
MINGUS UNION HIGH SCHOOL DISTRICT NO. 4

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2013



MINGUS UNION HIGH SCHOOL DISTRICT NO. 4

COTTONWOOD, ARIZONA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Issued by:
Business and Finance Department

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4

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INTRODUCTORY SECTION

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

December 4, 2013

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, 2013.

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, 2013, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2013, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District was part of a broader, federally mandated Single Audit as required by the provisions of the Single Audit Act Amendments of 1996 and 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 24 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 1,149 resident students and 50 students from other local school districts that pay tuition to attend Mingus Union High School giving the district a total enrollment of 1,208.

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

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

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

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

The District is located in Cottonwood, Arizona. Cottonwood is located about 60 miles south of Flagstaff, Arizona (“Flagstaff”) in the Verde Valley, at an elevation of 3,320 feet above sea level. Cottonwood, which was founded in 1879 and incorporated in 1960, is near the geographical center of Arizona and only about 100 miles north of the metropolitan Phoenix area.

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

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

FACTORS AFFECTING FINANCIAL CONDITION

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

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

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

A few of the major firms represented in Cottonwood include Griffith Enterprises, Home Depot, Verde Valley Medical Center, Wal-Mart Stores, Inc., Arizona Public Service, and the City of Cottonwood. In addition, the Verde Valley area provides excellent educational and training opportunities through Yavapai College, consisting of six different campuses and currently serving about 7,500 students each year. The main campus is located approximately 50 miles away in Prescott, Arizona (“Prescott”), while the Verde Valley campus in nearby Clarkdale features a state-of-the-art computer lab, library, and learning center. Northern Arizona University’s main campus is located 60 miles away in Flagstaff and has a current enrollment of approximately 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 2013, the District's governing board voted to call an election to be held in 2014 to renew the District's 10 percent maintenance and operations override that is scheduled to begin phasing out in 2016. The strategy to call the election a year earlier allows the District time to call for a second election if the first is unsuccessful. The override, if successful, provides the District with approximately \$3.6 million over a seven year period. These funds allow the District to continue offering a wide range of extracurricular and elective courses such as music, fine arts, drama and athletics, which are critical to a well-rounded education.

The District experienced a 2 percent increase in enrollment from 2012 to 2013 primarily related to an increase in special education. The associated increase in funding will be used to fund the additional services required by the increase in special needs students.

During the start of the 2014 school year, the District entered into two loans associated with transportation and long term energy strategies. The District borrowed \$586,645 to purchase 5 slightly used school buses to replace older buses that will be retired. With reductions in State funding in Arizona, the District's governing board began a strategy of purchasing slightly used school buses to more effectively utilize available funds. In further efforts to reduce operating costs, an energy management system was purchased utilizing a performance contract where the reduction in energy costs pays for the cost of the energy management system and improvements to the facility as they relate to energy. The cost of the 20 year program was \$1.2 million which will be paid for through savings resulting from reduced energy costs. Savings in excess of the \$1.2 million are expected to be achieved. In conjunction with the energy management system, The District entered into a 20 year lease with Arizona Public Service (APS) in which the District allows APS to construct a solar power plant utilizing covered parking structures on District property. In return for the lease, the District receives electricity at a reduced price which is fixed for a 20 year period.

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, 2012. This was the fifth consecutive year that the District has received this prestigious award. In addition, the Government Finance Officers Association (GFOA) awarded a fourth Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2012. 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 2012-13 certificates.

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

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

Respectfully submitted,



Dr. Paul Tighe
Superintendent



Kirk Waddle
Business Manager

Association of School Business Officials International



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

Mingus Union High School District No. 4

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2012*

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



A handwritten signature in black ink, appearing to read 'Ron McCulley', written over a horizontal line.

Ron McCulley, CPPB, RSBO
President

A handwritten signature in black ink, appearing to read 'John D. Musso', written over a horizontal line.

John D. Musso, CAE, RSBA
Executive Director



Government Finance Officers Association

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

Presented to

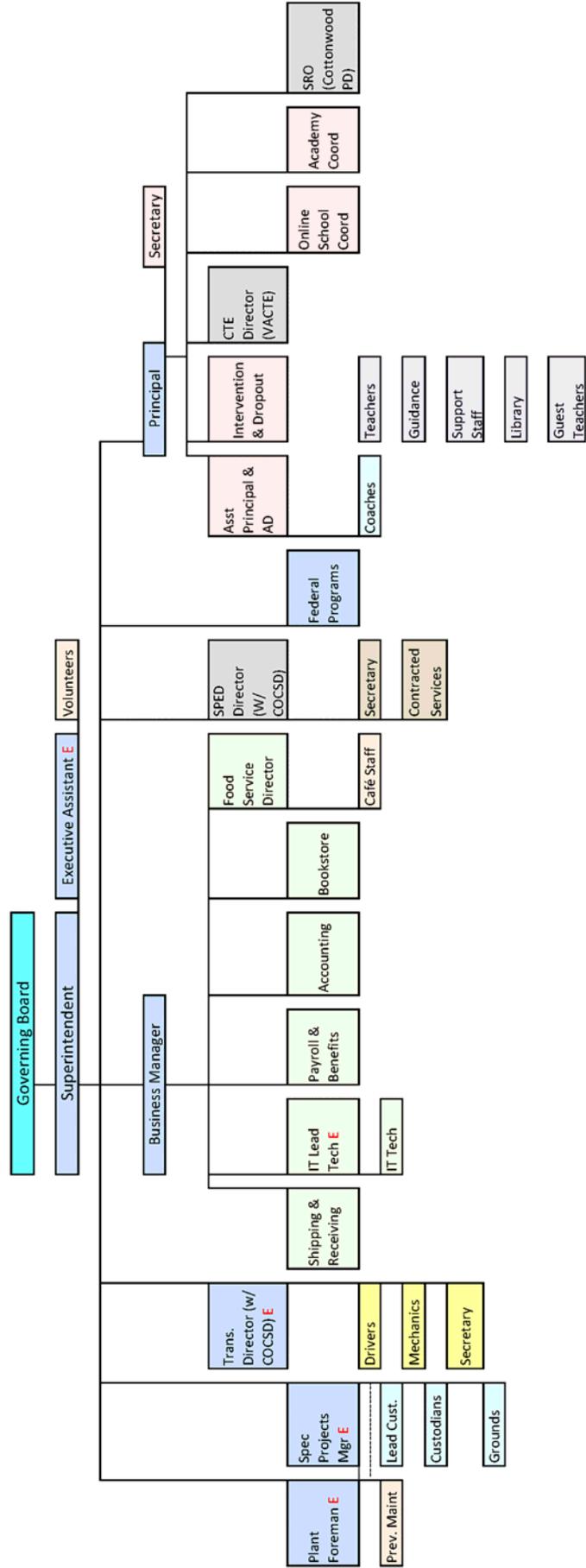
**Mingus Union High School
District No. 4, Arizona**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

Mingus Union High School District Organizational Chart



8/20/2013

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

James Ledbetter
President

Anthony Lozano
Member

Brenda Zenan
Clerk

Anita Glazar
Member

Dr. Robb Williams
Member

ADMINISTRATIVE STAFF

Dr. Paul Tighe
Superintendent

Kirk Waddle
Business Manager

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Governing Board
Mingus Union High School District No. 4

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Mingus Union High School District No. 4 (District), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Mingus Union High School District No. 4, as of June 30, 2013, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 1, the District implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, for the year ended June 30, 2013, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 14 and budgetary comparison information on pages 48 through 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.

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2013, on our consideration of Mingus Union High School District No. 4's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mingus Union High School District No. 4's internal control over financial reporting and compliance.

Heinfeld, Meech & Co., P.C.

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

December 4, 2013

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, 2013**

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, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The District's total net position of governmental activities decreased \$285,852 which represents a 3 percent decrease from the prior fiscal year.
- General revenues accounted for \$8.5 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 \$1.9 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 less than 1 percent from the prior fiscal year.
- Among major funds, the General Fund had \$6.9 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 decrease from a balance of \$421,297 at the prior fiscal year end to a balance of \$261,525 at the end of the current fiscal year was primarily due to utilizing fund balance to maintain levels of service.

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2013**

OVERVIEW OF FINANCIAL STATEMENTS (Cont'd)

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

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

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

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

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

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General and Debt Service Funds, 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, 2013**

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 position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$9.0 million at the current fiscal year end.

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

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2013**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2013 and June 30, 2012.

	As of June 30, 2013	As of June 30, 2012
Current assets	\$ 2,745,416	\$ 2,857,503
Capital assets, net	19,141,896	20,197,297
Total assets	<u>21,887,312</u>	<u>23,054,800</u>
Current and other liabilities	486,883	322,468
Long-term liabilities	12,376,321	13,422,372
Total liabilities	<u>12,863,204</u>	<u>13,744,840</u>
Net position:		
Net investment in capital assets	6,815,190	6,806,320
Restricted	919,164	909,890
Unrestricted	1,289,754	1,593,750
Total net position	<u>\$ 9,024,108</u>	<u>\$ 9,309,960</u>

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

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

- The principal retirement of \$925,000 of bonds.

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2013**

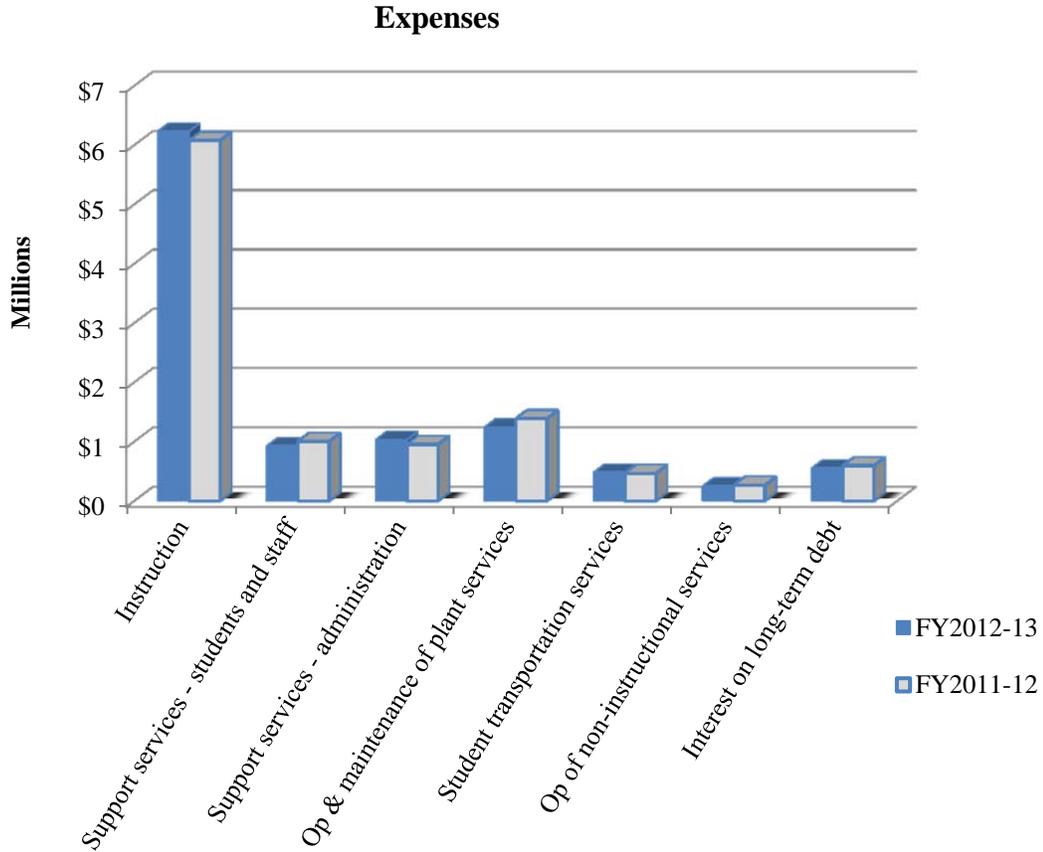
GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

Changes in net position. The District's total revenues for the current fiscal year were \$10.4 million. The total cost of all programs and services was \$10.7 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2013 and June 30, 2012.

