
MINGUS UNION HIGH
SCHOOL DISTRICT NO. 4

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2010



1801 East Fir Street ♦ Cottonwood, AZ 86326

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4

COTTONWOOD, ARIZONA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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 13, 2010

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, 2010.

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, 2010, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the District's financial statements for the fiscal year ended June 30, 2010, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

PROFILE OF THE DISTRICT

The District is one of 21 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 1,167 resident students and 72 students from other local school districts that pay tuition to attend Mingus Union High School giving the district a total enrollment of 1,239.

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, bookstore, and athletic functions.

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

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

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

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

FACTORS AFFECTING FINANCIAL CONDITION

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

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

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

A few of the major firms represented in Cottonwood include Griffith Enterprises, Home Depot, Verde Valley Medical Center, Wal-Mart Stores, Inc., Arizona Public Service, and the City of Cottonwood. In addition, the Verde Valley area provides excellent educational and training opportunities through Yavapai College, consisting of six different campuses and currently serving about 3,415 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 18,000 students, including satellite campuses. The University focuses on undergraduate education but offers a wide range of graduate programs as well.

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

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

The District experienced some growth in enrollment the last two years however a slight decline associated with the slow down in the State and local economy is expected in the next two fiscal years. Future maintenance and operations budgets will focus carefully on the cohort movement from the feeder K-8 schools to the High School to ensure future expenditure budgets consider the impact of this movement.

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, 2009. This was the second consecutive year that the District has received this prestigious award. In addition, the Government Finance Officers Association (GFOA) awarded a second Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2009. 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 2009-10 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,

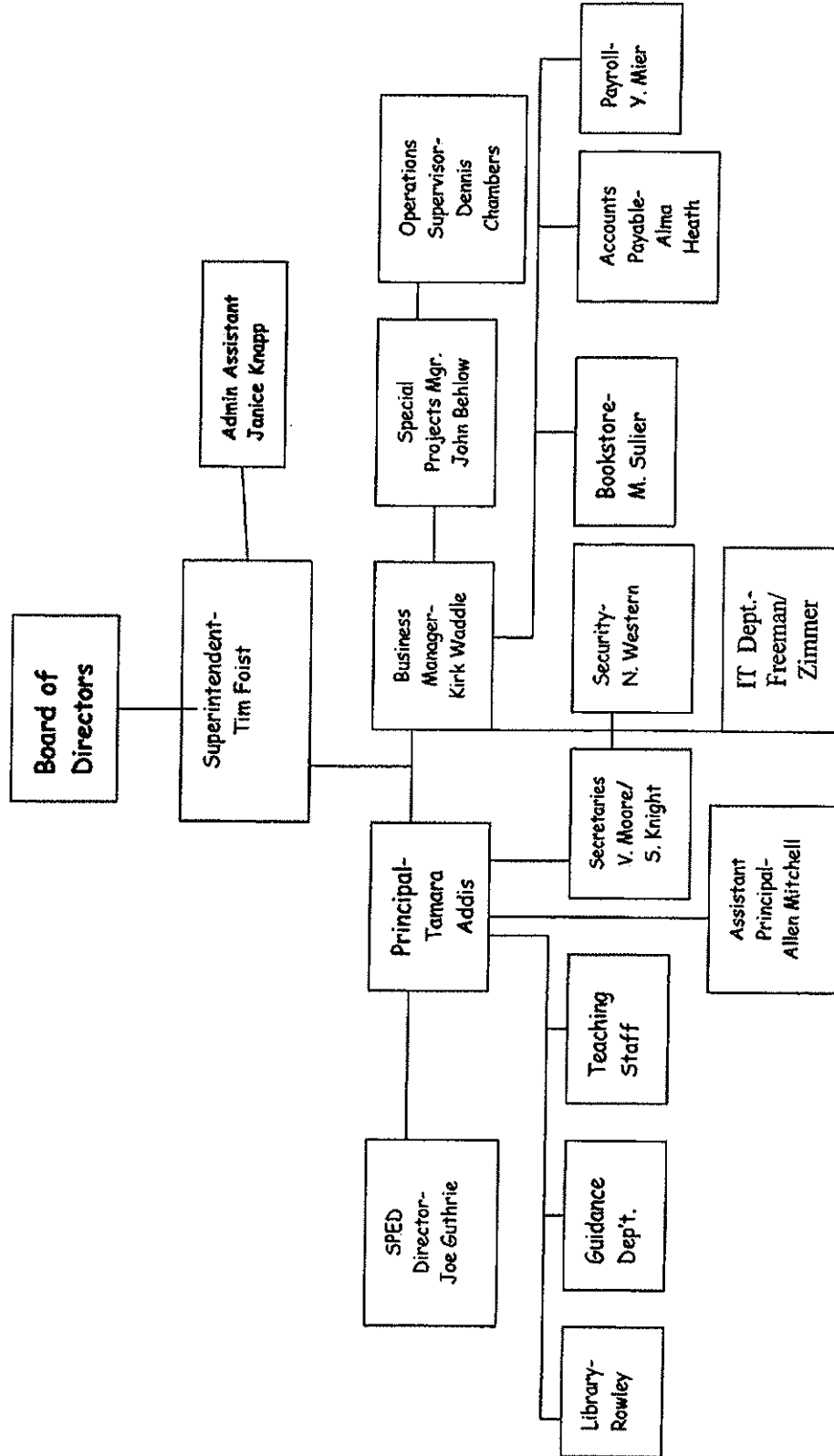


Dr. Tim Foist
Superintendent



Kirk Waddle
Business Manager

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



ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL



This Certificate of Excellence in Financial Reporting is presented to

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2009

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

President

Executive Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Mingus Union High School
District No. 4, Arizona

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

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



President

Executive Director

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

Dr. John Tavasci
President

Andrew Groseta
Member

James Ledbetter
Clerk

Mike Mulcaire
Member

Brenda Zenan
Member

ADMINISTRATIVE STAFF

Dr. Tim Foist
Superintendent

Kirk Waddle
Business Manager

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FINANCIAL SECTION

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HEINFELD, MEECH & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

Governing Board
Mingus Union High School District No. 4

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Mingus Union High School District No. 4 (District), as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Mingus Union High School District No. 4, as of June 30, 2010, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2010, on our consideration of the Mingus Union High School District No. 4's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 14 and budgetary comparison information on pages 46 through 48 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Heinfeld, Meech & Co., P.C.

HEINFELD, MEECH & CO., P.C.
Certified Public Accountants

December 13, 2010

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, 2010**

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, 2010. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The District's total net assets of governmental activities increased \$394,864 which represents a 4 percent increase from the prior fiscal year as a result of the addition of building improvements.
- General revenues accounted for \$8.9 million in revenue, or 80 percent of all current fiscal year revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$2.3 million or 20 percent of total current fiscal year revenues.
- The District had approximately \$10.7 million in expenses related to governmental activities, a decrease of 1 percent from the prior fiscal year.
- Among major funds, the General Fund had \$7.1 million in current fiscal year revenues, which primarily consisted of state and federal aid and property taxes, and \$6.7 million in expenditures. The General Fund's fund balance increase from \$135,664 at the prior fiscal year end to \$587,448 at the end of the current fiscal year was primarily due to lower operating costs combined with an increase in property taxes collected.

OVERVIEW OF FINANCIAL STATEMENTS

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

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

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2010**

OVERVIEW OF FINANCIAL STATEMENTS (Cont'd)

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

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

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

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

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

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

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2010**

OVERVIEW OF FINANCIAL STATEMENTS (Concl'd)

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

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

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process. 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 and major special revenue funds as required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$9.5 million at the current fiscal year end.

By far the largest portion of the District's net assets (76 percent) reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment and construction in progress), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. In addition, a portion of the District's net assets (2 percent) are restricted by statute for the specified purposes of debt service repayment and capital outlay investment.

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2010**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

The following table presents a summary of the District's net assets for the fiscal years ended June 30, 2010 and June 30, 2009.

	As of June 30, 2010	As of June 30, 2009
Current and other assets	\$ 4,012,876	\$ 3,801,948
Capital assets, net	21,231,156	21,213,940
Total assets, net	<u>25,244,032</u>	<u>25,015,888</u>
Current and other liabilities	1,359,794	919,136
Long-term liabilities	14,354,106	14,961,484
Total liabilities	<u>15,713,900</u>	<u>15,880,620</u>
Net assets:		
Invested in capital assets, net of related debt	7,236,007	7,223,915
Restricted	215,126	236,941
Unrestricted	2,078,999	1,674,412
Total net assets	<u>\$ 9,530,132</u>	<u>\$ 9,135,268</u>

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

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following is a significant current year transaction that had an impact on the Statement of Net Assets.

- The addition of \$1.3 million in capital assets through the construction of school improvements and purchases of vehicles, furniture and equipment.

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2010**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

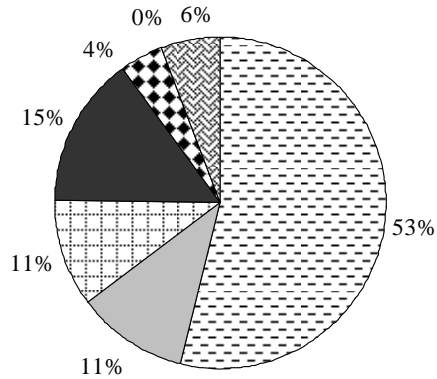
Changes in net assets. The District's total revenues for the current fiscal year were \$11.1 million. The total cost of all programs and services was \$10.7 million. The following table presents a summary of the changes in net assets for the fiscal years ended June 30, 2010 and June 30, 2009.

	Fiscal Year Ended June 30, 2010	Fiscal Year Ended June 30, 2009
Revenues:		
Program revenues:		
Charges for services	\$ 1,370,058	\$ 1,018,347
Operating grants and contributions	763,523	637,710
Capital grants and contributions	129,165	39,306
General revenues:		
Property taxes	6,695,720	5,511,561
Investment income	3,439	106,415
Unrestricted county aid	107,964	
Unrestricted state aid	1,844,455	2,278,437
Unrestricted federal aid	220,275	
Total revenues	11,134,599	9,591,776
Expenses:		
Instruction	5,796,510	5,853,376
Support services – students and staff	1,142,576	1,024,007
Support services – administration	1,159,556	1,084,389
Operation and maintenance of plant services	1,576,004	1,426,163
Student transportation services	438,281	480,248
Operation of non-instructional services	5,649	342,783
Interest on long-term debt	621,159	642,970
Total expenses	10,739,735	10,853,936
Change in net assets	\$ 394,864	\$ (1,262,160)

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2010**

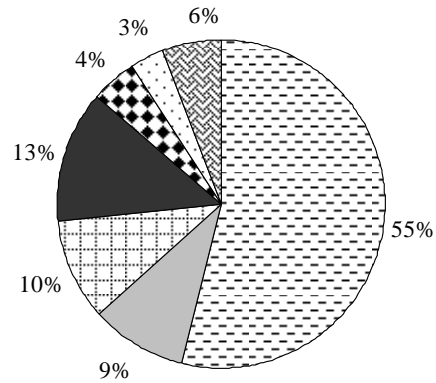
GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

Fiscal Year 2009-10 Expenses



- ☐ Instruction
- ☐ Support services - administration
- ▣ Student transportation services
- ▨ Interest on long-term debt

Fiscal Year 2008-09 Expenses



- ▣ Support services - students and staff
- ▣ Operation and maintenance of plant services
- ☐ Operation of non-instructional services

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

- The increase in property tax revenues of \$1.2 million due to bond override in prior years as well as adjustments due to reduced state aid.

The following table presents the cost of the seven major District functional activities: instruction, support services – students and staff, support services – administration, operation and maintenance of plant services, student transportation services, operation of non-instructional services and interest on long-term debt. 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.

