



MCC Mohave
Community
College



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

MOHAVE COUNTY, ARIZONA

PREPARED BY: FINANCIAL SERVICES AND ADMINISTRATION

Bullhead City | Kingman | Lake Havasu City | North Mohave | Online



www.mohave.edu



866.664.2832



Comprehensive Annual Financial Report
Year ended June 30, 2017

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College Administration
Michael J. Kearns President
Ana Masterson Dean of Student Services
Sonni Marbury Dean of Financial Services
Stephen Eaton Dean of Instruction
Fred Gilbert Dean of Kingman Campus
Jann Woods Dean of Lake Havasu City Campus
Shawn Bristle Dean of Bullhead City Campus
Carolyn Hamblin Dean of North Mohave Campus

Board of Governors
Phyllis Smith - President (District 3)
Vance Miller - Secretary (District 1)
Julie Bare - Trustee (District 2)
Susan McAlpine - Trustee (District 4)
Judy Selberg - Trustee (District 5)

This financial report was compiled by:

Mohave Community College
1971 Jagerson Avenue
Kingman, AZ 86409



December 13, 2017

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 seventh year that the District has produced a Comprehensive Annual Financial Report as financial reporting and analysis have remained vital to both the internal management of the College and concerned taxpayers seeking assurance of proper management of public funds.

Mohave Community College continues the distinctive vision for the future by prioritizing a debt-free budget. Continuing to focus on the College’s Strategic Plan that prioritizes student success, the Kingman campus completed the new Student Success Center and finished major renovations of faculty offices, classroom space and the redesign of a multi-purpose room. Additionally, a new building on the North Mohave Campus is currently underway in Colorado City.

The College has increased and improved financial reporting in every available area and this Comprehensive Annual Financial Report reflects those efforts. The College 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

Bullhead City Campus
3400 Highway 95
Bullhead City, AZ 86442

Lake Havasu City Campus
1977 Acorna Blvd. West
Lake Havasu City, AZ 86403

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

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

www.mohave.edu
1.866.664.2832



December 13, 2017

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, 2017. 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. The objective within inherent limitations is to provide reasonable, rather than absolute assurance, that the financial statements are free of any material misstatements.

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 2016-17 year, the statements are audited by Snyder & Butler, CPAs, PLLC with offices in Gilbert, 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.

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



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, 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 for approximately 6,000 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 a mid-cycle review in February, 2016. The District has met or exceeded the expectations of the Higher Learning Commission and is recommended for reaccreditation through 2022.

Performance and Planning

With enrollment and state appropriations stabilized, the District continued an active budget management philosophy. Active and responsive budgeting ensured 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 tracks the financial health of the College through 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 is not simply reactive, but instead illustrates the effect on the entire balance sheet across several years and not solely a given fiscal year budget in addition to connecting the data to established benchmarks has enhanced the planning process for the District's finances.

The District also maintains a five year Facilities Renovation Master Plan. The plan 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 strengthen 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:

- The beginning of a new multi-purpose building construction project on the District's North Campus in Colorado City.
- Completion of the new Student Services Success Center on the Kingman campus in conjunction with major renovations for faculty offices, classroom space and meeting rooms.
- Significant investment in program expansion for HVAC and other career and technical programs.

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. See Management's Discussion and Analysis beginning on page 14 as a complement to this transmittal letter.

Independent Audit

Snyder & Butler, CPAs, PLLC performed the audit services for Mohave Community College for the 2016-17 fiscal year. The Report of the Independent Auditors is included in the financial section of this report on page 12. The District received an unmodified opinion for fiscal year 2016-17.

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, 2016. 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 2016-17 report to the GFOA to determine its eligibility for another certificate.

Acknowledgement

Mohave Community College is pleased to welcome Susan McAlpine as the Board of Governors District 4 representative. As a Trustee on the MCC Board of Governors, she represents the people of District 4, which includes Kingman, Dolan Springs, and Golden Valley.

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 Snyder & Butler, CPAs, PLLC for completing a timely and productive audit.

Respectfully,

Sonni Marbury
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

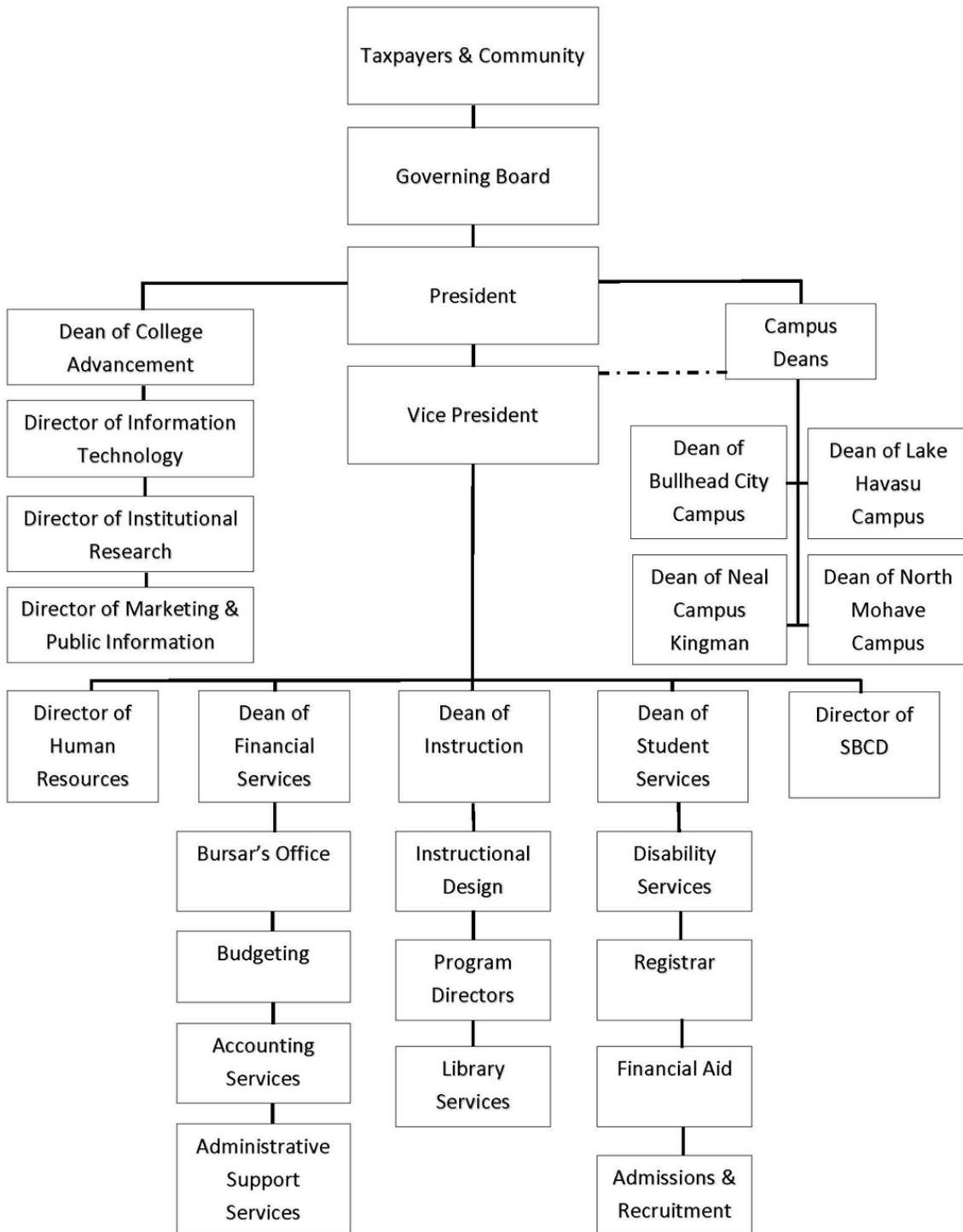
Mohave Community College
Arizona

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Christopher P. Morill

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.

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Independent Auditors' Report

The Auditor General of the State of Arizona
The Governing Board of
Mohave District 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 Mohave County Community College District as of and for the year ended June 30, 2017, 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 other auditors' report. 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 other auditors did not audit the discretely presented component unit's financial statements 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, 2017, 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 14 through 23 and the schedule of the District's proportionate share of the net pension liability and schedule of district pension contributions on page 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's 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.

Simsler & Butler, CPAs, PLLC

Tempe, Arizona
December 13, 2017

Our discussion and analysis of the District’s financial performance provides an overview of the District’s financial activities for the year ended June 30, 2017. Please read it in conjunction with the transmittal letter which precedes this section and the District’s basic financial statements, which immediately follow.

Mohave County Community College District in 2017

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 as of June 30, 2017. It shows the various current and noncurrent assets owned or controlled, deferred outflows of resources, related liabilities, deferred inflows of resources and the various categories of net position. 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, 2017. It shows the various revenues and expenses, both operating and non-operating reconciling the beginning net position amount to the ending net position amount, which is shown on the Statement of Net Position described above.
- The *Statement of Cash Flows* reflects the inflows and outflows of cash and cash equivalents for the year ended June 30, 2017.

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

The following Management Discussion and Analysis (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 2016-17, comparative data is presented for the previous fiscal year 2015-16. 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 2016-17 was highlighted by the completion of a new Student Services building on the Kingman campus, along with continued commitment by the District to improve facilities on all campuses and the commencement of a new multi-purpose building on the campus in Colorado City. Tuition and fees revenue for the 2016-17 year was budgeted conservatively, resulting in the District ending the fiscal year with this primary revenue source meeting anticipated levels. Through a continual active budgeting model, the District was able to maintain capital investments and continue to prioritize student-centered initiatives. The District continues to demonstrate the ability to maintain financial stability in financially challenging times and still emphasize completing the strategic plan initiatives.

The graphs and information on the following pages provide further detail on the 2016-17 fiscal year.

Economic Outlook

Mohave County has continued a challenging wave of economic conditions with the unemployment rate decreasing to 6.1% in July 2017. The District experiences an inverse effect to economic conditions, where enrollment numbers normally increase during years of economic struggle as an unemployed/underemployed workforce return to school in order to increase skill levels. The district enrollment reflected this economic pattern with a slight decrease in enrollment in 2016-17. Preliminary enrollment figures indicate that enrollment should experience a minor increase in 2017-18.

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. Continued development of career-ready programs are a priority to the District and result in consistent expanded enrollment numbers.

Condensed Statement of Net Position	As of	As of	Increase / (Decrease)	
	June 30, 2017	June 30, 2016	Amount	% Change
Current assets	\$ 23,607,026	\$ 20,413,136	\$ 3,193,890	15.6%
Capital assets, net of depreciation	23,862,886	23,066,456	796,430	3.5%
Total assets	47,469,912	43,479,592	3,990,320	9.2%
Deferred outflows of resources	4,072,405	1,955,599	2,116,806	108.2%
Long-term liabilities	22,480,584	22,452,754	27,830	0.1%
Other liabilities	1,171,801	2,063,821	(892,020)	-43.2%
Total liabilities	23,652,385	24,516,575	(864,190)	-3.5%
Deferred inflows of resources	3,866,741	3,386,059	480,682	14.2%
Net position:				
Net investment in capital assets	23,862,886	23,066,456	796,430	3.5%
Restricted	85,285	476,630	(391,345)	-82.1%
Unrestricted	75,020	(6,010,529)	6,085,549	101.2%
Net Position, End of year	\$ 24,023,191	\$ 17,532,557	\$ 6,490,634	37.0%

The Statement of Net Position for 2016-17 shows an increase in the District’s net position of \$6,490,634 representing an increase of 37.0% over prior year. This is due to the District’s active budget management and the completion of a new building on the Kingman campus.

