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# **WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402**

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## **Annual Comprehensive Financial Report**

Fiscal Year Ended June 30, 2021



**WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402**

**GLENDALE, ARIZONA**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Issued by:  
Business and Finance Department

# WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402

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## **INTRODUCTORY SECTION**



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December 28, 2021

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, 2021.

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, 2021, 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, 2021, 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 37,646 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 seven members elected by the public. Under existing statutes, the Governing Board's duties and powers include, but are not limited to, the acquisition, maintenance and disposition of school property; the development and adoption of a school program; and the establishment, organization and operation of schools. The Board also has broad financial responsibilities, including the approval of the annual budget, and the establishment of a system of accounting and budgetary controls.

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

The 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 2021 student enrollment was 37,636, calculated by formula to 7,134 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, 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, and nursing services. 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 2019 census. The population of the city is 1,815,797. 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 3,287. 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.; Arizona State University; and Honor Health. 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 3,876 square miles. West-MEC services the cities of Phoenix, Peoria, Glendale, Surprise, Buckeye, Avondale, Wickenburg, Youngtown, Tonopah, El Mirage, Goodyear, Litchfield Park and Tolleson.

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. Biosciences programs will be offered at this new southeast campus.

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, 2020. This was the 16th consecutive year that the District has received this prestigious award. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2020. 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, 2021 certificates.

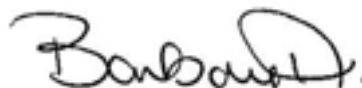
**Acknowledgments.** The preparation of the annual comprehensive financial report on a timely basis was made possible by the dedicated service of the entire staff of the business and finance department. Each member of the department has our sincere appreciation for the contributions made in the preparation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



Gregory J. Donovan  
Superintendent



Barbara Thompson  
Business Services Administrator



**The Certificate of Excellence in Financial Reporting  
is presented to**

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

**for its Comprehensive Annual Financial Report  
for the Fiscal Year Ended June 30, 2020.**

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



A handwritten signature in black ink that reads 'W. Edward Chabal'.

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W. Edward Chabal  
President

A handwritten signature in black ink that reads 'David J. Lewis'.

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David J. Lewis  
Executive Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

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

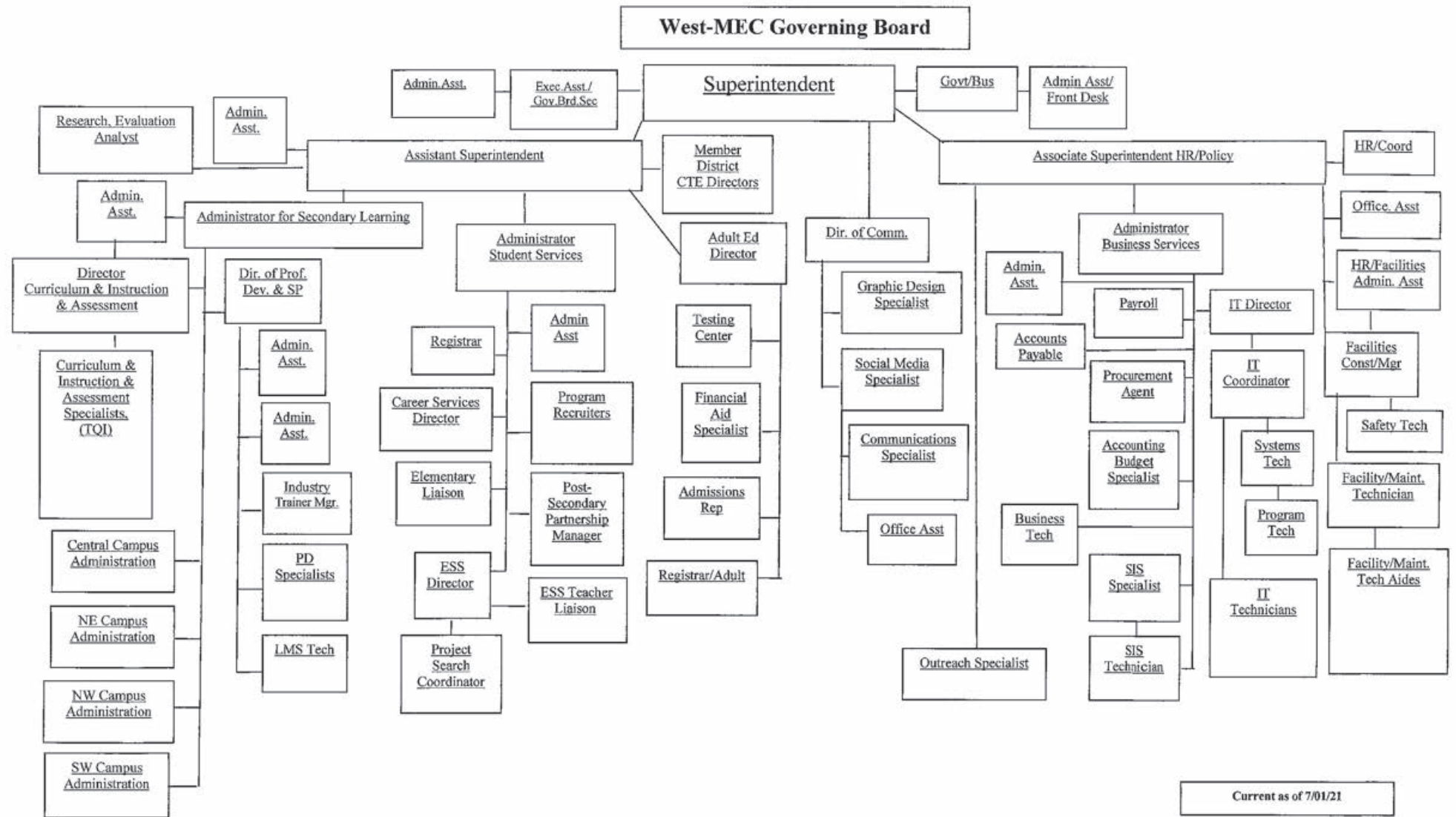
For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO





Current as of 7/01/21

**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

Michael Hutchinson, Member

**ADMINISTRATIVE STAFF**

Gregory J. Donovan, Superintendent

John J. Erb, Ed.D, Associate Superintendent

Barbara Thompson, Business Services Administrator

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**FINANCIAL SECTION**

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## Independent Auditor's Report

Governing Board  
Western Maricopa Education Center District No. 402

### **Report on Audit of Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Western Maricopa Education Center District No. 402 (District), as of and for the year ended June 30, 2021, 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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

### ***Other Matters***

#### ***Required Supplementary Information***

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

### *Supplementary Information*

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

### *Other Information*

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

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2021, on our consideration of Western Maricopa Education Center District No. 402's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Western Maricopa Education Center District No. 402's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Western Maricopa Education Center District No. 402's internal control over financial reporting and compliance.

*Heinfeld Meech & Co. PC*

Heinfeld, Meech & Co., P.C.  
Scottsdale, Arizona  
December 28, 2021



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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, 2021**

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, 2021. 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 \$16.0 million which represents a 13 percent increase from the prior fiscal year primarily due the District's cautious spending in the COVID-19 pandemic environment.
- General revenues accounted for \$58.4 million in revenue, or 90 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$6.8 million or 10 percent of total current fiscal year revenues.
- The District had approximately \$49.2 million in expenses related to governmental activities, an increase of nine percent from the prior fiscal year primarily due to the District being open for the majority of the school year, while being shut down for approximately one-third of the previous year.
- Among major funds, the General Fund had \$34.4 million current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$28.4 million in expenditures. The General Fund's fund balance increase from \$32.1 million at the prior fiscal year end to \$38.1 million at the end of the current fiscal year was primarily due to the District's cautious spending during the COVID-19 pandemic.
- Net position for the Internal Service Funds increased \$51,086 from the prior fiscal year. Operating revenues of \$150,000 exceeded operating expenses of \$102,823 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, 2021**

**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, 2021**

**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, 2021**

**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 by \$140.0 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, 2021 and June 30, 2020.

	As of June 30, 2021	As of June 30, 2020
Current assets	\$ 143,508,107	\$ 145,990,814
Capital assets, net	187,968,799	182,876,792
Total assets	<u>331,476,906</u>	<u>328,867,606</u>
Deferred outflows	<u>3,831,210</u>	<u>2,989,280</u>
Current [and other] liabilities	6,234,152	6,966,709
Long-term liabilities	189,084,559	200,142,934
Total liabilities	<u>195,318,711</u>	<u>207,109,643</u>
Deferred inflows		<u>789,412</u>
Net position:		
Net investment in capital assets	70,215,926	58,119,098
Restricted	31,690,173	31,842,400
Unrestricted	38,083,306	33,996,333
Total net position	<u>\$ 139,989,405</u>	<u>\$ 123,957,831</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, 2021**

**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 addition of \$9.3 million in capital assets through the purchase of land for a new school, other school improvements, and purchases of vehicles, furniture and equipment.
- The depreciation of existing assets resulting in the addition of \$4.2 million in accumulated depreciation.
- The increase of \$3.3 million in pension liabilities.

**Changes in net position.** The District's total revenues for the current fiscal year were \$65.2 million. The total cost of all programs and services was \$49.2 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2021 and June 30, 2020.

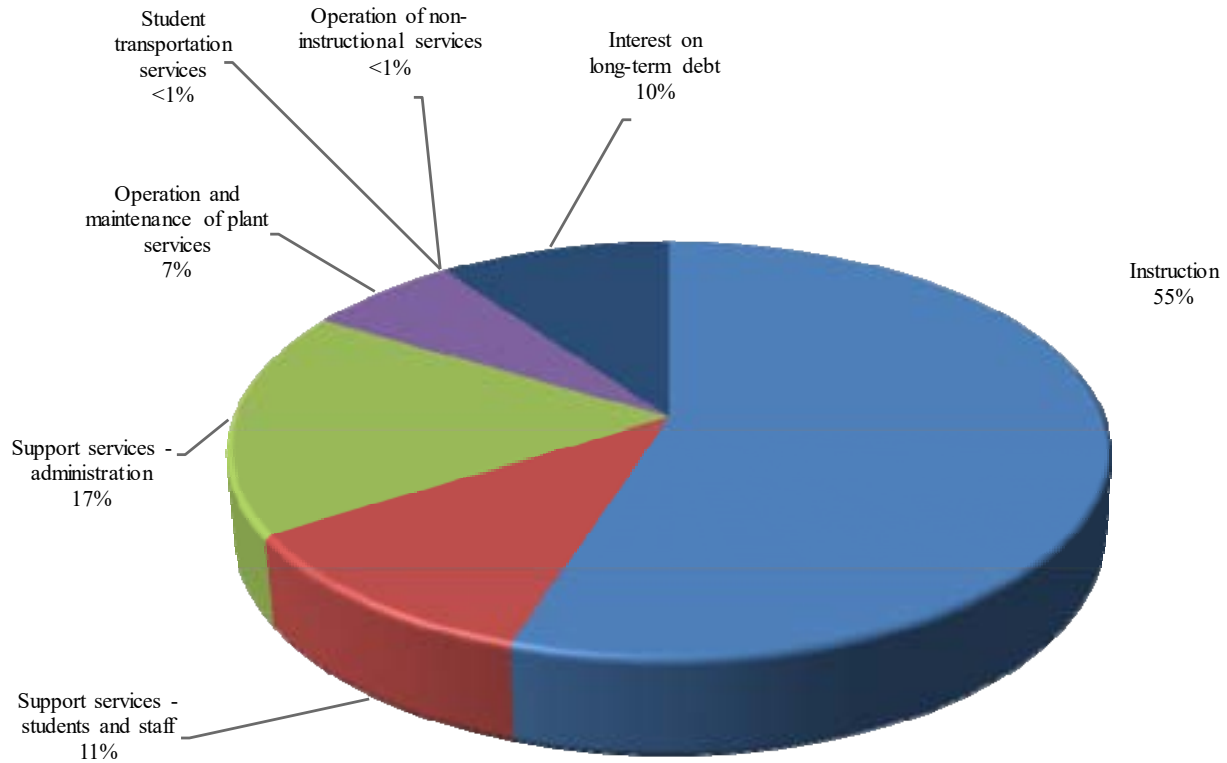
	Fiscal Year Ended June 30, 2021	Fiscal Year Ended June 30, 2020
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 2,831,518	\$ 2,807,213
Operating grants and contributions	3,141,096	131,460
Capital grants and contributions	863,146	122,792
General revenues:		
Property taxes	28,126,315	25,900,087
Investment income	1,271,905	2,065,728
Unrestricted county aid	2,773,710	3,362,486
Unrestricted state aid	26,241,416	31,957,655
<b>Total revenues</b>	65,249,106	66,347,421
<b>Expenses:</b>		
Instruction	27,069,815	25,189,552
Support services - students and staff	5,450,450	5,268,546
Support services - administration	8,618,610	7,280,450
Operation and maintenance of plant services	3,213,103	2,789,203
Student transportation services		12,956
Operation of non-instructional services	4,781	4,781
Interest on long-term debt	4,860,773	4,745,949
<b>Total expenses</b>	49,217,532	45,291,437
<b>Changes in net position</b>	16,031,574	21,055,984
<b>Net position, beginning</b>	123,957,831	102,901,847
<b>Net position, ending</b>	\$ 139,989,405	\$ 123,957,831



**WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2021**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Expenses - Fiscal Year 2021**



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

- Property taxes increased \$2.2 million due to an increase in property tax rates.
- Operating grants and contributions increased \$3.1 million primarily due to an increase in grant funding as a result of the COVID-19 pandemic.
- Unrestricted state aid decreased \$5.4 million primarily due to the state funding allocation calculation.
- Support services – administration expenses increased \$1.3 million primarily due to the District being open for the majority of the school year, while being shut down for approximately one-third of the previous year.

**WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2021**

**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, 2021</u>		<u>Year Ended June 30, 2020</u>	
	Total	Net (Expense)/	Total	Net (Expense)/
	<u>Expenses</u>	<u>Revenue</u>	<u>Expenses</u>	<u>Revenue</u>
Instruction	\$ 27,069,815	\$ (21,292,955)	\$ 25,189,552	\$ (22,559,189)
Support services - students and staff	5,450,450	(5,404,946)	5,268,546	(5,059,537)
Support services - administration	8,618,610	(8,358,837)	7,280,450	(7,280,450)
Operation and maintenance of plant services	3,213,103	(2,459,480)	2,789,203	(2,589,628)
Student transportation services			12,956	9,562
Operation of non-instructional services	4,781	(4,781)	4,781	(4,781)
Interest on long-term debt	4,860,773	(4,860,773)	4,745,949	(4,745,949)
Total	<u>\$ 49,217,532</u>	<u>\$ (42,381,772)</u>	<u>\$ 45,291,437</u>	<u>\$ (42,229,972)</u>

- The cost of all governmental activities this year was \$49.2 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$6.8 million.
- Net cost of governmental activities of \$42.4 million was financed by general revenues, which are made up of primarily property taxes of \$28.1 million and state and county aid of \$29.0 million. Investment earnings accounted for \$1.3 million of funding.

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

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

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

**WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2021**

**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 \$123.4 million, a decrease of \$2.6 million due primarily to a combination of an increase of \$6.0 million in the General Fund due to cautious spending in the COVID-19 environment and a decrease of \$8.1 million in the Bond Building Fund due to the purchase of land for a future school site.

The General Fund comprises 31 percent of the total fund balance. The entire \$38.1 million 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 \$6.0 million to \$38.1 million as of fiscal year end primarily due to the District's cautious spending in the COVID-19 pandemic environment. General Fund revenues decreased \$6.9 million primarily due to a change in the state funding allocation calculation. General Fund expenditures increased \$37,214, which is insignificant.

The fund balance in the Debt Service Fund increased \$592,975 to \$1.5 million due an increase in property taxes.

The fund balance in the Unrestricted Capital Outlay Fund decreased \$1.8 million to \$24.1 million primarily due to the state aid allocated to the fund being less than capital outlay expenditures.

The fund balance in the Bond Building Fund decreased \$8.1 million to \$54.2 million as of year end primarily due an increase in expenditures related to the purchase of land for a new school site to be built in 2021-22.

**Proprietary funds.** Unrestricted net position of the Internal Service Fund at the end of the fiscal year amounted to \$309,673. The increase of \$51,086 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, 2021**

**BUDGETARY HIGHLIGHTS**

Over the course of the year, the District revised the General Fund annual expenditure budget. The difference between the original budget and the final amended budget was a \$2.3 million decrease, or seven percent, due to a decrease in budgeted average daily membership.

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 variances of \$3.4 million in instruction expenditures, \$944,225 in support services – students and staff, and \$725,372 in operation and maintenance of plant services expenditures were a result of using eligible funds from the COVID-19 pandemic.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** At year end, the District had invested \$208.4 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 \$9.3 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 \$4.2 million.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2021 and June 30, 2020.

	As of June 30, 2021	As of June 30, 2020
Capital assets - non-depreciable	\$ 22,850,672	\$ 40,348,846
Capital assets - depreciable, net	165,118,127	142,527,946
Total	\$ 187,968,799	\$ 182,876,792

The estimated cost to complete current construction projects is \$500,000. Additional information on the District’s capital assets can be found in Note 6.

**WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2021**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Debt Administration.** At year end, the District had \$172.0 million in long-term debt outstanding, \$12.9 million due within one year. Long-term debt decreased by \$14.5 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 \$230.8 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 9 and 10.

**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 2021-22 budget. Among them:

- Fiscal year 2020-21 budget balance carry forward (estimated \$4.5 million).
- Central Campus student population (estimated 2,075).
- 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 less than one percent to \$33.7 million in fiscal year 2021-22 which is insignificant. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2021-22 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, 2021**

	Governmental Activities
<b><u>ASSETS</u></b>	
Current assets:	
Cash and investments	\$ 134,385,719
Property taxes receivable	386,773
Due from governmental entities	8,735,615
Total current assets	143,508,107
Noncurrent assets:	
Capital assets not being depreciated	22,850,672
Capital assets, net of accumulated depreciation	165,118,127
Total noncurrent assets	187,968,799
<b>Total assets</b>	<b>331,476,906</b>
 <b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>	
Pension plan items	3,831,210
 <b><u>LIABILITIES</u></b>	
Current liabilities:	
Accounts payable	517,330
Due to governmental entities	813,566
Accrued payroll and employee benefits	550,475
Compensated absences payable	109,424
Accrued interest payable	3,452,141
Unearned revenues	900,640
Bonds payable	12,855,000
Total current liabilities	19,198,576
Noncurrent liabilities:	
Non-current portion of long-term obligations	176,120,135
Total noncurrent liabilities	176,120,135
<b>Total liabilities</b>	<b>195,318,711</b>
 <b><u>NET POSITION</u></b>	
Net investment in capital assets	70,215,926
Restricted for:	
Instruction	3,720,584
Non-instructional purposes	2,278,569
Debt service	1,631,126
Capital outlay	24,059,894
Unrestricted	38,083,306
<b>Total net position</b>	<b>\$ 139,989,405</b>

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, 2021**

<b>Functions/Programs</b>	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental activities:</b>					
Instruction	\$ 27,069,815	\$ 2,365,384	\$ 2,548,330	\$ 863,146	\$ (21,292,955)
Support services - students and staff	5,450,450		45,504		(5,404,946)
Support services - administration	8,618,610	257,334	2,439		(8,358,837)
Operation and maintenance of plant services	3,213,103	208,800	544,823		(2,459,480)
Operation of non-instructional services	4,781				(4,781)
Interest on long-term debt	4,860,773				(4,860,773)
<b>Total governmental activities</b>	<u>\$ 49,217,532</u>	<u>\$ 2,831,518</u>	<u>\$ 3,141,096</u>	<u>\$ 863,146</u>	<u>\$ (42,381,772)</u>

**General revenues:**

Taxes:

Property taxes, levied for general purposes	8,514,152
Property taxes, levied for debt service	19,612,163
Investment income	1,271,905
Unrestricted county aid	2,773,710
Unrestricted state aid	26,241,416
<b>Total general revenues</b>	<u>58,413,346</u>

**Changes in net position**

16,031,574

**Net position, beginning of year**

123,957,831

**Net position, end of year**

\$ 139,989,405

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, 2021**

	General	Debt Service	Unrestricted Capital Outlay
<b><u>ASSETS</u></b>			
Cash and investments	\$ 31,210,077	\$ 17,668,344	\$ 24,228,481
Property taxes receivable	116,850	269,923	
Due from governmental entities	8,182,900		
Due from other funds	13,719		
<b>Total assets</b>	<b>\$ 39,523,546</b>	<b>\$ 17,938,267</b>	<b>\$ 24,228,481</b>
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</u></b>			
<b><u>AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 236,163	\$	\$ 168,587
Due to governmental entities			
Due to other funds			
Accrued payroll and employee benefits	249,870		
Unearned revenues	900,000		
Bonds payable		12,855,000	
Bond interest payable		3,452,141	
<b>Total liabilities</b>	<b>1,386,033</b>	<b>16,307,141</b>	<b>168,587</b>
Deferred inflows of resources:			
Unavailable revenues - property taxes	53,082	125,717	
Unavailable revenues - intergovernmental			
<b>Total deferred inflows of resources</b>	<b>53,082</b>	<b>125,717</b>	
Fund balances (deficits):			
Restricted		1,505,409	24,059,894
Unassigned	38,084,431		
<b>Total fund balances</b>	<b>38,084,431</b>	<b>1,505,409</b>	<b>24,059,894</b>
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	 <b>\$ 39,523,546</b>	 <b>\$ 17,938,267</b>	 <b>\$ 24,228,481</b>

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>
\$ 54,198,228	\$ 6,732,916	\$ 134,038,046
	552,715	386,773
		8,735,615
		13,719
<u>\$ 54,198,228</u>	<u>\$ 7,285,631</u>	<u>\$ 143,174,153</u>
\$	\$ 74,580	\$ 479,330
	813,566	813,566
	13,719	13,719
	300,605	550,475
	640	900,640
		12,855,000
		3,452,141
	<u>1,203,110</u>	<u>19,064,871</u>
		178,799
	<u>514,853</u>	<u>514,853</u>
	<u>514,853</u>	<u>693,652</u>
54,198,228	5,999,153	85,762,684
	(431,485)	37,652,946
<u>54,198,228</u>	<u>5,567,668</u>	<u>123,415,630</u>
<u>\$ 54,198,228</u>	<u>\$ 7,285,631</u>	<u>\$ 143,174,153</u>

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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, 2021**

**Total governmental fund balances** **\$ 123,415,630**

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	\$ 208,422,618	
Less accumulated depreciation	<u>(20,453,819)</u>	187,968,799

