
MINGUS UNION HIGH SCHOOL DISTRICT NO. 4

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2015



MINGUS UNION HIGH SCHOOL DISTRICT NO. 4

COTTONWOOD, ARIZONA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Issued by:
Business and Finance Department

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4

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INTRODUCTORY SECTION

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

December 7, 2015

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, 2015.

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, 2015, 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, 2015, 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 25 public school districts located in Yavapai County, Arizona. It provides a program of public education from ninth through grade twelve, with an estimated current enrollment of 1,129 resident students and 52 students from other local school districts that pay tuition to attend Mingus Union High School giving the district a total enrollment of 1,181. The projected enrollment for fiscal year 2015-16 is 1,231.

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, an election to call for a 10% capital override failed and therefore in June of 2015, the District's governing board voted to call for a \$5.9 million capital bond. If the election is successful; the funds generated from the sale of the capital bonds would be used school buses, building renovations and repairs, classroom furniture and books. The District governing board and administration are following this strategy to fill-in for reductions in funding made by the Arizona legislature. Since 2008 the legislature has cut funding to the District by \$522,000 annually totaling nearly \$3.6 million in cumulative reductions.

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 \$141,629. 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.

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. Electricity consumption was analyzed at the end of 2015 which showed that consumption had decreased by 31% due to these energy conservation measures. 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

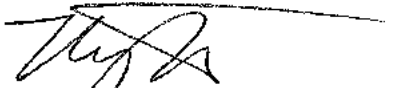
Awards. The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2014. This was the seventh consecutive year that the District has received 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, 2014. 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, 2015 certificates.

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

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

Respectfully submitted,



Dr. Paul Tighe
Superintendent



Kirk Waddle
Business Manager

Association of School Business Officials International



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

Mingus Union High School District No. 4

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2014*

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



A handwritten signature in black ink, appearing to read "M. Pepera", written over a horizontal line.

Mark C. Pepera, MBA, RSBO, SFO
President

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

John D. Musso, CAE, RSBA
Executive Director



Government Finance Officers Association

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

Presented to

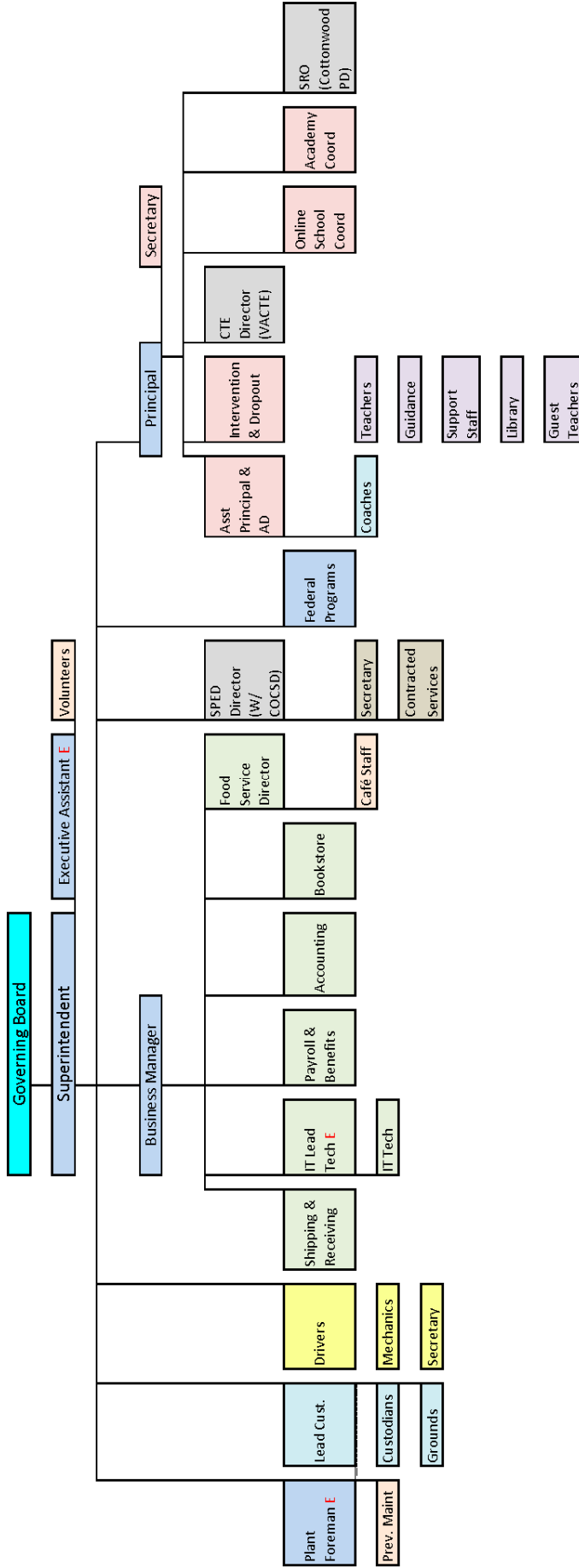
**Mingus Union High School
District No. 4, Arizona**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

Mingus Union High School District Organizational Chart



8/20/2013

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

Brenda Zenan, President

Anthony Lozano, Member

James Ledbetter, Member

Anita Glazar, Clerk

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, 2015, 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, 2015, 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. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, for the year ended June 30, 2015, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2015, 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 7, 2015

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, 2015**

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, 2015. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The District's total net position of governmental activities decreased \$41,026 which represents a six percent decrease from the prior fiscal year as a result of current pension activity.
- General revenues accounted for \$8.8 million in revenue, or 83 percent of all current fiscal year revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$1.8 million or 17 percent of total current fiscal year revenues.
- The District had approximately \$10.6 million in expenses related to governmental activities, a decrease of two percent from the prior fiscal year.
- Among major funds, the General Fund had \$7.0 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$7.1 million in expenditures. The General Fund's fund balance decrease from a balance of \$176,155 at the prior fiscal year end to a balance of \$121,771 at the end of the current fiscal year was primarily due to a decrease in property tax revenue offset in part by lower instructional and support services 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, 2015**

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

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

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

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

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

OVERVIEW OF FINANCIAL STATEMENTS

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

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process. 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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$691,829 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, 2015**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2015 and June 30, 2014.

	As of June 30, 2015	As of June 30, 2014 (as restated)
Current and other assets	\$ 1,524,311	\$ 2,119,653
Capital assets, net	18,628,107	19,639,671
Total assets	<u>20,152,418</u>	<u>21,759,324</u>
 Deferred outflows	 <u>1,161,521</u>	 <u> </u>
 Current and other liabilities	 333,010	 770,486
Long-term liabilities	18,852,084	11,870,023
Total liabilities	<u>19,185,094</u>	<u>12,640,509</u>
 Deferred inflows	 <u>1,437,016</u>	 <u> </u>
 Net position:		
Net investment in capital assets	8,034,624	7,831,636
Restricted	955,774	1,092,999
Unrestricted	(8,298,569)	194,180
Total net position	<u>\$ 691,829</u>	<u>\$ 9,118,815</u>

At the end of the current fiscal year, the District reported positive balances in two categories of net position. Unrestricted net position, which is normally used to meet the District's mission reported a deficit of \$8.3 million. The deficit arose because of the implementation of GASB Statement No. 68, which required the District to record a liability for its proportionate share of the state pension plan's unfunded liability. The District reported positive balances in all three categories of net position in 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 \$1,075,000 of bonds.
- The addition of \$145,252 in capital assets due primarily to a well rebuilding project.
- The addition of \$8.2 million in pension liabilities due to the implementation of new pension reporting standards.

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

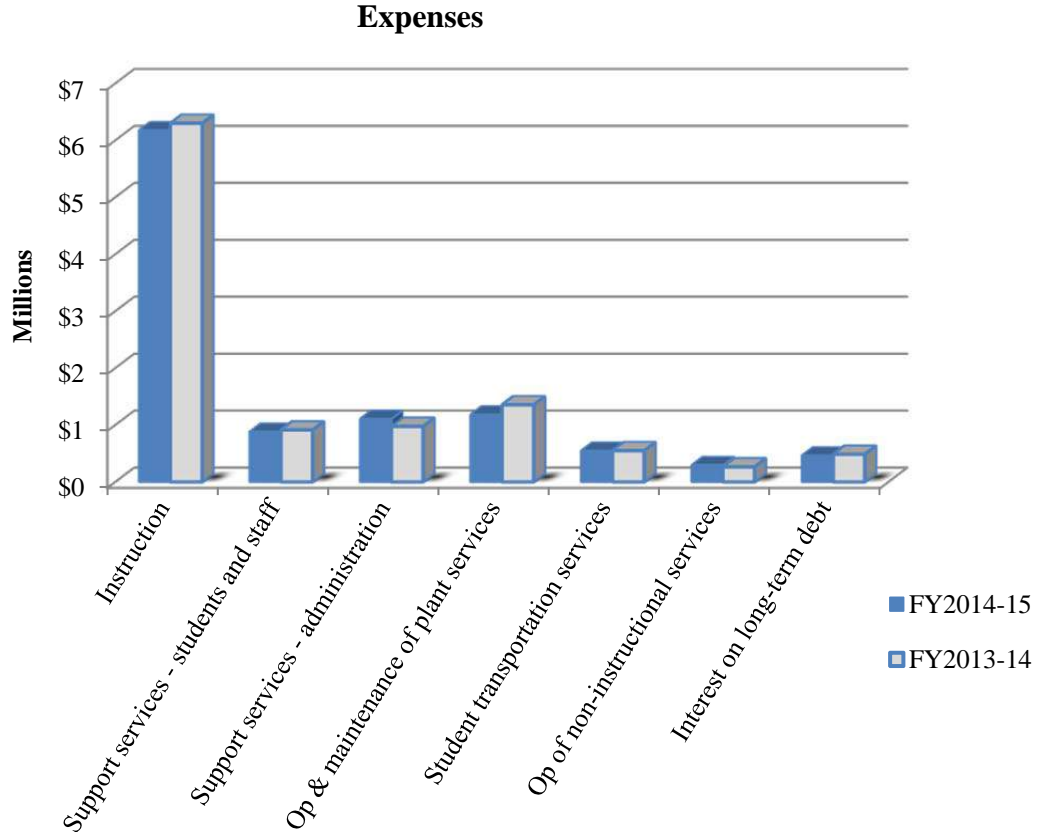
GOVERNMENT-WIDE FINANCIAL ANALYSIS

Changes in net position. The District's total revenues for the current fiscal year were \$10.6 million. The total cost of all programs and services was \$10.6 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2015 and June 30, 2014.

	Fiscal Year Ended June 30, 2015	Fiscal Year Ended June 30, 2014 (as restated)
Revenues:		
Program revenues:		
Charges for services	\$ 793,479	\$ 1,108,343
Operating grants and contributions	790,522	757,474
Capital grants and contributions	212,059	185,716
General revenues:		
Property taxes	6,306,322	6,554,473
Investment income	5,170	7,043
Unrestricted county aid	207,436	237,416
Unrestricted state aid	2,184,726	1,971,124
Unrestricted federal aid	108,971	247,626
Total revenues	10,608,685	11,069,215
Expenses:		
Instruction	6,175,079	6,298,053
Support services – students and staff	879,951	911,705
Support services – administration	1,106,886	975,514
Operation and maintenance of plant services	1,183,394	1,352,930
Student transportation services	547,211	546,961
Operation of non-instructional services	294,445	263,530
Interest on long-term debt	462,745	484,526
Total expenses	10,649,711	10,833,219
Changes in net position	(41,026)	235,996
Net position, beginning, as restated	732,855	8,882,819
Net position, ending	\$ 691,829	\$ 9,118,815

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

GOVERNMENT-WIDE FINANCIAL ANALYSIS



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

- A decrease in charges for services of approximately \$314,864 due primarily to a decrease in services due primarily to reduced rebates from Arizona Public Service Company and lower auxiliary account revenue.
- A decrease in property tax revenues of approximately \$248,151 due primarily to a decrease in property tax revenues due primarily to the District receiving increased equalization payments (\$384,403) from the State of Arizona reducing the need of local property taxes.
- An increase in unrestricted state aid of approximately \$213,602 due primarily to a one percent decrease in the Qualifying Tax Rate (QTR) set by the legislature. A lower QTR increases the amount of unrestricted state aid a district receives and is associated with lower assessed property values in a district.
- A decrease in operation and maintenance expense of approximately \$169,536 due primarily to the elimination of two director level positions in transportation and plant operations as a result in a decrease in enrollment. In addition, the number of classroom aides in the special services department was reduced due to reduced special services funding from the State.