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 15.6% over last year mainly due to a continued excess of revenues over expenses resulting from strong revenues and active budget management.

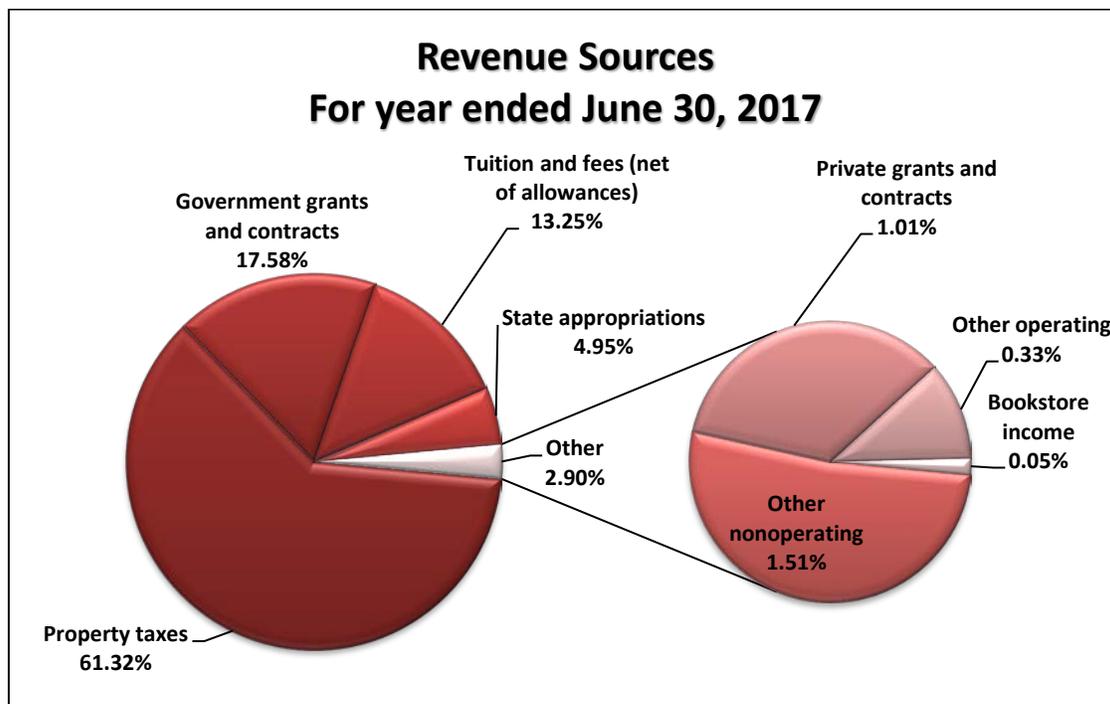
Overall, unrestricted net position increased by 101.2% as a result of the operating performance discussed above as well as a 108.2% increase in deferred outflows resulting from a net difference between the actuarially determined projected earnings on pension investments and actual earnings.

Capital assets, net of accumulated depreciation, as well as net investment in capital assets, increased by 3.5% as the new Student Services building and major renovation of the 200 building on the Kingman campus became complete in 2016-17.

<i>Condensed Statement of Revenues, Expenses, and Changes in Net Position</i>	<i>For the Year Ended June 30, 2017</i>	<i>For the Year Ended June 30, 2016</i>	<i>Increase / (Decrease)</i>	
			<i>Amount</i>	<i>% Change</i>
Operating revenues	\$ 5,381,620	\$ 5,587,077	\$ (205,457)	-3.7%
Operating expenses				
Educational and general	28,622,924	28,987,805	(364,881)	-1.3%
Auxiliary enterprises	434,945	488,843	(53,898)	-11.0%
Depreciation	1,191,097	1,141,426	49,671	4.4%
Total operating expenses	30,248,966	30,618,074	(369,108)	-1.2%
Operating loss	(24,867,346)	(25,030,997)	163,651	0.7%
Non-operating revenues	31,373,221	31,485,214	(111,993)	-0.4%
Non-operating expenses	15,241	28,890	(13,649)	-47.2%
Increase in net position	6,490,634	6,425,327	65,307	1.0%
Net position, Beginning of year	17,532,557	11,107,230	6,425,327	57.8%
Net position, End of year	\$ 24,023,191	\$ 17,532,557	\$ 6,490,634	37.0%

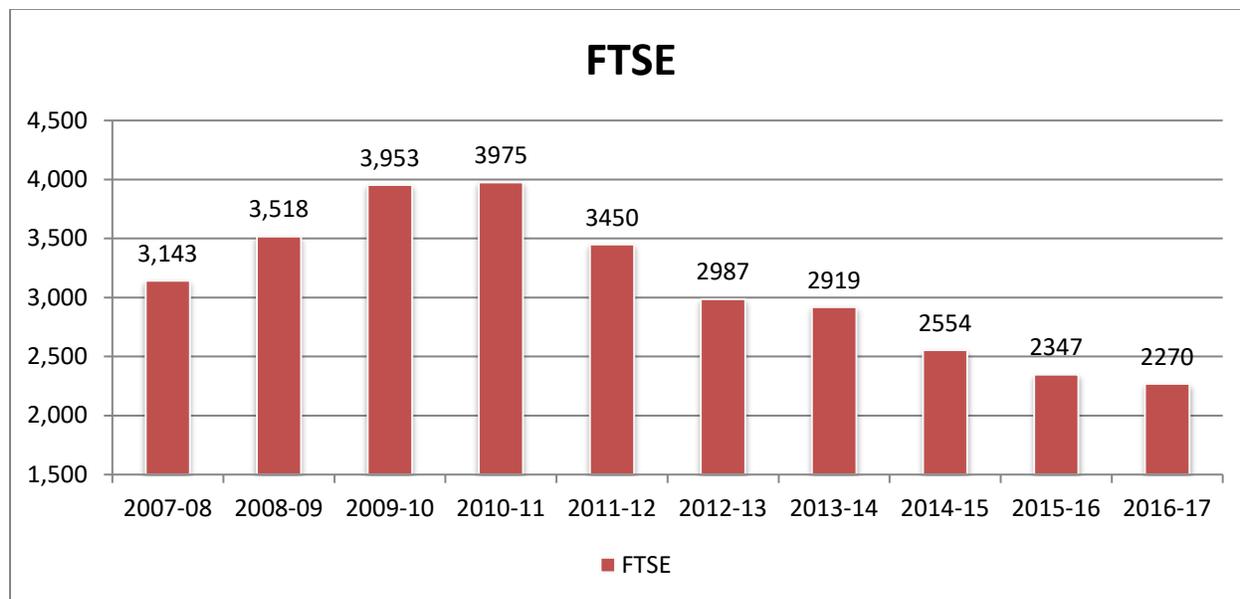
The condensed financial information above highlights the main categories of the Statement of Revenues, Expenses, and Changes in Net Position. Tuition and fees minus scholarship allowances are included in operating revenue. The construction and acquisition of capital assets, although budgeted and recorded 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 decreased outside expenses, controlled expenses, and substantial capital improvements.

Revenues by Source	For the Year Ended	For the Year Ended	Increase / (Decrease)	
	June 30, 2017	June 30, 2016	Amount	% Change
Operating revenues				
Tuition and fees (net of allowances)	\$ 4,871,154	\$ 4,858,683	\$ 12,471	0.3%
Private contracts	370,550	424,368	(53,818)	-12.7%
Bookstore income	19,521	34,228	(14,707)	-43.0%
Other operating revenues	120,395	269,798	(149,403)	-55.4%
Total operating revenues	5,381,620	5,587,077	(205,457)	-3.7%
Non-operating revenues				
Government grants	6,460,432	7,299,553	(839,121)	-11.5%
Property taxes	22,539,150	21,501,186	1,037,964	4.8%
State appropriations	1,820,200	2,101,700	(281,500)	-13.4%
Other	553,439	582,775	(29,336)	-5.0%
Total non-operating revenues	31,373,221	31,485,214	(111,993)	-0.4%
Total revenues	\$ 36,754,841	\$ 37,072,291	\$ (317,450)	-0.9%



Revenues

Revenues for the District decreased for the 2016-17 year. Property taxes increased 4.8% as new construction in the County increased revenues beyond the 2% increase in the levy approved by the Governing Board. This levy increase and new county construction offset the 3.4% drop in FTSE (full-time student equivalent) enrollment. Decreases in enrollment during the past several years were driven in large part by the recovering economy during the 2011-12 academic year and that trend continued into 2016-17. FTSE levels for 2016-17 and previous years are also shown below.



State appropriations revenue continues to decline and represents only less than 5% of unrestricted revenue for the District. Government grants revenue decreased 11.5% due to reduced Pell disbursements following the drop in enrollment. 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.

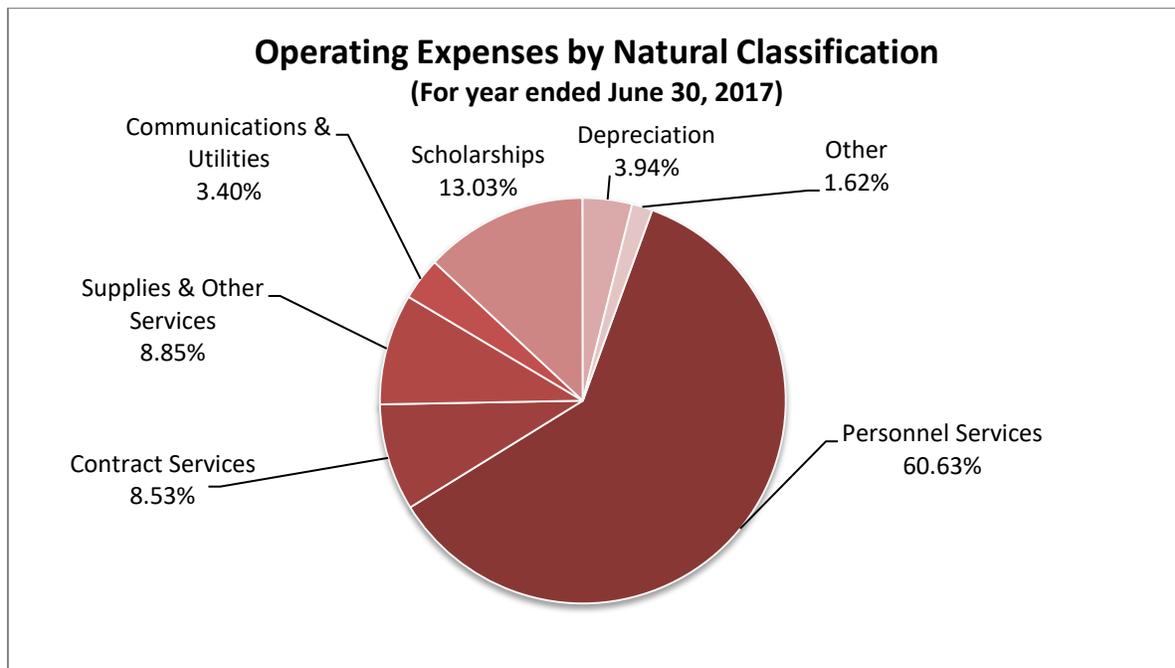
Expenses

Total operating expenses for the 2016-17 year decreased in comparison to the prior fiscal year. The District elected to provide a salary increase averaging 2.4% to MCC employees following the 2015-16 year though the overall number of budgeted positions decreased. Scholarship expenses increased slightly as all funding sources for student assistance was maximized. Depreciation rose by 4.4% as the new construction in Kingman was included as a depreciable asset upon its completion. The District remained committed to energy efficiency projects which in turn stabilized the communications and utilities expense. 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