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

Property taxes	178,799	
Intergovernmental	<u>514,853</u>	693,652

Deferred outflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds. 3,831,210

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. 309,673

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

Compensated absences payable	(1,225,980)	
Net pension liability	(15,907,478)	
Bonds payable	<u>(159,096,101)</u>	<u>(176,229,559)</u>

**Net position of governmental activities** **\$ 139,989,405**

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, 2021**

	General	Debt Service	Unrestricted Capital Outlay
<b>Revenues:</b>			
Other local	\$ 3,821,341	\$ 41,265	\$ 555,834
Property taxes	8,564,777	19,702,537	
State aid and grants	22,031,835		3,366,087
Federal aid, grants and reimbursements			
<b>Total revenues</b>	34,417,953	19,743,802	3,921,921
<b>Expenditures:</b>			
Current -			
Instruction	15,777,024		
Support services - students and staff	4,331,701		
Support services - administration	5,745,297		
Operation and maintenance of plant services	2,559,109		
Capital outlay	798		5,701,017
Debt service -			
Principal retirement		12,855,000	
Interest and fiscal charges		6,905,481	
<b>Total expenditures</b>	28,413,929	19,760,481	5,701,017
<b>Excess (deficiency) of revenues over expenditures</b>	6,004,024	(16,679)	(1,779,096)
<b>Other financing sources (uses):</b>			
Transfers in		609,654	
Transfers out			
<b>Total other financing sources (uses)</b>		609,654	
<b>Changes in fund balances</b>	6,004,024	592,975	(1,779,096)
<b>Fund balances, beginning of year</b>	32,080,407	912,434	25,838,990
<b>Fund balances, end of year</b>	\$ 38,084,431	\$ 1,505,409	\$ 24,059,894

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>
\$ 748,775	\$ 1,801,401	\$ 6,968,616
		28,267,314
	1,189,082	26,587,004
	3,048,409	3,048,409
<u>748,775</u>	<u>6,038,892</u>	<u>64,871,343</u>
	3,687,353	19,464,377
	166,940	4,498,641
	126,194	5,871,491
	464,634	3,023,743
8,209,897	900,988	14,812,700
		12,855,000
		6,905,481
<u>8,209,897</u>	<u>5,346,109</u>	<u>67,431,433</u>
<u>(7,461,122)</u>	<u>692,783</u>	<u>(2,560,090)</u>
		609,654
<u>(609,654)</u>	<u>                    </u>	<u>(609,654)</u>
<u>(609,654)</u>	<u>                    </u>	<u>                    </u>
<u>(8,070,776)</u>	<u>692,783</u>	<u>(2,560,090)</u>
62,269,004	4,874,885	125,975,720
<u>\$ 54,198,228</u>	<u>\$ 5,567,668</u>	<u>\$ 123,415,630</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, 2021**

**Changes in fund balances - total governmental funds** **\$ (2,560,090)**

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

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

Expenditures for capitalized assets	\$ 9,296,868	
Less current year depreciation	<u>(4,203,184)</u>	5,093,684

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

Property taxes	(140,999)	
Intergovernmental	<u>514,853</u>	373,854

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.

Bond principal retirement		12,855,000
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Governmental funds report pension contributions as expenditures. However, they are reported as deferred outflows of resources in the Statement of Net Position. The change in the net pension liability, adjusted for deferred items, is reported as pension expense in the Statement of Activities.

Current year pension contributions	1,270,012	
Pension expense	<u>(2,912,828)</u>	(1,642,816)

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

Loss on disposal of assets	(1,677)	
Amortization of deferred bond items	2,044,708	
Compensated absences	<u>(182,175)</u>	1,860,856

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

		<u>51,086</u>
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**Changes in net position in governmental activities** **\$ 16,031,574**

**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, 2021**

	Governmental Activities: Internal Service Funds
<b><u>ASSETS</u></b>	
Current assets:	
Cash and investments	\$ 347,673
Total current assets	<u>347,673</u>
<b>Total assets</b>	<u><u>347,673</u></u>
 <b><u>LIABILITIES</u></b>	
Current liabilities:	
Accounts payable	<u>38,000</u>
Total current liabilities	<u>38,000</u>
<b>Total liabilities</b>	<u><u>38,000</u></u>
 <b><u>NET POSITION</u></b>	
Unrestricted	<u>309,673</u>
<b>Total net position</b>	<u><u>\$ 309,673</u></u>

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, 2021**

	Governmental Activities: Internal Service Funds
<b>Operating revenues:</b>	
Contributions	\$ 150,000
<b>Total operating revenues</b>	150,000
<b>Operating expenses:</b>	
Cost of services	102,823
<b>Total operating expenses</b>	102,823
<b>Operating income (loss)</b>	47,177
<b>Nonoperating revenues (expenses):</b>	
Investment income	3,909
<b>Total nonoperating revenues (expenses)</b>	3,909
<b>Changes in net position</b>	51,086
<b>Total net position, beginning of year</b>	258,587
<b>Total net position, end of year</b>	\$ 309,673

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, 2021**

	<b>Governmental Activities: Internal Service Funds</b>
<b><u>Increase/Decrease in Cash and Cash Equivalents</u></b>	
<b>Cash flows from operating activities:</b>	
Cash received from contributions	\$ 150,000
Cash payments to suppliers for goods and services	(64,823)
<b>Net cash provided by/used for operating activities</b>	<b>85,177</b>
 <b>Cash flows from investing activities:</b>	
Investment income	3,909
<b>Net cash provided by/used for investing activities</b>	<b>3,909</b>
<b>Net increase/decrease in cash and cash equivalents</b>	<b>89,086</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>258,587</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 347,673</b>
 <b><u>Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating Activities</u></b>	
<b>Operating income/loss</b>	<b>\$ 47,177</b>
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	38,000
<b>Total adjustments</b>	<b>38,000</b>
<b>Net cash provided by/used for operating activities</b>	<b>\$ 85,177</b>

**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, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**A. Reporting Entity**

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

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

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

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

**WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**B. Government-Wide and Fund Financial Statements**

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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, 2021**

**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, 2021**

**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, 2021**

**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, 2021**

**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; and construction in progress, 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, 2021**

**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 position 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 position 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. 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.

**M. 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.

**WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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.

**N. 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.

**O. 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.

**P. Estimates**

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

**NOTE 2 – FUND BALANCE CLASSIFICATIONS**

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

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

**WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 2 – FUND BALANCE CLASSIFICATIONS**

***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, 2021**

**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	\$	\$ 1,505,409	\$	\$	\$
Capital projects			24,059,894		
Bond building projects				54,198,228	
Voter approved initiatives:					2,500,360
Federal and state projects					718,750
Civic center					558,197
Community school					1,720,372
Extracurricular activities					64,881
Gifts and donations					308,231
Student activities					61,924
Career and technical education projects					66,438
Unassigned	38,084,431				(431,485)
Total fund balances	\$ 38,084,431	\$ 1,505,409	\$ 24,059,894	\$54,198,228	\$ 5,567,668

**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	\$ 13,719
Other Federal Projects	417,766

The deficits arose because of pending grant reimbursements. Additional revenues received in fiscal year 2021-22 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, 2021**

**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 \$152,533 and the bank balance was \$155,991.

*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	842 days	\$134,233,186

*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, 2021**

**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	Non-Major Governmental and Other Funds
Due from other governmental entities:		
Due from federal government	\$	\$ 552,715
Due from state government	8,182,900	
Net due from governmental entities	\$ 8,182,900	\$ 552,715

**NOTE 6 – CAPITAL ASSETS**

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

	Beginning Balance, as Restated	Increase	Decrease	Ending Balance
<b>Governmental Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 14,732,341	\$ 7,995,522	\$	\$ 22,727,863
Construction in progress	25,616,505	71,810	25,565,506	122,809
Total capital assets, not being depreciated	40,348,846	8,067,332	25,565,506	22,850,672
Capital assets, being depreciated:				
Land improvements	1,102,831			1,102,831
Buildings and improvements	148,674,025	25,803,176		174,477,201
Vehicles, furniture and equipment	9,045,311	991,866	45,263	9,991,914
Total capital assets being depreciated	158,822,167	26,795,042	45,263	185,571,946
Less accumulated depreciation for:				
Land and improvements	(317,492)	(55,755)		(373,247)
Buildings and improvements	(12,298,873)	(3,389,977)		(15,688,850)
Vehicles, furniture and equipment	(3,677,856)	(757,452)	(43,586)	(4,391,722)
Total accumulated depreciation	(16,294,221)	(4,203,184)	(43,586)	(20,453,819)
Total capital assets, being depreciated, net	142,527,946	22,591,858	1,677	165,118,127
Governmental activities capital assets, net	\$ 182,876,792	\$ 30,659,190	\$ 25,567,183	\$ 187,968,799

**WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 6 – CAPITAL ASSETS**

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 3,763,814
Support services – students and staff	124,973
Support services – administration	260,555
Operation and maintenance of plant services	49,061
Operation of non-instructional services	4,781
Total depreciation expense – governmental activities	<u>\$ 4,203,184</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 \$122,809 on the projects and had estimated remaining contractual commitments of \$500,000. This project is being funded with proceeds from the Unrestricted Capital Outlay Fund.

**NOTE 7 – DUE TO GOVERNMENTAL ENTITIES**

As of year end, the District had a due to governmental entities of \$813,566 as a result of the Coronavirus Relief Fund, a federal grant passed through the State of Arizona Governor’s Office.

**NOTE 8 – SHORT TERM DEBT – REVOLVING LINE OF CREDIT**

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

**WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 9 – 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 \$230.8 million, and the available margin is \$59.6 million.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2021	Due Within One Year
<b>Governmental activities:</b>					
School Improvement Bonds, Project of 2012, Series A (2013)	\$ 35,000,000	3.0-5.0%	7/1/21-32	\$ 25,445,000	\$ 1,685,000
School Improvement Bonds, Project of 2012, Series B (2014)	25,000,000	3.0-4.5%	7/1/21-34	21,000,000	
School Improvement Bonds, Project of 2012, Series C (2015)	14,900,000	2.0-4.25%	7/1/21-35	13,530,000	1,375,000
School Improvement Bonds, Project of 2016, Series A (2017)	70,035,000	2.75-5.0%	7/1/21-27	48,800,000	4,195,000
School Improvement Bonds, Project of 2016, Series B (2019)	53,035,000	1.5-5.0%	7/1/21-28	48,300,000	5,600,000
Total				<u>\$ 157,075,000</u>	<u>\$ 12,855,000</u>

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

Year ending June 30:	Governmental Activities	
	Principal	Interest
2022	\$ 12,855,000	\$ 6,639,956
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
2027-31	57,105,000	27,070,818
2032-36	23,765,000	2,537,419
Total	<u>\$ 157,075,000</u>	<u>\$ 56,017,152</u>

**WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 10 – 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
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$ 169,545,000	\$	\$ 12,470,000	\$ 157,075,000	\$ 12,855,000
Premium	16,920,809		2,044,708	14,876,101	
Total bonds payable	<u>186,465,809</u>	<u></u>	<u>14,514,708</u>	<u>171,951,101</u>	<u>12,855,000</u>
Net pension liability	12,633,320	3,274,158		15,907,478	
Compensated absences payable	1,043,805	449,768	267,593	1,225,980	109,424
Governmental activity long-term liabilities	<u>\$ 200,142,934</u>	<u>\$ 3,723,926</u>	<u>\$ 14,782,301</u>	<u>\$ 189,084,559</u>	<u>\$ 12,964,424</u>

**NOTE 11 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

At year end, interfund balances were as follows:

Transfers between funds of \$609,654 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, one non-major governmental fund had a 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 \$13,719. All interfund balances are expected to be paid within one year.

