
MINGUS UNION HIGH
SCHOOL DISTRICT NO. 4

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2011



1801 East Fir Street ♦ Cottonwood, AZ 86326

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4

COTTONWOOD, ARIZONA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Issued by:
Business and Finance Department

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4

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INTRODUCTORY SECTION

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MINGUS UNION HIGH SCHOOL DISTRICT # 4
Kirk Waddle, Business Manager
1801 East Fir Street Cottonwood, AZ 86326
928-634-2941 Kwaddle@muhs.com

December 7, 2011

Citizens and Governing Board
Mingus Union High School District No. 4
1801 East Fir Street
Cottonwood, Arizona 86326

State law mandates that school districts are required to undergo an annual single 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 Mingus Union High School District No. 4 (District) for the fiscal year ended June 30, 2011.

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.

Heinfeld, Meech & Co., P.C., a certified public accounting firm has audited the District's financial statements. 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, 2011, 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 unqualified opinion that the District's financial statements for the fiscal year ended June 30, 2011, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District was part of a broader, federally mandated Single Audit as required by the provisions of the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the District's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in a separately issued Single Audit Reporting Package.

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 25 public school districts located in Yavapai County, Arizona. It provides a program of public education from ninth through grade twelve, with an estimated current enrollment of 1,180 resident students and 47 students from other local school districts that pay tuition to attend Mingus Union High School giving the district a total enrollment of 1,229.

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 five 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, student transportation, construction and maintenance of District facilities, food services, bookstore, and athletic functions.

Mingus Union High School was established through the unification of Cottonwood High School and Mingus High School in 1959.

The District is located in Cottonwood, Arizona. Cottonwood is located about 50 miles south of Flagstaff, Arizona (“Flagstaff”) in the Verde Valley, at an elevation of 3,320 feet above sea level. Cottonwood, which was founded in 1879 and incorporated in 1960, is near the geographical center of Arizona and only about 100 miles north of the metropolitan Phoenix area.

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 over expenditures 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. Cottonwood serves as the trading center for the Verde Valley, with a wide variety of retail establishments, professional services, and manufacturing concerns. Verde Valley Medical Center is one of the finest diagnostic and treatment centers in Northern Arizona. The travel and tourism industries are also important to Cottonwood’s economy.

Due to Cottonwood’s proximity to various recreational and scenic attractions, including the Verde River, Prescott and Coconino National Forests, tourism contributes greatly to Cottonwood’s economy. Riverfront Park and Dead Horse Ranch State Park provide access to the Verde River Greenway. The Verde Canyon Railroad offers views into the remote Sycamore Canyon Wilderness.

A few of the major firms represented in Cottonwood include Griffith Enterprises, Home Depot, Verde Valley Medical Center, Wal-Mart Stores, Inc., Arizona Public Service, and the City of Cottonwood. In addition, the Verde Valley area provides excellent educational and training opportunities through Yavapai College, consisting of six different campuses and currently serving about 3,415 students each year. The main campus is located approximately 50 miles away in Prescott, Arizona (“Prescott”), while the Verde Valley campus in nearby Clarkdale features a state-of-the-art computer lab, library, and learning center. Northern Arizona University’s main campus is located 60 miles away in Flagstaff and has a current enrollment of approximately 24,000 students, including satellite campuses. The University focuses on undergraduate education but offers a wide range of graduate programs as well.

Long-term Financial Planning. In 2007, the District's voters approved \$15 million in bonding to be utilized to renovate and upgrade the existing buildings to accommodate growth in enrollment and the ever increasing technology demands. The renovation was completed in July 2009 and now the district boasts a performing arts auditorium that seats nearly 1,000, a new library that overlooks the Verde Valley, a state of art computer lab, 21 renovated classrooms, four new classrooms and two renovated gymnasiums. In June of 2010, ground work began on a new sports complex that was completed in September 2010 and provides the students and community with a new all weather track and an artificial turf soccer and football field. Funding for the sports complex consisted of the remaining bond proceeds combined with existing capital for a \$650,000 down payment. The remaining \$650,000 was financed through a 5 year lease-purchase arrangement of which only three annual payments are due as of the date of this report.

In 2010, the voters approved a 10 percent maintenance and operations override that allows the District to increase its funding by 10 percent of the revenue control limit. Over the five-year period of the override's existence, the expected funding will be in the range of \$2.8 million. These funds allow the District to continue offering programs such as fine and performing arts, physical education and to maintain average class sizes at reasonable levels.

The District experienced a slight decline in enrollment from 2010 to 2011 associated with the slow down in the State and local economy. Future maintenance and operations budgets will focus carefully on the cohort movement from the feeder K-8 schools to the High School to ensure future expenditure budgets consider the impact of this movement. The District is working diligently to reduce baseline spending in anticipation of lower enrollment over the next two fiscal years while maintaining as many programs as possible.

AWARDS AND ACKNOWLEDGMENTS

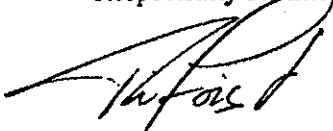
Awards. The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2010. This was the third consecutive year that the District has received this prestigious award. In addition, the Government Finance Officers Association (GFOA) awarded a second Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2010. 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 2010-11 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,



Dr. Tim Foist
Superintendent



Kirk Waddle
Business Manager

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL



This Certificate of Excellence in Financial Reporting is presented to

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2010

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

President

Executive Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Mingus Union High School
District No. 4, Arizona

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



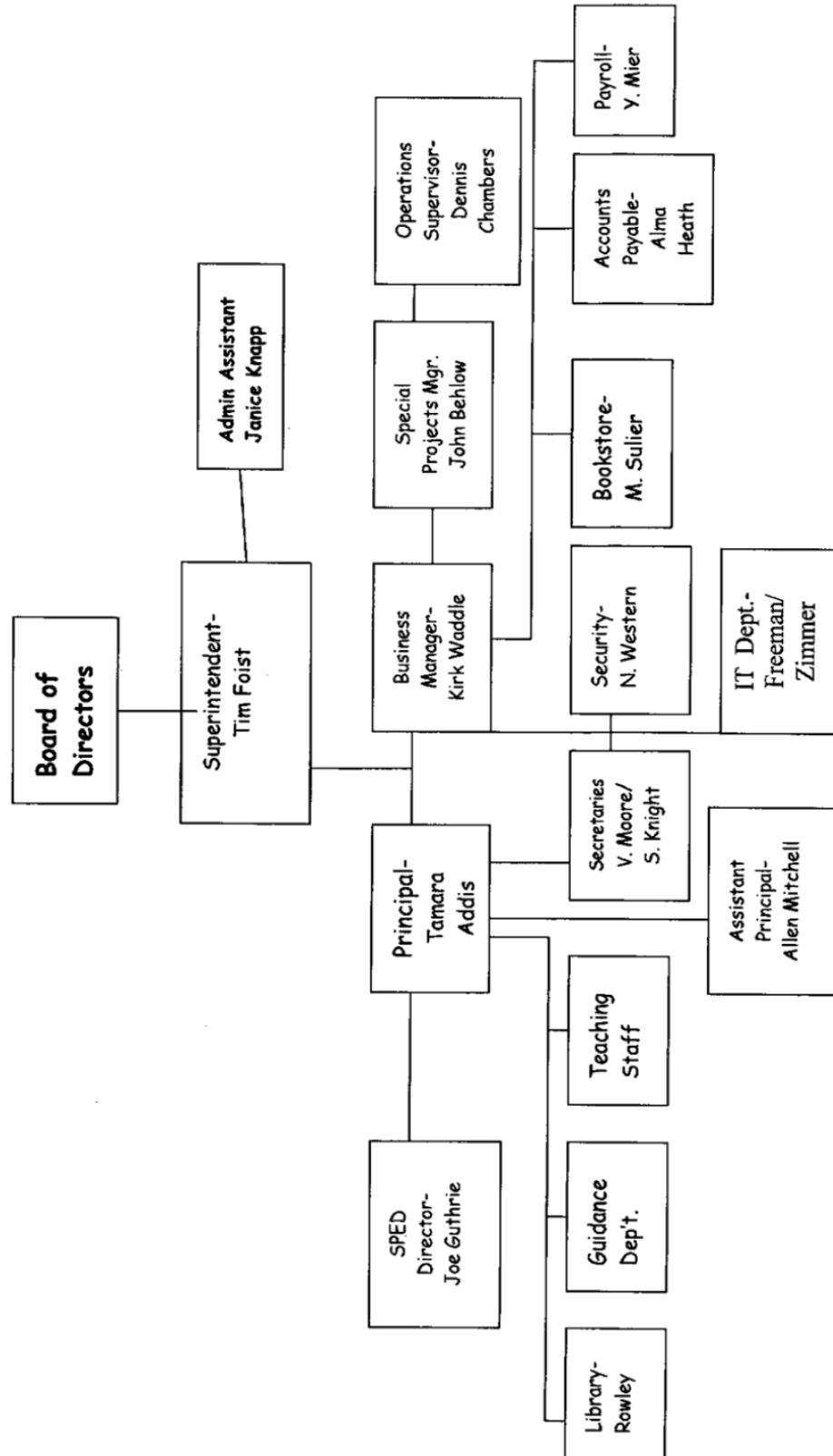
Linda C. Danison

President

Jeffrey R. Enen

Executive Director

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
ORGANIZATIONAL CHART**



MINGUS UNION HIGH SCHOOL DISTRICT NO. 4

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

James Ledbetter
President

Mike Mulcaire
Member

Dr. John Tavasci
Clerk

Anita Glazar
Member

Brenda Zenan
Member

ADMINISTRATIVE STAFF

Dr. Tim Foist
Superintendent

Kirk Waddle
Business Manager

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FINANCIAL SECTION

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HEINFELD, MEECH & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS



INDEPENDENT AUDITORS' REPORT

Governing Board
Mingus Union High School District No. 4

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Mingus Union High School District No. 4 (District), as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 Mingus Union High School District No. 4, as of June 30, 2011, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, the District implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, for the year ended June 30, 2011, which represents a change in accounting principle.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2011, on our consideration of the Mingus Union High School District No. 4'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 13 and budgetary comparison information on pages 48 and 49 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The accompanying supplementary information such as 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 financial statements. The combining and individual fund financial statements and schedules and are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections 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.

Heinfeld, Meech & Co., P.C.

HEINFELD, MEECH & CO., P.C.
Certified Public Accountants

December 7, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
(Required Supplementary Information)

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**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011**

As management of the Mingus Union High School District No. 4 (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, 2011. 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 assets of governmental activities decreased \$404,679 which represents a 4 percent decrease from the prior fiscal year.
- General revenues accounted for \$8.3 million in revenue, or 78 percent of all current fiscal year revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$2.4 million or 22 percent of total current fiscal year revenues.
- The District had approximately \$11.1 million in expenses related to governmental activities, a decrease of 3 percent from the prior fiscal year.
- Among major funds, the General Fund had \$6.5 million in current fiscal year revenues, which primarily consisted of state and federal aid and property taxes, and \$6.7 million in expenditures. The General Fund's fund balance decrease from \$647,035 at the prior fiscal year end to a deficit balance of \$18,156 at the end of the current fiscal year was primarily due to a reduction in property tax revenues.

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.

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.

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011**

OVERVIEW OF FINANCIAL STATEMENTS (Cont'd)

The statement of net assets presents information on all of the district's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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, student transportation services, operation of non-instructional 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 fiduciary 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.

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 decision. 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.

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011**

OVERVIEW OF FINANCIAL STATEMENTS (Concl'd)

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 Fund, Debt Service Fund and Unrestricted Capital Outlay Fund, 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.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. Due to their custodial nature, fiduciary funds do not have a measurement focus.

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. 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.

During the year ended June 30, 2011, the District implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. GASB Statement No. 54 establishes standards for financial reporting, including note disclosure requirements, for fund balance classifications of the governmental funds and clarifies existing governmental fund type definitions. Additional information on the fund balance classifications, components of fund balance, and other information related to fund balance can be found in Note 2.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$9.1 million at the current fiscal year end.

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

The largest portion of the District's net assets reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment and construction in progress), less any related debt used to acquire those assets that is still outstanding. 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 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 assets are restricted by statute for the specified purposes of special purposes, debt service repayment and capital outlay investment.

The following table presents a summary of the District's net assets for the fiscal years ended June 30, 2011 and June 30, 2010.

	As of June 30, 2011	As of June 30, 2010
Current and other assets	\$ 3,474,698	\$ 4,012,876
Capital assets, net	21,311,140	21,231,156
Total assets, net	<u>24,785,838</u>	<u>25,244,032</u>
Current and other liabilities	1,346,015	1,359,794
Long-term liabilities	14,314,370	14,354,106
Total liabilities	<u>15,660,385</u>	<u>15,713,900</u>
Net assets:		
Invested in capital assets, net of related debt	7,038,083	7,236,007
Restricted	1,250,947	215,126
Unrestricted	836,423	2,078,999
Total net assets	<u>\$ 9,125,453</u>	<u>\$ 9,530,132</u>

At the end of the current fiscal year the District reported positive balances in all three categories of net assets. 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 payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets. The following is a significant current year transaction that had an impact on the Statement of Net Assets.

- The addition of \$1.2 million in capital assets through the construction of school improvements and purchases of vehicles, furniture and equipment.

