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# **MINGUS UNION HIGH SCHOOL DISTRICT NO. 4**

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## **Comprehensive Annual Financial Report**

Fiscal Year Ended June 30, 2014



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

**COTTONWOOD, ARIZONA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

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December 11, 2014

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, 2014.

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

The District's financial statements have been audited by Heinfeld, Meech & Co., P.C., a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2014, 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, 2014, 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 1,166 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 1,227.

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

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

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

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

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

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

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

## **FACTORS AFFECTING FINANCIAL CONDITION**

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

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

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

A few of the major firms represented in Cottonwood include Griffith Enterprises, Home Depot, Verde Valley Medical Center, Wal-Mart Stores, Inc., Arizona Public Service, and the City of Cottonwood. In addition, the Verde Valley area provides excellent educational and training opportunities through Yavapai College, consisting of six different campuses and currently serving about 7,500 students each year. The main campus is located approximately 50 miles away in Prescott, Arizona (“Prescott”), while the Verde Valley campus in nearby Clarkdale features a state-of-the-art computer lab, library, and learning center. Northern Arizona University’s main campus is located 60 miles away in Flagstaff and has a current enrollment of approximately 27,715 students, including satellite campuses. The University focuses on undergraduate education but offers a wide range of graduate programs as well.

**Long-term Financial Planning.** In 2014, the District's governing board voted to call an election to be held in November 2014 to ask the voters of the district to approve a 10% capital override to back fill cuts made by the State to capital funding for public school districts. If successful, the capital override would have provided additional capital in the amount of approximately \$590,000 per year for a seven year period. Since 2008, the State has cut approximately \$1 million annually from the District's budget with approximately ½ or \$500,000 in capital. The capital override would have helped backfill these cuts to capital. The override did not pass and as such the District will need to seek other alternatives to assist in work needed on aging buildings.

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 override, was successful, and will provide 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 1.9 percent increase in enrollment from 2013 to 2014. However, due to the graduation and/or relocation of several special education students that had disabilities that were heavily weighted in the funding formula, add-ons for special education decreased by 22%. Therefore the total budget for fiscal year 2015 decreased by \$137,992. In response, the District has taken measures to limit or decrease energy costs for the district. In addition, adjustments were made in staffing assignments that will reduce the annual payroll costs.

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 is \$1.3 million which will be paid for through savings resulting from reduced energy costs. Savings in excess of the \$1.3 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, 2013. This was the sixth consecutive year that the District has received this prestigious award. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2013. In order to be awarded these certificates, the District published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

These certificates are valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the programs' requirements and we are submitting it to ASBO and GFOA to determine its eligibility for the fiscal year ended June 30, 2014 certificates.

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

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Paul Tighe', with a long horizontal line extending to the right.

Dr. Paul Tighe  
Superintendent

A handwritten signature in black ink, appearing to read 'Kirk Waddle', written in a cursive style.

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, 2013*

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



A handwritten signature in black ink, reading 'Terrie S. Simmons', written over a horizontal line.

Terrie S. Simmons, RSBA, CSBO  
President

A handwritten signature in black ink, reading '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**

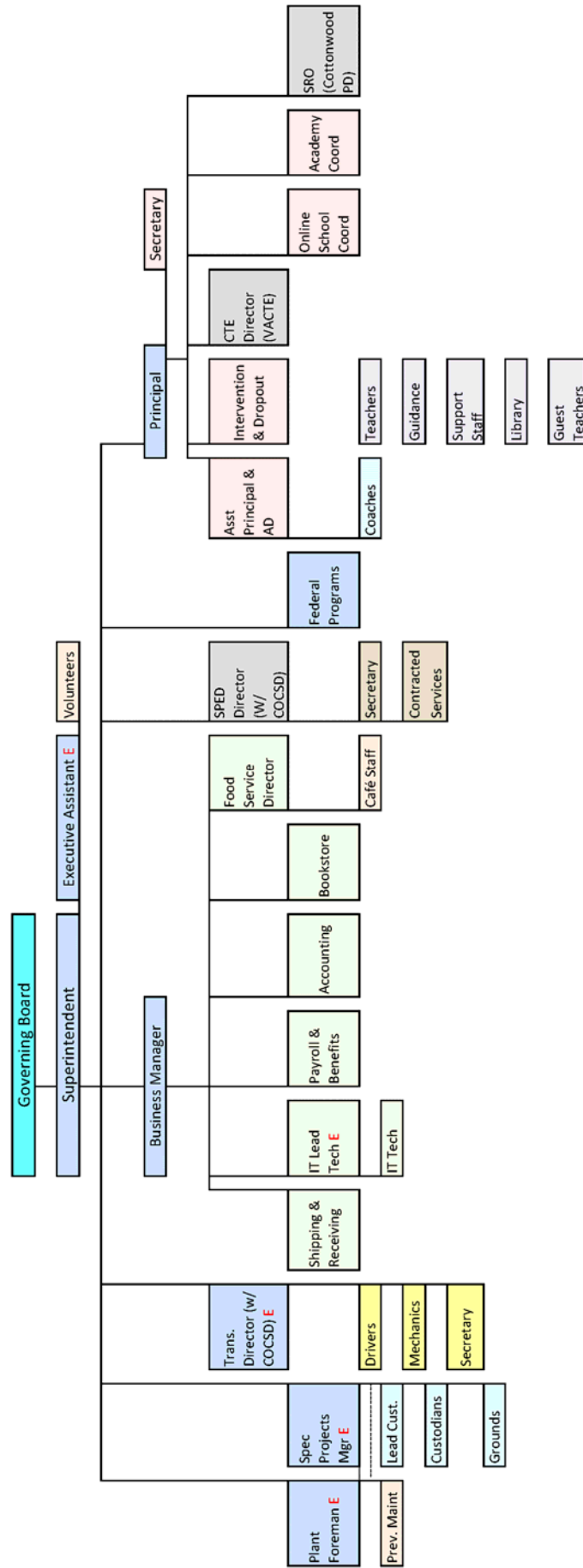
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO



# Mingus Union High School District Organizational Chart



**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, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Mingus Union High School District No. 4, as of June 30, 2014, 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. 65, *Items Previously Reported as Assets and Liabilities*, for the year ended June 30, 2014, 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 50 and 51 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 11, 2014, 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 11, 2014

**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, 2014**

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, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

**FINANCIAL HIGHLIGHTS**

- The District's total net position of governmental activities increased \$132,536 which represents a one percent increase from the prior fiscal year.
- General revenues accounted for \$9.0 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 \$10.8 million in expenses related to governmental activities, an increase of 1 percent from the prior fiscal year.
- Among major funds, the General Fund had \$7.2 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$7.3 million in expenditures. The General Fund's fund balance decrease from a balance of \$261,525 at the prior fiscal year end to a balance of \$24,670 at the end of the current fiscal year was primarily due to the transfer of remaining Soft Capital Allocation Funds to the Unrestricted Capital Outlay Fund and increased teaching staff costs.

**OVERVIEW OF FINANCIAL STATEMENTS**

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

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

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

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2014**

**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, 2014**

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

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2014**

**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, 2014 and June 30, 2013.

	As of June 30, 2014	As of June 30, 2013 (as restated)
Current and other assets	\$ 2,016,196	\$ 2,745,416
Capital assets, net	19,639,671	19,141,896
Total assets	<u>21,655,867</u>	<u>21,887,312</u>
Current and other liabilities	770,486	486,883
Long-term liabilities	11,870,023	12,517,610
Total liabilities	<u>12,640,509</u>	<u>13,004,493</u>
Net position:		
Net investment in capital assets	7,831,636	6,673,901
Restricted	1,092,999	919,164
Unrestricted	90,720	1,289,754
Total net position	<u>\$ 9,015,355</u>	<u>\$ 8,882,819</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 are significant current year transactions that have had an impact on the Statement of Net Position.

- The principal retirement of \$1,035,000 of bonds.
- The addition of \$1.7 million in capital assets due primarily to the addition of various energy savings related equipment items and five buses.
- The addition of \$1.7 in capital lease agreements for various energy savings related equipment items and five buses.

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2014**

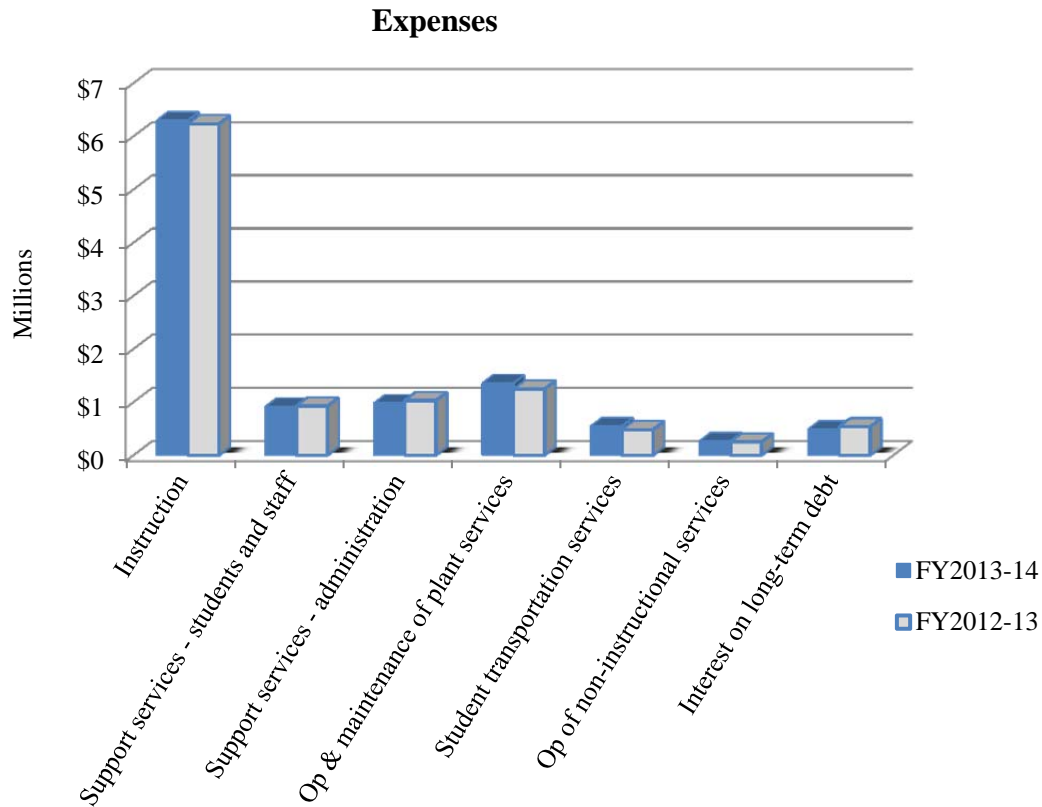
**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)**

**Changes in net position.** The District's total revenues for the current fiscal year were \$11.0 million. The total cost of all programs and services was \$10.8 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2014 and June 30, 2013.

	Fiscal Year Ended June 30, 2014	Fiscal Year Ended June 30, 2013 (as restated)
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 1,004,883	\$ 989,029
Operating grants and contributions	757,474	879,229
Capital grants and contributions	185,716	15,558
General revenues:		
Property taxes	6,554,473	6,739,871
Investment income	7,043	3,691
Unrestricted county aid	237,416	92,396
Unrestricted state aid	1,971,124	1,549,260
Unrestricted federal aid	247,626	137,925
<b>Total revenues</b>	<u>10,965,755</u>	<u>10,406,959</u>
<b>Expenses:</b>		
Instruction	6,298,053	6,228,888
Support services – students and staff	911,705	921,964
Support services – administration	975,514	1,027,421
Operation and maintenance of plant services	1,352,930	1,241,853
Student transportation services	546,961	477,579
Operation of non-instructional services	263,530	247,576
Interest on long-term debt	484,526	531,831
<b>Total expenses</b>	<u>10,833,219</u>	<u>10,677,112</u>
<b>Changes in net position</b>	<u>132,536</u>	<u>(270,153)</u>
<b>Net position, beginning</b>	<u>8,882,819</u>	<u>9,152,972</u>
<b>Net position, ending</b>	<u><u>\$ 9,015,355</u></u>	<u><u>\$ 8,882,819</u></u>

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2014**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)**



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

- An increase in unrestricted state aid of approximately \$421,864 due primarily to an increase in the base funding levels.
- A decrease in property tax revenues of approximately \$185,398 due primarily to decreases in assessed values of property.
- An increase in capital grants and contributions of approximately \$170,158 due primarily to an increase in building renewal grant monies for restoration of the District's well.

