
MINGUS UNION HIGH SCHOOL DISTRICT NO. 4

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2016



MINGUS UNION HIGH SCHOOL DISTRICT NO. 4

COTTONWOOD, ARIZONA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Issued by:
Business and Finance Department

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4

TABLE OF CONTENTS

<u>INTRODUCTORY SECTION</u>	<u>Page</u>
Letter of Transmittal	1
ASBO Certificate of Excellence	5
GFOA Certificate of Achievement	6
Organizational Chart	7
List of Principal Officials	8
<u>FINANCIAL SECTION</u>	
INDEPENDENT AUDITOR’S REPORT	11
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)	15
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	28
Statement of Activities	29
Fund Financial Statements:	
Balance Sheet – Governmental Funds	32
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	35
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	36
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	38
Statement of Assets and Liabilities – Fiduciary Funds	39
Notes to Financial Statements	40

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4

TABLE OF CONTENTS

<u>FINANCIAL SECTION</u>	<u>Page</u>
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues Expenditures and Changes in Fund Balances – Budget and Actual:	
General Fund	64
Schedule of Proportionate Share of the Net Pension Liability	65
Schedule of Contributions	65
Notes to Required Supplementary Information	66
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
Governmental Funds:	
Combining Balance Sheet – All Non-Major Governmental Funds – By Fund Type	70
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – All Non-Major Governmental Funds - By Fund Type	71
Special Revenue Funds:	
Combining Balance Sheet	74
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	78
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	82
Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	100

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4

TABLE OF CONTENTS

<u>FINANCIAL SECTION</u>	<u>Page</u>
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
Capital Projects Funds:	
Combining Balance Sheet	102
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	104
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	106
Agency Funds:	
Combining Statement of Assets and Liabilities	112
Combining Statement of Changes in Assets and Liabilities	113
 <u>STATISTICAL SECTION</u>	
Financial Trends:	
Net Position by Component	117
Expenses, Program Revenues, and Net (Expense)/Revenue	118
General Revenues and Total Changes in Net Position	120
Fund Balances – Governmental Funds	122
Governmental Funds Revenues	124
Governmental Funds Expenditures and Debt Service Ratio	126
Other Financing Sources and Uses and Net Changes in Fund Balances – Governmental Funds	128

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4

TABLE OF CONTENTS

<u>STATISTICAL SECTION</u>	<u>Page</u>
Revenue Capacity:	
Net Limited Assessed Value and Full Cash Value of Taxable Property by Class	129
Net Full Cash Assessed Value of Taxable Property by Class	130
Property Tax Assessment Ratios	131
Direct and Overlapping Property Tax Rates	132
Principal Property Taxpayers	133
Property Tax Levies and Collections	134
Debt Capacity:	
Outstanding Debt by Type	135
Direct and Overlapping Governmental Activities Debt	136
Direct and Overlapping General Bonded Debt Ratios	136
Legal Debt Margin Information	137
Demographic and Economic Information:	
County-Wide Demographic and Economic Statistics	138
Principal Employers	139
Operating Information:	
Full-Time Equivalent District Employees by Type	140
Operating Statistics	142
Capital Assets Information	143

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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 8, 2016

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

State law mandates that school districts 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, 2016.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free of material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The District's financial statements have been audited by Heinfeld, Meech & Co., P.C., a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2016, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 1,124 resident students and 46 students from other local school districts that pay tuition to attend Mingus Union High School giving the district a total enrollment of 1,169. The projected enrollment for fiscal year 2016-17 is 1,174.

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 60 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 7,500 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 27,715 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 2015, the District's governing board voted to call for a \$5.9 million capital bond. The election was successful and the funds generated from the sale of the capital bonds have been used to purchase a new fleet of school buses, classroom furniture, new carpeting, the paving of parking lots and the repair of eight tennis courts. At June 30, 2016 there was approximately \$2.5 million uncommitted funds that will go towards a classroom expansion project, expanded security systems, technology and much needed maintenance equipment

The District forecast in enrollment was essentially even with 2016. However with the passage of Proposition 123, the District received additional funding in the amount of \$246,000. This allowed the district to award a 4 percent increase to all staff retroactively to the start of 2016 which improves the District's ability to attract and retain staff.

The District continues to enjoy continued savings in energy costs due to the energy management system implemented in 2014. Electricity costs decreased an additional 9% from 2015 to 2016. Overall electricity costs have decreased by 23% since 2010. This is an exceptional statistic considering the primary building in the District is over 40 years old. Other buildings age ranges from 20 to 30 years old. The savings in energy has allowed the District to divert additional funds into the classroom.

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, 2015. This was the eighth consecutive year that the District has received this prestigious award. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2015. In order to be awarded these certificates, the District published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

These certificates are valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the programs' requirements and we are submitting it to ASBO and GFOA to determine its eligibility for the fiscal year ended June 30, 2016 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,



Eric Harmon
Interim Superintendent



Kirk Waddle
Business Manager



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Mingus Union High School District No. 4

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2015.**

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards.



Brenda Burkett

Brenda R. Burkett, CPA, CSBA, SFO
President

John D. Musso

John D. Musso, CAE, RSBA
Executive Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Mingus Union High School
District No. 4, Arizona**

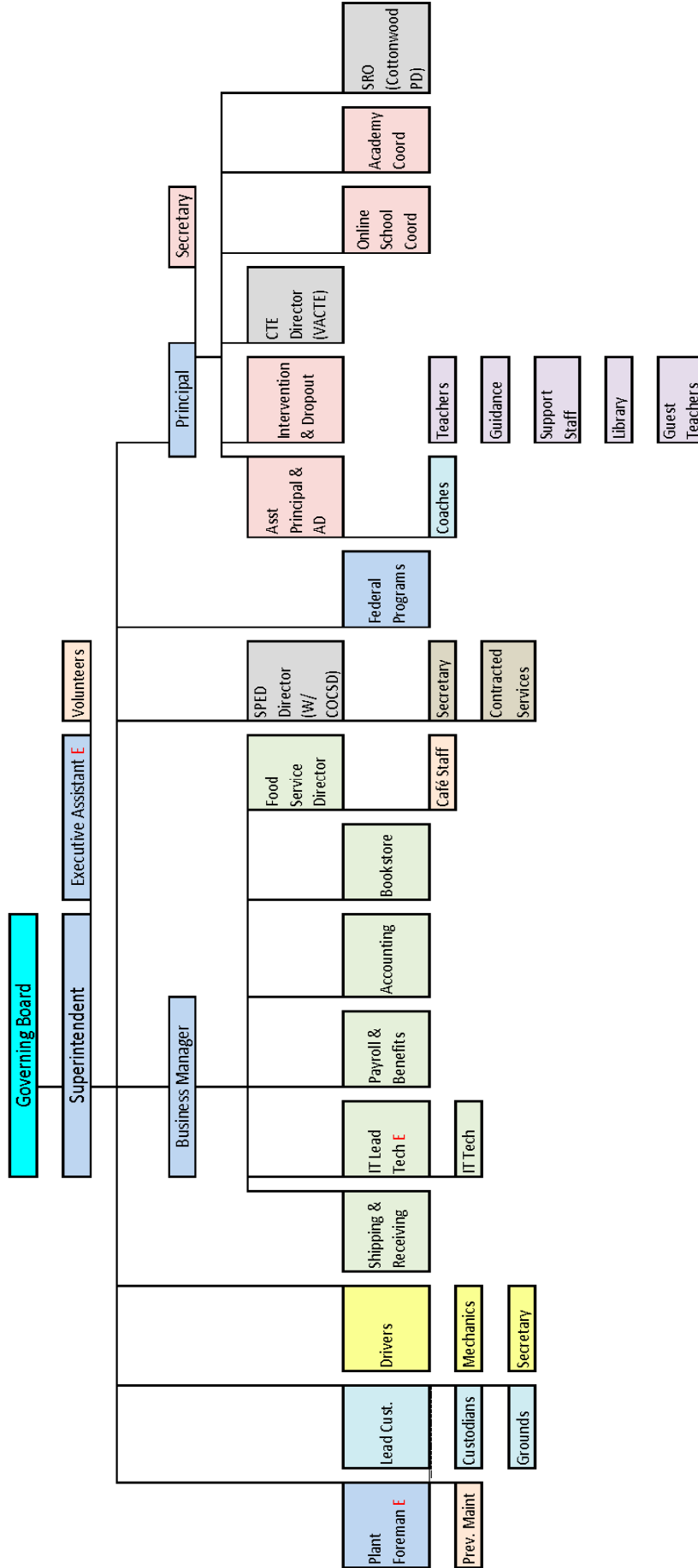
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

A handwritten signature in black ink, reading "Jeffrey R. Emer". The signature is written in a cursive, flowing style.

Executive Director/CEO

Mingus Union High School District Organizational Chart



MINGUS UNION HIGH SCHOOL DISTRICT NO. 4

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

Anita Glazar, President

Dr. Robb Williams, Clerk

Anthony Lozano, Member

James Ledbetter, Member

ADMINISTRATIVE STAFF

Eric Harmon, Interim Superintendent

Kirk Waddle, Business Manager

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Governing Board
Mingus Union High School District No. 4

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Mingus Union High School District No. 4 (District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Mingus Union High School District No. 4, as of June 30, 2016, 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.

Change in Accounting Principle

As described in Note 1, the District implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, for the year ended June 30, 2016, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Introductory Section, Combining and Individual Fund Financial Statements and Schedules, and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining and Individual Fund Financial Statements and Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Fund Financial Statements and Schedules information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2016, on our consideration of 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* in considering Mingus Union High School District No. 4's internal control over financial reporting and compliance.

Heinfeld, Meech & Co., P.C.

Heinfeld, Meech & Co., P.C.
Flagstaff, Arizona
December 8, 2016

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, 2016**

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, 2016. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The District's total net position of governmental activities increased \$362,745 which represents a 52 percent increase from the prior fiscal year as a result of increased property tax and unrestricted state aid revenues.
- General revenues accounted for \$9.2 million in revenue, or 83 percent of all current fiscal year revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$1.9 million or 17 percent of total current fiscal year revenues.
- The District had approximately \$10.7 million in expenses related to governmental activities, a decrease of less than one percent from the prior fiscal year.
- Among major funds, the General Fund had \$7.7 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$7.4 million in expenditures. The General Fund's fund balance increase from a balance of \$121,771 at the prior fiscal year end to a balance of \$750,760 at the end of the current fiscal year was primarily due to increased assessed valuations that lead to high 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.

The statement of net position presents information on all of the District's assets, liabilities, and deferred inflows/outflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016

OVERVIEW OF FINANCIAL STATEMENTS

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

The government-wide financial statements outline functions of the District that are principally supported by property taxes and intergovernmental revenues. The governmental activities of the District include instruction, support services, operation and maintenance of plant services, 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.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Debt Service, and Bond Building Funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules.

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

OVERVIEW OF FINANCIAL STATEMENTS

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 and pension plan. The District adopts an annual expenditure budget for all governmental funds. A schedule of revenues, expenditures and changes in fund balances – budget and actual has been provided for the General Fund as required supplementary information. Schedules for the pension plan have been provided as required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1.1 million at the current fiscal year end.

The largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, construction in progress, buildings and improvements, and vehicles, furniture and equipment), less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of outstanding debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. In addition, a portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance is unrestricted and may be used to meet the District's ongoing obligations to its citizens and creditors.

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2016 and June 30, 2015.

	As of June 30, 2016	As of June 30, 2015
Current and other assets	\$ 7,333,134	\$ 1,524,311
Capital assets, net	17,721,514	18,628,107
Total assets	<u>25,054,648</u>	<u>20,152,418</u>
Deferred outflows	<u>1,304,859</u>	<u>1,161,521</u>
Current and other liabilities	283,748	333,010
Long-term liabilities	23,961,159	18,852,084
Total liabilities	<u>24,244,907</u>	<u>19,185,094</u>
Deferred inflows	<u>1,060,026</u>	<u>1,437,016</u>
Net position:		
Net investment in capital assets	7,568,089	8,034,624
Restricted	929,197	955,774
Unrestricted	(7,442,712)	(8,298,569)
Total net position	<u>\$ 1,054,574</u>	<u>\$ 691,829</u>

At the end of the current fiscal year, the District reported positive balances in two categories of net position. Unrestricted net position, which is normally used to meet the District's mission, reported a deficit of \$7.4 million due to the District's proportionate share of the state pension plan's unfunded liability. 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 are significant current year transactions that have had an impact on the Statement of Net Position.