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

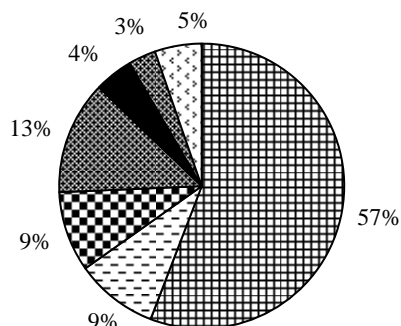
Changes in net assets. The District's total revenues for the current fiscal year were \$10.7 million. The total cost of all programs and services was \$11.1 million. The following table presents a summary of the changes in net assets for the fiscal years ended June 30, 2011 and June 30, 2010.

	<u>Fiscal Year Ended June 30, 2011</u>	<u>Fiscal Year Ended June 30, 2010</u>
Revenues:		
Program revenues:		
Charges for services	\$ 1,408,392	\$ 1,370,058
Operating grants and contributions	882,063	763,523
Capital grants and contributions	87,028	129,165
General revenues:		
Property taxes	6,330,689	6,695,720
Investment income	3,807	3,439
Unrestricted county aid	98,746	107,964
Unrestricted state aid	1,451,618	1,844,455
Unrestricted federal aid	407,692	220,275
Total revenues	<u>10,670,035</u>	<u>11,134,599</u>
Expenses:		
Instruction	6,183,691	5,796,510
Support services – students and staff	1,037,969	1,142,576
Support services – administration	1,009,016	1,159,556
Operation and maintenance of plant services	1,424,800	1,576,004
Student transportation services	485,809	438,281
Operation of non-instructional services	344,635	5,649
Interest on long-term debt	588,794	621,159
Total expenses	<u>11,074,714</u>	<u>10,739,735</u>
Change in net assets	<u>\$ (404,679)</u>	<u>\$ 394,864</u>

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011**

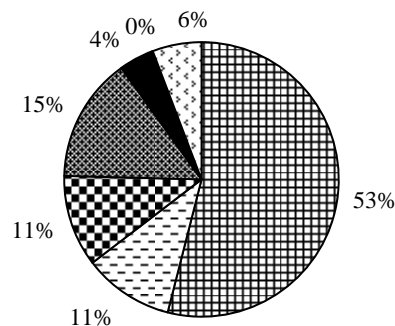
GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

Fiscal Year 2010-11 Expenses



■ Instruction
 ■ Support services - administration
 ■ Student transportation services
 ■ Interest on long-term debt

Fiscal Year 2009-10 Expenses



■ Support services - students and staff
 ■ Operation and maintenance of plant services
 ■ Operation of non-instructional services

The following is a significant current year transaction that had an impact on the change in net assets.

- A decrease in property tax revenue of approximately \$365,031 due to a declining economy.

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

	Year Ended June 30, 2011		Year Ended June 30, 2010	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
Instruction	\$ 6,183,691	\$ (4,795,116)	\$ 5,796,510	\$ (4,278,787)
Support services – students and staff	1,037,969	(823,918)	1,142,576	(891,145)
Support services – administration	1,009,016	(992,933)	1,159,556	(1,136,964)
Operation and maintenance of plant services	1,424,800	(1,358,294)	1,576,004	(1,445,178)
Student transportation services	485,809	(483,440)	438,281	(438,281)
Operation of non-instructional services	344,635	345,264	5,649	334,525
Interest on long-term debt	588,794	(588,794)	621,159	(621,159)
Total	\$ 11,074,714	\$ (8,697,231)	\$ 10,739,735	\$ (8,476,989)

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Concl'd)

- The cost of all governmental activities this year was \$11.1 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$2.4 million.
- Net cost of governmental activities of \$8.7 million was financed by general revenues, which are made up of primarily property taxes of \$6.3 million and federal, state and county aid of \$2.0 million.

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 \$1.1 million, a decrease of \$700,975 due primarily to the completion of construction projects.

The General Fund is the principal operating fund of the District. The decrease in fund balance of \$665,191 to a deficit of \$18,156 as of fiscal year end was a result of a reduction in property tax revenues. General Fund revenues decreased \$663,898 as a result of cuts in Federal ARRA funding and property tax revenues. General Fund expenditures increased \$34,046 which was not material.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the General Fund annual expenditure budget for changes in enrollment. The difference between the original budget and the final amended budget was a \$58,678 increase, or 1 percent.

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

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011**

BUDGETARY HIGHLIGHTS (Concl'd)

- The favorable variance of \$673,786 in regular education - instruction was a result of vacancy savings resulting in lower salaries and wages for both certified and classified employees. The use of Federal Education Jobs Fund of \$233,000 to offset general fund expense also contributed to the favorable budget variance in regular education.
- The unfavorable variance of \$236,495 in regular education - operation of non-instructional services was a result of the District instituting a food service operation during the current year.
- The unfavorable variance of \$202,014 in special education - instruction was a result of a higher population of special needs students with significant disabilities.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$30.2 million in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$8.9 million from the prior fiscal year, primarily due to the completion of construction projects. Total depreciation expense for the current fiscal year was \$1.2 million.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2011 and June 30, 2010.

	As of June 30, 2011	As of June 30, 2010
Capital assets – non-depreciable	\$ 30,000	\$ 124,667
Capital assets – depreciable, net	21,281,140	21,106,489
Total	<u>\$ 21,311,140</u>	<u>\$ 21,231,156</u>

Additional information on the District's capital assets can be found in Note 6.

Debt Administration. At year-end, the District had \$14.3 million in long-term debt outstanding, \$882,080 due within one year. This represents a net decrease of \$51,943 due to the addition of \$717,295 in capital leases offset by payments of \$769,238 for both lease obligations and bond payments.

The District's general obligation bonds are subject to two limits: the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 15 percent of the total secondary assessed valuation) and the statutory debt limit on Class B bonds (the greater of 5 percent of the secondary assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$63.0 million and the Class B debt limit is \$21.0 million, which are more than the District's total outstanding general obligation and Class B debt, respectively.

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011**

Additional information on the District's long-term debt can be found in Notes 8 - 10.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the District's administration during the process of developing the fiscal year 2011-12 budget. Among them:

- Fiscal year 2010-11 budget balance carry forward (estimated \$134,831).
- District student population (estimated 1,180).

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

Budgeted expenditures in the General Fund decreased less than 1 percent to \$6.6 million in fiscal year 2011-12. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2011-12 budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business and Finance Department, Mingus Union High School District No. 4, 1801 East Fir Street, Cottonwood, Arizona 86326.

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
STATEMENT OF NET ASSETS
JUNE 30, 2011

	<u>Governmental Activites</u>
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 2,486,154
Property taxes receivable	407,997
Due from governmental entities	580,547
Total current assets	<u>3,474,698</u>
Noncurrent assets:	
Land	30,000
Land improvements	1,898,611
Buildings and improvements	25,054,517
Vehicles, furniture and equipment	3,216,016
Accumulated depreciation	<u>(8,888,004)</u>
Total noncurrent assets	<u>21,311,140</u>
Total assets	<u><u>24,785,838</u></u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	138,736
Credit line payable	813,432
Accrued payroll and employee benefits	255
Compensated absences payable	20,000
Accrued interest payable	294,146
Unearned revenues	99,446
Obligations under capital leases	132,080
Bonds payable	<u>750,000</u>
Total current liabilities	<u>2,248,095</u>
Noncurrent liabilities:	
Non-current portion of long-term obligations	<u>13,412,290</u>
Total noncurrent liabilities	<u>13,412,290</u>
Total liabilities	<u><u>15,660,385</u></u>
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	7,038,083
Restricted for:	
Debt service	99,131
Capital outlay	40,922
Special Purposes	1,110,894
Unrestricted	<u>836,423</u>
Total net assets	<u><u>\$ 9,125,453</u></u>

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 6,183,691	\$ 885,183	\$ 416,364	\$ 87,028	\$ (4,795,116)
Support services - students and staff	1,037,969		214,051		(823,918)
Support services - administration	1,009,016		16,083		(992,933)
Operation and maintenance of plant services	1,424,800	24,174	42,332		(1,358,294)
Student transportation services	485,809		2,369		(483,440)
Operation of non-instructional services	344,635	499,035	190,864		345,264
Interest on long-term debt	588,794				(588,794)
Total governmental activities	<u>\$ 11,074,714</u>	<u>\$ 1,408,392</u>	<u>\$ 882,063</u>	<u>\$ 87,028</u>	<u>(8,697,231)</u>
General revenues:					
Taxes:					
Property taxes, levied for general purposes					4,693,051
Property taxes, levied for debt service					1,218,873
Property taxes, levied for capital outlay					418,765
Investment income					3,807
Unrestricted county aid					98,746
Unrestricted state aid					1,451,618
Unrestricted federal aid					407,692
Total general revenues					<u>8,292,552</u>
Changes in net assets					(404,679)
Net assets, beginning of year					<u>9,530,132</u>
Net assets, end of year					<u>\$ 9,125,453</u>

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

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FUND FINANCIAL STATEMENTS

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2011

	<u>General</u>	<u>Debt Service</u>	<u>Unrestricted Capital Outlay</u>
<u>ASSETS</u>			
Cash and investments	\$ 425,257	\$ 1,055,294	\$
Property taxes receivable	306,404	75,725	25,868
Due from governmental entities	397,487	12,258	28,270
Due from other funds			
Total assets	<u><u>\$ 1,129,148</u></u>	<u><u>\$ 1,143,277</u></u>	<u><u>\$ 54,138</u></u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 88,534	\$	\$
Credit line payable	813,432		
Due to other funds			13,630
Accrued payroll and employee benefits			
Deferred revenues	245,338	54,605	23,164
Bonds payable		750,000	
Bond interest payable		294,146	
Total liabilities	<u><u>1,147,304</u></u>	<u><u>1,098,751</u></u>	<u><u>36,794</u></u>
Fund balances (deficits):			
Restricted		44,526	17,344
Assigned			
Unassigned	(18,156)		
Total fund balances	<u><u>(18,156)</u></u>	<u><u>44,526</u></u>	<u><u>17,344</u></u>
Total liabilities and fund balances	<u><u>\$ 1,129,148</u></u>	<u><u>\$ 1,143,277</u></u>	<u><u>\$ 54,138</u></u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 1,005,603	\$ 2,486,154
	407,997
142,532	580,547
50,544	50,544
<u>\$ 1,198,679</u>	<u>\$ 3,525,242</u>

\$ 50,202	\$ 138,736
	813,432
36,914	50,544
255	255
98,520	421,627
	750,000
	294,146
<u>185,891</u>	<u>2,468,740</u>

897,588	959,458
115,200	115,200
	(18,156)
<u>1,012,788</u>	<u>1,056,502</u>
<u>\$ 1,198,679</u>	<u>\$ 3,525,242</u>

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MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2011

Total governmental fund balances	\$	1,056,502
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Amounts reported for *governmental activities* in the Statement of Net Assets are different because:

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

Governmental capital assets	\$ 30,199,144	
Less accumulated depreciation	<u>(8,888,004)</u>	21,311,140

Property tax revenues will not be available to pay for current period expenditures and, therefore, are deferred in the funds.	322,181
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Compensated absences payable	(41,313)	
Capital leases payable	(573,057)	
Bonds payable	<u>(12,950,000)</u>	<u>(13,564,370)</u>

Net assets of governmental activities	\$	<u>9,125,453</u>
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The notes to the basic financial statements are an integral part of this statement.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011

	<u>General</u>	<u>Debt Service</u>	<u>Unrestricted Capital Outlay</u>
Revenues:			
Other local	\$ 414,746	\$ 50,028	\$ 24,927
Property taxes	4,652,279	1,164,268	407,289
State aid and grants	1,006,884		85,100
Federal aid, grants and reimbursements	389,005		18,687
Total revenues	<u>6,462,914</u>	<u>1,214,296</u>	<u>536,003</u>
Expenditures:			
Current -			
Instruction	3,292,121		
Support services - students and staff	747,995		
Support services - administration	930,979		
Operation and maintenance of plant services	1,054,096		
Student transportation services	370,830		
Operation of non-instructional services	238,086		
Capital outlay	66,229		1,123,352
Debt service -			
Principal retirement		750,000	144,238
Interest and fiscal charges		588,794	
Total expenditures	<u>6,700,336</u>	<u>1,338,794</u>	<u>1,267,590</u>
Excess (deficiency) of revenues over expenditures	<u>(237,422)</u>	<u>(124,498)</u>	<u>(731,587)</u>
Other financing sources (uses):			
Transfers in		1,907	
Transfers out			
Capital lease agreements			717,295
Total other financing sources (uses):		<u>1,907</u>	<u>717,295</u>
Changes in fund balances	<u>(237,422)</u>	<u>(122,591)</u>	<u>(14,292)</u>
Fund balances, beginning of year	647,035	167,117	31,636
Increase (decrease) in reserve for prepaid items	(427,769)		
Fund balances, end of year	<u>\$ (18,156)</u>	<u>\$ 44,526</u>	<u>\$ 17,344</u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 1,021,244	\$ 1,510,945
	6,223,836
511,040	1,603,024
872,962	1,280,654
<u>2,405,246</u>	<u>10,618,459</u>
1,360,850	4,652,971
226,647	974,642
27,278	958,257
84,113	1,138,209
19,234	390,064
94,579	332,665
489,539	1,679,120
	894,238
	588,794
<u>2,302,240</u>	<u>11,608,960</u>
<u>103,006</u>	<u>(990,501)</u>
	1,907
(1,907)	(1,907)
	717,295
<u>(1,907)</u>	<u>717,295</u>
<u>101,099</u>	<u>(273,206)</u>
911,689	1,757,477
	(427,769)
<u>\$ 1,012,788</u>	<u>\$ 1,056,502</u>

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2011

Net changes in fund balances - total governmental funds	\$	(700,975)
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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	\$ 1,243,774	
Less current year depreciation	<u>(1,163,790)</u>	79,984

Capital lease proceeds provide current financial resources to governmental funds, but the issuance increases long term liabilities in the Statement of Net Assets.	(717,295)
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	106,853	
Intergovernmental	<u>(55,277)</u>	51,576

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

Capital lease principal retirement	144,238	
Bond principal retirement	<u>750,000</u>	894,238

Compensated absences 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.	<u>(12,207)</u>
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Change in net assets in governmental activities	\$	<u>(404,679)</u>
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The notes to the basic financial statements are an integral part of this statement.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2011

	<u>Agency</u>
<u>ASSETS</u>	
Cash and investments	\$ 127,348
Total assets	<u><u>\$ 127,348</u></u>
<u>LIABILITIES</u>	
Deposits held for others	\$ 48,277
Due to student groups	79,071
Total liabilities	<u><u>\$ 127,348</u></u>

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Mingus Union High School District No. 4 (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, 2011, the District implemented the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. GASB Statement No. 54 establishes standards for financial reporting, including note disclosure requirements, for fund balance classifications of the governmental funds, and clarifies existing governmental fund type definitions.