**NOTE 12 – 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, 2021**

**NOTE 12 – 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 13 – 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](http://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, 2021**

**NOTE 13 – 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 12.22 percent (12.04 percent for retirement and 0.18 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 12.22 percent (11.65 percent for retirement, 0.39 percent for health insurance premium benefit, and 0.18 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, 2021 were \$1,270,012.

**WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 13 – 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 10.41 percent (10.29 for retirement, 0.05 percent for health insurance premium benefit, and 0.07 percent for long-term disability). ACR contributions are included in employer contributions presented above.

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

**Pension Liability.** The net pension liability was measured as of June 30, 2020. 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, 2019, to the measurement date of June 30, 2020. 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, 2020.

At June 30, 2021, the District reported the following amounts for its proportionate share of the pension plan net liability. In addition, at June 30, 2020, the District’s percentage proportion for the plan and the related change from its proportion measured as of June 30, 2019 was:

Net Liability	District % Proportion	Increase (Decrease)
\$ 15,907,478	0.092	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, 2021 was \$2,912,828.



**WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 13 – 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	\$ 143,911	\$
Net difference between projected and actual earnings on pension investments	1,534,295	
Changes in proportion and differences between contributions and proportionate share of contributions	882,992	
Contributions subsequent to the measurement date	1,270,012	
Total	\$ 3,831,210	\$

The District did not have deferred inflows of resources related to pensions during the year.

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, 2022. 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:		
2022	\$	827,719
2023		703,959
2024		554,971
2025		474,549

**WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 13 – PENSIONS**

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

Actuarial valuation date	June 30, 2019
Actuarial roll forward date	June 30, 2020
Actuarial cost method	Entry age normal
Investment rate of return	7.5%
Inflation	2.3%
Projected salary increases	2.7-7.2%
Permanent base increases	Included
Mortality rates	2017 SRA Scale U-MP

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2016. 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, 2017, actuarial valuation.

The long-term expected rate of return on ASRS plan investments was determined to be 7.5 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.

On June 29, 2018, the ASRS Board approved updated strategic asset allocation targets, to be effective July 2018. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
Equity	50%	6.39%
Credit	20	5.44
Interest rate sensitive bonds	10	0.22
Real estate	20	5.85
Total	<u>100%</u>	

**WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 13 – PENSIONS**

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

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.** The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.5 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	6.5%	7.5%	8.5%
Net liability	\$ 21,753,260	\$ 15,907,478	\$ 11,020,704

**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](http://www.azasrs.gov).

**NOTE 14 – JOINTLY FUNDED OPERATIONS**

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

**REQUIRED SUPPLEMENTARY INFORMATION**

**WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL**  
**YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Other local	\$	\$	\$ 3,100,622	\$ 3,100,622
Property taxes			8,564,777	8,564,777
State aid and grants			22,031,835	22,031,835
<b>Total revenues</b>			<u>33,697,234</u>	<u>33,697,234</u>
<b>Expenditures:</b>				
Current -				
Instruction	20,874,827	18,934,220	15,523,816	3,410,404
Support services - students and staff	5,267,770	5,267,770	4,323,545	944,225
Support services - administration	6,022,022	6,022,022	5,734,145	287,877
Operation and maintenance of plant services	3,682,274	3,284,481	2,559,109	725,372
Student transportation services	22,000	22,000		22,000
<b>Total expenditures</b>	<u>35,868,893</u>	<u>33,530,493</u>	<u>28,140,615</u>	<u>5,389,878</u>
<b>Changes in fund balances</b>	<u>(35,868,893)</u>	<u>(33,530,493)</u>	<u>5,556,619</u>	<u>39,087,112</u>
<b>Fund balances, beginning of year</b>			30,106,737	30,106,737
<b>Fund balances (deficits), end of year</b>	<u>\$ (35,868,893)</u>	<u>\$ (33,530,493)</u>	<u>\$ 35,663,356</u>	<u>\$ 69,193,849</u>

See accompanying notes to this schedule.

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Measurement date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
District's proportion of the net pension (assets) liability	0.09%	0.09%	0.08%	0.07%
District's proportionate share of the net pension (assets) liability	\$ 15,907,478	\$ 12,633,320	\$ 10,925,673	\$ 10,384,329
District's covered payroll	\$ 9,992,908	\$ 9,112,299	\$ 7,771,422	\$ 6,489,499
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	159.19%	138.64%	140.59%	160.02%
Plan fiduciary net position as a percentage of the total pension liability	69.33%	73.24%	73.40%	69.92%

**SCHEDULE OF PENSION CONTRIBUTIONS**  
**ARIZONA STATE RETIREMENT SYSTEM**  
**LAST SEVEN FISCAL YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 1,270,012	\$ 1,144,188	\$ 1,018,755	\$ 847,085
Contributions in relation to the actuarially determined contribution	<u>1,270,012</u>	<u>1,144,188</u>	<u>1,018,755</u>	<u>847,085</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 10,901,391	\$ 9,992,908	\$ 9,112,299	\$ 7,771,422
Contributions as a percentage of covered payroll	11.65%	11.45%	11.18%	10.90%

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

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



**WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2021**

**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	\$ 28,413,929	\$ 38,084,431
Activity budgeted as special revenue funds	(266,605)	(2,360,209)
Employee insurance account	(6,709)	(60,866)
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	\$ 28,140,615	\$ 35,663,356

**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, 2019, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2016. 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, 2017, actuarial valuation.

**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, 2021**

	Classroom Site	Instructional Improvement	Vocational Education
<b><u>ASSETS</u></b>			
Cash and investments	\$ 2,412,569	\$ 381,625	\$
Due from governmental entities			13,719
<b>Total assets</b>	<b>\$ 2,412,569</b>	<b>\$ 381,625</b>	<b>\$ 13,719</b>
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to governmental entities			
Due to other funds			13,719
Accrued payroll and employee benefits	293,834		
Unearned revenues			
<b>Total liabilities</b>	<b>293,834</b>		<b>13,719</b>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			13,719
Fund balances (deficits):			
Restricted	2,118,735	381,625	
Unassigned			(13,719)
<b>Total fund balances</b>	<b>2,118,735</b>	<b>381,625</b>	<b>(13,719)</b>
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	 <b>\$ 2,412,569</b>	 <b>\$ 381,625</b>	 <b>\$ 13,719</b>

<u>E-Rate</u>	<u>Other Federal Projects</u>	<u>College Credit Exam Incentives</u>	<u>Civic Center</u>	<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>
\$ 115,082	\$ 462,101	\$ 3,485	\$ 558,197	\$ 1,727,143	\$ 64,881
121,230	417,766				
<u>\$ 236,312</u>	<u>\$ 879,867</u>	<u>\$ 3,485</u>	<u>\$ 558,197</u>	<u>\$ 1,727,143</u>	<u>\$ 64,881</u>
\$	\$ 65,661	\$	\$	\$	\$
	813,566				
				6,771	
	640				
	<u>879,867</u>			<u>6,771</u>	
<u>83,368</u>	<u>417,766</u>				
152,944		3,485	558,197	1,720,372	64,881
	(417,766)				
<u>152,944</u>	<u>(417,766)</u>	<u>3,485</u>	<u>558,197</u>	<u>1,720,372</u>	<u>64,881</u>
<u>\$ 236,312</u>	<u>\$ 879,867</u>	<u>\$ 3,485</u>	<u>\$ 558,197</u>	<u>\$ 1,727,143</u>	<u>\$ 64,881</u>

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**WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402  
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2021**

	Gifts and Donations	Career and Technical Education Projects	Arizona Industry Credentials Incentive
<b><u>ASSETS</u></b>			
Cash and investments	\$ 317,150	\$ 66,438	\$ 562,321
Due from governmental entities			
<b>Total assets</b>	<b>\$ 317,150</b>	<b>\$ 66,438</b>	<b>\$ 562,321</b>
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 8,919	\$	\$
Due to governmental entities			
Due to other funds			
Accrued payroll and employee benefits			
Unearned revenues			
<b>Total liabilities</b>	<b>8,919</b>		
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances (deficits):			
Restricted	308,231	66,438	562,321
Unassigned			
<b>Total fund balances</b>	<b>308,231</b>	<b>66,438</b>	<b>562,321</b>
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	 <b>\$ 317,150</b>	 <b>\$ 66,438</b>	 <b>\$ 562,321</b>

<u>Student Activities</u>	<u>Totals</u>
\$ 61,924	\$ 6,732,916
	552,715
<u>\$ 61,924</u>	<u>\$ 7,285,631</u>

\$	\$ 74,580
	813,566
	13,719
	300,605
	640
	<u>1,203,110</u>

	<u>514,853</u>
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61,924	5,999,153
	(431,485)
<u>61,924</u>	<u>5,567,668</u>

<u>\$ 61,924</u>	<u>\$ 7,285,631</u>
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**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, 2021**

	Classroom Site	Instructional Improvement	Vocational Education
<b>Revenues:</b>			
Other local	\$ 5,647	\$ 1,698	\$
State aid and grants	785,297	58,197	
Federal aid, grants and reimbursements			31,506
<b>Total revenues</b>	790,944	59,895	31,506
<b>Expenditures:</b>			
Current -			
Instruction	430,624		
Support services - students and staff	5,520		45,225
Support services - administration			
Operation and maintenance of plant services			
Capital outlay			
<b>Total expenditures</b>	436,144		45,225
<b>Changes in fund balances</b>	354,800	59,895	(13,719)
<b>Fund balances, beginning of year</b>	1,763,935	321,730	
<b>Fund balances (deficits), end of year</b>	\$ 2,118,735	\$ 381,625	\$ (13,719)

<u>E-Rate</u>	<u>Other Federal Projects</u>	<u>College Credit Exam Incentives</u>	<u>Civic Center</u>	<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>
\$ 2,131	\$	\$	\$ 260,812	\$ 1,287,965	\$ 25,591
76,618	2,940,285				
<u>78,749</u>	<u>2,940,285</u>		<u>260,812</u>	<u>1,287,965</u>	<u>25,591</u>
	2,289,951	602		570,190	2,781
	2,424		9,185	106,873	
	458,623		23,442	100,328	
179,475	607,053		4,455	1,556	
<u>179,475</u>	<u>607,053</u>		<u>1,794</u>	<u>101,239</u>	
	<u>3,358,051</u>	<u>602</u>	<u>38,876</u>	<u>880,186</u>	<u>2,781</u>
<u>(100,726)</u>	<u>(417,766)</u>	<u>(602)</u>	<u>221,936</u>	<u>407,779</u>	<u>22,810</u>
253,670		4,087	336,261	1,312,593	42,071
<u>\$ 152,944</u>	<u>\$ (417,766)</u>	<u>\$ 3,485</u>	<u>\$ 558,197</u>	<u>\$ 1,720,372</u>	<u>\$ 64,881</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, 2021**

