage of covered payroll	12.01%	11.65%	11.45%	11.18%

NOTE: The pension schedules in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

See accompanying notes to this schedule.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
0.07%	0.05%	0.04%	0.03%
\$ 10,384,329	\$ 8,720,985	\$ 6,473,683	\$ 4,782,969
\$ 6,489,499	\$ 5,033,014	\$ 3,805,161	\$ 2,939,262
160.02%	173.28%	170.13%	162.73%
69.92%	67.06%	68.35%	69.49%

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 847,085	\$ 699,568	\$ 546,082	\$ 414,382
<u>847,085</u>	<u>699,568</u>	<u>546,082</u>	<u>414,382</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 7,771,422	\$ 6,489,499	\$ 5,033,014	\$ 3,805,161
10.90%	10.78%	10.85%	10.89%

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

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

- Certain activities reported in the General Fund are budgeted in separate funds in accordance with Arizona Revised Statutes.
- Employee insurance expenditures are budgeted in the year the employee insurance account is funded.

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

	Total Expenditures	Fund Balances End of Year
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$ 33,457,385	\$ 52,079,016
Activity budgeted as special revenue funds	(613,178)	(2,653,561)
Current-year prepaid items	573,857	
Employee insurance account	(50,563)	(10,303)
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	\$ 33,367,501	\$ 49,415,152

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, 2020, 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 total liabilities as of June 30, 2021, reflect changes in actuarial assumptions based on the results of an actuarial experience, including decreasing the discount rate from 7.5 percent to 7.0 percent and changing the projected salary increases from 2.7-7.2 percent to 2.9-8.4 percent.

**COMBINING AND INDIVIDUAL
FUND FINANCIAL STATEMENTS
AND SCHEDULES**

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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 as approved by the voters in 2000.

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

Vocational Education - to account for financial assistance received for preparation of individuals for employment or advancement in a career not requiring a baccalaureate or advanced degree.

E-Rate - to account for financial assistance received for broadband internet and telecommunication costs.

Other Federal Projects - to account for financial assistance received for other supplemental federal projects.

College Credit Exam Incentives - to account for financial assistance received for college credit exams.

Other State Projects - to account for financial assistance received for other State projects.

School Plant - to account for proceeds from the sale or lease of school property.

Civic Center - to account for monies received from the rental of school facilities for civic activities.

Community School - to account for activity related to academic and skill development for all citizens.

Auxiliary Operations - to account for activity arising from bookstore, athletic and miscellaneous District related operations.

Extracurricular Activities Fees Tax Credit - to account for activity related to monies collected in support of extracurricular activities to be taken as a tax credit by the tax payer in accordance with A.R.S. §43-1089.01.

Gifts and Donations - to account for activity related to gifts, donations, bequests and private grants made to the District.

Career and Technical Education Projects - to account for activity related to the production and subsequent sale of items produced in an instructional program by career and technical education pupils.

Insurance Proceeds - to account for the monies received from insurance claims.

Arizona Industry Credentials Incentive - to account for incentive monies for career technical education courses or programs that provide a certification, credential, or license.

Student Activities - to account for monies raised by students to finance student clubs and organizations.

**WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2022**

	Classroom Site	Instructional Improvement	Vocational Education
<u>ASSETS</u>			
Cash and investments	\$ 3,423,624	\$ 443,138	\$
Due from governmental entities		28,636	359,626
Total assets	\$ 3,423,624	\$ 471,774	\$ 359,626
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$ 75,442
Due to governmental entities			
Due to other funds			284,184
Accrued payroll and employee benefits	321,339		
Total liabilities	321,339		359,626
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			211,908
Fund balances (deficits):			
Restricted	3,102,285	471,774	
Unassigned			(211,908)
Total fund balances	3,102,285	471,774	(211,908)
 Total liabilities, deferred inflows of resources and fund balances	 \$ 3,423,624	 \$ 471,774	 \$ 359,626

<u>E-Rate</u>	<u>Other Federal Projects</u>	<u>College Credit Exam Incentives</u>	<u>Other State Projects</u>	<u>Civic Center</u>	<u>Community School</u>
\$ 192,268	\$ 799,630	\$ 4,111	\$ 1,014,136	\$ 688,979	\$ 2,456,415
120,695	167,966				
<u>\$ 312,963</u>	<u>\$ 967,596</u>	<u>\$ 4,111</u>	<u>\$ 1,014,136</u>	<u>\$ 688,979</u>	<u>\$ 2,456,415</u>
\$	\$ 150,929	\$	\$ 35,660	\$ 16,632	\$ 63,396
	816,667				
	<u>967,596</u>		<u>35,660</u>	<u>16,632</u>	<u>63,396</u>
	<u>167,966</u>				
312,963		4,111	978,476	672,347	2,393,019
	(167,966)				
<u>312,963</u>	<u>(167,966)</u>	<u>4,111</u>	<u>978,476</u>	<u>672,347</u>	<u>2,393,019</u>
<u>\$ 312,963</u>	<u>\$ 967,596</u>	<u>\$ 4,111</u>	<u>\$ 1,014,136</u>	<u>\$ 688,979</u>	<u>\$ 2,456,415</u>

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**WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2022**

	Extracurricular Activities Fees Tax Credit	Gifts and Donations	Career and Technical Education Projects
<u>ASSETS</u>			
Cash and investments	\$ 67,793	\$ 431,786	\$ 127,404
Due from governmental entities			
Total assets	\$ 67,793	\$ 431,786	\$ 127,404
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$ 3,552	\$ 3,399
Due to governmental entities			
Due to other funds			
Accrued payroll and employee benefits			
Total liabilities	\$	3,552	3,399
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances (deficits):			
Restricted	67,793	428,234	124,005
Unassigned			
Total fund balances	67,793	428,234	124,005
 Total liabilities, deferred inflows of resources and fund balances	 \$ 67,793	 \$ 431,786	 \$ 127,404

Arizona Industry Credentials Incentive	Student Activities	Totals
\$	\$	\$
157,596	72,282	9,721,566
<u>157,596</u>	<u>72,282</u>	<u>834,519</u>
<u>\$ 157,596</u>	<u>\$ 72,282</u>	<u>\$ 10,556,085</u>
\$	\$	\$
157,596		349,010
<u>157,596</u>		816,667
		441,780
		<u>321,339</u>
		<u>1,928,796</u>
<u>157,596</u>		<u>537,470</u>
(157,596)	72,282	8,627,289
<u>(157,596)</u>	<u>72,282</u>	<u>(537,470)</u>
		<u>8,089,819</u>
<u>\$ 157,596</u>	<u>\$ 72,282</u>	<u>\$ 10,556,085</u>

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Classroom Site	Instructional Improvement	Vocational Education
Revenues:			
Other local	\$ 22,343	\$ 2,976	\$
State aid and grants	1,457,330	87,173	
Federal aid, grants and reimbursements			236,212
Total revenues	1,479,673	90,149	236,212
Expenditures:			
Current -			
Instruction	467,417		245,626
Support services - students and staff	25,879		188,775
Support services - administration	2,827		
Operation and maintenance of plant services			
Student transportation services			
Capital outlay			
Total expenditures	496,123	90,149	434,401
Changes in fund balances	983,550	90,149	(198,189)
Fund balances (deficits), beginning of year, as restated	2,118,735	381,625	(13,719)
Fund balances (deficits), end of year	\$ 3,102,285	\$ 471,774	\$ (211,908)

<u>E-Rate</u>	<u>Other Federal Projects</u>	<u>College Credit Exam Incentives</u>	<u>Other State Projects</u>	<u>Civic Center</u>	<u>Community School</u>
\$ 1,322	\$	\$	\$	\$ 239,294	\$ 1,548,168
158,697	764,436	626	291,649		
<u>160,019</u>	<u>764,436</u>	<u>626</u>	<u>291,649</u>	<u>239,294</u>	<u>1,548,168</u>
	381,044		22,828		600,218
	9,603			5,084	122,412
				115,726	126,098
				4,334	304
	123,989				26,489
	<u>514,636</u>		<u>22,828</u>	<u>125,144</u>	<u>875,521</u>
<u>160,019</u>	<u>249,800</u>	<u>626</u>	<u>268,821</u>	<u>114,150</u>	<u>672,647</u>
152,944	(417,766)	3,485	709,655	558,197	1,720,372
<u>\$ 312,963</u>	<u>\$ (167,966)</u>	<u>\$ 4,111</u>	<u>\$ 978,476</u>	<u>\$ 672,347</u>	<u>\$ 2,393,019</u>

