



Mohave Community College, Mohave County Arizona
2011-2012 Comprehensive
Annual Financial Report

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Mohave Community College
Arizona

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

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



Linda C. Davison

President

Jeffrey R. Emer

Executive Director



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This financial report was compiled by the Office of the Controller.

Mohave Community College
1971 Jagerson Avenue
Kingman, AZ 86409

College Administration

Michael J. Kearns President
H. Lynn Cundiff Vice President for Administration
Alan Klaas Associate Vice President for Advancement
Janice Woods Dean of Student Services
Dick MacDonald Dean of Business Services
Jill Loveless Dean of Instruction
Fred Gilbert Dean of Kingman Campus
Nicholas Sanchez Dean of Lake Havasu Campus
Shawn Bristle Dean of Bullhead City Campus
Carolyn Hamblin Dean of North Mohave Campus
Diana Stithem Dean of Distance Education

Board of Governors

Julie Bare President (District 3)
Judy Selberg Secretary (District 1)
Kathleen Hodel Trustee (District 2)
Travis Lingenfelter Trustee (District 4)
Vance Miller Trustee (District 5)



February 18, 2013

To the Residents of Mohave County Community College District:

This Comprehensive Annual Financial Report has been created to provide a complete financial picture of Mohave Community College District, in order to offer transparent information to the public and other interested parties.

This marks the second year that the District has produced a Comprehensive Annual Financial Report as financial reporting and analysis have become increasingly important to both the internal management of the College and concerned taxpayers seeking assurance of proper management of public funds.

The 2011 12 fiscal year brought further financial challenges but Mohave Community College has met those challenges with proactive planning, strategic process improvement, and conservative resource allocation. The long anticipated reduction in state appropriations was absorbed through the above measures allowing the institution to focus on the strategic plan which, above all else, focuses on improvements in student learning.

The District has increased and improved financial reporting in every available area and this Comprehensive Annual Financial Report reflects that effort. The district will continue to carry out its mission in the most efficient and effective way possible to help continue the goal of improving the lives of Mohave County citizens through higher education.

Sincerely,

Neal Campus - Kingman
1971 Jagerson Ave.
Kingman, AZ 86409
928.757.4331

**Henry Campus
- Bullhead City**
3400 Highway 95
Bullhead City, AZ 86442
928.758.3926

Lake Havasu City Campus
1977 Acoma Blvd. West
Lake Havasu City, AZ 86403
928.855.7812

North Mohave Campus
480 S. Central
Colorado City, AZ 86021
928.875.2799
1.800.678.3992

Michael J. Kearns
President



February 18, 2013

To the Residents of Mohave County Community College District:

Mohave Community College District is pleased to present the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2012. The District is responsible for the accuracy, completeness, and fairness of the data presented in this report.

To the best of our knowledge, the following report is accurate in all material respects. It has been prepared in accordance with Generally Accepted Accounting Principles and all standards prescribed by the Governmental Accounting Standards Board. We believe the report contains all disclosures necessary for the reader to understand the District's financial affairs.

District management is responsible for establishing and maintaining adequate financial controls to ensure that assets are protected from loss, theft or misuse, and to ensure accounting data is compiled to allow for the preparation of financial statements in conformance with GASB and GAAP requirements.

Arizona Revised Statutes requires community college districts to prepare an annual budgeted expenditure limitation report and annual financial statements. The Auditor General or a certified public accountant must audit these documents on an annual basis. For the 2010 12 year the statements are audited by Moss Adams LLP. The auditors have provided the District with an unqualified opinion meaning they believe the financial statements to be fairly and appropriately presented.

Report Layout

This CAFR is presented in three sections:

- Introductory – Includes this transmittal letter, the District's organizational chart, a table of contents and a list of principal officers.
- Financial – Includes the Independent Auditor's Report, Management Discussion and Analysis (MD&A), and the basic financial statements.
- Statistical – Presents financial and demographic information for historical perspective and trend analysis.

The Management Discussion and Analysis provides overview and analysis of the financial statements. It should be read in conjunction with this transmittal letter as well as the footnotes to the financial statements.

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www.mohave.edu
1.866.664.2832

Institutional Profile

Mohave Community College was formally established in 1970 and now serves the entirety of Mohave County through four separate physical campuses located in Kingman, Bullhead City, Lake Havasu City, and Colorado City plus an extensive Distance Education campus.

Bullhead City is located along the Colorado River across from Laughlin, Nev., the third largest gaming industry destination in Nevada. Laughlin is the primary employer for the residents of Bullhead City. The campus serves students from the surrounding areas of Mohave Valley, Fort Mohave, Needles, Calif., and Laughlin.



Kingman is the county seat and is located on Interstate 40. Kingman's initial economy was built on mining and ranching; however, with the closure of the local mines, light industry, tourism and service industries have begun to drive the local economy.



Lake Havasu City is located on Lake Havasu, one of four major lakes on the Colorado River. Lake Havasu City, home of the London Bridge, is a modern, planned community; it is also a well known tourist destination. While its local economy includes some light manufacturing, it is primarily a tourism based economy.



North Mohave County, which is separated from the rest of the MCC campuses by the Grand Canyon, is served by a campus in Colorado City. Colorado City shares a border with Hildale, Utah and serves the residents of the Paiute/Kaibab Indian Reservation. The campus also attracts many students from Hurricane and St. George, Utah.



In 1971, the first academic year, 27 courses were offered with 1,068 students attending (duplicated headcount). The District now offers a wide variety of degrees and certifications for vocational and university transfer purposes to more than 13,000 students.

As a political subdivision of the State of Arizona, Mohave Community College District is subject to the oversight of the District's Governing Board which is comprised of five elected members. According to

Arizona Revised Statutes the Governing Board is charged with managing the business and education needs of the District while the administrative staff of the District remains responsible for the operation and administration of all District activities. Although the District shares the same geographic boundaries with Mohave County, financial accountability over all activities related to public community college education in Mohave County is exercised solely by the District.

The District is accredited by the Higher Learning Commission and has recently completed a visit for full accreditation for a further ten years beginning with the 2012 13 academic year.

Performance and Planning

Since the 2007 08 fiscal year the District has been planning for a substantial reduction in state appropriations. This funding cut finally arrived in 2011 12 as state aid revenue was reduced by 51%. Additionally, full time student equivalent count (FTSE) dropped by 13% representing further shock to revenue streams. However, through proactive cost control measures and generous donations for capital projects the District managed a very strong financial year. More detailed information on these financial issues may be found in the financial section of this report.

The District maintains a five year budget model based on projected revenues. However, because the method for funding higher education across the nation is changing, the District has sought to create more adaptable budget models and accounting tools which focus on the primary instructional mission of the College. Management has developed financial ratios that relate to accreditation standards and also serve as a metric for assessing major initiatives from an accounting and finance perspective.

Strategically budgeting expenses based on the operational areas of the District has enabled the District to better distribute funding to the mission sensitive areas of the College. Additionally, presenting major financial decisions in a way that illustrates the effect on the entire balance sheet across several years and not solely a given fiscal year budget in addition to connecting the data to established benchmarks has enhanced the planning process for the District's finances. The District's method of ratio analysis for financial scenarios was successfully presented at the 2011 Annual Higher Learning Commission conference also at the annual Association of Community College Trustees meeting.

The District also maintains a five year Facilities Renovation Master Plan. The plan, further explained in the MD&A, allows for the cyclical improvement of College facilities in line with budget considerations. This plan, in addition to academic and enrollment specific plans, are all outlined and required by the District's Governing Board approved strategic plan. The plan represents collective decision making and planning by administration, staff, students, and community members. It seeks to establish the school as a learning centered institution and provide resources, both human and financial, to this end.

Growth and Initiatives

The District continues to emphasize a number of successful initiatives with key highlights listed below:

- Dual enrollment partnerships with local high schools in each service area have grown substantially and continue to grow as enrollment increases in this area.
- The District is partnering with the local manufacturing association and other community college districts to develop a mobile training unit for the entire region. The training unit will provide on site manufacturing and equipment skills training for workforce development.
- The District is developing a strategic enrollment plan to improve existing enrollment services. The plan will seek to strengthen the entire process from initial recruiting to graduation.
- Arizona State University has established a campus in Lake Havasu City allowing for a stronger and more seamless relationship with the District than at any other time in the past.
- The District successfully completed an official site visit from its accrediting body, the Higher Learning Commission. The HLC is recommending full accreditation for the District for an additional ten years beginning with the 2012 13 year.

Financial Reporting

The Comprehensive Annual Financial Report (CAFR) for the District was formulated with data from several sources, including District financial records, Mohave County, and the US Census Bureau. The District's CAFR is distributed to the District Governing Board and administration, the State Legislature, Federal and State agencies, financial institutions, and the citizens of Mohave County. Internal management reports are customized and provided to aid in management decision making processes.

Independent Audit

The Office of the Auditor General for the State of Arizona contracted the services of Moss Adams, LLP to perform audit services for Mohave Community College for the 2011 12 fiscal year. The Report of the Independent Auditors is included in the financial section of this report. The District received an unqualified opinion for fiscal year 2011 12.

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement in Excellence in Financial Reporting to Mohave Community College for its Comprehensive Annual Financial Report for the year ended June 30, 2011. This was the first year that Mohave Community College has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The District believes that its current Comprehensive Annual Financial Report continues to meet the Certificate of Achievements Program's

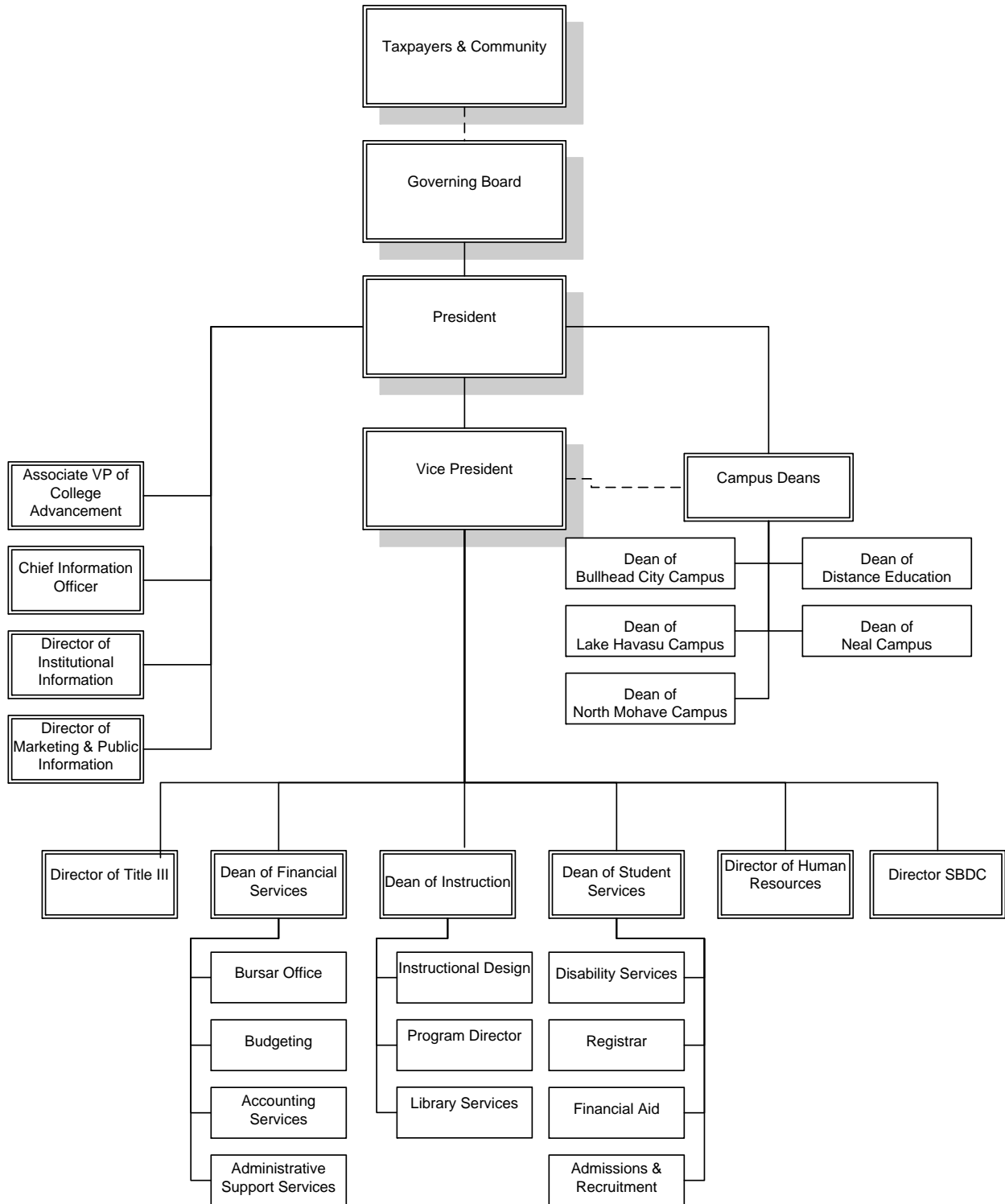
requirements and will submit the 2011 12 report to the GFOA to determine its eligibility for another certificate.

Acknowledgement

The District would like to extend genuine appreciation to the staff members in the Financial Services Department as well as those throughout the District whose efforts helped compile this report. The efforts of Administration and the Governing Board for their continuous efforts to improve Mohave Community College through responsible financial planning are also appreciated. Also, many thanks are extended to the professionals of Moss Adams for completing a timely and productive audit.

Respectfully,

H. Lynn Cundiff
Vice President for Administration



Mission The mission of Mohave Community College is to be a learning centered college, serving all constituencies, inspiring excellence through innovative learning methodologies and empowering students to succeed.

Goals Mohave Community College strives to provide high quality, affordable and accessible higher education to all who seek it.

- **Educational:** Mohave Community College supports an academic learning centered community through implementation of quality teaching initiatives, professional development, integration of learning technology, development of partnerships, delivery of effective student support services, and by providing accurate information and advising.
- **Cultural:** Become a conduit between businesses, organizations, foundations and the arts to strengthen understanding of the world through education.
- **Civic:** Promote active citizenship within the college community
- **Resources:** Provide resources needed to achieve the mission and vision

Values Statement - These values govern our actions and our interactions with the members of our communities. This statement represents what we value most about the service provided by MCC.

- **Building a Better Tomorrow through Learning:** Learning is the core of the Mohave Community College mission. We acknowledge the importance of continuous learning to ensure the best possible future for everyone.
- **Accountability for the Future:** The decisions made today affect individuals in the future. At Mohave Community College, we accept responsibility for our actions and decisions. We hold ourselves accountable to our students, our communities, and to the generations who come after us. MCC decisions will be designed to fulfill our vision for the future, aiming to achieve reliable, long term improvements over short term expediency.
- **Integrity:** We remain committed to our values. Our decisions are consistently and courageously made in alignment with our convictions. We consciously foster an atmosphere of openness and trust, making data driven decisions that are balanced by a cultivated sense of compassion.
- **Responsiveness:** We take pride in flexibly responding to our changing environment, promptly providing programs that are needed by our students and communities.
- **Quality:** We aim for excellence in all that we do while embracing the concept of efficiency.
- **Providing a Supportive Environment:** Mohave Community College is committed to student success. We show respect to all and work to overcome barriers to honesty, trust and sincerity. We take pride in providing friendly service to our students and communities.
- **Having Fun:** We embrace the concept of having fun and finding joy in our work and services.

Vision Statement Mohave Community College is recognized as the center of educational, cultural and civic activities by the communities it serves.

Report of Independent Auditors

To the Governing Board of
Mohave County Community College District, Kingman, Arizona
and
The Auditor General of the State of Arizona

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of Mohave County Community College District (the District), as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based solely on the report of the other auditors.

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. The other auditor's report on the audit of the discretely presented component unit was conducted in accordance with auditing standards generally accepted in the United States of America. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes 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, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and discretely presented component unit of the District as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

To the Governing Board of
Mohave County Community College District, Kingman, Arizona
and
The Auditor General of the State of Arizona

In accordance with *Government Auditing Standards*, we will also issue our report on our consideration of the District'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 at a future date. 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 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 13 through 22 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has 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.

Mess Adams LLP

Albuquerque, New Mexico
February 18, 2013

The discussion and analysis below provides an overview of the financial position and activities of Mohave Community College District for the year ended June 30, 2012. This discussion has been prepared by management and should be read in conjunction with the financial statements and accompanying notes, which follow this section.

Financial Report

The College presents this Comprehensive Annual Financial Report (CAFR) in accordance with the pronouncements issued by the Governmental Accounting Standards Board (GASB). In addition to the basic financial statements described below the CAFR presents a statistical section following the required footnotes.

The District's basic financial statements consist of the following:

- The *Statement of Net Assets* reflects the District's financial position at June 30, 2012. It shows the various current and noncurrent assets owned or controlled and related liabilities. Capital assets are depreciated over their useful life with annual depreciation being reported as a current year expense.
- The *Statement of Revenues, Expenses, and Changes in Net Assets* reflects the results of operations and other changes for the year ended June 30, 2012. It shows the various revenues and expenses, both operating and non operating.
- The *Statement of Cash Flows* reflects the inflows and outflows of cash and cash equivalents for the year ended June 30, 2012.

GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, requires reporting as a component unit those organizations that raise and hold economic resources for the direct benefit of the District. Accordingly, the financial statements of the Mohave Community College Foundation, Inc. are discretely presented.

The following Management Discussion and Analysis applies only to the College and does not reflect financial information from the component unit.

Although the primary focus of this document is on the results of activity for fiscal year 2011 12, comparative data is presented for the previous fiscal year 2010 11. This Management's Discussion and Analysis (MD&A) uses the prior fiscal year as a reference point in illustrating issues and trends for determining whether the institution's financial health may have improved or deteriorated.

Questions concerning any of the information provided in the basic financial statements or requests for additional financial information should be addressed to the Financial Services Department, Mohave Community College, 1971 Jagerson Ave., Kingman, AZ 86409 1238.

Financial Highlights and Analysis

Fiscal year 2011 12 was highlighted by the both the reduction in state funding and substantial capital investments backed by donor funding.

At the onset of the State budget crisis in 2007 08 the District began proactively reducing spending and practicing conservative resource allocation. This approach has allowed the District to create a more sustainable budget model and increase cash balances for needed facility improvements and debt structure

improvements. For the 2011 12 fiscal year, the long expected decrease in state appropriations arrived with a 51% reduction over 2010 11.

In addition to absorbing the revenue reduction the District was able to increase capital investment, in large part, through donor funding for a new facility on the Bullhead City campus. These two contrasting developments highlight the District's ability to weather revenue shocks while delivering on strategic plan initiatives.

Key financial highlights for the District include:

- Total net assets increased 17.6%
- Instructional expenses increased 8.9%
- Private grants and contracts revenue increased 276% following a substantial donation for a new building
- Gross tuition and fees fell just 2% even with an enrollment drop of 13% (Full time equivalent)
- Unrestricted net assets increased 12.8% as expenses continued to fall below received income

These highlights are not inclusive of all major financial changes. The graphs and information on the following pages provide further detail on the 2011 12 fiscal year.

Economic Outlook

Mohave County has continued to struggle under the weak economic conditions affecting the entire state though the unemployment rate has dipped from 11% the previous year to 9.8%. The District experienced a surge in enrollment during the previous several years as an unemployed/underemployed workforce returned to work to improve their skills and attain certifications and degrees. The affect began to reverse in 11 12 as the full time student enrollment level dropped 13.1%

Though there are some signs of economic recovery in the job market the District continues to push for training and additional programs to assist the workforce of Mohave County. A new building designed to house the new Radiologic Technology program was nearly complete at the end of 2011 12 and the District is pursuing training opportunities along with the local manufacturing associations.

The District continues to see itself as a primary driver of economic improvement in the county and as a resource for an underemployed workforce to return to work at a greater earning capacity.

<i>Condensed Statement of Net Assets</i>	<i>As of</i>	<i>As of</i>	<i>Increase / (Decrease)</i>	
	<i>June 30, 2012</i>	<i>June 30, 2011</i>	Amount	% Change
Current assets	\$ 13,529,971	\$ 11,863,791	\$ 1,666,180	14.0%
Noncurrent assets, other than capital assets	95,666	106,540	(10,874)	10.2%
Capital assets, net	20,088,112	17,761,519	2,326,593	13.1%
Total assets	\$ 33,713,749	\$ 29,731,850	\$ 3,981,899	13.4%
Long term liabilities	\$ 5,685,885	\$ 6,034,369	\$ (348,484)	5.8%
Other liabilities	1,236,715	910,373	326,342	35.8%
Total liabilities	\$ 6,922,600	\$ 6,944,742	\$ (22,142)	0.3%
Net assets:				
Invested in capital assets, net of related debt	\$ 14,651,563	\$ 12,155,904	\$ 2,495,659	20.5%
Restricted net assets	440,835	257,541	183,294	71.2%
Unrestricted net assets	11,698,751	10,373,663	1,325,088	12.8%
Total net assets	\$ 26,791,149	\$ 22,787,108	\$ 4,004,041	17.6%

The Statement of Net Assets for 2011 12 shows an increase in the District’s net assets of \$4,004,041 representing a substantial increase of 17.6% over prior year. This figure highlights the ability of the District to grow and expand in the face of reduced state aid through diversifying revenue via outside donors and remaining cost effective in operations.

Current assets are considered those resources that are available to meet the operating needs of the District and are convertible to cash within one year. Current assets for the District increased 14% as the District booked substantial receivables tied to donations for a new health sciences building.

Noncurrent assets remained flat and capital assets, net of accumulated depreciation, increased 13.1% due to the addition of the aforementioned health sciences building along with substantial upgrades to science labs and other capital projects.

Long term liabilities decreased 5.8% as the District continued scheduled debt service payments following the payoff of two bond issues during the 2010 11 fiscal year. Further information on these liabilities can be found in the Notes to the Financial Statements.

Other Liabilities increased by 35.8% due to an increase in the current portion of long term debt; a figure representing debt payments due in the coming fiscal year. Other liabilities saw some increase due to the timing of payables at fiscal year end.

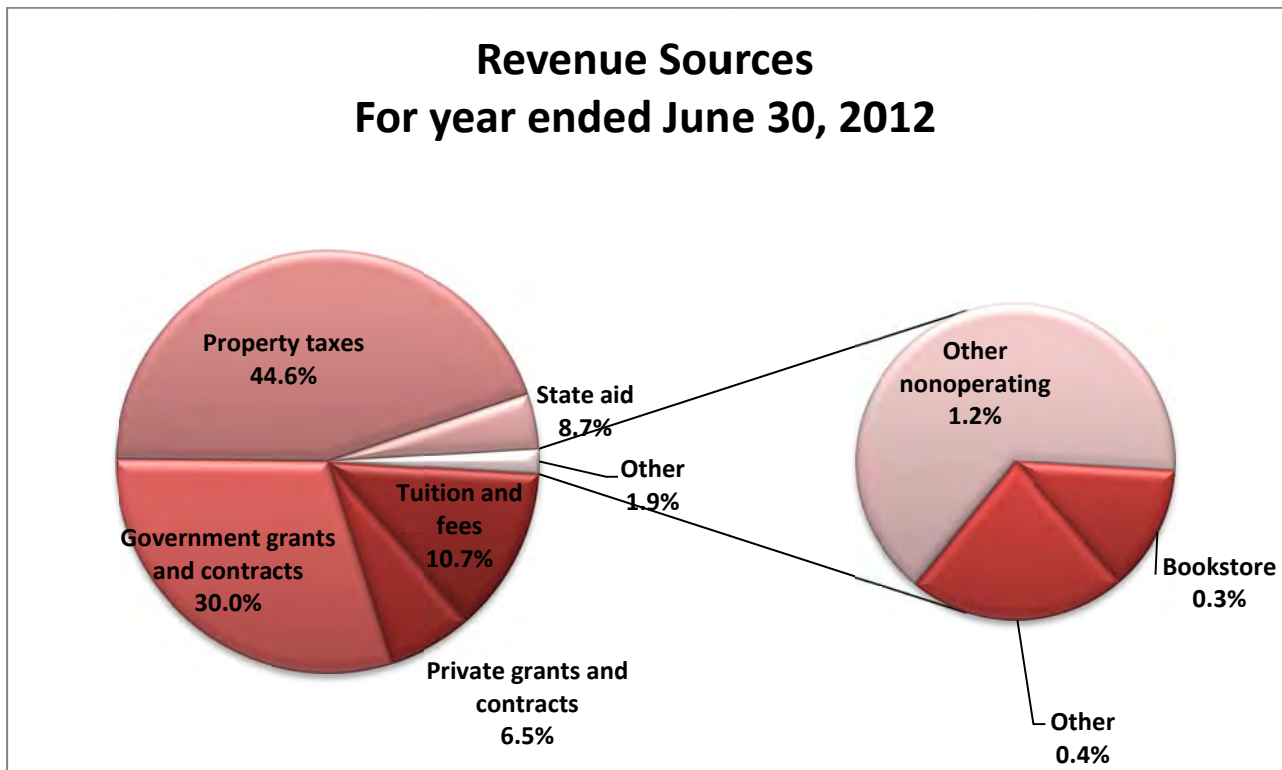
Net assets invested in capital, net of related debt increased 20.5% reflecting the continued effort to improve facilities through outside revenue sources. Unrestricted net assets increased 12.8% despite the decrease in state funding. This is due to the improved debt structure established the prior fiscal year along with a District wide reduced cost structure.

