



Mohave Community College, Mohave County Arizona

Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2013



Comprehensive Annual Financial Report

(For period ended June 30, 2013)

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College Administration

Michael J. Kearns

President

H. Lynn Cundiff

Vice President for Administration

Ana Masterson

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)

Phyllis Smith - Trustee (District 2)

Travis Lingenfelter - Trustee (District 4)

Vance Miller - Trustee (District 5)

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

Mohave Community College

1971 Jagerson Avenue

Kingman, AZ 86409



January 15, 2014

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 third 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 2012-13 fiscal year brought further financial challenges but Mohave Community College has met those challenges with proactive planning, strategic process improvement, and conservative resource allocation. A downward shift in enrollment was absorbed through the above measures allowing the District 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,

Michael J. Kearns
President

**Mohave County
Community College
District Office**
1971 Jagerson Ave.
Kingman, AZ 86409
928.757.4331

Bullhead City Campus
3400 Highway 95
Bullhead City, AZ 86442
928.758.3926

Distance Education Campus
1971 Jagerson Ave.
Kingman, AZ 86409
928.757.0867

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

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

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

www.mohave.edu
1.866.664.2832



January 15, 2014

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, 2013. 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 2012-13 year the statements are audited by the Office of the Auditor General for the State of Arizona. The auditors have provided the District with an unmodified opinion meaning they believe the financial statements to be fairly and appropriately presented.

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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 10,000 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 most recently completed a visit for full accreditation for a further ten years beginning with the 2012-13 academic year.

Performance and Planning

With state appropriations stabilized following the 2010-11 cut in funding the District began focusing on possible revenue shortfalls from decreased enrollment. In 2012-13 full-time student equivalent count dropped 13.4% resulting in a decrease in tuition revenue of 10.4%. Through responsive budget controls and reduced expenses the District was able to finish the year with a positive financial gain.

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 statement of net position 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.

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 performed the audit services for Mohave Community College for the 2012-13 fiscal year. The Independent Auditors' Report is included in the financial section of this report. The District received an unmodified opinion for fiscal year 2012-13.

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, 2012. 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 2012-13 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 at the Office of the Auditor General for completing a timely and productive audit.

Respectfully,

H. Lynn Cundiff
Vice President for Administration



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

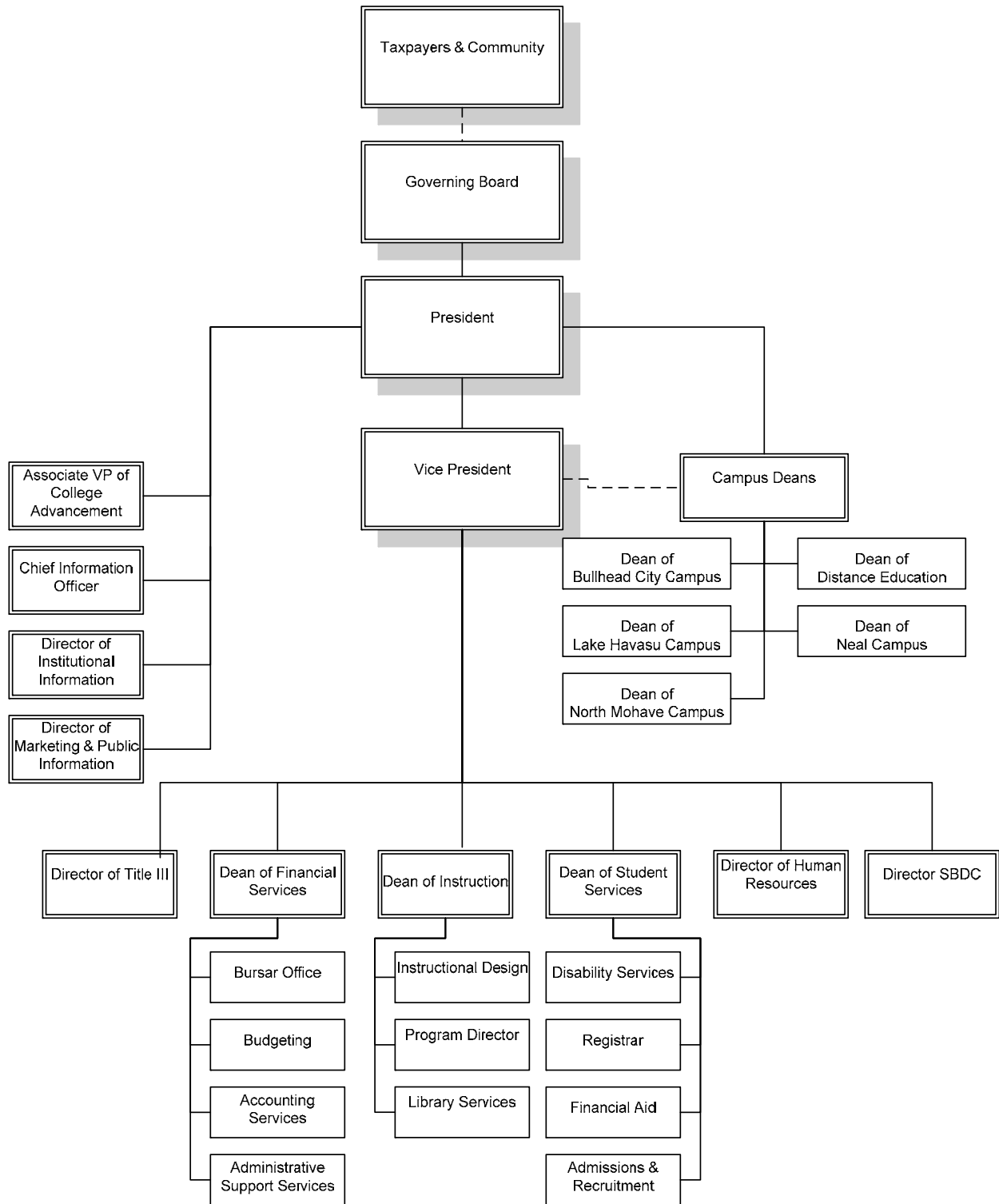
Presented to

Mohave Community College
Arizona

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO



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.



DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

Independent Auditors' Report

Members of the Arizona State Legislature

The Governing Board of
Mohave County Community College District

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of the Mohave County Community College District as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component unit. Those statements were audited by other auditors whose report 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 U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the discretely presented component unit were not audited by the other auditors in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, 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 Mohave County Community College District as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles 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 U.S. generally accepted auditing standards, 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory and statistical sections listed in the table of contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we will 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* in considering the District's internal control over financial reporting and compliance.

Debbie Davenport
Auditor General

January 15, 2014

The discussion and analysis below provide an overview of the financial position and activities of Mohave Community College District for the year ended June 30, 2013. 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 Position* reflects the District's financial position at June 30, 2013. 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 Position* reflects the results of operations and other changes for the year ended June 30, 2013. 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, 2013.

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's Discussion and Analysis (MD&A) applies only to the District 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 2012-13, comparative data is presented for the previous fiscal year 2011-12. This MD&A uses the prior fiscal year as a reference point in illustrating issues and trends for determining whether the District'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 2012-13 was highlighted by reduced tuition and fees revenue resulting from decreased enrollment along with continued efforts by the District to improve severely outdated facilities on all campuses.

Though tuition and fees revenue for the 2012-13 year was budgeted conservatively the District ended the fiscal year with this primary revenue source under anticipated levels.

Through ongoing cost reduction efforts, improved staffing models, and strategic, purposeful use of reserve funds the District was able to absorb this income reduction while continuing capital investments headlined by the construction of a new classroom and lab building on the Lake Havasu 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 position increased 6.1%
- Operating expenses decreased 3.4%
- Total revenues dropped 8.7%
- Gross tuition and fees fell 10.4% with an enrollment drop of 13.4% (Full-time student equivalent)
- Unrestricted net position increased 8.3%

These highlights are not inclusive of all major financial changes. The graphs and information on the following pages provide further detail on the 2012-13 fiscal year.

Economic Outlook

Mohave County has continued to struggle under the weak economic conditions affecting the entire state. The unemployment rate stands at 9.9%. 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 effect began to reverse in 2011-12 as the full-time student enrollment level dropped 13.2% and dropped an additional 13.4% in 2012-13.

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. The District is continuing to pursue training opportunities along with the local manufacturing associations in addition to strengthening existing programs.

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 Position</i>	<i>As of June 30, 2013</i>	<i>As of June 30, 2012* (as restated)</i>	<i>Increase / (Decrease)</i>	
			<i>Amount</i>	<i>% Change</i>
Current assets	\$ 15,063,585	\$ 13,625,637	\$ 1,437,948	10.6%
Capital assets, net of depreciation	20,490,366	20,088,112	402,254	2.0%
Total assets	\$ 35,553,951	\$ 33,713,749	\$ 1,840,202	5.5%
Long-term liabilities	\$ 5,651,942	\$ 5,881,143	\$ (229,201)	-3.9%
Other liabilities	1,468,184	1,041,457	426,727	41.0%
Total liabilities	\$ 7,120,126	\$ 6,922,600	\$ 197,526	2.9%
Net position:				
Net investment in capital assets	\$ 15,342,457	\$ 14,651,563	\$ 690,894	4.7%
Restricted	416,548	440,835	(24,287)	-5.5%
Unrestricted	12,674,820	11,698,751	976,069	8.3%
Total net position	\$ 28,433,825	\$ 26,791,149	\$ 1,642,676	6.1%

* The 2012 noncurrent restricted cash and cash equivalents were reclassified as current assets. In addition, the presentation of long-term liabilities and other liabilities was corrected.

The Statement of Net Position for 2012-13 shows an increase in the District’s net position of \$1,642,676 representing an increase of 6.1% over prior year. This figure highlights the ability of the District to remain financial strong despite reduced tuition revenue by remaining cost effective in operations and maintaining a statement of net position with continually decreasing liabilities.

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 10.6% as the District saw substantial growth in cash and cash equivalents achieved through controlling operational budgets.

Noncurrent assets remained flat and capital assets, net of accumulated depreciation,

increased just 2.0% as the new structure on the Lake Havasu City campus was just underway at fiscal year-end.

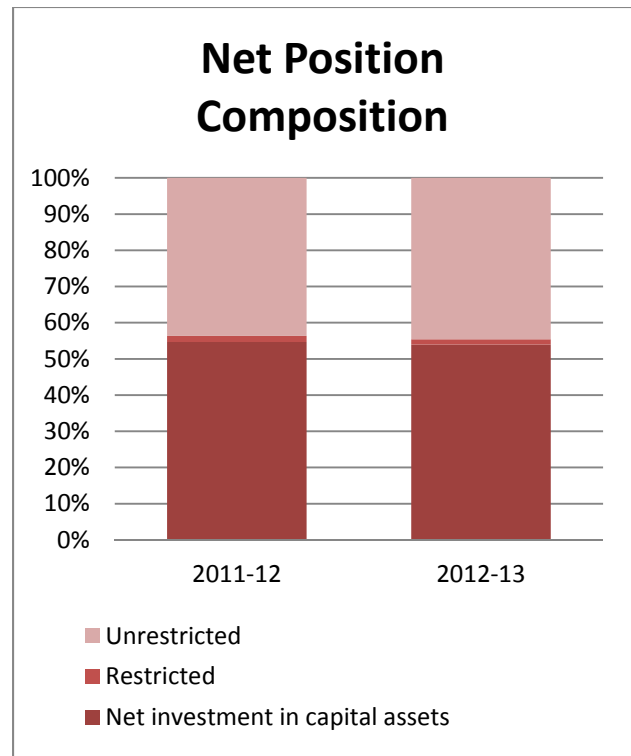
Long-term liabilities decreased 3.9% as the District continued scheduled debt service payments following the payoff of two bond issues during the 2010-11 fiscal year. Further information on these liabilities can be found in the Notes to the Financial Statements.

Other liabilities increased by 41.0% due to Fall 2013-14 preregistration beginning in April of the 2012-13 fiscal year. Revenues received from early collections are considered to be deferred revenues.

Unrestricted net position increased 8.3% as expenses continued to fall below revenues despite the decrease in tuition revenue.

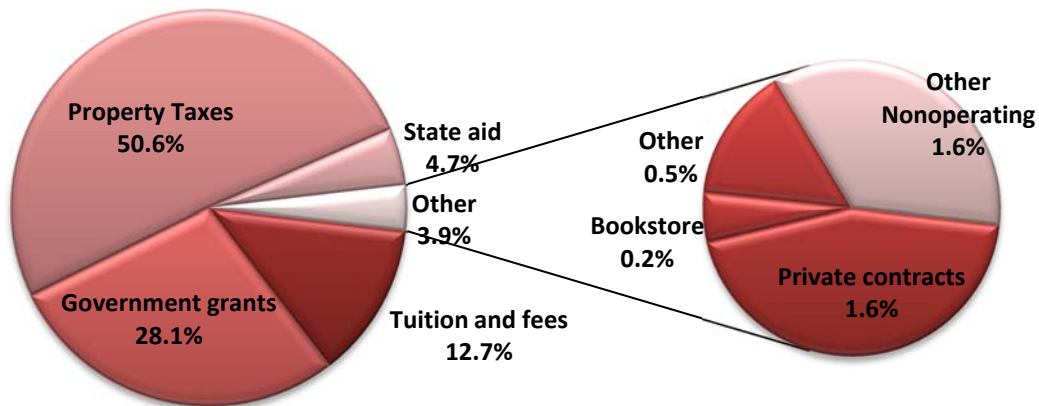
Condensed Statement of Revenues, Expenses and Changes in Net Position	For the Year Ended June 30, 2013	For the Year Ended June 30, 2012	Increase / (Decrease)	
			Amount	% Change
Operating revenues	\$ 5,794,371	\$ 8,339,270	\$ (2,544,899)	-30.5%
Operating expenses				
Educational and general	\$ 34,523,096	\$ 35,922,217	\$ (1,399,121)	-3.9%
Auxiliary enterprises	422,095	393,006	29,089	7.4%
Depreciation	1,558,015	1,480,120	77,895	5.3%
Total operating expenses	36,503,206	37,795,343	(1,292,137)	-3.4%
Operating loss	\$ (30,708,835)	\$ (29,456,073)	\$ (1,252,762)	-4.3%
Non-operating revenues	\$ 32,594,566	\$ 33,698,276	\$ (1,103,710)	-3.3%
Non-operating expenses	243,055	238,162	4,893	2.1%
Increase in net position	\$ 1,642,676	\$ 4,004,041	\$ (2,361,365)	-59.0%
Net position, Beginning of year	\$ 26,791,149	\$ 22,787,108	\$ 4,004,041	17.6%
Net position, End of year	\$ 28,433,825	\$ 26,791,149	\$ 1,642,676	6.1%

The condensed financial information above highlights the main categories of the Statement of Revenues, Expenses, and Changes in Net Position. 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 position attributable to increased outside revenue, controlled expenses, and substantial capital improvements. The graph to the right illustrates the final composition of net position at June 30 for the last two fiscal years.



Revenues by Source	For the Year Ended June 30, 2013	For the Year Ended June 30, 2012	Increase / (Decrease)	
			Amount	% Change
Operating revenues				
Tuition and fees (net of allowances)	\$ 4,887,443	\$ 5,331,328	\$ (443,885)	-8.3%
Private contracts	624,186	2,729,704	(2,105,518)	-77.1%
Bookstore income	75,214	101,768	(26,554)	-26.1%
Other operating revenues	207,528	176,470	31,058	17.6%
Total operating revenues	\$ 5,794,371	\$ 8,339,270	\$(2,544,899)	-30.5%
Non-operating revenues				
Government grants	\$ 10,771,753	\$ 12,627,839	\$(1,856,086)	-14.7%
Property taxes	19,438,502	18,759,341	679,161	3.6%
State appropriations	1,785,600	1,792,200	(6,600)	-0.4%
Other	598,711	518,896	79,815	15.4%
Total non-operating revenues	\$ 32,594,566	\$ 33,698,276	\$(1,103,710)	-3.3%
Total revenues	\$ 38,388,937	\$ 42,037,546	\$(3,648,609)	-8.7%

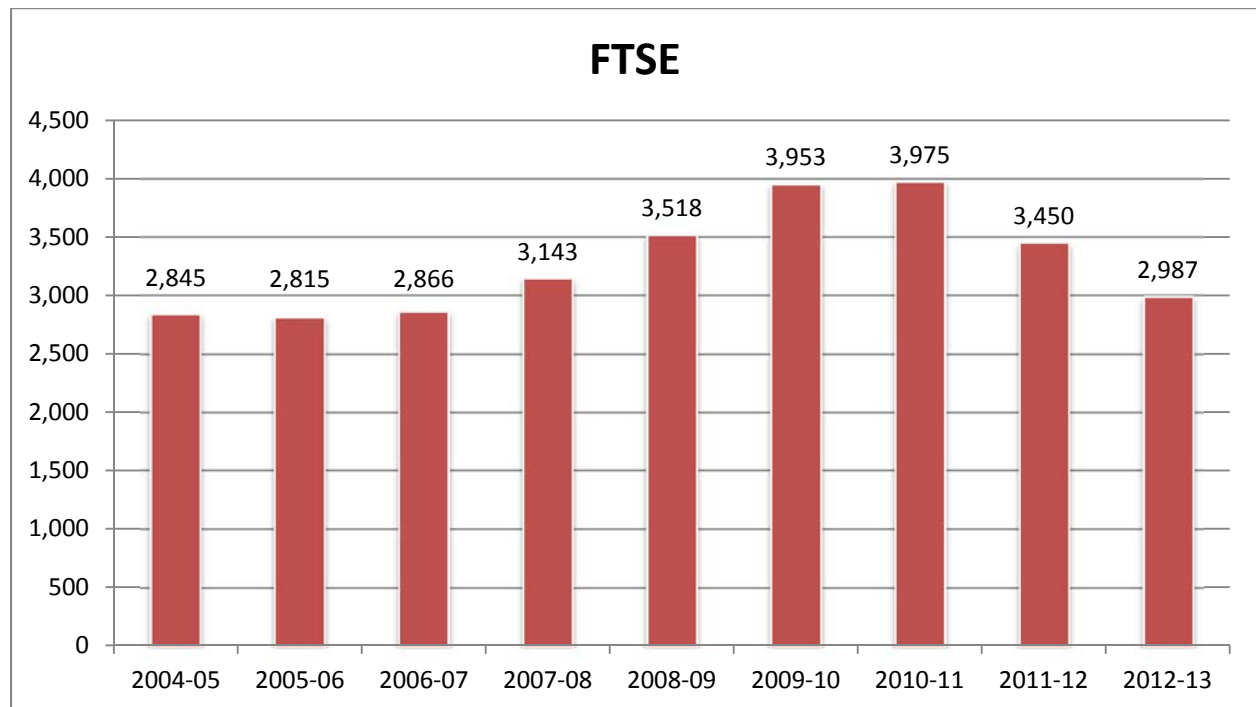
Revenue Sources For the year ended June 30, 2013



Revenues

Revenues for the District declined for the 2012-13 year. A 10.4% decrease in gross tuition and fees revenue was the primary driver behind a total revenue decline of 8.7%. Property taxes increased 3.6% as new construction in the County increased revenues beyond the 2% increase in the levy approved by the Governing Board. This levy increase along with an increase to the tuition rate and restructured fees helped to partially offset the 13.4% drop in FTSE (full-time student equivalent) enrollment. Sharp increases in enrollment during the past several years driven in large part by the faltering economy began to reverse somewhat during the 2011-12 academic year and that trend continued into 2012-13. FTSE levels for 2012-13 and previous years are also shown below.