<i>Operating Expenses by Function</i>	<i>For the Year Ended</i>		<i>For the Year Ended</i>		<i>Increase / (Decrease)</i>	
	<i>June 30, 2017</i>		<i>June 30, 2016</i>		<i>Amount</i>	<i>% Change</i>
<u>Operating Expenses</u>					Amount	% Change
Education and General:						
Instruction	\$ 10,688,905	\$ 10,817,218	\$ (128,313)	-1.2%		
Public Service	126,997	128,259	(1,262)	-1.0%		
Academic Support	2,877,590	2,919,717	(42,127)	-1.4%		
Student Services	3,041,063	3,284,191	(243,128)	-7.4%		
Institutional Support	5,254,459	5,223,506	30,953	0.6%		
Operation & Maintenance of Plant	2,693,854	2,690,825	3,029	0.1%		
Scholarships	3,940,056	3,924,089	15,967	0.4%		
Auxiliary Enterprises	434,945	488,843	(53,898)	-11.0%		
Depreciation	1,191,097	1,141,426	49,671	4.4%		
Total Operating Expense	30,248,966	30,618,074	(369,108)	-1.2%		
<u>Non-operating Expense</u>						
Interest Expense on Debt	-	1,365	(1,365)	-100.0%		
Loss on Disposal of Capital Assets	15,241	27,525	(12,284)	-44.6%		
Total Non-operating Expenses	15,241	28,890	(13,649)	-47.2%		
Total Expenses	\$ 30,264,207	\$ 30,646,964	\$ (382,757)	-1.2%		

Operating Expenses by Natural Classification	For the Year Ended	For the Year Ended	Increase / (Decrease)	
	June 30, 2017	June 30, 2016	Amount	% Change
Personnel Services	\$ 18,338,563	\$ 18,833,163	\$ (494,600)	-2.6%
Contract Services	2,580,235	2,731,526	(151,291)	-5.5%
Supplies & Other Services	2,675,897	2,561,452	114,445	4.5%
Communications & Utilities	1,028,760	977,699	51,061	5.2%
Scholarships	3,940,056	3,924,089	15,967	0.4%
Depreciation	1,191,097	1,141,426	49,671	4.4%
Other	494,358	448,719	45,639	10.2%
Total Operating Expenses	\$ 30,248,966	\$ 30,618,074	\$ (369,108)	-1.2%



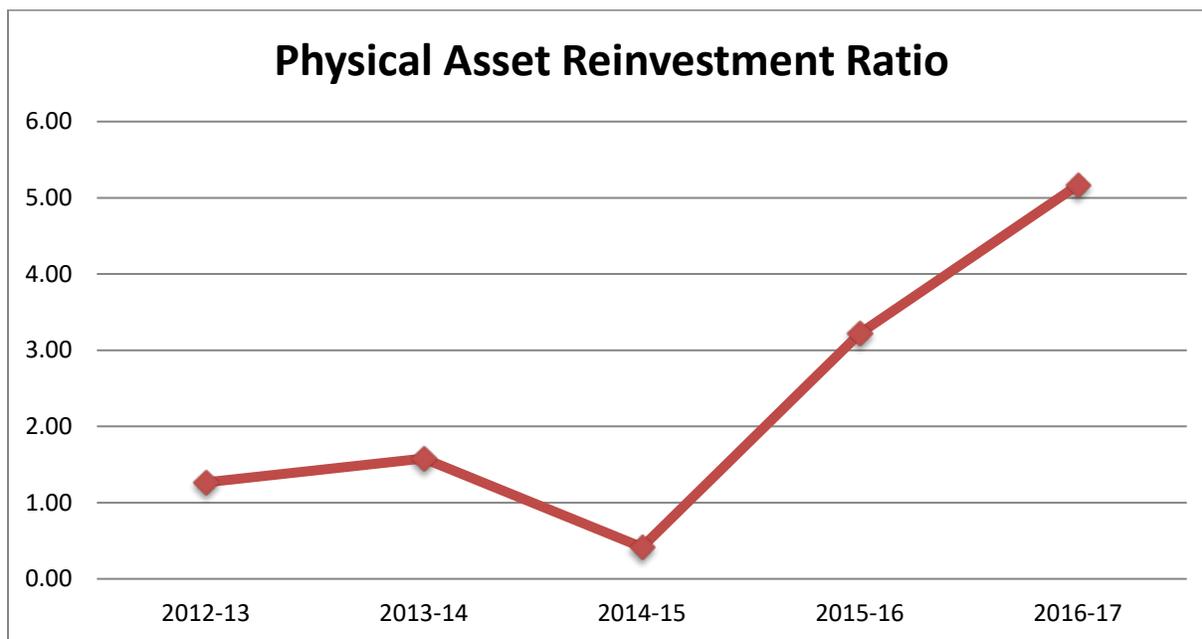
Capital Assets and Debt Management

Capital assets increased by \$796,430 net of accumulated depreciation. This was due to the completion of the construction of the new Student Services building on the Kingman campus as well as 5 fleet vehicle replacements. Physical asset reinvestment ratio increased due to reclassifying the Kingman building construction from construction in process to assets.

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. 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 5 of the notes to the financial statements.

The District carries no debt in order to improve current cash flow. 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.



Statement of Net Position—Primary Government

June 30, 2017

	Business-Type Activities
Assets	
Current assets:	
Cash and cash equivalents	\$ 13,903,957
Investments	6,021,647
Receivables:	
Accounts	41,244
Property taxes	1,914,698
Government grants and contracts	1,188,379
Student receivables (net of allowances of \$1,028,499)	21,708
Other	3,136
Prepaid items	454,610
Restricted assets:	
Cash and cash equivalents	57,647
Total current assets	<u>23,607,026</u>
Noncurrent assets:	
Capital assets, net:	<u>23,862,886</u>
Total noncurrent assets	<u>23,862,886</u>
Total assets	<u>47,469,912</u>
Deferred Outflows of Resources	
Deferred outflows related to pensions	<u>4,072,405</u>
Total deferred outflows of resources	<u>\$ 4,072,405</u>

See accompanying notes to financial statements.

Statement of Net Position—Primary Government June 30, 2017 (Continued)

	Business-Type Activities
Liabilities	
Current liabilities:	
Accounts payable	\$ 539,518
Accrued payroll and employee benefits	411,053
Due to federal government	55,211
Deposits held in custody for others	85,978
Unearned revenues	57,646
Current portion of compensated absences payable	22,395
Total current liabilities	<u>1,171,801</u>
Noncurrent liabilities:	
Compensated absences payable	126,907
Net pension liability	22,353,677
Total noncurrent liabilities	<u>22,480,584</u>
Total liabilities	<u>23,652,385</u>
Deferred Inflows of Resources	
Deferred inflows related to pensions	3,866,741
Total deferred inflows of resources	<u>3,866,741</u>
Net Position	
Net investment in capital assets	23,862,886
Restricted:	
Expendable:	
Grant and contracts	85,285
Unrestricted	75,020
Total net position	<u>\$ 24,023,191</u>

See accompanying notes to financial statements.

Statement of Net Position—Component Unit

June 30, 2017

Assets	Mohave Community College Foundation
Current assets	
Cash and cash equivalents	\$ 340,499
Investments - unrestricted	2,141,568
Accounts receivable	19,964
Prepaid expenses	72
Total current assets	2,502,103
Fixed assets	
Unimproved real estate	232,094
Furniture, fixtures & equipment	3,802
Less: accumulated depreciation	(3,802)
Total fixed assets	232,094
Other assets	
Investments - restricted	1,602,869
Total other assets	1,602,869
Total assets	\$ 4,337,066
Liabilities and Net Assets	
Current Liabilities	
Accounts payable	\$ 4,059
Program liabilities	4,577
Scholarship Liabilities	67,771
Grant liabilities	598
Total current liabilities	77,005
Total liabilities	77,005
Net position	
Net position – unrestricted	1,770,047
Net position – temporarily restricted	887,145
Net position – permanently restricted	1,602,869
Total net position	4,260,061
Total liabilities and net position	\$ 4,337,066

See accompanying notes to financial statements.

Statement of Revenues, Expenses, and Changes in Net Position—
 Primary Government
 Year ended June 30, 2017

	Business-Type Activities
Operating revenues:	
Tuition and fees (net of scholarship allowances of \$3,673,645)	\$ 4,871,154
Private contracts	370,550
Bookstore income	19,521
Food service income	10,362
Other	110,033
Total operating revenues	<u>5,381,620</u>
Operating expenses:	
Educational and general:	
Instruction	10,688,905
Public service	126,997
Academic support	2,877,590
Student services	3,041,063
Institutional support	5,254,459
Operation and maintenance of plant	2,693,854
Scholarships	3,940,056
Auxiliary enterprises	434,945
Depreciation	1,191,097
Total operating expenses	<u>30,248,966</u>
Operating loss	<u>(24,867,346)</u>
Nonoperating revenues (expenses):	
Property taxes	22,539,150
State appropriations	1,820,200
Share of state sales taxes	529,606
Government grants	6,460,432
Investment earnings	23,833
Loss on disposal of capital assets	(15,241)
Total nonoperating revenues (expenses)	<u>31,357,980</u>
Increase in net position	6,490,634
Net position, July 1, 2016	<u>17,532,557</u>
Net position, June 30, 2017	<u>\$ 24,023,191</u>

See accompanying notes to financial statements.

Statement of Activities – Component Unit

Year ended June 30, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
Public support and revenues:				
Contributions	\$ 11,371	\$ 240,015	\$ -	\$ 251,386
Member dues contributions	28,038	-	-	28,038
In-kind contributions	2,136	-	-	2,136
Interest and dividend income	411,560	-	-	411,560
Special event income	85,025	-	-	85,025
	<u>538,130</u>	<u>240,015</u>	<u>-</u>	<u>778,145</u>
Appropriations for restrictions	-	-	56,100	56,100
Releases from restrictions	233,691	(233,691)	-	-
Total public support and revenues	<u>771,821</u>	<u>6,324</u>	<u>56,100</u>	<u>834,245</u>
Expenses and losses:				
Program service	246,284	-	-	246,284
Administration	44,785	-	-	44,785
Fundraising	48,370	-	-	48,370
Total expenses and losses	<u>339,439</u>	<u>-</u>	<u>-</u>	<u>339,439</u>
Increase (decrease) in net assets	432,382	6,324	56,100	494,806
Net assets, beginning of year	1,741,848	880,821	1,149,259	3,771,928
Prior period adjustment	(404,183)	-	397,510	(6,673)
Net assets at end of year	<u>\$ 1,770,047</u>	<u>\$ 887,145</u>	<u>\$ 1,602,869</u>	<u>\$ 4,260,061</u>

See accompanying notes to financial statements.

Statement of Cash Flows—Primary Government Year ended June 30, 2017

	Business-Type Activities
Cash flows from operating activities:	
Tuition and fees	\$ 4,905,043
Contracts	478,577
Bookstore receipts	19,521
Food services receipts	10,362
Other receipts	131,726
Payments to employees for services	(20,511,155)
Payments to suppliers for goods/services	(6,903,687)
Payments to students for scholarships	(3,940,056)
Net cash used for operating activities	<u>(25,809,669)</u>
Cash flows from noncapital financing activities:	
Grants	6,529,029
Property taxes	22,472,347
State appropriations	1,820,200
Share of state sales taxes	749,645
Federal direct lending receipts	6,094,603
Federal direct lending disbursements	(3,533,569)
Deposits held in custody for others received	334,171
Deposits held in custody for others disbursed	(334,861)
Net cash provided by noncapital financing activities	<u>34,131,565</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(2,006,130)
Proceeds from sale of capital assets	3,361
Net cash used for capital and related financing activities	<u>(2,002,769)</u>
Cash flows from investing activities:	
Interest	23,833
Purchases of investments	(2,967,382)
Net cash provided by investing activities	<u>(2,943,549)</u>
Net increase (decrease) in cash and cash equivalents	3,375,578
Cash and cash equivalents, July 1, 2016	<u>10,586,026</u>
Cash and cash equivalents, June 30, 2017	<u>\$ 13,961,604</u>

See accompanying notes to financial statements.