- The principal retirement of \$7.8 million of bonds.
- The issuance of \$6.0 million in school improvement bonds and \$286,666 of bond premium.
- The issuance of \$6.7 million in refunding bonds and \$586,169 of bond premium.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016

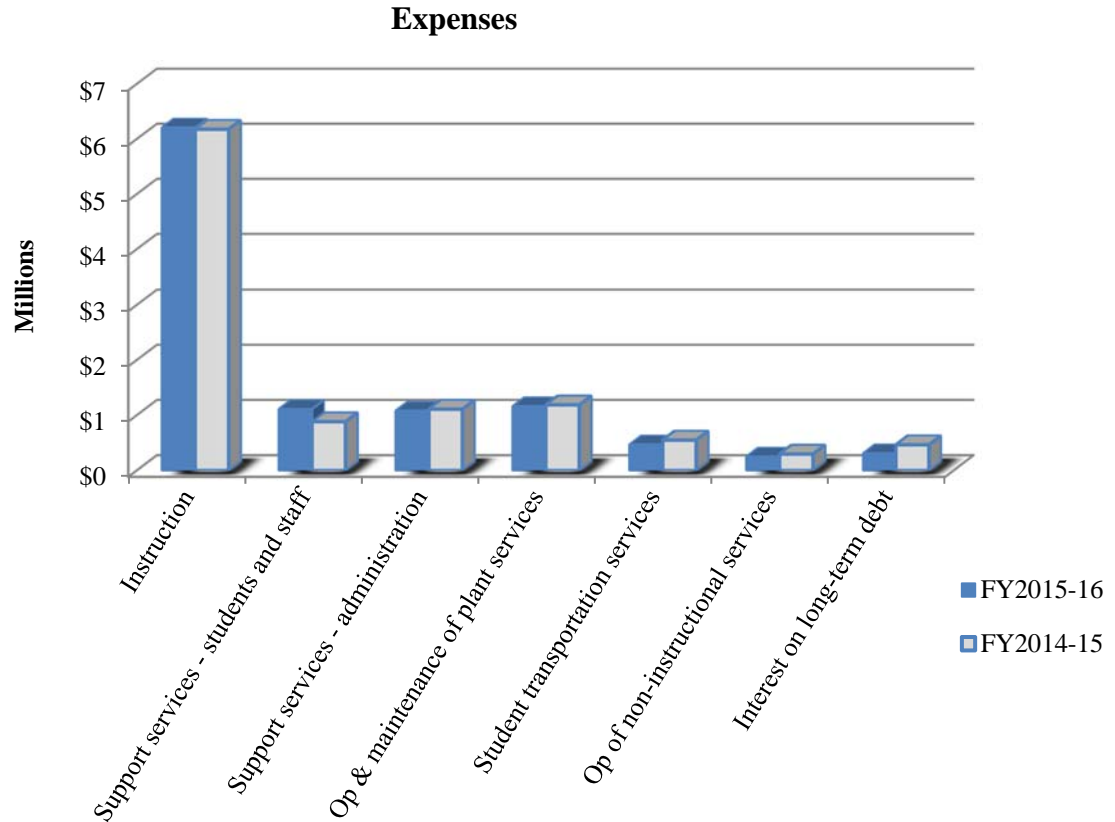
GOVERNMENT-WIDE FINANCIAL ANALYSIS

Changes in net position. The District's total revenues for the current fiscal year were \$11.0 million. The total cost of all programs and services was \$10.7 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2016 and June 30, 2015.

	Fiscal Year Ended June 30, 2016	Fiscal Year Ended June 30, 2015
Revenues:		
Program revenues:		
Charges for services	\$ 741,466	\$ 793,479
Operating grants and contributions	1,001,548	790,522
Capital grants and contributions	112,479	212,059
General revenues:		
Property taxes	6,518,877	6,306,322
Investment income	13,750	5,170
Unrestricted county aid	149,989	207,436
Unrestricted state aid	2,315,564	2,184,726
Unrestricted federal aid	168,444	108,971
Total revenues	<u>11,022,117</u>	<u>10,608,685</u>
Expenses:		
Instruction	6,207,095	6,175,079
Support services – students and staff	1,109,343	879,951
Support services – administration	1,080,176	1,106,886
Operation and maintenance of plant services	1,159,841	1,183,394
Student transportation services	467,563	547,211
Operation of non-instructional services	248,748	294,445
Interest on long-term debt	386,606	462,745
Total expenses	<u>10,659,372</u>	<u>10,649,711</u>
Changes in net position	<u>362,745</u>	<u>(41,026)</u>
Net position, beginning	<u>691,829</u>	<u>732,855</u>
Net position, ending	<u><u>\$ 1,054,574</u></u>	<u><u>\$ 691,829</u></u>

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

GOVERNMENT-WIDE FINANCIAL ANALYSIS



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

- An increase in property tax revenues of approximately \$212,555 that can be attributed to higher assessed valuations of property within the District's boundaries.
- An increase in operating grants and contributions of \$211,026 due in part to the receipt of a new grant.
- An increase in support services-students and staff expense of \$229,392 due primarily to a retroactive wage increase due to Proposition 123 and an increase in support of extracurricular activities and tutoring.

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

	Year Ended June 30, 2016		Year Ended June 30, 2015	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
Instruction	\$ 6,207,095	\$ (4,899,862)	\$ 6,175,079	\$ (4,932,745)
Support services – students and staff	1,109,343	(955,372)	879,951	(673,565)
Support services – administration	1,080,176	(1,055,530)	1,106,886	(1,079,039)
Operation and maintenance of plant services	1,159,841	(1,070,001)	1,183,394	(1,103,565)
Student transportation services	467,563	(467,563)	547,211	(544,903)
Operation of non-instructional services	248,748	31,055	294,445	(57,089)
Interest on long-term debt	386,606	(386,606)	462,745	(462,745)
Total	\$ 10,659,372	\$ (8,803,879)	\$ 10,649,711	\$ (8,853,651)

- The cost of all governmental activities this year was \$10.7 million.
- Federal and state governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$1.9 million.
- Net cost of governmental activities of \$8.8 million was financed by general revenues, which are made up of primarily property taxes of \$6.5 million and federal, state and county aid of \$2.6 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.

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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 \$6.9 million, an increase of \$5.8 million primarily due to the issuance of \$6.0 million of school improvement bonds.

The General Fund comprises 11 percent of the total fund balance. Approximately \$450,923 or 60 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The increase in fund balance of \$628,989 to \$750,760 as of fiscal year end was primarily a result of increases in prepaid insurance balances and the property tax levy. General fund revenues increased \$671,851 primarily as a result of increased property taxes and state aid revenues. General fund expenditures increased \$362,464 as a result of spending increases due to the passage of Proposition 123.

The increase in fund balance in the Bond Building Fund to \$5.2 million was due primarily to the District issuing \$6.0 million in school improvement bonds.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the General Fund annual expenditure budget for changes in enrollment and the passage of Proposition 123 in May 2016. The difference between the original budget and the final amended budget was a \$240,203 increase or four 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:

- The unfavorable variance of \$171,864 in support services-administration resulted primarily from the prepayment of health insurance, purchased professional fees for IT consulting and the vacation payoff of the outgoing superintendent.
- The favorable variance of \$92,764 in instruction was primarily due to payroll vacancy savings.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$32.3 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 \$248,940 from the prior fiscal year primarily due to assets purchased with proceeds from the new bond issue including \$193,496 of construction in progress associated with parking lot paving and construction of new tennis courts. Total depreciation expense for the current fiscal year was \$1.2 million.

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

CAPITAL ASSETS AND DEBT ADMINISTRATION

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2016 and June 30, 2015.

	As of June 30, 2016	As of June 30, 2015
Capital assets – non-depreciable	\$ 223,496	\$ 30,000
Capital assets – depreciable, net	17,498,018	18,598,107
Total	<u>\$ 17,721,514</u>	<u>\$ 18,628,107</u>

The estimated costs to complete current construction projects is \$339,509.

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

Debt Administration. At year-end, the District had \$15.8 million in long-term debt outstanding, \$1.4 million due within one year. Long-term debt increased by \$5.2 million primarily due to the issuance of school improvement bonds.

The District's general obligation bonds are subject to two limits: the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 15 percent of the total net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 10 percent of the net full cash assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$41.6 million and the Class B debt limit is \$27.7 million, which are more than the District's total outstanding general obligation and Class B debt, respectively.

Additional information on the District's long-term debt can be found in Notes 8 through 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 2016-17 budget. Among them:

- Fiscal year 2015-16 budget balance carry forward (estimated \$60,000).
- District student population (estimated 1,174).

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

Budgeted expenditures in the General Fund increased less than one percent to \$6.9 million in fiscal year 2016-17. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2016-17 budget.

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

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.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
STATEMENT OF NET POSITION
JUNE 30, 2016

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 6,420,235
Property taxes receivable	198,444
Deposits	5,000
Accounts receivable	9,735
Due from governmental entities	384,152
Prepaid items	299,000
Inventory	16,568
Total current assets	<u>7,333,134</u>
Noncurrent assets:	
Capital assets not being depreciated	223,496
Capital assets, net of accumulated depreciation	17,498,018
Total noncurrent assets	<u>17,721,514</u>
Total assets	<u>25,054,648</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred charge on refunding	432,136
Pension plan items	872,723
Total deferred outflows of resources	<u>1,304,859</u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	77,833
Construction contracts payable	203,231
Compensated absences payable	21,000
Unearned revenues	2,684
Obligations under capital leases	61,893
Bonds payable	1,290,000
Total current liabilities	<u>1,656,641</u>
Noncurrent liabilities:	
Non-current portion of long-term obligations	22,588,266
Total noncurrent liabilities	<u>22,588,266</u>
Total liabilities	<u>24,244,907</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension plan items	<u>1,060,026</u>
<u>NET POSITION</u>	
Net investment in capital assets	7,568,089
Restricted for:	
Voter approved initiatives	125,952
Food service	77,437
Extracurricular activities	150,354
Gifts and donations	165,069
Other local initiatives	40,652
Debt service	367,190
Capital outlay	2,543
Unrestricted	<u>(7,442,712)</u>
Total net position	<u>\$ 1,054,574</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, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 6,207,095	\$ 659,715	\$ 599,133	\$ 48,385	\$ (4,899,862)
Support services - students and staff	1,109,343		153,971		(955,372)
Support services - administration	1,080,176		24,646		(1,055,530)
Operation and maintenance of plant services	1,159,841	25,746		64,094	(1,070,001)
Student transportation services	467,563				(467,563)
Operation of non-instructional services	248,748	56,005	223,798		31,055
Interest on long-term debt	386,606				(386,606)
Total governmental activities	<u>\$ 10,659,372</u>	<u>\$ 741,466</u>	<u>\$ 1,001,548</u>	<u>\$ 112,479</u>	<u>(8,803,879)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	5,039,403
Property taxes, levied for debt service	1,479,456
Property taxes, levied for capital outlay	18
Investment income	13,750
Unrestricted county aid	149,989
Unrestricted state aid	2,315,564
Unrestricted federal aid	168,444
Total general revenues	<u>9,166,624</u>

Changes in net position 362,745

Net position, beginning of year 691,829

Net position, end of year \$ 1,054,574

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, 2016

	<u>General</u>	<u>Debt Service</u>	<u>Bond Building</u>
<u>ASSETS</u>			
Cash and investments	\$ 205,258	\$ 313,313	\$ 5,406,054
Property taxes receivable	144,567	53,877	
Deposits			
Accounts receivable	1,537		
Due from governmental entities	271,169		
Due from other funds	39,268		
Prepaid items	299,000		
Inventory			
Total assets	<u><u>\$ 960,799</u></u>	<u><u>\$ 367,190</u></u>	<u><u>\$ 5,406,054</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 60,001	\$	\$
Construction contracts payable			203,231
Due to other funds			
Unearned revenues			
Total liabilities	<u><u>60,001</u></u>		<u><u>203,231</u></u>
Deferred inflows of resources:			
Unavailable revenues - property taxes	108,403	23,245	
Unavailable revenues - intergovernmental	41,635		
Total deferred inflows of resources	<u><u>150,038</u></u>	<u><u>23,245</u></u>	
Fund balances:			
Nonspendable	299,000		
Restricted	837	343,945	5,202,823
Unassigned	450,923		
Total fund balances	<u><u>750,760</u></u>	<u><u>343,945</u></u>	<u><u>5,202,823</u></u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 960,799</u></u>	<u><u>\$ 367,190</u></u>	<u><u>\$ 5,406,054</u></u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 495,610	\$ 6,420,235
	198,444
5,000	5,000
8,198	9,735
112,983	384,152
	39,268
	299,000
16,568	16,568
<u>\$ 638,359</u>	<u>\$ 7,372,402</u>

\$ 17,832	\$ 77,833
	203,231
39,268	39,268
2,684	2,684
<u>59,784</u>	<u>323,016</u>

	131,648
	41,635
	<u>173,283</u>

16,568	315,568
562,007	6,109,612
	450,923
<u>578,575</u>	<u>6,876,103</u>

<u>\$ 638,359</u>	<u>\$ 7,372,402</u>
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MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2016

Total governmental fund balances	\$	6,876,103
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Amounts reported for *governmental activities* in the Statement of Net Position are different because:

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

Governmental capital assets	\$ 32,255,339	
Less accumulated depreciation	<u>(14,533,825)</u>	17,721,514

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

Property taxes	131,648	
Intergovernmental	<u>41,635</u>	173,283

Deferred items related to the net cost of issuance of bonds are amortized over the life of the associated bond issue in the government-wide statements but not reported in the funds.		432,136
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Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to pensions	872,723	
Deferred inflows of resources related to pensions	<u>(1,060,026)</u>	(187,303)

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

Compensated absences payable	(28,225)	
Obligations under capital leases	(1,024,852)	
Net pension liability	(8,144,550)	
Bonds payable	(13,875,000)	
Bonds premium	<u>(888,532)</u>	<u>(23,961,159)</u>