Condensed Statement of Revenues, Expenses and Changes in Net Assets	For the Year Ended June 30, 2012	For the Year Ended June 30, 2011	Increase / (Decrease)	
			Amount	% Change
Operating revenues	\$ 8,339,270	\$ 5,542,944	\$ 2,796,326	50.4%
Operating expenses				
Educational and general	\$ 35,922,217	\$ 34,745,129	\$ 1,177,088	3.4%
Auxiliary enterprises	\$ 393,006	\$ 273,818	\$ 119,188	43.5%
Depreciation	\$ 1,480,120	\$ 1,468,082	\$ 12,038	0.8%
Total operating expenses	\$ 37,795,343	\$ 36,487,029	\$ 1,308,314	3.6%
Operating loss	\$ (29,456,073)	\$ (30,944,085)	\$ 1,488,012	4.8%
Non operating revenues	\$ 33,698,276	\$ 36,758,190	\$ (3,059,916)	8.3%
Non operating expenses	\$ 238,162	\$ 418,339	\$ (180,177)	43.1%
Income before other revenues, expenses, gains or losses	\$ 4,004,041	\$ 5,395,766	\$ (1,391,726)	25.8%
Increase in net assets	\$ 4,004,041	\$ 5,395,766	\$ (1,391,725)	25.8%
Net assets, Beginning of year	\$ 22,787,108	\$ 17,391,342	\$ 5,395,766	31.0%
Net assets, End of year	\$ 26,791,149	\$ 22,787,108	\$ 4,004,041	17.6%

The condensed financial information above highlights the main categories of the Statement of Revenues, Expenses, and Changes in Net Assets. Tuition and fees minus scholarship allowances are included in operating revenue. The construction and acquisition of capital assets, although budgeted and recorded as an expense in the accounting system, is not reported as an expense in these statements. Such transactions are instead capitalized and reported as assets – with the systematic allocation of such costs (depreciation) expensed over the useful lives of the assets constructed or acquired. The District shows an increase in net assets attributable to increased outside revenue, controlled expenses, and substantial capital improvements. The graph to the right illustrates the final composition of net assets at June 30 for the last two fiscal years.



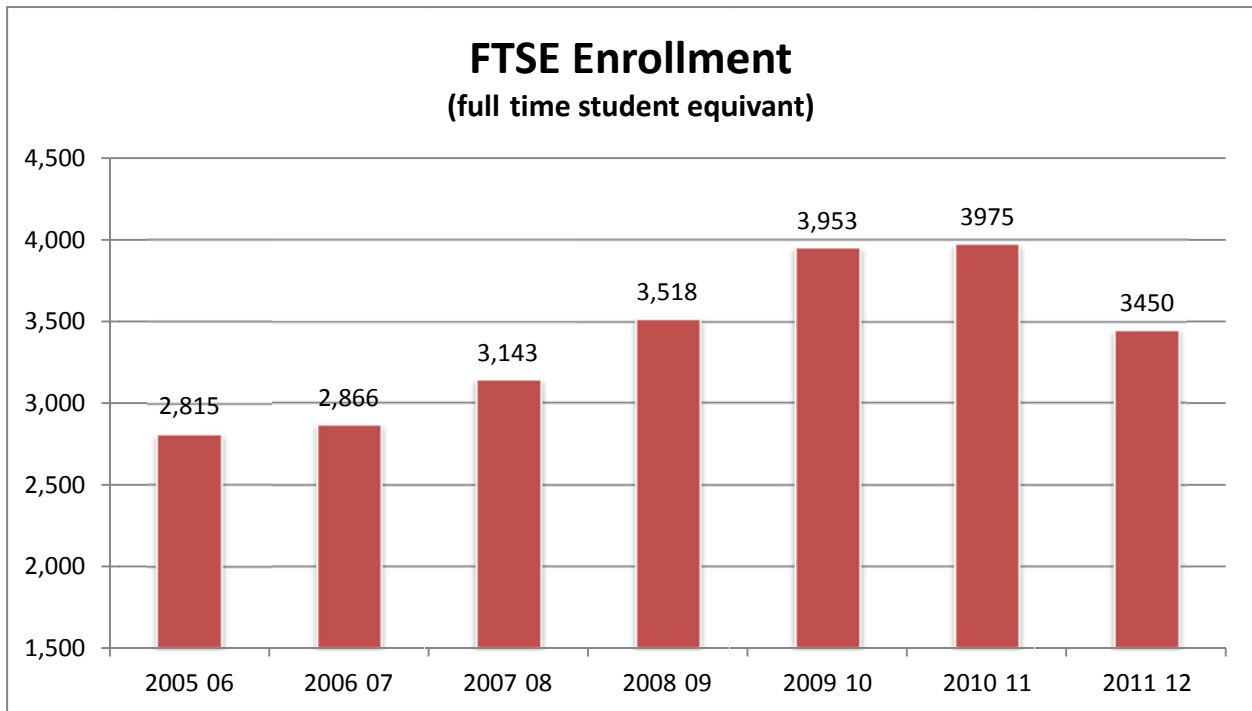
Revenues by Source	For the Year	For the Year	Increase / (Decrease)	
	Ended June 30, 2012	Ended June 30, 2011	Amount	% Change
Operating revenues				
Tuition and fees (net of allowances)	\$ 5,331,328	\$ 4,526,951	\$ 804,377	17.8%
Private grants and contracts	2,729,704	726,101	2,003,603	275.9%
Bookstore income	101,768	134,039	(32,271)	24.1%
Other operating revenues	176,470	155,853	20,617	13.2%
Total operating revenues	\$ 8,339,270	\$ 5,542,944	\$ 2,796,326	50.4%
Non operating revenues				
Government grants	\$ 12,627,839	\$ 14,468,876	\$(1,841,037)	12.7%
Property taxes	18,759,341	18,085,425	673,916	3.7%
State appropriations	1,792,200	3,682,900	(1,890,700)	51.3%
Other	518,895	520,989	(2,094)	0.4%
Total non operating revenues	\$ 33,698,275	\$ 36,758,190	\$(3,059,915)	8.3%
Total revenues	\$ 42,037,545	\$ 42,301,134	\$ (263,589)	0.6%



Revenues

Revenues for the District were strong for the 2011 12 year. Despite a 51% drop in state appropriations, the District was able to keep total revenue flat when compared to prior year. Property taxes increased 3.7% as new construction in the County increased revenues beyond the 2% increase in the levy approved by the Governing Board. Tuition and fees decreased by just 2% when reported at gross of scholarship allowances. An increase to the tuition rate and restructured fees offset a decline in FTSE (full time student equivalent) enrollment of 13%. Sharp increases in enrollment during the past several years driven in large part by the faltering economy began to flatten somewhat during the 2011 12 academic year. FTSE levels for 2011 12 and previous years are also shown below.

In addition to the three primary revenue sources mentioned above the District also noted over 276% growth in Private Grants and Contracts. This tremendous increase is driven by generous donations from the Legacy Foundation and the Mohave Community College Foundation for a new building at the Bullhead City campus. Government grants, however, decreased 12.7% due to reduced Pell and other financial aid following lower enrollment. Bookstore income decreased by 24.1% as the District eliminated on ground operations at the North Mohave campus. Bookstores at the remaining campuses are operated by Barnes & Noble with the District receiving commission checks based on strength of sales. In summary, the District has absorbed loses to state aid and decreases in enrollment by managing tuition rates and developing additional revenue sources. The conservative planning of prior years has enabled the District to flexibly endure these income reductions.



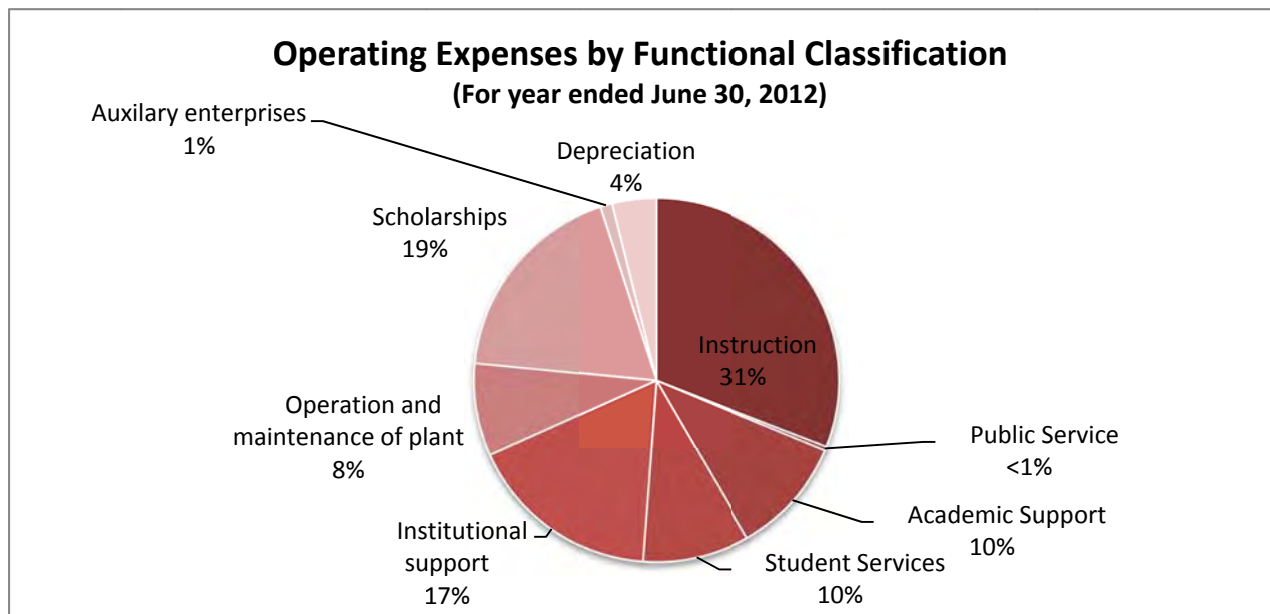
Expenses

Total expenditures for the 2011 12 year increased 3.1% over prior fiscal year. The District elected to provide a salary increase to MCC employees following the 2010 11 year which saw no increase to wages. Specifically, pay for certain faculty levels and an increase to the standard part time faculty rate were provided. This decision was in line with the strategic decision to increase the percentage of funds allotted to the Instructional expense function. Faculty pay increases along with additional full time faculty positions led to an 8.9% increase in the Instructional area. The Student Services area realized an identical increase as the District created a new call center to manager student inquiries and improve customer service. The call center is

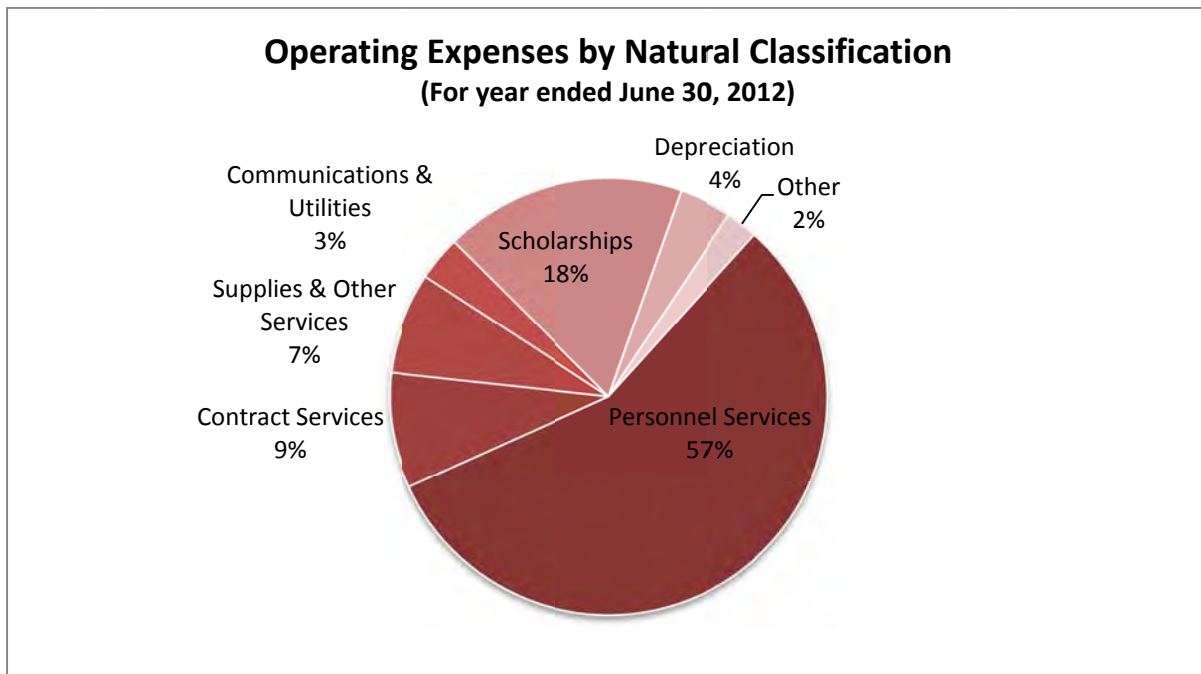
staffed with only MCC employees and managed from central offices. Scholarship expenses decreased 11.3% in line with the drop in student enrollment which has a direct effect on aid that is offered. Also of note, Operation and Maintenance of Plant increased over 13% as the District emphasized deferred maintenance concerns for aging facilities. Interest expense decreased 42.7% as the District reaped the benefits of a more favorable debt structure following the 2010 11 bond payoff. Depreciation saw only as slight increase but is expected to increase going forward along with continued investment in capital assets. Descriptions of the expenses included in the functional areas of the District are below.

Functional Classification	Description of Included Expenses
Instruction	Includes all faculty costs and expenses for resources used directly for instruction in the classroom.
Public Service	Includes expenses for SBDC (Small Business Development Center)
Academic Support	Costs directly supporting the instructional mission. Includes library services and program directors
Student Services	Includes costs for Registrar, Financial Aid, Enrollment Services and other expenses
Institutional Support	Includes Administration, financial operations, human resources, computing support and other expenses
Operation & Maintenance of Plant	Costs relating to the upkeep and operation of physical plant including grounds and repair
Scholarships	Expenses for the awarding of scholarships and grants from Institutional, Federal, or State funds
Auxiliary Enterprises	District operated bookstore costs and public relations expenses are included
Depreciation	Capital assets are expensed over the course of their estimated useful lives

Expenses by Function	For the Year Ended	For the Year Ended	Increase / (Decrease)	
	June 30, 2012	June 30, 2011	Amount	% Change
Operating expenses				
Education and general:				
Instruction	\$ 11,703,226	\$ 10,743,772	\$ 959,454	8.9%
Public Service	129,216	134,167	(4,951)	3.7%
Academic Support	3,902,563	3,798,199	104,364	2.7%
Student Services	3,605,952	3,310,869	295,083	8.9%
Institutional support	6,468,703	6,118,714	349,989	5.7%
Operation and maintenance of plant	3,121,617	2,757,453	364,164	13.2%
Scholarships	6,990,940	7,881,955	(891,015)	11.3%
Auxiliary enterprises	393,006	273,818	119,188	43.5%
Depreciation	1,480,120	1,468,082	12,038	0.8%
Total operating expenses	\$ 37,795,343	\$ 36,487,029	\$ 1,308,314	3.6%
Non operating expenses				
Interest expense on debt	\$ 238,162	\$ 415,474	\$ (177,311)	42.7%
Loss on disposal of capital assets		2,865	(2,865)	100.0%
Total non operating expenses	\$ 238,162	\$ 418,339	\$ (180,177)	43.1%
Total expenses				
	\$ 38,033,505	\$ 36,905,368	\$ 1,128,137	3.1%



Expenses by Natural Classification	As of June 30, 2012	As of June 30, 2011	Increase / (Decrease)	
			Amount	% Change
Personnel Services	\$21,361,203	\$20,180,416	\$1,180,787	5.9%
Contract Services	3,225,563	2,765,608	459,955	16.6%
Supplies & Other Services	2,855,112	2,380,083	475,029	20.0%
Communications & Utilities	1,238,307	1,119,185	119,122	10.6%
Scholarships	6,744,325	7,881,955	(1,137,630)	14.4%
Depreciation	1,480,119	1,468,082	12,037	0.8%
Other	890,714	691,700	199,014	28.8%
Total	\$37,795,343	\$36,487,029	\$1,308,314	3.6%



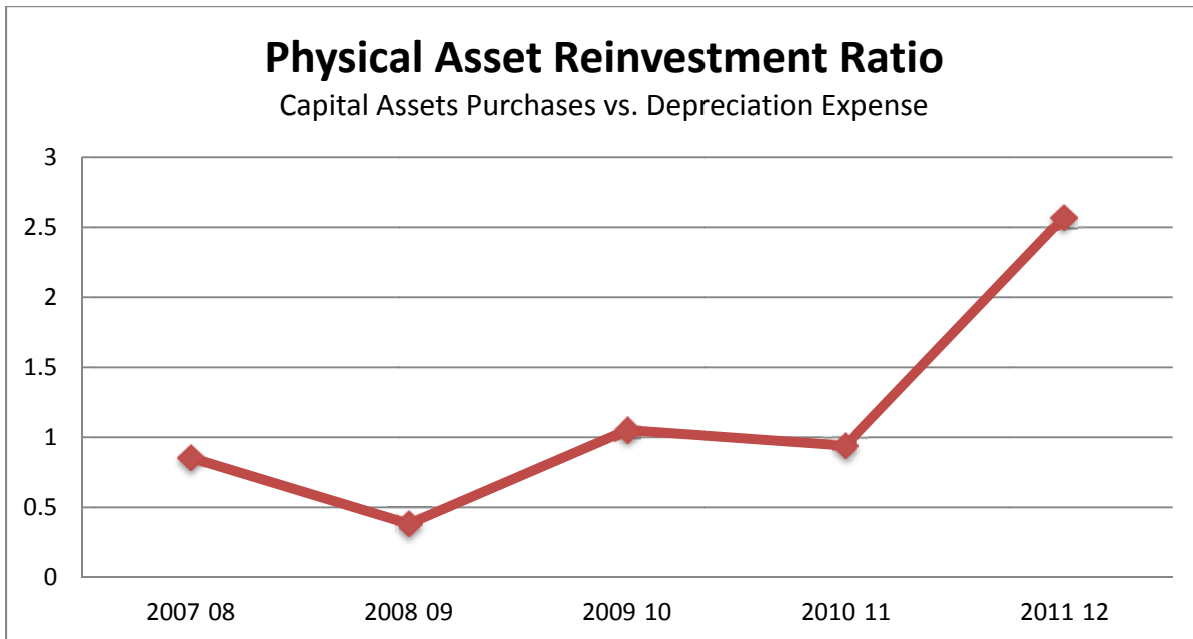
Capital and Debt Management

Capital assets increased by \$3,806,712 gross and \$2,326,593 net of accumulated depreciation. The primary addition was the acquisition of a new health sciences building on the Bullhead City campus. This building will house a new Radiologic Technology program as well as provide office space for faculty and staff. Additionally, the District was able to construct completely new science labs at both the Kingman and Lake Havasu City campuses. These projects represent significant upgrades in both the facilities and equipment available to students. The District seeks to budget capital expenditures at least at the level of expected depreciation in order for facilities to stay current and not fall into extended states of disrepair requiring more advanced and expensive remodels and upgrades. In addition to this capital investment level the District has supplemented facilities funding through outside donors. The below graph illustrates the amount

used for the purchase of capital assets versus depreciation expense for the last five fiscal years.

The District has developed a five year facilities update plan. The plan calls for 20% of the existing buildings and classroom space to be renovated or updated each year. After the five year cycle is completed each campus will have received a renovation of all facilities.

The District continues to pay down existing long term debt with debt service payments significantly lower following the payoff of two bond issues last fiscal year. Further information on the District’s debt structure is available in Note 5 of the financial statements. The District Governing Board has sought to restrict the use of debt of a means of financing capital projects and has approved of debt reduction wherever possible light of state funding cuts.



