
MINGUS UNION HIGH SCHOOL DISTRICT NO. 4

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2017



MINGUS UNION HIGH SCHOOL DISTRICT NO. 4

COTTONWOOD, ARIZONA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Issued by:
Business and Finance Department

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4

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INTRODUCTORY SECTION

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MINGUS UNION HIGH SCHOOL DISTRICT # 4

**1801 East Fir Street
Cottonwood, AZ 86326**



December 19, 2017

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, 2017.

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, 2017, 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, 2017, 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 1,206 resident students and 47 students from other local school districts that pay tuition to attend Mingus Union High School giving the district a total enrollment of 1,172. The projected enrollment for fiscal year 2017-18 is 1,183.

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 30,368 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, the repair of eight tennis courts, addition of classrooms and a new wrestling gym. At June 30, 2017 there was approximately \$1.1 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 shows an increase over 2017. This resulted in an increase in budget capacity. Additionally, current enrollment for 2018 is higher than forecasted, and due to current year funding, the District will see another increase in funding.

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

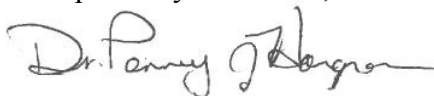
Awards. The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2016. This was the ninth consecutive year that the District has received 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, 2016. 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, 2017 certificates.

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

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

Respectfully submitted,



Dr. Penny Hargrove
Superintendent



Lynn Leonard
Business Manager



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Mingus Union High School District No. 4

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2016.**

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



Anthony N. Dragona, Ed.D., RSBA
President

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, 2016

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

Executive Director/CEO

School Board



MINGUS UNION HIGH SCHOOL DISTRICT NO. 4

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

Anita Glazar, President

Lori Drake, Clerk

Steve Gesell, Member

Anthony Lozano, Member

James Ledbetter, Member

ADMINISTRATIVE STAFF

Dr. Penny Hargrove, Superintendent

Lynn Leonard, 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, 2017, 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, 2017, 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.

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 19, 2017, 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 19, 2017

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, 2017**

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, 2017. 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 decreased \$94,887 which represents a nine percent decrease from the prior fiscal year as a result of use of reserves to maintain current service levels.
- General revenues accounted for \$8.9 million in revenue, or 81 percent of all current fiscal year revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$2.1 million or 19 percent of total current fiscal year revenues.
- The District had approximately \$11.1 million in expenses related to governmental activities, an increase of four percent from the prior fiscal year due primarily to an increase in costs related to multiple improvement projects.
- Among major funds, the General Fund had \$7.2 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 decrease from a balance of \$750,760 at the prior fiscal year end to a balance of \$529,215 at the end of the current fiscal year was primarily due to a decrease in unrestricted state aid revenues due to the settlement of a prior year's ADM audit.

OVERVIEW OF FINANCIAL STATEMENTS

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

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The accrual basis of accounting is used for the government-wide financial statements.

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

OVERVIEW OF FINANCIAL STATEMENTS

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

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

The government-wide financial statements outline functions of the District that are principally supported by property taxes and intergovernmental revenues. The governmental activities of the District include instruction, support services, operation and maintenance of plant services, student transportation services, operation of non-instructional services, and interest on long-term debt.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements use the modified accrual basis of accounting and focus on near-term inflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decision. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

OVERVIEW OF FINANCIAL STATEMENTS

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.

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 \$959,687 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, 2017**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2017 and June 30, 2016.

	As of June 30, 2017	As of June 30, 2016
Current and other assets	\$ 3,439,540	\$ 7,333,134
Capital assets, net	20,253,327	17,721,514
Total assets	<u>23,692,867</u>	<u>25,054,648</u>
Deferred outflows	<u>1,934,112</u>	<u>1,304,859</u>
Current and other liabilities	646,251	283,748
Long-term liabilities	22,764,877	23,961,159
Total liabilities	<u>23,411,128</u>	<u>24,244,907</u>
Deferred inflows	<u>1,256,164</u>	<u>1,060,026</u>
Net position:		
Net investment in capital assets	7,341,629	7,568,089
Restricted	1,012,197	929,197
Unrestricted	(7,394,139)	(7,442,712)
Total net position	<u>\$ 959,687</u>	<u>\$ 1,054,574</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 \$7.3 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 is a significant current year transaction that has had an impact on the Statement of Net Position.

- The principal retirement of \$1.3 million of bonds.
- The \$1.6 million addition in construction in progress related to the addition of three classrooms and a wrestling room.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017

GOVERNMENT-WIDE FINANCIAL ANALYSIS

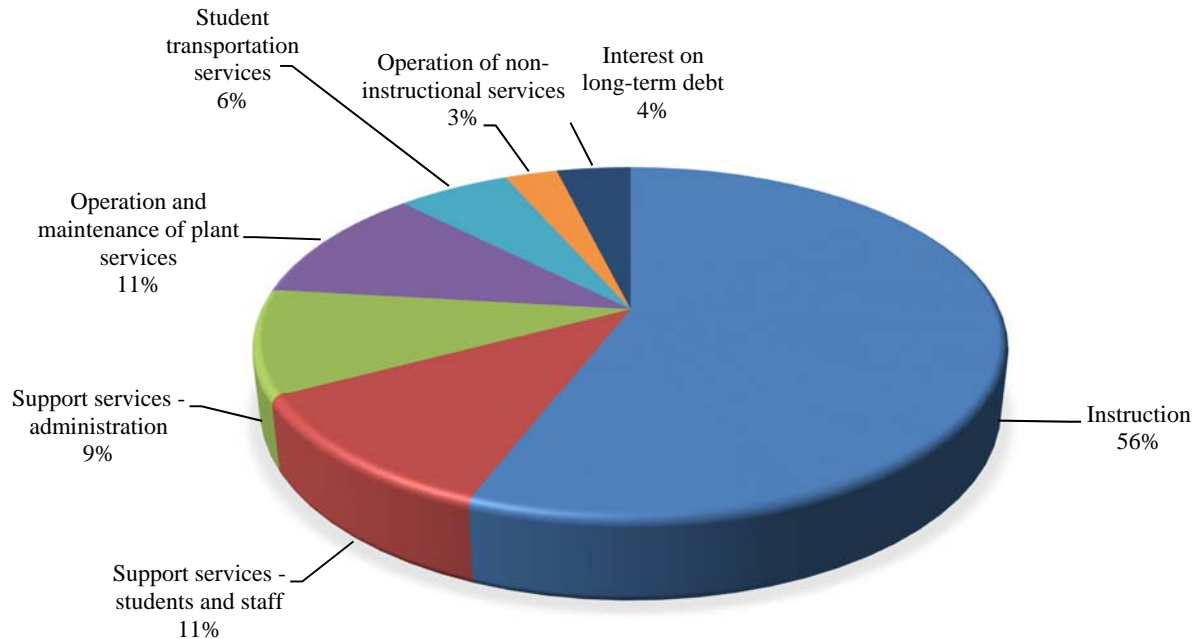
Changes in net position. The District's total revenues for the current fiscal year were \$11.0 million. The total cost of all programs and services was \$11.1 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2017 and June 30, 2016.

	Fiscal Year Ended June 30, 2017	Fiscal Year Ended June 30, 2016
Revenues:		
Program revenues:		
Charges for services	\$ 796,277	\$ 741,466
Operating grants and contributions	1,064,492	1,001,548
Capital grants and contributions	211,236	112,479
General revenues:		
Property taxes	6,585,761	6,518,877
Investment income	21,085	13,750
Unrestricted county aid	166,823	149,989
Unrestricted state aid	2,053,400	2,315,564
Unrestricted federal aid	98,380	168,444
Total revenues	<u>10,997,454</u>	<u>11,022,117</u>
Expenses:		
Instruction	6,200,112	6,207,095
Support services – students and staff	1,251,220	1,109,343
Support services – administration	1,075,649	1,080,176
Operation and maintenance of plant services	1,191,268	1,159,841
Student transportation services	648,447	467,563
Operation of non-instructional services	301,875	248,748
Interest on long-term debt	423,770	386,606
Total expenses	<u>11,092,341</u>	<u>10,659,372</u>
Changes in net position	<u>(94,887)</u>	<u>362,745</u>
Net position, beginning	<u>1,054,574</u>	<u>691,829</u>
Net position, ending	<u><u>\$ 959,687</u></u>	<u><u>\$ 1,054,574</u></u>

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Expenses - Fiscal Year 2017



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

- The decrease of \$262,164 in unrestricted state aid due primarily to reductions due to the results of a prior year ADM audit.
- The increase of \$141,877 in support services - students and staff due primarily to the increase in special education population and related services including private tuition costs for one student.
- The increase of \$180,884 in student transportation services due primarily to additional operational costs related to new buses.

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

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, 2017		Year Ended June 30, 2016	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
Instruction	\$ 6,200,112	\$ (4,756,608)	\$ 6,207,095	\$ (4,899,862)
Support services – students and staff	1,251,220	(1,071,495)	1,109,343	(955,372)
Support services – administration	1,075,649	(1,033,489)	1,080,176	(1,055,530)
Operation and maintenance of plant services	1,191,268	(1,071,398)	1,159,841	(1,070,001)
Student transportation services	648,447	(648,447)	467,563	(467,563)
Operation of non-instructional services	301,875	(15,129)	248,748	31,055
Interest on long-term debt	423,770	(423,770)	386,606	(386,606)
Total	\$ 11,092,341	\$ (9,020,336)	\$ 10,659,372	\$ (8,803,879)

- The cost of all governmental activities this year was \$11.1 million.
- Federal and state governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$2.1 million.
- Net cost of governmental activities of \$9.0 million was financed by general revenues, which are made up of primarily property taxes of \$6.6 million and federal, state and county aid of \$2.3 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, 2017**

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 \$2.5 million, a decrease of \$4.3 million primarily due to work on various bond projects during the year.

The General Fund comprises 22 percent of the total fund balance. Approximately \$266,125 or 47 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The decrease in fund balance of \$181,545 to \$529,215 as of fiscal year end was primarily a result of decreased unrestricted state aid revenues due to settlement of a prior year ADM audit. General fund revenues decreased \$505,171 primarily as a result of decreases in unrestricted state aid revenues due to settlement of a prior year ADM audit and a decrease in property tax revenue. General fund expenditures decreased \$79,190.

The decrease in fund balance of \$4.2 million in the Bond Building Fund to \$1.0 million was due primarily to work performed on various school improvement projects.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the General Fund annual expenditure budget for changes in enrollment. The difference between the original budget and the final amended budget was a \$75,449 decrease or one percent.

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

- The unfavorable variance of \$109,777 in support services-administration resulted primarily due to increase in administrative service costs related to increased special education population.
- The favorable variance of \$174,350 in instruction was primarily due to teacher vacancies and use of long-term substitutes.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$35.6 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 \$3.3 million from the prior fiscal year primarily due to work performed on the new building and other renovation projects. Total depreciation expense for the current fiscal year was \$1.3 million.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2017 and June 30, 2016.

	As of June 30, 2017	As of June 30, 2016
Capital assets – non-depreciable	\$ 1,145,568	\$ 223,496
Capital assets – depreciable, net	19,107,759	17,498,018
Total	<u>\$ 20,253,327</u>	<u>\$ 17,721,514</u>

The estimated costs to complete current construction projects is \$675,614.