State aid revenue remained flat and appears to have bottomed out with the state budget crisis now beginning to improve. State appropriations now represents 4.7% of total revenue for the District. Bookstore income decreased by 26.1% as the District eliminated on-ground operations at the North Mohave campus. Bookstores at the remaining campuses are operated by Barnes & Noble. Government grants revenue decreased 14.7% due to reduced Pell disbursements following the drop in enrollment. Private grants and contracts decreased 77.1% reflecting a major donation for construction during the prior year that was not received in 2012-13. In summary, the District has absorbed losses in enrollment by managing tuition rates and expenses to ensure the educational mission of the District is unaffected.



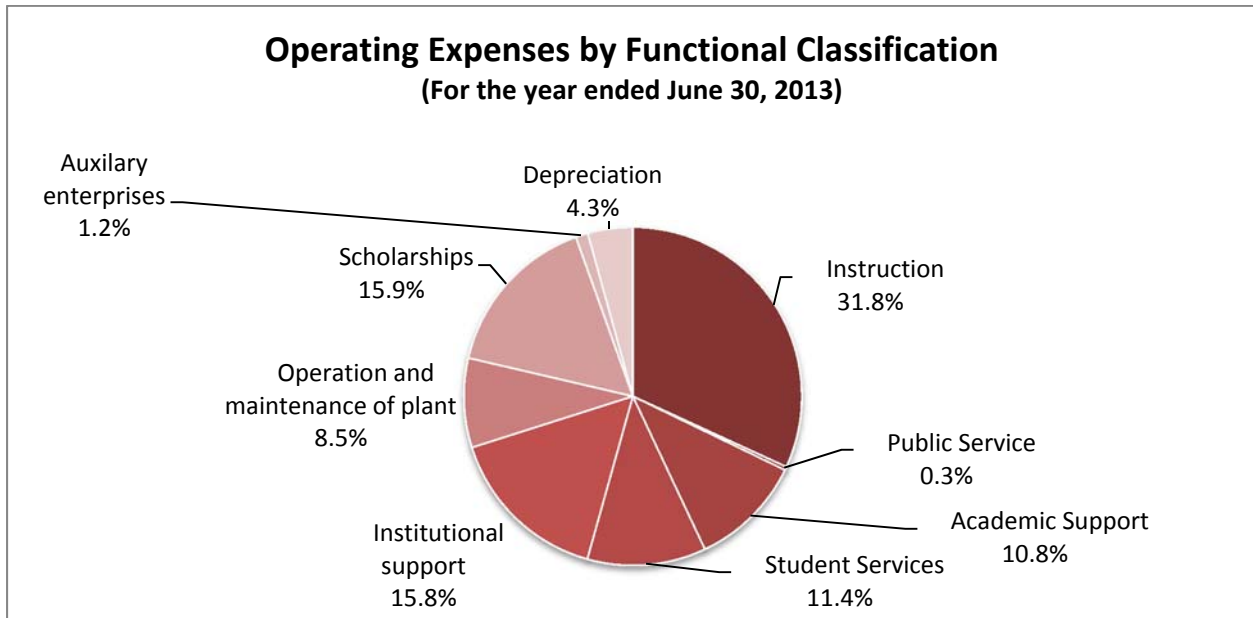
Expenses

Total expenses for the 2012-13 year decreased 3.4% over prior fiscal year. The District elected to provide a salary increase to MCC employees following the 2011-12 year though the overall number of budgeted positions decreased. The Student Services area realized the most substantial increase during the fiscal year at 15.9%. This was attributable to the new call center for managing student inquiries and improving customer service which began in 2011-12. 2012-13 was the first complete year capturing all call center expenses. The call center

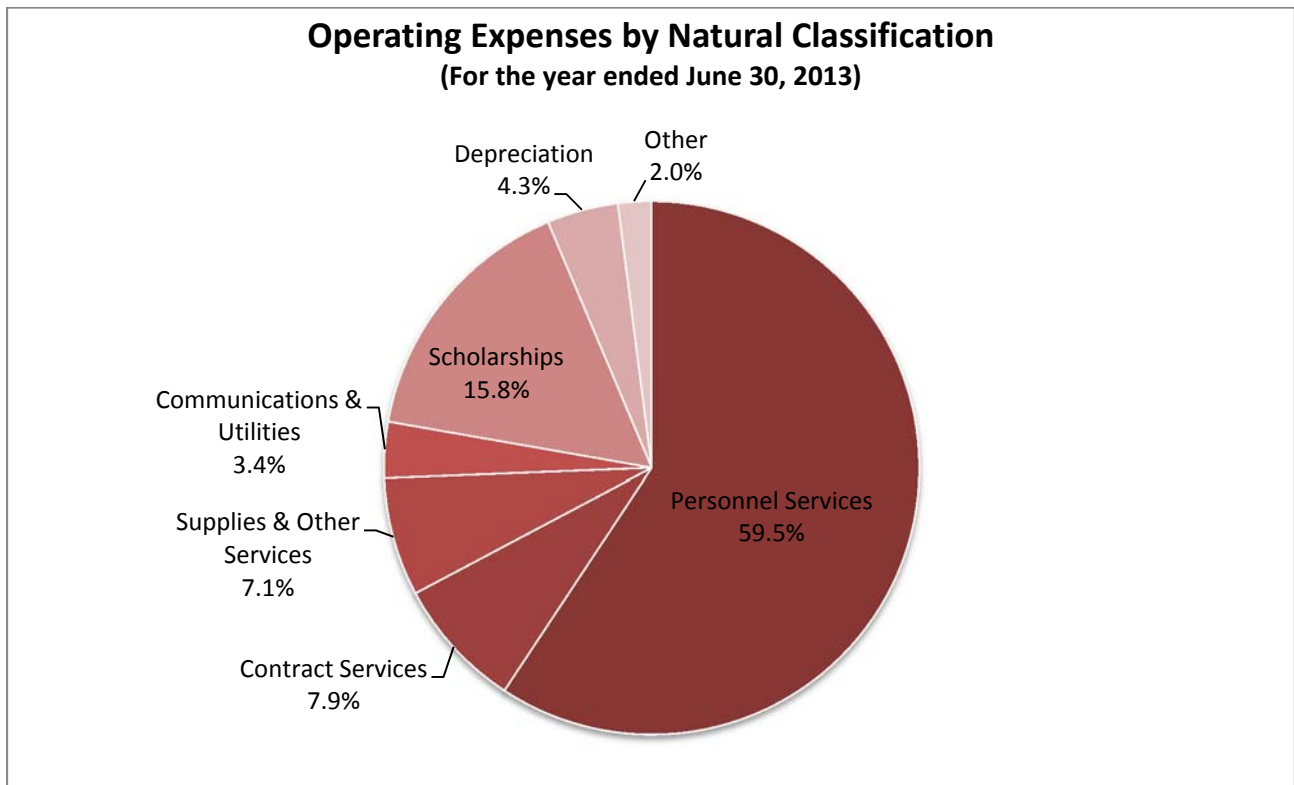
is staffed with only MCC employees and managed from central offices. Scholarship expenses decreased 17.7% in line with the drop in student enrollment which has a direct effect on aid that is offered. Interest remained relatively flat with just a 2.8% decrease but depreciation climbed 5.3% with the completion of a major construction project. Descriptions of the expenses included in the functional areas of the District are shown 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, 2013	June 30, 2012	Amount	% Change
Operating expenses				
Education and general:				
Instruction	\$ 11,642,062	\$ 11,703,226	\$ (61,164)	-0.5%
Public Service	120,923	129,216	(8,293)	-6.4%
Academic Support	3,962,091	3,902,563	59,528	1.5%
Student Services	4,180,148	3,605,952	574,196	15.9%
Institutional support	5,761,053	6,468,703	(707,650)	-10.9%
Operation and maintenance of plant	3,104,566	3,121,617	(17,051)	-0.5%
Scholarships	5,752,253	6,990,940	(1,238,687)	-17.7%
Auxiliary enterprises	422,095	393,006	29,089	7.4%
Depreciation	1,558,015	1,480,120	77,895	5.3%
Total operating expenses	\$ 36,503,206	\$ 37,795,343	\$ (1,292,137)	-3.4%
Non-operating expenses				
Interest expense on debt	\$ 231,530	\$ 238,162	\$ (6,632)	-2.8%
Loss on disposal of capital assets	11,525		11,525	
Total non-operating expenses	\$ 243,055	\$ 238,162	\$ 4,893	2.1%
Total expenses	\$ 36,746,261	\$ 38,033,505	\$ (1,287,244)	-3.4%



Expenses by Natural Classification	For the year ended June 30, 2013	For the year ended June 30, 2012	Increase / (Decrease)	
			Amount	% Change
Personnel Services	\$21,775,377	\$21,361,203	\$ 414,174	1.9%
Contract Services	2,870,696	3,225,563	(354,867)	-11.0%
Supplies & Other Services	2,589,907	2,855,112	(265,205)	-9.3%
Communications & Utilities	1,225,318	1,238,307	(12,989)	-1.0%
Scholarships	5,752,253	6,744,325	(992,072)	-14.7%
Depreciation	1,558,015	1,480,119	77,896	5.3%
Other	731,640	890,714	(159,074)	-17.9%
Total	\$36,503,206	\$37,795,343	\$(1,292,137)	-3.4%

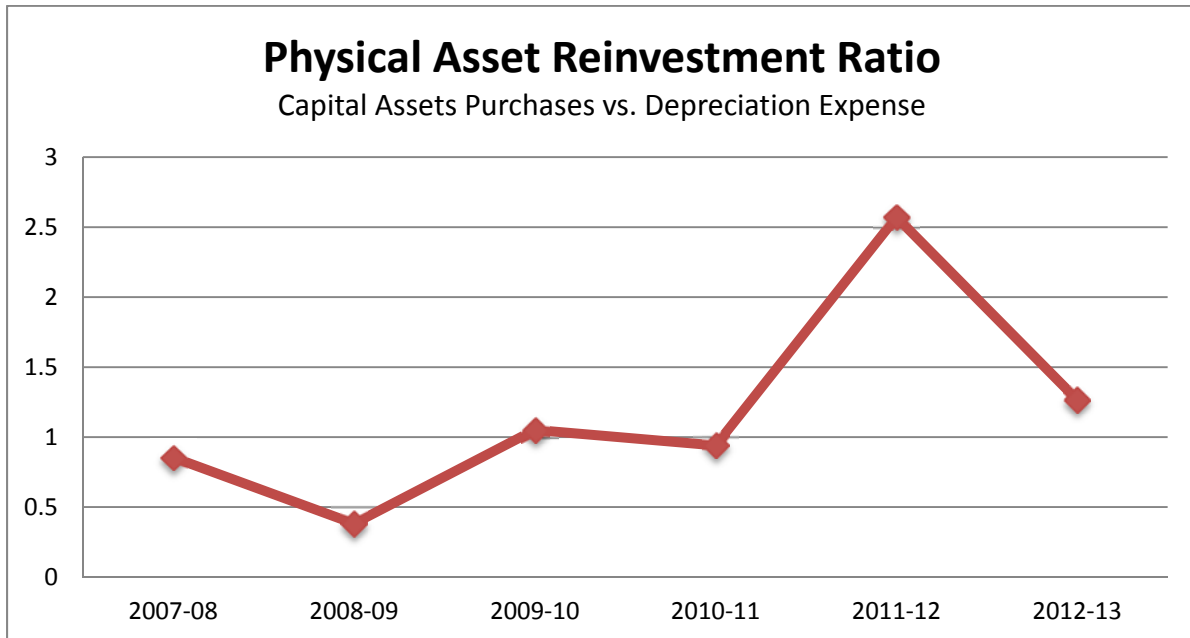


Capital Assets and Debt Management

Capital assets increased by \$402,254 net of accumulated depreciation. The two primary additions include the completion of the new health sciences building on the Bullhead City campus and the beginning of construction on a new classroom and lab building on the Lake Havasu City campus. The Lake Havasu City building will house labs and work spaces for art (including lapidary, sculpting and others) and industrial disciplines (including HVAC) as well as provide office space for faculty and staff. 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 continued to seek funding through outside donors. The graph below 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. Further information on the District’s capital asset activity is available in Note 4 of the Notes to the Financial Statements.

The District continues to pay down existing long-term debt with debt service payments significantly lower following the payoff of two bond issues in fiscal year 2010-11. Further information on the District’s debt structure is available in Note 5 of the Notes to the Financial Statements. The District Governing Board has sought to restrict the use of debt as a means of financing capital projects and has approved of debt reduction wherever possible.



Primary Government Statement of Net Position
(June 30, 2013)

	Business-Type Activities
Assets	
Current assets:	
Cash and cash equivalents	\$ 11,404,801
Receivables (net of allowances)	3,342,688
Prepaid items	217,176
Restricted assets:	
Cash and cash equivalents	98,920
Total current assets	<u>15,063,585</u>
Noncurrent assets:	
Capital assets, net	20,490,366
Total noncurrent assets	<u>20,490,366</u>
Total assets	<u>\$ 35,553,951</u>
Liabilities	
Current liabilities:	
Accounts payable	\$ 556,486
Accrued payroll and employee benefits	510,328
Interest payable	57,102
Deferred revenues	245,348
Deposits held in custody for others	98,920
Current portion of compensated absences payable	61,328
Current portion of long-term debt	173,769
Total current liabilities	<u>1,703,281</u>
Noncurrent liabilities:	
Compensated absences payable	440,523
Long-term debt	4,976,322
Total noncurrent liabilities	<u>5,416,845</u>
Total liabilities	<u>7,120,126</u>
Net Position	
Net investment in capital assets	15,342,457
Restricted:	
Expendable:	
Grants and contracts	136,602
Capital projects	279,946
Unrestricted	<u>12,674,820</u>
Total net position	<u>\$ 28,433,825</u>

See Notes to Financial Statements

Component Unit Statement of Financial Position
(June 30, 2013)

	Mohave Community College Foundation
Assets	
Cash and cash equivalents	\$ 362,998
Investments	2,337,181
Unconditional promises to give	58,278
Other receivables	6,850
Prepaid expenses	1,943
Unimproved land held for investment	266,626
Capital lease receivable	1,032,184
Property and equipment	807,997
Total assets	<u>\$ 4,874,057</u>
Liabilities and Net Assets	
Liabilities:	
Accounts payable	\$ 26,743
Scholarships payable	14,663
Custodial liabilities	46,202
Note payable	1,032,184
Total liabilities	<u>1,119,792</u>
Net assets:	
Unrestricted:	
Expended for property and equipment	\$ 807,997
Board designated	960,821
Available for operations	305,168
	<u>2,073,986</u>
Temporarily restricted	597,925
Permanently restricted	1,082,354
Total net assets	<u>3,754,265</u>
Total liabilities and net assets	<u>\$ 4,874,057</u>

See Notes to Financial Statements

Primary Government Statement of Revenues, Expenses, and Changes
in Net Position (For the Year Ended June 30, 2013)

	Business-Type Activities
Operating revenues:	
Tuition and fees (net of scholarship allowances of \$5,290,190)	\$ 4,887,443
Private contracts	624,186
Bookstore income	75,214
Food service income	14,191
Other sales and services	94,311
Other	99,026
Total operating revenues	<u>5,794,371</u>
Operating expenses:	
Educational and general:	
Instruction	11,642,062
Public service	120,923
Academic support	3,962,091
Student services	4,180,148
Institutional support	5,761,053
Operation and maintenance of plant	3,104,566
Scholarships	5,752,253
Auxiliary enterprises	422,095
Depreciation	1,558,015
Total operating expenses	<u>36,503,206</u>
Operating loss	<u>(30,708,835)</u>
Non-operating revenues (expenses):	
Government grants	10,771,753
Property taxes	19,438,502
State appropriations	1,785,600
Share of state sales taxes	490,964
Investment income, net of investment expense	5,658
Interest expense on debt	(231,530)
Loss on disposal of capital assets	(11,525)
Other non-operating revenue	102,089
Total non-operating revenues (expenses)	<u>32,351,511</u>
Increase in net position	1,642,676
Total net position, July 1, 2012	<u>26,791,149</u>
Total net position, June 30, 2013	<u>\$ 28,433,825</u>

See Notes to Financial Statements

Component Unit Statement of Activities
(For the Year Ended June 30, 2013)

	Mohave Community College Foundation			
	Unrestricted net assets	Temporarily restricted net assets	Permanently restricted net assets	Totals
Public support and revenues:				
Contributions	\$ 11,979	\$ 152,696	\$ 109,197	\$ 273,872
Member dues contributions	38,522			38,522
In-kind contributions	107,792			107,792
Special event income, net of \$33,206 direct donor benefit	35,846			35,846
Investment income	165,948	218,629		384,577
Interest income	54,050			54,050
Other	591			591
	414,728	371,325	109,197	895,250
Releases from restrictions	233,691	(233,691)		
Total public support and revenues	648,419	137,634	109,197	895,250
Expenses and losses:				
Advertising	9,789			9,789
Alumni projects	127			127
Depreciation	10,312			10,312
Direct donor benefit	33,206			33,206
Donor/recipient events	34,163			34,163
In-kind expense	34,137			34,137
Interest	54,050			54,050
Meetings	416			416
Miscellaneous	27,257			27,257
Office expense	2,644			2,644
MCC operations	527,118			527,118
Printing	7,517			7,517
Professional fees	21,424			21,424
Training	990			990
Travel	8,476			8,476
Total functional expenses	771,626			771,626
Less direct donor benefit costs netted against special events revenue	(33,206)			(33,206)
Net functional expenses	738,420			738,420
Change in fair market value of land held for investment	66,630			66,630
Total expenses and losses	805,050			805,050
Donor redirect	(30,000)		30,000	
Change in net assets	(186,631)	137,634	139,197	90,200
Net assets, beginning of year	2,260,617	460,291	943,157	3,664,065
Net assets, end of year	\$ 2,073,986	\$ 597,925	\$ 1,082,354	\$3,754,265

See Notes to Financial Statements

Primary Government Statement of Cash Flows
For the Year Ended June 30, 2013

	Business-Type Activities
Cash flows from operating activities:	
Tuition and fees	\$ 5,136,131
Contracts	55,473
Bookstore receipts	75,214
Food service receipts	14,191
Sales and services	94,311
Other receipts	122,603
Payments to suppliers and providers of goods and services	(7,154,346)
Payments for employee wages and benefits	(21,690,488)
Payments for scholarships	(5,752,253)
Net cash used for operating activities	<u>(29,099,164)</u>
Cash flows from noncapital financing activities:	
Grants	11,975,878
Property taxes	19,598,413
State appropriations	1,785,600
Share of state sales taxes	490,964
Deposits held in custody for others received	36,831
Deposits held in custody for others disbursed	(33,578)
Federal student loans received	8,590,994
Federal student loans disbursed	(8,497,632)
Net cash provided by noncapital financing activities	<u>33,947,470</u>
Cash flows from capital and related financing activities:	
Proceeds from sale of capital assets	1,211
Principal paid on capital debt	(185,368)
Interest paid on capital debt	(232,712)
Purchases of capital assets	(1,973,005)
Net cash used for capital and related financing activities	<u>(2,389,874)</u>
Cash flows from investing activities:	
Interest received on investments	5,665
Net cash provided by investing activities	<u>5,665</u>
Net increase in cash and cash equivalents	2,464,097
Cash and cash equivalents, July 1, 2012, as restated *	<u>9,039,624</u>
Cash and cash equivalents, June 30, 2013	<u>\$ 11,503,721</u>

(Continued)

*Prior year short-term investments were reclassified as cash and cash equivalents

See Notes to Financial Statements

Primary Government Statement of Cash Flows (continued)
For the Year Ended June 30, 2013

	Business-Type Activities
Reconciliation of operating loss to net cash used for operating activities:	
Operating loss	\$ (30,708,835)
Adjustments to reconcile operating loss to net cash used for operating activities:	
Depreciation	1,558,015
Changes in assets and liabilities:	
Increase in:	
Donors receivable	(568,713)
Due from federal government	(93,362)
Accounts payable	152,675
Deferred revenue	245,348
Accrued payroll and employee benefits	26,632
Compensated absences payable	58,257
Decrease in:	
Accounts receivable	23,577
Prepaid items	110,540
Student receivables	96,702
Net cash used for operating activities	<u><u>\$ (29,099,164)</u></u>
Reconciliation of cash and cash equivalents, as presented on the Statement of Net Position:	
Cash and cash equivalents	\$ 11,404,801
Restricted assets:	
Cash and cash equivalents	98,920
Total cash and cash equivalents, June 30, 2013	<u><u>\$ 11,503,721</u></u>

Non-cash investing, capital and noncapital financing activities:

The Mohave Community College Foundation reduced the amount owed on the Detroit Avenue Center capital lease by \$102,089.