Primary Government Statement of Net Assets
(For year ended June 30, 2012)

	Business Type Activities
Assets	
Current assets:	
Cash and cash equivalents	\$ 5,936,550
Short term investments	3,007,408
Receivables (net of allowances)	4,258,297
Prepaid items	327,716
Total current assets	<u>13,529,971</u>
Noncurrent assets:	
Restricted assets:	
Cash and cash equivalents	95,666
Capital assets, net	<u>20,088,112</u>
Total noncurrent assets	<u>20,183,778</u>
Total assets	<u>\$ 33,713,749</u>
Liabilities	
Current liabilities:	
Accounts payable	\$ 403,811
Accrued payroll and employee benefits	483,696
Interest payable	58,284
Deposits held in custody for others	95,666
Current portion of compensated absences payable	11,023
Current portion of long term debt	184,235
Total current liabilities	<u>1,236,715</u>
Noncurrent liabilities:	
Compensated absences payable	432,571
Long term debt	<u>5,253,314</u>
Total noncurrent liabilities	<u>5,685,885</u>
Total liabilities	<u>6,922,600</u>
Net Assets	
Invested in capital assets, net of related debt	14,651,563
Restricted:	
Expendable:	
Grants and contracts	225,991
Capital projects	214,844
Unrestricted	<u>11,698,751</u>
Total net assets	<u>\$ 26,791,149</u>

See Notes to Financial Statements

Component Unit Statement of Financial Position
(For Year Ended June 30, 2012)

	Mohave Community College Foundation
Assets	
Cash and cash equivalents	\$ 372,496
Investments	2,108,194
Unconditional promises to give	88,278
Other receivables	550
Prepaid expenses	3,196
Unimproved land held for investment	333,256
Capital lease receivable	1,133,920
Property and equipment	818,309
	<u>4,858,199</u>
Liabilities and Net Assets	
Liabilities:	
Accounts payable	\$ 3,391
Custodial liabilities	56,823
Note payable	1,133,920
	<u>1,194,134</u>
Net assets:	
Unrestricted:	
Expended for property and equipment	\$ 818,309
Board designated	1,019,032
Available for operations	423,276
	<u>2,260,617</u>
Temporarily restricted	460,291
Permanently restricted	943,157
	<u>3,664,065</u>
	<u>\$ 4,858,199</u>

See Notes to Financial Statements

Primary Government Statement of Revenues, Expenses, and Changes
in Net Assets (For year ended June 30, 2012)

	Business Type Activities
Operating revenues:	
Tuition and fees (net of scholarship allowances of \$6,028,037)	\$ 5,331,328
Private grants and contracts	2,729,704
Bookstore income	101,768
Food service income	17,105
Other sales and services	114,334
Other	45,031
Total operating revenues	<u>8,339,270</u>
Operating expenses:	
Educational and general:	
Instruction	11,703,226
Public service	129,216
Academic support	3,902,563
Student services	3,605,952
Institutional support	6,468,703
Operation and maintenance of plant	3,121,617
Scholarships	6,990,940
Auxiliary enterprises	393,006
Depreciation	1,480,120
Total operating expenses	<u>37,795,343</u>
Operating loss	<u>(29,456,073)</u>
Non operating revenues (expenses):	
Government grants	12,627,839
Property taxes	18,759,341
State appropriations	1,792,200
Share of state sales taxes	507,522
Investment income, net of investment expense	7,411
Interest expense on debt	(238,162)
Gain on disposal of capital assets	3,963
Total non operating revenues (expenses)	<u>33,460,114</u>
Increase in net assets	4,004,041
Total net assets, July 1, 2011	<u>22,787,108</u>
Total net assets, June 30, 2012	<u>\$ 26,791,149</u>

See Notes to Financial Statements

Component Unit Statement of Activities
(For Year Ended June 30, 2012)

	Mohave Community College Foundation			
	Unrestricted net assets	Temporarily restricted net assets	Permanently restricted net assets	Totals
Public support and revenues:				
Contributions	\$ 1,930	\$ 165,145	\$ 1,425	\$ 168,500
Member dues contributions	29,832	-	-	29,832
In-kind contributions	99,152	-	-	99,152
Special event income, net of \$38,608 direct donor benefit	39,137	-	-	39,137
Investment income	9,584	22,777	-	32,361
Interest income	59,584	-	-	59,584
Other	1,088	-	-	1,088
	<u>240,307</u>	<u>187,922</u>	<u>1,425</u>	<u>429,654</u>
Releases from restrictions	141,133	(141,133)		
Total public support and revenues	<u>381,440</u>	<u>46,789</u>	<u>1,425</u>	<u>429,654</u>
Expenses and losses:				
Advertising	10,693	-	-	10,693
Alumni projects	498	-	-	498
Depreciation	9,933	-	-	9,933
Donor/recipient events	37,567	-	-	37,567
In-kind expense	1,605	-	-	1,605
Interest	59,584	-	-	59,584
Meetings	4,178	-	-	4,178
Miscellaneous	14,467	-	-	14,467
Office expense	4,049	-	-	4,049
MCC operations	490,862	-	-	490,862
Printing	6,526	-	-	6,526
Professional fees	16,960	-	-	16,960
Training	539	-	-	539
Travel	5,038	-	-	5,038
	<u>662,499</u>	<u>-</u>	<u>-</u>	<u>662,499</u>
Change in fair market value of land held for investment	21,730	-	-	21,730
Total expenses and losses	<u>684,229</u>	<u>-</u>	<u>-</u>	<u>684,229</u>
Change in net assets	(302,789)	46,789	1,425	(254,575)
Net assets, beginning of year	2,563,406	413,502	941,732	3,918,640
Net assets, end of year	<u>\$ 2,260,617</u>	<u>\$ 460,291</u>	<u>\$ 943,157</u>	<u>\$ 3,664,065</u>

See Notes to Financial Statements

Primary Government Statement of Cash Flows
For Year Ended June 30, 2012

	Business-Type Activities
Cash flows from operating activities:	
Tuition and fees	\$ 5,216,317
Grants and contracts	2,729,704
Bookstore receipts	101,768
Food service receipts	17,105
Sales and services	114,334
Other receipts	113,323
Payments to suppliers and providers of goods and services	(8,094,202)
Payments to employees	(21,181,787)
Payments for scholarships	(6,990,941)
Net cash used for operating activities	<u>(27,974,379)</u>
Cash flows from noncapital financing activities:	
Grants and contracts	11,948,260
Property taxes	18,297,677
State appropriations	1,792,201
Federal direct loans received	11,144,455
Federal direct loans disbursed	(11,144,455)
Share of state sales taxes	507,522
Deposits held in custody for others received	(63,406)
Deposits held in custody for others disbursed	52,531
Net cash provided by noncapital financing activities	<u>32,534,785</u>
Cash flows from capital and related financing activities:	
Proceeds from sale of capital assets	3,963
Principal paid on capital debt	(168,067)
Interest paid on capital debt	(239,162)
Purchases of capital assets	(3,806,712)
Net cash used for capital and related financing activities	<u>(4,209,978)</u>
Cash flows from investing activities:	
Interest received on investments, net	9,039
Purchase of short-term investments	(4,864)
Net cash provided by investing activities	<u>4,175</u>
Net increase in cash and cash equivalents	354,603
Cash and cash equivalents, July 1, 2011	<u>5,677,613</u>
Cash and cash equivalents, June 30, 2012	<u>\$ 6,032,216</u>

See Notes to Financial Statements

Primary Government Statement of Cash Flows (continued)
For Year Ended June 30, 2012

	<u>Business Type Activities</u>
Reconciliation of operating loss to net cash provided by used for operating activities:	
Operating loss	\$ (29,456,073)
Adjustments to reconcile operating loss to net cash used for operating activities:	
Depreciation	1,480,120
Changes in assets and liabilities:	
Increase in:	
Student receivables	(115,013)
Prepaid expenses	(111,776)
Accrued payroll and employee benefits	164,575
Compensated absences payable	14,840
Decrease in:	
Accounts payable	(21,616)
Accounts receivable	68,292
Inventories	2,273
Net cash used for operating activities	<u>\$ (27,974,378)</u>
Reconciliation of cash and cash equivalents, as presented on the Statement of Net Assets:	
Cash and cash equivalents	\$ 5,936,550
Restricted assets:	
Cash and cash equivalents	95,666
Total cash and cash equivalents, June 30, 2012	<u>\$ 6,032,216</u>

See Notes to Financial Statements

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

The District is a special purpose government that is governed by a separately elected governing body (the Board). It is legally separate and fiscally independent of other state and local governments. The accompanying financial statements present the activities of the District (the primary government) and its component unit, the Mohave Community College Foundation, Inc.

The Foundation is a legally separate, tax exempt organization. It acts primarily as a fund raising organization that receives gifts and bequests, administers those resources, and disburses payments to or on behalf of the District for scholarships and programs. Although the District does not control the timing or amount of receipts from the Foundation, the Foundation's restricted resources can only be used by, or for the benefit of, the District or its constituents. Consequently, the Foundation is considered a component unit of the District and its financial statements are presented in this report.

For financial reporting purposes, the Foundation follows the Financial Accounting Standards Board (FASB) statements for not for profit organizations. As such, certain revenue recognition criteria and presentation features are different from Governmental Accounting Standards Board (GASB) revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information included in the District's financial report. Accordingly, those financial statements have been reported

on separate pages following the respective counterpart financial statements of the District.

Basis of Accounting

The financial statements include a statement of net assets; a statement of revenues, expenses, and changes in net assets; and a statement of cash flows.

The statement of net assets provides information about the assets, liabilities, and net assets of the District at the end of the year. Assets and liabilities are classified as either current or noncurrent. Net assets are classified according to external donor restrictions or availability of assets to satisfy District obligations. The "Invested in Capital Assets Net of Related Debt" category represents the value of capital assets, minus accumulated depreciation, less any outstanding debt incurred to acquire or construct the assets. The "Expendable Restricted Net Assets" category represents grants, contracts, gifts, and other resources that have been externally restricted for specific purposes. The "Unrestricted Net Assets" category includes all other net assets, including those that have been designated by management to be used for other than general operating purposes.

The statement of revenues, expenses, and changes in net assets provides information about the District's financial activities during the year. Revenues and expenses are classified as either operating or non operating, and all changes in net assets are reported, including capital contributions and additions to endowments. Operating revenues and expenses generally result from exchange transactions. Accordingly, revenues such as tuition, bookstore, and food service charges are

considered to be operating revenues. Other revenues, such as property taxes, state appropriations, and government grants are not generated from exchange transactions and are considered to be non operating revenues. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. Other expenses, such as interest expense on debt, are considered to be non operating expenses.

The statement of cash flows provides information about the District’s sources and uses of cash and cash equivalents during the year. Increases and decreases in cash and cash equivalents are classified as operating, non capital financing, capital financing, or investing.

The financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are recognized in the year for which they are levied. Grants and donations are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. It is the District’s policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

The effect of internal activity has been eliminated from the financial statements.

The District follows FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions; and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements. The District has chosen the option not to follow FASB Statements and Interpretations issued after November 30, 1989.

Cash and Investments

The District’s cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposit with three months or less until maturity, and cash and investments held by the County Treasurer, and highly liquid investments. Investments are stated at fair value.

Inventories

Inventory is stated at cost using the weighted average method.

Capitalization Thresholds

Capital assets are reported at actual cost. Donated assets are reported at estimated fair value at the time received.

All assets are depreciated using the straight line method. Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts) and estimated useful lives of assets are show below.

Asset Category	Threshold	Method	Useful Life
Buildings and improvements	\$5,000	Straight-line	20 – 40 years
Improvements other than buildings	\$5,000	Straight-line	15 years
Equipment	\$5,000	Straight-line	5 years
Library books	\$1	Straight-line	10 years
Software	\$5,000	Straight-line	15 years

Compensated Absences

Compensated absences consist of Paid Time Off (PTO). PTO provides time off to cover vacation, sick leave, and personal/emergency leave. All regular fulltime, benefits eligible, non temporary employees, including resident faculty scheduled to work less than twelve months annually, are eligible to accrue PTO leave credit.

In June 2011, the District approved changes to the existing policy regarding PTO accrual and payout upon termination. Under prior policy PTO was payable based on consecutive years of service as follows: employees with 90 days – 2 years of service are compensated at 25 percent of the accrued amount, employees with 3 – 5 years receive 50 percent of the accrued amount, employees with 6 – 8 years completed service are paid 75 percent of the accrued amount, and employees with 9+ years of completed service receive 100 percent of the accrued amount.

The prior policy also included accrued sick leave benefits. Sick leave provided for ordinary sick pay and was cumulative through June 30, 2005 at which point the benefit was eliminated and those with a balance were allowed to retain their existing balance. The District's policy allowed for a payout of five dollars per hour for sick leave hours only for employees who had 15 years of service or more.

The newly adopted policy paid out all existing sick leave reserve removing all liabilities associated with the benefit. It also established new percentages for termination payout and lower accrual rates for all PTO eligible employees. The new payout percentages allow for a 50% payout of PTO after 5 years of service and 100% after 10 years. Additionally, accrual

rates were reduced for all PTO eligible staff. Each employee is subject to a cap on PTO termination pay equal to 1.5 times his/her annual accrual. With reduced annual accruals and the change in payout percentages the District reduced its compensated absences liability by adopting the new PTO policy.

Employees may accrue up to 480 hours but are subject to the aforementioned cap on hours that may apply to termination payout.

Investment Earnings

Investment earnings are composed of interest, dividends, and net changes in the fair value of applicable investments.

Scholarship Allowances

A scholarship allowance is the difference between the stated charge for goods and services provided by the District and the amount that is paid by the student or third parties making payments on behalf of the student. Accordingly, some types of student financial aid, such as Pell grants and scholarships awarded by the District, are considered to be scholarship allowances. These allowances are netted against tuition and fees revenues in the statement of revenues, expenses, and changes in net assets.

Note 2 – Deposits and Investments

Arizona Revised Statutes (A.R.S.) requires the District to deposit special tax levies for the District's maintenance or capital outlay with the County Treasurer. The statutes do not require the District to deposit other monies in its custody with the County Treasurer; however, the District must act as a prudent person dealing with the property of another when making investment decisions about those

monies. 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.

The District has adopted a formal investment policy which seeks to maximize FDIC coverage primarily through the Certificate of Deposit Account Registry Service (CDARS) Certificate of Deposit program. Funds deposited to a single banking institution are spread out among numerous participating banks to ensure the total deposit amount at any single institution does not exceed FDIC coverage limits. The policy does not formally establish policy for credit risk, custodial risk, concentration of credit risk, interest rate risk, or foreign currency risk.

Deposits

At June 30, 2012, the total cash on hand was \$1,930. The carrying amount of the District's deposits was \$5,976,349.

Investments

The District's investments at June 30, 2012, were as follows:

Investment Type	Fair Value
County Treasurer's Investment Pool	\$53,937
Certificates of Deposit (CDARS)*	\$3,007,408
Total	\$3,061,345

* Original maturity less than 90 days.

No oversight is provided for the County Treasurer's investment pool, and that pool's structure does not provide for shares.

Credit Risk

The District does not have a formal policy with respect to credit risk. At June 30, 2012, credit risk for the District's investments was as follows:

Investment Type	Rating	Rating Agency	Amount
County Treasurer's Investment Pool	Unrated	Not applicable	\$53,937
Certificates of Deposit (CDARS)	Unrated	Not applicable	\$3,007,408

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the District’s policy limits investments to maturities of less than one year. The District’s investments and their corresponding maturities at June 30, 2012 are listed to the right.

Investment Type	Amount	Less than 1 Year
County Treasurer’s Investment Pool	\$53,937	\$53,937
Certificates of Deposit (CDARS)	\$3,007,408	\$3,007,408

A reconciliation of cash, deposits and investments to amounts shown on the Statement of Net Assets follows:

Cash, deposits, and investments:		Statement of Net Assets:	
Cash on hand	\$ 1,930	Cash and cash equivalents	\$5,936,550
Amount of deposits	6,030,286	Short term investments	3,007,408
Amount of investments	3,007,408	Restricted assets:	
		Cash and cash equivalents	95,666
Total	\$9,039,624	Total	\$9,039,624

Note 3 - Receivables

Receivables at June 30, 2012 consist of the following:

Category	Amount
Accounts	\$38,816
Property taxes	2,245,620
Government Grants and Contracts	1,590,243
Student Receivables, net of allowance of \$837,059	191,130
Due from Federal Government	192,362
Interest	126
	\$4,258,297

Property taxes receivable represents taxes levied by the District which have yet to be collected. The County has maintained an historical collection rate close to 100%. As a result the District does not provide for allowance for doubtful tax collections. Student receivables are reported as net of the allowance for doubtful accounts. Student loans receivable represents Federal Students Loans disbursed to students but not yet drawn down from the Department of Education by the District as of June 30, 2012.

Note 4 – Capital Assets

	Balance June 30, 2011	Increases	Decreases	Balance June 30, 2012
Capital assets not being depreciated:				
Land	\$ 638,098	\$ -	\$ -	\$ 638,098
Construction in progress	178,631	2,395,720	178,630	2,395,721
Total capital assets not being depreciated	816,729	2,395,720	178,630	3,033,819
Capital assets being depreciated:				
Buildings and improvements	24,913,215	1,235,968	-	26,149,183
Improvements other than buildings	3,367,925	59,802	-	3,427,727
Equipment	3,330,316	250,902	32,756	3,548,462
Library books	1,796,073	42,951		1,839,024
Software systems	1,209,900	-		1,209,900
Total capital assets being depreciated	34,617,429	1,589,623	32,756	36,174,296
Less accumulated depreciation for:				
Buildings and improvements	11,608,544	765,563	-	12,374,107
Improvements other than buildings	2,277,283	193,146	-	2,470,429
Equipment	1,847,605	428,924	32,756	2,243,773
Library books	1,688,111	11,827	-	1,699,938
Software systems	251,096	80,660		331,756
Total accumulated depreciation	17,672,639	1,480,120	32,756	19,120,003
Total capital assets being depreciated, net	16,944,790	109,503	-	17,054,293
Capital assets, net	\$ 17,761,519	\$ 2,505,223	\$ 178,630	\$ 20,088,112

The District was engaged in just on major capital improvement project at June 30th, 2012. The construction in progress project included the new health sciences building being constructed on the Bullhead City campus. The final cost of the building is expected to be \$2.4 million with \$2.1 in funding committed by the District's own Foundation along with the Legacy Foundation. At June 30th, \$2,118,200 had been expended. The project will not begin depreciating for accounting purposes until final construction is complete.

Note 5 – Long-Term Liabilities

The following schedule details the District’s long-term liability activity for fiscal year ending June 30, 2012.

	Balance June 30, 2011	Additions	Reductions	Balance June 30, 2012	Due Within One Year
Revenue bonds payable	\$ 3,335,000	\$ -	\$ 5,000	\$ 3,330,000	\$ 10,000
Pledged revenue obligations	960,000	-	80,000	880,000	85,000
Capital leases payable	1,310,614	-	83,065	1,227,549	89,235
Total long-term debt	\$ 5,605,614	\$ -	\$ 168,065	\$ 5,437,549	\$ 184,235

Compensated absences	\$ 428,754	\$ 368,760	\$ 353,920	\$ 443,594	\$ 11,023
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Pledged Revenue Obligations – The District’s pledged revenue obligations consist of debt issued under terms of agreement with the trustee and are generally callable meaning the District retains the privilege of redeeming the bond before the full maturity date. The debt obligations are payable from and secured by the District’s tuition and fees, rentals, sales and services and other revenue paid by students and the general public. At the beginning of fiscal 2011 12, the District had one outstanding pledged revenue obligation.

- Proceeds of the Series 2005 Pledged Revenue Obligations, issued during fiscal year 2005 2006 in the amount of \$1,325,000, were primarily used to design, construct, furnish and equip a classroom building.

Annual principal and interest payments on the revenue refunding bonds are expected to require approximately 3% of net pledged revenues. Principal and interest paid for the current year and total pledged revenues were \$116,326 and \$5,571,948, respectively.

The District’s pledged revenue obligation at June 30, 2012 is summarized below.

Description	Original Amount	Maturity Ranges	Interest Rates	Outstanding Principal
Series 2005	1,325,000	9/1/07-20	3.5-4.125%	\$ 880,000

The schedule of debt service to maturity for the District’s pledged revenue obligations is shown below.

	Principal	Interest
2012 13	\$85,000	\$33,354
2013 14	\$85,000	\$30,188
2014 15	\$90,000	\$26,906
2015 16	\$95,000	\$23,438
2016 17	\$95,000	\$19,697
2017 2021	\$430,000	\$36,506
Total	\$880,000	\$170,089

Revenue Refunding Bonds – The District’s revenue refunding bonds consist of Series 2006 bonds that are generally callable with interest payable semiannually. The bond proceeds were used to refund the Series 2000 Revenue Bonds. The revenue refunding bonds are repaid from tuition, fees, rentals and other charges paid by students, faculty and others. The total principal and interest remaining to be paid on the bonds is \$4,179,063. Principal and interest paid for the current year were \$5,000 and \$140,125, respectively.

Annual principal and interest payments on the revenue refunding bonds are expected to require approximately 10% of net pledged revenues. Principal and interest paid for the

current year and total pledged revenues were \$145,125 and \$5,571,948, respectively.

In prior years, the District paid off certain revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old revenue bonds. Accordingly, the trust accounts assets and the liability for these revenue bonds are not included in the District’s financial statements. At June 30, 2012, revenue bonds in the amount of \$3,150,000 were considered defeased.

Information on the District’s outstanding revenue bonds including the debt schedule to maturity is show below.

Description	Original Amount	Maturity Ranges	Interest	Outstanding Principal
Series 2006	\$3,490,000	3/1/08-20	4.0-4.25%	\$3,330,000

	Principal	Interest
2012 13	\$10,000	\$139,925
2013 14	\$10,000	\$139,525
2014 15	\$10,000	\$139,125
2015 16	\$610,000	\$138,725
2016 17	\$630,000	\$114,325
2017 2020	\$2,060,000	\$177,438
Total	\$3,330,000	\$849,063

Capital Leases - The District has acquired equipment and a learning center under the provisions of various long term lease agreements classified as capital leases for accounting purposes because the agreements fall under one of the following:

- provide for a bargain purchase option
- have a lease period that exceeds 75% of the estimated life of the asset
- include a transfer of ownership by the end of the lease term

The District most recently entered into a lease with the Mohave Community College Foundation for a health sciences instruction center. This lease met the criteria for a capital lease Information on the District’s capital leases is illustrated on the right.

Capital leases	\$1,641,922
Less: accumulated depreciation	101,662
Carrying value	\$1,540,260

2012 13	\$149,802
2013 14	\$128,694
2014 15	\$125,787
2015 16	\$979,363
Total minimum lease payments	\$1,383,646
Amount representing interest	\$156,097
Present value of minimum lease payments	\$1,227,549

Note 6 – 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 participates with other community college districts and Arizona school districts in the Arizona School Risk Retention Trust, Inc., a public entity risk pool. The Trust insures the District against liabilities arising from general liability, professional liability, property, and commercial crime risks. The Trust’s operating agreement includes a provision for member assessment in the event that total claims paid by The Trust exceed the contributions and reserves in any one year. The assessment is limited to the contribution amount paid by the District during the year in which the assessment is applied.

The Trust has never had such an assessment. The District also carries commercial insurance for other risks of loss, including: workers’ compensation and student field trips. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past 3 fiscal years.

The District is a member of the Mohave Schools Insurance Consortium, which provides life insurance and medical, dental and vision benefits to eligible employees of Consortium members. An independent administrator provides the Consortium with claims and recordkeeping services. The District is responsible for paying the premiums for eligible employees, but requires employees to pay premiums for spousal and dependent coverage.

Should the District withdraw from the Consortium, the District would then be responsible for its proportional share of claims and would forfeit all rights to the return of any surplus, unearned contributions, or other legally permitted distributions from the Consortium. Whether the District withdraws or the Consortium becomes insolvent, the District remains liable for assessments for liabilities of the Consortium incurred during the District's period of membership in the Consortium.

Note 7 – Operating Leases

The District leases equipment under the provisions of various long term lease agreements classified as operating leases for accounting purposes. The District's leases include numerous copy machines and mailing machines. Lease expenditures under the terms of the operating leases were \$109,324 for the year ended June 30, 2012. The future minimum payments required under the operating leases at June 30, 2012, were as follows:

2012 13	\$6,818
----------------	----------------

Note 8 – Retirement Plan

The District contributes to a cost sharing, multiple employer defined benefit pension plan; a cost sharing, multiple employer defined benefit health insurance premium plan; and a cost sharing, multiple employer defined benefit long term disability plan, all of which are administered by the Arizona State Retirement System. The Arizona State Retirement System (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.

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 to the Arizona State Retirement System, 3300 North Central Avenue, P.O. Box 33910, Phoenix, AZ 85067 3910 or by calling (602) 240 2000 or (800) 621 3778.

The Arizona State Legislature establishes and may amend active plan members' and the District's contribution rates. For the year ended June 30, 2012, active plan members were required by statute to contribute at the actuarially determined rate of 10.74 percent (10.5 percent for retirement and 0.24 percent for long term disability) of the members' annual covered payroll and the District was required by statute to contribute at the actuarially determined rate of 10.74 percent (9.87 percent for retirement, .63 percent for health insurance premium, and 0.24 percent for long term disability) of the members' annual covered payroll.

The District's contributions for the current and 2 preceding years, all of which were equal to the required contributions, were as follows:

	Retirement Fund	Health Benefit Fund	Long Term Disability Fund
2011 12	\$1,400,222	\$ 89,376	\$ 34,810
2010 11	\$1,168,614	\$ 76,844	\$ 32,433
2009 10	\$1,023,920	\$ 81,030	\$ 49,108

Note 9 – Subsequent Events

In the beginning of the 2012 13 fiscal year the District was subject to a reaccreditation visit from its accrediting body; the Higher Learning Commission. The visit took place in September 2012 and the District received positive comments. The official determination on whether the District will receive full accreditation for an additional ten years will be released after publication of this report. Visit the District’s website at www.mohave.edu for further information on this important issue.

Note 10 – Operating Expenses

The District’s operating expenses are presented by functional classification in the Statement of Revenues, Expenses, and Changes in Net Assets. The operating expenses can also be classified into the following:

Personnel Services	\$21,361,203
Contract Services	3,225,563
Supplies & Other Services	2,855,112
Communications & Utilities	1,238,307
Scholarships	6,744,325
Depreciation	1,480,119
Other	890,714
Total	\$37,795,343

Note 11 – Discretely Presented Component Unit Disclosures

NOTE A – Organization

Mohave County Community College Foundation, Inc. (MCCF)(Foundation) was incorporated in Arizona in 1977. MCCF’s primary purpose is to support education through the Mohave Community College (MCC). MCCF is considered a component unit of MCC. Therefore, these financial statements are included as a component of the primary government entity. These financial statements represent only the financial position and operations of MCCF as a discretely presented component unit.

MCCF supports education by using the contributions they receive to provide scholarships, capital improvements, and other services for the benefit of MCC’s students, faculty, staff, administration and community. Funding for MCCF comes primarily from contributions and investment income.

NOTE B – Summary of significant accounting policies

Financial statement presentation

MCCF is required under generally accepted accounting principles to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

MCCF considers all cash and highly liquid investments with an original maturity of three months or less to be cash equivalents. MCCF maintains its cash in bank deposit accounts, which, for short periods of time, may exceed federally insured limits. At June 30, 2012, there were no funds in excess of insured limits.

Fair value measurements

Fair value measurements are determined based on the assumptions – referred to as inputs – that market participants would use in pricing the asset or liability. A fair value hierarchy distinguishes between market participant assumptions and MCCF's own assumptions about market participant assumptions. Observable inputs are assumptions based on market data obtained from independent sources, while unobservable inputs are MCCF's own assumptions about what market participants would assume based on the best information available in the circumstances.

