
WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2020



WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402

GLENDALE, ARIZONA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Issued by:
Business and Finance Department

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402

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INTRODUCTORY SECTION

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December 24, 2020

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 comprehensive annual financial report of the Western Maricopa Education Center District No. 402 (District) for the fiscal year ended June 30, 2020.

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, 2020, 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, 2020, 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 from Grade 10 through Grade 12, with a current estimated enrollment of 35,700 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 2020 student enrollment was 36,400, 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 machining programs, and law and public safety. West-MEC Northeast campus programs include medical assisting, veterinary assisting, pharmacy technician, auto collision and auto technology, medium heavy diesel, HVAC-R, and general construction. The Southwest campus programs include hair styling, dental, welding, energy and industrial, general construction, pharmacy technician, medical assisting, and IT security. West-MEC's fourth campus is Northwest campus. The Northwest campus programs include hair styling, dental, physical therapy, IT security, law and public safety, and medical assisting. 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 is the sixth most populous city in the United States according to the 2016 census. The population of the city is 1,703,080. 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; Intel Corporation; Arizona State University; Honor Health; Honeywell; United States Department of the Air Force; Dignity Health; State Farm Insurance; Bank of America; Bank of America; and J.P. Morgan Chase. 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 4,329,580 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 3,685 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. During the 2018-19 school year, our Northwest campus added five programs: aesthetician, auto technology, biomedical sciences and veterinary sciences.

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, including the coding program, 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 ½ mile south of I-10 on Airport Road and Verrado Drive. Phase 3 of our Southwest campus was complete in August of 2017. Programs include energy and industrial, general construction, pharmacy technician, medical assisting, and IT security. The next phase is slated to be complete in August 2019, programs such as veterinary and hairstyling, will be added with dental and water sustainability to begin in fall 2020.

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 land had a building built during the 2010-11 school year to accommodate an Aviation Airframe and Power Plant training program. An additional building was built on the property which now accommodates machining and manufacturing, welding, and law and public safety, and coding.

Through a voter approved Bond, 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 to accommodate medical assisting, veterinary assisting, pharmacy technician, auto collision and auto technology programs, medium heavy diesel, HVAC-R, and general construction.

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

West-MEC is in the process of purchasing approximately 30 acres of land along the Loop 101 Freeway in the Phoenix area. This land will be the location of West-MEC's new campus, where bioscience programs will be offered.

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

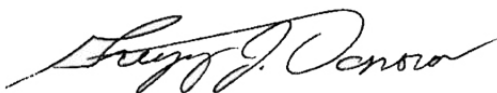
Awards. The Association of School Business Officials (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2019. This was the 15th consecutive year that the District has received this prestigious award. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2019. In order to be awarded these certificates, the District published an easily readable and efficiently organized comprehensive annual 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 comprehensive annual 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, 2020 certificates.

Acknowledgments. The preparation of the comprehensive annual 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
Administrator for Business Services



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

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

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2019.**

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



A handwritten signature in black ink, reading 'Claire Hertz'.

Claire Hertz, SFO
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis
Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

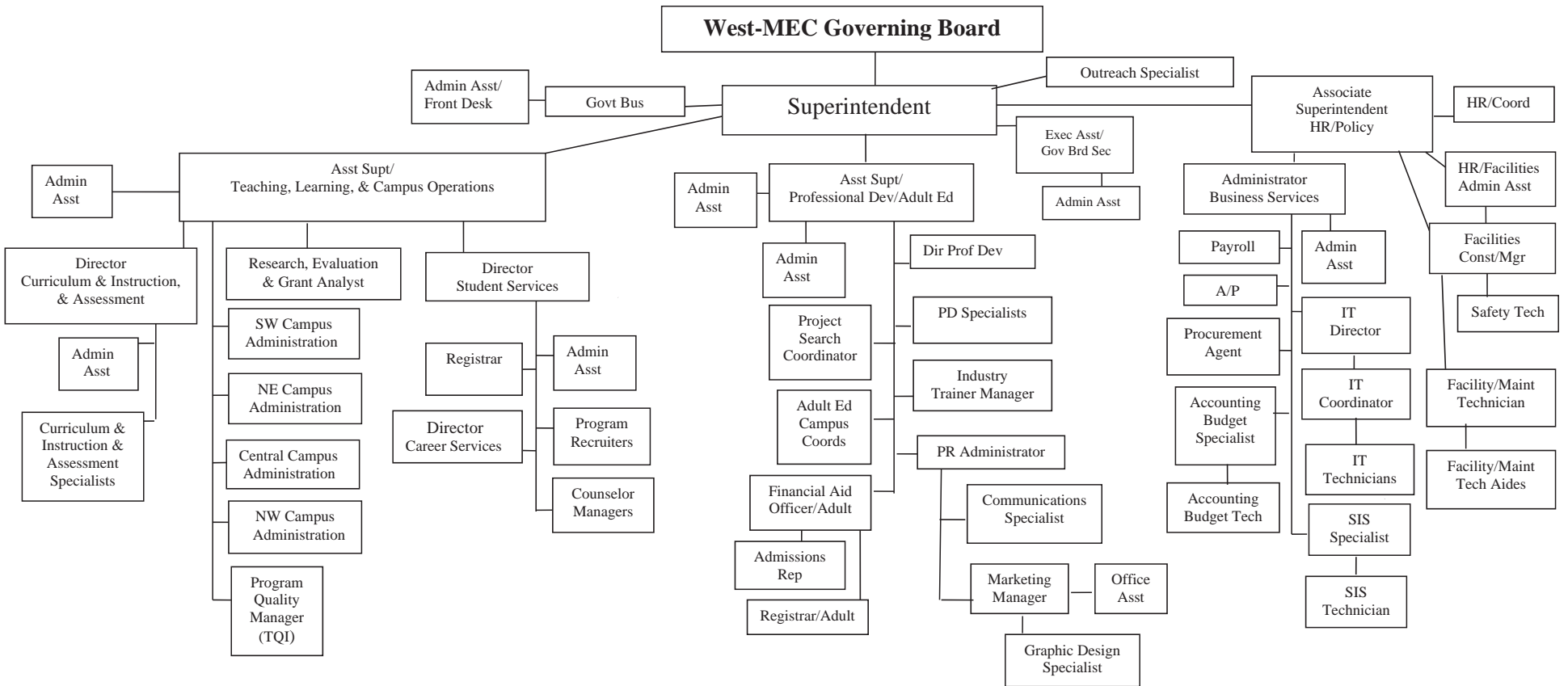
**Western Maricopa Education Center District No. 402
Arizona**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morrill

Executive Director/CEO



Current as of 6-30-20

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

Frank Straka, Chairman

James Kaltenbach, Vice Chairman

Barbara Wyllie, Member

Charlie Ellis, Member

Dr. Peter Pingerelli, Member

Richard Oros, Member

Jim Migliorino, Member

ADMINISTRATIVE STAFF

Gregory J. Donovan, Superintendent

John J. Erb, Ed.D, Associate Superintendent

Barbara Thompson, Administrator for Business Services

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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 the Financial Statements

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, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, 2020, 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.

Change in Accounting Principle

As described in Note 1, the District implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, for the year ended June 30, 2020, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

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, 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.

Other 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 Introductory Section, Combining and Individual Fund Financial Statements and Schedules, and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining and Individual Fund Financial Statements and Schedules are the responsibility of management and were derived from and relate 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.

The Introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 24, 2020, 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.
Phoenix, Arizona
December 24, 2020

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, 2020**

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, 2020. 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 \$21.1 million which represents a 20 percent increase from the prior fiscal year primarily as a result of an increase in unrestricted state aid and property tax revenue combined with a decrease in expenses as a result of the COVID-19 pandemic school shutdown lasting approximately one-third of the school year.
- General revenues accounted for \$63.3 million in revenue, or 95 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$3.1 million or five percent of total current fiscal year revenues.
- The District had approximately \$45.3 million in expenses related to governmental activities, a decrease of seven percent from the prior fiscal year. The decrease was the result of the COVID-19 pandemic school shutdown lasting approximately one-third of the school year.
- Among major funds, the General Fund had \$41.3 million of current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$28.5 million in expenditures. The General Fund's fund balance increased from \$19.2 million at the prior fiscal year end, to \$32.1 million at the end of the current fiscal year primarily due to an increase in unrestricted state aid and the increase of state aid allocated to the fund.
- Net position for the Internal Service Fund increased \$72,308 from the prior fiscal year. Operating revenues of \$133,000 exceeded operating expenses of \$65,909 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, 2020**

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, 2020**

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, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$124.0 million at the current fiscal year end.

A portion of the District's net position reflects its investment in capital assets (e.g., land, leasehold 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, 2020 and June 30, 2019.

	As of June 30, 2020	As of June 30, 2019
Current assets	\$ 145,990,814	\$ 78,344,089
Capital assets, net	182,876,792	173,794,038
Total assets	<u>328,867,606</u>	<u>252,138,127</u>
 Deferred outflows	 <u>2,989,280</u>	 <u>3,853,370</u>
 Current and other liabilities	 6,966,709	 10,383,120
Long-term liabilities	200,142,934	149,039,078
Total liabilities	<u>207,109,643</u>	<u>159,422,198</u>
 Deferred inflows	 <u>789,412</u>	 <u>1,373,635</u>
 Net position:		
Net investment in capital assets	58,119,098	42,397,958
Restricted	31,842,400	32,652,335
Unrestricted	33,996,333	20,145,371
Total net position	<u>\$ 123,957,831</u>	<u>\$ 95,195,664</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.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and disposal of capital assets, and the depreciation of capital assets.

**WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following are significant current year transactions that have had an impact on the Statement of Net Position.

- The addition of \$5.3 million in capital assets through the purchase of vehicles, furniture and equipment and construction of new facilities.
- The depreciation of existing assets resulting in the addition of \$3.6 million in accumulated depreciation.
- The issuance of \$53.0 million in bonds and the corresponding \$8.4 million in premium on bonds.