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 five 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, student transportation, construction and maintenance of District facilities, food services, bookstore, and athletic functions.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets 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.

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 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, and unrestricted Federal, State and County aid, and other items not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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 resources are provided during the current year for payment of long-term debt principal and interest due early in the following year (not to exceed one month) and, therefore, the expenditures and related liabilities have been recognized. Compensated absences are recorded only when payment is due.

Property taxes, State and County aid, tuition 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. Food services and 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. Deferred 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 also been reported as deferred revenue 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. Fiduciary funds are reported by fund type.

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 the Medicaid Reimbursement, Other Federal Projects, School Plant, Insurance Proceeds, Litigation Recovery, Indirect Costs, and Soft Capital Allocation Funds. These funds are maintained as separate funds for accounting and budgetary purposes but do not meet the criteria for separate reporting in the financial statements.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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 cost.

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

Additionally, the District reports the following fund type:

Fiduciary Funds – The Fiduciary Funds are Agency Funds which account for resources held by the District on behalf of others. This fund type includes the Student Activities Fund which accounts for monies raised by students to finance student clubs and organizations held by the District as an agent. In addition, funds that account for employee withholdings before the monies are remitted to the appropriate entities are included in the Agency Funds.

The agency funds are custodial in nature and do not have a measurement focus and are reported using the accrual basis of accounting. The agency funds are reported by fund type.

D. Cash and Investments

A.R.S. require the District to deposit certain cash with the County Treasurer. That cash 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.

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 governmental 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."

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

G. Property Tax Calendar

Property tax levies are obtained by applying tax rates against either the primary assessed valuation or the secondary assessed valuation. Primary and secondary valuation categories are composed of the exact same properties. However, the primary category limits the increase in property values to 10% from the previous year, while there is no limit to the increase in property values for secondary valuation. Override and debt service tax rates are applied to the secondary assessed valuation and all other tax rates are applied to the primary assessed valuation.

The County levies real property taxes on or before the third Monday in August, which 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. The billings are considered past due after these dates, at which time the applicable property is subject to penalties and interest.

The County also levies various personal property taxes during the year, which are due the second Monday of the month following receipt of the tax notice, and become delinquent 30 days thereafter.

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.

I. Capital Assets

Capital assets, which include land and improvements, buildings and improvements, vehicles, furniture, 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. Such assets are recorded at historical cost, or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at the estimated fair market 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.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Land improvements	5 – 50 years
Buildings and improvements	5 – 50 years
Vehicles, furniture and equipment	5 – 25 years

J. Compensated Absences

The District's employee vacation and sick leave policies generally provide for granting vacation and sick leave with pay. The District's compensated absences consist solely of accrued vacation. Vacation leave vests with employees at the employees' rate of pay. Employees may accumulate up to 12 weeks of sick leave, depending on years of service, but any vacation hours earned in any school year must be used by September 1 of the following year or it shall be forfeited. The current and long-term liabilities, including related benefits, for accumulated vacation and sick leave are reported on 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.

K. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net assets. Bond premiums and discounts, as well as issuance costs and the difference between the reacquisition price and the net carrying amount of the old debt, are deferred and amortized over the life of the bonds using the straight-line method over the term of the related debt.

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concl'd)

L. 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.

M. Estimates

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

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

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

Committed. The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action of the Governing Board. Those committed amounts cannot be used for any other purpose unless the Governing Board removes or changes the specified use by taking the same type of action it employed to previously commit those accounts.

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.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 2 – FUND BALANCE CLASSIFICATIONS (Concl'd)

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

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

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Unrestricted Capital Outlay Fund</u>	<u>Non-Major Governmental Funds</u>
Fund Balances:				
Restricted:				
Debt service	\$	\$ 44,526	\$	\$
Capital projects			17,344	414
Voter approved initiatives				325,490
Food service				151,475
Joint Technical Education				74,491
Other purposes				345,718
Assigned:				
Auxiliary operations				115,200
Unassigned	(18,156)			
Total fund balances	<u>\$ (18,156)</u>	<u>\$ 44,526</u>	<u>\$ 17,344</u>	<u>\$ 1,012,788</u>

The July 1, 2010 fund balances of the General Fund and Non-Major Governmental Funds do not agree to the prior year financial statements for the reclassification of certain funds due to the new fund type definitions specified in GASB Statement No. 54.

	<u>General Fund</u>	<u>Non-Major Governmental Funds</u>
Fund balance, June 30, 2010, as previously reported	\$ 587,448	\$ 971, 276
Reclassification of funds	59,587	(59,587)
Fund balance, July 1, 2010, as restated	<u>\$ 647,035</u>	<u>\$ 911,689</u>

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Individual Deficit Fund Balance – At year end the following individual major governmental fund reported a deficit in fund balance.

	<u>Deficit</u>
Major Fund:	
General Fund	\$ 18,156

The deficit arose because of operations during the year. Additional revenues and reduced spending in fiscal year 2011-12 are expected to eliminate the deficit.

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

NOTE 4 – CASH AND INVESTMENTS

A.R.S. authorize the District to invest public monies in the State Treasurer's local government investment pools, the County Treasurer's investment pool, obligations of the U.S. Government and its agencies, obligations of the State and certain local government subdivisions, interest-bearing savings accounts and certificates of deposit, collateralized repurchase agreements, certain obligations of U.S. corporations, and certain other securities. The statutes do not include any requirements for credit risk, custodial credit risk, concentration of credit risk, interest rate risk, or foreign currency risk for the District's 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 \$1,390,591 and the bank balance was \$1,397,571. At year end, \$250,000 of the District's deposits was covered by Federal depository insurance, \$101,430 was covered by the Dodd-Frank Wall Street Reform and Consumer Protection Act, \$1,995 was covered by collateral held by the pledging financial institution in the District's name and, \$1,044,146 was covered by collateral held by the pledging financial institution's trust department or agent but not in the District's name. The District also had \$1,000 cash on hand.

The State Treasurer's pools are external investment pools, the Local Government Investment Pool (Pool 5) and Local Government Investment Pool-Government (Pool 7), with no regulatory oversight. The activity and performance of the pools are reviewed monthly by the State Board of Investment. The fair value of each participant's position in the State Treasurer investment pools approximates the value of the participant's shares in the pool and the participants' shares are not identified with specific investments. No regulatory oversight is provided for the County Treasurer's investment pool and that pool's structure does not provide for shares.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 4 – CASH AND INVESTMENTS (Concl'd)

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

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer's investment pool	1.75 year	\$ 1,221,911
Total		<u>\$ 1,221,911</u>

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. The State Treasurer's investment pool 7 was unrated at year end. The State Treasurer's investment pool 5 was rated AAA/S1+ by Standard and Poor's at year end.

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

NOTE 5 – RECEIVABLES

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

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Unrestricted Capital Outlay Fund</u>	<u>Non-Major Governmental Funds</u>
Due from other governmental entities:				
Due from Federal government	\$ 5,223	\$	\$	\$ 49,931
Due from State government	311,176		27,327	92,601
Due from other districts	81,088	12,258	943	
Net Due from other governmental entities:	<u>\$ 397,487</u>	<u>\$ 12,258</u>	<u>\$ 28,270</u>	<u>\$ 142,532</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 5 – RECEIVABLES (Concl'd)

At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows.

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes receivable (General Fund)	\$ 244,412	\$
Delinquent property taxes receivable (Debt Service Fund)	54,605	
Delinquent property taxes receivable (Unrestricted Capital Outlay Fund)	23,164	
Grant drawdowns prior to meeting all eligibility requirements (General Fund)		926
Grant drawdowns prior to meeting all eligibility requirements (Non-Major Governmental Funds)		98,520
Total deferred revenue for governmental funds	<u>\$ 322,181</u>	<u>\$ 99,446</u>

NOTE 6 – CAPITAL ASSETS

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

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 30,000	\$	\$	\$ 30,000
Construction in progress	94,667	1,188,973	1,283,640	
Total capital assets, not being depreciated	<u>124,667</u>	<u>1,188,973</u>	<u>1,283,640</u>	<u>30,000</u>
Capital assets, being depreciated:				
Land improvements	614,971	1,283,640		1,898,611
Buildings and improvements	25,043,875	10,642		25,054,517
Vehicles, furniture and equipment	3,171,857	44,159		3,216,016
Total capital assets being depreciated	<u>28,830,703</u>	<u>1,338,441</u>		<u>30,169,144</u>
Less accumulated depreciation for:				
Land improvements	(571,871)	(132,102)		(703,973)
Buildings and improvements	(5,646,732)	(825,149)		(6,471,881)
Vehicles, furniture and equipment	(1,505,611)	(206,539)		(1,712,150)
Total accumulated depreciation	<u>(7,724,214)</u>	<u>(1,163,790)</u>		<u>(8,888,004)</u>
Total capital assets, being depreciated, net	<u>21,106,489</u>	<u>174,651</u>		<u>21,281,140</u>
Governmental activities capital assets, net	<u>\$ 21,231,156</u>	<u>\$ 1,363,624</u>	<u>\$ 1,283,640</u>	<u>\$ 21,311,140</u>

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 6 – CAPITAL ASSETS (Concl'd)

Depreciation expense was charged to governmental functions as follows.

Instruction	\$ 828,683
Support services – students and staff	9,756
Support services – administration	6,604
Operation and maintenance of plant services	260,112
Student transportation services	55,372
Operation of non-instructional services	3,263
Total depreciation expense – governmental activities	<u>\$ 1,163,790</u>

NOTE 7 – SHORT TERM DEBT –REVOLVING LINE OF CREDIT

The District has a 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. General Fund revenues will be used to repay the line of credit in fiscal year 2012. Short-term debt activity for the current fiscal year, was as follows.

	Beginning Balance	Issued	Redeemed	Ending Balance
Revolving line of credit	<u>\$ 750,000</u>	<u>\$ 3,391,630</u>	<u>\$ 3,328,198</u>	<u>\$ 813,432</u>

NOTE 8 – OBLIGATIONS UNDER CAPITAL LEASES

The District has constructed an outdoor sports facility under the provisions of long-term lease agreements classified as capital leases. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. Revenues from the Unrestricted Capital Outlay Fund, a major fund are used to pay the capital lease obligations.

The assets acquired through capital leases that meet the District's capitalization threshold are as follows.

	Governmental Activities
Asset:	
Land improvements	\$ 1,283,640
Less: Accumulated depreciation	128,364
Total	<u>\$ 1,155,276</u>

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 8 – OBLIGATIONS UNDER CAPITAL LEASES (Concl'd)

The future minimum lease obligations and the net present value of these minimum lease payments at year end were as follows.

Year Ending June 30:	Governmental Activities
2012	\$ 163,283
2013	163,282
2014	163,283
2015	163,282
Total minimum lease payments	<u>653,130</u>
Less: amount representing interest	<u>80,073</u>
Present value of minimum lease payments	<u>\$ 573,057</u>
Due within one year	<u><u>\$ 132,080</u></u>

NOTE 9 – GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at year end, consisted of the following outstanding general obligation bond. The bond is both callable and noncallable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt.

Purpose	Original Amount Issued	Interest Rates	Maturity	Outstanding Principal June 30, 2011	Due Within One Year
Governmental activities:					
School Improvement Bonds,					
2007	\$ 15,000,000	4.0-5.0%	7/1/11-22	\$ 13,700,000	\$ 750,000
Total				<u>\$ 13,700,000</u>	<u>\$ 750,000</u>

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

		Governmental Activities	
Year ending June 30:		Principal	Interest
2012		\$ 750,000	\$ 573,293
2013		925,000	539,793
2014		995,000	500,149
2015		1,035,000	458,306
2016		1,075,000	416,106
2017-21		6,085,000	1,349,784
2022-26		2,835,000	127,063
Total		<u>\$ 13,700,000</u>	<u>\$ 3,964,494</u>

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 10 – CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the current fiscal year was as follows.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable	\$ 14,325,000	\$	\$ 625,000	\$ 13,700,000	\$ 750,000
Obligations under capital leases		717,295	144,238	573,057	132,080
Compensated absences payable	29,106	54,697	42,490	41,313	20,000
Governmental activity long-term liabilities	<u>\$ 14,354,106</u>	<u>\$ 771,992</u>	<u>\$ 811,728</u>	<u>\$ 14,314,370</u>	<u>\$ 902,080</u>

NOTE 11 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At year end, interfund balances were as follows.