Level 1 inputs. A quoted price in an active market for an identical asset or liability is considered to be the most reliable evidence of fair value.

Level 2 inputs. These are observable inputs, either directly or indirectly, other than quoted prices included within Level 1. They include quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or inputs (interest rates, currency exchange rates, commodity rates or yield curves) that are observable or corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 inputs. These inputs are unobservable and are used to measure fair value only when observable inputs are not available. These inputs reflect management's judgment about the assumptions that market participants would use in pricing the asset or liability.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are stated at their fair values in the statements of financial position. Unrealized gains or losses are included in the change in net assets in the accompanying statements of activities.

Property and equipment

Purchased equipment is carried at cost. Donated equipment is carried at the approximate fair value at the date of donation. Depreciation is computed using the straight line method over the estimated useful lives of the assets, from 5 to 39 years. MCCF capitalizes expenditures for equipment with a useful life of more than one year and greater than \$5,000.

Contributions/restricted revenue

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on

the existence and/or nature of any donor restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Endowments

MCCF's endowments consist of several individual funds established for specific purposes under either donor restriction or as designated by the Board of Directors. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor imposed restrictions.

The State of Arizona adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) (the Act). The Board of Directors of MCCF has interpreted the Act as requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, MCCF classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by the Act.

In accordance with the Act, MCCF considers the following factors in making a determination to appropriate or accumulate endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the organization and the donor restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the organization
- (7) The investment policies of the organization.

Donated goods, facilities and services

Donated goods and facilities are valued at their fair market value. Donated services are recognized in the financial statements at their fair market value if the following criteria are met:

- The services require specialized skills and the services provided by individuals possessing those skills.
- The services would typically need to be purchased if not donated.

Although MCCF may utilize the services of outside volunteers, the fair value of these services has not been recognized in the accompanying financial statements since they do not meet the criteria for recognition under generally accepted accounting principles.

Advertising

MCCF expenses all advertising costs as incurred.

Alumni projects

MCCF promotes alumni relations through mailings and promotion of the College throughout the community. For the year ended June 30, 2012, expenses in alumni projects were mainly spent on plaques that were distributed around Mohave County showing the impact of MCCF in the community, as well as costs for maintaining updated donor mailing lists.

Donor/recipient events

MCCF organizes events to recognize donors. Expenses in this category include catering and food expenses, printing and professional fees incurred for the events.

Income tax status

MCCF is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to MCCF’s tax exempt purpose may be subject to taxation as unrelated business income. In addition, MCCF qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization other than a private foundation under Section 509(a)(3).

Management of MCCF considers the likelihood of changes by taxing authorities in its filed tax returns and recognizes a liability for or discloses potential significant changes if management believes it is more likely than not to for a change to occur, including changes to the organization’s status as a not for profit entity. Management believes that MCCF met the requirements to maintain its tax exempt status and has no income subject to unrelated business income tax, therefore, no provision for income taxes has been provided in these

financial statements. MCCF’s form 990, *Return of Organization Exempt from Income Taxes*, and Arizona for 99, *Arizona Exempt Organization Annual Information Return*, are generally subject to examination by the IRS for three years and the Arizona Department of Revenue for four years, respectively, after the date the returns were filed.

NOTE C Investments

Investments in marketable securities held by MCCF at June 30, 2012 consisted of the following:

	2012
Mutual funds	\$1,729,158
Stocks	201,060
Bonds	99,191
Unit trusts	78,785
	2,108,194
Less investments for permanently restricted endowments	(943,157)
	\$1,165,037

Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that such changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

Investment income consisted of the following for the year ended June 30, 2012:

2012	
Realized losses	\$ (44,699)
Unrealized losses	(2,433)
Dividend/interest income	79,493
	\$ 32,361

NOTE D – Unconditional promises to give

Unconditional promises to give at June 30, 2012 were as follows:

2012	
Receivable in less than one year	\$ 60,000
Receivable in one to five years	30,000
	90,000
Less 3% discount to net present value	(1,722)
	\$ 88,278

Unconditional promises consist of one pledge from the capital campaign that was held during fiscal years 2008 through 2010. Management believes the pledge is 100% collectible, and accordingly has recorded no allowance for uncollectible accounts at June 30, 2012.

NOTE E – Property and equipment

Property and equipment at June 30, 2012 consisted of the following:

2012	
Land	\$ 787,291
Vehicles	56,112
	843,403
Less accumulated depreciation	(25,094)
	\$ 818,309

NOTE F – Capital lease receivable

During the year ended June 30, 2011, MCCF entered into a direct financing capital lease with MCC for their building. At the end of the lease term, title of the property will transfer to MCC for a bargain purchase of \$1. Monthly payments are \$10,482. Interest income under this agreement totaled \$59,584 for the year ended June 30, 2012. Future capital lease receivables are as follows:

Year ending June 30, 2013	\$ 125,787
2014	125,787
2015	125,787
2016	918,357
	1,295,718
Less interest at 5%	(161,798)
	\$ 1,133,920

NOTE G – Custodial liabilities

Custodial liabilities consist of funds received for scholarships in which the recipient of the scholarship has been named. These funds are passed through MCCF to the District for the named individuals.

NOTE H – Note payable

MCCF has a note payable with interest fixed at 5%, monthly principal and interest installments of \$10,482 and a lump sum payment of \$907,875 due in August 2015. The note is collateralized by real property, with a net book value of \$2,029,756, including the building subject to the capital lease disclosed in Note F, as well as the capital lease receivable itself.

Future maturities of long term debt at June 30, 2012 are as follows:

Year ending June 30, 2013	\$ 70,696
2014	74,313
2015	78,115
2016	910,796
	\$ 1,133,920

NOTE I – Temporarily restricted net assets

Temporarily restricted net asset activity was as follows during the year ended June 30, 2012:

	Beginning balance	Contributions/pledge discount	Investment income	Releases	Reclassification of funds with deficiencies	Ending balance
Accumulated endowment						
earning on scholarships	\$ 292,369	\$	\$ 22,777	\$ (41,572)	\$	\$ 273,574
Allied Health Training Center	81,445	2,419				83,864
College for Kids BHC		500		(500)		
College for Kids LHC	89	1,008		(1,097)		
Other	3,129	18,050		(1,463)		19,716
Scholarships	32,183	143,041		(96,501)		78,723
Future years operations	4,287	127				4,414
	\$ 413,502	\$ 165,145	\$ 22,777	\$ (141,133)	\$	\$ 460,291

NOTE J – Permanently restricted net assets

Permanently restricted net asset activity for scholarships was as follows for the year ended June 30, 2012:

	2012
Beginning balance	\$ 941,732
Contributions	1,425
Ending balance	\$ 943,157

NOTE K – Board designated net assets

MCCF had the following board designated net assets at June 30, 2012:

	2012
Kingman chapter	\$ 52,478
Lake Havasu City chapter	87,761
Bullhead City chapter	28,631
Foundation operations/general fund	22,932
Endowments	827,230
	\$ 1,019,032

NOTE L – Commitments

During the year ended June 30, 2012, MCCF made a conditional promise to give to fund 10% of the development and construction of the 14,000 square foot Allied Health Sciences Building II at the MCC Bullhead City Campus, not to exceed \$210,000. During the year ended June 30, 2012, \$105,565 of the commitment was satisfied.

NOTE M – Endowments

Funds with deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or the Act requires the Organization to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles, deficiencies of this nature that are reported in unrestricted net assets were \$0 as of June 30, 2012.

Return objectives and risk parameters

MCCF has adopted investment policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor restricted funds that the organization must hold in perpetuity or for a donor specified period(s) as well as board designated funds. Actual returns in any given year may vary.

Spending policy

The investment gain target is 8% and the payout target is 5%. Distribution of income and investment gains to the college will utilize a rolling five year average rate of return to determine the proportion of fiscal year income provided to the MCC and the proportion retained use by or growth of the Foundation. Annually, the Investment Committee will establish the payout rate.

Endowment fund activity

See Note I for endowment related activities in temporarily restricted net assets and Note J for endowment related activities in permanently restricted net assets.

Net assets in the endowment fund consisted of the following at June 30, 2012:

	Board designated Unrestricted	Temporarily restricted	Permanently restricted	Total
Balance, June 30, 2011	\$ 1,063,967	\$ 292,369	\$ 941,732	\$ 2,298,068
Contributions			1,425	1,425
Dividend/interest income	26,135	34,822		60,957
Unrealized/realized losses	(22,872)	(12,045)		(34,917)
Releases/appropriations	(240,000)	(41,572)		(281,572)
Balance, June 30, 2012	\$ 827,230	\$ 273,574	\$ 943,157	\$ 2,043,961

NOTE N – Fair value measurements

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statement of

financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2012.

	Level 1	Level 3	Total
Mutual funds	\$	\$ 1,729,158	\$ 1,729,158
Stocks	201,060		201,060
Bonds	99,191		99,191
Unit trusts	78,785		78,785
Unimproved land held for investment		333,256	333,256
	\$ 379,036	\$ 2,062,414	\$ 2,441,450

Changes in Level 3 assets measured at fair value on a recurring basis using significant unobservable inputs were as follows:

	Unimproved land	Mutual funds	Total
Beginning balance	\$ 334,986	\$ 2,268,989	\$ 2,603,975
Donated land	20,000		20,000
Realized losses		(44,699)	(44,699)
Unrealized losses		(41,542)	(41,542)
Purchases		19,068	19,068
Sales		(472,658)	(472,658)
Change in value of land	(21,730)		(21,730)
Ending balance	\$ 333,256	\$ 1,729,158	\$ 2,062,414

Fair value of Level 3 assets measured on a non recurring basis at June 30, 2012 consisted of unconditional promises to give of \$88,278.

Valuation techniques

Fair value of stocks, bonds and unit trusts are based on quoted prices in an active market. The fair value of mutual funds is based on quoted net asset values of the shares held by MCCF at year end.

The fair value of unimproved land held for investment is determined by reference to property tax assessed values and other relevant information generated by market transactions. The fair value of unconditional promises to give is estimated using an interest rate which approximates the future value of cash flows. There were no changes in valuation techniques during the year ended June 30, 2012.

NOTE O – Payments and transfers to MCC

During the year ended June 30, 2021, MCCF made the following payments and transfers to MCC or on behalf of MCC:

	2012
Scholarships	\$ 161,317
Unrestricted donation	100,000
Capital expenditures	135,565
Transfer of in kind contributions	77,547
Program expenditures	16,433
MCC operations	490,862
Pass through funds	224,447
Total payments and transfers	\$ 715,309

NOTE P – In kind contributions

During the year ended June 30, 2012, in kind contributions consisted of the following:

	2012
In kind goods and services passed to MCC (see Note O)	\$ 77,547
In kind goods and services for MCCF	1,605
Total in kind expense	79,152
Land held for investment	20,000
Total in kind revenues	\$ 99,152

NOTE Q – Functional expenses

During the year ended June 30, 2012, MCCF had the following functional expense breakdown:

	2012
Program	\$ 565,041
Management and general	73,289
Fundraising, including direct donor benefit	62,777
Total functional expenses	701,107
Less: Direct donor benefit, netted against revenue	(38,608)
Total expenses	\$ 662,499

NOTE R – Reclassification of Foundation net assets

During the year ended June 30, 2012, the following reclassification was made to Foundation net assets at June 30, 2011:

	Unrestricted net assets	Temporarily restricted net assets	Permanently restricted net assets	Total
Balance at June 30, 2011, as originally reported	\$ 2,472,737	\$ 504,171	\$ 941,732	\$ 3,918,640
Reclassification of net assets	90,669	(90,669)		
Balance at June 30, 2011, as reclassified	\$ 2,563,406	\$ 413,502	\$ 941,732	\$ 3,918,640

In accordance with Governmental Accounting Standards Board Statement No. 44, Economic Condition Reporting: The Statistical Section the District has compiled data to address the following key areas relating to the overall economic condition of the institution.

➤ Financial Trends

Information in this section assists readers in understanding and assessing how the District's financial position has changed over time

➤ Revenue Capacity

Information in this section assists readers in understanding and assessing the factors affecting the District's ability to generate revenues

➤ Debt Capacity

Information in this section assists readers in understanding and assessing the District's debt burden and its ability to acquire additional debt

➤ Demographic and Economic Information

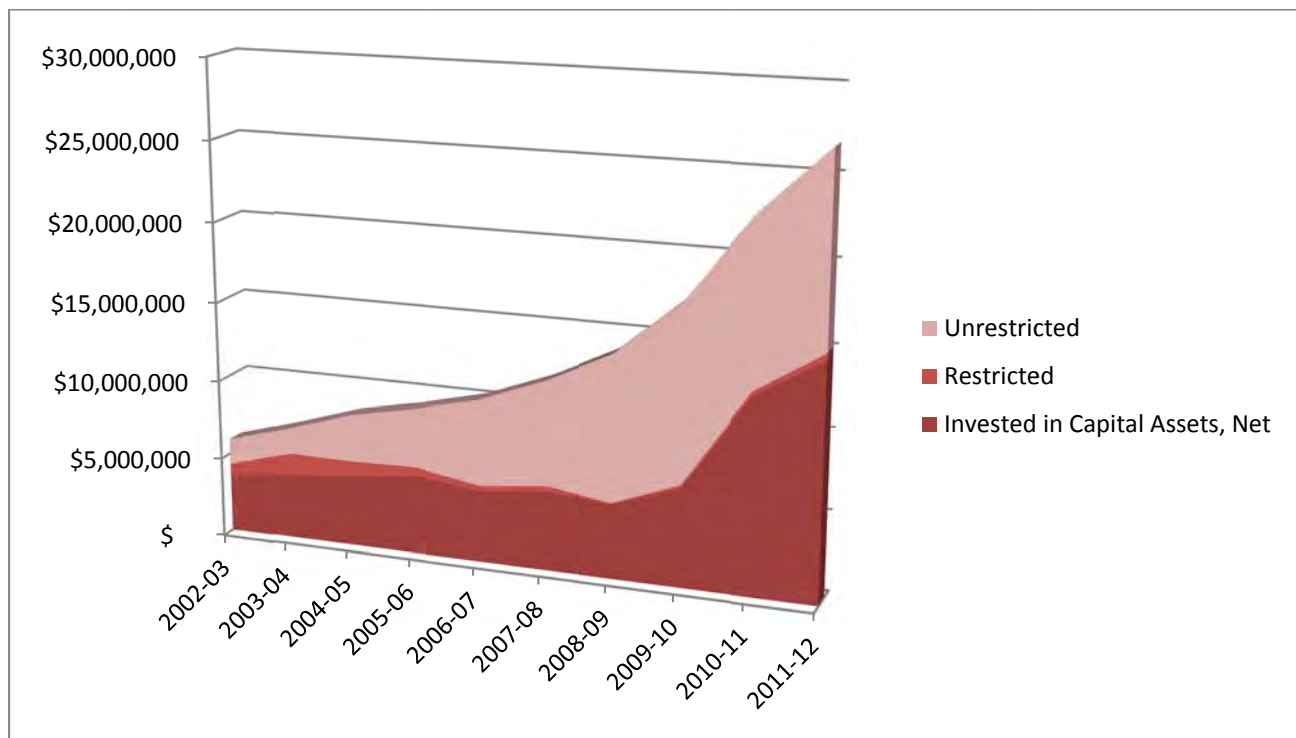
Information in this section assists readers in understanding and assessing the demographic and economic environment in which the District operates

➤ Operating Information

Information in this section assists readers in understanding and assessing data relating to capital assets and services provided by the District's financial resources

Net Assets by Component	2007 08	2008 09	2009 10	2010 11	2011 12
Invested in Capital Assets, Net	\$ 4,981,341	\$ 4,641,128	\$ 6,139,634	\$ 12,178,365	\$ 14,651,563
Restricted	\$ 313,737	\$ 86,844	\$ 194,575	\$ 257,540	\$ 440,835
Unrestricted	\$ 6,529,590	\$ 9,130,281	\$ 11,057,133	\$ 10,351,202	\$ 11,698,751
	\$ 11,824,668	\$ 13,858,253	\$ 17,391,342	\$ 22,787,108	\$ 26,791,149

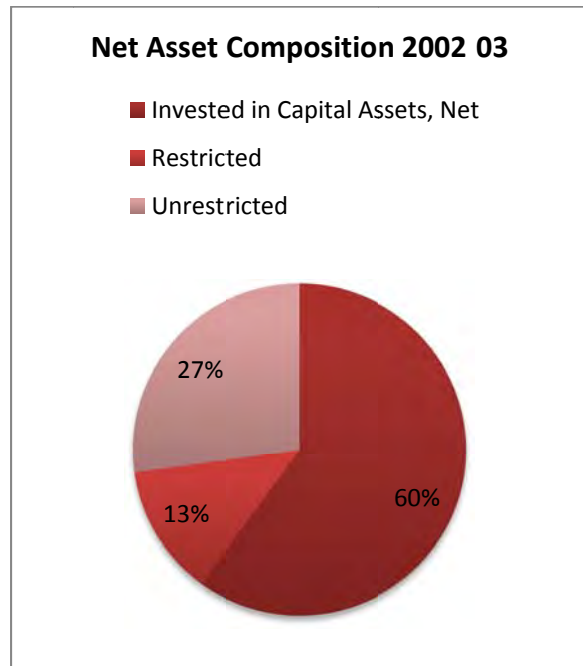
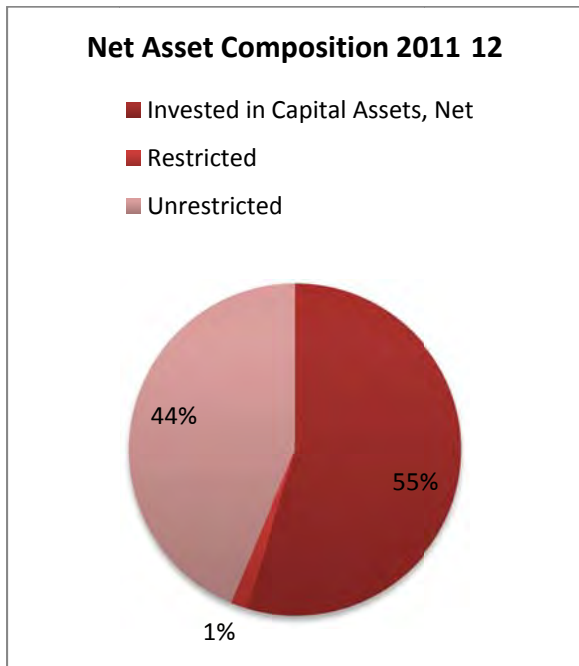
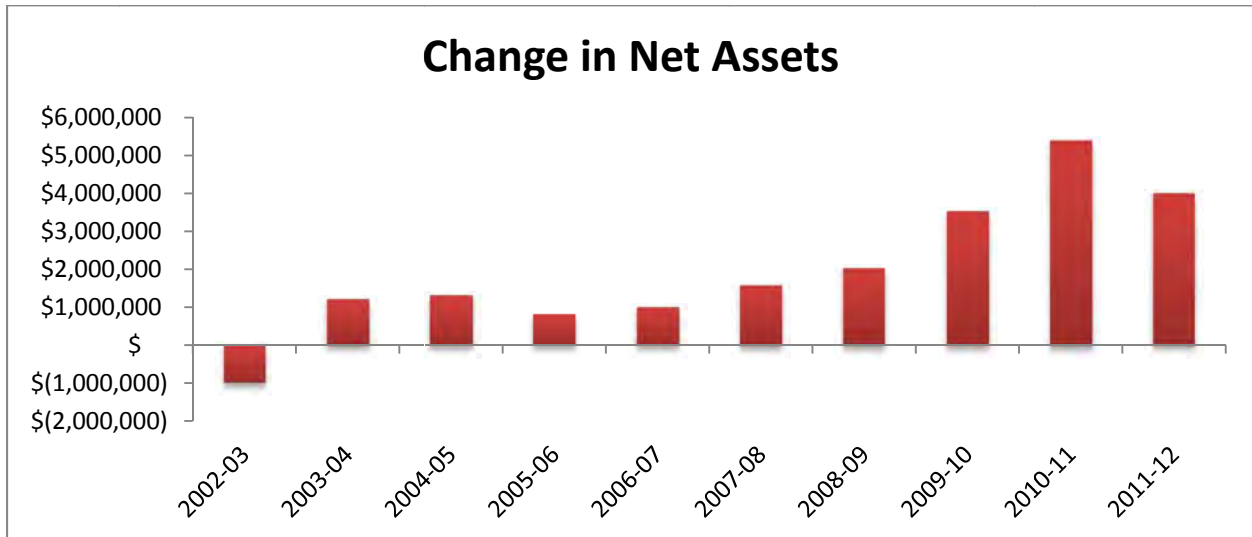
Net Assets by Component	2002 03	2003 04	2004 05	2005 06	2006 07
Invested in Capital Assets, Net	\$ 3,553,967	\$ 4,101,290	\$ 4,478,623	\$ 4,971,770	\$ 4,479,547
Restricted	\$ 757,973	\$ 1,383,656	\$ 967,148	\$ 585,244	\$ 335,423
Unrestricted	\$ 1,610,556	\$ 1,644,949	\$ 2,985,704	\$ 3,688,809	\$ 5,424,426
	\$ 5,922,496	\$ 7,129,895	\$ 8,431,475	\$ 9,245,823	\$ 10,239,396



Source: Audited financial statements for previous ten years.

	2007 08	2008 09	2009 10	2010 11	2011 12
Change in Net Assets	\$ 1,585,272	\$ 2,033,585	\$ 3,533,089	\$ 5,395,766	\$ 4,004,041
Net Assets	\$ 11,824,668	\$ 13,858,253	\$ 17,391,342	\$ 22,787,108	\$ 26,791,149

	2002 03	2003 04	2004 05	2005 06	2006 07
Change in Net Assets	\$ (971,589)	\$ 1,207,399	\$ 1,301,580	\$ 814,348	\$ 993,573
Net Assets	\$ 5,922,496	\$ 7,129,895	\$ 8,431,475	\$ 9,245,823	\$ 10,239,396



Source: Audited financial statements for previous ten years.