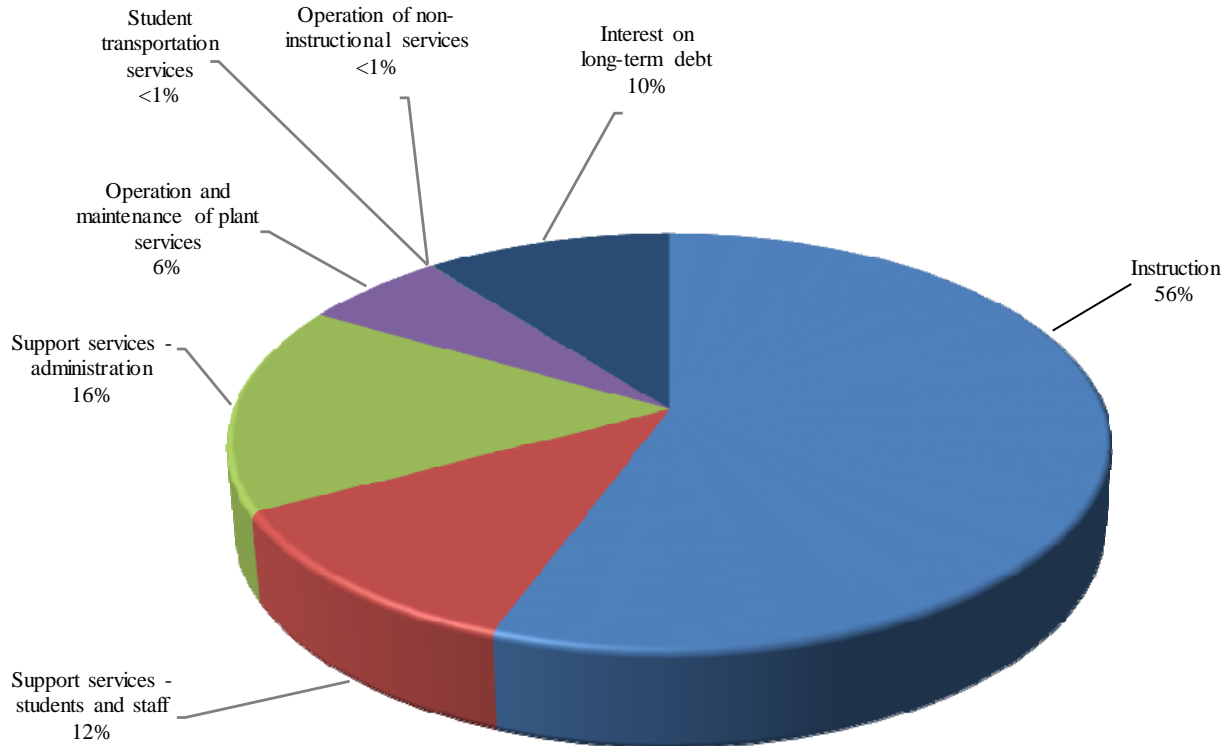
Changes in net position. The District's total revenues for the current fiscal year were \$66.3 million. The total cost of all programs and services was \$45.3 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2020 and June 30, 2019.

	Fiscal Year Ended <u>June 30, 2020</u>	Fiscal Year Ended <u>June 30, 2019</u>
Revenues:		
Program revenues:		
Charges for services	\$ 2,807,213	\$ 1,845,986
Operating grants and contributions	131,460	569,476
Capital grants and contributions	122,792	67,861
General revenues:		
Property taxes	25,900,087	22,531,094
Investment income	2,065,728	1,936,977
Unrestricted county aid	3,362,486	2,979,765
Unrestricted state aid	31,957,655	28,910,813
Total revenues	<u>66,347,421</u>	<u>58,841,972</u>
Expenses:		
Instruction	25,189,552	28,381,606
Support services - students and staff	5,268,546	5,310,247
Support services - administration	7,280,450	8,192,043
Operation and maintenance of plant services	2,789,203	2,524,230
Student transportation services	12,956	99,476
Operation of non-instructional services	4,781	4,781
Interest on long-term debt	4,745,949	4,164,294
Total expenses	<u>45,291,437</u>	<u>48,676,677</u>
Changes in net position	<u>21,055,984</u>	<u>10,165,295</u>
Net position, beginning, as restated	<u>102,901,847</u>	<u>85,030,369</u>
Net position, ending	<u>\$ 123,957,831</u>	<u>\$ 95,195,664</u>

**WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Expenses - Fiscal Year 2020



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

- The \$3.4 million increase in property taxes due to an increase in the property tax rate.
- The \$3.0 million increase in unrestricted state aid due to an increase in the funding formula adopted by the state legislature.
- The \$3.4 million decrease in expenses due to the COVID-19 pandemic causing a school shutdown for approximately one third of the school year.

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.

**WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

	Year Ended June 30, 2020		Year Ended June 30, 2019	
	Total	Net (Expense)/	Total	Net (Expense)/
	Expenses	Revenue	Expenses	Revenue
Instruction	\$ 25,189,552	\$ (22,559,189)	\$ 28,381,606	\$ (26,196,203)
Support services - students and staff	5,268,546	(5,059,537)	5,310,247	(5,241,554)
Support services - administration	7,280,450	(7,280,450)	8,192,043	(8,192,043)
Operation and maintenance of plant services	2,789,203	(2,589,628)	2,524,230	(2,322,102)
Student transportation services	12,956	9,562	99,476	(72,377)
Operation of non-instructional services	4,781	(4,781)	4,781	(4,781)
Interest on long-term debt	4,745,949	(4,745,949)	4,164,294	(4,164,294)
Total	\$ 45,291,437	\$ (42,229,972)	\$ 48,676,677	\$ (46,193,354)

- The cost of all governmental activities this year was \$45.3 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$3.1 million.
- Net cost of governmental activities of \$42.2 million was financed by general revenues, which are made up of primarily property taxes of \$25.9 million and state and county aid of \$35.3 million. Investment earnings accounted for \$2.1 million of funding.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

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 \$126.0 million, an increase of \$68.2 million due primarily to the issuance of school improvement bonds to fund construction and renovations to school campuses.

**WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The General Fund comprises 25 percent of the total fund balance. Approximately \$32.1 million, or 100 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. There was an increase in fund balance of \$12.8 million to \$32.1 million as of fiscal year end primarily due to the \$15.2 million increase in revenues as a result of an increase in unrestricted state aid and an increase in state aid allocated to the fund. General Fund expenditures increased \$847,699.

The fund balance in the Debt Service Fund decreased \$220,509 to \$912,434 due to the District's debt retirement payments increasing relative to property tax revenues.

The fund balance in the Unrestricted Capital Outlay Fund decreased \$2.0 million to \$25.8 million primarily due to the decrease in state aid allocated to the fund.

The fund balance in the Bond Building Fund increased \$56.5 million to \$62.3 million as of year end primarily due to the issuance of bonds.

Proprietary fund. Unrestricted net position of the Internal Service Fund at the end of the fiscal year amounted to \$258,587. The increase of \$72,308 from the prior fiscal year was a result of conservative spending.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District did not revise the General Fund annual expenditure budget as a result of the budget not requiring a revision.

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 variance is summarized as follows:

- The favorable variance of \$1.6 million in instruction expenditures was primarily due to the COVID-19 pandemic school shutdown for approximately one third of the school year.
- The favorable variance of \$613,230 in support services – students and staff expenditures was primarily due to the District not filling open positions as a result of the COVID-19 pandemic.
- The favorable variance of \$467,069 in operation and maintenance of plant services expenditures was primarily due to solar savings and the implementation of a preventative software maintenance program.

**WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020**

CAPITAL ASSETS AND DEBT ADMINISTRATION

At year end, the District had invested \$199.2 million in capital assets, including land, buildings and improvements, vehicles, furniture, and equipment, and construction in progress. This amount represents a net increase prior to depreciation of \$5.3 million from the prior fiscal year, primarily due to spending of bond proceeds on construction and renovation projects at multiple school campuses. Total depreciation expense for the current fiscal year was \$3.6 million.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2020 and June 30, 2019.

	As of June 30, 2020	As of June 30, 2019
Capital assets - non-depreciable	\$ 40,348,846	\$ 53,421,248
Capital assets - depreciable, net	142,527,946	127,799,274
Total	\$ 182,876,792	\$ 181,220,522

The estimated cost to complete current construction projects is \$197,235.

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

Debt Administration. At year end, the District had \$186.5 million in long-term debt outstanding, \$12.5 million due within one year. Long-term debt increased by \$49.3 million due to the issuance of school improvement bonds.

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 \$210.8 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.

**WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020**

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 2020-21 budget. Among them:

- Fiscal year 2019-20 budget balance carry forward (estimated \$1.5 million)
- Employee salaries
- District student population (estimated 7,134)

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 17 percent to \$35.9 million in fiscal year 2020-21. This was a result of new programs and increased student enrollment. The Northeast Campus added a coding program and the Southwest Campus added hairstyling, dental, and welding programs. These programs increased funding and student enrollment.

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, 2020

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 137,281,609
Property taxes receivable	451,900
Due from governmental entities	8,257,305
Total current assets	145,990,814
Noncurrent assets:	
Capital assets not being depreciated	40,348,846
Capital assets, net of accumulated depreciation	142,527,946
Total noncurrent assets	182,876,792
Total assets	328,867,606
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension plan items	2,989,280
 <u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	1,077,860
Construction contracts payable	560,889
Accrued payroll and employee benefits	541,341
Compensated absences payable	104,381
Accrued interest payable	3,671,540
Unearned revenues	1,115,079
Bonds payable	12,470,000
Total current liabilities	19,541,090
Noncurrent liabilities:	
Non-current portion of long-term obligations	187,568,553
Total noncurrent liabilities	187,568,553
Total liabilities	207,109,643
 <u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension plan items	789,412
 <u>NET POSITION</u>	
Net investment in capital assets	58,119,098
Restricted	31,842,400
Unrestricted	33,996,333
Total net position	\$ 123,957,831

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, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction	\$ 25,189,552	\$ 2,398,629	\$ 108,942	\$ 122,792	\$ (22,559,189)
Support services - students and staff	5,268,546	209,009			(5,059,537)
Support services - administration	7,280,450				(7,280,450)
Operation and maintenance of plant services	2,789,203	199,575			(2,589,628)
Student transportation services	12,956		22,518		9,562
Operation of non-instructional services	4,781				(4,781)
Interest on long-term debt	4,745,949				(4,745,949)
Total governmental activities	<u>\$ 45,291,437</u>	<u>\$ 2,807,213</u>	<u>\$ 131,460</u>	<u>\$ 122,792</u>	<u>(42,229,972)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	7,767,843
Property taxes, levied for debt service	18,132,244
Investment income	2,065,728
Unrestricted county aid	3,362,486
Unrestricted state aid	31,957,655
Total general revenues	<u>63,285,956</u>

Changes in net position 21,055,984

Net position, beginning of year, as restated 102,901,847

Net position, end of year \$ 123,957,831

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, 2020**

	General	Debt Service	Unrestricted Capital Outlay
<u>ASSETS</u>			
Cash and investments	\$ 25,747,651	\$ 16,956,445	\$ 26,898,964
Property taxes receivable	138,280	313,620	
Due from governmental entities	8,138,836		
Total assets	\$ 34,024,767	\$ 17,270,065	\$ 26,898,964
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 505,604	\$	\$ 499,085
Construction contracts payable			560,889
Accrued payroll and employee benefits	235,049		
Unearned revenues	1,100,000		
Bonds payable		12,470,000	
Bond interest payable		3,671,540	
Total liabilities	1,840,653	16,141,540	1,059,974
Deferred inflows of resources:			
Unavailable revenues - property taxes	103,707	216,091	
Fund balances:			
Restricted		912,434	25,838,990
Unassigned	32,080,407		
Total fund balances	32,080,407	912,434	25,838,990
 Total liabilities, deferred inflows of resources and fund balances	 \$ 34,024,767	 \$ 17,270,065	 \$ 26,898,964

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>
\$ 62,269,004	\$ 5,150,958	\$ 137,023,022
	118,469	451,900
		8,257,305
<u>\$ 62,269,004</u>	<u>\$ 5,269,427</u>	<u>\$ 145,732,227</u>
\$	\$ 73,171	\$ 1,077,860
	306,292	560,889
	15,079	541,341
		1,115,079
		12,470,000
		3,671,540
	<u>394,542</u>	<u>19,436,709</u>
		<u>319,798</u>
62,269,004	4,874,885	93,895,313
		32,080,407
<u>62,269,004</u>	<u>4,874,885</u>	<u>125,975,720</u>
<u>\$ 62,269,004</u>	<u>\$ 5,269,427</u>	<u>\$ 145,732,227</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, 2020**

Total governmental fund balances **\$ 125,975,720**

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	\$ 199,171,013	
Less accumulated depreciation	<u>(16,294,221)</u>	182,876,792

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

Property taxes		319,798
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Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to pensions	2,989,280	
Deferred inflows of resources related to pensions	<u>(789,412)</u>	2,199,868

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.