(Continued)

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Extracurricular Activities Fees Tax Credit	Gifts and Donations	Career and Technical Education Projects
Revenues:			
Other local	\$ 39,778	\$ 194,114	\$ 90,864
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	39,778	194,114	90,864
Expenditures:			
Current -			
Instruction	28,946	73,217	33,297
Support services - students and staff		349	
Support services - administration		345	
Operation and maintenance of plant services			
Student transportation services	7,920	200	
Capital outlay			
Total expenditures	36,866	74,111	33,297
Changes in fund balances	2,912	120,003	57,567
Fund balances (deficits), beginning of year, as restated	64,881	308,231	66,438
Fund balances (deficits), end of year	\$ 67,793	\$ 428,234	\$ 124,005

Arizona Industry Credentials Incentive	Student Activities	Totals
\$ 3,640	\$ 189,787	\$ 2,332,286
147,334		1,984,112
<u>150,974</u>	<u>189,787</u>	<u>1,159,345</u>
		<u>5,475,743</u>
161,236	178,115	2,191,944
		342,499
		254,599
		4,638
	1,314	9,434
<u>161,236</u>	<u>179,429</u>	<u>150,478</u>
		<u>2,953,592</u>
<u>(10,262)</u>	<u>10,358</u>	<u>2,522,151</u>
(147,334)	61,924	5,567,668
<u>\$ (157,596)</u>	<u>\$ 72,282</u>	<u>\$ 8,089,819</u>

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Classroom Site		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 22,343	\$ 22,343
State aid and grants		1,457,330	1,457,330
Federal aid, grants and reimbursements			
Total revenues		1,479,673	1,479,673
Expenditures:			
Current -			
Instruction	22,409,643	467,417	21,942,226
Support services - students and staff	6,806,074	25,879	6,780,195
Support services - administration		2,827	(2,827)
Operation and maintenance of plant services			
Student transportation services			
Capital outlay			
Total expenditures	29,215,717	496,123	28,719,594
Changes in fund balances	(29,215,717)	983,550	30,199,267
Fund balances (deficits), beginning of year, as restated		2,118,735	2,118,735
Fund balances (deficits), end of year	\$ (29,215,717)	\$ 3,102,285	\$ 32,318,002

Instructional Improvement			Vocational Education		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 2,976 87,173	\$ 2,976 87,173	\$	\$	\$
	<u>90,149</u>	<u>90,149</u>		<u>236,212</u> <u>236,212</u>	<u>236,212</u> <u>236,212</u>
340,771		340,771		245,626 188,775	(245,626) (188,775)
<u>340,771</u>		<u>340,771</u>		<u>434,401</u>	<u>(434,401)</u>
<u>(340,771)</u>	<u>90,149</u>	<u>430,920</u>		<u>(198,189)</u>	<u>(198,189)</u>
	381,625	381,625		(13,719)	(13,719)
<u>\$ (340,771)</u>	<u>\$ 471,774</u>	<u>\$ 812,545</u>	<u>\$</u>	<u>\$ (211,908)</u>	<u>\$ (211,908)</u>

(Continued)

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	E-Rate		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 1,322	\$ 1,322
State aid and grants			
Federal aid, grants and reimbursements		158,697	158,697
Total revenues		<u>160,019</u>	<u>160,019</u>
Expenditures:			
Current -			
Instruction	295,237		295,237
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Capital outlay			
Total expenditures	<u>295,237</u>		<u>295,237</u>
Changes in fund balances	<u>(295,237)</u>	<u>160,019</u>	<u>455,256</u>
Fund balances (deficits), beginning of year, as restated		152,944	152,944
Fund balances (deficits), end of year	<u>\$ (295,237)</u>	<u>\$ 312,963</u>	<u>\$ 608,200</u>

Other Federal Projects			College Credit Exam Incentives		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	764,436	764,436		626	626
	<u>764,436</u>	<u>764,436</u>		<u>626</u>	<u>626</u>
264,677	381,044	(116,367)			
	9,603	(9,603)			
	123,989	(123,989)			
<u>264,677</u>	<u>514,636</u>	<u>(249,959)</u>			
(264,677)	249,800	514,477		626	626
	(417,766)	(417,766)		3,485	3,485
<u>\$ (264,677)</u>	<u>\$ (167,966)</u>	<u>\$ 96,711</u>	<u>\$</u>	<u>\$ 4,111</u>	<u>\$ 4,111</u>

(Continued)

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Other State Projects		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants		291,649	291,649
Federal aid, grants and reimbursements			
Total revenues		291,649	291,649
Expenditures:			
Current -			
Instruction	498,000	22,828	475,172
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Capital outlay			
Total expenditures	498,000	22,828	475,172
Changes in fund balances	(498,000)	268,821	766,821
Fund balances (deficits), beginning of year, as restated		709,655	709,655
Fund balances (deficits), end of year	\$ (498,000)	\$ 978,476	\$ 1,476,476

School Plant			Civic Center		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 287,755	\$ 287,755	\$	\$ 239,294	\$ 239,294
	<u>287,755</u>	<u>287,755</u>		<u>239,294</u>	<u>239,294</u>
2,039,786	66,856	1,972,930	245,125	5,084	(5,084)
				115,726	129,399
				4,334	(4,334)
<u>2,039,786</u>	<u>66,856</u>	<u>1,972,930</u>	<u>245,125</u>	<u>125,144</u>	<u>119,981</u>
<u>(2,039,786)</u>	<u>220,899</u>	<u>2,260,685</u>	<u>(245,125)</u>	<u>114,150</u>	<u>359,275</u>
	1,157,318	1,157,318		558,197	558,197
<u>\$ (2,039,786)</u>	<u>\$ 1,378,217</u>	<u>\$ 3,418,003</u>	<u>\$ (245,125)</u>	<u>\$ 672,347</u>	<u>\$ 917,472</u>

(Continued)

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Community School		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 1,548,168	\$ 1,548,168
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		1,548,168	1,548,168
Expenditures:			
Current -			
Instruction	976,557	600,218	376,339
Support services - students and staff		122,412	(122,412)
Support services - administration		126,098	(126,098)
Operation and maintenance of plant services		304	(304)
Student transportation services			
Capital outlay		26,489	(26,489)
Total expenditures	976,557	875,521	101,036
Changes in fund balances	(976,557)	672,647	1,649,204
Fund balances (deficits), beginning of year, as restated		1,720,372	1,720,372
Fund balances (deficits), end of year	\$ (976,557)	\$ 2,393,019	\$ 3,369,576

<u>Auxiliary Operations</u>			<u>Extracurricular Activities Fees Tax Credit</u>		
<u>Budget</u>	<u>Non-GAAP Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$ 617,470	\$ 617,470	\$	\$ 39,778	\$ 39,778
	<u>617,470</u>	<u>617,470</u>		<u>39,778</u>	<u>39,778</u>
583,254	428,041	155,213	38,450	28,946	9,504
	4,075	(4,075)			
	8,871	(8,871)			
	105,335	(105,335)		7,920	(7,920)
<u>583,254</u>	<u>546,322</u>	<u>36,932</u>	<u>38,450</u>	<u>36,866</u>	<u>1,584</u>
<u>(583,254)</u>	<u>71,148</u>	<u>654,402</u>	<u>(38,450)</u>	<u>2,912</u>	<u>41,362</u>
	1,160,969	1,160,969		64,881	64,881
<u>\$ (583,254)</u>	<u>\$ 1,232,117</u>	<u>\$ 1,815,371</u>	<u>\$ (38,450)</u>	<u>\$ 67,793</u>	<u>\$ 106,243</u>

(Continued)