Change in Net Assets

	2002-03	2003-04	2004-05	2005-06	2006-07
Operating Revenues					
Tuition and fees	\$ 2,122,844	\$ 2,778,253	\$ 2,810,351	\$ 2,990,555	\$ 3,512,519
Government grants and contracts	2,182,375	2,682,220	5,170,921	5,952,940	5,998,550
Private grants and contracts	67,934	259,594	346,216	300,912	253,528
Bookstore income	1,249,195	383,674	140,233	159,473	184,053
Food service income	33,365	36,649	27,792	38,668	33,845
Other sales and services	221,298	252,054	278,613	339,052	291,519
Other	23,490	172,195	80,475	80,853	50,749
Total Operating Revenues	5,900,501	6,564,639	8,854,601	9,862,453	10,324,763
Operating Expenses					
Instruction	5,668,524	5,598,586	6,492,051	6,882,730	7,184,340
Public Service	118,695	105,118	91,821	124,169	79,694
Academic Support	3,827,995	2,685,363	2,992,161	3,462,743	3,519,967
Student Services	1,262,246	2,408,423	2,762,592	3,315,437	3,453,928
Institutional Support	3,715,656	5,150,994	5,237,170	6,001,049	6,850,217
Operation and Maintenance of Plant	1,513,825	1,837,077	2,435,786	2,434,154	2,382,022
Scholarships	1,680,538	1,942,755	2,733,955	2,954,737	3,006,796
Auxiliary Enterprises	1,595,387	415,948	190,639	228,419	237,535
Depreciation	996,721	944,514	996,621	1,087,742	1,179,112
Other	10,497	160	160	23,003	47,907
Total Operating Expenses	20,390,084	21,088,938	23,932,956	26,514,183	27,941,518
Operating Income (Loss)	(14,489,583)	(14,524,299)	(15,078,355)	(16,651,730)	(17,616,755)
Nonoperating Revenues (Expenses)					
Government Grants					
Property Taxes	9,515,110	10,873,474	11,762,842	13,274,304	14,093,900
State Appropriations	3,630,300	3,630,300	3,710,000	3,710,000	4,196,900
Share of State Sales Tax	382,268	404,124	418,297	517,428	557,376
Private gifts	84,887				
Investment Income	101,787	58,054	90,126	139,212	83,206
Interest Expense of Debt	(903,437)	(657,371)	(658,756)	(798,623)	(961,933)
Gain (Loss) on Disposal of Capital Assets	37,661	31,017	(30,800)	10,976	6,194
Total Nonoperating Revenues (Expenses)	12,848,576	14,339,598	15,291,709	16,853,297	17,975,643
Income (Loss) Before Other Revenues, Expenses, Gains or Losses	(1,641,007)	(184,701)	213,354	201,567	358,888
Capital Appropriations	440,400	440,400	492,000	491,000	597,500
Capital Grants and Gifts	229,018	951,700	596,226	121,781	37,185
Change in Net Assets	(971,589)	1,207,399	1,301,580	814,348	993,573

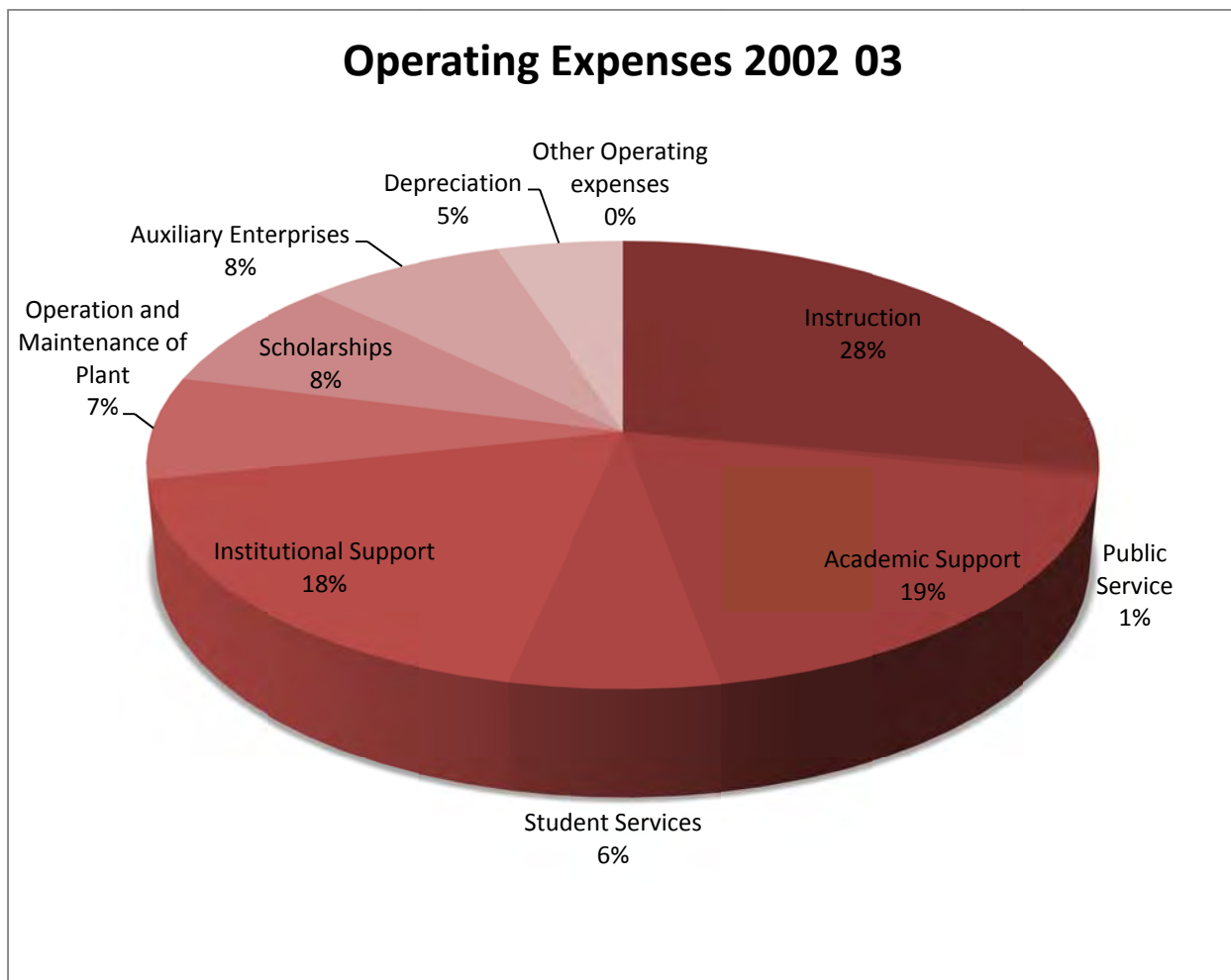
Change in Net Assets

	2007-08	2008-09	2009-10	2010-11	2011-12
Operating Revenues					
Tuition and fees	\$ 3,296,204	\$ 4,510,286	\$ 4,168,056	\$ 4,526,951	\$ 5,331,328
Government grants and contracts					
Private grants and contracts	573,216	329,024	592,730	726,101	2,729,704
Bookstore income	202,379	246,254	222,703	134,039	101,768
Food service income	37,618	37,971	42,183	26,540	17,105
Other sales and services	153,672	127,807	117,277	113,113	114,334
Other	27,329	43,466	46,356	16,200	45,031
Total Operating Revenues	4,290,418	5,294,808	5,189,305	5,542,944	8,339,270
Operating Expenses					
Instruction	7,892,400	8,569,285	9,502,581	10,743,772	11,703,226
Public Service	114,126	118,520	144,167	134,167	129,216
Academic Support	3,591,507	3,696,088	4,106,925	3,798,199	3,902,563
Student Services	3,424,680	3,844,024	3,009,029	3,310,869	3,605,952
Institutional Support	7,213,810	7,981,597	7,578,624	6,118,714	6,468,703
Operation and Maintenance of Plant	2,476,724	2,684,752	2,871,130	2,757,453	3,121,617
Scholarships	3,401,656	4,014,019	7,359,327	7,881,955	6,990,940
Auxiliary Enterprises	202,412	442,944	280,419	273,818	393,007
Depreciation	1,265,072	1,417,859	1,479,676	1,468,082	1,480,119
Other	-	-	-	-	-
Total Operating Expenses	29,582,387	32,769,088	36,331,878	36,487,029	37,795,343
Operating Income (Loss)	(25,291,969)	(27,474,280)	(31,142,573)	(30,944,085)	(29,456,073)
Nonoperating Revenues (Expenses)					
Government Grants	6,549,809	9,512,174	13,939,348	14,468,876	12,627,839
Property Taxes	15,372,777	16,235,016	17,048,446	18,085,425	18,759,341
State Appropriations	4,196,900	3,748,881	3,682,901	3,682,900	1,792,200
Share of State Sales Tax	554,842	518,805	491,718	506,197	507,522
Private gifts					
Investment Income	209,642	77,423	45,313	14,792	7,413
Interest Expense of Debt	(608,948)	(583,862)	(543,786)	(415,474)	(238,162)
Gain (Loss) on Disposal of Capital Assets	4,181	(572)	11,722	(2,865)	3,963
Total Nonoperating Revenues (Expenses)	26,279,203	29,507,865	34,675,662	36,339,851	33,460,116
Income (Loss) Before Other Revenues, Expenses, Gains or Losses	987,234	2,033,585	3,533,089	5,395,766	4,004,041
Capital Appropriations	591,200	-	-	-	-
Capital Grants and Gifts	6,838	-	-	-	-
Change in Net Assets	1,585,272	2,033,585	3,533,089	5,395,766	4,004,041

Source: Audited financial statements for previous ten years

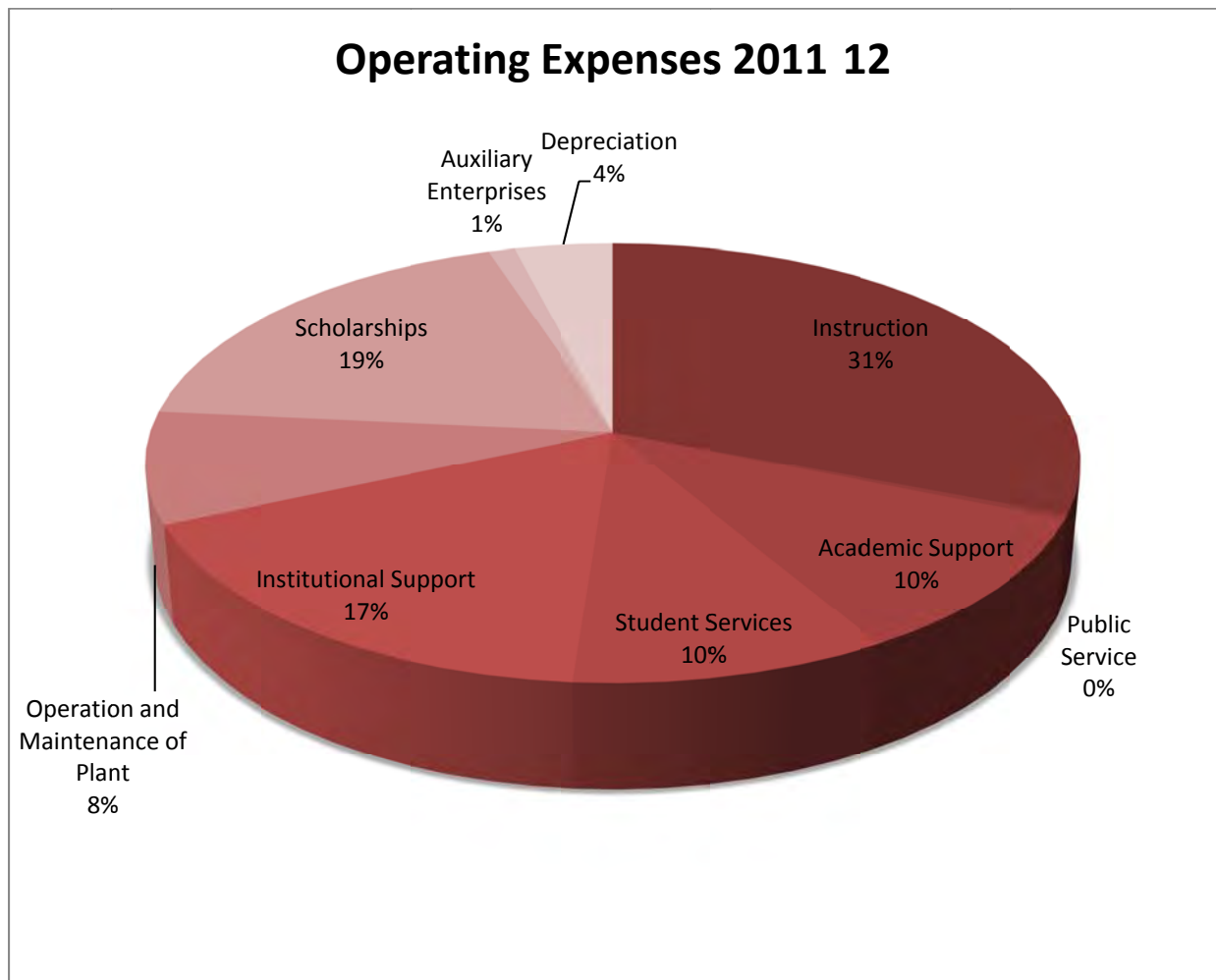
Note (1): Government grants have been reclassified for fiscal years prior to 2007-2008 to conform with new requirements

Expenses by Function	2002 03	2003 04	2004 05	2005 06	2006 07
Instruction	\$ 5,668,524	\$ 5,598,586	\$ 6,492,051	\$ 6,882,730	\$ 7,184,340
Public Service	118,695	105,118	91,821	124,169	79,694
Academic Support	3,827,995	2,685,363	2,992,161	3,462,743	3,519,967
Student Services	1,262,246	2,408,423	2,762,592	3,315,437	3,453,928
Institutional Support	3,715,656	5,150,994	5,237,170	6,001,049	6,850,217
Operation and Maintenance of Plant	1,513,825	1,837,077	2,435,786	2,434,154	2,382,022
Scholarships	1,680,538	1,942,755	2,733,955	2,954,737	3,006,796
Auxiliary Enterprises	1,595,387	415,948	190,639	228,419	237,535
Depreciation	996,721	944,514	996,621	1,087,742	1,179,112
Other Operating expenses	10,497	160	160	23,003	47,907
Total Expenses	\$ 20,390,084	\$ 21,088,938	\$ 23,932,956	\$ 26,514,183	\$ 27,941,518



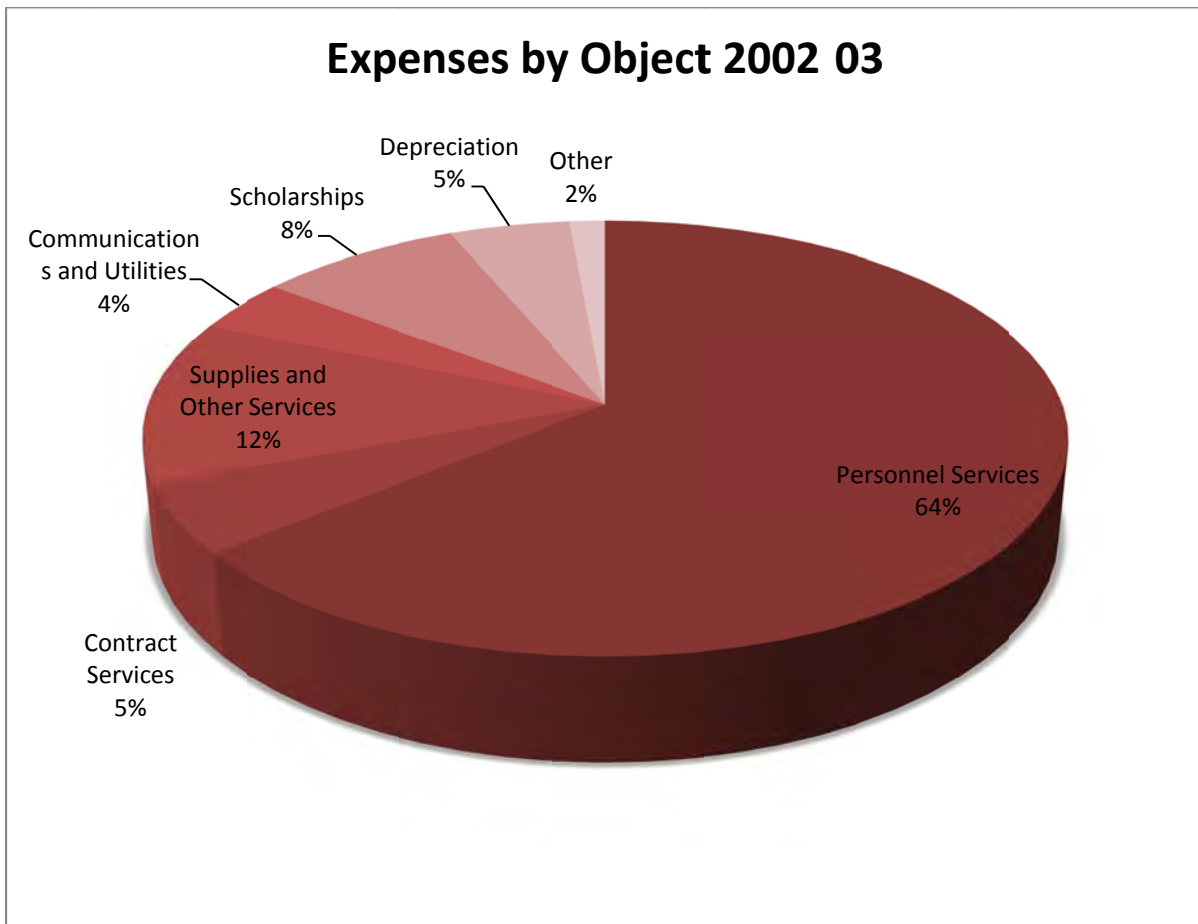
Source: Audited financial statements for previous ten years.

Expenses by Function	2007-08	2008-09	2009-10	2010-11	2011-12
Instruction	\$ 7,892,400	\$ 8,569,285	\$ 9,502,581	\$ 10,743,772	\$ 11,703,226
Public Service	114,126	118,520	144,167	134,167	129,216
Academic Support	3,591,507	3,696,088	4,106,925	3,798,199	3,902,563
Student Services	3,424,680	3,844,024	3,009,029	3,310,869	3,605,952
Institutional Support	7,213,810	7,981,597	7,578,624	6,118,714	6,468,703
Operation and Maintenance of Plant	2,476,724	2,684,752	2,871,130	2,757,453	3,121,617
Scholarships	3,401,656	4,014,019	7,359,327	7,881,955	6,990,940
Auxiliary Enterprises	202,412	442,944	280,419	273,818	393,007
Depreciation	1,265,072	1,417,859	1,479,676	1,468,082	1,480,119
Other Operating expenses	-	-	-	-	-
Total Expenses	\$ 29,582,387	\$ 32,769,088	\$ 36,331,878	\$ 36,487,029	\$ 37,795,343



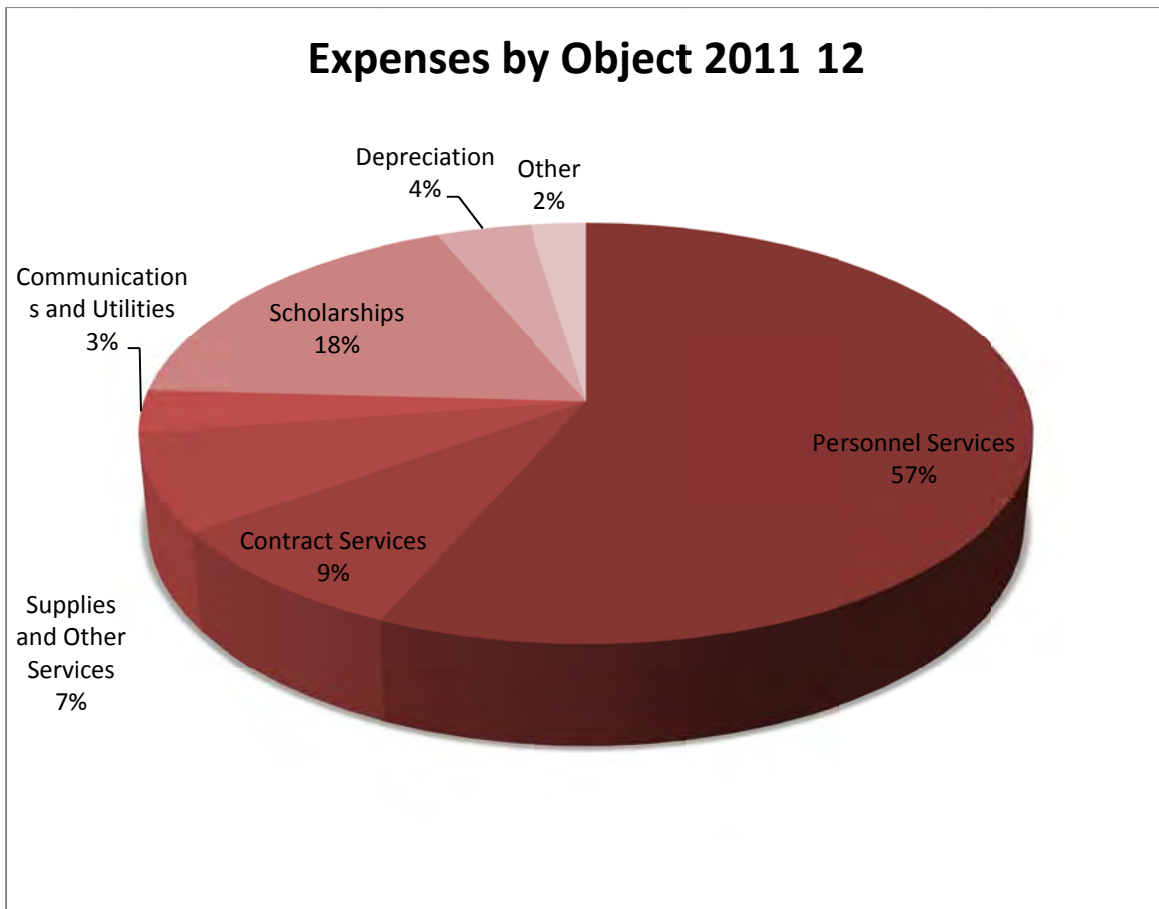
Source: Audited financial statements for previous ten years.

Expenses by Object	2002 03	2003 04	2004 05	2005 06	2006 07
Personnel Services	\$ 13,064,266	\$ 12,515,924	\$ 13,102,317	\$ 15,317,595	\$ 16,749,980
Contract Services	1,058,975	2,474,967	2,975,047	3,247,471	3,430,817
Supplies and Other Services	2,484,561	1,913,344	2,728,839	2,545,080	2,204,803
Communications and Utilities	814,507	909,273	935,052	978,466	1,078,423
Scholarships	1,680,538	1,942,755	2,733,955	2,954,737	2,761,216
Depreciation	996,721	944,514	996,621	1,087,742	1,179,112
Other	290,516	388,161	461,125	383,092	537,167
Total Expenses	\$ 20,390,084	\$ 21,088,938	\$ 23,932,956	\$ 26,514,183	\$ 27,941,518



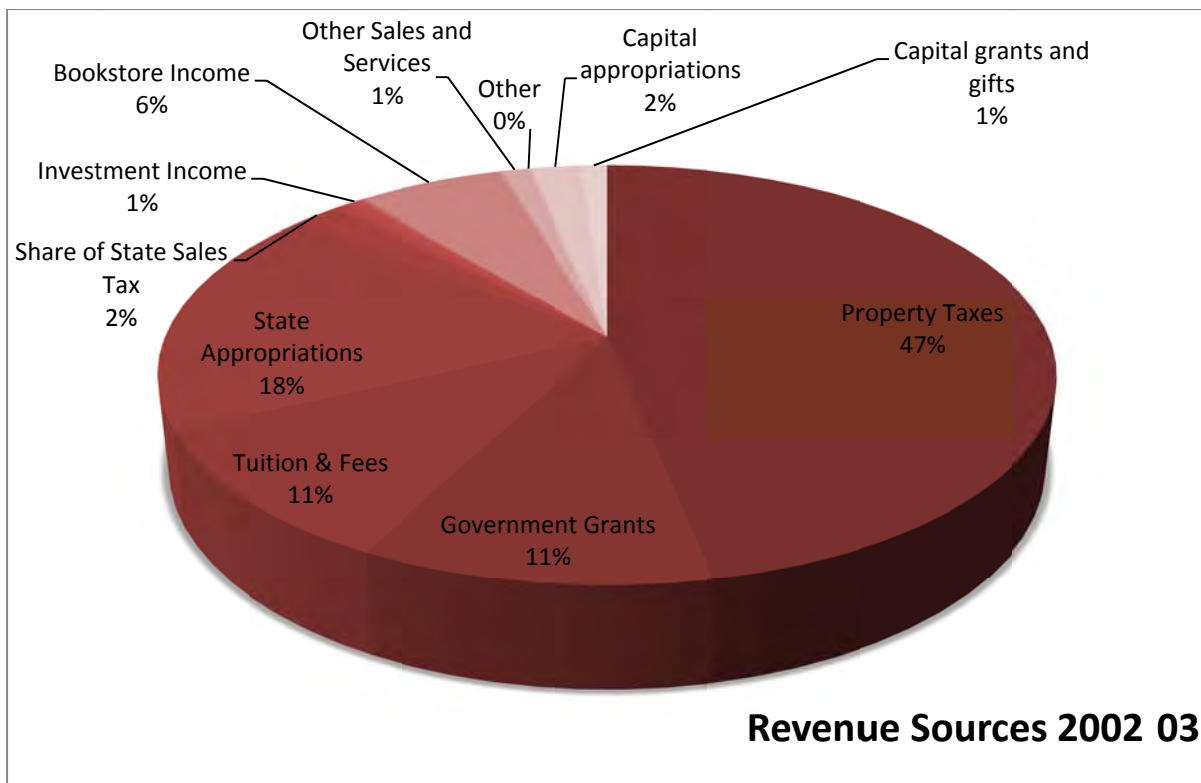
Source: Audited financial statements for previous ten years.