	<u>Gifts and Donations</u>	<u>Career and Technical Education Projects</u>	<u>Arizona Industry Credentials Incentive</u>
<b>Revenues:</b>			
Other local	\$ 73,561	\$ 24,276	\$ 6,545
State aid and grants			345,588
Federal aid, grants and reimbursements			
<b>Total revenues</b>	<u>73,561</u>	<u>24,276</u>	<u>352,133</u>
<b>Expenditures:</b>			
Current -			
Instruction	103,319	20,538	147,334
Support services - students and staff	137		
Support services - administration			
Operation and maintenance of plant services			
Capital outlay	205	11,222	
<b>Total expenditures</b>	<u>103,661</u>	<u>31,760</u>	<u>147,334</u>
<b>Changes in fund balances</b>	<u>(30,100)</u>	<u>(7,484)</u>	<u>204,799</u>
<b>Fund balances, beginning of year</b>	338,331	73,922	357,522
<b>Fund balances, end of year</b>	<u>\$ 308,231</u>	<u>\$ 66,438</u>	<u>\$ 562,321</u>

<u>Student Activities</u>	<u>Totals</u>
\$ 113,175	\$ 1,801,401
	1,189,082
	3,048,409
<u>113,175</u>	<u>6,038,892</u>
122,014	3,687,353
	166,940
	126,194
	464,634
	900,988
<u>122,014</u>	<u>5,346,109</u>
<u>(8,839)</u>	<u>692,783</u>
70,763	4,874,885
<u>\$ 61,924</u>	<u>\$ 5,567,668</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, 2021**

	Classroom Site		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 5,647	\$ 5,647
State aid and grants		785,297	785,297
Federal aid, grants and reimbursements			
<b>Total revenues</b>		790,944	790,944
<b>Expenditures:</b>			
Current -			
Instruction	22,697,812	430,624	22,267,188
Support services - students and staff		5,520	(5,520)
Support services - administration			
Operation and maintenance of plant services			
Capital outlay			
<b>Total expenditures</b>	22,697,812	436,144	22,261,668
<b>Changes in fund balances</b>	(22,697,812)	354,800	23,052,612
<b>Fund balances, beginning of year</b>		1,763,935	1,763,935
<b>Fund balances (deficits), end of year</b>	\$ (22,697,812)	\$ 2,118,735	\$ 24,816,547

Instructional Improvement			Vocational Education		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 1,698	\$ 1,698	\$	\$	\$
	58,197	58,197			
	<u>59,895</u>	<u>59,895</u>		<u>31,506</u>	<u>31,506</u>
				<u>31,506</u>	<u>31,506</u>
340,771		340,771	120,000	45,225	74,775
<u>340,771</u>		<u>340,771</u>	<u>120,000</u>	<u>45,225</u>	<u>74,775</u>
<u>(340,771)</u>	<u>59,895</u>	<u>400,666</u>	<u>(120,000)</u>	<u>(13,719)</u>	<u>106,281</u>
	321,730	321,730			
<u>\$ (340,771)</u>	<u>\$ 381,625</u>	<u>\$ 722,396</u>	<u>\$ (120,000)</u>	<u>\$ (13,719)</u>	<u>\$ 106,281</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, 2021**

	E-Rate		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 2,131	\$ 2,131
State aid and grants			
Federal aid, grants and reimbursements		76,618	76,618
<b>Total revenues</b>		<u>78,749</u>	<u>78,749</u>
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Capital outlay	305,167	179,475	125,692
<b>Total expenditures</b>	<u>305,167</u>	<u>179,475</u>	<u>125,692</u>
<b>Changes in fund balances</b>	<u>(305,167)</u>	<u>(100,726)</u>	<u>204,441</u>
<b>Fund balances, beginning of year</b>		253,670	253,670
<b>Fund balances (deficits), end of year</b>	<u>\$ (305,167)</u>	<u>\$ 152,944</u>	<u>\$ 458,111</u>

Other Federal Projects			College Credit Exam Incentives		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	2,940,285	2,940,285			
	2,940,285	2,940,285			
4,453,277	2,289,951	2,163,326		602	(602)
	2,424	(2,424)			
	458,623	(458,623)			
	607,053	(607,053)			
4,453,277	3,358,051	1,095,226		602	(602)
(4,453,277)	(417,766)	4,035,511		(602)	(602)
				4,087	4,087
\$ (4,453,277)	\$ (417,766)	\$ 4,035,511	\$	\$ 3,485	\$ 3,485

(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, 2021**

	School Plant		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 208,800	\$ 208,800
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>	2,039,786	208,800	208,800
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services	2,039,786		2,039,786
Capital outlay			
<b>Total expenditures</b>	2,039,786		2,039,786
<b>Changes in fund balances</b>	(2,039,786)	208,800	2,248,586
<b>Fund balances, beginning of year</b>		948,518	948,518
<b>Fund balances (deficits), end of year</b>	\$ (2,039,786)	\$ 1,157,318	\$ 3,197,104

Civic Center			Community School		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 260,812	\$ 260,812	\$	\$ 1,287,965	\$ 1,287,965
	<u>260,812</u>	<u>260,812</u>		<u>1,287,965</u>	<u>1,287,965</u>
	9,185	(9,185)	788,771	570,190	218,581
205,425	23,442	181,983		106,873	(106,873)
	4,455	(4,455)		100,328	(100,328)
	1,794	(1,794)		1,556	(1,556)
<u>205,425</u>	<u>38,876</u>	<u>166,549</u>	<u>788,771</u>	<u>101,239</u>	<u>(101,239)</u>
(205,425)	221,936	427,361	(788,771)	880,186	(91,415)
	336,261	336,261		407,779	1,196,550
<u>\$ (205,425)</u>	<u>\$ 558,197</u>	<u>\$ 763,622</u>	<u>\$ (788,771)</u>	<u>\$ 1,312,593</u>	<u>\$ 1,312,593</u>
				1,720,372	2,509,143
				<u>1,720,372</u>	<u>2,509,143</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, 2021**

	Auxiliary Operations		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 511,715	\$ 511,715
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		511,715	511,715
<b>Expenditures:</b>			
Current -			
Instruction	572,165	253,208	318,957
Support services - students and staff		8,156	(8,156)
Support services - administration		4,443	(4,443)
Operation and maintenance of plant services			
Capital outlay		798	(798)
<b>Total expenditures</b>	572,165	266,605	305,560
<b>Changes in fund balances</b>	(572,165)	245,110	817,275
<b>Fund balances, beginning of year</b>		915,859	915,859
<b>Fund balances (deficits), end of year</b>	\$ (572,165)	\$ 1,160,969	\$ 1,733,134

<u>Extracurricular Activities Fees Tax Credit</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$ 25,591	\$ 25,591
	<u>25,591</u>	<u>25,591</u>
34,415	2,781	31,634
<u>34,415</u>	<u>2,781</u>	<u>31,634</u>
<u>(34,415)</u>	<u>22,810</u>	<u>57,225</u>
	42,071	42,071
<u>\$ (34,415)</u>	<u>\$ 64,881</u>	<u>\$ 99,296</u>

<u>Gifts and Donations</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$ 73,561	\$ 73,561
	<u>73,561</u>	<u>73,561</u>
176,077	103,319 137	72,758 (137)
<u>176,077</u>	<u>103,661</u>	<u>72,416</u>
<u>(176,077)</u>	<u>(30,100)</u>	<u>145,977</u>
	338,331	338,331
<u>\$ (176,077)</u>	<u>\$ 308,231</u>	<u>\$ 484,308</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, 2021**

	Career and Technical Education Projects		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 24,276	\$ 24,276
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		24,276	24,276
<b>Expenditures:</b>			
Current -			
Instruction	62,997	20,538	42,459
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Capital outlay		11,222	(11,222)
<b>Total expenditures</b>	62,997	31,760	31,237
<b>Changes in fund balances</b>	(62,997)	(7,484)	55,513
<b>Fund balances, beginning of year</b>		73,922	73,922
<b>Fund balances (deficits), end of year</b>	\$ (62,997)	\$ 66,438	\$ 129,435

Insurance Proceeds			Arizona Industry Credentials Incentive		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 204	\$ 204	\$	\$ 6,545	\$ 6,545
				345,588	345,588
	<u>204</u>	<u>204</u>		<u>352,133</u>	<u>352,133</u>
			469,109	147,334	321,775
			<u>469,109</u>	<u>147,334</u>	<u>321,775</u>
	204	204	<u>(469,109)</u>	<u>204,799</u>	<u>673,908</u>
	41,718	41,718		357,522	357,522
<u>\$</u>	<u>\$ 41,922</u>	<u>\$ 41,922</u>	<u>\$ (469,109)</u>	<u>\$ 562,321</u>	<u>\$ 1,031,430</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, 2021**

	Student Activities		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 113,175	\$ 113,175
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>	159,863	113,175	113,175
<b>Expenditures:</b>			
Current -			
Instruction	159,863	122,014	37,849
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Capital outlay			
<b>Total expenditures</b>	159,863	122,014	37,849
<b>Changes in fund balances</b>	(159,863)	(8,839)	151,024
<b>Fund balances, beginning of year</b>		70,763	70,763
<b>Fund balances (deficits), end of year</b>	\$ (159,863)	\$ 61,924	\$ 221,787

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 2,522,120	\$ 2,522,120
	1,189,082	1,189,082
	3,048,409	3,048,409
	<u>6,759,611</u>	<u>6,759,611</u>
29,755,257	3,940,561	25,814,696
120,000	175,096	(55,096)
205,425	130,637	74,788
2,039,786	464,634	1,575,152
305,167	901,786	(596,619)
<u>32,425,635</u>	<u>5,612,714</u>	<u>26,812,921</u>
<u>(32,425,635)</u>	<u>1,146,897</u>	<u>33,572,532</u>
	6,780,980	6,780,980
<u>\$ (32,425,635)</u>	<u>\$ 7,927,877</u>	<u>\$ 40,353,512</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, 2021**

	Debt Service		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 41,265	\$ 41,265
Property taxes		19,702,537	19,702,537
<b>Total revenues</b>		<u>19,743,802</u>	<u>19,743,802</u>
<b>Expenditures:</b>			
Debt service -			
Principal retirement	12,855,000	12,855,000	
Interest and fiscal charges	6,904,281	6,905,481	(1,200)
<b>Total expenditures</b>	<u>19,759,281</u>	<u>19,760,481</u>	<u>(1,200)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(19,759,281)</u>	<u>(16,679)</u>	<u>19,742,602</u>
<b>Other financing sources (uses):</b>			
Transfers in		609,654	609,654
<b>Total other financing sources (uses)</b>		<u>609,654</u>	<u>609,654</u>
<b>Changes in fund balances</b>	<u>(19,759,281)</u>	<u>592,975</u>	<u>20,352,256</u>
<b>Fund balances, beginning of year</b>		912,434	912,434
<b>Fund balances (deficits), end of year</b>	<u>\$ (19,759,281)</u>	<u>\$ 1,505,409</u>	<u>\$ 21,264,690</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, 2021**

	Unrestricted Capital Outlay		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 555,834	\$ 555,834
State aid and grants		3,366,087	3,366,087
<b>Total revenues</b>		3,921,921	3,921,921
<b>Expenditures:</b>			
Capital outlay	41,355,745	5,701,017	35,654,728
<b>Total expenditures</b>	41,355,745	5,701,017	35,654,728
<b>Excess (deficiency) of revenues over expenditures</b>	(41,355,745)	(1,779,096)	39,576,649
<b>Other financing sources (uses):</b>			
Transfers out			
<b>Total other financing sources (uses)</b>			
<b>Changes in fund balances</b>	(41,355,745)	(1,779,096)	39,576,649
<b>Fund balances, beginning of year</b>		25,838,990	25,838,990
<b>Fund balances (deficits), end of year</b>	\$ (41,355,745)	\$ 24,059,894	\$ 65,415,639