Net position of governmental activities	\$	<u>1,054,574</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, 2016

	<u>General</u>	<u>Debt Service</u>	<u>Bond Building</u>
Revenues:			
Other local	\$ 515,136	\$ 71,953	\$ 9,285
Property taxes	5,020,610	1,474,393	
State aid and grants	1,731,315		
Federal aid, grants and reimbursements	391,989		
Total revenues	<u>7,659,050</u>	<u>1,546,346</u>	<u>9,285</u>
Expenditures:			
Current -			
Instruction	4,195,004		
Support services - students and staff	904,205		
Support services - administration	1,043,556		
Operation and maintenance of plant services	890,839		
Student transportation services	388,245		
Operation of non-instructional services	7,162		
Capital outlay	12,651		377,641
Debt service -			
Principal retirement		1,120,000	364,957
Interest and fiscal charges		354,725	11,980
Bond issuance costs		160,540	161,000
Total expenditures	<u>7,441,662</u>	<u>1,635,265</u>	<u>915,578</u>
Excess (deficiency) of revenues over expenditures	<u>217,388</u>	<u>(88,919)</u>	<u>(906,293)</u>
Other financing sources (uses):			
Transfers in	112,601	167,550	
Transfers out			(167,550)
Issuance of school improvement bonds			5,990,000
Issuance of refunding bonds		6,715,000	
Premium on sale of bonds		586,169	286,666
Payment to refunded bond escrow agent		(7,140,629)	
Total other financing sources (uses):	<u>112,601</u>	<u>328,090</u>	<u>6,109,116</u>
Changes in fund balances	<u>329,989</u>	<u>239,171</u>	<u>5,202,823</u>
Fund balances, beginning of year	121,771	104,774	
Increase (decrease) in reserve for prepaid items	299,000		
Increase (decrease) in reserve for inventory			
Fund balances, end of year	<u>\$ 750,760</u>	<u>\$ 343,945</u>	<u>\$ 5,202,823</u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 481,800	\$ 1,078,174
18	6,495,021
646,795	2,378,110
637,478	1,029,467
<u>1,766,091</u>	<u>10,980,772</u>
1,129,993	5,324,997
189,320	1,093,525
26,772	1,070,328
7,729	898,568
207	388,452
246,120	253,282
114,775	505,067
173,783	1,658,740
35,602	402,307
	321,540
<u>1,924,301</u>	<u>11,916,806</u>
<u>(158,210)</u>	<u>(936,034)</u>
	280,151
(112,601)	(280,151)
	5,990,000
	6,715,000
	872,835
	(7,140,629)
<u>(112,601)</u>	<u>6,437,206</u>
<u>(270,811)</u>	<u>5,501,172</u>
832,818	1,059,363
	299,000
16,568	16,568
<u>\$ 578,575</u>	<u>\$ 6,876,103</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, 2016

Changes in fund balances - total governmental funds **\$ 5,501,172**

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	\$ 248,940	
Less current year depreciation	<u>(1,155,533)</u>	(906,593)

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

Issuance of school improvement bonds	(5,990,000)	
Premium on sale of bonds	(872,835)	
Issuance of refunding bonds	<u>(6,715,000)</u>	(13,577,835)

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

Property taxes	23,856	
Intergovernmental	<u>17,489</u>	41,345

Refunding of long-term bond principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		7,140,629
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Repayments of long-term debt principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Capital lease principal retirement	538,740	
Bond principal retirement	<u>1,120,000</u>	1,658,740

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

Current year pension contributions	528,232	
Pension expense	<u>(366,922)</u>	161,310

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

Prepaid items	299,000	
Inventory	16,568	
Amortization of deferred bond items	15,701	
Compensated absences	<u>12,708</u>	<u>343,977</u>

Changes in net position in governmental activities **\$ 362,745**

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2016

	<u>Agency</u>
<u>ASSETS</u>	
Cash and investments	\$ 87,658
Total assets	<u>\$ 87,658</u>
<u>LIABILITIES</u>	
Due to student groups	\$ 87,658
Total liabilities	<u>\$ 87,658</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, 2016

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, 2016, the District implemented the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements and establishes a hierarchy of inputs to valuation techniques used to measure fair value. This Statement also enhances accountability and transparency through revised note disclosures.

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, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. Government-Wide and Fund Financial Statements

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

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, 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, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Financial Statements – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due.

Property taxes, federal, 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. Unearned revenues arise when resources are received by the District before it has legal claim to them, as when grant monies are received prior to meeting all eligibility requirements imposed by the provider.

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

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. 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 certain activities budgeted in separate funds in accordance with A.R.S. These funds are maintained as separate funds for budgetary purposes but do not meet the criteria for separate reporting in the financial statements.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Debt Service Fund – The Debt Service Fund accounts for the accumulation of resources for, and the payment of, long-term debt principal, interest and related cost.

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

Additionally, the District reports the following fund type:

Fiduciary Fund – The Fiduciary Fund is an Agency Fund which accounts 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.

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

D. Cash and Investments

A.R.S. require the District to deposit all cash with the County Treasurer, except as discussed below. Cash with the County Treasurer is pooled for investment purposes, except for cash of the Debt Service and Bond Building Funds that may be invested separately. Interest earned from investments purchased with pooled monies is allocated to each of the District's funds based on their average balances. As required by statute, interest earnings of the Bond Building Fund are recorded initially in that fund, but then transferred to the Debt Service Fund. All investments are stated at fair value.

Statute authorizes the District to separately invest monies of the Bond Building and Debt Service Funds in the State Treasurer's investment pools; obligations issued and guaranteed by the United States or any of its agencies or instrumentalities; specified state and local government bonds and notes; and interest bearing savings accounts or certificates of deposit.

Statute authorizes the District to deposit monies of the Auxiliary Operations and Student Activities Funds in bank accounts. Monies in these funds may also be invested. In addition, statute authorizes the District to maintain various bank accounts such as clearing accounts to temporarily deposit receipts before they are transmitted to the County Treasurer; revolving accounts to pay minor disbursements; and withholdings accounts for taxes and employee insurance programs. Some of these bank accounts may be interest bearing.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statute does not include any requirements for credit risk, concentration of credit risk, interest rate risk, or foreign currency risk. Statute requires collateral for deposits of Bond Building and Debt Service Funds monies in interest bearing savings accounts and certificates of deposit at 101 percent of all deposits not covered by federal depository insurance.

Arizona statute requires a pooled collateral program for public deposits and a Statewide Collateral Pool Administrator (Administrator) in the State Treasurer's Office. The purpose of the pooled collateral program is to ensure that governmental entities' public deposits placed in participating depositories are secured with collateral of 102 percent of the public deposits, less any applicable deposit insurance. An eligible depository may not retain or accept any public deposit unless it has deposited the required collateral with a qualified escrow agent or the Administrator. The Administrator manages the pooled collateral program, including reporting on each depository's compliance with the program.

E. Investment Income

Investment income is composed of interest, dividends, and net changes in the fair value of applicable investments. Investment income is included in other local revenue in the 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." Interfund balances between governmental funds are eliminated on the Statement of Net Position.

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

G. Property Tax Calendar

The County Treasurer is responsible for collecting property taxes for all governmental entities within the county. The county levies real and personal property taxes on or before the third Monday in August that become due and payable in two equal installments. The first installment is due on the first day of October and becomes delinquent after the first business day of November. The second installment is due on the first day of March of the next year and becomes delinquent after the first business day of May.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. Inventory

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories consist of expendable supplies held for consumption. Inventories are recorded as expenses when consumed on the government-wide financial statements and as expenditures when purchased on the fund financial statements.

The United States Department of Agriculture (USDA) commodity portion of the food services inventory consists of food donated by the USDA. It is valued at estimated market prices paid by the USDA.

I. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are recorded as expenses when consumed in the government-wide financial statements and as expenditures when purchased in the fund financial statements.

J. Capital Assets

Capital assets, which include land and improvements; buildings and improvements; vehicles, furniture, and equipment; and construction in progress are reported in the government-wide financial statements.

Capital assets are defined by the District as assets with an initial, individual cost in excess of \$5,000 and an estimated useful life of more than one year. 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, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position may report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position may report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

L. Compensated Absences

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

M. Pensions

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

N. 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 position. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Deferred amounts on refunding result from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

O. Interfund Activity

Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund transfers in the fund financial statements are reported as other financing sources/uses in governmental funds.

P. Net Position Flow Assumption

In the government-wide fund financial statements the District applies restricted resources first when outlays are incurred for purposes for which either restricted or unrestricted amounts are available.

Q. Estimates

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

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

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

Assigned. Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Governing Board or a management official delegated that authority by the formal Governing Board action. The District does not have a formal policy or procedures for the utilization of assigned fund balance, accordingly, no assigned fund balance amounts are reported.

Unassigned. Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

The table below provides detail of the major components of the District's fund balance classifications at year end. Voter approved initiatives include monies restricted in the Classroom Site and Instructional Improvement funds.

	General Fund	Debt Service Fund	Bond Building Fund	Non-Major Governmental Funds
Fund Balances:				
Nonspendable:				
Inventory	\$	\$	\$	\$ 16,568
Prepaid items	299,000			
Restricted:				
Debt service		343,945		
Capital projects				2,543
Bond building projects			5,202,823	
Voter approved initiatives				125,952
Food service				77,437
Civic center				15,071
Community school				16,807
Extracurricular activities				150,354
Gifts and donations				165,069
Other purposes	837			8,774
Unassigned	450,923			
Total fund balances	<u>\$ 750,760</u>	<u>\$ 343,945</u>	<u>\$ 5,202,823</u>	<u>\$ 578,575</u>

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 4 – CASH AND INVESTMENTS

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the District's deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District's deposits was \$96,660 and the bank balance was \$107,388. In addition, the District had \$1,000 on hand at year end.

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

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

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

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

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer's investment pool	1.32 years	\$ 6,410,233
Total		<u>\$ 6,410,233</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.

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.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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:

	General Fund	Non-Major Governmental Funds
Due from other governmental entities:		
Due from federal government	\$ 66,447	\$ 54,901
Due from state government	204,722	58,082
Net Due from other governmental entities:	<u>\$ 271,169</u>	<u>\$ 112,983</u>

NOTE 6 – CAPITAL ASSETS

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

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 30,000	\$	\$	\$ 30,000
Construction in progress		193,496		193,496
Total capital assets, not being depreciated	<u>30,000</u>	<u>193,496</u>		<u>223,496</u>
Capital assets, being depreciated:				
Land improvements	1,898,611			1,898,611
Buildings and improvements	25,214,815			25,214,815
Vehicles, furniture and equipment	4,862,973	55,444		4,918,417
Total capital assets being depreciated	<u>31,976,399</u>	<u>55,444</u>		<u>32,031,843</u>
Less accumulated depreciation for:				
Land improvements	(1,230,447)	(131,189)		(1,361,636)
Buildings and improvements	(9,730,040)	(816,848)		(10,546,888)
Vehicles, furniture and equipment	(2,417,805)	(207,496)		(2,625,301)
Total accumulated depreciation	<u>(13,378,292)</u>	<u>(1,155,533)</u>		<u>(14,533,825)</u>
Total capital assets, being depreciated, net	18,598,107	(1,100,089)		17,498,018
Governmental activities capital assets, net	<u>\$ 18,628,107</u>	<u>\$ (906,593)</u>	<u>\$</u>	<u>\$ 17,721,514</u>

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 6 – CAPITAL ASSETS

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 801,466
Support services – students and staff	8,912
Support services – administration	5,935
Operation and maintenance of plant services	267,917
Student transportation services	63,693
Operation of non-instructional services	7,610
Total depreciation expense – governmental activities	<u>\$ 1,155,533</u>

Construction Commitments – At year end, the District had contractual commitments related to various capital projects including the re-surfacing of tennis courts and upgrades to various flooring areas. At year end, the District had spent \$193,496 on the projects and had estimated remaining contractual commitments of \$339,509. These projects are being funded with bond proceeds.