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2010**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Concl'd)

	Year Ended June 30, 2010		Year Ended June 30, 2009	
	Total	Net (Expense)/	Total	Net (Expense)/
	Expenses	Revenue	Expenses	Revenue
Instruction	\$ 5,796,510	\$ (4,278,787)	\$ 5,853,376	\$ (4,810,943)
Support services – students and staff	1,142,576	(891,145)	1,024,007	(873,689)
Support services – administration	1,159,556	(1,136,964)	1,084,389	(1,050,584)
Operation and maintenance of plant services	1,576,004	(1,445,178)	1,426,163	(1,317,463)
Student transportation services	438,281	(438,281)	480,248	(480,248)
Operation of non-instructional services	5,649	334,525	342,783	17,324
Interest on long-term debt	621,159	(621,159)	642,970	(642,970)
Total	\$ 10,739,735	\$ (8,476,989)	\$ 10,853,936	\$ (9,158,573)

- The cost of all governmental activities this year was \$10.7 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$2.3 million.
- Net cost of governmental activities of \$8.5 million was financed by general revenues, which are made up of primarily property taxes of \$6.7 million and federal, state and county aid of \$2.2 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, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

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 \$1.8 million, a decrease of \$325,839 due primarily to expenditures for building renovation projects.

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2010**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (Concl'd)

The General Fund comprises 33 percent of the total fund balance. Approximately \$159,679 or 27 percent of the General Fund's fund balance constitutes unreserved fund balance. The remaining fund balance of \$427,769 is reserved for prepaid insurance and it is not available for spending because it has already been committed.

The General Fund is the principal operating fund of the District. The increase in fund balance of \$135,644 to \$587,448 as of fiscal year end was a result of increased revenues combined with conservative spending. General Fund revenues increased \$742,750 as a result of increases in property taxes, and receipt of federal ARRA funding. General Fund expenditures decreased \$201,240 as a result of reduced labor costs and decreases in staff.

The fund balance of the Classroom Site Fund was a deficit of \$194,110. The decrease in fund balance of \$110,987 was due to cuts in funding

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 an \$322,685 increase, or 5 percent.

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

- The favorable variance of \$395,809 in Regular education - instruction was a result of attrition and unfilled staff positions.
- The unfavorable variance of \$118,129 in Regular education - operation and maintenance of plant services was a result of costs associated with special projects taken to renovate District buildings and activity fields.
- The unfavorable variance of \$158,111 in Special education - instruction was a result of additional costs due to unexpected arrival of students with special needs.

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2010**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As of year end, the District had invested \$29.0 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 \$881,463 from the prior fiscal year, primarily due to the renovation project undertaken by the District. Total depreciation expense for the current fiscal year was \$1.0 million.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2010 and June 30, 2009.

	As of June 30, 2010	As of June 30, 2009
Capital assets – non-depreciable	\$ 124,667	\$ 14,124,324
Capital assets – depreciable, net	21,106,489	7,089,616
Total	\$ 21,231,156	\$ 21,213,940

The estimated cost to complete the current construction project is \$1.6 million.

Additional information on the District's capital assets can be found in Note 5.

Debt Administration. At year-end, the District had \$14.3 million in long-term debt outstanding, \$625,000 due within one year. This represents a net decrease of \$607,378 due to the payment of bond and capital lease principal.

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% of the total secondary assessed valuation) and the statutory debt limit on Class B bonds (the greater of 5% of the secondary assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$68.2 million and the Class B debt limit is \$22.7 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 6-8.

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 2010-11 budget. Among them:

- Fiscal year 2009-10 budget balance carry forward (estimated \$47,985).
- District student population (estimated 1,225 a decrease of 37 students).

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2010**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES (Concl'd)

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

Budgeted expenditures in the General Fund decreased 3 percent to \$6.5 million in fiscal year 2010-11. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2010-11 budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
STATEMENT OF NET ASSETS
JUNE 30, 2010

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 2,462,423
Property taxes receivable	379,065
Due from governmental entities	743,619
Prepaid items	427,769
Total current assets	4,012,876
Noncurrent assets:	
Land	30,000
Land improvements	614,971
Buildings and improvements	25,043,875
Vehicles, furniture and equipment	3,171,857
Construction in progress	94,667
Accumulated depreciation	(7,724,214)
Total noncurrent assets	21,231,156
Total assets	25,244,032
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	32,921
Credit line payable	750,000
Accrued payroll and employee benefits	132,260
Compensated absences payable	15,000
Accrued interest payable	306,646
Unearned revenues	137,967
Bonds payable	625,000
Total current liabilities	1,999,794
Noncurrent liabilities:	
Non-current portion of long-term obligations	13,714,106
Total non-current liabilities	13,714,106
Total liabilities	15,713,900
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	7,236,007
Restricted for:	
Debt service	167,117
Capital outlay	48,009
Unrestricted	2,078,999
Total net assets	\$ 9,530,132

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

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2010**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
Governmental activities:						
Instruction	\$ 5,796,510	\$ 959,304	\$ 429,254	\$ 129,165	\$ (4,278,787)	
Support services - students and staff	1,142,576		251,431		(891,145)	
Support services - administration	1,159,556		22,592		(1,136,964)	
Operation and maintenance of plant services	1,576,004	70,580	60,246		(1,445,178)	
Student transportation services	438,281				(438,281)	
Operation of non-instructional services	5,649	340,174			334,525	
Interest on long-term debt	621,159				(621,159)	
Total governmental activities	\$ 10,739,735	\$ 1,370,058	\$ 763,523	\$ 129,165	(8,476,989)	
General revenues:						
Taxes:						
Property taxes, levied for general purposes						5,203,686
Property taxes, levied for debt service						1,207,463
Property taxes, levied for capital outlay						284,571
Investment income						3,439
Unrestricted county aid						107,964
Unrestricted state aid						1,844,455
Unrestricted federal aid						220,275
Total general revenues						8,871,853
Changes in net assets					394,864	
Net assets, beginning of year					9,135,268	
Net assets, end of year					\$ 9,530,132	

The notes to the 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, 2010

	General	Classroom Site	Debt Service
<u>ASSETS</u>			
Cash and investments	\$ 448,117	\$	\$ 1,031,806
Property taxes receivable	289,755		66,957
Due from governmental entities	573,317	91,098	
Due from other funds			
Prepaid items	427,769		
Total assets	\$ 1,738,958	\$ 91,098	\$ 1,098,763
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 28,263	\$	\$
Credit line payable	750,000		
Due to other funds		285,208	
Accrued payroll and employee benefits	132,260		
Deferred revenues	240,987		
Bonds payable			625,000
Bond interest payable			306,646
Total liabilities	1,151,510	285,208	931,646
Fund balances (deficits):			
Reserved for prepaid items	427,769		
Unreserved:			
Undesignated	159,679	(194,110)	167,117
Unreserved reported in:			
Special revenue funds			
Capital projects funds			
Total fund balances	587,448	(194,110)	167,117
 Total liabilities and fund balances	 \$ 1,738,958	 \$ 91,098	 \$ 1,098,763

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 982,500	\$ 2,462,423
22,353	379,065
79,204	743,619
325,087	325,087
	427,769
<u>\$ 1,409,144</u>	<u>\$ 4,337,963</u>

\$ 4,658	\$ 32,921
	750,000
39,879	325,087
	132,260
167,585	408,572
	625,000
	306,646
<u>212,122</u>	<u>2,580,486</u>

427,769

132,686

834,873	834,873
362,149	362,149
<u>1,197,022</u>	<u>1,757,477</u>

<u>\$ 1,409,144</u>	<u>\$ 4,337,963</u>
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MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2010

Total governmental fund balances **\$ 1,757,477**

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

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

Governmental capital assets	\$ 28,955,370	
Less accumulated depreciation	<u>(7,724,214)</u>	21,231,156

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

Property taxes	215,328	
Intergovernmental	<u>55,277</u>	270,605

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

Compensated absences payable	(29,106)	
Bonds payable	<u>(13,700,000)</u>	<u>(13,729,106)</u>

Net assets of governmental activities **\$ 9,530,132**

The notes to the 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, 2010

	General	Classroom Site	Debt Service
Revenues:			
Other local	\$ 297,410	\$	\$ 67,121
Property taxes	5,140,506		1,207,463
State aid and grants	1,468,621	364,602	
Federal aid, grants and reimbursements	220,275		
Total revenues	7,126,812	364,602	1,274,584
Expenditures:			
Current -			
Instruction	3,154,017	475,589	
Support services - students and staff	823,095		
Support services - administration	1,104,771		
Operation and maintenance of plant services	1,252,212		
Student transportation services	332,195		
Operation of non-instructional services			
Capital outlay			
Debt service -			
Interest and fiscal charges			613,544
Principal retirement			625,000
Total expenditures	6,666,290	475,589	1,238,544
Excess (deficiency) of revenues over expenditures	460,522	(110,987)	36,040
Other financing sources (uses):			
Transfer in			4,631
Transfer out			
Capital lease agreements			
Total other financing sources (uses)			4,631
Changes in fund balances	460,522	(110,987)	40,671
Fund balances (deficits), beginning of year	135,664	(83,123)	126,446
(Decrease) in reserve for inventory			
(Decrease) in reserve for prepaid items	(8,738)		
Fund balances (deficits), end of year	\$ 587,448	\$ (194,110)	\$ 167,117

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 1,116,930	\$ 1,481,461
274,629	6,622,598
204,941	2,038,164
800,992	1,021,267
<u>2,397,492</u>	<u>11,163,490</u>
1,284,832	4,914,438
308,035	1,131,130
51,004	1,155,775
92,919	1,345,131
55,699	387,894
1,019	1,019
1,191,926	1,191,926
7,615	621,159
162,191	787,191
<u>3,155,240</u>	<u>11,535,663</u>
<u>(757,748)</u>	<u>(372,173)</u>
12,722	17,353
(17,353)	(17,353)
59,026	59,026
<u>54,395</u>	<u>59,026</u>
<u>(703,353)</u>	<u>(313,147)</u>
1,904,329	2,083,316
(3,954)	(3,954)
	(8,738)
<u>\$ 1,197,022</u>	<u>\$ 1,757,477</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, 2009

Net changes in fund balances - total governmental funds **\$ (325,839)**

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

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

Expenditures for capitalized assets	\$ 1,298,543	
Less current year depreciation	<u>(1,039,180)</u>	259,363

Capital lease proceeds provide current financial resources to governmental funds, but the issuance increases long term liabilities in the Statement of Net Assets. (59,026)

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

Property taxes	73,122	
Intergovernmental	<u>(102,013)</u>	(28,891)

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

Capital lease principal retirement	162,191	
Bond principal retirement	<u>625,000</u>	787,191

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

Loss on disposal of capital assets	(242,147)	
Compensated absences	<u>4,213</u>	<u>(237,934)</u>

Change in net assets in governmental activities **\$ 394,864**

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2010

	<u>Agency</u>
<u>ASSETS</u>	
Cash and investments	\$ 94,482
Total assets	<u>\$ 94,482</u>
<u>LIABILITIES</u>	
Deposits held for others	2,551
Due to student groups	<u>91,931</u>
Total liabilities	<u>\$ 94,482</u>

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The more significant of the District's accounting policies are described below.

A. Reporting Entity

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

The membership of the Governing Board consists of five members elected by the public. Under existing statutes, the Governing Board's duties and powers include, but are not limited to, the acquisition, maintenance and disposition of school property; the development and adoption of a school program; and the establishment, organization and operation of schools.

The Board also has broad financial responsibilities, including the approval of the annual budget, and the establishment of a system of accounting and budgetary controls.

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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

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

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

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

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

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. It is described as the Maintenance and Operation Fund by A.R.S.