Expenses by Object	2007 08	2008 09	2009 10	2010 11	2011 12
Personnel Services	\$ 17,361,878	\$ 18,591,648	\$ 20,130,234	\$ 20,180,416	\$ 21,361,203
Contract Services	4,069,571	4,245,764	3,439,247	2,765,608	3,225,563
Supplies and Other Services	2,247,652	2,442,046	2,313,898	2,380,083	2,841,190
Communications and Utilities	1,065,066	1,098,602	1,024,747	1,119,185	1,238,307
Scholarships	3,401,656	4,014,019	7,359,327	7,881,955	6,744,325
Depreciation	1,265,072	1,417,859	1,479,676	1,468,082	1,480,119
Other	171,492	959,150	584,749	691,700	890,714
Total Expenses	\$ 29,582,387	\$ 32,769,088	\$ 36,331,878	\$ 36,487,029	\$ 37,781,421



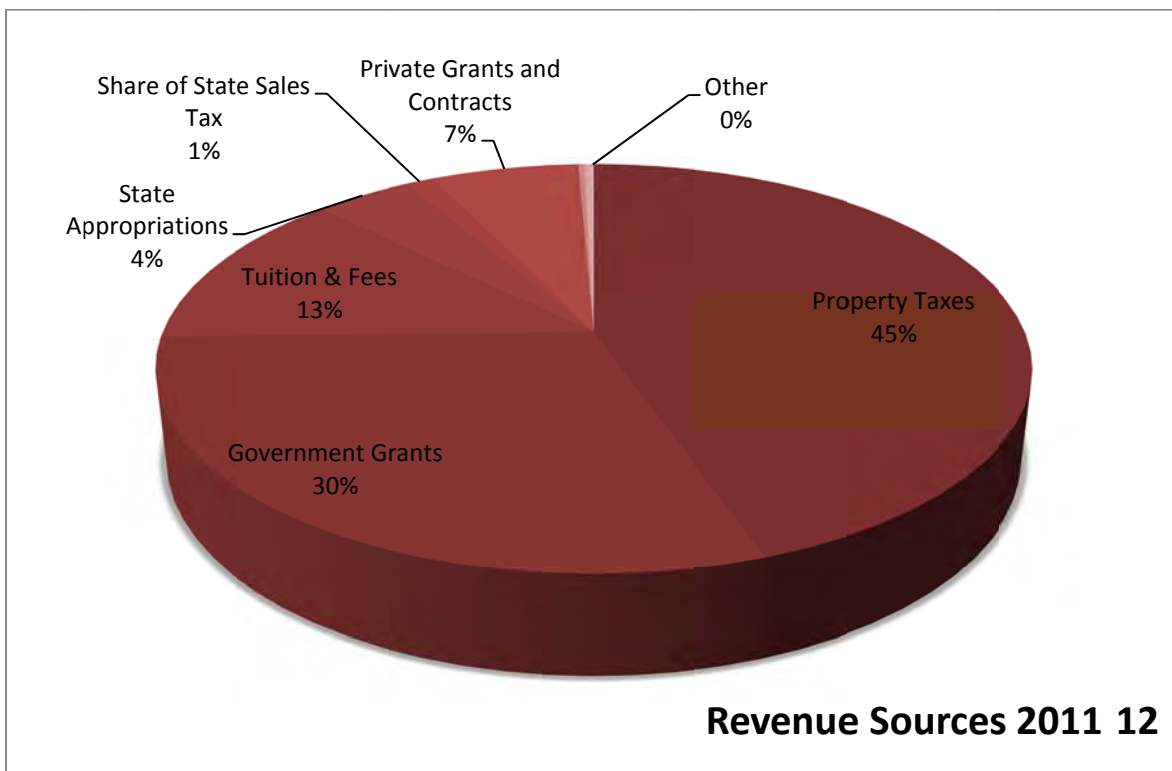
Source: Audited financial statements for previous ten years.

Revenues by Source	2002 03	2003 04	2004 05	2005 06	2006 07
Property Taxes	\$ 9,515,110	\$ 10,873,474	\$ 11,762,842	\$ 13,274,304	\$ 14,093,900
Government Grants	2,182,375	2,682,220	5,170,921	5,952,940	5,998,550
Tuition & Fees	2,122,844	2,778,253	2,810,351	2,990,555	3,512,519
State Appropriations	3,630,300	3,630,300	3,710,000	3,710,000	4,196,900
Share of State Sales Tax	382,268	404,124	418,297	517,428	557,376
Private Grants and Contracts	67,934	259,594	346,216	300,912	253,528
Private Gifts	84,887	-	-	-	-
Investment Income	101,787	58,054	90,126	139,212	83,206
Gain on Disposal of Capital Assets	37,661	31,017	-	10,976	6,194
Bookstore Income	1,249,195	383,674	140,233	159,473	184,053
Food Service Income	33,365	36,649	27,792	38,668	33,845
Other Sales and Services	221,298	252,054	278,613	339,052	291,519
Other	23,490	172,195	80,475	80,853	50,749
Capital appropriations	440,400	440,400	492,000	491,000	597,500
Capital grants and gifts	229,018	951,700	596,226	121,781	37,185
Total Revenue	\$ 20,321,932	\$ 22,953,708	\$ 25,924,092	\$ 28,127,154	\$ 29,897,024



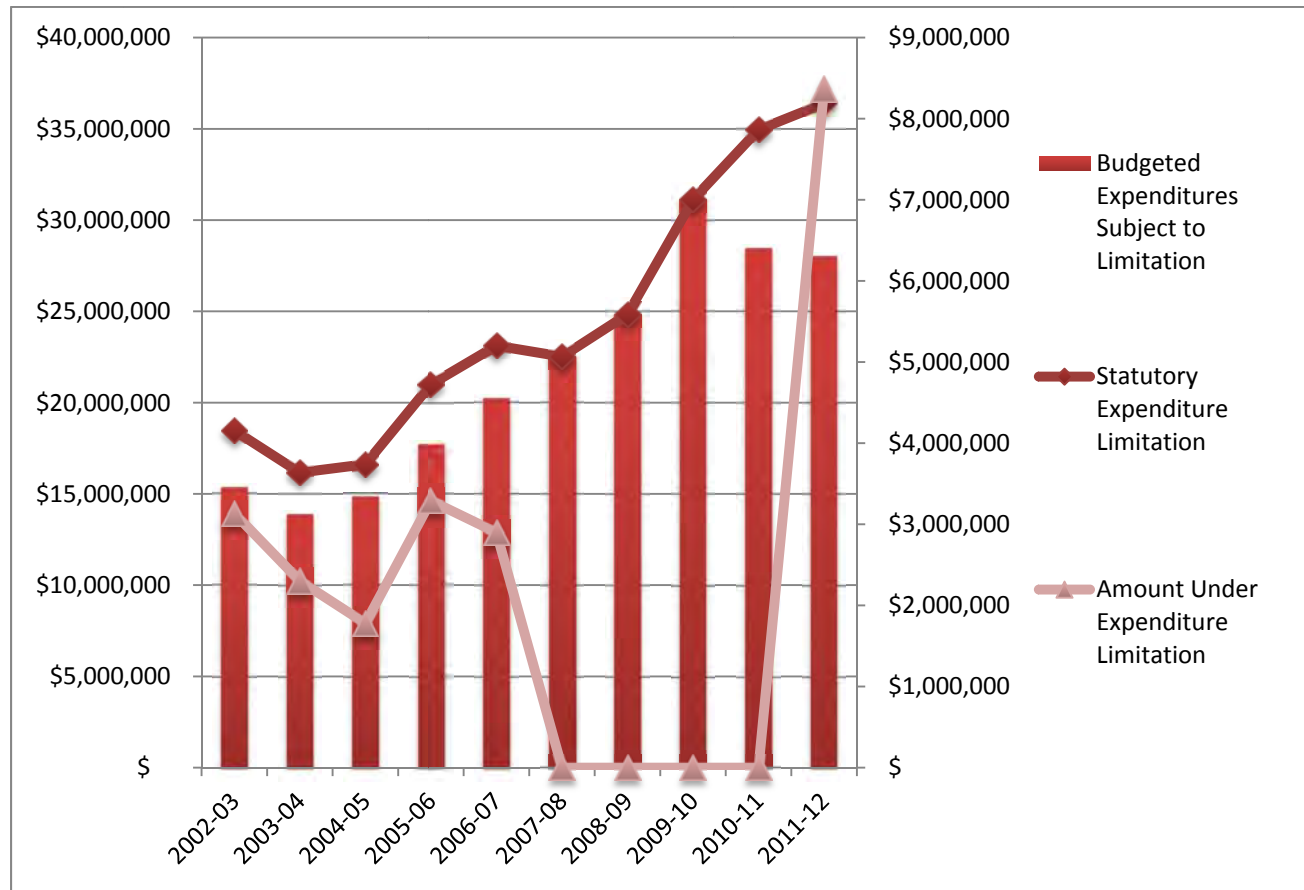
Source: Audited financial statements for previous ten years.

Revenues by Source	2007 08	2008 09	2009 10	2010 11	2011 12
Property Taxes	\$ 15,372,777	\$ 16,235,016	\$ 17,048,446	\$ 18,085,426	\$ 18,759,341
Government Grants	6,549,809	9,512,174	13,939,348	14,378,844	12,627,839
Tuition & Fees	3,296,204	4,510,286	4,168,056	4,195,487	5,331,328
State Appropriations	4,196,900	3,748,881	3,682,901	3,682,901	1,792,200
Share of State Sales Tax	554,842	518,805	491,718	506,198	507,522
Private Grants and Contracts	573,216	329,024	592,730	726,101	2,729,704
Private Gifts					
Investment Income	209,642	77,423	45,313	14,793	7,413
Gain on Disposal of Capital Assets	4,181		11,722		3,963
Bookstore Income	202,379	246,254	222,703	134,039	101,768
Food Service Income	37,618	37,971	42,183	26,540	17,105
Other Sales and Services	153,672	127,807	117,277	113,113	114,334
Other	27,329	43,466	46,356	16,200	45,031
Capital appropriations	591,200	-	-	-	-
Capital grants and gifts	6,838	-	-	-	-
Total Revenue	\$ 31,776,607	\$ 35,387,107	\$ 40,408,753	\$ 41,879,641	\$ 42,037,548



Source: Audited financial statements for previous ten years.

Budgeted Expenditure Limitation



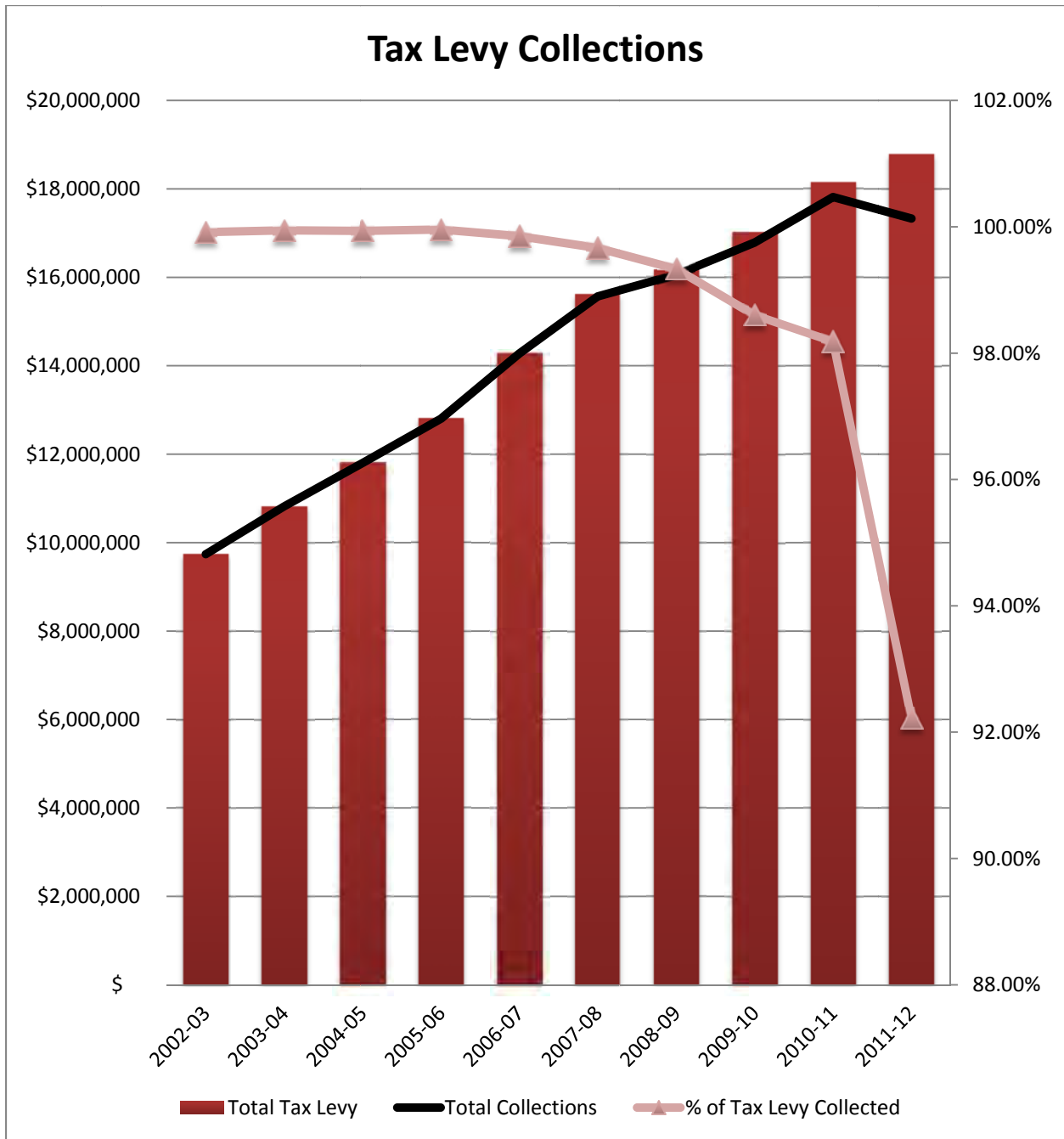
	2002-03	2003-04	2004-05	2005-06	2006-07
Statutory Expenditure Limitation	\$ 18,472,189	\$ 16,163,538	\$ 16,619,702	\$ 21,009,091	\$ 23,118,821
Budgeted Expenditures Subject to Limitation	15,337,733	13,861,963	14,841,404	17,718,963	20,218,585
Amount Under Expenditure Limitation	\$ 3,134,456	\$ 2,301,575	\$ 1,778,298	\$ 3,290,128	\$ 2,900,236

	2007-08	2008-09	2009-10	2010-11	2011-12
Statutory Expenditure Limitation	\$ 22,526,351	\$ 24,835,230	\$ 31,134,362	\$ 34,950,321	\$ 36,395,014
Budgeted Expenditures Subject to Limitation	22,526,351	24,835,230	31,134,362	28,463,105	28,028,514
Amount Under Expenditure Limitation	\$ -	\$ -	\$ -	\$ -	\$ 8,366,500

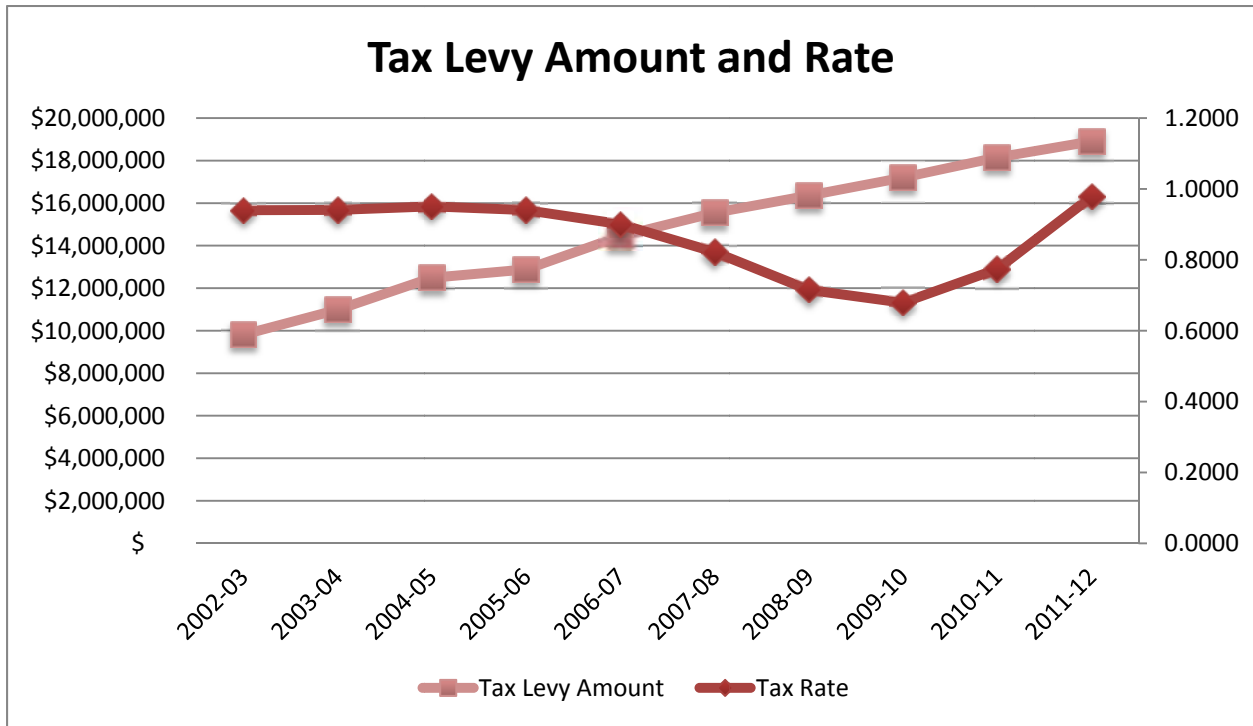
Source: Audited Reports on Annual Budgeted Expenditure Limitation

Note(1) – The Statutory Expenditure Limitation is calculated by the Arizona Department of Revenue Economic Estimates Commission.

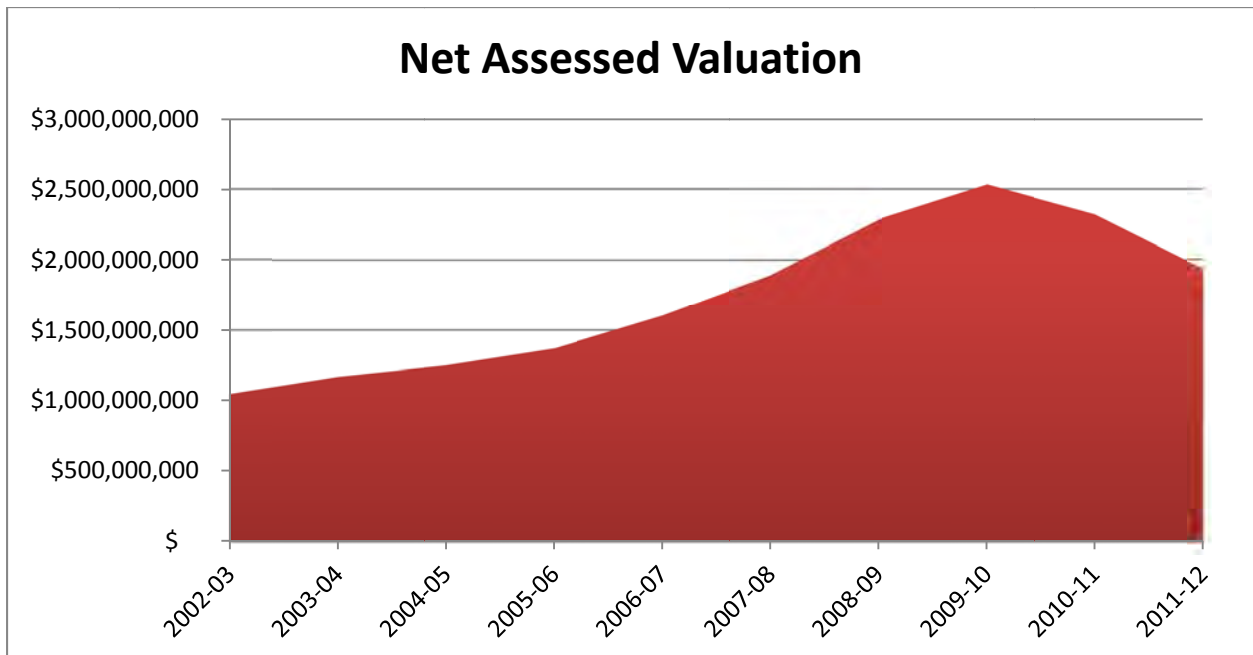
Note(2) – Budgeted expenditures are calculated net of allowable exclusions.



Source: Mohave County Treasurer



Source: Mohave County Treasurer



Source: Mohave County Treasurer

Assessed Value and Net Assessed Value of All Taxable Property – Last 10 Years (dollars in thousands)

Tax Year		Utilities	Commercial	Vacant/ Agriculture	Residential	Railroads
2002	Primary	\$ 559,038	\$ 930,699	\$ 1,750,797	\$ 4,991,807	\$ 46,009
2002	Secondary	\$ 559,038	\$ 968,345	\$ 1,916,020	\$ 5,068,796	\$ 48,414
2003	Primary	\$ 735,876	\$ 1,013,762	\$ 1,842,640	\$ 5,479,527	\$ 43,218
2003	Secondary	\$ 735,876	\$ 1,051,321	\$ 2,039,621	\$ 5,552,146	\$ 46,322
2004	Primary	\$ 727,443	\$ 1,108,810	\$ 1,901,438	\$ 6,216,392	\$ 46,426
2004	Secondary	\$ 727,443	\$ 1,158,872	\$ 2,172,883	\$ 6,495,834	\$ 48,881
2005	Primary	\$ 646,000	\$ 1,214,337	\$ 2,065,748	\$ 7,090,338	\$ 49,898
2005	Secondary	\$ 646,000	\$ 1,344,243	\$ 2,580,194	\$ 7,798,083	\$ 53,900
2006	Primary	\$ 723,455	\$ 1,378,878	\$ 2,452,541	\$ 8,470,582	\$ 56,801
2006	Secondary	\$ 723,455	\$ 1,525,025	\$ 3,293,075	\$ 9,992,130	\$ 59,387
2007	Primary	\$ 812,597	\$ 1,627,884	\$ 3,193,031	\$ 10,397,328	\$ 43,573
2007	Secondary	\$ 812,599	\$ 1,862,248	\$ 5,310,457	\$ 13,677,619	\$ 47,167
2008	Primary	\$ 870,759	\$ 1,869,858	\$ 4,273,137	\$ 12,309,934	\$ 45,291
2008	Secondary	\$ 870,866	\$ 2,259,772	\$ 7,660,939	\$ 16,615,244	\$ 49,652
2009	Primary	\$ 950,442	\$ 2,121,941	\$ 5,165,680	\$ 13,527,586	\$ 42,092
2009	Secondary	\$ 950,442	\$ 2,395,606	\$ 8,096,478	\$ 15,040,180	\$ 47,635
2010	Primary	\$ 999,461	\$ 2,292,834	\$ 4,818,197	\$ 11,535,591	\$ 44,103
2010	Secondary	\$ 999,461	\$ 2,370,512	\$ 6,191,328	\$ 11,823,140	\$ 50,846
2011	Primary	\$ 982,569	\$ 2,064,887	\$ 4,017,440	\$ 9,408,362	\$ 58,821
2011	Secondary	\$ 982,578	\$ 2,092,899	\$ 4,590,747	\$ 9,469,028	\$ 64,168

Source: Mohave County Assessor's Office

Tax Year		Historic	Enterprise Zone	Environmental Tech	Capital Improvements	Net Assessed Value ALL
2002	Primary	\$ 1,732	\$ -	\$ 125,315	\$ 6	\$ 1,044,791
2002	Secondary	\$ 1,774	\$ -	\$ 125,315	\$ 6	\$ 1,072,414
2003	Primary	\$ 1,897	\$ -	\$ 125,019	\$ 6	\$ 1,159,793
2003	Secondary	\$ 2,307	\$ -	\$ 128,158	\$ 6	\$ 1,189,714
2004	Primary	\$ 1,899	\$ -	\$ -	\$ 6	\$ 1,248,899
2004	Secondary	\$ 2,108	\$ -	\$ -	\$ 6	\$ 1,316,903
2005	Primary	\$ 1,963	\$ -	\$ -	\$ 6	\$ 1,352,302
2005	Secondary	\$ 2,141	\$ -	\$ -	\$ 6	\$ 1,515,016
2006	Primary	\$ 2,095	\$ -	\$ -	\$ 6	\$ 1,587,595
2006	Secondary	\$ 2,292	\$ -	\$ -	\$ 6	\$ 1,888,192
2007	Primary	\$ 2,237	\$ 594	\$ -	\$ -	\$ 1,908,234
2007	Secondary	\$ 2,564	\$ 1,558	\$ -	\$ -	\$ 2,523,334
2008	Primary	\$ 2,429	\$ 962	\$ -	\$ 1,047	\$ 2,274,474
2008	Secondary	\$ 2,926	\$ 1,991	\$ -	\$ 1,090	\$ 3,217,317
2009	Primary	\$ 2,442	\$ 1,131	\$ -	\$ -	\$ 2,520,925
2009	Secondary	\$ 2,628	\$ 1,866	\$ -	\$ -	\$ 3,032,797
2010	Primary	\$ 2,379	\$ 20,598	\$ -	\$ -	\$ 2,314,646
2010	Secondary	\$ 2,556	\$ 22,971	\$ -	\$ -	\$ 2,496,568
2011	Primary	\$ 1,841	\$ 1,386	\$ -	\$ -	\$ 1,926,852
2011	Secondary	\$ 1,841	\$ 1,898	\$ -	\$ -	\$ 1,986,954