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

Debt Administration. At year-end, the District had \$14.3 million in long-term debt outstanding, \$1.5 million due within one year. Long-term debt decreased by \$1.5 million primarily due to payments of \$1.3 million in 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 \$46.2 million and the Class B debt limit is \$30.8 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.

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

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 2017-18 budget. Among them:

- Fiscal year 2016-17 budget balance carry forward (estimated \$54,470).
- District student population (estimated 1,182).

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 2.0 percent to \$6.9 million in fiscal year 2017-18. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2017-18 budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
STATEMENT OF NET POSITION
JUNE 30, 2017

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 2,293,526
Property taxes receivable	183,584
Deposits	5,001
Due from governmental entities	641,144
Prepaid items	299,000
Inventory	17,285
Total current assets	<u>3,439,540</u>
Noncurrent assets:	
Capital assets not being depreciated	1,145,568
Capital assets, net of accumulated depreciation	<u>19,107,759</u>
Total noncurrent assets	<u>20,253,327</u>
Total assets	<u><u>23,692,867</u></u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred charge on refunding	370,402
Pension plan items	<u>1,563,710</u>
Total deferred outflows of resources	<u><u>1,934,112</u></u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	171,771
Construction contracts payable	409,940
Compensated absences payable	24,000
Unearned revenues	64,540
Obligations under capital leases	62,921
Bonds payable	<u>1,480,000</u>
Total current liabilities	<u><u>2,213,172</u></u>
Noncurrent liabilities:	
Non-current portion of long-term obligations	<u>21,197,956</u>
Total noncurrent liabilities	<u><u>21,197,956</u></u>
Total liabilities	<u><u>23,411,128</u></u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension plan items	<u>1,256,164</u>
<u>NET POSITION</u>	
Net investment in capital assets	7,341,629
Restricted for:	
Voter approved initiatives	61,278
Food service	81,133
Extracurricular activities	167,083
Gifts and donations	157,418
Other local initiatives	63,471
Debt service	481,452
Capital outlay	362
Unrestricted	<u>(7,394,139)</u>
Total net position	<u><u>\$ 959,687</u></u>

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

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	\$ 6,200,112	\$ 713,643	\$ 613,656	\$ 116,205	\$ (4,756,608)
Support services - students and staff	1,251,220		179,725		(1,071,495)
Support services - administration	1,075,649		42,160		(1,033,489)
Operation and maintenance of plant services	1,191,268	24,839		95,031	(1,071,398)
Student transportation services	648,447				(648,447)
Operation of non-instructional services	301,875	57,795	228,951		(15,129)
Interest on long-term debt	423,770				(423,770)
Total governmental activities	<u>\$ 11,092,341</u>	<u>\$ 796,277</u>	<u>\$ 1,064,492</u>	<u>\$ 211,236</u>	<u>(9,020,336)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	4,739,360
Property taxes, levied for debt service	1,788,306
Property taxes, levied for capital outlay	58,095
Investment income	21,085
Unrestricted county aid	166,823
Unrestricted state aid	2,053,400
Unrestricted federal aid	98,380
Total general revenues	<u>8,925,449</u>

Changes in net position (94,887)

Net position, beginning of year 1,054,574

Net position, end of year \$ 959,687

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, 2017

	<u>General</u>	<u>Debt Service</u>	<u>Bond Building</u>
<u>ASSETS</u>			
Cash and investments	\$ 19,403	\$ 435,707	\$ 1,450,563
Property taxes receivable	135,025	45,745	
Deposits			
Due from governmental entities	565,550		
Due from other funds			
Prepaid items	299,000		
Inventory			
Total assets	<u><u>\$ 1,018,978</u></u>	<u><u>\$ 481,452</u></u>	<u><u>\$ 1,450,563</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 125,627	\$	\$
Construction contracts payable			409,940
Due to other funds	82,272		
Unearned revenues	32,391		
Total liabilities	<u><u>240,290</u></u>	<u><u></u></u>	<u><u>409,940</u></u>
Deferred inflows of resources:			
Unavailable revenues - property taxes	114,442	36,463	
Unavailable revenues - intergovernmental	95,031		
Total deferred inflows of resources	<u><u>209,473</u></u>	<u><u>36,463</u></u>	<u><u></u></u>
Fund balances (deficits):			
Nonspendable	299,000		
Restricted	4,090	444,989	1,040,623
Unassigned	266,125		
Total fund balances	<u><u>569,215</u></u>	<u><u>444,989</u></u>	<u><u>1,040,623</u></u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 1,018,978</u></u>	<u><u>\$ 481,452</u></u>	<u><u>\$ 1,450,563</u></u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 387,853	\$ 2,293,526
2,814	183,584
5,001	5,001
75,594	641,144
206,962	206,962
	299,000
17,285	17,285
<u>\$ 695,509</u>	<u>\$ 3,646,502</u>

\$ 46,144	\$ 171,771
	409,940
124,690	206,962
32,149	64,540
<u>202,983</u>	<u>853,213</u>

2,329	153,234
	95,031
<u>2,329</u>	<u>248,265</u>

17,285	316,285
531,015	2,020,717
(58,103)	208,022
<u>490,197</u>	<u>2,545,024</u>

<u>\$ 695,509</u>	<u>\$ 3,646,502</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, 2017

Total governmental fund balances	\$	2,545,024
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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	\$ 35,571,723	
Less accumulated depreciation	<u>(15,318,396)</u>	20,253,327

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

Property taxes	153,234	
Intergovernmental	<u>95,031</u>	248,265

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.		370,402
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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	1,563,710	
Deferred inflows of resources related to pensions	<u>(1,256,164)</u>	307,546

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

Compensated absences payable	(47,218)	
Obligations under capital leases	(962,959)	
Net pension liability	(8,394,936)	
Bonds payable	(12,585,000)	
Bonds Premium	<u>(774,764)</u>	<u>(22,764,877)</u>

Net position of governmental activities	\$	<u>959,687</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, 2017

	<u>General</u>	<u>Debt Service</u>	<u>Bond Building</u>
Revenues:			
Other local	\$ 596,531	\$ 59,958	\$ 15,275
Property taxes	4,733,321	1,775,088	
State aid and grants	1,441,874		
Federal aid, grants and reimbursements	382,153		
Total revenues	<u>7,153,879</u>	<u>1,835,046</u>	<u>15,275</u>
Expenditures:			
Current -			
Instruction	3,956,121		
Support services - students and staff	972,159		
Support services - administration	999,730		
Operation and maintenance of plant services	877,132		
Student transportation services	411,411		
Operation of non-instructional services	8,000		
Capital outlay	137,919		4,162,202
Debt service -			
Principal retirement		1,290,000	
Interest and fiscal charges		459,275	
Total expenditures	<u>7,362,472</u>	<u>1,749,275</u>	<u>4,162,202</u>
Excess (deficiency) of revenues over expenditures	<u>(208,593)</u>	<u>85,771</u>	<u>(4,146,927)</u>
Other financing sources (uses):			
Transfers in	27,048	15,273	
Transfers out			(15,273)
Total other financing sources (uses):	<u>27,048</u>	<u>15,273</u>	<u>(15,273)</u>
Changes in fund balances	<u>(181,545)</u>	<u>101,044</u>	<u>(4,162,200)</u>
Fund balances, beginning of year	750,760	343,945	5,202,823
Increase (decrease) in reserve for inventory			
Fund balances, end of year	<u><u>\$ 569,215</u></u>	<u><u>\$ 444,989</u></u>	<u><u>\$ 1,040,623</u></u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 592,508	\$ 1,264,272
97,401	6,605,810
646,896	2,088,770
735,270	1,117,423
<u>2,072,075</u>	<u>11,076,275</u>

1,302,226	5,258,347
235,147	1,207,306
47,690	1,047,420
2,365	879,497
120	411,531
283,245	291,245
184,907	4,485,028
61,893	1,351,893
16,529	475,804
<u>2,134,122</u>	<u>15,408,071</u>

<u>(62,047)</u>	<u>(4,331,796)</u>
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	42,321
<u>(27,048)</u>	<u>(42,321)</u>
<u>(27,048)</u>	

<u>(89,095)</u>	<u>(4,331,796)</u>
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578,575	6,876,103
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717	717
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<u>\$ 490,197</u>	<u>\$ 2,545,024</u>
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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, 2017

Changes in fund balances - total governmental funds **\$ (4,331,796)**

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	\$ 4,015,634	
Less current year depreciation	<u>(1,330,018)</u>	2,685,616

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

Property taxes	21,586	
Intergovernmental	<u>53,396</u>	74,982

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	61,893	
Bond principal retirement	<u>1,290,000</u>	1,351,893

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	574,752	
Pension expense	<u>(330,289)</u>	244,463

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.

Inventory	717	
Deferred charges on issuance of debt	(61,734)	
Loss on disposal of assets	(153,803)	
Amortization of deferred bond items	113,768	
Compensated absences	<u>(18,993)</u>	<u>(120,045)</u>

Changes in net position in governmental activities **\$ (94,887)**

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, 2017

	<u>Agency</u>
<u>ASSETS</u>	
Cash and investments	\$ 108,211
Total assets	<u>\$ 108,211</u>
<u>LIABILITIES</u>	
Due to student groups	\$ 108,211
Total liabilities	<u>\$ 108,211</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, 2017

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.

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, 2017

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, 2017

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, 2017

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, 2017

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, 2017

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. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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, 2017

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, 2017

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, 2017

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	\$	\$	\$	\$ 17,285
Prepaid items	299,000			
Restricted:				
Debt service		444,989		
Capital projects				362
Bond building projects			1,040,623	
Voter approved initiatives				61,278
Food service				81,133
Civic center				22,341
Community school				38,587
Extracurricular activities				167,083
Gifts and donations				157,418
Other purposes	4,090			2,813
Unassigned	266,125			(58,103)
Total fund balances	<u>\$ 569,215</u>	<u>\$ 444,989</u>	<u>\$ 1,040,623</u>	<u>\$ 490,197</u>

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Individual Deficit Fund Balance – At year end, the Unrestricted Capital Outlay Fund, a non-major governmental fund, reported a deficit in fund balance of \$58,103.

The deficit arose because of operations during the year. Additional revenues received in fiscal year 2017-18 are expected to eliminate the deficit.