Classroom Site Fund – The Classroom Site Fund accounts 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.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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

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

Additionally, the District reports the following fund type:

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

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

D. Cash and Investments

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

E. Investment Income

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

F. Receivables and Payables

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

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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

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

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

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

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

G. Inventory

All inventories are valued at cost using the first in/first out (FIFO) method. Inventories consist of expendable supplies held for consumption. Inventories are recorded as expenses when consumed on the government-wide financial statements and as expenditures when purchased on the fund financial statements.

The United States Department of Agriculture (USDA) commodity portion of the food service inventory consists of food donated by the USDA. It is valued at estimated market prices paid by the USDA.

Inventories on hand at year end were immaterial and therefore not included on the fund or government-wide financial statements.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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

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. Prepaid items are recorded as expenditures when purchased in the fund financial statements and are offset by a reserve of fund balance.

I. Capital Assets

Capital assets, which include land and improvements, buildings and improvements, vehicles, furniture, 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. Compensated Absences

The District's employee vacation and sick leave policies generally provide for granting vacation and sick leave with pay. The District's compensated absences consist solely of accrued vacation. Vacation leave vests with employees at the employees' rate of pay. Employees may accumulate up to 12 weeks of sick leave, depending on years of service, but any vacation hours earned in any school year must be used by September 1 of the following year or it shall be forfeited. The current and long-term liabilities, including related benefits, for accumulated vacation and sick leave are reported on the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignations and retirements. Generally, resources from the General Fund are used to pay for compensated absences.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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

K. Long-term Obligations

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

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

L. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for expenditures or are legally restricted by outside parties for use for a specific purpose.

M. Interfund Activity

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

N. Estimates

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

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Individual Deficit Fund Balance – At year end the following individual major governmental fund reported a deficit in fund balance.

	<u>Deficit</u>
Major Fund	
Classroom Site	\$ 194,110

The deficit arose because of operations during the year. Additional revenues and reduced spending in fiscal year 2010-11 are expected to eliminate the deficit.

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

NOTE 3 – CASH AND INVESTMENTS

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

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the District’s deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District’s deposits was \$1,244,345, and the bank balance was \$1,384,078. Of the bank balance, \$452,432 was covered by Federal depository insurance and \$931,646 was covered by collateral held by the pledging financial institution.

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 3 – CASH AND INVESTMENTS (Concl'd)

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

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer's investment pool	28 days	<u>\$ 1,312,560</u>
Total		<u><u>\$ 1,312,560</u></u>

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

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

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

NOTE 4 – RECEIVABLES

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

	<u>General Fund</u>	<u>Classroom Site Fund</u>	<u>Non-Major Governmental Funds</u>
Due from other governmental entities:			
Due from Federal government	\$	\$	\$ 35,123
Due from State government	<u>573,317</u>	<u>91,098</u>	<u>44,081</u>
Net Due from other governmental entities:	<u>\$ 573,317</u>	<u>\$ 91,098</u>	<u>\$ 79,204</u>

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 4 – RECEIVABLES (Concl'd)

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

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes receivable (General Fund)	\$ 201,686	\$
Delinquent property taxes receivable (Non-Major Governmental Funds)	13,642	
Grant drawdowns prior to meeting all eligibility requirements (Non-Major Governmental Funds)		137,967
Measurable but unavailable revenues (General Fund)	39,301	
Measurable but unavailable revenues (Non-Major Governmental Funds)	<u>15,976</u>	
Total deferred revenue for governmental funds	<u>\$ 270,605</u>	<u>\$ 137,967</u>

NOTE 5 – CAPITAL ASSETS

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

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 30,000	\$	\$	\$ 30,000
Construction in progress	14,094,324	94,667	14,094,324	94,667
Total capital assets, not being depreciated	<u>14,124,324</u>	<u>94,667</u>	<u>14,094,324</u>	<u>124,667</u>
Capital assets, being depreciated:				
Land improvements	649,082		34,111	614,971
Buildings and improvements	10,615,068	14,721,207	292,400	25,043,875
Vehicles, furniture and equipment	2,685,433	576,993	90,569	3,171,857
Total capital assets being depreciated	<u>13,949,583</u>	<u>15,298,200</u>	<u>417,080</u>	<u>28,830,703</u>
Less accumulated depreciation for:				
Land improvements	(639,410)	(3,817)	(71,356)	(571,871)
Buildings and improvements	(4,826,424)	(826,041)	(5,733)	(5,646,732)
Vehicles, furniture and equipment	(1,394,133)	(209,322)	(97,844)	(1,505,611)
Total accumulated depreciation	<u>(6,859,967)</u>	<u>(1,039,180)</u>	<u>(174,933)</u>	<u>(7,724,214)</u>
Total capital assets, being depreciated, net	7,089,616	14,259,020	242,147	21,106,489
Governmental activities capital assets, net	<u>\$ 21,213,940</u>	<u>\$ 14,353,687</u>	<u>\$ 14,336,471</u>	<u>\$ 21,231,156</u>

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 5 – CAPITAL ASSETS (Concl'd)

Depreciation expense was charged to governmental functions as follows.

Instruction	\$ 703,349
Support services – students and staff	10,017
Support services – administration	5,123
Operation and maintenance of plant services	263,207
Student transportation services	56,731
Operation of non-instructional services	753
Total depreciation expense – governmental activities	\$ 1,039,180

Construction Commitments – At year end, the District had contractual commitments related to one capital project for the renovation of the football field and track. At year end the District had spent \$94,667 million on the project and had estimated remaining contractual commitments at \$1.6 million. This project is being funded with bond proceeds and a five year financing agreement.

NOTE 6 – OBLIGATIONS UNDER CAPITAL LEASES

The District has acquired buses 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 Auxiliary Operations, Unrestricted Capital Outlay and Soft Capital Allocation Funds, non-major governmental funds, are used to pay the capital lease obligations.

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

	Governmental Activities
Asset:	
Vehicles, furniture and equipment	\$ 235,908
Less: Accumulated depreciation	38,390
Total	\$ 197,518

The District had no future lease obligations.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 7 – GENERAL OBLIGATION BONDS PAYABLE

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

<u>Purpose</u>	<u>Original Amount Issued</u>	<u>Interest Rates</u>	<u>Maturity</u>	<u>Outstanding Principal June 30, 2010</u>	<u>Due Within One Year</u>
Governmental activities:					
School Improvement Bonds, 2007	\$ 15,000,000	4.0-5.0%	7/1/10-22	\$ 14,325,000	\$ 625,000
Total				<u>\$ 14,325,000</u>	<u>\$ 625,000</u>

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

<u>Year ending June 30:</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2011	\$ 625,000	\$ 600,793
2012	750,000	573,293
2013	925,000	539,793
2014	995,000	500,149
2015	1,035,000	458,306
2016-19	5,845,000	1,602,140
2020-23	4,150,000	290,813
Total	<u>\$ 14,325,000</u>	<u>\$ 4,565,287</u>

NOTE 8 – CHANGES IN LONG-TERM LIABILITIES

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

<u>Governmental activities:</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds payable	\$ 14,825,000	\$	\$ 500,000	\$ 14,325,000	\$ 625,000
Obligations under capital leases	103,165	59,026	162,191		
Compensated absences payable	33,319	47,879	52,092	29,106	15,000
Governmental activity long-term liabilities	<u>\$ 14,961,484</u>	<u>\$ 106,905</u>	<u>\$ 714,283</u>	<u>\$ 14,354,106</u>	<u>\$ 640,000</u>

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 9 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At year end, interfund balances were as follows.

Due to/from other funds:

Due to	Due from		Total
	Classroom Site Fund	Non-Major Governmental Funds	
Non-Major Governmental Funds	\$ 285,208	\$ 39,879	\$ 325,087
Total	<u>\$ 285,208</u>	<u>\$ 39,879</u>	<u>\$ 325,087</u>

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

Interfund transfers:

Transfers out	Transfers in		Total
	Debt Service Fund	Non-Major Governmental Funds	
Non-Major Governmental Funds	\$ 4,631	\$ 12,722	\$ 17,353
Total	<u>\$ 4,631</u>	<u>\$ 12,722</u>	<u>\$ 17,353</u>

Transfers between funds were used to (1) move investment income and premium earned in the Bond Building Fund, that is required by statute to be expended in the Debt Service Fund and (2) to move Federal grant funds restricted for indirect costs to the Indirect Costs Fund, a non-major governmental fund.

NOTE 10 – 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, 2010

NOTE 10 – CONTINGENT LIABILITIES (Concl'd)

Lawsuits – The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

NOTE 11 – 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), together with other school districts and community colleges in the State. ASRRT is a public entity risk pool currently operating as a common risk management and insurance program for school districts and community colleges in the State. The District pays an annual premium to ASRRT for its general insurance coverage. The agreement provides that ASRRT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of specified amounts.

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

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

NOTE 12 – RETIREMENT PLAN

Plan Description – The District contributes to a cost-sharing, multiple-employer defined benefit pension plan; a cost-sharing multiple employer defined benefit health care plan; and a cost-sharing, multiple-employer defined benefit long-term disability plan, all of which are administered by the Arizona State Retirement System (ASRS). The ASRS (through its Retirement Fund) provides retirement (i.e., pension), death, and survivor benefits; the Health Benefit Supplement Fund provides health insurance premium benefits (i.e., a monthly subsidy); and the Long-Term Disability Fund provides long-term disability benefits. Benefits are established by state statute. The System is governed by the Arizona State Retirement System Board according to the provisions of A.R.S. Title 38, Chapter 5, Article 2.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 12 – RETIREMENT PLAN (Concl'd)

The System issues a comprehensive annual financial report that includes financial statements and required supplementary information. The most recent report may be obtained by writing the System, 3300 North Central Avenue, P.O. Box 33910, Phoenix, Arizona 85067-3910 or by calling (602) 240-2000 or (800) 621-3778.

Funding Policy – The Arizona State Legislature establishes and may amend active plan members' and the District's contribution rates. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 9.40 percent (9.00 percent for retirement and 0.4 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 9.40 percent (8.34 percent for retirement, 0.66 percent for health insurance premium, and 0.4 percent for long-term disability) of the members' annual covered payroll.

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

	Retirement Fund	Health Benefit Supplement Fund	Long-Term Disability Fund
Year ending June 30:			
2010	\$ 390,549	\$ 30,907	\$ 18,731
2009	398,952	47,934	24,966
2008	423,874	55,288	26,328

NOTE 13 – SUBSEQUENT EVENT

In fiscal year 2010-11 the District constructed improvements to the football field and track under the provisions of a long term lease agreement, classified as a capital lease. The total present value of the minimum lease payments of \$742,184 is payable over the next five years. Revenues from the Unrestricted Capital Outlay Fund, a non-major governmental fund, will be used to pay the capital lease obligations.