258,587

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

Compensated absences payable	(1,043,805)	
Net pension liability	(12,633,320)	
Bonds payable	<u>(173,995,809)</u>	<u>(187,672,934)</u>

Net position of governmental activities **\$ 123,957,831**

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, 2020

	General	Debt Service	Unrestricted Capital Outlay
Revenues:			
Other local	\$ 4,828,560	\$ 174,382	\$ 754,264
Property taxes	7,721,469	18,034,769	
State aid and grants	28,737,226		2,447,237
Federal aid, grants and reimbursements			
Total revenues	41,287,255	18,209,151	3,201,501
Expenditures:			
Current -			
Instruction	16,589,440		
Support services - students and staff	4,140,110		
Support services - administration	5,045,508		
Operation and maintenance of plant services	2,674,560		
Student transportation services	1,525		
Capital outlay			5,182,360
Debt service -			
Principal retirement		12,470,000	
Interest and fiscal charges		6,790,657	
Bond issuance costs			
Total expenditures	28,451,143	19,260,657	5,182,360
Excess (deficiency) of revenues over expenditures	12,836,112	(1,051,506)	(1,980,859)
Other financing sources (uses):			
Transfers in		830,997	
Transfers out			
Issuance of school improvement bonds			
Premium on sale of bonds			
Total other financing sources (uses)		830,997	
Changes in fund balances	12,836,112	(220,509)	(1,980,859)
Fund balances, beginning of year, as restated	19,244,295	1,132,943	27,819,849
Fund balances, end of year	\$ 32,080,407	\$ 912,434	\$ 25,838,990

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>
\$ 830,997	\$ 1,716,300	\$ 8,304,503
		25,756,238
	780,074	31,964,537
	173,077	173,077
<u>830,997</u>	<u>2,669,451</u>	<u>66,198,355</u>
	1,228,331	17,817,771
	124,932	4,265,042
	114,119	5,159,627
	1,273	2,675,833
	11,431	12,956
4,423,618	122,489	9,728,467
		12,470,000
		6,790,657
511,815		511,815
<u>4,935,433</u>	<u>1,602,575</u>	<u>59,432,168</u>
<u>(4,104,436)</u>	<u>1,066,876</u>	<u>6,766,187</u>
		830,997
(830,997)		(830,997)
53,035,000		53,035,000
8,412,790		8,412,790
<u>60,616,793</u>		<u>61,447,790</u>
<u>56,512,357</u>	<u>1,066,876</u>	<u>68,213,977</u>
5,756,647	3,808,009	57,761,743
<u>\$ 62,269,004</u>	<u>\$ 4,874,885</u>	<u>\$ 125,975,720</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, 2020

Changes in fund balances - total governmental funds **\$ 68,213,977**

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 as depreciation expense.

Expenditures for capitalized assets	\$ 5,279,892	
Less current year depreciation	<u>(3,623,622)</u>	1,656,270

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

Issuance of school improvement bonds		(61,447,790)
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Some revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes		143,849
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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		12,470,000
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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	1,144,188	
Pension expense	<u>(3,117,602)</u>	(1,973,414)

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.

Amortization of deferred bond items	2,044,708	
Compensated absences	<u>(123,924)</u>	1,920,784

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>72,308</u>
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Changes in net position in governmental activities **\$ 21,055,984**

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, 2020

	<u>Governmental Activities: Internal Service Funds</u>
<u>ASSETS</u>	
Current assets:	
Cash and investments	<u>\$ 258,587</u>
Total current assets	<u>258,587</u>
Total assets	<u><u>258,587</u></u>
 <u>NET POSITION</u>	
Unrestricted	<u>258,587</u>
Total net position	<u><u>\$ 258,587</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, 2020**

	Governmental Activities: Internal Service Funds
Operating revenues:	
Contributions	\$ 133,000
Total operating revenues	133,000
Operating expenses:	
Cost of services	65,909
Total operating expenses	65,909
Operating income (loss)	67,091
Nonoperating revenues (expenses):	
Investment income	5,217
Total nonoperating revenues (expenses)	5,217
Changes in net position	72,308
Total net position, beginning of year	186,279
Total net position, end of year	\$ 258,587

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, 2020**

	Governmental Activities: Internal Service Funds
<u>Increase/Decrease in Cash and Cash Equivalents</u>	
Cash flows from operating activities:	
Cash received from contributions	\$ 133,000
Cash payments to suppliers for goods and services	(86,192)
Net cash provided by/used for operating activities	46,808
Cash flows from investing activities:	
Investment income	5,217
Net cash provided by/used for investing activities	5,217
Net increase/decrease in cash and cash equivalents	52,025
Cash and cash equivalents, beginning of year	206,562
Cash and cash equivalents, end of year	\$ 258,587
<u>Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating Activities</u>	
Operating income/loss	\$ 67,091
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	(20,283)
Total adjustments	(20,283)
Net cash provided by/used for operating activities	\$ 46,808

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, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

During the year ended June 30, 2020, the District implemented the provisions of GASB Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities for accounting and financial reporting purposes, and provides guidance as to how those activities should be reported. Student Activities and Employee Insurance reported in the prior year as fiduciary activities do not meet these new fiduciary activities criteria and have been reclassified as special revenue governmental funds and the General Fund. Beginning balances of the governmental funds and governmental activities have been restated by \$88,293 accordingly.

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, 2020

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, 2020

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, 2020

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, 2020

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 deposit 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, 2020

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, 2020

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, 2020

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, 2020

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, 2020

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	\$	\$ 912,434	\$	\$	\$
Capital projects			25,838,990		
Bond building projects				62,269,004	
Voter approved initiatives:					
Classroom site					1,763,935
Instructional improvement					321,730
Federal and state projects					615,279
Civic center					336,261
Community school					1,312,593
Extracurricular activities					42,071
Gifts and donations					338,331
Career, technical and vocational education					73,922
Student activities					70,763
Unassigned	32,080,407				
Total fund balances	\$ 32,080,407	\$ 912,434	\$ 25,838,990	\$62,269,004	\$ 4,874,885

NOTE 3 – RESTRICTED NET POSITION

The table below provides detail of the major components of the District’s restricted net position at year end.

	Governmental Activities
Restricted Net Position:	
Debt service	\$ 1,128,525
Capital projects	25,838,990
Voter approved initiatives	2,085,665
Federal and state projects	615,279
Civic center	336,261
Community school	1,312,593
Extracurricular activities	42,071
Gifts and donations	338,331
Student activities	70,763
Career, technical and vocational education	73,922
Total	\$ 31,842,400

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

NOTE 5 – 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 \$176,008 and the bank balance was \$179,851.

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	313 days	\$137,105,601

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, 2020

NOTE 6 – 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	\$	\$ 27,823
Due from state government	8,138,836	90,646
Net due from governmental entities	\$ 8,138,836	\$ 118,469

NOTE 7 – CAPITAL ASSETS

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

	Beginning Balance, as Restated	Increase	Decrease	Ending Balance
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 14,732,341	\$	\$	\$ 14,732,341
Construction in progress	38,688,907	4,428,634	17,501,036	25,616,505
Total capital assets, not being depreciated	53,421,248	4,428,634		40,348,846
Capital assets, being depreciated:				
Land improvements	1,102,831			1,102,831
Buildings and improvements	130,985,532	17,688,493		148,674,025
Vehicles, furniture and equipment	8,381,510	663,801		9,045,311
Total capital assets being depreciated	140,469,873	18,352,294		158,822,167
Less accumulated depreciation for:				
Land and improvements	(261,737)	(55,755)		(317,492)
Buildings and improvements	(9,420,686)	(2,878,187)		(12,298,873)
Vehicles, furniture and equipment	(2,988,176)	(689,680)		(3,677,856)
Total accumulated depreciation	(12,670,599)	(3,623,622)		(16,294,221)
Total capital assets, being depreciated, net	127,799,274	14,728,672		142,527,946
Governmental activities capital assets, net	\$ 181,220,522	\$ 19,157,306	\$	\$ 182,876,792

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7 – CAPITAL ASSETS

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 3,209,019
Support services – students and staff	131,592
Support services – administration	229,698
Operation and maintenance of plant services	48,532
Operation of non-instructional services	4,781
Total depreciation expense – governmental activities	<u>\$ 3,623,622</u>

Construction Commitments – At year end, the District had contractual commitments related to a capital project for renovations and construction at the Northwest Campus. At year end, the District had spent \$25.6 million on the projects and had estimated remaining contractual commitments of \$197,235. This project is being funded with bond proceeds.

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.

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 \$210.8 million, and the available margin is \$25.7 million.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2020	Due Within One Year
Governmental activities:					
School Improvement Bonds, Project of 2012, Series A (2013)	\$ 35,000,000	2.0-5.0%	7/1/20-32	\$ 26,495,000	\$ 1,050,000
School Improvement Bonds, Project of 2012, Series B (2014)	25,000,000	2.0-4.5%	7/1/20-34	22,025,000	1,025,000
School Improvement Bonds, Project of 2012, Series C (2015)	14,900,000	2.0-4.25%	7/1/20-35	14,455,000	925,000
School Improvement Bonds, Project of 2016, Series A (2017)	70,035,000	2.75-5.0%	7/1/20-27	53,535,000	4,735,000
School Improvement Bonds, Project of 2016, Series B (2019)	53,035,000	1.5-5.0%	7/1/20-28	<u>53,035,000</u>	<u>4,735,000</u>
Total				<u>\$ 169,545,000</u>	<u>\$ 12,470,000</u>

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 9 – GENERAL OBLIGATION BONDS PAYABLE

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

Year ending June 30:	Governmental Activities	
	Principal	Interest
2021	\$ 12,470,000	\$ 7,123,681
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
2026-30	70,500,000	11,595,027
2031-35	22,860,000	3,471,628
2036	5,150,000	103,000
Total	<u>\$ 169,545,000</u>	<u>\$ 44,933,621</u>

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
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 126,600,000	\$53,035,000	\$ 10,090,000	\$ 169,545,000	\$ 12,470,000
Premium	10,552,727	8,412,790	2,044,708	16,920,809	
Total bonds payable	<u>137,152,727</u>	<u>61,447,790</u>	<u>12,134,708</u>	<u>186,465,809</u>	<u>12,470,000</u>
Net pension liability	10,925,673	1,707,647		12,633,320	
Compensated absences payable	919,881	358,730	234,806	1,043,805	104,381
Governmental activity long-term liabilities	<u>\$ 148,998,281</u>	<u>\$63,514,167</u>	<u>\$ 12,369,514</u>	<u>\$ 200,142,934</u>	<u>\$ 12,574,381</u>

NOTE 11 – INTERFUND TRANSFERS

At year end, interfund transfers were as follows:

Transfers between funds of \$830,997 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.

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 12 – PRIOR PERIOD ADJUSTMENTS

The July 1, 2019, government-wide net position and the fund balance of the Non-Major Governmental Funds do not agree to the prior year financial statements due to the correction of errors and the implementation of GASB Statement 84, *Fiduciary Activities*. The revenue accrual error is the result of revenues that should have been accrued in fiscal year 2019. The construction in progress error is the result of an understatement of construction in progress in fiscal year 2019.