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Gifts and Donations		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 194,114	\$ 194,114
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>81,077</u>	<u>194,114</u>	<u>194,114</u>
Expenditures:			
Current -			
Instruction	81,077	73,217	7,860
Support services - students and staff		349	(349)
Support services - administration		345	(345)
Operation and maintenance of plant services			
Student transportation services		200	(200)
Capital outlay			
Total expenditures	<u>81,077</u>	<u>74,111</u>	<u>6,966</u>
Changes in fund balances	<u>(81,077)</u>	<u>120,003</u>	<u>201,080</u>
Fund balances (deficits), beginning of year, as restated		308,231	308,231
Fund balances (deficits), end of year	<u>\$ (81,077)</u>	<u>\$ 428,234</u>	<u>\$ 509,311</u>

<u>Career and Technical Education Projects</u>			<u>Insurance Proceeds</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Non-GAAP Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$ 90,864	\$ 90,864	\$	\$ 1,305	\$ 1,305
	<u>90,864</u>	<u>90,864</u>		<u>1,305</u>	<u>1,305</u>
75,876	33,297	42,579			
<u>75,876</u>	<u>33,297</u>	<u>42,579</u>			
<u>(75,876)</u>	<u>57,567</u>	<u>133,443</u>		<u>1,305</u>	<u>1,305</u>
	66,438	66,438		41,922	41,922
<u>\$ (75,876)</u>	<u>\$ 124,005</u>	<u>\$ 199,881</u>	<u>\$</u>	<u>\$ 43,227</u>	<u>\$ 43,227</u>

(Continued)

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Arizona Industry Credentials Incentive		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 3,640	\$ 3,640
State aid and grants		147,334	147,334
Federal aid, grants and reimbursements			
Total revenues	621,000	150,974	469,026
Expenditures:			
Current -			
Instruction	621,000	161,236	459,764
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Capital outlay			
Total expenditures	621,000	161,236	459,764
Changes in fund balances	(621,000)	(10,262)	610,738
Fund balances (deficits), beginning of year, as restated		(147,334)	(147,334)
Fund balances (deficits), end of year	\$ (621,000)	\$ (157,596)	\$ 463,404

Student Activities			Totals		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 189,787	\$ 189,787	\$	\$ 3,238,816	\$ 3,238,816
				1,984,112	1,984,112
				1,159,345	1,159,345
	<u>189,787</u>	<u>189,787</u>		<u>6,382,273</u>	<u>6,382,273</u>
168,954	178,115	(9,161)	26,353,496	2,619,985	23,733,511
			6,806,074	346,574	6,459,500
			2,284,911	330,326	1,954,585
	1,314	(1,314)		4,638	(4,638)
				114,769	(114,769)
				150,478	(150,478)
<u>168,954</u>	<u>179,429</u>	<u>(10,475)</u>	<u>35,444,481</u>	<u>3,566,770</u>	<u>31,877,711</u>
<u>(168,954)</u>	<u>10,358</u>	<u>179,312</u>	<u>(35,444,481)</u>	<u>2,815,503</u>	<u>38,259,984</u>
	61,924	61,924		7,927,877	7,927,877
<u>\$ (168,954)</u>	<u>\$ 72,282</u>	<u>\$ 241,236</u>	<u>\$ (35,444,481)</u>	<u>\$ 10,743,380</u>	<u>\$ 46,187,861</u>

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DEBT SERVICE FUND

Debt Service - to account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs.

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2022

	Debt Service		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 61,475	\$ 61,475
Property taxes		19,753,907	19,753,907
Total revenues		<u>19,815,382</u>	<u>19,815,382</u>
Expenditures:			
Debt service -			
Principal retirement	14,025,000	14,025,000	
Interest and fiscal charges	6,376,000	6,376,832	(832)
Total expenditures	<u>20,401,000</u>	<u>20,401,832</u>	<u>(832)</u>
Excess (deficiency) of revenues over expenditures	<u>(20,401,000)</u>	<u>(586,450)</u>	<u>19,814,550</u>
Other financing sources (uses):			
Transfers in		461,447	461,447
Total other financing sources (uses)		<u>461,447</u>	<u>461,447</u>
Changes in fund balances	<u>(20,401,000)</u>	<u>(125,003)</u>	<u>20,275,997</u>
Fund balances, beginning of year		1,505,409	1,505,409
Fund balances (deficits), end of year	<u>\$ (20,401,000)</u>	<u>\$ 1,380,406</u>	<u>\$ 21,781,406</u>

CAPITAL PROJECTS FUNDS

Unrestricted Capital Outlay - to account for transactions relating to the acquisition of capital items.

Bond Building - to account for proceeds from District bond issues that are expended on the acquisition or lease of sites; construction or renovation of school buildings; supplying school buildings with furniture, equipment, and technology; improving school grounds; or purchasing pupil transportation vehicles.

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2022

	Unrestricted Capital Outlay		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 617,058	\$ 617,058
Property taxes		910,987	910,987
State aid and grants		3,083,732	3,083,732
Total revenues		4,611,777	4,611,777
Expenditures:			
Capital outlay	50,998,026	11,372,836	39,625,190
Total expenditures	50,998,026	11,372,836	39,625,190
Excess (deficiency) of revenues over expenditures	(50,998,026)	(6,761,059)	44,236,967
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(50,998,026)	(6,761,059)	44,236,967
Fund balances, beginning of year		24,059,894	24,059,894
Fund balances (deficits), end of year	\$ (50,998,026)	\$ 17,298,835	\$ 68,296,861

Bond Building			Totals		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 461,697	\$ 461,697	\$	\$ 1,078,755	\$ 1,078,755
				910,987	910,987
				3,083,732	3,083,732
	<u>461,697</u>	<u>461,697</u>		<u>5,073,474</u>	<u>5,073,474</u>
54,198,228	300	54,197,928	105,196,254	11,373,136	93,823,118
<u>54,198,228</u>	<u>300</u>	<u>54,197,928</u>	<u>105,196,254</u>	<u>11,373,136</u>	<u>93,823,118</u>
(54,198,228)	461,397	54,659,625	(105,196,254)	(6,299,662)	98,896,592
	(461,447)	(461,447)		(461,447)	(461,447)
	<u>(461,447)</u>	<u>(461,447)</u>		<u>(461,447)</u>	<u>(461,447)</u>
<u>(54,198,228)</u>	<u>(50)</u>	<u>54,198,178</u>	<u>(105,196,254)</u>	<u>(6,761,109)</u>	<u>98,435,145</u>
	54,198,228	54,198,228		78,258,122	78,258,122
<u>\$ (54,198,228)</u>	<u>\$ 54,198,178</u>	<u>\$ 108,396,406</u>	<u>\$ (105,196,254)</u>	<u>\$ 71,497,013</u>	<u>\$ 176,693,267</u>

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STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Net Position:					
Net investment in capital assets	\$ 86,814,556	\$ 70,215,926	\$ 58,119,098	\$ 42,397,958	\$ 37,803,401
Restricted	27,409,469	31,690,173	31,842,400	32,652,335	24,793,511
Unrestricted	52,014,546	38,083,306	33,996,333	20,145,371	22,433,457
Total net position	\$ 166,238,571	\$ 139,989,405	\$ 123,957,831	\$ 95,195,664	\$ 85,030,369
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Net Position:					
Net investment in capital assets	\$ 36,382,033	\$ 30,496,841	\$ 28,641,485	\$ 25,792,064	\$ 22,763,947
Restricted	22,653,975	24,190,160	29,780,068	17,839,535	18,049,856
Unrestricted	9,940,733	10,752,024	5,042,780	18,268,975	16,416,827
Total net position	\$ 68,976,741	\$ 65,439,025	\$ 63,464,333	\$ 61,900,574	\$ 57,230,630