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Other local	\$ 280,620	\$ 280,620	\$ 297,410	\$ 16,790
Property taxes	4,850,302	4,850,302	5,140,506	290,204
State aid and grants	1,385,711	1,385,711	1,468,621	82,910
Federal aid, grants and reimbursements	207,840	207,840	220,275	12,435
Total revenues	<u>6,724,473</u>	<u>6,724,473</u>	<u>7,126,812</u>	<u>402,339</u>
Expenditures:				
Regular education				
Instruction	2,913,742	2,787,466	2,391,657	395,809
Support services - students and staff	504,151	694,131	730,803	(36,672)
Support services - administration	845,982	1,030,630	1,104,771	(74,141)
Operation and maintenance of plant services	1,031,180	1,105,513	1,223,642	(118,129)
Student transportation services			1,849	(1,849)
Total regular education	<u>5,295,055</u>	<u>5,617,740</u>	<u>5,452,722</u>	<u>165,018</u>
Special education				
Instruction	604,249	604,249	762,360	(158,111)
Support services - students and staff	43,843	43,843	92,292	(48,449)
Total special education	<u>648,092</u>	<u>648,092</u>	<u>854,652</u>	<u>(206,560)</u>
Pupil transportation				
Operation and maintenance of plant services			28,570	(28,570)
Student transportation services	426,988	426,988	330,346	96,642
Total pupil transportation	<u>426,988</u>	<u>426,988</u>	<u>358,916</u>	<u>68,072</u>
Dropout prevention programs				
Instruction	31,652	31,652		31,652
Total dropout prevention programs	<u>31,652</u>	<u>31,652</u>		<u>31,652</u>
Total expenditures	<u>6,401,787</u>	<u>6,724,472</u>	<u>6,666,290</u>	<u>58,182</u>
Change in fund balances	<u>322,686</u>	<u>1</u>	<u>460,522</u>	<u>460,521</u>
Fund balances, July 1, 2009	135,664	135,664	135,664	
(Decrease) in reserve for prepaid items			(8,738)	(8,738)
Fund balances, June 30, 2010	<u>\$ 458,350</u>	<u>\$ 135,665</u>	<u>\$ 587,448</u>	<u>\$ 451,783</u>

See accompanying notes to this schedule.

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CLASSROOM SITE
YEAR ENDED JUNE 30, 2010**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
State aid and grants	\$ 510,949	\$ 510,949	\$ 364,602	\$ (146,347)
Total revenues	<u>510,949</u>	<u>510,949</u>	<u>364,602</u>	<u>(146,347)</u>
Expenditures:				
Current -				
Instruction	508,267	510,949	475,589	35,360
Total expenditures	<u>508,267</u>	<u>510,949</u>	<u>475,589</u>	<u>35,360</u>
Change in fund balances	<u>2,682</u>	<u></u>	<u>(110,987)</u>	<u>(110,987)</u>
Fund balances (deficits), July 1, 2009	(116,507)	(116,507)	(83,123)	33,384
Fund balances (deficits), June 30, 2010	<u>\$ (113,825)</u>	<u>\$ (116,507)</u>	<u>\$ (194,110)</u>	<u>\$ (77,603)</u>

See accompanying notes to this schedule.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2010

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

The adopted budget of the District is prepared on a basis of accounting consistent with accounting principles generally accepted in the United States of America.

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

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**OTHER MAJOR GOVERNMENTAL FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL**

**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, 2010**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Other local	\$ 64,974	\$ 64,974	\$ 67,121	\$ 2,147
Property taxes	1,168,837	1,168,837	1,207,463	38,626
Total revenues	<u>1,233,811</u>	<u>1,233,811</u>	<u>1,274,584</u>	<u>40,773</u>
Expenditures:				
Debt service -				
Interest and fiscal charges	561,406	613,420	613,544	(124)
Principal retirement	571,888	624,874	625,000	(126)
Total expenditures	<u>1,133,294</u>	<u>1,238,294</u>	<u>1,238,544</u>	<u>(250)</u>
Excess (deficiency) of revenues over expenditures	<u>100,517</u>	<u>(4,483)</u>	<u>36,040</u>	<u>40,523</u>
Other financing sources (uses):				
Transfer in	4,483	4,483	4,631	148
Total other financing sources (uses)	<u>4,483</u>	<u>4,483</u>	<u>4,631</u>	<u>148</u>
Change in fund balances	<u>105,000</u>	<u></u>	<u>40,671</u>	<u>40,671</u>
Fund balances, July 1, 2009	94,091	94,091	126,446	32,355
Fund balances, June 30, 2010	<u>\$ 199,091</u>	<u>\$ 94,091</u>	<u>\$ 167,117</u>	<u>\$ 73,026</u>

NON-MAJOR GOVERNMENTAL FUNDS

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2010

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
<u>ASSETS</u>			
Cash and investments	\$ 656,327	\$ 326,173	\$ 982,500
Property taxes receivable		22,353	22,353
Due from governmental entities	49,030	30,174	79,204
Due from other funds	318,861	6,226	325,087
Total assets	<u>\$ 1,024,218</u>	<u>\$ 384,926</u>	<u>\$ 1,409,144</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 3,818	\$ 840	\$ 4,658
Due to other funds	33,653	6,226	39,879
Deferred revenues	151,874	15,711	167,585
Total liabilities	<u>189,345</u>	<u>22,777</u>	<u>212,122</u>
Fund balances:			
Unreserved:			
Undesignated	834,873	362,149	1,197,022
Total fund balances	<u>834,873</u>	<u>362,149</u>	<u>1,197,022</u>
Total liabilities and fund balances	<u>\$ 1,024,218</u>	<u>\$ 384,926</u>	<u>\$ 1,409,144</u>

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
YEAR ENDED JUNE 30, 2010

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Other local	\$ 1,093,766	\$ 23,164	\$ 1,116,930
Property taxes		274,629	274,629
State aid and grants	127,646	77,295	204,941
Federal aid, grants and reimbursements	800,992		800,992
Total revenues	<u>2,022,404</u>	<u>375,088</u>	<u>2,397,492</u>
Expenditures:			
Current -			
Instruction	1,284,832		1,284,832
Support services - students and staff	308,035		308,035
Support services - administration	51,004		51,004
Operation and maintenance of plant services	92,919		92,919
Student transportation services	55,699		55,699
Operation of non-instructional services	1,019		1,019
Capital outlay	223,334	968,592	1,191,926
Debt service -			
Interest and fiscal charges	2,361	5,254	7,615
Principal retirement	23,768	138,423	162,191
Total expenditures	<u>2,042,971</u>	<u>1,112,269</u>	<u>3,155,240</u>
Excess (deficiency) of revenues over expenditures	<u>(20,567)</u>	<u>(737,181)</u>	<u>(757,748)</u>
Other financing sources (uses):			
Transfer in	12,722		12,722
Transfer out	(12,722)	(4,631)	(17,353)
Capital lease agreements		59,026	59,026
Total other financing sources (uses)	<u> </u>	<u>54,395</u>	<u>54,395</u>
Change in fund balances	<u>(20,567)</u>	<u>(682,786)</u>	<u>(703,353)</u>
Fund balances, beginning of year	859,394	1,044,935	1,904,329
(Decrease) in reserve for inventory	(3,954)		(3,954)
Fund balances, end of year	<u>\$ 834,873</u>	<u>\$ 362,149</u>	<u>\$ 1,197,022</u>

NON-MAJOR SPECIAL REVENUE FUNDS

The following non-major Special Revenue Funds are maintained by the District. Arizona Revised Statutes (A.R.S.) and the Uniform System of Financial Records (USFR) require the establishment of these funds for the specified financial activities.

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

Structured English Immersion - to account for monies received to provide for the incremental cost of instruction to English language learners.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Unemployment Insurance - to account for unemployment insurance contributions using the reimbursement method of accounting to the Department of Economic Security.

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2010

	<u>Instructional Improvement</u>	<u>Structured English Immersion</u>	<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>
<u>ASSETS</u>				
Cash and investments	\$ 163,574	\$ 766	\$	\$ 17,916
Due from governmental entities	13,907		9,412	
Due from other funds				
Total assets	<u>\$ 177,481</u>	<u>\$ 766</u>	<u>\$ 9,412</u>	<u>\$ 17,916</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$	\$	\$	\$
Due to other funds			9,412	
Deferred revenues	13,907	766		17,916
Total liabilities	<u>13,907</u>	<u>766</u>	<u>9,412</u>	<u>17,916</u>
Fund balances:				
Unreserved:				
Undesignated	163,574			
Total fund balances	<u>163,574</u>			
 Total liabilities and fund balances	 <u>\$ 177,481</u>	 <u>\$ 766</u>	 <u>\$ 9,412</u>	 <u>\$ 17,916</u>

<u>Title IV Grants</u>	<u>Promote Informed Parent Choice</u>	<u>Special Education Grants</u>	<u>Vocational Education</u>	<u>Medicaid Reimbursement</u>	<u>Other Federal Projects</u>
\$ 1,702	\$ 1,253	\$ 21,286	\$ 72,216	\$ 30,340 1,470	\$ 4,067
<u>\$ 1,702</u>	<u>\$ 1,253</u>	<u>\$ 21,286</u>	<u>\$ 72,216</u>	<u>\$ 31,810</u>	<u>\$ 4,067</u>
\$ 1,702	\$ 1,253	\$ 21,286	\$ 150	\$ 575	\$
<u>1,702</u>	<u>1,253</u>	<u>21,286</u>	<u>72,066</u>		<u>656</u>
			<u>72,216</u>	<u>575</u>	<u>656</u>
				<u>31,235</u>	<u>3,411</u>
				<u>31,235</u>	<u>3,411</u>
<u>\$ 1,702</u>	<u>\$ 1,253</u>	<u>\$ 21,286</u>	<u>\$ 72,216</u>	<u>\$ 31,810</u>	<u>\$ 4,067</u>

(Continued)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2010
(Continued)

	State Vocational Education	Extended School Year - Pupils with Disabilities	Chemical Abuse Prevention Programs	Academic Contests
<u>ASSETS</u>				
Cash and investments	\$ 45,268	\$ 28	\$ 550	\$ 537
Due from governmental entities				
Due from other funds				
Total assets	<u>\$ 45,268</u>	<u>\$ 28</u>	<u>\$ 550</u>	<u>\$ 537</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$	\$	\$	\$
Due to other funds				
Deferred revenues	45,268	28	550	537
Total liabilities	<u>45,268</u>	<u>28</u>	<u>550</u>	<u>537</u>
Fund balances:				
Unreserved:				
Undesignated				
Total fund balances	<u></u>	<u></u>	<u></u>	<u></u>
Total liabilities and fund balances	<u>\$ 45,268</u>	<u>\$ 28</u>	<u>\$ 550</u>	<u>\$ 537</u>

<u>Other State Projects</u>	<u>School Plant</u>	<u>Food Service</u>	<u>Civic Center</u>	<u>Community School</u>	<u>Auxiliary Operations</u>
\$ 180	\$ 530	\$ 125	\$ 14,792	\$	\$ 238,388
				73,592	
<u>\$ 180</u>	<u>\$ 530</u>	<u>\$ 125</u>	<u>\$ 14,792</u>	<u>\$ 73,592</u>	<u>\$ 238,388</u>
\$	\$	\$	\$ 743	\$	\$
180					
<u>180</u>			<u>743</u>		
	530	125	14,049	73,592	238,388
	<u>530</u>	<u>125</u>	<u>14,049</u>	<u>73,592</u>	<u>238,388</u>
<u>\$ 180</u>	<u>\$ 530</u>	<u>\$ 125</u>	<u>\$ 14,792</u>	<u>\$ 73,592</u>	<u>\$ 238,388</u>

(Continued)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2010
(Concluded)

	Gifts and Donations	Career and Technical Education and Vocational Education Projects	Insurance Proceeds	Textbooks
<u>ASSETS</u>				
Cash and investments	\$ 39,937	\$ 920	\$ 7,361	\$ 2,049
Due from governmental entities				
Due from other funds	52,687			
Total assets	\$ 92,624	\$ 920	\$ 7,361	\$ 2,049
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$	\$	\$	\$
Due to other funds				
Deferred revenues				
Total liabilities				
Fund balances:				
Unreserved:				
Undesignated	92,624	920	7,361	2,049
Total fund balances	92,624	920	7,361	2,049
 Total liabilities and fund balances	\$ 92,624	\$ 920	\$ 7,361	\$ 2,049