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2014**

**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.

	Year Ended June 30, 2014		Year Ended June 30, 2013 (as restated)	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
Instruction	\$ 6,298,053	\$ (5,219,814)	\$ 6,228,888	\$ (5,008,365)
Support services – students and staff	911,705	(696,714)	921,964	(745,712)
Support services – administration	975,514	(972,474)	1,027,421	(1,013,248)
Operation and maintenance of plant services	1,352,930	(1,135,276)	1,241,853	(1,215,325)
Student transportation services	546,961	(546,961)	477,579	(477,579)
Operation of non-instructional services	263,530	118,305	247,576	198,764
Interest on long-term debt	484,526	(432,212)	531,831	(531,831)
<b>Total</b>	<b>\$ 10,833,219</b>	<b>\$ (8,885,146)</b>	<b>\$ 10,677,112</b>	<b>\$ (8,793,296)</b>

- The cost of all governmental activities this year was \$10.8 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 \$8.9 million was financed by general revenues, which are made up of primarily property taxes of \$6.6 million and federal, state and county aid of \$2.5 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, 2014**

**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 \$92,218.

The General Fund is the principal operating fund of the District. The decrease in fund balance of \$236,855 to \$24,670 as of fiscal year end was a result of the transfer out of Soft Capital Allocation Funds and increased teaching staff costs. General Fund revenues increased \$270,554 primarily as a result of increases in state aid due to increases in the base funding level as well as enrollment increases. General Fund expenditures increased \$249,017 due to increases in enrollment.

**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 \$143,907 increase, or 2 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 favorable variance of \$94,903 in operation and maintenance of plant services resulted primarily from energy cost savings.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** At year end, the District had invested \$31.9 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 \$1.6 million from the prior fiscal year due primarily to the acquisition of various energy saving related equipment and five buses. Total depreciation expense for the current fiscal year was \$1.2 million.

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2014**

**CAPITAL ASSETS AND DEBT ADMINISTRATION (Concl'd)**

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2014 and June 30, 2013.

	As of June 30, 2014	As of June 30, 2013
Capital assets – non-depreciable	\$ 80,664	\$ 30,000
Capital assets – depreciable, net	19,559,007	19,111,896
<b>Total</b>	<u>\$ 19,639,671</u>	<u>\$ 19,141,896</u>

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

**Debt Administration.** At year-end, the District had \$11.8 million in long-term debt outstanding, \$1.2 million due within one year. This represents a net increase of \$335,040 primarily due to the addition of \$1.7 million in capital lease agreements, current year bond payments of \$1.0 million and current year capital lease payments of \$301,706.

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 10 percent of the secondary assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$38.7 million and the Class B debt limit is \$25.8 million, which are more than the District's total outstanding general obligation and Class B debt, respectively.

Additional information on the District's long-term debt can be found in Notes 9 - 11.

**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 2014-15 budget. Among them:

- Fiscal year 2013-14 budget balance carry forward (estimated \$74,355).
- District student population (estimated 1,190).

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

Budgeted expenditures in the General Fund decreased 2 percent to \$6.8 million in fiscal year 2014-15. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2014-15 budget.

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2014**

**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, 2014**

	<u>Governmental Activities</u>
<b><u>ASSETS</u></b>	
Current assets:	
Cash and investments	\$ 1,210,964
Property taxes receivable	207,639
Due from governmental entities	597,590
Total current assets	<u>2,016,193</u>
Noncurrent assets:	
Land	30,000
Land improvements	1,898,611
Buildings and improvements	25,071,169
Vehicles, furniture and equipment	4,810,703
Construction in progress	50,664
Accumulated depreciation	<u>(12,221,476)</u>
Total noncurrent assets	<u>19,639,671</u>
<b>Total assets</b>	<u><b>21,655,864</b></u>
<b><u>LIABILITIES</u></b>	
Current liabilities:	
Accounts payable	87,804
Due to county treasurer	665,099
Accrued payroll and employee benefits	1,571
Compensated absences payable	21,000
Unearned revenues	16,012
Obligations under capital leases	123,853
Bonds payable	<u>1,075,000</u>
Total current liabilities	<u>1,990,339</u>
Noncurrent liabilities:	
Non-current portion of long-term obligations	<u>10,650,170</u>
Total noncurrent liabilities	<u>10,650,170</u>
<b>Total liabilities</b>	<u><b>12,640,509</b></u>
<b><u>NET POSITION</u></b>	
Net investment in capital assets	7,831,636
Restricted for:	
Voter approved initiatives	252,829
Food service	92,293
Civic center activities	115,805
Extracurricular activities	84,730
Gifts and donations	140,195
Other local initiatives	53,139
Debt service	215,263
Capital outlay	138,745
Unrestricted	<u>90,720</u>
<b>Total net position</b>	<u><b>\$ 9,015,355</b></u>

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

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2014**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expense) Revenue and Changes in Net Position</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	
<b>Governmental activities:</b>					
Instruction	\$ 6,298,053	\$ 678,429	\$ 266,408	\$ 133,402	\$ (5,219,814)
Support services - students and staff	911,705		214,991		(696,714)
Support services - administration	975,514		3,040		(972,474)
Operation and maintenance of plant services	1,352,930	139,175	78,479		(1,135,276)
Student transportation services	546,961				(546,961)
Operation of non-instructional services	263,530	187,279	194,556		118,305
Interest on long-term debt	484,526			52,314	(432,212)
<b>Total governmental activities</b>	<u>\$ 10,833,219</u>	<u>\$ 1,004,883</u>	<u>\$ 757,474</u>	<u>\$ 185,716</u>	<u>(8,885,146)</u>
<b>General revenues:</b>					
Taxes:					
Property taxes, levied for general purposes					4,982,996
Property taxes, levied for debt service					1,419,453
Property taxes, levied for capital outlay					152,024
Investment income					7,043
Unrestricted county aid					237,416
Unrestricted state aid					1,971,124
Unrestricted federal aid					247,626
<b>Total general revenues</b>					<u>9,017,682</u>
<b>Changes in net position</b>					132,536
<b>Net position, beginning of year, as restated</b>					<u>8,882,819</u>
<b>Net position, end of year</b>					<u>\$ 9,015,355</u>

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



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## **FUND FINANCIAL STATEMENTS**

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2014**

	General	Debt Service	Non-Major Governmental Funds
<b><u>ASSETS</u></b>			
Cash and investments	\$ 236,814	\$ 155,035	\$ 819,115
Property taxes receivable	130,789	60,228	16,622
Due from governmental entities	505,151		92,439
Due from other funds			28,429
<b>Total assets</b>	<b><u>\$ 872,754</u></b>	<b><u>\$ 215,263</u></b>	<b><u>\$ 956,605</u></b>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 50,442	\$	\$ 37,362
Due to other funds			28,429
Due to county treasurer	665,099		
Accrued payroll and employee benefits	1,571		
Unearned revenues	696		15,316
<b>Total liabilities</b>	<b><u>717,808</u></b>		<b><u>81,107</u></b>
Deferred inflows of resources:			
Unavailable revenues - property taxes	96,557	50,383	14,437
Unavailable revenues - intergovernmental	33,719		
<b>Total deferred inflows of resources</b>	<b><u>130,276</u></b>	<b><u>50,383</u></b>	<b><u>14,437</u></b>
Fund balances (deficits):			
Restricted		164,880	863,299
Unassigned	24,670		(2,238)
<b>Total fund balances</b>	<b><u>24,670</u></b>	<b><u>164,880</u></b>	<b><u>861,061</u></b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b><u>\$ 872,754</u></b>	<b><u>\$ 215,263</u></b>	<b><u>\$ 956,605</u></b>

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

Total  
Governmental  
Funds

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\$	1,210,964
	207,639
	597,590
	28,429
	<hr/>
\$	2,044,622
	<hr/>
	<hr/>

\$	87,804
	28,429
	665,099
	1,571
	16,012
	<hr/>
	798,915
	<hr/>

	161,377
	33,719
	<hr/>
	195,096
	<hr/>

	1,028,179
	22,432
	<hr/>
	1,050,611
	<hr/>

\$	2,044,622
	<hr/>
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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, 2014**

<b>Total governmental fund balances</b>	<b>\$</b>	<b>1,050,611</b>
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Amounts reported for *governmental activities* in the Statement of Net Position are different because:

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

Governmental capital assets	\$ 31,861,147	
Less accumulated depreciation	<u>(12,221,476)</u>	19,639,671

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

Property taxes	161,377	
Intergovernmental	<u>33,719</u>	195,096

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

Compensated absences payable	(61,988)	
Obligations under capital leases	(1,687,445)	
Bonds payable	(9,995,000)	
Unamortized premium	<u>(125,590)</u>	<u>(11,870,023)</u>

<b>Net position of governmental activities</b>	<b>\$</b>	<b><u>9,015,355</u></b>
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**The notes to the basic financial statements are an integral part of this statement.**

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2014**

	General	Debt Service	Non-Major Governmental Funds
<b>Revenues:</b>			
Other local	\$ 581,676	\$ 71,579	\$ 596,087
Property taxes	4,969,283	1,405,388	139,129
State aid and grants	1,368,954		692,967
Federal aid, grants and reimbursements	276,374		789,926
<b>Total revenues</b>	<u>7,196,287</u>	<u>1,476,967</u>	<u>2,218,109</u>
<b>Expenditures:</b>			
Current -			
Instruction	4,184,275		1,162,703
Support services - students and staff	675,932		228,144
Support services - administration	908,133		54,418
Operation and maintenance of plant services	1,029,301		1,731
Student transportation services	460,392		
Operation of non-instructional services	5,935		244,852
Capital outlay	81,480		1,796,799
Debt service -			
Principal retirement		1,035,000	301,706
Interest and fiscal charges		479,256	20,969
<b>Total expenditures</b>	<u>7,345,448</u>	<u>1,514,256</u>	<u>3,811,322</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(149,161)</u>	<u>(37,289)</u>	<u>(1,593,213)</u>
<b>Other financing sources (uses):</b>			
Transfers in	7,960		95,654
Transfers out	(95,654)		(7,960)
Capital lease agreements			1,687,445
<b>Total other financing sources (uses):</b>	<u>(87,694)</u>		<u>1,775,139</u>
<b>Changes in fund balances</b>	<u>(236,855)</u>	<u>(37,289)</u>	<u>181,926</u>
<b>Fund balances, beginning of year</b>	261,525	202,169	679,135
<b>Fund balances, end of year</b>	<u><u>\$ 24,670</u></u>	<u><u>\$ 164,880</u></u>	<u><u>\$ 861,061</u></u>

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

Total  
Governmental  
Funds

---

\$ 1,249,342  
6,513,800  
2,061,921  
1,066,300  
10,891,363

5,346,978  
904,076  
962,551  
1,031,032  
460,392  
250,787  
1,878,279

1,336,706  
500,225  
12,671,026

(1,779,663)

103,614  
(103,614)  
1,687,445  
1,687,445

(92,218)

1,142,829

\$ 1,050,611



**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, 2014**

**Net changes in fund balances - total governmental funds** **\$ (92,218)**

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

Governmental funds report the portion of capital outlay for capitalized assets as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense.

Expenditures for capitalized assets	\$ 1,666,126	
Less current year depreciation	<u>(1,161,148)</u>	504,978

Capital lease proceeds provide current financial resources to governmental funds, but the issuance increases long term liabilities in the Statement of Net Position.		(1,687,445)
--	--	-------------

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

Property taxes	40,673	
Intergovernmental	<u>33,719</u>	74,392

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

Capital lease principal retirement	301,706	
Bond principal retirement	<u>1,035,000</u>	1,336,706

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

Loss on disposal of assets	(7,203)	
Amortization of deferred bond items	15,699	
Compensated absences	<u>(12,373)</u>	<u>(3,877)</u>

**Changes in net position in governmental activities** **\$ 132,536**

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, 2014**

	<u>Agency</u>
<b><u>ASSETS</u></b>	
Cash and investments	\$ 79,014
<b>Total assets</b>	<u>\$ 79,014</u>
<b><u>LIABILITIES</u></b>	
Deposits held for others	\$ 917
Due to student groups	78,097
<b>Total liabilities</b>	<u>\$ 79,014</u>

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

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**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, 2014, the District implemented the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. GASB Statement No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as 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, 2014**

**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, 2014**

**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 expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due.

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

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

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

The District reports the following major governmental funds:

**General Fund** – The General Fund is the District's primary operating fund. It accounts for all resources used to finance District maintenance and operation except those required to be accounted for in other funds. The General Fund includes the District's Maintenance and Operation Fund as well as certain activities budgeted in separate funds in accordance with A.R.S. These funds are maintained as separate funds for budgetary purposes but do not meet the criteria for separate reporting in the financial statements.