Due to/from other funds:

Due to	Unrestricted Capital Outlay Fund	Due from Non-Major Governmental Funds	Total
Non-Major Governmental Funds	\$ 13,630	\$ 36,914	\$ 50,544
Total	<u>\$ 13,630</u>	<u>\$ 36,914</u>	<u>\$ 50,544</u>

At year end, several funds had negative cash balances in the Treasurer's pooled cash accounts. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with other funds. All interfund balances are expected to be paid within one year.

Interfund transfers:

Transfers out	Transfers in Debt Service Fund
Non-Major Governmental Funds	\$ 1,907
Total	<u>\$ 1,907</u>

Transfers between funds were used to (1) move investment income earned in the Bond Building Fund that is required by statute to be expended in the Debt Service Fund.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 12 – CONTINGENT LIABILITIES

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

Lawsuits – The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

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

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 14 – PENSION AND OTHER POSTEMPLOYMENT BENEFITS

The District contributes to the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing, multiple-employer defined benefit pension plan; a cost-sharing, multiple-employer defined health insurance premium plan; and a cost-sharing, multiple-employer defined benefit long-term disability plan that covers employees of the State of Arizona and employees of participating political subdivisions and school districts. The ASRS is governed by the Arizona State Retirement System Board according to the provisions of A.R.S. Title 38, Chapter 5, Article 2.

Plan Description – Benefits are established by state statute and the plan generally provides retirement, long-term disability, and health insurance premium benefits, including death and survivor benefits. The retirement benefits are generally paid at a percentage, based on years of service, of the retirees' average compensation. Long-term disability benefits vary by circumstance, but generally pay a percentage of the employee's monthly compensation. Health insurance premium benefits are paid as a fixed dollar amount per month towards the retiree's healthcare insurance premiums, in amounts based on whether the benefit is for the retiree or for the retiree and his or dependents.

The ASRS issues a comprehensive annual financial report that includes financial statements and required supplementary information. The most recent report may be obtained by writing the ASRS, 3300 North Central Avenue, P.O. Box 33910, Phoenix, Arizona 85067-3910 or by calling (602) 240-2000 or (800) 621-3778. The report is also available on the ASRS' website at www.azasrs.gov.

Funding Policy – The Arizona State Legislature establishes and may amend active plan members' and the District's contribution rates. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 9.85 percent (9.60 percent for retirement and 0.25 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 9.85 percent (9.01 percent for retirement, 0.59 percent for health insurance premium, and 0.25 percent for long-term disability) of the members' annual covered payroll.

The Districts' contributions for the current and two preceding years, all of which were equal to the required contributions, were as follows.

	Retirement Fund	Health Benefit Supplement Fund	Long-Term Disability Fund
Year ending June 30:			
2011	\$ 387,990	\$ 25,407	\$ 10,766
2010	390,549	30,907	18,731
2009	398,952	47,934	24,966

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**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
(Required Supplementary Information)**

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL
YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Non-GAAP	Variance with
	Original	Final	Actual	Final Budget
				Positive
				(Negative)
Revenues:				
Other local	\$	\$	\$ 401,912	\$ 401,912
Property taxes			4,606,424	4,606,424
State aid and grants			997,429	997,429
Total revenues			<u>6,005,765</u>	<u>6,005,765</u>
Expenditures:				
Regular education				
Instruction	2,920,754	2,979,432	2,305,646	673,786
Support services - students and staff	532,421	532,421	643,165	(110,744)
Support services - administration	957,677	957,677	842,668	115,009
Operation and maintenance of plant services	1,097,680	1,097,680	1,050,963	46,717
Operation of non-instructional services			236,495	(236,495)
Total regular education	<u>5,508,532</u>	<u>5,567,210</u>	<u>5,078,937</u>	<u>488,273</u>
Special education				
Instruction	547,267	547,267	749,281	(202,014)
Support services - students and staff	34,949	34,949	88,628	(53,679)
Total special education	<u>582,216</u>	<u>582,216</u>	<u>837,909</u>	<u>(255,693)</u>
Pupil transportation				
Student transportation services	426,988	426,988	362,170	64,818
Total pupil transportation	<u>426,988</u>	<u>426,988</u>	<u>362,170</u>	<u>64,818</u>
Dropout prevention programs				
Instruction	31,652	31,652		31,652
Support services - students and staff			12,686	(12,686)
Total dropout prevention programs	<u>31,652</u>	<u>31,652</u>	<u>12,686</u>	<u>18,966</u>
Total expenditures	<u>6,549,388</u>	<u>6,608,066</u>	<u>6,291,702</u>	<u>316,364</u>
Changes in fund balances	<u>(6,549,388)</u>	<u>(6,608,066)</u>	<u>(285,937)</u>	<u>6,322,129</u>
Fund balances, beginning of year			587,622	587,622
Increase (decrease) in reserve for prepaid items			(427,769)	(427,769)
Fund balances (deficits), end of year	<u>\$ (6,549,388)</u>	<u>\$ (6,608,066)</u>	<u>\$ (126,084)</u>	<u>\$ 6,481,982</u>

See accompanying notes to this schedule.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2011

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

The adopted budget of the District is prepared on a basis consistent with accounting principles generally accepted in the United States of America with the following exception: a portion of the General Fund activity is budgeted for separately as special revenue funds. Consequently, the following adjustment was necessary to present actual expenditures, fund balance at July 1, 2010 and fund balance at June 30, 2011 on a budgetary basis in order to provide a meaningful comparison.

	<u>Total Expenditures</u>	<u>Fund Balance, June 30, 2011</u>	<u>Fund Balance, July 1, 2010</u>
Statement of Revenues, Expenditures and Changes in Fund Balances –			
Governmental Funds	\$ 6,700,336	\$ (18,156)	\$ 647,035
Fiscal year 2011-12 activity budgeted as special revenue funds	(366,002)	(85,664)	(59,146)
Fiscal year 2011-12 activity budgeted as capital revenue funds	<u>(42,632)</u>	<u>(22,264)</u>	<u>(267)</u>
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	<u>\$ 6,291,702</u>	<u>\$ (126,084)</u>	<u>\$ 587,622</u>

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

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GOVERNMENTAL FUNDS

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2011

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Fund</u>
<u>ASSETS</u>			
Cash and investments	\$ 1,005,189	\$ 414	\$ 1,005,603
Due from governmental entities	142,532		142,532
Due from other funds	50,544		50,544
Total assets	<u><u>\$ 1,198,265</u></u>	<u><u>\$ 414</u></u>	<u><u>\$ 1,198,679</u></u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 50,202	\$	\$ 50,202
Due to other funds	36,914		36,914
Accrued payroll and employee benefits	255		255
Deferred revenues	98,520		98,520
Total liabilities	<u>185,891</u>		<u>185,891</u>
Fund balances:			
Restricted	897,174	414	897,588
Assigned	115,200		115,200
Total fund balances	<u>1,012,374</u>	<u>414</u>	<u>1,012,788</u>
Total liabilities and fund balances	<u><u>\$ 1,198,265</u></u>	<u><u>\$ 414</u></u>	<u><u>\$ 1,198,679</u></u>

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
YEAR ENDED JUNE 30, 2011

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Other local	\$ 1,019,318	\$ 1,926	\$ 1,021,244
State aid and grants	511,040		511,040
Federal aid, grants and reimbursements	872,962		872,962
Total revenues	<u>2,403,320</u>	<u>1,926</u>	<u>2,405,246</u>
Expenditures:			
Current -			
Instruction	1,360,850		1,360,850
Support services - students and staff	226,647		226,647
Support services - administration	27,278		27,278
Operation and maintenance of plant services	84,113		84,113
Student transportation services	19,234		19,234
Operation of non-instructional services	94,579		94,579
Capital outlay	159,688	329,851	489,539
Total expenditures	<u>1,972,389</u>	<u>329,851</u>	<u>2,302,240</u>
Excess (deficiency) of revenues over expenditures	<u>430,931</u>	<u>(327,925)</u>	<u>103,006</u>
Other financing sources (uses):			
Transfers out		(1,907)	(1,907)
Total other financing sources (uses):		<u>(1,907)</u>	<u>(1,907)</u>
Changes in fund balances	<u>430,931</u>	<u>(329,832)</u>	<u>101,099</u>
Fund balances, beginning of year	581,443	330,246	911,689
Fund balances, end of year	<u>\$ 1,012,374</u>	<u>\$ 414</u>	<u>\$ 1,012,788</u>

SPECIAL REVENUE FUNDS

The following Special Revenue Funds are maintained by the District. Arizona Revised Statutes (A.R.S.) and the Uniform System of Financial Records (USFR) require the establishment of these funds for the specified financial activities.

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.

Title I Grants - to account for financial assistance received for the purpose of improving the teaching and learning of children failing, or most at-risk of failing, to meet challenging State academic standards.

Professional Development and Technology Grants - to account for financial assistance received to increase student academic achievement through improving teacher quality.

Title IV Grants - to account for financial assistance received for chemical abuse awareness programs and expanding projects that benefit educational and health needs of the communities.

Promote Informed Parent Choice - to account for financial assistance received to promote parent choices in the education of their students.

Special Education Grants - to account for supplemental financial assistance received to provide a free, appropriate public education to disabled children.

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

Medicaid Reimbursement - to account for reimbursements related to specific health services provided to eligible students.

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

State Vocational Education - to account for financial assistance received for the preparation of individuals for employment.

Extended School Year – Pupils with Disabilities - to account for financial assistance from the State for year-round services for the special education program.

Chemical Abuse Prevention Programs - to account for financial assistance received for chemical abuse awareness programs.

Academic Contests - to account for financial assistance received for participation in academic contests.

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.

Food Service - to account for the financial activity of school activities that have as their purpose the preparation and serving of regular and incidental meals and snacks in connection with school functions.

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.

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.

Textbooks - to account for monies received from students to replace or repair lost or damaged textbooks.

Litigation Recovery - to account for monies received for and derived from litigation.

Indirect Costs - to account for monies transferred from Federal projects for administrative costs.

Joint Technical Education - to account for monies received from Joint Technical Education Districts for vocational education programs.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2011

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>Title I Grants</u>
<u>ASSETS</u>			
Cash and investments	\$ 32,597	\$ 200,292	\$ 35,137
Due from governmental entities	62,775	29,826	
Due from other funds			
Total assets	<u><u>\$ 95,372</u></u>	<u><u>\$ 230,118</u></u>	<u><u>\$ 35,137</u></u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$ 11,106
Due to other funds			
Accrued payroll and employee benefits			48
Deferred revenues			23,983
Total liabilities	<u></u>	<u></u>	<u>35,137</u>
Fund balances:			
Restricted	95,372	230,118	
Assigned			
Total fund balances	<u><u>95,372</u></u>	<u><u>230,118</u></u>	<u></u>
Total liabilities and fund balances	<u><u>\$ 95,372</u></u>	<u><u>\$ 230,118</u></u>	<u><u>\$ 35,137</u></u>

Professional Development and Technology Grants	Title IV Grants	Promote Informed Parent Choice	Special Education Grants	Vocational Education	State Vocational Education
\$ 16,514	\$ 3	\$ 1,253	\$ 20,786	\$ 39,725	\$ 66,226
<u>\$ 16,514</u>	<u>\$ 3</u>	<u>\$ 1,253</u>	<u>\$ 20,786</u>	<u>\$ 39,725</u>	<u>\$ 66,226</u>
\$ 1,592 14,886 36	\$	\$ 1,253	\$ 11 20,775	\$ 30,512	\$ 1,432
	3			171	
				9,042	64,794
<u>16,514</u>	<u>3</u>	<u>1,253</u>	<u>20,786</u>	<u>39,725</u>	<u>66,226</u>
<u>\$ 16,514</u>	<u>\$ 3</u>	<u>\$ 1,253</u>	<u>\$ 20,786</u>	<u>\$ 39,725</u>	<u>\$ 66,226</u>

(Continued)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2011

	Extended School Year - Pupils with Disabilities	Chemical Abuse Prevention Programs	Academic Contests
<u>ASSETS</u>			
Cash and investments	\$ 28	\$ 9	\$ 539
Due from governmental entities			
Due from other funds			
Total assets	<u>\$ 28</u>	<u>\$ 9</u>	<u>\$ 539</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Accrued payroll and employee benefits			
Deferred revenues	<u>28</u>	<u>9</u>	<u>539</u>
Total liabilities	<u>28</u>	<u>9</u>	<u>539</u>
Fund balances:			
Restricted			
Assigned			
Total fund balances			
Total liabilities and fund balances	<u>\$ 28</u>	<u>\$ 9</u>	<u>\$ 539</u>