<u>Litigation Recovery</u>	<u>Indirect Costs</u>	<u>Unemployment Insurance</u>	<u>Joint Technological Education</u>	<u>Totals</u>
\$ 3,515	\$ 13,094	\$ 174	\$	\$ 656,327
				49,030
			192,582	318,861
<u>\$ 3,515</u>	<u>\$ 13,094</u>	<u>\$ 174</u>	<u>\$ 192,582</u>	<u>\$ 1,024,218</u>
\$	\$	\$	\$ 2,350	\$ 3,818
				33,653
				151,874
			<u>2,350</u>	<u>189,345</u>
<u>3,515</u>	<u>13,094</u>	<u>174</u>	<u>190,232</u>	<u>834,873</u>
<u>3,515</u>	<u>13,094</u>	<u>174</u>	<u>190,232</u>	<u>834,873</u>
<u>\$ 3,515</u>	<u>\$ 13,094</u>	<u>\$ 174</u>	<u>\$ 192,582</u>	<u>\$ 1,024,218</u>

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2010

	Instructional Improvement	Title I Grants	Professional Development and Technology Grants
Revenues:			
Other local	\$ 991	\$	\$
State aid and grants	35,950		
Federal aid, grants and reimbursements		363,143	36,639
Total revenues	36,941	363,143	36,639
Expenditures:			
Current -			
Instruction	5,888	236,202	22,606
Support services - students and staff	63,430	69,187	8,466
Support services - administration		23,405	
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		30,179	4,814
Debt service -			
Interest and fiscal charges			
Principal retirement			
Total expenditures	69,318	358,973	35,886
Excess (deficiency) of revenues over expenditures	(32,377)	4,170	753
Other financing sources (uses):			
Transfer in			
Transfer out		(4,170)	(753)
Total other financing sources (uses)		(4,170)	(753)
Change in fund balances	(32,377)		
Fund balances, beginning of year	195,951		
(Decrease) in reserve for inventory			
Fund balances, end of year	\$ 163,574	\$	\$

<u>Title IV Grants</u>	<u>Special Education Grants</u>	<u>Vocational Education</u>	<u>Medicaid Reimbursement</u>	<u>Other Federal Projects</u>	<u>State Vocational Education</u>
\$	\$	\$	\$ 1,836	\$ 23	\$ 499
					29,536
3,901	272,232	114,631	10,446		
3,901	272,232	114,631	12,282	23	30,035
	134,324	32,263	11,907		22,618
3,901	125,630		2,250		92
			1,995		
			526		
			2,475		
	4,479	82,368			7,325
3,901	264,433	114,631	19,153		30,035
	7,799		(6,871)	23	
	(7,799)				
	(7,799)				
			(6,871)	23	
			38,106	3,388	
\$	\$	\$	\$ 31,235	\$ 3,411	\$

(Continued)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2010
(Continued)

	Other State Projects	School Plant	Food Service
Revenues:			
Other local	\$ 64	\$ 3	\$ 6
State aid and grants	62,160		
Federal aid, grants and reimbursements			
Total revenues	62,224	3	6
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services	62,224		
Student transportation services			
Operation of non-instructional services			1,019
Capital outlay			
Debt service -			
Interest and fiscal charges			
Principal retirement			
Total expenditures	62,224		1,019
Excess (deficiency) of revenues over expenditures		3	(1,013)
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Change in fund balances		3	(1,013)
Fund balances, beginning of year		527	1,138
(Decrease) in reserve for inventory			
Fund balances, end of year	\$	\$ 530	\$ 125

Civic Center	Community School	Auxiliary Operations	Gifts and Donations	Career and Technical Education and Vocational Education Projects	Insurance Proceeds
\$ 70,702	\$ 36,561	\$ 340,174	\$ 28,280	\$ 5	\$ 28,491
<u>70,702</u>	<u>36,561</u>	<u>340,174</u>	<u>28,280</u>	<u>5</u>	<u>28,491</u>
3,227	42,993	306,772	20,522		
731	3,689	93	20,692		
23,048			2,081		
29,096					
157		53,017			
13,990					29,998
		2,361			
		23,768			
<u>70,249</u>	<u>46,682</u>	<u>386,011</u>	<u>43,295</u>		<u>29,998</u>
<u>453</u>	<u>(10,121)</u>	<u>(45,837)</u>	<u>(15,015)</u>	<u>5</u>	<u>(1,507)</u>
<u>453</u>	<u>(10,121)</u>	<u>(45,837)</u>	<u>(15,015)</u>	<u>5</u>	<u>(1,507)</u>
13,596	83,713	288,179	107,639	915	8,868
		(3,954)			
<u>\$ 14,049</u>	<u>\$ 73,592</u>	<u>\$ 238,388</u>	<u>\$ 92,624</u>	<u>\$ 920</u>	<u>\$ 7,361</u>

(Continued)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2010
(Concluded)

	Textbooks	Litigation Recovery	Indirect Costs
Revenues:			
Other local	\$ 342	\$ 2,822	\$ 2
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	342	2,822	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		1,681	
Debt service -			
Interest and fiscal charges			
Principal retirement			
Total expenditures		1,681	
Excess (deficiency) of revenues over expenditures	342	1,141	2
Other financing sources (uses):			
Transfer in			12,722
Transfer out			
Total other financing sources (uses)			12,722
Change in fund balances	342	1,141	12,724
Fund balances, beginning of year	1,707	2,374	370
(Decrease) in reserve for inventory			
Fund balances, end of year	\$ 2,049	\$ 3,515	\$ 13,094

Unemployment Insurance	Joint Technological Education	Totals
\$ 1	\$ 582,964	\$ 1,093,766
		127,646
		800,992
<u>1</u>	<u>582,964</u>	<u>2,022,404</u>
	445,510	1,284,832
	9,874	308,035
	475	51,004
	1,073	92,919
	50	55,699
		1,019
	48,500	223,334
		2,361
		23,768
	<u>505,482</u>	<u>2,042,971</u>
<u>1</u>	<u>77,482</u>	<u>(20,567)</u>
		12,722
		(12,722)
<u>1</u>	<u>77,482</u>	<u>(20,567)</u>
173	112,750	859,394
		(3,954)
<u>\$ 174</u>	<u>\$ 190,232</u>	<u>\$ 834,873</u>

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2010

	Instructional Improvement		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$ 6,881	\$ 991	\$ (5,890)
State aid and grants	249,604	35,950	(213,654)
Federal aid, grants and reimbursements			
Total revenues	256,485	36,941	(219,544)
Expenditures:			
Current -			
Instruction	25,697	5,888	19,809
Support services - students and staff	276,832	63,430	213,402
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Debt service -			
Interest and fiscal charges			
Principal retirement			
Total expenditures	302,529	69,318	233,211
Excess (deficiency) of revenues over expenditures	(46,044)	(32,377)	13,667
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Change in fund balances	(46,044)	(32,377)	13,667
Fund balances, July 1, 2009	195,951	195,951	
(Decrease) in reserve for inventory			
Fund balances, June 30, 2010	\$ 149,907	\$ 163,574	\$ 13,667

Structured English Immersion		
Budget	Actual	Variance - Positive (Negative)
\$ 1,829	\$	\$ (1,829)
<u>1,829</u>		<u>(1,829)</u>

Title I Grants		
Budget	Actual	Variance - Positive (Negative)
\$	\$	\$
405,050	363,143	(41,907)
<u>405,050</u>	<u>363,143</u>	<u>(41,907)</u>

1,829		1,829
<u>1,829</u>		<u>1,829</u>

263,460	236,202	27,258
77,171	69,187	7,984
26,106	23,405	2,701
33,662	30,179	3,483
<u>400,399</u>	<u>358,973</u>	<u>41,426</u>

4,651	4,170	(481)
(4,651)	(4,170)	481
<u>(4,651)</u>	<u>(4,170)</u>	<u>481</u>

<u>\$</u>	<u>\$</u>	<u>\$</u>
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<u>\$</u>	<u>\$</u>	<u>\$</u>
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(Continued)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2010
(Continued)

	Professional Development and Technology Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	91,766	36,639	(55,127)
Total revenues	91,766	36,639	(55,127)
Expenditures:			
Current -			
Instruction	56,619	22,606	34,013
Support services - students and staff	21,204	8,466	12,738
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	12,057	4,814	7,243
Debt service -			
Interest and fiscal charges			
Principal retirement			
Total expenditures	89,880	35,886	53,994
Excess (deficiency) of revenues over expenditures	1,886	753	(1,133)
Other financing sources (uses):			
Transfer in			
Transfer out	(1,886)	(753)	1,133
Total other financing sources (uses)	(1,886)	(753)	1,133
Change in fund balances			
Fund balances, July 1, 2009			
(Decrease) in reserve for inventory			
Fund balances, June 30, 2010	\$	\$	\$

Title IV Grants			Special Education Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
3,901	3,901		274,485	272,232	(2,253)
3,901	3,901		274,485	272,232	(2,253)
			135,436	134,324	1,112
3,901	3,901		126,670	125,630	1,040
			4,516	4,479	37
3,901	3,901		266,622	264,433	2,189
			7,863	7,799	(64)
			(7,863)	(7,799)	64
			(7,863)	(7,799)	64
\$	\$	\$	\$	\$	\$

(Continued)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2010
(Continued)

	Vocational Education		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	103,979	114,631	10,652
Total revenues	103,979	114,631	10,652
Expenditures:			
Current -			
Instruction	29,265	32,263	(2,998)
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	74,714	82,368	(7,654)
Debt service -			
Interest and fiscal charges			
Principal retirement			
Total expenditures	103,979	114,631	(10,652)
Excess (deficiency) of revenues over expenditures			
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Change in fund balances			
Fund balances, July 1, 2009			
(Decrease) in reserve for inventory			
Fund balances, June 30, 2010	\$	\$	\$

*The Other Federal Projects Fund was included in the District's budget, however, the budget was -0-.

Medicaid Reimbursement		
Budget	Actual	Variance - Positive (Negative)
\$	\$ 1,836	\$ 1,836
88,780	10,446	(78,334)
88,780	12,282	(76,498)
55,193	11,907	43,286
10,429	2,250	8,179
9,247	1,995	7,252
2,438	526	1,912
11,473	2,475	8,998
88,780	19,153	69,627
	(6,871)	(6,871)
	(6,871)	(6,871)
	38,106	38,106
\$	\$ 31,235	\$ 31,235

Other Federal Projects		
Budget*	Actual	Variance - Positive (Negative)
\$	\$ 23	\$ 23
	23	23
	23	23
	3,388	3,388
\$	\$ 3,411	\$ 3,411

(Continued)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2010
(Continued)

	State Vocational Education		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 499	\$ 499
State aid and grants	74,641	29,536	(45,105)
Federal aid, grants and reimbursements			
Total revenues	74,641	30,035	(44,606)
Expenditures:			
Current -			
Instruction	56,209	22,618	33,591
Support services - students and staff	229	92	137
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	18,203	7,325	10,878
Debt service -			
Interest and fiscal charges			
Principal retirement			
Total expenditures	74,641	30,035	44,606
Excess (deficiency) of revenues over expenditures			
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Change in fund balances			
Fund balances, July 1, 2009			
(Decrease) in reserve for inventory			
Fund balances, June 30, 2010	\$	\$	\$

Chemical Abuse Prevention Programs		
Budget	Actual	Variance - Positive (Negative)
\$ 1,083	\$	\$ (1,083)
<u>1,083</u>		<u>(1,083)</u>

Other State Projects		
Budget	Actual	Variance - Positive (Negative)
\$ 62,245	\$ 64	\$ 64 (85)
<u>62,245</u>	<u>62,224</u>	<u>(21)</u>

1,083 1,083

62,245 62,224 21

1,083 1,083

62,245 62,224 21

\$ \$ \$

\$ \$ \$

(Continued)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2010
(Continued)

	School Plant		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 3	\$ 3
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		3	3
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Debt service -			
Interest and fiscal charges			
Principal retirement			
Total expenditures			
Excess (deficiency) of revenues over expenditures		3	3
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Change in fund balances		3	3
Fund balances, July 1, 2009	527	527	
(Decrease) in reserve for inventory			
Fund balances, June 30, 2010	\$ 527	\$ 530	\$ 3