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

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

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

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

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

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

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

**E. Investment Income**

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

**F. Receivables and Payables**

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

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

**G. Property Tax Calendar**

Property tax levies are calculated by applying tax rates against both the primary assessed valuation and 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.

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

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

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; and construction in progress are reported in the government-wide financial statements.

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

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

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. Deferred Outflows/Inflows of Resources**

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



**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

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

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

**K. 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.

**L. 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 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.

**M. 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.

**N. 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.

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

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

**O. 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.

***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.

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 2 – FUND BALANCE CLASSIFICATIONS (Concl'd)**

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

The District applies restricted resources first when 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.

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Non-Major Governmental Funds</u>
Fund Balances:			
Restricted:			
Debt service	\$	\$ 164,880	\$
Capital projects			124,308
Bond building projects			
Voter approved initiatives			252,829
Food service			92,293
Civic center			115,805
Extracurricular activities			84,730
Gifts and donations			140,195
Other purposes			53,139
Unassigned	24,670		(2,238)
Total fund balances	<u>\$ 24,670</u>	<u>\$ 164,880</u>	<u>\$ 861,061</u>

**NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Individual Deficit Fund Balance** – At year end, the Joint Technical Education Fund, a non-major governmental fund, reported a deficit in fund balance of \$2,238.

The deficit arose because of operations during the year. Additional revenues received in fiscal year 2014-15 are expected to eliminate the deficit.

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Concl'd)**

**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**

*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 \$262,055 and the bank balance was \$376,295. In addition, the District had \$1,000 on hand at year end. At year end, \$126,295 of the District's deposits were covered by collateral held by the pledging financial institution 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	2.38 years	\$ 1,026,923
Total		<u>\$ 1,026,923</u>

*Interest Rate Risk.* The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk.* The District has no investment policy that would further limit its investment choices. As of year end, the District's investment in the County Treasurer's investment pool did not receive a credit quality rating from a national rating agency.

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

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**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	\$ 57,647	\$ 57,839
Due from State government	447,504	34,600
Net Due from other governmental entities:	<u>\$ 505,151</u>	<u>\$ 92,439</u>

**NOTE 6 – CAPITAL ASSETS**

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

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 30,000	\$	\$	\$ 30,000
Construction in progress		50,664		50,664
Total capital assets, not being depreciated	<u>30,000</u>	<u>50,664</u>		<u>80,664</u>
Capital assets, being depreciated:				
Land improvements	1,898,611			1,898,611
Buildings and improvements	25,054,517	16,652		25,071,169
Vehicles, furniture and equipment	3,285,835	1,598,810	73,942	4,810,703
Total capital assets being depreciated	<u>30,238,963</u>	<u>1,615,462</u>	<u>73,942</u>	<u>31,780,483</u>
Less accumulated depreciation for:				
Land improvements	(967,621)	(131,413)		(1,099,034)
Buildings and improvements	(8,102,369)	(809,808)		(8,912,177)
Vehicles, furniture and equipment	(2,057,077)	(219,927)	(66,739)	(2,210,265)
Total accumulated depreciation	<u>(11,127,067)</u>	<u>(1,161,148)</u>	<u>(66,739)</u>	<u>(12,221,476)</u>
Total capital assets, being depreciated, net	19,111,896	454,314	7,203	19,559,007
Governmental activities capital assets, net	<u>\$ 19,141,896</u>	<u>\$ 504,978</u>	<u>\$ 7,203</u>	<u>\$ 19,639,671</u>

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 6 – CAPITAL ASSETS (Concl'd)**

Depreciation expense was charged to governmental functions as follows.

Instruction	\$ 808,095
Support services – students and staff	5,409
Support services – administration	2,315
Operation and maintenance of plant services	265,407
Student transportation services	72,312
Operation of non-instructional services	7,610
Total depreciation expense – governmental activities	<u>\$ 1,161,148</u>

**Construction Commitments** – At year end, the District had contractual commitments related to the construction of the school well rebuild project. At year end the District had spent \$50,664 on the projects and had estimated remaining contractual commitments of \$72,478. These projects are being funded with building renewal grant monies funded through the Arizona School Facilities Board.

**NOTE 7 – DUE TO COUNTY TREASURER**

At year end, the General fund had a negative cash balance in the Treasurer's pooled cash accounts, resulting in a payable due to the County Treasurer in the amount of \$665,099. Future General Fund revenues will be used to eliminate the payable.

**NOTE 8 – 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>\$ 3,324,170</u>	<u>\$ 3,324,170</u>	<u>\$</u>

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 9 – OBLIGATIONS UNDER CAPITAL LEASES**

The District has constructed an outdoor sports facility, acquired buses and energy efficiency upgrades under the provisions of long-term lease agreements classified as capital leases. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. Revenues from the Unrestricted Capital Outlay Fund, a non-major fund are used to pay the outdoor sports facility and bus capital lease obligations. The energy efficiency upgrades lease in the amount of \$1,100,800 qualifies as a Qualified Zone Academy Bond (QZAB). Additionally, revenues from Unrestricted Capital Outlay Fund are used to pay the energy management lease.

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

	Governmental Activities
Asset:	
Land improvements	\$ 1,283,640
Vehicles, furniture and equipment	1,571,961
Less: Accumulated depreciation	(599,740)
Total	<u>\$ 2,255,861</u>

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

Year Ending June 30:	Governmental Activities
2015	\$ 164,191
2016	209,385
2017	209,385
2018	209,385
2019	209,385
2020-24	392,109
2025-29	392,109
2030-31	137,236
Total minimum lease payments	<u>1,923,185</u>
Less: amount representing interest	<u>235,740</u>
Present value of minimum lease payments	<u>1,687,445</u>
Due within one year	<u>\$ 123,853</u>

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 10 – 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.

<u>Purpose</u>	<u>Original Amount Issued</u>	<u>Interest Rates</u>	<u>Remaining Maturities</u>	<u>Outstanding Principal June 30, 2014</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
School Improvement Bonds, 2007	\$ 15,000,000	4.0-5.0%	7/1/15-22	\$ 9,995,000	\$1,075,000
Total				<u>\$ 9,995,000</u>	<u>\$1,075,000</u>

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

		<u>Governmental Activities</u>		
<u>Year ending June 30:</u>		<u>Principal</u>	<u>Premium</u>	<u>Interest</u>
2015	\$	1,075,000	\$ 15,699	\$ 416,106
2016		1,120,000	15,699	369,406
2017		1,170,000	15,699	320,806
2018		1,215,000	15,699	273,106
2019		1,265,000	15,699	222,716
2020-22		4,150,000	47,095	290,813
Total	\$	<u>9,995,000</u>	<u>\$ 125,590</u>	<u>\$ 1,892,953</u>

**NOTE 11 – CHANGES IN LONG-TERM LIABILITIES**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Bonds payable	\$ 11,030,000	\$	\$ 1,035,000	\$ 9,995,000	\$ 1,075,000
Premium	141,289		15,699	125,590	
Total bonds payable	<u>11,171,289</u>		<u>1,050,699</u>	<u>10,120,590</u>	<u>1,075,000</u>
Obligations under capital leases	301,706	1,687,445	301,706	1,687,445	123,853
Compensated absences payable	49,615	34,938	22,565	61,988	21,000
Governmental activity long-term liabilities	<u>\$ 11,522,610</u>	<u>\$ 1,722,383</u>	<u>\$ 1,374,970</u>	<u>\$ 11,870,023</u>	<u>\$ 1,219,853</u>



**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 12 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

At year end, interfund balances were as follows.

**Due to/from other funds:**

At year end, several non-major governmental funds had negative cash balances in the Treasurer's pooled cash accounts of \$28,429. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with other non-major governmental funds. All interfund balances are expected to be paid within one year.

**Interfund transfers:**

	Transfers in		
	General	Non-Major	
Transfers out	Fund	Governmental	Total
		and Other Funds	
General Fund	\$	\$ 95,654	\$ 95,654
Non-Major Governmental Funds	7,960		7,960
Total	\$ 7,960	\$ 95,654	\$ 103,614

Transfers between funds were used to (1) move Federal grant funds restricted for indirect costs and (2) to close out an inactive fund.

**NOTE 13 – 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 14 – PRIOR PERIOD ADJUSTMENT**

The July 1, 2013, government-wide net position does not agree to the prior year financial statements due to the implementation of GASB Statement 65, *Items Previously Reported as Assets and Liabilities*.

	Statement of
	Activities
Net position, June 30, 2013, as previously reported	\$ 9,024,108
Change in accounting principle	(141,289)
Net position, July 1, 2013, as restated	<u>\$ 8,882,819</u>

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 15 – RISK MANAGEMENT**

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

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

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

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

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

**NOTE 16 – 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.

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 16 – PENSION AND OTHER POSTEMPLOYMENT BENEFITS (Concl'd)**

**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.

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](http://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 11.54 percent (11.30 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 11.54 percent (10.70 percent for retirement, 0.60 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:			
2014	\$ 531,208	\$ 32,421	\$ 11,971
2013	513,801	32,583	12,030
2012	423,572	27,037	10,300

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 18 – NEW ACCOUNTING PRONOUNCEMENT**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* will be effective for the District's June 30, 2015 fiscal year end. This Statement replaces the requirements of prior GASB standards for pensions accounting and reporting. This Statement requires governments providing defined benefit pensions to recognize the long-term obligation for pension benefits as a liability, and to more comprehensively and comparably measure the annual costs of pension benefits. Each employer participating in a multiple-employer defined benefit pension plan will be required to record a liability representing their "proportionate share" of the plan's total net pension liability. This Statement also enhances accountability and transparency through revised note disclosures and new required supplementary information.

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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, 2014**

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Other local	\$	\$	\$ 440,024	\$ 440,024
Property taxes			4,969,283	4,969,283
State aid and grants			1,368,954	1,368,954
<b>Total revenues</b>			<u>6,778,261</u>	<u>6,778,261</u>
<b>Expenditures:</b>				
Current -				
Instruction	3,757,223	3,901,130	3,984,548	(83,418)
Support services - students and staff	647,755	647,755	572,953	74,802
Support services - administration	836,216	836,216	839,034	(2,818)
Operation and maintenance of plant services	1,091,543	1,091,543	996,640	94,903
Student transportation services	451,772	451,772	457,778	(6,006)
Operation of non-instructional services			5,935	(5,935)
<b>Total expenditures</b>	<u>6,784,509</u>	<u>6,928,416</u>	<u>6,856,888</u>	<u>71,528</u>
<b>Changes in fund balances</b>	<u>(6,784,509)</u>	<u>(6,928,416)</u>	<u>(78,627)</u>	<u>6,849,789</u>
<b>Fund balances (deficits), beginning of year</b>			(33,271)	(33,271)
<b>Fund balances (deficits), end of year</b>	<u>\$ (6,784,509)</u>	<u>\$ (6,928,416)</u>	<u>\$ (111,898)</u>	<u>\$ 6,816,518</u>

See accompanying notes to this schedule.

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4**  
**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2014**

**NOTE 1 – BUDGETARY BASIS OF ACCOUNTING**

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

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

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

	<u>Total Expenditures</u>	<u>Fund Balances End of Year</u>
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$ 7,345,448	\$ 24,670
Activity budgeted as special revenue funds	<u>(488,560)</u>	<u>(136,568)</u>
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	<u>\$ 6,856,888</u>	<u>\$ (111,898)</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, 2014**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Fund</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 709,410	\$ 109,705	\$ 819,115
Property taxes receivable		16,622	16,622
Due from governmental entities	80,021	12,418	92,439
Due from other funds	28,429		28,429
<b>Total assets</b>	<u><u>\$ 817,860</u></u>	<u><u>\$ 138,745</u></u>	<u><u>\$ 956,605</u></u>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 37,362	\$	\$ 37,362
Due to other funds	28,429		28,429
Unearned revenues	15,316		15,316
<b>Total liabilities</b>	<u>81,107</u>		<u>81,107</u>
Deferred inflows of resources:			
Unavailable revenues - property taxes		14,437	14,437
Fund balances (deficits):			
Restricted	738,991	124,308	863,299
Unassigned	(2,238)		(2,238)
<b>Total fund balances</b>	<u>736,753</u>	<u>124,308</u>	<u>861,061</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u><u>\$ 817,860</u></u>	<u><u>\$ 138,745</u></u>	<u><u>\$ 956,605</u></u>

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE**  
**YEAR ENDED JUNE 30, 2014**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
<b>Revenues:</b>			
Other local	\$ 576,515	\$ 19,572	\$ 596,087
Property taxes		139,129	139,129
State aid and grants	602,665	90,302	692,967
Federal aid, grants and reimbursements	789,926		789,926
<b>Total revenues</b>	<u>1,969,106</u>	<u>249,003</u>	<u>2,218,109</u>
<b>Expenditures:</b>			
Current -			
Instruction	1,162,703		1,162,703
Support services - students and staff	228,144		228,144
Support services - administration	54,418		54,418
Operation and maintenance of plant services	1,731		1,731
Operation of non-instructional services	244,852		244,852
Capital outlay	193,611	1,603,188	1,796,799
Debt service -			
Principal retirement		301,706	301,706
Interest and fiscal charges		20,969	20,969
<b>Total expenditures</b>	<u>1,885,459</u>	<u>1,925,863</u>	<u>3,811,322</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>83,647</u>	<u>(1,676,860)</u>	<u>(1,593,213)</u>
<b>Other financing sources (uses):</b>			
Transfers in		95,654	95,654
Transfers out	(7,960)		(7,960)
Capital lease agreements		1,687,445	1,687,445
<b>Total other financing sources (uses):</b>	<u>(7,960)</u>	<u>1,783,099</u>	<u>1,775,139</u>
<b>Changes in fund balances</b>	<u>75,687</u>	<u>106,239</u>	<u>181,926</u>
<b>Fund balances, beginning of year</b>	661,066	18,069	679,135
<b>Fund balances, end of year</b>	<u>\$ 736,753</u>	<u>\$ 124,308</u>	<u>\$ 861,061</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.