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

	Year Ended June 30, 2015		Year Ended June 30, 2014 (as restated)	
	Total	Net (Expense)/	Total	Net (Expense)/
	Expenses	Revenue	Expenses	Revenue
Instruction	\$ 6,175,079	\$ (4,932,745)	\$ 6,298,053	\$ (5,089,354)
Support services – students and staff	879,951	(673,565)	911,705	(696,714)
Support services – administration	1,106,886	(1,079,039)	975,514	(972,474)
Operation and maintenance of plant services	1,183,394	(1,103,565)	1,352,930	(1,135,276)
Student transportation services	547,211	(544,903)	546,961	(546,961)
Operation of non-instructional services	294,445	(57,089)	263,530	118,305
Interest on long-term debt	462,745	(462,745)	484,526	(432,212)
Total	\$ 10,649,711	\$ (8,853,651)	\$ 10,833,219	\$ (8,781,686)

- The cost of all governmental activities this year was \$10.6 million.
- Federal and state governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$1.8 million.
- Net cost of governmental activities of \$8.9 million was financed by general revenues, which are made up of primarily property taxes of \$6.3 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, 2015**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$1.1 million, an increase of \$94,708.

The General Fund is the principal operating fund of the District. The decrease in fund balance of \$54,384 to \$121,771 as of fiscal year end was a result of increased teacher expenses. General fund revenues decreased \$105,628 primarily as a result of a reduction special services enrollment weighting related to fewer students with severe handicaps. General fund expenditures decreased \$266,250 as a result of planned cuts in operating costs in response to the lower revenues.

The increase in fund balance in the Unrestricted Capital Projects Fund of \$196,365 to \$320,257 was due primarily to increased property tax revenues due to changes in allocations among funds. Expenditures in the Unrestricted Capital Projects Fund decreased \$586,525 due to no new capital lease items in current year.

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 \$3,637 decrease, or less than one percent.

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

- The unfavorable variance of \$247,643 in instruction resulted primarily from an increase in classroom teachers as sections were added to balance class sizes.
- The favorable variance of \$183,404 in operation and maintenance of plant services was primarily due to the elimination of two director positions in transportation and special projects to offset revenue reductions and the need to hire additional teachers to balance class sizes.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$32.0 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 \$145,252 from the prior fiscal year. 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, 2015**

CAPITAL ASSETS AND DEBT ADMINISTRATION

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2015 and June 30, 2014.

	As of June 30, 2015	As of June 30, 2014
Capital assets – non-depreciable	\$ 30,000	\$ 80,664
Capital assets – depreciable, net	18,598,107	19,559,007
Total	\$ 18,628,107	\$ 19,639,671

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

Debt Administration. At year-end, the District had \$10.6 million in long-term debt outstanding, \$1.3 million due within one year. Long-term debt decreased by \$1.2 million primarily due to payment of bond principal and capital lease principal payments.

The District's general obligation bonds are subject to two limits: the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 15 percent of the total secondary assessed valuation) and the statutory debt limit on Class B bonds (the greater of 20 percent of the secondary assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$38.0 million and the Class B debt limit is \$25.3 million, which are more than the District's total outstanding general obligation and Class B debt, respectively.

Additional information on the District's long-term debt can be found in Notes 9 through 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 2015-16 budget. Among them:

- Fiscal year 2014-15 budget balance carry forward (estimated \$74,355).
- District student population (estimated 1,231).

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 three percent to \$6.6 million in fiscal year 2015-16. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2015-16 budget.

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

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, 2015

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 650,109
Property taxes receivable	185,226
Due from governmental entities	688,976
Total current assets	1,524,311
Noncurrent assets:	
Capital assets not being depreciated	30,000
Capital assets, net of accumulated depreciation	18,598,107
Total noncurrent assets	18,628,107
Total assets	20,152,418
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension plan items	1,161,521
 <u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	40,618
Due to county treasurer	267,139
Compensated absences payable	21,000
Unearned revenues	25,253
Obligations under capital leases	173,783
Bonds payable	1,120,000
Total current liabilities	1,647,793
Noncurrent liabilities:	
Non-current portion of long-term obligations	17,537,301
Total noncurrent liabilities	17,537,301
Total liabilities	19,185,094
 <u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension plan items	1,437,016
 <u>NET POSITION</u>	
Net investment in capital assets	8,034,624
Restricted for:	
Voter approved initiatives	148,485
Food service	43,569
Community school activities	62,546
Extracurricular activities	90,876
Gifts and donations	150,616
Other local initiatives	16,212
Debt service	122,956
Capital outlay	320,514
Unrestricted	(8,298,569)
Total net position	\$ 691,829

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, 2015**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction	\$ 6,175,079	\$ 739,716	\$ 370,388	\$ 132,230	\$ (4,932,745)
Support services - students and staff	879,951		206,386		(673,565)
Support services - administration	1,106,886		27,847		(1,079,039)
Operation and maintenance of plant services	1,183,394			79,829	(1,103,565)
Student transportation services	547,211		2,308		(544,903)
Operation of non-instructional services	294,445	53,763	183,593		(57,089)
Interest on long-term debt	462,745				(462,745)
Total governmental activities	<u>\$ 10,649,711</u>	<u>\$ 793,479</u>	<u>\$ 790,522</u>	<u>\$ 212,059</u>	<u>(8,853,651)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	4,678,910
Property taxes, levied for debt service	1,346,504
Property taxes, levied for capital outlay	280,908
Investment income	5,170
Unrestricted county aid	207,436
Unrestricted state aid	2,184,726
Unrestricted federal aid	108,971

Total general revenues 8,812,625

Changes in net position (41,026)

Net position, beginning of year, as restated 732,855

Net position, end of year \$ 691,829

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, 2015

	General	Debt Service	Unrestricted Capital Outlay
<u>ASSETS</u>			
Cash and investments	\$ 108,265	\$ 84,900	\$
Property taxes receivable	147,170	38,056	
Due from governmental entities	574,041		22,121
Due from other funds			298,136
Total assets	\$ 829,476	\$ 122,956	\$ 320,257
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 27,773	\$	\$
Due to other funds	297,955		
Due to county treasurer	267,139		
Unearned revenues	1,082		
Total liabilities	593,949		
Deferred inflows of resources:			
Unavailable revenues - property taxes	89,610	18,182	
Unavailable revenues - intergovernmental	24,146		
Total deferred inflows of resources	113,756	18,182	
Fund balances:			
Restricted	834	104,774	320,257
Unassigned	120,937		
Total fund balances	121,771	104,774	320,257
 Total liabilities, deferred inflows of resources and fund balances	\$ 829,476	\$ 122,956	\$ 320,257

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 456,944	\$ 650,109
	185,226
92,814	688,976
20,893	319,029
<u>\$ 570,651</u>	<u>\$ 1,843,340</u>

\$ 12,845	\$ 40,618
21,074	319,029
	267,139
24,171	25,253
<u>58,090</u>	<u>652,039</u>

	107,792
	24,146
	<u>131,938</u>

512,561	938,426
	120,937
<u>512,561</u>	<u>1,059,363</u>

<u>\$ 570,651</u>	<u>\$ 1,843,340</u>
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MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2015

Total governmental fund balances	\$	1,059,363
<p>Amounts reported for <i>governmental activities</i> in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
Governmental capital assets	\$ 32,006,399	
Less accumulated depreciation	<u>(13,378,292)</u>	18,628,107
<p>Some receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.</p>		
Property taxes	107,792	
Intergovernmental	<u>24,146</u>	131,938
<p>Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.</p>		
Deferred outflows of resources related to pensions	1,161,521	
Deferred inflows of resources related to pensions	<u>(1,437,016)</u>	(275,495)
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.</p>		
Compensated absences payable	(40,933)	
Obligations under capital leases	(1,563,592)	
Net pension liability	(8,217,668)	
Bonds payable	(8,920,000)	
Bonds premium	<u>(109,891)</u>	<u>(18,852,084)</u>
Net position of governmental activities	\$	<u>691,829</u>

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	General	Debt Service	Unrestricted Capital Outlay
Revenues:			
Other local	\$ 437,455	\$ 74,295	\$ 22,651
Property taxes	4,685,857	1,378,705	295,345
State aid and grants	1,569,381		64,593
Federal aid, grants and reimbursements	294,506		
Total revenues	6,987,199	1,453,000	382,589
Expenditures:			
Current -			
Instruction	4,017,652		
Support services - students and staff	578,228		
Support services - administration	1,024,712		
Operation and maintenance of plant services	904,413		
Student transportation services	439,187		
Operation of non-instructional services	4,679		
Capital outlay	110,327		22,033
Debt service -			
Principal retirement		1,075,000	123,853
Interest and fiscal charges		438,106	40,338
Total expenditures	7,079,198	1,513,106	186,224
Excess (deficiency) of revenues over expenditures	(91,999)	(60,106)	196,365
Other financing sources (uses):			
Transfers in	37,615		
Transfers out			
Total other financing sources (uses):	37,615		
Changes in fund balances	(54,384)	(60,106)	196,365
Fund balances, beginning of year, as restated	176,155	164,880	123,892
Fund balances, end of year	\$ 121,771	\$ 104,774	\$ 320,257

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 531,989	\$ 1,066,390
	6,359,907
653,997	2,287,971
663,069	957,575
<u>1,849,055</u>	<u>10,671,843</u>
1,090,101	5,107,753
242,405	820,633
46,832	1,071,544
5,184	909,597
2,204	441,391
276,444	281,123
324,853	457,213
	1,198,853
	478,444
<u>1,988,023</u>	<u>10,766,551</u>
<u>(138,968)</u>	<u>(94,708)</u>
	37,615
<u>(37,615)</u>	<u>(37,615)</u>
<u>(37,615)</u>	
<u>(176,583)</u>	<u>(94,708)</u>
689,144	1,154,071
<u>\$ 512,561</u>	<u>\$ 1,059,363</u>

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015**

Net changes in fund balances - total governmental funds **\$ (94,708)**

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	\$ 145,252	
Less current year depreciation	<u>(1,156,816)</u>	(1,011,564)

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

Property taxes	(53,585)	
Intergovernmental	<u>(9,573)</u>	(63,158)

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	123,853	
Bond principal retirement	<u>1,075,000</u>	1,198,853

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

Current year pension contributions	527,596	
Pension expense	<u>(634,799)</u>	(107,203)

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.

Amortization of bond premium	15,699	
Compensated absences	<u>21,055</u>	<u>36,754</u>

Changes in net position in governmental activities **\$ (41,026)**

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, 2015

	<u>Agency</u>
<u>ASSETS</u>	
Cash and investments	\$ 75,530
Total assets	<u>\$ 75,530</u>
<u>LIABILITIES</u>	
Due to student groups	\$ 75,530
Total liabilities	<u>\$ 75,530</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, 2015

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, 2015, the District implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. 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. This Statement also enhances accountability and transparency through revised note disclosures and new required supplementary information.

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, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, 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, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

The District reports the following major governmental funds:

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

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.

Unrestricted Capital Outlay – The Unrestricted Capital Outlay Fund accounts for transactions relating to the acquisition of capital items.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Additionally, the District reports the following fund type:

Fiduciary Fund – The Fiduciary Fund is an Agency Fund which accounts for resources held by the District on behalf of others. This fund type includes the Student Activities Fund which accounts for monies raised by students to finance student clubs and organizations held by the District as an agent.

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

D. Cash and Investments

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

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

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

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, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

E. Investment Income

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

F. Receivables and Payables

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

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

G. Property Tax Calendar

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

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.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 fund 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.

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.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. Pensions

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

M. 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.

N. Interfund Activity

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

O. 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.

P. Estimates

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

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

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

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

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

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

	General Fund	Debt Service Fund	Unrestricted Capital Outlay Fund	Non-Major Governmental Funds
Fund Balances:				
Restricted:				
Debt service	\$	\$ 104,774	\$	\$
Capital projects			320,257	257
Voter approved initiatives				148,485
Extracurricular activities				90,876
Food service				43,569
Gifts and donations				150,616
Community school				62,546
Other purposes	834			16,212
Unassigned	120,937			
Total fund balances	\$ 121,771	\$ 104,774	\$ 320,257	\$ 512,561

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

NOTE 4 – CASH AND INVESTMENTS

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 \$184,582 and the bank balance was \$191,056. In addition, the District had \$1,000 on hand at year end.