	Statement of Activities	Governmental Funds	
		General Fund	Non-Major Governmental Funds
Net position/fund balance, June 30, 2019, as previously reported	\$ 95,195,664	\$19,191,678	\$ 3,580,927
Prior year construction in progress error	7,426,484		
Prior year revenue accrual error	191,406		191,406
Implementation of GASB Statement 84	88,293	52,617	35,676
Net position/fund balance, July 1, 2019, as restated	<u>\$ 102,901,847</u>	<u>\$19,244,295</u>	<u>\$ 3,808,009</u>

NOTE 13 – RISK MANAGEMENT

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

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

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

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 13 – RISK MANAGEMENT

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.

NOTE 14 – PENSIONS

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

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

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

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

*With actuarially reduced benefits

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 14 – PENSIONS

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

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.11 percent (11.94 percent for retirement and 0.17 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 12.11 percent (11.45 percent for retirement, 0.49 percent for health insurance premium benefit, and 0.17 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, 2020 were \$1,144,188.

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, 2019. 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, 2018, to the measurement date of June 30, 2019. 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, 2019.

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 14 – PENSIONS

At June 30, 2020, the District reported the following amounts for its proportionate share of the pension plan net liability. In addition, at June 30, 2019, the District’s percentage proportion for the plan and the related change from its proportion measured as of June 30, 2018 was:

Net Liability	District % Proportion	Increase (Decrease)
\$ 12,633,320	0.087	0.008

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, 2020 was \$3,117,602.

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	\$ 228,224	\$ 2,375
Changes of assumptions or other inputs	53,401	503,084
Net difference between projected and actual earnings on pension investments		283,953
Changes in proportion and differences between contributions and proportionate share of contributions	1,563,467	
Contributions subsequent to the measurement date	1,144,188	
Total	\$ 2,989,280	\$ 789,412

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, 2021. 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:	
2021	\$ 980,622
2022	53,539
2023	(54,531)
2024	76,050

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 14 – PENSIONS

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

Actuarial valuation date	June 30, 2018
Actuarial roll forward date	June 30, 2019
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, 2018 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%	6.09%
Credit	20	5.36
Interest rate sensitive bonds	10	1.62
Real estate	20	5.85
Total	<u>100%</u>	

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 14 – 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	\$ 17,980,141	\$ 12,633,320	\$ 8,164,754

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

NOTE 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.

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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, 2020

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Original & Final</u>	Non-GAAP Actual	<u>Positive (Negative)</u>
Revenues:			
Other local	\$	\$ 3,791,498	\$ 3,791,498
Property taxes		7,721,469	7,721,469
State aid and grants		28,737,226	28,737,226
Total revenues		<u>40,250,193</u>	<u>40,250,193</u>
Expenditures:			
Current -			
Instruction	17,961,132	16,378,916	1,582,216
Support services - students and staff	4,751,550	4,138,320	613,230
Support services - administration	4,688,210	5,057,182	(368,972)
Operation and maintenance of plant services	3,141,629	2,674,560	467,069
Student transportation services	24,000	1,525	22,475
Total expenditures	<u>30,566,521</u>	<u>28,250,503</u>	<u>2,316,018</u>
Changes in fund balances	<u>(30,566,521)</u>	<u>11,999,690</u>	<u>42,566,211</u>
Fund balances, beginning of year		18,107,047	18,107,047
Fund balances (deficits), end of year	<u>\$ (30,566,521)</u>	<u>\$ 30,106,737</u>	<u>\$ 60,673,258</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 SIX FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Measurement date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
District's proportion of the net pension (assets) liability	0.09%	0.08%	0.07%	0.05%
District's proportionate share of the net pension (assets) liability	\$ 12,633,320	\$ 10,925,673	\$ 10,384,329	\$ 8,720,985
District's covered payroll	\$ 9,112,299	\$ 7,771,422	\$ 6,489,499	\$ 5,033,014
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	138.64%	140.59%	160.02%	173.28%
Plan fiduciary net position as a percentage of the total pension liability	73.24%	73.40%	69.92%	67.06%

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 1,144,188	\$ 1,018,755	\$ 847,085	\$ 699,568
Contributions in relation to the actuarially determined contribution	<u>1,144,188</u>	<u>1,018,755</u>	<u>847,085</u>	<u>699,568</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 9,992,908	\$ 9,112,299	\$ 7,771,422	\$ 6,489,499
Contributions as a percentage of covered payroll	11.45%	11.18%	10.90%	10.78%

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.

2016

2015

June 30, 2015

June 30, 2014

0.04%

0.03%

\$ 6,473,683

\$ 4,782,969

\$ 3,805,161

\$ 2,939,262

170.13%

162.73%

68.35%

69.49%

2016

2015

\$ 546,082

\$ 414,382

546,082

414,382

\$

\$

\$ 5,033,014

\$ 3,805,161

10.85%

10.89%

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020

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	\$ 28,451,143	\$ 32,080,407
Activity budgeted as special revenue funds	(215,598)	(1,906,095)
Employee insurance account	14,958	(67,575)
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	\$ 28,250,503	\$ 30,106,737

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, 2018, 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.

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

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

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, 2020**

	Classroom Site	Instructional Improvement	E-Rate
<u>ASSETS</u>			
Cash and investments	\$ 2,003,214	\$ 290,810	\$ 225,847
Due from governmental entities	59,726	30,920	27,823
Total assets	\$ 2,062,940	\$ 321,730	\$ 253,670
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 299,005	\$	\$
Accrued payroll and employee benefits	299,005		
Unearned revenues			
Total liabilities	299,005		
Fund balances:			
Restricted	1,763,935	321,730	253,670
Total fund balances	1,763,935	321,730	253,670
 Total liabilities and fund balances	 \$ 2,062,940	 \$ 321,730	 \$ 253,670

<u>Other Federal Projects</u>	<u>College Credit Exam Incentives</u>	<u>Other State Projects</u>	<u>Civic Center</u>	<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>
\$ 38,581	\$ 4,087	\$ 367,257	\$ 336,261	\$ 1,334,467	\$ 42,071
<u>\$ 38,581</u>	<u>\$ 4,087</u>	<u>\$ 367,257</u>	<u>\$ 336,261</u>	<u>\$ 1,334,467</u>	<u>\$ 42,071</u>
\$ 23,502	\$	\$ 9,735	\$	\$ 14,587 7,287	\$
<u>15,079</u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
<u>38,581</u>	<u></u>	<u>9,735</u>	<u></u>	<u>21,874</u>	<u></u>
<u></u>	<u>4,087</u>	<u>357,522</u>	<u>336,261</u>	<u>1,312,593</u>	<u>42,071</u>
<u></u>	<u>4,087</u>	<u>357,522</u>	<u>336,261</u>	<u>1,312,593</u>	<u>42,071</u>
<u>\$ 38,581</u>	<u>\$ 4,087</u>	<u>\$ 367,257</u>	<u>\$ 336,261</u>	<u>\$ 1,334,467</u>	<u>\$ 42,071</u>

(Continued)

**WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2020**

	Gifts and Donations	Career, Technical and Vocational Education	Student Activities
<u>ASSETS</u>			
Cash and investments	\$ 360,795	\$ 73,922	\$ 73,646
Due from governmental entities			
Total assets	\$ 360,795	\$ 73,922	\$ 73,646
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 22,464	\$	\$ 2,883
Accrued payroll and employee benefits			
Unearned revenues			
Total liabilities	22,464		2,883
Fund balances:			
Restricted	338,331	73,922	70,763
Total fund balances	338,331	73,922	70,763
 Total liabilities and fund balances	\$ 360,795	\$ 73,922	\$ 73,646

Totals

\$ 5,150,958
118,469
\$ 5,269,427

\$ 73,171
306,292
15,079
394,542

4,874,885
4,874,885

\$ 5,269,427

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, 2020

	Classroom Site	Instructional Improvement	E-Rate
Revenues:			
Other local	\$ 32,758	\$ 5,184	\$ 3,975
State aid and grants	716,711	56,481	
Federal aid, grants and reimbursements			122,792
Total revenues	749,469	61,665	126,767
Expenditures:			
Current -			
Instruction	407,609		
Support services - students and staff	7,765		
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Capital outlay			76,567
Total expenditures	415,374		76,567
Changes in fund balances	334,095	61,665	50,200
Fund balances, beginning of year, as restated	1,429,840	260,065	203,470
Fund balances, end of year	\$ 1,763,935	\$ 321,730	\$ 253,670

<u>Other Federal Projects</u>	<u>College Credit Exam Incentives</u>	<u>Other State Projects</u>	<u>Civic Center</u>	<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>
\$	\$	\$	\$	\$	\$
	68	6,814	212,770	1,177,191	23,133
<u>50,285</u>					
<u>50,285</u>	<u>68</u>	<u>6,814</u>	<u>212,770</u>	<u>1,177,191</u>	<u>23,133</u>
50,285		68,809	9,420	460,480	70
			11,779	104,815	
			14,676	95,897	
			825	448	
			13,647	30,387	9,346
<u>50,285</u>		<u>68,809</u>	<u>50,347</u>	<u>692,027</u>	<u>9,416</u>
	68	(61,995)	162,423	485,164	13,717
	4,019	419,517	173,838	827,429	28,354
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
	<u>4,087</u>	<u>357,522</u>	<u>336,261</u>	<u>1,312,593</u>	<u>42,071</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, 2020

	<u>Gifts and Donations</u>	<u>Career, Technical and Vocational Education</u>	<u>Student Activities</u>
Revenues:			
Other local	\$ 58,778	\$ 35,904	\$ 166,607
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>58,778</u>	<u>35,904</u>	<u>166,607</u>
Expenditures:			
Current -			
Instruction	75,097	26,551	130,010
Support services - students and staff	573		
Support services - administration	3,546		
Operation and maintenance of plant services			
Student transportation services	575		1,510
Capital outlay		1,888	
Total expenditures	<u>79,791</u>	<u>28,439</u>	<u>131,520</u>
Changes in fund balances	<u>(21,013)</u>	<u>7,465</u>	<u>35,087</u>
Fund balances, beginning of year, as restated	359,344	66,457	35,676
Fund balances, end of year	<u>\$ 338,331</u>	<u>\$ 73,922</u>	<u>\$ 70,763</u>

Totals

\$	1,716,300
	780,074
	<u>173,077</u>
	<u>2,669,451</u>

1,228,331
124,932
114,119
1,273
11,431
<u>122,489</u>
<u>1,602,575</u>

1,066,876

3,808,009

\$	<u>4,874,885</u>
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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, 2020

	Classroom Site		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 32,758	\$ 32,758
State aid and grants		716,711	716,711
Federal aid, grants and reimbursements			
Total revenues		749,469	749,469
Expenditures:			
Current -			
Instruction	18,909,111	407,609	18,501,502
Support services - students and staff		7,765	(7,765)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Capital outlay			
Total expenditures	18,909,111	415,374	18,493,737
Changes in fund balances	(18,909,111)	334,095	19,243,206
Fund balances, beginning of year, as restated		1,429,840	1,429,840
Fund balances (deficits), end of year	\$ (18,909,111)	\$ 1,763,935	\$ 20,673,046

