
MINGUS UNION HIGH SCHOOL DISTRICT NO. 4

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2012



MINGUS UNION HIGH SCHOOL DISTRICT NO. 4

COTTONWOOD, ARIZONA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Issued by:
Business and Finance Department

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4

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INTRODUCTORY SECTION

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

November 26, 2012

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

State law mandates that school districts are required to undergo an annual single audit publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States by a certified public accounting firm licensed in the State of Arizona. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Mingus Union High School District No. 4 (District) for the fiscal year ended June 30, 2012.

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

Heinfeld, Meech & Co., P.C., a certified public accounting firm has audited the District's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2012, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the District's financial statements for the fiscal year ended June 30, 2012, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditors' report is presented as the first component of the financial section of this report.

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

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE DISTRICT

The District is one of 25 public school districts located in Yavapai County, Arizona. It provides a program of public education from ninth through grade twelve, with an estimated current enrollment of 1,133 resident students and 53 students from other local school districts that pay tuition to attend Mingus Union High School giving the district a total enrollment of 1,186

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

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

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

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

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

The annual expenditure budget serves as the foundation for the District’s financial planning and control. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual expenditure budget approved by the District’s Governing Board.

The expenditure budget is prepared by fund for all Governmental Funds, and includes function and object code detail for the General Fund and some Special Revenue and Capital Projects Funds. The legal level of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is established at the individual fund level for all funds. Funds that are not required to legally adopt a budget may have over expenditures of budgeted funds. The budget for these funds is simply an estimate and does not prevent the District from exceeding the budget as long as the necessary revenue is earned. The District is not required to prepare an annual budget of revenue; therefore, a deficit budgeted fund balance may be presented. However, this does not affect the District’s ability to expend monies.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the District operates.

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

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

A few of the major firms represented in Cottonwood include Griffith Enterprises, Home Depot, Verde Valley Medical Center, Wal-Mart Stores, Inc., Arizona Public Service, and the City of Cottonwood. In addition, the Verde Valley area provides excellent educational and training opportunities through Yavapai College, consisting of six different campuses and currently serving about 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 25,197 students, including satellite campuses. The University focuses on undergraduate education but offers a wide range of graduate programs as well.

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

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

The District experienced a slight 4 percent decline in enrollment from 2011 to 2012 associated with the slow down in the State and local economy. Future maintenance and operations budgets will focus carefully on the cohort movement from the feeder K-8 schools to the High School to ensure future expenditure budgets consider the impact of this movement. The District is working diligently to reduce baseline spending in anticipation of lower enrollment over the next two fiscal years while maintaining as many programs as possible.

AWARDS AND ACKNOWLEDGMENTS

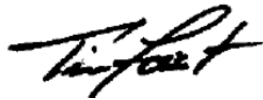
Awards. The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2011. This was the fourth consecutive year that the District has received this prestigious award. In addition, the Government Finance Officers Association (GFOA) awarded a third Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2011. 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 2011-12 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,

A handwritten signature in black ink, appearing to read "Tim Foist".

Dr. Tim Foist
Superintendent

A handwritten signature in black ink, appearing to read "Kirk Waddle".

Kirk Waddle
Business Manager

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2011

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

President

Executive Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Mingus Union
High School District No. 4
Arizona

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

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



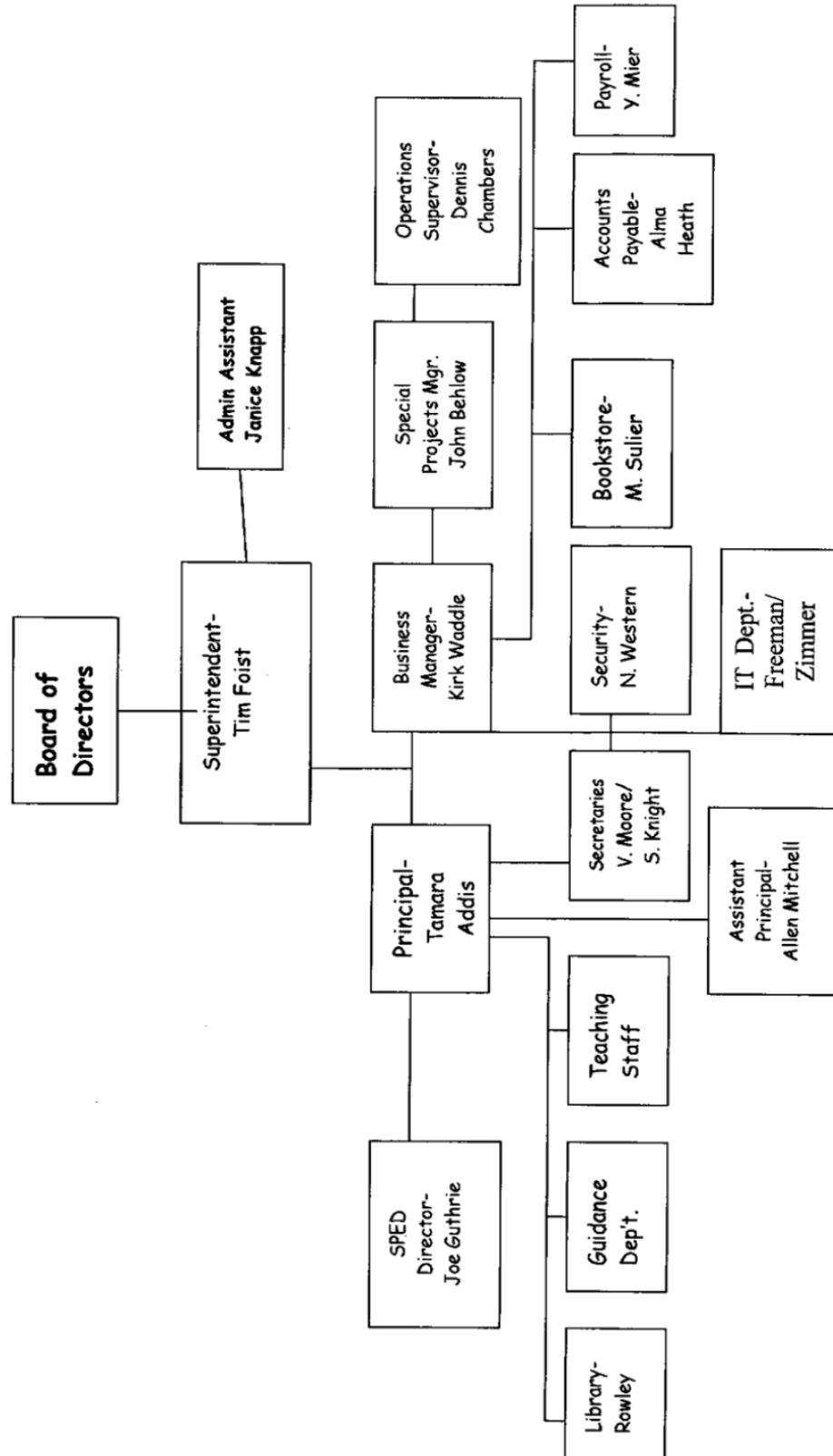
Christopher P. Moynell

President

Jeffrey R. Emer

Executive Director

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



MINGUS UNION HIGH SCHOOL DISTRICT NO. 4

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

James Ledbetter
President

Mike Mulcaire
Member

Dr. John Tavasci
Clerk

Anita Glazar
Member

Brenda Zenan
Member

ADMINISTRATIVE STAFF

Dr. Tim Foist
Superintendent

Kirk Waddle
Business Manager

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

Governing Board
Mingus Union High School District No. 4

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Mingus Union High School District No. 4 (District), as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Mingus Union High School District No. 4, as of June 30, 2012, and the respective changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2012, on our consideration of the Mingus Union High School District No. 4's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 14 and budgetary comparison information on pages 48 and 49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The accompanying supplementary information such as the introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements and schedules and are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Heinfeld, Meech & Co., P.C.

HEINFELD, MEECH & CO., P.C.
CPAs and Business Consultants

November 26, 2012

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, 2012**

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, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The District's total net assets of governmental activities increased \$184,507 which represents a 2 percent increase from the prior fiscal year.
- General revenues accounted for \$8.9 million in revenue, or 82 percent of all current fiscal year revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$2.0 million or 18 percent of total current fiscal year revenues.
- The District had approximately \$10.7 million in expenses related to governmental activities, a decrease of 3 percent from the prior fiscal year.
- Among major funds, the General Fund had \$7.4 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$7.1 million in expenditures. The General Fund's fund balance increase from a balance of \$151,712 at the prior fiscal year end to a balance of \$421,297 at the end of the current fiscal year was primarily due to an increase in property tax revenues.

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012

OVERVIEW OF FINANCIAL STATEMENTS (Cont'd)

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

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

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

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

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

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

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

OVERVIEW OF FINANCIAL STATEMENTS (Concl'd)

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process. The District adopts an annual expenditure budget for all governmental funds. A schedule of revenues, expenditures and changes in fund balances – budget and actual has been provided for the General Fund as required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$9.3 million at the current fiscal year end.

The largest portion of the District's net assets reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, and vehicles, furniture and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. In addition, a portion of the District's net assets are restricted by statute for special purposes, debt service repayment and capital outlay investment.

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

The following table presents a summary of the District's net assets for the fiscal years ended June 30, 2012 and June 30, 2011.

| | As of June 30, 2012 | As of June 30, 2011 |
|---|------------------------|------------------------|
| Current assets | \$ 2,857,503 | \$ 3,474,698 |
| Capital assets, net | 20,197,297 | 21,311,140 |
| Total assets, net | <u>23,054,800</u> | <u>24,785,838</u> |
| Current and other liabilities | 322,468 | 1,346,015 |
| Long-term liabilities | 13,422,372 | 14,314,370 |
| Total liabilities | <u>13,744,840</u> | <u>15,660,385</u> |
| Net assets: | | |
| Invested in capital assets, net of related debt | 6,806,320 | 7,038,083 |
| Restricted | 909,890 | 1,250,947 |
| Unrestricted | 1,593,750 | 836,423 |
| Total net assets | <u>\$ 9,309,960</u> | <u>\$ 9,125,453</u> |

At the end of the current fiscal year the District reported positive balances in all three categories of net assets. The same situation held true for the prior fiscal year.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets. The following is a significant current year transaction that had an impact on the Statement of Net Assets.

- The principal retirement of \$750,000 of bonds.

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

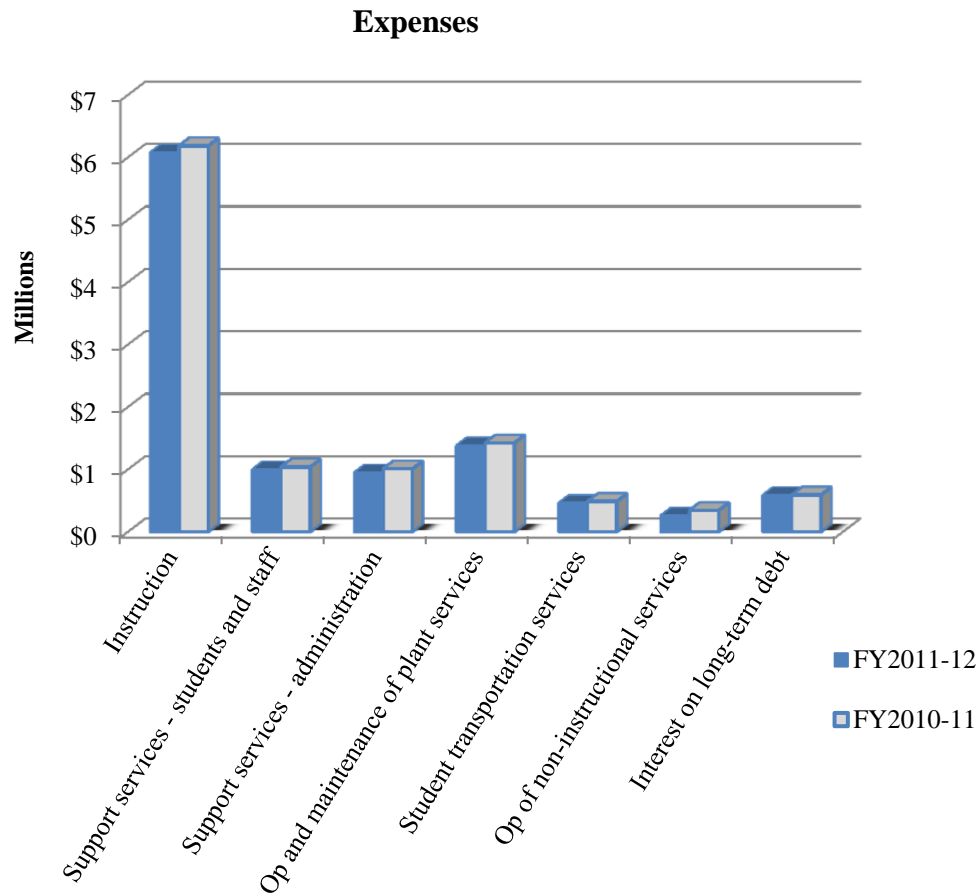
GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

Changes in net assets. The District's total revenues for the current fiscal year were \$10.9 million. The total cost of all programs and services was \$10.7 million. The following table presents a summary of the changes in net assets for the fiscal years ended June 30, 2012 and June 30, 2011.

| | Fiscal Year Ended June 30, 2012 | Fiscal Year Ended June 30, 2011 |
|---|------------------------------------|------------------------------------|
| Revenues: | | |
| Program revenues: | | |
| Charges for services | \$ 1,201,973 | \$ 1,408,392 |
| Operating grants and contributions | 734,069 | 882,063 |
| Capital grants and contributions | 72,940 | 87,028 |
| General revenues: | | |
| Property taxes | 7,280,054 | 6,330,689 |
| Investment income | 2,896 | 3,807 |
| Unrestricted county aid | 22,846 | 98,746 |
| Unrestricted state aid | 1,481,943 | 1,451,618 |
| Unrestricted federal aid | 112,337 | 407,692 |
| Total revenues | <u>10,909,058</u> | <u>10,670,035</u> |
| Expenses: | | |
| Instruction | 6,076,499 | 6,183,691 |
| Support services – students and staff | 1,000,364 | 1,037,969 |
| Support services – administration | 951,457 | 1,009,016 |
| Operation and maintenance of plant services | 1,384,855 | 1,424,800 |
| Student transportation services | 460,947 | 485,809 |
| Operation of non-instructional services | 260,682 | 344,635 |
| Interest on long-term debt | 589,747 | 588,794 |
| Total expenses | <u>10,724,551</u> | <u>11,074,714</u> |
| Change in net assets | <u>184,507</u> | <u>(404,679)</u> |
| Net assets, beginning | <u>9,125,453</u> | <u>9,530,132</u> |
| Net assets, ending | <u><u>\$ 9,309,960</u></u> | <u><u>\$ 9,125,453</u></u> |

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)



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

- An increase in property tax revenue of approximately \$949,365 due to changes in property tax rates.