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. Short-term debt activity for the current fiscal year was as follows:

	Beginning Balance	Issued	Redeemed	Ending Balance
Revolving line of credit	<u>\$</u>	<u>\$ 1,628,977</u>	<u>\$ (1,628,977)</u>	<u>\$</u>

NOTE 8 – OBLIGATIONS UNDER CAPITAL LEASES

The District has constructed an outdoor sports facility, acquired buses and energy efficiency upgrades 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 non-major fund, are used to pay the bus capital lease obligation. The energy efficiency upgrades lease in the amount of \$1,100,800 qualifies as a Qualified Zone Academy Bond (QZAB). Additionally, revenues from Unrestricted Capital Outlay Fund, a non-major fund, are used to pay the energy management lease. Amortization of assets recorded under capital leases is included with depreciation expense.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 8 – OBLIGATIONS UNDER CAPITAL LEASES

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

	Governmental Activities
Asset:	
Land improvements	\$ 1,283,640
Vehicles, furniture and equipment	1,571,961
Less: Accumulated depreciation	<u>(1,029,036)</u>
Total	<u>\$ 1,826,565</u>

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
2017	\$ 78,422
2018	78,422
2019	78,422
2020	78,421
2021	78,422
2022-26	392,109
2027-31	<u>372,503</u>
Total minimum lease payments	1,156,721
Less: amount representing interest	<u>131,869</u>
Present value of minimum lease payments	<u>1,024,852</u>
Due within one year	<u>\$ 61,893</u>

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 9 – GENERAL OBLIGATION BONDS PAYABLE

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

<u>Purpose</u>	<u>Original Amount Issued</u>	<u>Interest Rates</u>	<u>Remaining Maturities</u>	<u>Outstanding Principal June 30, 2016</u>	<u>Due Within One Year</u>
Governmental activities:					
School Improvement Bonds, 2007	\$ 15,000,000	4.0%	7/1/17	\$ 1,170,000	\$ 1,170,000
School Improvement Bonds, Project of 2015, Series A (2016)	5,990,000	2.0-4.0%	7/1/17-35	5,990,000	120,000
Refunding Bonds, Series 2015	6,715,000	3.0-4.0%	7/1/18-22	6,715,000	
Total				<u>\$ 13,875,000</u>	<u>\$ 1,290,000</u>

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

<u>Year ending June 30:</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2017	\$ 1,290,000	\$ 456,975
2018	1,480,000	387,900
2019	1,535,000	345,000
2020	1,605,000	293,775
2021	1,670,000	233,775
2022-26	3,990,000	603,363
2027-31	1,755,000	236,025
2032-36	550,000	2,900
Total	<u>\$ 13,875,000</u>	<u>\$ 2,559,713</u>

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 9 – GENERAL OBLIGATION BONDS PAYABLE

During the year ended June 30, 2016, the District issued \$6,715,000 in refunding bonds, with an effective interest rate of 2.2 percent, to advance refund \$6,630,000 of outstanding general obligation bonds, with an average interest rate of 4.5 percent. The net proceeds of \$7,137,067, which includes 586,169 of bond premium, (after payment of \$160,540 in underwriting fees, insurance, and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent, to provide for all future debt service payments of the refunded general obligation bonds. As a result, the refunded general obligation bonds are considered to be defeased, and the liability for those bonds has been removed from the government-wide financial statements. The reacquisition price exceeded the net carrying amount of the old debt by \$432,136. This amount is reported as deferred charges and amortized over the new debt's life. This advance refunding was undertaken to reduce total debt service payments over the next 7 years by \$61,734 and resulted in an economic gain of \$6,507.

NOTE 10 – CHANGES IN LONG-TERM LIABILITIES

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 8,920,000	\$ 12,705,000	\$ 7,750,000	\$ 13,875,000	\$ 1,290,000
Premium	109,891	872,835	94,194	888,532	
Total bonds payable	<u>9,029,891</u>	<u>13,577,835</u>	<u>7,844,194</u>	<u>14,763,532</u>	<u>1,290,000</u>
Obligations under capital leases	1,563,592		538,740	1,024,852	61,893
Net pension liability	8,217,668		73,118	8,144,550	
Compensated absences payable	<u>40,933</u>	<u>24,352</u>	<u>37,060</u>	<u>28,225</u>	<u>21,000</u>
Governmental activity long-term liabilities	<u>\$ 18,852,084</u>	<u>\$ 13,602,187</u>	<u>\$ 8,493,112</u>	<u>\$ 23,961,159</u>	<u>\$ 1,372,893</u>

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 11 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At year end, interfund balances were as follows:

Due to/from other funds:

At year end, the several non-major governmental funds had a negative cash balance in the Treasurer's pooled cash accounts of \$39,268. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with the General Fund. All interfund balances are expected to be paid within one year.

Interfund transfers:

	Transfers in		
	General	Debt	
Transfers out	Fund	Service	Total
Bond Building Fund	\$	\$ 167,550	\$ 167,550
Non-Major Governmental Funds	112,601		112,601
Total	\$ 112,601	\$ 167,550	\$ 280,151

Transfers between funds were used to (1) move investment income and premium earned in the Bond Building Fund that is required by statute to be expended in the Debt Service Fund (2) move federal grant funds restricted for indirect costs and (3) adjust tax rate calculations.

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.

Average Daily Membership (ADM) Audit – The District has been selected by the Arizona Department of Education to have an ADM audit for the fiscal years ended June 30, 2014, 2015, and 2016. This ADM audit has not yet been completed and although the results are unknown at this time, the District expects the requested payback to not exceed \$350,000 and is proceeding to appeal these determinations.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 13 – RISK MANAGEMENT

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

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

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

The District continues to carry commercial insurance for all other risks of loss. 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, 2016

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

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

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

*With actuarially reduced benefits

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.47 percent (11.35 percent for retirement and 0.12 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 11.47 percent (10.85 percent for retirement, 0.50 percent for health insurance premium benefit, and 0.12 percent for long-term disability) of the active members' annual covered payroll. The District's contributions to the pension plan for the year ended June 30, 2016 were \$528,232.

In addition, the District was required by statute to contribute at the actuarially determined rate of 9.36 percent (9.17 for retirement and 0.13 percent for health insurance premium benefit, and 0.06 percent for long-term disability) of annual covered payroll of retired members who worked in positions that would typically be filled by an employee who contributes to ASRS.

The District's contributions for the current and two preceding years for OPEB, all of which were equal to the required contributions, were as follows:

		Health Benefit Supplement Fund	Long-Term Disability Fund
Year ending June 30:			
2016	\$	24,343	\$ 5,842
2015		28,584	5,814
2014		32,421	11,971

Pension Liability. At June 30, 2016, the District reported a liability of \$8.1 million for its proportionate share of the net pension liability of the ASRS. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the District's proportion was 0.05 percent, which was a decrease of .01 percent from its proportion measured as of June 30, 2014.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Pension Expense and Deferred Outflows/Inflows of Resources. For the year ended June 30, 2016, the District recognized pension expense of \$366,922 and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 222,247	\$ 426,783
Net difference between projected and actual earnings on pension plan investments		261,015
Changes in proportion and differences between contributions and proportionate share of contributions	122,244	372,228
Contributions subsequent to the measurement date	<u>528,232</u>	
Total	<u>\$ 872,723</u>	<u>\$ 1,060,026</u>

The deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	
2017	\$ (248,005)
2018	(433,500)
2019	(222,449)
2020	188,419

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

Actuarial valuation date	June 30, 2014
Actuarial roll forward date	June 30, 2015
Actuarial cost method	Entry age normal
Investment rate of return	8.0%
Projected salary increases	3.0-6.75%
Inflation	3.0%
Permanent base increases	Included
Mortality rates	1994 GAM Scale BB

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2012. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2013, actuarial valuation. The study did not include an analysis of the assumed investment rate of return.

The long-term expected rate of return on ASRS pension plan investments was determined to be 8.79 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	58%	6.79%
Fixed income	25%	3.70
Real estate	10%	4.25
Multi-asset	5%	3.41
Commodities	2%	3.93
Total	<u>100%</u>	

Discount Rate. The discount rate used to measure the ASRS total pension liability was 8.0 percent, which is less than the long-term expected rate of return of 8.79 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 8.0 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
Proportionate share of the net pension liability	\$10,672,144	\$ 8,144,550	\$ 6,412,320

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

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, 2016

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$	\$	\$ 375,029	\$ 375,029
Property taxes			5,020,610	5,020,610
State aid and grants			1,731,315	1,731,315
Total revenues			<u>7,126,954</u>	<u>7,126,954</u>
Expenditures:				
Current -				
Instruction	3,763,361	3,940,375	3,847,611	92,764
Support services - students and staff	656,461	677,642	644,165	33,477
Support services - administration	777,586	795,766	967,630	(171,864)
Operation and maintenance of plant services	952,263	968,193	884,255	83,938
Student transportation services	454,398	462,296	388,210	74,086
Operation of non-instructional services	6,500	6,500	7,162	(662)
Total expenditures	<u>6,610,569</u>	<u>6,850,772</u>	<u>6,739,033</u>	<u>111,739</u>
Excess (deficiency) of revenues over expenditures	<u>(6,610,569)</u>	<u>(6,850,772)</u>	<u>387,921</u>	<u>7,238,693</u>
Other financing sources (uses):				
Transfers in			101,311	101,311
Total other financing sources (uses):			<u>101,311</u>	<u>101,311</u>
Changes in fund balances	<u>(6,610,569)</u>	<u>(6,850,772)</u>	<u>489,232</u>	<u>7,340,004</u>
Fund balances (deficits), beginning of year			(263,290)	(263,290)
Increase (decrease) in reserve for prepaid items			299,000	299,000
Fund balances (deficits), end of year	<u>\$ (6,610,569)</u>	<u>\$ (6,850,772)</u>	<u>\$ 524,942</u>	<u>\$ 7,375,714</u>

See accompanying notes to this schedule.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ARIZONA STATE RETIREMENT SYSTEM
LAST TWO FISCAL YEARS

	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability (asset)	0.05%	0.06%
District's proportionate share of the net pension liability (asset)	\$ 8,144,550	\$ 8,217,668
District's covered payroll	\$ 4,844,475	\$ 4,964,561
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	168.12%	165.53%
Plan fiduciary net position as a percentage of the total pension liability	68.35%	69.49%

SCHEDULE OF CONTRIBUTIONS
ARIZONA STATE RETIREMENT SYSTEM
LAST TWO FISCAL YEARS

	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 528,232	\$ 531,208
Contributions in relation to the actuarially determined contribution	<u>528,232</u>	<u>531,208</u>
Contribution deficiency (excess)	<u><u>\$</u></u>	<u><u>\$</u></u>
District's covered payroll	\$ 4,868,498	\$ 4,844,775
Contributions as a percentage of covered payroll	10.85%	10.96%

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

See accompanying notes to this schedule.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

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

- Certain activities reported in the General Fund are budgeted in separate funds in accordance with Arizona Revised Statutes.
- Prepaid items are budgeted in the year prepaid.

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

	<u>Total Expenditures</u>	<u>Fund Balances End of Year</u>
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$ 7,441,662	\$ 750,760
Activity budgeted as special revenue funds	(503,629)	(225,818)
Prior-year prepaid items	<u>(199,000)</u>	<u> </u>
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	<u>\$ 6,739,033</u>	<u>\$ 524,942</u>

NOTE 2 – PENSION PLAN SCHEDULES

Change in Accounting Principle. For the year ended June 30, 2016, the District implemented the provisions of GASB Statement No. 82, Pension Issues. The statement changed the measure of payroll that is required to be presented in required supplementary information from covered-employee payroll to covered payroll. Accordingly, payroll amounts presented in the pension plan schedules and related ratios for prior periods have been restated.

Actuarial Assumptions for Valuations Performed. The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated, which is the most recent actuarial valuation. The actuarial assumptions used are disclosed in the notes to the financial statements.

Factors that Affect Trends. The actuarial assumptions used in the June 30, 2014, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2012. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2014, actuarial valuation. The study did not include an analysis of the assumed investment rate of return.

**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, 2016

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Fund</u>
<u>ASSETS</u>			
Cash and investments	\$ 493,067	\$ 2,543	\$ 495,610
Deposits	5,000		5,000
Accounts receivable	8,198		8,198
Due from governmental entities	112,983		112,983
Inventory	16,568		16,568
Total assets	<u><u>\$ 635,816</u></u>	<u><u>\$ 2,543</u></u>	<u><u>\$ 638,359</u></u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 17,832	\$	\$ 17,832
Due to other funds	39,268		39,268
Unearned revenues	2,684		2,684
Total liabilities	<u>59,784</u>		<u>59,784</u>
Fund balances:			
Nonspendable	16,568		16,568
Restricted	559,464	2,543	562,007
Total fund balances	<u>576,032</u>	<u>2,543</u>	<u>578,575</u>
Total liabilities and fund balances	<u><u>\$ 635,816</u></u>	<u><u>\$ 2,543</u></u>	<u><u>\$ 638,359</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, 2016

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Other local	\$ 477,093	\$ 4,707	\$ 481,800
Property taxes		18	18
State aid and grants	624,336	22,459	646,795
Federal aid, grants and reimbursements	<u>637,478</u>	<u></u>	<u>637,478</u>
Total revenues	<u>1,738,907</u>	<u>27,184</u>	<u>1,766,091</u>
Expenditures:			
Current -			
Instruction	1,129,993		1,129,993
Support services - students and staff	189,320		189,320
Support services - administration	26,772		26,772
Operation and maintenance of plant services	7,729		7,729
Student transportation services	207		207
Operation of non-instructional services	246,120		246,120
Capital outlay	80,316	34,459	114,775
Debt service -			
Principal retirement		173,783	173,783
Interest and fiscal charges		35,602	35,602
Total expenditures	<u>1,680,457</u>	<u>243,844</u>	<u>1,924,301</u>
Excess (deficiency) of revenues over expenditures	<u>58,450</u>	<u>(216,660)</u>	<u>(158,210)</u>
Other financing sources (uses):			
Transfers out	<u>(11,290)</u>	<u>(101,311)</u>	<u>(112,601)</u>
Total other financing sources (uses):	<u>(11,290)</u>	<u>(101,311)</u>	<u>(112,601)</u>
Changes in fund balances	<u>47,160</u>	<u>(317,971)</u>	<u>(270,811)</u>
Fund balances, beginning of year	512,304	320,514	832,818
Increase (decrease) in reserve for inventory	16,568		16,568
Fund balances, end of year	<u>\$ 576,032</u>	<u>\$ 2,543</u>	<u>\$ 578,575</u>

SPECIAL REVENUE FUNDS

Classroom Site - to account for the financial activity for the portion of state sales tax collections and permanent state school fund earnings as approved by the voters in 2000.