Other State Projects	Food Service	Civic Center	Community School	Auxiliary Operations	Gifts and Donations
\$ 122	\$ 91,431 11,378 50,544	\$ 2,199	\$ 76,538	\$ 267,764	\$ 114,089
<u>\$ 122</u>	<u>\$ 153,353</u>	<u>\$ 2,199</u>	<u>\$ 76,538</u>	<u>\$ 267,764</u>	<u>\$ 114,089</u>
\$	\$ 1,878	\$ 649	\$	\$	\$
<u>122</u>	<u>1,878</u>	<u>649</u>	<u></u>	<u></u>	<u></u>
<u>122</u>	<u>151,475</u>	<u>1,550</u>	<u>76,538</u>	<u>152,564</u> <u>115,200</u>	<u>114,089</u>
	<u>151,475</u>	<u>1,550</u>	<u>76,538</u>	<u>267,764</u>	<u>114,089</u>
<u>\$ 122</u>	<u>\$ 153,353</u>	<u>\$ 2,199</u>	<u>\$ 76,538</u>	<u>\$ 267,764</u>	<u>\$ 114,089</u>

(Continued)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2011

	Career, Technical and Vocational Education	Textbooks	Joint Technical Education
<u>ASSETS</u>			
Cash and investments	\$ 923	\$ 54	\$ 77,513
Due from governmental entities			
Due from other funds			
Total assets	<u>\$ 923</u>	<u>\$ 54</u>	<u>\$ 77,513</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$ 3,022
Due to other funds			
Accrued payroll and employee benefits			
Deferred revenues			
Total liabilities	<u></u>	<u></u>	<u>3,022</u>
Fund balances:			
Restricted	923	54	74,491
Assigned			
Total fund balances	<u>923</u>	<u>54</u>	<u>74,491</u>
Total liabilities and fund balances	<u>\$ 923</u>	<u>\$ 54</u>	<u>\$ 77,513</u>

Totals	
\$	1,005,189
	142,532
	50,544
\$	1,198,265

\$	50,202
	36,914
	255
	98,520
	185,891

	897,174
	115,200
	1,012,374
\$	1,198,265

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2011

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>Title I Grants</u>
Revenues:			
Other local	\$	\$ 953	\$
State aid and grants	349,190	65,721	
Federal aid, grants and reimbursements			245,243
Total revenues	<u>349,190</u>	<u>66,674</u>	<u>245,243</u>
Expenditures:			
Current -			
Instruction	59,708		177,718
Support services - students and staff		130	28,751
Support services - administration			23,496
Operation and maintenance of plant services			
Student transportation services			3,461
Operation of non-instructional services			
Capital outlay			11,817
Total expenditures	<u>59,708</u>	<u>130</u>	<u>245,243</u>
Changes in fund balances	<u>289,482</u>	<u>66,544</u>	
Fund balances (deficits), beginning of year	(194,110)	163,574	
Fund balances, end of year	<u>\$ 95,372</u>	<u>\$ 230,118</u>	<u>\$</u>

Professional Development and Technology Grants	Special Education Grants	Vocational Education	State Vocational Education	Other State Projects	Food Service
\$	\$	\$	\$	\$	\$
			34,284	61,845	59,509
92,269	200,394	126,736			190,864
92,269	200,394	126,736	34,284	61,845	250,373
90,899	117,661 79,474	45,752 13,962	33,417 429		
				61,845	
					93,837
1,370	3,259	67,022	438		5,186
92,269	200,394	126,736	34,284	61,845	99,023
					151,350
					125
\$	\$	\$	\$	\$	\$
					151,475

(Continued)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2011

	Civic Center	Community School	Auxiliary Operations
Revenues:			
Other local	\$ 24,239	\$ 56,378	\$ 439,847
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>24,239</u>	<u>56,378</u>	<u>439,847</u>
Expenditures:			
Current -			
Instruction	5,733	50,857	376,695
Support services - students and staff	1,654	800	10,454
Support services - administration	2,883		
Operation and maintenance of plant services	8,905		12,643
Student transportation services	13,434		2,339
Operation of non-instructional services	742		
Capital outlay	3,387	1,775	8,340
Total expenditures	<u>36,738</u>	<u>53,432</u>	<u>410,471</u>
Changes in fund balances	<u>(12,499)</u>	<u>2,946</u>	<u>29,376</u>
Fund balances (deficits), beginning of year	14,049	73,592	238,388
Fund balances, end of year	<u>\$ 1,550</u>	<u>\$ 76,538</u>	<u>\$ 267,764</u>

Gifts and Donations	Career, Technical and Vocational Education	Textbooks	Joint Technical Education	Totals
\$ 52,044	\$ 3	\$ 157	\$ 386,188	\$ 1,019,318
				511,040
			17,456	872,962
<u>52,044</u>	<u>3</u>	<u>157</u>	<u>403,644</u>	<u>2,403,320</u>
24,790		2,152	466,367	1,360,850
94				226,647
899				27,278
			720	84,113
				19,234
				94,579
4,796			52,298	159,688
<u>30,579</u>		<u>2,152</u>	<u>519,385</u>	<u>1,972,389</u>
21,465	3	(1,995)	(115,741)	430,931
92,624	920	2,049	190,232	581,443
<u>\$ 114,089</u>	<u>\$ 923</u>	<u>\$ 54</u>	<u>\$ 74,491</u>	<u>\$ 1,012,374</u>

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2011

	Classroom Site		
	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues:			
Other local	\$	\$	\$
State aid and grants		349,190	349,190
Federal aid, grants and reimbursements			
Total revenues		<u>349,190</u>	<u>349,190</u>
Expenditures:			
Current -			
Instruction	244,523	59,708	184,815
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>244,523</u>	<u>59,708</u>	<u>184,815</u>
Changes in fund balances	<u>(244,523)</u>	<u>289,482</u>	<u>534,005</u>
Fund balances (deficits), beginning of year		(194,110)	(194,110)
Fund balances (deficits), end of year	<u>\$ (244,523)</u>	<u>\$ 95,372</u>	<u>\$ 339,895</u>

Instructional Improvement			Title I Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 953 65,721	\$ 953 65,721	\$	\$	\$
			307,507	245,243	(62,264)
	66,674	66,674	307,507	245,243	(62,264)
169,631	130	169,501	222,838	177,718	45,120
			36,051	28,751	7,300
			29,461	23,496	5,965
			4,340	3,461	879
			14,817	11,817	3,000
169,631	130	169,501	307,507	245,243	62,264
(169,631)	66,544	236,175			
	163,574	163,574			
\$ (169,631)	\$ 230,118	\$ 399,749	\$	\$	\$

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2011

	Professional Development and Technology Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	116,073	92,269	(23,804)
Total revenues	<u>116,073</u>	<u>92,269</u>	<u>(23,804)</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff	114,350	90,899	23,451
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	1,723	1,370	353
Total expenditures	<u>116,073</u>	<u>92,269</u>	<u>23,804</u>
Changes in fund balances			
Fund balances (deficits), beginning of year			
Fund balances (deficits), end of year	<u>\$</u>	<u>\$</u>	<u>\$</u>

Title IV Grants			Special Education Grants		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$	\$	\$	\$	\$
			233,049	200,394	(32,655)
			233,049	200,394	(32,655)
3,901		3,901	136,834	117,661	19,173
			92,425	79,474	12,951
			3,790	3,259	531
3,901		3,901	233,049	200,394	32,655
(3,901)		3,901			
\$ (3,901)	\$	\$ 3,901	\$	\$	\$

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2011

	Vocational Education		
	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	88,058	126,736	38,678
Total revenues	<u>88,058</u>	<u>126,736</u>	<u>38,678</u>
Expenditures:			
Current -			
Instruction	31,789	45,752	(13,963)
Support services - students and staff	9,701	13,962	(4,261)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	46,568	67,022	(20,454)
Total expenditures	<u>88,058</u>	<u>126,736</u>	<u>(38,678)</u>
Changes in fund balances			
Fund balances (deficits), beginning of year			
Fund balances, end of year	<u>\$</u>	<u>\$</u>	<u>\$</u>

Medicaid Reimbursement			Other Federal Projects		
<u>Budget</u>	<u>Non-GAAP Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Non-GAAP Actual</u>	<u>Variance - Positive (Negative)</u>
\$ 117	\$ 79	\$ (38)	\$	\$	\$
29,883	20,092	(9,791)	233,720	368,913	135,193
<u>30,000</u>	<u>20,171</u>	<u>(9,829)</u>	<u>233,720</u>	<u>368,913</u>	<u>135,193</u>
2,795	3,461	(666)	178,115	233,733	(55,618)
2,840	3,516	(676)			
4,508	5,581	(1,073)	53,226	69,847	(16,621)
2,530	3,133	(603)			
1,704	2,110	(406)			
1,285	1,591	(306)			
14,338	17,751	(3,413)	2,379	3,122	(743)
<u>30,000</u>	<u>37,143</u>	<u>(7,143)</u>	<u>233,720</u>	<u>306,702</u>	<u>(72,982)</u>
	(16,972)	(16,972)		62,211	62,211
	31,235	31,235		3,411	3,411
<u>\$</u>	<u>\$ 14,263</u>	<u>\$ 14,263</u>	<u>\$</u>	<u>\$ 65,622</u>	<u>\$ 65,622</u>

(Continued)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2011

	State Vocational Education		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants	98,771	34,284	(64,487)
Federal aid, grants and reimbursements			
Total revenues	<u>98,771</u>	<u>34,284</u>	<u>(64,487)</u>
Expenditures:			
Current -			
Instruction	96,273	33,417	62,856
Support services - students and staff	1,236	429	807
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	1,262	438	824
Total expenditures	<u>98,771</u>	<u>34,284</u>	<u>64,487</u>
Changes in fund balances			
Fund balances (deficits), beginning of year			
Fund balances (deficits), end of year	<u>\$</u>	<u>\$</u>	<u>\$</u>

Chemical Abuse Prevention Programs			Other State Projects		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
			61,845	61,845	
			61,845	61,845	
1,083		1,083			
			61,845	61,845	
1,083		1,083	61,845	61,845	
(1,083)		1,083			
\$ (1,083)	\$	\$ 1,083	\$	\$	\$

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2011

	School Plant		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 3	\$ 3
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>3</u>	<u>3</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures			
Changes in fund balances		<u>3</u>	<u>3</u>
Fund balances (deficits), beginning of year		530	530
Fund balances (deficits), end of year	<u>\$</u>	<u>\$ 533</u>	<u>\$ 533</u>

Food Service			Civic Center		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 59,509	\$ 59,509	\$	\$ 24,239	\$ 24,239
	190,864	190,864			
	250,373	250,373		24,239	24,239
			7,904	5,733	2,171
			2,280	1,654	626
			3,906	2,883	1,023
			12,276	8,905	3,371
			18,520	13,434	5,086
	93,837	(93,837)	1,023	742	281
	5,186	(5,186)	4,669	3,387	1,282
	99,023	(99,023)	50,578	36,738	13,840
	151,350	151,350	(50,578)	(12,499)	38,079
	125	125		14,049	14,049
\$	\$ 151,475	\$ 151,475	\$ (50,578)	\$ 1,550	\$ 52,128

(Continued)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2011

	Community School		
	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues:			
Other local	\$	\$ 56,378	\$ 56,378
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>56,378</u>	<u>56,378</u>
Expenditures:			
Current -			
Instruction	133,035	50,857	82,178
Support services - students and staff	2,093	800	1,293
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	<u>4,643</u>	<u>1,775</u>	<u>2,868</u>
Total expenditures	<u>139,771</u>	<u>53,432</u>	<u>86,339</u>
Changes in fund balances	<u>(139,771)</u>	<u>2,946</u>	<u>142,717</u>
Fund balances (deficits), beginning of year		73,592	73,592
Fund balances (deficits), end of year	<u>\$ (139,771)</u>	<u>\$ 76,538</u>	<u>\$ 216,309</u>

Auxiliary Operations			Gifts and Donations		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$ 439,847	\$ 439,847	\$	\$ 52,044	\$ 52,044
	<u>439,847</u>	<u>439,847</u>		<u>52,044</u>	<u>52,044</u>
252,372	376,695	(124,323)	161,034	24,790	136,244
7,004	10,454	(3,450)	611	94	517
			5,840	899	4,941
8,470	12,643	(4,173)			
1,567	2,339	(772)			
5,587	8,340	(2,753)	31,155	4,796	26,359
<u>275,000</u>	<u>410,471</u>	<u>(135,471)</u>	<u>198,640</u>	<u>30,579</u>	<u>168,061</u>
<u>(275,000)</u>	<u>29,376</u>	<u>304,376</u>	<u>(198,640)</u>	<u>21,465</u>	<u>220,105</u>
	238,388	238,388		92,624	92,624
<u>\$ (275,000)</u>	<u>\$ 267,764</u>	<u>\$ 542,764</u>	<u>\$ (198,640)</u>	<u>\$ 114,089</u>	<u>\$ 312,729</u>

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2011

	Career, Technical and Vocational Education		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 3	\$ 3
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>3</u>	<u>3</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures			
Changes in fund balances		<u>3</u>	<u>3</u>
Fund balances (deficits), beginning of year		920	920
Fund balances (deficits), end of year	<u>\$</u>	<u>\$ 923</u>	<u>\$ 923</u>

Insurance Proceeds			Textbooks		
<u>Budget</u>	<u>Non-GAAP Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$ 3,400	\$ 3,400	\$	\$ 157	\$ 157
	<u>3,400</u>	<u>3,400</u>		<u>157</u>	<u>157</u>
			3,000	2,152	848
7,063	6,550	513			
<u>2,937</u>	<u>2,724</u>	<u>213</u>			
<u>10,000</u>	<u>9,274</u>	<u>726</u>	<u>3,000</u>	<u>2,152</u>	<u>848</u>
<u>(10,000)</u>	<u>(5,874)</u>	<u>4,126</u>	<u>(3,000)</u>	<u>(1,995)</u>	<u>1,005</u>
	7,361	7,361		2,049	2,049
<u>\$ (10,000)</u>	<u>\$ 1,487</u>	<u>\$ 11,487</u>	<u>\$ (3,000)</u>	<u>\$ 54</u>	<u>\$ 3,054</u>