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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Expenses					
Instruction	\$ 29,053,120	\$ 27,069,815	\$ 25,189,552	\$ 28,381,606	\$ 20,559,036
Support services - students and staff	5,606,457	5,450,450	5,268,546	5,310,247	4,224,989
Support services - administration	8,846,800	8,618,610	7,280,450	8,192,043	5,919,305
Operation and maintenance of plant services	3,321,375	3,213,103	2,789,203	2,524,230	2,045,377
Student transportation services	134,800		12,956	99,476	43,960
Operation of non-instructional services	3,538	4,781	4,781	4,781	3,038
Interest on long-term debt	4,332,124	4,860,773	4,745,949	4,164,294	5,121,721
Total expenses	<u>51,298,214</u>	<u>49,217,532</u>	<u>45,291,437</u>	<u>48,676,677</u>	<u>37,917,426</u>
Program Revenues					
Charges for services:					
Instruction	2,595,979	2,365,384	2,398,629	1,575,165	1,500,031
Other activities	234,492	466,134	408,584	270,821	260,266
Operating grants and contributions	1,727,925	3,141,096	131,460	569,476	217,179
Capital grants and contributions	123,989	863,146	122,792	67,861	
Total program revenues	<u>4,682,385</u>	<u>6,835,760</u>	<u>3,061,465</u>	<u>2,483,323</u>	<u>1,977,476</u>
Net (Expense)/Revenue	<u>\$ (46,615,829)</u>	<u>\$ (42,381,772)</u>	<u>\$ (42,229,972)</u>	<u>\$ (46,193,354)</u>	<u>\$ (35,939,950)</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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Expenses					
Instruction	\$ 20,352,708	\$ 19,272,358	\$ 17,237,909	\$ 14,622,386	\$ 12,691,847
Support services - students and staff	3,722,992	2,727,203	2,552,598	2,202,106	1,635,037
Support services - administration	5,540,120	4,027,507	3,058,392	2,381,186	2,286,182
Operation and maintenance of plant services	1,723,476	1,429,262	1,295,613	808,740	727,675
Interest on long-term debt	2,406,922	2,362,337	1,907,578	1,402,423	145,839
Total expenses	<u>33,846,107</u>	<u>29,818,667</u>	<u>26,052,090</u>	<u>21,416,841</u>	<u>17,486,580</u>
Program Revenues					
Charges for services:					
Instruction	618,348	1,370,557	930,445	837,424	909,111
Other activities	829,668	316,392	115,755	5,400	
Operating grants and contributions	310,480	327,669	291,325	196,544	71,499
Total program revenues	<u>1,758,496</u>	<u>2,014,618</u>	<u>1,337,525</u>	<u>1,039,368</u>	<u>980,610</u>
Net (Expense)/Revenue	<u>\$ (32,087,611)</u>	<u>\$ (27,804,049)</u>	<u>\$ (24,714,565)</u>	<u>\$ (20,377,473)</u>	<u>\$ (16,505,970)</u>

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

(Concluded)

**WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)**

	Fiscal Year Ended June 30				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Net (Expense)/Revenue	\$ (46,615,829)	\$ (42,381,772)	\$ (42,229,972)	\$ (46,193,354)	\$ (35,939,950)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	8,235,007	8,514,152	7,767,843	7,515,160	2,770,016
Property taxes, levied for debt service	19,731,129	19,612,163	18,132,244	15,015,934	18,060,147
Property taxes, levied for capital outlay	910,987				4,282,613
Investment income	1,104,004	1,271,905	2,065,728	1,936,977	1,202,191
Unrestricted county aid	3,839,031	2,773,710	3,362,486	2,979,765	2,624,181
Unrestricted state aid	39,044,837	26,241,416	31,957,655	28,910,813	23,044,177
Total general revenues	<u>72,864,995</u>	<u>58,413,346</u>	<u>63,285,956</u>	<u>56,358,649</u>	<u>51,983,325</u>
Changes in Net Position	<u>\$ 26,249,166</u>	<u>\$ 16,031,574</u>	<u>\$ 21,055,984</u>	<u>\$ 10,165,295</u>	<u>\$ 16,043,375</u>

(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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Net (Expense)/Revenue	\$ (32,087,611)	\$ (27,804,049)	\$ (24,714,565)	\$ (20,377,473)	\$ (16,505,970)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	6,728,391	6,492,281	6,502,890	5,999,883	6,124,902
Property taxes, levied for debt service	4,579,540	2,559,612	4,056,403	1,120,673	
Investment income	366,734	286,706	248,957	232,620	161,848
Unrestricted county aid	2,434,275	2,036,013	1,884,200	1,781,106	1,512,376
Unrestricted state aid	22,169,857	18,404,129	17,925,620	15,913,135	12,641,957
Total general revenues	<u>36,278,797</u>	<u>29,778,741</u>	<u>30,618,070</u>	<u>25,047,417</u>	<u>20,441,083</u>
Changes in Net Position	<u>\$ 4,191,186</u>	<u>\$ 1,974,692</u>	<u>\$ 5,903,505</u>	<u>\$ 4,669,944</u>	<u>\$ 3,935,113</u>

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

(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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
General Fund:					
Unassigned	\$ 52,079,016	\$ 38,084,431	\$ 32,080,407	\$ 19,191,678	\$ 18,248,708
Total General Fund	\$ 52,079,016	\$ 38,084,431	\$ 32,080,407	\$ 19,191,678	\$ 18,248,708
All Other Governmental Funds:					
Restricted	\$ 81,504,708	\$ 85,762,684	\$ 93,895,313	\$ 38,290,366	\$ 74,755,069
Unassigned	(537,470)	(431,485)			
Total all other governmental funds	\$ 80,967,238	\$ 85,331,199	\$ 93,895,313	\$ 38,290,366	\$ 74,755,069

(Continued)

(Continued)

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Fund:					
Unassigned	14,110,709	14,364,948	7,930,939	17,672,056	16,581,444
Total General Fund	<u>\$ 14,110,709</u>	<u>\$ 14,364,948</u>	<u>\$ 7,930,939</u>	<u>\$ 17,672,056</u>	<u>\$ 16,581,444</u>
All Other Governmental Funds:					
Restricted	\$ 99,962,780	\$ 32,923,791	\$ 40,785,168	\$ 17,901,139	\$ 46,706,931
Total all other governmental funds	<u>\$ 99,962,780</u>	<u>\$ 32,923,791</u>	<u>\$ 40,785,168</u>	<u>\$ 17,901,139</u>	<u>\$ 46,706,931</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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Federal sources:					
Federal grants	\$ 1,159,345	\$ 3,048,409	\$ 173,077	\$ 67,861	\$ 100,132
Total federal sources	<u>1,159,345</u>	<u>3,048,409</u>	<u>173,077</u>	<u>67,861</u>	<u>100,132</u>
State sources:					
State equalization assistance	37,500,334	25,298,918	31,123,598	28,183,811	22,458,091
State grants	439,609	345,588	6,882	272,968	2,790
Other revenues	1,544,503	942,498	834,057	727,002	586,086
Total state sources	<u>39,484,446</u>	<u>26,587,004</u>	<u>31,964,537</u>	<u>29,183,781</u>	<u>23,046,967</u>
Local sources:					
Property taxes	28,898,236	28,267,314	25,756,238	22,525,131	25,016,123
County aid	3,839,031	2,773,710	3,362,486	2,979,765	2,624,181
Investment income	1,101,610	1,267,996	2,060,511	1,960,065	1,183,401
Other revenues	3,333,901	2,926,910	2,881,506	2,119,406	1,887,160
Total local sources	<u>37,172,778</u>	<u>35,235,930</u>	<u>34,060,741</u>	<u>29,584,367</u>	<u>30,710,865</u>
Total revenues	<u><u>\$ 77,816,569</u></u>	<u><u>\$ 64,871,343</u></u>	<u><u>\$ 66,198,355</u></u>	<u><u>\$ 58,836,009</u></u>	<u><u>\$ 53,857,964</u></u>

(Continued)

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Federal sources:					
Federal grants	\$ 84,326	\$ 74,743	\$ 64,671	\$ 22,297	\$ 24,736
Total federal sources	<u>84,326</u>	<u>74,743</u>	<u>64,671</u>	<u>22,297</u>	<u>24,736</u>
State sources:					
State equalization assistance	21,707,822	19,508,137	16,498,215	15,675,286	12,452,728
State grants	29,115	481	104,572		
Other revenues	462,035	359,731	242,698	237,849	189,229
Total state sources	<u>22,198,972</u>	<u>19,868,349</u>	<u>16,845,485</u>	<u>15,913,135</u>	<u>12,641,957</u>
Local sources:					
Property taxes	11,323,260	9,083,676	10,541,099	7,143,120	6,184,760
County aid	2,434,275	2,036,013	1,884,200	1,781,106	1,512,376
Investment income	362,426	286,552	248,667	232,620	161,499
Other revenues	1,648,522	1,669,556	1,173,471	1,000,686	953,805
Total local sources	<u>15,768,483</u>	<u>13,075,797</u>	<u>13,847,437</u>	<u>10,157,532</u>	<u>8,812,440</u>
Total revenues	<u>\$ 38,051,781</u>	<u>\$ 33,018,889</u>	<u>\$ 30,757,593</u>	<u>\$ 26,092,964</u>	<u>\$ 21,479,133</u>