Bond Building			Totals		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 748,775	\$ 748,775	\$	\$ 1,304,609	\$ 1,304,609
	<u>748,775</u>	<u>748,775</u>		<u>3,366,087</u>	<u>3,366,087</u>
				<u>4,670,696</u>	<u>4,670,696</u>
62,059,298	8,209,897	53,849,401	103,415,043	13,910,914	89,504,129
<u>62,059,298</u>	<u>8,209,897</u>	<u>53,849,401</u>	<u>103,415,043</u>	<u>13,910,914</u>	<u>89,504,129</u>
(62,059,298)	(7,461,122)	54,598,176	(103,415,043)	(9,240,218)	94,174,825
	(609,654)	(609,654)		(609,654)	(609,654)
	<u>(609,654)</u>	<u>(609,654)</u>		<u>(609,654)</u>	<u>(609,654)</u>
<u>(62,059,298)</u>	<u>(8,070,776)</u>	<u>53,988,522</u>	<u>(103,415,043)</u>	<u>(9,849,872)</u>	<u>93,565,171</u>
	62,269,004	62,269,004		88,107,994	88,107,994
<u>\$ (62,059,298)</u>	<u>\$ 54,198,228</u>	<u>\$ 116,257,526</u>	<u>\$ (103,415,043)</u>	<u>\$ 78,258,122</u>	<u>\$ 181,673,165</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)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
<b>Net Position:</b>					
Net investment in capital assets	\$ 70,215,926	\$ 58,119,098	\$ 42,397,958	\$ 37,803,401	\$ 36,382,033
Restricted	31,690,173	31,842,400	32,652,335	24,793,511	22,653,975
Unrestricted	38,083,306	33,996,333	20,145,371	22,433,457	9,940,733
Total net position	\$ 139,989,405	\$ 123,957,831	\$ 95,195,664	\$ 85,030,369	\$ 68,976,741
	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
<b>Net Position:</b>					
Net investment in capital assets	\$ 30,496,841	\$ 28,641,485	\$ 25,792,064	\$ 22,763,947	\$ 22,995,060
Restricted	24,190,160	29,780,068	17,839,535	18,049,856	15,508,661
Unrestricted	10,752,024	5,042,780	18,268,975	16,416,827	14,791,796
Total net position	\$ 65,439,025	\$ 63,464,333	\$ 61,900,574	\$ 57,230,630	\$ 53,295,517

**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)**

	<b>Fiscal Year Ended June 30</b>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Expenses</b>					
Instruction	\$ 27,069,815	\$ 25,189,552	\$ 28,381,606	\$ 20,559,036	\$ 20,352,708
Support services - students and staff	5,450,450	5,268,546	5,310,247	4,224,989	3,722,992
Support services - administration	8,618,610	7,280,450	8,192,043	5,919,305	5,540,120
Operation and maintenance of plant services	3,213,103	2,789,203	2,524,230	2,045,377	1,723,476
Student transportation services		12,956	99,476	43,960	19,064
Operation of non-instructional services	4,781	4,781	4,781	3,038	80,825
Interest on long-term debt	4,860,773	4,745,949	4,164,294	5,121,721	2,406,922
Total expenses	<u>49,217,532</u>	<u>45,291,437</u>	<u>48,676,677</u>	<u>37,917,426</u>	<u>33,846,107</u>
<b>Program Revenues</b>					
Charges for services:					
Instruction	2,365,384	2,398,629	1,575,165	1,500,031	618,348
Other activities	466,134	408,584	270,821	260,266	829,668
Operating grants and contributions	3,141,096	131,460	569,476	217,179	310,480
Capital grants and contributions	863,146	122,792	67,861		
Total program revenues	<u>6,835,760</u>	<u>3,061,465</u>	<u>2,483,323</u>	<u>1,977,476</u>	<u>1,758,496</u>
<b>Net (Expense)/Revenue</b>	<u>\$ (42,381,772)</u>	<u>\$ (42,229,972)</u>	<u>\$ (46,193,354)</u>	<u>\$ (35,939,950)</u>	<u>\$ (32,087,611)</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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>Expenses</b>					
Instruction	\$ 19,272,358	\$ 17,237,909	\$ 14,622,386	\$ 12,691,847	\$ 12,804,981
Support services - students and staff	2,727,203	2,552,598	2,202,106	1,635,037	1,099,995
Support services - administration	4,027,507	3,058,392	2,381,186	2,286,182	1,966,283
Operation and maintenance of plant services	1,429,262	1,295,613	808,740	727,675	323,495
Interest on long-term debt	<u>2,362,337</u>	<u>1,907,578</u>	<u>1,402,423</u>	<u>145,839</u>	<u>250,000</u>
Total expenses	<u>29,818,667</u>	<u>26,052,090</u>	<u>21,416,841</u>	<u>17,486,580</u>	<u>16,444,754</u>
<b>Program Revenues</b>					
Charges for services:					
Instruction	1,370,557	930,445	837,424	909,111	919,898
Other activities	316,392	115,755	5,400		
Operating grants and contributions	<u>327,669</u>	<u>291,325</u>	<u>196,544</u>	<u>71,499</u>	<u>1,365,994</u>
Total program revenues	<u>2,014,618</u>	<u>1,337,525</u>	<u>1,039,368</u>	<u>980,610</u>	<u>2,285,892</u>
<b>Net (Expense)/Revenue</b>	<u>\$ (27,804,049)</u>	<u>\$ (24,714,565)</u>	<u>\$ (20,377,473)</u>	<u>\$ (16,505,970)</u>	<u>\$ (14,158,862)</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)**

	<b>Fiscal Year Ended June 30</b>				
	<u><b>2021</b></u>	<u><b>2020</b></u>	<u><b>2019</b></u>	<u><b>2018</b></u>	<u><b>2017</b></u>
<b>Net (Expense)/Revenue</b>	\$ (42,381,772)	\$ (42,229,972)	\$ (46,193,354)	\$ (35,939,950)	\$ (32,087,611)
<b>General Revenues:</b>					
Taxes:					
Property taxes, levied for general purposes	8,514,152	7,767,843	7,515,160	2,770,016	6,728,391
Property taxes, levied for debt service	19,612,163	18,132,244	15,015,934	18,060,147	4,579,540
Property taxes, levied for capital outlay				4,282,613	
Investment income	1,271,905	2,065,728	1,936,977	1,202,191	366,734
Unrestricted county aid	2,773,710	3,362,486	2,979,765	2,624,181	2,434,275
Unrestricted state aid	26,241,416	31,957,655	28,910,813	23,044,177	22,169,857
<b>Total general revenues</b>	<u>58,413,346</u>	<u>63,285,956</u>	<u>56,358,649</u>	<u>51,983,325</u>	<u>36,278,797</u>
<b>Changes in Net Position</b>	<u>\$ 16,031,574</u>	<u>\$ 21,055,984</u>	<u>\$ 10,165,295</u>	<u>\$ 16,043,375</u>	<u>\$ 4,191,186</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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>Net (Expense)/Revenue</b>	\$ (27,804,049)	\$ (24,714,565)	\$ (20,377,473)	\$ (16,505,970)	\$ (14,158,862)
<b>General Revenues:</b>					
Taxes:					
Property taxes, levied for general purposes	6,492,281	6,502,890	5,999,883	6,124,902	6,686,258
Property taxes, levied for debt service	2,559,612	4,056,403	1,120,673		
Investment income	286,706	248,957	232,620	161,848	162,782
Unrestricted county aid	2,036,013	1,884,200	1,781,106	1,512,376	1,561,593
Unrestricted state aid	18,404,129	17,925,620	15,913,135	12,641,957	12,020,713
Unrestricted federal aid					
<b>Total general revenues</b>	<u>29,778,741</u>	<u>30,618,070</u>	<u>25,047,417</u>	<u>20,441,083</u>	<u>20,431,346</u>
<b>Changes in Net Position</b>	<u>\$ 1,974,692</u>	<u>\$ 5,903,505</u>	<u>\$ 4,669,944</u>	<u>\$ 3,935,113</u>	<u>\$ 6,272,484</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)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
General Fund:					
Unassigned	\$ 38,084,431	\$ 32,080,407	\$ 19,191,678	\$ 18,248,708	\$ 14,110,709
Total General Fund	\$ 38,084,431	\$ 32,080,407	\$ 19,191,678	\$ 18,248,708	\$ 14,110,709
All Other Governmental Funds:					
Restricted	\$ 85,762,684	\$ 93,895,313	\$ 38,290,366	\$ 74,755,069	\$ 99,962,780
Unassigned	(431,485)				
Total all other governmental funds	\$ 85,331,199	\$ 93,895,313	\$ 38,290,366	\$ 74,755,069	\$ 99,962,780

**(Continued)**

(Continued)

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Fund:					
Unassigned	14,364,948	7,930,939	17,672,056	16,581,444	14,815,714
Total General Fund	<u>\$ 14,364,948</u>	<u>\$ 7,930,939</u>	<u>\$ 17,672,056</u>	<u>\$ 16,581,444</u>	<u>\$ 14,815,714</u>
All Other Governmental Funds:					
Restricted	\$ 32,923,791	\$ 40,785,168	\$ 17,901,139	\$ 46,706,931	\$ 15,496,358
Unassigned					
Total all other governmental funds	<u>\$ 32,923,791</u>	<u>\$ 40,785,168</u>	<u>\$ 17,901,139</u>	<u>\$ 46,706,931</u>	<u>\$ 15,496,358</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)**

	<b>Fiscal Year Ended June 30</b>				
	<u><b>2021</b></u>	<u><b>2020</b></u>	<u><b>2019</b></u>	<u><b>2018</b></u>	<u><b>2017</b></u>
<b>Federal sources:</b>					
Federal grants	\$ 3,048,409	\$ 173,077	\$ 67,861	\$ 100,132	\$ 84,326
Total federal sources	<u>3,048,409</u>	<u>173,077</u>	<u>67,861</u>	<u>100,132</u>	<u>84,326</u>
<b>State sources:</b>					
State equalization assistance	25,298,918	31,123,598	28,183,811	22,458,091	21,707,822
State grants	345,588	6,882	272,968	2,790	29,115
Other revenues	942,498	834,057	727,002	586,086	462,035
Total state sources	<u>26,587,004</u>	<u>31,964,537</u>	<u>29,183,781</u>	<u>23,046,967</u>	<u>22,198,972</u>
<b>Local sources:</b>					
Property taxes	28,267,314	25,756,238	22,525,131	25,016,123	11,323,260
County aid	2,773,710	3,362,486	2,979,765	2,624,181	2,434,275
Investment income	1,267,996	2,060,511	1,960,065	1,183,401	362,426
Other revenues	2,926,910	2,881,506	2,119,406	1,887,160	1,648,522
Total local sources	<u>35,235,930</u>	<u>34,060,741</u>	<u>29,584,367</u>	<u>30,710,865</u>	<u>15,768,483</u>
<b>Total revenues</b>	<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>	<u><u>\$ 38,051,781</u></u>

(Continued)