Instructional Improvement			E-Rate		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 5,184 56,481	\$ 5,184 56,481	\$	\$ 3,975	\$ 3,975
	<u>61,665</u>	<u>61,665</u>		<u>122,792</u> <u>126,767</u>	<u>122,792</u> <u>126,767</u>
298,402		298,402	187,897		187,897
<u>298,402</u>	<u>61,665</u>	<u>298,402</u>	<u>187,897</u>	<u>76,567</u> <u>76,567</u>	<u>(76,567)</u> <u>111,330</u>
<u>(298,402)</u>	<u>260,065</u>	<u>360,067</u>	<u>(187,897)</u>	<u>50,200</u>	<u>238,097</u>
	<u>260,065</u>	<u>260,065</u>		<u>203,470</u>	<u>203,470</u>
<u>\$ (298,402)</u>	<u>\$ 321,730</u>	<u>\$ 620,132</u>	<u>\$ (187,897)</u>	<u>\$ 253,670</u>	<u>\$ 441,567</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, 2020

	Other Federal Projects		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		50,285	50,285
Total revenues		50,285	50,285
Expenditures:			
Current -			
Instruction		50,285	(50,285)
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Capital outlay			
Total expenditures		50,285	(50,285)
Changes in fund balances			
Fund balances, beginning of year, as restated			
Fund balances (deficits), end of year	\$	\$	\$

College Credit Exam Incentives			Other State Projects		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 68	\$ 68	\$	\$ 6,814	\$ 6,814
	<u>68</u>	<u>68</u>		<u>6,814</u>	<u>6,814</u>
			452,184	68,809	383,375
			<u>452,184</u>	<u>68,809</u>	<u>383,375</u>
	<u>68</u>	<u>68</u>	<u>(452,184)</u>	<u>(61,995)</u>	<u>390,189</u>
	4,019	4,019		419,517	419,517
<u>\$</u>	<u>\$ 4,087</u>	<u>\$ 4,087</u>	<u>\$ (452,184)</u>	<u>\$ 357,522</u>	<u>\$ 809,706</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, 2020

	School Plant		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Other local	\$	\$ 239,621	\$ 239,621
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		239,621	239,621
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services	2,006,769		2,006,769
Student transportation services			
Capital outlay			
Total expenditures	2,006,769		2,006,769
Changes in fund balances	(2,006,769)	239,621	2,246,390
Fund balances, beginning of year, as restated		708,897	708,897
Fund balances (deficits), end of year	\$ (2,006,769)	\$ 948,518	\$ 2,955,287

Civic Center			Community School		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 212,770	\$ 212,770	\$	\$ 1,177,191	\$ 1,177,191
	<u>212,770</u>	<u>212,770</u>		<u>1,177,191</u>	<u>1,177,191</u>
	9,420	(9,420)	795,886	460,480	335,406
	11,779	(11,779)		104,815	(104,815)
	14,676	(14,676)		95,897	(95,897)
	825	(825)		448	(448)
<u>189,000</u>	<u>13,647</u>	<u>175,353</u>		<u>30,387</u>	<u>(30,387)</u>
<u>189,000</u>	<u>50,347</u>	<u>138,653</u>	<u>795,886</u>	<u>692,027</u>	<u>103,859</u>
<u>(189,000)</u>	<u>162,423</u>	<u>351,423</u>	<u>(795,886)</u>	<u>485,164</u>	<u>1,281,050</u>
	173,838	173,838		827,429	827,429
<u>\$ (189,000)</u>	<u>\$ 336,261</u>	<u>\$ 525,261</u>	<u>\$ (795,886)</u>	<u>\$ 1,312,593</u>	<u>\$ 2,108,479</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, 2020

	Auxiliary Operations		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 780,823	\$ 780,823
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		780,823	780,823
Expenditures:			
Current -			
Instruction	667,123	210,524	456,599
Support services - students and staff		1,790	(1,790)
Support services - administration		3,284	(3,284)
Operation and maintenance of plant services			
Student transportation services			
Capital outlay			
Total expenditures	667,123	215,598	451,525
Changes in fund balances	(667,123)	565,225	1,232,348
Fund balances, beginning of year, as restated		350,634	350,634
Fund balances (deficits), end of year	\$ (667,123)	\$ 915,859	\$ 1,582,982

<u>Extracurricular Activities Fees Tax Credit</u>			<u>Gifts and Donations</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$ 23,133	\$ 23,133	\$	\$ 58,778	\$ 58,778
	<u>23,133</u>	<u>23,133</u>		<u>58,778</u>	<u>58,778</u>
	70	(70)	225,508	75,097	150,411
				573	(573)
				3,546	(3,546)
33,000	9,346	23,654		575	(575)
<u>33,000</u>	<u>9,416</u>	<u>23,584</u>	<u>225,508</u>	<u>79,791</u>	<u>145,717</u>
<u>(33,000)</u>	<u>13,717</u>	<u>46,717</u>	<u>(225,508)</u>	<u>(21,013)</u>	<u>204,495</u>
	28,354	28,354		359,344	359,344
<u>\$ (33,000)</u>	<u>\$ 42,071</u>	<u>\$ 75,071</u>	<u>\$ (225,508)</u>	<u>\$ 338,331</u>	<u>\$ 563,839</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, 2020

	Career, Technical and Vocational Education		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 35,904	\$ 35,904
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	48,540	26,551	21,989
Expenditures:			
Current -			
Instruction	48,540	26,551	21,989
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Capital outlay		1,888	(1,888)
Total expenditures	48,540	28,439	20,101
Changes in fund balances	(48,540)	7,465	56,005
Fund balances, beginning of year, as restated		66,457	66,457
Fund balances (deficits), end of year	\$ (48,540)	\$ 73,922	\$ 122,462

Insurance Proceeds			Student Activities		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 16,618	\$ 16,618	\$	\$ 166,607	\$ 166,607
	<u>16,618</u>	<u>16,618</u>		<u>166,607</u>	<u>166,607</u>
				130,010	(130,010)
				1,510	(1,510)
				<u>131,520</u>	<u>(131,520)</u>
	<u>16,618</u>	<u>16,618</u>		<u>35,087</u>	<u>35,087</u>
	25,100	25,100		35,676	35,676
<u>\$</u>	<u>\$ 41,718</u>	<u>\$ 41,718</u>	<u>\$</u>	<u>\$ 70,763</u>	<u>\$ 70,763</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, 2020

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 2,753,362	\$ 2,753,362
State aid and grants		780,074	780,074
Federal aid, grants and reimbursements		173,077	173,077
Total revenues		<u>3,706,513</u>	<u>3,706,513</u>
Expenditures:			
Current -			
Instruction	21,584,651	1,438,855	20,145,796
Support services - students and staff		126,722	(126,722)
Support services - administration		117,403	(117,403)
Operation and maintenance of plant services	2,006,769	1,273	2,005,496
Student transportation services	33,000	11,431	21,569
Capital outlay	189,000	122,489	66,511
Total expenditures	<u>23,813,420</u>	<u>1,818,173</u>	<u>21,995,247</u>
Changes in fund balances	<u>(23,813,420)</u>	<u>1,888,340</u>	<u>25,701,760</u>
Fund balances, beginning of year, as restated		4,892,640	4,892,640
Fund balances (deficits), end of year	<u>\$ (23,813,420)</u>	<u>\$ 6,780,980</u>	<u>\$ 30,594,400</u>

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, 2020

	Debt Service		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 174,382	\$ 174,382
Property taxes		18,034,769	18,034,769
Total revenues		18,209,151	18,209,151
Expenditures:			
Debt service -			
Principal retirement	12,470,000	12,470,000	
Interest and fiscal charges	5,910,150	6,790,657	(880,507)
Total expenditures	18,380,150	19,260,657	(880,507)
Excess (deficiency) of revenues over expenditures	(18,380,150)	(1,051,506)	17,328,644
Other financing sources (uses):			
Transfers in		830,997	830,997
Total other financing sources (uses)		830,997	830,997
Changes in fund balances	(18,380,150)	(220,509)	18,159,641
Fund balances, beginning of year		1,132,943	1,132,943
Fund balances (deficits), end of year	\$ (18,380,150)	\$ 912,434	\$ 19,292,584

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, 2020

	Unrestricted Capital Outlay		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 754,264	\$ 754,264
State aid and grants		2,447,237	2,447,237
Total revenues		3,201,501	3,201,501
Expenditures:			
Capital outlay	40,445,462	5,182,360	35,263,102
Debt service - Bond issuance costs			
Total expenditures	40,445,462	5,182,360	35,263,102
Excess (deficiency) of revenues over expenditures	(40,445,462)	(1,980,859)	38,464,603
Other financing sources (uses):			
Transfers out			
Issuance of school improvement bonds			
Premium on sale of bonds			
Total other financing sources (uses)	_____	_____	_____
Changes in fund balances	(40,445,462)	(1,980,859)	38,464,603
Fund balances, beginning of year		27,819,849	27,819,849
Fund balances (deficits), end of year	\$ (40,445,462)	\$ 25,838,990	\$ 66,284,452

Bond Building			Totals		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 830,997	\$ 830,997	\$	\$ 1,585,261	\$ 1,585,261
	<u>830,997</u>	<u>830,997</u>		<u>2,447,237</u>	<u>2,447,237</u>
				<u>4,032,498</u>	<u>4,032,498</u>
3,193,214	4,423,618	(1,230,404)	43,638,676	9,605,978	34,032,698
	<u>511,815</u>	<u>(511,815)</u>		<u>511,815</u>	<u>(511,815)</u>
<u>3,193,214</u>	<u>4,935,433</u>	<u>(1,742,219)</u>	<u>43,638,676</u>	<u>10,117,793</u>	<u>33,520,883</u>
<u>(3,193,214)</u>	<u>(4,104,436)</u>	<u>(911,222)</u>	<u>(43,638,676)</u>	<u>(6,085,295)</u>	<u>37,553,381</u>
	(830,997)	(830,997)		(830,997)	(830,997)
	53,035,000	53,035,000		53,035,000	53,035,000
	<u>8,412,790</u>	<u>8,412,790</u>		<u>8,412,790</u>	<u>8,412,790</u>
	<u>60,616,793</u>	<u>60,616,793</u>		<u>60,616,793</u>	<u>60,616,793</u>
<u>(3,193,214)</u>	<u>56,512,357</u>	<u>59,705,571</u>	<u>(43,638,676)</u>	<u>54,531,498</u>	<u>98,170,174</u>
	5,756,647	5,756,647		33,576,496	33,576,496
<u>\$ (3,193,214)</u>	<u>\$ 62,269,004</u>	<u>\$ 65,462,218</u>	<u>\$ (43,638,676)</u>	<u>\$ 88,107,994</u>	<u>\$ 131,746,670</u>

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STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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

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

	Fiscal Year Ended June 30				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Net Position:					
Net investment in capital assets	\$ 58,119,098	\$ 42,397,958	\$ 37,803,401	\$ 36,382,033	\$ 30,496,841
Restricted	31,842,400	32,652,335	24,793,511	22,653,975	24,190,160
Unrestricted	33,996,333	20,145,371	22,433,457	9,940,733	10,752,024
Total net position	\$ 123,957,831	\$ 95,195,664	\$ 85,030,369	\$ 68,976,741	\$ 65,439,025
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net Position:					
Net investment in capital assets	\$ 28,641,485	\$ 25,792,064	\$ 22,763,947	\$ 22,995,060	\$ 20,150,300
Restricted	29,780,068	17,839,535	18,049,856	15,508,661	281,165
Unrestricted	5,042,780	18,268,975	16,416,827	14,791,796	26,591,568
Total net position	\$ 63,464,333	\$ 61,900,574	\$ 57,230,630	\$ 53,295,517	\$ 47,023,033