	Fiscal Year Ended June 30, 2013	Fiscal Year Ended June 30, 2012
Revenues:		
Program revenues:		
Charges for services	\$ 989,029	\$ 1,201,973
Operating grants and contributions	879,229	734,069
Capital grants and contributions	15,558	72,940
General revenues:		
Property taxes	6,739,871	7,280,054
Investment income	3,691	2,896
Unrestricted county aid	92,396	22,846
Unrestricted state aid	1,549,260	1,481,943
Unrestricted federal aid	137,925	112,337
Total revenues	10,406,959	10,909,058
Expenses:		
Instruction	6,228,888	6,076,499
Support services – students and staff	921,964	1,000,364
Support services – administration	1,027,421	951,457
Operation and maintenance of plant services	1,241,853	1,384,855
Student transportation services	477,579	460,947
Operation of non-instructional services	247,576	260,682
Interest on long-term debt	547,530	589,747
Total expenses	10,692,811	10,724,551
Changes in net position	(285,852)	184,507
Net position, beginning	9,309,960	9,125,453
Net position, ending	\$ 9,024,108	\$ 9,309,960

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2013**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)



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

- A decrease in charges for services of approximately \$212,944 due primarily to lower revenue in several programs such as career and technical education, summer school and the Native American program. Enrollment was lower than the prior year in each of these programs.
- A decrease in property tax revenues of approximately \$540,183 due primarily to decreases in assessed values of property.

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2013**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Concl'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.

	<u>Year Ended June 30, 2013</u>		<u>Year Ended June 30, 2012</u>	
	<u>Total Expenses</u>	<u>Net (Expense)/ Revenue</u>	<u>Total Expenses</u>	<u>Net (Expense)/ Revenue</u>
Instruction	\$ 6,228,888	\$ (5,008,365)	\$ 6,076,499	\$ (4,848,937)
Support services – students and staff	921,964	(745,712)	1,000,364	(797,567)
Support services – administration	1,027,421	(1,013,248)	951,457	(927,389)
Operation and maintenance of plant services	1,241,853	(1,215,325)	1,384,855	(1,319,281)
Student transportation services	477,579	(477,579)	460,947	(460,947)
Operation of non-instructional services	247,576	198,764	260,682	228,299
Interest on long-term debt	547,530	(547,530)	589,747	(589,747)
Total	<u>\$ 10,692,811</u>	<u>\$ (8,808,995)</u>	<u>\$ 10,724,551</u>	<u>\$ (8,715,569)</u>

- The cost of all governmental activities this year was \$10.7 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$1.9 million.
- Net cost of governmental activities of \$8.8 million was financed by general revenues, which are made up of primarily property taxes of \$6.7 million and federal, state and county aid of \$1.8 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, 2013**

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 \$1.1 million, a decrease of \$115,485.

The General Fund is the principal operating fund of the District. The decrease in fund balance of \$159,772 to \$261,525 as of fiscal year end was a result of using fund balance to maintain the level of service provided. General Fund revenues decreased \$424,676 primarily as a result of decreases in property taxes due to decreases in assessed values of property. General Fund expenditures increased \$5,369.

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 \$421,106 increase, or 7 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 \$162,129 in instruction resulted primarily from position vacancies not staffed during fiscal year 2013.
- The unfavorable variance of \$109,775 in support services-students and staff resulted from an increase in contract services related to special education. These services were for a shared director of special education, speech, physical, and occupational therapist services.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$30.3 million in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$35,394 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, 2013**

CAPITAL ASSETS AND DEBT ADMINISTRATION (Concl'd)

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2013 and June 30, 2012.

	As of June 30, 2013	As of June 30, 2012
Capital assets – non-depreciable	\$ 30,000	\$ 30,000
Capital assets – depreciable, net	19,111,896	20,167,297
Total	<u>\$ 19,141,896</u>	<u>\$ 20,197,297</u>

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

Debt Administration. At year-end, the District had \$12.3 million in long-term debt outstanding, \$1,141,855 due within one year. This represents a net decrease of \$1,064,271 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 \$43.9 million and the Class B debt limit is \$14.6 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 2013-14 budget. Among them:

- Fiscal year 2012-13 budget balance carry forward (estimated \$98,000).
- District student population (estimated 1,200).

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

Budgeted expenditures in the General Fund increased 1 percent to \$6.8 million in fiscal year 2013-14. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2013-14 budget.

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2013**

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
STATEMENT OF NET POSITION
JUNE 30, 2013

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 1,748,325
Property taxes receivable	215,661
Accounts receivable	121,219
Due from governmental entities	660,211
Total current assets	2,745,416
Noncurrent assets:	
Land	30,000
Land improvements	1,898,611
Buildings and improvements	25,054,517
Vehicles, furniture and equipment	3,285,835
Accumulated depreciation	(11,127,067)
Total noncurrent assets	19,141,896
Total assets	21,887,312
 <u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	127,700
Compensated absences payable	25,000
Accrued interest payable	260,646
Unearned revenues	98,537
Obligations under capital leases	146,855
Bonds payable	995,000
Total current liabilities	1,653,738
Noncurrent liabilities:	
Non-current portion of long-term obligations	11,209,466
Total noncurrent liabilities	11,209,466
Total liabilities	12,863,204
 <u>NET POSITION</u>	
Net investment in capital assets	6,815,190
Restricted for:	
Federal and state projects	250,330
Food service	96,012
Other local initiatives	314,724
Debt service	238,487
Capital outlay	19,611
Unrestricted	1,289,754
Total net position	\$ 9,024,108

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, 2013**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction	\$ 6,228,888	\$ 704,247	\$ 500,718	\$ 15,558	\$ (5,008,365)
Support services - students and staff	921,964		176,252		(745,712)
Support services - administration	1,027,421		14,173		(1,013,248)
Operation and maintenance of plant services	1,241,853	26,528			(1,215,325)
Student transportation services	477,579				(477,579)
Operation of non-instructional services	247,576	258,254	188,086		198,764
Interest on long-term debt	547,530				(547,530)
Total governmental activities	<u>\$ 10,692,811</u>	<u>\$ 989,029</u>	<u>\$ 879,229</u>	<u>\$ 15,558</u>	<u>(8,808,995)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	4,999,887
Property taxes, levied for debt service	1,596,830
Property taxes, levied for capital outlay	143,154
Investment income	3,691
Unrestricted county aid	92,396
Unrestricted state aid	1,549,260
Unrestricted federal aid	137,925

Total general revenues

8,523,143

Changes in net position

(285,852)

Net position, beginning of year

9,309,960

Net position, end of year

\$ 9,024,108

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, 2013

	General	Debt Service	Non-Major Governmental Funds
<u>ASSETS</u>			
Cash and investments	\$	\$ 1,444,726	\$ 303,599
Property taxes receivable	162,501	49,407	3,753
Accounts receivable	13,700		107,519
Due from governmental entities	365,464		294,747
Due from other funds			292,992
Total assets	\$ 541,665	\$ 1,494,133	\$ 1,002,610
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 104,184	\$	\$ 23,516
Due to other funds	88,595		204,397
Deferred revenues	87,361	36,318	95,562
Bonds payable		995,000	
Bond interest payable		260,646	
Total liabilities	280,140	1,291,964	323,475
Fund balances:			
Restricted		202,169	679,135
Unassigned	261,525		
Total fund balances	261,525	202,169	679,135
 Total liabilities and fund balances	 \$ 541,665	 \$ 1,494,133	 \$ 1,002,610

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

Total
Governmental
Funds

\$ 1,748,325
215,661
121,219
660,211
292,992
\$ 3,038,408

\$ 127,700
292,992
219,241
995,000
260,646
1,895,579

881,304
261,525
1,142,829

\$ 3,038,408

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MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2013

Total governmental fund balances **\$ 1,142,829**

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	\$ 30,268,963	
Less accumulated depreciation	<u>(11,127,067)</u>	19,141,896

Property tax revenues will not be available to pay for current period expenditures and, therefore, are deferred in the funds.		120,704
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Compensated absences payable	(49,615)	
Capital leases payable	(301,706)	
Bonds payable	<u>(11,030,000)</u>	<u>(11,381,321)</u>

Net position of governmental activities **\$ 9,024,108**

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, 2013

	General	Debt Service	Non-Major Governmental Funds
Revenues:			
Other local	\$ 507,402	\$ 71,239	\$ 506,475
Property taxes	5,163,473	1,626,343	148,654
State aid and grants	1,085,187		616,615
Federal aid, grants and reimbursements	169,671		742,917
Total revenues	6,925,733	1,697,582	2,014,661
Expenditures:			
Current -			
Instruction	3,902,731		1,455,212
Support services - students and staff	720,819		182,127
Support services - administration	977,289		30,955
Operation and maintenance of plant services	1,020,245		1,742
Student transportation services	418,873		662
Operation of non-instructional services	7,663		231,004
Capital outlay	48,811		73,527
Debt service -			
Principal retirement		995,000	139,271
Interest and fiscal charges		521,294	26,236
Total expenditures	7,096,431	1,516,294	2,140,736
Excess (deficiency) of revenues over expenditures	(170,698)	181,288	(126,075)
Other financing sources (uses):			
Transfers in	10,926		
Transfers out			(10,926)
Total other financing sources (uses):	10,926		(10,926)
Changes in fund balances	(159,772)	181,288	(137,001)
Fund balances, beginning of year	421,297	20,881	816,136
Fund balances, end of year	\$ 261,525	\$ 202,169	\$ 679,135

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

Total
Governmental
Funds

\$ 1,085,116
6,938,470
1,701,802
912,588
10,637,976

5,357,943
902,946
1,008,244
1,021,987
419,535
238,667
122,338

1,134,271
547,530
10,753,461

(115,485)

10,926
(10,926)

(115,485)

1,258,314

\$ 1,142,829

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, 2013

Net changes in fund balances - total governmental funds **\$ (115,485)**

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	\$ 35,394	
Less current year depreciation	<u>(1,090,795)</u>	(1,055,401)

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

Property taxes	(198,599)	
Intergovernmental	<u>(32,418)</u>	(231,017)

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	139,271	
Bond principal retirement	<u>995,000</u>	1,134,271

Compensated absence expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		<u>(18,220)</u>
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Change in net position in governmental activities **\$ (285,852)**

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2013

	Agency
<u>ASSETS</u>	
Cash and investments	\$ 149,311
Total assets	\$ 149,311
 <u>LIABILITIES</u>	
Deposits held for others	\$ 73,121
Due to student groups	76,190
Total liabilities	\$ 149,311

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, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Mingus Union High School District No. 4 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

During the year ended June 30, 2013, the District implemented the provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB Statement No. 63 establishes reporting guidance for certain elements of the financial statements which are distinct from assets and liabilities.