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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 \$198,134 and the bank balance was \$244,828. 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	1.20 years	<u>\$ 2,202,603</u>
Total		<u>\$ 2,202,603</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, 2017

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	\$ 110,784	\$ 66,313
Due from state government	454,766	9,281
Net Due from other governmental entities:	<u>\$ 565,550</u>	<u>\$ 75,594</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	1,625,730	703,658	1,115,568
Total capital assets, not being depreciated	<u>223,496</u>	<u>1,625,730</u>	<u>703,658</u>	<u>1,145,568</u>
Capital assets, being depreciated:				
Land improvements	1,898,611	618,643		2,517,254
Buildings and improvements	25,214,815	77,239		25,292,054
Vehicles, furniture and equipment	4,918,417	2,397,680	699,250	6,616,847
Total capital assets being depreciated	<u>32,031,843</u>	<u>3,093,562</u>	<u>699,250</u>	<u>34,426,155</u>
Less accumulated depreciation for:				
Land improvements	(1,361,636)	(152,455)		(1,514,091)
Buildings and improvements	(10,546,888)	(824,121)		(11,371,009)
Vehicles, furniture and equipment	(2,625,301)	(353,442)	(545,447)	(2,433,296)
Total accumulated depreciation	<u>(14,533,825)</u>	<u>(1,330,018)</u>	<u>(545,447)</u>	<u>(15,318,396)</u>
Total capital assets, being depreciated, net	17,498,018	1,763,544	153,803	19,107,759
Governmental activities capital assets, net	<u>\$ 17,721,514</u>	<u>\$ 3,389,274</u>	<u>\$ 857,461</u>	<u>\$ 20,253,327</u>

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 6 – CAPITAL ASSETS

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 803,020
Support services – students and staff	14,765
Support services – administration	11,422
Operation and maintenance of plant services	295,281
Student transportation services	197,920
Operation of non-instructional services	7,610
Total depreciation expense – governmental activities	<u>\$ 1,330,018</u>

Construction Commitments – At year end, the District had contractual commitments related to various capital projects including the construction of a new building and other building improvements. At year end, the District had spent \$1,115,568 on the projects and had estimated remaining contractual commitments of \$675,614. 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>\$ 1,840,852</u>	<u>\$ 1,840,852</u>	<u>\$</u>

NOTE 8 – OBLIGATIONS UNDER CAPITAL LEASES

The District has constructed energy efficiency upgrades under the provisions of a long-term lease agreement classified as a capital lease. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments as of the inception date. The energy efficiency upgrades lease in the amount 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, 2017

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:	
Vehicles, furniture and equipment	\$ 1,100,800
Less: Accumulated depreciation	220,160
Total	<u>\$ 880,640</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
2018	\$ 78,422
2019	78,422
2020	78,421
2021	78,422
2022	78,422
2023-27	392,109
2028-31	294,081
Total minimum lease payments	<u>1,078,299</u>
Less: amount representing interest	<u>115,340</u>
Present value of minimum lease payments	<u>962,959</u>
Due within one year	<u>\$ 62,921</u>

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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, 2017</u>	<u>Due Within One Year</u>
Governmental activities:					
School Improvement Bonds,					
Project of 2015, Series A (2016) \$	5,990,000	2.0-4.0%	7/1/18-35	\$ 5,870,000	\$ 225,000
Refunding Bonds, Series 2015	6,715,000	3.0-4.0%	7/1/18-22	6,715,000	1,255,000
Total				<u>\$ 12,585,000</u>	<u>\$ 1,480,000</u>

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

		<u>Governmental Activities</u>	
		<u>Principal</u>	<u>Interest</u>
Year ending June 30:			
	2018	\$ 1,480,000	\$ 387,901
	2019	1,535,000	345,001
	2020	1,605,000	293,776
	2021	1,670,000	233,776
	2022	1,540,000	173,376
	2023-27	2,850,000	502,939
	2028-32	1,485,000	182,475
	2033-36	420,000	25,600
Total		<u>\$ 12,585,000</u>	<u>\$ 2,144,844</u>

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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	\$ 13,875,000	\$	\$ 1,290,000	\$ 12,585,000	\$ 1,480,000
Premium	<u>888,532</u>		<u>113,768</u>	<u>774,764</u>	
Total bonds payable	<u>14,763,532</u>		<u>1,403,768</u>	<u>13,359,764</u>	<u>1,480,000</u>
Obligations under capital leases	1,024,852		61,893	962,959	62,921
Net pension liability	8,144,550	250,386		8,394,936	
Compensated absences payable	<u>28,225</u>	<u>74,420</u>	<u>55,427</u>	<u>47,218</u>	<u>24,000</u>
Governmental activity long-term liabilities	<u>\$ 23,961,159</u>	<u>\$ 324,806</u>	<u>\$ 1,521,088</u>	<u>\$ 22,764,877</u>	<u>\$ 1,566,921</u>

NOTE 11 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At year end, interfund balances were as follows:

Due to/from other funds:

	<u>Non-Major Governmental Funds</u>
General Fund	\$ 82,272
Non-Major Governmental Funds	<u>124,690</u>
Total Due from Other Funds	<u>\$ 206,962</u>

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

Interfund transfers:

	<u>Transfers in</u>		
	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Transfers out			
Bond Building Fund	\$	\$ 15,273	\$ 15,273
Non-Major Governmental Funds	<u>27,048</u>		<u>27,048</u>
Total	<u>\$ 27,048</u>	<u>\$ 15,273</u>	<u>\$ 42,321</u>

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 and (2) move federal grant funds restricted for indirect costs.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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 was selected by the Arizona Department of Education to have an ADM audit for the fiscal years ended June 30, 2014, 2015, and 2016. The final result of the audit required the District to repay the state approximately \$123,227 through reduction in the Unrestricted State Aid received during fiscal year 2017.

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.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 13 – RISK MANAGEMENT

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.

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	

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.48 percent (11.34 percent for retirement and 0.14 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 11.48 percent (10.78 percent for retirement, 0.56 percent for health insurance premium benefit, and 0.14 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, 2017 were \$574,752.

In addition, the District was required by statute to contribute at the actuarially determined rate of 9.47 percent (9.17 for retirement, 0.21 percent for health insurance premium benefit, and 0.09 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:			
2017	\$	29,857	\$ 7,464
2016		24,343	5,842
2015		28,584	5,814

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Pension Liability. At June 30, 2017, the District reported a liability of \$8.4 million for its proportionate share of the net pension liability of the ASRS. The net pension liability was measured as of June 30, 2016. 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, 2015, to the measurement date of June 30, 2016. 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, 2016, the District's proportion was .05 percent, which was approximately equivalent to its proportion measured as of June 30, 2015.

Pension Expense and Deferred Outflows/Inflows of Resources. The District has deferred outflows and inflows of resources related to the net pension liability of retirement benefits. Certain changes in the net pension liability are recognized as pension expense over a period of time rather than the year of occurrence. For the year ended June 30, 2017, the District recognized pension expense of \$330,289 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	\$ 51,015	\$ 577,510
Changes of assumptions or other inputs		444,159
Net difference between projected and actual earnings on pension plan investments	909,732	
Changes in proportion and differences between contributions and proportionate share of contributions	28,211	234,495
Contributions subsequent to the measurement date	<u>574,752</u>	
Total	<u>\$ 1,563,710</u>	<u>\$ 1,256,164</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, 2018. 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:		
2018	\$	(550,305)
2019		(339,805)
2020		367,817
2021		255,086

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

Actuarial valuation date	June 30, 2015
Actuarial roll forward date	June 30, 2016
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

The actuarial assumptions used in the June 30, 2015 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 8.75 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%	6.73%
Fixed income	25	3.70
Real estate	10	4.25
Multi-asset	5	3.41
Commodities	2	3.84
Total	<u>100%</u>	

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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 8.75 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.

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	\$10,704,181	\$ 8,394,936	\$6,543,427

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.

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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, 2017

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$	\$	\$ 368,722	\$ 368,722
Property taxes			4,733,321	4,733,321
State aid and grants			1,441,578	1,441,578
Total revenues			<u>6,543,621</u>	<u>6,543,621</u>
Expenditures:				
Current -				
Instruction	4,041,234	3,965,785	3,791,435	174,350
Support services - students and staff	626,440	626,440	735,113	(108,673)
Support services - administration	823,172	823,172	932,949	(109,777)
Operation and maintenance of plant services	938,802	938,802	864,447	74,355
Student transportation services	432,125	432,125	406,410	25,715
Operation of non-instructional services	6,500	6,500	8,000	(1,500)
Total expenditures	<u>6,868,273</u>	<u>6,792,824</u>	<u>6,738,354</u>	<u>54,470</u>
Changes in fund balances	<u>(6,868,273)</u>	<u>(6,792,824)</u>	<u>(194,733)</u>	<u>6,598,091</u>
Fund balances, beginning of year			524,942	524,942
Fund balances (deficits), end of year	<u>\$ (6,868,273)</u>	<u>\$ (6,792,824)</u>	<u>\$ 330,209</u>	<u>\$ 7,123,033</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 THREE FISCAL YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability (asset)	0.05%	0.05%	0.06%
District's proportionate share of the net pension liability (asset)	\$ 8,394,936	\$ 8,144,550	\$ 8,217,668
District's covered payroll	\$ 4,868,498	\$ 4,844,475	\$ 4,964,561
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	172.43%	168.12%	165.53%
Plan fiduciary net position as a percentage of the total pension liability	67.06%	68.35%	69.49%

SCHEDULE OF CONTRIBUTIONS
ARIZONA STATE RETIREMENT SYSTEM
LAST THREE FISCAL YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 574,752	\$ 528,232	\$ 531,208
Contributions in relation to the actuarially determined contribution	<u>574,752</u>	<u>528,232</u>	<u>531,208</u>
Contribution deficiency (excess)	<u><u>\$</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>
District's covered payroll	\$ 5,331,651	\$ 4,868,498	\$ 4,844,775
Contributions as a percentage of covered payroll	10.78%	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, 2017

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 item.

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

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	\$ 7,362,472	\$ 569,215
Activity budgeted as special revenue funds	<u>(624,118)</u>	<u>(239,006)</u>
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	<u>\$ 6,738,354</u>	<u>\$ 330,209</u>

NOTE 2 – PENSION PLAN SCHEDULES

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

Factors that Affect Trends. The actuarial assumptions used in the June 30, 2015, 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.

**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, 2017

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Fund</u>
<u>ASSETS</u>			
Cash and investments	\$ 387,491	\$ 362	\$ 387,853
Property taxes receivable		2,814	2,814
Deposits	5,001		5,001
Due from governmental entities	66,313	9,281	75,594
Due from other funds	206,962		206,962
Inventory	17,285		17,285
Total assets	<u><u>\$ 683,052</u></u>	<u><u>\$ 12,457</u></u>	<u><u>\$ 695,509</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 46,058	\$ 86	\$ 46,144
Due to other funds	56,907	67,783	124,690
Unearned revenues	32,149		32,149
Total liabilities	<u><u>135,114</u></u>	<u><u>67,869</u></u>	<u><u>202,983</u></u>
Deferred inflows of resources:			
Unavailable revenues - property taxes		2,329	2,329
Fund balances (deficits):			
Nonspendable	17,285		17,285
Restricted	530,653	362	531,015
Unassigned		(58,103)	(58,103)
Total fund balances	<u><u>547,938</u></u>	<u><u>(57,741)</u></u>	<u><u>490,197</u></u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 683,052</u></u>	<u><u>\$ 12,457</u></u>	<u><u>\$ 695,509</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, 2017

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Other local	\$ 585,499	\$ 7,009	\$ 592,508
Property taxes		97,401	97,401
State aid and grants	618,700	28,196	646,896
Federal aid, grants and reimbursements	<u>735,270</u>	<u></u>	<u>735,270</u>
Total revenues	<u>1,939,469</u>	<u>132,606</u>	<u>2,072,075</u>
Expenditures:			
Current -			
Instruction	1,302,226		1,302,226
Support services - students and staff	235,147		235,147
Support services - administration	47,690		47,690
Operation and maintenance of plant services	2,365		2,365
Student transportation services	120		120
Operation of non-instructional services	283,245		283,245
Capital outlay	70,439	114,468	184,907
Debt service -			
Principal retirement		61,893	61,893
Interest and fiscal charges		<u>16,529</u>	<u>16,529</u>
Total expenditures	<u>1,941,232</u>	<u>192,890</u>	<u>2,134,122</u>
Excess (deficiency) of revenues over expenditures	<u>(1,763)</u>	<u>(60,284)</u>	<u>(62,047)</u>
Other financing sources (uses):			
Transfers out	<u>(27,048)</u>	<u></u>	<u>(27,048)</u>
Total other financing sources (uses):	<u>(27,048)</u>	<u></u>	<u>(27,048)</u>
Changes in fund balances	<u>(28,811)</u>	<u>(60,284)</u>	<u>(89,095)</u>
Fund balances, beginning of year	576,032	2,543	578,575
Increase (decrease) in reserve for inventory	717		717
Fund balances (deficits), end of year	<u>\$ 547,938</u>	<u>\$ (57,741)</u>	<u>\$ 490,197</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.