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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>Federal sources:</b>					
Federal grants	\$ 74,743	\$ 64,671	\$ 22,297	\$ 24,736	\$ 11,221
Education Jobs					1,201,103
Total federal sources	<u>74,743</u>	<u>64,671</u>	<u>22,297</u>	<u>24,736</u>	<u>1,212,324</u>
<b>State sources:</b>					
State equalization assistance	19,508,137	16,498,215	15,675,286	12,452,728	12,101,391
State grants	481	104,572			110,335
Other revenues	359,731	242,698	237,849	189,229	167,814
Total state sources	<u>19,868,349</u>	<u>16,845,485</u>	<u>15,913,135</u>	<u>12,641,957</u>	<u>12,379,540</u>
<b>Local sources:</b>					
Property taxes	9,083,676	10,541,099	7,143,120	6,184,760	6,853,602
County aid	2,036,013	1,884,200	1,781,106	1,512,376	1,561,593
Investment income	286,552	248,667	232,620	161,499	162,574
Other revenues	1,669,556	1,173,471	1,000,686	953,805	950,930
Total local sources	<u>13,075,797</u>	<u>13,847,437</u>	<u>10,157,532</u>	<u>8,812,440</u>	<u>9,528,699</u>
<b>Total revenues</b>	<u>\$ 33,018,889</u>	<u>\$ 30,757,593</u>	<u>\$ 26,092,964</u>	<u>\$ 21,479,133</u>	<u>\$ 23,120,563</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)**

	<b>Fiscal Year Ended June 30</b>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Expenditures:</b>					
Current -					
Instruction	\$ 19,464,377	\$ 17,817,771	\$ 17,638,080	\$ 16,335,919	\$ 16,202,003
Support services - students and staff	4,498,641	4,265,042	4,517,121	3,723,915	3,240,145
Support services - administration	5,871,491	5,159,627	4,574,363	3,988,460	4,476,042
Operation and maintenance of plant services	3,023,743	2,675,833	2,139,840	1,825,030	1,499,152
Student transportation services		12,956	99,476	43,960	19,064
Operation of non-instructional services				3,038	30,894
Capital outlay	14,812,700	9,728,467	49,931,139	30,627,204	20,321,105
Debt service -					
Interest and fiscal charges	6,905,481	6,790,657	5,367,723	6,325,150	2,556,806
Principal retirement	12,855,000	12,470,000	10,090,000	12,055,000	2,600,000
Bond issuance costs		511,815			622,628
<b>Total expenditures</b>	<u>\$ 67,431,433</u>	<u>\$ 59,432,168</u>	<u>\$ 94,357,742</u>	<u>\$ 74,927,676</u>	<u>\$ 51,567,839</u>
Expenditures for capitalized assets	\$ 9,296,868	\$ 5,279,892	\$ 38,739,441	\$ 27,041,182	\$ 18,015,864
Debt service as a percentage of noncapital expenditures	34%	36%	28%	38%	15%

(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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>Expenditures:</b>					
Current -					
Instruction	\$ 15,864,936	\$ 14,601,176	\$ 13,198,361	\$ 12,358,079	\$ 12,282,154
Support services - students and staff	2,488,848	2,311,993	2,066,647	1,552,096	1,041,760
Support services - administration	3,314,942	2,521,794	1,769,688	2,107,391	1,706,899
Operation and maintenance of plant services	1,309,909	1,243,331	791,857	712,964	315,526
Capital outlay	22,233,803	19,897,094	33,553,456	3,192,091	2,876,532
Debt service -					
Interest and fiscal charges	2,512,221	2,039,935	1,473,135	145,839	250,000
Principal retirement	1,775,000	950,000	955,000	4,777,905	675,000
Bond issuance costs	197,140	282,250		323,500	
<b>Total expenditures</b>	<u>\$ 49,696,799</u>	<u>\$ 43,847,573</u>	<u>\$ 53,808,144</u>	<u>\$ 25,169,865</u>	<u>\$ 19,147,871</u>
Expenditures for capitalized assets	\$ 20,061,186	\$ 18,608,065	\$ 32,272,280	\$ 3,492,841	\$ 3,057,508
Debt service as a percentage of noncapital expenditures	14%	12%	11%	23%	6%

**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)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ (2,560,090)	\$ 6,766,187	\$ (35,521,733)	\$ (21,069,712)	\$ (13,516,058)
<b>Other financing sources (uses):</b>					
School improvement bonds issued		53,035,000			70,035,000
Premium on sale of bonds		8,412,790			10,535,453
Transfers in	609,654	830,997	589,862	658,691	7,290,763
Transfers out	(609,654)	(830,997)	(589,862)	(658,691)	(7,290,763)
Total other financing sources (uses)	(609,654)	61,447,790	(589,862)	(658,691)	80,570,453
<b>Changes in fund balances</b>	\$ (2,560,090)	\$ 68,213,977	\$ (35,521,733)	\$ (21,069,712)	\$ 67,054,395
	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ (16,677,910)	\$ (13,089,980)	\$ (27,715,180)	\$ (3,690,732)	\$ 3,972,692
<b>Other financing sources (uses):</b>					
School improvement bonds issued	14,900,000	25,000,000		35,000,000	
Premium on sale of bonds	350,542	1,232,892		1,667,035	
Capital lease agreements					
Transfers in	647,556	16,253,643	5,678,167	1,395,903	20,985,458
Transfers out	(647,556)	(16,253,643)	(5,678,167)	(1,395,903)	(20,985,458)
Total other financing sources (uses)	15,250,542	26,232,892	(5,678,167)	36,667,035	
<b>Changes in fund balances</b>	\$ (1,427,368)	\$ 13,142,912	\$ (27,715,180)	\$ 32,976,303	\$ 3,972,692

**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 SIX FISCAL YEARS**

<u>Class</u>	<u>Fiscal Year</u>					
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Commercial, Industrial, Utilities and Mining	\$ 5,846,041,477	\$ 5,654,835,951	\$ 5,300,279,109	5,132,211,689	4,927,565,948	4,874,184,349
Agricultural and Vacant	541,798,802	534,845,482	479,636,940	471,596,986	462,608,449	504,996,285
Residential (Owner Occupied)	7,405,925,790	6,865,475,402	6,444,238,034	5,983,886,022	5,584,502,253	5,273,415,434
Residential (Rental)	3,002,157,575	2,801,212,713	2,520,823,595	2,383,242,954	2,261,987,125	2,100,938,471
Railroad, Private Cars and Airlines	16,206,556	16,731,932	16,719,484	17,369,811	16,304,920	17,497,470
Historical Property	20,574,260	20,711,166	16,409,630	16,865,677	18,200,234	18,993,799
Certain Government Property Improvements	1,005,910	1,017,109	974,858	661,182	621,842	457,940
<b>Total</b>	<b>\$ 16,833,710,370</b>	<b>\$ 15,894,829,755</b>	<b>\$ 14,779,081,650</b>	<b>14,005,834,321</b>	<b>13,271,790,771</b>	<b>12,790,483,748</b>
Gross Full Cash Value	\$ 223,137,693,431	\$ 202,728,989,763	\$ 185,742,509,338	171,817,379,619	158,920,689,132	145,378,421,744
Ratio of Net Limited Assessed Value to Gross Full Cash Value	8%	8%	8%	8%	8%	9%
Total Direct Rate	0.17	0.16	0.15	0.18	0.08	0.07

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

- 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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Commercial, Industrial, Utilities and Mining	\$ 7,389,901,977	\$ 6,914,606,840	\$ 6,382,292,818	\$ 6,117,760,083	\$ 5,617,637,297
Agricultural and Vacant	1,010,659,313	924,113,112	827,808,162	813,448,173	718,632,137
Residential (Owner Occupied)	10,131,140,717	9,131,347,839	8,483,137,081	7,656,293,107	7,166,687,452
Residential (Rental)	4,502,671,997	4,063,015,100	3,552,765,401	3,228,223,369	2,957,243,945
Railroad, Private Cars and Airlines	20,256,726	20,470,412	19,973,186	20,144,883	17,416,181
Historical Property	27,904,948	26,657,892	21,675,195	20,957,518	25,452,183
Certain Government Property Improvements	1,273,004	1,253,706	2,534,738	896,940	797,628
<b>Total</b>	<b>\$ 23,083,808,682</b>	<b>\$ 21,081,464,901</b>	<b>\$ 19,290,186,581</b>	<b>\$ 17,857,724,073</b>	<b>\$ 16,503,866,823</b>
Gross Full Cash Value	\$ 223,137,693,431	\$ 202,728,989,763	\$ 185,742,509,338	\$ 121,491,950,287	\$ 105,864,769,303
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10%	10%	10%	15%	16%
Estimated Net Full Cash Value	\$ 188,160,192,325	\$ 171,310,350,114	\$ 156,594,037,923	\$ 143,776,768,363	\$ 133,122,999,233
Total Direct Rate	0.17	0.16	0.15	0.18	0.08

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Commercial, Industrial, Utilities and Mining	\$ 5,154,420,263	\$ 5,025,236,725	\$ 4,761,717,513	\$ 5,166,347,557	\$ 5,633,215,650
Agricultural and Vacant	659,271,876	554,488,816	547,771,936	611,314,002	849,984,216
Residential (Owner Occupied)	6,718,998,804	5,345,752,510	4,679,819,963	5,350,465,704	5,955,984,407
Residential (Rental)	2,677,757,120	2,034,891,852	1,547,345,705	1,128,230,651	1,187,480,809
Railroad, Private Cars and Airlines	17,823,342	18,777,772	15,639,837	15,459,545	14,867,222
Historical Property	26,359,763	21,797,196	16,962,517	12,176,160	11,465,242
Certain Government Property Improvements	490,147	523,796	383,893	332,038	
<b>Total</b>	<b>\$ 15,255,121,315</b>	<b>\$ 13,001,468,667</b>	<b>\$ 11,569,641,364</b>	<b>\$ 12,284,325,657</b>	<b>\$ 13,653,327,226</b>
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	14%	11%	7%	7%	8%
Estimated Net Full Cash Value	\$ 121,208,517,916	\$ 100,085,389,832	\$ 87,093,577,766	\$ 91,500,813,831	\$ 101,535,347,107
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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</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	14	15	14

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Commercial, Industrial, Utilities and Mining	19 %	19 %	20 %	20 %	20 %
Agricultural and Vacant	16	16	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	16	15	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	Tax Rates									
			2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Overlapping Rates	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
	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
	Pendegast 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**

<b>Taxpayer</b>	<b>2021</b>		<b>2012</b>	
	<b>Net Limited Assessed Valuation</b>	<b>Percentage of District's Net Limited Assessed Valuation</b>	<b>Net Full Cash Assessed Valuation</b>	<b>Percentage of District's Net Full Cash Assessed Valuation</b>
Arizona Public Service Company	\$ 872,754,581	5.17 %	\$ 758,364,456	4.30 %
Southern California Edison Company	111,020,269	0.66	154,153,523	0.90
El Paso Electric Co.	97,775,119	0.58	131,119,088	0.70
Public Service Company of New Mexico	65,134,550	0.39	76,190,821	0.40
Southwest Gas Corporation	72,410,148	0.43	60,243,905	0.30
Wal-Mart Stores Inc			65,559,544	0.40
Host Kierland, LLC	34,862,662	0.21	33,665,712	0.20
Southern California Public Power Auth.	35,271,260	0.21	58,472,026	0.30
Mesquite Power LLC	37,208,520	0.22	76,190,821	0.40
JW Marriott Desert Ridge Resort & Spa	32,637,871	0.19	47,840,748	0.30
Qwest Corporation	34,831,359	0.21	115,172,172	0.70
<b>Total</b>	<b>\$ 1,393,906,339</b>	<b>8.27 %</b>	<b>\$ 1,576,972,816</b>	<b>8.90 %</b>