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

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

**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, 2014**

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>Title I Grants</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 59,189	\$ 143,029	\$
Due from governmental entities		22,182	25,839
Due from other funds		28,429	
<b>Total assets</b>	<u><u>\$ 59,189</u></u>	<u><u>\$ 193,640</u></u>	<u><u>\$ 25,839</u></u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$	\$	\$ 24,163
Due to other funds			1,676
Unearned revenues			
<b>Total liabilities</b>			<u>25,839</u>
Fund balances (deficits):			
Restricted	59,189	193,640	
Unassigned			
<b>Total fund balances</b>	<u>59,189</u>	<u>193,640</u>	
<b>Total liabilities and fund balances</b>	<u><u>\$ 59,189</u></u>	<u><u>\$ 193,640</u></u>	<u><u>\$ 25,839</u></u>

Professional Development and Technology Grants	Promote Informed Parent Choice	Special Education Grants	Vocational Education	State Vocational Education	Academic Contests
\$ 10,079	\$ 1,255	\$ 13,181	\$ 7,712 460	\$ 14,674	\$ 545
<u>\$ 10,079</u>	<u>\$ 1,255</u>	<u>\$ 13,181</u>	<u>\$ 8,172</u>	<u>\$ 14,674</u>	<u>\$ 545</u>
\$ 10,079	\$ 1,255	\$ 13,181	\$ 8,172	\$	\$
<u>10,079</u>	<u>1,255</u>	<u>13,181</u>	<u>8,172</u>	<u>14,674</u>	<u>545</u>
<u>10,079</u>	<u>1,255</u>	<u>13,181</u>	<u>8,172</u>	<u>14,674</u>	<u>545</u>
<u>\$ 10,079</u>	<u>\$ 1,255</u>	<u>\$ 13,181</u>	<u>\$ 8,172</u>	<u>\$ 14,674</u>	<u>\$ 545</u>

(Continued)

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4**  
**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2014**

	<u>Other State Projects</u>	<u>Food Service</u>	<u>Civic Center</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 97	\$ 90,295	\$ 115,805
Due from governmental entities		7,025	
Due from other funds			
<b>Total assets</b>	<u>\$ 97</u>	<u>\$ 97,320</u>	<u>\$ 115,805</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$	\$ 5,027	\$
Due to other funds			
Unearned revenues	97		
<b>Total liabilities</b>	<u>97</u>	<u>5,027</u>	
Fund balances (deficits):			
Restricted		92,293	115,805
Unassigned			
<b>Total fund balances</b>		<u>92,293</u>	<u>115,805</u>
<b>Total liabilities and fund balances</b>	<u>\$ 97</u>	<u>\$ 97,320</u>	<u>\$ 115,805</u>

<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>
\$ 51,571	\$ 84,730	\$ 140,195	\$ 932	\$ 636	\$
<u>\$ 51,571</u>	<u>\$ 84,730</u>	<u>\$ 140,195</u>	<u>\$ 932</u>	<u>\$ 636</u>	<u>\$</u>
\$	\$	\$	\$	\$	\$
					2,238
					<u>2,238</u>
51,571	84,730	140,195	932	636	
<u>51,571</u>	<u>84,730</u>	<u>140,195</u>	<u>932</u>	<u>636</u>	<u>(2,238)</u>
<u>\$ 51,571</u>	<u>\$ 84,730</u>	<u>\$ 140,195</u>	<u>\$ 932</u>	<u>\$ 636</u>	<u>\$</u>

(Continued)

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4**  
**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2014**

	<u>Totals</u>
<b><u>ASSETS</u></b>	
Cash and investments	\$ 709,410
Due from governmental entities	80,021
Due from other funds	<u>28,429</u>
<b>Total assets</b>	<u><u>\$ 817,860</u></u>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>	
Liabilities:	
Accounts payable	\$ 37,362
Due to other funds	28,429
Unearned revenues	<u>15,316</u>
<b>Total liabilities</b>	<u>81,107</u>
 Fund balances (deficits):	
Restricted	738,991
Unassigned	<u>(2,238)</u>
<b>Total fund balances</b>	<u>736,753</u>
 <b>Total liabilities and fund balances</b>	<u><u>\$ 817,860</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 SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2014**

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>Title I Grants</u>
<b>Revenues:</b>			
Other local	\$ 152	\$ 791	\$
State aid and grants	511,890	52,292	
Federal aid, grants and reimbursements			348,914
<b>Total revenues</b>	<u>512,042</u>	<u>53,083</u>	<u>348,914</u>
<b>Expenditures:</b>			
Current -			
Instruction	518,993	33,777	141,878
Support services - students and staff		6,346	66,949
Support services - administration			44,048
Operation and maintenance of plant services			
Operation of non-instructional services			
Capital outlay		3,510	96,039
<b>Total expenditures</b>	<u>518,993</u>	<u>43,633</u>	<u>348,914</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(6,951)</u>	<u>9,450</u>	
<b>Other financing sources (uses):</b>			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(6,951)</u>	<u>9,450</u>	
<b>Fund balances, beginning of year</b>	66,140	184,190	
<b>Fund balances, end of year</b>	<u>\$ 59,189</u>	<u>\$ 193,640</u>	<u>\$</u>

Professional Development and Technology Grants	Special Education Grants	Vocational Education	State Vocational Education	Food Service	Civic Center
\$	\$	\$	\$	\$ 59,974	\$ 139,272
			38,483		
59,908	160,716	25,832		194,556	
59,908	160,716	25,832	38,483	254,530	139,272
	81,544	6,214	4,244		5,308
56,020	75,100	16,190	304		5,562
					10,370
					1,731
				244,852	
		3,428	33,935	13,397	11,943
56,020	156,644	25,832	38,483	258,249	34,914
3,888	4,072			(3,719)	104,358
(3,888)	(4,072)				
(3,888)	(4,072)				
				(3,719)	104,358
				96,012	11,447
\$	\$	\$	\$	\$ 92,293	\$ 115,805

(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, 2014**

	Community School	Extracurricular Activities Fees Tax Credit	Gifts and Donations
<b>Revenues:</b>			
Other local	\$ 53,470	\$ 74,122	\$ 16,839
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>	<u>53,470</u>	<u>74,122</u>	<u>16,839</u>
<b>Expenditures:</b>			
Current -			
Instruction	27,375	79,388	2,879
Support services - students and staff	200	1,278	
Support services - administration			
Operation and maintenance of plant services			
Operation of non-instructional services			
Capital outlay		5,744	
<b>Total expenditures</b>	<u>27,575</u>	<u>86,410</u>	<u>2,879</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>25,895</u>	<u>(12,288)</u>	<u>13,960</u>
<b>Other financing sources (uses):</b>			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>25,895</u>	<u>(12,288)</u>	<u>13,960</u>
<b>Fund balances, beginning of year</b>	25,676	97,018	126,235
<b>Fund balances (deficits), end of year</b>	<u>\$ 51,571</u>	<u>\$ 84,730</u>	<u>\$ 140,195</u>

Career, Technical and Vocational Education	Textbooks	Joint Technical Education	Totals
\$ 3	\$ 137	\$ 231,755	\$ 576,515
			602,665
			789,926
<u>3</u>	<u>137</u>	<u>231,755</u>	<u>1,969,106</u>
	32	261,071	1,162,703
		195	228,144
			54,418
			1,731
			244,852
		25,615	193,611
	<u>32</u>	<u>286,881</u>	<u>1,885,459</u>
<u>3</u>	<u>105</u>	<u>(55,126)</u>	<u>83,647</u>
			(7,960)
			(7,960)
<u>3</u>	<u>105</u>	<u>(55,126)</u>	<u>75,687</u>
929	531	52,888	661,066
<u>\$ 932</u>	<u>\$ 636</u>	<u>\$ (2,238)</u>	<u>\$ 736,753</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, 2014**

	Classroom Site		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 152	\$ 152
State aid and grants		511,890	511,890
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>512,042</u>	<u>512,042</u>
<b>Expenditures:</b>			
Current -			
Instruction	638,394	518,993	119,401
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>638,394</u>	<u>518,993</u>	<u>119,401</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(638,394)</u>	<u>(6,951)</u>	<u>631,443</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(638,394)</u>	<u>(6,951)</u>	<u>631,443</u>
<b>Fund balances, beginning of year</b>		66,140	66,140
<b>Fund balances (deficits), end of year</b>	<u>\$ (638,394)</u>	<u>\$ 59,189</u>	<u>\$ 697,583</u>

Instructional Improvement			Title I Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 791 52,292	\$ 791 52,292	\$	\$	\$
				348,914	348,914
	53,083	53,083		348,914	348,914
231,791	33,777 6,346	198,014 (6,346)	263,082	141,878 66,949 44,048	121,204 (66,949) (44,048)
	3,510	(3,510)		96,039	(96,039)
231,791	43,633	188,158	263,082	348,914	(85,832)
(231,791)	9,450	241,241	(263,082)		263,082
(231,791)	9,450	241,241	(263,082)		263,082
	184,190	184,190			
\$ (231,791)	\$ 193,640	\$ 425,431	\$ (263,082)	\$	\$ 263,082

**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, 2014**

	Professional Development and Technology Grants		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		59,908	59,908
<b>Total revenues</b>		<u>59,908</u>	<u>59,908</u>
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff	63,376	56,020	7,356
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>63,376</u>	<u>56,020</u>	<u>7,356</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(63,376)</u>	<u>3,888</u>	<u>67,264</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out		(3,888)	(3,888)
<b>Total other financing sources (uses):</b>		<u>(3,888)</u>	<u>(3,888)</u>
<b>Changes in fund balances</b>	<u>(63,376)</u>		<u>63,376</u>
<b>Fund balances, beginning of year</b>			
<b>Fund balances (deficits), end of year</b>	<u>\$ (63,376)</u>	<u>\$</u>	<u>\$ 63,376</u>

Special Education Grants			Vocational Education		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	160,716	160,716		25,832	25,832
	160,716	160,716		25,832	25,832
169,972	81,544	88,428		6,214	(6,214)
	75,100	(75,100)	73,881	16,190	57,691
				3,428	(3,428)
169,972	156,644	13,328	73,881	25,832	48,049
(169,972)	4,072	174,044	(73,881)		73,881
	(4,072)	(4,072)			
	(4,072)	(4,072)			
(169,972)		169,972	(73,881)		73,881
\$ (169,972)	\$	\$ 169,972	\$ (73,881)	\$	\$ 73,881

**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, 2014**

	Medicaid Reimbursement		
	<u>Budget</u>	<u>Non-GAAP Actual</u>	<u>Variance - Positive (Negative)</u>
<b>Revenues:</b>			
Other local	\$	\$ 25	\$ 25
State aid and grants			
Federal aid, grants and reimbursements		3,175	3,175
<b>Total revenues</b>		<u>3,200</u>	<u>3,200</u>
<b>Expenditures:</b>			
Current -			
Instruction		415	(415)
Support services - students and staff		221	(221)
Support services - administration			
Operation and maintenance of plant services	30,000	8,722	21,278
Student transportation services			
Operation of non-instructional services			
Capital outlay		3,923	(3,923)
<b>Total expenditures</b>	<u>30,000</u>	<u>13,281</u>	<u>16,719</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(30,000)</u>	<u>(10,081)</u>	<u>19,919</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(30,000)</u>	<u>(10,081)</u>	<u>19,919</u>
<b>Fund balances, beginning of year</b>		12,156	12,156
<b>Fund balances (deficits), end of year</b>	<u>\$ (30,000)</u>	<u>\$ 2,075</u>	<u>\$ 32,075</u>