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

Student Success - to account for student success monies.

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.

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.

National Forest Fees - to account for monies allocated for the purposes of benefiting public schools and public roads in counties where forests are situated.

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

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

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

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.

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

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

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.

Indirect Costs - to account for monies received 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, 2016

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>Title I Grants</u>
<u>ASSETS</u>			
Cash and investments	\$ 25,642	\$ 42,228	\$
Deposits			
Accounts receivable			
Due from governmental entities	44,171	13,911	14,218
Inventory			
Total assets	<u><u>\$ 69,813</u></u>	<u><u>\$ 56,139</u></u>	<u><u>\$ 14,218</u></u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			14,218
Unearned revenues			
Total liabilities			<u>14,218</u>
Fund balances:			
Nonspendable			
Restricted	69,813	56,139	
Total fund balances	<u>69,813</u>	<u>56,139</u>	
Total liabilities and fund balances	<u><u>\$ 69,813</u></u>	<u><u>\$ 56,139</u></u>	<u><u>\$ 14,218</u></u>

Professional Development and Technology Grants	Special Education Grants	Vocational Education	State Vocational Education	Food Service	Civic Center
\$ 10,998	\$	\$	\$ 1,836	\$ 64,486 5,000	\$ 15,071
	16,255	16,477		7,951 16,568	
<u>\$ 10,998</u>	<u>\$ 16,255</u>	<u>\$ 16,477</u>	<u>\$ 1,836</u>	<u>\$ 94,005</u>	<u>\$ 15,071</u>
\$ 10,150	\$ 7,682 8,573	\$ 16,477	\$	\$	\$
848			1,836		
<u>10,998</u>	<u>16,255</u>	<u>16,477</u>	<u>1,836</u>		
				16,568 77,437	15,071 15,071
				<u>94,005</u>	<u>15,071</u>
<u>\$ 10,998</u>	<u>\$ 16,255</u>	<u>\$ 16,477</u>	<u>\$ 1,836</u>	<u>\$ 94,005</u>	<u>\$ 15,071</u>

(Continued)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2016

	Community School	Extracurricular Activities Fees Tax Credit	Gifts and Donations
<u>ASSETS</u>			
Cash and investments	\$ 16,807	\$ 147,889	\$ 159,336
Deposits			
Accounts receivable		2,465	5,733
Due from governmental entities			
Inventory			
Total assets	<u><u>\$ 16,807</u></u>	<u><u>\$ 150,354</u></u>	<u><u>\$ 165,069</u></u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Unearned revenues			
Total liabilities	<u></u>	<u></u>	<u></u>
Fund balances:			
Nonspendable			
Restricted	16,807	150,354	165,069
Total fund balances	<u>16,807</u>	<u>150,354</u>	<u>165,069</u>
Total liabilities and fund balances	<u><u>\$ 16,807</u></u>	<u><u>\$ 150,354</u></u>	<u><u>\$ 165,069</u></u>

<u>Textbooks</u>	<u>Joint Technical Education</u>	<u>Totals</u>
\$ 688	\$ 8,086	\$ 493,067
		5,000
		8,198
		112,983
		16,568
<u>\$ 688</u>	<u>\$ 8,086</u>	<u>\$ 635,816</u>

\$	\$	\$ 17,832
		39,268
		2,684
		<u>59,784</u>

		16,568
<u>688</u>	<u>8,086</u>	<u>559,464</u>
<u>688</u>	<u>8,086</u>	<u>576,032</u>
<u>\$ 688</u>	<u>\$ 8,086</u>	<u>\$ 635,816</u>

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, 2016

	Classroom Site	Instructional Improvement	Title I Grants
Revenues:			
Other local	\$ 428	\$ 304	\$
State aid and grants	530,057	54,192	
Federal aid, grants and reimbursements			150,028
Total revenues	<u>530,485</u>	<u>54,496</u>	<u>150,028</u>
Expenditures:			
Current -			
Instruction	517,075	27,720	79,830
Support services - students and staff		47,805	21,469
Support services - administration		897	21,600
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		14,017	22,139
Total expenditures	<u>517,075</u>	<u>90,439</u>	<u>145,038</u>
Excess (deficiency) of revenues over expenditures	<u>13,410</u>	<u>(35,943)</u>	<u>4,990</u>
Other financing sources (uses):			
Transfers out			(4,990)
Total other financing sources (uses):			<u>(4,990)</u>
Changes in fund balances	<u>13,410</u>	<u>(35,943)</u>	
Fund balances, beginning of year	56,403	92,082	
Increase (decrease) in reserve for inventory			
Fund balances, end of year	<u>\$ 69,813</u>	<u>\$ 56,139</u>	<u>\$</u>

Professional Development and Technology Grants	Special Education Grants	Vocational Education	State Vocational Education	Food Service	Civic Center
\$	\$	\$	\$	\$ 56,190	\$ 25,786
			40,087		
32,938	149,604	81,110		223,798	
32,938	149,604	81,110	40,087	279,988	25,786
	67,802	51,105	35,172		2,390
31,654	69,769	14,836	788		1,036
			67		4,017
					7,729
				246,120	
	7,017	15,169	4,060		4,502
31,654	144,588	81,110	40,087	246,120	19,674
1,284	5,016			33,868	6,112
(1,284)	(5,016)				
(1,284)	(5,016)				
				33,868	6,112
				43,569	8,959
				16,568	
\$	\$	\$	\$	\$ 94,005	\$ 15,071

(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, 2016

	Community School	Extracurricular Activities Fees Tax Credit	Gifts and Donations
Revenues:			
Other local	\$ 1,210	\$ 134,618	\$ 39,604
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>1,210</u>	<u>134,618</u>	<u>39,604</u>
Expenditures:			
Current -			
Instruction	46,046	74,665	10,963
Support services - students and staff	903	475	585
Support services - administration			191
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			13,412
Total expenditures	<u>46,949</u>	<u>75,140</u>	<u>25,151</u>
Excess (deficiency) of revenues over expenditures	<u>(45,739)</u>	<u>59,478</u>	<u>14,453</u>
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(45,739)</u>	<u>59,478</u>	<u>14,453</u>
Fund balances, beginning of year	62,546	90,876	150,616
Increase (decrease) in reserve for inventory			
Fund balances, end of year	<u>\$ 16,807</u>	<u>\$ 150,354</u>	<u>\$ 165,069</u>

Textbooks	Joint Technical Education	Totals
\$ 3	\$ 218,950	\$ 477,093
		624,336
		637,478
<u>3</u>	<u>218,950</u>	<u>1,738,907</u>
	217,225	1,129,993
		189,320
		26,772
		7,729
	207	207
		246,120
		80,316
<u></u>	<u>217,432</u>	<u>1,680,457</u>
<u>3</u>	<u>1,518</u>	<u>58,450</u>
<u></u>	<u></u>	<u>(11,290)</u>
		(11,290)
<u>3</u>	<u>1,518</u>	<u>47,160</u>
685	6,568	512,304
		16,568
<u>\$ 688</u>	<u>\$ 8,086</u>	<u>\$ 576,032</u>

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	Classroom Site		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 428	\$ 428
State aid and grants		530,057	530,057
Federal aid, grants and reimbursements			
Total revenues		<u>530,485</u>	<u>530,485</u>
Expenditures:			
Current -			
Instruction	613,586	517,075	96,511
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>613,586</u>	<u>517,075</u>	<u>96,511</u>
Excess (deficiency) of revenues over expenditures	<u>(613,586)</u>	<u>13,410</u>	<u>626,996</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(613,586)</u>	<u>13,410</u>	<u>626,996</u>
Fund balances, beginning of year		56,403	56,403
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (613,586)</u>	<u>\$ 69,813</u>	<u>\$ 683,399</u>

Instructional Improvement			Student Success		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 304 54,192	\$ 304 54,192	\$	\$ 30	\$ 30
	54,496	54,496		30	30
279,656	27,720 47,805 897	(27,720) 231,851 (897)	19,185		19,185
	14,017	(14,017)			
279,656	90,439	189,217	19,185		19,185
(279,656)	(35,943)	243,713	(19,185)	30	19,215
(279,656)	(35,943)	243,713	(19,185)	30	19,215
	92,082	92,082		19,156	19,156
\$ (279,656)	\$ 56,139	\$ 335,795	\$ (19,185)	\$ 19,186	\$ 38,371

(Continued)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	Title I Grants		Variance -
	Budget	Actual	Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		150,028	150,028
Total revenues		<u>150,028</u>	<u>150,028</u>
Expenditures:			
Current -			
Instruction	205,950	79,830	126,120
Support services - students and staff		21,469	(21,469)
Support services - administration		21,600	(21,600)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		22,139	(22,139)
Total expenditures	<u>205,950</u>	<u>145,038</u>	<u>60,912</u>
Excess (deficiency) of revenues over expenditures	<u>(205,950)</u>	<u>4,990</u>	<u>210,940</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(4,990)	(4,990)
Total other financing sources (uses):		<u>(4,990)</u>	<u>(4,990)</u>
Changes in fund balances	<u>(205,950)</u>		<u>205,950</u>
Fund balances, beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (205,950)</u>	<u>\$</u>	<u>\$ 205,950</u>

Professional Development and Technology Grants			Special Education Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	32,938	32,938		149,604	149,604
	32,938	32,938		149,604	149,604
45,762	31,654	14,108	194,723	67,802	(67,802)
				69,769	124,954
45,762	31,654	14,108	194,723	7,017	(7,017)
				144,588	50,135
(45,762)	1,284	47,046	(194,723)	5,016	199,739
	(1,284)	(1,284)		(5,016)	(5,016)
	(1,284)	(1,284)		(5,016)	(5,016)
(45,762)		45,762	(194,723)		194,723
\$ (45,762)	\$	\$ 45,762	\$ (194,723)	\$	\$ 194,723

(Continued)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	Vocational Education		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		81,110	81,110
Total revenues		<u>81,110</u>	<u>81,110</u>
Expenditures:			
Current -			
Instruction	70,797	51,105	19,692
Support services - students and staff		14,836	(14,836)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		15,169	(15,169)
Total expenditures	<u>70,797</u>	<u>81,110</u>	<u>(10,313)</u>
Excess (deficiency) of revenues over expenditures	<u>(70,797)</u>		<u>70,797</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(70,797)</u>		<u>70,797</u>
Fund balances, beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (70,797)</u>	<u>\$</u>	<u>\$ 70,797</u>

Medicaid Reimbursement			National Forest Fees		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 3	\$ 3	\$	\$ 153	\$ 153
				168,444	168,444
	3	3		168,597	168,597
				131	(131)
				67,266	(67,266)
				60,967	(60,967)
				1,715	(1,715)
				5,634	(5,634)
				135,713	(135,713)
	3	3		32,884	32,884
	3	3		32,884	32,884
	555	555		2,301	2,301
\$	\$ 558	\$ 558	\$	\$ 35,185	\$ 35,185

(Continued)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	E-Rate		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 43	\$ 43
State aid and grants			
Federal aid, grants and reimbursements		27,268	27,268
Total revenues		<u>27,311</u>	<u>27,311</u>
Expenditures:			
Current -			
Instruction		10,142	(10,142)
Support services - students and staff	35,000	10,187	24,813
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		7,017	(7,017)
Total expenditures	<u>35,000</u>	<u>27,346</u>	<u>7,654</u>
Excess (deficiency) of revenues over expenditures	<u>(35,000)</u>	<u>(35)</u>	<u>34,965</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(35,000)</u>	<u>(35)</u>	<u>34,965</u>
Fund balances, beginning of year		245	245
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (35,000)</u>	<u>\$ 210</u>	<u>\$ 35,210</u>

Other Federal Projects			State Vocational Education		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
				40,087	40,087
	196,277	196,277		40,087	40,087
	196,277	196,277		40,087	40,087
	21,982	(21,982)	42,389	35,172	7,217
159,100	174,295	(15,195)		788	(788)
				67	(67)
				4,060	(4,060)
159,100	196,277	(37,177)	42,389	40,087	2,302
(159,100)		159,100	(42,389)		42,389
(159,100)		159,100	(42,389)		42,389
\$ (159,100)	\$	\$ 159,100	\$ (42,389)	\$	\$ 42,389

(Continued)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	Food Service		Variance -
	Budget	Actual	Positive (Negative)
Revenues:			
Other local	\$	\$ 56,190	\$ 56,190
State aid and grants			
Federal aid, grants and reimbursements		223,798	223,798
Total revenues		<u>279,988</u>	<u>279,988</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	260,000	246,120	13,880
Capital outlay			
Total expenditures	<u>260,000</u>	<u>246,120</u>	<u>13,880</u>
Excess (deficiency) of revenues over expenditures	<u>(260,000)</u>	<u>33,868</u>	<u>293,868</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(260,000)</u>	<u>33,868</u>	<u>293,868</u>
Fund balances, beginning of year		43,569	43,569
Increase (decrease) in reserve for inventory		16,568	16,568
Fund balances (deficits), end of year	<u>\$ (260,000)</u>	<u>\$ 94,005</u>	<u>\$ 354,005</u>