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

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.

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

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, 2017

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>Title I Grants</u>
<u>ASSETS</u>			
Cash and investments	\$ 22,215	\$ 39,268	\$ 40,413
Deposits			
Due from governmental entities			
Due from other funds			
Inventory			
Total assets	<u><u>\$ 22,215</u></u>	<u><u>\$ 39,268</u></u>	<u><u>\$ 40,413</u></u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$ 205	\$ 40,306
Due to other funds			
Unearned revenues			107
Total liabilities		<u>205</u>	<u>40,413</u>
Fund balances:			
Nonspendable			
Restricted	22,215	39,063	
Total fund balances	<u>22,215</u>	<u>39,063</u>	
Total liabilities and fund balances	<u><u>\$ 22,215</u></u>	<u><u>\$ 39,268</u></u>	<u><u>\$ 40,413</u></u>

Professional Development and Technology Grants	Special Education Grants	Vocational Education	State Vocational Education	Other State Projects	Food Service
\$ 60	\$ 56,907	\$ 31,481	\$ 1,493	\$ 161	\$ 66,822 5,001 9,406
					17,285
<u>\$ 60</u>	<u>\$ 56,907</u>	<u>\$ 31,481</u>	<u>\$ 1,493</u>	<u>\$ 161</u>	<u>\$ 98,514</u>
\$ 60	\$ 56,907	\$ 514	\$ 639	\$ 161	\$ 96
60	56,907	30,967	854	161	
<u>60</u>	<u>56,907</u>	<u>31,481</u>	<u>1,493</u>	<u>161</u>	<u>96</u>
					17,285
					81,133
					<u>98,418</u>
<u>\$ 60</u>	<u>\$ 56,907</u>	<u>\$ 31,481</u>	<u>\$ 1,493</u>	<u>\$ 161</u>	<u>\$ 98,514</u>

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MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2017

	<u>Civic Center</u>	<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>
<u>ASSETS</u>			
Cash and investments	\$ 22,899	\$ 38,587	\$ 3,135
Deposits			
Due from governmental entities			
Due from other funds			165,150
Inventory			
Total assets	<u><u>\$ 22,899</u></u>	<u><u>\$ 38,587</u></u>	<u><u>\$ 168,285</u></u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 558	\$	\$ 1,202
Due to other funds			
Unearned revenues			
Total liabilities	<u>558</u>		<u>1,202</u>
Fund balances:			
Nonspendable			
Restricted	22,341	38,587	167,083
Total fund balances	<u>22,341</u>	<u>38,587</u>	<u>167,083</u>
Total liabilities and fund balances	<u><u>\$ 22,899</u></u>	<u><u>\$ 38,587</u></u>	<u><u>\$ 168,285</u></u>

<u>Gifts and Donations</u>	<u>Textbooks</u>	<u>Joint Technical Education</u>	<u>Totals</u>
\$ 118,106	\$ 691	\$ 2,160	\$ 387,491
			5,001
			66,313
41,812			206,962
			17,285
<u>\$ 159,918</u>	<u>\$ 691</u>	<u>\$ 2,160</u>	<u>\$ 683,052</u>
\$ 2,500	\$	\$ 38	\$ 46,058
			56,907
			32,149
<u>2,500</u>		<u>38</u>	<u>135,114</u>
157,418	691	2,122	17,285
<u>157,418</u>	<u>691</u>	<u>2,122</u>	<u>530,653</u>
			547,938
<u>\$ 159,918</u>	<u>\$ 691</u>	<u>\$ 2,160</u>	<u>\$ 683,052</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, 2017

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>Title I Grants</u>
Revenues:			
Other local	\$ 409	\$ 235	\$
State aid and grants	531,930	51,400	
Federal aid, grants and reimbursements			194,553
Total revenues	<u>532,339</u>	<u>51,635</u>	<u>194,553</u>
Expenditures:			
Current -			
Instruction	579,937	12,505	78,221
Support services - students and staff		56,206	63,303
Support services - administration			39,934
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>579,937</u>	<u>68,711</u>	<u>181,458</u>
Excess (deficiency) of revenues over expenditures	<u>(47,598)</u>	<u>(17,076)</u>	<u>13,095</u>
Other financing sources (uses):			
Transfers out			(13,095)
Total other financing sources (uses):			<u>(13,095)</u>
Changes in fund balances	<u>(47,598)</u>	<u>(17,076)</u>	
Fund balances, beginning of year	69,813	56,139	
Increase (decrease) in reserve for inventory			
Fund balances, end of year	<u>\$ 22,215</u>	<u>\$ 39,063</u>	<u>\$</u>

Professional Development and Technology Grants	Special Education Grants	Vocational Education	State Vocational Education	Food Service	Civic Center
\$	\$	\$	\$	\$ 57,990	\$ 24,906
			35,370		
37,796	207,407	66,563		228,951	
37,796	207,407	66,563	35,370	286,941	24,906
	127,618	50,896	29,074		2,299
37,796	56,549	11,412	1,775		2,471
					6,499
				283,245	
	9,287	4,255	4,521		6,367
37,796	193,454	66,563	35,370	283,245	17,636
	13,953			3,696	7,270
	(13,953)				
	(13,953)				
				3,696	7,270
				94,005	15,071
				717	
\$	\$	\$	\$	\$ 98,418	\$ 22,341

(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, 2017

	Community School	Extracurricular Activities Fees Tax Credit	Gifts and Donations
Revenues:			
Other local	\$ 74,265	\$ 101,632	\$ 26,007
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>74,265</u>	<u>101,632</u>	<u>26,007</u>
Expenditures:			
Current -			
Instruction	50,508	83,786	11,545
Support services - students and staff		37	3,800
Support services - administration		1,080	177
Operation and maintenance of plant services			2,365
Student transportation services			
Operation of non-instructional services			
Capital outlay	1,977		15,771
Total expenditures	<u>52,485</u>	<u>84,903</u>	<u>33,658</u>
Excess (deficiency) of revenues over expenditures	<u>21,780</u>	<u>16,729</u>	<u>(7,651)</u>
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>21,780</u>	<u>16,729</u>	<u>(7,651)</u>
Fund balances, beginning of year	16,807	150,354	165,069
Increase (decrease) in reserve for inventory			
Fund balances, end of year	<u>\$ 38,587</u>	<u>\$ 167,083</u>	<u>\$ 157,418</u>

Textbooks	Joint Technical Education	Totals
\$ 3	\$ 300,052	\$ 585,499
		618,700
		735,270
<u>3</u>	<u>300,052</u>	<u>1,939,469</u>
	275,837	1,302,226
	1,798	235,147
		47,690
		2,365
	120	120
		283,245
	28,261	70,439
	<u>306,016</u>	<u>1,941,232</u>
<u>3</u>	<u>(5,964)</u>	<u>(1,763)</u>
		(27,048)
		<u>(27,048)</u>
<u>3</u>	<u>(5,964)</u>	<u>(28,811)</u>
688	8,086	576,032
		717
<u>\$ 691</u>	<u>\$ 2,122</u>	<u>\$ 547,938</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, 2017

	Classroom Site		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 409	\$ 409
State aid and grants		531,930	531,930
Federal aid, grants and reimbursements			
Total revenues		<u>532,339</u>	<u>532,339</u>
Expenditures:			
Current -			
Instruction	620,875	579,937	40,938
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>620,875</u>	<u>579,937</u>	<u>40,938</u>
Excess (deficiency) of revenues over expenditures	<u>(620,875)</u>	<u>(47,598)</u>	<u>573,277</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(620,875)</u>	<u>(47,598)</u>	<u>573,277</u>
Fund balances, beginning of year		69,813	69,813
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (620,875)</u>	<u>\$ 22,215</u>	<u>\$ 643,090</u>

Instructional Improvement			Student Success		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 235 51,400	\$ 235 51,400	\$	\$	\$
	51,635	51,635			
174,000	12,505 56,206	(12,505) 117,794			
174,000	68,711	105,289	19,186 19,186	15,332 15,332	3,854 3,854
(174,000)	(17,076)	156,924	(19,186)	(15,332)	3,854
(174,000)	(17,076)	156,924	(19,186)	(15,332)	3,854
	56,139	56,139		19,186	19,186
\$ (174,000)	\$ 39,063	\$ 213,063	\$ (19,186)	\$ 3,854	\$ 23,040

(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, 2017

	Title I Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		194,553	194,553
Total revenues		<u>194,553</u>	<u>194,553</u>
Expenditures:			
Current -			
Instruction	240,335	78,221	162,114
Support services - students and staff		63,303	(63,303)
Support services - administration		39,934	(39,934)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>240,335</u>	<u>181,458</u>	<u>58,877</u>
Excess (deficiency) of revenues over expenditures	<u>(240,335)</u>	<u>13,095</u>	<u>253,430</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(13,095)	(13,095)
Total other financing sources (uses):		<u>(13,095)</u>	<u>(13,095)</u>
Changes in fund balances	<u>(240,335)</u>		<u>240,335</u>
Fund balances, beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (240,335)</u>	<u>\$</u>	<u>\$ 240,335</u>

Professional Development and Technology Grants			Special Education Grants		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$	\$	\$	\$	\$
	37,796	37,796		207,407	207,407
	<u>37,796</u>	<u>37,796</u>		<u>207,407</u>	<u>207,407</u>
56,512	37,796	18,716	218,054	127,618 56,549	90,436 (56,549)
<u>56,512</u>	<u>37,796</u>	<u>18,716</u>	<u>218,054</u>	<u>9,287</u> <u>193,454</u>	<u>(9,287)</u> <u>24,600</u>
<u>(56,512)</u>		<u>56,512</u>	<u>(218,054)</u>	<u>13,953</u>	<u>232,007</u>
				<u>(13,953)</u>	<u>(13,953)</u>
				<u>(13,953)</u>	<u>(13,953)</u>
<u>(56,512)</u>		<u>56,512</u>	<u>(218,054)</u>		<u>218,054</u>
<u>\$ (56,512)</u>	<u>\$</u>	<u>\$ 56,512</u>	<u>\$ (218,054)</u>	<u>\$</u>	<u>\$ 218,054</u>