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	1.23 years	\$ 540,057
Total		\$ 540,057

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, 2015

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	Unrestricted Capital Outlay Fund	Non-Major Governmental Funds
Due from other governmental entities:			
Due from federal government	\$ 43,135	\$	\$ 28,605
Due from state government	530,906	22,121	64,209
Net Due from other governmental entities:	<u>\$ 574,041</u>	<u>\$ 22,121</u>	<u>\$ 92,814</u>

NOTE 6 – CAPITAL ASSETS

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

<u>Governmental Activities</u>	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 30,000	\$	\$	\$ 30,000
Construction in progress	50,664	71,277	121,941	
Total capital assets, not being depreciated	<u>80,664</u>	<u>71,277</u>	<u>121,941</u>	<u>30,000</u>
Capital assets, being depreciated:				
Land improvements	1,898,611			1,898,611
Buildings and improvements	25,071,169	143,646		25,214,815
Vehicles, furniture and equipment	4,810,703	52,270		4,862,973
Total capital assets being depreciated	<u>31,780,483</u>	<u>195,916</u>		<u>31,976,399</u>
Less accumulated depreciation for:				
Land improvements	(1,099,034)	(131,413)		(1,230,447)
Buildings and improvements	(8,912,177)	(817,863)		(9,730,040)
Vehicles, furniture and equipment	(2,210,265)	(207,540)		(2,417,805)
Total accumulated depreciation	<u>(12,221,476)</u>	<u>(1,156,816)</u>		<u>(13,378,292)</u>
Total capital assets, being depreciated, net	19,559,007	(960,900)		18,598,107
Governmental activities capital assets, net	<u>\$ 19,639,671</u>	<u>\$ (889,623)</u>	<u>\$ 121,941</u>	<u>\$ 18,628,107</u>

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 6 – CAPITAL ASSETS

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 801,093
Support services – students and staff	8,912
Support services – administration	5,935
Operation and maintenance of plant services	265,154
Student transportation services	68,112
Operation of non-instructional services	7,610
Total depreciation expense – governmental activities	<u>\$ 1,156,816</u>

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 \$267,139. 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	\$ _____	\$ 2,729,034	\$ 2,729,034	\$ _____

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 are used to pay the bus capital lease obligation. The energy efficiency upgrades lease in the amount of \$1,100,800 qualifies as a Qualified Zone Academy Bond (QZAB). Additionally, revenues from Unrestricted Capital Outlay Fund are used to pay the energy management lease. Amortization of assets recorded under capital leases is included with depreciation expense.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 9 – OBLIGATIONS UNDER CAPITAL LEASES

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

	Governmental Activities
Asset:	
Land improvements	\$ 1,283,640
Vehicles, furniture and equipment	1,571,961
Less: Accumulated depreciation	(741,064)
Total	\$ 2,114,537

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

	Governmental Activities
Year Ending June 30:	
2016	\$ 209,385
2017	209,385
2018	209,385
2019	209,385
2020	78,421
2021-25	392,109
2026-30	392,109
2031	58,816
Total minimum lease payments	1,758,995
Less: amount representing interest	195,403
Present value of minimum lease payments	1,563,592
Due within one year	\$ 173,783

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

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.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2015	Due Within One Year
Governmental activities:					
School Improvement Bonds, 2007	\$ 15,000,000	4.0-5.0%	7/1/16-22	\$ 8,920,000	\$ 1,120,000
Total				<u>\$ 8,920,000</u>	<u>\$ 1,120,000</u>

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

Year ending June 30:	Governmental Activities		
	Principal	Interest	Premium
2016	\$ 1,120,000	\$ 394,606	\$ 15,699
2017	1,170,000	344,206	15,699
2018	1,215,000	297,406	15,699
2019	1,265,000	248,806	15,699
2020	1,315,000	196,625	15,699
2021-22	2,835,000	192,501	31,396
Total	<u>\$ 8,920,000</u>	<u>\$ 1,674,150</u>	<u>\$ 109,891</u>

NOTE 11 – CHANGES IN LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 9,995,000	\$	\$ 1,075,000	\$ 8,920,000	\$ 1,120,000
Premium	125,590		15,699	109,891	
Total bonds payable	<u>10,120,590</u>		<u>1,090,699</u>	<u>9,029,891</u>	<u>1,120,000</u>
Obligations under capital leases	1,687,445		123,853	1,563,592	173,783
Net pension liability	8,385,960	1,268,724	1,437,016	8,217,668	
Compensated absences payable	61,988	21,769	42,824	40,933	21,000
Governmental activity long-term liabilities	<u>\$ 20,255,983</u>	<u>\$ 1,290,493</u>	<u>\$ 2,694,392</u>	<u>\$ 18,852,084</u>	<u>\$ 1,314,783</u>

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 12 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At year end, interfund balances were as follows:

Due to/from other funds:

	Unrestricted Capital Outlay Fund	Non-Major Governmental Funds	Total Due to Other Funds
General Fund	\$ 297,955	\$	\$ 297,955
Non-Major Governmental Funds	181	20,893	21,074
Total Due from Other Funds	<u>\$ 298,136</u>	<u>\$ 20,893</u>	<u>\$ 319,029</u>

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

Interfund transfers:

Transfers between funds of \$37,615 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.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 14 – PRIOR PERIOD ADJUSTMENT

The implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, represents a change in accounting principle. Net position as of July 1, 2014, has been restated as follows for this change in accounting principle. In addition, the July 1, 2014, government-wide net position and the fund balance of the General Fund and Extracurricular Tax Credit Funds, a non-major governmental fund, do not agree to the prior year financial statements due to cash not included correctly in prior year.

	Statement of Activities	Governmental Funds	
		General Fund	Extracurricular Tax Credit Fund
Net position/fund balance, June 30, 2014, as previously reported	\$ 9,015,355	\$ 24,670	\$ 84,730
Prior year cash not properly included	103,460	151,485	(48,025)
Net pension liability	(8,385,960)		
Net position/fund balance, July 1, 2014, as restated	\$ 732,855	\$ 176,155	\$ 36,705

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.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 15 – RISK MANAGEMENT

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 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 16 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

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

*With actuarially reduced benefits

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 16 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.60 percent (11.48 percent for retirement and 0.12 percent for long-term disability) of the members’ annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 11.60 percent (10.89 percent for retirement, 0.59 percent for health insurance premium benefit, and 0.12 percent for long-term disability) of the active members’ annual covered payroll. The District’s contributions to the pension plan for the year ended June 30, 2015 were \$527,596.

In addition, the District was required by statute to contribute at the actuarially determined rate of 9.57 percent (9.51 for retirement and 0.06 percent for long-term disability) of annual covered payroll of retired members who worked in positions that would typically be filled by an employee who contributes to ASRS.

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

		Health Benefit Supplement Fund		Long-Term Disability Fund
Year ending June 30:				
2015	\$	28,584	\$	5,814
2014		32,421		11,971
2013		32,583		12,030

Pension Liability. At June 30, 2015, the District reported a liability of \$8.2 million for its proportionate share of the net pension liability of the ASRS. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2013, to the measurement date of June 30, 2014. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2014, the District’s proportion was 0.06 percent, which was an increase of 0.01 percent from its proportion measured as of June 30, 2013.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 16 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Pension Expense and Deferred Outflows/Inflows of Resources. For the year ended June 30, 2015, the District recognized pension expense of \$634,799 and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 417,646	\$
Net difference between projected and actual earnings on pension plan investments		1,437,016
Changes in proportion and differences between contributions and proportionate share of contributions	216,279	
Contributions subsequent to the measurement date	<u>527,596</u>	
Total	<u>\$ 1,161,521</u>	<u>\$ 1,437,016</u>

The deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:		
	2016	\$ (83,635)
	2017	(83,635)
	2018	(276,568)
	2019	(359,253)

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

Actuarial valuation date	June 30, 2013
Actuarial roll forward date	June 30, 2014
Actuarial cost method	Entry age normal
Investment rate of return	8.0%
Projected salary increases	3.0-6.75%
Inflation	3.0%
Permanent base increases	Included
Mortality rates	1994 GAM Scale BB

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 16 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	63%	7.03%
Fixed income	25%	3.20
Real estate	8%	4.75
Commodities	4%	4.50
Total	<u>100%</u>	

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 16 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

	1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
Proportionate share of the net pension liability	\$10,386,711	\$ 8,217,668	\$ 7,040,853

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

NOTE 17 – SUBSEQUENT EVENT

In November 2015, the District’s voters authorized the issuance of \$6.0 million of school improvement bonds.

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REQUIRED SUPPLEMENTARY INFORMATION

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL
YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$	\$	\$ 380,969	\$ 380,969
Property taxes			4,685,857	4,685,857
State aid and grants			1,550,225	1,550,225
Total revenues			<u>6,617,051</u>	<u>6,617,051</u>
Expenditures:				
Current -				
Instruction	3,928,435	3,802,561	4,050,204	(247,643)
Support services - students and staff	656,461	656,461	492,538	163,923
Support services - administration	801,617	801,617	927,850	(126,233)
Operation and maintenance of plant services	949,513	1,071,750	888,346	183,404
Student transportation services	454,398	454,398	416,649	37,749
Operation of non-instructional services			4,679	(4,679)
Total expenditures	<u>6,790,424</u>	<u>6,786,787</u>	<u>6,780,266</u>	<u>6,521</u>
Excess (deficiency) of revenues over expenditures	<u>(6,790,424)</u>	<u>(6,786,787)</u>	<u>(163,215)</u>	<u>6,623,572</u>
Other financing sources (uses):				
Transfers in			11,823	11,823
Total other financing sources (uses):			<u>11,823</u>	<u>11,823</u>
Changes in fund balances	<u>(6,790,424)</u>	<u>(6,786,787)</u>	<u>(151,392)</u>	<u>6,635,395</u>
Fund balances (deficits), beginning of year			(111,898)	(111,898)
Increase (decrease) in reserve for prepaid items			199,000	199,000
Fund balances (deficits), end of year	<u>\$ (6,790,424)</u>	<u>\$ (6,786,787)</u>	<u>\$ (64,290)</u>	<u>\$ 6,722,497</u>

See accompanying notes to this schedule.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ARIZONA STATE RETIREMENT SYSTEM
YEAR ENDED JUNE 30, 2015

	<u>2015</u>
District's proportion of the net pension liability (asset)	0.06%
District's proportionate share of the net pension liability (asset)	\$ 8,217,668
District's covered-employee payroll	\$ 5,008,945
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	164.06%
Plan fiduciary net position as a percentage of the total pension liability	69.49%

SCHEDULE OF CONTRIBUTIONS
ARIZONA STATE RETIREMENT SYSTEM
YEAR ENDED JUNE 30, 2015

	<u>2015</u>
Actuarially determined contribution	\$ 527,596
Contributions in relation to the actuarially determined contribution	<u>527,596</u>
Contribution deficiency (excess)	<u>\$</u>
District's covered-employee payroll	\$ 4,689,878
Contributions as a percentage of covered-employee payroll	11.25%

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

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

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

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

	Total Expenditures	Fund Balances End of Year
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$ 7,079,198	\$ 121,771
Activity budgeted as special revenue funds	(497,932)	(186,061)
Current-year prepaid items	199,000	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	\$ 6,780,266	\$ (64,290)

NOTE 2 – PENSION PLAN SCHEDULES

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

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

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

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GOVERNMENTAL FUNDS

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2015

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Fund</u>
<u>ASSETS</u>			
Cash and investments	\$ 456,687	\$ 257	\$ 456,944
Due from governmental entities	92,814		92,814
Due from other funds	20,893		20,893
Total assets	\$ 570,394	\$ 257	\$ 570,651
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 12,845	\$	\$ 12,845
Due to other funds	21,074		21,074
Unearned revenues	24,171		24,171
Total liabilities	58,090		58,090
Fund balances:			
Restricted	512,304	257	512,561
Total fund balances	512,304	257	512,561
 Total liabilities and fund balances	\$ 570,394	\$ 257	\$ 570,651

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, 2015

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Other local	\$ 531,957	\$ 32	\$ 531,989
State aid and grants	598,314	55,683	653,997
Federal aid, grants and reimbursements	663,069		663,069
Total revenues	<u>1,793,340</u>	<u>55,715</u>	<u>1,849,055</u>
Expenditures:			
Current -			
Instruction	1,090,101		1,090,101
Support services - students and staff	242,405		242,405
Support services - administration	46,832		46,832
Operation and maintenance of plant services	5,184		5,184
Student transportation services	2,204		2,204
Operation of non-instructional services	276,444		276,444
Capital outlay	269,170	55,683	324,853
Total expenditures	<u>1,932,340</u>	<u>55,683</u>	<u>1,988,023</u>
Excess (deficiency) of revenues over expenditures	<u>(139,000)</u>	<u>32</u>	<u>(138,968)</u>
Other financing sources (uses):			
Transfers out	(37,424)	(191)	(37,615)
Total other financing sources (uses):	<u>(37,424)</u>	<u>(191)</u>	<u>(37,615)</u>
Changes in fund balances	<u>(176,424)</u>	<u>(159)</u>	<u>(176,583)</u>
Fund balances, beginning of year, as restated	688,728	416	689,144
Fund balances, end of year	<u>\$ 512,304</u>	<u>\$ 257</u>	<u>\$ 512,561</u>

SPECIAL REVENUE FUNDS

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

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

Student Success - to account for student success monies.