Civic Center			Community School		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 25,786	\$ 25,786	\$	\$ 1,210	\$ 1,210
	25,786	25,786		1,210	1,210
	2,390	(2,390)	140,000	46,046	93,954
	1,036	(1,036)		903	(903)
	4,017	(4,017)			
150,000	7,729	142,271			
	4,502	(4,502)			
150,000	19,674	130,326	140,000	46,949	93,051
(150,000)	6,112	156,112	(140,000)	(45,739)	94,261
(150,000)	6,112	156,112	(140,000)	(45,739)	94,261
	8,959	8,959		62,546	62,546
\$ (150,000)	\$ 15,071	\$ 165,071	\$ (140,000)	\$ 16,807	\$ 156,807

(Continued)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	Auxiliary Operations		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 139,875	\$ 139,875
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>139,875</u>	<u>139,875</u>
Expenditures:			
Current -			
Instruction	275,000	116,138	158,862
Support services - students and staff		8,292	(8,292)
Support services - administration		3,669	(3,669)
Operation and maintenance of plant services		4,869	(4,869)
Student transportation services		35	(35)
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>275,000</u>	<u>133,003</u>	<u>141,997</u>
Excess (deficiency) of revenues over expenditures	<u>(275,000)</u>	<u>6,872</u>	<u>281,872</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(275,000)</u>	<u>6,872</u>	<u>281,872</u>
Fund balances, beginning of year		162,966	162,966
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (275,000)</u>	<u>\$ 169,838</u>	<u>\$ 444,838</u>

Extracurricular Activities Fees Tax Credit			Gifts and Donations		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 134,618	\$ 134,618	\$	\$ 39,604	\$ 39,604
	134,618	134,618		39,604	39,604
150,000	74,665 475	75,335 (475)	180,000	10,963 585 191	169,037 (585) (191)
150,000	75,140	74,860	180,000	13,412 25,151	(13,412) 154,849
(150,000)	59,478	209,478	(180,000)	14,453	194,453
(150,000)	59,478	209,478	(180,000)	14,453	194,453
	90,876	90,876		150,616	150,616
\$ (150,000)	\$ 150,354	\$ 300,354	\$ (180,000)	\$ 165,069	\$ 345,069

(Continued)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	Insurance Proceeds		
	<u>Budget</u>	<u>Non-GAAP Actual</u>	<u>Variance - Positive (Negative)</u>
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	10,000		10,000
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>10,000</u>		<u>10,000</u>
Excess (deficiency) of revenues over expenditures	<u>(10,000)</u>	<u>3</u>	<u>10,003</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(10,000)</u>	<u>3</u>	<u>10,003</u>
Fund balances, beginning of year		834	834
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (10,000)</u>	<u>\$ 837</u>	<u>\$ 10,837</u>

Textbooks			Indirect Costs		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 3	\$ 3	\$	\$	\$
	3	3			
				11,290	(11,290)
				11,290	(11,290)
	3	3		(11,290)	(11,290)
				11,290	11,290
				11,290	11,290
	3	3			
	685	685		4	4
\$	\$ 688	\$ 688	\$	\$ 4	\$ 4

(Continued)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	Joint Technical Education		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 218,950	\$ 218,950
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>218,950</u>	<u>218,950</u>
Expenditures:			
Current -			
Instruction	217,431	217,225	206
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services		207	(207)
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>217,431</u>	<u>217,432</u>	<u>(1)</u>
Excess (deficiency) of revenues over expenditures	<u>(217,431)</u>	<u>1,518</u>	<u>218,949</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(217,431)</u>	<u>1,518</u>	<u>218,949</u>
Fund balances, beginning of year		6,568	6,568
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (217,431)</u>	<u>\$ 8,086</u>	<u>\$ 225,517</u>

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 617,200	\$ 617,200
	624,336	624,336
	1,029,467	1,029,467
	2,271,003	2,271,003
1,924,338	1,278,386	645,952
714,241	449,360	264,881
	102,698	(102,698)
150,000	14,313	135,687
	242	(242)
260,000	246,120	13,880
	92,967	(92,967)
3,048,579	2,184,086	864,493
(3,048,579)	86,917	3,135,496
	11,290	11,290
	(11,290)	(11,290)
(3,048,579)	86,917	3,135,496
	698,365	698,365
	16,568	16,568
\$ (3,048,579)	\$ 801,850	\$ 3,850,429

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DEBT SERVICE FUND

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICE
YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original & Final	Actual	
Revenues:			
Other local	\$	\$ 71,953	\$ 71,953
Property taxes		1,474,393	1,474,393
Total revenues		1,546,346	1,546,346
Expenditures:			
Debt service -			
Principal retirement	1,120,000	1,120,000	
Interest and fiscal charges	380,000	354,725	25,275
Bond issuance costs		160,540	(160,540)
Total expenditures	1,500,000	1,635,265	(135,265)
Excess (deficiency) of revenues over expenditures	(1,500,000)	(88,919)	1,411,081
Other financing sources (uses):			
Transfers in		167,550	167,550
Issuance of refunding bonds		6,715,000	6,715,000
Premium on sale of bonds		586,169	586,169
Payment to refunded bond escrow agent		(7,140,629)	(7,140,629)
Total other financing sources (uses):		328,090	328,090
Changes in fund balances	(1,500,000)	239,171	1,739,171
Fund balances, beginning of year		104,774	104,774
Fund balances (deficits), end of year	\$ (1,500,000)	\$ 343,945	\$ 1,843,945

CAPITAL PROJECTS FUNDS

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.

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

Building Renewal Grant - to account for building renewal grant monies requested 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, 2016

	Unrestricted Capital Outlay	Adjacent Ways	Totals
<u>ASSETS</u>			
Cash and investments	\$ 2,276	\$ 267	\$ 2,543
Total assets	<u>\$ 2,276</u>	<u>\$ 267</u>	<u>\$ 2,543</u>
Fund balances:			
Restricted	\$ 2,276	\$ 267	\$ 2,543
Total fund balances	<u>2,276</u>	<u>267</u>	<u>2,543</u>
 Total liabilities and fund balances	 <u>\$ 2,276</u>	 <u>\$ 267</u>	 <u>\$ 2,543</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, 2016

	Unrestricted Capital Outlay	Adjacent Ways	Building Renewal Grant
Revenues:			
Other local	\$ 4,697	\$ 10	\$
Property taxes	18		
State aid and grants			22,459
Total revenues	<u>4,715</u>	<u>10</u>	<u>22,459</u>
Expenditures:			
Capital outlay	12,000		22,459
Debt service -			
Principal retirement	173,783		
Interest and fiscal charges	35,602		
Total expenditures	<u>221,385</u>	<u></u>	<u>22,459</u>
Excess (deficiency) of revenues over expenditures	<u>(216,670)</u>	<u>10</u>	<u></u>
Other financing sources (uses):			
Transfers out	(101,311)		
Total other financing sources (uses):	<u>(101,311)</u>	<u></u>	<u></u>
Changes in fund balances	<u>(317,981)</u>	<u>10</u>	<u></u>
Fund balances, beginning of year	320,257	257	
Fund balances, end of year	<u>\$ 2,276</u>	<u>\$ 267</u>	<u>\$</u>

Totals	
\$	4,707
	18
	<u>22,459</u>
	<u>27,184</u>

34,459

173,783
<u>35,602</u>
<u>243,844</u>

<u>(216,660)</u>

<u>(101,311)</u>
<u>(101,311)</u>

<u>(317,971)</u>

320,514

<u>\$</u>	<u>2,543</u>
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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, 2016

	Unrestricted Capital Outlay		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 4,697	\$ 4,697
Property taxes		18	18
State aid and grants			
Total revenues		<u>4,715</u>	<u>4,715</u>
Expenditures:			
Capital outlay	12,000	12,000	
Debt service -			
Principal retirement	173,783	173,783	
Interest and fiscal charges	35,602	35,602	
Bond issuance costs			
Total expenditures	<u>221,385</u>	<u>221,385</u>	
Excess (deficiency) of revenues over expenditures	<u>(221,385)</u>	<u>(216,670)</u>	<u>4,715</u>
Other financing sources (uses):			
Transfers out		(101,311)	(101,311)
Issuance of school improvement bonds			
Premium on sale of bonds			
Total other financing sources (uses):		<u>(101,311)</u>	<u>(101,311)</u>
Changes in fund balances	<u>(221,385)</u>	<u>(317,981)</u>	<u>(96,596)</u>
Fund balances, beginning of year		320,257	320,257
Fund balances (deficits), end of year	<u>\$ (221,385)</u>	<u>\$ 2,276</u>	<u>\$ 223,661</u>

Adjacent Ways			Bond Building		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 10	\$ 10	\$	\$ 9,285	\$ 9,285
	10	10		9,285	9,285
			2,423,063	377,641	2,045,422
			364,957	364,957	
			11,980	11,980	
				161,000	(161,000)
			2,800,000	915,578	1,884,422
	10	10	(2,800,000)	(906,293)	1,893,707
				(167,550)	(167,550)
			2,800,000	5,990,000	3,190,000
				286,666	286,666
			2,800,000	6,109,116	3,309,116
	10	10		5,202,823	5,202,823
	257	257			
\$	\$ 267	\$ 267	\$	\$ 5,202,823	\$ 5,202,823

(Continued)

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, 2016

	Building Renewal Grant		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
Property taxes			
State aid and grants		22,459	22,459
Total revenues		<u>22,459</u>	<u>22,459</u>
Expenditures:			
Capital outlay	30,000	22,459	7,541
Debt service -			
Principal retirement			
Interest and fiscal charges			
Bond issuance costs			
Total expenditures	<u>30,000</u>	<u>22,459</u>	<u>7,541</u>
Excess (deficiency) of revenues over expenditures	<u>(30,000)</u>		<u>30,000</u>
Other financing sources (uses):			
Transfers out			
Issuance of school improvement bonds			
Premium on sale of bonds			
Total other financing sources (uses):			
Changes in fund balances	<u>(30,000)</u>		<u>30,000</u>
Fund balances, beginning of year			
Fund balances (deficits), end of year	<u>\$ (30,000)</u>	<u>\$</u>	<u>\$ 30,000</u>

Totals		
Budget	Actual	Variance - Positive (Negative)
\$	\$ 13,992	\$ 13,992
	18	18
	22,459	22,459
	36,469	36,469
2,465,063	412,100	2,052,963
538,740	538,740	
47,582	47,582	
	161,000	(161,000)
3,051,385	1,159,422	1,891,963
(3,051,385)	(1,122,953)	1,928,432
	(268,861)	(268,861)
2,800,000	5,990,000	3,190,000
	286,666	286,666
2,800,000	6,007,805	3,207,805
(251,385)	4,884,852	5,136,237
	320,514	320,514
\$ (251,385)	\$ 5,205,366	\$ 5,456,751

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AGENCY FUND

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUND
JUNE 30, 2016

	Student Activities	Totals
<u>ASSETS</u>		
Cash and investments	\$ 87,658	\$ 87,658
Total assets	\$ 87,658	\$ 87,658
<u>LIABILITIES</u>		
Due to student groups	\$ 87,658	\$ 87,658
Total liabilities	\$ 87,658	\$ 87,658

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING STATEMENT OF CHANGES IN AGENCY FUNDS ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2016

	<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	\$ <u>75,530</u>	\$ <u>238,217</u>	\$ <u>226,089</u>	\$ <u>87,658</u>
Total assets	\$ <u>75,530</u>	\$ <u>238,217</u>	\$ <u>226,089</u>	\$ <u>87,658</u>
	<u>Liabilities</u>			
Due to student groups	\$ <u>75,530</u>	\$ <u>238,217</u>	\$ <u>226,089</u>	\$ <u>87,658</u>
Total liabilities	\$ <u>75,530</u>	\$ <u>238,217</u>	\$ <u>226,089</u>	\$ <u>87,658</u>
<u>TOTAL AGENCY FUNDS</u>				
	<u>Assets</u>			
Cash and investments	\$ <u>75,530</u>	\$ <u>238,217</u>	\$ <u>226,089</u>	\$ <u>87,658</u>
Total assets	\$ <u>75,530</u>	\$ <u>238,217</u>	\$ <u>226,089</u>	\$ <u>87,658</u>
	<u>Liabilities</u>			
Due to student groups	\$ <u>75,530</u>	\$ <u>238,217</u>	\$ <u>226,089</u>	\$ <u>87,658</u>
Total liabilities	\$ <u>75,530</u>	\$ <u>238,217</u>	\$ <u>226,089</u>	\$ <u>87,658</u>

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STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Note: For locally assessed property (i.e., excluding mines, utilities, etc.) Proposition 117, approved by voters in 2012, amended the Arizona Constitution to require that all property taxes after fiscal year 2014-15 be based upon property values limited to 5 percent in annual growth. The aggregate assessed value of all taxable properties within a taxing jurisdiction (i.e., after applying assessment ratios based on the use of a property), including property values with a growth limit, is currently referred to as net limited assessed value and formerly as primary assessed value. In accordance with Proposition 117, this value is used for all taxing purposes beginning fiscal year 2015-16. Aggregate assessed value without a growth limit is currently referred to as net full cash assessed value and formerly as secondary assessed value. This remains the value utilized for determining debt capacity limits.