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, 2013

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, 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, 2013

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, Federal, State and County aid, tuition and investment income associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Food services and miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. 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, 2013

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." Interfund balances between governmental funds are eliminated on the Statement of Net Position.

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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

G. Property Tax Calendar

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

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

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

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

H. Prepaid Items

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

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.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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

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

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 position. 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.

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.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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

M. Net Position Flow Assumption

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

N. 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. The District does not have a formal policy or procedures for the utilization of committed fund balance, accordingly, no committed fund balance amounts are reported.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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. The District does not have a formal policy or procedures for the utilization of assigned fund balance, accordingly, no assigned fund balance amounts are reported.

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

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

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

	General Fund	Debt Service Fund	Non-Major Governmental Funds
Fund Balances:			
Restricted:			
Debt service	\$	\$ 202,169	\$
Capital projects			18,069
Voter approved initiatives			250,330
Auxiliary operations			97,018
Food service			96,012
Other purposes			217,706
Unassigned	261,525		
Total fund balances	\$ 261,525	\$ 202,169	\$ 679,135

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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 \$1,680,528 and the bank balance was \$1,697,341. In addition, the District had \$1,000 on hand at year end. At year end, \$191,695 of the District’s deposits were covered by collateral held by the pledging financial institution in the District’s name and \$1,255,646 was covered by collateral held by the pledging financial institution’s trust department or agent but not in the District’s name.

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

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

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer’s investment pool	2.46 days	\$ 216,108
Total		<u>\$ 216,108</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.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 4 – CASH AND INVESTMENTS (Concl'd)

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.

	General Fund	Non-Major Governmental Funds
Due from other governmental entities:		
Due from Federal government	\$ 10,824	\$ 119,399
Due from State government	354,640	175,348
Net Due from other governmental entities:	\$ 365,464	\$ 294,747

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.

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

	Unavailable	Unearned
Delinquent property taxes receivable (General Fund)	\$ 82,844	\$
Delinquent property taxes receivable (Debt Service Fund)	36,318	
Delinquent property taxes receivable (Non-Major Governmental Funds)	1,542	
Measurable but unavailable revenues (General Fund)		4,517
Measurable but unavailable revenues (Non-Major Governmental Funds)		94,020
Total deferred revenue for governmental funds	\$ 120,704	\$ 98,537

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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	<u>3,250,441</u>	<u>35,394</u>		<u>3,285,835</u>
Total capital assets being depreciated	<u>30,203,569</u>	<u>35,394</u>		<u>30,238,963</u>
Less accumulated depreciation for:				
Land improvements	(836,074)	(131,547)		(967,621)
Buildings and improvements	(7,291,975)	(810,394)		(8,102,369)
Vehicles, furniture and equipment	<u>(1,908,223)</u>	<u>(148,854)</u>		<u>(2,057,077)</u>
Total accumulated depreciation	<u>(10,036,272)</u>	<u>(1,090,795)</u>		<u>(11,127,067)</u>
Total capital assets, being depreciated, net	<u>20,167,297</u>	<u>(1,055,401)</u>		<u>19,111,896</u>
Governmental activities capital assets, net	<u>\$ 20,197,297</u>	<u>\$ (1,055,401)</u>	<u>\$</u>	<u>\$ 19,141,896</u>

Depreciation expense was charged to governmental functions as follows.

Instruction	\$ 816,170
Support services – students and staff	5,409
Support services – administration	2,747
Operation and maintenance of plant services	210,028
Student transportation services	50,760
Operation of non-instructional services	<u>5,681</u>
Total depreciation expense – governmental activities	<u>\$ 1,090,795</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>\$</u>	<u>\$ 2,391,859</u>	<u>\$ 2,391,859</u>	<u>\$</u>

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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	385,092
Total	\$ 898,548

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

	Governmental Activities
Year Ending June 30:	
2014	\$ 163,283
2015	163,282
Total minimum lease payments	326,565
Less: amount representing interest	24,859
Present value of minimum lease payments	301,706
Due within one year	\$ 146,855

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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, 2013	Due Within One Year
Governmental activities:					
School Improvement Bonds, 2007	\$ 15,000,000	4.0-5.0%	7/1/13-22	\$ 12,025,000	\$ 995,000
Total				<u>\$ 12,025,000</u>	<u>\$ 995,000</u>

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
2014	\$ 995,000	\$ 500,149
2015	1,035,000	458,306
2016	1,075,000	416,106
2017	1,120,000	369,406
2018	1,170,000	320,806
2019-23	6,630,000	786,635
Total	<u>\$ 12,025,000</u>	<u>\$ 2,851,408</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	\$ 12,950,000	\$	\$ 925,000	\$ 12,025,000	\$ 995,000
Obligations under capital leases	440,977		139,271	301,706	146,855
Compensated absences payable	31,395	49,658	31,438	49,615	25,000
Governmental activity long-term liabilities	<u>\$ 13,422,372</u>	<u>\$ 49,658</u>	<u>\$ 1,095,709</u>	<u>\$ 12,376,321</u>	<u>\$ 1,166,855</u>

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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
General Fund	\$ 88,595
Non-Major Governmental Funds	204,397
Total	\$ 292,992

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	\$ 10,926
Total	\$ 10,926

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, 2013

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, 2013

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 11.14 percent (10.90 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 11.14 percent (10.25 percent for retirement, 0.65 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:			
2013	\$ 513,801	\$ 32,583	\$ 12,030
2012	423,572	27,037	10,300
2011	387,990	25,407	10,766

NOTE 15 – SUBSEQUENT EVENT

In August 2013, the District acquired five school buses under the provisions of a capital lease. The total present value of the lease of \$586,645 is payable over the next five years. Revenues from the Unrestricted Capital Outlay Fund, a non-major governmental fund, will be used to pay the capital lease obligations.

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

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL
YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$	\$	\$ 294,642	\$ 294,642
Property taxes			5,126,344	5,126,344
State aid and grants			1,077,372	1,077,372
Total revenues			<u>6,498,358</u>	<u>6,498,358</u>
Expenditures:				
Current -				
Instruction	3,580,960	3,834,190	3,672,061	162,129
Support services - students and staff	532,838	596,755	706,530	(109,775)
Support services - administration	782,022	835,810	895,732	(59,922)
Operation and maintenance of plant services	1,045,692	1,095,863	1,020,191	75,672
Student transportation services	451,772	451,772	414,529	37,243
Operation of non-instructional services			7,646	(7,646)
Total expenditures	<u>6,393,284</u>	<u>6,814,390</u>	<u>6,716,689</u>	<u>97,701</u>
Changes in fund balances	<u>(6,393,284)</u>	<u>(6,814,390)</u>	<u>(218,331)</u>	<u>6,596,059</u>
Fund balances, beginning of year			185,060	185,060
Fund balances (deficits), end of year	<u>\$ (6,393,284)</u>	<u>\$ (6,814,390)</u>	<u>\$ (33,271)</u>	<u>\$ 6,781,119</u>

See accompanying notes to this schedule.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2013

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, 2012, and fund balance at June 30, 2013 on a budgetary basis in order to provide a meaningful comparison.

	<u>Total</u> <u>Expenditures</u>	<u>Fund Balance,</u> <u>June 30, 2013</u>	<u>Fund Balance,</u> <u>July 1, 2012</u>
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$ 7,096,431	\$ 261,525	\$ 421,297
Fiscal year 2012-13 activity budgeted as special revenue and capital projects funds	<u>(379,742)</u>	<u>(294,796)</u>	<u>(236,237)</u>
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	<u>\$ 6,716,689</u>	<u>\$ (33,271)</u>	<u>\$ 185,060</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, 2013

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Fund</u>
<u>ASSETS</u>			
Cash and investments	\$ 298,031	\$ 5,568	\$ 303,599
Property taxes receivable		3,753	3,753
Accounts receivable	107,519		107,519
Due from governmental entities	284,457	10,290	294,747
Due from other funds	292,992		292,992
Total assets	\$ 982,999	\$ 19,611	\$ 1,002,610
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 23,516	\$	\$ 23,516
Due to other funds	204,397		204,397
Deferred revenues	94,020	1,542	95,562
Total liabilities	321,933	1,542	323,475
Fund balances:			
Restricted	661,066	18,069	679,135
Total fund balances	661,066	18,069	679,135
 Total liabilities and fund balances	\$ 982,999	\$ 19,611	\$ 1,002,610

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, 2013

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Other local	\$ 492,189	\$ 14,286	\$ 506,475
Property taxes		148,654	148,654
State aid and grants	585,355	31,260	616,615
Federal aid, grants and reimbursements	<u>742,917</u>		<u>742,917</u>
Total revenues	<u>1,820,461</u>	<u>194,200</u>	<u>2,014,661</u>
Expenditures:			
Current -			
Instruction	1,455,212		1,455,212
Support services - students and staff	178,349	3,778	182,127
Support services - administration	23,399	7,556	30,955
Operation and maintenance of plant services	1,742		1,742
Student transportation services	662		662
Operation of non-instructional services	231,004		231,004
Capital outlay	64,069	9,458	73,527
Debt service -			
Principal retirement		139,271	139,271
Interest and fiscal charges		<u>26,236</u>	<u>26,236</u>
Total expenditures	<u>1,954,437</u>	<u>186,299</u>	<u>2,140,736</u>
Excess (deficiency) of revenues over expenditures	<u>(133,976)</u>	<u>7,901</u>	<u>(126,075)</u>
Other financing sources (uses):			
Transfers out	<u>(10,926)</u>		<u>(10,926)</u>
Total other financing sources (uses):	<u>(10,926)</u>		<u>(10,926)</u>
Changes in fund balances	<u>(144,902)</u>	<u>7,901</u>	<u>(137,001)</u>
Fund balances, beginning of year	805,968	10,168	816,136
Fund balances, end of year	<u>\$ 661,066</u>	<u>\$ 18,069</u>	<u>\$ 679,135</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.

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 monies allocated for the purposes of benefiting public schools and public roads in counties where forests are situated.

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

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

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 received from Federal projects for administrative costs.