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

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, 2012 | | Year Ended June 30, 2011 | |
|---|--------------------------|---------------------------|--------------------------|---------------------------|
| | Total Expenses | Net (Expense)/ Revenue | Total Expenses | Net (Expense)/ Revenue |
| Instruction | \$ 6,076,499 | \$ (4,848,937) | \$ 6,183,691 | \$ (4,795,116) |
| Support services – students and staff | 1,000,364 | (797,567) | 1,037,969 | (823,918) |
| Support services – administration | 951,457 | (927,389) | 1,009,016 | (992,933) |
| Operation and maintenance of plant services | 1,384,855 | (1,319,281) | 1,424,800 | (1,358,294) |
| Student transportation services | 460,947 | (460,947) | 485,809 | (483,440) |
| Operation of non-instructional services | 260,682 | 228,299 | 344,635 | 345,264 |
| Interest on long-term debt | 589,747 | (589,747) | 588,794 | (588,794) |
| Total | \$ 10,724,551 | \$ (8,715,569) | \$ 11,074,714 | \$ (8,697,231) |

- The cost of all governmental activities this year was \$10.7 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$2.0 million.
- Net cost of governmental activities of \$8.7 million was financed by general revenues, which are made up of primarily property taxes of \$7.3 million and federal, state and county aid of \$1.6 million.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Concl'd)

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$1.3 million, an increase of \$201,812.

The General Fund is the principal operating fund of the District. The increase in fund balance of \$269,585 to \$421,297 as of fiscal year end was a result of increased property tax revenues combined with conservative spending. General Fund revenues increased \$546,496 primarily as a result of changes in property rates. General Fund expenditures increased \$75,213.

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 \$9,212 decrease, or less than 1 percent.

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

- The favorable variance of \$116,871 in student transportation services was a result of charging transportation costs to other funds based on usage.
- The unfavorable variance of \$158,684 in support services-students and staff was a result of the creation of a new administrative trainee position to handle testing and other student activities.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$30.2 million in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$34,425 from the prior fiscal year. Total depreciation expense for the current fiscal year was \$1.1 million.

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

CAPITAL ASSETS AND DEBT ADMINISTRATION (Concl'd)

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2012 and June 30, 2011.

| | As of June 30, 2012 | As of June 30, 2011 |
|-----------------------------------|------------------------|------------------------|
| Capital assets – non-depreciable | \$ 30,000 | \$ 30,000 |
| Capital assets – depreciable, net | 20,167,297 | 21,281,140 |
| Total | <u>\$ 20,197,297</u> | <u>\$ 21,311,140</u> |

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

Debt Administration. At year-end, the District had \$13.4 million in long-term debt outstanding, \$1,064,271 due within one year. This represents a net decrease of \$882,080 due to payments for both lease obligations and bond payments.

The District's general obligation bonds are subject to two limits: the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 15 percent of the total secondary assessed valuation) and the statutory debt limit on Class B bonds (the greater of 5 percent of the secondary assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$51.8 million and the Class B debt limit is \$17.3 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 - 10.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the District's administration during the process of developing the fiscal year 2012-13 budget. Among them:

- Fiscal year 2011-12 budget balance carry forward (estimated \$168,800).
- District student population (estimated 1,275).

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

Budgeted expenditures in the General Fund decreased 3 percent to \$6.4 million in fiscal year 2012-13. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2012-13 budget.

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

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 ASSETS
JUNE 30, 2012

| | <u>Governmental Activities</u> |
|---|------------------------------------|
| <u>ASSETS</u> | |
| Current assets: | |
| Cash and investments | \$ 2,047,915 |
| Property taxes receivable | 411,702 |
| Due from governmental entities | 397,886 |
| Total current assets | <u>2,857,503</u> |
| Noncurrent assets: | |
| Land | 30,000 |
| Land improvements | 1,898,611 |
| Buildings and improvements | 25,054,517 |
| Vehicles, furniture and equipment | 3,250,441 |
| Accumulated depreciation | <u>(10,036,272)</u> |
| Total noncurrent assets | <u>20,197,297</u> |
| Total assets | <u>23,054,800</u> |
| <u>LIABILITIES</u> | |
| Current liabilities: | |
| Compensated absences payable | 20,000 |
| Accrued interest payable | 279,146 |
| Unearned revenues | 43,322 |
| Obligations under capital leases | 139,271 |
| Bonds payable | 925,000 |
| Total current liabilities | <u>1,406,739</u> |
| Noncurrent liabilities: | |
| Non-current portion of long-term obligations | <u>12,338,101</u> |
| Total noncurrent liabilities | <u>12,338,101</u> |
| Total liabilities | <u>13,744,840</u> |
| <u>NET ASSETS</u> | |
| Invested in capital assets, net of related debt | 6,806,320 |
| Restricted for: | |
| Federal and state projects | 304,789 |
| Food service | 103,584 |
| Other local initiatives | 397,595 |
| Debt service | 86,712 |
| Capital outlay | 17,210 |
| Unrestricted | <u>1,593,750</u> |
| Total net assets | <u>\$ 9,309,960</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, 2012

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Assets |
|--|----------------------|-------------------------|--|--|--|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| Governmental activities: | | | | | |
| Instruction | \$ 6,076,499 | \$ 859,999 | \$ 294,623 | \$ 72,940 | \$ (4,848,937) |
| Support services - students and staff | 1,000,364 | | 202,797 | | (797,567) |
| Support services - administration | 951,457 | | 24,068 | | (927,389) |
| Operation and maintenance of plant services | 1,384,855 | 33,156 | 32,418 | | (1,319,281) |
| Student transportation services | 460,947 | | | | (460,947) |
| Operation of non-instructional services | 260,682 | 308,818 | 180,163 | | 228,299 |
| Interest on long-term debt | 589,747 | | | | (589,747) |
| Total governmental activities | <u>\$ 10,724,551</u> | <u>\$ 1,201,973</u> | <u>\$ 734,069</u> | <u>\$ 72,940</u> | <u>(8,715,569)</u> |
| General revenues: | | | | | |
| Taxes: | | | | | |
| Property taxes, levied for general purposes | | | | | 5,688,430 |
| Property taxes, levied for debt service | | | | | 1,434,816 |
| Property taxes, levied for capital outlay | | | | | 156,808 |
| Investment income | | | | | 2,896 |
| Unrestricted county aid | | | | | 22,846 |
| Unrestricted state aid | | | | | 1,481,943 |
| Unrestricted federal aid | | | | | 112,337 |
| Total general revenues | | | | | <u>8,900,076</u> |
| Changes in net assets | | | | | 184,507 |
| Net assets, beginning of year | | | | | <u>9,125,453</u> |
| Net assets, end of year | | | | | <u>\$ 9,309,960</u> |

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

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FUND FINANCIAL STATEMENTS

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2012

| | <u>General</u> | <u>Debt Service</u> | <u>Non-Major Governmental Funds</u> |
|---|--------------------------|----------------------------|---|
| <u>ASSETS</u> | | | |
| Cash and investments | \$ 129,208 | \$ 1,206,512 | \$ 712,195 |
| Property taxes receivable | 318,231 | 84,346 | 9,125 |
| Due from governmental entities | 253,381 | | 144,505 |
| Due from other funds | | | 29,856 |
| Total assets | <u><u>\$ 700,820</u></u> | <u><u>\$ 1,290,858</u></u> | <u><u>\$ 895,681</u></u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| Liabilities: | | | |
| Due to other funds | \$ 279,523 | \$ 65,831 | \$ 29,856 |
| Deferred revenues | | 925,000 | 49,689 |
| Bonds payable | | 279,146 | |
| Bond interest payable | | <u>279,146</u> | |
| Total liabilities | <u><u>279,523</u></u> | <u><u>1,269,977</u></u> | <u><u>79,545</u></u> |
| Fund balances: | | | |
| Restricted | | 20,881 | 816,136 |
| Unassigned | 421,297 | | |
| Total fund balances | <u><u>421,297</u></u> | <u><u>20,881</u></u> | <u><u>816,136</u></u> |
| Total liabilities and fund balances | <u><u>\$ 700,820</u></u> | <u><u>\$ 1,290,858</u></u> | <u><u>\$ 895,681</u></u> |

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

| Total Governmental Funds | |
|--------------------------------|-----------|
| <hr/> | |
| \$ | 2,047,915 |
| | 411,702 |
| | 397,886 |
| | 29,856 |
| <hr/> | |
| \$ | 2,887,359 |
| <hr/> | |

| | |
|-------|-----------|
| \$ | 29,856 |
| | 395,043 |
| | 925,000 |
| | 279,146 |
| <hr/> | |
| | 1,629,045 |
| <hr/> | |

| | |
|-------|-----------|
| | 837,017 |
| | 421,297 |
| <hr/> | |
| | 1,258,314 |
| <hr/> | |
| \$ | 2,887,359 |
| <hr/> | |

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MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2012

| | | |
|---|-----------|------------------|
| Total governmental fund balances | \$ | 1,258,314 |
|---|-----------|------------------|

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

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

| | | |
|-------------------------------|---------------------|------------|
| Governmental capital assets | \$ 30,233,569 | |
| Less accumulated depreciation | <u>(10,036,272)</u> | 20,197,297 |

Some revenues will not be available to pay for current period expenditures and, therefore, are deferred in the funds.

| | | |
|-------------------|---------------|---------|
| Property taxes | 319,303 | |
| Intergovernmental | <u>32,418</u> | 351,721 |

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

| | | |
|------------------------------|---------------------|---------------------|
| Compensated absences payable | (31,395) | |
| Capital leases payable | (440,977) | |
| Bonds payable | <u>(12,025,000)</u> | <u>(12,497,372)</u> |

| | | |
|--|-----------|-------------------------|
| Net assets of governmental activities | \$ | <u>9,309,960</u> |
|--|-----------|-------------------------|

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, 2012

| | General | Debt Service | Non-Major Governmental Funds |
|--|-------------------|------------------|------------------------------------|
| Revenues: | | | |
| Other local | \$ 498,907 | \$ 36,309 | \$ 692,499 |
| Property taxes | 5,684,458 | 1,423,590 | 174,884 |
| State aid and grants | 1,023,511 | | 557,532 |
| Federal aid, grants and reimbursements | 143,533 | | 644,295 |
| Total revenues | <u>7,350,409</u> | <u>1,459,899</u> | <u>2,069,210</u> |
| Expenditures: | | | |
| Current - | | | |
| Instruction | 3,966,968 | | 1,189,789 |
| Support services - students and staff | 719,731 | | 255,064 |
| Support services - administration | 906,350 | | 37,223 |
| Operation and maintenance of plant services | 1,102,192 | | 17,621 |
| Student transportation services | 377,776 | | 17,772 |
| Operation of non-instructional services | 4,860 | | 247,698 |
| Capital outlay | 13,185 | | 174,650 |
| Debt service - | | | |
| Principal retirement | | 925,000 | 132,080 |
| Interest and fiscal charges | | 558,544 | 31,203 |
| Total expenditures | <u>7,091,062</u> | <u>1,483,544</u> | <u>2,103,100</u> |
| Excess (deficiency) of revenues over expenditures | <u>259,347</u> | <u>(23,645)</u> | <u>(33,890)</u> |
| Other financing sources (uses): | | | |
| Transfers in | 10,238 | | |
| Transfers out | | | (10,238) |
| Total other financing sources (uses): | <u>10,238</u> | | <u>(10,238)</u> |
| Changes in fund balances | <u>269,585</u> | <u>(23,645)</u> | <u>(44,128)</u> |
| Fund balances, beginning of year | 151,712 | 44,526 | 860,264 |
| Fund balances, end of year | <u>\$ 421,297</u> | <u>\$ 20,881</u> | <u>\$ 816,136</u> |

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

| Total Governmental Funds | |
|--------------------------------|-------------------|
| \$ | 1,227,715 |
| | 7,282,932 |
| | 1,581,043 |
| | <u>787,828</u> |
| | <u>10,879,518</u> |

| | |
|--|-------------------|
| | 5,156,757 |
| | 974,795 |
| | 943,573 |
| | 1,119,813 |
| | 395,548 |
| | 252,558 |
| | 187,835 |
| | 1,057,080 |
| | <u>589,747</u> |
| | <u>10,677,706</u> |

| | |
|--|----------------|
| | <u>201,812</u> |
|--|----------------|

| | |
|--|-----------------|
| | 10,238 |
| | <u>(10,238)</u> |

| | |
|--|----------------|
| | <u>201,812</u> |
|--|----------------|

| | |
|----|-------------------------|
| | 1,056,502 |
| \$ | <u><u>1,258,314</u></u> |

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2012

| | | |
|--|-----------|----------------|
| Net changes in fund balances - total governmental funds | \$ | 201,812 |
|--|-----------|----------------|

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 | \$ 48,066 | |
| Less current year depreciation | <u>(1,159,595)</u> | (1,111,529) |

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

| | | |
|-------------------|---------------|--------|
| Property taxes | (2,878) | |
| Intergovernmental | <u>32,418</u> | 29,540 |

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

| | | |
|------------------------------------|----------------|-----------|
| Capital lease principal retirement | 132,080 | |
| Bond principal retirement | <u>925,000</u> | 1,057,080 |

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

| | | |
|------------------------------------|--------------|--------------|
| Loss on disposal of capital assets | (2,314) | |
| Compensated absences | <u>9,918</u> | <u>7,604</u> |

| | | |
|--|-----------|-----------------------|
| Change in net assets in governmental activities | \$ | <u>184,507</u> |
|--|-----------|-----------------------|

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2012

| | |
|-------------------------------|--------------------------------|
| | <u>Agency</u> |
| <u>ASSETS</u> | |
| Cash and investments | \$ 218,333 |
| Total assets | <u><u>\$ 218,333</u></u> |
| <u>LIABILITIES</u> | |
| Deposits held for others | \$ 117,777 |
| Due to student groups | 100,556 |
| Total liabilities | <u><u>\$ 218,333</u></u> |

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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, 2012

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

B. Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, and unrestricted Federal, State and County aid, and other items not included among program revenues are reported instead as general revenues.

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. As a general rule, the effect of internal activity has been eliminated from the government-wide financial statements; however, the effects of interfund services provided and used between functions are reported as expenses and program revenues at amounts approximating their external exchange value.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

Fund Financial Statements – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service resources are provided during the current year for payment of long-term debt principal and interest due early in the following year (not to exceed one month) and, therefore, the expenditures and related liabilities have been recognized. Compensated absences are recorded only when payment is due.

Property taxes, State and County aid, tuition and investment income associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Food services and miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. Deferred revenues arise when resources are received by the District before it has legal claim to them, as when grant monies are received prior to meeting all eligibility requirements imposed by the provider.

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

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The District reports the following major governmental funds:

General Fund – The General Fund is the District's primary operating fund. It accounts for all resources used to finance District maintenance and operation except those required to be accounted for in other funds. The General Fund includes the District's Maintenance and Operation Fund as well as the Medicaid Reimbursement, National Forest Fees, E-Rate, Other Federal Projects, School Plant, Auxiliary Operations, Insurance Proceeds, Litigation Recovery, Indirect Costs, and Soft Capital Allocation Funds. These funds are maintained as separate funds for accounting and budgetary purposes but do not meet the criteria for separate reporting in the financial statements.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

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

Additionally, the District reports the following fund type:

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

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

D. Cash and Investments

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

E. Investment Income

Investment income is composed of interest, dividends, and net changes in the fair value of applicable investments. Investment income is included in other local revenue in the governmental fund financial statements.

F. Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

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

G. Property Tax Calendar

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

The County levies real property taxes on or before the third Monday in August, which become due and payable in two equal installments. The first installment is due on the first day of October and becomes delinquent after the first business day of November. The second installment is due on the first day of March of the next year and becomes delinquent after the first business day of May. The billings are considered past due after these dates, at which time the applicable property is subject to penalties and interest.

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

Pursuant to A.R.S., a lien against assessed real and personal property attaches on the first day of January preceding assessment and levy; however according to case law, an enforceable legal claim to the asset does not arise.

H. Prepaid Items

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

I. Capital Assets

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

Capital assets are defined by the District as assets with an initial, individual cost in excess of \$5,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost, or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at the estimated fair market value at the date of donation.

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

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

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

J. Compensated Absences

The District's employee vacation and sick leave policies generally provide for granting vacation and sick leave with pay. The District's compensated absences consist of accrued vacation and sick leave. Vacation leave vests with employees at the employees' rate of pay. Employees may accumulate 20 to 30 days of sick leave, depending on years of service, but any vacation hours earned in any school year must be used by September 1 of the following year or it shall be forfeited. The current and long-term liabilities, including related benefits, for accumulated vacation and sick leave are reported on the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignations and retirements. Generally, resources from the General Fund are used to pay for compensated absences.

K. Long-term Obligations

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

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

L. Interfund Activity

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

M. Estimates

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

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

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

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 2 – FUND BALANCE CLASSIFICATIONS (Concl'd)

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.

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

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

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

| | General Fund | Debt Service Fund | Non-Major Governmental Funds |
|----------------------------|-------------------|----------------------|------------------------------------|
| Fund Balances: | | | |
| Restricted: | | | |
| Debt service | \$ | \$ 20,881 | \$ |
| Capital projects | | | 10,168 |
| Voter approved initiatives | | | 304,789 |
| Food service | | | 103,584 |
| Other purposes | | | 397,595 |
| Unassigned | 421,297 | | |
| Total fund balances | <u>\$ 421,297</u> | <u>\$ 20,881</u> | <u>\$ 816,136</u> |

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 2 – FUND BALANCE CLASSIFICATIONS (Concl'd)

The July 1, 2011 fund balances of the General Fund and Non-Major Governmental Funds do not agree to the prior year financial statements for the reclassification of certain funds due to the fund type definitions specified in GASB Statement No. 54.

| | <u>General Fund</u> | <u>Non-Major Governmental Funds</u> |
|--|---------------------|---|
| Fund balance, June 30, 2011, as previously reported | \$ (18,156) | \$ 1,030,132 |
| Reclassification of funds | 169,868 | (169,868) |
| Fund balance, July 1, 2011, as restated | <u>\$ 151,712</u> | <u>\$ 860,264</u> |

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

NOTE 4 – CASH AND INVESTMENTS

A.R.S. authorize the District to invest public monies in the State Treasurer's local government investment pools, the County Treasurer's investment pool, obligations of the U.S. Government and its agencies, obligations of the State and certain local government subdivisions, interest-bearing savings accounts and certificates of deposit, collateralized repurchase agreements, certain obligations of U.S. corporations, and certain other securities. The statutes do not include any requirements for credit risk, custodial credit risk, concentration of credit risk, interest rate risk, or foreign currency risk for the District's investments.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the District's deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District's deposits was \$1,654,540 and the bank balance was \$1,656,038.

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 4 – CASH AND INVESTMENTS (Concl'd)

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

| | <u>Average Maturities</u> | <u>Fair Value</u> |
|------------------------------------|---------------------------|-------------------|
| County Treasurer's investment pool | 2.29 year | \$ 611,708 |
| Total | | <u>\$ 611,708</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.

NOTE 5 – RECEIVABLES

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

| | <u>General Fund</u> | <u>Non-Major Governmental Funds</u> |
|---|-------------------------|---|
| Due from other governmental entities: | | |
| Due from Federal government | \$ 32,418 | \$ 50,667 |
| Due from State government | <u>220,963</u> | <u>93,838</u> |
| Net Due from other governmental entities: | <u>\$ 253,381</u> | <u>\$ 144,505</u> |

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 5 – RECEIVABLES (Concl'd)

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

| | <u>Unavailable</u> | <u>Unearned</u> |
|--|--------------------|------------------|
| Delinquent property taxes receivable (General Fund) | \$ 246,430 | \$ |
| Delinquent property taxes receivable (Debt Service Fund) | 65,831 | |
| Delinquent property taxes receivable (Non-Major Governmental Funds) | 7,042 | |
| Grant drawdowns prior to meeting all eligibility requirements (General Fund) | | 675 |
| Grant drawdowns prior to meeting all eligibility requirements (Non-Major Governmental Funds) | | 42,647 |
| Measurable but unavailable revenues (General Fund) | 32,418 | |
| Total deferred revenue for governmental funds | <u>\$ 351,721</u> | <u>\$ 43,322</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 |
| Total capital assets, not being depreciated | <u>30,000</u> | | | <u>30,000</u> |
| Capital assets, being depreciated: | | | | |
| Land improvements | 1,898,611 | | | 1,898,611 |
| Buildings and improvements | 25,054,517 | | | 25,054,517 |
| Vehicles, furniture and equipment | 3,216,016 | 48,066 | 13,641 | 3,250,441 |
| Total capital assets being depreciated | <u>30,169,144</u> | <u>48,066</u> | <u>13,641</u> | <u>30,203,569</u> |
| Less accumulated depreciation for: | | | | |
| Land improvements | (703,973) | (132,101) | | (836,074) |
| Buildings and improvements | (6,471,881) | (820,094) | | (7,291,975) |
| Vehicles, furniture and equipment | (1,712,150) | (207,400) | (11,327) | (1,908,223) |
| Total accumulated depreciation | <u>(8,888,004)</u> | <u>(1,159,595)</u> | <u>(11,327)</u> | <u>(10,036,272)</u> |
| Total capital assets, being depreciated, net | <u>21,281,140</u> | <u>(1,111,529)</u> | <u>2,314</u> | <u>20,167,297</u> |
| Governmental activities capital assets, net | <u>\$ 21,311,140</u> | <u>\$ (1,111,529)</u> | <u>\$ 2,314</u> | <u>\$ 20,197,297</u> |

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 6 – CAPITAL ASSETS (Concl'd)

Depreciation expense was charged to governmental functions as follows.

| | |
|--|---------------------|
| Instruction | \$ 829,372 |
| Support services – students and staff | 9,756 |
| Support services – administration | 6,604 |
| Operation and maintenance of plant services | 255,056 |
| Student transportation services | 53,884 |
| Operation of non-instructional services | 4,923 |
| Total depreciation expense – governmental activities | <u>\$ 1,159,595</u> |

NOTE 7 – SHORT TERM DEBT –REVOLVING LINE OF CREDIT

The District has a revolving line of credit to provide cash flow during the year to mitigate the impact of timing differences of expenditures and the receipt of state aid and property tax revenues. Short-term debt activity for the current fiscal year, was as follows.

| | Beginning Balance | Issued | Redeemed | Ending Balance |
|--------------------------|----------------------|---------------------|---------------------|-------------------|
| Revolving line of credit | <u>\$ 813,432</u> | <u>\$ 2,331,553</u> | <u>\$ 3,144,985</u> | <u>\$</u> |

NOTE 8 – OBLIGATIONS UNDER CAPITAL LEASES

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

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

| | Governmental Activities |
|--------------------------------|----------------------------|
| Asset: | |
| Land improvements | \$ 1,283,640 |
| Less: Accumulated depreciation | 256,728 |
| Total | <u>\$ 1,026,912</u> |

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

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

| Year Ending June 30: | Governmental Activities |
|---|----------------------------|
| 2013 | \$ 163,282 |
| 2014 | 163,283 |
| 2015 | 163,282 |
| Total minimum lease payments | <u>489,847</u> |
| Less: amount representing interest | <u>48,870</u> |
| Present value of minimum lease payments | <u>440,977</u> |
| Due within one year | <u>\$ 139,271</u> |

NOTE 9 – GENERAL OBLIGATION BONDS PAYABLE

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

| Purpose | Original Amount Issued | Interest Rates | Remaining Maturities | Outstanding Principal June 30, 2012 | Due Within One Year |
|---------------------------------|------------------------------|-------------------|-------------------------|---|---------------------------|
| Governmental activities: | | | | | |
| School Improvement Bonds, | | | | | |
| 2007 | \$ 15,000,000 | 4.0-5.0% | 7/1/12-22 | \$ 12,950,000 | \$ 925,000 |
| Total | | | | <u>\$ 12,950,000</u> | <u>\$ 925,000</u> |

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 9 – GENERAL OBLIGATION BONDS PAYABLE (Concl'd)

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

| Year ending June 30: | Governmental Activities | |
|----------------------|-------------------------|---------------------|
| | Principal | Interest |
| 2013 | \$ 925,000 | \$ 539,793 |
| 2014 | 995,000 | 500,149 |
| 2015 | 1,035,000 | 458,306 |
| 2016 | 1,075,000 | 416,106 |
| 2017 | 1,120,000 | 369,406 |
| 2018-22 | 6,350,000 | 1,076,628 |
| 2023-27 | 1,450,000 | 30,813 |
| Total | <u>\$ 12,950,000</u> | <u>\$ 3,391,201</u> |

NOTE 10 – CHANGES IN LONG-TERM LIABILITIES

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

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---|----------------------|------------------|-------------------|----------------------|------------------------|
| Governmental activities: | | | | | |
| Bonds payable | \$ 13,700,000 | \$ | \$ 750,000 | \$ 12,950,000 | \$ 925,000 |
| Obligations under capital leases | 573,057 | | 132,080 | 440,977 | 139,271 |
| Compensated absences payable | 41,313 | 46,076 | 55,994 | 31,395 | 20,000 |
| Governmental activity long-term liabilities | <u>\$ 14,314,370</u> | <u>\$ 46,076</u> | <u>\$ 938,074</u> | <u>\$ 13,422,372</u> | <u>\$ 1,084,271</u> |

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 11 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At year end, interfund balances were as follows.

Due to/from other funds:

| Due to | Due from Non-Major Governmental Funds |
|------------------------------|--|
| Non-Major Governmental Funds | \$ 29,856 |
| Total | \$ 29,856 |

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

Interfund transfers:

| Transfers out | Transfers in General Fund |
|------------------------------|---------------------------------|
| Non-Major Governmental Funds | \$ 10,238 |
| Total | \$ 10,238 |

Transfers between funds were used to move Federal grant funds restricted for indirect costs.

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.

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.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 13 – RISK MANAGEMENT (Concl'd)

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

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

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

NOTE 14 – PENSION AND OTHER POSTEMPLOYMENT BENEFITS

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

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 14 – PENSION AND OTHER POSTEMPLOYMENT BENEFITS (Concl'd)

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

Funding Policy – The Arizona State Legislature establishes and may amend active plan members' and the District's contribution rates. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 10.74 percent (10.5 percent for retirement and 0.24 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 10.74 percent (9.87 percent for retirement, 0.63 percent for health insurance premium, and 0.24 percent for long-term disability) of the members' annual covered payroll.

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

| | Retirement Fund | Health Benefit Supplement Fund | Long-Term Disability Fund |
|----------------------|--------------------|---|------------------------------|
| Year ending June 30: | | | |
| 2012 | \$ 423,572 | \$ 27,037 | \$ 10,300 |
| 2011 | 387,990 | 25,407 | 10,766 |
| 2010 | 390,549 | 30,907 | 18,731 |

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL
YEAR ENDED JUNE 30, 2012

| | Budgeted Amounts | | Non-GAAP Actual | Variance with Final Budget Positive (Negative) |
|--|---------------------------|--------------------------|--------------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Other local | \$ 201,000 | \$ 201,000 | \$ 228,831 | \$ 27,831 |
| Property taxes | 5,494,000 | 5,494,000 | 5,626,858 | 132,858 |
| State aid and grants | 1,005,000 | 1,005,000 | 1,012,959 | 7,959 |
| Total revenues | <u>6,700,000</u> | <u>6,700,000</u> | <u>6,868,648</u> | <u>168,648</u> |
| Expenditures: | | | | |
| Current - | | | | |
| Instruction | 3,713,988 | 3,725,673 | 3,642,751 | 82,922 |
| Support services - students and staff | 542,142 | 542,142 | 700,826 | (158,684) |
| Support services - administration | 804,454 | 766,268 | 819,737 | (53,469) |
| Operation and maintenance of plant services | 1,100,122 | 1,100,122 | 1,066,483 | 33,639 |
| Student transportation services | 426,988 | 444,277 | 327,406 | 116,871 |
| Operation of non-instructional services | | | 301 | (301) |
| Total expenditures | <u>6,587,694</u> | <u>6,578,482</u> | <u>6,557,504</u> | <u>20,978</u> |
| Changes in fund balances | <u>112,306</u> | <u>121,518</u> | <u>311,144</u> | <u>189,626</u> |
| Fund balances (deficits), beginning of year | (126,084) | (126,084) | (126,084) | |
| Fund balances (deficits), end of year | <u><u>\$ (13,778)</u></u> | <u><u>\$ (4,566)</u></u> | <u><u>\$ 185,060</u></u> | <u><u>\$ 189,626</u></u> |

See accompanying notes to this schedule.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2012

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

The adopted budget of the District is prepared on a basis consistent with accounting principles generally accepted in the United States of America with the following exception: a portion of the General Fund activity is budgeted for separately as special revenue and capital projects funds. Consequently, the following adjustment was necessary to present actual expenditures, fund balance at July 1, 2011 and fund balance at June 30, 2012 on a budgetary basis in order to provide a meaningful comparison.

| | <u>Total Expenditures</u> | <u>Fund Balance, June 30, 2012</u> | <u>Fund Balance, July 1, 2011</u> |
|--|-------------------------------|--|---------------------------------------|
| Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds | \$ 7,091,062 | \$ 421,297 | \$ 151,712 |
| Fiscal year 2011-12 activity budgeted as special revenue and capital projects funds | <u>(533,558)</u> | <u>(236,237)</u> | <u>(277,796)</u> |
| Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund | <u>\$ 6,557,504</u> | <u>\$ 185,060</u> | <u>\$ (126,084)</u> |