Source: Mohave County Assessor's Office

Property Tax Rates for Direct and Overlapping Governments – Last 10 Years

Tax Year	MCC Primary Levy	MCC Secondary Levy	MCC Total
2002	\$ 0.9398	\$	\$ 0.9398
2003	\$ 0.9473	\$	\$ 0.9473
2004	\$ 0.9483	\$	\$ 0.9483
2005	\$ 0.9404	\$	\$ 0.9404
2006	\$ 0.8982	\$	\$ 0.8982
2007	\$ 0.8221	\$	\$ 0.8221
2008	\$ 0.7152	\$	\$ 0.7152
2009	\$ 0.6791	\$	\$ 0.6791
2010	\$ 0.7866	\$	\$ 0.7866
2011	\$ 0.9779	\$	\$ 0.9779

Tax Year	Mohave County	School Districts		Cities or Fire Districts		Sanitary or Improvement Districts		Irrigation & Drainage Districts		Other Districts (Water/Lighting)	
2002	\$ 1.7500	0.5356	6.2274	0.3183	3.0000	0.0230	6.5830	1.12	101.11/acre	0.0413	258.77/Lot
2003	\$ 1.7500	0.4135	5.2253	0.3033	3.0000	0.0544	3.4221	1.13	100.77/acre	0.0373	219.96/Lot
2004	\$ 1.7500	0.4969	8.9421	0.2862	3.0000	0.0586	3.0983	1.25	100.74/acre	0.0398	219.96/Lot
2005	\$ 1.7500	0.4262	11.4664	0.2632	3.2500	0.0544	1.9907	1.33	100.74/acre	12.2/acre	0.0511
2006	\$ 1.6777	0.2169	11.4664	0.2301	3.2500	0.0490	1.9907	1.33	100.74/acre	3.56/acre	0.1856
2007	\$ 1.5298	0.0500	11.4664	0.6704	3.2500	0.0266	0.6846	1.75	100.74/acre	3.56/acre	2.8776
2008	\$ 1.3309	0.0500	10.0415	0.6038	3.2500	0.0182	0.5425	1.75	100.74/acre	3.56/acre	1.5167
2009	\$ 1.2637	0.0500	9.5000	0.5834	3.2500	0.0698	0.4769	0.77	156.78/acre	3.56/acre	1.5567
2010	\$ 1.4637	0.0500	8.5000	0.5834	3.2500	0.0841	0.4925	1.00	212.75 acre	3.56/acre	1.5474
2011	\$ 1.8196	0.0500	9.0000	0.7264	3.2500	0.0838	0.6095	1.00	268.86 acre	3.56/acre	2.6672

Source: Mohave County Finance Office

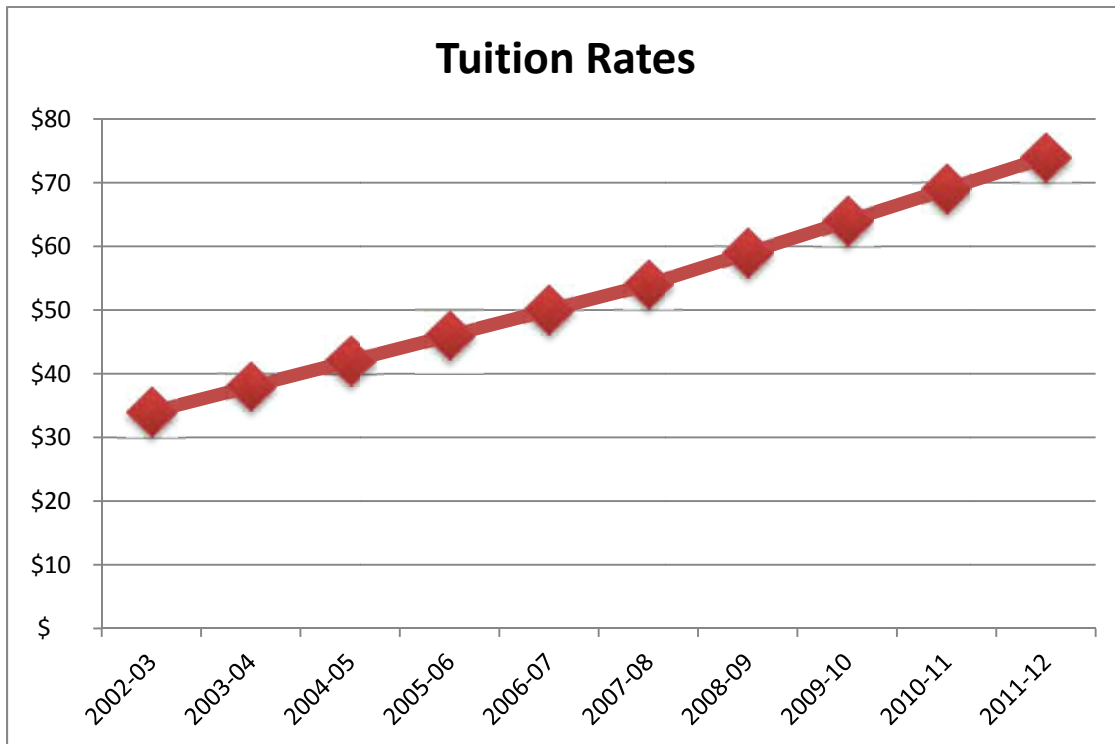
Note (1) - Mohave County applies to the General and State Education Equalization, and to the General, Library District and Fire District Assistance Funds. Fire, Sanitary, Improvement, Irrigation, Water and Lighting District levies are based on secondary values.

Historic Resident Tuition Rates – Last 10 Fiscal Years

	Tuition Per Credit Hour	Annual Cost	\$ Increase	%Increase
2002 03	\$ 34	\$ 1,020	\$ 60	6%
2003 04	\$ 38	\$ 1,140	\$ 120	12%
2004 05	\$ 42	\$ 1,260	\$ 120	11%
2005 06	\$ 46	\$ 1,380	\$ 120	10%
2006 07	\$ 50	\$ 1,580	\$ 200	14%
2007 08	\$ 54	\$ 1,700	\$ 120	8%
2008 09	\$ 59	\$ 1,870	\$ 170	10%
2009 10	\$ 64	\$ 2,020	\$ 150	8%
2010 11	\$ 69	\$ 2,310	\$ 290	14%
2011 12	\$ 74	\$ 2,460	\$ 150	6%

Source: District Records

Note (1) – Tuition rate shown is for in-state students. Annual cost based on in-state rate for one year of full-time equivalent (30 credit hours) plus mandatory semester fees.



Debt Service Coverage – Last 10 Fiscal Years

	Pledged Revenues	Principal	Interest	Total	Debt as % of Pledged Revenue
2002 03	\$ 3,728,489	\$ 150,000	\$ 653,040	\$ 803,040	22%
2003 04	\$ 3,508,684	\$ 305,000	\$ 647,415	\$ 952,415	27%
2004 05	\$ 3,347,115	\$ 320,000	\$ 634,910	\$ 954,910	29%
2005 06	\$ 3,666,960	\$ 335,000	\$ 654,037	\$ 989,037	27%
2006 07	\$ 4,105,142	\$ 3,625,000	\$ 572,030	\$ 4,197,030	102%
2007 08	\$ 3,899,515	\$ 455,000	\$ 587,336	\$ 1,042,336	27%
2008 09	\$ 4,999,741	\$ 465,000	\$ 569,146	\$ 1,034,146	21%
2009 10	\$ 4,595,532	\$ 1,075,000	\$ 549,934	\$ 1,624,934	35%
2010 11	\$ 4,483,972	\$ 5,920,000	\$ 351,063	\$ 6,271,063	140%
2011 12	\$ 5,571,948	\$ 85,000	\$ 175,451	\$ 260,451	5%

Note (1) – Pledged revenues include tuition and fees, bookstore income, food service income, sales and services, and investment income. Tuition and fees are reported minus scholarship allowances.

Note (2) – In 2001-02 revenue bonds were issued to pay remaining principal of \$4,205,000 for 1994 Certificates of Participation. In 2006-07 revenue refunding bonds were issued to pay remaining principal of \$3,150,000. In 2010-11 unrestricted net assets were used to pay off the remaining principal of \$3,720,000 and \$2,115,000 for the 2000 and 2001 Pledged Revenue Obligations.

Debt Burden Ratio – Last 10 Fiscal Years

	Operating Expenses	Principal	Interest	Total	Debt as % of Operating Expenses
2002 03	\$ 20,390,084	\$ 150,000	\$ 653,040	\$ 803,040	4%
2003 04	\$ 21,088,938	\$ 305,000	\$ 647,415	\$ 952,415	5%
2004 05	\$ 23,932,956	\$ 320,000	\$ 634,910	\$ 954,910	4%
2005 06	\$ 26,514,183	\$ 335,000	\$ 654,037	\$ 989,037	4%
2006 07	\$ 27,941,518	\$ 3,625,000	\$ 572,030	\$ 4,197,030	15%
2007 08	\$ 29,582,387	\$ 455,000	\$ 587,336	\$ 1,042,336	4%
2008 09	\$ 32,769,088	\$ 465,000	\$ 569,146	\$ 1,034,146	3%
2009 10	\$ 36,331,878	\$ 1,075,000	\$ 549,934	\$ 1,624,934	4%
2010 11	\$ 36,487,029	\$ 5,920,000	\$ 351,063	\$ 6,271,063	17%
2011 12	\$ 37,795,343	\$ 85,000	\$ 175,451	\$ 260,451	1%

Debt Service Interest Expense – Last 10 Fiscal Years

	1994 COPS	2000 PRO	2000 Rev	2001 PRO	2005 PRO	2006 Rev
2002 03	\$	\$ 239,250	\$ 189,000	\$ 224,790	\$	\$
2003 04	\$	\$ 239,250	\$ 189,000	\$ 219,165	\$	\$
2004 05	\$	\$ 239,250	\$ 189,000	\$ 206,660	\$	\$
2005 06	\$	\$ 239,250	\$ 189,000	\$ 192,260	\$ 33,527	\$
2006 07	\$	\$ 239,250	\$ 31,500	\$ 175,510	\$ 49,276	\$ 76,494
2007 08	\$	\$ 239,250	\$	\$ 157,135	\$ 46,826	\$ 144,125
2008 09	\$	\$ 239,250	\$	\$ 143,195	\$ 44,376	\$ 142,325
2009 10	\$	\$ 239,250	\$	\$ 128,320	\$ 41,839	\$ 140,525
2010 11	\$	\$ 111,393	\$	\$ 61,219	\$ 38,193	\$ 140,258
2011 12	\$	\$	\$	\$	\$ 35,393	\$ 140,058

Source: District Records

Note (1) – COPS –Certificates of Participation. PRO – Pledged Revenue Obligations. Rev – Revenue Refunding Bonds.

Debt Service Principal Expense – Last 10 Fiscal Years

	1994 COPS	2000 PRO	2000 Rev	2001 PRO	2005 PRO	2006 Rev
2002 03	\$	\$	\$	\$ 150,000	\$	\$
2003 04	\$	\$	\$	\$ 305,000	\$	\$
2004 05	\$	\$	\$	\$ 320,000	\$	\$
2005 06	\$	\$	\$	\$ 335,000	\$	\$
2006 07	\$	\$	\$ 3,150,000	\$ 350,000	\$ 70,000	\$ 55,000
2007 08	\$	\$	\$	\$ 340,000	\$ 70,000	\$ 45,000
2008 09	\$	\$	\$	\$ 350,000	\$ 70,000	\$ 45,000
2009 10	\$	\$ 630,000	\$	\$ 365,000	\$ 75,000	\$ 5,000
2010 11	\$	\$ 3,720,000	\$	\$ 2,115,000	\$ 80,000	\$ 5,000
2011 12	\$	\$	\$	\$	\$ 80,000	\$ 5,000

Source: District Records

Note (1) – COPS –Certificates of Participation. PRO – Pledged Revenue Obligations. Rev – Revenue Refunding Bonds.

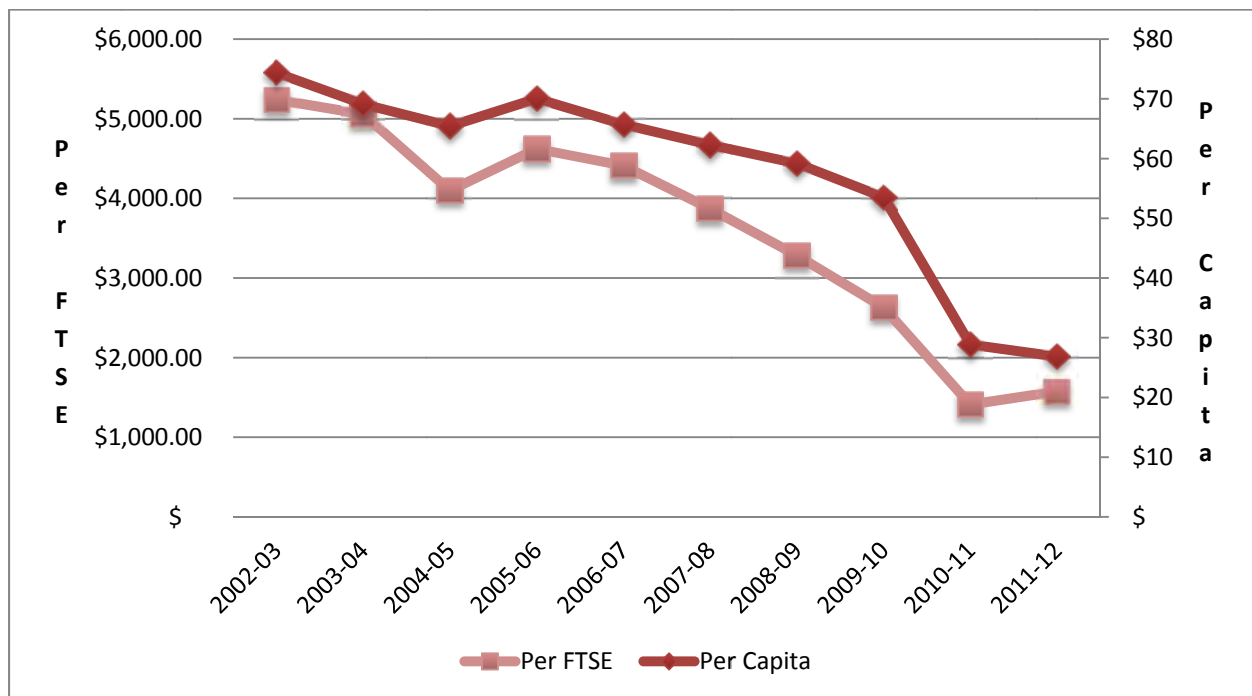
Ratios of Outstanding Debt – Last 10 Fiscal Years

	2002-03	2003-04	2004-05	2005-06	2006-07
Other Debt:					
Revenue Bonds	\$ 3,150,000	\$ 3,150,000	\$ 3,150,000	\$ 3,150,000	\$ 3,435,000
Pledged Revenue Obligations	\$ 8,830,000	\$ 8,525,000	\$ 8,205,000	\$ 9,195,000	\$ 8,775,000
Capital Leases	\$ 297,333	\$ 150,379	\$ 309,332	\$ 663,343	\$ 431,230
Total Outstanding Debt	\$ 12,277,333	\$ 11,825,379	\$ 11,664,332	\$ 13,008,343	\$ 12,641,230
Per Capita	\$ 74	\$ 69	\$ 65	\$ 70	\$ 66
Per FTSE	\$ 5,240.01	\$ 5,057.90	\$ 4,099.94	\$ 4,621.08	\$ 4,410.76
% of Personal Income	0.36%	0.33%	0.30%	0.30%	0.27%

	2007-08	2008-09	2009-10	2010-11	2011-12
Other Debt:					
Revenue Bonds	\$ 3,390,000	\$ 3,345,000	\$ 3,340,000	\$ 3,335,000	\$ 3,330,000
Pledged Revenue Obligations	\$ 8,365,000	\$ 7,945,000	\$ 6,875,000	\$ 960,000	\$ 880,000
Capital Leases	\$ 411,091	\$ 261,195	\$ 181,102	\$ 1,310,614	\$ 1,223,507
Total Outstanding Debt	\$ 12,166,091	\$ 11,551,195	\$ 10,396,102	\$ 5,605,614	\$ 5,433,507
Per Capita	\$ 62	\$ 59	\$ 54	\$ 29	\$ 27
Per FTSE	\$ 3,870.85	\$ 3,283.46	\$ 2,629.93	\$ 1,410.22	\$ 1,574.93
% of Personal Income	0.24%	0.22%	0.20%	Note (1)	Note (1)

Source: District Records, US Census Bureau

Note (1) – Data not available for this time period



Source: Audited financial statements for previous ten years.

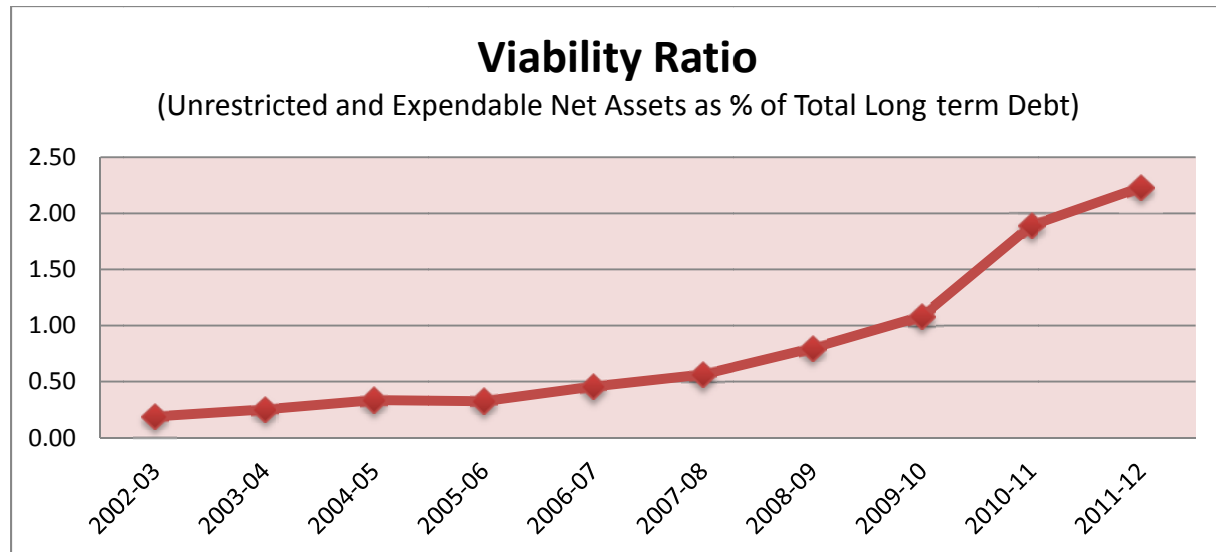
Computation of Legal Debt Margin – Last 10 Fiscal Years

	2002 03	2003 04	2004 05	2005 06	2006 07
Assessed Value of Real and Personal Property	\$,044,211,616	\$ 1,167,876,273	\$ 1,248,789,585	\$ 1,370,188,972	\$ 1,604,391,585
Debt Limit, 15% of Secondary Assessed Value	\$ 56,631,742	\$ 175,181,441	\$ 187,318,438	\$ 205,528,346	\$ 240,658,738
Total Debt Applicable to Debt Limit	\$ -	\$ -	\$ -	\$ -	\$ -
Legal Debt Margin	\$ 156,631,742	\$ 175,181,441	\$ 187,318,438	\$ 205,528,346	\$ 240,658,738

	2007 08	2008 09	2009 10	2010 11	2011 12
Assessed Value of Real and Personal Property	\$ 1,890,688,680	\$ 2,286,744,927	\$ 2,533,640,810	\$ 2,321,464,632	\$ 1,932,681,722
Debt Limit, 15% of Secondary Assessed Value	\$ 283,603,302	\$ 343,011,739	\$ 380,046,122	\$ 351,822,906	\$ 289,902,258
Total Debt Applicable to Debt Limit	\$ -	\$ -	\$ -	\$ -	\$ -
Legal Debt Margin	\$ 283,603,302	\$ 343,011,739	\$ 380,046,122	\$ 351,822,906	\$ 289,902,258