(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, 2017

	Vocational Education		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		66,563	66,563
Total revenues		<u>66,563</u>	<u>66,563</u>
Expenditures:			
Current -			
Instruction	74,690	50,896	23,794
Support services - students and staff		11,412	(11,412)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		4,255	(4,255)
Total expenditures	<u>74,690</u>	<u>66,563</u>	<u>8,127</u>
Excess (deficiency) of revenues over expenditures	<u>(74,690)</u>		<u>74,690</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(74,690)</u>		<u>74,690</u>
Fund balances, beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (74,690)</u>	<u>\$</u>	<u>\$ 74,690</u>

Medicaid Reimbursement			National Forest Fees		
<u>Budget</u>	<u>Non-GAAP Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Non-GAAP Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$ 2	\$ 2	\$	\$	\$
				98,380	98,380
	2	2		98,380	98,380
				41,243	(41,243)
			113,384	48,757	64,627
				5,483	(5,483)
			113,384	95,483	17,901
	2	2	(113,384)	2,897	116,281
	2	2	(113,384)	2,897	116,281
	558	558		35,185	35,185
\$	\$ 560	\$ 560	\$ (113,384)	\$ 38,082	\$ 151,466

(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, 2017

	E-Rate		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 25	\$ 25
State aid and grants			
Federal aid, grants and reimbursements		98,142	98,142
Total revenues		<u>98,167</u>	<u>98,167</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff		7,212	(7,212)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	171,200	86,730	84,470
Total expenditures	<u>171,200</u>	<u>93,942</u>	<u>77,258</u>
Excess (deficiency) of revenues over expenditures	<u>(171,200)</u>	<u>4,225</u>	<u>175,425</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(171,200)</u>	<u>4,225</u>	<u>175,425</u>
Fund balances, beginning of year		210	210
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (171,200)</u>	<u>\$ 4,435</u>	<u>\$ 175,635</u>

Other Federal Projects			State Vocational Education		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	185,631	185,631		35,370	35,370
	185,631	185,631		35,370	35,370
220,434	13,166	(13,166)	26,283	29,074	(2,791)
	160,338	60,096		1,775	(1,775)
	12,127	(12,127)		4,521	(4,521)
220,434	185,631	34,803	26,283	35,370	(9,087)
(220,434)		220,434	(26,283)		26,283
(220,434)		220,434	(26,283)		26,283
\$ (220,434)	\$	\$ 220,434	\$ (26,283)	\$	\$ 26,283

(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, 2017

	Food Service		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 57,990	\$ 57,990
State aid and grants			
Federal aid, grants and reimbursements		228,951	228,951
Total revenues		<u>286,941</u>	<u>286,941</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	283,245	(23,245)
Capital outlay			
Total expenditures	<u>260,000</u>	<u>283,245</u>	<u>(23,245)</u>
Excess (deficiency) of revenues over expenditures	<u>(260,000)</u>	<u>3,696</u>	<u>263,696</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(260,000)</u>	<u>3,696</u>	<u>263,696</u>
Fund balances, beginning of year		94,005	94,005
Increase (decrease) in reserve for inventory		717	717
Fund balances (deficits), end of year	<u>\$ (260,000)</u>	<u>\$ 98,418</u>	<u>\$ 358,418</u>

Civic Center			Community School		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 24,906	\$ 24,906	\$	\$ 74,265	\$ 74,265
	24,906	24,906		74,265	74,265
	2,299	(2,299)	60,000	50,508	9,492
	2,471	(2,471)			
150,000	6,499	143,501			
	6,367	(6,367)		1,977	(1,977)
150,000	17,636	132,364	60,000	52,485	7,515
(150,000)	7,270	157,270	(60,000)	21,780	81,780
(150,000)	7,270	157,270	(60,000)	21,780	81,780
	15,071	15,071		16,807	16,807
\$ (150,000)	\$ 22,341	\$ 172,341	\$ (60,000)	\$ 38,587	\$ 98,587

(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, 2017

	Auxiliary Operations		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 219,596	\$ 219,596
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>219,596</u>	<u>219,596</u>
Expenditures:			
Current -			
Instruction	275,000	110,277	164,723
Support services - students and staff		20,739	(20,739)
Support services - administration		39,733	(39,733)
Operation and maintenance of plant services		12,685	(12,685)
Student transportation services		68	(68)
Operation of non-instructional services			
Capital outlay		18,247	(18,247)
Total expenditures	<u>275,000</u>	<u>201,749</u>	<u>73,251</u>
Excess (deficiency) of revenues over expenditures	<u>(275,000)</u>	<u>17,847</u>	<u>292,847</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(275,000)</u>	<u>17,847</u>	<u>292,847</u>
Fund balances, beginning of year		169,838	169,838
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (275,000)</u>	<u>\$ 187,685</u>	<u>\$ 462,685</u>

Extracurricular Activities Fees Tax Credit			Gifts and Donations		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 101,632	\$ 101,632	\$	\$ 26,007	\$ 26,007
	101,632	101,632		26,007	26,007
150,000	83,786	66,214		11,545	(11,545)
	37	(37)		3,800	(3,800)
	1,080	(1,080)		177	(177)
				2,365	(2,365)
			180,000	15,771	164,229
150,000	84,903	65,097	180,000	33,658	146,342
(150,000)	16,729	166,729	(180,000)	(7,651)	172,349
(150,000)	16,729	166,729	(180,000)	(7,651)	172,349
	150,354	150,354		165,069	165,069
\$ (150,000)	\$ 167,083	\$ 317,083	\$ (180,000)	\$ 157,418	\$ 337,418

(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, 2017

	Insurance Proceeds		
	<u>Budget</u>	<u>Non-GAAP Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues:			
Other local	\$	\$ 8,186	\$ 8,186
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>8,186</u>	<u>8,186</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services	10,000	4,933	5,067
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>10,000</u>	<u>4,933</u>	<u>5,067</u>
Excess (deficiency) of revenues over expenditures	<u>(10,000)</u>	<u>3,253</u>	<u>13,253</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(10,000)</u>	<u>3,253</u>	<u>13,253</u>
Fund balances, beginning of year		837	837
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (10,000)</u>	<u>\$ 4,090</u>	<u>\$ 14,090</u>

Textbooks			Litigation Recovery		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 3	\$ 3	\$	\$ 296	\$ 296
	3	3		296	296
	3	3		296	296
	3	3		296	296
	688	688			
\$	\$ 691	\$ 691	\$	\$ 296	\$ 296

(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, 2017

	Indirect Costs		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues			
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration		27,048	(27,048)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures		27,048	(27,048)
Excess (deficiency) of revenues over expenditures		(27,048)	(27,048)
Other financing sources (uses):			
Transfers in		27,048	27,048
Transfers out			
Total other financing sources (uses):		27,048	27,048
Changes in fund balances			
Fund balances, beginning of year		4	4
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$	\$ 4	\$ 4

Joint Technical Education			Totals		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 300,052	\$ 300,052	\$	\$ 813,308	\$ 813,308
				618,996	618,996
				1,117,423	1,117,423
	300,052	300,052		2,549,727	2,549,727
341,000	275,837	65,163	2,006,237	1,466,912	539,325
	1,798	(1,798)	564,330	472,193	92,137
			150,000	114,471	35,529
				15,050	(15,050)
	120	(120)	10,000	5,121	4,879
			260,000	283,245	(23,245)
	28,261	(28,261)	370,386	208,358	162,028
341,000	306,016	34,984	3,360,953	2,565,350	795,603
(341,000)	(5,964)	335,036	(3,360,953)	(15,623)	3,345,330
				27,048	27,048
				(27,048)	(27,048)
(341,000)	(5,964)	335,036	(3,360,953)	(15,623)	3,345,330
	8,086	8,086		801,850	801,850
				717	717
\$ (341,000)	\$ 2,122	\$ 343,122	\$ (3,360,953)	\$ 786,944	\$ 4,147,897

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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, 2017

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Original & Final</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:			
Other local	\$	\$ 59,958	\$ 59,958
Property taxes		1,775,088	1,775,088
Total revenues		<u>1,835,046</u>	<u>1,835,046</u>
Expenditures:			
Debt service -			
Principal retirement	1,290,000	1,290,000	
Interest and fiscal charges	487,826	459,275	28,551
Total expenditures	<u>1,777,826</u>	<u>1,749,275</u>	<u>28,551</u>
Excess (deficiency) of revenues over expenditures	<u>(1,777,826)</u>	<u>85,771</u>	<u>1,863,597</u>
Other financing sources (uses):			
Transfers in		15,273	15,273
Total other financing sources (uses):		<u>15,273</u>	<u>15,273</u>
Changes in fund balances	<u>(1,777,826)</u>	<u>101,044</u>	<u>1,878,870</u>
Fund balances, beginning of year		343,945	343,945
Fund balances (deficits), end of year	<u>\$ (1,777,826)</u>	<u>\$ 444,989</u>	<u>\$ 2,222,815</u>

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.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2017

	Unrestricted Capital Outlay	Adjacent Ways	Totals
<u>ASSETS</u>			
Cash and investments	\$	\$ 362	\$ 362
Property taxes receivable	2,814		2,814
Due from governmental entities	9,281		9,281
Total assets	<u>\$ 12,095</u>	<u>\$ 362</u>	<u>\$ 12,457</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 86	\$	\$ 86
Due to other funds	67,783		67,783
Total liabilities	<u>67,869</u>		<u>67,869</u>
Deferred inflows of resources:			
Unavailable revenues - property taxes	2,329		2,329
Fund balances (deficits):			
Restricted		362	362
Unassigned	(58,103)		(58,103)
Total fund balances	<u>(58,103)</u>	<u>362</u>	<u>(57,741)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 12,095</u>	<u>\$ 362</u>	<u>\$ 12,457</u>

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, 2017

	Unrestricted Capital Outlay	Adjacent Ways	Totals
Revenues:			
Other local	\$ 6,914	\$ 95	\$ 7,009
Property taxes	97,401		97,401
State aid and grants	28,196		28,196
Total revenues	<u>132,511</u>	<u>95</u>	<u>132,606</u>
Expenditures:			
Capital outlay	114,468		114,468
Debt service -			
Principal retirement	61,893		61,893
Interest and fiscal charges	16,529		16,529
Total expenditures	<u>192,890</u>		<u>192,890</u>
Changes in fund balances	<u>(60,379)</u>	<u>95</u>	<u>(60,284)</u>
Fund balances, beginning of year	2,276	267	2,543
Fund balances (deficits), end of year	<u><u>\$ (58,103)</u></u>	<u><u>\$ 362</u></u>	<u><u>\$ (57,741)</u></u>

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2017

	Unrestricted Capital Outlay		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 6,914	\$ 6,914
Property taxes		97,401	97,401
State aid and grants		28,196	28,196
Total revenues		<u>132,511</u>	<u>132,511</u>
Expenditures:			
Capital outlay	114,468	114,468	
Debt service -			
Principal retirement	61,893	61,893	
Interest and fiscal charges	16,529	16,529	
Total expenditures	<u>192,890</u>	<u>192,890</u>	
Excess (deficiency) of revenues over expenditures	<u>(192,890)</u>	<u>(60,379)</u>	<u>132,511</u>
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(192,890)</u>	<u>(60,379)</u>	<u>132,511</u>
Fund balances, beginning of year		2,276	2,276
Fund balances (deficits), end of year	<u>\$ (192,890)</u>	<u>\$ (58,103)</u>	<u>\$ 134,787</u>