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

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

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

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

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

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

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

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

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

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 - ALL SPECIAL REVENUE FUNDS
JUNE 30, 2015

	Classroom Site	Instructional Improvement	Title I Grants
<u>ASSETS</u>			
Cash and investments	\$ 14,908	\$ 48,475	\$
Due from governmental entities	41,495	22,714	5,980
Due from other funds		20,893	
Total assets	\$ 56,403	\$ 92,082	\$ 5,980
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			5,980
Unearned revenues			
Total liabilities			5,980
Fund balances:			
Restricted	56,403	92,082	
Total fund balances	56,403	92,082	
 Total liabilities and fund balances	 \$ 56,403	 \$ 92,082	 \$ 5,980

<u>Professional Development and Technology Grants</u>	<u>Special Education Grants</u>	<u>Vocational Education</u>	<u>State Vocational Education</u>	<u>Food Service</u>	<u>Civic Center</u>
\$ 5,761	\$ 15,094	\$ 28,556	\$ 2,699	\$ 36,038 7,531	\$ 8,959
<u>\$ 5,761</u>	<u>\$ 15,094</u>	<u>\$ 28,556</u>	<u>\$ 2,699</u>	<u>\$ 43,569</u>	<u>\$ 8,959</u>
\$	\$ 15,094	\$ 12,845	\$	\$	\$
5,761	15,094	15,711	2,699		
<u>5,761</u>	<u>15,094</u>	<u>28,556</u>	<u>2,699</u>		
				43,569	8,959
				<u>43,569</u>	<u>8,959</u>
<u>\$ 5,761</u>	<u>\$ 15,094</u>	<u>\$ 28,556</u>	<u>\$ 2,699</u>	<u>\$ 43,569</u>	<u>\$ 8,959</u>

(Continued)

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
 COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS
 JUNE 30, 2015**

	Community School	Extracurricular Activities Fees Tax Credit	Gifts and Donations
<u>ASSETS</u>			
Cash and investments	\$ 62,546	\$ 90,876	\$ 150,616
Due from governmental entities			
Due from other funds			
Total assets	\$ 62,546	\$ 90,876	\$ 150,616
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Unearned revenues			
Total liabilities			
Fund balances:			
Restricted	62,546	90,876	150,616
Total fund balances	62,546	90,876	150,616
 Total liabilities and fund balances	\$ 62,546	\$ 90,876	\$ 150,616

<u>Textbooks</u>	<u>Joint Technical Education</u>	<u>Totals</u>
\$ 685	\$ 6,568	\$ 456,687
		92,814
		20,893
<u>\$ 685</u>	<u>\$ 6,568</u>	<u>\$ 570,394</u>
\$	\$	\$ 12,845
		21,074
		24,171
		<u>58,090</u>
<u>685</u>	<u>6,568</u>	<u>512,304</u>
<u>685</u>	<u>6,568</u>	<u>512,304</u>
<u>\$ 685</u>	<u>\$ 6,568</u>	<u>\$ 570,394</u>

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	Classroom Site	Instructional Improvement	Title I Grants
Revenues:			
Other local	\$ 108	\$ 536	\$
State aid and grants	497,942	52,810	
Federal aid, grants and reimbursements			182,996
Total revenues	498,050	53,346	182,996
Expenditures:			
Current -			
Instruction	500,836	20,027	104,017
Support services - students and staff		34,037	40,143
Support services - administration		9,383	23,338
Operation and maintenance of plant services			
Student transportation services			2,135
Operation of non-instructional services			
Capital outlay		91,457	
Total expenditures	500,836	154,904	169,633
Excess (deficiency) of revenues over expenditures	(2,786)	(101,558)	13,363
Other financing sources (uses):			
Transfers out			(13,363)
Total other financing sources (uses):			(13,363)
Changes in fund balances	(2,786)	(101,558)	
Fund balances (deficits), beginning of year, as restated	59,189	193,640	
Fund balances, end of year	\$ 56,403	\$ 92,082	\$

Professional Development and Technology Grants	Special Education Grants	Vocational Education	State Vocational Education	Academic Contests	Other State Projects
\$	\$	\$	\$	\$	\$
46,281	172,215	77,984	46,920	545	97
<u>46,281</u>	<u>172,215</u>	<u>77,984</u>	<u>46,920</u>	<u>545</u>	<u>97</u>
43,521	54,128 98,933 2,419	3,207 8,302	42,385		
<u>43,521</u>	<u>155,480</u>	<u>66,475</u> <u>77,984</u>	<u>3,757</u> <u>46,142</u>		
<u>2,760</u>	<u>16,735</u>		<u>778</u>	<u>545</u>	<u>97</u>
<u>(2,760)</u>	<u>(16,735)</u>		<u>(778)</u>	<u>(545)</u>	<u>(97)</u>
<u>(2,760)</u>	<u>(16,735)</u>		<u>(778)</u>	<u>(545)</u>	<u>(97)</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

(Continued)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	Food Service	Civic Center	Community School
Revenues:			
Other local	\$ 54,048	\$ 27,297	\$ 60,793
State aid and grants			
Federal aid, grants and reimbursements	183,593		
Total revenues	237,641	27,297	60,793
Expenditures:			
Current -			
Instruction		23,549	43,814
Support services - students and staff		11,650	3,963
Support services - administration		9,562	383
Operation and maintenance of plant services		5,184	
Student transportation services			26
Operation of non-instructional services	276,444		
Capital outlay	9,921	84,197	
Total expenditures	286,365	134,142	48,186
Excess (deficiency) of revenues over expenditures	(48,724)	(106,845)	12,607
Other financing sources (uses):			
Transfers out		(1)	(1,632)
Total other financing sources (uses):		(1)	(1,632)
Changes in fund balances	(48,724)	(106,846)	10,975
Fund balances (deficits), beginning of year, as restated	92,293	115,805	51,571
Fund balances, end of year	\$ 43,569	\$ 8,959	\$ 62,546

Extracurricular Activities Fees Tax Credit	Gifts and Donations	Career, Technical and Vocational Education	Textbooks	Joint Technical Education	Totals
\$ 105,101	\$ 33,712	\$ 2	\$ 49	\$ 250,311	\$ 531,957
					598,314
					663,069
<u>105,101</u>	<u>33,712</u>	<u>2</u>	<u>49</u>	<u>250,311</u>	<u>1,793,340</u>
49,850	13,267			235,021	1,090,101
	294			1,562	242,405
1,080	667				46,832
					5,184
				43	2,204
					276,444
	8,484			4,879	269,170
<u>50,930</u>	<u>22,712</u>			<u>241,505</u>	<u>1,932,340</u>
<u>54,171</u>	<u>11,000</u>	<u>2</u>	<u>49</u>	<u>8,806</u>	<u>(139,000)</u>
	(579)	(934)			(37,424)
	<u>(579)</u>	<u>(934)</u>			<u>(37,424)</u>
<u>54,171</u>	<u>10,421</u>	<u>(932)</u>	<u>49</u>	<u>8,806</u>	<u>(176,424)</u>
36,705	140,195	932	636	(2,238)	688,728
<u>\$ 90,876</u>	<u>\$ 150,616</u>	<u>\$</u>	<u>\$ 685</u>	<u>\$ 6,568</u>	<u>\$ 512,304</u>

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	Classroom Site		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 108	\$ 108
State aid and grants		497,942	497,942
Federal aid, grants and reimbursements			
Total revenues		<u>498,050</u>	<u>498,050</u>
Expenditures:			
Current -			
Instruction	610,680	500,836	109,844
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>610,680</u>	<u>500,836</u>	<u>109,844</u>
Excess (deficiency) of revenues over expenditures	<u>(610,680)</u>	<u>(2,786)</u>	<u>607,894</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(610,680)</u>	<u>(2,786)</u>	<u>607,894</u>
Fund balances (deficits), beginning of year, as restated		59,189	59,189
Fund balances (deficits), end of year	<u>\$ (610,680)</u>	<u>\$ 56,403</u>	<u>\$ 667,083</u>

Instructional Improvement			Student Success		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 536	\$ 536	\$	\$	\$
	52,810	52,810		19,156	19,156
	<u>53,346</u>	<u>53,346</u>		<u>19,156</u>	<u>19,156</u>
	20,027	(20,027)	19,127		19,127
	34,037	(34,037)			
	9,383	(9,383)			
<u>279,656</u>	<u>91,457</u>	<u>188,199</u>			
<u>279,656</u>	<u>154,904</u>	<u>124,752</u>	<u>19,127</u>		<u>19,127</u>
<u>(279,656)</u>	<u>(101,558)</u>	<u>178,098</u>	<u>(19,127)</u>	<u>19,156</u>	<u>38,283</u>
<u>(279,656)</u>	<u>(101,558)</u>	<u>178,098</u>	<u>(19,127)</u>	<u>19,156</u>	<u>38,283</u>
	193,640	193,640			
<u>\$ (279,656)</u>	<u>\$ 92,082</u>	<u>\$ 371,738</u>	<u>\$ (19,127)</u>	<u>\$ 19,156</u>	<u>\$ 38,283</u>

(Continued)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	Title I Grants		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		182,996	182,996
Total revenues		<u>182,996</u>	<u>182,996</u>
Expenditures:			
Current -			
Instruction	206,707	104,017	102,690
Support services - students and staff		40,143	(40,143)
Support services - administration		23,338	(23,338)
Operation and maintenance of plant services			
Student transportation services		2,135	(2,135)
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>206,707</u>	<u>169,633</u>	<u>37,074</u>
Excess (deficiency) of revenues over expenditures	<u>(206,707)</u>	<u>13,363</u>	<u>220,070</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(13,363)	(13,363)
Total other financing sources (uses):		<u>(13,363)</u>	<u>(13,363)</u>
Changes in fund balances	<u>(206,707)</u>		<u>206,707</u>
Fund balances (deficits), beginning of year, as restated			
Fund balances (deficits), end of year	<u>\$ (206,707)</u>	<u>\$</u>	<u>\$ 206,707</u>

Professional Development and Technology Grants			Special Education Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	46,281	46,281		172,215	172,215
	46,281	46,281		172,215	172,215
47,716	43,521	4,195	177,353	54,128	(54,128)
				98,933	78,420
				2,419	(2,419)
47,716	43,521	4,195	177,353	155,480	21,873
(47,716)	2,760	50,476	(177,353)	16,735	194,088
	(2,760)	(2,760)		(16,735)	(16,735)
	(2,760)	(2,760)		(16,735)	(16,735)
(47,716)		47,716	(177,353)		177,353
\$ (47,716)	\$	\$ 47,716	\$ (177,353)	\$	\$ 177,353

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	Vocational Education		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		77,984	77,984
Total revenues		77,984	77,984
Expenditures:			
Current -			
Instruction		3,207	(3,207)
Support services - students and staff		8,302	(8,302)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	71,545	66,475	5,070
Total expenditures	71,545	77,984	(6,439)
Excess (deficiency) of revenues over expenditures	(71,545)		71,545
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	(71,545)		71,545
Fund balances (deficits), beginning of year, as restated			
Fund balances (deficits), end of year	\$ (71,545)	\$	\$ 71,545