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

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GOVERNMENTAL FUNDS

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2012

| | <u>Special Revenue</u> | <u>Capital Projects</u> | <u>Total Non-Major Governmental Fund</u> |
|---|--------------------------|-------------------------|--|
| <u>ASSETS</u> | | | |
| Cash and investments | \$ 710,944 | \$ 1,251 | \$ 712,195 |
| Property taxes receivable | | 9,125 | 9,125 |
| Due from governmental entities | 137,671 | 6,834 | 144,505 |
| Due from other funds | 29,856 | | 29,856 |
| Total assets | <u><u>\$ 878,471</u></u> | <u><u>\$ 17,210</u></u> | <u><u>\$ 895,681</u></u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| Liabilities: | | | |
| Due to other funds | \$ 29,856 | \$ | \$ 29,856 |
| Deferred revenues | 42,647 | 7,042 | 49,689 |
| Total liabilities | <u><u>72,503</u></u> | <u><u>7,042</u></u> | <u><u>79,545</u></u> |
| Fund balances: | | | |
| Restricted | 805,968 | 10,168 | 816,136 |
| Total fund balances | <u><u>805,968</u></u> | <u><u>10,168</u></u> | <u><u>816,136</u></u> |
| Total liabilities and fund balances | <u><u>\$ 878,471</u></u> | <u><u>\$ 17,210</u></u> | <u><u>\$ 895,681</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, 2012

| | <u>Special Revenue</u> | <u>Capital Projects</u> | <u>Total Non-Major Governmental Funds</u> |
|--|------------------------|-------------------------|---|
| Revenues: | | | |
| Other local | \$ 676,831 | \$ 15,668 | \$ 692,499 |
| Property taxes | | 174,884 | 174,884 |
| State aid and grants | 543,610 | 13,922 | 557,532 |
| Federal aid, grants and reimbursements | 644,295 | | 644,295 |
| Total revenues | <u>1,864,736</u> | <u>204,474</u> | <u>2,069,210</u> |
| Expenditures: | | | |
| Current - | | | |
| Instruction | 1,171,526 | 18,263 | 1,189,789 |
| Support services - students and staff | 245,095 | 9,969 | 255,064 |
| Support services - administration | 29,774 | 7,449 | 37,223 |
| Operation and maintenance of plant services | 4,521 | 13,100 | 17,621 |
| Student transportation services | 17,772 | | 17,772 |
| Operation of non-instructional services | 247,698 | | 247,698 |
| Capital outlay | 174,650 | | 174,650 |
| Debt service - | | | |
| Principal retirement | | 132,080 | 132,080 |
| Interest and fiscal charges | | 31,203 | 31,203 |
| Total expenditures | <u>1,891,036</u> | <u>212,064</u> | <u>2,103,100</u> |
| Excess (deficiency) of revenues over expenditures | <u>(26,300)</u> | <u>(7,590)</u> | <u>(33,890)</u> |
| Other financing sources (uses): | | | |
| Transfers out | (10,238) | | (10,238) |
| Total other financing sources (uses): | <u>(10,238)</u> | | <u>(10,238)</u> |
| Changes in fund balances | <u>(36,538)</u> | <u>(7,590)</u> | <u>(44,128)</u> |
| Fund balances, beginning of year | 842,506 | 17,758 | 860,264 |
| Fund balances, end of year | <u>\$ 805,968</u> | <u>\$ 10,168</u> | <u>\$ 816,136</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.

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

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

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

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

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

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

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

National Forest Fees - to account for financial assistance received from National Forest fees that are shared with the states in which the National 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.

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

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

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

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

School Plant - to account for proceeds from the sale or lease of school property.

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

Civic Center - to account for monies received from the rental of school facilities for civic activities.

Community School - to account for activity related to academic and skill development for all citizens.

Auxiliary Operations - to account for activity arising from bookstore, athletic and miscellaneous District related operations.

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

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

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

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

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

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

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

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

| | <u>Classroom Site</u> | <u>Instructional Improvement</u> | <u>Title I Grants</u> |
|---|--------------------------|--------------------------------------|-------------------------|
| <u>ASSETS</u> | | | |
| Cash and investments | \$ 76,440 | \$ 141,345 | \$ |
| Due from governmental entities | 62,795 | 24,209 | 20,504 |
| Due from other funds | | | |
| Total assets | <u><u>\$ 139,235</u></u> | <u><u>\$ 165,554</u></u> | <u><u>\$ 20,504</u></u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| Liabilities: | | | |
| Due to other funds | \$ | \$ | \$ 20,504 |
| Deferred revenues | | | |
| Total liabilities | <u></u> | <u></u> | <u>20,504</u> |
| Fund balances: | | | |
| Restricted | 139,235 | 165,554 | |
| Total fund balances | <u><u>139,235</u></u> | <u><u>165,554</u></u> | |
| Total liabilities and fund balances | <u><u>\$ 139,235</u></u> | <u><u>\$ 165,554</u></u> | <u><u>\$ 20,504</u></u> |

| Professional Development and Technology Grants | Title IV Grants | Promote Informed Parent Choice | Special Education Grants | Vocational Education | State Vocational Education |
|---|-----------------|--------------------------------------|--------------------------------|-------------------------|-------------------------------|
| \$ 9,352 | \$ 3 | \$ 1,269 | \$ 14,951 | \$ 11,879 | \$ 13,845 |
| <u>\$ 9,352</u> | <u>\$ 3</u> | <u>\$ 1,269</u> | <u>\$ 14,951</u> | <u>\$ 11,879</u> | <u>\$ 13,845</u> |
| \$ 9,352 | \$ 3 | \$ 1,269 | \$ 14,951 | \$ 11,879 | \$ 13,845 |
| <u>9,352</u> | <u>3</u> | <u>1,269</u> | <u>14,951</u> | <u>11,879</u> | <u>13,845</u> |
| <u>\$ 9,352</u> | <u>\$ 3</u> | <u>\$ 1,269</u> | <u>\$ 14,951</u> | <u>\$ 11,879</u> | <u>\$ 13,845</u> |

(Continued)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

| | <u>Extended School Year - Pupils with Disabilities</u> | <u>Chemical Abuse Prevention Programs</u> | <u>Academic Contests</u> |
|---|--|---|------------------------------|
| <u>ASSETS</u> | | | |
| Cash and investments | \$ 28 | \$ 9 | \$ 541 |
| Due from governmental entities | | | |
| Due from other funds | | | |
| Total assets | <u>\$ 28</u> | <u>\$ 9</u> | <u>\$ 541</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| Liabilities: | | | |
| Due to other funds | \$ | \$ | \$ |
| Deferred revenues | 28 | 9 | 541 |
| Total liabilities | <u>28</u> | <u>9</u> | <u>541</u> |
| Fund balances: | | | |
| Restricted | | | |
| Total fund balances | | | |
| Total liabilities and fund balances | <u>\$ 28</u> | <u>\$ 9</u> | <u>\$ 541</u> |

| Other State Projects | Food Service | Civic Center | Community School | Extracurricular Activities Fees Tax Credit | Gifts and Donations |
|-------------------------|---------------------|------------------|---------------------|--|------------------------|
| \$ 122 | \$ 82,773 20,811 | \$ 11,536 | \$ 52,877 | \$ 106,423 | \$ 123,997 |
| <u>\$ 122</u> | <u>\$ 103,584</u> | <u>\$ 11,536</u> | <u>\$ 52,877</u> | <u>\$ 106,423</u> | <u>\$ 123,997</u> |
| | | | | | |
| \$ 122 | \$ | \$ | \$ | \$ | \$ |
| <u>122</u> | | | | | |
| | | | | | |
| | 103,584 | 11,536 | 52,877 | 106,423 | 123,997 |
| | <u>103,584</u> | <u>11,536</u> | <u>52,877</u> | <u>106,423</u> | <u>123,997</u> |
| | | | | | |
| \$ 122 | \$ 103,584 | \$ 11,536 | \$ 52,877 | \$ 106,423 | \$ 123,997 |
| <u>\$ 122</u> | <u>\$ 103,584</u> | <u>\$ 11,536</u> | <u>\$ 52,877</u> | <u>\$ 106,423</u> | <u>\$ 123,997</u> |

(Continued)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

| | Career, Technical and Vocational Education | Textbooks | Joint Technical Education |
|---|---|---------------|------------------------------|
| <u>ASSETS</u> | | | |
| Cash and investments | \$ 926 | \$ 237 | \$ 71,743 |
| Due from governmental entities | | | |
| Due from other funds | | | 29,856 |
| Total assets | <u>\$ 926</u> | <u>\$ 237</u> | <u>\$ 101,599</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| Liabilities: | | | |
| Due to other funds | \$ | \$ | \$ |
| Deferred revenues | | | |
| Total liabilities | | | |
| Fund balances: | | | |
| Restricted | 926 | 237 | 101,599 |
| Total fund balances | <u>926</u> | <u>237</u> | <u>101,599</u> |
| Total liabilities and fund balances | <u>\$ 926</u> | <u>\$ 237</u> | <u>\$ 101,599</u> |

| Totals | |
|--------|---------|
| \$ | 710,944 |
| | 137,671 |
| | 29,856 |
| \$ | 878,471 |

| | |
|----|--------|
| \$ | 29,856 |
| | 42,647 |
| | 72,503 |

| | |
|----|---------|
| | 805,968 |
| | 805,968 |
| \$ | 878,471 |

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, 2012

| | Classroom Site | Instructional Improvement | Title I Grants |
|--|-------------------|------------------------------|----------------|
| Revenues: | | | |
| Other local | \$ 129 | \$ 591 | \$ |
| State aid and grants | 388,666 | 55,844 | |
| Federal aid, grants and reimbursements | | | 165,073 |
| Total revenues | <u>388,795</u> | <u>56,435</u> | <u>165,073</u> |
| Expenditures: | | | |
| Current - | | | |
| Instruction | 343,307 | 91,408 | 101,876 |
| Support services - students and staff | 1,625 | 8,464 | 24,003 |
| Support services - administration | | | 23,565 |
| Operation and maintenance of plant services | | | |
| Student transportation services | | | |
| Operation of non-instructional services | | | |
| Capital outlay | | 21,127 | 5,787 |
| Total expenditures | <u>344,932</u> | <u>120,999</u> | <u>155,231</u> |
| Excess (deficiency) of revenues over expenditures | <u>43,863</u> | <u>(64,564)</u> | <u>9,842</u> |
| Other financing sources (uses): | | | |
| Transfers out | | | (9,842) |
| Total other financing sources (uses): | | | <u>(9,842)</u> |
| Changes in fund balances | <u>43,863</u> | <u>(64,564)</u> | |
| Fund balances, beginning of year | 95,372 | 230,118 | |
| Fund balances, end of year | <u>\$ 139,235</u> | <u>\$ 165,554</u> | <u>\$</u> |

| Professional Development and Technology Grants | Special Education Grants | Vocational Education | State Vocational Education | Food Service | Civic Center |
|---|--------------------------------|-------------------------|-------------------------------|--------------|--------------|
| \$ | \$ | \$ | \$ | \$ | \$ |
| | | | 99,100 | 46,188 | 33,156 |
| 68,176 | 184,526 | 46,357 | | 180,163 | |
| 68,176 | 184,526 | 46,357 | 99,100 | 226,351 | 33,156 |
| | | | | | |
| | 86,000 | 38,680 | 34,883 | | 10,145 |
| 65,968 | 88,508 | 3,390 | 13,181 | | 1,999 |
| | | | | | 4,862 |
| | | | | | 2,277 |
| | | | | 247,698 | |
| 1,812 | 10,018 | 4,287 | 51,036 | 26,544 | 3,887 |
| 67,780 | 184,526 | 46,357 | 99,100 | 274,242 | 23,170 |
| | | | | | |
| 396 | | | | (47,891) | 9,986 |
| | | | | | |
| (396) | | | | | |
| (396) | | | | | |
| | | | | | |
| | | | | (47,891) | 9,986 |
| | | | | | |
| | | | | 151,475 | 1,550 |
| | | | | | |
| \$ | \$ | \$ | \$ | \$ | \$ |
| | | | | 103,584 | 11,536 |

(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, 2012

| | Community School | Extracurricular Activities Fees Tax Credit | Gifts and Donations |
|--|---------------------|--|------------------------|
| Revenues: | | | |
| Other local | \$ 54,964 | \$ 97,450 | \$ 66,602 |
| State aid and grants | | | |
| Federal aid, grants and reimbursements | | | |
| Total revenues | <u>54,964</u> | <u>97,450</u> | <u>66,602</u> |
| Expenditures: | | | |
| Current - | | | |
| Instruction | 70,952 | 88,923 | 18,906 |
| Support services - students and staff | 2,345 | | 24,182 |
| Support services - administration | 147 | | 1,200 |
| Operation and maintenance of plant services | | | |
| Student transportation services | | | |
| Operation of non-instructional services | | | |
| Capital outlay | 5,181 | | 12,406 |
| Total expenditures | <u>78,625</u> | <u>88,923</u> | <u>56,694</u> |
| Excess (deficiency) of revenues over expenditures | <u>(23,661)</u> | <u>8,527</u> | <u>9,908</u> |
| Other financing sources (uses): | | | |
| Transfers out | | | |
| Total other financing sources (uses): | | | |
| Changes in fund balances | <u>(23,661)</u> | <u>8,527</u> | <u>9,908</u> |
| Fund balances, beginning of year | 76,538 | 97,896 | 114,089 |
| Fund balances, end of year | <u>\$ 52,877</u> | <u>\$ 106,423</u> | <u>\$ 123,997</u> |

| Career, Technical and Vocational Education | Textbooks | Joint Technical Education | Totals |
|---|---------------|------------------------------|-------------------|
| \$ 3 | \$ 212 | \$ 377,536 | \$ 676,831 |
| | | | 543,610 |
| | | | 644,295 |
| <u>3</u> | <u>212</u> | <u>377,536</u> | <u>1,864,736</u> |
| | 29 | 286,417 | 1,171,526 |
| | | 11,430 | 245,095 |
| | | | 29,774 |
| | | 2,244 | 4,521 |
| | | 17,772 | 17,772 |
| | | | 247,698 |
| | | 32,565 | 174,650 |
| | <u>29</u> | <u>350,428</u> | <u>1,891,036</u> |
| <u>3</u> | <u>183</u> | <u>27,108</u> | <u>(26,300)</u> |
| | | | (10,238) |
| | | | <u>(10,238)</u> |
| <u>3</u> | <u>183</u> | <u>27,108</u> | <u>(36,538)</u> |
| 923 | 54 | 74,491 | 842,506 |
| <u>\$ 926</u> | <u>\$ 237</u> | <u>\$ 101,599</u> | <u>\$ 805,968</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, 2012

| | Classroom Site | | |
|--|---------------------|-------------------|--------------------------------------|
| | Budget | Actual | Variance - Positive (Negative) |
| Revenues: | | | |
| Other local | \$ | \$ 129 | \$ 129 |
| State aid and grants | | 388,666 | 388,666 |
| Federal aid, grants and reimbursements | | | |
| Total revenues | | <u>388,795</u> | <u>388,795</u> |
| Expenditures: | | | |
| Current - | | | |
| Instruction | 632,605 | 343,307 | 289,298 |
| Support services - students and staff | | 1,625 | (1,625) |
| Support services - administration | | | |
| Operation and maintenance of plant services | | | |
| Student transportation services | | | |
| Operation of non-instructional services | | | |
| Capital outlay | | | |
| Total expenditures | <u>632,605</u> | <u>344,932</u> | <u>287,673</u> |
| Excess (deficiency) of revenues over expenditures | <u>(632,605)</u> | <u>43,863</u> | <u>676,468</u> |
| Other financing sources (uses): | | | |
| Transfers in | | | |
| Transfers out | | | |
| Total other financing sources (uses): | | | |
| Changes in fund balances | <u>(632,605)</u> | <u>43,863</u> | <u>676,468</u> |
| Fund balances, beginning of year | | 95,372 | 95,372 |
| Fund balances (deficits), end of year | <u>\$ (632,605)</u> | <u>\$ 139,235</u> | <u>\$ 771,840</u> |

| Instructional Improvement | | | Title I Grants | | |
|---------------------------|------------------|--------------------------------------|----------------|-----------------------------|--------------------------------------|
| Budget | Actual | Variance - Positive (Negative) | Budget | Actual | Variance - Positive (Negative) |
| \$ | \$ 591 55,844 | \$ 591 55,844 | \$ | \$ | \$ |
| | | | 328,649 | 165,073 | (163,576) |
| | 56,435 | 56,435 | 328,649 | 165,073 | (163,576) |
| 209,329 | 91,408 8,464 | 117,921 (8,464) | 328,649 | 101,876 24,003 23,565 | 226,773 (24,003) (23,565) |
| | 21,127 | (21,127) | | 5,787 | (5,787) |
| 209,329 | 120,999 | 88,330 | 328,649 | 155,231 | 173,418 |
| (209,329) | (64,564) | 144,765 | | 9,842 | 9,842 |
| | | | | (9,842) | (9,842) |
| | | | | (9,842) | (9,842) |
| (209,329) | (64,564) | 144,765 | | | |
| | 230,118 | 230,118 | | | |
| \$ (209,329) | \$ 165,554 | \$ 374,883 | \$ | \$ | \$ |