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2010
(Continued)

	Community School		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$ 157,898	\$ 36,561	\$ (121,337)
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	157,898	36,561	(121,337)
Expenditures:			
Current -			
Instruction	145,420	42,993	102,427
Support services - students and staff	12,478	3,689	8,789
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Debt service -			
Interest and fiscal charges			
Principal retirement			
Total expenditures	157,898	46,682	111,216
Excess (deficiency) of revenues over expenditures		(10,121)	(10,121)
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Change in fund balances		(10,121)	(10,121)
Fund balances, July 1, 2009	83,713	83,713	
(Decrease) in reserve for inventory			
Fund balances, June 30, 2010	\$ 83,713	\$ 73,592	\$ (10,121)

Auxiliary Operations			Gifts and Donations		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 275,000	\$ 340,174	\$ 65,174	\$ 198,640	\$ 28,280	\$ (170,360)
<u>275,000</u>	<u>340,174</u>	<u>65,174</u>	<u>198,640</u>	<u>28,280</u>	<u>(170,360)</u>
218,549	306,772	(88,223)	94,156	20,522	73,634
66	93	(27)	94,936	20,692	74,244
			9,548	2,081	7,467
37,770	53,017	(15,247)			
1,682	2,361	(679)			
16,933	23,768	(6,835)			
<u>275,000</u>	<u>386,011</u>	<u>(111,011)</u>	<u>198,640</u>	<u>43,295</u>	<u>155,345</u>
	(45,837)	(45,837)		(15,015)	(15,015)
	(45,837)	(45,837)		(15,015)	(15,015)
288,179	288,179		107,639	107,639	
	(3,954)	(3,954)			
<u>\$ 288,179</u>	<u>\$ 238,388</u>	<u>\$ (49,791)</u>	<u>\$ 107,639</u>	<u>\$ 92,624</u>	<u>\$ (15,015)</u>

(Continued)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2010
(Continued)

	Career and Technical Education and Vocational Education Projects		
	Budget*	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 5	\$ 5
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		5	5
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			
Debt service -			
Interest and fiscal charges			
Principal retirement			
Total expenditures			
Excess (deficiency) of revenues over expenditures		5	5
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Change in fund balances		5	5
Fund balances, July 1, 2009		915	915
(Decrease) in reserve for inventory			
Fund balances, June 30, 2010	\$	\$ 920	\$ 920

*The Career and Technical Education and Vocational Education Projects Fund was included in the District's budget, however, the budget was -

Insurance Proceeds		
Budget	Actual	Variance - Positive (Negative)
\$ 10,000	\$ 28,491	\$ 18,491
<u>10,000</u>	<u>28,491</u>	<u>18,491</u>
10,000	29,998	(19,998)
<u>10,000</u>	<u>29,998</u>	<u>(19,998)</u>
	<u>(1,507)</u>	<u>(1,507)</u>
	<u>(1,507)</u>	<u>(1,507)</u>
8,868	8,868	
<u>\$ 8,868</u>	<u>\$ 7,361</u>	<u>\$ (1,507)</u>

Textbooks		
Budget	Actual	Variance - Positive (Negative)
\$ 3,000	\$ 342	\$ (2,658)
<u>3,000</u>	<u>342</u>	<u>(2,658)</u>
3,000		3,000
<u>3,000</u>	<u></u>	<u>3,000</u>
	<u>342</u>	<u>342</u>
	<u>342</u>	<u>342</u>
1,707	1,707	
<u>\$ 1,707</u>	<u>\$ 2,049</u>	<u>\$ 342</u>

(Continued)

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2010
(Continued)

	Litigation Recovery		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$ 2,400	\$ 2,822	\$ 422
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	2,400	2,822	422
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	2,400	1,681	719
Debt service -			
Interest and fiscal charges			
Principal retirement			
Total expenditures	2,400	1,681	719
Excess (deficiency) of revenues over expenditures		1,141	1,141
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Change in fund balances		1,141	1,141
Fund balances, July 1, 2009	2,374	2,374	
(Decrease) in reserve for inventory			
Fund balances, June 30, 2010	\$ 2,374	\$ 3,515	\$ 1,141

*The Unemployment Insurance Fund was included in the District's budget, however, the budget was -0-.

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2010
(Concluded)

	Joint Technological Education		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$ 675,531	\$ 582,964	\$ (92,567)
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	675,531	582,964	(92,567)
Expenditures:			
Current -			
Instruction	595,384	445,510	149,874
Support services - students and staff	13,196	9,874	3,322
Support services - administration	635	475	160
Operation and maintenance of plant services	1,434	1,073	361
Student transportation services	67	50	17
Operation of non-instructional services			
Capital outlay	64,815	48,500	16,315
Debt service -			
Interest and fiscal charges			
Principal retirement			
Total expenditures	675,531	505,482	170,049
Excess (deficiency) of revenues over expenditures		77,482	77,482
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Change in fund balances		77,482	77,482
Fund balances, July 1, 2009	112,750	112,750	
(Decrease) in reserve for inventory			
Fund balances, June 30, 2010	\$ 112,750	\$ 190,232	\$ 77,482

Totals		
Budget	Actual	Variance - Positive (Negative)
\$ 1,366,332	\$ 1,093,766	\$ (272,566)
389,402	127,646	(261,756)
967,961	800,992	(166,969)
<u>2,723,695</u>	<u>2,022,404</u>	<u>(701,291)</u>
1,693,623	1,284,832	408,791
637,638	308,035	329,603
62,130	51,004	11,126
87,066	92,919	(5,853)
49,423	55,699	(6,276)
	1,019	(1,019)
230,440	223,334	7,106
1,682	2,361	(679)
16,933	23,768	(6,835)
<u>2,778,935</u>	<u>2,042,971</u>	<u>735,964</u>
<u>(55,240)</u>	<u>(20,567)</u>	<u>34,673</u>
10,000	12,722	2,722
<u>(14,400)</u>	<u>(12,722)</u>	<u>1,678</u>
<u>(4,400)</u>		<u>4,400</u>
<u>(59,640)</u>	<u>(20,567)</u>	<u>39,073</u>
816,812	859,394	42,582
	(3,954)	(3,954)
<u>\$ 757,172</u>	<u>\$ 834,873</u>	<u>\$ 77,701</u>

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NON-MAJOR CAPITAL PROJECTS FUNDS

The following non-major Capital Projects Funds are maintained by the District. Arizona Revised Statutes (A.R.S.) and the Uniform System of Financial Records (USFR) require the establishment of these funds for the specified financial activities.

Unrestricted Capital Outlay - to account for transactions relating to the acquisition of capital items.

Adjacent Ways - to account for monies received to finance improvements of public ways adjacent to school property.

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

Bond Building - to account for proceeds from District bond issues that are expended on the acquisition or lease of sites, construction or renovation of school buildings, improving school grounds, or purchasing pupil transportation vehicles.

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2010

	Unrestricted Capital Outlay	Adjacent Ways	Soft Capital Allocation	Bond Building
<u>ASSETS</u>				
Cash and investments	\$ 2,153	\$ 239	\$	\$ 323,625
Property taxes receivable	10,869		11,484	
Due from governmental entities	24,139		6,035	
Due from other funds				6,226
Total assets	\$ 37,161	\$ 239	\$ 17,519	\$ 329,851
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 840	\$	\$	\$
Due to other funds			6,226	
Deferred revenues	4,685		11,026	
Total liabilities	5,525		17,252	
Fund balances:				
Unreserved:				
Undesignated	31,636	239	267	329,851
Total fund balances	31,636	239	267	329,851
Total liabilities and fund balances	\$ 37,161	\$ 239	\$ 17,519	\$ 329,851

<u>Building Renewal</u>	<u>Totals</u>
\$ 156	\$ 326,173
	22,353
	30,174
	<u>6,226</u>
<u>\$ 156</u>	<u>\$ 384,926</u>

\$	\$ 840
	6,226
	<u>15,711</u>
	<u>22,777</u>

<u>156</u>	<u>362,149</u>
<u>156</u>	<u>362,149</u>
<u>\$ 156</u>	<u>\$ 384,926</u>

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2010

	Unrestricted Capital Outlay	Adjacent Ways	Soft Capital Allocation
Revenues:			
Other local	\$ 19,804	\$ 2	\$ 3,001
Property taxes	220,574		54,055
State aid and grants	61,836		15,459
Total revenues	302,214	2	72,515
Expenditures:			
Capital outlay	264,615		65,208
Debt service -			
Interest and fiscal charges	4,531		723
Principal retirement	113,501		24,922
Total expenditures	382,647		90,853
Excess (deficiency) of revenues over expenditures	(80,433)	2	(18,338)
Other financing sources (uses):			
Transfer out			
Capital lease agreements	59,026		
Total other financing sources (uses)	59,026		
Change in fund balances	(21,407)	2	(18,338)
Fund balances, beginning of year	53,043	237	18,605
Fund balances, end of year	\$ 31,636	\$ 239	\$ 267

<u>Bond Building</u>	<u>Building Renewal</u>	<u>Totals</u>
\$ 224	\$ 133	\$ 23,164
		274,629
		77,295
<u>224</u>	<u>133</u>	<u>375,088</u>
603,882	34,887	968,592
		5,254
		138,423
<u>603,882</u>	<u>34,887</u>	<u>1,112,269</u>
<u>(603,658)</u>	<u>(34,754)</u>	<u>(737,181)</u>
(4,631)		(4,631)
		59,026
<u>(4,631)</u>		<u>54,395</u>
<u>(608,289)</u>	<u>(34,754)</u>	<u>(682,786)</u>
938,140	34,910	1,044,935
<u>\$ 329,851</u>	<u>\$ 156</u>	<u>\$ 362,149</u>

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2010

	Unrestricted Capital Outlay		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$ 28,815	\$ 19,804	\$ (9,011)
Property taxes	320,933	220,574	(100,359)
State aid and grants	89,971	61,836	(28,135)
Total revenues	<u>439,719</u>	<u>302,214</u>	<u>(137,505)</u>
Expenditures:			
Capital outlay	321,687	205,589	116,098
Debt service -			
Interest and fiscal charges	4,531	4,531	
Principal retirement	113,501	113,501	
Total expenditures	<u>439,719</u>	<u>323,621</u>	<u>116,098</u>
Excess (deficiency) of revenues over expenditures		<u>(21,407)</u>	<u>(21,407)</u>
Other financing sources (uses):			
Transfer out			
Total other financing sources (uses)			
Change in fund balances		<u>(21,407)</u>	<u>(21,407)</u>
Fund balances, July 1, 2009	49,536	53,043	3,507
Fund balances, June 30, 2010	<u>\$ 49,536</u>	<u>\$ 31,636</u>	<u>\$ (17,900)</u>

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2010
(Concluded)

	Bond Building		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 224	\$ 224
Property taxes			
State aid and grants			
Total revenues		224	224
Expenditures:			
Capital outlay	525,000	603,882	(78,882)
Debt service -			
Interest and fiscal charges			
Principal retirement			
Total expenditures	525,000	603,882	(78,882)
Excess (deficiency) of revenues over expenditures	(525,000)	(603,658)	(78,658)
Other financing sources (uses):			
Transfer out		(4,631)	(4,631)
Total other financing sources (uses)		(4,631)	(4,631)
Change in fund balances	(525,000)	(608,289)	(83,289)
Fund balances, July 1, 2009	938,140	938,140	
Fund balances, June 30, 2010	\$ 413,140	\$ 329,851	\$ (83,289)