Medicaid Reimbursement			National Forest Fees		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 554	\$ 554	\$	\$ 89	\$ 89
				108,971	108,971
	554	554		109,060	109,060
	2,074	(2,074)		12,198	(12,198)
				11,495	(11,495)
			60,421	59,777	644
				5,091	(5,091)
				22,302	(22,302)
				32,835	(32,835)
	2,074	(2,074)	60,421	143,698	(83,277)
	(1,520)	(1,520)	(60,421)	(34,638)	25,783
	(1,520)	(1,520)	(60,421)	(34,638)	25,783
	2,075	2,075		36,939	36,939
\$	\$ 555	\$ 555	\$ (60,421)	\$ 2,301	\$ 62,722

(Continued)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	E-Rate		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Other local	\$	\$ 30	\$ 30
State aid and grants			
Federal aid, grants and reimbursements		34,819	34,819
Total revenues		<u>34,849</u>	<u>34,849</u>
Expenditures:			
Current -			
Instruction		548	(548)
Support services - students and staff		886	(886)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	35,000	34,264	736
Total expenditures	<u>35,000</u>	<u>35,698</u>	<u>(698)</u>
Excess (deficiency) of revenues over expenditures	<u>(35,000)</u>	<u>(849)</u>	<u>34,151</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(35,000)</u>	<u>(849)</u>	<u>34,151</u>
Fund balances (deficits), beginning of year, as restated		1,094	1,094
Fund balances (deficits), end of year	<u>\$ (35,000)</u>	<u>\$ 245</u>	<u>\$ 35,245</u>

Other Federal Projects			State Vocational Education		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	150,716	150,716		46,920	46,920
	150,716	150,716		46,920	46,920
59,732	38,801 73,309	(38,801) (13,577)	38,718	42,385	(3,667)
	29,950	(29,950)		3,757	(3,757)
59,732	142,060	(82,328)	38,718	46,142	(7,424)
(59,732)	8,656	68,388	(38,718)	778	39,496
	(681)	(681)		(778)	(778)
	(681)	(681)		(778)	(778)
(59,732)	7,975	67,707	(38,718)		38,718
	(7,975)	(7,975)			
\$ (59,732)	\$	\$ 59,732	\$ (38,718)	\$	\$ 38,718

(Continued)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	Academic Contests		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants		545	545
Federal aid, grants and reimbursements			
Total revenues		545	545
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures			
Excess (deficiency) of revenues over expenditures		545	545
Other financing sources (uses):			
Transfers in			
Transfers out		(545)	(545)
Total other financing sources (uses):		(545)	(545)
Changes in fund balances			
Fund balances (deficits), beginning of year, as restated			
Fund balances (deficits), end of year	\$	\$	\$

Other State Projects			School Plant		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	97	97			
	<u>97</u>	<u>97</u>			
159,100		159,100			
<u>159,100</u>		<u>159,100</u>			
<u>(159,100)</u>	<u>97</u>	<u>159,197</u>			
	<u>(97)</u>	<u>(97)</u>		<u>(538)</u>	<u>(538)</u>
	<u>(97)</u>	<u>(97)</u>		<u>(538)</u>	<u>(538)</u>
<u>(159,100)</u>		<u>159,100</u>		<u>(538)</u>	<u>(538)</u>
				538	538
<u>\$ (159,100)</u>	<u>\$</u>	<u>\$ 159,100</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	Food Service		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 54,048	\$ 54,048
State aid and grants			
Federal aid, grants and reimbursements		183,593	183,593
Total revenues		<u>237,641</u>	<u>237,641</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services	260,000	276,444	(16,444)
Capital outlay		9,921	(9,921)
Total expenditures	<u>260,000</u>	<u>286,365</u>	<u>(26,365)</u>
Excess (deficiency) of revenues over expenditures	<u>(260,000)</u>	<u>(48,724)</u>	<u>211,276</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(260,000)</u>	<u>(48,724)</u>	<u>211,276</u>
Fund balances (deficits), beginning of year, as restated		92,293	92,293
Fund balances (deficits), end of year	<u>\$ (260,000)</u>	<u>\$ 43,569</u>	<u>\$ 303,569</u>

Civic Center			Community School		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 27,297	\$ 27,297	\$	\$ 60,793	\$ 60,793
	<u>27,297</u>	<u>27,297</u>		<u>60,793</u>	<u>60,793</u>
	23,549	(23,549)	139,771	43,814	95,957
	11,650	(11,650)		3,963	(3,963)
	9,562	(9,562)		383	(383)
	5,184	(5,184)		26	(26)
<u>150,000</u>	<u>84,197</u>	<u>65,803</u>	<u>139,771</u>	<u>48,186</u>	<u>91,585</u>
<u>150,000</u>	<u>134,142</u>	<u>15,858</u>	<u>139,771</u>	<u>48,186</u>	<u>91,585</u>
<u>(150,000)</u>	<u>(106,845)</u>	<u>43,155</u>	<u>(139,771)</u>	<u>12,607</u>	<u>152,378</u>
	(1)	(1)		(1,632)	(1,632)
	(1)	(1)		(1,632)	(1,632)
<u>(150,000)</u>	<u>(106,846)</u>	<u>43,154</u>	<u>(139,771)</u>	<u>10,975</u>	<u>150,746</u>
	115,805	115,805		51,571	51,571
<u>\$ (150,000)</u>	<u>\$ 8,959</u>	<u>\$ 158,959</u>	<u>\$ (139,771)</u>	<u>\$ 62,546</u>	<u>\$ 202,317</u>

(Continued)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	Auxiliary Operations		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Other local	\$	\$ 55,418	\$ 55,418
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>55,418</u>	<u>55,418</u>
Expenditures:			
Current -			
Instruction	275,000	112,827	162,173
Support services - students and staff		5,256	(5,256)
Support services - administration		10,976	(10,976)
Operation and maintenance of plant services		236	(236)
Student transportation services			
Operation of non-instructional services			
Capital outlay		13,278	(13,278)
Total expenditures	<u>275,000</u>	<u>142,573</u>	<u>132,427</u>
Excess (deficiency) of revenues over expenditures	<u>(275,000)</u>	<u>(87,155)</u>	<u>187,845</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(275,000)</u>	<u>(87,155)</u>	<u>187,845</u>
Fund balances (deficits), beginning of year, as restated		250,121	250,121
Fund balances (deficits), end of year	<u>\$ (275,000)</u>	<u>\$ 162,966</u>	<u>\$ 437,966</u>

Extracurricular Activities Fees Tax Credit			Gifts and Donations		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 105,101	\$ 105,101	\$	\$ 33,712	\$ 33,712
	<u>105,101</u>	<u>105,101</u>		<u>33,712</u>	<u>33,712</u>
150,000	49,850	100,150	180,000	13,267	166,733
	1,080	(1,080)		294	(294)
				667	(667)
				8,484	(8,484)
<u>150,000</u>	<u>50,930</u>	<u>99,070</u>	<u>180,000</u>	<u>22,712</u>	<u>157,288</u>
<u>(150,000)</u>	<u>54,171</u>	<u>204,171</u>	<u>(180,000)</u>	<u>11,000</u>	<u>191,000</u>
				(579)	(579)
				(579)	(579)
<u>(150,000)</u>	<u>54,171</u>	<u>204,171</u>	<u>(180,000)</u>	<u>10,421</u>	<u>190,421</u>
	36,705	36,705		140,195	140,195
<u>\$ (150,000)</u>	<u>\$ 90,876</u>	<u>\$ 240,876</u>	<u>\$ (180,000)</u>	<u>\$ 150,616</u>	<u>\$ 330,616</u>

(Continued)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	Career, Technical and Vocational Education		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 2	\$ 2
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		2	2
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures			
Excess (deficiency) of revenues over expenditures		2	2
Other financing sources (uses):			
Transfers in			
Transfers out		(934)	(934)
Total other financing sources (uses):		(934)	(934)
Changes in fund balances		(932)	(932)
Fund balances (deficits), beginning of year, as restated		932	932
Fund balances (deficits), end of year	\$	\$	\$

Insurance Proceeds			Textbooks		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 383	\$ 383	\$	\$ 49	\$ 49
	<u>383</u>	<u>383</u>		<u>49</u>	<u>49</u>
<u>10,000</u>		<u>10,000</u>			
<u>10,000</u>		<u>10,000</u>			
<u>(10,000)</u>	<u>383</u>	<u>10,383</u>		<u>49</u>	<u>49</u>
<u>(10,000)</u>	<u>383</u>	<u>10,383</u>		<u>49</u>	<u>49</u>
	451	451		636	636
<u>\$ (10,000)</u>	<u>\$ 834</u>	<u>\$ 10,834</u>	<u>\$</u>	<u>\$ 685</u>	<u>\$ 685</u>

(Continued)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	Litigation Recovery		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 1	\$ 1
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		1	1
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures			
Excess (deficiency) of revenues over expenditures		1	1
Other financing sources (uses):			
Transfers in			
Transfers out		(680)	(680)
Total other financing sources (uses):		(680)	(680)
Changes in fund balances		(679)	(679)
Fund balances (deficits), beginning of year, as restated		679	679
Fund balances, end of year	\$	\$	\$

Indirect Costs			Joint Technical Education		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 11	\$ 11	\$	\$ 250,311	\$ 250,311
	<u>11</u>	<u>11</u>		<u>250,311</u>	<u>250,311</u>
	31,829	(31,829)		235,021	(235,021)
				1,562	(1,562)
				43	(43)
	<u>31,829</u>	<u>(31,829)</u>		<u>4,879</u>	<u>(4,879)</u>
	<u>(31,818)</u>	<u>(31,818)</u>		<u>241,505</u>	<u>(241,505)</u>
				<u>8,806</u>	<u>8,806</u>
	27,691	27,691			
	<u>27,691</u>	<u>27,691</u>			
	(4,127)	(4,127)		8,806	8,806
	4,131	4,131		(2,238)	(2,238)
<u>\$</u>	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$</u>	<u>\$ 6,568</u>	<u>\$ 6,568</u>

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 588,443	\$ 588,443
State aid and grants		617,470	617,470
Federal aid, grants and reimbursements		957,575	957,575
Total revenues		<u>2,163,488</u>	<u>2,163,488</u>
Expenditures:			
Current -			
Instruction	1,779,103	1,256,549	522,554
Support services - students and staff	284,801	328,095	(43,294)
Support services - administration	60,421	143,694	(83,273)
Operation and maintenance of plant services		21,251	(21,251)
Student transportation services		24,742	(24,742)
Operation of non-instructional services	260,000	276,444	(16,444)
Capital outlay	546,201	379,497	166,704
Total expenditures	<u>2,930,526</u>	<u>2,430,272</u>	<u>500,254</u>
Excess (deficiency) of revenues over expenditures	<u>(2,930,526)</u>	<u>(266,784)</u>	<u>2,663,742</u>
Other financing sources (uses):			
Transfers in		27,691	27,691
Transfers out		(39,323)	(39,323)
Total other financing sources (uses):		<u>(11,632)</u>	<u>(11,632)</u>
Changes in fund balances	<u>(2,930,526)</u>	<u>(278,416)</u>	<u>2,652,110</u>
Fund balances (deficits), beginning of year, as restated		976,781	976,781
Fund balances (deficits), end of year	<u>\$ (2,930,526)</u>	<u>\$ 698,365</u>	<u>\$ 3,628,891</u>

DEBT SERVICE FUND

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

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICE
YEAR ENDED JUNE 30, 2015**

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original & Final</u>	<u>Actual</u>	
Revenues:			
Other local	\$	\$ 74,295	\$ 74,295
Property taxes		1,378,705	1,378,705
Total revenues		<u>1,453,000</u>	<u>1,453,000</u>
Expenditures:			
Debt service -			
Principal retirement	1,075,000	1,075,000	
Interest and fiscal charges	437,606	438,106	(500)
Total expenditures	<u>1,512,606</u>	<u>1,513,106</u>	<u>(500)</u>
Changes in fund balances	<u>(1,512,606)</u>	<u>(60,106)</u>	<u>1,452,500</u>
Fund balances, beginning of year		164,880	164,880
Fund balances (deficits), end of year	<u>\$ (1,512,606)</u>	<u>\$ 104,774</u>	<u>\$ 1,617,380</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.