(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, 2012

| | Professional Development and Technology Grants | | |
|--|--|---------------|--------------------------------------|
| | Budget | Actual | Variance - Positive (Negative) |
| Revenues: | | | |
| Other local | \$ | \$ | \$ |
| State aid and grants | | | |
| Federal aid, grants and reimbursements | 75,133 | 68,176 | (6,957) |
| Total revenues | <u>75,133</u> | <u>68,176</u> | <u>(6,957)</u> |
| Expenditures: | | | |
| Current - | | | |
| Instruction | | | |
| Support services - students and staff | 75,133 | 65,968 | 9,165 |
| Support services - administration | | | |
| Operation and maintenance of plant services | | | |
| Student transportation services | | | |
| Operation of non-instructional services | | | |
| Capital outlay | | 1,812 | (1,812) |
| Total expenditures | <u>75,133</u> | <u>67,780</u> | <u>7,353</u> |
| Excess (deficiency) of revenues over expenditures | | <u>396</u> | <u>396</u> |
| Other financing sources (uses): | | | |
| Transfers in | | | |
| Transfers out | | (396) | (396) |
| Total other financing sources (uses): | | <u>(396)</u> | <u>(396)</u> |
| Changes in fund balances | | | |
| Fund balances, beginning of year | | | |
| Fund balances, end of year | <u>\$</u> | <u>\$</u> | <u>\$</u> |

| Special Education Grants | | | Vocational Education | | |
|--------------------------|---------|--------------------------------------|----------------------|--------|--------------------------------------|
| Budget | Actual | Variance - Positive (Negative) | Budget | Actual | Variance - Positive (Negative) |
| \$ | \$ | \$ | \$ | \$ | \$ |
| 199,516 | 184,526 | (14,990) | 86,170 | 46,357 | (39,813) |
| 199,516 | 184,526 | (14,990) | 86,170 | 46,357 | (39,813) |
| 500 | 86,000 | (85,500) | 86,170 | 38,680 | 47,490 |
| 199,016 | 88,508 | 110,508 | | 3,390 | (3,390) |
| | | | | | |
| | 10,018 | (10,018) | | 4,287 | (4,287) |
| 199,516 | 184,526 | 14,990 | 86,170 | 46,357 | 39,813 |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| \$ | \$ | \$ | \$ | \$ | \$ |

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, 2012

| | Medicaid Reimbursement | | |
|--|------------------------|-----------------|--------------------------------|
| | Budget | Non-GAAP Actual | Variance - Positive (Negative) |
| Revenues: | | | |
| Other local | \$ | \$ 31 | \$ 31 |
| State aid and grants | | | |
| Federal aid, grants and reimbursements | 30,000 | 27,609 | (2,391) |
| Total revenues | <u>30,000</u> | <u>27,640</u> | <u>(2,360)</u> |
| Expenditures: | | | |
| Current - | | | |
| Instruction | | 7,255 | (7,255) |
| Support services - students and staff | | 8,308 | (8,308) |
| Support services - administration | 30,000 | 9,245 | 20,755 |
| Operation and maintenance of plant services | | | |
| Student transportation services | | | |
| Operation of non-instructional services | | | |
| Capital outlay | | 8,159 | (8,159) |
| Total expenditures | <u>30,000</u> | <u>32,967</u> | <u>(2,967)</u> |
| Excess (deficiency) of revenues over expenditures | | <u>(5,327)</u> | <u>(5,327)</u> |
| Other financing sources (uses): | | | |
| Transfers in | | | |
| Transfers out | | | |
| Total other financing sources (uses): | | | |
| Changes in fund balances | | <u>(5,327)</u> | <u>(5,327)</u> |
| Fund balances, beginning of year | | 14,263 | 14,263 |
| Fund balances, end of year | <u>\$</u> | <u>\$ 8,936</u> | <u>\$ 8,936</u> |

| National Forest Fees | | | E-Rate | | |
|----------------------|--------------------|--------------------------------------|--------|--------------------|--------------------------------------|
| Budget | Non-GAAP Actual | Variance - Positive (Negative) | Budget | Non-GAAP Actual | Variance - Positive (Negative) |
| \$ | \$ 121 | \$ 121 | \$ | \$ | \$ |
| 222,034 | 112,337 | (109,697) | | | |
| 222,034 | 112,458 | (109,576) | | | |
| 222,034 | 68,781 | 153,253 | | | |
| | 10,597 | (10,597) | | | |
| | 65,976 | (65,976) | | | |
| | 8,831 | (8,831) | | | |
| | 4,902 | (4,902) | | | |
| | 4,559 | (4,559) | | | |
| | 1,657 | (1,657) | | | |
| 222,034 | 165,303 | 56,731 | | | |
| | (52,845) | (52,845) | | | |
| | | | | | |
| | | | | | |
| | (52,845) | (52,845) | | | |
| | 65,621 | 65,621 | | 1 | 1 |
| \$ | \$ 12,776 | \$ 12,776 | \$ | \$ 1 | \$ 1 |

(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, 2012

| | Other Federal Projects | | |
|--|------------------------|-----------------|--------------------------------|
| | Budget | Non-GAAP Actual | Variance - Positive (Negative) |
| Revenues: | | | |
| Other local | \$ | \$ | \$ |
| State aid and grants | | | |
| Federal aid, grants and reimbursements | 11,686 | 3,587 | (8,099) |
| Total revenues | <u>11,686</u> | <u>3,587</u> | <u>(8,099)</u> |
| Expenditures: | | | |
| Current - | | | |
| Instruction | 11,686 | 3,587 | 8,099 |
| 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>11,686</u> | <u>3,587</u> | <u>8,099</u> |
| Excess (deficiency) of revenues over expenditures | | | |
| Other financing sources (uses): | | | |
| Transfers in | | | |
| Transfers out | | | |
| Total other financing sources (uses): | | | |
| Changes in fund balances | | | |
| Fund balances, beginning of year | | | |
| Fund balances, end of year | <u>\$</u> | <u>\$</u> | <u>\$</u> |

| State Vocational Education | | | School Plant | | |
|----------------------------|---------------|--------------------------------------|--------------|--------------------|--------------------------------------|
| Budget | Actual | Variance - Positive (Negative) | Budget | Non-GAAP Actual | Variance - Positive (Negative) |
| \$ 112,737 | \$ 99,100 | \$ (13,637) | \$ | \$ 1 | \$ 1 |
| <u>112,737</u> | <u>99,100</u> | <u>(13,637)</u> | <u></u> | <u>1</u> | <u>1</u> |
| | 34,883 | (34,883) | | | |
| | 13,181 | (13,181) | | | |
| <u>112,737</u> | <u>51,036</u> | <u>61,701</u> | <u></u> | <u></u> | <u></u> |
| <u>112,737</u> | <u>99,100</u> | <u>13,637</u> | <u></u> | <u></u> | <u></u> |
| <u></u> | <u></u> | <u></u> | <u></u> | <u>1</u> | <u>1</u> |
| <u></u> | <u></u> | <u></u> | <u></u> | <u></u> | <u></u> |
| <u></u> | <u></u> | <u></u> | <u></u> | <u>1</u> | <u>1</u> |
| <u></u> | <u></u> | <u></u> | <u></u> | <u>533</u> | <u>533</u> |
| <u>\$</u> | <u>\$</u> | <u>\$</u> | <u>\$</u> | <u>\$ 534</u> | <u>\$ 534</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, 2012

| | Food Service | | Variance - |
|--|---------------------|-------------------|------------------------|
| | Budget | Actual | Positive (Negative) |
| Revenues: | | | |
| Other local | \$ | \$ 46,188 | \$ 46,188 |
| State aid and grants | | | |
| Federal aid, grants and reimbursements | | 180,163 | 180,163 |
| Total revenues | | <u>226,351</u> | <u>226,351</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 | 247,698 | 12,302 |
| Capital outlay | | 26,544 | (26,544) |
| Total expenditures | <u>260,000</u> | <u>274,242</u> | <u>(14,242)</u> |
| Excess (deficiency) of revenues over expenditures | <u>(260,000)</u> | <u>(47,891)</u> | <u>212,109</u> |
| Other financing sources (uses): | | | |
| Transfers in | | | |
| Transfers out | | | |
| Total other financing sources (uses): | | | |
| Changes in fund balances | <u>(260,000)</u> | <u>(47,891)</u> | <u>212,109</u> |
| Fund balances, beginning of year | | 151,475 | 151,475 |
| Fund balances (deficits), end of year | <u>\$ (260,000)</u> | <u>\$ 103,584</u> | <u>\$ 363,584</u> |

| Civic Center | | | Community School | | |
|--------------|-----------|--------------------------------------|------------------|-----------|--------------------------------------|
| Budget | Actual | Variance - Positive (Negative) | Budget | Actual | Variance - Positive (Negative) |
| \$ | \$ 33,156 | \$ 33,156 | \$ | \$ 54,964 | \$ 54,964 |
| | 33,156 | 33,156 | | 54,964 | 54,964 |
| 50,578 | 10,145 | 40,433 | 139,771 | 70,952 | 68,819 |
| | 1,999 | (1,999) | | 2,345 | (2,345) |
| | 4,862 | (4,862) | | 147 | (147) |
| | 2,277 | (2,277) | | | |
| | 3,887 | (3,887) | | 5,181 | (5,181) |
| 50,578 | 23,170 | 27,408 | 139,771 | 78,625 | 61,146 |
| (50,578) | 9,986 | 60,564 | (139,771) | (23,661) | 116,110 |
| | | | | | |
| (50,578) | 9,986 | 60,564 | (139,771) | (23,661) | 116,110 |
| | 1,550 | 1,550 | | 76,538 | 76,538 |
| \$ (50,578) | \$ 11,536 | \$ 62,114 | \$ (139,771) | \$ 52,877 | \$ 192,648 |

(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, 2012

| | Auxiliary Operations | | |
|--|----------------------|-------------------|--------------------------------|
| | Budget | Non-GAAP Actual | Variance - Positive (Negative) |
| Revenues: | | | |
| Other local | \$ | \$ 262,630 | \$ 262,630 |
| State aid and grants | | | |
| Federal aid, grants and reimbursements | | | |
| Total revenues | | <u>262,630</u> | <u>262,630</u> |
| Expenditures: | | | |
| Current - | | | |
| Instruction | 275,000 | 238,396 | 36,604 |
| Support services - students and staff | | | |
| Support services - administration | | | |
| Operation and maintenance of plant services | | 26,878 | (26,878) |
| Student transportation services | | 45,468 | (45,468) |
| Operation of non-instructional services | | | |
| Capital outlay | | | |
| Total expenditures | <u>275,000</u> | <u>310,742</u> | <u>(35,742)</u> |
| Excess (deficiency) of revenues over expenditures | <u>(275,000)</u> | <u>(48,112)</u> | <u>226,888</u> |
| Other financing sources (uses): | | | |
| Transfers in | | | |
| Transfers out | | | |
| Total other financing sources (uses): | | | |
| Changes in fund balances | <u>(275,000)</u> | <u>(48,112)</u> | <u>226,888</u> |
| Fund balances, beginning of year | | 169,868 | 169,868 |
| Fund balances (deficits), end of year | <u>\$ (275,000)</u> | <u>\$ 121,756</u> | <u>\$ 396,756</u> |

| Extracurricular Activities Fees Tax Credit | | | Gifts and Donations | | |
|--|------------|--------------------------------------|---------------------|------------|--------------------------------------|
| Budget | Actual | Variance - Positive (Negative) | Budget | Actual | Variance - Positive (Negative) |
| \$ | \$ 97,450 | \$ 97,450 | \$ | \$ 66,602 | \$ 66,602 |
| | 97,450 | 97,450 | | 66,602 | 66,602 |
| | 88,923 | (88,923) | | 18,906 | (18,906) |
| | | | 190,640 | 24,182 | 166,458 |
| | | | | 1,200 | (1,200) |
| | | | | 12,406 | (12,406) |
| | 88,923 | (88,923) | 190,640 | 56,694 | 133,946 |
| | 8,527 | 8,527 | (190,640) | 9,908 | 200,548 |
| | | | | | |
| | 8,527 | 8,527 | (190,640) | 9,908 | 200,548 |
| | 97,896 | 97,896 | | 114,089 | 114,089 |
| \$ | \$ 106,423 | \$ 106,423 | \$ (190,640) | \$ 123,997 | \$ 314,637 |

(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, 2012

| | Career, Technical and Vocational Education | | |
|--|--|--------|--------------------------------------|
| | Budget | Actual | Variance - Positive (Negative) |
| Revenues: | | | |
| Other local | \$ | \$ 3 | \$ 3 |
| State aid and grants | | | |
| Federal aid, grants and reimbursements | | | |
| Total revenues | | 3 | 3 |
| Expenditures: | | | |
| Current - | | | |
| Instruction | | | |
| Support services - students and staff | | | |
| Support services - administration | | | |
| Operation and maintenance of plant services | | | |
| Student transportation services | | | |
| Operation of non-instructional services | | | |
| Capital outlay | | | |
| Total expenditures | | | |
| Excess (deficiency) of revenues over expenditures | | 3 | 3 |
| Other financing sources (uses): | | | |
| Transfers in | | | |
| Transfers out | | | |
| Total other financing sources (uses): | | | |
| Changes in fund balances | | 3 | 3 |
| Fund balances, beginning of year | | 923 | 923 |
| Fund balances (deficits), end of year | \$ | \$ 926 | \$ 926 |

| Insurance Proceeds | | | Textbooks | | |
|--------------------|--------------------|--------------------------------------|------------|--------|--------------------------------------|
| Budget | Non-GAAP Actual | Variance - Positive (Negative) | Budget | Actual | Variance - Positive (Negative) |
| \$ | \$ 4 | \$ 4 | \$ | \$ 212 | \$ 212 |
| | 4 | 4 | | 212 | 212 |
| | | | | | |
| | | | 3,000 | 29 | 2,971 |
| 10,000 | 927 | 9,073 | | | |
| | | | | | |
| 10,000 | 927 | 9,073 | 3,000 | 29 | 2,971 |
| (10,000) | (923) | 9,077 | (3,000) | 183 | 3,183 |
| | | | | | |
| | | | | | |
| (10,000) | (923) | 9,077 | (3,000) | 183 | 3,183 |
| | 1,487 | 1,487 | | 54 | 54 |
| \$ (10,000) | \$ 564 | \$ 10,564 | \$ (3,000) | \$ 237 | \$ 3,237 |