Statement of Cash Flows—Primary Government Year ended June 30, 2017 (Continued)

	Business-Type Activities
Reconciliation of cash and cash equivalents to the Statement of Net Position:	
Cash and cash equivalents per the statement of net position	\$ 13,903,957
Restricted cash and cash equivalents	57,647
Total	<u>\$ 13,961,604</u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (24,867,346)
Adjustments to reconcile operating loss to net cash provided by operating activities	
Depreciation and amortization	1,191,097
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:	
Increase (decrease) in net pension liability	69,074
Decrease (increase) in deferred outflows related to pensions	(2,116,806)
Increase (decrease) in deferred inflows related to pensions	480,682
Decrease (increase) in student receivables	86,732
Decrease (increase) in accounts receivable	21,134
Decrease (increase) in donor receivables	108,027
Decrease (increase) in other receivables	559
Decrease (increase) in prepaid expenses	204,964
Increase (decrease) in accounts payable	(528,288)
Increase (decrease) in unearned revenue	(52,842)
Increase (decrease) in accrued payroll	(387,807)
Increase (decrease) in compensated absences payable	(18,849)
Net cash used for operating activities	<u>\$ (25,809,669)</u>

See accompanying 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).

A. Reporting Entity

The District is a special-purpose government that a separately elected governing body governs. 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 discretely presented component unit, the Mohave Community College Foundation, Inc. (the Foundation).

The Mohave Community College 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 be used only by, or for the benefit of, the District or its constituents. Consequently, the Foundation is considered a component unit of the District and is discretely presented in the District's financial statements.

For financial reporting purposes, the Foundation follows the Financial Accounting Standards Board 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 District's respective counterpart financial statements. 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, 2017, the Foundation distributed \$234,385 to the District for both restricted and unrestricted purposes. Complete financial statements for the Foundation can be obtained from <http://www.mohavecollegefoundation.org/main/audits>.

B. 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.

A statement of net position provides information about the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at the end of the fiscal 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 the District's obligations. Net investment in capital assets represents the value of capital assets, net of accumulated depreciation, less any outstanding debt incurred to acquire or construct the assets. Restricted net position represents grants, contracts, gifts, and other resources that have been externally restricted for specific purposes. Unrestricted net position consists of all other resources, including those that have been designated by management to be used for other than general operating purposes.

A 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. Operating revenues and expenses generally result from exchange transactions. Accordingly, revenues, such as tuition, bookstore, and food service charges, in which each party receives and gives up essentially equal values, are considered operating revenues. Other revenues, such as property taxes, state appropriations, and government grants, result from transactions in which the parties do not exchange equal values and are considered 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, are considered non-operating expenses.

A 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 as revenue 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 the provider imposed 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.

C. Cash and Investments

For the statement of cash flows, the District's cash and cash equivalents are considered to be cash on hand, demand deposits, and cash and investments held by the County Treasurer. All investments are stated at fair value.

D. Capital Assets

Capital assets are reported at actual cost (or estimated historical cost if historical records are not available). Donated assets are reported at acquisition value.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land	\$1	N/A	N/A
Land Improvements	\$1	N/A	N/A
Buildings	\$5,000	Straight-line	20-40 years
Equipment	\$5,000	Straight-line	5 years
Improvements other than buildings	\$5,000	Straight-line	15 years
Library Books	\$1	Straight-line	10 years
Software	\$5,000	Straight-line	15 years

E. Investment Earnings

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

F. Deferred Outflows and Inflows of Resources

The statement of net position includes separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods that will be recognized as an expense in future periods. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will be recognized as a revenue in future periods.

G. Pensions

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

H. Compensated Absences

Compensated absences payable consists of Paid Time Off (PTO) and Paid Sick Leave (PSL) that employees earn based on services already rendered. PTO provides time off to cover vacation, sick leave, and personal/emergency leave. All regular full-time, benefits-eligible, non-temporary employees, including resident faculty scheduled to work less than twelve months annually, are eligible to accrue PTO credits.

In accordance with Arizona Proposition 206, all employees are entitled to accrue a minimum of one hour of earned paid sick leave for every 30 hours worked. Employers must also allow the use of forty hours sick leave per year without penalty. PSL provides time off to cover medical care or mental or physical illness, injury, or health condition; a public health emergency; and an absence due to domestic violence, sexual violence, abuse, or stalking affecting the employee or any of the employee's family members.

Employees may accrue up to 480 hours (60 days) but are subject to a \$4,500 cap on hours that may apply to termination payout. The Employee Leave Buyback program requires a minimum of 10 years of service to be eligible for payout calculated at a flat rate of \$75 per day. Employees may also take part in a program that uses donated unused leave to be used by staff and faculty in a catastrophic health situation.

I. Scholarship Allowances

A scholarship allowance is the difference between the stated charge for goods and services the District provides and the amount that the student or third parties making payments on the student's behalf pays. Accordingly, some types of student financial aid, such as Pell grants and scholarships the District awards, are considered 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. A.R.S. does not require the District to deposit other public monies in its custody with the County Treasurer; however, the District must act as a prudent person dealing with another's property when making investment decisions about those monies. A.R.S. requires collateral for deposits at 102 percent of all deposits not covered by federal depository insurance. A.R.S. does not include any requirements for credit risk, concentration of credit risk, interest rate risk, or foreign currency risk for the District's investments.

Deposits — As of June 30, 2017, the carrying amount of the District's deposits were \$13,867,618, and the bank balance was \$14,206,664. The District does not have a formal policy with respect to custodial credit risk.

Investments — The District's investments as of June 30, 2017, categorized within the fair value hierarchy established by generally accepted accounting principles, were as follows:

External investment pools measured at fair value	Amount
County Treasurer's investment pool	\$ 93,406
Arizona State Treasurer's investment pool 500	\$ 6,021,647
Total	\$ 6,115,053

Investments in the State Treasurer's investment pools are valued at the pool's share price multiplied by the number of shares the District held. The fair value of a participant's position in the pools approximates the value of that participant's pool shares. The investment in the County Treasurer's pool is valued using the District's proportionate participation in the pool because the pool's structure does not provide for shares. The State Board of Investment provides oversight for the State Treasurer's investment pools. No comparable oversight is provided for the County Treasurer's investment pool.

Credit Risk – The District does not have a formal policy with respect to credit risk. All investment considerations are brought before the Board of Governors for approval. At June 30, 2017, credit risk for the District's investments was as follows:

Investment Type	Rating	Rating Agency	Amount
County Treasurer's investment pool	Unrated	Not applicable	\$ 93,406
Arizona State Treasurer's investment pool 500	Unrated	Not applicable	\$ 6,021,647
Total			\$ 6,115,053

Interest Rate Risk – The District does not have a formal policy with respect to the interest rate risk. All investment considerations are brought before the Board of Governors for approval.

At June 30, 2017, the District had the following investments in debt securities:

Investment Type	Amount	Investment	Investment
		Maturities Less Than 1 Year	Maturities 1-5 Years
County Treasurer's investment pool	\$ 93,406	\$ 93,406	-
Arizona State Treasurer's investment pool 500	\$ 6,021,647	-	\$ 6,021,647
Total	\$ 6,115,053	\$ 93,406	\$ 6,021,647

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	\$ 580	Cash and cash equivalents	\$ 13,903,957
		Investments	6,021,647
Amount of deposits	13,867,618	Restricted assets:	
Amount of investments	6,115,053	Cash and cash equivalents	57,647
Total	\$ 19,983,251	Total	\$ 19,983,251

Note 3 – Receivables

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 allowance for doubtful accounts.

Note 4 – Capital Assets

Capital asset activity for the year ended June 30, 2017, was as follows:

	Balance July 1, 2016	Increases	Decreases	Balance June 30, 2017
Capital assets not being depreciated:				
Land	\$ 638,098	-	-	\$ 638,098
Construction in progress	3,869,538	\$ 1,286,489	\$ 5,023,877	132,150
Total capital assets not being depreciated	4,507,636	1,286,489	5,023,877	770,248
Capital assets being depreciated:				
Buildings and improvements	31,588,657	5,325,212	-	36,913,869
Improvements other than buildings	3,818,590	-	-	3,818,590
Equipment	3,840,681	383,462	121,229	4,102,914
Library books	1,958,616	34,843	-	1,993,459
Software systems	1,570,088	-	-	1,570,088
Total capital assets being depreciated	42,776,632	5,743,517	121,229	48,398,920
Less accumulated depreciation for:				
Buildings and improvements	15,159,557	810,687	-	15,970,244
Improvements other than buildings	3,173,367	79,068	-	3,252,435
Equipment	3,400,947	168,589	102,627	3,466,909
Library books	1,781,519	28,080	-	1,809,599
Software systems	702,422	104,673	-	807,095
Total accumulated depreciation	24,217,812	1,191,097	102,627	25,306,282
Total capital assets being depreciated, net	18,558,820	4,552,420	18,602	23,092,638
Capital assets, net	\$ 23,066,456	5,838,909	5,042,479	\$ 23,862,886

Note 5 – Construction and Other Commitments

The District has completed the contractual commitment related to the construction of the Student Services Center on the Kingman campus and the facility is fully operational. A new capital project is underway for construction of a multi-purpose building on the North Mohave Campus in Colorado City. At June 30, 2017, the District had spent \$132,150 on the preliminary start up work for this project. The contractual commitment with the contractor is \$1,850,736. This project and other various capital projects are funded without incurring new debt and will draw on reserve funds already in place.

Note 6 – Long-Term Liabilities

The following schedule details the District's long-term liability and obligation activity for the year ended June 30, 2017:

	Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017	Due within 1 year
Net pension liability	\$ 22,284,603	\$ 69,074	-	\$ 22,353,677	-
Compensated absences payable	168,151	\$ 26,227	45,076	149,302	\$ 22,395
Total long-term liabilities	\$ 22,452,754	\$ 95,301	\$ 45,076	\$ 22,502,979	\$ 22,395

Compensated absences payable amount indicated as due within one year is an estimate based on the longevity of the current employees eligible for payout and average employee turnover.

Revenue Bonds Payable— In prior years, the District defeased 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 bonds. Accordingly, the trust account assets and the liability for these defeased bonds are not included in the District's financial statements. At June 30, 2016, outstanding bonds totaling \$3,215,000 were considered defeased. As of June 30, 2017 there were no outstanding bonds.

Note 7 – 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 Arizona School Boards Association Insurance Trust (Trust), a public entity risk pool formed to provide health care benefits to employees of participating school districts and community college districts. The District was responsible for paying a portion of the premiums for eligible employees, but required those employees to pay premiums for spousal and dependent coverage. The District's contributions are reported as expenses in the financial statements. The Trust's assets are managed by a separate board of trustees. Should the District withdraw from the Trust, the District shall have no claim to any portion of any reserves or fund balance of the Trust. Whether the District withdraws or the Trust become insolvent, the District remains liable for assessments for liabilities of the Trust incurred during the District's period of membership in the Trust.

Note 8 – Pension and Other Post-Employment Benefits

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

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

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

*with actuarially reduced benefits.