Building Renewal			Totals		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$ 34,000	\$ 133	\$ (33,867)	\$ 66,764	\$ 23,164	\$ (43,600)
			392,068	274,629	(117,439)
			110,315	77,295	(33,020)
<u>34,000</u>	<u>133</u>	<u>(33,867)</u>	<u>569,147</u>	<u>375,088</u>	<u>(194,059)</u>
34,000	34,887	(887)	950,470	909,566	40,904
			5,254	5,254	
			138,423	138,423	
<u>34,000</u>	<u>34,887</u>	<u>(887)</u>	<u>1,094,147</u>	<u>1,053,243</u>	<u>40,904</u>
	(34,754)	(34,754)	(525,000)	(678,155)	(153,155)
				(4,631)	(4,631)
				(4,631)	(4,631)
	(34,754)	(34,754)	(525,000)	(682,786)	(157,786)
34,910	34,910		1,040,551	1,044,935	4,384
<u>\$ 34,910</u>	<u>\$ 156</u>	<u>\$ (34,754)</u>	<u>\$ 515,551</u>	<u>\$ 362,149</u>	<u>\$ (153,402)</u>

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AGENCY FUNDS

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

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
ALL AGENCY FUNDS
JUNE 30, 2010

	Student Activities	Employee Withholding	Totals
<u>ASSETS</u>			
Cash and investments	\$ 91,931	\$ 2,551	\$ 94,482
Total assets	\$ 91,931	\$ 2,551	\$ 94,482
<u>LIABILITIES</u>			
Deposits held for others		2,551	2,551
Due to student groups	91,931		91,931
Total liabilities	\$ 91,931	\$ 2,551	\$ 94,482

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2010

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>STUDENT ACTIVITIES FUND</u>				
<u>Assets</u>				
Cash and investments	\$ <u>73,188</u>	\$ <u>191,921</u>	\$ <u>173,178</u>	\$ <u>91,931</u>
Total assets	\$ <u><u>73,188</u></u>	\$ <u><u>191,921</u></u>	\$ <u><u>173,178</u></u>	\$ <u><u>91,931</u></u>
<u>Liabilities</u>				
Due to student groups	\$ <u>73,188</u>	\$ <u>191,921</u>	\$ <u>173,178</u>	\$ <u>91,931</u>
Total liabilities	\$ <u><u>73,188</u></u>	\$ <u><u>191,921</u></u>	\$ <u><u>173,178</u></u>	\$ <u><u>91,931</u></u>
<u>EMPLOYEE WITHHOLDING</u>				
<u>Assets</u>				
Cash and investments	\$ <u>3,937</u>	\$ <u>5,124,781</u>	\$ <u>5,126,167</u>	\$ <u>2,551</u>
Total assets	\$ <u><u>3,937</u></u>	\$ <u><u>5,124,781</u></u>	\$ <u><u>5,126,167</u></u>	\$ <u><u>2,551</u></u>
<u>Liabilities</u>				
Deposits held for others	\$ <u>3,937</u>	\$ <u>5,124,781</u>	\$ <u>5,126,167</u>	\$ <u>2,551</u>
Total liabilities	\$ <u><u>3,937</u></u>	\$ <u><u>5,124,781</u></u>	\$ <u><u>5,126,167</u></u>	\$ <u><u>2,551</u></u>
<u>TOTAL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and investments	\$ <u>77,125</u>	\$ <u>5,316,702</u>	\$ <u>5,299,345</u>	\$ <u>94,482</u>
Total assets	\$ <u><u>77,125</u></u>	\$ <u><u>5,316,702</u></u>	\$ <u><u>5,299,345</u></u>	\$ <u><u>94,482</u></u>
<u>Liabilities</u>				
Deposits held for others	\$ <u>3,937</u>	\$ <u>5,124,781</u>	\$ <u>5,126,167</u>	\$ <u>2,551</u>
Due to student groups	<u>73,188</u>	<u>191,921</u>	<u>173,178</u>	<u>91,931</u>
Total liabilities	\$ <u><u>77,125</u></u>	\$ <u><u>5,316,702</u></u>	\$ <u><u>5,299,345</u></u>	\$ <u><u>94,482</u></u>

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STATISTICAL SECTION

The statistical section presents financial statement trends as well as detailed financial and operational information not available elsewhere in the report. The statistical section is intended to enhance the reader's understanding of the information presented in the financial statements, notes to the financial statements, and other supplementary information presented in this report. The statistical section is comprised of the five categories of statistical information presented below.

Financial Trends

These schedules contain information on financial trends to help the reader understand how the District's financial position and financial activities have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the District's ability to generate revenue.

Debt Capacity

These schedules present information to help the reader evaluate the District's current levels of outstanding debt as well as assess the District's ability to make debt payments and/or issue additional debt in the future.

Demographic and Economic Information

These schedules present various demographic and economic indicators to help the reader understand the environment in which the District's financial activities take place and to help make comparisons with other school districts.

Operating Information

These schedules contain information about the District's operations and various resources to help the reader draw conclusions as to how the District's financial information relates to the services provided by the District.

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

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

	Fiscal Year Ended June 30				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Net Assets:					
Invested in capital assets, net of related debt	\$ 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 assets	\$ 9,530,132	\$ 9,135,268	\$ 10,397,428	\$ 9,985,682	\$ 10,071,288

	<u>2005</u>	<u>2004</u>
Net Assets:		
Invested in capital assets, net of related debt	\$ 10,017,530	\$ 9,909,784
Restricted	188,520	85,053
Unrestricted	1,510,387	1,280,509
Total net assets	\$ 11,716,437	\$ 11,275,346

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

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

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

	Fiscal Year Ended June 30				
	<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><u>\$ (8,476,989)</u></u>	<u><u>\$ (9,158,573)</u></u>	<u><u>\$ (9,055,665)</u></u>	<u><u>\$ (8,158,801)</u></u>	<u><u>\$ (8,357,529)</u></u>

(Continued)

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

	Fiscal Year Ended June 30	
	<u>2005</u>	<u>2004</u>
Expenses		
Instruction	\$ 4,653,012	\$ 4,711,685
Support services - students and staff	818,616	922,101
Support services - administration	988,945	794,188
Operation and maintenance of plant services	972,881	1,247,778
Student transportation services	427,245	371,116
Operation of non-instructional services	522,784	428,858
Interest on long-term debt	9,395	12,850
Total expenses	8,392,878	8,488,576
Program Revenues		
Charges for services:		
Instruction	216,935	228,412
Operation of non-instructional services	291,889	311,405
Other activities	122,467	118,701
Operating grants and contributions	1,226,538	1,202,820
Capital grants and contributions		
Total program revenues	1,857,829	1,861,338
Net (Expense)/Revenue	\$ (6,535,049)	\$ (6,627,238)

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

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

(Concluded)

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

	Fiscal Year Ended June 30				
	<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
Other	220,275				6,345
Total general revenues	8,871,853	7,896,413	9,467,411	8,073,195	6,712,380
Changes in Net Assets	\$ 394,864	\$ (1,262,160)	\$ 411,746	\$ (85,606)	\$ (1,645,149)

(Continued)

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

	Fiscal Year Ended June 30	
	<u>2005</u>	<u>2004</u>
Net (Expense)/Revenue	\$ (6,535,049)	\$ (6,627,238)
General Revenues:		
Taxes:		
Property taxes, levied for general purposes	3,904,464	3,755,430
Property taxes, levied for debt service		
Property taxes, levied for capital outlay		
Investment income	20,066	12,570
Unrestricted county aid	257,217	337,520
Unrestricted state aid	2,767,145	4,207,558
Unrestricted federal aid	27,248	768
Total general revenues	6,976,140	8,313,846
Changes in Net Assets	\$ 441,091	\$ 1,686,608

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

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

(Concluded)

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

	Fiscal Year Ended June 30				
	<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	\$ 587,448	\$ 135,664	\$ 613,225	\$ 880,332	\$ 711,531
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 funds	167,117	126,446	515,937	-	-
Total all other governmental funds	\$ 1,170,029	\$ 1,947,652	\$ 9,390,987	\$ 14,507,742	\$ 1,664,659
	<u>2005</u>	<u>2004</u>			
General Fund:					
Reserved	\$ 232,867	\$ 94,169			
Unreserved	288,151	557,225			
Total General Fund	\$ 521,018	\$ 651,394			
All Other Governmental Funds:					
Reserved	\$ -	\$ -			
Unreserved, reported in:					
Special revenue funds	909,363	614,009			
Capital projects funds	188,520	81,287			
Debt service funds	-	-			
Total all other governmental funds	\$ 1,097,883	\$ 695,296			

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

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

	Fiscal Year Ended June 30				
	2010	2009	2008	2007	2006
Federal sources:					
Federal grants	\$ 1,021,267	\$ 537,044	\$ 678,776	\$ 603,910	\$ 608,868
Total federal sources	1,021,267	537,044	678,776	603,910	608,868
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	400,552	499,444	870,175	681,022	
Total state sources	2,038,164	2,325,796	3,406,936	3,433,905	3,060,994
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
Investment income	5,194	106,415	517,369	299,694	55,865
Other revenues	1,368,303	1,018,347	1,172,908	1,274,385	1,438,087
Total local sources	8,104,059	6,588,914	7,255,487	6,112,516	5,939,336
Total revenues	\$ 11,163,490	\$ 9,451,754	\$ 11,341,199	\$ 10,150,331	\$ 9,609,198
	2005	2004			
Federal sources:					
Federal grants	\$ 550,010	\$ 563,367			
Total federal sources	550,010	563,367			
State sources:					
State equalization assistance	2,633,946	2,843,051			
State grants	629,214	970,534			
School Facilities Board	133,199				
Other revenues	27,248				
Total state sources	3,423,607	3,813,585			
Local sources:					
Property taxes	3,929,735	3,680,115			
County aid	257,217	337,520			
Food service sales	-				
Investment income	20,066	12,570			
Other revenues	678,605	367,701			
Total local sources	4,885,623	4,397,906			
Total revenues	\$ 8,859,240	\$ 8,774,858			

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

Note: In fiscal year 2005-06 and prior, state revenue for the Classroom Site and Instructional Improvement funds were included as state grants. Beginning in fiscal year 2006-07, revenue from these funds are classified as other revenues.

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

	Fiscal Year Ended June 30				
	<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 service	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 -					
Judgements against the district	-	70,391			
Interest, premium 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>\$ 17,377,796</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.

(Continued)

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

	Fiscal Year Ended June 30	
	<u>2005</u>	<u>2004</u>
Expenditures:		
Current -		
Instruction	\$ 4,807,352	\$ 4,772,401
Support services - students and staff	831,129	921,355
Support services - administration	959,697	776,688
Operation and maintenance of plant services	1,086,061	1,046,646
Student transportation services	380,706	322,601
Operation of non-instructional services	521,967	428,858
Capital outlay	107,943	28,494
Debt service -		
Judgements against the district		
Interest, premium and fiscal charges	9,395	12,850
Principal retirement	71,579	80,842
Bond issuance costs		
Total expenditures	\$ 8,775,829	\$ 8,390,735
Expenditures for capitalized assets	\$ 107,943	\$ 28,494
Debt service as a percentage of noncapital expenditures	1%	1%

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

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Excess (deficiency) of revenues over expenditures	\$ (372,173)	\$ (7,926,042)	\$ (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)
Total other financing sources (uses)	59,026	-	90,568	15,369,819	108,450
Changes in fund balances	\$ (313,147)	\$ (7,926,042)	\$ (5,819,177)	\$ 13,403,140	\$ 545,863
	<u>2005</u>	<u>2004</u>			
Excess (deficiency) of revenues over expenditures	\$ 83,411	\$ 384,123			
Other financing sources (uses):					
Transfers in		40,936			
Transfers out		(40,936)			
Total other financing sources (uses)	103,139	-			
Changes in fund balances	\$ 186,550	\$ 384,123			

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

MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST 10 FISCAL YEARS

Fiscal Year Ended June 30	Real Property		Personal Property	Less: Tax Exempt Real Property	Total Taxable Assessed Valuation	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property						
2010	\$ 258,784,615	\$ 178,334,718	\$ 51,461,266	\$ 33,786,407	\$ 454,794,192	1.94	\$ 3,313,576,905	13.7 %
2009					457,387,983	1.71	3,832,289,849	11.9
2008					362,623,725	1.95	2,986,339,161	12.1
2007					300,103,751	1.98	2,390,837,076	12.6
2006					246,317,799	2.01	1,924,417,906	12.8
2005					220,292,289	2.05	1,734,319,349	12.7
2004					189,764,283	2.14	1,525,564,471	12.4
2003					182,030,349	2.32	1,459,051,920	12.5
2002					165,061,441	3.03	1,314,671,606	12.6
2001					155,702,626	2.69	1,229,421,961	12.7

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

Note: 1) For purposes of calculating the assessed value as a percentage of actual value, the tax-exempt property was included in the assessed value.
2) Total taxable assessed valuation is displayed by major component beginning with fiscal year ended June 30, 2010.