(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, 2012

| | Litigation Recovery | | |
|--|---------------------|----------------------------|---|
| | <u>Budget</u> | <u>Non-GAAP Actual</u> | <u>Variance - Positive (Negative)</u> |
| Revenues: | | | |
| Other local | \$ | \$ 43 | \$ 43 |
| State aid and grants | | | |
| Federal aid, grants and reimbursements | | | |
| Total revenues | | <u>43</u> | <u>43</u> |
| Expenditures: | | | |
| Current - | | | |
| Instruction | 2,400 | 2,902 | (502) |
| Support services - students and staff | | | |
| Support services - administration | | | |
| Operation and maintenance of plant services | | | |
| Student transportation services | | | |
| Operation of non-instructional services | | | |
| Capital outlay | | | |
| Total expenditures | <u>2,400</u> | <u>2,902</u> | <u>(502)</u> |
| Excess (deficiency) of revenues over expenditures | <u>(2,400)</u> | <u>(2,859)</u> | <u>(459)</u> |
| Other financing sources (uses): | | | |
| Transfers in | | | |
| Transfers out | | | |
| Total other financing sources (uses): | | | |
| Changes in fund balances | <u>(2,400)</u> | <u>(2,859)</u> | <u>(459)</u> |
| Fund balances, beginning of year | | 3,533 | 3,533 |
| Fund balances (deficits), end of year | <u>\$ (2,400)</u> | <u>\$ 674</u> | <u>\$ 3,074</u> |

| Indirect Costs | | | Joint Technical Education | | |
|----------------|-----------------|--------------------------------|---------------------------|-------------------|--------------------------------|
| Budget | Non-GAAP Actual | Variance - Positive (Negative) | Budget | Actual | Variance - Positive (Negative) |
| \$ | \$ 1 | \$ 1 | \$ | \$ 377,536 | \$ 377,536 |
| | 1 | 1 | | 377,536 | 377,536 |
| 10,000 | 10,465 | (465) | 551,773 | 286,417 11,430 | 265,356 (11,430) |
| | | | | 2,244 17,772 | (2,244) (17,772) |
| 10,000 | 10,465 | (465) | 551,773 | 32,565 350,428 | (32,565) 201,345 |
| (10,000) | (10,464) | (464) | (551,773) | 27,108 | 578,881 |
| | 10,238 | 10,238 | | | |
| | 10,238 | 10,238 | | | |
| (10,000) | (226) | 9,774 | (551,773) | 27,108 | 578,881 |
| | 226 | 226 | | 74,491 | 74,491 |
| \$ (10,000) | \$ | \$ 10,000 | \$ (551,773) | \$ 101,599 | \$ 653,372 |

(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, 2012

| | Totals | | |
|--|-----------------------|--------------------|--------------------------------------|
| | Budget | Non-GAAP Actual | Variance - Positive (Negative) |
| Revenues: | | | |
| Other local | \$ | \$ 939,662 | \$ 939,662 |
| State aid and grants | 112,737 | 543,610 | 430,873 |
| Federal aid, grants and reimbursements | 953,188 | 787,828 | (165,360) |
| Total revenues | <u>1,065,925</u> | <u>2,271,100</u> | <u>1,205,175</u> |
| Expenditures: | | | |
| Current - | | | |
| Instruction | 2,513,495 | 1,492,447 | 1,021,048 |
| Support services - students and staff | 464,789 | 264,000 | 200,789 |
| Support services - administration | 50,000 | 116,387 | (66,387) |
| Operation and maintenance of plant services | | 40,230 | (40,230) |
| Student transportation services | | 68,142 | (68,142) |
| Operation of non-instructional services | 260,000 | 252,257 | 7,743 |
| Capital outlay | 112,737 | 184,466 | (71,729) |
| Total expenditures | <u>3,401,021</u> | <u>2,417,929</u> | <u>983,092</u> |
| Excess (deficiency) of revenues over expenditures | <u>(2,335,096)</u> | <u>(146,829)</u> | <u>2,188,267</u> |
| Other financing sources (uses): | | | |
| Transfers in | | 10,238 | 10,238 |
| Transfers out | | (10,238) | (10,238) |
| Total other financing sources (uses): | | | |
| Changes in fund balances | <u>(2,335,096)</u> | <u>(146,829)</u> | <u>2,188,267</u> |
| Fund balances, beginning of year | | 1,098,038 | 1,098,038 |
| Fund balances (deficits), end of year | <u>\$ (2,335,096)</u> | <u>\$ 951,209</u> | <u>\$ 3,286,305</u> |

DEBT SERVICE FUND

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL DEBT SERVICE FUNDS
YEAR ENDED JUNE 30, 2012

| | Debt Service | | |
|---|-------------------|------------------|--------------------------------------|
| | Budget | Actual | Variance - Positive (Negative) |
| Revenues: | | | |
| Other local | \$ 30,000 | \$ 36,309 | \$ 6,309 |
| Property taxes | 1,470,000 | 1,423,590 | (46,410) |
| Total revenues | <u>1,500,000</u> | <u>1,459,899</u> | <u>(40,101)</u> |
| Expenditures: | | | |
| Debt service - | | | |
| Principal retirement | 925,000 | 925,000 | |
| Interest and fiscal charges | 313,294 | 558,544 | (245,250) |
| Total expenditures | <u>1,238,294</u> | <u>1,483,544</u> | <u>(245,250)</u> |
| Changes in fund balances | <u>261,706</u> | <u>(23,645)</u> | <u>(285,351)</u> |
| Fund balances, beginning of year | 11,148 | 44,526 | 33,378 |
| Fund balances, end of year | <u>\$ 272,854</u> | <u>\$ 20,881</u> | <u>\$ (251,973)</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.

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

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2012

| | Unrestricted Capital Outlay | Adjacent Ways | Building Renewal |
|---|--------------------------------|---------------|---------------------|
| <u>ASSETS</u> | | | |
| Cash and investments | \$ 837 | \$ 256 | \$ 158 |
| Property taxes receivable | 9,125 | | |
| Due from governmental entities | 6,834 | | |
| Total assets | <u>\$ 16,796</u> | <u>\$ 256</u> | <u>\$ 158</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| Liabilities: | | | |
| Deferred revenues | \$ 7,042 | \$ | \$ |
| Total liabilities | <u>7,042</u> | <u></u> | <u></u> |
| Fund balances: | | | |
| Restricted | 9,754 | 256 | 158 |
| Total fund balances | <u>9,754</u> | <u>256</u> | <u>158</u> |
| Total liabilities and fund balances | <u>\$ 16,796</u> | <u>\$ 256</u> | <u>\$ 158</u> |

| Totals | |
|--------|--------|
| \$ | 1,251 |
| | 9,125 |
| | 6,834 |
| \$ | 17,210 |

| | |
|----|-------|
| \$ | 7,042 |
| | 7,042 |

| | |
|----|--------|
| | 10,168 |
| | 10,168 |
| \$ | 17,210 |

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, 2012

| | Unrestricted Capital Outlay | Adjacent Ways | Building Renewal |
|---|--------------------------------|---------------|---------------------|
| Revenues: | | | |
| Other local | \$ 15,668 | \$ | \$ |
| Property taxes | 174,884 | | |
| State aid and grants | 13,922 | | |
| Total revenues | <u>204,474</u> | | |
| Expenditures: | | | |
| Current - | | | |
| Instruction | 18,263 | | |
| Support services - students and staff | 9,969 | | |
| Support services - administration | 7,449 | | |
| Operation and maintenance of plant services | 13,100 | | |
| Debt service - | | | |
| Principal retirement | 132,080 | | |
| Interest and fiscal charges | 31,203 | | |
| Total expenditures | <u>212,064</u> | | |
| Changes in fund balances | <u>(7,590)</u> | | |
| Fund balances, beginning of year | 17,344 | 256 | 158 |
| Fund balances, end of year | <u>\$ 9,754</u> | <u>\$ 256</u> | <u>\$ 158</u> |

| Totals | |
|--------|----------------|
| \$ | 15,668 |
| | 174,884 |
| | 13,922 |
| | <u>204,474</u> |

| | |
|----|----------------|
| | 18,263 |
| | 9,969 |
| | 7,449 |
| | 13,100 |
| | 132,080 |
| | 31,203 |
| | <u>212,064</u> |
| | <u>(7,590)</u> |
| | 17,758 |
| \$ | <u>10,168</u> |

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2012

| | Unrestricted Capital Outlay | | |
|---|-----------------------------|-----------------|--------------------------------------|
| | Budget | Actual | Variance - Positive (Negative) |
| Revenues: | | | |
| Other local | \$ | \$ 15,668 | \$ 15,668 |
| Property taxes | 236,123 | 174,884 | (61,239) |
| State aid and grants | | 13,922 | 13,922 |
| Total revenues | <u>236,123</u> | <u>204,474</u> | <u>(31,649)</u> |
| Expenditures: | | | |
| Current - | | | |
| Instruction | | 18,263 | (18,263) |
| Support services - students and staff | | 9,969 | (9,969) |
| Support services - administration | | 7,449 | (7,449) |
| Operation and maintenance of plant services | | 13,100 | (13,100) |
| Capital outlay | | | |
| Debt service - | | | |
| Principal retirement | 212,064 | 132,080 | 79,984 |
| Interest and fiscal charges | | 31,203 | (31,203) |
| Total expenditures | <u>212,064</u> | <u>212,064</u> | <u></u> |
| Changes in fund balances | <u>24,059</u> | <u>(7,590)</u> | <u>(31,649)</u> |
| Fund balances, beginning of year | | 17,344 | 17,344 |
| Fund balances, end of year | <u>\$ 24,059</u> | <u>\$ 9,754</u> | <u>\$ (14,305)</u> |

| Adjacent Ways | | | Soft Capital Allocation | | |
|---------------|--------|--------------------------------------|-------------------------|--------------------|--------------------------------------|
| Budget | Actual | Variance - Positive (Negative) | Budget | Non-GAAP Actual | Variance - Positive (Negative) |
| \$ | \$ | \$ | \$ | \$ | \$ |
| | | | 80,000 | 7,245 | 7,245 |
| | | | | 57,600 | (22,400) |
| | | | | 10,552 | 10,552 |
| | | | 80,000 | 75,397 | (4,603) |
| | | | | | |
| | | | | 3,296 | (3,296) |
| | | | | | |
| | | | 7,203 | 3,369 | 3,834 |
| | | | | | |
| | | | 7,203 | 6,665 | 538 |
| | | | | | |
| | | | 72,797 | 68,732 | (4,065) |
| | | | | | |
| | 256 | 256 | | 22,264 | 22,264 |
| | | | | | |
| \$ | \$ 256 | \$ 256 | \$ 72,797 | \$ 90,996 | \$ 18,199 |

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, 2012

| | Building Renewal | | Variance - |
|---|------------------|--------|------------------------|
| | Budget | Actual | Positive (Negative) |
| Revenues: | | | |
| Other local | \$ | \$ | \$ |
| Property taxes | | | |
| State aid and grants | | | |
| Total revenues | | | |
| Expenditures: | | | |
| Current - | | | |
| Instruction | | | |
| Support services - students and staff | | | |
| Support services - administration | | | |
| Operation and maintenance of plant services | | | |
| Capital outlay | | | |
| Debt service - | | | |
| Principal retirement | | | |
| Interest and fiscal charges | | | |
| Total expenditures | | | |
| Changes in fund balances | | | |
| Fund balances, beginning of year | | 158 | 158 |
| Fund balances, end of year | \$ | \$ 158 | \$ 158 |

| Totals | | |
|-----------|--------------------|--------------------------------------|
| Budget | Non-GAAP Actual | Variance - Positive (Negative) |
| \$ | \$ | \$ |
| 316,123 | 22,913 | 22,913 |
| | 232,484 | (83,639) |
| | 24,474 | 24,474 |
| 316,123 | 279,871 | (36,252) |
| | 21,559 | (21,559) |
| | 9,969 | (9,969) |
| | 7,449 | (7,449) |
| | 13,100 | (13,100) |
| 7,203 | 3,369 | 3,834 |
| 212,064 | 132,080 | 79,984 |
| | 31,203 | (31,203) |
| 219,267 | 218,729 | 538 |
| 96,856 | 61,142 | (35,714) |
| | 40,022 | 40,022 |
| \$ 96,856 | \$ 101,164 | \$ 4,308 |

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AGENCY FUNDS

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

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2012

| | Student Activities | Employee Insurance | Totals |
|---------------------------|-----------------------|-----------------------|-------------------|
| <u>ASSETS</u> | | | |
| Cash and investments | \$ 100,556 | \$ 117,777 | \$ 218,333 |
| Total assets | <u>\$ 100,556</u> | <u>\$ 117,777</u> | <u>\$ 218,333</u> |
| <u>LIABILITIES</u> | | | |
| Deposits held for others | \$ | \$ 117,777 | \$ 117,777 |
| Due to student groups | 100,556 | | 100,556 |
| Total liabilities | <u>\$ 100,556</u> | <u>\$ 117,777</u> | <u>\$ 218,333</u> |

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2012

| | <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>79,091</u> | \$ <u>193,243</u> | \$ <u>171,778</u> | \$ <u>100,556</u> |
| Total assets | \$ <u><u>79,091</u></u> | \$ <u><u>193,243</u></u> | \$ <u><u>171,778</u></u> | \$ <u><u>100,556</u></u> |
| <u>Liabilities</u> | | | | |
| Due to student groups | \$ <u>79,091</u> | \$ <u>193,243</u> | \$ <u>171,778</u> | \$ <u>100,556</u> |
| Total liabilities | \$ <u><u>79,091</u></u> | \$ <u><u>193,243</u></u> | \$ <u><u>171,778</u></u> | \$ <u><u>100,556</u></u> |
| <u>EMPLOYEE WITHHOLDING</u> | | | | |
| <u>Assets</u> | | | | |
| Cash and investments | \$ <u>48,277</u> | \$ <u>5,358,209</u> | \$ <u>5,288,709</u> | \$ <u>117,777</u> |
| Total assets | \$ <u><u>48,277</u></u> | \$ <u><u>5,358,209</u></u> | \$ <u><u>5,288,709</u></u> | \$ <u><u>117,777</u></u> |
| <u>Liabilities</u> | | | | |
| Deposits held for others | \$ <u>48,277</u> | \$ <u>5,358,209</u> | \$ <u>5,288,709</u> | \$ <u>117,777</u> |
| Total liabilities | \$ <u><u>48,277</u></u> | \$ <u><u>5,358,209</u></u> | \$ <u><u>5,288,709</u></u> | \$ <u><u>117,777</u></u> |
| <u>TOTAL AGENCY FUNDS</u> | | | | |
| <u>Assets</u> | | | | |
| Cash and investments | \$ <u>127,368</u> | \$ <u>5,551,452</u> | \$ <u>5,460,487</u> | \$ <u>218,333</u> |
| Total assets | \$ <u><u>127,368</u></u> | \$ <u><u>5,551,452</u></u> | \$ <u><u>5,460,487</u></u> | \$ <u><u>218,333</u></u> |
| <u>Liabilities</u> | | | | |
| Deposits held for others | \$ <u>48,277</u> | \$ <u>5,358,209</u> | \$ <u>5,288,709</u> | \$ <u>117,777</u> |
| Due to student groups | <u>79,091</u> | <u>193,243</u> | <u>171,778</u> | <u>100,556</u> |
| Total liabilities | \$ <u><u>127,368</u></u> | \$ <u><u>5,551,452</u></u> | \$ <u><u>5,460,487</u></u> | \$ <u><u>218,333</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.