During the year the District experienced a net loss on disposal of capital assets with an original cost of \$369,939, accumulated depreciation of \$357,203 and sales of \$1,211.

See Notes to Financial Statements

Note 1 – Summary of Significant Accounting Policies

Mohave County Community College District's accounting policies conform to generally accepted accounting principles applicable to public institutions engaged only in business-type activities adopted by the Governmental Accounting Standards Board (GASB).

For the year ended June 30, 2013, the District implemented the provisions of GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*; GASB Statement No. 61, *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34*; GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB Statement No. 60 improves consistency in financial reporting for service concession arrangements. GASB Statement No. 61 modifies existing requirements for determining which component units should be included in the financial reporting entity and the related display and disclosure requirements. GASB Statement No. 62 incorporates certain accounting and financial reporting guidance in FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins into GASB's authoritative literature. GASB Statement No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The implementation of GASB Statement No. 60 had no impact on the District's fiscal year 2013

financial statements, and the implementation of GASB Statement Nos. 61-63 had an insignificant effect on the financial statement amounts and therefore no additional note disclosures were required.

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 discretely presented 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 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.

For financial reporting purposes, only the Foundation's statements of financial position and activities are included in the District's financial statements as required by generally accepted accounting principles for public colleges and universities. The Foundation has a June 30 year-end.

During the year ended June 30, 2013, the Foundation distributed \$527,118 to the District for both restricted and unrestricted purposes. Complete financial statements for the Foundation can be obtained from <http://publicinfo.mohavecollegefoundation.org/audits/>.

Basis of Presentation and Accounting

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

The statement of net position provides information about the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the District at the end of the year. Assets and liabilities are classified as either current or noncurrent. Net position is classified according to external donor restrictions or availability of assets to satisfy District obligations. The "Net investment in capital assets" category represents the value of capital assets, net of accumulated depreciation, less any outstanding debt incurred to acquire or construct the assets. The "Expendable restricted net position" category represents grants, contracts, gifts, and other resources that have been externally restricted for specific purposes.

The "Unrestricted net position" category includes all other resources, 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 position 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 position 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. State appropriations are recognized as revenue in the year in which

the appropriation is first made available for use. 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 resources are available.

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

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. Investments are stated at fair value.

Capital Assets

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

All capital, except land, assets are depreciated using the straight-line method. Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of assets are shown below.

Asset Category	Threshold	Method	Useful Life
Land	\$1	Not applicable	Not applicable
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.

The PTO payout percentages allow for a 50% payout of PTO after 5 years of service and 100% after 10 years. Additionally, accrual rates are subject to a cap on PTO termination pay equal to 1.5 times his/her annual accrual.

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 position.

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, 2013, the total cash on hand was \$1,950. The carrying amount of the District’s deposits was \$11,430,341, and the bank balance was \$ 11,724,048.

Investments

The District’s investments at June 30, 2013, were as follows:

Investment Type	Fair Value
County Treasurer’s Investment Pool	\$71,430

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, 2013, credit risk for the District’s investments was as follows:

Investment Type	Rating	Rating Agency	Amount
County Treasurer’s Investment Pool	Unrated	Not applicable	\$71,430

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, however, the District’s investments are subject to the maturities of the County’s investments when invested in their pool. The District’s investments and their corresponding maturities at June 30, 2013 are listed below.

Investment Type	Amount	1-5 Years
County Treasurer's Investment Pool	\$71,430	\$71,430

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

Cash, deposits, and investments:		Statement of Net Position:	
Cash on hand	\$ 1,950	Cash and cash equivalents	\$11,404,801
Amount of deposits	11,430,341	Restricted assets:	
Amount of investments	71,430	Cash and cash equivalents	98,920
Total	\$11,503,721	Total	\$11,503,721

Note 3 - Receivables

Receivables at June 30, 2013 consist of the following:

Category	Amount
Accounts	\$ 15,239
Property taxes	2,085,709
Government grants and contracts	386,118
Donors	568,713
Student Receivables, net of allowances (\$791,533)	187,790
Due from Federal Government	99,000
Interest	119
	\$3,342,688

Property taxes receivable represents taxes levied by the District which have yet to be collected. The County has maintained a 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. All other receivables do not have allowances.

Note 4 – Capital Assets

Capital asset activity for the year ended June 30, 2013 was as follows:

	Balance June 30, 2012	Increases	Decreases	Balance June 30, 2013
Capital assets not being depreciated:				
Land	\$ 638,098			\$ 638,098
Construction in progress	2,395,721	\$ 690,193	\$2,395,721	690,193
Total capital assets not being depreciated	3,033,819	690,193	2,395,721	1,328,291
Capital assets being depreciated:				
Buildings and improvements	26,149,183	3,221,607	19,640	29,351,150
Improvements other than buildings	3,427,727	187,388		3,615,115
Equipment	3,548,462	246,396	350,299	3,444,559
Library books	1,839,024	23,142		1,862,166
Software systems	1,209,900			1,209,900
Total capital assets being depreciated	36,174,296	3,678,533	369,939	39,482,890
Less accumulated depreciation for:				
Buildings and improvements	12,374,107	829,308	19,640	13,183,775
Improvements other than buildings	2,470,429	207,879		2,678,308
Equipment	2,243,773	424,047	337,563	2,330,257
Library books	1,699,938	16,121		1,716,059
Software systems	331,756	80,660		412,416
Total accumulated depreciation	19,120,003	1,558,015	357,203	20,320,815
Total capital assets being depreciated, net	17,054,293	2,120,518	12,736	19,162,075
Capital assets, net	\$20,088,112	\$2,810,711	\$2,408,457	\$20,490,366

The District was engaged in several capital improvement projects at June 30, 2013. The construction in progress is comprised primarily of a new classroom and lab building located on the Lake Havasu City campus. The new building will result in the discontinued use of the San Juan annex in Lake Havasu City. The San Juan annex is used primarily for art and industrial trades and is being replaced due to its poor quality and location away from the main Lake Havasu City campus. The projects do not begin depreciating

for accounting purposes until final construction is complete.

At June 30, 2013, the District had spent \$656,317 on these projects and had remaining contractual commitments with contractors of \$1,621,050. These projects are being financed through reserve funds.

Note 5 – Long-Term Liabilities

The following schedule details the District’s long-term liability activity for fiscal year ending June 30, 2013.

	Balance June 30, 2012	Additions	Reductions	Balance June 30, 2013	Due Within One Year
Pledged revenue obligations	\$ 880,000		\$ 85,000	\$ 795,000	\$ 85,000
Revenue bonds payable	3,330,000		10,000	3,320,000	10,000
Capital leases payable	1,227,549		192,458	1,035,091	78,769
Total long-term debt	\$ 5,437,549		\$ 287,458	\$ 5,150,091	\$ 173,769

	Balance June 30, 2012	Additions	Reductions	Balance June 30, 2013	Due Within One Year
Compensated absences	\$ 443,594	\$ 302,447	\$ 244,190	\$ 501,851	\$ 61,328

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 2012-13, the District had one outstanding pledged revenue obligation.

Proceeds of the Series 2005 Pledged Revenue Obligations, issued during fiscal year 2005-06 in

the amount of \$1,325,000, were primarily used to design, construct, furnish and equip a classroom building.

Principal and interest commitments for the fiscal year were 2.31% of pledged revenues.

At June 30, 2013, pledged revenues totaled \$5,076,817 of which 2.33% or \$118,354 was required to cover current year debt service. Future annual principal and interest payments on the bonds are expected to require approximately 2% of pledged revenues. Future pledged revenues required to pay all remaining debt service for the bonds through final maturity in 2020-21 is \$931,736.

Information on the District’s pledged revenue obligation including the debt schedule to maturity is shown below.

Description	Original Amount	Maturity Ranges	Interest Rates	Outstanding Principal
Series 2005	1,325,000	9/1/14-20	3.7-4.125%	\$ 795,000

	Principal	Interest
2013-14	\$ 85,000	\$ 30,188
2014-15	90,000	26,906
2015-16	95,000	23,438
2016-17	95,000	19,697
2017-18	100,000	15,675
2019-2021	330,000	20,832
Total	\$795,000	\$136,736

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 \$4,029,138. Principal and interest paid for the current year were \$10,000 and \$139,925, 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, 2013, revenue bonds in the amount of \$3,150,000 were considered defeased.

At June 30, 2013, pledged revenues totaled \$5,076,817 of which 2.96% or \$149,925 was required to cover current year debt service. Future annual principal and interest payments on the bonds are expected to require approximately 11% of pledged revenues. Future pledged revenues required to pay all remaining debt service for the bonds through final maturity in 2019-20 is \$4,029,138.

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

Description	Original Amount	Maturity Ranges	Interest	Outstanding Principal
Series 2006	\$3,490,000	3/1/14-20	4.0-4.25%	\$3,320,000

	Principal	Interest
2013-14	\$ 10,000	\$139,525
2014-15	10,000	139,125
2015-16	610,000	138,725
2016-17	630,000	114,325
2017-18	660,000	87,550
2019-2020	1,400,000	89,888
Total	\$3,320,000	\$709,138

Capital Leases - The District has acquired equipment and a building 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 below.

Capital leases	\$1,641,922
Less: accumulated depreciation	158,767
Carrying value	\$1,483,155

2013-14	\$ 128,694
2014-15	125,787
2015-16	884,634
Total minimum lease payments	1,139,115
Amount representing interest	104,024
Present value of minimum lease payments	\$1,035,091

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 three 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 – Pension and Other Post-Employment Benefits

Plan Description—The District contributes to a cost-sharing, multiple-employer defined benefit pension plan; a cost-sharing, multiple-employer defined benefit health insurance premium benefit 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 is available on its website at www.azasrs.gov, 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.

Funding Policy—The Arizona State Legislature establishes and may amend active plan members' and the District's contribution rates. For the year ended June 30, 2013, active plan members were required by statute to contribute at the actuarially determined rate of 11.14 percent (10.9 percent for retirement and 0.24 percent for long-term disability) of the members' annual covered payroll and the District was required by statute to contribute at the actuarially determined rate of 11.14 percent (10.25 percent for retirement, 0.65 percent for health insurance premium, and 0.24 percent for long-term disability) of the members' annual covered payroll. The District's contributions for the current and 2 preceding years, all of which were equal to the required contributions, were as follows:

	Retirement Benefit Fund	Health Benefit Fund	Long-Term Disability Fund
2012-13	\$ 1,438,969	\$91,252	\$ 33,699
2011-12	1,400,222	89,376	34,810
2010-11	1,168,614	76,844	32,433

Note 8 – Operating Expenses

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

Personnel Services	\$21,775,377
Contract Services	2,870,696
Supplies & Other Services	2,589,907
Communications & Utilities	1,225,318
Scholarships	5,752,253
Depreciation	1,558,015
Other	731,640
Total	\$36,503,206

Note 9 – Subsequent Events

In the first quarter of fiscal year 2013-14 the District received \$1,000,000 in capital appropriations from the State of Arizona. This funding was issued in accordance with Proposition 301 which disbursed \$1,000,000 each year to one of the state college districts. The funds are to be used to offset the expenses associated with the construction of the new instructional building on the Lake Havasu City campus.

Note 10 – Discretely Presented Component Unit Disclosures

NOTE A – Organization

Mohave County Community College Foundation, Inc. (MCCF) 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, 2013, 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, 2013, 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 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 Form 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.

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the

presentation in the current-year financial statements.

NOTE C - Investments

Investments in marketable securities held by MCCF at June 30, 2013 consisted of the following:

	2013
Mutual funds	\$ 1,971,534
Stocks	194,326
Bonds	96,408
Unit trusts	74,913
	2,337,181
Less investments for permanently restricted endowments	(1,082,354)
	\$ 1,254,827

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, 2013:

	2013
Realized gains	\$ 11,605
Unrealized gains	289,380
Dividend/interest income	83,592
	\$ 384,577

NOTE D – Unconditional promises to give

Unconditional promises to give at June 30, 2013 were as follows:

2013	
Receivable in less than one year	\$ 30,000
Receivable in one to five years	30,000
	60,000
Less 3% discount to net present value	(1,722)
	\$ 58,278

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, 2013.

NOTE E – Property and equipment

Property and equipment at June 30, 2013 consisted of the following:

2013	
Land	\$ 787,291
Vehicles	56,112
	843,403
Less accumulated depreciation	(35,406)
	\$ 807,997

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 \$54,050 for the year ended June 30, 2013. Future capital lease receivables are as follows:

Year ending June 30, 2014	\$ 125,787
2015	125,787
2016	884,634
	1,136,208
Less interest at 5%	(104,024)
	\$ 1,032,184

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 MCC 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 \$874,152 due in August 2015. The note is collateralized by real property, with a net book value of \$1,996,176, 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, 2013 are as follows:

Year ending June 30, 2014	\$ 75,862
2015	79,743
2016	876,579
	\$ 1,032,184

NOTE I – Temporarily restricted net assets

Temporarily restricted net asset activity was as follows during the year ended June 30, 2013:

	Beginning balance	Contributions/pledge discount	Investment income	Releases	Ending balance
Accumulated endowment					
earning on scholarships	\$ 273,574		\$ 218,629	\$ (36,480)	\$ 455,723
Allied Health Training					
Center	83,864			(28,500)	55,364
Other	19,716	\$ 14,696		(16,301)	18,111
Scholarships	78,723	138,000		(150,910)	65,813
Future years operations	4,414			(1,500)	2,914
	\$ 460,291	\$ 152,696	\$ 218,629	\$ (233,691)	\$ 597,925

NOTE J – Permanently restricted net assets

Permanently restricted net assets consist of contributions to MCCF’s various scholarship endowments.

NOTE K – Board designated net assets

MCCF had the following board designated net assets at June 30, 2013:

	2013
Kingman chapter	\$ 72,766
Lake Havasu City chapter	103,259
Bullhead City chapter	28,177
Foundation operations/general fund	158,785
Endowments	597,834
	\$ 960,821

NOTE L – Commitments

During the year ended June 30, 2013, 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. As of June 30, 2013, \$158,888 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, 2013.

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, 2013:

	Unrestricted - Board Designated	Temporarily Restricted	Permanently Restricted	Total
Balance, June 30, 2012	\$ 713,455	\$ 273,574	\$ 943,157	\$ 1,930,186
Contributions	230		109,197	109,427
Donor redirect			30,000	30,000
Dividend/interest income	23,437	46,948		70,385
Unrealized/realized gains	87,587	171,681		259,268
Releases/appropriations	(226,875)	(36,480)		(263,355)
Balance, June 30, 2013	\$ 597,834	\$ 455,723	\$ 1,082,354	\$ 2,135,911

NOTE N – Fair value measurements

The fair values of assets and liabilities measured on a recurring basis at June 30, 2013 were as follows:

	Level 1	Level 3	Total
Mutual funds		\$ 1,971,534	\$ 1,971,534
Stocks	\$ 194,326		194,326
Bonds	96,408		96,408
Unit trusts	74,913		74,913
Unimproved land held for investment		266,626	266,626
	\$ 365,647	\$ 2,238,160	\$ 2,603,807

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	\$ 333,256	\$ 1,729,158	\$ 2,062,414
Realized gains		8,511	8,511
Unrealized gains		277,294	277,294
Purchases		134,168	134,168
Sales		(177,597)	(177,597)
Change in value of land	(66,630)		(66,630)
Ending balance	\$ 266,626	\$ 1,971,534	\$ 2,238,160

Fair value of Level 3 assets measured on a non-recurring basis at June 30, 2013 consisted of unconditional promises to give of \$58,278.

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, 2013.

NOTE O – Payments and transfers to MCC

During the year ended June 30, 2013, MCCF made the following payments and transfers to MCC or on behalf of MCC:

	2013
Scholarships	\$ 221,794
Unrestricted donation	100,000
Capital expenditures	107,286
Transfer of in-kind contributions	73,655
Program expenditures	24,383
Total MCC operations	527,118
Pass through funds	237,755
Total payments and transfers	\$ 764,873

At June 30, 2013, MCCF owed \$39,505 to MCC, including \$14,663 for Spring 2013 scholarships.

NOTE P – In-kind contributions

During the year ended June 30, 2013, in-kind contributions consisted of the following:

	2013
In-kind goods and services passed to MCC (see Note O)	\$ 73,655
In-kind goods and services – special event	17,186
In-kind goods and services for MCCF	16,951
Total in-kind expense	\$ 107,792
Total in-kind revenues	\$ 107,792

NOTE R – Subsequent events

Subsequent events have been evaluated through July 18, 2013, which is the date the MCCF financial statements were available to be issued.