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, 2015**

	<u>Adjacent Ways</u>	<u>Totals</u>
<u>ASSETS</u>		
Cash and investments	\$ 257	\$ 257
Total assets	<u>\$ 257</u>	<u>\$ 257</u>
Fund balances:		
Restricted	\$ 257	\$ 257
Total fund balances	<u>257</u>	<u>257</u>
 Total liabilities and fund balances	 <u>\$ 257</u>	 <u>\$ 257</u>

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MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2015

	Adjacent Ways	Building Renewal	Building Renewal Grant
Revenues:			
Other local	\$	\$ 32	\$
State aid and grants			55,683
Total revenues		32	55,683
Expenditures:			
Capital outlay			55,683
Total expenditures			55,683
Excess (deficiency) of revenues over expenditures		32	
Other financing sources (uses):			
Transfers out		(191)	
Total other financing sources (uses):		(191)	
Changes in fund balances		(159)	
Fund balances, beginning of year	257	159	
Fund balances, end of year	\$ 257	\$	\$

Totals

\$ 32
55,683
55,715

55,683
55,683

32

(191)
(191)

(159)

416

\$ 257

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2015

	Unrestricted Capital Outlay		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 22,651	\$ 22,651
Property taxes		295,345	295,345
State aid and grants		64,593	64,593
Total revenues		382,589	382,589
Expenditures:			
Capital outlay	105,728	22,033	83,695
Debt service -			
Principal retirement	123,853	123,853	
Interest and fiscal charges	40,338	40,338	
Total expenditures	269,919	186,224	83,695
Excess (deficiency) of revenues over expenditures	(269,919)	196,365	466,284
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	(269,919)	196,365	466,284
Fund balances, beginning of year		123,892	123,892
Fund balances (deficits), end of year	\$ (269,919)	\$ 320,257	\$ 590,176

Adjacent Ways			Building Renewal		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 32	\$ 32
				32	32
				32	32
				(191)	(191)
				(191)	(191)
				(159)	(159)
	257	257		159	159
\$	\$ 257	\$ 257	\$	\$	\$

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2015

	Building Renewal Grant		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
Property taxes			
State aid and grants		55,683	55,683
Total revenues		<u>55,683</u>	<u>55,683</u>
Expenditures:			
Capital outlay	100,000	55,683	44,317
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>100,000</u>	<u>55,683</u>	<u>44,317</u>
Excess (deficiency) of revenues over expenditures	<u>(100,000)</u>		<u>100,000</u>
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(100,000)</u>		<u>100,000</u>
Fund balances, beginning of year			
Fund balances (deficits), end of year	<u>\$ (100,000)</u>	<u>\$</u>	<u>\$ 100,000</u>

Totals		
Budget	Actual	Variance - Positive (Negative)
\$	\$ 22,683	\$ 22,683
	295,345	295,345
	120,276	120,276
	<u>438,304</u>	<u>438,304</u>
205,728	77,716	128,012
123,853	123,853	
40,338	40,338	
<u>369,919</u>	<u>241,907</u>	<u>128,012</u>
<u>(369,919)</u>	<u>196,397</u>	<u>566,316</u>
	<u>(191)</u>	<u>(191)</u>
	<u>(191)</u>	<u>(191)</u>
<u>(369,919)</u>	<u>196,206</u>	<u>566,125</u>
	124,308	124,308
<u>\$ (369,919)</u>	<u>\$ 320,514</u>	<u>\$ 690,433</u>

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AGENCY FUND

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

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
 COMBINING STATEMENT OF ASSETS AND LIABILITIES
 AGENCY FUND
 JUNE 30, 2015**

	Student Activities	Totals
<u>ASSETS</u>		
Cash and investments	\$ 75,530	\$ 75,530
Total assets	\$ 75,530	\$ 75,530
 <u>LIABILITIES</u>		
Due to student groups	\$ 75,530	\$ 75,530
Total liabilities	\$ 75,530	\$ 75,530

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING STATEMENT OF CHANGES IN AGENCY FUNDS ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2015

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>STUDENT ACTIVITIES FUND</u>				
<u>Assets</u>				
Cash and investments	\$ 78,097	\$ 215,761	\$ 218,328	\$ 75,530
Total assets	<u>\$ 78,097</u>	<u>\$ 215,761</u>	<u>\$ 218,328</u>	<u>\$ 75,530</u>
<u>Liabilities</u>				
Due to student groups	\$ 78,097	\$ 215,761	\$ 218,328	\$ 75,530
Total liabilities	<u>\$ 78,097</u>	<u>\$ 215,761</u>	<u>\$ 218,328</u>	<u>\$ 75,530</u>
<u>EMPLOYEE WITHHOLDING</u>				
<u>Assets</u>				
Cash and investments	\$ 917	\$	\$ 917	\$
Total assets	<u>\$ 917</u>	<u>\$</u>	<u>\$ 917</u>	<u>\$</u>
<u>Liabilities</u>				
Deposits held for others	\$ 917	\$	\$ 917	\$
Total liabilities	<u>\$ 917</u>	<u>\$</u>	<u>\$ 917</u>	<u>\$</u>
<u>TOTAL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and investments	\$ 79,014	\$ 215,761	\$ 219,245	\$ 75,530
Total assets	<u>\$ 79,014</u>	<u>\$ 215,761</u>	<u>\$ 219,245</u>	<u>\$ 75,530</u>
<u>Liabilities</u>				
Deposits held for others	\$ 917	\$	\$ 917	\$
Due to student groups	78,097	215,761	218,328	75,530
Total liabilities	<u>\$ 79,014</u>	<u>\$ 215,761</u>	<u>\$ 219,245</u>	<u>\$ 75,530</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)

	Fiscal Year Ended June 30				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net Position:					
Net investment in capital assets	\$ 8,034,624	\$ 7,831,636	\$ 6,673,901	\$ 6,806,320	\$ 7,038,083
Restricted	955,774	1,092,999	919,164	909,890	1,250,947
Unrestricted	(8,298,569)	90,720	1,289,754	1,593,750	836,423
Total net position	\$ 691,829	\$ 9,015,355	\$ 8,882,819	\$ 9,309,960	\$ 9,125,453
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Net Position:					
Net investment in capital assets	\$ 7,236,007	\$ 7,223,915	\$ 7,345,596	\$ 7,223,522	\$ 7,655,021
Restricted	215,126	236,941	877,692	310,421	419,767
Unrestricted	2,078,999	1,674,412	2,174,140	2,451,739	1,996,500
Total net position	\$ 9,530,132	\$ 9,135,268	\$ 10,397,428	\$ 9,985,682	\$ 10,071,288

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

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

	Fiscal Year Ended June 30				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Expenses					
Instruction	\$ 6,175,079	\$ 6,298,053	\$ 6,228,888	\$ 6,076,499	\$ 6,183,691
Support services - students and staff	879,951	911,705	921,964	1,000,364	1,037,969
Support services - administration	1,106,886	975,514	1,027,421	951,457	1,009,016
Operation and maintenance of plant services	1,183,394	1,352,930	1,241,853	1,384,855	1,424,800
Student transportation services	547,211	546,961	477,579	460,947	485,809
Operation of non-instructional services	294,445	263,530	247,576	260,682	344,635
Interest on long-term debt	462,745	484,526	531,831	589,747	588,794
Total expenses	<u>10,649,711</u>	<u>10,833,219</u>	<u>10,677,112</u>	<u>10,724,551</u>	<u>11,074,714</u>
Program Revenues					
Charges for services:					
Instruction	739,716	678,429	704,247	859,999	885,183
Operation of non-instructional services	53,763	139,175	258,254	308,818	499,035
Other activities		187,279	26,528	33,156	24,174
Operating grants and contributions	790,522	757,474	879,229	734,069	882,063
Capital grants and contributions	212,059	185,716	15,558	72,940	87,028
Total program revenues	<u>1,796,060</u>	<u>1,948,073</u>	<u>1,883,816</u>	<u>2,008,982</u>	<u>2,377,483</u>
Net (Expense)/Revenue	<u>\$ (8,853,651)</u>	<u>\$ (8,885,146)</u>	<u>\$ (8,793,296)</u>	<u>\$ (8,715,569)</u>	<u>\$ (8,697,231)</u>

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Expenses					
Instruction	\$ 5,796,510	\$ 5,853,376	\$ 5,548,417	\$ 6,348,099	\$ 7,722,922
Support services - students and staff	1,142,576	1,024,007	1,060,641	1,044,576	728,967
Support services - administration	1,159,556	1,084,389	1,067,256	886,618	808,764
Operation and maintenance of plant services	1,576,004	1,426,163	1,631,585	1,189,263	1,080,002
Student transportation services	438,281	480,248	497,959	434,702	438,792
Operation of non-instructional services	5,649	342,783	326,627	329,144	482,988
Interest on long-term debt	621,159	642,970	890,696	1,116	10,033
Total expenses	<u>10,739,735</u>	<u>10,853,936</u>	<u>11,023,181</u>	<u>10,233,518</u>	<u>11,272,468</u>
Program Revenues					
Charges for services:					
Instruction	959,304	617,830	774,279	947,950	666,930
Operation of non-instructional services	340,174	360,107	373,212	215,985	612,965
Other activities	70,580	40,410	25,417	110,450	151,947
Operating grants and contributions	763,523	637,710	644,483	696,068	1,483,097
Capital grants and contributions	129,165	39,306	150,125	104,264	
Total program revenues	<u>2,262,746</u>	<u>1,695,363</u>	<u>1,967,516</u>	<u>2,074,717</u>	<u>2,914,939</u>
Net (Expense)/Revenue	<u>\$ (8,476,989)</u>	<u>\$ (9,158,573)</u>	<u>\$ (9,055,665)</u>	<u>\$ (8,158,801)</u>	<u>\$ (8,357,529)</u>

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

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

	Fiscal Year Ended June 30				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net (Expense)/Revenue	\$ (8,853,651)	\$ (8,885,146)	\$ (8,793,296)	\$ (8,715,569)	\$ (8,697,231)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	4,678,910	4,982,996	4,999,887	5,688,430	4,693,051
Property taxes, levied for debt service	1,346,504	1,419,453	1,596,830	1,434,816	1,218,873
Property taxes, levied for capital outlay	280,908	152,024	143,154	156,808	418,765
Investment income	5,170	7,043	3,691	2,896	3,807
Unrestricted county aid	207,436	237,416	92,396	22,846	98,746
Unrestricted state aid	2,184,726	1,971,124	1,549,260	1,481,943	1,451,618
Unrestricted federal aid	108,971	247,626	137,925	112,337	407,692
Total general revenues	<u>8,812,625</u>	<u>9,017,682</u>	<u>8,523,143</u>	<u>8,900,076</u>	<u>8,292,552</u>
Changes in Net Position	<u>\$ (41,026)</u>	<u>\$ 132,536</u>	<u>\$ (270,153)</u>	<u>\$ 184,507</u>	<u>\$ (404,679)</u>

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Net (Expense)/Revenue	\$ (8,476,989)	\$ (9,158,573)	\$ (9,055,665)	\$ (8,158,801)	\$ (8,357,529)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	5,203,686	4,659,345	4,174,015	4,404,614	4,245,422
Property taxes, levied for debt service	1,207,463	662,570	1,111,940	1,914	
Property taxes, levied for capital outlay	284,571	189,646	314,079	123,154	
Investment income	3,439	106,415	517,369	299,694	55,865
Unrestricted county aid	107,964			563	218,083
Unrestricted state aid	1,844,455	2,278,437	3,350,008	3,243,256	2,186,665
Unrestricted federal aid	220,275				6,345
Total general revenues	<u>8,871,853</u>	<u>7,896,413</u>	<u>9,467,411</u>	<u>8,073,195</u>	<u>6,712,380</u>
Changes in Net Position	<u>\$ 394,864</u>	<u>\$ (1,262,160)</u>	<u>\$ 411,746</u>	<u>\$ (85,606)</u>	<u>\$ (1,645,149)</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)

	Fiscal Year Ended June 30				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Fund:					
Restricted	834				
Unassigned	120,937	24,670	261,525	421,297	(18,156)
Total General Fund	\$ 121,771	\$ 24,670	\$ 261,525	\$ 421,297	\$ (18,156)
All Other Governmental Funds:					
Restricted	937,592	1,028,179	881,304	837,017	959,458
Assigned					115,200
Unassigned		(2,238)			
Total all other governmental funds	\$ 937,592	\$ 1,025,941	\$ 881,304	\$ 837,017	\$ 1,074,658

(Continued)

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Fund:					
Reserved	427,769	436,507	430,600		391,256
Unreserved	159,679	(300,843)	182,625	880,332	320,275
Total General Fund	<u>\$ 587,448</u>	<u>\$ 135,664</u>	<u>\$ 613,225</u>	<u>\$ 880,332</u>	<u>\$ 711,531</u>
All Other Governmental Funds:					
Reserved		3,954	4,715		
Unreserved, reported in:					
Special revenue funds	640,763	772,317	1,342,620	1,394,283	1,455,817
Capital projects funds	362,149	1,044,935	7,527,715	13,113,459	208,842
Debt service fund	167,117	126,446	515,937		
Total all other governmental funds	<u>\$ 1,170,029</u>	<u>\$ 1,947,652</u>	<u>\$ 9,390,987</u>	<u>\$ 14,507,742</u>	<u>\$ 1,664,659</u>

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

Note: The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 54 were adopted in fiscal year 2011. The standard replaces the previous reserved and unreserved fund balance categories with the following five fund balance classifications: nonspendable, restricted, committed, assigned, and unassigned fund balance.