(Continued)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2011

	Litigation Recovery		
	<u>Budget</u>	<u>Non-GAAP Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues:			
Other local	\$	\$ 18	\$ 18
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>18</u>	<u>18</u>
Expenditures:			
Current -			
Instruction	2,400		2,400
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>2,400</u>		<u>2,400</u>
Changes in fund balances	<u>(2,400)</u>	<u>18</u>	<u>2,418</u>
Fund balances (deficits), beginning of year		3,515	3,515
Fund balances (deficits), end of year	<u>\$ (2,400)</u>	<u>\$ 3,533</u>	<u>\$ 5,933</u>

Indirect Costs			Joint Technical Education		
<u>Budget</u>	<u>Non-GAAP Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$ 15	\$ 15	\$	\$ 386,188	\$ 386,188
				17,456	17,456
	15	15		403,644	403,644
			651,056	466,367	184,689
10,000	12,883	(2,883)	1,005	720	285
			73,009	52,298	20,711
10,000	12,883	(2,883)	725,070	519,385	205,685
(10,000)	(12,868)	(2,868)	(725,070)	(115,741)	609,329
	13,094	13,094		190,232	190,232
\$ (10,000)	\$ 226	\$ 10,226	\$ (725,070)	\$ 74,491	\$ 799,561

(Continued)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2011

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$ 117	\$ 1,022,833	\$ 1,022,716
State aid and grants	160,616	511,040	350,424
Federal aid, grants and reimbursements	1,008,290	1,261,967	253,677
Total revenues	<u>1,169,023</u>	<u>2,795,840</u>	<u>1,626,817</u>
Expenditures:			
Current -			
Instruction	2,128,952	1,598,044	530,908
Support services - students and staff	438,222	230,163	208,059
Support services - administration	106,941	115,589	(8,648)
Operation and maintenance of plant services	86,126	87,246	(1,120)
Student transportation services	33,194	27,894	5,300
Operation of non-instructional services	2,308	96,170	(93,862)
Capital outlay	206,877	183,285	23,592
Total expenditures	<u>3,002,620</u>	<u>2,338,391</u>	<u>664,229</u>
Changes in fund balances	<u>(1,833,597)</u>	<u>457,449</u>	<u>2,291,046</u>
Fund balances (deficits), beginning of year		640,589	640,589
Fund balances (deficits), end of year	<u>\$ (1,833,597)</u>	<u>\$ 1,098,038</u>	<u>\$ 2,931,635</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.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL DEBT SERVICE FUNDS
YEAR ENDED JUNE 30, 2011

	Debt Service		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 50,028	\$ 50,028
Property taxes		1,164,268	1,164,268
Total revenues		1,214,296	1,214,296
Expenditures:			
Debt service -			
Principal retirement	750,000	750,000	
Interest and fiscal charges	488,294	588,794	(100,500)
Total expenditures	1,238,294	1,338,794	(100,500)
Excess (deficiency) of revenues over expenditures	(1,238,294)	(124,498)	1,113,796
Other financing sources (uses):			
Transfers in		1,907	1,907
Total other financing sources (uses):		1,907	1,907
Changes in fund balances	(1,238,294)	(122,591)	1,115,703
Fund balances, beginning of year		167,117	167,117
Fund balances (deficits), end of year	\$ (1,238,294)	\$ 44,526	\$ 1,282,820

CAPITAL PROJECTS FUNDS

The following Capital Projects Funds are maintained by the District. Arizona Revised Statutes (A.R.S.) and the Uniform System of Financial Records (USFR) require the establishment of these funds for the specified financial activities.

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

Adjacent Ways - to account for monies received to finance improvements of public ways adjacent to school property.

Soft Capital Allocation - to account for transactions relating to the acquisition of short-term capital items required to meet academic adequacy standards.

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, improving school grounds, or purchasing pupil transportation vehicles.

Building Renewal - to account for monies received from the School Facilities Board that are used for infrastructure or for major upgrades, repairs, or renovations to areas, systems or buildings that will maintain or extend their useful life.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2011

	<u>Adjacent Ways</u>	<u>Building Renewal</u>	<u>Totals</u>
<u>ASSETS</u>			
Cash and investments	\$ 256	\$ 158	\$ 414
Total assets	<u>\$ 256</u>	<u>\$ 158</u>	<u>\$ 414</u>
 Fund balances:			
Restricted	<u>256</u>	<u>158</u>	<u>414</u>
Total fund balances	<u>256</u>	<u>158</u>	<u>414</u>
 Total liabilities and fund balances	<u>\$ 256</u>	<u>\$ 158</u>	<u>\$ 414</u>

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MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2011

	<u>Adjacent Ways</u>	<u>Bond Building</u>	<u>Building Renewal</u>
Revenues:			
Other local	\$ 17	\$ 1,907	\$ 2
Total revenues	<u>17</u>	<u>1,907</u>	<u>2</u>
Expenditures:			
Capital outlay	<u> </u>	329,851	<u> </u>
Total expenditures	<u> </u>	<u>329,851</u>	<u> </u>
Excess (deficiency) of revenues over expenditures	<u>17</u>	<u>(327,944)</u>	<u>2</u>
Other financing sources (uses):			
Transfers out	<u> </u>	(1,907)	<u> </u>
Total other financing sources (uses):	<u> </u>	<u>(1,907)</u>	<u> </u>
Changes in fund balances	<u>17</u>	<u>(329,851)</u>	<u>2</u>
Fund balances, beginning of year	239	329,851	156
Fund balances, end of year	<u>\$ 256</u>	<u>\$</u>	<u>\$ 158</u>

Totals	
\$	1,926
	<u>1,926</u>
	329,851
	<u>329,851</u>
	<u>(327,925)</u>
	(1,907)
	<u>(1,907)</u>
	<u>(329,832)</u>
	330,246
\$	<u>414</u>
	<u> </u>

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2011

	Unrestricted Capital Outlay		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 24,927	\$ 24,927
Property taxes		407,289	407,289
State aid and grants		85,100	85,100
Federal aid, grants and reimbursements		18,687	18,687
Total revenues		<u>536,003</u>	<u>536,003</u>
Expenditures:			
Capital outlay	407,452	406,057	1,395
Debt service -			
Principal retirement	144,238	144,238	
Total expenditures	<u>551,690</u>	<u>550,295</u>	<u>1,395</u>
Excess (deficiency) of revenues over expenditures	<u>(551,690)</u>	<u>(14,292)</u>	<u>537,398</u>
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(551,690)</u>	<u>(14,292)</u>	<u>537,398</u>
Fund balances, beginning of year		31,636	31,636
Fund balances (deficits), end of year	<u>\$ (551,690)</u>	<u>\$ 17,344</u>	<u>\$ 569,034</u>

Adjacent Ways			Soft Capital Allocation		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 17	\$ 17	\$	\$ 9,319	\$ 9,319
				45,855	45,855
				9,455	9,455
	17	17		64,629	64,629
			58,879	42,632	16,247
			58,879	42,632	16,247
	17	17	(58,879)	21,997	80,876
	17	17	(58,879)	21,997	80,876
	239	239		267	267
\$	\$ 256	\$ 256	\$ (58,879)	\$ 22,264	\$ 81,143

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2011

	Bond Building		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 1,907	\$ 1,907
Property taxes			
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>1,907</u>	<u>1,907</u>
Expenditures:			
Capital outlay	334,000	329,851	4,149
Debt service -			
Principal retirement			
Total expenditures	<u>334,000</u>	<u>329,851</u>	<u>4,149</u>
Excess (deficiency) of revenues over expenditures	<u>(334,000)</u>	<u>(327,944)</u>	<u>6,056</u>
Other financing sources (uses):			
Transfers out		(1,907)	(1,907)
Total other financing sources (uses):		<u>(1,907)</u>	<u>(1,907)</u>
Changes in fund balances	<u>(334,000)</u>	<u>(329,851)</u>	<u>4,149</u>
Fund balances, beginning of year		329,851	329,851
Fund balances (deficits), end of year	<u>\$ (334,000)</u>	<u>\$</u>	<u>\$ 334,000</u>

Building Renewal			Totals		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 2	\$ 2	\$	\$ 36,172	\$ 36,172
				453,144	453,144
				94,555	94,555
				18,687	18,687
	2	2		602,558	602,558
			800,331	778,540	21,791
			144,238	144,238	
			944,569	922,778	21,791
	2	2	(944,569)	(320,220)	624,349
				(1,907)	(1,907)
				(1,907)	(1,907)
	2	2	(944,569)	(322,127)	622,442
	156	156		362,149	362,149
\$	\$ 158	\$ 158	\$ (944,569)	\$ 40,022	\$ 984,591

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AGENCY FUNDS

Student Activities - to account for monies raised by students to finance student clubs and organizations but held by the District as an agent.

Employee Withholding - to account for voluntary deductions temporarily held by the District as an agent.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2011

	Student Activities	Employee Insurance	Totals
<u>ASSETS</u>			
Cash and investments	\$ 79,071	\$ 48,277	\$ 127,348
Total assets	<u>\$ 79,071</u>	<u>\$ 48,277</u>	<u>\$ 127,348</u>
<u>LIABILITIES</u>			
Deposits held for others	\$	\$ 48,277	\$ 48,277
Due to student groups	79,071		79,071
Total liabilities	<u>\$ 79,071</u>	<u>\$ 48,277</u>	<u>\$ 127,348</u>

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2011

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>STUDENT ACTIVITIES FUND</u>				
	<u>Assets</u>			
Cash and investments	\$ 91,931	\$ 144,866	\$ 157,706	\$ 79,091
Total assets	\$ 91,931	\$ 144,866	\$ 157,706	\$ 79,091
	<u>Liabilities</u>			
Due to student groups	\$ 91,931	\$ 144,866	\$ 157,706	\$ 79,091
Total liabilities	\$ 91,931	\$ 144,866	\$ 157,706	\$ 79,091
<u>EMPLOYEE WITHHOLDING</u>				
	<u>Assets</u>			
Cash and investments	\$ 2,551	\$ 4,739,677	\$ 4,693,951	\$ 48,277
Total assets	\$ 2,551	\$ 4,739,677	\$ 4,693,951	\$ 48,277
	<u>Liabilities</u>			
Deposits held for others	\$ 2,551	\$ 4,739,677	\$ 4,693,951	\$ 48,277
Total liabilities	\$ 2,551	\$ 4,739,677	\$ 4,693,951	\$ 48,277
<u>TOTAL AGENCY FUNDS</u>				
	<u>Assets</u>			
Cash and investments	\$ 94,482	\$ 4,884,543	\$ 4,851,657	\$ 127,368
Total assets	\$ 94,482	\$ 4,884,543	\$ 4,851,657	\$ 127,368
	<u>Liabilities</u>			
Deposits held for others	\$ 2,551	\$ 4,739,677	\$ 4,693,951	\$ 48,277
Due to student groups	91,931	144,866	157,706	79,091
Total liabilities	\$ 94,482	\$ 4,884,543	\$ 4,851,657	\$ 127,368

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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.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NET ASSETS BY COMPONENT
LAST EIGHT FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Net Assets:					
Invested in capital assets, net of related debt	\$ 7,038,083	\$ 7,236,007	\$ 7,223,915	\$ 7,345,596	\$ 7,223,522
Restricted	1,250,947	215,126	236,941	877,692	310,421
Unrestricted	836,423	2,078,999	1,674,412	2,174,140	2,451,739
Total net assets	<u>\$ 9,125,453</u>	<u>\$ 9,530,132</u>	<u>\$ 9,135,268</u>	<u>\$ 10,397,428</u>	<u>\$ 9,985,682</u>

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Net Assets:			
Invested in capital assets, net of related debt	\$ 7,655,021	\$ 10,017,530	\$ 9,909,784
Restricted	419,767	188,520	85,053
Unrestricted	1,996,500	1,510,387	1,280,509
Total net assets	<u>\$ 10,071,288</u>	<u>\$ 11,716,437</u>	<u>\$ 11,275,346</u>

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

Note: The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 34 were adopted in fiscal year 2003-04 therefore only eight years are shown.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST EIGHT FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Expenses					
Instruction	\$ 6,183,691	\$ 5,796,510	\$ 5,853,376	\$ 5,548,417	\$ 6,348,099
Support services - students and staff	1,037,969	1,142,576	1,024,007	1,060,641	1,044,576
Support services - administration	1,009,016	1,159,556	1,084,389	1,067,256	886,618
Operation and maintenance of plant services	1,424,800	1,576,004	1,426,163	1,631,585	1,189,263
Student transportation services	485,809	438,281	480,248	497,959	434,702
Operation of non-instructional services	344,635	5,649	342,783	326,627	329,144
Interest on long-term debt	588,794	621,159	642,970	890,696	1,116
Total expenses	<u>11,074,714</u>	<u>10,739,735</u>	<u>10,853,936</u>	<u>11,023,181</u>	<u>10,233,518</u>
Program Revenues					
Charges for services:					
Instruction	885,183	959,304	617,830	774,279	947,950
Operation of non-instructional services	499,035	340,174	360,107	373,212	215,985
Other activities	24,174	70,580	40,410	25,417	110,450
Operating grants and contributions	882,063	763,523	637,710	644,483	696,068
Capital grants and contributions	87,028	129,165	39,306	150,125	104,264
Total program revenues	<u>2,377,483</u>	<u>2,262,746</u>	<u>1,695,363</u>	<u>1,967,516</u>	<u>2,074,717</u>
Net (Expense)/Revenue	<u><u>\$ (8,697,231)</u></u>	<u><u>\$ (8,476,989)</u></u>	<u><u>\$ (9,158,573)</u></u>	<u><u>\$ (9,055,665)</u></u>	<u><u>\$ (8,158,801)</u></u>

(Continued)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST EIGHT FISCAL YEARS
(Accrual basis of accounting)

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Expenses			
Instruction	\$ 7,722,922	\$ 4,653,012	\$ 4,711,685
Support services - students and staff	728,967	818,616	922,101
Support services - administration	808,764	988,945	794,188
Operation and maintenance of plant services	1,080,002	972,881	1,247,778
Student transportation services	438,792	427,245	371,116
Operation of non-instructional services	482,988	522,784	428,858
Interest on long-term debt	10,033	9,395	12,850
Total expenses	<u>11,272,468</u>	<u>8,392,878</u>	<u>8,488,576</u>
Program Revenues			
Charges for services:			
Instruction	666,930	216,935	228,412
Operation of non-instructional services	612,965	291,889	311,405
Other activities	151,947	122,467	118,701
Operating grants and contributions	1,483,097	1,226,538	1,202,820
Capital grants and contributions			
Total program revenues	<u>2,914,939</u>	<u>1,857,829</u>	<u>1,861,338</u>
Net (Expense)/Revenue	<u><u>\$ (8,357,529)</u></u>	<u><u>\$ (6,535,049)</u></u>	<u><u>\$ (6,627,238)</u></u>

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

Note: The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 34 were adopted in fiscal year 2003-04 therefore only eight years are shown.