NOTE Q – Functional expenses

During the year ended June 30, 2013, MCCF had the following functional expense breakdown:

	2013
Program	\$ 604,381
Management and general	55,236
Fundraising, including direct donor benefit	78,803
Total functional expenses	\$ 738,420

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

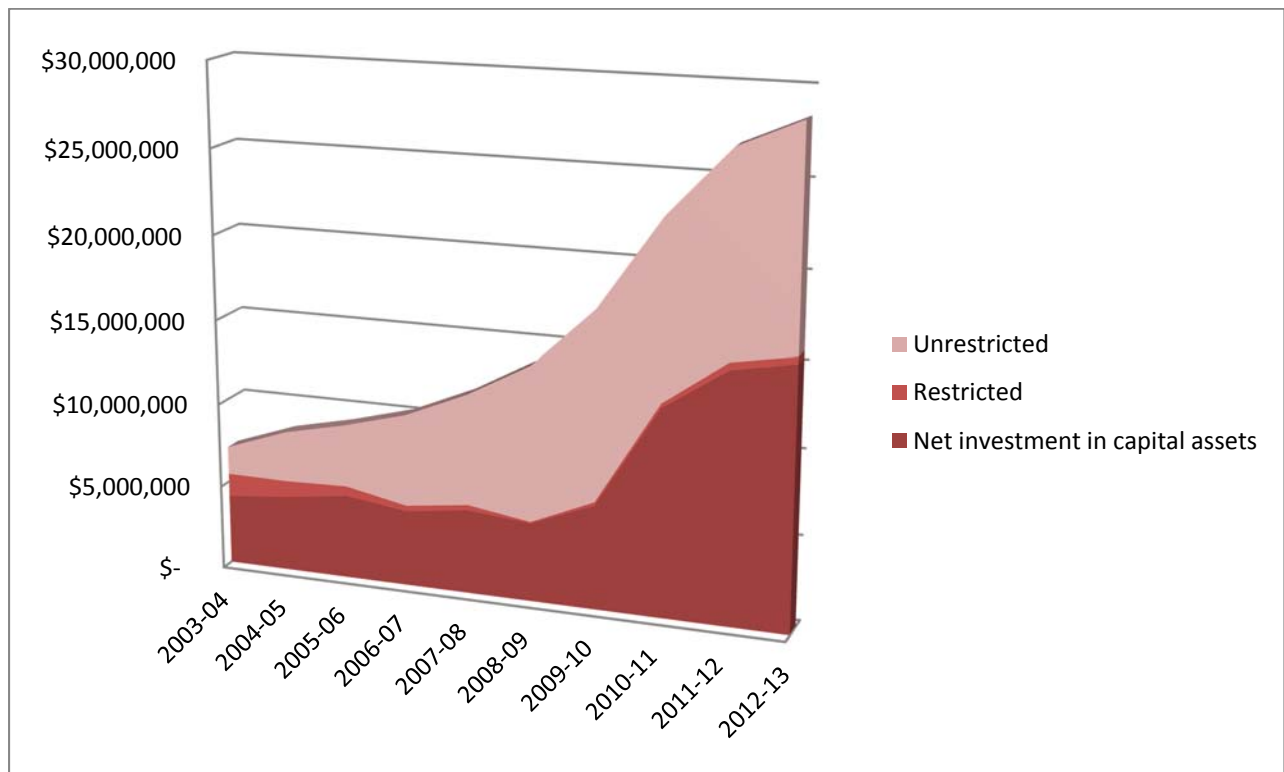
Information in this section assists readers in understanding and assessing the demographic and economic environment in which the District operates

➤ 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 Position by Component	2008-09	2009-10	2010-11	2011-12	2012-13
Net investment in capital assets	\$ 4,641,128	\$ 6,139,634	\$ 12,178,365	\$ 14,651,563	\$ 15,342,457
Restricted	\$ 86,844	\$ 194,575	\$ 257,540	\$ 440,835	\$ 416,548
Unrestricted	\$ 9,130,281	\$ 11,057,133	\$ 10,351,202	\$ 11,698,751	\$ 12,674,820
	\$ 13,858,253	\$ 17,391,342	\$ 22,787,107	\$ 26,791,149	\$ 28,433,825

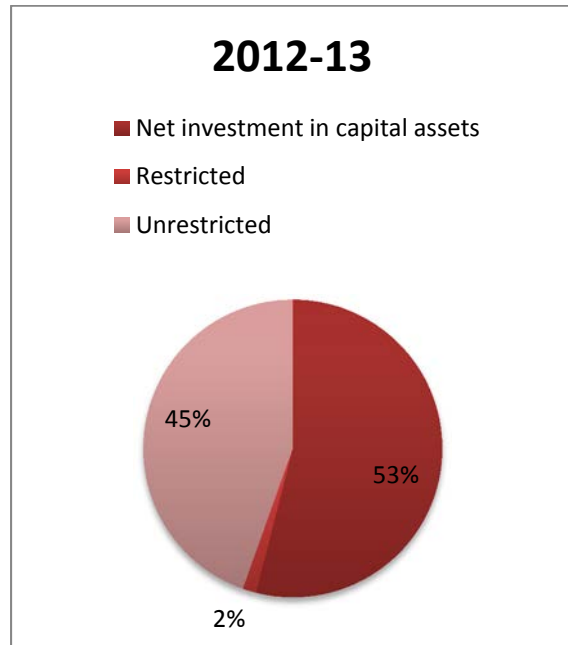
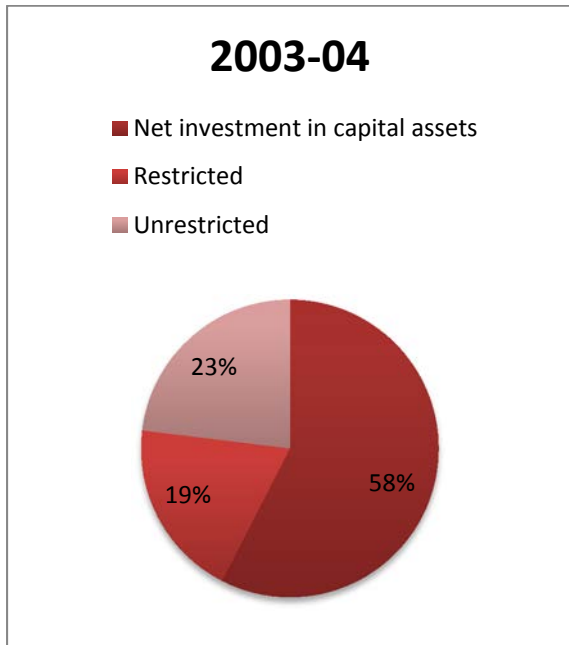
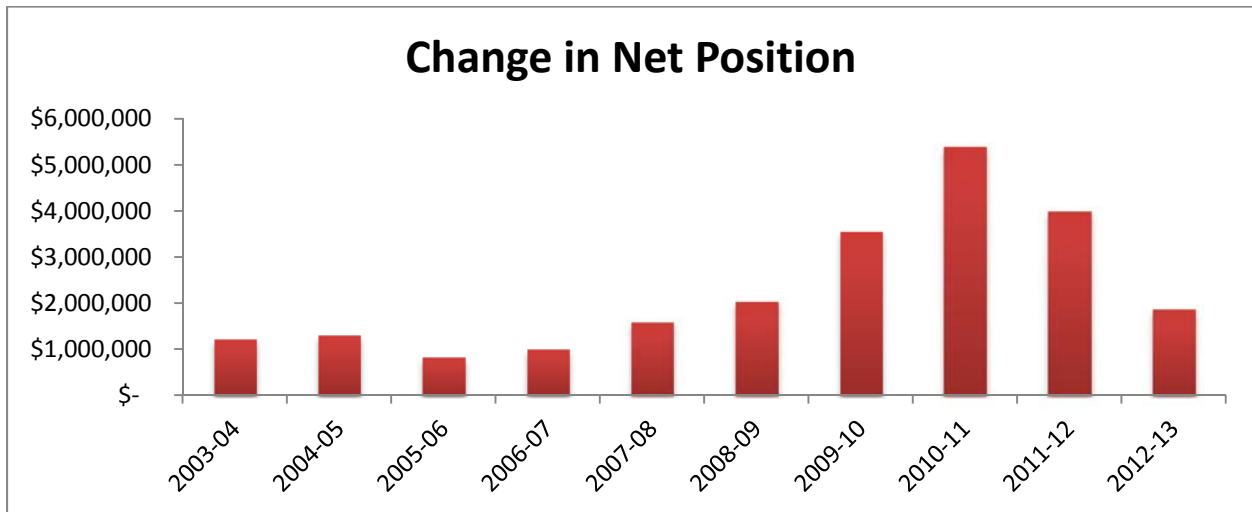
Net Position by Component	2003-04	2004-05	2005-06	2006-07	2007-08
Net investment in capital assets	\$ 4,101,290	\$ 4,478,623	\$ 4,971,770	\$ 4,479,547	\$ 4,981,341
Restricted	\$ 1,383,656	\$ 967,148	\$ 585,244	\$ 335,423	\$ 313,737
Unrestricted	\$ 1,644,949	\$ 2,985,704	\$ 3,688,809	\$ 5,424,426	\$ 6,529,590
	\$ 7,129,895	\$ 8,431,475	\$ 9,245,823	\$ 10,239,396	\$ 11,824,668



Source: Audited financial statements for previous ten years

	2008-09	2009-10	2010-11	2011-12	2012-13
Change in Net Position	\$ 2,033,585	\$ 3,533,089	\$ 5,395,766	\$ 4,004,041	\$ 1,642,676
Net Position	\$ 13,858,253	\$ 17,391,342	\$ 22,787,108	\$ 26,791,149	\$ 28,433,825

	2003-04	2004-05	2005-06	2006-07	2007-08
Change in Net Position	\$ 1,207,399	\$ 1,301,580	\$ 814,348	\$ 993,573	\$ 1,585,272
Net Position	\$ 7,129,895	\$ 8,431,475	\$ 9,245,823	\$ 10,239,396	\$ 11,824,668



Source: Audited financial statements

Change in Net Position – Last 10 Years

	2003-04	2004-05	2005-06	2006-07	2007-08
Operating Revenues					
Tuition and fees	2,778,253	2,810,351	2,990,555	3,512,519	3,296,204
Government grants and contracts	2,682,220	5,170,921	5,952,940	5,998,550	
Private grants and contracts	259,594	346,216	300,912	253,528	573,216
Bookstore income	383,674	140,233	159,473	184,053	202,379
Food service income	36,649	27,792	38,668	33,845	37,618
Other sales and services	252,054	278,613	339,052	291,519	153,672
Other	172,195	80,475	80,853	50,749	27,329
Total Operating Revenues	6,564,639	8,854,601	9,862,453	10,324,763	4,290,418
Operating Expenses					
Instruction	5,598,586	6,492,051	6,882,730	7,184,340	7,892,400
Public Service	105,118	91,821	124,169	79,694	114,126
Academic Support	2,685,363	2,992,161	3,462,743	3,519,967	3,591,507
Student Services	2,408,423	2,762,592	3,315,437	3,453,928	3,424,680
Institutional Support	5,150,994	5,237,170	6,001,049	6,850,217	7,213,810
Operation and Maintenance of Plant	1,837,077	2,435,786	2,434,154	2,382,022	2,476,724
Scholarships	1,942,755	2,733,955	2,954,737	3,006,796	3,401,656
Auxiliary Enterprises	415,948	190,639	228,419	237,535	202,412
Depreciation	944,514	996,621	1,087,742	1,179,112	1,265,072
Other	160	160	23,003	47,907	
Total Operating Expenses	21,088,938	23,932,956	26,514,183	27,941,518	29,582,387
Operating Income (Loss)	(14,524,299)	(15,078,355)	(16,651,730)	(17,616,755)	(25,291,969)
Nonoperating Revenues (Expenses)					
Government Grants					6,549,809
Property Taxes	10,873,474	11,762,842	13,274,304	14,093,900	15,372,777
State Appropriations	3,630,300	3,710,000	3,710,000	4,196,900	4,196,900
Share of State Sales Tax	404,124	418,297	517,428	557,376	554,842
Investment Income	58,054	90,126	139,212	83,206	209,642
Interest Expense on Debt	(657,371)	(658,756)	(798,623)	(961,933)	(608,948)
Gain (Loss) on Disposal of Capital Assets	31,017	(30,800)	10,976	6,194	4,181
Total Nonoperating Revenues (Expenses)	14,339,598	15,291,709	16,853,297	17,975,643	26,279,203
Income (Loss) Before Other Revenues,					
Expenses, Gains or Losses	(184,701)	213,354	201,567	358,888	987,234
Capital Appropriations	440,400	492,000	491,000	597,500	591,200
Capital Grants and Gifts	951,700	596,226	121,781	37,185	6,838
Change in Net Position	1,207,399	1,301,580	814,348	993,573	1,585,272

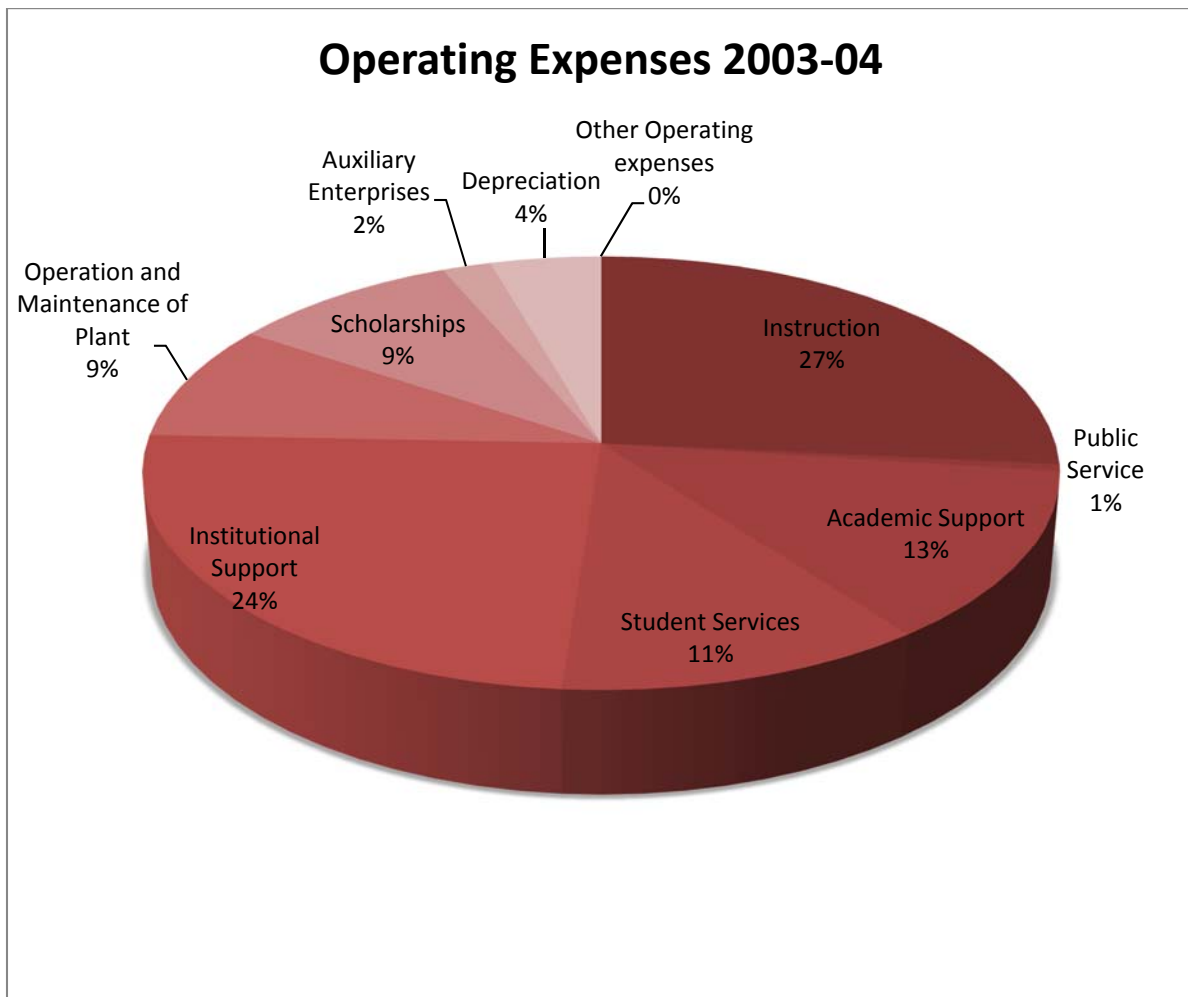
Change in Net Position – Last 10 Years (Continued)

	2008-09	2009-10	2010-11	2011-12	2012-13
Operating Revenues					
Tuition and fees	4,510,286	4,168,056	4,526,951	5,331,328	4,887,443
Private grants and contracts	329,024	592,730	726,101	2,729,704	624,186
Bookstore income	246,254	222,703	134,039	101,768	75,214
Food service income	37,971	42,183	26,540	17,105	14,191
Other sales and services	127,807	117,277	113,113	114,334	94,311
Other	43,466	46,356	16,200	45,031	99,026
Total Operating Revenues	5,294,808	5,189,305	5,542,944	8,339,270	5,794,371
Operating Expenses					
Instruction	8,569,285	9,502,581	10,743,772	11,703,226	11,642,062
Public Service	118,520	144,167	134,167	129,216	120,923
Academic Support	3,696,088	4,106,925	3,798,199	3,902,563	3,962,091
Student Services	3,844,024	3,009,029	3,310,869	3,605,952	4,180,148
Institutional Support	7,981,597	7,578,624	6,118,714	6,468,703	5,761,053
Operation and Maintenance of Plant	2,684,752	2,871,130	2,757,453	3,121,617	3,104,566
Scholarships	4,014,019	7,359,327	7,881,955	6,990,940	5,752,253
Auxiliary Enterprises	442,944	280,419	273,818	393,006	422,095
Depreciation	1,417,859	1,479,676	1,468,082	1,480,120	1,558,015
Total Operating Expenses	32,769,088	36,331,878	36,487,029	37,795,343	36,503,206
Operating Income (Loss)	(27,474,280)	(31,142,573)	(30,944,085)	(29,456,073)	(30,708,835)
Nonoperating Revenues (Expenses)					
Government Grants	9,512,174	13,939,348	14,468,876	12,627,839	10,771,753
Property Taxes	16,235,016	17,048,446	18,085,425	18,759,341	19,438,502
State Appropriations	3,748,881	3,682,901	3,682,900	1,792,200	1,785,600
Share of State Sales Tax	518,805	491,718	506,197	507,522	490,964
Investment Income	77,423	45,313	14,792	7,411	5,658
Interest Expense on Debt	(583,862)	(543,786)	(415,474)	(238,162)	(231,530)
Gain (Loss) on Disposal of Capital Assets	(572)	11,722	(2,865)	3,963	(11,525)
Other Non-Operating Revenues					102,089
Total Nonoperating Revenues (Expenses)	29,507,865	34,675,662	36,339,851	33,460,114	32,351,511
Change in Net Position	2,033,585	3,533,089	5,395,766	4,004,041	1,642,676