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

	Fiscal Year Ended June 30				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Federal sources:					
Federal grants	\$ 773,982	\$ 871,744	\$ 724,502	\$ 604,078	\$ 837,370
State Fiscal Stabilization (ARRA)					18,687
Education Jobs				3,587	233,733
National School Lunch Program	183,593	194,556	188,086	180,163	190,864
Total federal sources	<u>957,575</u>	<u>1,066,300</u>	<u>912,588</u>	<u>787,828</u>	<u>1,280,654</u>
State sources:					
State equalization assistance	1,614,818	1,406,942	1,116,447	1,037,433	1,091,984
State grants	47,562	38,483	152,542	99,100	96,129
School Facilities Board	55,683	52,314			
Other revenues	569,908	564,182	432,813	444,510	414,911
Total state sources	<u>2,287,971</u>	<u>2,061,921</u>	<u>1,701,802</u>	<u>1,581,043</u>	<u>1,603,024</u>
Local sources:					
Property taxes	6,359,907	6,513,800	6,938,470	7,282,932	6,223,836
County aid	207,436	237,416	92,396	22,846	98,746
Food service sales	53,763	59,666	49,142		
Investment income	5,170	7,043	3,691		
Other revenues	800,021	945,217	939,887	1,204,869	1,412,199
Total local sources	<u>7,426,297</u>	<u>7,763,142</u>	<u>8,023,586</u>	<u>8,510,647</u>	<u>7,734,781</u>
Total revenues	<u><u>\$ 10,671,843</u></u>	<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>

(Continued)

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Federal sources:					
Federal grants	\$ 800,992	\$ 537,044	\$ 678,776	\$ 603,910	\$ 608,868
Total federal sources	<u>1,021,267</u>	<u>537,044</u>	<u>678,776</u>	<u>603,910</u>	<u>608,868</u>
State sources:					
State equalization assistance	1,545,916	1,686,380	2,338,969	2,400,580	2,054,110
State grants	91,696	139,972	121,605	190,649	874,329
School Facilities Board			76,187	161,654	132,555
Other revenues	<u>400,552</u>	<u>499,444</u>	<u>870,175</u>	<u>681,022</u>	<u>3,060,994</u>
Total state sources	<u>2,038,164</u>	<u>2,325,796</u>	<u>3,406,936</u>	<u>3,433,905</u>	<u>3,060,994</u>
Local sources:					
Property taxes	6,622,598	5,464,152	5,565,210	4,537,874	4,227,301
County aid	107,964			563	218,083
Food service sales					
Investment income	5,194	106,415	517,369	299,694	55,865
Other revenues	<u>1,368,303</u>	<u>1,018,347</u>	<u>1,172,908</u>	<u>1,274,385</u>	<u>1,438,087</u>
Total local sources	<u>8,104,059</u>	<u>6,588,914</u>	<u>7,255,487</u>	<u>6,112,516</u>	<u>5,939,336</u>
Total revenues	<u>\$ 11,163,490</u>	<u>\$ 9,451,754</u>	<u>\$ 11,341,199</u>	<u>\$ 10,150,331</u>	<u>\$ 9,609,198</u>

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

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

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Expenditures:					
Current -					
Instruction	\$ 5,107,753	\$ 5,346,978	\$ 5,357,943	\$ 5,156,757	\$ 4,652,971
Support services - students and staff	820,633	904,076	902,946	974,795	974,642
Support services - administration	1,071,544	962,551	1,008,244	943,573	958,257
Operation and maintenance of plant services	909,597	1,031,032	1,021,987	1,119,813	1,138,209
Student transportation services	441,391	460,392	419,535	395,548	390,064
Operation of non-instructional services	281,123	250,787	238,667	252,558	332,665
Capital outlay	457,213	1,878,279	122,338	187,835	1,679,120
Debt service -					
Interest and fiscal charges	478,444	500,225	547,530	589,747	588,794
Principal retirement	1,198,853	1,336,706	1,134,271	1,057,080	894,238
Bond issuance costs					
Total expenditures	<u><u>\$ 10,766,551</u></u>	<u><u>\$ 12,671,026</u></u>	<u><u>\$ 10,753,461</u></u>	<u><u>\$ 10,677,706</u></u>	<u><u>\$ 11,608,960</u></u>
Expenditures for capitalized assets	\$ 145,252	\$ 1,666,126	\$ 35,394	\$ 48,066	\$ 1,243,774
Debt service as a percentage of noncapital expenditures	16%	17%	16%	15%	14%

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Expenditures:					
Current -					
Instruction	\$ 4,914,438	\$ 5,417,738	\$ 5,398,795	\$ 5,390,691	\$ 5,011,187
Support services - students and staff	1,131,130	952,602	1,049,203	1,034,408	886,158
Support services - administration	1,155,775	1,006,742	1,049,829	868,303	797,132
Operation and maintenance of plant services	1,345,131	1,137,566	1,352,779	944,954	931,388
Student transportation services	387,894	386,357	433,713	376,528	392,495
Operation of non-instructional services	1,019	339,914	330,505	328,297	480,816
Capital outlay	1,191,926	6,841,468	6,509,330	2,782,913	589,624
Debt service -					
Interest and fiscal charges	621,159		890,696	4,573	10,033
Principal retirement	787,191	582,048	236,094	138,618	72,952
Bond issuance costs		642,970		247,725	
Total expenditures	<u>\$ 11,535,663</u>	<u>\$ 17,307,405</u>	<u>\$ 17,250,944</u>	<u>\$ 12,117,010</u>	<u>\$ 9,171,785</u>
Expenditures for capitalized assets	\$ 1,298,543	\$ 6,286,544	\$ 6,114,459	\$ 2,292,838	\$ 589,624
Debt service as a percentage of noncapital expenditures	14%	11%	10%	4%	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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Excess (deficiency) of revenues over expenditures	\$ (94,708)	\$ (1,779,663)	\$ (115,485)	\$ 201,812	\$ (990,501)
Other financing sources (uses):					
Capital lease agreements		1,687,445			717,295
Transfers in	37,615	103,614	10,926	10,238	1,907
Transfers out	(37,615)	(103,614)	(10,926)	(10,238)	(1,907)
Total other financing sources (uses)	<u> </u>	<u>1,687,445</u>	<u> </u>	<u> </u>	<u>717,295</u>
Changes in fund balances	<u>\$ (94,708)</u>	<u>\$ (92,218)</u>	<u>\$ (115,485)</u>	<u>\$ 201,812</u>	<u>\$ (273,206)</u>
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Excess (deficiency) of revenues over expenditures	\$ (372,173)	\$ (7,855,651)	\$ (5,909,745)	\$ (1,966,679)	\$ 437,413
Other financing sources (uses):					
General obligation bonds issued				15,000,000	
Premium on sale of bonds				251,182	
Capital lease agreements	59,026		90,568	118,637	108,450
Transfers in	17,353	86,422	451,637	259,332	53,036
Transfers out	(17,353)	(86,422)	(451,637)	(259,332)	(53,036)
Payment to refunded bond escrow agent					
Total other financing sources (uses)	<u>59,026</u>	<u> </u>	<u>90,568</u>	<u>15,369,819</u>	<u>108,450</u>
Changes in fund balances	<u>\$ (313,147)</u>	<u>\$ (7,855,651)</u>	<u>\$ (5,819,177)</u>	<u>\$ 13,403,140</u>	<u>\$ 545,863</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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Commercial, Industrial, Utilities and Mining	82,359,105	\$ 86,381,835	\$ 98,922,311	\$ 108,506,998	\$ 116,418,106
Agricultural and Vacant	25,351,538	29,738,049	36,799,440	50,735,007	54,783,005
Residential (Owner Occupied)	110,849,430	110,922,326	122,015,019	147,945,491	190,711,948
Residential (Rental)	30,892,605	29,118,974	33,639,059	28,577,423	34,426,396
Railroad, Private Cars and Airlines	564,940	502,959	570,097	659,003	705,213
Historical Property	697,593	660,440	755,480	846,542	1,025,040
Certain Government Property Improvements	13,217	18,040	15,847	18,388	12,477
Total	<u>250,728,428</u>	<u>\$ 257,342,623</u>	<u>\$ 292,717,253</u>	<u>\$ 337,288,852</u>	<u>\$ 398,082,185</u>
Estimated Actual Value (Full Cash Value)	2,190,672,253	\$ 2,198,613,264	\$ 2,449,465,188	\$ 2,800,777,676	\$ 3,498,652,886
Ratio of Primary Assessed Value to Estimated Actual Value	11%	12%	12%	12%	11%
Total Direct Rate	2.95	2.95	2.67	2.05	1.90

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Commercial, Industrial, Utilities and Mining	116,280,084	\$ 109,651,199	\$ 102,214,705	\$ 96,662,271	\$ 89,161,268
Agricultural and Vacant	49,483,624	43,096,641	32,953,547	28,252,430	26,130,544
Residential (Owner Occupied)	195,298,527	179,883,465	155,013,475	132,243,028	113,523,377
Residential (Rental)	33,394,786	28,526,330	24,031,939	18,701,574	16,035,672
Railroad, Private Cars and Airlines	719,623	885,094	848,585	946,508	1,027,547
Historical Property	985,293	827,708	687,553	533,712	435,757
Certain Government Property Improvements	12,291	6,365	4,244	3,979	3,634
Total	<u>396,174,228</u>	<u>\$ 362,876,802</u>	<u>\$ 315,754,048</u>	<u>\$ 277,343,502</u>	<u>\$ 277,343,502</u>
Estimated Actual Value (Full Cash Value)	3,823,259,603	\$ 3,832,289,849	\$ 2,986,339,161	\$ 2,390,837,076	\$ 2,004,447,819
Ratio of Primary Value to Estimated Actual Value	10%	9%	11%	12%	14%
Total Direct Rate	1.94	1.71	1.95	1.98	2.01

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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Commercial, Industrial, Utilities and Mining	\$ 82,812,403	\$ 86,539,493	\$ 99,325,550	\$ 110,160,187	\$ 121,802,862
Agricultural and Vacant	25,941,985	29,896,385	38,844,903	56,433,010	67,370,265
Residential (Owner Occupied)	111,841,807	110,947,272	122,069,233	148,360,157	193,913,358
Residential (Rental)	31,325,768	29,166,639	33,715,362	28,912,987	35,108,897
Railroad, Private Cars and Airlines	565,411	503,396	571,157	667,283	719,344
Historical Property	707,493	663,793	755,488	850,828	1,087,939
Certain Government Property Improvements	13,303	18,737	15,847	18,531	12,737
Total	\$ 253,208,170	\$ 257,735,715	\$ 295,297,540	\$ 345,402,983	\$ 420,015,402
Ratio of Secondary Assessed Value to Estimated Actual Value	12%	12%	12%	12%	12%
Total Direct Rate	2.95	2.95	2.67	2.05	1.90

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Commercial, Industrial, Utilities and Mining	\$ 123,589,854	\$ 118,967,769	\$ 106,485,880	\$ 101,249,912	\$ 91,684,328
Agricultural and Vacant	72,606,963	71,455,660	45,554,222	35,087,998	30,257,535
Residential (Owner Occupied)	219,108,307	229,172,265	181,003,873	142,168,856	116,138,364
Residential (Rental)	37,543,309	35,743,473	27,879,305	20,006,302	16,596,555
Railroad, Private Cars and Airlines	737,882	901,222	860,096	955,522	1,051,714
Historical Property	1,195,408	1,141,158	835,978	631,019	467,349
Certain Government Property Improvements	12,469	6,436	4,371	4,142	3,777
Total	\$ 454,794,192	\$ 457,387,983	\$ 362,623,725	\$ 300,103,751	\$ 256,199,622
Ratio of Secondary Assessed Value to Estimated Actual Value	12%	12%	12%	13%	13%
Total Direct Rate	1.94	1.71	1.95	1.98	2.01