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

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Expenses					
Instruction	\$ 25,189,552	\$ 28,381,606	\$ 20,559,036	\$ 20,352,708	\$ 19,272,358
Support services - students and staff	5,268,546	5,310,247	4,224,989	3,722,992	2,727,203
Support services - administration	7,280,450	8,192,043	5,919,305	5,540,120	4,027,507
Operation and maintenance of plant services	2,789,203	2,524,230	2,045,377	1,723,476	1,429,262
Student transportation services	12,956	99,476	43,960	19,064	
Operation of non-instructional services	4,781	4,781	3,038	80,825	
Interest on long-term debt	4,745,949	4,164,294	5,121,721	2,406,922	2,362,337
Total expenses	<u>45,291,437</u>	<u>48,676,677</u>	<u>37,917,426</u>	<u>33,846,107</u>	<u>29,818,667</u>
Program Revenues					
Charges for services:					
Instruction	2,398,629	1,575,165	1,500,031	618,348	1,370,557
Other activities	408,584	270,821	260,266	829,668	316,392
Operating grants and contributions	131,460	569,476	217,179	310,480	327,669
Capital grants and contributions	122,792	67,861			
Total program revenues	<u>3,061,465</u>	<u>2,483,323</u>	<u>1,977,476</u>	<u>1,758,496</u>	<u>2,014,618</u>
Net (Expense)/Revenue	<u>\$ (42,229,972)</u>	<u>\$ (46,193,354)</u>	<u>\$ (35,939,950)</u>	<u>\$ (32,087,611)</u>	<u>\$ (27,804,049)</u>

(Continued)

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Expenses					
Instruction	\$ 17,237,909	\$ 14,622,386	\$ 12,691,847	\$ 12,804,981	\$ 17,528,425
Support services - students and staff	2,552,598	2,202,106	1,635,037	1,099,995	2,475,245
Support services - administration	3,058,392	2,381,186	2,286,182	1,966,283	2,502,796
Operation and maintenance of plant services	1,295,613	808,740	727,675	323,495	906,735
Interest on long-term debt	<u>1,907,578</u>	<u>1,402,423</u>	<u>145,839</u>	<u>250,000</u>	<u>23,413,201</u>
Total expenses	<u>26,052,090</u>	<u>21,416,841</u>	<u>17,486,580</u>	<u>16,444,754</u>	<u>23,413,201</u>
Program Revenues					
Charges for services:					
Instruction	930,445	837,424	909,111	919,898	552,578
Other activities	115,755	5,400			250
Operating grants and contributions	<u>291,325</u>	<u>196,544</u>	<u>71,499</u>	<u>1,365,994</u>	<u>53,857</u>
Total program revenues	<u>1,337,525</u>	<u>1,039,368</u>	<u>980,610</u>	<u>2,285,892</u>	<u>606,685</u>
Net (Expense)/Revenue	<u>\$ (24,714,565)</u>	<u>\$ (20,377,473)</u>	<u>\$ (16,505,970)</u>	<u>\$ (14,158,862)</u>	<u>\$ (22,806,516)</u>

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

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Net (Expense)/Revenue	\$ (42,229,972)	\$ (46,193,354)	\$ (35,939,950)	\$ (32,087,611)	\$ (27,804,049)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	7,767,843	7,515,160	2,770,016	6,728,391	6,492,281
Property taxes, levied for debt service	18,132,244	15,015,934	18,060,147	4,579,540	2,559,612
Property taxes, levied for capital outlay			4,282,613		
Investment income	2,065,728	1,936,977	1,202,191	366,734	286,706
Unrestricted county aid	3,362,486	2,979,765	2,624,181	2,434,275	2,036,013
Unrestricted state aid	31,957,655	28,910,813	23,044,177	22,169,857	18,404,129
Total general revenues	<u>63,285,956</u>	<u>56,358,649</u>	<u>51,983,325</u>	<u>36,278,797</u>	<u>29,778,741</u>
Changes in Net Position	<u>\$ 21,055,984</u>	<u>\$ 10,165,295</u>	<u>\$ 16,043,375</u>	<u>\$ 4,191,186</u>	<u>\$ 1,974,692</u>

(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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net (Expense)/Revenue	\$ (24,714,565)	\$ (20,377,473)	\$ (16,505,970)	\$ (14,158,862)	\$ (22,806,516)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	6,502,890	5,999,883	6,124,902	6,686,258	8,703,638
Property taxes, levied for debt service	4,056,403	1,120,673			
Investment income	248,957	232,620	161,848	162,782	311,403
Unrestricted county aid	1,884,200	1,781,106	1,512,376	1,561,593	2,258,711
Unrestricted state aid	17,925,620	15,913,135	12,641,957	12,020,713	17,918,989
Unrestricted federal aid					299,048
Total general revenues	<u>30,618,070</u>	<u>25,047,417</u>	<u>20,441,083</u>	<u>20,431,346</u>	<u>29,491,789</u>
Changes in Net Position	<u>\$ 5,903,505</u>	<u>\$ 4,669,944</u>	<u>\$ 3,935,113</u>	<u>\$ 6,272,484</u>	<u>\$ 6,685,273</u>

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

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General Fund:					
Unassigned	\$ 32,080,407	\$ 19,191,678	\$ 18,248,708	\$ 14,110,709	\$ 14,364,948
Total General Fund	\$ 32,080,407	\$ 19,191,678	\$ 18,248,708	\$ 14,110,709	\$ 14,364,948
All Other Governmental Funds:					
Restricted	\$ 93,895,313	\$ 38,290,366	\$ 74,755,069	\$ 99,962,780	\$ 32,923,791
Total all other governmental funds	\$ 93,895,313	\$ 38,290,366	\$ 74,755,069	\$ 99,962,780	\$ 32,923,791

(Continued)

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Fund:					
Nondisposable	\$	\$	\$	\$	\$ 112,197
Unassigned	7,930,939	17,672,056	16,581,444	14,815,714	30,374,435
Total General Fund	<u>\$ 7,930,939</u>	<u>\$ 17,672,056</u>	<u>\$ 16,581,444</u>	<u>\$ 14,815,714</u>	<u>\$ 30,486,632</u>
All Other Governmental Funds:					
Restricted	\$ 40,785,168	\$ 17,901,139	\$ 46,706,931	\$ 15,496,358	\$ 181,737
Unassigned					(4,216,792)
Total all other governmental funds	<u>\$ 40,785,168</u>	<u>\$ 17,901,139</u>	<u>\$ 46,706,931</u>	<u>\$ 15,496,358</u>	<u>\$ (4,035,055)</u>

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

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Federal sources:					
Federal grants	\$ 173,077	\$ 67,861	\$ 100,132	\$ 84,326	\$ 74,743
Total federal sources	<u>173,077</u>	<u>67,861</u>	<u>100,132</u>	<u>84,326</u>	<u>74,743</u>
State sources:					
State equalization assistance	31,123,598	28,183,811	22,458,091	21,707,822	19,508,137
State grants	6,882	272,968	2,790	29,115	481
Other revenues	834,057	727,002	586,086	462,035	359,731
Total state sources	<u>31,964,537</u>	<u>29,183,781</u>	<u>23,046,967</u>	<u>22,198,972</u>	<u>19,868,349</u>
Local sources:					
Property taxes	25,756,238	22,525,131	25,016,123	11,323,260	9,083,676
County aid	3,362,486	2,979,765	2,624,181	2,434,275	2,036,013
Investment income	2,060,511	1,960,065	1,183,401	362,426	286,552
Other revenues	2,881,506	2,119,406	1,887,160	1,648,522	1,669,556
Total local sources	<u>34,060,741</u>	<u>29,584,367</u>	<u>30,710,865</u>	<u>15,768,483</u>	<u>13,075,797</u>
Total revenues	<u><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>	<u><u>\$ 33,018,889</u></u>

(Continued)

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Federal sources:					
Federal grants	\$ 64,671	\$ 22,297	\$ 24,736	\$ 11,221	\$
State Fiscal Stabilization (ARRA)					299,048
Education Jobs				1,201,103	
Total federal sources	<u>64,671</u>	<u>22,297</u>	<u>24,736</u>	<u>1,212,324</u>	<u>299,048</u>
State sources:					
State equalization assistance	16,498,215	15,675,286	12,452,728	12,101,391	17,585,953
State grants	104,572			110,335	40,801
Other revenues	242,698	237,849	189,229	167,814	110,664
Total state sources	<u>16,845,485</u>	<u>15,913,135</u>	<u>12,641,957</u>	<u>12,379,540</u>	<u>17,737,418</u>
Local sources:					
Property taxes	10,541,099	7,143,120	6,184,760	6,853,602	8,709,294
County aid	1,884,200	1,781,106	1,512,376	1,561,593	2,258,711
Investment income	248,667	232,620	161,499	162,574	311,107
Other revenues	1,173,471	1,000,686	953,805	950,930	565,884
Total local sources	<u>13,847,437</u>	<u>10,157,532</u>	<u>8,812,440</u>	<u>9,528,699</u>	<u>11,844,996</u>
Total revenues	<u>\$ 30,757,593</u>	<u>\$ 26,092,964</u>	<u>\$ 21,479,133</u>	<u>\$ 23,120,563</u>	<u>\$ 29,881,462</u>

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

(Concluded)

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

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

(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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Expenditures:					
Current -					
Instruction	\$ 14,601,176	\$ 13,198,361	\$ 12,358,079	\$ 12,282,154	\$ 16,991,148
Support services - students and staff	2,311,993	2,066,647	1,552,096	1,041,760	1,938,577
Support services - administration	2,521,794	1,769,688	2,107,391	1,706,899	1,494,867
Operation and maintenance of plant services	1,243,331	791,857	712,964	315,526	905,654
Student transportation services					
Operation of non-instructional services					
Capital outlay	19,897,094	33,553,456	3,192,091	2,876,532	16,762,113
Debt service -					
Interest and fiscal charges	2,039,935	1,473,135	145,839	250,000	
Principal retirement	950,000	955,000	4,777,905	675,000	
Bond issuance costs	282,250		323,500		
Total expenditures	<u>\$ 43,847,573</u>	<u>\$ 53,808,144</u>	<u>\$ 25,169,865</u>	<u>\$ 19,147,871</u>	<u>\$ 38,092,359</u>
Expenditures for capitalized assets	\$ 18,608,065	\$ 32,272,280	\$ 3,492,841	\$ 3,057,508	\$ 14,926,621
Debt service as a percentage of noncapital expenditures	12%	11%	23%	6%	0%

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

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Excess (deficiency) of revenues over expenditures	\$ 6,766,187	\$ (35,521,733)	\$ (21,069,712)	\$ (13,516,058)	\$ (16,677,910)
Other financing sources (uses):					
School improvement bonds issued	53,035,000			70,035,000	14,900,000
Premium on sale of bonds	8,412,790			10,535,453	350,542
Transfers in	830,997	589,862	658,691	7,290,763	647,556
Transfers out	(830,997)	(589,862)	(658,691)	(7,290,763)	(647,556)
Total other financing sources (uses)	61,447,790			80,570,453	15,250,542
Changes in fund balances	\$ 68,213,977	\$ (35,521,733)	\$ (21,069,712)	\$ 67,054,395	\$ (1,427,368)
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Excess (deficiency) of revenues over expenditures	\$ (13,089,980)	\$ (27,715,180)	\$ (3,690,732)	\$ 3,972,692	\$ (8,210,897)
Other financing sources (uses):					
School improvement bonds issued	25,000,000		35,000,000		
Premium on sale of bonds	1,232,892		1,667,035		
Capital lease agreements					5,452,905
Transfers in	16,253,643	5,678,167	1,395,903	20,985,458	
Transfers out	(16,253,643)	(5,678,167)	(1,395,903)	(20,985,458)	
Total other financing sources (uses)	26,232,892		36,667,035		5,452,905
Changes in fund balances	\$ 13,142,912	\$ (27,715,180)	\$ 32,976,303	\$ 3,972,692	\$ (2,757,992)