Source: Audited financial statements for previous ten years

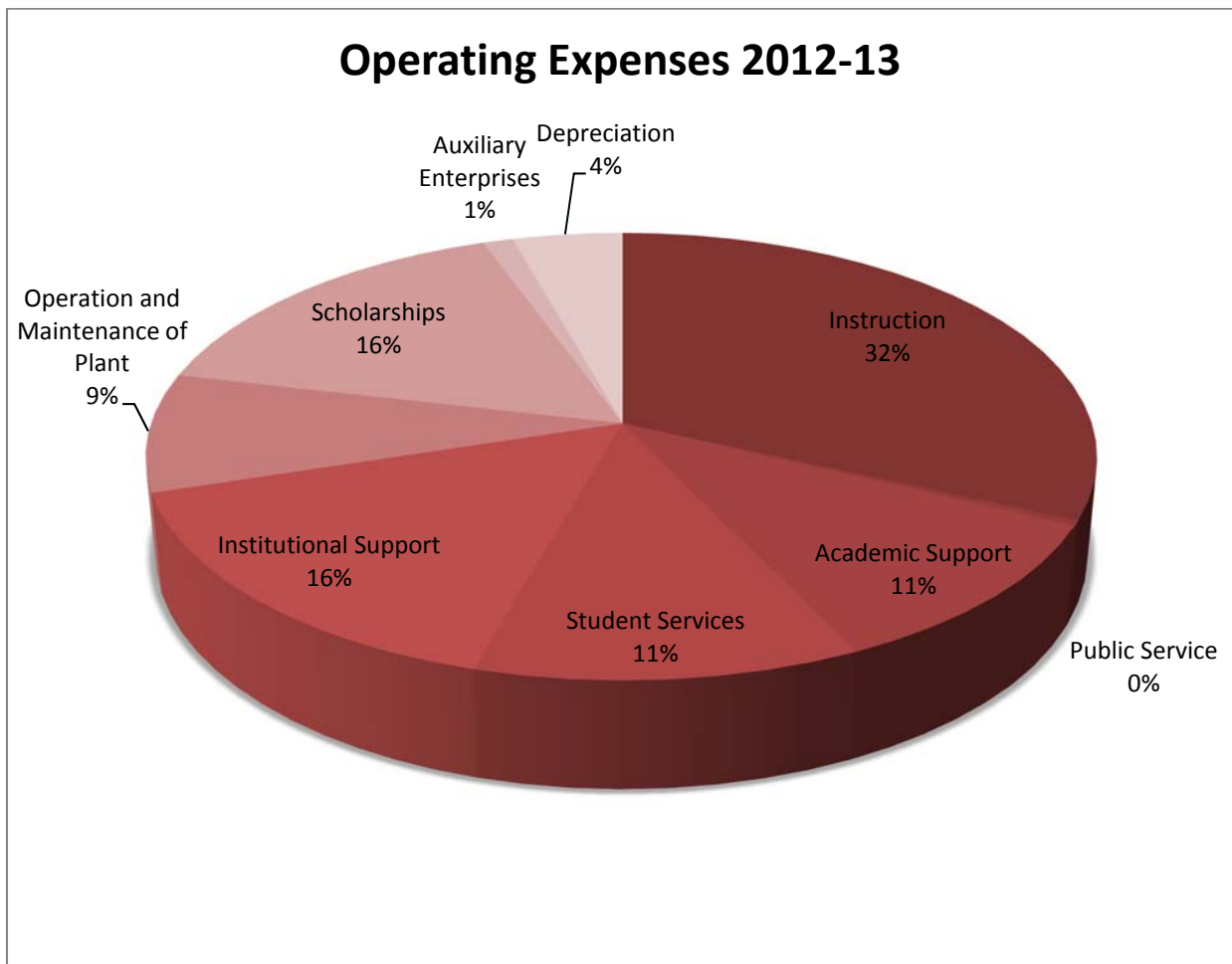
Note (1): Government grants have been reclassified for fiscal years prior to 2007-2008 to conform with new requirements

Expenses by Function	2003-04	2004-05	2005-06	2006-07	2007-08
Instruction	\$ 5,598,586	\$ 6,492,051	\$ 6,882,730	\$ 7,184,340	\$ 7,892,400
Public Service	\$ 105,118	\$ 91,821	\$ 124,169	\$ 79,694	\$ 114,126
Academic Support	\$ 2,685,363	\$ 2,992,161	\$ 3,462,743	\$ 3,519,967	\$ 3,591,507
Student Services	\$ 2,408,423	\$ 2,762,592	\$ 3,315,437	\$ 3,453,928	\$ 3,424,680
Institutional Support	\$ 5,150,994	\$ 5,237,170	\$ 6,001,049	\$ 6,850,217	\$ 7,213,810
Operation and Maintenance of Plant	\$ 1,837,077	\$ 2,435,786	\$ 2,434,154	\$ 2,382,022	\$ 2,476,724
Scholarships	\$ 1,942,755	\$ 2,733,955	\$ 2,954,737	\$ 3,006,796	\$ 3,401,656
Auxiliary Enterprises	\$ 415,948	\$ 190,639	\$ 228,419	\$ 237,535	\$ 202,412
Depreciation	\$ 944,514	\$ 996,621	\$ 1,087,742	\$ 1,179,112	\$ 1,265,072
Other Operating expenses	\$ 160	\$ 160	\$ 23,003	\$ 47,907	
Total Expenses	\$ 21,088,938	\$ 23,932,956	\$ 26,514,183	\$ 27,941,518	\$ 29,582,387



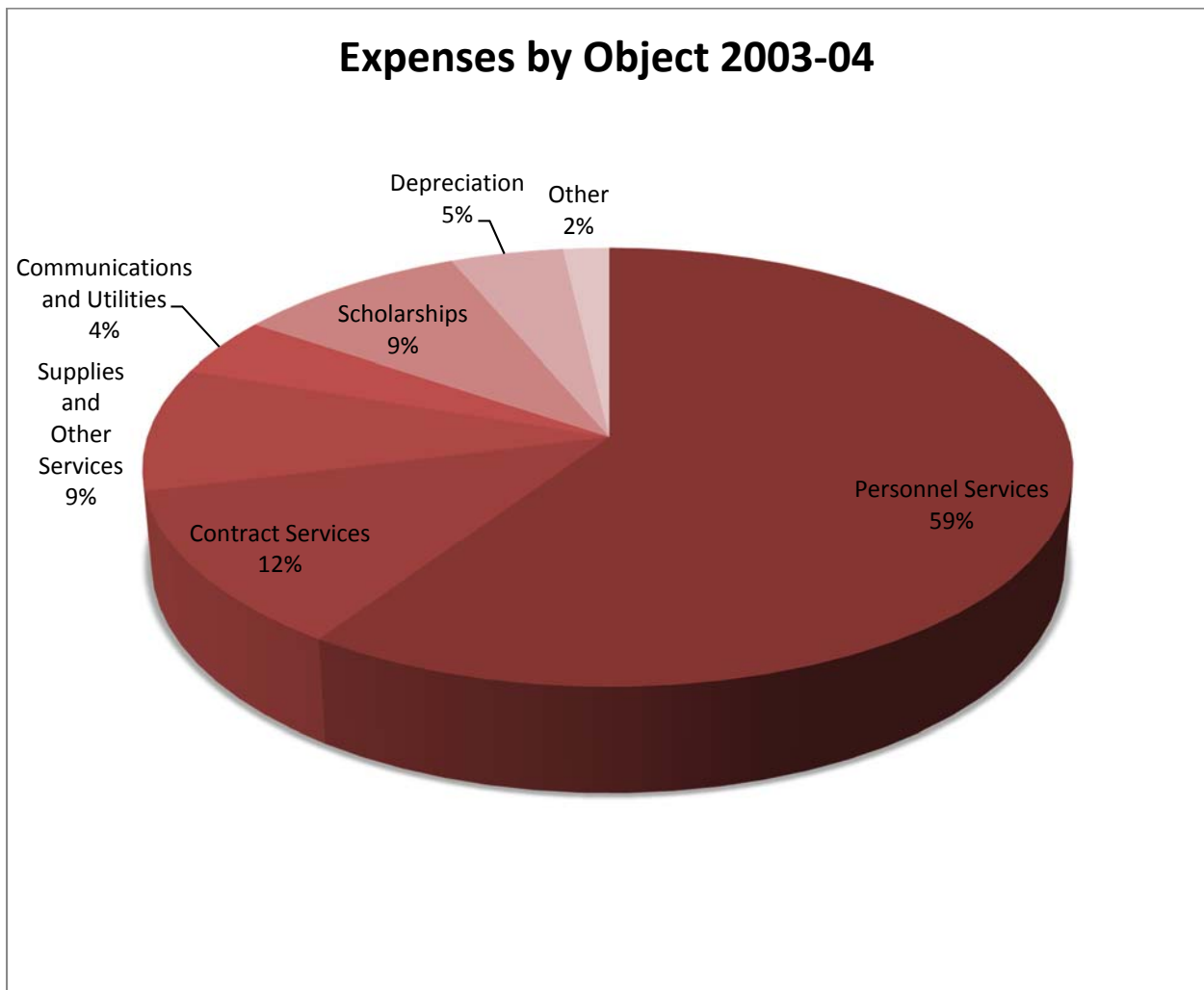
Source: Audited financial statements for previous ten years.

Expenses by Function	2008-09	2009-10	2010-11	2011-12	2012-13
Instruction	\$ 8,569,285	\$ 9,502,581	\$ 10,743,772	\$ 11,703,226	\$ 11,642,062
Public Service	\$ 118,520	\$ 144,167	\$ 134,167	\$ 129,216	\$ 120,923
Academic Support	\$ 3,696,088	\$ 4,106,925	\$ 3,798,199	\$ 3,902,563	\$ 3,962,091
Student Services	\$ 3,844,024	\$ 3,009,029	\$ 3,310,869	\$ 3,605,952	\$ 4,180,148
Institutional Support	\$ 7,981,597	\$ 7,578,624	\$ 6,118,714	\$ 6,468,703	\$ 5,761,053
Operation and Maintenance of Plant	\$ 2,684,752	\$ 2,871,130	\$ 2,757,453	\$ 3,121,617	\$ 3,104,566
Scholarships	\$ 4,014,019	\$ 7,359,327	\$ 7,881,955	\$ 6,990,940	\$ 5,752,253
Auxiliary Enterprises	\$ 442,944	\$ 280,419	\$ 273,818	\$ 393,006	\$ 422,095
Depreciation	\$ 1,417,859	\$ 1,479,676	\$ 1,468,082	\$ 1,480,120	\$ 1,558,015
Other Operating expenses					
Total Expenses	\$ 32,769,088	\$ 36,331,878	\$ 36,487,029	\$ 37,795,343	\$ 36,503,206



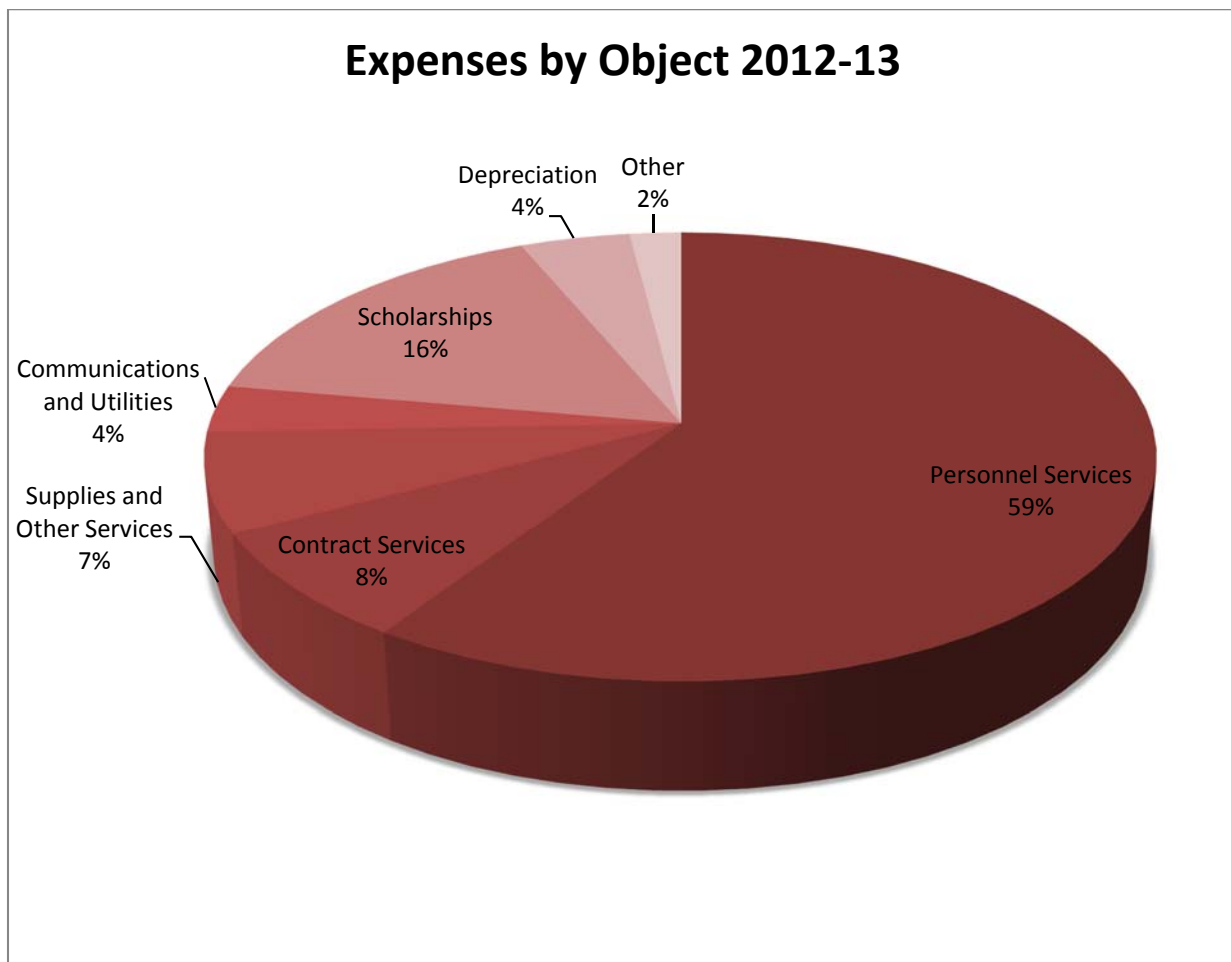
Source: Audited financial statements for previous ten years.

Expenses by Object	2003-04	2004-05	2005-06	2006-07	2007-08
Personnel Services	\$ 12,515,924	\$ 13,102,317	\$ 15,317,595	\$ 16,749,980	\$ 17,361,878
Contract Services	\$ 2,474,967	\$ 2,975,047	\$ 3,247,471	\$ 3,430,817	\$ 4,069,571
Supplies and Other Services	\$ 1,913,344	\$ 2,728,839	\$ 2,545,080	\$ 2,204,803	\$ 2,247,652
Communications and Utilities	\$ 909,273	\$ 935,052	\$ 978,466	\$ 1,078,423	\$ 1,065,066
Scholarships	\$ 1,942,755	\$ 2,733,955	\$ 2,954,737	\$ 2,761,216	\$ 3,401,656
Depreciation	\$ 944,514	\$ 996,621	\$ 1,087,742	\$ 1,179,112	\$ 1,265,072
Other	\$ 388,161	\$ 461,125	\$ 383,092	\$ 537,167	\$ 171,492
Total Expenses	\$ 21,088,938	\$ 23,932,956	\$ 26,514,183	\$ 27,941,518	\$ 29,582,387



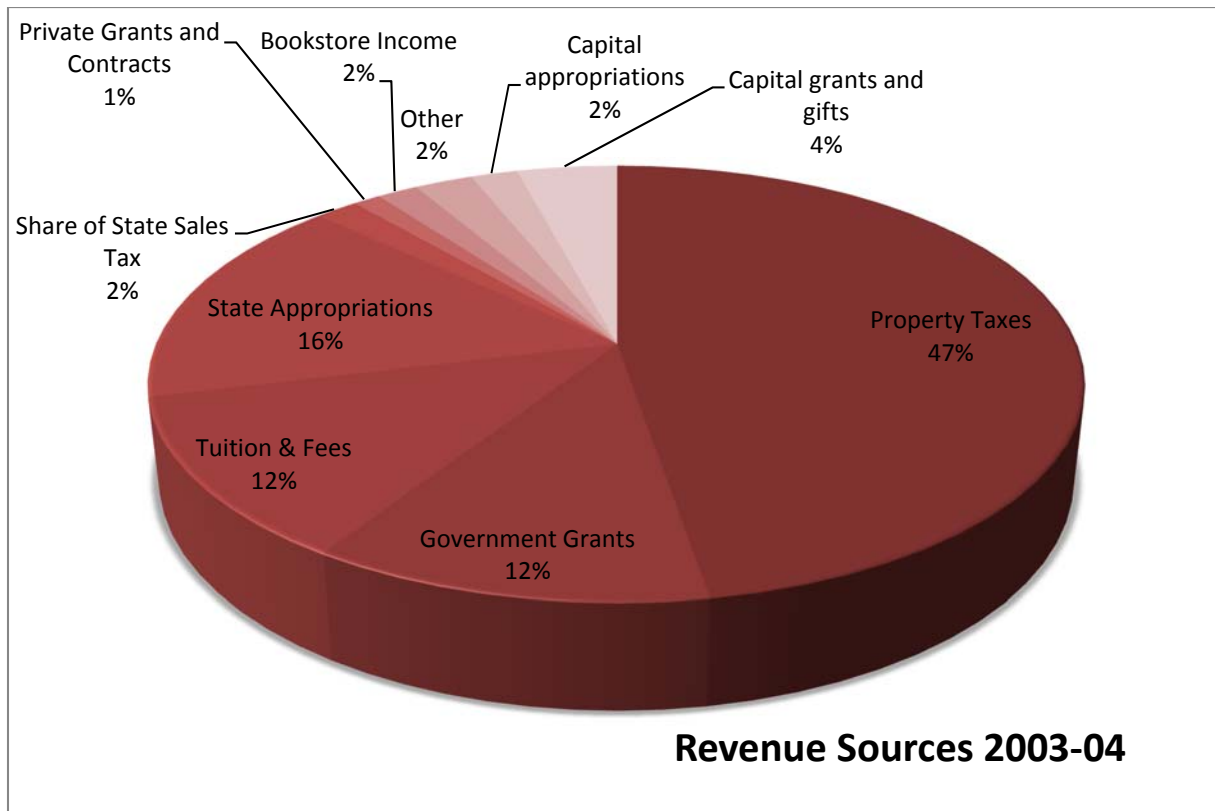
Source: Audited financial statements for previous ten years.