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2013

	Classroom Site	Instructional Improvement	Title I Grants
<u>ASSETS</u>			
Cash and investments	\$ 34,842	\$ 50,430	\$
Accounts receivable			
Due from governmental entities	31,298	22,882	109,441
Due from other funds		110,878	
Total assets	\$ 66,140	\$ 184,190	\$ 109,441
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			48,356
Deferred revenues			61,085
Total liabilities			109,441
Fund balances:			
Restricted	66,140	184,190	
Total fund balances	66,140	184,190	
 Total liabilities and fund balances	 \$ 66,140	 \$ 184,190	 \$ 109,441

<u>Professional Development and Technology Grants</u>	<u>Promote Informed Parent Choice</u>	<u>Special Education Grants</u>	<u>Vocational Education</u>	<u>State Vocational Education</u>	<u>Academic Contests</u>
\$ 17,960	\$	\$ 19,618	\$ 8,056	\$ 7,034	\$ 543
	1,253		117		
<u>\$ 17,960</u>	<u>\$ 1,253</u>	<u>\$ 19,618</u>	<u>\$ 8,173</u>	<u>\$ 7,034</u>	<u>\$ 543</u>
\$ 12,220	\$	\$	\$ 8,173	\$	\$
5,740	1,253	19,618		7,034	543
<u>17,960</u>	<u>1,253</u>	<u>19,618</u>	<u>8,173</u>	<u>7,034</u>	<u>543</u>
<u>\$ 17,960</u>	<u>\$ 1,253</u>	<u>\$ 19,618</u>	<u>\$ 8,173</u>	<u>\$ 7,034</u>	<u>\$ 543</u>

(Continued)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2013

	Other State Projects	Food Service	Civic Center
<u>ASSETS</u>			
Cash and investments	\$	\$ 78,792	\$ 12,481
Accounts receivable		10,721	
Due from governmental entities	110,878	8,588	
Due from other funds			
Total assets	\$ 110,878	\$ 98,101	\$ 12,481
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$ 2,089	\$ 1,034
Due to other funds	110,878		
Deferred revenues			
Total liabilities	110,878	2,089	1,034
Fund balances:			
Restricted		96,012	11,447
Total fund balances		96,012	11,447
 Total liabilities and fund balances	 \$ 110,878	 \$ 98,101	 \$ 12,481

<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Gifts and Donations</u>	<u>Career, Technical and Vocational Education</u>	<u>Textbooks</u>	<u>Joint Technical Education</u>
\$ 25,676	\$ 4,752	\$ 36,387	\$ 929	\$ 531	\$ 96,798
	92,266	89,848			
<u>\$ 25,676</u>	<u>\$ 97,018</u>	<u>\$ 126,235</u>	<u>\$ 929</u>	<u>\$ 531</u>	<u>\$ 96,798</u>
\$	\$	\$	\$	\$	\$ 43,910
					43,910
25,676	97,018	126,235	929	531	52,888
<u>25,676</u>	<u>97,018</u>	<u>126,235</u>	<u>929</u>	<u>531</u>	<u>52,888</u>
<u>\$ 25,676</u>	<u>\$ 97,018</u>	<u>\$ 126,235</u>	<u>\$ 929</u>	<u>\$ 531</u>	<u>\$ 96,798</u>

(Continued)

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
 COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2013**

	Totals
<u>ASSETS</u>	
Cash and investments	\$ 298,031
Accounts receivable	107,519
Due from governmental entities	284,457
Due from other funds	292,992
Total assets	\$ 982,999
 <u>LIABILITIES AND FUND BALANCES</u>	
Liabilities:	
Accounts payable	\$ 23,516
Due to other funds	204,397
Deferred revenues	94,020
Total liabilities	321,933
Fund balances:	
Restricted	661,066
Total fund balances	661,066
 Total liabilities and fund balances	 \$ 982,999

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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, 2013

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>Title I Grants</u>
Revenues:			
Other local	\$ 175	\$ 506	\$
State aid and grants	379,900	52,913	
Federal aid, grants and reimbursements			273,847
Total revenues	<u>380,075</u>	<u>53,419</u>	<u>273,847</u>
Expenditures:			
Current -			
Instruction	453,158	33,202	189,473
Support services - students and staff	12	1,581	59,459
Support services - administration			13,949
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			40
Capital outlay			
Total expenditures	<u>453,170</u>	<u>34,783</u>	<u>262,921</u>
Excess (deficiency) of revenues over expenditures	<u>(73,095)</u>	<u>18,636</u>	<u>10,926</u>
Other financing sources (uses):			
Transfers out			(10,926)
Total other financing sources (uses):			<u>(10,926)</u>
Changes in fund balances	<u>(73,095)</u>	<u>18,636</u>	
Fund balances, beginning of year	139,235	165,554	
Fund balances, end of year	<u>\$ 66,140</u>	<u>\$ 184,190</u>	<u>\$</u>

Professional Development and Technology Grants	Special Education Grants	Vocational Education	State Vocational Education	Other State Projects	Food Service
\$	\$	\$	\$	\$	\$
			41,568	110,974	56,907
35,218	152,987	92,779			188,086
<u>35,218</u>	<u>152,987</u>	<u>92,779</u>	<u>41,568</u>	<u>110,974</u>	<u>244,993</u>
	81,146	85,829	26,010	110,974	788
35,218	71,841	6,950			
			15,558		230,964
<u>35,218</u>	<u>152,987</u>	<u>92,779</u>	<u>41,568</u>	<u>110,974</u>	<u>20,813</u>
					<u>252,565</u>
					<u>(7,572)</u>
					<u>(7,572)</u>
					103,584
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
					<u>96,012</u>

(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, 2013

	Civic Center	Community School	Extracurricular Activities Fees Tax Credit
Revenues:			
Other local	\$ 26,561	\$ 21,764	\$ 81,073
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	26,561	21,764	81,073
Expenditures:			
Current -			
Instruction	545	48,173	90,478
Support services - students and staff		792	
Support services - administration	9,450		
Operation and maintenance of plant services	1,157		
Student transportation services	182		
Operation of non-instructional services			
Capital outlay	15,316		
Total expenditures	26,650	48,965	90,478
Excess (deficiency) of revenues over expenditures	(89)	(27,201)	(9,405)
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	(89)	(27,201)	(9,405)
Fund balances, beginning of year	11,536	52,877	106,423
Fund balances, end of year	\$ 11,447	\$ 25,676	\$ 97,018

<u>Gifts and Donations</u>	<u>Career, Technical and Vocational Education</u>	<u>Textbooks</u>	<u>Joint Technical Education</u>	<u>Totals</u>
\$ 8,825	\$ 3	\$ 308	\$ 296,067	\$ 492,189
				585,355
				742,917
<u>8,825</u>	<u>3</u>	<u>308</u>	<u>296,067</u>	<u>1,820,461</u>
6,587		14	328,835	1,455,212
			2,496	178,349
				23,399
			585	1,742
			480	662
				231,004
			12,382	64,069
<u>6,587</u>	<u></u>	<u>14</u>	<u>344,778</u>	<u>1,954,437</u>
<u>2,238</u>	<u>3</u>	<u>294</u>	<u>(48,711)</u>	<u>(133,976)</u>
				(10,926)
				(10,926)
<u>2,238</u>	<u>3</u>	<u>294</u>	<u>(48,711)</u>	<u>(144,902)</u>
123,997	926	237	101,599	805,968
<u>\$ 126,235</u>	<u>\$ 929</u>	<u>\$ 531</u>	<u>\$ 52,888</u>	<u>\$ 661,066</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, 2013

	Classroom Site		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 175	\$ 175
State aid and grants		379,900	379,900
Federal aid, grants and reimbursements			
Total revenues		<u>380,075</u>	<u>380,075</u>
Expenditures:			
Current -			
Instruction	546,628	453,158	93,470
Support services - students and staff		12	(12)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>546,628</u>	<u>453,170</u>	<u>93,458</u>
Excess (deficiency) of revenues over expenditures	<u>(546,628)</u>	<u>(73,095)</u>	<u>473,533</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(546,628)</u>	<u>(73,095)</u>	<u>473,533</u>
Fund balances, beginning of year		139,235	139,235
Fund balances (deficits), end of year	<u>\$ (546,628)</u>	<u>\$ 66,140</u>	<u>\$ 612,768</u>

Instructional Improvement			Title I Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 506 52,913	\$ 506 52,913	\$	\$	\$
	<u>53,419</u>	<u>53,419</u>		<u>273,847</u> <u>273,847</u>	<u>273,847</u> <u>273,847</u>
209,329	33,202 1,581	176,127 (1,581)	412,540	189,473 59,459 13,949	223,067 (59,459) (13,949)
				40	(40)
<u>209,329</u>	<u>34,783</u>	<u>174,546</u>	<u>412,540</u>	<u>262,921</u>	<u>149,619</u>
<u>(209,329)</u>	<u>18,636</u>	<u>227,965</u>	<u>(412,540)</u>	<u>10,926</u>	<u>423,466</u>
				<u>(10,926)</u> <u>(10,926)</u>	<u>(10,926)</u> <u>(10,926)</u>
<u>(209,329)</u>	<u>18,636</u>	<u>227,965</u>	<u>(412,540)</u>		<u>412,540</u>
	165,554	165,554			
<u>\$ (209,329)</u>	<u>\$ 184,190</u>	<u>\$ 393,519</u>	<u>\$ (412,540)</u>	<u>\$</u>	<u>\$ 412,540</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, 2013

	Professional Development and Technology Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		35,218	35,218
Total revenues		35,218	35,218
Expenditures:			
Current -			
Instruction			
Support services - students and staff	51,807	35,218	16,589
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	51,807	35,218	16,589
Excess (deficiency) of revenues over expenditures	(51,807)		51,807
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	(51,807)		51,807
Fund balances, beginning of year			
Fund balances (deficits), end of year	\$ (51,807)	\$	\$ 51,807

Special Education Grants			Vocational Education		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	152,987	152,987		92,779	92,779
	152,987	152,987		92,779	92,779
169,484	81,146 71,841	88,338 (71,841)	109,361	85,829 6,950	23,532 (6,950)
169,484	152,987	16,497	109,361	92,779	16,582
(169,484)		169,484	(109,361)		109,361
(169,484)		169,484	(109,361)		109,361
\$ (169,484)	\$	\$ 169,484	\$ (109,361)	\$	\$ 109,361

(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, 2013

	Medicaid Reimbursement		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 28	\$ 28
State aid and grants			
Federal aid, grants and reimbursements		29,010	29,010
Total revenues		<u>29,038</u>	<u>29,038</u>
Expenditures:			
Current -			
Instruction	30,000	11,532	18,468
Support services - students and staff		14,227	(14,227)
Support services - administration		59	(59)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>30,000</u>	<u>25,818</u>	<u>4,182</u>
Excess (deficiency) of revenues over expenditures	<u>(30,000)</u>	<u>3,220</u>	<u>33,220</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(30,000)</u>	<u>3,220</u>	<u>33,220</u>
Fund balances, beginning of year		8,936	8,936
Fund balances (deficits), end of year	<u>\$ (30,000)</u>	<u>\$ 12,156</u>	<u>\$ 42,156</u>