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

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

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Commercial, Industrial, Utilities and Mining	19 %	20 %	20 %	20 %	21 %
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	16	15	15	15	17

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Commercial, Industrial, Utilities and Mining	22 %	23 %	24 %	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	20	22	21	21

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

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

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

Fiscal Year Ended June 30	Overlapping Rates						District Direct Rates		
	State	County	Cottonwood Oak Creek Elem	Clarksdale Jerome #3 Elem	Joint Tech	Fire District	Primary	Secondary	Total
	Equalization								
2015	0.51	1.96	2.70	2.63	0.05	3.25	2.17	0.78	2.95
2014	0.51	1.93	2.45	2.42	0.05	3.24	2.17	0.77	2.95
2013	0.47	1.64	2.67	2.62	0.05	2.93	1.93	0.75	2.67
2012	0.43	1.43	2.25	2.32	0.05	2.51	1.88	0.17	2.05
2011	0.36	1.35	1.78	1.74	0.05	1.83	1.46	0.44	1.90
2010	0.33	1.28	1.64	1.59	0.05	1.83	1.56	0.38	1.94
2009		1.37	2.22	1.67	0.05	1.83	1.44	0.27	1.71
2008		1.53	2.31	2.09	0.05	2.15	1.48	0.47	1.95
2007		1.66	2.83	2.19	0.05	2.15	1.80	0.18	1.98
2006		1.70	4.19	1.85	0.05	2.15	1.80	0.21	2.01

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

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

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

<u>Taxpayer</u>	<u>2015</u>		<u>2006</u>	
	<u>Secondary Assessed Valuation</u>	<u>Percentage of District's Net Assessed Valuation</u>	<u>Secondary Assessed Valuation</u>	<u>Percentage of District's Net Assessed Valuation</u>
Wal-Mart Stores, Inc.	8,972,304	3.54 %	10,636,101	4.15 %
GRL, Inc.	4,791,716	1.89	4,621,350	1.80
Granite Pine Shadows, LLC.	4,028,001	1.59	4,102,960	1.60
Thousand Trails, Inc.	3,693,952	1.46	2,903,817	1.13
Mountain View Villa Parnters, LLC	3,562,922	1.41	5,638,031	2.20
PLP Cottonwood, LLC	3,496,546	1.38	4,814,772	1.88
Salt River Pima-Maricopa Indian Coi	3,325,348	1.31	1,820,114	0.71
Home Depot USA Inc.	3,299,325	1.30	5,000,430	1.95
Mingus Avenue Housing Associates	3,274,261	1.29	6,109,316	2.38
GSMSCHE 2006-GG6 Sawmill Squar	3,000,000	1.18	5,278,391	2.06
Smith Food King Properties Inc.	2,602,728	1.03	3,384,635	1.32
Cottonwood Affordable Housing Ltd	2,537,501	1.00	4,960,708	1.94
Cottonwood Investement Group One	2,329,328	0.92	4,670,946	1.82
Total	<u>\$ 48,913,932</u>	<u>17.40 %</u>	<u>\$ 63,941,570</u>	<u>24.96 %</u>

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

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

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	\$ 6,322,803	\$ 6,180,961	97.76 %	\$	\$ 6,180,961	97.76 %
2014	6,558,355	6,387,496	97.39	162,446	6,549,942	99.87
2013	6,766,901	6,588,719	97.37	170,734	6,759,453	99.89
2012	6,522,534	6,210,475	95.22	299,944	6,510,419	99.81
2011	5,778,073	5,432,417	94.02	336,697	5,769,114	99.84
2010	6,735,419	6,390,411	94.88	340,909	6,731,320	99.94
2009	5,367,175	5,128,184	95.55	238,991	5,367,175	100.00
2008	5,453,453	5,266,887	96.58	186,566	5,453,453	100.00
2007	4,556,347	4,444,863	97.55	111,484	4,556,347	100.00
2006	4,123,053	4,004,065	97.11	119,002	4,123,067	100.00

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

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

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

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

Fiscal Year Ended June 30	General Obligation Bonds					Total Outstanding Debt				
	General Obligation Bonds	Less: Amounts Restricted for Principal	Total	Percentage of Estimated Actual Value	Per Capita	Capital Leases	Total	Percentage of Estimated Actual Value	Per Capita	Percentage of Personal Income
2015	\$ 8,920,000	\$ 104,774	\$ 8,815,226	0.40 %	\$	\$ 1,563,592	\$ 10,483,592	0.48 %	\$	0.15 %
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	515,937	13,809,063	0.36	576		14,325,000	0.37	598	0.22
2009	14,825,000	126,446	14,698,554	0.38	578	103,165	14,928,165	0.39	587	0.25
2008	15,000,000		15,000,000	0.50	601	185,213	15,185,213	0.51	608	0.27
2007	15,000,000		15,000,000	0.63	613	155,739	15,155,739	0.63	619	0.31
2006						203,808	203,808	0.01	9	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	\$ 37,395,000	13.26 %	\$ 4,958,577
City of Cottonwood	49,583,715	100.00	49,583,715
Subtotal, Overlapping Debt			<u>54,542,292</u>
Direct:			
Mingus Union High School District No. 4			<u>10,483,592</u>
Total Direct and Overlapping Debt			<u>\$ 65,025,884</u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Secondary Assessed Valuation		3.48 %
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 2,676	
As a Percentage of Net Secondary Assessed Valuation		25.02 %
As a Percentage of Estimated Actual Value (Full Cash Value)		2.89 %

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, 2014 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 2015:

Secondary assessed valuation	\$ 253,208,170
Debt limit (10% of assessed value)	25,320,817
Debt applicable to limit	<u>8,920,000</u>
Legal debt margin	<u>\$ 16,400,817</u>

Total Legal Debt Margin Calculation for Fiscal Year 2015:

Secondary assessed valuation	\$ 253,208,170
Debt limit (15% of assessed value)	37,981,226
Debt applicable to limit	<u>8,920,000</u>
Legal debt margin	<u>\$ 29,061,226</u>

Fiscal Year Ended June 30

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Debt Limit	\$ 37,981,226	\$ 38,660,357	\$ 43,907,588	\$ 51,810,447	\$ 63,002,310
Total net debt applicable to limit	<u>8,920,000</u>	<u>9,995,000</u>	<u>12,025,000</u>	<u>12,950,000</u>	<u>13,700,000</u>
Legal debt margin	<u>\$ 29,061,226</u>	<u>\$ 28,665,357</u>	<u>\$ 31,882,588</u>	<u>\$ 38,860,447</u>	<u>\$ 49,302,310</u>
Total net debt applicable to the limit as a percentage of debt limit	23%	26%	27%	25%	22%

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Debt Limit	\$ 68,219,129	\$ 68,608,197	\$ 54,393,559	\$ 45,015,563	\$ 36,947,670
Total net debt applicable to limit	<u>14,325,000</u>	<u>14,825,000</u>	<u>15,000,000</u>	<u>15,000,000</u>	<u> </u>
Legal debt margin	<u>\$ 53,894,129</u>	<u>\$ 53,783,197</u>	<u>\$ 39,393,559</u>	<u>\$ 30,015,563</u>	<u>\$ 36,947,670</u>
Total net debt applicable to the limit as a percentage of debt limit	21%	22%	28%	33%	0%

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

- Notes:** 1) The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds and the statutory debt limit on Class B bonds. The calculations of the debt margins are presented in detail for the current fiscal year only.
- 2) Bond premium is not subject to the statutory debt limit.

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

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Estimated District Population</u>
2014	218,844	\$ 7,172,392	\$ 32,503	6.3 %	23,680
2013	215,133	5,665,528	26,335	8.6	23,523
2012	212,637	5,534,516	26,028	8.7	23,250
2011	211,888	5,441,284	25,680	10.0	23,308
2010	215,686	6,283,809	29,134	10.2	23,726
2009	214,929	6,450,243	30,011	9.5	23,966
2008	227,348	5,860,461	27,620	5.6	25,444
2007	223,934	5,533,703	26,786	3.7	24,970
2006	213,285	4,875,841	24,521	3.6	24,480
2005	205,105	4,425,695	23,203	4.1	23,500

Sources: The source of the "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis. The source of the "Population" and "Unemployment Rate" information from 2005 through 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 and 2014, the source of the information is the Arizona Office of Employment and Population Statistics.

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

<u>Employer</u>	<u>2015</u>		<u>2006</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Verde Valley Medical Center	1,000	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

	Full-time Equivalent Employees as of June 30				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Supervisory					
Superintendent	1	1	1	1	1
Principals	1	1	1	1	1
Assistant principals	1	1	1	1	1
Total supervisory	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
Instruction					
Teachers	57	60	58	57	57
Aides	13	13	15	15	15
Total instruction	<u>70</u>	<u>73</u>	<u>73</u>	<u>72</u>	<u>72</u>
Student Services					
Counselors/Advisors	4	4	4	4	4
Total student services	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
Support and Administration					
Clerical workers	5	5	5	5	5
Bus Drivers	7	11	11	11	11
Other classified	23	23	23	23	23
Total support and administration	<u>35</u>	<u>39</u>	<u>39</u>	<u>39</u>	<u>39</u>
Total	<u><u>112</u></u>	<u><u>119</u></u>	<u><u>119</u></u>	<u><u>118</u></u>	<u><u>118</u></u>

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Supervisory					
Superintendent	1	1	1	1	1
Principals	1	1	1	1	1
Assistant principals	1	1	1	1	1
Total supervisory	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
Instruction					
Teachers	61	65	67	67	67
Aides	17	14	14	14	14
Total instruction	<u>78</u>	<u>79</u>	<u>81</u>	<u>81</u>	<u>81</u>
Student Services					
Counselors/Advisors	4	4	4	4	4
Total student services	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
Support and Administration					
Clerical workers	4	4	3	4	4
Bus Drivers	11	13	7	7	7
Other classified	23	23	30	34	34
Total support and administration	<u>38</u>	<u>40</u>	<u>40</u>	<u>45</u>	<u>45</u>
Total	<u><u>123</u></u>	<u><u>126</u></u>	<u><u>128</u></u>	<u><u>133</u></u>	<u><u>133</u></u>

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

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

Fiscal Year Ended June 30	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Free/Reduced Students
2015	1,181	\$ 8,632,041	\$ 7,309	0.15 %	\$ 10,649,711	\$ 9,018	2.15 %	70	16.9	43.0 %
2014	1,227	8,955,816	7,298	(1.49)	10,833,219	8,828	(0.12)	73	16.8	49.0
2013	1,208	8,949,322	7,408	(0.05)	10,677,112	8,839	(1.68)	73	16.5	50.6
2012	1,193	8,843,044	7,412	7.85	10,724,551	8,990	(0.24)	72	16.6	50.6
2011	1,229	8,446,808	6,873	(4.70)	11,074,714	9,011	3.96	72	17.1	43.6
2010	1,239	8,935,387	7,212	(5.96)	10,739,735	8,668	(3.77)	78	15.9	48.5
2009	1,205	9,240,919	7,669	(2.45)	10,853,936	9,007	(0.06)	79	15.3	34.2
2008	1,223	9,614,824	7,862	9.44	11,023,181	9,013	9.65	81	15.1	28.0
2007	1,245	8,943,181	7,183	2.44	10,233,518	8,220	(11.62)	81	15.4	28.0
2006	1,212	8,499,176	7,013	4.29	11,272,468	9,301	(0.71)	81	15.0	28.0

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

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

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

	Fiscal Year Ended June 30									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>Schools</u>										
<u>High</u>										
Buildings	8	8	8	8	8	8	8	8	8	8
Square feet	171,269	171,269	171,269	171,269	171,269	171,269	171,269	171,269	171,269	171,269
Capacity	1,163	1,163	1,163	1,163	1,163	1,163	1,163	1,163	1,163	1,163
Enrollment	1,181	1,208	1,208	1,193	1,229	1,239	1,245	1,245	1,245	1,212
<u>Transportation</u>										
Garages	1	1	1	1	1	1	1	1	1	1
Buses	18	18	15	15	15	15	15	15	15	15
<u>Athletics</u>										
Football fields	1	1	1	1	1	1	1	1	1	1
Soccer fields	1	1	1	1	1	1	1	1	1	1
Running tracks	1	1	1	1	1	1	1	1	1	1
Baseball/softball	4	4	4	4	4	4	4	4	4	4

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