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

(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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Expenditures:					
Current -					
Instruction	\$ 21,706,381	\$ 19,464,377	\$ 17,817,771	\$ 17,638,080	\$ 16,335,919
Support services - students and staff	4,933,427	4,498,641	4,265,042	4,517,121	3,723,915
Support services - administration	6,418,536	5,871,491	5,159,627	4,574,363	3,988,460
Operation and maintenance of plant services	3,067,355	3,023,743	2,675,833	2,139,840	1,825,030
Student transportation services	134,800		12,956	99,476	43,960
Operation of non-instructional services					3,038
Capital outlay	11,523,614	14,812,700	9,728,467	49,931,139	30,627,204
Debt service -					
Interest and fiscal charges	6,376,832	6,905,481	6,790,657	5,367,723	6,325,150
Principal retirement	14,025,000	12,855,000	12,470,000	10,090,000	12,055,000
Bond issuance costs			511,815		
Total expenditures	<u>\$ 68,185,945</u>	<u>\$ 67,431,433</u>	<u>\$ 59,432,168</u>	<u>\$ 94,357,742</u>	<u>\$ 74,927,676</u>
Expenditures for capitalized assets	\$ 7,507,645	\$ 9,296,868	\$ 5,279,892	\$ 38,739,441	\$ 27,041,182
Debt service as a percentage of noncapital expenditures	34%	34%	36%	28%	38%

(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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Expenditures:					
Current -					
Instruction	\$ 16,202,003	\$ 15,864,936	\$ 14,601,176	\$ 13,198,361	\$ 12,358,079
Support services - students and staff	3,240,145	2,488,848	2,311,993	2,066,647	1,552,096
Support services - administration	4,476,042	3,314,942	2,521,794	1,769,688	2,107,391
Operation and maintenance of plant services	1,499,152	1,309,909	1,243,331	791,857	712,964
Student transportation services	19,064				
Operation of non-instructional services	30,894				
Capital outlay	20,321,105	22,233,803	19,897,094	33,553,456	3,192,091
Debt service -					
Interest and fiscal charges	2,556,806	2,512,221	2,039,935	1,473,135	145,839
Principal retirement	2,600,000	1,775,000	950,000	955,000	4,777,905
Bond issuance costs	622,628	197,140	282,250		323,500
Total expenditures	<u>\$ 51,567,839</u>	<u>\$ 49,696,799</u>	<u>\$ 43,847,573</u>	<u>\$ 53,808,144</u>	<u>\$ 25,169,865</u>
Expenditures for capitalized assets	\$ 18,015,864	\$ 20,061,186	\$ 18,608,065	\$ 32,272,280	\$ 3,492,841
Debt service as a percentage of noncapital expenditures	15%	14%	12%	11%	23%

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

(Concluded)

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
OTHER FINANCING SOURCES AND USES AND NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Excess (deficiency) of revenues over expenditures	\$ 9,630,624	\$ (2,560,090)	\$ 6,766,187	\$ (35,521,733)	\$ (21,069,712)
Other financing sources (uses):					
School improvement bonds issued			53,035,000		
Premium on sale of bonds			8,412,790		
Transfers in	461,447	609,654	830,997	589,862	658,691
Transfers out	(461,447)	(609,654)	(830,997)	(589,862)	(658,691)
Total other financing sources (uses)	61,447,790	61,447,790	61,447,790	61,447,790	61,447,790
Changes in fund balances	\$ 9,630,624	\$ (2,560,090)	\$ 68,213,977	\$ (35,521,733)	\$ (21,069,712)
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Excess (deficiency) of revenues over expenditures	\$ (13,516,058)	\$ (16,677,910)	\$ (13,089,980)	\$ (27,715,180)	\$ (3,690,732)
Other financing sources (uses):					
School improvement bonds issued	70,035,000	14,900,000	25,000,000		35,000,000
Premium on sale of bonds	10,535,453	350,542	1,232,892		1,667,035
Transfers in	7,290,763	647,556	16,253,643	5,678,167	1,395,903
Transfers out	(7,290,763)	(647,556)	(16,253,643)	(5,678,167)	(1,395,903)
Total other financing sources (uses)	80,570,453	15,250,542	26,232,892	26,232,892	36,667,035
Changes in fund balances	\$ 67,054,395	\$ (1,427,368)	\$ 13,142,912	\$ (27,715,180)	\$ 32,976,303

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 SEVEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Commercial, Industrial, Utilities and Mining	\$ 6,291,765,915	\$ 5,846,041,477	\$ 5,654,835,951	5,300,279,109	5,132,211,689
Agricultural and Vacant	544,079,923	541,798,802	534,845,482	479,636,940	471,596,986
Residential (Owner Occupied)	7,966,582,054	7,405,925,790	6,865,475,402	6,444,238,034	5,983,886,022
Residential (Rental)	3,197,912,002	3,002,157,575	2,801,212,713	2,520,823,595	2,383,242,954
Railroad, Private Cars and Airlines	17,762,364	16,206,556	16,731,932	16,719,484	17,369,811
Historical Property	26,488,014	20,574,260	20,711,166	16,409,630	16,865,677
Certain Government Property Improvements	1,038,039	1,005,910	1,017,109	974,858	661,182
Total	\$ 18,045,628,311	\$ 16,833,710,370	\$ 15,894,829,755	14,779,081,650	14,005,834,321
Gross Full Cash Value	\$ 244,095,208,670	\$ 223,137,693,431	\$ 202,728,989,763	185,742,509,338	171,817,379,619
Ratio of Net Limited Assessed Value to Gross Full Cash Value	7%	8%	8%	8%	8%
Total Direct Rate	0.17	0.16	0.15	0.18	0.08

<u>Class</u>	<u>Fiscal Year</u>	
	<u>2017</u>	<u>2016</u>
Commercial, Industrial, Utilities and Mining	\$ 4,927,565,948	\$ 4,874,184,349
Agricultural and Vacant	462,608,449	504,996,285
Residential (Owner Occupied)	5,584,502,253	5,273,415,434
Residential (Rental)	2,261,987,125	2,100,938,471
Railroad, Private Cars and Airlines	16,304,920	17,497,470
Historical Property	18,200,234	18,993,799
Certain Government Property Improvements	621,842	457,940
Total	\$ 13,271,790,771	\$ 12,790,483,748
Gross Full Cash Value	\$ 158,920,689,132	\$ 145,378,421,744
Ratio of Net Limited Assessed Value to Gross Full Cash Value	8%	9%
Total Direct Rate	0.07	0.08

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

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

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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Commercial, Industrial, Utilities and Mining	\$ 8,040,258,147	\$ 7,389,901,977	\$ 6,914,606,840	\$ 6,382,292,818	\$ 6,117,760,083
Agricultural and Vacant	1,058,227,661	1,010,659,313	924,113,112	827,808,162	813,448,173
Residential (Owner Occupied)	11,086,794,969	10,131,140,717	9,131,347,839	8,483,137,081	7,656,293,107
Residential (Rental)	5,065,201,463	4,502,671,997	4,063,015,100	3,552,765,401	3,228,223,369
Railroad, Private Cars and Airlines	22,586,551	20,256,726	20,470,412	19,973,186	20,144,883
Historical Property	34,061,076	27,904,948	26,657,892	21,675,195	20,957,518
Certain Government Property Improvements	1,289,686	1,273,004	1,253,706	2,534,738	896,940
Total	\$ 25,308,419,553	\$ 23,083,808,682	\$ 21,081,464,901	\$ 19,290,186,581	\$ 17,857,724,073
Gross Full Cash Value	\$ 244,095,208,670	\$ 223,137,693,431	\$ 202,728,989,763	\$ 121,491,950,287	\$ 105,864,769,303
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10%	10%	10%	16%	17%
Estimated Net Full Cash Value	\$ 206,796,876,313	\$ 188,160,192,325	\$ 171,310,350,114	\$ 156,594,037,923	\$ 143,776,768,363
Total Direct Rate	0.17	0.16	0.15	0.18	0.08