National Forest Fees			E-Rate		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 201	\$ 201	\$	\$ 37	\$ 37
	108,915	108,915		31,746	31,746
	109,116	109,116		31,783	31,783
	377	(377)	35,000		35,000
	62	(62)			
120,153	74,390	45,763			
	51	(51)			
	20	(20)			
	17	(17)			
	33,761	(33,761)			
120,153	108,678	11,475	35,000		35,000
(120,153)	438	120,591	(35,000)	31,783	66,783
(120,153)	438	120,591	(35,000)	31,783	66,783
	12,776	12,776		1	1
\$ (120,153)	\$ 13,214	\$ 133,367	\$ (35,000)	\$ 31,784	\$ 66,784

(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, 2013

	State Vocational Education		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants		41,568	41,568
Federal aid, grants and reimbursements			
Total revenues		<u>41,568</u>	<u>41,568</u>
Expenditures:			
Current -			
Instruction	48,564	26,010	22,554
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		15,558	(15,558)
Total expenditures	<u>48,564</u>	<u>41,568</u>	<u>6,996</u>
Excess (deficiency) of revenues over expenditures	<u>(48,564)</u>		<u>48,564</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(48,564)</u>		<u>48,564</u>
Fund balances, beginning of year			
Fund balances (deficits), end of year	<u>\$ (48,564)</u>	<u>\$</u>	<u>\$ 48,564</u>

Other State Projects			School Plant		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	110,974	110,974		2	2
	<u>110,974</u>	<u>110,974</u>		<u>2</u>	<u>2</u>
	110,974	(110,974)			
	<u>110,974</u>	<u>(110,974)</u>			
				2	2
				2	2
				534	534
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>536</u>	<u>\$ 536</u>

(Continued)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2013

	Food Service		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 56,907	\$ 56,907
State aid and grants			
Federal aid, grants and reimbursements		188,086	188,086
Total revenues		<u>244,993</u>	<u>244,993</u>
Expenditures:			
Current -			
Instruction		788	(788)
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services	260,000	230,964	29,036
Capital outlay		20,813	(20,813)
Total expenditures	<u>260,000</u>	<u>252,565</u>	<u>7,435</u>
Excess (deficiency) of revenues over expenditures	<u>(260,000)</u>	<u>(7,572)</u>	<u>252,428</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(260,000)</u>	<u>(7,572)</u>	<u>252,428</u>
Fund balances, beginning of year		103,584	103,584
Fund balances (deficits), end of year	<u>\$ (260,000)</u>	<u>\$ 96,012</u>	<u>\$ 356,012</u>

Civic Center			Community School		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 26,561	\$ 26,561	\$	\$ 21,764	\$ 21,764
	<u>26,561</u>	<u>26,561</u>		<u>21,764</u>	<u>21,764</u>
	545	(545)	139,771	48,173	91,598
	9,450	(9,450)		792	(792)
	1,157	(1,157)			
	182	(182)			
<u>61,578</u>	<u>15,316</u>	<u>46,262</u>			
<u>61,578</u>	<u>26,650</u>	<u>34,928</u>	<u>139,771</u>	<u>48,965</u>	<u>90,806</u>
<u>(61,578)</u>	<u>(89)</u>	<u>61,489</u>	<u>(139,771)</u>	<u>(27,201)</u>	<u>112,570</u>
<u>(61,578)</u>	<u>(89)</u>	<u>61,489</u>	<u>(139,771)</u>	<u>(27,201)</u>	<u>112,570</u>
	11,536	11,536		52,877	52,877
<u>\$ (61,578)</u>	<u>\$ 11,447</u>	<u>\$ 73,025</u>	<u>\$ (139,771)</u>	<u>\$ 25,676</u>	<u>\$ 165,447</u>

(Continued)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2013

	Auxiliary Operations		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 209,112	\$ 209,112
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>209,112</u>	<u>209,112</u>
Expenditures:			
Current -			
Instruction	275,000	175,102	99,898
Support services - students and staff		297	(297)
Support services - administration		3	(3)
Operation and maintenance of plant services		4,324	(4,324)
Student transportation services			
Operation of non-instructional services			
Capital outlay		<u>15,050</u>	<u>(15,050)</u>
Total expenditures	<u>275,000</u>	<u>194,776</u>	<u>80,224</u>
Excess (deficiency) of revenues over expenditures	<u>(275,000)</u>	<u>14,336</u>	<u>289,336</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(275,000)</u>	<u>14,336</u>	<u>289,336</u>
Fund balances, beginning of year		121,756	121,756
Fund balances (deficits), end of year	<u>\$ (275,000)</u>	<u>\$ 136,092</u>	<u>\$ 411,092</u>

Extracurricular Activities Fees Tax Credit			Gifts and Donations		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 81,073	\$ 81,073	\$	\$ 8,825	\$ 8,825
	<u>81,073</u>	<u>81,073</u>		<u>8,825</u>	<u>8,825</u>
	90,478	(90,478)	187,640	6,587	181,053
	<u>90,478</u>	<u>(90,478)</u>	<u>187,640</u>	<u>6,587</u>	<u>181,053</u>
	<u>(9,405)</u>	<u>(9,405)</u>	<u>(187,640)</u>	<u>2,238</u>	<u>189,878</u>
	<u>(9,405)</u>	<u>(9,405)</u>	<u>(187,640)</u>	<u>2,238</u>	<u>189,878</u>
	106,423	106,423		123,997	123,997
\$	\$ <u>97,018</u>	\$ <u>97,018</u>	\$ <u>(187,640)</u>	\$ <u>126,235</u>	\$ <u>313,875</u>

(Continued)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2013

	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		926	926
Fund balances (deficits), end of year	\$	\$ 929	\$ 929

Insurance Proceeds			Textbooks		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 2	\$ 2	\$	\$ 308	\$ 308
	<u>2</u>	<u>2</u>		<u>308</u>	<u>308</u>
10,000		10,000	3,000	14	2,986
<u>10,000</u>		<u>10,000</u>	<u>3,000</u>	<u>14</u>	<u>2,986</u>
<u>(10,000)</u>	<u>2</u>	<u>10,002</u>	<u>(3,000)</u>	<u>294</u>	<u>3,294</u>
<u>(10,000)</u>	<u>2</u>	<u>10,002</u>	<u>(3,000)</u>	<u>294</u>	<u>3,294</u>
	564	564		237	237
<u>\$ (10,000)</u>	<u>\$ 566</u>	<u>\$ 10,566</u>	<u>\$ (3,000)</u>	<u>\$ 531</u>	<u>\$ 3,531</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, 2013

	Litigation Recovery		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Other local	\$	\$ 2	\$ 2
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		2	2
Expenditures:			
Current -			
Instruction	2,400		2,400
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	2,400		2,400
Excess (deficiency) of revenues over expenditures	(2,400)	2	2,402
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	(2,400)	2	2,402
Fund balances, beginning of year		674	674
Fund balances (deficits), end of year	\$ (2,400)	\$ 676	\$ 3,076

Indirect Costs			Joint Technical Education		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 3	\$ 3	\$	\$ 296,067	\$ 296,067
	<u>3</u>	<u>3</u>		<u>296,067</u>	<u>296,067</u>
10,000	6,811	3,189	382,595	328,835	53,760
				2,496	(2,496)
				585	(585)
				480	(480)
				<u>12,382</u>	<u>(12,382)</u>
<u>10,000</u>	<u>6,811</u>	<u>3,189</u>	<u>382,595</u>	<u>344,778</u>	<u>37,817</u>
<u>(10,000)</u>	<u>(6,808)</u>	<u>3,192</u>	<u>(382,595)</u>	<u>(48,711)</u>	<u>333,884</u>
	10,926	10,926			
	<u>10,926</u>	<u>10,926</u>			
<u>(10,000)</u>	<u>4,118</u>	<u>14,118</u>	<u>(382,595)</u>	<u>(48,711)</u>	<u>333,884</u>
				101,599	101,599
<u>\$ (10,000)</u>	<u>\$ 4,118</u>	<u>\$ 14,118</u>	<u>\$ (382,595)</u>	<u>\$ 52,888</u>	<u>\$ 435,483</u>

(Continued)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2013

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 701,576	\$ 701,576
State aid and grants		585,355	585,355
Federal aid, grants and reimbursements		912,588	912,588
Total revenues		<u>2,199,519</u>	<u>2,199,519</u>
Expenditures:			
Current -			
Instruction	2,561,312	1,642,223	919,089
Support services - students and staff	51,807	192,638	(140,831)
Support services - administration	130,153	104,956	25,197
Operation and maintenance of plant services		1,796	(1,796)
Student transportation services		5,006	(5,006)
Operation of non-instructional services	260,000	231,021	28,979
Capital outlay	61,578	112,880	(51,302)
Total expenditures	<u>3,064,850</u>	<u>2,290,520</u>	<u>774,330</u>
Excess (deficiency) of revenues over expenditures	<u>(3,064,850)</u>	<u>(91,001)</u>	<u>2,973,849</u>
Other financing sources (uses):			
Transfers in		10,926	10,926
Transfers out		(10,926)	(10,926)
Total other financing sources (uses):			
Changes in fund balances	<u>(3,064,850)</u>	<u>(91,001)</u>	<u>2,973,849</u>
Fund balances, beginning of year		951,209	951,209
Fund balances (deficits), end of year	<u>\$ (3,064,850)</u>	<u>\$ 860,208</u>	<u>\$ 3,925,058</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
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICE
YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Original & Final</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:			
Other local	\$	\$ 71,239	\$ 71,239
Property taxes		1,626,343	1,626,343
Total revenues		<u>1,697,582</u>	<u>1,697,582</u>
Expenditures:			
Debt service -			
Principal retirement	995,000	995,000	
Interest and fiscal charges	243,294	521,294	(278,000)
Total expenditures	<u>1,238,294</u>	<u>1,516,294</u>	<u>(278,000)</u>
Changes in fund balances	<u>(1,238,294)</u>	<u>181,288</u>	<u>1,419,582</u>
Fund balances, beginning of year		20,881	20,881
Fund balances (deficits), end of year	<u>\$ (1,238,294)</u>	<u>\$ 202,169</u>	<u>\$ 1,440,463</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, 2013

	Unrestricted Capital Outlay	Adjacent Ways	Building Renewal
<u>ASSETS</u>			
Cash and investments	\$ 5,152	\$ 257	\$ 159
Property taxes receivable	3,753		
Due from governmental entities	10,290		
Total assets	\$ 19,195	\$ 257	\$ 159
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Deferred revenues	\$ 1,542	\$	\$
Total liabilities	1,542		
Fund balances:			
Restricted	17,653	257	159
Total fund balances	17,653	257	159
 Total liabilities and fund balances	 \$ 19,195	 \$ 257	 \$ 159

Totals

\$	5,568
	3,753
	<u>10,290</u>
\$	<u><u>19,611</u></u>

\$	<u>1,542</u>
	<u>1,542</u>

	<u>18,069</u>
	<u>18,069</u>

\$	<u><u>19,611</u></u>
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MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2013