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

Contributions — In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2017, statute required active ASRS members to contribute at the actuarially determined rate of 11.48 percent (11.34 percent for retirement and 0.14 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 11.48 percent (10.78 percent for retirement, 0.56 percent for health insurance premium benefit, and 0.14 percent for long-term disability) of the active members' annual covered payroll. In addition, the District was required by statute to contribute at the actuarially determined rate of 9.47 percent (9.17 percent for retirement, 0.21 percent for health insurance premium benefit, and 0.09 percent for long-term disability) of annual covered payroll of retired members who worked for the District in positions that an employee who contributes to the ASRS would typically fill. The District's contributions to the pension plan for the year ended June 30, 2017, were \$1,514,168. The District's contributions for the current and 2 preceding years for OPEB, all of which were equal to the required contributions, were as follows:

Year ended June 30	Health Benefit Supplement Fund	Long-Term Disability Fund
2017	\$ 74,164	\$ 18,541
2016	64,004	15,360
2015	\$ 90,445	\$ 19,554

Pension liability — At June 30, 2017, the District reported a liability of \$22,353,677 for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2015, to the measurement date of June 30, 2016. The total pension liability as of June 30, 2016, reflects a change in actuarial assumption for a decrease in loads for future potential permanent benefit increases.

The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2016. The District's proportion measured as of June 30, 2016, was 0.13849 percent, which was a decrease of 0.00458 from its proportion measured as of June 30, 2015.

Pension expense and deferred outflows/inflows of resources — For the year ended June 30, 2017, the District recognized pension expense for ASRS of \$52,882. As of June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 135,842	\$ 1,537,770
Changes of assumptions or other inputs	-	1,182,688
Net difference between projected and actual earnings on pension plan investments	2,422,395	-
Changes in proportion and differences between district contributions and proportionate share of contributions	-	1,146,283
District contributions subsequent to the measurement date	1,514,168	-
Total	\$ 4,072,405	\$ 3,866,741

The \$1,514,168 reported as deferred outflows of resources related to ASRS pensions resulting from district contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

	Year ending June 30
2018	\$ (1,834,319)
2019	(1,093,340)
2020	939,922
2021	\$ 679,231

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

Actuarial valuation date	June 30, 2015
Actuarial roll forward date	June 30, 2016
Actuarial cost method	Entry age normal
Investment rate of return	8%
Projected salary increases	3–6.75%
Inflation	3%
Permanent benefit increase	Included
Mortality rates	1994 GAM Scale BB

Actuarial assumptions used in the June 30, 2015, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2012.

The long-term expected rate of return on ASRS pension plan investments was determined to be 8.75 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	58%	6.73%
Fixed income	25%	3.70%
Real estate	10%	4.25%
Multi-asset	5%	3.41%
Commodities	2%	3.84%
Total	100%	

Discount rate — The discount rate used to measure the ASRS total pension liability was 8 percent, which is less than the long-term expected rate of return of 8.75 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's proportionate share of the ASRS net pension liability to changes in the discount rate — The following table presents the District's proportionate share of the net pension liability calculated using the discount rate of 8 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7 percent) or 1 percentage point higher (9 percent) than the current rate: *Source: ASRS schedule of pension amounts by employer*

	1% Decrease (7%)	Current Discount Rate (8%)	1% Increase (9%)
District's proportionate share of the net pension liability	\$ 28,502,636	\$ 22,353,677	\$ 17,423,556

Pension plan fiduciary net position — Detailed information about the pension plan's fiduciary net position is available in the separately issued ASRS financial report.

Pension contributions payable — The District's accrued payroll and employee benefits included \$48,367 of outstanding pension contribution amounts payable to ASRS for the year ended June 30, 2017.

Note 9 – Operating Expenses

The District's operating expenses are presented by functional classification in the statement of revenues, expenses, and changes in net position — primary government. The operating expenses can also be classified into the following:

Personnel Services	\$ 18,338,563
Contract Services	2,580,235
Supplies & Other Services	2,675,897
Communications & Utilities	1,028,760
Scholarships	3,940,056
Depreciation	1,191,097
Other	494,358
Total	\$ 30,248,966

Note 10 – Discretely Presented Component Unit Disclosures

Note A – Organization

Organization – Mohave County Community College Foundation, Inc. (“MCCF”) (the “Foundation”) was incorporated in Arizona in 1977. MCCF's primary purpose is to support education through the Mohave Community College (“MCC”). MCCF is considered a component unit of MCC; therefore, these financial statements are included as a component of the primary government entity.

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

Basis of presentation – Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (“FASB”). In its FASB Codification – Not for Profit Entities, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

- Unrestricted – Unrestricted net assets represent resources that are not subject to donor imposed restrictions and are available to support the Organization's activities.
- Temporarily restricted – Temporarily restricted net assets represent contributions that are limited in use in accordance with donor-imposed stipulations. These stipulations may expire with time or may be satisfied by the actions of the Organization according to the intention of the donor. Upon satisfaction of such stipulations, the associated net assets are released from temporarily restricted net assets and reported as unrestricted.
- Permanently restricted net assets – Permanently restricted net assets represent contributions restricted by the donor for endowment that require the funds be invested permanently with the income or investment return to be made available for future use.

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. As of June 30, 2017, there were no funds in excess of insured limits.

Investments – Investments are reported at fair value, with realized and unrealized gains and losses included in the statement of activities. Fair value is based upon quoted market prices, net asset value and realized gains or losses are recorded using the specific identification method. Investment transactions, including transfers between the levels of fair value inputs, are recognized as of the date of the event. The Foundation reviews and evaluates the values provided by the investment managers and agrees with the valuation methods and assumptions used in determining the fair value of these investments. These estimated fair values may differ significantly from the values that would have been used had a ready market for these investments existed.

Unimproved land held for investment – Unimproved land held for investment consists of donated land parcels in Kingman, Arizona. The investment is recorded at the lower of cost or fair value. Fair value approximates the assessment value from the county assessor office. As of June 30, 2017, the unimproved land that was held for investment of \$232,094 was not marketed for sale and therefore was classified as property and equipment.

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; 5 years for vehicles. MCCF capitalizes all expenditures for equipment with a useful life of more than one year and greater than \$5,000.

Scholarships payable – Scholarships payable 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.

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 at fair value. 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 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.

Donated property and equipment – Donations of property and equipment are recorded as contributions at their estimated fair values at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions.

Advertising – MCCF expenses all advertising costs as incurred. For the year ended June 30, 2017, advertising expense was \$2,645.

Alumni projects – MCCF promotes alumni relations through mailings and promotion of the College throughout the community. For the year ended June 30, 2017, 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.

Risk and uncertainties – The Foundation invests in various types of securities which are exposed to various risks such as interest rates, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in values of investment securities will occur in the near-term and such changes could materially affect the amounts reported in the statements of financial position.

Recent Accounting Pronouncement

In May 2014, the Financial Standards Accounting Board (FASB) issued Accounting Standards Update (ASU) 2014-09 *Revenue from Contracts with Customers (Topic 606)*. This ASU will replace all current U.S. GAAP guidance on this topic and eliminate all industry-specific guidance. The new revenue recognition standard provides a unified model to determine when and how revenue is recognized. The core principle is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration for which the entity expects to be entitled in exchange for those goods or services. This guidance was scheduled to be effective at the beginning of the Foundation's 2019 fiscal year and can be applied either retrospectively to each period presented or as a cumulative-effect adjustment as of the date of adoption. However, on July 9, 2015, the FASB approved a proposal to defer the effective date of the new revenue standard by one year, but will permit entities to adopt one year earlier if they choose (i.e., the original effective date). The deferral results in the new revenue standard being effective at the beginning of the Foundation's 2020 fiscal year. The Foundation will continue to evaluate the impact, if any, of adopting this new accounting standard on its financial statements.

In April 2015, the Financial Accounting Standards board (FASB) issued Accounting Standards Update (ASU) 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*. The ASU is effective for fiscal years beginning after December 15, 2016, with earlier application permitted. The amendments remove the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient (NAV). Once adopted, the Foundation will apply the amendments retrospectively to all periods presented. Management is determining the specific impact on financial reporting. However when adopted, certain investments held by the Foundation and measured using NAV will be no longer presented within the fair value hierarchy table.

On August 18, 2016, the FASB issued Accounting Standards Update (ASU) 2016-14, *Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. This standard was issued to improve the information presented in financial statements and notes about not-for-profit entity's liquidity, financial performance, and cash flows. The effective date for the ASU is fiscal years beginning after December 15, 2017 (or the year ending December 31, 2018, for calendar year entities); however, early application is permitted. Management is determining the specific impact on the Foundation's financial reporting.

Subsequent events – Subsequent events are events or transactions that occur after the financial position date but before the financial statements are available to be issued. The Foundation recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the financial position, including the estimates inherent in the process of preparing the financial statements. The Foundation's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the financial position but arose after the financial position date and before financial statements are available to be issued. The Foundation has evaluated subsequent events through October 26, 2017, which is the date the financial statements became available to issue.

Note C – Fair Value Measurements

Fair value measurements and disclosures establish a common definition for fair value to be applied to U.S. generally accepted accounting principles requiring use of fair value, establishes a framework for measuring fair value, and expands disclosures about such fair value measurements. FASB establishes a hierarchy for ranking the quality and reliability of the information used to determine fair values. FASB requires that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

Level 1 – Unadjusted quoted market prices in active markets for identical assets or liabilities.

Level 2 – Unadjusted quoted prices in active markets for similar assets or liabilities, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability.

Level 3 – Unobservable inputs for the asset or liability.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of June 30, 2017 and 2016.

Mutual funds – Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Common stocks – Common stock is valued at the closing price reported on the active market on which the individual securities are traded.

Unit trusts – Units held in unit trusts (UT) are valued using the net asset value practical expedient (NAV practical expedient) of the UT as reported by the UT managers. The NAV practical expedient is based on the fair value of the underlying assets owned by the UT, minus its liabilities, and then divided by the number of units outstanding. The NAV practical expedient of a UT is calculated based on a compilation of primarily observable market information.

The related fair values of these assets are determined as follows as of June 30, 2017:

	Quoted Prices in Active Market (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
Money market funds	\$ 439,696	-	-	\$ 439,696
Mutual funds	3,069,425	-	-	3,069,425
Common stocks	162,712	-	-	162,712
Unit trusts	-	\$ 72,604	-	72,604
	\$ 3,671,833	\$ 72,604	-	\$ 3,744,437

Note D – Temporarily Restricted Net Assets

Temporarily restricted net asset consist of the following as of the year ended June 30, 2017:

	June 30, 2017
Accumulated endowment earning on scholarships	\$ 255,668
Programs/annual funds/other	631,477
	\$ 887,145

Note E – Permanently Restricted Net Assets

Permanently restricted net assets consist of contributions to MCCF's various scholarship endowments and restricted by the respective donors. As of June 30, 2017, the balance for permanently restricted net assets was \$1,602,869.

Note F – Board Designated Net Assets

Board designated net assets are unrestricted net assets that have a defined use or purpose, as determined by MCCF's board of directors. MCCF had the following board designated net assets as of June 30, 2017:

	June 30, 2017
Bullhead City Chapter	\$ 62,062
Lake Havasu Chapter	42,561
Kingman Chapter	94,835
North Mohave Chapter	7,648
Foundation Operations/Overall	1,460,358
	\$ 1,667,464

Note G – 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.

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). 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, which was 4% for the year ended June 30, 2017.

Endowment fund activity – See Note D for endowment related activities in temporarily restricted net assets and Note E for donor-restricted endowment related activities in permanently restricted net assets.