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Commercial, Industrial, Utilities and Mining	\$ 5,617,637,297	\$ 5,154,420,263	\$ 5,025,236,725	\$ 4,761,717,513	\$ 5,166,347,557
Agricultural and Vacant	718,632,137	659,271,876	554,488,816	547,771,936	611,314,002
Residential (Owner Occupied)	7,166,687,452	6,718,998,804	5,345,752,510	4,679,819,963	5,350,465,704
Residential (Rental)	2,957,243,945	2,677,757,120	2,034,891,852	1,547,345,705	1,128,230,651
Railroad, Private Cars and Airlines	17,416,181	17,823,342	18,777,772	15,639,837	15,459,545
Historical Property	25,452,183	26,359,763	21,797,196	16,962,517	12,176,160
Certain Government Property Improvements	797,628	490,147	523,796	383,893	
Total	\$ 16,503,866,823	\$ 15,255,121,315	\$ 13,001,468,667	\$ 11,569,641,364	\$ 12,284,325,657
Gross Full Cash Value	\$ 110,253,721,620	\$ 122,863,333,856	\$ 154,432,353,296	\$ 179,834,250,360	\$ 180,953,657,568
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	15%	12%	8%	6%	7%
Estimated Net Full Cash Value	\$ 133,122,999,233	\$ 121,208,517,916	\$ 100,085,389,832	\$ 87,093,577,766	\$ 91,500,813,831
Total Direct Rate	0.07	0.08	0.06	0.05	0.05

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

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

**WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
PROPERTY TAX ASSESSMENT RATIOS
LAST TEN FISCAL YEARS**

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Commercial, Industrial, Utilities and Mining	18 %	18 %	18 %	18 %	18 %
Agricultural and Vacant	15	15	15	15	15
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	15	15	14	15

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Commercial, Industrial, Utilities and Mining	18 %	19 %	19 %	20 %	20 %
Agricultural and Vacant	15	16	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	14	15	16	15	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**

	Fiscal Year Ended June 30	Net Limited Assessed Valuation										
		2021	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
	State of Arizona	\$ 69,914,521,042	0.44	0.46	0.47	0.49	0.50	0.51	0.51	0.51	0.47	0.43
	Maricopa County	\$ 45,704,969,813	1.40	1.40	1.40	1.40	1.40	1.36	1.32	1.28	1.24	1.24
	Maricopa County CCD	\$ 45,704,969,813	1.29	1.33	1.38	1.41	1.47	1.49	1.52	1.53	1.38	1.21
	Maricopa County Library District	\$ 45,704,969,813	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.04	0.05	0.05
	Maricopa County Fire District	\$ 45,704,969,813	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
	Maricopa County Flood Control District	\$ 42,084,633,673	0.18	0.18	0.18	0.18	0.18	0.16	0.14	0.14	0.18	0.18
	Central AZ Water Conservation District	\$ 45,704,969,813	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.10	0.10
	City of Avondale	\$ 462,085,095	1.42	1.65	1.76	1.60	1.70	1.75	1.75	1.81	1.34	1.33
	City of Buckeye	\$ 558,013,165	1.79	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.61
	Town of Cave Creek	\$ 159,750,917	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.08
	City of El Mirage	\$ 119,416,075	3.68	3.74	3.96	3.63	3.78	3.84	3.54	4.04	3.89	2.87
	City of Phoenix	\$ 13,923,185,918	2.13	2.13	2.14	2.16	2.17	1.82	1.82	1.82	1.82	1.82
	City of Glendale	\$ 1,478,280,140	1.80	1.86	1.98	2.08	2.15	2.20	2.15	2.29	1.91	1.60
	City of Goodyear	\$ 1,026,917,731	1.73	1.73	1.74	1.73	1.86	1.87	1.87	1.90	1.77	1.60
	City of Peoria	\$ 1,659,175,244	1.44	1.79	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.44
	City of Surprise	\$ 1,203,460,444	1.15	1.15	0.76	0.76	0.76	0.76	0.76	0.78	0.74	0.67
	City of Tolleson	\$ 247,008,373	3.53	3.72	3.83	3.99	3.97	3.97	3.75	3.76	3.41	2.90
	Town of Wickenburg	\$ 73,316,280	0.50	0.50	0.53	0.53	0.53	0.53	0.53	0.42	0.41	0.01
	Agua Fria Union High School District No. 216	\$ 1,454,888,363	3.35	3.33	3.48	3.71	3.47	3.27	4.20	3.57	3.17	2.68
Overlapping Rates	Arlington Elementary School District No. 47	\$ 235,676,981	1.43	1.37	1.24	1.25	1.20	1.33	1.29	1.11	1.12	1.06
	Avondale Elementary School District No. 44	\$ 455,199,405	4.26	4.54	5.01	5.22	6.40	6.23	5.80	4.64	4.33	4.80
	Buckeye Elementary School District No. 33	\$ 247,156,826	5.96	5.66	5.67	5.39	5.92	5.58	5.91	5.86	6.10	5.07
	Buckeye Union High School District No. 201	\$ 815,567,619	3.17	3.33	3.27	3.34	3.22	3.34	3.51	3.65	3.43	3.08
	Cartwright Elementary School District No. 83	\$ 286,392,964	9.15	9.01	10.62	11.05	11.10	11.14	10.64	10.21	10.45	8.68
	Deer Valley Unified School District No. 97	\$ 2,902,850,887	6.28	6.44	6.63	6.75	6.70	6.32	6.48	6.58	6.76	6.25
	Dysart Unified School District No. 89	\$ 1,473,717,596	6.45	6.58	6.89	6.96	7.13	6.68	7.12	7.57	7.38	5.99
	Fowler Elementary School District No. 45	\$ 391,533,947	3.40	3.55	3.82	4.10	4.98	4.05	3.90	5.12	4.83	3.79
	Glendale Elementary School District No. 40	\$ 327,903,091	5.84	6.17	6.05	6.38	6.07	5.84	6.47	7.30	6.94	6.41
	Glendale Union High School District No. 205	\$ 1,734,333,499	3.83	3.96	4.11	4.60	4.67	4.46	4.42	4.58	4.10	3.53
	Liberty Elementary School District No. 25	\$ 305,237,516	3.93	3.34	3.54	3.72	3.79	4.28	4.50	3.46	3.54	3.20
	Litchfield Elementary School District No. 79	\$ 999,689,119	3.52	3.67	3.85	3.48	3.81	3.84	3.78	3.98	3.89	3.26
	Palo Verde Elementary School District No. 49	\$ 27,496,296	3.94	3.93	4.05	3.95	4.64	4.48	4.03	4.02	4.08	3.79
	Paradise Valley Unified School District No. 69	\$ 3,786,061,804	5.85	6.39	6.56	6.55	6.97	6.99	6.78	7.15	6.59	5.70
	Pendergast Elementary School District No. 92	\$ 373,178,963	6.02	6.33	6.71	6.85	6.69	6.88	7.19	7.27	6.38	6.61
	Peoria Unified School District No. 11	\$ 2,043,501,690	6.66	6.80	7.02	7.54	8.04	7.78	7.27	4.33	7.03	5.39
	Phoenix Union High School District No. 210	\$ 5,591,189,621	4.83	4.99	5.20	5.03	5.07	4.96	4.62	4.81	4.27	3.76
	Saddle Mountain Unified School District No. 90	\$ 764,118,080	2.71	2.39	2.50	2.54	2.55	2.60	2.62	1.70	1.28	1.38
	Tolleson Union High School District No. 214	\$ 1,351,671,228	4.71	5.01	4.45	3.94	3.57	4.01	4.53	5.49	4.84	4.07
	Washington Elementary School District No. 6	\$ 1,406,430,408	4.69	4.94	5.10	5.21	5.63	5.79	5.70	6.02	4.71	4.61
Wickenburg Unified School District No. 9	\$ 220,606,641	3.86	4.33	4.64	5.02	5.40	5.08	5.55	4.33	5.05	4.45	
Buckeye Valley Fire District	\$ 162,683,487	3.85	3.13	3.25	3.25	3.25	3.25	3.25	3.10	3.10	3.10	
Sun City Fire District	\$ 356,767,126	3.45	3.48	3.14	3.47	3.25	3.25	3.25	3.25	3.37	3.15	
North County Fire District	\$ 526,772,718	2.86	2.86	2.86	2.86	2.80	2.86	2.92	2.92	2.72	2.43	
Wickenburg Fire District	\$ 19,443,601	1.50	1.57	1.72	1.75	1.54	1.33	1.40	1.19	1.39	1.21	
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		0.17	0.16	0.15	0.18	0.08	0.07	0.08	0.06	0.05	0.05
	Total	\$ 16,868,540,100	0.17	0.16	0.15	0.18	0.08	0.07	0.08	0.06	0.05	0.05

Source: The source of this information is the Property Tax Rates and Assessed Values, Arizona Tax Research Foundation.

**WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

Taxpayer	2022		2013	
	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	\$ 932,958,983	5.17 %	785,154,564	6.39 %
Southern California Edison Co.	119,101,147	0.66	144,558,479	1.18
El Paso Electric Co.	104,664,644	0.58	125,687,378	1.02
Public Service Company of New Mexico	70,377,950	0.39	74,032,461	0.60
Southwest Gas Corporation	77,596,202	0.43		
Host Kierland LP	37,895,819	0.21	40,531,747	0.33
Southern California Public Power Auth.	37,895,819	0.21	50,252,699	0.41
Mesquite Power LLC	39,700,382	0.22	85,000,000	0.69
JW Marriott Desert Ridge Resort & Spa	34,286,694	0.19		
Qwest Corporation	37,895,819	0.21	61,582,054	0.50
New Harquahala Generating Co. LLC			65,000,000	0.53
Southern Gas Corporation			43,069,390	0.35
Total	<u>\$ 1,492,373,460</u>	<u>8.27 %</u>	<u>\$ 1,474,868,772</u>	<u>12.00 %</u>

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

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

**WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2022	\$ 28,533,347	\$ 28,116,702	98.54 %	\$	\$ 28,116,702	98.54 %
2021	27,971,961	27,507,966	98.34	454,213	27,962,179	99.97
2020	25,817,738	25,345,578	98.17	464,743	25,810,321	99.97
2019	22,225,741	21,882,575	98.46	338,149	22,220,724	99.98
2018	24,915,890	24,542,391	98.50	369,663	24,912,054	99.98
2017	11,160,892	10,984,292	98.42	175,418	11,159,710	99.99
2016	8,933,321	8,794,486	98.45	137,922	8,932,408	99.99
2015	10,503,241	10,311,873	98.18	190,094	10,501,967	99.99
2014	7,067,032	6,933,551	98.11	132,781	7,066,332	99.99
2013	6,152,651	6,036,245	98.11	115,692	6,151,937	99.99

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

Notes: 1) Amounts collected are on a cash basis.

2) Unsecured personal property taxes are not included in this schedule because the dates of the monthly rolls vary each year. On the average, 90% of unsecured property taxes are collected within 90 days after the due date.

**WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	General Obligation Bonds					Total Outstanding Debt				
	General Obligation Bonds	Less: Amounts Restricted for Principal	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Financed Purchases and Leases	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income
2022	\$ 157,051,393	\$ 1,483,345	\$ 155,568,048	0.16 %	\$ 152	\$	\$ 157,051,393	0.16 %	\$ 154	0.06 %
2021	171,951,101	1,631,126	170,319,975	0.17	94		171,951,101	0.17	95	0.07
2020	186,465,809	1,128,525	185,337,284	0.03	100		186,465,809	0.03	100	0.08
2019	137,152,727	1,251,559	135,901,168	0.03	63		137,152,727	0.00	64	0.07
2018	150,411,156	805,314	149,605,842		72		150,411,156	0.00	73	0.08
2017	154,214,585	365,214	153,849,371		76		154,214,585		76	0.08
2016	75,569,016	812,213	74,756,803		41		75,569,016		41	0.04
2015	61,418,358	2,262,643	59,155,715		34		61,418,358		35	0.04
2014	36,272,823	103,523	36,169,300		21		36,272,823		21	0.02
2013	36,343,535	1,344,990	34,998,545		22		36,343,535		23	0.02

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

Note: The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 87 were adopted in fiscal year 2022. The standard replaced the previous capital and operating lease designations with financed purchases or leases depending on the substance of the transactions. The fiscal year 2013-2021 information within this column related to the transactions previously designated as capital leases.

**WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2022**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:			
Maricopa County Community College District	509,430,000	36.77	187,317,411
Maricopa County Special Healthcare District	73,000,000	36.77	26,842,100
City of Avondale	22,690,000	99.91	22,669,579
City of El Mirage	24,080,000	2.21	532,168
City of Glendale	135,130,000	54.20	73,240,460
City of Goodyear	90,270,000	99.43	89,755,461
City of Peoria	148,240,000	86.29	127,916,296
City of Phoenix	1,286,795,000	89.22	1,148,078,499
City of Scottsdale	568,925,000	78.94	449,109,395
City of Tolleson	26,192,537	100.00	26,192,537
Sun City Fire District	9,245,000	100.00	9,245,000
Agua Fria Ranch Community Facilities District	2,190,000	100.00	2,190,000
Centerra Community Facilities District	3,453,000	100.00	3,453,000
Cortina Community Facilities District	1,950,000	100.00	1,950,000
Cottonflower Community Facilities District	2,045,000	100.00	2,045,000
Estrella Ranch Community Facilities District No. 1	14,050,000	100.00	14,050,000
Festival Ranch Community Facilities District	18,190,000	100.00	18,190,000
Goodyear Community Facilities General District No. 1	9,435,000	100.00	9,435,000
Goodyear Community Facilities Utilities District No. 1	40,615,000	100.00	40,615,000
Marley Park Community Facilities District	11,650,000	100.00	11,650,000
Palm Valley Community Facilities District No. 3	6,435,000	100.00	6,435,000
Sundance Community Facilities District	20,485,000	100.00	20,485,000
Tartesso West Community Facilities District	6,769,000	100.00	6,769,000
Verrado District No.1 Community Facilities District	37,110,000	100.00	37,110,000
Verrado Western Overlay Community Facilities District	9,200,000	100.00	9,200,000
Village at Litchfield Park Community Facilities District	3,085,000	100.00	3,085,000
Vistancia Community Facilities District	34,080,000	100.00	34,080,000
Vistancia West Community Facilities District	3,000,180	100.00	3,000,180
Westpark Community Facilities District	5,895,000	100.00	5,895,000
Wildflower Ranch Community Facilities District No. 1	625,000	100.00	625,000
Wildflower Ranch Community Facilities District No. 2	845,000	100.00	845,000
Arlington Elementary School District No. 47	1,750,000	100.00	1,750,000
Avondale Elementary School District No. 44	32,065,000	100.00	32,065,000
Buckeye Elementary School District No. 33	21,985,000	100.00	21,985,000
Cartwright Elementary School District No. 83	24,140,000	100.00	24,140,000
Fowler Elementary School District No. 45	6,525,000	100.00	6,525,000
Glendale Elementary School District No. 40	27,180,000	100.00	27,180,000
Liberty Elementary School District No. 25	19,545,000	100.00	19,545,000
Litchfield Elementary School District No. 79	44,425,000	100.00	44,425,000
Littleton Elementary School District No. 65	23,120,000	100.00	23,120,000
Palo Verde	155,000	100.00	155,000
Pendergast Elementary School District No. 92	25,350,000	100.00	25,350,000
Tolleson Elementary School District No. 17	6,885,000	100.00	6,885,000
Union Elementary School District No. 62	6,785,000	100.00	6,785,000
Washington Elementary School District No. 6 (c)	108,820,000	100.00	108,820,000
Agua Fria Union High School District No. 216	91,530,000	100.00	91,530,000
Buckeye Union High School District No. 201	65,100,000	100.00	65,100,000
Glendale Union High School District No. 205	116,850,000	100.00	116,850,000
Phoenix Union High School District No. 210	291,820,000	4.81	14,036,542
Tolleson Union High School District No. 214	28,600,000	100.00	28,600,000
Deer Valley Unified School District No. 97	219,675,000	100.00	219,675,000
Dysart Unified School District No. 89	151,488,000	100.00	151,488,000
Paradise Valley Unified School District No. 69	315,565,000	100.00	315,565,000
Peoria Unified School District No. 11	236,250,000	100.00	236,250,000
Saddle Mountain Unified School District No. 90	20,225,000	100.00	20,225,000
Wickenburg Unified School District No. 9	14,883,000	100.00	14,883,000
Subtotal, Overlapping Debt			<u>4,014,938,628</u>
Direct:			
Western Maricopa Education Center District No. 402			<u>157,051,393</u>
Total Direct and Overlapping Governmental Activities Debt			<u>\$ 4,171,990,021</u>