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

	Fiscal Year Ended June 30				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net Position:					
Net investment in capital assets	\$ 7,568,089	\$ 8,034,624	\$ 7,831,636	\$ 6,673,901	\$ 6,806,320
Restricted	929,197	955,774	1,092,999	919,164	909,890
Unrestricted	(7,442,712)	(8,298,569)	90,720	1,289,754	1,593,750
Total net position	<u>\$ 1,054,574</u>	<u>\$ 691,829</u>	<u>\$ 9,015,355</u>	<u>\$ 8,882,819</u>	<u>\$ 9,309,960</u>
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Net Position:					
Net investment in capital assets	\$ 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 position	<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>

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

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

	Fiscal Year Ended June 30				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Expenses					
Instruction	\$ 6,207,095	\$ 6,175,079	\$ 6,298,053	\$ 6,228,888	\$ 6,076,499
Support services - students and staff	1,109,343	879,951	911,705	921,964	1,000,364
Support services - administration	1,080,176	1,106,886	975,514	1,027,421	951,457
Operation and maintenance of plant services	1,159,841	1,183,394	1,352,930	1,241,853	1,384,855
Student transportation services	467,563	547,211	546,961	477,579	460,947
Operation of non-instructional services	248,748	294,445	263,530	247,576	260,682
Interest on long-term debt	386,606	462,745	484,526	531,831	589,747
Total expenses	<u>10,659,372</u>	<u>10,649,711</u>	<u>10,833,219</u>	<u>10,677,112</u>	<u>10,724,551</u>
Program Revenues					
Charges for services:					
Instruction	659,715	739,716	678,429	704,247	859,999
Operation of non-instructional services	56,005	53,763	139,175	258,254	308,818
Other activities	25,746		187,279	26,528	33,156
Operating grants and contributions	1,001,548	790,522	757,474	879,229	734,069
Capital grants and contributions	112,479	212,059	185,716	15,558	72,940
Total program revenues	<u>1,855,493</u>	<u>1,796,060</u>	<u>1,948,073</u>	<u>1,883,816</u>	<u>2,008,982</u>
Net (Expense)/Revenue	<u>\$ (8,803,879)</u>	<u>\$ (8,853,651)</u>	<u>\$ (8,885,146)</u>	<u>\$ (8,793,296)</u>	<u>\$ (8,715,569)</u>

(Continued)

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

	<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>

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

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net (Expense)/Revenue	\$ (8,803,879)	\$ (8,853,651)	\$ (8,885,146)	\$ (8,793,296)	\$ (8,715,569)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	5,039,403	4,678,910	4,982,996	4,999,887	5,688,430
Property taxes, levied for debt service	1,479,456	1,346,504	1,419,453	1,596,830	1,434,816
Property taxes, levied for capital outlay	18	280,908	152,024	143,154	156,808
Investment income	13,750	5,170	7,043	3,691	2,896
Unrestricted county aid	149,989	207,436	237,416	92,396	22,846
Unrestricted state aid	2,315,564	2,184,726	1,971,124	1,549,260	1,481,943
Unrestricted federal aid	168,444	108,971	247,626	137,925	112,337
Total general revenues	<u>9,166,624</u>	<u>8,812,625</u>	<u>9,017,682</u>	<u>8,523,143</u>	<u>8,900,076</u>
Changes in Net Position	<u>\$ 362,745</u>	<u>\$ (41,026)</u>	<u>\$ 132,536</u>	<u>\$ (270,153)</u>	<u>\$ 184,507</u>

(Continued)

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

	<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 Position	<u>\$ (404,679)</u>	<u>\$ 394,864</u>	<u>\$ (1,262,160)</u>	<u>\$ 411,746</u>	<u>\$ (85,606)</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
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Fund:					
Nonspendable	299,000				
Restricted	837	834			
Unassigned	450,923	120,937	24,670	261,525	421,297
Total General Fund	<u>\$ 750,760</u>	<u>\$ 121,771</u>	<u>\$ 24,670</u>	<u>\$ 261,525</u>	<u>\$ 421,297</u>
All Other Governmental Funds:					
Nonspendable	16,568				
Restricted	6,108,775	937,592	1,028,179	881,304	837,017
Assigned					
Unassigned			(2,238)		
Total all other governmental funds	<u>\$ 6,125,343</u>	<u>\$ 937,592</u>	<u>\$ 1,025,941</u>	<u>\$ 881,304</u>	<u>\$ 837,017</u>

(Continued)

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

	<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>

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 TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Federal sources:					
Federal grants	\$ 805,669	\$ 773,982	\$ 871,744	\$ 724,502	\$ 604,078
State Fiscal Stabilization (ARRA)					
Education Jobs					3,587
National School Lunch Program	223,798	183,593	194,556	188,086	180,163
Total federal sources	<u>1,029,467</u>	<u>957,575</u>	<u>1,066,300</u>	<u>912,588</u>	<u>787,828</u>
State sources:					
State equalization assistance	1,731,315	1,614,818	1,406,942	1,116,447	1,037,433
State grants	40,087	47,562	38,483	152,542	99,100
School Facilities Board	22,459	55,683	52,314		
Other revenues	584,249	569,908	564,182	432,813	444,510
Total state sources	<u>2,378,110</u>	<u>2,287,971</u>	<u>2,061,921</u>	<u>1,701,802</u>	<u>1,581,043</u>
Local sources:					
Property taxes	6,495,021	6,359,907	6,513,800	6,938,470	7,282,932
County aid	149,989	207,436	237,416	92,396	22,846
Food service sales	56,005	53,763	59,666	49,142	
Investment income	13,750	5,170	7,043	3,691	
Other revenues	858,430	800,021	945,217	939,887	1,204,869
Total local sources	<u>7,573,195</u>	<u>7,426,297</u>	<u>7,763,142</u>	<u>8,023,586</u>	<u>8,510,647</u>
Total revenues	<u>\$ 10,980,772</u>	<u>\$ 10,671,843</u>	<u>\$ 10,891,363</u>	<u>\$ 10,637,976</u>	<u>\$ 10,879,518</u>

(Continued)

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

	<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
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	<u>414,911</u>	<u>400,552</u>	<u>499,444</u>	<u>870,175</u>	<u>681,022</u>
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
Food service sales					
Investment income		5,194	106,415	517,369	299,694
Other revenues	<u>1,412,199</u>	<u>1,368,303</u>	<u>1,018,347</u>	<u>1,172,908</u>	<u>1,274,385</u>
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>

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 TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Expenditures:					
Current -					
Instruction	\$ 5,324,997	\$ 5,107,753	\$ 5,346,978	\$ 5,357,943	\$ 5,156,757
Support services - students and staff	1,093,525	820,633	904,076	902,946	974,795
Support services - administration	1,070,328	1,071,544	962,551	1,008,244	943,573
Operation and maintenance of plant services	898,568	909,597	1,031,032	1,021,987	1,119,813
Student transportation services	388,452	441,391	460,392	419,535	395,548
Operation of non-instructional services	253,282	281,123	250,787	238,667	252,558
Capital outlay	505,067	457,213	1,878,279	122,338	187,835
Debt service -					
Interest and fiscal charges	402,307	478,444	500,225	547,530	589,747
Principal retirement	1,658,740	1,198,853	1,336,706	1,134,271	1,057,080
Bond issuance costs	321,540				
Total expenditures	<u><u>\$ 11,916,806</u></u>	<u><u>\$ 10,766,551</u></u>	<u><u>\$ 12,671,026</u></u>	<u><u>\$ 10,753,461</u></u>	<u><u>\$ 10,677,706</u></u>
 Expenditures for capitalized assets	 \$ 248,940	 \$ 145,252	 \$ 1,666,126	 \$ 35,394	 \$ 48,066
 Debt service as a percentage of noncapital expenditures	 20%	 16%	 17%	 16%	 15%

(Continued)

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

	<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 -					
Interest 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>\$ 11,608,960</u>	<u>\$ 11,535,663</u>	<u>\$ 17,307,405</u>	<u>\$ 17,250,944</u>	<u>\$ 12,117,010</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%

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 TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Excess (deficiency) of revenues over expenditures	\$ (936,034)	\$ (94,708)	\$ (1,779,663)	\$ (115,485)	\$ 201,812
Other financing sources (uses):					
Refunding bonds issued	6,715,000				
General obligation bonds issued	5,990,000				
Premium on sale of bonds	872,835				
Capital lease agreements			1,687,445		
Transfers in	280,151	37,615	103,614	10,926	10,238
Transfers out	(280,151)	(37,615)	(103,614)	(10,926)	(10,238)
Payment to refunded bond escrow agent	(7,140,629)				
Total other financing sources (uses)	<u>6,437,206</u>	<u></u>	<u>1,687,445</u>	<u></u>	<u></u>
Changes in fund balances	<u>\$ 5,501,172</u>	<u>\$ (94,708)</u>	<u>\$ (92,218)</u>	<u>\$ (115,485)</u>	<u>\$ 201,812</u>
	<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)	\$ (7,855,651)	\$ (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)
Payment to refunded bond escrow agent					
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>\$ (7,855,651)</u>	<u>\$ (5,819,177)</u>	<u>\$ 13,403,140</u>

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NET LIMITED ASSESSED VALUE AND FULL CASH VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Commercial, Industrial, Utilities and Mining	76,080,916	\$ 82,359,105	\$ 86,381,835	\$ 98,922,311	\$ 108,506,998
Agricultural and Vacant	26,243,288	25,351,538	29,738,049	36,799,440	50,735,007
Residential (Owner Occupied)	116,314,878	110,849,430	110,922,326	122,015,019	147,945,491
Residential (Rental)	33,179,934	30,892,605	29,118,974	33,639,059	28,577,423
Railroad, Private Cars and Airlines	551,387	564,940	502,959	570,097	659,003
Historical Property	715,008	697,593	660,440	755,480	846,542
Certain Government Property Improvements	14,265	13,217	18,040	15,847	18,388
Total	<u>253,099,676</u>	<u>\$ 250,728,428</u>	<u>\$ 257,342,623</u>	<u>\$ 292,717,253</u>	<u>\$ 337,288,852</u>
Gross Full Cash Value	2,486,254,341	\$ 2,190,672,253	\$ 2,198,613,264	\$ 2,449,465,188	\$ 2,800,777,676
Ratio of Net Limited Assessed Value to Gross Full Cash Value	10%	11%	12%	12%	12%
Total Direct Rate	2.96	2.95	2.94	2.67	2.05

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Commercial, Industrial, Utilities and Mining	116,418,106	\$ 116,280,084	\$ 109,651,199	\$ 102,214,705	\$ 96,662,271
Agricultural and Vacant	54,783,005	49,483,624	43,096,641	32,953,547	28,252,430
Residential (Owner Occupied)	190,711,948	195,298,527	179,883,465	155,013,475	132,243,028
Residential (Rental)	34,426,396	33,394,786	28,526,330	24,031,939	18,701,574
Railroad, Private Cars and Airlines	705,213	719,623	885,094	848,585	946,508
Historical Property	1,025,040	985,293	827,708	687,553	533,712
Certain Government Property Improvements	12,477	12,291	6,365	4,244	3,979
Total	<u>398,082,185</u>	<u>\$ 396,174,228</u>	<u>\$ 362,876,802</u>	<u>\$ 315,754,048</u>	<u>\$ 315,754,048</u>
Gross Full Cash Value	3,498,652,886	\$ 3,823,259,603	\$ 3,832,289,849	\$ 2,986,339,161	\$ 2,390,837,076
Ratio of Net Limited Assessed Value to Gross Full Cash Value	11%	10%	9%	11%	13%
Total Direct Rate	1.90	1.94	1.71	1.95	1.98

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

Note: On November 6, 2012, voters approved Proposition 117, an amendment to the Arizona Constitution. Beginning with Tax Year 2015 (Fiscal Year 2016), both primary and secondary taxes are levied against the net limited assessed value. Primary taxes are used for general District operations. Secondary taxes are used to service District bonded debt requirements and other voter-approval overrides.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NET FULL CASH ASSESSED VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Commercial, Industrial, Utilities and Mining	\$ 77,152,497	\$ 82,812,403	\$ 86,539,493	\$ 99,325,550	\$ 110,160,187
Agricultural and Vacant	28,159,028	25,941,985	29,896,385	38,844,903	56,433,010
Residential (Owner Occupied)	132,791,073	111,841,807	110,947,272	122,069,233	148,360,157
Residential (Rental)	37,983,260	31,325,768	29,166,639	33,715,362	28,912,987
Railroad, Private Cars and Airlines	552,270	565,411	503,396	571,157	667,283
Historical Property	813,268	707,493	663,793	755,488	850,828
Certain Government Property Improvements	18,514	13,303	18,737	15,847	18,531
Total	\$ <u>277,469,910</u>	\$ <u>253,208,170</u>	\$ <u>257,735,715</u>	\$ <u>295,297,540</u>	\$ <u>345,402,983</u>
Gross Full Cash Value					
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	11%	12%	12%	12%	12%
Total Direct Rate	2.96	2.95	2.94	2.67	2.05

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Commercial, Industrial, Utilities and Mining	\$ 121,802,862	\$ 123,589,854	\$ 118,967,769	\$ 106,485,880	\$ 101,249,912
Agricultural and Vacant	67,370,265	72,606,963	71,455,660	45,554,222	35,087,998
Residential (Owner Occupied)	193,913,358	219,108,307	229,172,265	181,003,873	142,168,856
Residential (Rental)	35,108,897	37,543,309	35,743,473	27,879,305	20,006,302
Railroad, Private Cars and Airlines	719,344	737,882	901,222	860,096	955,522
Historical Property	1,087,939	1,195,408	1,141,158	835,978	631,019
Certain Government Property Improvements	12,737	12,469	6,436	4,371	4,142
Total	\$ <u>420,015,402</u>	\$ <u>454,794,192</u>	\$ <u>457,387,983</u>	\$ <u>362,623,725</u>	\$ <u>300,103,751</u>
Gross Full Cash Value					
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	12%	12%	12%	12%	13%
Total Direct Rate	1.90	1.94	1.71	1.95	1.98

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

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

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
PROPERTY TAX ASSESSMENT RATIOS
LAST TEN FISCAL YEARS**

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Commercial, Industrial, Utilities and Mining	19 %	19 %	20 %	20 %	20 %
Agricultural and Vacant	16	16	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	16	15	15	15

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Commercial, Industrial, Utilities and Mining	21 %	22 %	23 %	24 %	25 %
Agricultural and Vacant	16	16	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	20	18	22	21	21

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

Note: Additional classes of property exist, but do not amount to a significant portion of the District's total valuation, therefore they are not included on this schedule.