Adjacent Ways			Bond Building		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$ 95	\$ 95	\$	\$ 15,275	\$ 15,275
	95	95		15,275	15,275
			5,185,423	4,162,202	1,023,221
			5,185,423	4,162,202	1,023,221
	95	95	(5,185,423)	(4,146,927)	1,038,496
				(15,273)	(15,273)
				(15,273)	(15,273)
	95	95	(5,185,423)	(4,162,200)	1,023,223
	267	267		5,202,823	5,202,823
<u>\$</u>	<u>\$ 362</u>	<u>\$ 362</u>	<u>\$ (5,185,423)</u>	<u>\$ 1,040,623</u>	<u>\$ 6,226,046</u>

(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, 2017

	Totals		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 22,284	\$ 22,284
Property taxes		97,401	97,401
State aid and grants		28,196	28,196
Total revenues		<u>147,881</u>	<u>147,881</u>
Expenditures:			
Capital outlay	5,299,891	4,276,670	1,023,221
Debt service -			
Principal retirement	61,893	61,893	
Interest and fiscal charges	16,529	16,529	
Total expenditures	<u>5,378,313</u>	<u>4,355,092</u>	<u>1,023,221</u>
Excess (deficiency) of revenues over expenditures	<u>(5,378,313)</u>	<u>(4,207,211)</u>	<u>1,171,102</u>
Other financing sources (uses):			
Transfers out		(15,273)	(15,273)
Total other financing sources (uses):		<u>(15,273)</u>	<u>(15,273)</u>
Changes in fund balances	<u>(5,378,313)</u>	<u>(4,222,484)</u>	<u>1,155,829</u>
Fund balances, beginning of year		5,205,366	5,205,366
Fund balances (deficits), end of year	<u>\$ (5,378,313)</u>	<u>\$ 982,882</u>	<u>\$ 6,361,195</u>

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, 2017

	Student Activities	Totals
<u>ASSETS</u>		
Cash and investments	\$ 108,211	\$ 108,211
Total assets	<u>\$ 108,211</u>	<u>\$ 108,211</u>
<u>LIABILITIES</u>		
Due to student groups	\$ 108,211	\$ 108,211
Total liabilities	<u>\$ 108,211</u>	<u>\$ 108,211</u>

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING STATEMENT OF CHANGES IN AGENCY FUNDS ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2017

	<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>87,658</u>	\$ <u>246,703</u>	\$ <u>226,150</u>	\$ <u>108,211</u>
Total assets	\$ <u><u>87,658</u></u>	\$ <u><u>246,703</u></u>	\$ <u><u>226,150</u></u>	\$ <u><u>108,211</u></u>
	<u>Liabilities</u>			
Due to student groups	\$ <u>87,658</u>	\$ <u>246,703</u>	\$ <u>226,150</u>	\$ <u>108,211</u>
Total liabilities	\$ <u><u>87,658</u></u>	\$ <u><u>246,703</u></u>	\$ <u><u>226,150</u></u>	\$ <u><u>108,211</u></u>
<u>TOTAL AGENCY FUNDS</u>				
	<u>Assets</u>			
Cash and investments	\$ <u>87,658</u>	\$ <u>246,703</u>	\$ <u>226,150</u>	\$ <u>108,211</u>
Total assets	\$ <u><u>87,658</u></u>	\$ <u><u>246,703</u></u>	\$ <u><u>226,150</u></u>	\$ <u><u>108,211</u></u>
	<u>Liabilities</u>			
Due to student groups	\$ <u>87,658</u>	\$ <u>246,703</u>	\$ <u>226,150</u>	\$ <u>108,211</u>
Total liabilities	\$ <u><u>87,658</u></u>	\$ <u><u>246,703</u></u>	\$ <u><u>226,150</u></u>	\$ <u><u>108,211</u></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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Net Position:					
Net investment in capital assets	\$ 7,341,629	\$ 7,568,089	\$ 8,034,624	\$ 7,831,636	\$ 6,673,901
Restricted	1,012,197	929,197	955,774	1,092,999	919,164
Unrestricted	(7,394,139)	(7,442,712)	(8,298,569)	90,720	1,289,754
Total net position	<u>\$ 959,687</u>	<u>\$ 1,054,574</u>	<u>\$ 691,829</u>	<u>\$ 9,015,355</u>	<u>\$ 8,882,819</u>
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Net Position:					
Net investment in capital assets	\$ 6,806,320	\$ 7,038,083	\$ 7,236,007	\$ 7,223,915	\$ 7,345,596
Restricted	909,890	1,250,947	215,126	236,941	877,692
Unrestricted	1,593,750	836,423	2,078,999	1,674,412	2,174,140
Total net position	<u>\$ 9,309,960</u>	<u>\$ 9,125,453</u>	<u>\$ 9,530,132</u>	<u>\$ 9,135,268</u>	<u>\$ 10,397,428</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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Expenses					
Instruction	\$ 6,200,112	\$ 6,207,095	\$ 6,175,079	\$ 6,298,053	\$ 6,228,888
Support services - students and staff	1,251,220	1,109,343	879,951	911,705	921,964
Support services - administration	1,075,649	1,080,176	1,106,886	975,514	1,027,421
Operation and maintenance of plant services	1,191,268	1,159,841	1,183,394	1,352,930	1,241,853
Student transportation services	648,447	467,563	547,211	546,961	477,579
Operation of non-instructional services	301,875	248,748	294,445	263,530	247,576
Interest on long-term debt	423,770	386,606	462,745	484,526	531,831
Total expenses	<u>11,092,341</u>	<u>10,659,372</u>	<u>10,649,711</u>	<u>10,833,219</u>	<u>10,677,112</u>
Program Revenues					
Charges for services:					
Instruction	713,643	659,715	739,716	678,429	704,247
Operation of non-instructional services	24,839	56,005	53,763	139,175	258,254
Other activities	57,795	25,746		187,279	26,528
Operating grants and contributions	1,064,492	1,001,548	790,522	757,474	879,229
Capital grants and contributions	211,236	112,479	212,059	185,716	15,558
Total program revenues	<u>2,072,005</u>	<u>1,855,493</u>	<u>1,796,060</u>	<u>1,948,073</u>	<u>1,883,816</u>
Net (Expense)/Revenue	<u>\$ (9,020,336)</u>	<u>\$ (8,803,879)</u>	<u>\$ (8,853,651)</u>	<u>\$ (8,885,146)</u>	<u>\$ (8,793,296)</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>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Expenses					
Instruction	\$ 6,076,499	\$ 6,183,691	\$ 5,796,510	\$ 5,853,376	\$ 5,548,417
Support services - students and staff	1,000,364	1,037,969	1,142,576	1,024,007	1,060,641
Support services - administration	951,457	1,009,016	1,159,556	1,084,389	1,067,256
Operation and maintenance of plant services	1,384,855	1,424,800	1,576,004	1,426,163	1,631,585
Student transportation services	460,947	485,809	438,281	480,248	497,959
Operation of non-instructional services	260,682	344,635	5,649	342,783	326,627
Interest on long-term debt	589,747	588,794	621,159	642,970	890,696
Total expenses	<u>10,724,551</u>	<u>11,074,714</u>	<u>10,739,735</u>	<u>10,853,936</u>	<u>11,023,181</u>
Program Revenues					
Charges for services:					
Instruction	859,999	885,183	959,304	617,830	774,279
Operation of non-instructional services	308,818	499,035	340,174	360,107	373,212
Other activities	33,156	24,174	70,580	40,410	25,417
Operating grants and contributions	734,069	882,063	763,523	637,710	644,483
Capital grants and contributions	72,940	87,028	129,165	39,306	150,125
Total program revenues	<u>2,008,982</u>	<u>2,377,483</u>	<u>2,262,746</u>	<u>1,695,363</u>	<u>1,967,516</u>
Net (Expense)/Revenue	<u>\$ (8,715,569)</u>	<u>\$ (8,697,231)</u>	<u>\$ (8,476,989)</u>	<u>\$ (9,158,573)</u>	<u>\$ (9,055,665)</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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Net (Expense)/Revenue	\$ (9,020,336)	\$ (8,803,879)	\$ (8,853,651)	\$ (8,885,146)	\$ (8,793,296)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	4,739,360	5,039,403	4,678,910	4,982,996	4,999,887
Property taxes, levied for debt service	1,788,306	1,479,456	1,346,504	1,419,453	1,596,830
Property taxes, levied for capital outlay	58,095	18	280,908	152,024	143,154
Investment income	21,085	13,750	5,170	7,043	3,691
Unrestricted county aid	166,823	149,989	207,436	237,416	92,396
Unrestricted state aid	2,053,400	2,315,564	2,184,726	1,971,124	1,549,260
Unrestricted federal aid	98,380	168,444	108,971	247,626	137,925
Total general revenues	<u>8,925,449</u>	<u>9,166,624</u>	<u>8,812,625</u>	<u>9,017,682</u>	<u>8,523,143</u>
Changes in Net Position	<u>\$ (94,887)</u>	<u>\$ 362,745</u>	<u>\$ (41,026)</u>	<u>\$ 132,536</u>	<u>\$ (270,153)</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>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Net (Expense)/Revenue	\$ (8,715,569)	\$ (8,697,231)	\$ (8,476,989)	\$ (9,158,573)	\$ (9,055,665)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	5,688,430	4,693,051	5,203,686	4,659,345	4,174,015
Property taxes, levied for debt service	1,434,816	1,218,873	1,207,463	662,570	1,111,940
Property taxes, levied for capital outlay	156,808	418,765	284,571	189,646	314,079
Investment income	2,896	3,807	3,439	106,415	517,369
Unrestricted county aid	22,846	98,746	107,964		
Unrestricted state aid	1,481,943	1,451,618	1,844,455	2,278,437	3,350,008
Unrestricted federal aid	112,337	407,692	220,275		
Total general revenues	<u>8,900,076</u>	<u>8,292,552</u>	<u>8,871,853</u>	<u>7,896,413</u>	<u>9,467,411</u>
Changes in Net Position	<u>\$ 184,507</u>	<u>\$ (404,679)</u>	<u>\$ 394,864</u>	<u>\$ (1,262,160)</u>	<u>\$ 411,746</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 2007-08 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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Fund:					
Nonspendable	299,000	299,000			
Restricted	4,090	837	834		
Unassigned	266,125	450,923	120,937	24,670	261,525
Total General Fund	<u>\$ 569,215</u>	<u>\$ 750,760</u>	<u>\$ 121,771</u>	<u>\$ 24,670</u>	<u>\$ 261,525</u>
All Other Governmental Funds:					
Nonspendable	17,285	16,568			
Restricted	2,016,627	6,108,775	937,592	1,028,179	881,304
Assigned					
Unassigned	(58,103)			(2,238)	
Total all other governmental funds	<u>\$ 1,975,809</u>	<u>\$ 6,125,343</u>	<u>\$ 937,592</u>	<u>\$ 1,025,941</u>	<u>\$ 881,304</u>

(Continued)