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

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

| | Fiscal Year Ended June 30 | | | | |
|---|----------------------------------|---------------------|---------------------|---------------------|----------------------|
| | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> |
| Net Assets: | | | | | |
| Invested in capital assets, net of related debt | \$ 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 assets | <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> |

| | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> |
|---|---------------------|----------------------|----------------------|----------------------|
| Net Assets: | | | | |
| Invested in capital assets, net of related debt | \$ 7,223,522 | \$ 7,655,021 | \$ 10,017,530 | \$ 9,909,784 |
| Restricted | 310,421 | 419,767 | 188,520 | 85,053 |
| Unrestricted | 2,451,739 | 1,996,500 | 1,510,387 | 1,280,509 |
| Total net assets | <u>\$ 9,985,682</u> | <u>\$ 10,071,288</u> | <u>\$ 11,716,437</u> | <u>\$ 11,275,346</u> |

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

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

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

| | Fiscal Year Ended June 30 | | | | |
|---|---------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | <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> |

(Continued)

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

| | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| Expenses | | | | |
| Instruction | \$ 6,348,099 | \$ 7,722,922 | \$ 4,653,012 | \$ 4,711,685 |
| Support services - students and staff | 1,044,576 | 728,967 | 818,616 | 922,101 |
| Support services - administration | 886,618 | 808,764 | 988,945 | 794,188 |
| Operation and maintenance of plant services | 1,189,263 | 1,080,002 | 972,881 | 1,247,778 |
| Student transportation services | 434,702 | 438,792 | 427,245 | 371,116 |
| Operation of non-instructional services | 329,144 | 482,988 | 522,784 | 428,858 |
| Interest on long-term debt | 1,116 | 10,033 | 9,395 | 12,850 |
| Total expenses | <u>10,233,518</u> | <u>11,272,468</u> | <u>8,392,878</u> | <u>8,488,576</u> |
| Program Revenues | | | | |
| Charges for services: | | | | |
| Instruction | 947,950 | 666,930 | 216,935 | 228,412 |
| Operation of non-instructional services | 215,985 | 612,965 | 291,889 | 311,405 |
| Other activities | 110,450 | 151,947 | 122,467 | 118,701 |
| Operating grants and contributions | 696,068 | 1,483,097 | 1,226,538 | 1,202,820 |
| Capital grants and contributions | 104,264 | | | |
| Total program revenues | <u>2,074,717</u> | <u>2,914,939</u> | <u>1,857,829</u> | <u>1,861,338</u> |
| Net (Expense)/Revenue | <u>\$ (8,158,801)</u> | <u>\$ (8,357,529)</u> | <u>\$ (6,535,049)</u> | <u>\$ (6,627,238)</u> |

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

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

(Concluded)

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

| | Fiscal Year Ended June 30 | | | | |
|---|---------------------------|---------------------|-------------------|-----------------------|-------------------|
| | <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 Assets | <u>\$ 184,507</u> | <u>\$ (404,679)</u> | <u>\$ 394,864</u> | <u>\$ (1,262,160)</u> | <u>\$ 411,746</u> |

(Continued)

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

| | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> |
|---|--------------------|-----------------------|--------------------|---------------------|
| Net (Expense)/Revenue | \$ (8,158,801) | \$ (8,357,529) | \$ (6,535,049) | \$ (6,627,238) |
| General Revenues: | | | | |
| Taxes: | | | | |
| Property taxes, levied for general purposes | 4,404,614 | 4,245,422 | 3,904,464 | 3,755,430 |
| Property taxes, levied for debt service | 1,914 | | | |
| Property taxes, levied for capital outlay | 123,154 | | | |
| Investment income | 299,694 | 55,865 | 20,066 | 12,570 |
| Unrestricted county aid | 563 | 218,083 | 257,217 | 337,520 |
| Unrestricted state aid | 3,243,256 | 2,186,665 | 2,767,145 | 4,207,558 |
| Unrestricted federal aid | | 6,345 | 27,248 | 768 |
| Total general revenues | <u>8,073,195</u> | <u>6,712,380</u> | <u>6,976,140</u> | <u>8,313,846</u> |
| Changes in Net Assets | <u>\$ (85,606)</u> | <u>\$ (1,645,149)</u> | <u>\$ 441,091</u> | <u>\$ 1,686,608</u> |

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

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

(Concluded)

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

| | Fiscal Year Ended June 30 | | | | |
|------------------------------------|----------------------------------|---------------------|---------------------|---------------------|---------------------|
| | <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> |

(Continued)

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

| | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> |
|------------------------------------|----------------------|---------------------|---------------------|--------------------|
| General Fund: | | | | |
| Reserved | | \$ 391,256 | \$ 232,867 | \$ 94,169 |
| Unreserved | 880,332 | 320,275 | 288,151 | 557,225 |
| Total General Fund | <u>\$ 880,332</u> | <u>\$ 711,531</u> | <u>\$ 521,018</u> | <u>\$ 651,394</u> |
| All Other Governmental Funds: | | | | |
| Reserved | | | | |
| Unreserved, reported in: | | | | |
| Special revenue funds | \$ 1,394,283 | \$ 1,455,817 | \$ 909,363 | \$ 614,009 |
| Capital projects funds | 13,113,459 | 208,842 | 188,520 | 81,287 |
| Debt service fund | | | | |
| Total all other governmental funds | <u>\$ 14,507,742</u> | <u>\$ 1,664,659</u> | <u>\$ 1,097,883</u> | <u>\$ 695,296</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 NINE FISCAL YEARS
(Modified accrual basis of accounting)

| | Fiscal Year Ended June 30 | | | | |
|-----------------------------------|----------------------------------|-----------------------------|-----------------------------|----------------------------|-----------------------------|
| | <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 (ARRA) | 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 | | |
| 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> |

(Continued)

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

| | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> |
|-------------------------------|-----------------------------|----------------------------|----------------------------|----------------------------|
| Federal sources: | | | | |
| Federal grants | \$ 603,910 | \$ 608,868 | \$ 550,010 | \$ 563,367 |
| Total federal sources | <u>603,910</u> | <u>608,868</u> | <u>550,010</u> | <u>563,367</u> |
| State sources: | | | | |
| State equalization assistance | 2,400,580 | 2,054,110 | 2,633,946 | 2,843,051 |
| State grants | 190,649 | 874,329 | 629,214 | 970,534 |
| School Facilities Board | 161,654 | 132,555 | 133,199 | |
| Other revenues | <u>681,022</u> | <u></u> | <u>27,248</u> | <u></u> |
| Total state sources | <u>3,433,905</u> | <u>3,060,994</u> | <u>3,423,607</u> | <u>3,813,585</u> |
| Local sources: | | | | |
| Property taxes | 4,537,874 | 4,227,301 | 3,929,735 | 3,680,115 |
| County aid | 563 | 218,083 | 257,217 | 337,520 |
| Investment income | 299,694 | 55,865 | 20,066 | 12,570 |
| Other revenues | <u>1,274,385</u> | <u>1,438,087</u> | <u>678,605</u> | <u>367,701</u> |
| Total local sources | <u>6,112,516</u> | <u>5,939,336</u> | <u>4,885,623</u> | <u>4,397,906</u> |
| Total revenues | <u><u>\$ 10,150,331</u></u> | <u><u>\$ 9,609,198</u></u> | <u><u>\$ 8,859,240</u></u> | <u><u>\$ 8,774,858</u></u> |

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

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

(Concluded)

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

| | Fiscal Year Ended June 30 | | | | |
|---|----------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | <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 - | | | | | |
| Judgments against the district | | | | 70,391 | |
| Interest, premium 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><u>\$ 10,677,706</u></u> | <u><u>\$ 11,608,960</u></u> | <u><u>\$ 11,535,663</u></u> | <u><u>\$ 17,377,796</u></u> | <u><u>\$ 17,250,944</u></u> |
| 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% | 5% | 10% |

(Continued)

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

| | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> |
|--|----------------------|---------------------|---------------------|---------------------|
| Expenditures: | | | | |
| Current - | | | | |
| Instruction | \$ 5,390,691 | \$ 5,011,187 | \$ 4,807,352 | \$ 4,772,401 |
| Support services - students and staff | 1,034,408 | 886,158 | 831,129 | 921,355 |
| Support services - administration | 868,303 | 797,132 | 959,697 | 776,688 |
| Operation and maintenance of plant services | 944,954 | 931,388 | 1,086,061 | 1,046,646 |
| Student transportation services | 376,528 | 392,495 | 380,706 | 322,601 |
| Operation of non-instructional services | 328,297 | 480,816 | 521,967 | 428,858 |
| Capital outlay | 2,782,913 | 589,624 | 107,943 | 28,494 |
| Debt service - | | | | |
| Judgments against the district | | | | |
| Interest, premium and fiscal charges | 4,573 | 10,033 | 9,395 | 12,850 |
| Principal retirement | 138,618 | 72,952 | 71,579 | 80,842 |
| Bond issuance costs | 247,725 | | | |
| Total expenditures | <u>\$ 12,117,010</u> | <u>\$ 9,171,785</u> | <u>\$ 8,775,829</u> | <u>\$ 8,390,735</u> |
| Expenditures for capitalized assets | \$ 2,292,838 | \$ 589,624 | \$ 107,943 | \$ 28,494 |
| Debt service as a percentage of noncapital expenditures | 1% | 1% | 1% | 1% |

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

(Concluded)

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

| | Fiscal Year Ended June 30 | | | | |
|--|----------------------------------|---------------------|---------------------|-----------------------|-----------------------|
| | <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) | \$ (7,926,042) | \$ (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) |
| Total other financing sources (uses) | | <u>717,295</u> | <u>59,026</u> | <u>-</u> | <u>90,568</u> |
| Changes in fund balances | <u>\$ 201,812</u> | <u>\$ (273,206)</u> | <u>\$ (313,147)</u> | <u>\$ (7,926,042)</u> | <u>\$ (5,819,177)</u> |
| | | | | | |
| | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | |
| Excess (deficiency) of revenues over expenditures | \$ (1,966,679) | \$ 437,413 | \$ 83,411 | \$ 384,123 | |
| Other financing sources (uses): | | | | | |
| General obligation bonds issued | 15,000,000 | | | | |
| Premium on sale of bonds | 251,182 | | | | |
| Capital lease agreements | 118,637 | 108,450 | 103,139 | | |
| Transfers in | 259,332 | 53,036 | | 40,936 | |
| Transfers out | (259,332) | (53,036) | | (40,936) | |
| Total other financing sources (uses) | <u>15,369,819</u> | <u>108,450</u> | <u>103,139</u> | | |
| Changes in fund balances | <u>\$ 13,403,140</u> | <u>\$ 545,863</u> | <u>\$ 186,550</u> | <u>\$ 384,123</u> | |

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

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

| Fiscal Year Ended June 30 | Real Property | | Personal Property | Less: Tax Exempt Real Property | Total Taxable Assessed Valuation | Total Direct Rate | Estimated Actual Value | Ratio of Net Assessed to Estimated Actual Value | |
|--|---------------------------------|--------------------------------|------------------------------|---|---|----------------------------------|---------------------------------------|--|---|
| | Residential Property | Commercial Property | | | | | | | |
| 2012 | \$ 258,405,641 | \$ 66,832,414 | \$ 45,702,625 | \$ 25,537,697 | \$ 345,402,983 | 2.50 | \$ 2,862,809,630 | 12.07 | % |
| 2011 | 231,436,275 | 167,339,690 | 49,616,877 | 28,377,440 | 420,015,402 | 1.90 | 3,498,652,886 | 12.01 | |
| 2010 | 258,784,615 | 178,334,718 | 51,461,266 | 33,786,407 | 454,794,192 | 1.94 | 3,313,576,905 | 13.73 | |
| 2009 | | | | | 457,387,983 | 1.71 | 3,832,289,849 | 11.94 | |
| 2008 | | | | | 362,623,725 | 1.95 | 2,986,339,161 | 12.14 | |
| 2007 | | | | | 300,103,751 | 1.98 | 2,390,837,076 | 12.55 | |
| 2006 | | | | | 246,317,799 | 2.01 | 1,924,417,906 | 12.80 | |
| 2005 | | | | | 220,292,289 | 2.05 | 1,734,319,349 | 12.70 | |
| 2004 | | | | | 189,764,283 | 2.14 | 1,525,564,471 | 12.44 | |
| 2003 | | | | | 182,030,349 | 2.32 | 1,459,051,920 | 12.48 | |

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

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

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

| Fiscal Year Ended June 30 | Overlapping Rates | | | | | | District Direct Rates | | |
|--|--------------------------|---------------|---------------------------|---------------------------|-----------------------|--------------------------|------------------------------|------------------|--------------|
| | State | | Cottonwood | Clarkdale | | | | | |
| | Equalization | County | Oak Creek Elem | Jerome #3 Elem | Joint Tech | Fire District | Primary | Secondary | Total |
| 2012 | 0.43 | 1.43 | 2.25 | 2.32 | 0.05 | 2.51 | 1.88 | 0.17 | 2.05 |
| 2011 | 0.36 | 1.35 | 1.78 | 1.74 | 0.05 | 1.83 | 1.46 | 0.44 | 1.90 |
| 2010 | 0.33 | 1.28 | 1.64 | 1.59 | 0.05 | 1.83 | 1.56 | 0.38 | 1.94 |
| 2009 | | 1.37 | 2.22 | 1.67 | 0.05 | 1.83 | 1.44 | 0.27 | 1.71 |
| 2008 | | 1.53 | 2.31 | 2.09 | 0.05 | 2.15 | 1.48 | 0.47 | 1.95 |
| 2007 | | 1.66 | 2.83 | 2.19 | 0.05 | 2.15 | 1.80 | 0.18 | 1.98 |
| 2006 | | 1.70 | 4.19 | 1.85 | 0.05 | 2.15 | 1.80 | 0.21 | 2.01 |
| 2005 | | 1.70 | 2.10 | 1.24 | 0.05 | 2.15 | 1.82 | 0.23 | 2.05 |
| 2004 | | 1.68 | 1.25 | 1.70 | 0.05 | 2.17 | 1.90 | 0.24 | 2.14 |
| 2003 | | 1.61 | 2.91 | 1.82 | 0.05 | 2.17 | 2.06 | 0.26 | 2.32 |