Net assets in the endowment fund consisted of the following:

	Temporarily Restricted	Permanently Restricted	Total
Balance, June 30, 2016	\$ 625,454	\$ 1,149,259	\$ 1,774,713
Dividend/interest income	114,114	-	114,114
Unrealized/realized gains	297,158	-	297,158
Releases/appropriations	(453,610)	453,610	-
Balance, June 30, 2017	\$ 583,116	\$ 1,602,869	\$ 2,185,985

Note H – Payments and Transfers to MCC

During the year ended June 30, 2016, MCCF made the following payments and transfers to MCC or on behalf of MCC:

	2017
Scholarships	\$ 51,835
Transfer of in-kind contributions	15,697
Program expenditures	156
MCC operations	1,000
Pass through funds	165,697
Total payments and transfers	\$ 234,385

As of June 30, 2017, MCCF owed \$67,771 to MCC, consisting of scholarships liabilities. This liability could be subsequently reduced due to refunds, incompletions or other factors.

Note I – Beneficial Interests

The Foundation has been named the beneficiary of thirteen known trusts over the years but has not been able to obtain the information necessary to evaluate its beneficial interest even after making reasonable efforts. The Foundation will continue to make reasonable efforts to obtain the necessary information in order to measure such interests and record as an asset of the Foundation in accordance with accounting principles generally accepted in the United States of America.

Note J – Subsequent Event

In preparing the financial statements, the corporation has evaluated events and transactions for potential recognition or disclosure through October 26, 2017, the dates the financial statements were available to be issued.

Note K – Prior Period Adjustments

Unrestricted net position adjustments include a reclassification of unrestricted net position to permanently restricted net position of \$397,510 to correct the match for restricted corpus.

In addition, a negative adjustment of \$6,673 was made to unrestricted net position at the beginning of the year ended June 30, 2017.

Schedule of the District's Proportionate Share of the Net Pension Liability June 30, 2017

Arizona State Retirement System	Reporting Fiscal Year (Measurement Date)			
	2017 (2016)	2016 (2015)	2015 (2014)	2014 through 2008
District's proportion of the net pension liability	0.13849%	0.143070%	0.150862%	
District's proportionate share of the net pension liability	\$ 22,353,677	\$ 22,284,603	\$ 22,322,417	
District's covered payroll	\$ 12,800,817	\$ 12,960,487	\$ 12,877,053	
District's proportionate share of the net pension liability as a percentage of its covered payroll	174.63%	171.94%	173.35%	Information not available
Plan fiduciary net position as a percentage of the total pension liability	67.06%	68.35%	69.49%	

Schedule of District Pension Contributions June 30, 2017

Arizona State Retirement System	Reporting Fiscal Year				2013 through 2008
	2017	2016	2015	2014	
Statutorily required contribution	\$1,514,168	\$1,347,501	\$1,487,864	\$1,455,107	
District's contributions in relation to the statutorily required contribution	\$1,514,168	\$1,347,501	\$1,487,864	\$1,455,107	
District's contribution deficiency (excess)	-	-	-	-	Information not available
District's covered payroll	\$13,243,525	\$12,800,817	\$12,960,487	\$12,877,053	
District's contributions as a percentage of covered payroll	11.43%	10.53%	11.48%	11.30%	

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

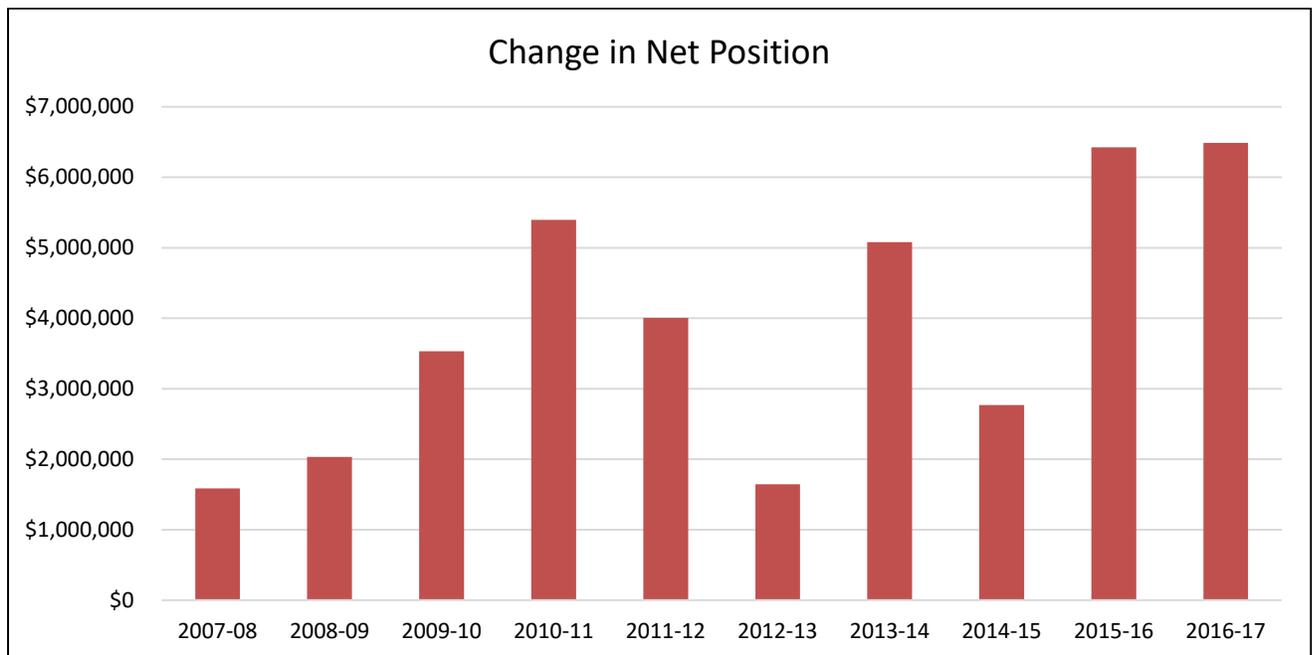
Information in this section assists readers in understanding and assessing data relating to capital assets and services provided by the District’s financial resources

Net Position by Component	2012-13	2013-14	2014-15	2015-16	2016-17
Net Investment in Capital Assets	\$ 15,342,457	\$ 16,594,144	\$ 19,789,389	\$ 23,066,456	\$ 23,862,886
Restricted	416,548	667,422	589,115	476,630	85,285
Unrestricted	12,674,820	16,251,997	(9,271,274)	(6,010,529)	75,020
Total	\$ 28,433,825	\$ 33,513,563	\$ 11,107,230	\$ 17,532,557	\$ 24,023,191

Net Position by Component	2007-08	2008-09	2009-10	2010-11	2011-12
Net Investment in Capital Assets	\$ 4,981,341	\$ 4,641,128	\$ 6,139,634	\$ 12,178,365	\$ 14,651,563
Restricted	\$ 313,737	\$ 86,844	\$ 194,575	\$ 257,540	\$ 440,835
Unrestricted	\$ 6,529,590	\$ 9,130,281	\$ 11,057,133	\$ 10,351,202	\$ 11,698,751
Total	\$ 11,824,668	\$ 13,858,253	\$ 17,391,342	\$ 22,787,107	\$ 26,791,149

	2012-13	2013-14	2014-15	2015-16	2016-17
Change in Net Position	\$ 1,642,676	\$ 5,079,738	\$ 2,767,324	\$ 6,425,327	\$ 6,490,634
Net Position	\$ 28,433,825	\$ 33,513,563	\$ 11,107,230	\$ 17,532,557	\$ 24,023,191

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



Change in Net Position – Last 10 Years

	2007-08	2008-09	2009-10	2010-11	2011-12
Operating Revenues					
Tuition and fees	3,296,204	4,510,286	4,168,056	4,526,951	5,331,328
Government grants and contracts					
Private grants and contracts	573,216	329,024	592,730	726,101	2,729,704
Bookstore income	202,379	246,254	222,703	134,039	101,768
Food service income	37,618	37,971	42,183	26,540	17,105
Other sales and services	153,672	127,807	117,277	113,113	114,334
Other	27,329	43,466	46,356	16,200	45,031
Total Operating Revenues	4,290,418	5,294,808	5,189,305	5,542,944	8,339,270
Operating Expenses					
Instruction	7,892,400	8,569,285	9,502,581	10,743,772	11,703,226
Public Service	114,126	118,520	144,167	134,167	129,216
Academic Support	3,591,507	3,696,088	4,106,925	3,798,199	3,902,563
Student Services	3,424,680	3,844,024	3,009,029	3,310,869	3,605,952
Institutional Support	7,213,810	7,981,597	7,578,624	6,118,714	6,468,703
Operation and Maintenance of Plant	2,476,724	2,684,752	2,871,130	2,757,453	3,121,617
Scholarships	3,401,656	4,014,019	7,359,327	7,881,955	6,990,940
Auxiliary Enterprises	202,412	442,944	280,419	273,818	393,006
Depreciation	1,265,072	1,417,859	1,479,676	1,468,082	1,480,120
Other					
Total Operating Expenses	29,582,387	32,769,088	36,331,878	36,487,029	37,795,343
Operating Income (Loss)	(25,291,969)	(27,474,280)	(31,142,573)	(30,944,085)	(29,456,073)
Nonoperating Revenues (Expenses)					
Government Grants	6,549,809	9,512,174	13,939,348	14,468,876	12,627,839
Property Taxes	15,372,777	16,235,016	17,048,446	18,085,425	18,759,341
State Appropriations	4,196,900	3,748,881	3,682,901	3,682,900	1,792,200
Share of State Sales Tax	554,842	518,805	491,718	506,197	507,522
Investment Income	209,642	77,423	45,313	14,792	7,411
Interest Expense on Debt	(608,948)	(583,862)	(543,786)	(415,474)	(238,162)
Gain (Loss) on Disposal of Capital Assets	4,181	(572)	11,722	(2,865)	3,963
Total Nonoperating Revenues (Expenses)	26,279,203	29,507,865	34,675,662	36,339,851	33,460,114
Change in Net Position	1,585,272	2,033,585	3,533,089	5,395,766	4,004,041

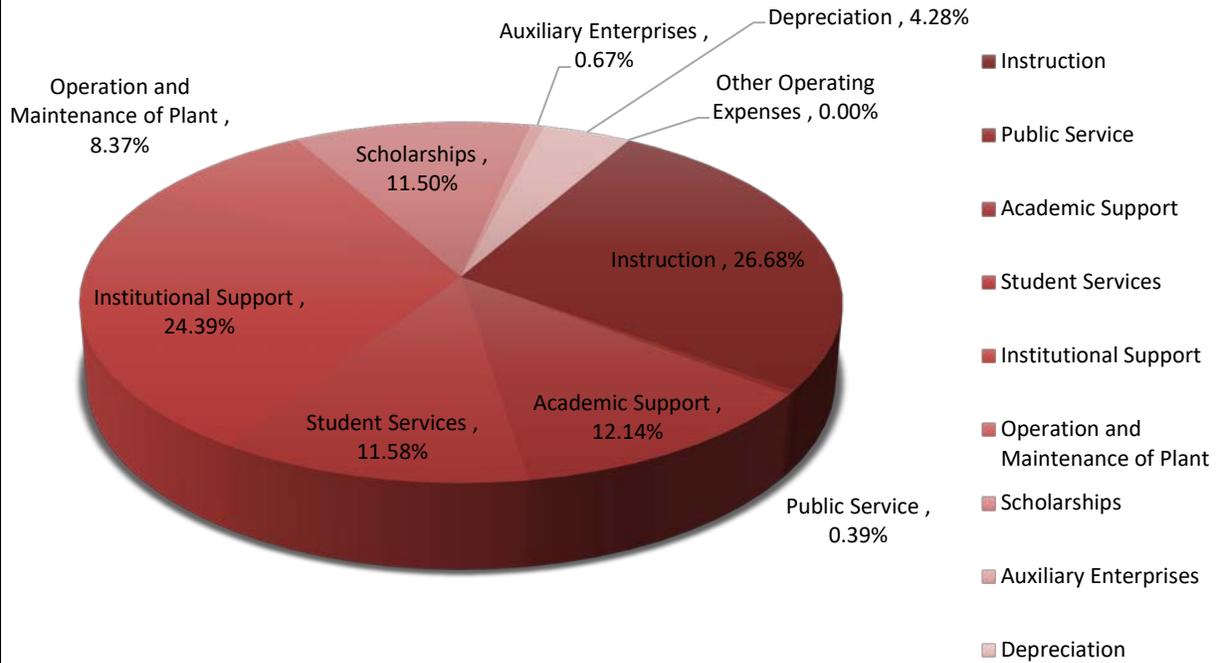
Change in Net Position – Last 10 Years (Continued)