Expenses by Object	2008-09	2009-10	2010-11	2011-12	2012-13
Personnel Services	\$ 18,591,648	\$ 20,130,234	\$ 20,180,416	\$ 21,361,203	\$ 21,775,377
Contract Services	\$ 4,245,764	\$ 3,439,247	\$ 2,765,608	\$ 3,225,563	\$ 2,870,696
Supplies and Other Services	\$ 2,442,046	\$ 2,313,898	\$ 2,380,083	\$ 2,841,190	\$ 2,589,907
Communications and Utilities	\$ 1,098,602	\$ 1,024,747	\$ 1,119,185	\$ 1,238,307	\$ 1,225,318
Scholarships	\$ 4,014,019	\$ 7,359,327	\$ 7,881,955	\$ 6,744,325	\$ 5,752,253
Depreciation	\$ 1,417,859	\$ 1,479,676	\$ 1,468,082	\$ 1,480,119	\$ 1,558,015
Other	\$ 959,150	\$ 584,749	\$ 691,700	\$ 890,714	\$ 731,640
Total Expenses	\$ 32,769,088	\$ 36,331,878	\$ 36,487,029	\$ 37,781,421	\$ 36,503,206



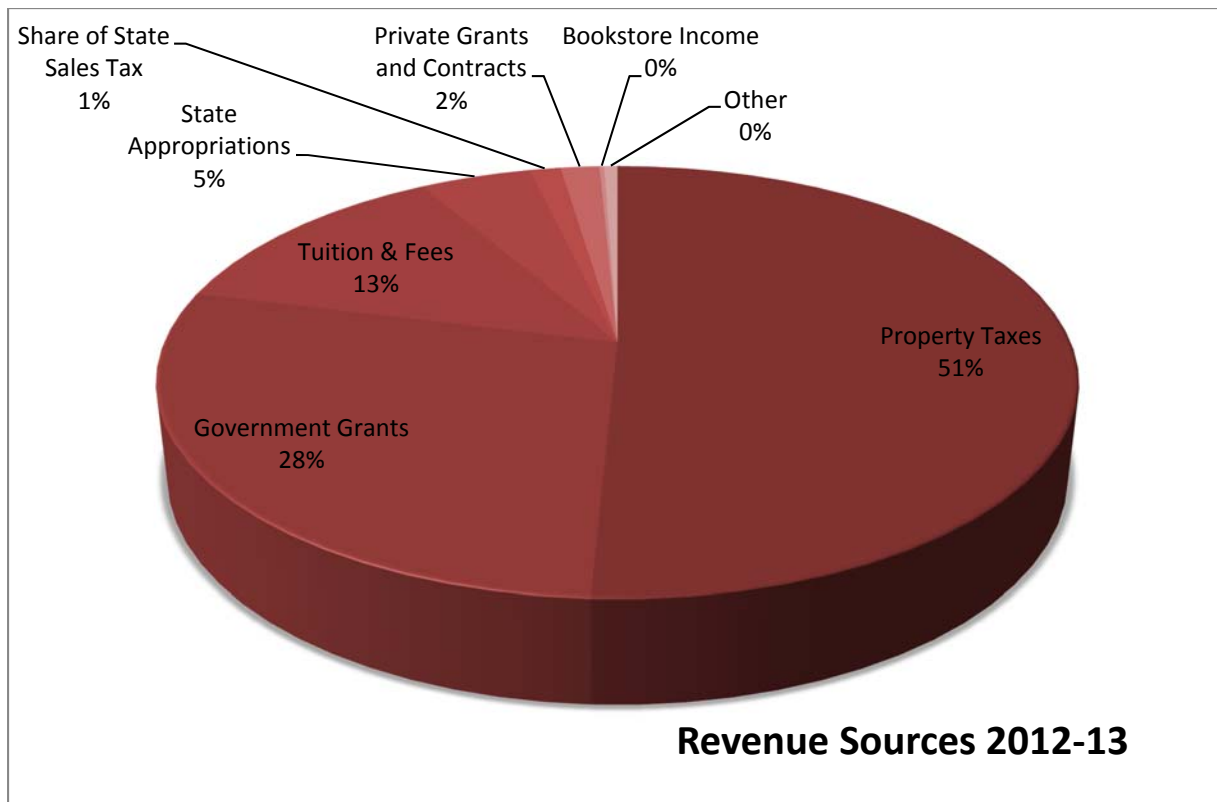
Source: Audited financial statements for previous ten years.

Revenues by Source	2003-04	2004-05	2005-06	2006-07	2007-08
Property Taxes	\$ 10,873,474	\$ 11,762,842	\$ 13,274,304	\$ 14,093,900	\$ 15,372,777
Government Grants	\$ 2,682,220	\$ 5,170,921	\$ 5,952,940	\$ 5,998,550	\$ 6,549,809
Tuition & Fees	\$ 2,778,253	\$ 2,810,351	\$ 2,990,555	\$ 3,512,519	\$ 3,296,204
State Appropriations	\$ 3,630,300	\$ 3,710,000	\$ 3,710,000	\$ 4,196,900	\$ 4,196,900
Share of State Sales Tax	\$ 404,124	\$ 418,297	\$ 517,428	\$ 557,376	\$ 554,842
Private Grants and Contracts	\$ 259,594	\$ 346,216	\$ 300,912	\$ 253,528	\$ 573,216
Investment Income	\$ 58,054	\$ 90,126	\$ 139,212	\$ 83,206	\$ 209,642
Gain on Disposal of Capital Assets	\$ 31,017		\$ 10,976	\$ 6,194	\$ 4,181
Bookstore Income	\$ 383,674	\$ 140,233	\$ 159,473	\$ 184,053	\$ 202,379
Food Service Income	\$ 36,649	\$ 27,792	\$ 38,668	\$ 33,845	\$ 37,618
Other Sales and Services	\$ 252,054	\$ 278,613	\$ 339,052	\$ 291,519	\$ 153,672
Other	\$ 172,195	\$ 80,475	\$ 80,853	\$ 50,749	\$ 27,329
Capital appropriations	\$ 440,400	\$ 492,000	\$ 491,000	\$ 597,500	\$ 591,200
Capital grants and gifts	\$ 951,700	\$ 596,226	\$ 121,781	\$ 37,185	\$ 6,838
Total Revenue	\$ 22,953,708	\$ 25,924,092	\$ 28,127,154	\$ 29,897,024	\$ 31,776,607



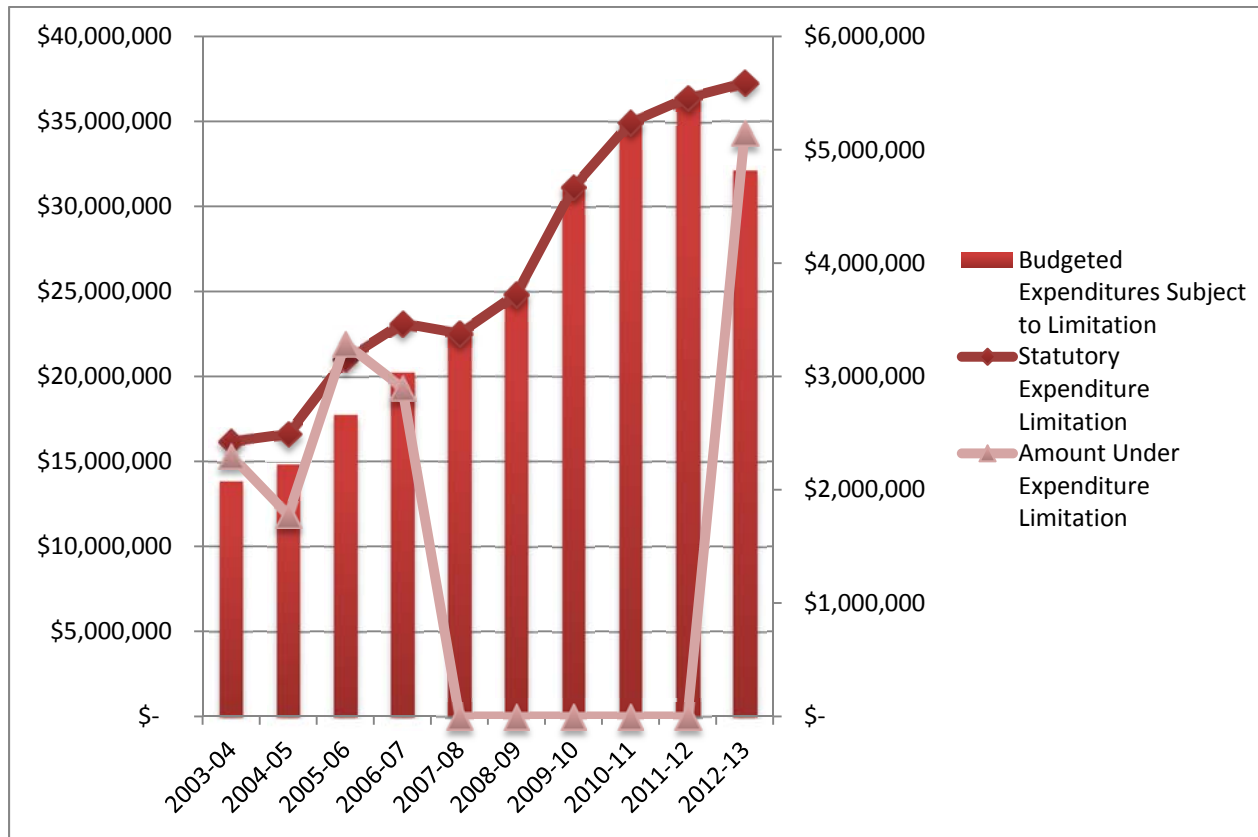
Source: Audited financial statements for previous ten years.

Revenues by Source	2008-09	2009-10	2010-11	2011-12	2012-13
Property Taxes	\$ 16,235,016	\$ 17,048,446	\$ 18,085,426	\$ 18,759,341	\$ 19,438,502
Government Grants	\$ 9,512,174	\$ 13,939,348	\$ 14,378,844	\$ 12,627,839	\$ 10,771,753
Tuition & Fees	\$ 4,510,286	\$ 4,168,056	\$ 4,195,487	\$ 5,331,328	\$ 4,887,443
State Appropriations	\$ 3,748,881	\$ 3,682,901	\$ 3,682,901	\$ 1,792,200	\$ 1,785,600
Share of State Sales Tax	\$ 518,805	\$ 491,718	\$ 506,198	\$ 507,522	\$ 490,964
Private Grants and Contracts	\$ 329,024	\$ 592,730	\$ 726,101	\$ 2,729,704	\$ 624,186
Investment Income	\$ 77,423	\$ 45,313	\$ 14,793	\$ 7,413	\$ 5,658
Gain on Disposal of Capital Assets		\$ 11,722		\$ 3,963	
Bookstore Income	\$ 246,254	\$ 222,703	\$ 134,039	\$ 101,768	\$ 75,214
Food Service Income	\$ 37,971	\$ 42,183	\$ 26,540	\$ 17,105	\$ 14,191
Other Sales and Services	\$ 127,807	\$ 117,277	\$ 113,113	\$ 114,334	\$ 94,311
Other	\$ 43,466	\$ 46,356	\$ 16,200	\$ 45,031	\$ 201,115
Capital appropriations					
Capital grants and gifts					
Total Revenue	\$ 35,387,107	\$ 40,408,753	\$ 41,879,642	\$ 42,037,548	\$ 38,388,937



Source: Audited financial statements for previous ten years.

Budgeted Expenditure Limitation



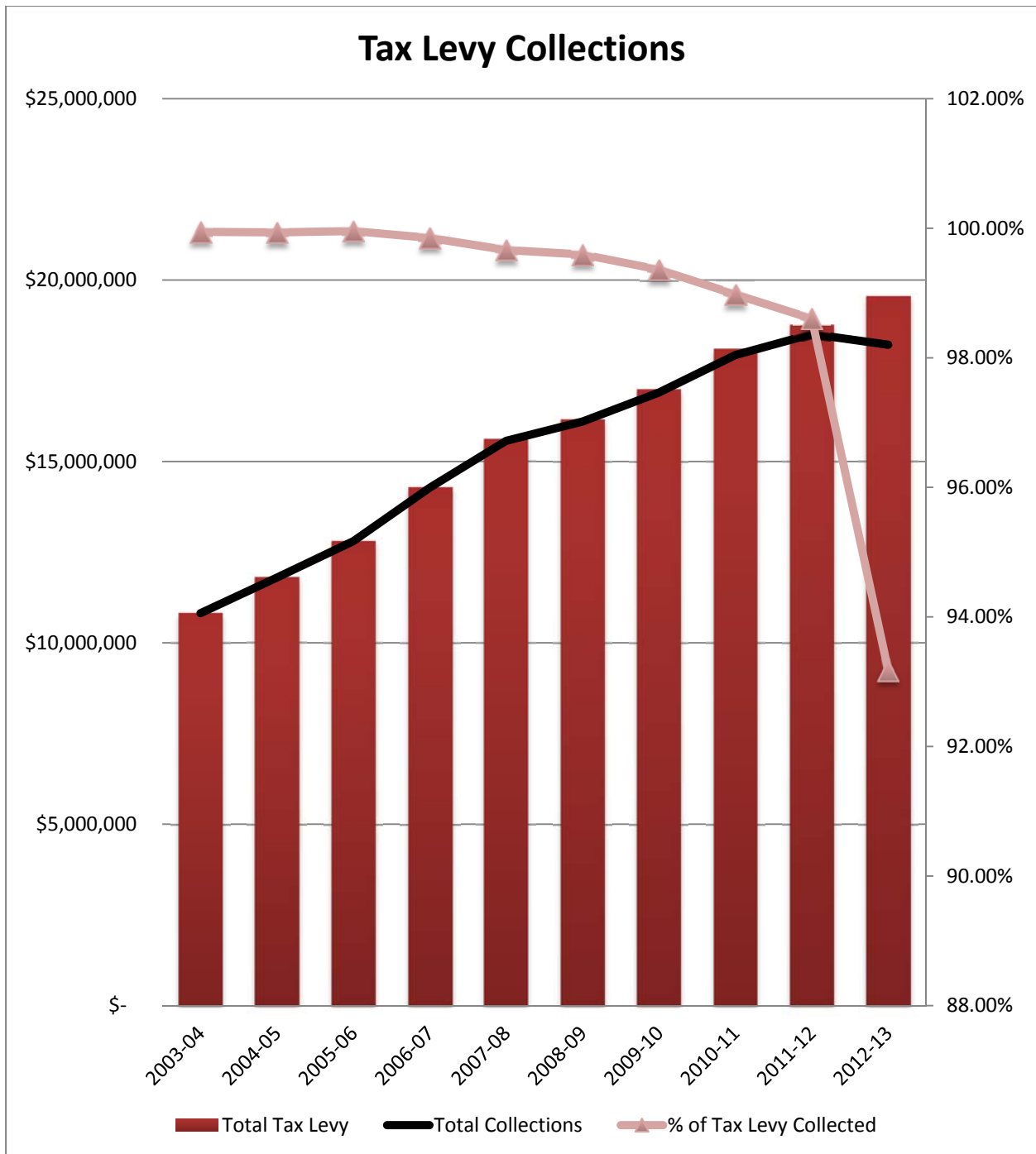
	2003-04	2004-05	2005-06	2006-07	2007-08
Statutory Expenditure Limitation	\$ 16,163,538	\$ 16,619,702	\$ 21,009,091	\$ 23,118,821	\$ 22,526,351
Budgeted Expenditures Subject to Limitation	\$ 13,861,963	\$ 14,841,404	\$ 17,718,963	\$ 20,218,585	\$ 22,526,351
Amount Under Expenditure Limitation	\$ 2,301,575	\$ 1,778,298	\$ 3,290,128	\$ 2,900,236	

	2008-09	2009-10	2010-11	2011-12	2012-13
Statutory Expenditure Limitation	\$ 24,835,230	\$ 31,134,362	\$ 34,950,321	\$ 36,395,014	\$ 37,273,118
Budgeted Expenditures Subject to Limitation	\$ 24,835,230	\$ 31,134,362	\$ 34,950,321	\$ 36,395,014	\$ 32,124,549
Amount Under Expenditure Limitation					\$ 5,148,569

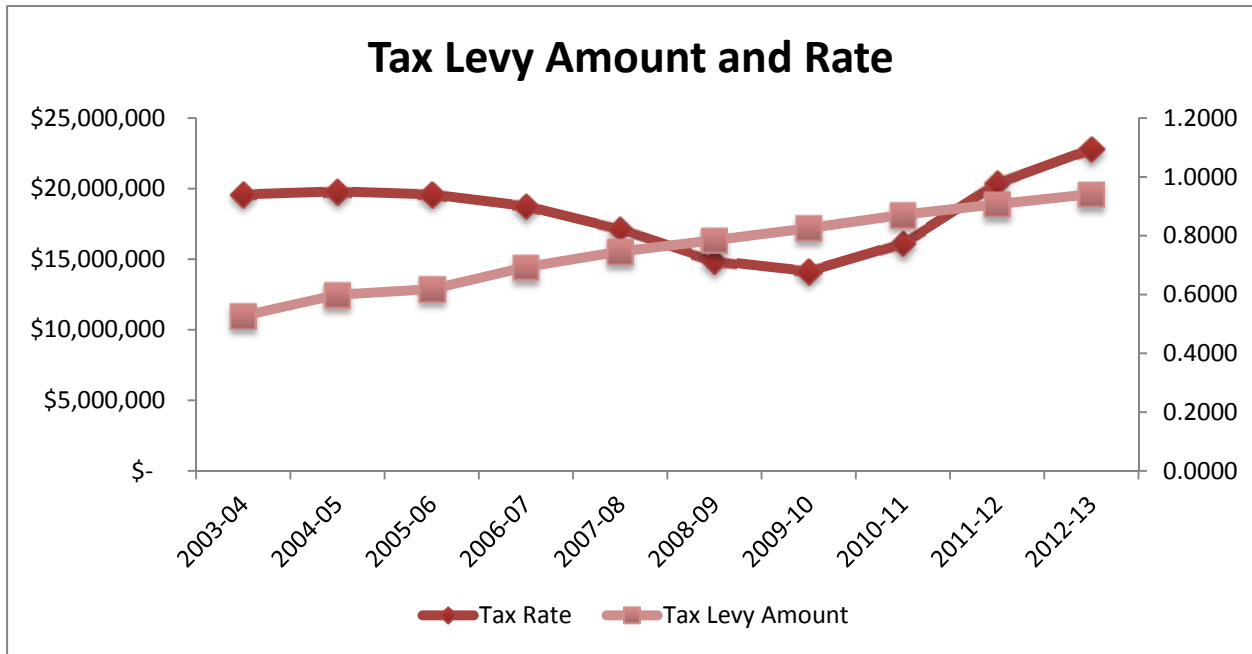
Source: Audited Reports on Annual Budgeted Expenditure Limitation

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

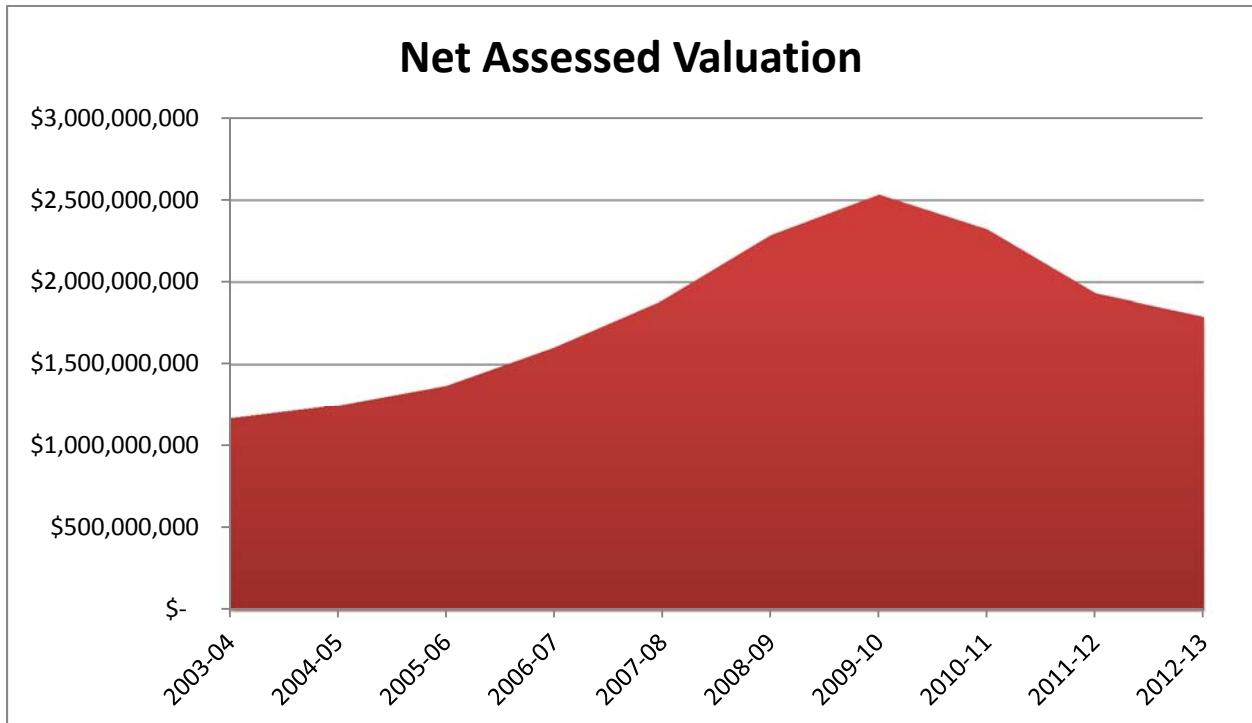
Note(2) – Budgeted expenditures are calculated net of allowable exclusions.