	Unrestricted Capital Outlay	Adjacent Ways	Building Renewal
Revenues:			
Other local	\$ 14,284	\$ 1	\$ 1
Property taxes	148,654		
State aid and grants	31,260		
Total revenues	<u>194,198</u>	<u>1</u>	<u>1</u>
Expenditures:			
Current -			
Support services - students and staff	3,778		
Support services - administration	7,556		
Capital outlay	9,458		
Debt service -			
Principal retirement	139,271		
Interest and fiscal charges	26,236		
Total expenditures	<u>186,299</u>		
Changes in fund balances	<u>7,899</u>	<u>1</u>	<u>1</u>
Fund balances, beginning of year	9,754	256	158
Fund balances, end of year	<u>\$ 17,653</u>	<u>\$ 257</u>	<u>\$ 159</u>

Totals

\$	14,286
	148,654
	<u>31,260</u>
	<u>194,200</u>

3,778
7,556
9,458

139,271
26,236
186,299

7,901

10,168

\$ 18,069

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, 2013

	Unrestricted Capital Outlay		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 14,284	\$ 14,284
Property taxes		148,654	148,654
State aid and grants		31,260	31,260
Total revenues		<u>194,198</u>	<u>194,198</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff		3,778	(3,778)
Support services - administration		7,556	(7,556)
Capital outlay		9,458	(9,458)
Debt service -			
Principal retirement	187,153	139,271	47,882
Interest and fiscal charges		26,236	(26,236)
Total expenditures	<u>187,153</u>	<u>186,299</u>	<u>854</u>
Changes in fund balances	<u>(187,153)</u>	<u>7,899</u>	<u>195,052</u>
Fund balances, beginning of year		9,754	9,754
Fund balances (deficits), end of year	<u>\$ (187,153)</u>	<u>\$ 17,653</u>	<u>\$ 204,806</u>

Adjacent Ways			Soft Capital Allocation		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 1	\$ 1	\$	\$ 3,373	\$ 3,373
				37,129	37,129
				7,815	7,815
	<u>1</u>	<u>1</u>		<u>48,317</u>	<u>48,317</u>
			43,659	43,659	
			<u>43,659</u>	<u>43,659</u>	
	<u>1</u>	<u>1</u>	<u>(43,659)</u>	<u>4,658</u>	<u>48,317</u>
	256	256		90,996	90,996
<u>\$</u>	<u>\$ 257</u>	<u>\$ 257</u>	<u>\$ (43,659)</u>	<u>\$ 95,654</u>	<u>\$ 139,313</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, 2013

	Building Renewal		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 1	\$ 1
Property taxes			
State aid and grants			
Total revenues		1	1
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Capital outlay			
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures			
Changes in fund balances		1	1
Fund balances, beginning of year		158	158
Fund balances (deficits), end of year	\$	\$ 159	\$ 159

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 17,659	\$ 17,659
	185,783	185,783
	39,075	39,075
	<u>242,517</u>	<u>242,517</u>
43,659	43,659	
	3,778	(3,778)
	7,556	(7,556)
	9,458	(9,458)
187,153	139,271	47,882
	26,236	(26,236)
<u>230,812</u>	<u>229,958</u>	<u>854</u>
<u>(230,812)</u>	<u>12,559</u>	<u>243,371</u>
	101,164	101,164
<u>\$ (230,812)</u>	<u>\$ 113,723</u>	<u>\$ 344,535</u>

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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 and employee payroll checks temporarily held by the District as an agent.

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
 COMBINING STATEMENT OF ASSETS AND LIABILITIES
 AGENCY FUNDS
 JUNE 30, 2013**

	Student Activities	Employee Withholding	Totals
<u>ASSETS</u>			
Cash and investments	\$ 76,190	\$ 73,121	\$ 149,311
Total assets	\$ 76,190	\$ 73,121	\$ 149,311
 <u>LIABILITIES</u>			
Deposits held for others	\$	\$ 73,121	\$ 73,121
Due to student groups	76,190		76,190
Total liabilities	\$ 76,190	\$ 73,121	\$ 149,311

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING STATEMENT OF CHANGES IN AGENCY FUNDS ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2013

	<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>100,556</u>	\$ <u>161,722</u>	\$ <u>186,088</u>	\$ <u>76,190</u>
Total assets	\$ <u><u>100,556</u></u>	\$ <u><u>161,722</u></u>	\$ <u><u>186,088</u></u>	\$ <u><u>76,190</u></u>
<u>Liabilities</u>				
Due to student groups	\$ <u>100,556</u>	\$ <u>161,722</u>	\$ <u>186,088</u>	\$ <u>76,190</u>
Total liabilities	\$ <u><u>100,556</u></u>	\$ <u><u>161,722</u></u>	\$ <u><u>186,088</u></u>	\$ <u><u>76,190</u></u>
<u>EMPLOYEE WITHHOLDING</u>				
<u>Assets</u>				
Cash and investments	\$ <u>117,777</u>	\$ <u>5,659,599</u>	\$ <u>5,704,255</u>	\$ <u>73,121</u>
Total assets	\$ <u><u>117,777</u></u>	\$ <u><u>5,659,599</u></u>	\$ <u><u>5,704,255</u></u>	\$ <u><u>73,121</u></u>
<u>Liabilities</u>				
Deposits held for others	\$ <u>117,777</u>	\$ <u>5,659,599</u>	\$ <u>5,704,255</u>	\$ <u>73,121</u>
Total liabilities	\$ <u><u>117,777</u></u>	\$ <u><u>5,659,599</u></u>	\$ <u><u>5,704,255</u></u>	\$ <u><u>73,121</u></u>
<u>TOTAL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and investments	\$ <u>218,333</u>	\$ <u>5,821,321</u>	\$ <u>5,890,343</u>	\$ <u>149,311</u>
Total assets	\$ <u><u>218,333</u></u>	\$ <u><u>5,821,321</u></u>	\$ <u><u>5,890,343</u></u>	\$ <u><u>149,311</u></u>
<u>Liabilities</u>				
Deposits held for others	\$ <u>117,777</u>	\$ <u>5,659,599</u>	\$ <u>5,704,255</u>	\$ <u>73,121</u>
Due to student groups	<u>100,556</u>	<u>161,722</u>	<u>186,088</u>	<u>76,190</u>
Total liabilities	\$ <u><u>218,333</u></u>	\$ <u><u>5,821,321</u></u>	\$ <u><u>5,890,343</u></u>	\$ <u><u>149,311</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.

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

	Fiscal Year Ended June 30				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net Position:					
Net investment in capital assets	\$ 6,815,190	\$ 6,806,320	\$ 7,038,083	\$ 7,236,007	\$ 7,223,915
Restricted	919,164	909,890	1,250,947	215,126	236,941
Unrestricted	1,289,754	1,593,750	836,423	2,078,999	1,674,412
Total net position	\$ 9,024,108	\$ 9,309,960	\$ 9,125,453	\$ 9,530,132	\$ 9,135,268
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Net Position:					
Net investment in capital assets	\$ 7,345,596	\$ 7,223,522	\$ 7,655,021	\$ 10,017,530	\$ 9,909,784
Restricted	877,692	310,421	419,767	188,520	85,053
Unrestricted	2,174,140	2,451,739	1,996,500	1,510,387	1,280,509
Total net position	\$ 10,397,428	\$ 9,985,682	\$ 10,071,288	\$ 11,716,437	\$ 11,275,346

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

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

	Fiscal Year Ended June 30				
	2013	2012	2011	2010	2009
Expenses					
Instruction	\$ 6,228,888	\$ 6,076,499	\$ 6,183,691	\$ 5,796,510	\$ 5,853,376
Support services - students and staff	921,964	1,000,364	1,037,969	1,142,576	1,024,007
Support services - administration	1,027,421	951,457	1,009,016	1,159,556	1,084,389
Operation and maintenance of plant services	1,241,853	1,384,855	1,424,800	1,576,004	1,426,163
Student transportation services	477,579	460,947	485,809	438,281	480,248
Operation of non-instructional services	247,576	260,682	344,635	5,649	342,783
Interest on long-term debt	547,530	589,747	588,794	621,159	642,970
Total expenses	10,692,811	10,724,551	11,074,714	10,739,735	10,853,936
Program Revenues					
Charges for services:					
Instruction	704,247	859,999	885,183	959,304	617,830
Operation of non-instructional services	258,254	308,818	499,035	340,174	360,107
Other activities	26,528	33,156	24,174	70,580	40,410
Operating grants and contributions	879,229	734,069	882,063	763,523	637,710
Capital grants and contributions	15,558	72,940	87,028	129,165	39,306
Total program revenues	1,883,816	2,008,982	2,377,483	2,262,746	1,695,363
Net (Expense)/Revenue	\$ (8,808,995)	\$ (8,715,569)	\$ (8,697,231)	\$ (8,476,989)	\$ (9,158,573)

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Expenses					
Instruction	\$ 5,548,417	\$ 6,348,099	\$ 7,722,922	\$ 4,653,012	\$ 4,711,685
Support services - students and staff	1,060,641	1,044,576	728,967	818,616	922,101
Support services - administration	1,067,256	886,618	808,764	988,945	794,188
Operation and maintenance of plant services	1,631,585	1,189,263	1,080,002	972,881	1,247,778
Student transportation services	497,959	434,702	438,792	427,245	371,116
Operation of non-instructional services	326,627	329,144	482,988	522,784	428,858
Interest on long-term debt	890,696	1,116	10,033	9,395	12,850
Total expenses	<u>11,023,181</u>	<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	774,279	947,950	666,930	216,935	228,412
Operation of non-instructional services	373,212	215,985	612,965	291,889	311,405
Other activities	25,417	110,450	151,947	122,467	118,701
Operating grants and contributions	644,483	696,068	1,483,097	1,226,538	1,202,820
Capital grants and contributions	150,125	104,264			
Total program revenues	<u>1,967,516</u>	<u>2,074,717</u>	<u>2,914,939</u>	<u>1,857,829</u>	<u>1,861,338</u>
Net (Expense)/Revenue	<u>\$ (9,055,665)</u>	<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.