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General Fund:					
Reserved			427,769	436,507	430,600
Unassigned	421,297	(18,156)			
Unreserved			159,679	(300,843)	182,625
Total General Fund	<u>\$ 421,297</u>	<u>\$ (18,156)</u>	<u>\$ 587,448</u>	<u>\$ 135,664</u>	<u>\$ 613,225</u>
All Other Governmental Funds:					
Restricted,	837,017	959,458			
Assigned,		115,200			
Reserved,				3,954	4,715
Unreserved, reported in:					
Special revenue funds,			640,763	772,317	1,342,620
Capital projects funds,			362,149	1,044,935	7,527,715
Debt service fund,			167,117	126,446	515,937
Total all other governmental funds	<u>\$ 837,017</u>	<u>\$ 1,074,658</u>	<u>\$ 1,170,029</u>	<u>\$ 1,947,652</u>	<u>\$ 9,390,987</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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Federal sources:					
Federal grants	\$ 898,912	\$ 805,669	\$ 773,982	\$ 871,744	\$ 724,502
National School Lunch Program	218,511	223,798	183,593	194,556	188,086
Total federal sources	<u>1,117,423</u>	<u>1,029,467</u>	<u>957,575</u>	<u>1,066,300</u>	<u>912,588</u>
State sources:					
State equalization assistance	1,470,070	1,731,315	1,614,818	1,406,942	1,116,447
State grants	35,370	40,087	47,562	38,483	152,542
School Facilities Board		22,459	55,683	52,314	
Other revenues	583,330	584,249	569,908	564,182	432,813
Total state sources	<u>2,088,770</u>	<u>2,378,110</u>	<u>2,287,971</u>	<u>2,061,921</u>	<u>1,701,802</u>
Local sources:					
Property taxes	6,605,810	6,495,021	6,359,907	6,513,800	6,938,470
County aid	166,823	149,989	207,436	237,416	92,396
Food service sales	57,795	56,005	53,763	59,666	49,142
Investment income	21,085	13,750	5,170	7,043	3,691
Other revenues	1,018,569	858,430	800,021	945,217	939,887
Total local sources	<u>7,870,082</u>	<u>7,573,195</u>	<u>7,426,297</u>	<u>7,763,142</u>	<u>8,023,586</u>
Total revenues	<u><u>\$ 11,076,275</u></u>	<u><u>\$ 10,980,772</u></u>	<u><u>\$ 10,671,843</u></u>	<u><u>\$ 10,891,363</u></u>	<u><u>\$ 10,637,976</u></u>

(Continued)

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Federal sources:					
Federal grants	\$ 604,078	\$ 837,370	\$ 800,992	\$ 537,044	\$ 678,776
State Fiscal Stabilization (ARRA)		18,687	220,275		
Education Jobs	3,587	233,733			
National School Lunch Program	180,163	190,864			
Total federal sources	<u>787,828</u>	<u>1,280,654</u>	<u>1,021,267</u>	<u>537,044</u>	<u>678,776</u>
State sources:					
State equalization assistance	1,037,433	1,091,984	1,545,916	1,686,380	2,338,969
State grants	99,100	96,129	91,696	139,972	121,605
School Facilities Board					76,187
Other revenues	444,510	414,911	400,552	499,444	870,175
Total state sources	<u>1,581,043</u>	<u>1,603,024</u>	<u>2,038,164</u>	<u>2,325,796</u>	<u>3,406,936</u>
Local sources:					
Property taxes	7,282,932	6,223,836	6,622,598	5,464,152	5,565,210
County aid	22,846	98,746	107,964		
Food service sales					
Investment income			5,194	106,415	517,369
Other revenues	1,204,869	1,412,199	1,368,303	1,018,347	1,172,908
Total local sources	<u>8,510,647</u>	<u>7,734,781</u>	<u>8,104,059</u>	<u>6,588,914</u>	<u>7,255,487</u>
Total revenues	<u><u>\$ 10,879,518</u></u>	<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>

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 2007-08 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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Expenditures:					
Current -					
Instruction	\$ 5,258,347	\$ 5,324,997	\$ 5,107,753	\$ 5,346,978	\$ 5,357,943
Support services - students and staff	1,207,306	1,093,525	820,633	904,076	902,946
Support services - administration	1,047,420	1,070,328	1,071,544	962,551	1,008,244
Operation and maintenance of plant services	879,497	898,568	909,597	1,031,032	1,021,987
Student transportation services	411,531	388,452	441,391	460,392	419,535
Operation of non-instructional services	291,245	253,282	281,123	250,787	238,667
Capital outlay	4,485,028	505,067	457,213	1,878,279	122,338
Debt service -					
Interest and fiscal charges	475,804	402,307	478,444	500,225	547,530
Principal retirement	1,351,893	1,658,740	1,198,853	1,336,706	1,134,271
Bond issuance costs		321,540			
Total expenditures	<u>\$ 15,408,071</u>	<u>\$ 11,916,806</u>	<u>\$ 10,766,551</u>	<u>\$ 12,671,026</u>	<u>\$ 10,753,461</u>
Expenditures for capitalized assets	\$ 4,015,634	\$ 248,940	\$ 145,252	\$ 1,666,126	\$ 35,394
Debt service as a percentage of noncapital expenditures	16%	18%	16%	17%	16%

(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>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Expenditures:					
Current -					
Instruction	\$ 5,156,757	\$ 4,652,971	\$ 4,914,438	\$ 5,417,738	\$ 5,398,795
Support services - students and staff	974,795	974,642	1,131,130	952,602	1,049,203
Support services - administration	943,573	958,257	1,155,775	1,006,742	1,049,829
Operation and maintenance of plant services	1,119,813	1,138,209	1,345,131	1,137,566	1,352,779
Student transportation services	395,548	390,064	387,894	386,357	433,713
Operation of non-instructional services	252,558	332,665	1,019	339,914	330,505
Capital outlay	187,835	1,679,120	1,191,926	6,841,468	6,509,330
Debt service -					
Interest and fiscal charges	589,747	588,794	621,159		890,696
Principal retirement	1,057,080	894,238	787,191	582,048	236,094
Bond issuance costs				642,970	
Total expenditures	<u>\$ 10,677,706</u>	<u>\$ 11,608,960</u>	<u>\$ 11,535,663</u>	<u>\$ 17,307,405</u>	<u>\$ 17,250,944</u>
Expenditures for capitalized assets	\$ 48,066	\$ 1,243,774	\$ 1,298,543	\$ 6,286,544	\$ 6,114,459
Debt service as a percentage of noncapital expenditures	15%	14%	14%	11%	10%

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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Excess (deficiency) of revenues over expenditures	\$ (4,331,796)	\$ (936,034)	\$ (94,708)	\$ (1,779,663)	\$ (115,485)
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	42,321	280,151	37,615	103,614	10,926
Transfers out	(42,321)	(280,151)	(37,615)	(103,614)	(10,926)
Payment to refunded bond escrow agent		(7,140,629)			
Total other financing sources (uses)		<u>6,437,206</u>		<u>1,687,445</u>	
Changes in fund balances	<u>\$ (4,331,796)</u>	<u>\$ 5,501,172</u>	<u>\$ (94,708)</u>	<u>\$ (92,218)</u>	<u>\$ (115,485)</u>
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Excess (deficiency) of revenues over expenditures	\$ 201,812	\$ (990,501)	\$ (372,173)	\$ (7,855,651)	\$ (5,909,745)
Other financing sources (uses):					
General obligation bonds issued					
Premium on sale of bonds					
Capital lease agreements		717,295	59,026		90,568
Transfers in	10,238	1,907	17,353	86,422	451,637
Transfers out	(10,238)	(1,907)	(17,353)	(86,422)	(451,637)
Payment to refunded bond escrow agent					
Total other financing sources (uses)		<u>717,295</u>	<u>59,026</u>		<u>90,568</u>
Changes in fund balances	<u>\$ 201,812</u>	<u>\$ (273,206)</u>	<u>\$ (313,147)</u>	<u>\$ (7,855,651)</u>	<u>\$ (5,819,177)</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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Commercial, Industrial, Utilities and Mining	77,839,751	\$ 76,080,916	\$ 82,359,105	\$ 86,381,835	\$ 98,922,311
Agricultural and Vacant	24,227,654	26,243,288	25,351,538	29,738,049	36,799,440
Residential (Owner Occupied)	122,404,265	116,314,878	110,849,430	110,922,326	122,015,019
Residential (Rental)	36,251,662	33,179,934	30,892,605	29,118,974	33,639,059
Railroad, Private Cars and Airlines	533,583	551,387	564,940	502,959	570,097
Historical Property	713,597	715,008	697,593	660,440	755,480
Certain Government Property Improvements	18,417	14,265	13,217	18,040	15,847
Total	<u>261,988,929</u>	<u>\$ 253,099,676</u>	<u>\$ 250,728,428</u>	<u>\$ 257,342,623</u>	<u>\$ 292,717,253</u>
Gross Full Cash Value	2,860,249,479	\$ 2,486,254,341	\$ 2,190,672,253	\$ 2,198,613,264	\$ 2,449,465,188
Ratio of Net Limited Assessed Value to Gross Full Cash Value	9%	10%	11%	12%	12%
Total Direct Rate	2.93	2.96	2.95	2.94	2.67

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Commercial, Industrial, Utilities and Mining	108,506,998	\$ 116,418,106	\$ 116,280,084	\$ 109,651,199	\$ 102,214,705
Agricultural and Vacant	50,735,007	54,783,005	49,483,624	43,096,641	32,953,547
Residential (Owner Occupied)	147,945,491	190,711,948	195,298,527	179,883,465	155,013,475
Residential (Rental)	28,577,423	34,426,396	33,394,786	28,526,330	24,031,939
Railroad, Private Cars and Airlines	659,003	705,213	719,623	885,094	848,585
Historical Property	846,542	1,025,040	985,293	827,708	687,553
Certain Government Property Improvements	18,388	12,477	12,291	6,365	4,244
Total	<u>337,288,852</u>	<u>\$ 398,082,185</u>	<u>\$ 396,174,228</u>	<u>\$ 362,876,802</u>	<u>\$ 362,876,802</u>
Gross Full Cash Value	2,800,777,676	\$ 3,498,652,886	\$ 3,823,259,603	\$ 3,832,289,849	\$ 2,986,339,161
Ratio of Net Limited Assessed Value to Gross Full Cash Value	12%	11%	10%	9%	12%
Total Direct Rate	2.05	1.90	1.94	1.71	1.95

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

		Fiscal Year				
Class		<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Commercial, Industrial, Utilities and Mining	\$	80,270,978	\$ 77,152,497	\$ 82,812,403	\$ 86,539,493	\$ 99,325,550
Agricultural and Vacant		28,478,221	28,159,028	25,941,985	29,896,385	38,844,903
Residential (Owner Occupied)		152,522,707	132,791,073	111,841,807	110,947,272	122,069,233
Residential (Rental)		45,114,277	37,983,260	31,325,768	29,166,639	33,715,362
Railroad, Private Cars and Airlines		536,652	552,270	565,411	503,396	571,157
Historical Property		924,295	813,268	707,493	663,793	755,488
Certain Government Property Improvements		27,324	18,514	13,303	18,737	15,847
Total	\$	307,874,454	\$ 277,469,910	\$ 253,208,170	\$ 257,735,715	\$ 295,297,540
Gross Full Cash Value		2,860,249,479	2,486,254,341	2,190,672,253	2,198,613,264	2,449,465,188
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value		11%	11%	12%	12%	12%
Estimated Net Full Cash Value		2,587,260,861	2,279,510,456	2,015,286,845	2,017,477,723	2,291,595,828
Total Direct Rate		2.93	2.96	2.95	2.94	2.67