	2012-13	2013-14	2014-15	2015-16	2016-17
Operating Revenues					
Tuition and fees	4,887,443	4,999,502	4,906,285	4,858,683	4,871,154
Private grants and contracts	624,186	542,238	426,332	424,368	370,550
Bookstore income	75,214	41,078	16,990	34,228	19,521
Food service income	14,191	14,249	9,631	8,827	10,362
Other sales and services	94,311	-	-	-	-
Other	99,026	90,071	368,697	260,971	110,033
Total Operating Revenues	5,794,371	5,687,138	5,727,935	5,587,077	5,381,620
Operating Expenses					
Instruction	11,642,062	11,518,445	11,457,876	10,817,218	10,688,905
Public Service	120,923	139,836	129,430	128,259	126,997
Academic Support	3,962,091	3,530,464	3,461,248	2,919,717	2,877,590
Student Services	4,180,148	3,655,541	3,436,714	3,284,191	3,041,063
Institutional Support	5,761,053	5,365,809	6,431,024	5,223,506	5,254,459
Operation and Maintenance of Plant	3,104,566	2,719,734	2,827,430	2,690,825	2,693,854
Scholarships	5,752,253	5,455,390	4,599,994	3,924,089	3,940,056
Auxiliary Enterprises	422,095	383,299	362,348	488,843	434,945
Depreciation	1,558,015	1,695,507	1,530,087	1,141,426	1,191,097
Total Operating Expenses	36,503,206	34,464,025	34,236,152	30,618,074	30,248,966
Operating Income (Loss)	(30,708,835)	(28,776,887)	(28,508,217)	(25,030,997)	(24,867,346)
Nonoperating Revenues (Expenses)					
Government Grants	10,771,753	10,097,575	8,090,065	7,299,553	6,460,432
Property Taxes	19,438,502	20,277,352	20,953,642	21,501,186	22,539,150
State Appropriations	1,785,600	1,871,100	2,137,000	2,101,700	1,820,200
Share of State Sales Tax	490,964	1,717,603	545,798	525,719	529,606
Investment Income	5,658	5,028	7,899	57,056	23,833
Interest Expense on Debt	(231,530)	(216,009)	(166,031)	(1,365)	-
Loss on Extinguishment of Debt	-	-	(204,663)	-	-
Gain (Loss) on Disposal of Capital Assets	(11,525)	(1,832)	(88,169)	(27,525)	(15,241)
Other Non-Operating Revenues	102,089	105,808	-	-	-
Total Nonoperating Revenues (Expenses)	32,351,511	33,856,625	31,275,541	31,456,324	31,357,980
Change in Net Position	1,642,676	5,079,738	2,767,324	6,425,327	6,490,634

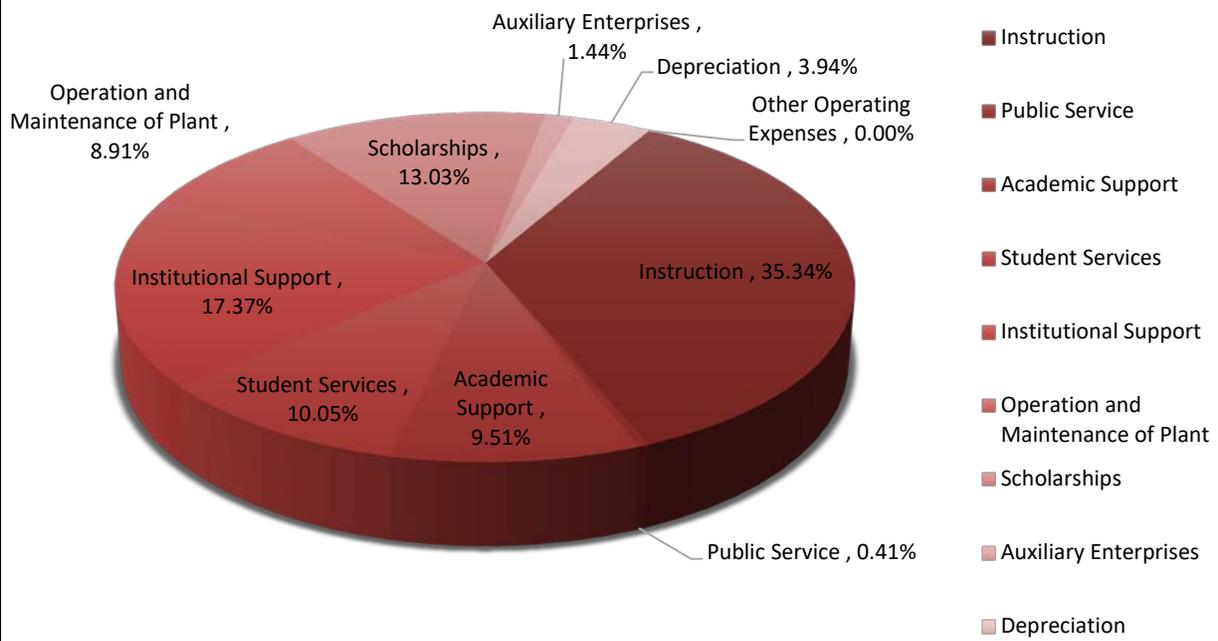
Expenses by Function	2007-08	2008-09	2009-10	2010-11	2011-12
Instruction	\$ 7,892,400	\$ 8,569,285	\$ 9,502,581	\$ 10,743,772	\$ 11,703,226
Public Service	114,126	118,520	144,167	134,167	129,216
Academic Support	3,591,507	3,696,088	4,106,925	3,798,199	3,902,563
Student Services	3,424,680	3,844,024	3,009,029	3,310,869	3,605,952
Institutional Support	7,213,810	7,981,597	7,578,624	6,118,714	6,468,703
Operation and Maintenance of Plant	2,476,724	2,684,752	2,871,130	2,757,453	3,121,617
Scholarships	3,401,656	4,014,019	7,359,327	7,881,955	6,990,940
Auxiliary Enterprises	202,412	442,944	280,419	273,818	393,006
Depreciation	1,265,072	1,417,859	1,479,676	1,468,082	1,480,120
Other Operating expenses	-	-	-	-	-
Total Operating Expenses	\$ 29,582,387	\$ 32,769,088	\$ 36,331,878	\$ 36,487,029	\$ 37,795,343

Expenses by Function	2012-13	2013-14	2014-15	2015-16	2016-17
Instruction	\$ 11,642,062	\$ 11,518,445	\$ 11,457,876	\$ 10,817,218	\$ 10,688,905
Public Service	120,923	139,836	129,430	128,259	126,997
Academic Support	3,962,091	3,530,464	3,461,248	2,919,717	2,877,590
Student Services	4,180,148	3,655,541	3,436,714	3,284,191	3,041,063
Institutional Support	5,761,053	5,365,809	6,431,024	5,223,506	5,254,459
Operation and Maintenance of Plant	3,104,566	2,719,734	2,827,431	2,690,825	2,693,854
Scholarships	5,752,253	5,455,390	4,599,994	3,924,089	3,940,056
Auxiliary Enterprises	422,095	383,299	362,348	488,843	434,945
Depreciation	1,558,015	1,695,507	1,530,087	1,141,426	1,191,097
Other Operating expenses	-	-	-	-	-
Total Operating Expenses	\$ 36,503,206	\$ 34,464,025	\$ 34,236,152	\$ 30,618,074	\$ 30,248,966

Operating Expenses 2007-08



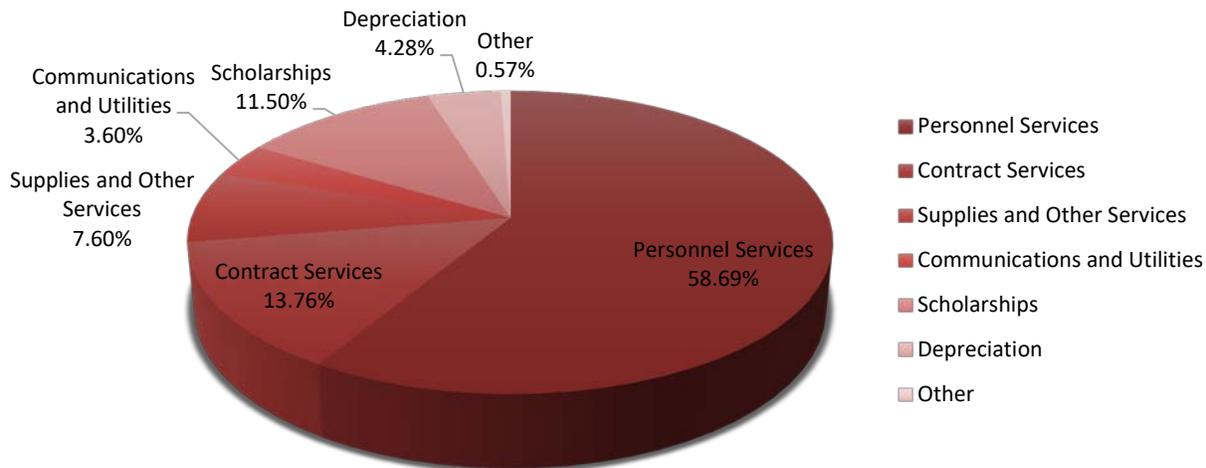
Operating Expenses 2016-17



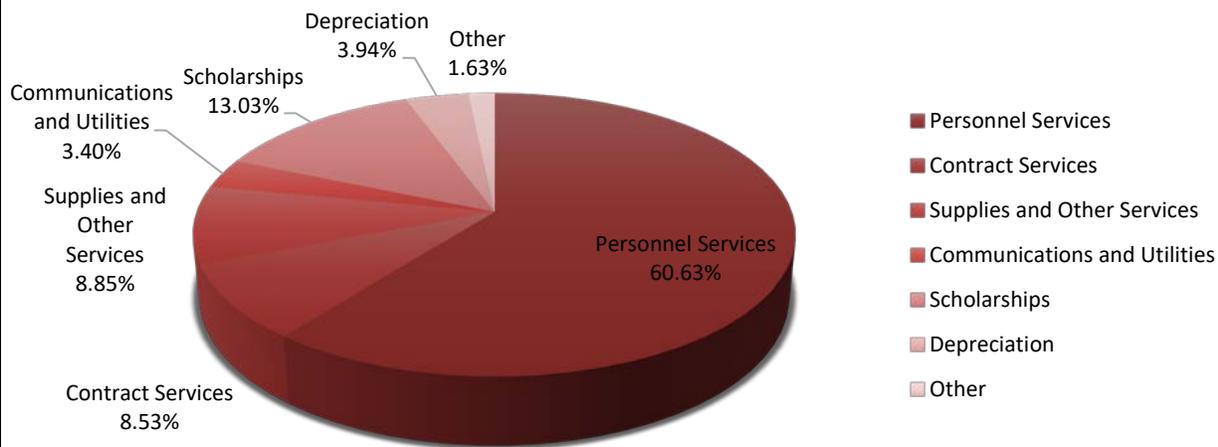
Expenses by Object	2007-08	2008-09	2009-10	2010-11	2011-12
Personnel Services	\$ 17,361,878	\$ 18,591,648	\$ 20,130,234	\$ 20,180,416	\$ 21,361,203
Contract Services	4,069,571	4,245,764	3,439,247	2,765,608	3,225,563
Supplies and Other Services	2,247,652	2,442,046	2,313,898	2,380,083	2,885,112
Communications and Utilities	1,065,066	1,098,602	1,024,747	1,119,185	1,238,307
Scholarships	3,401,656	4,014,019	7,359,327	7,881,955	6,744,325
Depreciation	1,265,072	1,417,859	1,479,676	1,468,082	1,480,119
Other	171,492	959,150	584,749	691,700	890,714
Total Operating Expenses	\$ 29,582,387	\$ 32,769,088	\$ 36,331,878	\$ 36,487,029	\$ 37,795,343