National Forest Fees			E-Rate		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 159	\$ 159	\$	\$ 90	\$ 90
	111,230	111,230		28,748	28,748
	111,389	111,389		28,838	28,838
	689	(689)			
	5,337	(5,337)		1,037	(1,037)
46,024	55,615	(9,591)		4,745	(4,745)
	6,260	(6,260)		17,019	(17,019)
	19,763	(19,763)	35,000	36,727	(1,727)
46,024	87,664	(41,640)	35,000	59,528	(24,528)
(46,024)	23,725	69,749	(35,000)	(30,690)	4,310
(46,024)	23,725	69,749	(35,000)	(30,690)	4,310
	13,214	13,214		31,784	31,784
\$ (46,024)	\$ 36,939	\$ 82,963	\$ (35,000)	\$ 1,094	\$ 36,094

(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, 2014**

	Other Federal Projects		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		133,221	133,221
<b>Total revenues</b>		<u>133,221</u>	<u>133,221</u>
<b>Expenditures:</b>			
Current -			
Instruction		44,257	(44,257)
Support services - students and staff	74,129	96,089	(21,960)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services		850	(850)
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>74,129</u>	<u>141,196</u>	<u>(67,067)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(74,129)</u>	<u>(7,975)</u>	<u>66,154</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(74,129)</u>	<u>(7,975)</u>	<u>66,154</u>
<b>Fund balances, beginning of year</b>			
<b>Fund balances (deficits), end of year</b>	<u>\$ (74,129)</u>	<u>\$ (7,975)</u>	<u>\$ 66,154</u>

State Vocational Education			School Plant		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	38,483	38,483		2	2
	38,483	38,483		2	2
	4,244	(4,244)			
	304	(304)			
52,279	33,935	18,344			
52,279	38,483	13,796			
(52,279)		52,279		2	2
(52,279)		52,279		2	2
				536	536
\$ (52,279)	\$	\$ 52,279	\$	\$ 538	\$ 538

**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, 2014**

	Food Service		Variance -
	Budget	Actual	Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 59,974	\$ 59,974
State aid and grants			
Federal aid, grants and reimbursements		194,556	194,556
<b>Total revenues</b>		<u>254,530</u>	<u>254,530</u>
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services	260,000	244,852	15,148
Capital outlay		13,397	(13,397)
<b>Total expenditures</b>	<u>260,000</u>	<u>258,249</u>	<u>1,751</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(260,000)</u>	<u>(3,719)</u>	<u>256,281</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(260,000)</u>	<u>(3,719)</u>	<u>256,281</u>
<b>Fund balances, beginning of year</b>		96,012	96,012
<b>Fund balances (deficits), end of year</b>	<u>\$ (260,000)</u>	<u>\$ 92,293</u>	<u>\$ 352,293</u>

Civic Center			Community School		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 139,272	\$ 139,272	\$	\$ 53,470	\$ 53,470
	139,272	139,272		53,470	53,470
	5,308	(5,308)	139,771	27,375	112,396
	5,562	(5,562)		200	(200)
61,578	10,370	51,208			
	1,731	(1,731)			
	11,943	(11,943)			
61,578	34,914	26,664	139,771	27,575	112,196
(61,578)	104,358	165,936	(139,771)	25,895	165,666
(61,578)	104,358	165,936	(139,771)	25,895	165,666
	11,447	11,447		25,676	25,676
\$ (61,578)	\$ 115,805	\$ 177,383	\$ (139,771)	\$ 51,571	\$ 191,342

(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, 2014**

	Auxiliary Operations		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 127,613	\$ 127,613
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>127,613</u>	<u>127,613</u>
<b>Expenditures:</b>			
Current -			
Instruction	275,000	154,366	120,634
Support services - students and staff		295	(295)
Support services - administration		779	(779)
Operation and maintenance of plant services		660	(660)
Student transportation services		1,764	(1,764)
Operation of non-instructional services			
Capital outlay		7,205	(7,205)
<b>Total expenditures</b>	<u>275,000</u>	<u>165,069</u>	<u>109,931</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(275,000)</u>	<u>(37,456)</u>	<u>237,544</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(275,000)</u>	<u>(37,456)</u>	<u>237,544</u>
<b>Fund balances, beginning of year</b>		136,092	136,092
<b>Fund balances (deficits), end of year</b>	<u>\$ (275,000)</u>	<u>\$ 98,636</u>	<u>\$ 373,636</u>

Extracurricular Activities Fees Tax Credit			Gifts and Donations		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 74,122	\$ 74,122	\$	\$ 16,839	\$ 16,839
	74,122	74,122		16,839	16,839
	79,388	(79,388)	187,640	2,879	184,761
	1,278	(1,278)			
	5,744	(5,744)			
	86,410	(86,410)	187,640	2,879	184,761
	(12,288)	(12,288)	(187,640)	13,960	201,600
	(12,288)	(12,288)	(187,640)	13,960	201,600
	97,018	97,018		126,235	126,235
\$	\$ 84,730	\$ 84,730	\$ (187,640)	\$ 140,195	\$ 327,835

(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, 2014**

	Career, Technical and Vocational Education		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 3	\$ 3
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>3</u>	<u>3</u>
<b>Expenditures:</b>			
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			
<b>Total expenditures</b>			
<b>Excess (deficiency) of revenues over expenditures</b>		<u>3</u>	<u>3</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>		<u>3</u>	<u>3</u>
<b>Fund balances, beginning of year</b>		929	929
<b>Fund balances (deficits), end of year</b>	<u>\$</u>	<u>\$ 932</u>	<u>\$ 932</u>

Insurance Proceeds			Textbooks		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 13,747	\$ 13,747	\$	\$ 137	\$ 137
	13,747	13,747		137	137
				32	(32)
10,000	13,862	(3,862)			
10,000	13,862	(3,862)		32	(32)
(10,000)	(115)	9,885		105	105
(10,000)	(115)	9,885		105	105
	566	566		531	531
\$ (10,000)	\$ 451	\$ 10,451	\$	\$ 636	\$ 636

(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, 2014**

	Litigation Recovery		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 3	\$ 3
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>3</u>	<u>3</u>
<b>Expenditures:</b>			
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			
<b>Total expenditures</b>			
<b>Excess (deficiency) of revenues over expenditures</b>		<u>3</u>	<u>3</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>		<u>3</u>	<u>3</u>
<b>Fund balances, beginning of year</b>		676	676
<b>Fund balances (deficits), end of year</b>	<u>\$</u>	<u>\$ 679</u>	<u>\$ 679</u>

Indirect Costs			Joint Technical Education		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 13	\$ 13	\$	\$ 231,755	\$ 231,755
	13	13		231,755	231,755
	7,960	(7,960)	312,360	261,071 195	51,289 (195)
	7,960	(7,960)		25,615	(25,615)
	7,960	(7,960)	312,360	286,881	25,479
	(7,947)	(7,947)	(312,360)	(55,126)	257,234
	7,960	7,960			
	7,960	7,960			
	13	13	(312,360)	(55,126)	257,234
	4,118	4,118		52,888	52,888
\$	\$ 4,131	\$ 4,131	\$ (312,360)	\$ (2,238)	\$ 310,122

(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, 2014**

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 718,167	\$ 718,167
State aid and grants		602,665	602,665
Federal aid, grants and reimbursements		1,066,300	1,066,300
<b>Total revenues</b>		<b>2,387,132</b>	<b>2,387,132</b>
<b>Expenditures:</b>			
Current -			
Instruction	2,218,010	1,362,430	855,580
Support services - students and staff	211,386	331,123	(119,737)
Support services - administration	107,602	123,517	(15,915)
Operation and maintenance of plant services	30,000	34,392	(4,392)
Student transportation services		2,614	(2,614)
Operation of non-instructional services	260,000	244,852	15,148
Capital outlay	97,279	275,091	(177,812)
<b>Total expenditures</b>	<b>2,924,277</b>	<b>2,374,019</b>	<b>550,258</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(2,924,277)</b>	<b>13,113</b>	<b>2,937,390</b>
<b>Other financing sources (uses):</b>			
Transfers in		7,960	7,960
Transfers out		(7,960)	(7,960)
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<b>(2,924,277)</b>	<b>13,113</b>	<b>2,937,390</b>
<b>Fund balances, beginning of year</b>		<b>860,208</b>	<b>860,208</b>
<b>Fund balances (deficits), end of year</b>	<b>\$ (2,924,277)</b>	<b>\$ 873,321</b>	<b>\$ 3,797,598</b>

## **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, 2014**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Original &amp; Final</u>	<u>Actual</u>	<u>(Negative)</u>
<b>Revenues:</b>			
Other local	\$	\$ 71,579	\$ 71,579
Property taxes		1,405,388	1,405,388
<b>Total revenues</b>		<u>1,476,967</u>	<u>1,476,967</u>
<b>Expenditures:</b>			
Debt service -			
Principal retirement	1,035,000	1,035,000	
Interest and fiscal charges	203,294	479,256	(275,962)
<b>Total expenditures</b>	<u>1,238,294</u>	<u>1,514,256</u>	<u>(275,962)</u>
<b>Changes in fund balances</b>	<u>(1,238,294)</u>	<u>(37,289)</u>	<u>1,201,005</u>
<b>Fund balances, beginning of year</b>		202,169	202,169
<b>Fund balances (deficits), end of year</b>	<u>\$ (1,238,294)</u>	<u>\$ 164,880</u>	<u>\$ 1,403,174</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.

**Energy and Water Savings** - to account for capital investment monies, energy related rebate, or grant monies, and monies from other funding sources to fund energy or water savings projects in school facilities in accordance with A.R.S. §15-910.02.

**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.

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

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4**  
**COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS**  
**JUNE 30, 2014**

	<u>Unrestricted Capital Outlay</u>	<u>Adjacent Ways</u>	<u>Building Renewal</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 109,289	\$ 257	\$ 159
Property taxes receivable	16,622		
Due from governmental entities	12,418		
<b>Total assets</b>	<u><u>\$ 138,329</u></u>	<u><u>\$ 257</u></u>	<u><u>\$ 159</u></u>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Deferred inflows of resources:			
Unavailable revenues - property taxes	<u>\$ 14,437</u>	<u>\$</u>	<u>\$</u>
Fund balances:			
Restricted	<u>123,892</u>	<u>257</u>	<u>159</u>
<b>Total fund balances</b>	<u><u>123,892</u></u>	<u><u>257</u></u>	<u><u>159</u></u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u><u>\$ 138,329</u></u>	<u><u>\$ 257</u></u>	<u><u>\$ 159</u></u>

Totals	
\$	109,705
	16,622
	12,418
\$	138,745

\$	14,437
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	124,308
	124,308

\$	138,745
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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, 2014**

	<u>Unrestricted Capital Outlay</u>	<u>Adjacent Ways</u>	<u>Energy and Water Savings</u>
<b>Revenues:</b>			
Other local	\$ 19,572	\$	\$
Property taxes	139,129		
State aid and grants	37,988		
<b>Total revenues</b>	<u>196,689</u>		
<b>Expenditures:</b>			
Capital outlay	450,074		1,100,800
Debt service -			
Principal retirement	301,706		
Interest and fiscal charges	20,969		
<b>Total expenditures</b>	<u>772,749</u>		<u>1,100,800</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(576,060)</u>		<u>(1,100,800)</u>
<b>Other financing sources (uses):</b>			
Transfers in	95,654		
Capital lease agreements	586,645		1,100,800
<b>Total other financing sources (uses):</b>	<u>682,299</u>		<u>1,100,800</u>
<b>Changes in fund balances</b>	<u>106,239</u>		
<b>Fund balances, beginning of year</b>	17,653	257	
<b>Fund balances, end of year</b>	<u>\$ 123,892</u>	<u>\$ 257</u>	<u>\$</u>

Building Renewal	Building Renewal Grant	Totals
\$	\$	\$ 19,572
		139,129
	52,314	90,302
	52,314	249,003
	52,314	1,603,188
		301,706
		20,969
	52,314	1,925,863
		(1,676,860)
		95,654
		1,687,445
		1,783,099
		106,239
159		18,069
\$ 159	\$	\$ 124,308