Source: FY2021 Report of Outstanding Indebtedness, Arizona Department of Administration, December 2021

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

**WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS
JUNE 30, 2022**

Net Direct General Obligation Bonded Debt		
Per Capita	\$	152
As a Percentage of Net Limited Assessed Valuation		0.86 %
As a Percentage of Gross Full Cash Value		0.06 %
 Net Direct and Overlapping General Bonded Debt		
Per Capita	\$	4,080
As a Percentage of Net Limited Assessed Valuation		23.11 %
As a Percentage of Gross Full Cash Value		1.71 %

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

- Notes:** 1) Estimated percentage of debt outstanding applicable to the District is calculated based on a portion of the District's net limited assessed valuation as a percentage of the net limited assessed valuation of the overlapping jurisdiction.
- 2) Outstanding debt as of June 30, 2021 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**

Total Legal Debt Margin and Class B Bond Legal Debt Margin Calculation for Fiscal Year 2022:

Net full cash assessed valuation	\$ 25,308,419,553
Debt limit (1% of assessed value)	253,084,196
Debt applicable to limit	<u>156,979,517</u>
Legal debt margin	<u><u>\$ 96,104,679</u></u>

Current Year Statistics for Fiscal Year 2022:

Total direct general obligation bonded debt outstanding	\$ 171,951,101
Net limited assessed valuation	18,045,628,311
Net full cash assessed valuation	25,308,419,553
Estimated net full cash value	\$ 206,796,876,313

	Fiscal Year Ended June 30				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Debt Limit	\$ 253,084,196	\$ 230,838,087	\$ 210,814,649	\$ 192,901,866	\$ 178,577,241
Total net debt applicable to limit	<u>156,979,517</u>	<u>171,272,437</u>	<u>185,127,281</u>	<u>134,217,281</u>	<u>147,288,914</u>
Legal debt margin	<u><u>\$ 96,104,679</u></u>	<u><u>\$ 59,565,650</u></u>	<u><u>\$ 25,687,368</u></u>	<u><u>\$ 58,684,585</u></u>	<u><u>\$ 31,288,327</u></u>
Total net debt applicable to the limit as a percentage of debt limit	62%	74%	88%	70%	82%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Debt Limit	\$ 165,038,668	\$ 152,551,213	\$ 1,950,220,300	\$ 1,735,446,205	\$ 1,842,648,849
Total net debt applicable to limit	<u>151,220,000</u>	<u>72,995,000</u>	<u>59,045,000</u>	<u>35,000,000</u>	<u>35,000,000</u>
Legal debt margin	<u><u>\$ 13,818,668</u></u>	<u><u>\$ 79,556,213</u></u>	<u><u>\$ 1,891,175,300</u></u>	<u><u>\$ 1,700,446,205</u></u>	<u><u>\$ 1,807,648,849</u></u>
Total net debt applicable to the limit as a percentage of debt limit	92%	48%	3%	2%	2%

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

Notes: 1) The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds and the statutory debt limit on Class B bonds. 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>
2021	4,507,419	\$ 268,713,717	\$ 59,759	4.5 %	1,022,117
2020	4,579,081	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	45,573	4.1	2,156,839
2017	4,221,684	196,286,191	45,573	4.2	2,066,940
2016	4,137,076	185,111,698	43,628	4.5	2,025,085
2015	4,076,438	184,784,917	42,092	5.5	1,825,052
2014	4,008,651	168,483,421	41,222	5.9	1,739,119
2013	3,944,859	147,700,000	27,552	6.7	1,727,264
2012	3,884,705	147,374,500	38,238	7.1	1,600,135

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.

**WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

<u>Employer</u>	<u>2022</u>		<u>2013</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Banner Health Systems	26,660	1.54 %	25,825	1.53 %
State of Arizona	24,990	1.44	49,800	2.94
Walmart Stores, Inc.	20,080	1.16	30,635	1.81
Frys Food Stores	15,320	0.88		
Maricopa County	13,890	0.80	12,790	0.76
Wells Fargo	13,170	0.76	13,310	0.79
City of Phoenix	11,570	0.67	15,100	0.89
Amazon	11,440	0.66		
Arizona State University	11,360	0.66	11,185	0.66
Intel Corporation	11,350	0.66		
Apollo Group Inc.			11,000	0.65
Bank of America			13,300	0.79
JP Morgan Chase Bank National Association			10,600	0.63
Total	<u>159,830</u>	<u>9.23 %</u>	<u>193,545</u>	<u>11.45 %</u>
Total employment	<u>1,731,830</u>		<u>1,692,300</u>	

Source: The source of this information is Councils of Government/Metropolitan Planning Organizations Employer Database.

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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Supervisory					
Consultants/supervisors of instruction	8	8	4	4	10
Total supervisory	8	8	4	4	10
Instruction					
Teachers	58	63	58	53	62
Total instruction	58	63	58	53	62
Support and Administration					
Service workers	118	112	100	99	79
Total support and administration	118	112	100	99	79
Total	184	183	162	156	151

(Continued)

**WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
 LAST TEN FISCAL YEARS**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Supervisory					
Consultants/supervisors of instruction	<u>14</u>	<u>10</u>	<u>3</u>	<u>2</u>	<u>2</u>
Total supervisory	<u>14</u>	<u>10</u>	<u>3</u>	<u>2</u>	<u>2</u>
Instruction					
Teachers	<u>51</u>	<u>43</u>	<u>22</u>	<u>13</u>	<u>10</u>
Total instruction	<u>51</u>	<u>43</u>	<u>22</u>	<u>13</u>	<u>10</u>
Support and Administration					
Service workers	<u>65</u>	<u>77</u>	<u>60</u>	<u>44</u>	<u>32</u>
Total support and administration	<u>65</u>	<u>77</u>	<u>60</u>	<u>44</u>	<u>32</u>
Total	<u><u>130</u></u>	<u><u>130</u></u>	<u><u>85</u></u>	<u><u>59</u></u>	<u><u>44</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
2022	7,815	\$ 36,260,499	\$ 4,640	(4.20) %	\$ 51,298,214	\$ 6,564	(9.52) %	58	134.7
2021	6,784	32,858,252	4,843	15.36	49,217,532	7,255	14.19	63	107.7
2020	7,129	29,931,229	4,199	2.55	45,291,437	6,353	(7.65)	58	122.9
2019	7,076	28,968,880	4,094	8.11	48,676,677	6,879	24.18	53	133.5
2018	6,845	25,920,322	3,787	(2.65)	37,917,426	5,539	7.15	62	110.4
2017	6,547	25,467,300	3,890	2.84	33,846,107	5,170	5.32	51	128.4
2016	6,075	22,978,635	3,782	(0.09)	29,818,667	4,908	2.91	43	141.3
2015	5,462	20,678,294	3,786	14.26	26,052,090	4,770	19.82	22	248.3
2014	5,380	17,826,553	3,313	(9.11)	21,416,841	3,981	4.47	13	413.8
2013	4,589	16,730,530	3,646	20.58	17,486,580	3,811	24.86	10	458.9

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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Schools</u>										
Buildings	26	26	26	26	17	15	12	9	9	5
Square feet	568,331	568,331	568,331	562,634	421,284	411,496	343,092	261,195	261,195	154,371

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

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