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

Fiscal Year Ended June 30	Overlapping Rates						District Direct Rates		
	State	County	Cottonwood Oak Creek Elem	Clarksdale Jerome #3 Elem	Joint Tech	Fire District			
	Equalization						Primary	Secondary	Total
2016	0.51	1.93	3.46	2.68	0.05	3.23	2.16	0.80	2.96
2015	0.51	1.96	2.70	2.63	0.05	3.25	2.17	0.78	2.95
2014	0.51	1.93	2.45	2.42	0.05	3.24	2.17	0.77	2.94
2013	0.47	1.64	2.67	2.62	0.05	2.93	1.93	0.75	2.67
2012	0.43	1.43	2.25	2.32	0.05	2.51	1.88	0.17	2.05
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	0.47	1.95
2007		1.66	2.83	2.19	0.05	2.15	1.80	0.18	1.98

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

Note: Beginning in fiscal year 2009-10, an overlapping rate for state equalization was established.

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

Taxpayer	2016		2007	
	Net Limited Assessed Valuation	Percentage of District's Net Limited Assessed Valuation	Net Full Cash Assessed Valuation	Percentage of District's Net Full Cash Assessed Valuation
Phoenix Cement Co/Salt River Materials	24,089,473	9.52 %		%
Arizona Public Service Company	12,099,251	4.78	9,928,945	3.31
Unisource Energy Corporation	2,147,479	0.85		
CenturyLink	1,854,536	0.73	4,026,753	1.34
Wal-Mart Stores Inc.	1,640,294	0.65		
GRLInc.	1,216,534	0.48		
Verde Valley Medical Center	1,040,010	0.41		
Home Depot USA Inc.	904,152	0.36		
Salt River Pima-Maricopa Indian Commu	874,540	0.35		
Cableone Inc.	692,493	0.27		
Willow Creek Corner LLC			2,880,996	0.96
Unisource Energy Corporation			2,257,297	0.75
Ponderosa Plaza			6,242,158	2.08
Smith Food King Properties Inc.			3,361,162	1.12
Prescott Depot Marketplace			3,121,079	1.04
Sturm-Ruger			3,031,048	1.01
Albertson's			2,700,934	0.90
Allied Signal			2,460,851	0.82
Total	<u>\$ 46,558,762</u>	<u>18.40 %</u>	<u>\$ 40,011,223</u>	<u>13.33 %</u>

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

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

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
2016	\$ 6,525,596	\$ 6,372,658	97.66 %	\$	\$ 6,372,658	97.66 %
2015	6,322,803	6,180,961	97.76	135,692	6,316,653	99.90
2014	6,558,355	6,387,496	97.39	163,354	6,550,850	99.89
2013	6,766,901	6,588,719	97.37	171,386	6,760,105	99.90
2012	6,522,534	6,210,475	95.22	300,680	6,511,155	99.83
2011	5,778,073	5,432,417	94.02	337,990	5,770,407	99.87
2010	6,735,419	6,390,411	94.88	341,127	6,731,538	99.94
2009	5,367,175	5,128,184	95.55	238,991	5,367,175	100.00
2008	5,453,453	5,266,887	96.58	186,566	5,453,453	100.00
2007	4,556,347	4,444,863	97.55	111,484	4,556,347	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 TEN 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									
2016	\$ 14,763,532	\$ 367,190	\$ 14,396,342	0.58 %	\$ 418	\$ 1,024,852	\$ 15,788,384	0.64 %	\$ 458	0.23 %	
2015	9,029,891	104,774	8,925,117	0.41	377	1,563,592	10,593,483	0.48	447	0.15	
2014	10,120,590	164,880	9,955,710	0.45	423	1,687,445	11,808,035	0.54	502	0.21	
2013	12,025,000	202,169	11,822,831	0.48	509	301,706	12,326,706	0.50	530	0.22	
2012	12,950,000	20,881	12,929,119	0.46	555	440,977	13,390,977	0.48	575	0.25	
2011	13,700,000	515,937	13,184,063	0.38	556	573,057	14,273,057	0.41	602	0.23	
2010	14,325,000	167,119	14,157,881	0.37	591		14,325,000	0.37	598	0.22	
2009	14,825,000	126,446	14,698,554	0.38	578	103,165	14,928,165	0.39	587	0.25	
2008	15,000,000		15,000,000	0.50	601	185,213	15,185,213	0.51	608	0.27	
2007	15,000,000		15,000,000	0.63	613	155,739	15,155,739	0.63	619	0.31	

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, 2016**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:			
Yavapai County Community College District	\$ 28,600,000	11.11 %	\$ 3,177,460
Cottonwood-Oak Creek Elementary School District No. 6	15,000,000	100.00	15,000,000
Subtotal, Overlapping Debt			<u>18,177,460</u>
Direct:			
Mingus Union High School District No. 4			<u>14,899,852</u>
Total Direct and Overlapping Debt			<u><u>\$ 33,077,312</u></u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation	5.34 %	
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 920	
As a Percentage of Net Limited Assessed Valuation	12.52 %	
As a Percentage of Gross Full Cash Value	1.27 %	

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

- Notes:** 1) Estimated percentage of debt outstanding applicable to the District is calculated based on a portion of the District's net limited assessed valuation as a percentage of the net limited assessed valuation of the overlapping jurisdiction.
- 2) Outstanding debt as of June 30, 2015 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 TEN FISCAL YEARS

Class B Bond Legal Debt Margin Calculation for Fiscal Year 2016:

Net full cash assessed valuation	\$ 277,469,910
Debt limit (10% of assessed value)	27,746,991
Debt applicable to limit	13,875,000
Legal debt margin	<u>\$ 13,871,991</u>

Total Legal Debt Margin Calculation for Fiscal Year 2016:

Net full cash assessed valuation	\$ 277,469,910
Debt limit (15% of assessed value)	41,620,487
Debt applicable to limit	13,875,000
Legal debt margin	<u>\$ 27,745,487</u>

Fiscal Year Ended June 30

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Debt Limit	\$ 41,620,487	\$ 37,981,226	\$ 38,660,357	\$ 43,907,588	\$ 51,810,447
Total net debt applicable to limit	<u>13,875,000</u>	<u>8,920,000</u>	<u>9,995,000</u>	<u>12,025,000</u>	<u>12,950,000</u>
Legal debt margin	<u>\$ 27,745,487</u>	<u>\$ 29,061,226</u>	<u>\$ 28,665,357</u>	<u>\$ 31,882,588</u>	<u>\$ 38,860,447</u>
Total net debt applicable to the limit as a percentage of debt limit	33%	23%	26%	27%	25%

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Debt Limit	\$ 63,002,310	\$ 68,219,129	\$ 68,608,197	\$ 54,393,559	\$ 45,015,563
Total net debt applicable to limit	<u>13,700,000</u>	<u>14,325,000</u>	<u>14,825,000</u>	<u>15,000,000</u>	<u>15,000,000</u>
Legal debt margin	<u>\$ 49,302,310</u>	<u>\$ 53,894,129</u>	<u>\$ 53,783,197</u>	<u>\$ 39,393,559</u>	<u>\$ 30,015,563</u>
Total net debt applicable to the limit as a percentage of debt limit	22%	21%	22%	28%	33%

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 TEN CALENDAR YEARS

<u>Year</u>	<u>Population</u>		<u>Personal Income (thousands)</u>		<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Estimated District Population</u>
2015	214,991	\$	6,987,852	\$	32,503	5.9 %	34,444
2014	218,844		7,172,392		32,774	6.3	23,680
2013	215,133		5,665,528		26,335	8.6	23,523
2012	212,637		5,534,516		26,028	8.7	23,250
2011	211,888		5,441,284		25,680	10.0	23,308
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

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 from 2005 through 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 and 2014, the source of the information is the Arizona Office of Employment and Population Statistics.

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

Employer	2016		2007	
	Employees	Percentage of Total Employment	Employees	Percentage of Total Employment
Verde Valley Medical Center	1,010	9.62 %	440	7.13 %
Cottonwood Oak Creek Schools	350	3.33	385	6.24
Wal-Mart	270	2.57	430	6.97
City of Cottonwood	170	1.62	155	2.51
Home Depot	150	1.43	120	1.95
Verde Valley Guidance Clinic	120	1.14	95	1.54
The Kroger Co.	115	1.10		0.00
Mingus Union High School	110	1.05	135	2.19
Safeway	105	1.00		0.00
Oxendales	70	0.67		0.00
Larry Givens	55	0.52		0.00
Food City	55	0.52		0.00
Phoenix Cement Co.			160	2.59
Western Technologies, Inc.			150	2.43
A CTI Corp			125	2.03
Tungland Corp.			100	1.62
Phelps & Sons Inc.			80	1.30
Griffith Enterprises			65	1.05
Clarkdale-Jerome Sch. Dist.			55	0.89
Capital Senior Living Inc.			50	0.81
Total	<u>2,580</u>	<u>24.57 %</u>	<u>2,545</u>	<u>41.25 %</u>
Total employment	<u>10,500</u>		<u>6,169</u>	

Source: The source of this information is the City of Cottonwood and the Bureau of Labor Statistics, Harris Infosource, and an individual employer survey.

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

	Full-time Equivalent Employees as of June 30				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</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	57	60	58	57
Aides	14	13	13	15	15
Total instruction	<u>71</u>	<u>70</u>	<u>73</u>	<u>73</u>	<u>72</u>
Student Services					
Counselors/Advisors	7	4	4	4	4
Total student services	<u>7</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
Support and Administration					
Clerical workers	5	5	5	5	5
Bus Drivers	18	7	11	11	11
Other classified	6	23	23	23	23
Total support and administration	<u>29</u>	<u>35</u>	<u>39</u>	<u>39</u>	<u>39</u>
Total	<u><u>110</u></u>	<u><u>112</u></u>	<u><u>119</u></u>	<u><u>119</u></u>	<u><u>118</u></u>

(Continued)

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

	<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>

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

(Concluded)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil- Teacher Ratio	Percentage of Free/Reduced Students
2016	1,169	\$ 9,029,152	\$ 7,724	5.67 %	\$ 10,659,372	\$ 9,118	1.12 %	71	16.5	76.0 %
2015	1,181	8,632,041	7,309	0.15	10,649,711	9,018	2.15	70	16.9	43.0
2014	1,227	8,955,816	7,298	(1.49)	10,833,219	8,828	(0.12)	73	16.8	49.0
2013	1,208	8,949,322	7,408	(0.05)	10,677,112	8,839	(1.68)	73	16.5	50.6
2012	1,193	8,843,044	7,412	7.85	10,724,551	8,990	(0.24)	72	16.6	50.6
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	4.29	10,233,518	8,220	(0.71)	81	15.4	28.0

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

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

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

	Fiscal Year Ended June 30									
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>Schools</u>										
<u>High</u>										
Buildings	8	8	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	171,269	171,269
Capacity	1,163	1,163	1,163	1,163	1,163	1,163	1,163	1,163	1,163	1,163
Enrollment	1,169	1,181	1,208	1,208	1,193	1,229	1,239	1,245	1,245	1,245
<u>Transportation</u>										
Garages	1	1	1	1	1	1	1	1	1	1
Buses	20	18	18	15	15	15	15	15	15	15
<u>Athletics</u>										
Football fields	1	1	1	1	1	1	1	1	1	1
Soccer fields	1	1	1	1	1	1	1	1	1	1
Running tracks	1	1	1	1	1	1	1	1	1	1
Baseball/softball	4	4	4	4	4	4	4	4	4	4

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

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