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. 2011 data represents the most recent data available as of the publishing of this report.

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. 2011 data represents the most recent data available as of the publishing of this report.

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

Tax Year	MCC Primary Levy	MCC Secondary Levy	MCC Total
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
2012	\$ 1.0951		\$ 1.0951

Tax Year	Mohave County	School Districts	Cities or Fire Districts	Sanitary or Improvement Districts	Irrigation & Drainage Districts	Other Districts (Water/Lighting)
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. 2011 data represents the most recent data available as of the publishing of this report.

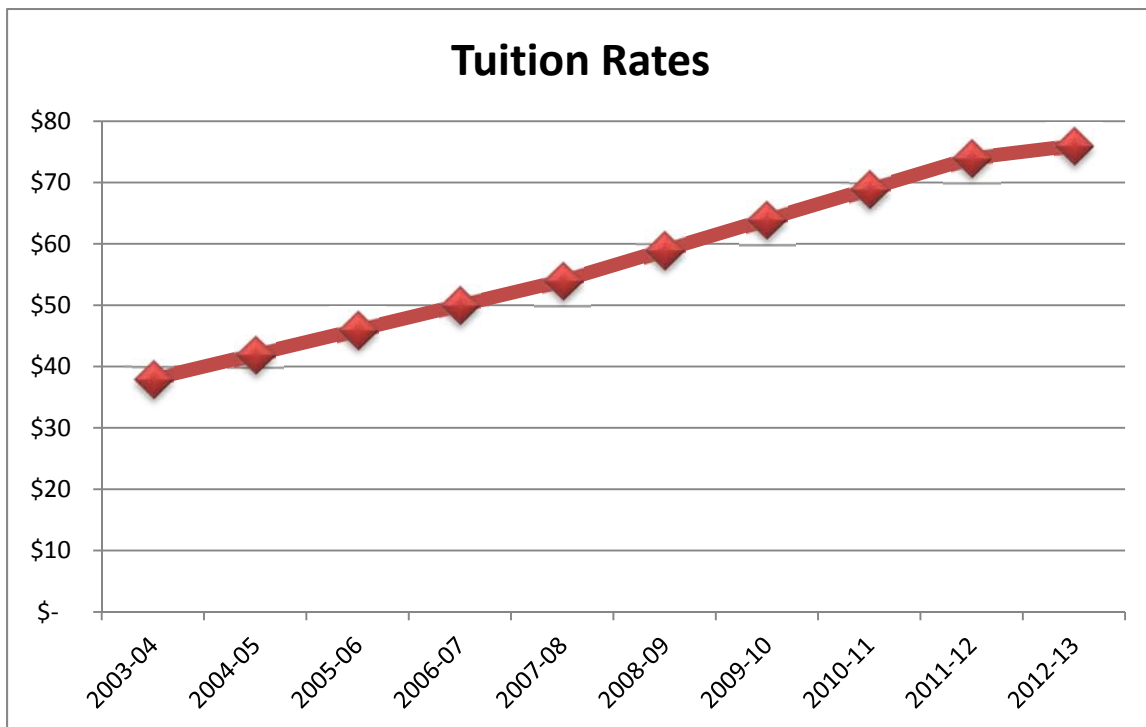
Note (1) - Mohave County applies to the General and State Education Equalization, and to the General, Library District and Fire District Assistance Funds. Fire, Sanitary, Improvement, Irrigation, Water and Lighting District levies are based on secondary values.

Historic Resident Tuition Rates – Last 10 Fiscal Years

	Tuition Per Credit Hour	Annual Cost	\$ Increase	%Increase
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%
2012-13	\$ 76	\$ 2,520	\$ 60	2%

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
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%
2012-13	\$ 5,076,817	\$ 95,000	\$ 173,279	\$ 268,279	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
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%
2012-13	\$ 36,503,206	\$ 95,000	\$ 173,279	\$ 268,279	1%

Debt Service Interest Expense – Last 10 Fiscal Years

	2000 PRO	2000 Rev	2001 PRO	2005 PRO	2006 Rev
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
2012-13				\$ 33,354	\$ 139,925

Source: District Records

Note (1) - PRO – Pledged Revenue Obligations. Rev – Revenue Refunding Bonds.

Debt Service Principal Expense – Last 10 Fiscal Years

	2000 PRO	2000 Rev	2001 PRO	2005 PRO	2006 Rev
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
2012-13				\$ 85,000	\$ 10,000

Source: District Records

Note (1) – PRO – Pledged Revenue Obligations. Rev – Revenue Refunding Bonds.

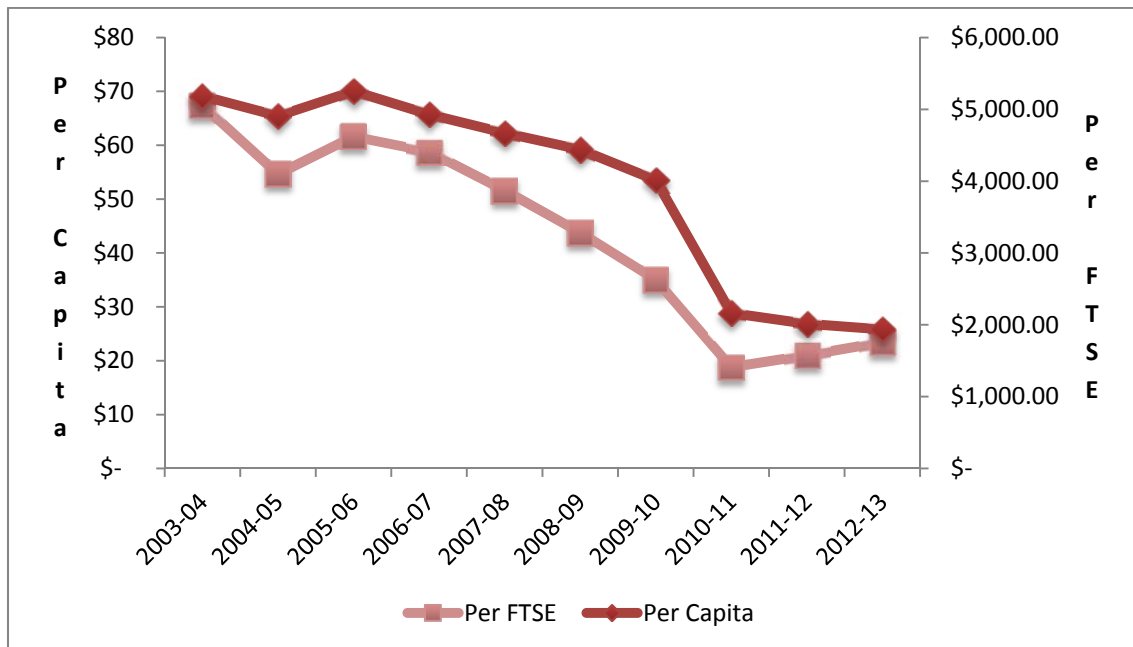
Ratios of Outstanding Debt – Last 10 Fiscal Years

	2003-04	2004-05	2005-06	2006-07	2007-08
Other Debt:					
Revenue Bonds	\$ 3,150,000	\$ 3,150,000	\$ 3,150,000	\$ 3,435,000	\$ 3,390,000
Pledged Revenue Obligations	\$ 8,525,000	\$ 8,205,000	\$ 9,195,000	\$ 8,775,000	\$ 8,365,000
Capital Leases	\$ 150,379	\$ 309,332	\$ 663,343	\$ 431,230	\$ 411,091
Total Outstanding Debt	\$ 11,825,379	\$ 11,664,332	\$ 13,008,343	\$ 12,641,230	\$ 12,166,091
Per Capita	\$ 69	\$ 65	\$ 70	\$ 66	\$ 62
Per FTSE	\$ 5,057.90	\$ 4,099.94	\$ 4,621.08	\$ 4,410.76	\$ 3,870.85
% of Personal Income	0.33%	0.30%	0.30%	0.27%	0.24%

	2008-09	2009-10	2010-11	2011-12	2012-13
Other Debt:					
Revenue Bonds	\$ 3,345,000	\$ 3,340,000	\$ 3,335,000	\$ 3,330,000	\$ 3,320,000
Pledged Revenue Obligations	\$ 7,945,000	\$ 6,875,000	\$ 960,000	\$ 880,000	\$ 795,000
Capital Leases	\$ 261,195	\$ 181,102	\$ 1,310,614	\$ 1,223,507	\$ 1,035,091
Total Outstanding Debt	\$ 11,551,195	\$ 10,396,102	\$ 5,605,614	\$ 5,433,507	\$ 5,150,091
Per Capita	\$ 59	\$ 54	\$ 29	\$ 27	\$ 26
Per FTSE	\$ 3,283.46	\$ 2,629.93	\$ 1,410.22	\$ 1,574.93	\$ 1,724.17
% of Personal Income	0.22%	0.20%	Note (1)	Note (1)	Note (1)

Source: District Records, US Census Bureau

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



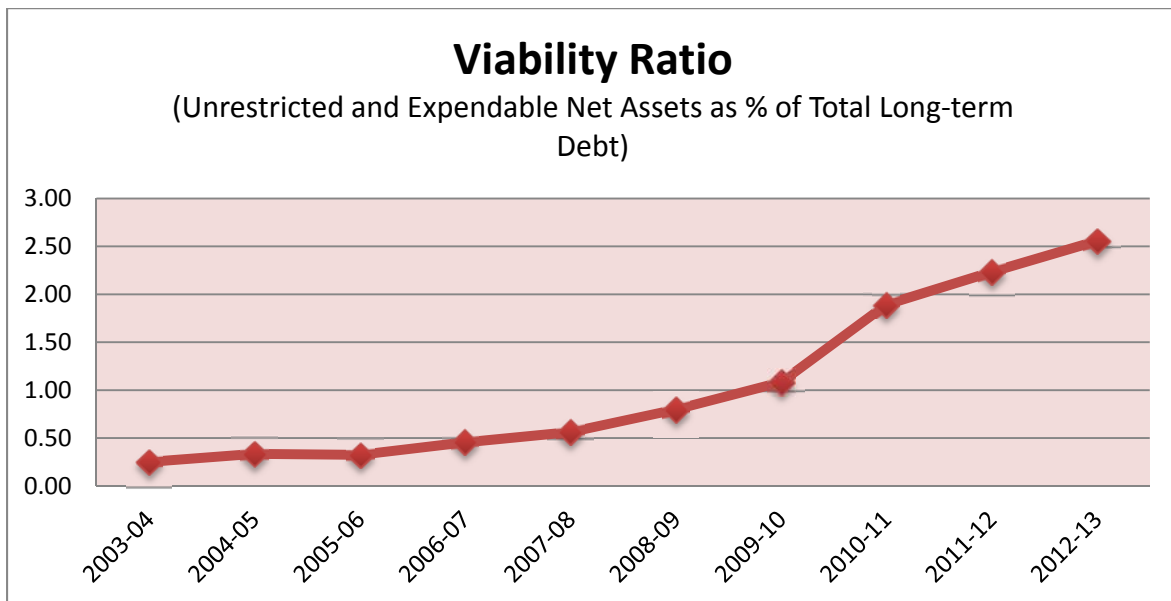
Computation of Legal Debt Margin – Last 10 Fiscal Years

	2003-04	2004-05	2005-06	2006-07	2007-08
Assessed Value of Real and Personal Property	\$ 1,167,876,273	\$ 1,248,789,585	\$ 1,370,188,972	\$ 1,604,391,585	\$ 1,890,688,680
Debt Limit, 15% of Secondary Assessed Value	\$ 175,181,441	\$ 187,318,438	\$ 205,528,346	\$ 240,658,738	\$ 283,603,302
Total Debt Applicable to Debt Limit	\$ -	\$ -	\$ -	\$ -	\$ -
Legal Debt Margin	\$ 175,181,441	\$ 187,318,438	\$ 205,528,346	\$ 240,658,738	\$ 283,603,302

	2008-09	2009-10	2010-11	2011-12	2012-13
Assessed Value of Real and Personal Property	\$ 2,286,744,927	\$ 2,533,640,810	\$ 2,321,464,632	\$ 1,932,681,722	\$ 1,791,765,155
Debt Limit, 15% of Secondary Assessed Value	\$ 343,011,739	\$ 380,046,122	\$ 351,822,906	\$ 289,902,258	\$ 268,764,773
Total Debt Applicable to Debt Limit					
Legal Debt Margin	\$ 343,011,739	\$ 380,046,122	\$ 351,822,906	\$ 289,902,258	\$ 268,764,773