(Concluded)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
GENERAL REVENUES AND TOTAL CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Net (Expense)/Revenue	\$ (8,697,231)	\$ (8,476,989)	\$ (9,158,573)	\$ (9,055,665)	\$ (8,158,801)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	4,693,051	5,203,686	4,659,345	4,174,015	4,404,614
Property taxes, levied for debt service	1,218,873	1,207,463	662,570	1,111,940	1,914
Property taxes, levied for capital outlay	418,765	284,571	189,646	314,079	123,154
Investment income	3,807	3,439	106,415	517,369	299,694
Unrestricted county aid	98,746	107,964			563
Unrestricted state aid	1,451,618	1,844,455	2,278,437	3,350,008	3,243,256
Unrestricted federal aid	407,692	220,275			
Total general revenues	<u>8,292,552</u>	<u>8,871,853</u>	<u>7,896,413</u>	<u>9,467,411</u>	<u>8,073,195</u>
Changes in Net Assets	<u>\$ (404,679)</u>	<u>\$ 394,864</u>	<u>\$ (1,262,160)</u>	<u>\$ 411,746</u>	<u>\$ (85,606)</u>

(Continued)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
GENERAL REVENUES AND TOTAL CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS
(Accrual basis of accounting)

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Net (Expense)/Revenue	\$ (8,357,529)	\$ (6,535,049)	\$ (6,627,238)
General Revenues:			
Taxes:			
Property taxes, levied for general purposes	4,245,422	3,904,464	3,755,430
Property taxes, levied for debt service			
Property taxes, levied for capital outlay			
Investment income	55,865	20,066	12,570
Unrestricted county aid	218,083	257,217	337,520
Unrestricted state aid	2,186,665	2,767,145	4,207,558
Unrestricted federal aid	6,345	27,248	768
Total general revenues	<u>6,712,380</u>	<u>6,976,140</u>	<u>8,313,846</u>
Changes in Net Assets	<u>\$ (1,645,149)</u>	<u>\$ 441,091</u>	<u>\$ 1,686,608</u>

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

- Notes:** 1) The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 34 were adopted in fiscal year 2003-04 therefore only eight years are shown.
- 2) The Arizona State Legislature suspended county equalization payments to school districts for fiscal years 2006-07 through 2008-09.

(Concluded)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
FUND BALANCES - GOVERNMENTAL FUNDS
LAST EIGHT FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Fund:					
Reserved		\$ 427,769	\$ 436,507	\$ 430,600	
Unassigned	\$ (18,156)				
Unreserved		159,679	(300,843)	182,625	\$ 880,332
Total General Fund	<u>\$ (18,156)</u>	<u>\$ 587,448</u>	<u>\$ 135,664</u>	<u>\$ 613,225</u>	<u>\$ 880,332</u>
All Other Governmental Funds:					
Restricted	\$ 959,458				
Assigned	115,200				
Reserved			\$ 3,954	\$ 4,715	
Unreserved, reported in:					
Special revenue funds		\$ 640,763	772,317	1,342,620	\$ 1,394,283
Capital projects funds		362,149	1,044,935	7,527,715	13,113,459
Debt service fund		167,117	126,446	515,937	
Total all other governmental funds	<u>\$ 1,074,658</u>	<u>\$ 1,170,029</u>	<u>\$ 1,947,652</u>	<u>\$ 9,390,987</u>	<u>\$ 14,507,742</u>

(Continued)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
FUND BALANCES - GOVERNMENTAL FUNDS
LAST EIGHT FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Fund:			
Reserved	\$ 391,256	\$ 232,867	\$ 94,169
Unreserved	320,275	288,151	557,225
Total General Fund	<u><u>\$ 711,531</u></u>	<u><u>\$ 521,018</u></u>	<u><u>\$ 651,394</u></u>
All Other Governmental Funds:			
Reserved			
Unreserved, reported in:			
Special revenue funds	\$ 1,455,817	\$ 909,363	\$ 614,009
Capital projects funds	208,842	188,520	81,287
Debt service fund			
Total all other governmental funds	<u><u>\$ 1,664,659</u></u>	<u><u>\$ 1,097,883</u></u>	<u><u>\$ 695,296</u></u>

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

Note: The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 54 were adopted in fiscal year 2011. The standard replaces the previous reserved and unreserved fund balance categories with the following five fund balance classifications: nonspendable, restricted, committed, assigned, and unassigned fund balance.

(Concluded)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
GOVERNMENTAL FUNDS REVENUES
LAST EIGHT FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Federal sources:					
Federal grants	\$ 837,370	\$ 800,992	\$ 537,044	\$ 678,776	\$ 603,910
State Fiscal Stabilization (ARRA)	18,687	220,275			
Education Jobs (ARRA)	233,733				
National School Lunch Program	190,864				
Total federal sources	<u>1,280,654</u>	<u>1,021,267</u>	<u>537,044</u>	<u>678,776</u>	<u>603,910</u>
State sources:					
State equalization assistance	1,091,984	1,545,916	1,686,380	2,338,969	2,400,580
State grants	96,129	91,696	139,972	121,605	190,649
School Facilities Board				76,187	161,654
Other revenues	414,911	400,552	499,444	870,175	681,022
Total state sources	<u>1,603,024</u>	<u>2,038,164</u>	<u>2,325,796</u>	<u>3,406,936</u>	<u>3,433,905</u>
Local sources:					
Property taxes	6,223,836	6,622,598	5,464,152	5,565,210	4,537,874
County aid	98,746	107,964			563
Investment income		5,194	106,415	517,369	299,694
Other revenues	1,412,199	1,368,303	1,018,347	1,172,908	1,274,385
Total local sources	<u>7,734,781</u>	<u>8,104,059</u>	<u>6,588,914</u>	<u>7,255,487</u>	<u>6,112,516</u>
Total revenues	<u><u>\$ 10,618,459</u></u>	<u><u>\$ 11,163,490</u></u>	<u><u>\$ 9,451,754</u></u>	<u><u>\$ 11,341,199</u></u>	<u><u>\$ 10,150,331</u></u>

(Continued)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
GOVERNMENTAL FUNDS REVENUES
LAST EIGHT FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Federal sources:			
Federal grants	\$ 608,868	\$ 550,010	\$ 563,367
Total federal sources	<u>608,868</u>	<u>550,010</u>	<u>563,367</u>
State sources:			
State equalization assistance	2,054,110	2,633,946	2,843,051
State grants	874,329	629,214	970,534
School Facilities Board	132,555	133,199	
Other revenues	<u>27,248</u>	<u>27,248</u>	<u>27,248</u>
Total state sources	<u>3,060,994</u>	<u>3,423,607</u>	<u>3,813,585</u>
Local sources:			
Property taxes	4,227,301	3,929,735	3,680,115
County aid	218,083	257,217	337,520
Investment income	55,865	20,066	12,570
Other revenues	<u>1,438,087</u>	<u>678,605</u>	<u>367,701</u>
Total local sources	<u>5,939,336</u>	<u>4,885,623</u>	<u>4,397,906</u>
Total revenues	<u><u>\$ 9,609,198</u></u>	<u><u>\$ 8,859,240</u></u>	<u><u>\$ 8,774,858</u></u>

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

Note: The Arizona State Legislature suspended county equalization payments to school districts for fiscal years 2006-07 through 2008-09.

(Concluded)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST EIGHT FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Expenditures:					
Current -					
Instruction	\$ 4,652,971	\$ 4,914,438	\$ 5,417,738	\$ 5,398,795	\$ 5,390,691
Support services - students and staff	974,642	1,131,130	952,602	1,049,203	1,034,408
Support services - administration	958,257	1,155,775	1,006,742	1,049,829	868,303
Operation and maintenance of plant services	1,138,209	1,345,131	1,137,566	1,352,779	944,954
Student transportation services	390,064	387,894	386,357	433,713	376,528
Operation of non-instructional services	332,665	1,019	339,914	330,505	328,297
Capital outlay	1,679,120	1,191,926	6,841,468	6,509,330	2,782,913
Debt service -					
Judgments against the district			70,391		
Interest, premium and fiscal charges	588,794	621,159		890,696	4,573
Principal retirement	894,238	787,191	582,048	236,094	138,618
Bond issuance costs		-	642,970		247,725
Total expenditures	<u><u>\$ 11,608,960</u></u>	<u><u>\$ 11,535,663</u></u>	<u><u>\$ 17,377,796</u></u>	<u><u>\$ 17,250,944</u></u>	<u><u>\$ 12,117,010</u></u>
Expenditures for capitalized assets	\$ 1,243,774	\$ 1,298,543	\$ 6,286,544	\$ 6,114,459	\$ 2,292,838
Debt service as a percentage of noncapital expenditures	14%	14%	11%	10%	4%

(Continued)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST EIGHT FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Expenditures:			
Current -			
Instruction	\$ 5,011,187	\$ 4,807,352	\$ 4,772,401
Support services - students and staff	886,158	831,129	921,355
Support services - administration	797,132	959,697	776,688
Operation and maintenance of plant services	931,388	1,086,061	1,046,646
Student transportation services	392,495	380,706	322,601
Operation of non-instructional services	480,816	521,967	428,858
Capital outlay	589,624	107,943	28,494
Debt service -			
Interest, premium and fiscal charges	10,033	9,395	12,850
Principal retirement	72,952	71,579	80,842
Bond issuance costs			
Total expenditures	<u>\$ 9,171,785</u>	<u>\$ 8,775,829</u>	<u>\$ 8,390,735</u>
Expenditures for capitalized assets	\$ 589,624	\$ 107,943	\$ 28,494
Debt service as a percentage of noncapital expenditures	1%	1%	1%

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

(Concluded)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
OTHER FINANCING SOURCES AND USES AND NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST EIGHT FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Excess (deficiency) of revenues over expenditures	\$ (990,501)	\$ (372,173)	\$ (7,926,042)	\$ (5,909,745)	\$ (1,966,679)
Other financing sources (uses):					
General obligation bonds issued					15,000,000
Premium on sale of bonds					251,182
Capital lease agreements	717,295	59,026		90,568	118,637
Transfers in	1,907	17,353	86,422	451,637	259,332
Transfers out	(1,907)	(17,353)	(86,422)	(451,637)	(259,332)
Total other financing sources (uses)	<u>717,295</u>	<u>59,026</u>	<u>-</u>	<u>90,568</u>	<u>15,369,819</u>
Changes in fund balances	<u>\$ (273,206)</u>	<u>\$ (313,147)</u>	<u>\$ (7,926,042)</u>	<u>\$ (5,819,177)</u>	<u>\$ 13,403,140</u>

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Excess (deficiency) of revenues over expenditures	\$ 437,413	\$ 83,411	\$ 384,123
Other financing sources (uses):			
Capital lease agreements	108,450	103,139	
Transfers in	53,036		40,936
Transfers out	(53,036)		(40,936)
Total other financing sources (uses)	<u>108,450</u>	<u>103,139</u>	<u></u>
Changes in fund balances	<u>\$ 545,863</u>	<u>\$ 186,550</u>	<u>\$ 384,123</u>

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST 10 FISCAL YEARS

Fiscal Year Ended June 30	Real Property		Personal Property	Less: Tax Exempt Real Property	Total Taxable Assessed Valuation	Total Direct Rate	Estimated Actual Value	Ratio of Net Assessed to Estimated Actual Value	
	Residential Property	Commercial Property							
2011	\$ 231,436,275	\$ 167,339,690	\$ 49,616,877	\$ 28,377,440	\$ 420,015,402	1.90	\$ 3,498,652,886	12.01	%
2010	258,784,615	178,334,718	51,461,266	33,786,407	454,794,192	1.94	3,313,576,905	13.73	
2009					457,387,983	1.71	3,832,289,849	11.94	
2008					362,623,725	1.95	2,986,339,161	12.14	
2007					300,103,751	1.98	2,390,837,076	12.55	
2006					246,317,799	2.01	1,924,417,906	12.80	
2005					220,292,289	2.05	1,734,319,349	12.70	
2004					189,764,283	2.14	1,525,564,471	12.44	
2003					182,030,349	2.32	1,459,051,920	12.48	
2002					165,061,441	3.03	1,314,671,606	12.56	