**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**

<b>Fiscal Year Ended June 30</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Fiscal Years</b>	<b>Collected to the End of the Current Fiscal Year</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2021	\$ 27,971,961	\$ 27,507,966	98.34 %	\$	\$ 27,507,966	98.34 %
2020	25,817,738	25,345,578	98.17	460,794	25,806,372	99.96
2019	22,225,741	21,882,575	98.46	336,777	22,219,352	99.97
2018	24,915,890	24,542,391	98.50	368,702	24,911,093	99.98
2017	11,160,892	10,984,292	98.42	174,858	11,159,150	99.98
2016	8,933,321	8,794,486	98.45	137,392	8,931,878	99.98
2015	10,503,241	10,311,873	98.18	189,046	10,500,919	99.98
2014	7,067,032	6,933,551	98.11	131,730	7,065,281	99.98
2013	6,152,651	6,036,245	98.11	114,879	6,151,124	99.98
2012	6,816,149	6,607,892	96.94	206,287	6,814,179	99.97

**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	Capital Leases	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income
2021	\$ 171,951,101	\$ 1,631,126	\$ 170,319,975	0.17 %	\$ 94	\$	\$ 171,951,101	0.17 %	\$ 95	N/A %
2020	186,465,809	1,128,525	185,337,284	0.19	100		186,465,809	0.19	100	0.08
2019	137,152,727	1,251,559	135,901,168	0.03	63		137,152,727	0.03	64	0.07
2018	150,411,156	805,314	149,605,842	0.03	72		150,411,156	0.00	73	0.08
2017	154,214,585	365,214	153,849,371		76		154,214,585	0.00	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
2012						4,777,905	4,777,905		3	0.00

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

**Notes:** 1) N/A indicates that the information is not available.

**WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
JUNE 30, 2021**

<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	184,715,000	36.83	68,030,535
Maricopa County Special Healthcare District	640,695,000	36.83	235,967,969
City of Avondale	25,315,000	99.96	25,304,874
City of El Mirage	20,020,000	99.32	19,883,864
City of Glendale	98,230,000	95.49	93,799,827
City of Goodyear	134,805,000	100.00	134,805,000
City of Peoria	183,616,000	84.38	154,935,181
City of Phoenix	918,905,000	47.37	435,285,299
City of Scottsdale	448,225,000	17.41	78,035,973
City of Surprise	46,625,000	96.89	45,174,963
City of Tolleson	22,372,579	99.31	22,218,208
Buckeye Valley Fire District	5,440,000	100.00	5,440,000
Sun City Fire District	8,075,000	6.90	557,175
Agua Fria Ranch Community Facilities District	1,855,000	100.00	1,855,000
Centerra Community Facilities District	2,536,000	100.00	2,536,000
Cortina Community Facilities District	1,495,000	100.00	1,495,000
Cottonflower Community Facilities District	1,355,000	100.00	1,355,000
Estrella Ranch Community Facilities District No. 1	10,450,000	100.00	10,450,000
Festival Ranch Community Facilities District	37,790,000	100.00	37,790,000
Goodyear Community Facilities General District No. 1	6,345,000	100.00	6,345,000
Goodyear Community Facilities Utilities District No. 1	28,975,000	100.00	28,975,000
Marley Park Community Facilities District	20,985,000	100.00	20,985,000
Palm Valley Community Facilities District No. 3	4,635,000	100.00	4,635,000
Sundance Community Facilities District	19,570,000	100.00	19,570,000
Tartesso West Community Facilities District	12,595,000	100.00	12,595,000
Verrado District No.1 Community Facilities District	27,025,000	100.00	27,025,000
Verrado Western Overlay Community Facilities District	6,100,000	100.00	6,100,000
Village at Litchfield Park Community Facilities District	1,660,000	100.00	1,660,000
Vistancia Community Facilities District	19,105,000	100.00	19,105,000
Vistancia West Community Facilities District	4,375,000	100.00	4,375,000
Westpark Community Facilities District	4,370,000	100.00	4,370,000
Wildflower Ranch Community Facilities District No. 1	205,000	100.00	205,000
Wildflower Ranch Community Facilities District No. 2	460,000	100.00	460,000
Arlington Elementary School District No. 47	1,155,000	100.00	1,155,000
Avondale Elementary School District No. 44	30,915,000	100.00	30,915,000
Buckeye Elementary School District No. 33	39,885,000	100.00	39,885,000
Cartwright Elementary School District No. 83	32,895,000	100.00	32,895,000
Fowler Elementary School District No. 45	5,730,000	100.00	5,730,000
Glendale Elementary School District No. 40	40,080,000	100.00	40,080,000
Liberty Elementary School District No. 25	44,740,000	100.00	44,740,000
Litchfield Elementary School District No. 79	43,385,000	100.00	43,385,000
Littleton Elementary School District No. 65	35,305,000	100.00	35,305,000
Pendegast Elementary School District No. 92	47,180,000	100.00	47,180,000
Tolleson Elementary School District No. 17	22,705,000	100.00	22,705,000
Union Elementary School District No. 62	7,135,000	100.00	7,135,000
Washington Elementary School District No. 6 (c)	85,140,000	100.00	85,140,000
Agua Fria Union High School District No. 216	123,255,000	100.00	123,255,000
Buckeye Union High School District No. 201	68,495,000	100.00	68,495,000
Glendale Union High School District No. 205	135,580,000	100.00	135,580,000
Phoenix Union High School District No. 210	386,570,000	5.12	19,792,384
Tolleson Union High School District No. 214	156,585,000	100.00	156,585,000
Deer Valley Unified School District No. 97	164,875,000	100.00	164,875,000
Dysart Unified School District No. 89	97,086,000	100.00	97,086,000
Paradise Valley Unified School District No. 69	326,641,000	100.00	326,641,000
Peoria Unified School District No. 11	185,125,000	100.00	185,125,000
Saddle Mountain Unified School District No. 90	50,580,000	100.00	50,580,000
Wickenburg Unified School District No. 9	6,800,000	100.00	6,800,000
Subtotal, Overlapping Debt			<u>3,302,389,252</u>
Direct:			
Western Maricopa Education Center District No. 402			<u>171,951,101</u>
Total Direct and Overlapping Governmental Activities Debt			<u>\$ 3,474,340,353</u>

**Source:** FY2020 Report of Outstanding Indebtedness, Arizona Department of Administration, December 2020

**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, 2021**

Net Direct General Obligation Bonded Debt		
Per Capita	\$	94
As a Percentage of Net Limited Assessed Valuation		1.01 %
As a Percentage of Gross Full Cash Value		0.08 %
 Net Direct and Overlapping General Bonded Debt		
Per Capita	\$	1,978
As a Percentage of Net Limited Assessed Valuation		21.34 %
As a Percentage of Gross Full Cash Value		1.61 %

**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, 2020 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 2021:**

Net full cash assessed valuation	\$ 23,083,808,682
Debt limit (1% of assessed value)	230,838,087
Debt applicable to limit	<u>171,272,437</u>
Legal debt margin	<u><u>\$ 59,565,650</u></u>

**Current Year Statistics for Fiscal Year 2021:**

Total direct general obligation bonded debt outstanding	\$ 171,951,101
Net limited assessed valuation	16,833,710,370
Net full cash assessed valuation	23,083,808,682
Estimated net full cash value	188,160,192,325

**Fiscal Year Ended June 30**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Debt Limit	\$ 230,838,087	\$ 210,814,649	\$ 192,901,866	\$ 178,577,241	\$ 165,038,668
Total net debt applicable to limit	<u>171,272,437</u>	<u>185,127,281</u>	<u>134,217,281</u>	<u>147,288,914</u>	<u>151,220,000</u>
Legal debt margin	<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>	<u><u>\$ 13,818,668</u></u>
Total net debt applicable to the limit as a percentage of debt limit	74%	88%	70%	82%	92%
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Debt Limit	\$ 152,551,213	\$ 1,950,220,300	\$ 1,735,446,205	\$ 1,842,648,849	\$ 2,047,999,084
Total net debt applicable to limit	<u>72,995,000</u>	<u>59,045,000</u>	<u>35,000,000</u>	<u>35,000,000</u>	<u>35,000,000</u>
Legal debt margin	<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>	<u><u>\$ 2,047,999,084</u></u>
Total net debt applicable to the limit as a percentage of debt limit	48%	3%	2%	2%	0%

**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>
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
2011	3,843,370	142,864,275	37,352	8.4	1,469,471

**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.

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

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

<u>Employer</u>	<u>2021</u>		<u>2012</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Banner Health Systems	27,650	1.65 %	25,825	1.53 %
State of Arizona	23,950	1.43	49,800	2.94
Walmart Stores, Inc.	16,870	1.01	30,635	1.81
Frys Food Stores	15,170	0.91		
Wells Fargo	13,790	0.82	13,310	0.79
Maricopa County	13,350	0.80	12,790	0.76
City of Phoenix	12,190	0.73	15,100	0.89
Intel Corporation	11,410	0.68		
Arizona State University	10,950	0.65	11,185	0.66
Honor Health	9,430	0.56		
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>154,760</u>	<u>9.24 %</u>	<u>193,545</u>	<u>11.45 %</u>
Total employment	<u>1,672,450</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**

	<b>Full-time Equivalent Employees as of June 30</b>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Supervisory</b>					
Consultants/supervisors of instruction	8	4	4	10	14
Total supervisory	<u>8</u>	<u>4</u>	<u>4</u>	<u>10</u>	<u>14</u>
<b>Instruction</b>					
Teachers	63	58	53	62	51
Total instruction	<u>63</u>	<u>58</u>	<u>53</u>	<u>62</u>	<u>51</u>
<b>Support and Administration</b>					
Service workers	112	100	99	79	65
Total support and administration	<u>112</u>	<u>100</u>	<u>99</u>	<u>79</u>	<u>65</u>
<b>Total</b>	<u><u>183</u></u>	<u><u>162</u></u>	<u><u>156</u></u>	<u><u>151</u></u>	<u><u>130</u></u>

(Continued)

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>Supervisory</b>					
Consultants/supervisors of instruction	10	3	2	2	2
Total supervisory	<u>10</u>	<u>3</u>	<u>2</u>	<u>2</u>	<u>2</u>
<b>Instruction</b>					
Teachers	43	22	13	10	7
Total instruction	<u>43</u>	<u>22</u>	<u>13</u>	<u>10</u>	<u>7</u>
<b>Support and Administration</b>					
Service workers	77	60	44	32	25
Total support and administration	<u>77</u>	<u>60</u>	<u>44</u>	<u>32</u>	<u>25</u>
<b>Total</b>	<u><u>130</u></u>	<u><u>85</u></u>	<u><u>59</u></u>	<u><u>44</u></u>	<u><u>34</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**

<b>Fiscal Year Ended June 30</b>	<b>Average Daily Membership</b>	<b>Operating Expenditures</b>	<b>Cost per Pupil</b>	<b>Percentage Change</b>	<b>Expenses</b>	<b>Cost per Pupil</b>	<b>Percentage Change</b>	<b>Teaching Staff</b>	<b>Pupil-Teacher Ratio</b>
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	8.54	17,486,580	3,811	5.87	10	458.9
2012	4,569	15,346,339	3,359	11.09	16,444,754	3,599	17.94	7	652.7

**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**

	<b>Fiscal Year Ended June 30</b>									
	<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>2012</u>
<b><u>Schools</u></b>										
Buildings	26	26	26	17	15	12	9	9	5	5
Square feet	568,331	568,331	562,634	421,284	411,496	343,092	261,195	261,195	154,371	154,371

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

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