		Fiscal Year				
Class		<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Commercial, Industrial, Utilities and Mining	\$	110,160,187	\$ 121,802,862	\$ 123,589,854	\$ 118,967,769	\$ 106,485,880
Agricultural and Vacant		56,433,010	67,370,265	72,606,963	71,455,660	45,554,222
Residential (Owner Occupied)		148,360,157	193,913,358	219,108,307	229,172,265	181,003,873
Residential (Rental)		28,912,987	35,108,897	37,543,309	35,743,473	27,879,305
Railroad, Private Cars and Airlines		667,283	719,344	737,882	901,222	860,096
Historical Property		850,828	1,087,939	1,195,408	1,141,158	835,978
Certain Government Property Improvements		18,531	12,737	12,469	6,436	4,371
Total	\$	345,402,983	\$ 420,015,402	\$ 454,794,192	\$ 457,387,983	\$ 362,623,725
Gross Full Cash Value		2,800,777,676	3,498,652,886	3,823,259,603	3,832,289,849	2,986,339,161
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value		12%	12%	12%	12%	12%
Estimated Net Full Cash Value		2,665,717,295	3,277,233,624	3,558,872,918	3,588,141,391	2,804,860,727
Total Direct Rate		2.05	1.90	1.94	1.71	1.95

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

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Commercial, Industrial, Utilities and Mining	20 %	21 %	22 %	23 %	24 %
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	17	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		Cottonwood Oak Creek	Clarksdale Jerome #3		Clarkdale Fire			
	Equalization	County	Elem	Elem	Joint Tech	District	Primary	Secondary	Total
2017	0.50	1.90	3.11	2.56	0.05	3.22	2.02	0.91	2.93
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		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

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	2017		2008	
	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	18,452,268	7.00 %		%
Arizona Public Service Company	11,930,363	5.00	12,002,845	3.31
Unisource Energy Corporation	2,339,389	1.00	2,719,678	0.75
CenturyLink	1,701,002	1.00	4,859,158	1.34
Wal-Mart Stores Inc.	1,671,887	1.00		
GRLInc.	1,189,634	-		
Salt River Pima-Maricopa Indian Commu	1,100,016	-		
Verde Valley Medical Center	986,677	-		
RCG-Cottonwood LLC	961,146	-		
HD Development of Maryland, Inc.	935,281	-		
Smith Food King Properties Inc.	467,965	-	4,061,386	1.12
Willow Creek Corner LLC			3,481,188	0.96
Ponderosa Plaza			7,542,573	2.08
Prescott Depot Marketplace			3,771,287	1.04
Sturm-Ruger			3,662,500	1.01
Albertson's			3,263,614	0.90
Allied Signal			2,973,515	0.82
Total	<u>\$ 41,735,628</u>	<u>15.00 %</u>	<u>\$ 48,337,744</u>	<u>13.33 %</u>

Source: The source of this information is the 2017 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
2017	\$ 6,526,437	\$ 6,388,004	97.88 %	\$	\$ 6,388,004	97.88 %
2016	6,525,596	6,372,658	97.66	(23,567)	6,349,091	97.30
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

Source: The source of this information is the 2017 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					
		Less:		Percentage of				Percentage of		Percentage of		
	General	Amounts	Restricted	Estimated	Per	Capital		Estimated	Per	Personal		
	Obligation Bonds	for Principal	Total	Actual Value	Capita	Leases	Total	Actual Value	Capita	Income		
2017	\$ 13,359,764	\$ 481,452	\$ 12,878,312	0.45 %	\$ 372	\$ 962,959	\$ 14,322,723	0.50 %	\$ 413	0.18 %		
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	515,937	12,434,063	0.44	533	440,977	13,390,977	0.48	575	0.25		
2011	13,700,000	44,526	13,655,474	0.39	576	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		

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, 2017

<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	\$ 37,890,000	11.11 %	\$ 4,209,579
City of Cottonwood	58,258,129	100.00	58,258,129
Cottonwood-Oak Creek Elementary School District No. 6	14,748,438	100.00	14,748,438
Subtotal, Overlapping Debt			<u>77,216,146</u>
Direct:			
Mingus Union High School District No. 4			<u>14,322,723</u>
Total Direct and Overlapping Governmental Activities Debt			<u>\$ 91,538,869</u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation	4.92	%
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 2,600	
As a Percentage of Net Limited Assessed Valuation	34.39	%
As a Percentage of Gross Full Cash Value	3.15	%

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, 2016 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 2017:

Net full cash assessed valuation	\$ 307,874,454
Debt limit (10% of assessed value)	30,787,445
Debt applicable to limit	<u>13,359,764</u>
Legal debt margin	<u><u>\$ 17,427,681</u></u>

Total Legal Debt Margin Calculation for Fiscal Year 2017:

Net full cash assessed valuation	\$ 307,874,454
Debt limit (15% of assessed value)	46,181,168
Debt applicable to limit	<u>13,359,764</u>
Legal debt margin	<u><u>\$ 32,821,404</u></u>

	Fiscal Year Ended June 30				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Debt Limit	\$ 46,181,168	\$ 41,620,487	\$ 37,981,226	\$ 38,660,357	\$ 43,907,588
Total net debt applicable to limit	<u>13,359,764</u>	<u>13,875,000</u>	<u>8,920,000</u>	<u>10,120,590</u>	<u>12,025,000</u>
Legal debt margin	<u><u>\$ 32,821,404</u></u>	<u><u>\$ 27,745,487</u></u>	<u><u>\$ 29,061,226</u></u>	<u><u>\$ 28,539,767</u></u>	<u><u>\$ 31,882,588</u></u>
Total net debt applicable to the limit as a percentage of debt limit	29%	33%	23%	26%	27%
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Debt Limit	\$ 51,810,447	\$ 63,002,310	\$ 68,219,129	\$ 68,608,197	\$ 54,393,559
Total net debt applicable to limit	<u>12,950,000</u>	<u>13,700,000</u>	<u>14,325,000</u>	<u>14,825,000</u>	<u>15,000,000</u>
Legal debt margin	<u><u>\$ 38,860,447</u></u>	<u><u>\$ 49,302,310</u></u>	<u><u>\$ 53,894,129</u></u>	<u><u>\$ 53,783,197</u></u>	<u><u>\$ 39,393,559</u></u>
Total net debt applicable to the limit as a percentage of debt limit	25%	22%	21%	22%	28%

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 outstanding and the statutory debt limit on Class B bonds outstanding. The calculations of the debt margins are presented in detail for the current fiscal year only.
- 2) Prior to FY17, net bond premium was restricted by amount and not subject to the statutory debt limit. Beginning with FY17, any additional net premium used for capital projects, bond counsel, printing and preparation of offering documents, a financial advisor, paying agent costs or to pay down debt is counted against both debt limits with the exception of amounts of premium deposited into the Debt Service Fund or a refunding escrow to pay interest payments.

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

Year	Population		Personal Income (thousands)		Per Capita Income	Unemployment Rate	Estimated District Population
2016	216,850	\$	7,900,004	\$	35,545	4.9 %	34,657
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

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 2006 through 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 through 2015, 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	2017		2008	
	Employees	Percentage of Total Employment	Employees	Percentage of Total Employment
Verde Valley Medical Center	1,000	9.09 %	440	7.13 %
Wal-Mart	365	3.32	430	6.97
Cottonwood Oak Creek Schools	220	2.00	385	6.24
City of Cottonwood	205	1.86	155	2.51
Phoenix Cement Co.	180	1.64	160	2.59
Mingus Union High School	178	1.62	135	2.19
Spectrum Health	170	1.55		
Western Technologies, Inc.	162	1.47	150	2.43
City of Sedona	142	1.29		
Home Depot	135	1.23	120	1.95
A CTI Corp	125	1.14	125	2.03
Tungland Corp.	125	1.14	100	1.62
Frys	120	1.09		
Safeway	96	0.87		
Clarkdale-Jerome Sch. Dist.	52	0.47	55	0.89
Verde Valley Guidance Clinic			95	1.54
Larry Givens				
Phelps & Sons Inc.			80	1.30
Griffith Enterprises			65	1.05
Capital Senior Living Inc.			50	0.81
Total	<u>3,275</u>	<u>29.78 %</u>	<u>2,545</u>	<u>41.25 %</u>
Total employment	<u>11,000</u>		<u>6,169</u>	

Source: The source of this information is the Business Journal Book of Lists.

Note: The information presented above is County-wide.

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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Supervisory					
Superintendent	1	1	1	1	1
Principals	1	1	1	1	1
Assistant principals	2	1	1	1	1
Total supervisory	<u>4</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
Instruction					
Teachers	56	57	57	60	58
Aides	14	14	13	13	15
Total instruction	<u>70</u>	<u>71</u>	<u>70</u>	<u>73</u>	<u>73</u>
Student Services					
Counselors/Advisors	7	7	4	4	4
Total student services	<u>7</u>	<u>7</u>	<u>4</u>	<u>4</u>	<u>4</u>
Support and Administration					
Clerical workers	12	5	5	5	5
Bus Drivers	9	18	7	11	11
Other classified	22	6	23	23	23
Total support and administration	<u>43</u>	<u>29</u>	<u>35</u>	<u>39</u>	<u>39</u>
Total	<u><u>124</u></u>	<u><u>110</u></u>	<u><u>112</u></u>	<u><u>119</u></u>	<u><u>119</u></u>

(Continued)

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</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	61	65	67
Aides	15	15	17	14	14
Total instruction	<u>72</u>	<u>72</u>	<u>78</u>	<u>79</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	5	4	4	3
Bus Drivers	11	11	11	13	7
Other classified	23	23	23	23	30
Total support and administration	<u>39</u>	<u>39</u>	<u>38</u>	<u>40</u>	<u>40</u>
Total	<u><u>118</u></u>	<u><u>118</u></u>	<u><u>123</u></u>	<u><u>126</u></u>	<u><u>128</u></u>

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

(Concluded)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
OPERATING STATISTICS
LAST 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
2017	1,172	\$ 9,095,346	\$ 7,760	0.47 %	\$ 11,092,341	\$ 9,464	3.79 %	70	16.7	72.0 %
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	4.29	11,023,181	9,013	(0.71)	81	15.1	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>2017</u>	<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>Schools</u>										
<u>High</u>										
Buildings	8	8	8	8	8	8	8	8	8	8
Square feet	186,030	171,269	171,269	171,269	171,269	171,269	171,269	171,269	171,269	171,269
Capacity	1,313	1,163	1,163	1,163	1,163	1,163	1,163	1,163	1,163	1,163
Enrollment	1,172	1,169	1,181	1,208	1,208	1,193	1,229	1,239	1,245	1,245
<u>Transportation</u>										
Garages	1	1	1	1	1	1	1	1	1	1
Buses	23	20	18	18	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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