**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, 2014**

	Unrestricted Capital Outlay		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 19,572	\$ 19,572
Property taxes		139,129	139,129
State aid and grants		37,988	37,988
<b>Total revenues</b>		<u>196,689</u>	<u>196,689</u>
<b>Expenditures:</b>			
Capital outlay	20,396	18,280	2,116
Debt service -			
Principal retirement	146,855	146,855	
Interest and fiscal charges	20,969	20,969	
<b>Total expenditures</b>	<u>188,220</u>	<u>186,104</u>	<u>2,116</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(188,220)</u>	<u>10,585</u>	<u>198,805</u>
<b>Other financing sources (uses):</b>			
Transfers in		95,654	95,654
Transfers out			
<b>Total other financing sources (uses):</b>		<u>95,654</u>	<u>95,654</u>
<b>Changes in fund balances</b>	<u>(188,220)</u>	<u>106,239</u>	<u>294,459</u>
<b>Fund balances, beginning of year</b>		17,653	17,653
<b>Fund balances (deficits), end of year</b>	<u>\$ (188,220)</u>	<u>\$ 123,892</u>	<u>\$ 312,112</u>

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**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2014**

	Building Renewal		Variance -
	Budget	Actual	Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$	\$
Property taxes			
State aid and grants			
<b>Total revenues</b>			
<b>Expenditures:</b>			
Capital outlay			
Debt service -			
Principal retirement			
Interest and fiscal charges			
<b>Total expenditures</b>			
<b>Excess (deficiency) of revenues over expenditures</b>			
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>			
<b>Fund balances, beginning of year</b>		159	159
<b>Fund balances (deficits), end of year</b>	\$	\$ 159	\$ 159

Building Renewal Grant			Totals		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 19,572	\$ 19,572
				139,129	139,129
	52,314	52,314		90,302	90,302
	52,314	52,314		249,003	249,003
	52,314	(52,314)	20,396	70,594	(50,198)
			146,855	146,855	
			20,969	20,969	
	52,314	(52,314)	188,220	238,418	(50,198)
			(188,220)	10,585	198,805
				95,654	95,654
				(95,654)	(95,654)
			(188,220)	10,585	198,805
				113,723	113,723
\$	\$	\$	\$ (188,220)	\$ 124,308	\$ 312,528

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## **AGENCY FUNDS**

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

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



**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4**  
**COMBINING STATEMENT OF ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**JUNE 30, 2014**

	<u>Student Activities</u>	<u>Employee Withholding</u>	<u>Totals</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 78,097	\$ 917	\$ 79,014
<b>Total assets</b>	<u>\$ 78,097</u>	<u>\$ 917</u>	<u>\$ 79,014</u>
 <b><u>LIABILITIES</u></b>			
Deposits held for others	\$	\$ 917	\$ 917
Due to student groups	78,097		78,097
<b>Total liabilities</b>	<u>\$ 78,097</u>	<u>\$ 917</u>	<u>\$ 79,014</u>

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4**  
**COMBINING STATEMENT OF CHANGES IN AGENCY FUNDS ASSETS AND LIABILITIES**  
**YEAR ENDED JUNE 30, 2014**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<b><u>STUDENT ACTIVITIES FUND</u></b>				
	<u>Assets</u>			
Cash and investments	\$ 76,190	\$ 233,682	\$ 231,775	\$ 78,097
Total assets	<u>\$ 76,190</u>	<u>\$ 233,682</u>	<u>\$ 231,775</u>	<u>\$ 78,097</u>
	<u>Liabilities</u>			
Due to student groups	\$ 76,190	\$ 233,682	\$ 231,775	\$ 78,097
Total liabilities	<u>\$ 76,190</u>	<u>\$ 233,682</u>	<u>\$ 231,775</u>	<u>\$ 78,097</u>
<b><u>EMPLOYEE WITHHOLDING</u></b>				
	<u>Assets</u>			
Cash and investments	\$ 73,121	\$	\$ 72,204	\$ 917
Total assets	<u>\$ 73,121</u>	<u>\$</u>	<u>\$ 72,204</u>	<u>\$ 917</u>
	<u>Liabilities</u>			
Deposits held for others	\$ 73,121	\$	\$ 72,204	\$ 917
Total liabilities	<u>\$ 73,121</u>	<u>\$</u>	<u>\$ 72,204</u>	<u>\$ 917</u>
<b><u>TOTAL AGENCY FUNDS</u></b>				
	<u>Assets</u>			
Cash and investments	\$ 149,311	\$ 233,682	\$ 303,979	\$ 79,014
Total assets	<u>\$ 149,311</u>	<u>\$ 233,682</u>	<u>\$ 303,979</u>	<u>\$ 79,014</u>
	<u>Liabilities</u>			
Deposits held for others	\$ 73,121	\$	\$ 72,204	\$ 917
Due to student groups	<u>76,190</u>	<u>233,682</u>	<u>231,775</u>	<u>78,097</u>
Total liabilities	<u>\$ 149,311</u>	<u>\$ 233,682</u>	<u>\$ 303,979</u>	<u>\$ 79,014</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.

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

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>
<b>Net Position:</b>					
Net investment in capital assets	\$ 7,831,636	\$ 6,673,901	\$ 6,806,320	\$ 7,038,083	\$ 7,236,007
Restricted	1,092,999	919,164	909,890	1,250,947	215,126
Unrestricted	90,720	1,289,754	1,593,750	836,423	2,078,999
Total net position	<u>\$ 9,015,355</u>	<u>\$ 8,882,819</u>	<u>\$ 9,309,960</u>	<u>\$ 9,125,453</u>	<u>\$ 9,530,132</u>
	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>	<b><u>2006</u></b>	<b><u>2005</u></b>
<b>Net Position:</b>					
Net investment in capital assets	\$ 7,223,915	\$ 7,345,596	\$ 7,223,522	\$ 7,655,021	\$ 10,017,530
Restricted	236,941	877,692	310,421	419,767	188,520
Unrestricted	1,674,412	2,174,140	2,451,739	1,996,500	1,510,387
Total net position	<u>\$ 9,135,268</u>	<u>\$ 10,397,428</u>	<u>\$ 9,985,682</u>	<u>\$ 10,071,288</u>	<u>\$ 11,716,437</u>

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

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

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>
<b>Expenses</b>					
Instruction	\$ 6,298,053	\$ 6,228,888	\$ 6,076,499	\$ 6,183,691	\$ 5,796,510
Support services - students and staff	911,705	921,964	1,000,364	1,037,969	1,142,576
Support services - administration	975,514	1,027,421	951,457	1,009,016	1,159,556
Operation and maintenance of plant services	1,352,930	1,241,853	1,384,855	1,424,800	1,576,004
Student transportation services	546,961	477,579	460,947	485,809	438,281
Operation of non-instructional services	263,530	247,576	260,682	344,635	5,649
Interest on long-term debt	484,526	531,831	589,747	588,794	621,159
Total expenses	<u>10,833,219</u>	<u>10,677,112</u>	<u>10,724,551</u>	<u>11,074,714</u>	<u>10,739,735</u>
<b>Program Revenues</b>					
Charges for services:					
Instruction	678,429	704,247	859,999	885,183	959,304
Operation of non-instructional services	139,175	258,254	308,818	499,035	340,174
Other activities	187,279	26,528	33,156	24,174	70,580
Operating grants and contributions	757,474	879,229	734,069	882,063	763,523
Capital grants and contributions	185,716	15,558	72,940	87,028	129,165
Total program revenues	<u>1,948,073</u>	<u>1,883,816</u>	<u>2,008,982</u>	<u>2,377,483</u>	<u>2,262,746</u>
<b>Net (Expense)/Revenue</b>	<u>\$ (8,885,146)</u>	<u>\$ (8,793,296)</u>	<u>\$ (8,715,569)</u>	<u>\$ (8,697,231)</u>	<u>\$ (8,476,989)</u>

(Continued)

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<b>Expenses</b>					
Instruction	\$ 5,853,376	\$ 5,548,417	\$ 6,348,099	\$ 7,722,922	\$ 4,653,012
Support services - students and staff	1,024,007	1,060,641	1,044,576	728,967	818,616
Support services - administration	1,084,389	1,067,256	886,618	808,764	988,945
Operation and maintenance of plant services	1,426,163	1,631,585	1,189,263	1,080,002	972,881
Student transportation services	480,248	497,959	434,702	438,792	427,245
Operation of non-instructional services	342,783	326,627	329,144	482,988	522,784
Interest on long-term debt	642,970	890,696	1,116	10,033	9,395
Total expenses	<u>10,853,936</u>	<u>11,023,181</u>	<u>10,233,518</u>	<u>11,272,468</u>	<u>8,392,878</u>
<b>Program Revenues</b>					
Charges for services:					
Instruction	617,830	774,279	947,950	666,930	216,935
Operation of non-instructional services	360,107	373,212	215,985	612,965	291,889
Other activities	40,410	25,417	110,450	151,947	122,467
Operating grants and contributions	637,710	644,483	696,068	1,483,097	1,226,538
Capital grants and contributions	39,306	150,125	104,264		
Total program revenues	<u>1,695,363</u>	<u>1,967,516</u>	<u>2,074,717</u>	<u>2,914,939</u>	<u>1,857,829</u>
<b>Net (Expense)/Revenue</b>	<u>\$ (9,158,573)</u>	<u>\$ (9,055,665)</u>	<u>\$ (8,158,801)</u>	<u>\$ (8,357,529)</u>	<u>\$ (6,535,049)</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)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>
<b>Net (Expense)/Revenue</b>	\$ (8,885,146)	\$ (8,793,296)	\$ (8,715,569)	\$ (8,697,231)	\$ (8,476,989)
<b>General Revenues:</b>					
Taxes:					
Property taxes, levied for general purposes	4,982,996	4,999,887	5,688,430	4,693,051	5,203,686
Property taxes, levied for debt service	1,419,453	1,596,830	1,434,816	1,218,873	1,207,463
Property taxes, levied for capital outlay	152,024	143,154	156,808	418,765	284,571
Investment income	7,043	3,691	2,896	3,807	3,439
Unrestricted county aid	237,416	92,396	22,846	98,746	107,964
Unrestricted state aid	1,971,124	1,549,260	1,481,943	1,451,618	1,844,455
Unrestricted federal aid	247,626	137,925	112,337	407,692	220,275
<b>Total general revenues</b>	<b><u>9,017,682</u></b>	<b><u>8,523,143</u></b>	<b><u>8,900,076</u></b>	<b><u>8,292,552</u></b>	<b><u>8,871,853</u></b>
<b>Changes in Net Position</b>	<b><u>\$ 132,536</u></b>	<b><u>\$ (270,153)</u></b>	<b><u>\$ 184,507</u></b>	<b><u>\$ (404,679)</u></b>	<b><u>\$ 394,864</u></b>



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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<b>Net (Expense)/Revenue</b>	\$ (9,158,573)	\$ (9,055,665)	\$ (8,158,801)	\$ (8,357,529)	\$ (6,535,049)
<b>General Revenues:</b>					
Taxes:					
Property taxes, levied for general purposes	4,659,345	4,174,015	4,404,614	4,245,422	3,904,464
Property taxes, levied for debt service	662,570	1,111,940	1,914		
Property taxes, levied for capital outlay	189,646	314,079	123,154		
Investment income	106,415	517,369	299,694	55,865	20,066
Unrestricted county aid			563	218,083	257,217
Unrestricted state aid	2,278,437	3,350,008	3,243,256	2,186,665	2,767,145
Unrestricted federal aid				6,345	27,248
<b>Total general revenues</b>	<u>7,896,413</u>	<u>9,467,411</u>	<u>8,073,195</u>	<u>6,712,380</u>	<u>6,976,140</u>
<b>Changes in Net Position</b>	<u>\$ (1,262,160)</u>	<u>\$ 411,746</u>	<u>\$ (85,606)</u>	<u>\$ (1,645,149)</u>	<u>\$ 441,091</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.