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 FIVE FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Commercial, Industrial, Utilities and Mining	\$ 5,654,835,951	\$ 5,300,279,109	\$ 5,132,211,689	4,927,565,948	4,874,184,349
Agricultural and Vacant	534,845,482	479,636,940	471,596,986	462,608,449	504,996,285
Residential (Owner Occupied)	6,865,475,402	6,444,238,034	5,983,886,022	5,584,502,253	5,273,415,434
Residential (Rental)	2,801,212,713	2,520,823,595	2,383,242,954	2,261,987,125	2,100,938,471
Railroad, Private Cars and Airlines	16,731,932	16,719,484	17,369,811	16,304,920	17,497,470
Historical Property	20,711,166	16,409,630	16,865,677	18,200,234	18,993,799
Certain Government Property Improvements	1,017,109	974,858	661,182	621,842	457,940
Total	\$ 15,894,829,755	\$ 14,779,081,650	\$ 14,005,834,321	13,271,790,771	12,790,483,748
Gross Full Cash Value	\$ 202,728,989,763	\$ 185,742,509,338	\$ 171,817,379,619	158,920,689,132	145,378,421,744
Ratio of Net Limited Assessed Value to Gross Full Cash Value	8%	8%	8%	8%	9%
Total Direct Rate	0.16	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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Commercial, Industrial, Utilities and Mining	\$ 6,914,606,840	\$ 6,382,292,818	\$ 6,117,760,083	\$ 5,617,637,297	\$ 5,154,420,263
Agricultural and Vacant	924,113,112	827,808,162	813,448,173	718,632,137	659,271,876
Residential (Owner Occupied)	9,131,347,839	8,483,137,081	7,656,293,107	7,166,687,452	6,718,998,804
Residential (Rental)	4,063,015,100	3,552,765,401	3,228,223,369	2,957,243,945	2,677,757,120
Railroad, Private Cars and Airlines	20,470,412	19,973,186	20,144,883	17,416,181	17,823,342
Historical Property	26,657,892	21,675,195	20,957,518	25,452,183	26,359,763
Certain Government Property Improvements	1,253,706	2,534,738	896,940	797,628	490,147
Total	\$ 21,081,464,901	\$ 19,290,186,581	\$ 17,857,724,073	\$ 16,503,866,823	\$ 15,255,121,315
Gross Full Cash Value	\$ 202,728,989,763	\$ 185,742,509,338	\$ 171,817,379,619	\$ 121,491,950,287	\$ 105,864,769,303
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10%	10%	10%	14%	14%
Estimated Net Full Cash Value	\$ 171,310,350,114	\$ 156,594,037,923	\$ 143,776,768,363	\$ 133,122,999,233	\$ 121,208,517,916
Total Direct Rate	0.16	0.15	0.18	0.08	0.07

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Commercial, Industrial, Utilities and Mining	\$ 5,025,236,725	\$ 4,761,717,513	\$ 5,166,347,557	\$ 5,633,215,650	\$ 7,421,158,170
Agricultural and Vacant	554,488,816	547,771,936	611,314,002	849,984,216	1,459,250,837
Residential (Owner Occupied)	5,345,752,510	4,679,819,963	5,350,465,704	5,955,984,407	7,327,212,472
Residential (Rental)	2,034,891,852	1,547,345,705	1,128,230,651	1,187,480,809	1,476,243,217
Railroad, Private Cars and Airlines	18,777,772	15,639,837	15,459,545	14,867,222	15,076,358
Historical Property	21,797,196	16,962,517	12,176,160	11,465,242	19,854,637
Certain Government Property Improvements	523,796	383,893	332,038	329,680	
Total	\$ 13,001,468,667	\$ 11,569,641,364	\$ 12,284,325,657	\$ 13,653,327,226	\$ 17,718,795,691
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	12%	9%	8%	8%	10%
Estimated Net Full Cash Value	\$ 100,085,389,832	\$ 87,093,577,766	\$ 91,500,813,831	\$ 101,535,347,107	\$ 154,432,353,295
Total Direct Rate	0.08	0.06	0.05	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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Commercial, Industrial, Utilities and Mining	18 %	18 %	18 %	18 %	19 %
Agricultural and Vacant	15	15	15	15	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	14	15	14	15

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Commercial, Industrial, Utilities and Mining	19 %	20 %	20 %	20 %	21 %
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	16	15	15	15	17

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										
		2020	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Overlapping Rates	State of Arizona	\$ 66,154,632,834	0.46	0.47	0.49	0.50	0.51	0.51	0.51	0.47	0.43	0.36
	Maricopa County	\$ 43,194,326,395	1.40	1.40	1.40	1.40	1.36	1.32	1.28	1.24	1.24	1.05
	Maricopa County CCD	\$ 43,194,326,395	1.33	1.38	1.41	1.47	1.49	1.52	1.53	1.38	1.21	0.97
	Maricopa County Library District	\$ 43,194,326,395	0.06	0.06	0.06	0.06	0.06	0.06	0.04	0.05	0.05	0.04
	Maricopa County Fire District	\$ 43,194,326,395	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	\$ 39,558,003,840	0.18	0.18	0.18	0.18	0.16	0.14	0.14	0.18	0.18	0.15
	Central AZ Water Conservation District	\$ 43,194,326,395	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.10	0.10	0.10
	City of Avondale	\$ 434,094,952	1.65	1.76	1.60	1.70	1.75	1.75	1.81	1.34	1.33	1.11
	City of Buckeye	\$ 496,102,577	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.61	1.19
	Town of Cave Creek	\$ 149,323,008	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.08	0.65
	City of El Mirage	\$ 115,322,702	3.74	3.96	3.63	3.78	3.84	3.54	4.04	3.89	2.87	2.29
	City of Phoenix	\$ 13,223,017,361	2.13	2.14	2.16	2.17	1.82	1.82	1.82	1.82	1.82	1.72
	City of Glendale	\$ 1,413,253,839	1.86	1.98	2.08	2.15	2.20	2.15	2.29	1.91	1.60	1.60
	City of Goodyear	\$ 919,806,567	1.73	1.74	1.73	1.86	1.87	1.87	1.90	1.77	1.60	1.42
	City of Peoria	\$ 1,556,721,002	1.79	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.44
	City of Surprise	\$ 1,126,485,107	1.15	0.76	0.76	0.76	0.76	0.76	0.78	0.74	0.67	0.67
	City of Tolleson	\$ 225,162,385	3.72	3.83	3.99	3.97	3.97	3.75	3.76	3.41	2.90	2.44
	Town of Wickenburg	\$ 90,188,224	0.50	0.53	0.53	0.53	0.53	0.53	0.42	0.41	0.01	0.01
	Agua Fria Union High School District No. 216	\$ 1,311,948,386	3.33	3.48	3.71	3.47	3.27	4.20	3.57	3.17	2.68	2.45
	Arlington Elementary School District No. 47	\$ 227,859,479	1.37	1.24	1.25	1.20	1.33	1.29	1.11	1.12	1.06	0.94
	Avondale Elementary School District No. 44	\$ 409,263,727	4.54	5.01	5.22	6.40	6.23	5.80	4.64	4.33	4.80	2.94
	Buckeye Elementary School District No. 33	\$ 244,830,866	5.66	5.67	5.39	5.92	5.58	5.91	5.86	6.10	5.07	5.02
	Buckeye Union High School District No. 201	\$ 775,635,716	3.33	3.27	3.34	3.22	3.34	3.51	3.65	3.43	3.08	2.80
	Cartwright Elementary School District No. 83	\$ 273,550,081	9.01	10.62	11.05	11.10	11.14	10.64	10.21	10.45	8.68	6.51
	Deer Valley Unified School District No. 97	\$ 2,759,527,994	6.44	6.63	6.75	6.70	6.32	6.48	6.58	6.76	6.25	5.34
	Dysart Unified School District No. 89	\$ 1,382,687,056	6.58	6.89	6.96	7.13	6.68	7.12	7.57	7.38	5.99	5.26
	Fowler Elementary School District No. 45	\$ 361,384,475	3.55	3.82	4.10	4.98	4.05	3.90	5.12	4.83	3.79	2.82
	Glendale Elementary School District No. 40	\$ 310,039,429	6.17	6.05	6.38	6.07	5.84	6.47	7.30	6.94	6.41	4.77
	Glendale Union High School District No. 205	\$ 1,658,960,201	3.96	4.11	4.60	4.67	4.46	4.42	4.58	4.10	3.53	2.68
	Liberty Elementary School District No. 25	\$ 276,988,483	3.34	3.54	3.72	3.79	4.28	4.50	3.46	3.54	3.20	3.31
	Litchfield Elementary School District No. 79	\$ 902,684,659	3.67	3.85	3.48	3.81	3.84	3.78	3.98	3.89	3.26	2.91
	Palo Verde Elementary School District No. 49	\$ 25,956,888	3.93	4.05	3.95	4.64	4.48	4.03	4.02	4.08	3.79	2.43
	Paradise Valley Unified School District No. 69	\$ 3,609,207,677	6.39	6.56	6.55	6.97	6.99	6.78	7.15	6.59	5.70	4.90
	Pendergast Elementary School District No. 92	\$ 346,530,242	6.33	6.71	6.85	6.69	6.88	7.19	7.27	6.38	6.61	5.80
Peoria Unified School District No. 11	\$ 1,934,677,253	6.80	7.02	7.54	8.04	7.78	7.27	4.33	7.03	5.39	5.33	
Phoenix Union High School District No. 210	\$ 5,287,774,088	4.99	5.20	5.03	5.07	4.96	4.62	4.81	4.27	3.76	3.25	
Saddle Mountain Unified School District No. 90	\$ 741,979,260	2.39	2.50	2.54	2.55	2.60	2.62	1.70	1.28	1.38	2.10	
Tolleson Union High School District No. 214	\$ 1,249,874,282	5.01	4.45	3.94	3.57	4.01	4.53	5.49	4.84	4.07	2.72	
Washington Elementary School District No. 6	\$ 1,348,920,772	4.94	5.10	5.21	5.63	5.79	5.70	6.02	4.71	4.61	3.38	
Wickenburg Unified School District No. 9	\$ 227,565,886	4.33	4.64	5.02	5.40	5.08	5.55	4.33	5.05	4.45	3.56	
Buckeye Valley Fire District	\$ 146,248,089	3.13	3.25	3.25	3.25	3.25	3.25	3.10	3.10	3.10	2.55	
Sun City Fire District	\$ 342,426,986	3.48	3.14	3.47	3.25	3.25	3.25	3.25	3.37	3.15	2.75	
North County Fire District	\$ 498,881,794	2.86	2.86	2.86	2.80	2.86	2.92	2.92	2.72	2.43	2.26	
Wickenburg Fire District	\$ 32,974,054	1.57	1.72	1.75	1.54	1.33	1.40	1.19	1.39	1.21	0.79	
District Direct Rates	Primary		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	Secondary		0.16	0.15	0.18	0.08	0.07	0.08	0.06	0.05	0.05	
	Total	\$ 15,925,613,792	0.16	0.15	0.18	0.08	0.07	0.08	0.06	0.05	0.05	0.05

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

Note: Sun Lakes F.D. and Tonopah F.D. merged to create South County F.M.D in 2020.