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

Note: Total taxable assessed valuation is displayed by major component beginning with fiscal year ended June 30, 2010.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST 10 FISCAL YEARS

Fiscal Year Ended June 30	Overlapping Rates						District Direct Rates		
	State		Cottonwood	Clarkdale					
	Equalization	County	Oak Creek Elem	Jerome #3 Elem	Joint Tech	Fire District	Primary	Secondary	Total
2011	0.36	1.35	1.78	1.74	0.05	1.83	1.46	0.44	1.90
2010	0.33	1.28	1.64	1.59	0.05	1.83	1.56	0.38	1.94
2009		1.37	2.22	1.67	0.05	1.83	1.44	0.27	1.71
2008		1.53	2.31	2.09	0.05	2.15	1.48	0.46	1.95
2007		1.66	2.83	2.19	0.05	2.15	1.80	0.18	1.98
2006		1.70	4.19	1.85	0.05	2.15	1.80	0.21	2.01
2005		1.70	2.10	1.24	0.05	2.15	1.82	0.23	2.05
2004		1.68	1.25	1.70	0.05	2.17	1.90	0.24	2.14
2003		1.61	2.91	1.82	0.05	2.17	2.06	0.26	2.32
2002		1.61	3.41	2.91	0.05	2.18	2.53	0.50	3.03

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

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND NINE YEARS AGO**

Taxpayer	2011		2002	
	Secondary Assessed Valuation	Percentage of District's Net Assessed Valuation	Secondary Assessed Valuation	Percentage of District's Net Assessed Valuation
Phoenix Cement Co/Salt River Mts	\$ 23,683,157	5.64 %	\$ 11,334,650	6.87 %
Arizona Public Service Company	11,603,786	2.76	8,625,172	5.23
Qwest Corporation	2,497,557	0.59	1,580,529	0.96
Unisource Energy Corporation	2,037,924	0.49	5,509,272	3.34
Wal-Mart Stores Inc	1,972,373	0.47	3,432,006	2.08
JP Morgan Chase Bank	1,495,797	0.36	1,670,845	1.01
Home Depot USA Inc	1,471,250	0.35	1,851,477	1.12
Granite Cottonwood LLC UI	1,460,311	0.35	1,716,003	1.04
GRL INC ESOP Trust	1,356,742	0.32	1,490,213	0.90
PLP Cottonwood LLC	1,272,259	0.30	1,354,739	0.82
Total	<u>\$ 48,851,156</u>	<u>11.63 %</u>	<u>\$ 38,564,906</u>	<u>23.37 %</u>

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
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
2011	\$ 5,778,073	\$ 5,432,417	94.02 %	\$	\$ 5,432,417	94.02 %
2010	6,735,419	6,390,411	94.88	84,259	6,474,670	96.13
2009	5,367,175	5,128,184	95.55	221,813	5,349,997	99.68
2008	5,453,453	5,266,887	96.58	174,584	5,441,471	99.78
2007	4,556,347	4,444,863	97.55	110,388	4,555,251	99.98
2006	4,123,053	4,004,065	97.11	119,002	4,123,067	100.00
2005	3,793,737	3,676,108	96.90	117,517	3,793,625	100.00
2004	3,561,031	3,418,726	96.00	142,192	3,560,918	100.00
2003	3,381,411	3,198,152	94.58	183,173	3,381,325	100.00
2002	4,151,867	3,936,883	94.82	214,777	4,151,660	100.00

Source: The source of this information is the Yavapai 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.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
OUTSTANDING DEBT BY TYPE
LAST NINE FISCAL YEARS

Fiscal Year Ended June 30	General Obligation Bonds						Total Outstanding Debt				
	General Obligation Bonds	Less:	Total	Percentage of Estimated Actual Value	Per Capita	Capital Leases	Total	Percentage of Estimated Actual Value	Per Capita	Percentage of Personal Income	
		Amounts Restricted for Principal									
2011	\$ 12,950,000	\$ 44,526	\$ 12,905,474	0.37 %	\$ 544	\$ 573,057	\$ 13,478,531	0.39 %	\$ 568	2.14 %	
2010	14,325,000	625,000	13,700,000	0.41	572	-	13,700,000	0.41	572	2.12	
2009	14,825,000	500,000	14,325,000	0.37	563	103,165	14,428,165	0.38	567	2.46	
2008	15,000,000	175,000	14,825,000	0.50	594	185,213	15,010,213	0.50	601	2.71	
2007	15,000,000		15,000,000	0.63	613	155,739	15,155,739	0.63	619	3.11	
2006						203,808	203,808	0.01	9	0.05	
2005						163,297	163,297	0.01	7	0.04	
2004											
2003											

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2011

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Yavapai County Community College District	\$ 47,730,000	13.26 %	\$ 6,328,998
City of Cottonwood	54,080,000	100.00	54,080,000
Subtotal, Overlapping Debt			<u>60,408,998</u>
Direct:			
Mingus Union High School District No. 4			<u>12,950,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 73,358,998</u></u>

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 the District's secondary assessed valuation as a percentage of the secondary assessed valuation of the overlapping jurisdiction.
2) Outstanding debt as of June 30, 2010 is presented for the overlapping governments as this is the most recent available information.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
LEGAL DEBT MARGIN INFORMATION
LAST EIGHT FISCAL YEARS

Class B Bond Legal Debt Margin Calculation for Fiscal Year 2011:

Secondary assessed valuation	\$ 420,015,402
Debt limit (5% of assessed value)	21,000,770
Debt applicable to limit	12,950,000
Legal debt margin	<u><u>\$ 8,050,770</u></u>

Total Legal Debt Margin Calculation for Fiscal Year 2011:

Secondary assessed valuation	\$ 420,015,402
Debt limit (15% of assessed value)	63,002,310
Debt applicable to limit	12,950,000
Legal debt margin	<u><u>\$ 50,052,310</u></u>

	Fiscal Year Ended June 30				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Total Debt limit	\$ 63,002,310	\$ 68,219,129	\$ 68,608,197	\$ 54,393,559	\$ 45,015,563
Total net debt applicable to limit	<u>12,950,000</u>	<u>13,700,000</u>	<u>14,325,000</u>	<u>14,825,000</u>	<u>15,000,000</u>
Legal debt margin	<u><u>\$ 50,052,310</u></u>	<u><u>\$ 54,519,129</u></u>	<u><u>\$ 54,283,197</u></u>	<u><u>\$ 39,568,559</u></u>	<u><u>\$ 30,015,563</u></u>
Total net debt applicable to the limit as a percentage of debt limit	21%	20%	21%	27%	33%
	<u>2006</u>	<u>2005</u>	<u>2004</u>		
Debt limit	\$ 36,947,670	\$ 33,043,843	\$ 28,464,642		
Total net debt applicable to limit	<u> </u>	<u> </u>	<u> </u>		
Legal debt margin	<u><u>\$ 36,947,670</u></u>	<u><u>\$ 33,043,843</u></u>	<u><u>\$ 28,464,642</u></u>		
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%		

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

Notes: 1) The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds and the statutory debt limit on Class B bonds. The calculations of the debt margins are presented in detail for the current fiscal year only.

2) Bond premium is not subject to the statutory debt limit.

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST NINE CALENDAR YEARS**

Year	Population	Personal Income (thousands)	Per Capita Income	Unemployment Rate	Estimated District Population
2010	215,686	\$ 6,283,809	\$ 29,134	10.2 %	23,726
2009	214,929	6,450,243	30,011	9.5	23,966
2008	227,348	5,860,461	27,620	5.6	25,444
2007	223,934	5,533,703	26,786	3.7	24,970
2006	213,285	4,875,841	24,521	3.6	24,480
2005	205,105	4,425,695	23,203	4.1	23,500
2004	196,720	4,075,143	22,092	4.3	22,560
2003	186,885	3,853,070	21,517	4.8	21,430
2002	177,400	3,701,821	21,311	5.1	20,360

Sources: The source of the "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis.
The source of the "Population" and "Unemployment Rate" information is University of Arizona, Eller College of Management, Economic and Business Research Center.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR AND NINE YEARS AGO

Employer	2011		2002	
	Employees	Percentage of Total Employment	Employees	Percentage of Total Employment
Verde Valley Medical Center	900	14.59 %		-
Wal-Mart	400	6.48	280	5.27 %
Cottonwood Oak-Creek Sch. Dist.	257	4.17	265	4.99
City of Cottonwood	189	3.06	105	1.98
Fry's	135	2.19		-
Home Depot	110	1.78		-
Verde Valley Guidance Clinic	104	1.69		-
Safeway	98	1.59		-
Larry Greens	81	1.31		-
Griffith Enterprises	75	1.22		-
Clarkdale Jerome School District	52	0.84	40	0.75
Oxendales	40	0.65		-
Food City	35	0.57		-
Phelps & Sons Inc.		-	105	1.98
Total	<u>2,476</u>	<u>40.14 %</u>	<u>795</u>	<u>14.97 %</u>
 Total employment	 <u>6,169</u>		 <u>5,312</u>	

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
FULL-TIME-EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST EIGHT FISCAL YEARS

Full-time Equivalent Employees as of June 30					
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Supervisory					
Superintendent	1	1	1	1	1
Principals	1	1	1	1	1
Assistant principals	1	1	1	1	1
Total supervisory	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
Instruction					
Teachers	57	61	65	67	67
Aides	15	17	14	14	14
Total instruction	<u>72</u>	<u>78</u>	<u>79</u>	<u>81</u>	<u>81</u>
Student Services					
Counselors/Advisors	4	4	4	4	4
Total student services	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
Support and Administration					
Clerical workers	5	4	4	3	4
Bus Drivers	11	11	13	7	7
Other classified	23	23	23	30	34
Total support and administration	<u>39</u>	<u>38</u>	<u>40</u>	<u>40</u>	<u>45</u>
Total	<u><u>118</u></u>	<u><u>123</u></u>	<u><u>126</u></u>	<u><u>128</u></u>	<u><u>133</u></u>

(Continued)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
FULL-TIME-EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST EIGHT FISCAL YEARS

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Supervisory			
Superintendent	1	1	1
Principals	1	1	1
Assistant principals	1	1	1
Total supervisory	<u>3</u>	<u>3</u>	<u>3</u>
Instruction			
Teachers	67	65	65
Aides	14	14	14
Total instruction	<u>81</u>	<u>79</u>	<u>79</u>
Student Services			
Counselors/Advisors	4	4	4
Total student services	<u>4</u>	<u>4</u>	<u>4</u>
Support and Administration			
Clerical workers	4	4	4
Bus Drivers	7	7	7
Other classified	34	31	31
Total support and administration	<u>45</u>	<u>42</u>	<u>42</u>
Total	<u><u>133</u></u>	<u><u>128</u></u>	<u><u>128</u></u>

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

(Concluded)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
OPERATING STATISTICS
LAST EIGHT 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	Percentage of Free/Reduced Students
2011	1,229	\$ 8,446,808	\$ 6,873	(4.70) %	\$ 11,074,714	\$ 9,011	3.96 %	72	17.1	43.6 %
2010	1,239	8,935,387	7,212	(5.96)	10,739,735	8,668	(3.77)	78	15.9	48.5
2009	1,205	9,240,919	7,669	(2.45)	10,853,936	9,007	(0.06)	79	15.3	34.2
2008	1,223	9,614,824	7,862	9.44	11,023,181	9,013	9.65	81	15.1	28.0
2007	1,245	8,943,181	7,183	2.44	10,233,518	8,220	(11.62)	81	15.4	28.0
2006	1,212	8,499,176	7,013	(3.47)	11,272,468	9,301	30.99	81	15.0	28.0
2005	1,182	8,586,912	7,265	4.29	8,392,878	7,101	(0.71)	79	15.0	32.0
2004	1,187	8,268,549	6,966	N/A	8,488,576	7,151	N/A	79	15.0	30.0

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

Notes: 1) Operating expenditures are total expenditures less debt service and capital outlay.

2) N/A indicates that the information is not available due to the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34 not being adopted until fiscal year 2003-04.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
CAPITAL ASSETS INFORMATION
LAST EIGHT FISCAL YEARS

	Fiscal Year Ended June 30							
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<u>Schools</u>								
High								
Buildings	8	8	8	8	8	8	8	8
Square feet	171,269	171,269	171,269	171,269	171,269	171,269	171,269	171,269
Capacity	1,163	1,163	1,163	1,163	1,163	1,163	1,163	1,163
Enrollment	1,229	1,239	1,245	1,245	1,245	1,212	1,182	1,187
<u>Transportation</u>								
Garages	1	1	1	1	1	1	1	1
Buses	15	15	15	15	15	15	13	12
<u>Athletics</u>								
Football fields	1	1	1	1	1	1	1	1
Soccer fields	1	1	1	1	1	1	1	1
Running tracks	1	1	1	1	1	1	1	1
Baseball/softball	4	4	4	4	4	4	4	4

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