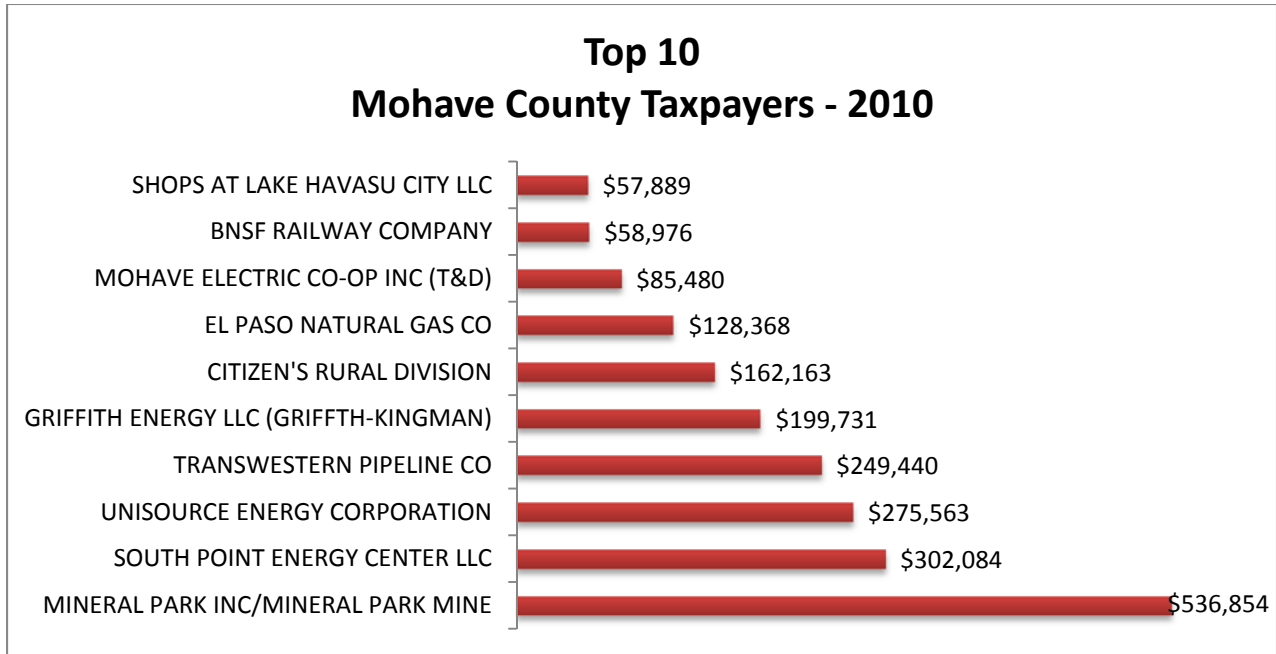
Source: District Records

Viability Ratio for Last 10 Fiscal Years



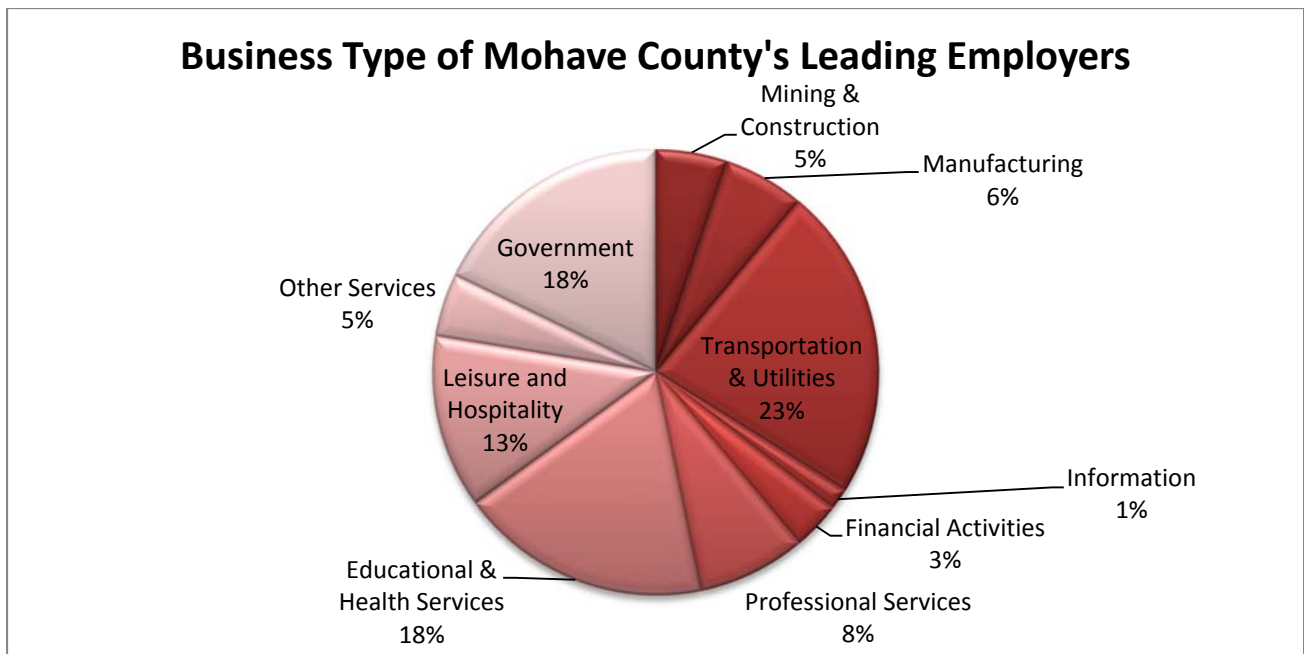
Source: District Records

Top 10 Taxpayers in Mohave County



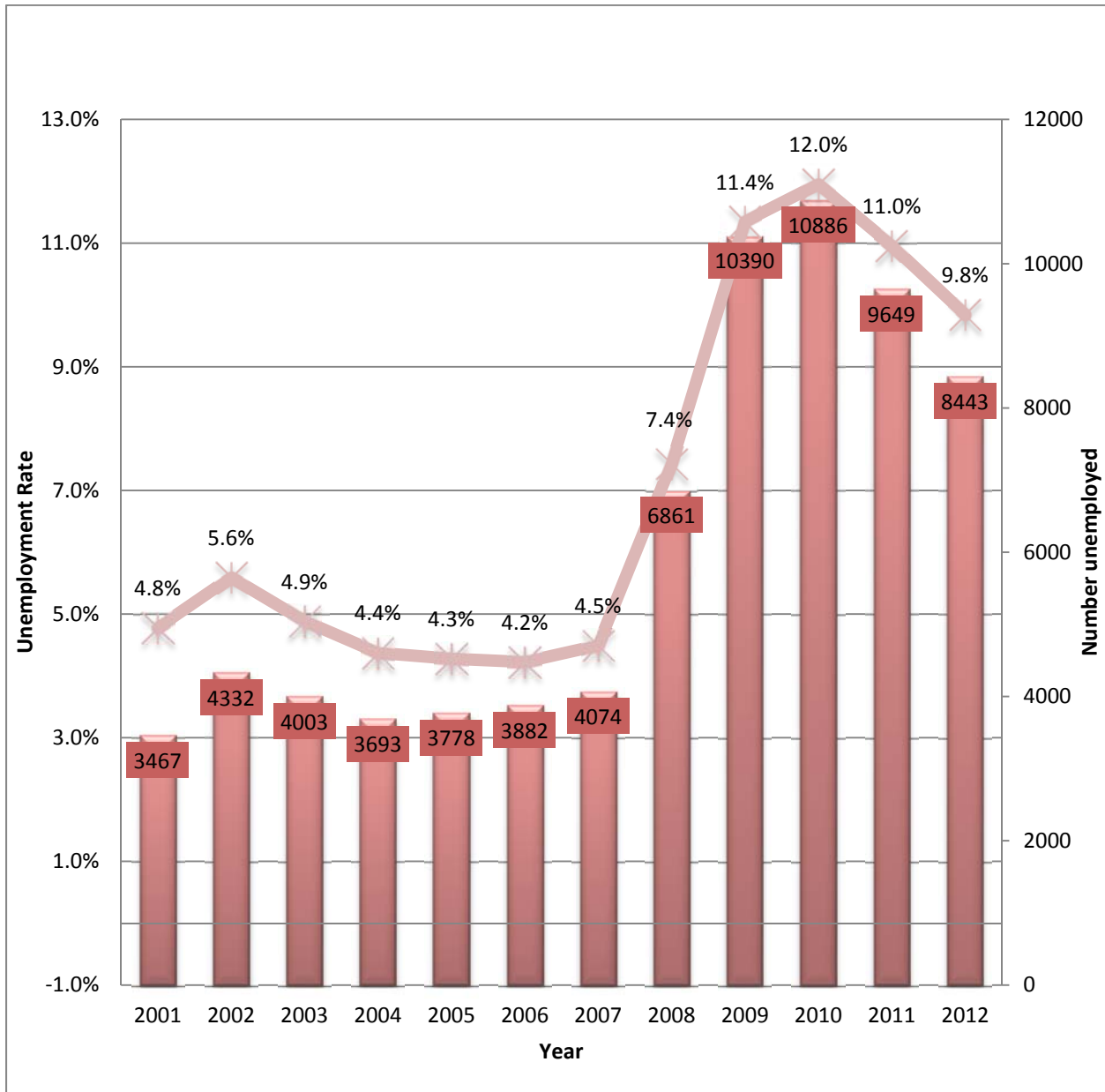
Source: Mohave County Department for Economic Development. 2010 data represents the most recent data available as of the publishing of this report.

Leading Industry Types for Mohave County



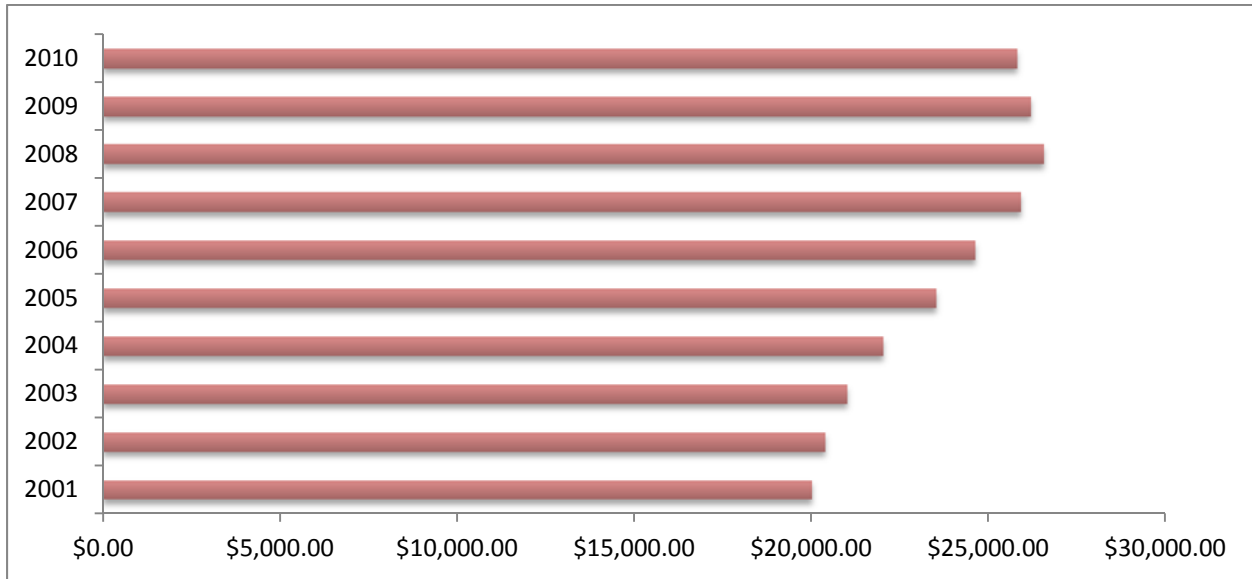
Source: Mohave County Department for Economic Development

Mohave County Unemployment – Last 10 years



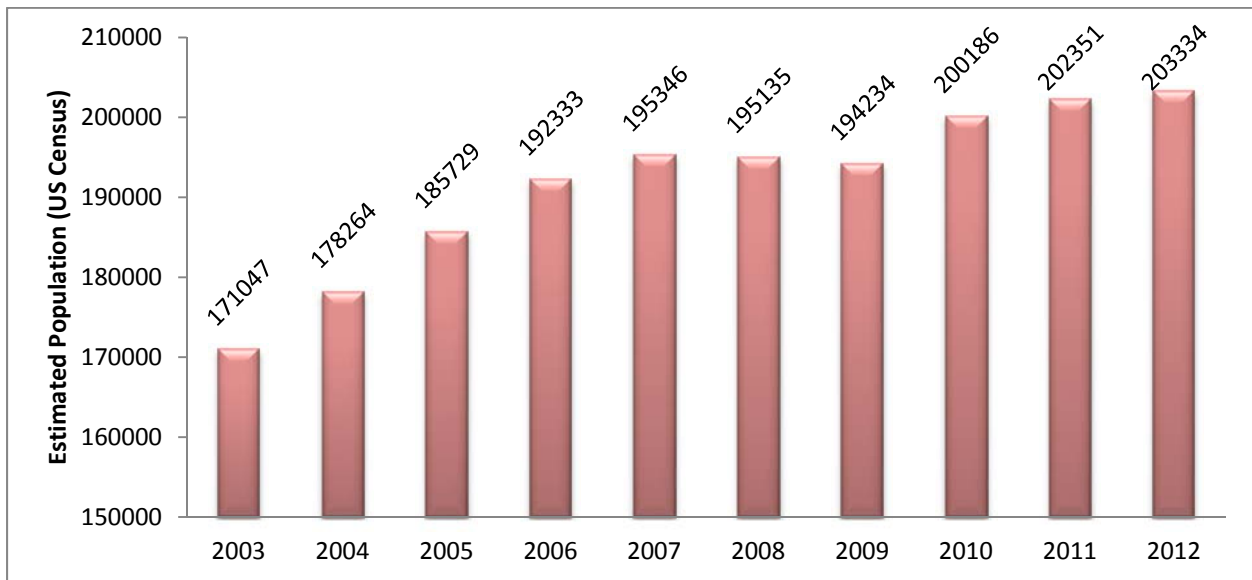
Source: US Department of Labor and Bureau of Labor Statistics

Mohave County Per Capita Personal Income



Source: Mohave County Department for Economic Development - data represents most recent 10 year period of data available

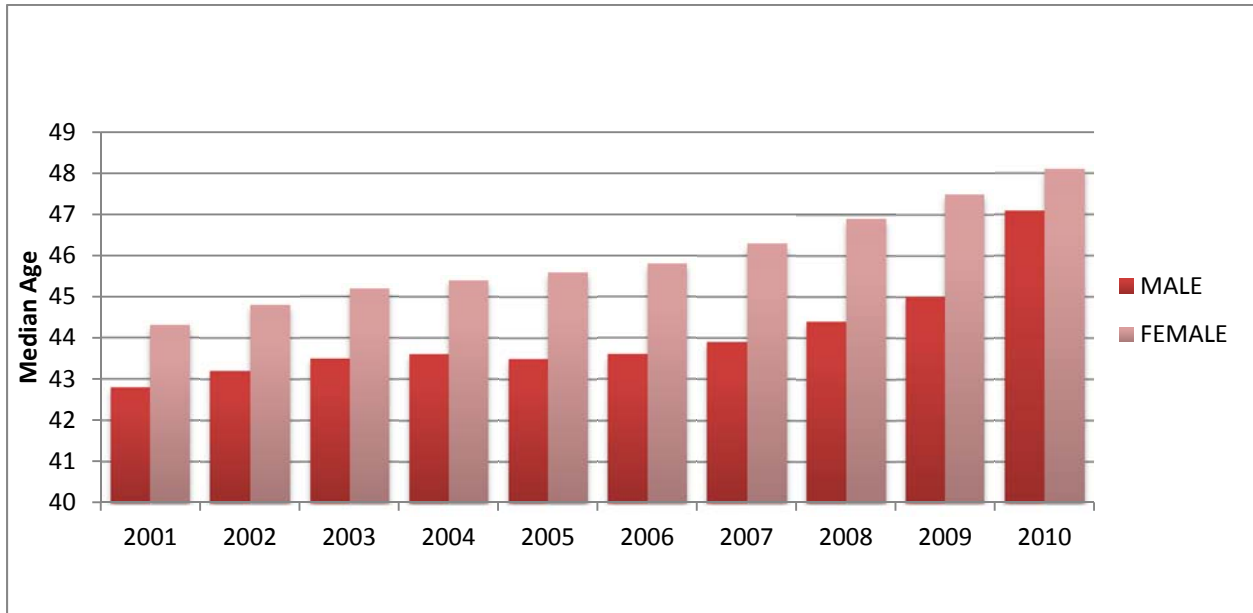
Mohave County Population Estimates – Last 10 Years



Source: US Census Bureau.

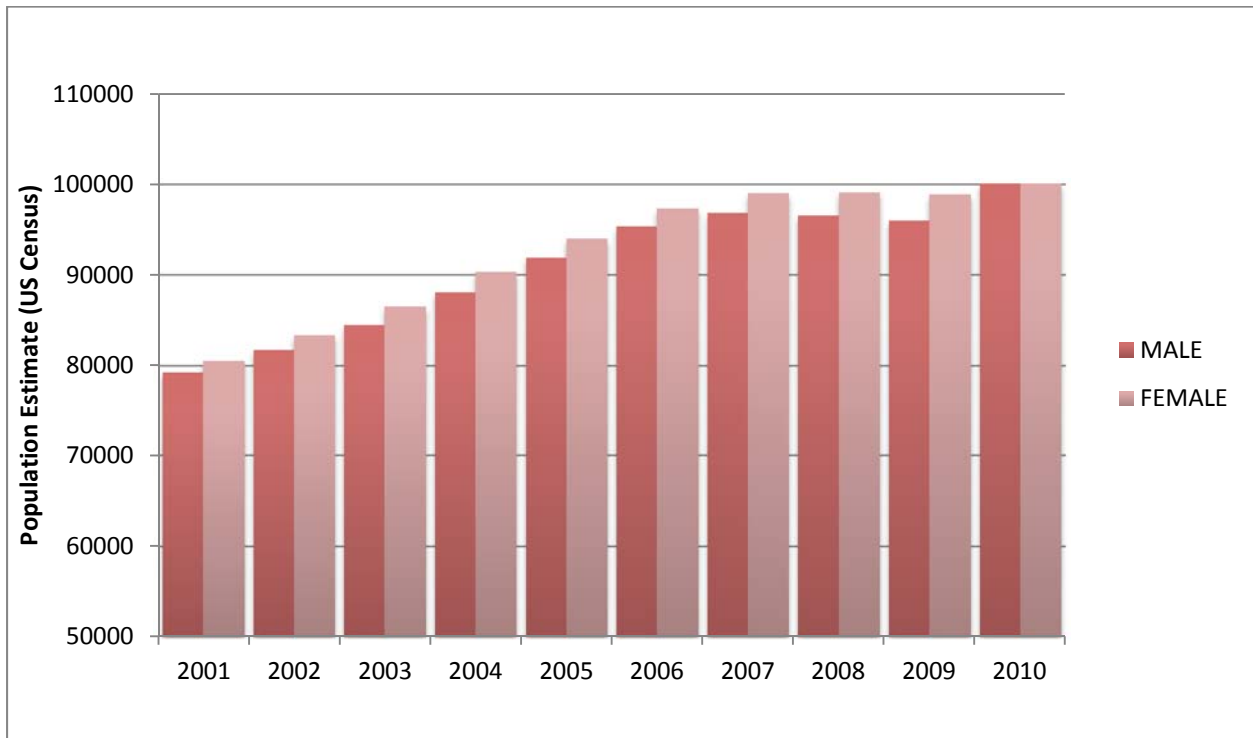
Notes: New calculation methods for population resulted in adjusted numbers for prior years.

Mohave County Population Median Age – Last 10 Years



Source: US Census Bureau - data represents most recent 10 year period of data available

Mohave County Population Gender Breakdown – Last 10 Years



Source: US Census Bureau – data represents most recent 10 year period of data available

Mohave County Leading Employers

Company	Business Description	Business Type	Location	Employment
Kingman Regional Medical Ctr	Hospital	Medical	Kingman	1,350
Havasu Regional Medical Ctr	Hospital	Medical	Lake Havasu City	901
Western AZ Regional Medical Ctr	Hospital	Medical	Bullhead City	734
MTC - Arizona State Prison	Min. Security Prison	Service	Mohave County	675
American Woodmark Corp	Cabinets	Manufacturing	Kingman	550
Mohave Community College	College	School	Mohave County	537
Freeport-McMoran Mine	Copper Ore Mining	Industrial	Wikieup/Bagdad	535
Mineral Park Mine	Molybdenum/Copper	Industrial	Mohave County	360
London Bridge Resort	Hotel/Resort	Service	Lake Havasu City	250
IMX Motor Freight	Transportation	Service	Kingman	240
Sterilite Corporation	Household Plastics	Manufacturing	Lake Havasu City	200
Gardens Care Center	Skilled Nursing	Service	Kingman	200
Desert de Oro Foods, Inc.	Fast Food Franchises	Service	Kingman	150
River Medical	Paramedics	Service	Lake Havasu City	135
Laron Engineering	Machine shop	Industrial	Kingman	130
New West Dental Ceramics	Dental Implants	Manufacturing	Lake Havasu City	108
Corelogic	Fleet Management	Service	Lake Havasu City	102
Great West Truck Center, Inc.	Truck Repair	Service	Kingman	100
Nautical Beachfront Resort	Hotel	Service	Lake Havasu City	100
McKee Foods	Snack Foods	Distribution	Kingman	85
Chemical Lime Company	Lime Mining	Industrial	Peach Springs	75
Central Trucking Inc	Motor Freight	Transportation	Kingman	75
Tru-Serv	True Value Distribution	Distribution	Kingman	75
A & A Electronics & Assembly	Electronics	Manufacturing	Lake Havasu City	70
News West Publishing	Publishing	Service	Bullhead City	70
Campbell Redi-Mix	Concrete	Construction	Lake Havasu City	63
Praxair, Inc.	Industrial Gases	Industrial	Kingman	51
Allied West Services	Waste Management	Service	Lake Havasu City	50

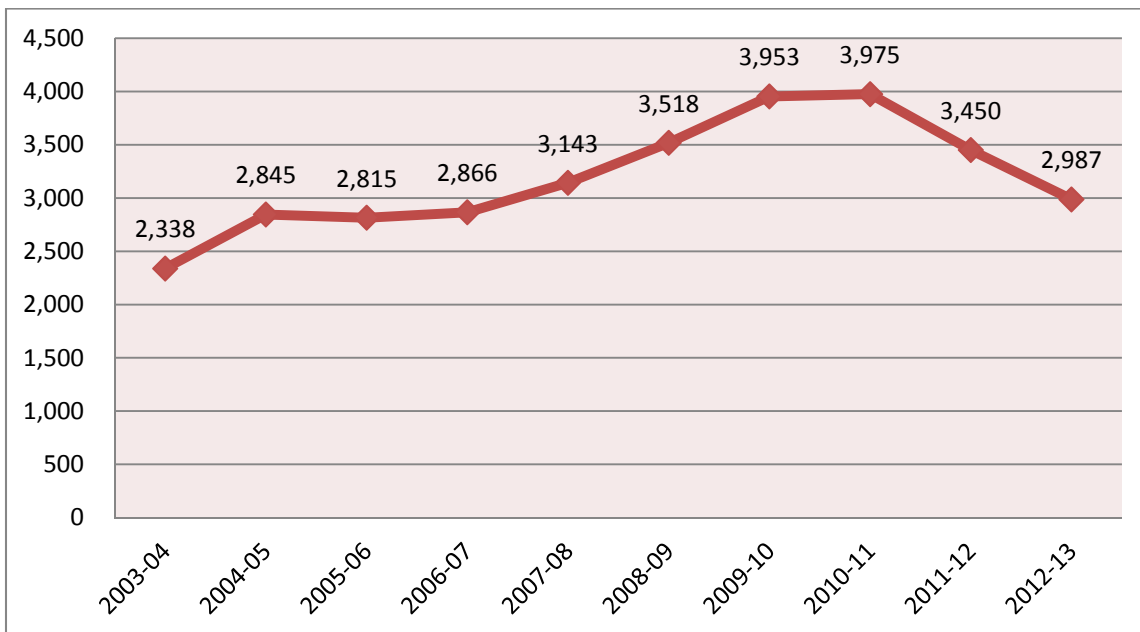
Source: Mohave County Economic Development Office

Student Enrollment and Demographic Information – Last 10 Fiscal Years

	African American	Native American	Asian	Hispanic	White, Non-Hispanic	Other/Unknown	Male	Female
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
2012-13	66	88	85	910	3,869	180	1,839	3,351

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	2012-13
Part-time Faculty	421	422	388	328	359
Full-time Faculty	51	53	67	73	75
Full-time Administration and Staff	217	242	249	245	244
Part-time Staff, Temp and Student Workers	539	571	584	481	416

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	338,553	549	20

2012-13

Location	Building Square Footage	Campus Acreage	Campus Vehicles
Bullhead City Campus	128,508	360	3
Kingman Campus	105,543	160	4
Lake Havasu City Campus	94,520	14	2
North Mohave Campus	9,982	15	2
Total	338,553	549	11

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.