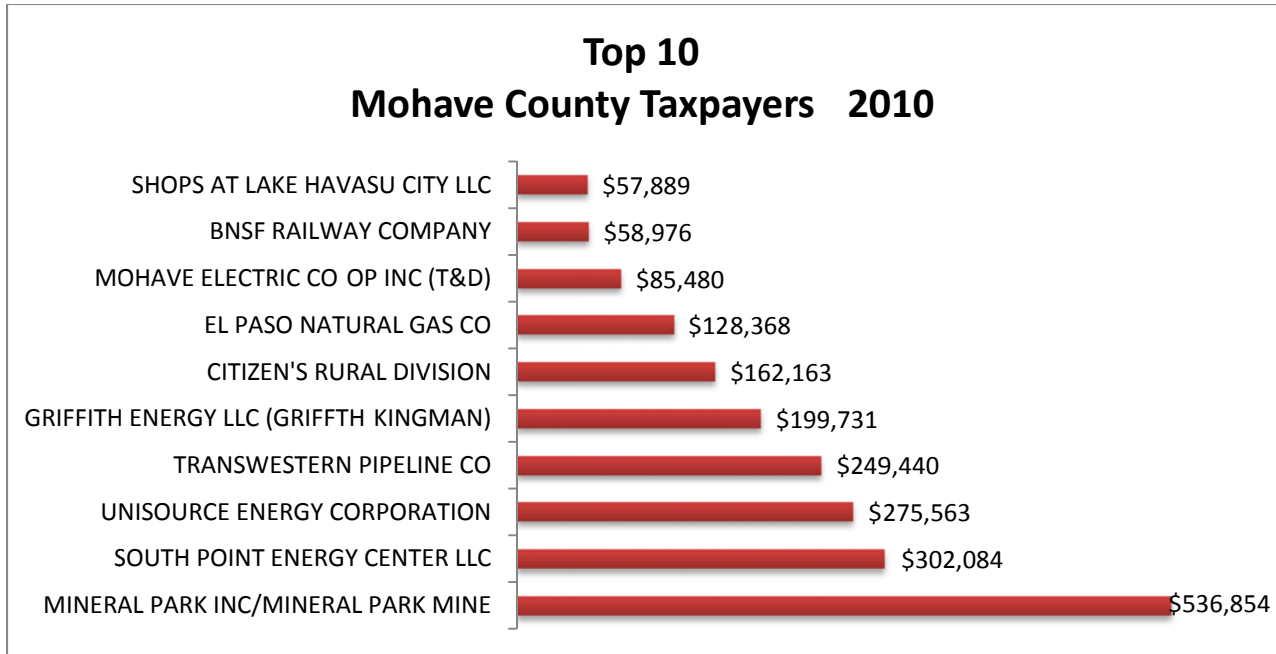
Source: District Records

Viability Ratio for Last 10 Fiscal Years



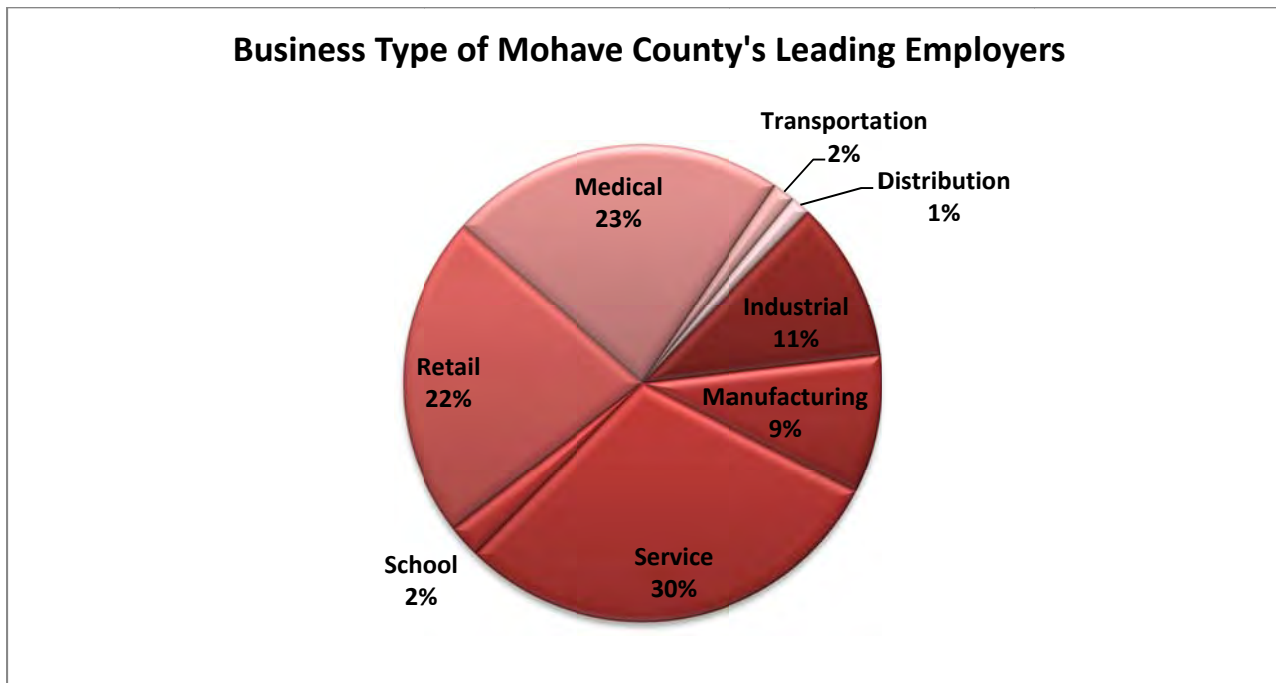
Source: District Records

Top 10 Taxpayers in Mohave County



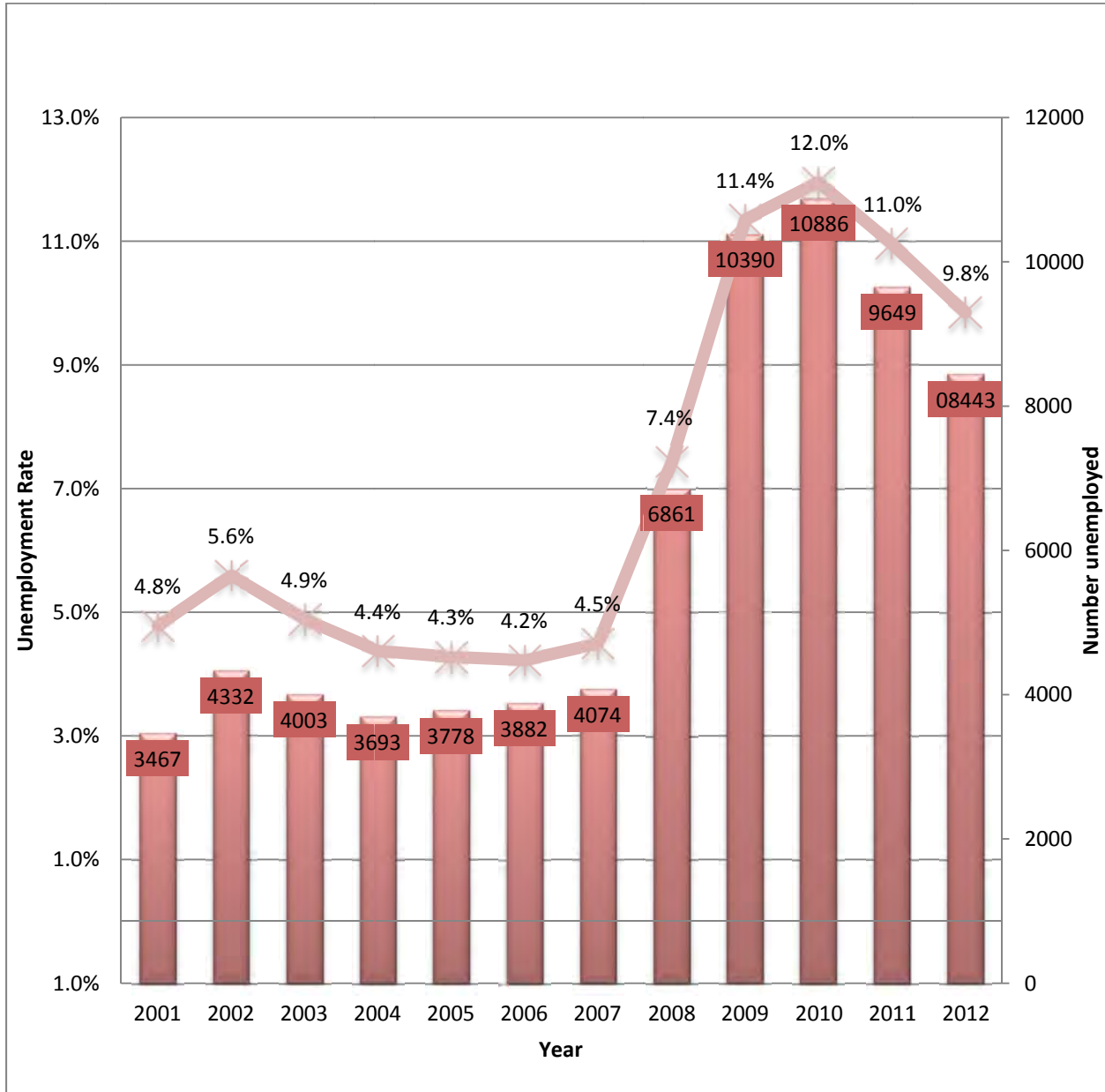
Source: Mohave County Department for Economic Development. 2010 data represents the most recent data available as of the publishing of this report.

Leading Industry Types for Mohave County

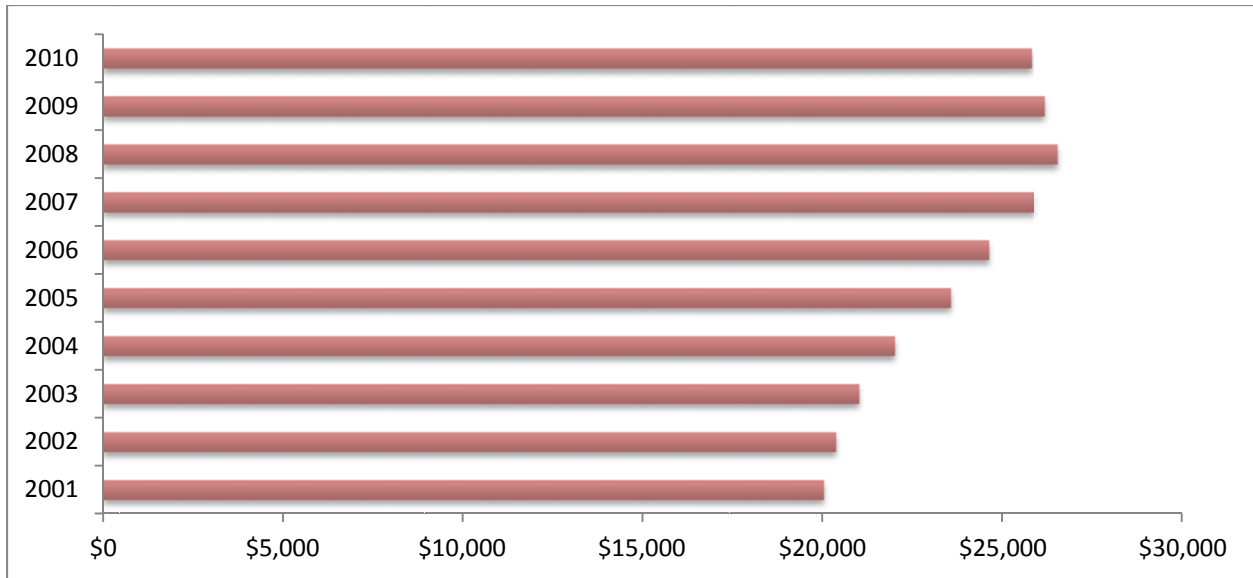


Source: Mohave County Department for Economic Development

Mohave County Unemployment – Last 10 years

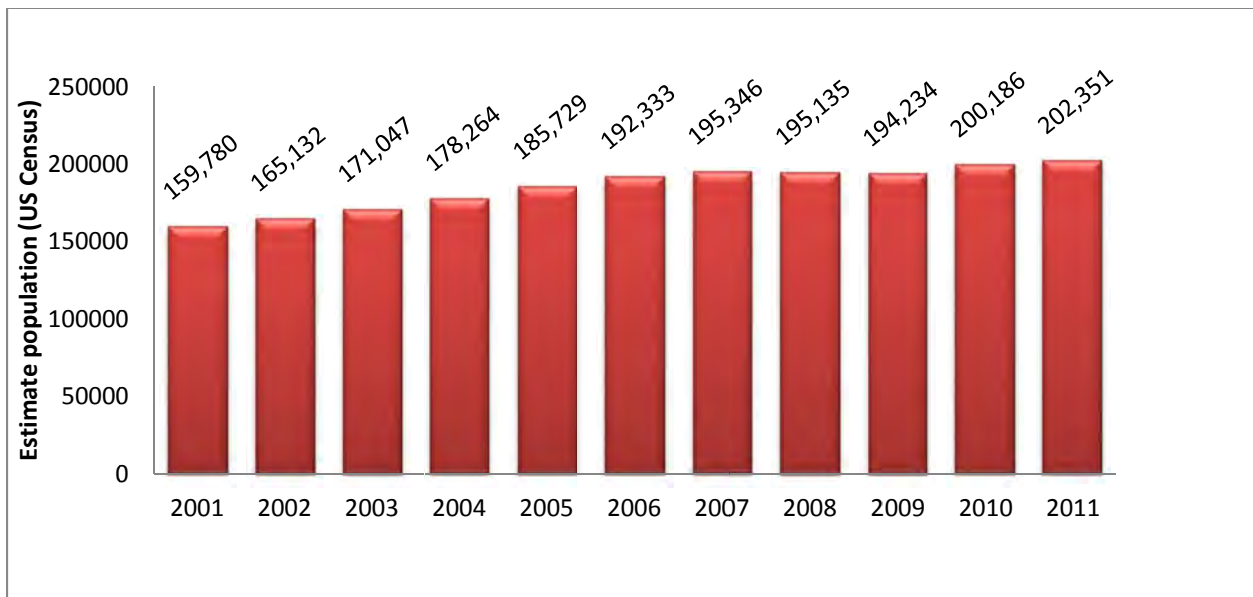


Source: US Department of Labor and Bureau of Labor Statistics



Source: Mohave County Department for Economic Development

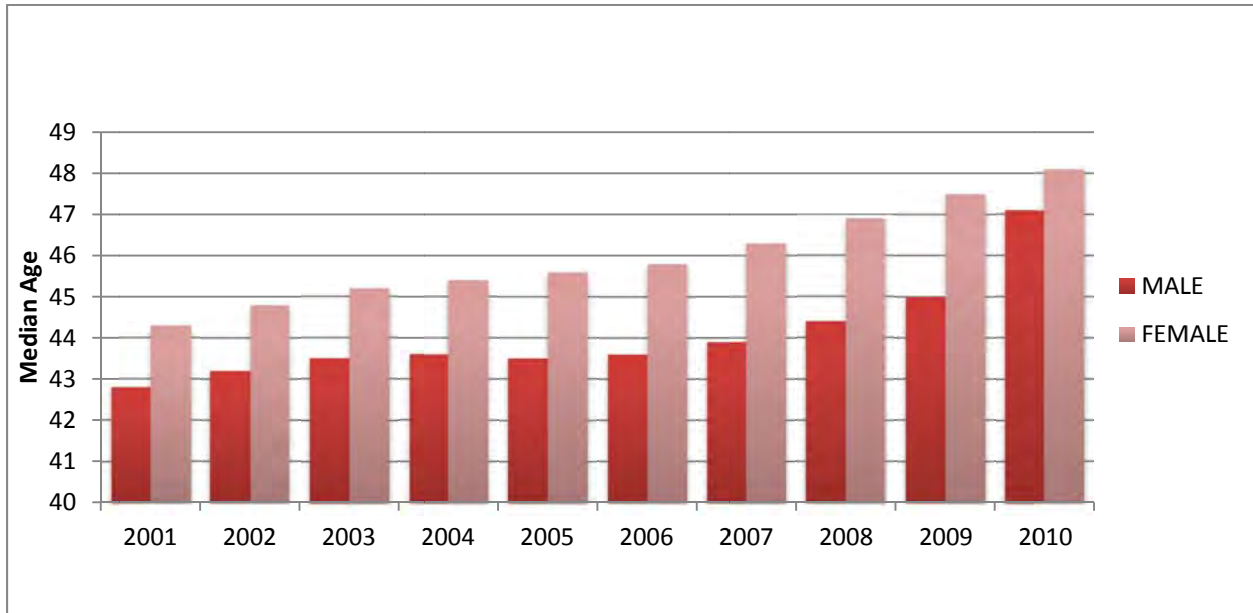
Mohave County Population Estimates – Last 10 Years



Source: US Census Bureau.

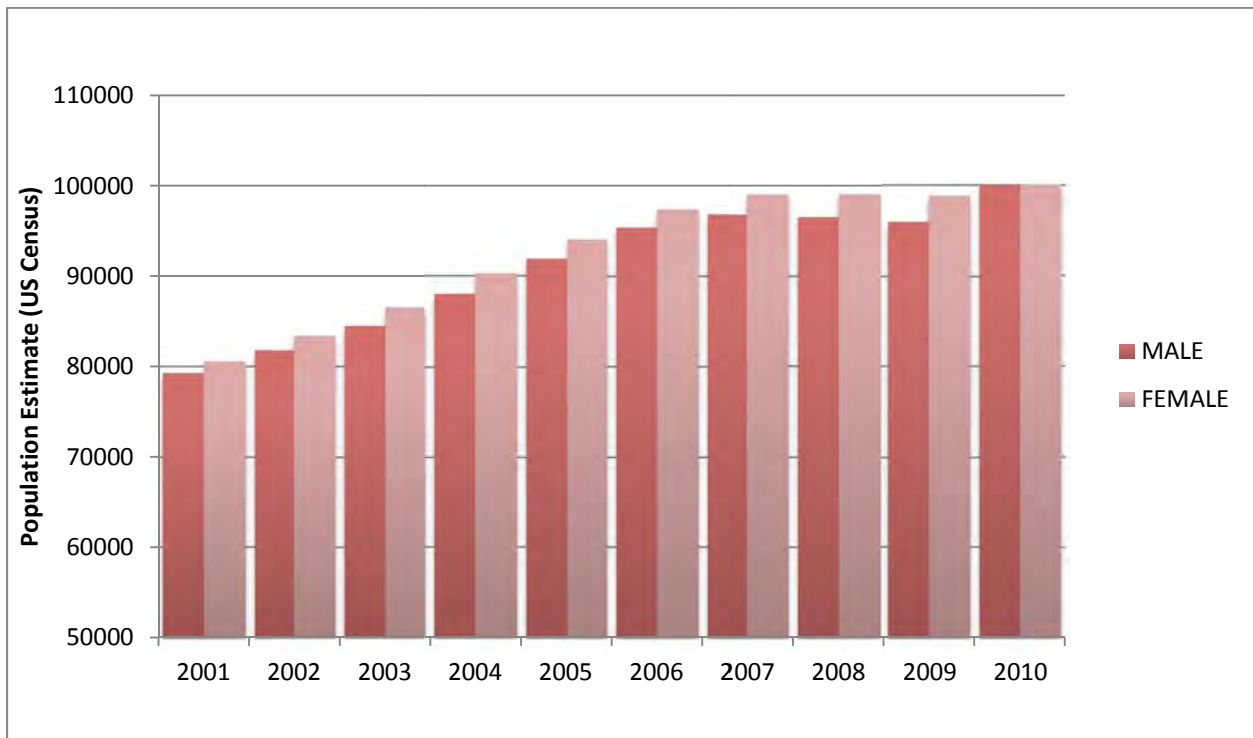
Notes: New calculation methods for population resulted in adjusted numbers for prior years.

Mohave County Population Median Age – Last 10 Years



Source: US Census Bureau

Mohave County Population Gender Breakdown – Last 10 Years



Source: US Census Bureau

Mohave County Leading Employers

Company	Business Description	Business Type	Location	Employment
County of Mohave	County Services	Service	Kingman	1261
Kingman Regional Medical Ctr	Hospital	Medical	Kingman	1200
Freeport McMoran Mine	Copper Ore Mining	Industrial	Wikieup/Bagdad	805
Havasu Regional Medical Ctr	Hospital	Medical	Lake Havasu City	650
City of Lake Havasu City	City Services	Service	Lake Havasu City	615
Western AZ Regional Medical Ctr	Hospital	Medical	Bullhead City	740
Wal Mart Supercenter	Retail	Retail	Kingman	497
MTC Arizona State Prison	Min. Security Prison	Service	Mohave County	464
Sterilite Corporation	Household Plastics	Manufacturing	Lake Havasu City	425
Wal Mart Supercenter	Retail	Retail	Bullhead City	425
City of Kingman	City Services	Service	Kingman	385
Sam's Club	Variety Store	Retail	Bullhead City	356
American Woodmark Corp	Cabinets	Manufacturing	Kingman	335
City of Bullhead City	City Services	Service	Bullhead City	328
Mineral Park Mine	Molybdenum/Copper	Industrial	Mohave County	313
Wal Mart	Variety Store	Retail	Lake Havasu City	305
Mohave Community College	College	School	Mohave County	268
London Bridge Resort	Hotel/Resort	Service	Lake Havasu City	210
Hualapai Mountain Medical Center	Hospital	Medical	Kingman	200
Shugrues	Grocery Store	Retail	Lake Havasu City	200
River Medical	Paramedics	Service	Lake Havasu City	150
Home Depot	Home Improvement	Retail	Kingman	142
Guardian Industries	Insulation (fluorine)	Manufacturing	Kingman	125
Kmart	Variety Store	Retail	Lake Havasu City	125
Nautical Beachfront Resort	Hotel	Service	Lake Havasu City	125
Laron Engineering	Machine shop	Industrial	Kingman	112
JC Penney	Retail	Retail	Lake Havasu City	110
Smiths	Grocery Store	Retail	Lake Havasu City	109
Home Depot	Home Improvement	Retail	Bullhead City	100
New West Dental Ceramics	Dental Implants	Manufacturing	Lake Havasu City	100
Home Depot	Home Improvement	Retail	Lake Havasu City	100
Lowe's	Home Improvement	Retail	Lake Havasu City	100
Lowe's	Home Improvement	Retail	Bullhead City	96
Chemical Lime Company	Lime Mining	Industrial	Peach Springs	93
Central Trucking Inc.	Motor Freight	Transportation	Kingman	90
IWX Motor Freight	Motor Freight	Transportation	Kingman	89
McKee Foods	Snacks	Distribution	Kingman	85
A & A Electronics & Assembly	Electronics	Manufacturing	Lake Havasu City	84
Allied West Services	Waste Management	Service	Lake Havasu City	81
Tru Serve	True Value Distribution	Distribution	Kingman	75
Cascades Tissue Group AZ	Paper Products	Manufacturing	Kingman	73

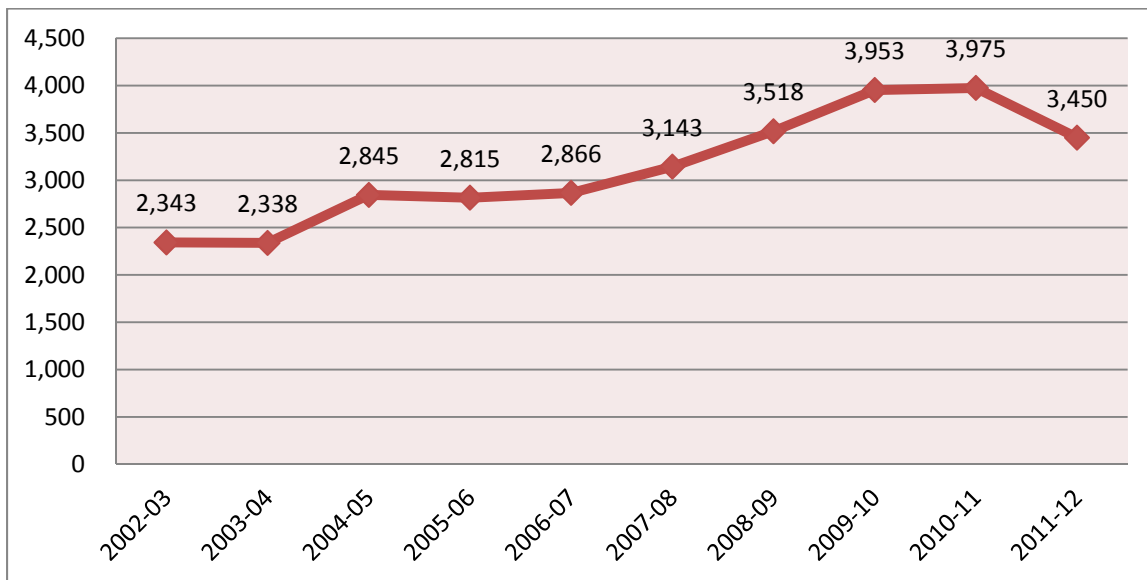
Source: Mohave County Department for Economic Development.

Student Enrollment and Demographic Information – Last 10 Fiscal Years

	African American	Native American	Asian	Hispanic	White, Non Hispanic	Other/Unknown	Male	Female
2002 03	32	110	87	815	4,862	231	2,003	4,153
2003 04	29	104	106	781	4,925	303	2,210	4,038
2004 05	43	211	114	839	4,781	668	2,234	4,422
2005 06	59	152	100	884	4,390	197	2,006	3,776
2006 07	56	117	112	927	3,950	155	1,804	3,513
2007 08	73	136	116	752	4,552	250	1,937	3,942
2008 09	76	141	113	729	4,948	175	2,178	4,004
2009 10	88	125	127	875	5,328	159	2,464	4,238
2010 11	82	125	132	1,024	5,158	165	2,459	4,227
2011 12	86	91	103	1,012	4,597	218	2,178	3,929

Source: Integrated Postsecondary Education Data System

Full time Student Equivalent Totals – Last 10 Fiscal Years



Source: Office of the Arizona Auditor General

Employment Information by Group

	2008 09	2009 10	2010 11	2011 12
Part time Faculty	421	422	388	328
Full time Faculty	51	53	67	73
Full time Administration and Staff	217	242	249	245
Part time Staff, Temp and Student Workers	539	571	584	481

Source: District Records

Note (1) – Totals not based on budgeted positions. Totals represent individuals paid during the year under respective pay groups.

Note (2) Information is displayed dating back to software conversion during 2007-2008 fiscal year. Additional information for future years will be displayed as it becomes available.

Facilities and Capital Asset Information

2010-11

Location	Building Square Footage	Campus Acreage	Campus Vehicles
Bullhead City Campus	104,508	360	5
Kingman Campus	105,543	160	6
Lake Havasu City Campus	94,520	14	5
North Mohave Campus	9,982	15	4
Total	314,553	549	20

2011-12

Location	Building Square Footage	Campus Acreage	Campus Vehicles
Bullhead City Campus	128,508	360	5
Kingman Campus	105,543	160	6
Lake Havasu City Campus	94,520	14	5
North Mohave Campus	9,982	15	4
Total	314,553	549	20

Source: District records

Note (1) – Information is displayed since the implementation of GASB for the District in 2010-11. Additional information for future years will be displayed as it becomes available.



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Bullhead City | Kingman | Lake Havasu City | North Mohave | Extended Campus