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

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>
General Fund:					
Reserved					427,769
Unassigned	24,670	261,525	421,297	(18,156)	
Unreserved					159,679
Total General Fund	<u>\$ 24,670</u>	<u>\$ 261,525</u>	<u>\$ 421,297</u>	<u>\$ (18,156)</u>	<u>\$ 587,448</u>
All Other Governmental Funds:					
Restricted	1,028,179	881,304	837,017	959,458	
Assigned				115,200	
Reserved					
Unassigned	(2,238)				
Unreserved, reported in:					
Special revenue funds					640,763
Capital projects funds					362,149
Debt service fund					167,117
Total all other governmental funds	<u>\$ 1,025,941</u>	<u>\$ 881,304</u>	<u>\$ 837,017</u>	<u>\$ 1,074,658</u>	<u>\$ 1,170,029</u>

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General Fund:					
Reserved	436,507	430,600		391,256	232,867
Unreserved	(300,843)	182,625	880,332	320,275	288,151
Total General Fund	<u>\$ 135,664</u>	<u>\$ 613,225</u>	<u>\$ 880,332</u>	<u>\$ 711,531</u>	<u>\$ 521,018</u>
All Other Governmental Funds:					
Reserved	3,954	4,715			
Unreserved, reported in:					
Special revenue funds	772,317	1,342,620	1,394,283	1,455,817	909,363
Capital projects funds	1,044,935	7,527,715	13,113,459	208,842	188,520
Debt service fund	126,446	515,937			
Total all other governmental funds	<u>\$ 1,947,652</u>	<u>\$ 9,390,987</u>	<u>\$ 14,507,742</u>	<u>\$ 1,664,659</u>	<u>\$ 1,097,883</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)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>
<b>Federal sources:</b>					
Federal grants	\$ 871,744	\$ 724,502	\$ 604,078	\$ 837,370	\$ 800,992
State Fiscal Stabilization (ARRA)				18,687	220,275
Education Jobs			3,587	233,733	
National School Lunch Program	194,556	188,086	180,163	190,864	
Total federal sources	<u>1,066,300</u>	<u>912,588</u>	<u>787,828</u>	<u>1,280,654</u>	<u>1,021,267</u>
<b>State sources:</b>					
State equalization assistance	1,406,942	1,116,447	1,037,433	1,091,984	1,545,916
State grants	38,483	152,542	99,100	96,129	91,696
School Facilities Board	52,314				
Other revenues	564,182	432,813	444,510	414,911	400,552
Total state sources	<u>2,061,921</u>	<u>1,701,802</u>	<u>1,581,043</u>	<u>1,603,024</u>	<u>2,038,164</u>
<b>Local sources:</b>					
Property taxes	6,513,800	6,938,470	7,282,932	6,223,836	6,622,598
County aid	237,416	92,396	22,846	98,746	107,964
Food service sales	59,666	49,142			
Investment income	7,043	3,691			5,194
Other revenues	945,217	939,887	1,204,869	1,412,199	1,368,303
Total local sources	<u>7,763,142</u>	<u>8,023,586</u>	<u>8,510,647</u>	<u>7,734,781</u>	<u>8,104,059</u>
<b>Total revenues</b>	<u><u>\$ 10,891,363</u></u>	<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>

(Continued)

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

	<u><b>2009</b></u>	<u><b>2008</b></u>	<u><b>2007</b></u>	<u><b>2006</b></u>	<u><b>2005</b></u>
<b>Federal sources:</b>					
Federal grants	\$ 537,044	\$ 678,776	\$ 603,910	\$ 608,868	\$ 550,010
Total federal sources	<u>537,044</u>	<u>678,776</u>	<u>603,910</u>	<u>608,868</u>	<u>550,010</u>
<b>State sources:</b>					
State equalization assistance	1,686,380	2,338,969	2,400,580	2,054,110	2,633,946
State grants	139,972	121,605	190,649	874,329	629,214
School Facilities Board		76,187	161,654	132,555	133,199
Other revenues	<u>499,444</u>	<u>870,175</u>	<u>681,022</u>	<u></u>	<u>27,248</u>
Total state sources	<u>2,325,796</u>	<u>3,406,936</u>	<u>3,433,905</u>	<u>3,060,994</u>	<u>3,423,607</u>
<b>Local sources:</b>					
Property taxes	5,464,152	5,565,210	4,537,874	4,227,301	3,929,735
County aid			563	218,083	257,217
Food service sales					
Investment income	106,415	517,369	299,694	55,865	20,066
Other revenues	<u>1,018,347</u>	<u>1,172,908</u>	<u>1,274,385</u>	<u>1,438,087</u>	<u>678,605</u>
Total local sources	<u>6,588,914</u>	<u>7,255,487</u>	<u>6,112,516</u>	<u>5,939,336</u>	<u>4,885,623</u>
<b>Total revenues</b>	<u><u>\$ 9,451,754</u></u>	<u><u>\$ 11,341,199</u></u>	<u><u>\$ 10,150,331</u></u>	<u><u>\$ 9,609,198</u></u>	<u><u>\$ 8,859,240</u></u>

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

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

**(Concluded)**

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

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>
<b>Expenditures:</b>					
Current -					
Instruction	\$ 5,346,978	\$ 5,357,943	\$ 5,156,757	\$ 4,652,971	\$ 4,914,438
Support services - students and staff	904,076	902,946	974,795	974,642	1,131,130
Support services - administration	962,551	1,008,244	943,573	958,257	1,155,775
Operation and maintenance of plant services	1,031,032	1,021,987	1,119,813	1,138,209	1,345,131
Student transportation services	460,392	419,535	395,548	390,064	387,894
Operation of non-instructional services	250,787	238,667	252,558	332,665	1,019
Capital outlay	1,878,279	122,338	187,835	1,679,120	1,191,926
Debt service -					
Interest and fiscal charges	500,225	547,530	589,747	588,794	621,159
Principal retirement	1,336,706	1,134,271	1,057,080	894,238	787,191
<b>Total expenditures</b>	<b><u>\$ 12,671,026</u></b>	<b><u>\$ 10,753,461</u></b>	<b><u>\$ 10,677,706</u></b>	<b><u>\$ 11,608,960</u></b>	<b><u>\$ 11,535,663</u></b>
Expenditures for capitalized assets	\$ 1,666,126	\$ 35,394	\$ 48,066	\$ 1,243,774	\$ 1,298,543
Debt service as a percentage of noncapital expenditures	17%	16%	15%	14%	14%

(Continued)

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<b>Expenditures:</b>					
Current -					
Instruction	\$ 5,417,738	\$ 5,398,795	\$ 5,390,691	\$ 5,011,187	\$ 4,807,352
Support services - students and staff	952,602	1,049,203	1,034,408	886,158	831,129
Support services - administration	1,006,742	1,049,829	868,303	797,132	959,697
Operation and maintenance of plant services	1,137,566	1,352,779	944,954	931,388	1,086,061
Student transportation services	386,357	433,713	376,528	392,495	380,706
Operation of non-instructional services	339,914	330,505	328,297	480,816	521,967
Capital outlay	6,841,468	6,509,330	2,782,913	589,624	107,943
Debt service -					
Judgments against the district	70,391				
Interest and fiscal charges		890,696	4,573	10,033	9,395
Principal retirement	582,048	236,094	138,618	72,952	71,579
Bond issuance costs	642,970		247,725		
<b>Total expenditures</b>	<u>\$ 17,377,796</u>	<u>\$ 17,250,944</u>	<u>\$ 12,117,010</u>	<u>\$ 9,171,785</u>	<u>\$ 8,775,829</u>
Expenditures for capitalized assets	\$ 6,286,544	\$ 6,114,459	\$ 2,292,838	\$ 589,624	\$ 107,943
Debt service as a percentage of noncapital expenditures	12%	10%	4%	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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ (1,779,663)	\$ (115,485)	\$ 201,812	\$ (990,501)	\$ (372,173)
<b>Other financing sources (uses):</b>					
Capital lease agreements	1,687,445			717,295	59,026
Transfers in	103,614	10,926	10,238	1,907	17,353
Transfers out	(103,614)	(10,926)	(10,238)	(1,907)	(17,353)
Total other financing sources (uses)	<u>1,687,445</u>	<u></u>	<u></u>	<u>717,295</u>	<u>59,026</u>
<b>Changes in fund balances</b>	<u>\$ (92,218)</u>	<u>\$ (115,485)</u>	<u>\$ 201,812</u>	<u>\$ (273,206)</u>	<u>\$ (313,147)</u>
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ (7,926,042)	\$ (5,909,745)	\$ (1,966,679)	\$ 437,413	\$ 83,411
<b>Other financing sources (uses):</b>					
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	86,422	451,637	259,332	53,036	
Transfers out	(86,422)	(451,637)	(259,332)	(53,036)	
Payment to refunded bond escrow agent					
Total other financing sources (uses)	<u></u>	<u>90,568</u>	<u>15,369,819</u>	<u>108,450</u>	<u>103,139</u>
<b>Changes in fund balances</b>	<u>\$ (7,926,042)</u>	<u>\$ (5,819,177)</u>	<u>\$ 13,403,140</u>	<u>\$ 545,863</u>	<u>\$ 186,550</u>

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



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

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Commercial, Industrial, Utilities and Mining	\$ 86,381,835	\$ 98,922,311	\$ 108,506,998	\$ 116,418,106	\$ 116,280,084
Agricultural and Vacant	29,738,049	36,799,440	50,735,007	54,783,005	49,483,624
Residential (Owner Occupied)	110,922,326	122,015,019	147,945,491	190,711,948	195,298,527
Residential (Rental)	29,118,974	33,639,059	28,577,423	34,426,396	33,394,786
Railroad, Private Cars and Airlines	502,959	570,097	659,003	705,213	719,623
Historical Property	660,440	755,480	846,542	1,025,040	985,293
Certain Government Property Improvements	18,040	15,847	18,388	12,477	12,291
Total	<u>\$ 257,342,623</u>	<u>\$ 292,717,253</u>	<u>\$ 337,288,852</u>	<u>\$ 398,082,185</u>	<u>\$ 396,174,228</u>
Estimated Actual Value (Full Cash Value)	\$ 2,198,613,264	\$ 2,449,465,188	\$ 2,800,777,676	\$ 3,498,652,886	\$ 3,823,259,603
Ratio of Primary Assessed Value to Estimated Actual Value	11.70%	11.95%	12.04%	11.38%	10.36%

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Commercial, Industrial, Utilities and Mining	\$ 109,651,199	\$ 102,214,705	\$ 96,662,271	\$ 89,161,268	\$ 76,397,026
Agricultural and Vacant	43,096,641	32,953,547	28,252,430	26,130,544	24,933,640
Residential (Owner Occupied)	179,883,465	155,013,475	132,243,028	113,523,377	103,168,607
Residential (Rental)	28,526,330	24,031,939	18,701,574	16,035,672	14,442,519
Railroad, Private Cars and Airlines	885,094	848,585	946,508	1,027,547	980,467
Historical Property	827,708	687,553	533,712	435,757	366,501
Certain Government Property Improvements	6,365	4,244	3,979	3,634	3,529
Total	<u>\$ 362,876,802</u>	<u>\$ 315,754,048</u>	<u>\$ 277,343,502</u>	<u>\$ 246,317,799</u>	<u>\$ 246,317,799</u>
Estimated Actual Value (Full Cash Value)	\$ 3,832,289,849	\$ 2,986,339,161	\$ 2,390,837,076	\$ 2,004,447,819	\$ 1,818,135,171
Ratio of Primary Value to Estimated Actual Value	9.47%	10.57%	11.60%	12.29%	13.55%

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

**Note:** The primary assessed value generates revenues for general District operations.

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4**  
**SECONDARY ASSESSED VALUE OF TAXABLE PROPERTY BY CLASS**  
**LAST TEN FISCAL YEARS**

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Commercial, Industrial, Utilities and Mining	\$ 86,539,493	\$ 99,325,550	\$ 110,160,187	\$ 121,802,862	\$ 123,589,854
Agricultural and Vacant	29,896,385	38,844,903	56,433,010	67,370,265	72,606,963
Residential (Owner Occupied)	110,947,272	122,069,233	148,360,157	193,913,358	219,108,307
Residential (Rental)	29,166,639	33,715,362	28,912,987	35,108,897	37,543,309
Railroad, Private Cars and Airlines	503,396	571,157	667,283	719,344	737,882
Historical Property	663,793	755,488	850,828	1,087,939	1,195,408
Certain Government Property Improvements	18,737	15,847	18,531	12,737	12,469
Total	\$ <u>257,735,715</u>	\$ <u>295,297,540</u>	\$ <u>345,402,983</u>	\$ <u>420,015,402</u>	\$ <u>454,794,192</u>
Ratio of Secondary Assessed Value to Estimated Actual Value	11.72%	12.06%	12.33%	12.01%	11.90%

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Commercial, Industrial, Utilities and Mining	\$ 118,967,769	\$ 106,485,880	\$ 101,249,912	\$ 91,684,328	\$ 78,977,011
Agricultural and Vacant	71,455,660	45,554,222	35,087,998	30,257,535	29,737,440
Residential (Owner Occupied)	229,172,265	181,003,873	142,168,856	116,138,364	106,064,474
Residential (Rental)	35,743,473	27,879,305	20,006,302	16,596,555	14,952,736
Railroad, Private Cars and Airlines	901,222	860,096	955,522	1,051,714	1,020,935
Historical Property	1,141,158	835,978	631,019	467,349	383,949
Certain Government Property Improvements	6,436	4,371	4,142	3,777	3,710
Total	\$ <u>457,387,983</u>	\$ <u>362,623,725</u>	\$ <u>300,103,751</u>	\$ <u>256,199,622</u>	\$ <u>231,140,255</u>
Ratio of Secondary Assessed Value to Estimated Actual Value	11.94%	12.14%	12.55%	12.78%	12.71%

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

**Note:** The secondary assessed value generates revenues to service District bonded debt requirements and other voter-approved overrides.