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

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

| Taxpayer | 2012 | | 2003 | |
|----------------------------------|---|--|---|--|
| | Secondary Assessed Valuation | Percentage of District's Net Assessed Valuation | Secondary Assessed Valuation | Percentage of District's Net Assessed Valuation |
| Phoenix Cement Co/Salt River Mts | \$ 23,683,157 | 6.86 % | \$ 11,334,650 | 6.23 % |
| Arizona Public Service Company | 11,309,759 | 3.27 | 8,625,172 | 4.74 |
| Qwest Corporation | 1,672,011 | 0.48 | 1,580,529 | 0.87 |
| Unisource Energy Corporation | 2,788,706 | 0.81 | 5,509,272 | 3.03 |
| Wal-Mart Stores Inc | 1,972,373 | 0.57 | 3,432,006 | 1.89 |
| JP Morgan Chase Bank | 1,495,797 | 0.43 | 1,670,845 | 0.92 |
| Home Depot USA Inc | 1,471,250 | 0.43 | 1,851,477 | 1.02 |
| Granite Cottonwood LLC UI | 1,460,311 | 0.42 | 1,716,003 | 0.94 |
| GRL INC ESOP Trust | 1,356,742 | 0.39 | 1,490,213 | 0.82 |
| PLP Cottonwood LLC | 1,272,259 | 0.37 | 1,354,739 | 0.74 |
| Ace Hardware | 5,846,784 | 1.69 | 3,611,450 | 1.98 |
| Total | <u>\$ 54,329,149</u> | <u>15.73 %</u> | <u>\$ 42,176,356</u> | <u>23.17 %</u> |

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

| Fiscal Year Ended June 30 | Taxes Levied for the Fiscal Year | Collected within the Fiscal Year of the Levy | | Collections in Subsequent Fiscal Years | Collected to the End of the Current Fiscal Year | |
|--|---|---|-------------------------------|---|--|-------------------------------|
| | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2012 | \$ 6,522,534 | \$ 6,210,475 | 95.22 % | \$ | \$ 6,210,475 | 95.22 % |
| 2011 | 5,778,073 | 5,432,417 | 94.02 | 223,372 | 5,655,789 | 97.88 |
| 2010 | 6,735,419 | 6,390,411 | 94.88 | 88,664 | 6,479,075 | 96.19 |
| 2009 | 5,367,175 | 5,128,184 | 95.55 | 224,380 | 5,352,564 | 99.73 |
| 2008 | 5,453,453 | 5,266,887 | 96.58 | 174,623 | 5,441,510 | 99.78 |
| 2007 | 4,556,347 | 4,444,863 | 97.55 | 110,455 | 4,555,318 | 99.98 |
| 2006 | 4,123,053 | 4,004,065 | 97.11 | 119,002 | 4,123,067 | 100.00 |
| 2005 | 3,793,737 | 3,676,108 | 96.90 | 117,517 | 3,793,625 | 100.00 |
| 2004 | 3,561,031 | 3,418,726 | 96.00 | 142,192 | 3,560,918 | 100.00 |
| 2003 | 3,381,411 | 3,198,152 | 94.58 | 183,173 | 3,381,325 | 100.00 |

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

Notes: 1) Amounts collected are on a cash basis.

- 2) Unsecured personal property taxes are not included in this schedule because the dates of the monthly rolls vary each year. On the average, 90% of unsecured property taxes are collected within 90 days after the due date.

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

| Fiscal Year Ended June 30 | General Obligation Bonds | | | | | | Total Outstanding Debt | | | |
|------------------------------------|--------------------------------|---|---------------|--|---------------|-------------------|------------------------|--|---------------|-------------------------------------|
| | General Obligation Bonds | Less: Amounts Restricted for Principal | Total | Percentage of Estimated Actual Value | Per Capita | Capital Leases | Total | Percentage of Estimated Actual Value | Per Capita | Percentage of Personal Income |
| 2012 | \$ 12,025,000 | \$ 20,881 | \$ 12,004,119 | 0.42 % | \$ 516 | \$ 440,977 | \$ 12,445,096 | 0.43 % | \$ 535 | 0.00229 % |
| 2011 | 12,950,000 | 44,526 | 12,905,474 | 0.37 | 546 | 573,057 | 13,478,531 | 0.39 | 570 | 0.00214 |
| 2010 | 14,325,000 | 625,000 | 13,700,000 | 0.41 | 598 | | 13,700,000 | 0.41 | 598 | 0.00212 |
| 2009 | 14,825,000 | 500,000 | 14,325,000 | 0.37 | 583 | 103,165 | 14,428,165 | 0.38 | 587 | 0.00246 |
| 2008 | 15,000,000 | 175,000 | 14,825,000 | 0.50 | 601 | 185,213 | 15,010,213 | 0.50 | 608 | 0.00271 |
| 2007 | 15,000,000 | | 15,000,000 | 0.63 | 613 | 155,739 | 15,155,739 | 0.63 | 619 | 0.00311 |
| 2006 | | | | | | 203,808 | 203,808 | 0.01 | 9 | 0.00005 |
| 2005 | | | | | | 163,297 | 163,297 | 0.01 | 7 | 0.00004 |

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, 2012

| <u>Governmental Unit</u> | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable to School District</u> | <u>Estimated Amount Applicable to School District</u> |
|---|-----------------------------|---|---|
| Yavapai County Community College District | \$ 43,935 | 13.26 % | \$ 5,826 |
| City of Cottonwood | 51,955,000 | 100.00 | 51,955,000 |
| Subtotal, Overlapping Debt | | | <u>51,960,826</u> |
| Direct: | | | |
| Mingus Union High School District No. 4 | | | <u>12,025,000</u> |
| Total Direct and Overlapping Debt | | | <u><u>\$ 63,985,826</u></u> |

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

Notes: 1) Estimated percentage of debt outstanding applicable to the District is calculated based on the District's secondary assessed valuation as a percentage of the secondary assessed valuation of the overlapping jurisdiction.
2) Outstanding debt as of June 30, 2011 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 NINE FISCAL YEARS

Class B Bond Legal Debt Margin Calculation for Fiscal Year 2012:

| | |
|-----------------------------------|----------------------------|
| Secondary assessed valuation | \$ 345,402,983 |
| Debt limit (5% of assessed value) | 17,270,149 |
| Debt applicable to limit | 12,004,119 |
| Legal debt margin | <u><u>\$ 5,266,030</u></u> |

Total Legal Debt Margin Calculation for Fiscal Year 2012:

| | |
|------------------------------------|-----------------------------|
| Secondary assessed valuation | \$ 345,402,983 |
| Debt limit (15% of assessed value) | 51,810,447 |
| Debt applicable to limit | 12,004,119 |
| Legal debt margin | <u><u>\$ 39,806,328</u></u> |

| | Fiscal Year Ended June 30 | | | | |
|---|----------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> |
| Total Debt limit | \$ 51,810,447 | \$ 63,002,310 | \$ 68,219,129 | \$ 68,608,197 | \$ 54,393,559 |
| Total net debt applicable to limit | <u>12,004,119</u> | <u>12,905,474</u> | <u>13,700,000</u> | <u>14,325,000</u> | <u>14,825,000</u> |
| Legal debt margin | <u><u>\$ 39,806,328</u></u> | <u><u>\$ 50,096,836</u></u> | <u><u>\$ 54,519,129</u></u> | <u><u>\$ 54,283,197</u></u> | <u><u>\$ 39,568,559</u></u> |
| Total net debt applicable to the limit as a percentage of debt limit | 23% | 20% | 20% | 21% | 27% |
| | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | |
| Debt limit | \$ 45,015,563 | \$ 36,947,670 | \$ 33,043,843 | \$ 28,464,642 | |
| Total net debt applicable to limit | <u>15,000,000</u> | <u> </u> | <u> </u> | <u> </u> | |
| Legal debt margin | <u><u>\$ 30,015,563</u></u> | <u><u>\$ 36,947,670</u></u> | <u><u>\$ 33,043,843</u></u> | <u><u>\$ 28,464,642</u></u> | |
| Total net debt applicable to the limit as a percentage of debt limit | 33% | 0% | 0% | 0% | |

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

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

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

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

| Year | Population | Personal Income (thousands) | Per Capita Income | Unemployment Rate | Estimated District Population |
|-------------|-------------------|--|------------------------------|------------------------------|--|
| 2011 | 211,888 | \$ 5,441,284 | \$ 25,680 | 10.0 % | 23,308 |
| 2010 | 215,686 | 6,283,809 | 29,134 | 10.2 | 23,726 |
| 2009 | 214,929 | 6,450,243 | 30,011 | 9.5 | 23,966 |
| 2008 | 227,348 | 5,860,461 | 27,620 | 5.6 | 25,444 |
| 2007 | 223,934 | 5,533,703 | 26,786 | 3.7 | 24,970 |
| 2006 | 213,285 | 4,875,841 | 24,521 | 3.6 | 24,480 |
| 2005 | 205,105 | 4,425,695 | 23,203 | 4.1 | 23,500 |
| 2004 | 196,720 | 4,075,143 | 22,092 | 4.3 | 22,560 |
| 2003 | 186,885 | 3,853,070 | 21,517 | 4.8 | 21,430 |
| 2002 | 177,400 | 3,701,821 | 21,311 | 5.1 | 20,360 |

Sources: The source of the "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis. The source of the "Population" and "Unemployment Rate" information from 2002 through 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For the year 2011 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 | 2012 | | | 2003 | | |
|--------------------------------------|------------------|---|---|------------------|---|---|
| | Employees | Percentage of Total Employment | | Employees | Percentage of Total Employment | |
| Verde Valley Medical Center | 900 | 14.57 | % | 730 | 13.77 | % |
| Yavapai County | 220 | 3.56 | | 145 | 2.74 | |
| Wal-Mart | 200 | 3.24 | | 195 | 3.68 | |
| Cottonwood Oak-Creek School District | 257 | 4.16 | | 200 | 3.77 | |
| City of Cottonwood | 189 | 3.06 | | 105 | 1.98 | |
| Fry's | 135 | 2.19 | | | - | |
| Home Depot | 110 | 1.78 | | 280 | 5.28 | |
| Verde Valley Guidance Clinic | 104 | 1.68 | | 125 | 2.36 | |
| Safeway | 98 | 1.59 | | 85 | 1.60 | |
| Larry Greens | 80 | 1.30 | | | - | |
| Griffith Enterprises | 75 | 1.21 | | | - | |
| Clarkdale Jerome School District | 50 | 0.81 | | 40 | 0.75 | |
| Oxendales | 40 | 0.65 | | | - | |
| Food City | 35 | 0.57 | | | - | |
| Phelps Dodge Bagdad, Inc. | | - | | 100 | 1.89 | |
| Total | <u>2,493</u> | <u>40.37</u> | % | <u>2,005</u> | <u>37.82</u> | % |
| Total employment | <u>6,175</u> | | | <u>5,300</u> | | |

Source: The source of this information is District records.

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

| Full-time Equivalent Employees as of June 30 | | | | | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| | <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> |

(Continued)

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

| | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|
| Supervisory | | | | |
| Superintendent | 1 | 1 | 1 | 1 |
| Principals | 1 | 1 | 1 | 1 |
| Assistant principals | 1 | 1 | 1 | 1 |
| Total supervisory | <u>3</u> | <u>3</u> | <u>3</u> | <u>3</u> |
| Instruction | | | | |
| Teachers | 67 | 67 | 65 | 65 |
| Aides | 14 | 14 | 14 | 14 |
| Total instruction | <u>81</u> | <u>81</u> | <u>79</u> | <u>79</u> |
| Student Services | | | | |
| Counselors/Advisors | 4 | 4 | 4 | 4 |
| Total student services | <u>4</u> | <u>4</u> | <u>4</u> | <u>4</u> |
| Support and Administration | | | | |
| Clerical workers | 4 | 4 | 4 | 4 |
| Bus Drivers | 7 | 7 | 7 | 7 |
| Other classified | 34 | 34 | 31 | 31 |
| Total support and administration | <u>45</u> | <u>45</u> | <u>42</u> | <u>42</u> |
| Total | <u><u>133</u></u> | <u><u>133</u></u> | <u><u>128</u></u> | <u><u>128</u></u> |

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

(Concluded)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
OPERATING STATISTICS
LAST NINE 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 |
|--|---|-----------------------------------|-------------------------------|------------------------------|-----------------|-------------------------------|------------------------------|---------------------------|-------------------------------------|--|
| 2012 | 1,193 | \$ 8,843,044 | \$ 7,412 | 7.85 % | \$ 10,724,551 | \$ 8,990 | (0.24) % | 72 | 16.6 | 50.6 % |
| 2011 | 1,229 | 8,446,808 | 6,873 | (4.70) | 11,074,714 | 9,011 | 3.96 | 72 | 17.1 | 43.6 |
| 2010 | 1,239 | 8,935,387 | 7,212 | (5.96) | 10,739,735 | 8,668 | (3.77) | 78 | 15.9 | 48.5 |
| 2009 | 1,205 | 9,240,919 | 7,669 | (2.45) | 10,853,936 | 9,007 | (0.06) | 79 | 15.3 | 34.2 |
| 2008 | 1,223 | 9,614,824 | 7,862 | 9.44 | 11,023,181 | 9,013 | 9.65 | 81 | 15.1 | 28.0 |
| 2007 | 1,245 | 8,943,181 | 7,183 | 2.44 | 10,233,518 | 8,220 | (11.62) | 81 | 15.4 | 28.0 |
| 2006 | 1,212 | 8,499,176 | 7,013 | (3.47) | 11,272,468 | 9,301 | 30.99 | 81 | 15.0 | 28.0 |
| 2005 | 1,182 | 8,586,912 | 7,265 | 4.29 | 8,392,878 | 7,101 | (0.71) | 79 | 15.0 | 32.0 |
| 2004 | 1,187 | 8,268,549 | 6,966 | N/A | 8,488,576 | 7,151 | N/A | 79 | 15.0 | 30.0 |

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

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

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

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

| | Fiscal Year Ended June 30 | | | | | | | | |
|------------------------------|----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> |
| <u>Schools</u> | | | | | | | | | |
| <u>High</u> | | | | | | | | | |
| Buildings | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Square feet | 171,269 | 171,269 | 171,269 | 171,269 | 171,269 | 171,269 | 171,269 | 171,269 | 171,269 |
| Capacity | 1,163 | 1,163 | 1,163 | 1,163 | 1,163 | 1,163 | 1,163 | 1,163 | 1,163 |
| Enrollment | 1,193 | 1,229 | 1,239 | 1,245 | 1,245 | 1,245 | 1,212 | 1,182 | 1,187 |
| <u>Transportation</u> | | | | | | | | | |
| Garages | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Buses | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 13 | 12 |
| <u>Athletics</u> | | | | | | | | | |
| Football fields | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Soccer fields | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Running tracks | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Baseball/softball | 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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