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST 10 FISCAL YEARS**

Fiscal Year Ended June 30	Overlapping Rates					District Direct Rates		
	County	Cottonwood Oak Creek Elem	Clarkdale Jerome #3 Elem	Joint Tech	Fire District	Primary	Secondary	Total
2010	1.28	1.64	1.59	0.05	1.83	1.56	0.38	1.94
2009	1.37	2.22	1.67	0.05	1.83	1.44	0.27	1.71
2008	1.53	2.31	2.09	0.05	2.15	1.48	0.46	1.95
2007	1.66	2.83	2.19	0.05	2.15	1.80	0.18	1.98
2006	1.70	4.19	1.85	0.05	2.15	1.80	0.21	2.01
2005	1.70	2.10	1.24	0.05	2.15	1.82	0.23	2.05
2004	1.68	1.25	1.70	0.05	2.17	1.90	0.24	2.14
2003	1.61	2.91	1.82	0.05	2.17	2.06	0.26	2.32
2002	1.61	3.41	2.91	0.05	2.18	2.53	0.50	3.03
2001	1.62	3.10	2.17	-	2.18	2.13	0.56	2.69

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

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

<u>Taxpayer</u>	<u>2010</u>		<u>2002</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>
Arizona Public Service Company	\$ 11,042,617	2.41 %	\$ 11,334,650	6.87 %
Qwest Corporation	4,470,425	0.98	8,625,172	5.23
Willow Creek Corner LLC	3,202,693	0.70	1,580,529	0.96
Unisource Energy Corporation	2,502,104	0.55	5,509,272	3.34
Ponderosa Plaza	6,939,167	1.52	3,432,006	2.08
Smith's Food	3,736,475	0.82	1,851,477	1.12
Prescott Depot Marketplace	3,469,584	0.76	1,716,003	1.04
Sturm-Ruger	3,369,500	0.74	1,670,845	1.01
Albertson's	3,002,525	0.66	1,490,213	0.90
Allied Signal	2,735,634	0.60	1,354,739	0.82
Total	<u>\$ 44,470,724</u>	<u>9.74 %</u>	<u>\$ 38,564,906</u>	<u>23.37 %</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
2010	\$ 6,735,419	\$ 6,390,411	94.88 %	\$ -	\$ 6,390,411	94.88 %
2009	5,367,175	5,128,184	95.55	134,868	5,263,052	98.06
2008	5,453,453	5,266,887	96.58	174,584	5,441,471	99.78
2007	4,556,347	4,444,863	97.55	110,388	4,555,251	99.98
2006	4,123,053	4,004,065	97.11	119,002	4,123,067	100.00
2005	3,793,737	3,676,108	96.90	117,517	3,793,625	100.00
2004	3,561,031	3,418,726	96.00	142,192	3,560,918	100.00
2003	3,381,411	3,198,152	94.58	183,173	3,381,325	100.00
2002	4,151,867	3,936,883	94.82	214,777	4,151,660	100.00
2001	3,083,870	2,873,999	93.19	209,871	3,083,870	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 EIGHT 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	
2010	\$ 14,325,000	\$ 625,000	\$ 13,700,000	0.41 %	\$ 572	\$ -	\$ 13,700,000	0.41 %	\$ 572	212 %	
2009	14,825,000	500,000	14,325,000	0.37	563	103,165	14,428,165	0.38	567	246	
2008	15,000,000	175,000	14,825,000	0.50	594	185,213	15,010,213	0.50	601	271	
2007	15,000,000	-	15,000,000	0.63	613	155,739	15,155,739	0.63	619	311	
2006	-	-	-	-	-	203,808	203,808	0.01	9	5	
2005	-	-	-	-	-	163,297	163,297	0.01	7	4	
2004	-	-	-	-	-	-	-	-	-	-	
2003	-	-	-	-	-	-	-	-	-	-	

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, 2010

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Yavapai County Community College District	\$ 51,090,000	13.26 %	\$ 6,774,534
City of Cottonwood	56,140,000	100.00	<u>56,140,000</u>
Subtotal, Overlapping Debt			<u>62,914,534</u>
Direct:			
Mingus Unified High School District No. 4			<u>13,700,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 76,614,534</u></u>

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

Note: The 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.

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

Class B Bond Legal Debt Margin Calculation for Fiscal Year 2010:

Secondary assessed valuation	\$ 454,794,192
Debt limit (5% of assessed value)	22,739,710
Debt applicable to limit	
Legal debt margin	<u><u>\$ 22,739,710</u></u>

Legal Debt Margin Calculation for Fiscal Year 2010:

Secondary assessed valuation	\$ 454,794,192
Debt limit (15% of assessed value)	68,219,129
Debt applicable to limit	13,700,000
Legal debt margin	<u><u>\$ 54,519,129</u></u>

	Fiscal Year Ended June 30				
	<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>13,700,000</u>	<u>14,325,000</u>	<u>14,825,000</u>	<u>15,000,000</u>	<u>-</u>
Legal debt margin	<u><u>\$ 54,519,129</u></u>	<u><u>\$ 54,283,197</u></u>	<u><u>\$ 39,568,559</u></u>	<u><u>\$ 30,015,563</u></u>	<u><u>\$ 36,947,670</u></u>
Total net debt applicable to the limit as a percentage of debt limit	20%	21%	27%	33%	0%
	<u>2005</u>	<u>2004</u>			
Debt limit	\$ 33,043,843	\$ 28,464,642			
Total net debt applicable to limit	<u>-</u>	<u>-</u>			
Legal debt margin	<u><u>\$ 33,043,843</u></u>	<u><u>\$ 28,464,642</u></u>			
Total net debt applicable to the limit as a percentage of debt limit	0%	0%			

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

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST EIGHT 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>
2009	214,929	\$ 6,450,243	\$ 30,011	9.5	23,966
2008	227,348	5,860,461	27,620	5.6	25,444
2007	223,934	5,533,703	26,786	3.7	24,970
2006	213,285	4,875,841	24,521	3.6	24,480
2005	205,105	4,425,695	23,203	4.1	23,500
2004	196,720	4,075,143	22,092	4.3	22,560
2003	186,885	3,853,070	21,517	4.8	21,430
2002	177,400	3,701,821	21,311	5.1	20,360

Sources: The source of the "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis. The source of the "Population" and "Unemployment Rate" information is State of Arizona, Department of Economic Security.

**MINGUS UNIFIED SCHOOL DISTRICT NO. 4
PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR AND NINE YEARS AGO**

<u>Employer</u>	<u>2010</u>		<u>2002</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Verde Valley Medical Center	800	12.97 %		0.00 %
Wal-Mart	430	6.97	280	5.27
Cottonwood Oak-Creek Sch. Dist.	275	4.46	265	4.99
Phoenix Cement Co.	150	2.43		0.00
City of Cottonwood	155	2.51	105	1.98
Western Technologies	150	2.43		0.00
Mingus Union High School	121	1.96	150	2.82
CTI Corp	125	2.03		0.00
Home Depot	120	1.95		0.00
Tungland Corp	100	1.62		0.00
Verde Valley Guidance Clinic	95	1.54		0.00
Phelps & Sons Inc.	-	0.00	105	1.98
Griffith Enterprises	75	1.22		0.00
Clarkdale-Jerome Sch. Dist.	52	0.84	40	0.75
Capital Senior Living Inc.	50	0.81		0.00
City of Sedona	75	1.22	75	1.41
The Arbors	100	1.62	100	1.88
Sedona-Oak Creek Joint Unified Sch Dist.	127	2.06	130	2.45
Safeway	130	2.11	130	2.45
Total	<u>3,130</u>	<u>50.75 %</u>	<u>1,380</u>	<u>25.98 %</u>
 Total employment	 <u>6,169</u>		 <u>5,312</u>	

Source: District records.

MINGUS UNIFIED SCHOOL DISTRICT NO. 4
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST SEVEN FISCAL YEARS

	Full-time Equivalent Employees as of June 30				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Supervisory					
Principals	1	1	1	1	1
Total supervisory	1	1	1	1	1
Instruction					
Teachers	61	65	67	67	67
Aides	17	14	14	14	14
Total instruction	78	79	81	81	81
Support and Administration					
Administrators	4	4	3	4	4
Bus Drivers	11	13	7	7	7
Support Staff	20	20	30	34	34
Total support and administration	35	37	40	45	45
Total	<u>114</u>	<u>117</u>	<u>122</u>	<u>127</u>	<u>127</u>

Source: District payroll department.

(Continued)

**MINGUS UNIFIED SCHOOL DISTRICT NO. 4
 FULL-TIME-EQUIVALENT DISTRICT EMPLOYEES BY TYPE
 LAST SEVEN FISCAL YEARS**

<u>Full-time Equivalent Employees as of June 30</u>		
	<u>2005</u>	<u>2004</u>
Supervisory		
Principals	1	1
Total supervisory	1	1
Instruction		
Teachers	65	65
Aides	14	14
Total instruction	79	79
Support and Administration		
Administrators	4	4
Bus Drivers	7	7
Support Staff	31	31
Total support and administration	42	42
Total	122	122

Source: District payroll department.

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4
OPERATING STATISTICS
LAST SEVEN 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
2010	1,239	\$ 8,935,387	\$ 7,212	(5.96) %	\$ 10,739,735	\$ 8,668	(3.77) %	61	20.3	48.5 %
2009	1,205	9,240,919	7,669	(2.45)	10,853,936	9,007	(0.06)	65	18.5	34.2
2008	1,223	9,614,824	7,862	9.44	11,023,181	9,013	9.65	67	18.3	28.0
2007	1,245	8,943,181	7,183	2.44	10,233,518	8,220	(11.62)	67	18.6	28.0
2006	1,212	8,499,176	7,013	(3.47)	11,272,468	9,301	30.99	67	18.1	28.0
2005	1,182	8,586,912	7,265	4.29	8,392,878	7,101	(0.71)	65	18.2	32.0
2004	1,187	8,268,549	6,966	N/A	8,488,576	7,151	N/A	65	18.3	30.0

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

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

2) N/A indicates that information is not available.

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

	Fiscal Year Ended June 30						
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<u>Schools</u>							
High							
Buildings	8	8	8	8	8	8	8
Square feet	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
Enrollment	1,239	1,245	1,245	1,245	1,212	1,182	1,187
<u>Transportation</u>							
Garages	1	1	1	1	1	1	1
Buses	15	15	15	15	15	13	12
<u>Athletics</u>							
Football fields	1	1	1	1	1	1	1
Soccer fields	1	1	1	1	1	1	1
Running tracks	1	1	1	1	1	1	1
Baseball/softball	3	3	3	3	3	3	3

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