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

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Commercial, Industrial, Utilities and Mining	20 %	20 %	20 %	21 %	22 %
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	15	17	18

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Commercial, Industrial, Utilities and Mining	23 %	24 %	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	20	21	22	21	21

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

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

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

<b>Fiscal Year Ended June 30</b>	<b>Overlapping Rates</b>						<b>District Direct Rates</b>		
	<b>State</b>	<b>County</b>	<b>Cottonwood</b>	<b>Clarksdale</b>	<b>Joint Tech</b>	<b>Fire</b>	<b>Primary</b>	<b>Secondary</b>	<b>Total</b>
	<b>Equalization</b>		<b>Oak Creek Elem</b>	<b>Jerome #3 Elem</b>		<b>District</b>			
2014	0.51	1.93	2.45	2.42	0.05	3.24	2.17	0.77	2.94
2013	0.47	1.64	2.67	2.62	0.05	2.93	1.93	0.75	2.68
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

**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**

<b>Taxpayer</b>	<b>2014</b>		<b>2005</b>	
	<b>Secondary Assessed Valuation</b>	<b>Percentage of District's Net Assessed Valuation</b>	<b>Secondary Assessed Valuation</b>	<b>Percentage of District's Net Assessed Valuation</b>
Phoenix Cement Co/Salt River Mts	\$ 18,556,971	7.20 %	\$ 20,201,658	8.74 %
Arizona Public Service Company	8,866,109	3.44	7,650,742	3.31
Ace Hardware	4,587,696	1.78		
Unisource Energy Corporation	2,190,754	0.85	1,733,552	0.75
Wal-Mart Stores Inc.	1,546,414	0.60	1,872,236	0.81
Century Link	1,314,452	0.51	3,027,937	1.31
JP Morgan Chase Bank	1,159,811	0.45		
Home Depot USA Inc.	1,159,811	0.45	1,271,271	0.55
Granite Cottonwood LLC UI	1,134,037	0.44	762,763	0.33
GRRL Inc. ESOP Trust	1,056,716	0.41		
PLP Cottonwood LLC	1,005,169	0.39	901,447	0.39
Private Landowner			901,447	0.39
Joram Corporation			693,421	0.30
Total	<u>\$ 42,577,940</u>	<u>16.52 %</u>	<u>\$ 39,016,474</u>	<u>16.88 %</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**

<b>Fiscal Year Ended June 30</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Fiscal Years</b>	<b>Collected to the End of the Current Fiscal Year</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2014	\$ 6,558,355	\$ 6,387,496	97.39 %	\$	\$ 6,387,496	97.39 %
2013	6,766,901	6,588,719	97.37	169,831	6,758,550	99.88
2012	6,522,534	6,210,475	95.22	298,694	6,509,169	99.80
2011	5,778,073	5,432,417	94.02	335,433	5,767,850	99.82
2010	6,735,419	6,390,411	94.88	340,167	6,730,578	99.93
2009	5,367,175	5,128,184	95.55	238,991	5,367,175	100.00
2008	5,453,453	5,266,887	96.58	186,566	5,453,453	100.00
2007	4,556,347	4,444,863	97.55	111,484	4,556,347	100.00
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

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

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

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

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

Fiscal Year Ended June 30	General Obligation Bonds						Total Outstanding Debt				
	General Obligation Bonds	Less:	Total	Percentage of Estimated Actual Value	Per Capita	Capital Leases	Total	Percentage of Estimated Actual Value	Per Capita	Percentage of Personal Income	
		Amounts Restricted for Principal									
2014	\$ 9,995,000	\$ 164,880	\$ 9,830,120	0.45 %	\$ 418	\$ 1,687,445	\$ 11,682,445	0.53 %	\$ 497	0.21 %	
2013	12,025,000	202,169	11,822,831	0.48	509	301,706	12,326,706	0.50	530	0.22	
2012	12,950,000	20,881	12,929,119	0.46	555	440,977	13,390,977	0.48	575	0.25	
2011	13,700,000	44,526	13,655,474	0.39	576	573,057	14,273,057	0.41	602	0.23	
2010	14,325,000	167,119	14,157,881	0.37	591		14,325,000	0.37	598	0.22	
2009	14,825,000	515,937	14,309,063	0.37	562	103,165	14,928,165	0.39	587	0.25	
2008	15,000,000		15,000,000	0.50	601	185,213	15,185,213	0.51	608	0.27	
2007	15,000,000		15,000,000	0.63	613	155,739	15,155,739	0.63	619	0.31	
2006						203,808	203,808	0.01	9	0.00	
2005						163,297	163,297	0.01	7	0.00	

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

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**JUNE 30, 2014**

<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>11,682,445</u>
Total Direct and Overlapping Debt			<u>\$ 66,788,767</u>

**DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS**

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Secondary Assessed Valuation	3.81	%
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 2,761	
As a Percentage of Net Secondary Assessed Valuation	25.19	%
As a Percentage of Estimated Actual Value (Full Cash Value)	2.95	%

**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 2014:**

Secondary assessed valuation	\$ 257,735,715
Debt limit (10% of assessed value)	25,773,572
Debt applicable to limit	9,995,000
Legal debt margin	<u>\$ 15,778,572</u>

**Total Legal Debt Margin Calculation for Fiscal Year 2014:**

Secondary assessed valuation	\$ 257,735,715
Debt limit (15% of assessed value)	38,660,357
Debt applicable to limit	9,995,000
Legal debt margin	<u>\$ 28,665,357</u>

**Fiscal Year Ended June 30**

	<u><b>2014</b></u>	<u><b>2013</b></u>	<u><b>2012</b></u>	<u><b>2011</b></u>	<u><b>2010</b></u>
Debt Limit	\$ 38,660,357	\$ 43,907,588	\$ 51,810,447	\$ 63,002,310	\$ 68,219,129
Total net debt applicable to limit	<u>9,995,000</u>	<u>12,950,000</u>	<u>13,700,000</u>	<u>14,325,000</u>	<u>14,825,000</u>
Legal debt margin	<u>\$ 28,665,357</u>	<u>\$ 30,957,588</u>	<u>\$ 38,110,447</u>	<u>\$ 48,677,310</u>	<u>\$ 53,394,129</u>
Total net debt applicable to the limit as a percentage of debt limit	26%	29%	26%	23%	22%

	<u><b>2009</b></u>	<u><b>2008</b></u>	<u><b>2007</b></u>	<u><b>2006</b></u>	<u><b>2005</b></u>
Debt Limit	\$ 68,608,197	\$ 54,393,559	\$ 45,015,563	\$ 36,947,670	\$ 33,043,843
Total net debt applicable to limit	<u>15,000,000</u>	<u>15,000,000</u>	<u>15,000,000</u>	<u></u>	<u></u>
Legal debt margin	<u>\$ 53,608,197</u>	<u>\$ 39,393,559</u>	<u>\$ 30,015,563</u>	<u>\$ 36,947,670</u>	<u>\$ 33,043,843</u>
Total net debt applicable to the limit as a percentage of debt limit	22%	28%	33%	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**

<b>Year</b>	<b>Population</b>		<b>Personal Income (thousands)</b>		<b>Per Capita Income</b>	<b>Unemployment Rate</b>	<b>Estimated District Population</b>
2013	215,133	\$	5,665,528	\$	32,503	8.6 %	23,523
2012	212,637		5,534,516		26,028	8.7	23,250
2011	211,888		5,441,284		25,680	10.0	23,308
2010	215,686		6,283,809		29,134	10.2	23,726
2009	214,929		6,450,243		30,011	9.5	23,966
2008	227,348		5,860,461		27,620	5.6	25,444
2007	223,934		5,533,703		26,786	3.7	24,970
2006	213,285		4,875,841		24,521	3.6	24,480
2005	205,105		4,425,695		23,203	4.1	23,500
2004	196,720		4,075,143		22,092	4.3	22,560

**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**

<b>Employer</b>	<b>2014</b>		<b>2005</b>	
	<b>Employees</b>	<b>Percentage of Total Employment</b>	<b>Employees</b>	<b>Percentage of Total Employment</b>
Verde Valley Medical Center	1,000	9.52 %	440	5.21 %
Wal-Mart	370	3.52	430	5.09
Cottonwood Oak Creek Schools	262	2.50	385	4.56
City of Cottonwood	193	1.84	155	1.84
Home Depot	150	1.43	120	1.42
Fry's	130	1.24		
Verde Valley Guidance Clinic	120	1.14		
Mingus Union High School	117	1.11	135	1.60
Safeway	105	1.00		
Oxendales	70	0.67		
Larry Givens	55	0.52		
Food City	55	0.52		
Phoenix Cement Co.			160	1.89
Western Technologies, Inc.			150	1.78
A CTI Corp			125	1.48
Tungland Corp.			100	1.18
Total	<u>2,627</u>	<u>25.01 %</u>	<u>2,200</u>	<u>26.05 %</u>
Total employment	<u>10,500</u>		<u>8,445</u>	

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

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

	<b>Full-time Equivalent Employees as of June 30</b>				
	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>
<b>Supervisory</b>					
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>
<b>Instruction</b>					
Teachers	60	58	57	57	61
Aides	13	15	15	15	17
Total instruction	<u>73</u>	<u>73</u>	<u>72</u>	<u>72</u>	<u>78</u>
<b>Student Services</b>					
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>
<b>Support and Administration</b>					
Clerical workers	5	5	5	5	4
Bus Drivers	11	11	11	11	11
Other classified	23	23	23	23	23
Total support and administration	<u>39</u>	<u>39</u>	<u>39</u>	<u>39</u>	<u>38</u>
<b>Total</b>	<u><u>119</u></u>	<u><u>119</u></u>	<u><u>118</u></u>	<u><u>118</u></u>	<u><u>123</u></u>

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<b>Supervisory</b>					
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>
<b>Instruction</b>					
Teachers	65	67	67	67	65
Aides	14	14	14	14	14
Total instruction	<u>79</u>	<u>81</u>	<u>81</u>	<u>81</u>	<u>79</u>
<b>Student Services</b>					
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>
<b>Support and Administration</b>					
Clerical workers	4	3	4	4	4
Bus Drivers	13	7	7	7	7
Other classified	23	30	34	34	31
Total support and administration	<u>40</u>	<u>40</u>	<u>45</u>	<u>45</u>	<u>42</u>
<b>Total</b>	<u><u>126</u></u>	<u><u>128</u></u>	<u><u>133</u></u>	<u><u>133</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**

<b>Fiscal Year Ended June 30</b>	<b>Average Daily Membership</b>	<b>Operating Expenditures</b>	<b>Cost per Pupil</b>	<b>Percentage Change</b>	<b>Expenses</b>	<b>Cost per Pupil</b>	<b>Percentage Change</b>	<b>Teaching Staff</b>	<b>Pupil- Teacher Ratio</b>	<b>Percentage of Free/Reduced Students</b>
2014	1,227	\$ 8,955,816	\$ 7,298	(1.49) %	\$ 10,833,219	\$ 8,828	(0.12) %		#DIV/0!	49.0 %
2013	1,208	8,949,322	7,408	(0.05)	10,677,112	8,839	(1.68)	73	16.5	50.6
2012	1,193	8,843,044	7,412	7.85	10,724,551	8,990	(0.24)	72	16.6	50.6
2011	1,229	8,446,808	6,873	(4.70)	11,074,714	9,011	3.96	72	17.1	43.6
2010	1,239	8,935,387	7,212	(5.96)	10,739,735	8,668	(3.77)	78	15.9	48.5
2009	1,205	9,240,919	7,669	(2.45)	10,853,936	9,007	(0.06)	79	15.3	34.2
2008	1,223	9,614,824	7,862	9.44	11,023,181	9,013	9.65	81	15.1	28.0
2007	1,245	8,943,181	7,183	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

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

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

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

	<b>Fiscal Year Ended June 30</b>									
	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>	<b><u>2006</u></b>	<b><u>2005</u></b>
<b><u>Schools</u></b>										
<b><u>High</u></b>										
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	1,208	1,193	1,229	1,239	1,245	1,245	1,245	1,212	1,182
<b><u>Transportation</u></b>										
Garages	1	1	1	1	1	1	1	1	1	1
Buses	18	15	15	15	15	15	15	15	15	13
<b><u>Athletics</u></b>										
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.