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

	Fiscal Year Ended June 30				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net (Expense)/Revenue	\$ (8,808,995)	\$ (8,715,569)	\$ (8,697,231)	\$ (8,476,989)	\$ (9,158,573)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	4,999,887	5,688,430	4,693,051	5,203,686	4,659,345
Property taxes, levied for debt service	1,596,830	1,434,816	1,218,873	1,207,463	662,570
Property taxes, levied for capital outlay	143,154	156,808	418,765	284,571	189,646
Investment income	3,691	2,896	3,807	3,439	106,415
Unrestricted county aid	92,396	22,846	98,746	107,964	
Unrestricted state aid	1,549,260	1,481,943	1,451,618	1,844,455	2,278,437
Unrestricted federal aid	137,925	112,337	407,692	220,275	
Total general revenues	<u>8,523,143</u>	<u>8,900,076</u>	<u>8,292,552</u>	<u>8,871,853</u>	<u>7,896,413</u>
Changes in Net Position	<u>\$ (285,852)</u>	<u>\$ 184,507</u>	<u>\$ (404,679)</u>	<u>\$ 394,864</u>	<u>\$ (1,262,160)</u>

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Net (Expense)/Revenue	\$ (9,055,665)	\$ (8,158,801)	\$ (8,357,529)	\$ (6,535,049)	\$ (6,627,238)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	4,174,015	4,404,614	4,245,422	3,904,464	3,755,430
Property taxes, levied for debt service	1,111,940	1,914			
Property taxes, levied for capital outlay	314,079	123,154			
Investment income	517,369	299,694	55,865	20,066	12,570
Unrestricted county aid		563	218,083	257,217	337,520
Unrestricted state aid	3,350,008	3,243,256	2,186,665	2,767,145	4,207,558
Unrestricted federal aid			6,345	27,248	768
Total general revenues	<u>9,467,411</u>	<u>8,073,195</u>	<u>6,712,380</u>	<u>6,976,140</u>	<u>8,313,846</u>
Changes in Net Position	<u>\$ 411,746</u>	<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: The Arizona State Legislature suspended county equalization payments to school districts for fiscal years 2006-07 through 2008-09.

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

	Fiscal Year Ended June 30				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
General Fund:					
Reserved				427,769	436,507
Unassigned	261,525	421,297	(18,156)		
Unreserved				159,679	(300,843)
Total General Fund	\$ 261,525	\$ 421,297	\$ (18,156)	\$ 587,448	\$ 135,664
All Other Governmental Funds:					
Restricted	881,304	837,017	959,458		
Assigned			115,200		
Reserved					3,954
Unreserved, reported in:					
Special revenue funds				640,763	772,317
Capital projects funds				362,149	1,044,935
Debt service fund				167,117	126,446
Total all other governmental funds	\$ 881,304	\$ 837,017	\$ 1,074,658	\$ 1,170,029	\$ 1,947,652

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Fund:					
Reserved	430,600		391,256	232,867	94,169
Unreserved	182,625	880,332	320,275	288,151	557,225
Total General Fund	<u>\$ 613,225</u>	<u>\$ 880,332</u>	<u>\$ 711,531</u>	<u>\$ 521,018</u>	<u>\$ 651,394</u>
All Other Governmental Funds:					
Reserved	4,715				
Unreserved, reported in:					
Special revenue funds	1,342,620	1,394,283	1,455,817	909,363	614,009
Capital projects funds	7,527,715	13,113,459	208,842	188,520	81,287
Debt service fund	515,937				
Total all other governmental funds	<u>\$ 9,390,987</u>	<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.

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

	Fiscal Year Ended June 30				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Federal sources:					
Federal grants	\$ 724,502	\$ 604,078	\$ 837,370	\$ 800,992	\$ 537,044
State Fiscal Stabilization (ARRA)			18,687	220,275	
Education Jobs		3,587	233,733		
National School Lunch Program	188,086	180,163	190,864		
Total federal sources	<u>912,588</u>	<u>787,828</u>	<u>1,280,654</u>	<u>1,021,267</u>	<u>537,044</u>
State sources:					
State equalization assistance	1,116,447	1,037,433	1,091,984	1,545,916	1,686,380
State grants	152,542	99,100	96,129	91,696	139,972
Other revenues	432,813	444,510	414,911	400,552	499,444
Total state sources	<u>1,701,802</u>	<u>1,581,043</u>	<u>1,603,024</u>	<u>2,038,164</u>	<u>2,325,796</u>
Local sources:					
Property taxes	6,938,470	7,282,932	6,223,836	6,622,598	5,464,152
County aid	92,396	22,846	98,746	107,964	
Food service sales	49,142				
Investment income	3,691			5,194	106,415
Other revenues	939,887	1,204,869	1,412,199	1,368,303	1,018,347
Total local sources	<u>8,023,586</u>	<u>8,510,647</u>	<u>7,734,781</u>	<u>8,104,059</u>	<u>6,588,914</u>
Total revenues	<u><u>\$ 10,637,976</u></u>	<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>

(Continued)

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Federal sources:					
Federal grants	\$ 678,776	\$ 603,910	\$ 608,868	\$ 550,010	\$ 563,367
Total federal sources	<u>678,776</u>	<u>603,910</u>	<u>608,868</u>	<u>550,010</u>	<u>563,367</u>
State sources:					
State equalization assistance	2,338,969	2,400,580	2,054,110	2,633,946	2,843,051
State grants	121,605	190,649	874,329	629,214	970,534
School Facilities Board	76,187	161,654	132,555	133,199	
Other revenues	<u>870,175</u>	<u>681,022</u>	<u>132,555</u>	<u>27,248</u>	
Total state sources	<u>3,406,936</u>	<u>3,433,905</u>	<u>3,060,994</u>	<u>3,423,607</u>	<u>3,813,585</u>
Local sources:					
Property taxes	5,565,210	4,537,874	4,227,301	3,929,735	3,680,115
County aid		563	218,083	257,217	337,520
Food service sales					
Investment income	517,369	299,694	55,865	20,066	12,570
Other revenues	<u>1,172,908</u>	<u>1,274,385</u>	<u>1,438,087</u>	<u>678,605</u>	<u>367,701</u>
Total local sources	<u>7,255,487</u>	<u>6,112,516</u>	<u>5,939,336</u>	<u>4,885,623</u>	<u>4,397,906</u>
Total revenues	<u>\$ 11,341,199</u>	<u>\$ 10,150,331</u>	<u>\$ 9,609,198</u>	<u>\$ 8,859,240</u>	<u>\$ 8,774,858</u>

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

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

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Expenditures:					
Current -					
Instruction	\$ 5,357,943	\$ 5,156,757	\$ 4,652,971	\$ 4,914,438	\$ 5,417,738
Support services - students and staff	902,946	974,795	974,642	1,131,130	952,602
Support services - administration	1,008,244	943,573	958,257	1,155,775	1,006,742
Operation and maintenance of plant services	1,021,987	1,119,813	1,138,209	1,345,131	1,137,566
Student transportation services	419,535	395,548	390,064	387,894	386,357
Operation of non-instructional services	238,667	252,558	332,665	1,019	339,914
Capital outlay	122,338	187,835	1,679,120	1,191,926	6,841,468
Debt service -					
Judgments against the district					70,391
Interest and fiscal charges	547,530	589,747	588,794	621,159	
Principal retirement	1,134,271	1,057,080	894,238	787,191	582,048
Bond issuance costs					642,970
Total expenditures	<u>\$ 10,753,461</u>	<u>\$ 10,677,706</u>	<u>\$ 11,608,960</u>	<u>\$ 11,535,663</u>	<u>\$ 17,377,796</u>
Expenditures for capitalized assets	\$ 35,394	\$ 48,066	\$ 1,243,774	\$ 1,298,543	\$ 6,286,544
Debt service as a percentage of noncapital expenditures	16%	15%	14%	14%	12%

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Expenditures:					
Current -					
Instruction	\$ 5,398,795	\$ 5,390,691	\$ 5,011,187	\$ 4,807,352	\$ 4,772,401
Support services - students and staff	1,049,203	1,034,408	886,158	831,129	921,355
Support services - administration	1,049,829	868,303	797,132	959,697	776,688
Operation and maintenance of plant services	1,352,779	944,954	931,388	1,086,061	1,046,646
Student transportation services	433,713	376,528	392,495	380,706	322,601
Operation of non-instructional services	330,505	328,297	480,816	521,967	428,858
Capital outlay	6,509,330	2,782,913	589,624	107,943	28,494
Debt service -					
Judgments against the district					
Interest and fiscal charges	890,696	4,573	10,033	9,395	12,850
Principal retirement	236,094	138,618	72,952	71,579	80,842
Bond issuance costs		247,725			
Total expenditures	<u>\$ 17,250,944</u>	<u>\$ 12,117,010</u>	<u>\$ 9,171,785</u>	<u>\$ 8,775,829</u>	<u>\$ 8,390,735</u>
Expenditures for capitalized assets	\$ 6,114,459	\$ 2,292,838	\$ 589,624	\$ 107,943	\$ 28,494
Debt service as a percentage of noncapital expenditures	10%	4%	1%	1%	1%

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

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

	Fiscal Year Ended June 30				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Excess (deficiency) of revenues over expenditures	\$ (115,485)	\$ 201,812	\$ (990,501)	\$ (372,173)	\$ (7,926,042)
Other financing sources (uses):					
General obligation bonds issued					
Premium on sale of bonds					
Capital lease agreements			717,295	59,026	
Transfers in	10,926	10,238	1,907	17,353	86,422
Transfers out	(10,926)	(10,238)	(1,907)	(17,353)	(86,422)
Payment to refunded bond escrow agent					
Total other financing sources (uses)			<u>717,295</u>	<u>59,026</u>	
Changes in fund balances	<u>\$ (115,485)</u>	<u>\$ 201,812</u>	<u>\$ (273,206)</u>	<u>\$ (313,147)</u>	<u>\$ (7,926,042)</u>
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Excess (deficiency) of revenues over expenditures	\$ (5,909,745)	\$ (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	90,568	118,637	108,450	103,139	
Transfers in	451,637	259,332	53,036		40,936
Transfers out	(451,637)	(259,332)	(53,036)		(40,936)
Payment to refunded bond escrow agent					
Total other financing sources (uses)	<u>90,568</u>	<u>15,369,819</u>	<u>108,450</u>	<u>103,139</u>	
Changes in fund balances	<u>\$ (5,819,177)</u>	<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							
2013	\$ 210,805,823	\$ 55,233,675	\$ 45,687,855	\$ 19,010,100	\$ 292,717,253	2.67	\$2,425,160,899	12.07	%
2012	258,405,641	66,832,414	45,702,625	25,537,697	345,402,983	2.05	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	

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
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Commercial, Industrial, Utilities and Mining	\$ 99,325,550	\$ 110,160,187	\$ 121,802,862	\$ 123,589,854	\$ 118,967,769
Agricultural and Vacant	38,844,903	56,433,010	67,370,265	72,606,963	71,455,660
Residential (Owner Occupied)	122,069,233	148,360,157	193,913,358	219,108,307	229,172,265
Residential (Rental)	33,715,362	28,912,987	35,108,897	37,543,309	35,743,473
Railroad, Private Cars and Airlines	571,157	667,283	719,344	737,882	901,222
Historical Property	755,488	850,828	1,087,939	1,195,408	1,141,158
Certain Government Property Improvements	15,847	18,531	12,737	12,469	6,436
Total	\$ 295,297,540	\$ 345,402,983	\$ 420,015,402	\$ 454,794,192	\$ 457,387,983