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

Taxpayer	2020		2011	
	Net Limited Assessed Valuation	Percentage of District's Net Limited Assessed Valuation	Net Full Cash Assessed Valuation	Percentage of District's Net Full Cash Assessed Valuation
Arizona Public Service Company	\$ 855,596,229	5.37 %	\$ 758,364,456	4.30 %
Southern California Edison Company	112,598,243	0.71	154,153,523	0.90
El Paso Electric Co.	98,024,098	0.62	131,119,088	0.70
Public Service Company of New Mexico	64,289,201	0.40	76,190,821	0.40
Southwest Gas Corporation	64,100,047	0.40	60,243,905	0.30
Wal-Mart Stores Inc	51,679,819	0.32	65,559,544	0.40
Host Kierland, LLC	35,436,600	0.22	33,665,712	0.20
Southern California Public Power Auth.	35,161,558	0.22	58,472,026	0.30
Mesquite Power LLC	36,918,975	0.23	76,190,821	0.40
JW Marriott Desert Ridge Resort & Spa			47,840,748	0.30
Qwest Corporation	40,957,121	0.26	115,172,172	0.70
Total	\$ 1,394,761,891	8.75 %	\$ 1,576,972,816	8.9 %

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

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

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

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2020	\$ 25,817,738	\$ 25,345,578	98.17 %	\$	\$ 25,345,578	98.17 %
2019	22,225,741	21,882,575	98.46	334,347	22,216,922	99.96
2018	24,915,890	24,542,391	98.50	366,386	24,908,777	99.97
2017	11,160,892	10,984,292	98.42	174,502	11,158,794	99.98
2016	8,933,321	8,794,486	98.45	137,108	8,931,594	99.98
2015	10,503,241	10,311,873	98.18	188,939	10,500,812	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
2011	8,706,992	8,364,241	96.06	340,557	8,704,798	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	
2020	\$ 186,465,809	\$ 1,128,525	\$ 185,337,284	0.19 %	\$ 100	\$	\$ 186,465,809	0.19 %	\$ 100	N/A %	
2019	137,152,727	1,251,559	135,901,168	0.14	63		137,152,727	0.14	64	0.07	
2018	150,411,156	805,314	149,605,842	0.03	72		150,411,156	0.03	73	0.08	
2017	154,214,585	365,214	153,849,371	0.03	76		154,214,585	0.00	76	0.08	
2016	75,569,016	812,213	74,756,803		41		75,569,016	0.00	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	
2011						5,452,905	5,452,905		4	0.00	

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

- Notes:** 1) The District had no debt prior to fiscal year 2010-11.
2) N/A Indicates that the information is not available.

WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2020

<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	250,065,000	36.87	92,198,966
Maricopa County Special Healthcare District	429,125,000	36.87	158,218,388
City of Avondale	35,375,000	100.00	35,375,000
City of El Mirage	21,250,000	97.86	20,795,250
City of Glendale	100,445,000	95.80	96,226,310
City of Goodyear	102,605,000	99.58	102,174,059
City of Peoria	120,185,000	99.83	119,980,686
City of Phoenix	1,003,875,000	47.14	473,226,675
City of Scottsdale	433,865,000	17.08	74,104,142
City of Surprise	32,350,000	96.87	31,337,445
City of Tolleson	32,371,468	100.00	32,371,468
Buckeye Valley Fire District	6,165,000	100.00	6,165,000
Sun City Fire District	8,492,000	7.86	667,471
Agua Fria Ranch Community Facilities District	2,010,000	100.00	2,010,000
Centerra Community Facilities District	2,728,000	100.00	2,728,000
Cortina Community Facilities District	1,625,000	100.00	1,625,000
Cottonflower Community Facilities District	1,530,000	100.00	1,530,000
Estrella Ranch Community Facilities District No. 1	11,200,000	100.00	11,200,000
Festival Ranch Community Facilities District	27,700,000	100.00	27,700,000
Goodyear Community Facilities General District No. 1	7,070,000	100.00	7,070,000
Goodyear Community Facilities Utilities District No. 1	31,085,000	100.00	31,085,000
Marley Park Community Facilities District	21,680,000	100.00	21,680,000
Palm Valley Community Facilities District No. 3	4,980,000	100.00	4,980,000
Sundance Community Facilities District	20,500,000	100.00	20,500,000
Tartesso West Community Facilities District	5,675,000	100.00	5,675,000
Verrado District No.1 Community Facilities District	29,605,000	100.00	29,605,000
Verrado Western Overlay Community Facilities District	6,800,000	100.00	6,800,000
Village at Litchfield Park Community Facilities District	1,960,000	100.00	1,960,000
Vistancia Community Facilities District	22,725,000	100.00	22,725,000
Vistancia West Community Facilities District	4,835,000	100.00	4,835,000
Westpark Community Facilities District	4,675,000	100.00	4,675,000
Wildflower Ranch Community Facilities District No. 1	300,000	100.00	300,000
Wildflower Ranch Community Facilities District No. 2	545,000	100.00	545,000
Arlington Elementary School District No. 47	860,000	100.00	860,000
Avondale Elementary School District No. 44	33,510,000	100.00	33,510,000
Buckeye Elementary School District No. 33	33,285,000	100.00	33,285,000
Cartwright Elementary School District No. 83	19,355,000	100.00	19,355,000
Fowler Elementary School District No. 45	7,740,000	100.00	7,740,000
Glendale Elementary School District No. 40	29,120,000	100.00	29,120,000
Liberty Elementary School District No. 25	34,375,000	100.00	34,375,000
Litchfield Elementary School District No. 79	41,220,000	100.00	41,220,000
Littleton Elementary School District No. 65	24,975,000	100.00	24,975,000
Pendegast Elementary School District No. 92	42,225,000	100.00	42,225,000
Tolleson Elementary School District No. 17	24,320,000	100.00	24,320,000
Union Elementary School District No. 62	7,900,000	100.00	7,900,000
Washington Elementary School District No. 6 (c)	96,320,000	100.00	96,320,000
Agua Fria Union High School District No. 216	132,210,000	100.00	132,210,000
Buckeye Union High School District No. 201	72,010,000	100.00	72,010,000
Glendale Union High School District No. 205	89,535,000	100.00	89,535,000
Phoenix Union High School District No. 210	394,405,000	5.17	20,390,739
Tolleson Union High School District No. 214	169,815,000	100.00	169,815,000
Deer Valley Unified School District No. 97	198,940,000	100.00	198,940,000
Dysart Unified School District No. 89	109,671,000	100.00	109,671,000
Paradise Valley Unified School District No. 69	297,852,000	100.00	297,852,000
Peoria Unified School District No. 11	207,770,000	100.00	207,770,000
Saddle Mountain Unified School District No. 90	52,915,000	100.00	52,915,000
Wickenburg Unified School District No. 9	7,845,000	100.00	7,845,000
Subtotal, Overlapping Debt			<u>3,206,227,599</u>
Direct:			
Western Maricopa Education Center District No. 402			<u>186,465,809</u>
Total Direct and Overlapping Governmental Activities Debt			<u>\$ 3,392,693,408</u>

Source: FY2019 Report of Outstanding Indebtedness, Arizona Department of Administration, December 2019

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, 2020**

Net Direct General Obligation Bonded Debt		
Per Capita	\$	100
As a Percentage of Net Limited Assessed Valuation		1.17 %
As a Percentage of Gross Full Cash Value		0.09 %
 Net Direct and Overlapping General Bonded Debt		
Per Capita	\$	1,868
As a Percentage of Net Limited Assessed Valuation		21.83 %
As a Percentage of Gross Full Cash Value		1.71 %

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

- Notes:** 1) Estimated percentage of debt outstanding applicable to the District is calculated based on a portion of the District's net limited assessed valuation as a percentage of the net limited assessed valuation of the overlapping jurisdiction.
- 2) Outstanding debt as of June 30, 2019 is presented for the overlapping governments as this is the most recent available information.

**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>
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
2010	3,817,117	142,091,618	35,319	9.1	1,468,780

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 for 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 through 2019, the source of the information is the Arizona Office of Employment and Population Statistics.

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

<u>Employer</u>	<u>2020</u>		<u>2011</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Banner Health Systems	21,160	1.25 %	28,220	1.70 %
Intel Corporation	11,350	0.68	9,700	0.60
Arizona State University	9,490	0.57	12,221	0.70
Honor Health	7,300	0.44		
Honeywell	6,930	0.41		
United States Department of the Air Force	6,900	0.41		
Dignity Health	6,650	0.40		
State Farm Insurance	6,550	0.39		
Bank of America	6,530	0.39	12,000	0.70
JP Morgan Chase Bank National Association	6,500	0.38		
State of Arizona			49,282	2.90
Walmart Stores, Inc.			30,608	1.80
City of Phoenix			15,544	0.90
Wells Fargo			13,000	0.80
Maricopa County			12,458	0.70
Apollo Group			13,000	0.80
Total	<u>89,360</u>	<u>5.32 %</u>	<u>196,033</u>	<u>11.60 %</u>
Total employment	<u>1,673,610</u>		<u>1,692,300</u>	

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

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

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

	Full-time Equivalent Employees as of June 30				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Supervisory					
Consultants/supervisors of instruction	4	4	10	14	10
Total supervisory	4	4	10	14	10
Instruction					
Teachers	58	53	62	51	43
Total instruction	58	53	62	51	43
Support and Administration					
Service workers	100	99	79	65	77
Total support and administration	100	99	79	65	77
Total	<u>162</u>	<u>156</u>	<u>151</u>	<u>130</u>	<u>130</u>

(Continued)

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Supervisory					
Consultants/supervisors of instruction	<u>3</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>1</u>
Total supervisory	<u>3</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>1</u>
Instruction					
Teachers	<u>22</u>	<u>13</u>	<u>10</u>	<u>7</u>	<u>5</u>
Total instruction	<u>22</u>	<u>13</u>	<u>10</u>	<u>7</u>	<u>5</u>
Support and Administration					
Service workers	<u>60</u>	<u>44</u>	<u>32</u>	<u>25</u>	<u>23</u>
Total support and administration	<u>60</u>	<u>44</u>	<u>32</u>	<u>25</u>	<u>23</u>
Total	<u><u>85</u></u>	<u><u>59</u></u>	<u><u>44</u></u>	<u><u>34</u></u>	<u><u>29</u></u>

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

(Concluded)

**WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio
2020	7,129	\$ 29,931,229	\$ 4,199	2.55 %	\$ 45,291,437	\$ 6,353	(7.65) %		#DIV/0!
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	4.65	16,444,754	3,599	2.17	7	652.7
2011	6,646	21,330,246	3,209	6.15	23,413,201	3,523	15.44	5	1,329.2

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

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

**WESTERN MARICOPA EDUCATION CENTER DISTRICT NO. 402
CAPITAL ASSETS INFORMATION
LAST TEN FISCAL YEARS**

	Fiscal Year Ended June 30									
	<u>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>	<u>2011</u>
<u>Schools</u>										
Buildings	26	26	17	15	12	9	9	5	5	5
Square feet	568,331	562,634	421,284	411,496	343,092	261,195	261,195	154,371	154,371	154,371

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

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