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Commercial, Industrial, Utilities and Mining	\$ 106,485,880	\$ 101,249,912	\$ 91,684,328	\$ 78,977,011	\$ 63,028,303
Agricultural and Vacant	45,554,222	35,087,998	30,257,535	29,737,440	27,366,047
Residential (Owner Occupied)	181,003,873	142,168,856	116,138,364	106,064,474	93,214,744
Residential (Rental)	27,879,305	20,006,302	16,596,555	14,952,736	13,504,896
Railroad, Private Cars and Airlines	860,096	955,522	1,051,714	1,020,935	879,551
Historical Property	835,978	631,019	467,349	383,949	347,863
Certain Government Property Improvements	4,371	4,142	3,777	3,710	
Total	\$ 362,623,725	\$ 300,103,751	\$ 256,199,622	\$ 231,140,255	\$ 198,341,404

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

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

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Commercial, Industrial, Utilities and Mining	20 %	20 %	21 %	22 %	23 %
Agricultural and Vacant	16	16	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	15	17	18	20

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Commercial, Industrial, Utilities and Mining	24 %	25 %	25 %	25 %	25 %
Agricultural and Vacant	16	16	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	21	22	21	21	20

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

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

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

Fiscal Year Ended June 30	<u>Overlapping Rates</u>						<u>District Direct Rates</u>		
	State	County	Cottonwood Oak Creek Elem	Clarksdale Jerome #3 Elem	Joint Tech	Fire District	Primary	Secondary	Total
	Equalization								
2013	0.47	1.64	2.67	2.62	0.05	2.93	1.93	0.75	2.67
2012	0.43	1.43	2.25	2.32	0.05	2.51	1.88	0.17	2.05
2011	0.36	1.35	1.78	1.74	0.05	1.83	1.46	0.44	1.90
2010	0.33	1.28	1.64	1.59	0.05	1.83	1.56	0.38	1.94
2009		1.37	2.22	1.67	0.05	1.83	1.44	0.27	1.71
2008		1.53	2.31	2.09	0.05	2.15	1.48	0.47	1.95
2007		1.66	2.83	2.19	0.05	2.15	1.80	0.18	1.98
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

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**

<u>Taxpayer</u>	<u>2013</u>		<u>2004</u>	
	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	\$ 21,078,010	7.20 %	\$ 11,816,226	6.23 %
Arizona Public Service Company	\$ 10,065,686	3.44	8,991,630	4.74
Century Link	\$ 1,488,090	0.51	1,647,681	0.87
Unisource Energy Corporation	\$ 2,481,948	0.85	5,743,345	3.03
Wal-Mart Stores Inc.	\$ 1,755,412	0.60	3,577,822	1.89
JP Morgan Chase Bank	\$ 1,331,259	0.45	1,741,834	0.92
Home Depot USA Inc	\$ 1,309,413	0.45	1,930,141	1.02
Granite Cottonwood LLC UI	\$ 1,299,677	0.44	1,788,911	0.94
GRRL INC ESOP Trust	\$ 1,207,500	0.41	1,553,528	0.82
PLP Cottonwood LLC	\$ 1,132,311	0.39	1,412,298	0.74
Ace Hardware	\$ 5,203,638	1.78	3,764,890	1.98
Total	<u>\$ 43,149,305</u>	<u>14.74 %</u>	<u>\$ 43,968,306</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
2013	\$ 6,766,901	\$ 6,588,719	97.37 %	\$	\$ 6,588,719	97.37 %
2012	6,522,534	6,210,475	95.22	295,741	6,506,216	99.75
2011	5,778,073	5,432,417	94.02	333,123	5,765,540	99.78
2010	6,735,419	6,390,411	94.88	339,598	6,730,009	99.92
2009	5,367,175	5,128,184	95.55	237,063	5,365,247	99.96
2008	5,453,453	5,266,887	96.58	185,629	5,452,516	99.98
2007	4,556,347	4,444,863	97.55	110,701	4,555,564	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

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	
2013	\$ 12,025,000	\$ 202,169	\$ 11,822,831	0.49 %	\$ 509	\$ 301,706	\$ 12,326,706	0.51 %	\$ 530	0.22 %	
2012	12,950,000	20,881	12,929,119	0.45	555	440,977	13,390,977	0.47	575	0.25	
2011	13,700,000	44,526	13,655,474	0.39	576	573,057	14,273,057	0.41	602	0.23	
2010	14,325,000	167,119	14,157,881	0.43	591		14,325,000	0.43	598	0.22	
2009	14,825,000	126,446	14,698,554	0.38	578	103,165	14,928,165	0.39	587	0.25	
2008	15,000,000	515,937	14,484,063	0.49	580	185,213	15,185,213	0.51	608	0.27	
2007	15,000,000		15,000,000	0.63	613	155,739	15,155,739	0.63	619	0.31	
2006						203,808	203,808	0.01	9	0.00	
2005						163,297	163,297	0.01	7	0.00	
2004											

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

Note: The District had no outstanding debt in 2004.

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2013**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:			
Yavapai County Community College District	\$ 40,470,000	13.26 %	\$ 5,366,322
City of Cottonwood	49,740,000	100.00	49,740,000
Subtotal, Overlapping Debt			<u>55,106,322</u>
Direct:			
Mingus Union High School District No. 4			<u>12,326,706</u>
Total Direct and Overlapping Debt			<u>\$ 67,433,028</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, 2012 is presented for the overlapping governments as this is the most recent available information.

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

Class B Bond Legal Debt Margin Calculation for Fiscal Year 2013:

Secondary assessed valuation	\$ 292,717,253
Debt limit (5% of assessed value)	14,635,863
Debt applicable to limit	<u>12,025,000</u>
Legal debt margin	<u>\$ 2,610,863</u>

Total Legal Debt Margin Calculation for Fiscal Year 2013:

Secondary assessed valuation	\$ 292,717,253
Debt limit (15% of assessed value)	43,907,588
Debt applicable to limit	<u>12,025,000</u>
Legal debt margin	<u>\$ 31,882,588</u>

Fiscal Year Ended June 30

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Debt Limit	\$ 43,907,588	\$ 51,810,447	\$ 63,002,310	\$ 68,219,129	\$ 68,608,197
Total net debt applicable to limit	<u>12,025,000</u>	<u>12,950,000</u>	<u>14,325,000</u>	<u>14,825,000</u>	<u>15,000,000</u>
Legal debt margin	<u>\$ 31,882,588</u>	<u>\$ 38,860,447</u>	<u>\$ 48,677,310</u>	<u>\$ 53,394,129</u>	<u>\$ 53,608,197</u>
Total net debt applicable to the limit as a percentage of debt limit	27%	25%	23%	22%	22%
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Debt Limit	\$ 54,393,559	\$ 45,015,563	\$ 36,947,670	\$ 33,043,843	\$ 28,464,642
Total net debt applicable to limit	<u>15,000,000</u>	<u>15,000,000</u>	<u> </u>	<u> </u>	<u> </u>
Legal debt margin	<u>\$ 39,393,559</u>	<u>\$ 30,015,563</u>	<u>\$ 36,947,670</u>	<u>\$ 33,043,843</u>	<u>\$ 28,464,642</u>
Total net debt applicable to the limit as a percentage of debt limit	28%	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**

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Estimated District Population</u>
2012	212,637	\$ 5,534,516	\$ 26,028	8.7 %	23,250
2011	211,888	5,441,284	25,680	10.0	23,308
2010	215,686	6,283,809	29,134	10.2	23,726
2009	214,929	6,450,243	30,011	9.5	23,966
2008	227,348	5,860,461	27,620	5.6	25,444
2007	223,934	5,533,703	26,786	3.7	24,970
2006	213,285	4,875,841	24,521	3.6	24,480
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

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 2003 through 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 and 2012, 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**

<u>Employer</u>	<u>2013</u>		<u>2004</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Verde Valley Medical Center	1,000	20.14 %	700	22.03 %
Wal-Mart	370	7.45	500	15.73
Cottonwood Oak Creek Schools	262	5.28	119	3.74
City of Cottonwood	193	3.89	118	3.71
Home Depot	150	3.02	150	4.72
Fry's	130	2.62	125	3.93
Verde Valley Guidance Clinic	120	2.42	120	3.78
Mingus Union High School	117	2.36	150	4.72
Safeway	105	2.11	103	3.24
Oxendales	70	1.41	70	2.20
Larry Greens	55	1.11	55	1.73
Food City	55	1.11	72	2.27
Total	<u>2,627</u>	<u>52.92 %</u>	<u>2,282</u>	<u>71.80 %</u>
Total employment	<u>4,965</u>		<u>3,178</u>	

Source: The source of this information is City of Cottonwood.

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

	Full-time Equivalent Employees as of June 30				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</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	58	57	57	61	65
Aides	15	15	15	17	14
Total instruction	<u>73</u>	<u>72</u>	<u>72</u>	<u>78</u>	<u>79</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	5	4	4
Bus Drivers	11	11	11	11	13
Other classified	23	23	23	23	23
Total support and administration	<u>39</u>	<u>39</u>	<u>39</u>	<u>38</u>	<u>40</u>
Total	<u><u>119</u></u>	<u><u>118</u></u>	<u><u>118</u></u>	<u><u>123</u></u>	<u><u>126</u></u>

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</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	67	67	67	65	65
Aides	14	14	14	14	14
Total instruction	<u>81</u>	<u>81</u>	<u>81</u>	<u>79</u>	<u>79</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	3	4	4	4	4
Bus Drivers	7	7	7	7	7
Other classified	30	34	34	31	31
Total support and administration	<u>40</u>	<u>45</u>	<u>45</u>	<u>42</u>	<u>42</u>
Total	<u><u>128</u></u>	<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.

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

Fiscal Year Ended June 30	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Free/Reduced Students
2013	1,208	\$ 8,949,322	\$ 7,408	(0.05) %	\$ 10,692,811	\$ 8,852	(1.53) %	73	16.5	50.6 %
2012	1,193	8,843,044	7,412	7.85	10,724,551	8,990	(0.24)	72	16.6	50.6
2011	1,229	8,446,808	6,873	(4.70)	11,074,714	9,011	3.96	72	17.1	43.6
2010	1,239	8,935,387	7,212	(5.96)	10,739,735	8,668	(3.77)	78	15.9	48.5
2009	1,205	9,240,919	7,669	(2.45)	10,853,936	9,007	(0.06)	79	15.3	34.2
2008	1,223	9,614,824	7,862	9.44	11,023,181	9,013	9.65	81	15.1	28.0
2007	1,245	8,943,181	7,183	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 TEN FISCAL YEARS**

	<u>Fiscal Year Ended June 30</u>									
	<u>2013</u>	<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	8
Square feet	171,269	171,269	171,269	171,269	171,269	171,269	171,269	171,269	171,269	171,269
Capacity	1,163	1,163	1,163	1,163	1,163	1,163	1,163	1,163	1,163	1,163
Enrollment	1,208	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	1
Buses	15	15	15	15	15	15	15	15	13	12
<u>Athletics</u>										
Football fields	1	1	1	1	1	1	1	1	1	1
Soccer fields	1	1	1	1	1	1	1	1	1	1
Running tracks	1	1	1	1	1	1	1	1	1	1
Baseball/softball	4	4	4	4	4	4	4	4	4	4

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

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