Expenses by Object	2012-13	2013-14	2014-15	2015-16	2016-17
Personnel Services	\$ 21,775,377	\$ 20,503,840	\$ 19,953,876	\$ 18,833,163	\$ 18,338,563
Contract Services	2,870,696	2,662,596	2,689,785	2,731,526	2,580,235
Supplies and Other Services	2,589,907	2,351,770	2,465,280	2,561,452	2,675,897
Communications and Utilities	1,225,318	1,065,725	1,038,673	977,699	1,028,760
Scholarships	5,752,253	5,455,390	4,599,994	3,924,089	3,940,056
Depreciation	1,558,015	1,695,507	1,530,087	1,141,426	1,191,097
Other	731,640	729,197	1,958,457	448,719	494,358
Total Operating Expenses	\$ 36,503,206	\$ 34,464,025	\$ 34,236,152	\$ 30,618,074	\$ 30,248,966

Operating Expenses by Object 2007-08



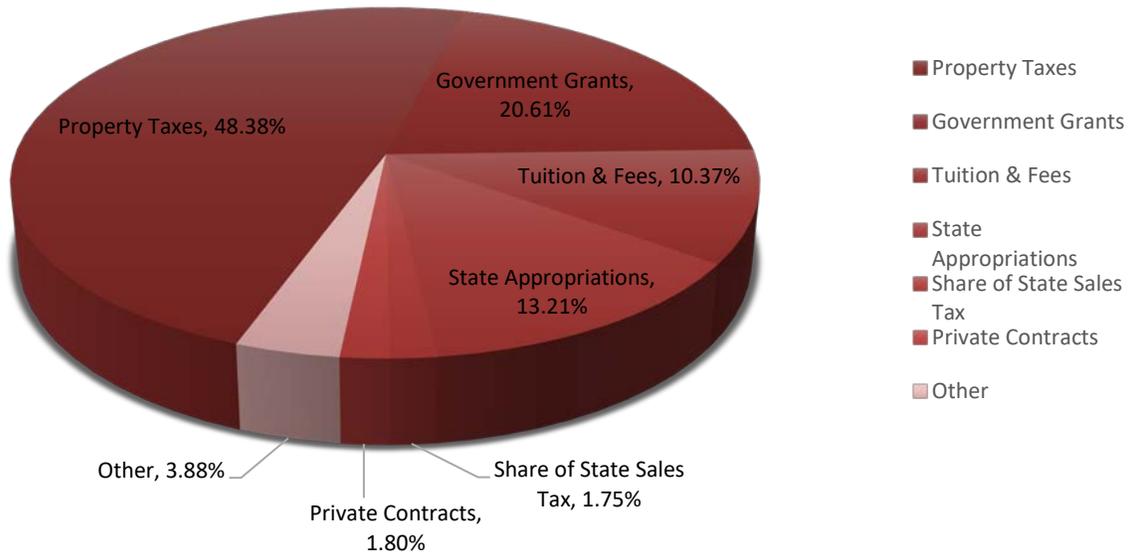
Operating Expenses by Object 2016-17



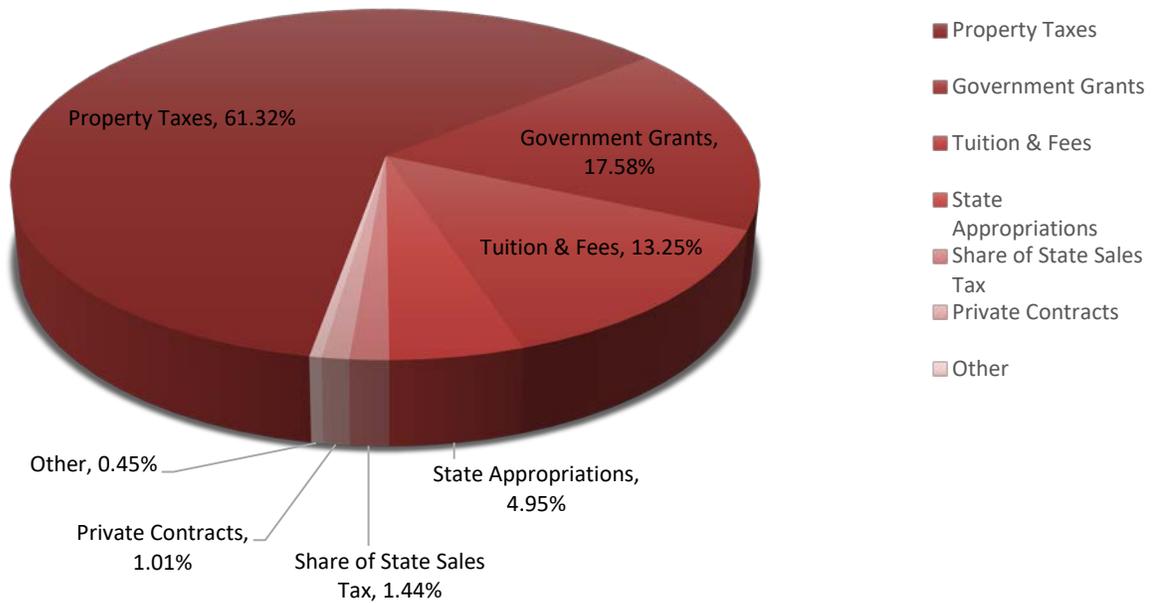
Revenues by Source	2007-08	2008-09	2009-10	2010-11	2011-12
Property Taxes	\$ 15,372,777	\$ 16,235,016	\$ 17,048,446	\$ 18,085,426	\$ 18,759,341
Government Grants	6,549,809	9,512,174	13,939,348	14,378,844	12,627,839
Tuition & Fees	3,296,204	4,510,286	4,168,056	4,195,487	5,331,328
State Appropriations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

Revenues by Source	2012-13	2013-14	2014-15	2015-16	2016-17
Property Taxes	\$ 19,438,502	\$ 20,277,352	\$ 20,953,642	\$ 21,501,186	\$ 22,539,150
Government Grants	10,771,753	10,097,575	8,090,065	7,299,553	6,460,432
Tuition & Fees	4,887,443	4,999,502	4,906,285	4,858,683	4,871,154
State Appropriations	1,785,600	1,871,100	2,137,000	2,101,700	1,820,200
Share of State Sales Tax	490,964	1,717,603	545,798	525,719	529,606
Private Grants and Contracts	624,186	542,238	426,332	424,368	370,550
Investment Earnings	5,658	5,028	7,899	57,056	23,833
Gain on Disposal of Capital Assets	-	-	-	-	-
Bookstore Income	75,214	41,078	16,990	34,228	19,521
Food Service Income	14,191	14,249	9,631	8,827	10,362
Other Sales and Services	94,311	90,071	-	-	-
Other	201,115	105,808	368,697	260,971	110,033
Capital appropriations	-	-	-	-	-
Capital grants and gifts	-	-	-	-	-
Total Revenue	\$ 38,388,937	\$ 39,761,604	\$ 37,462,339	\$ 37,072,291	\$ 36,754,841

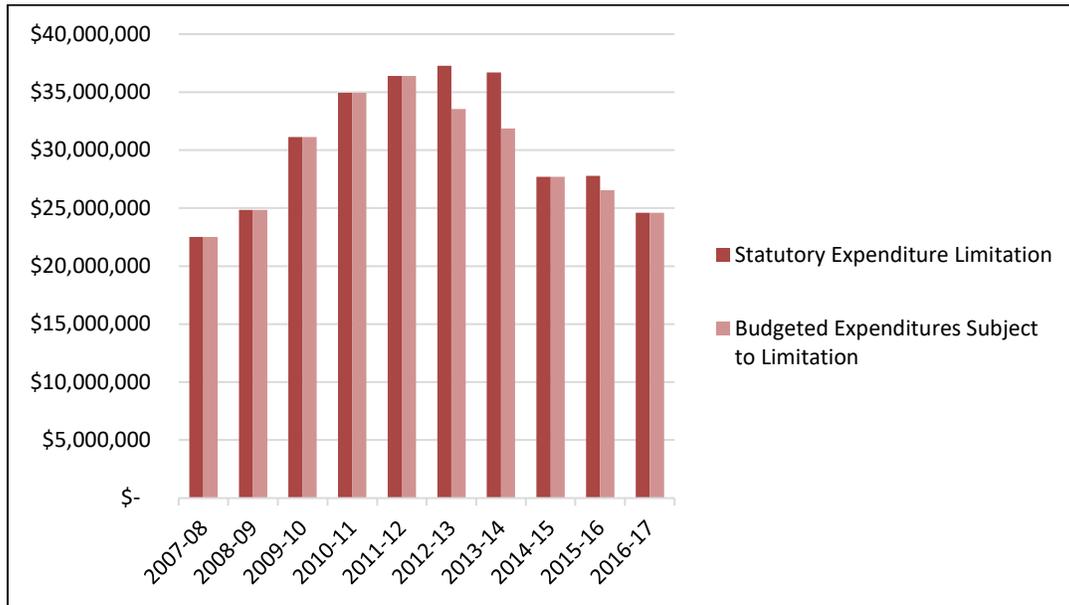
Revenue Sources 2007-08



Revenue Sources 2016-17



Budgeted Expenditure Limitation



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

	2012-13	2013-14	2014-15	2015-16	2016-17
Statutory Expenditure Limitation	\$ 37,273,118	\$ 36,697,479	\$ 27,695,757	\$ 27,785,046	\$ 24,590,105
Budgeted Expenditures Subject to Limitation	\$ 33,554,312	\$ 31,859,142	\$ 27,695,757	\$ 26,534,954	\$ 24,590,105
Amount Under Expenditure Limitation	\$ 3,718,806	\$ 4,838,337	-	\$ 1,250,092	-

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.

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

Tax Year		Utilities	Commercial	Vacant/ Agriculture	Residential	Railroads
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
2012	Primary	\$ 1,209,963	\$ 2,940,093	\$ 5,208,516	\$ 9,098,324	\$ 74,371
2012	Secondary	\$ 1,209,863	\$ 3,002,823	\$ 5,507,223	\$ 9,208,318	\$ 74,949
2013	Primary	\$ 1,240,676	\$ 2,816,215	\$ 5,906,217	\$ 9,216,855	\$ 78,728
2013	Secondary	\$ 1,240,676	\$ 2,862,607	\$ 5,526,596	\$ 9,297,274	\$ 79,328
2014	Primary	\$ 1,316,354	\$ 3,109,015	\$ 4,906,217	\$ 9,216,855	\$ 78,728
2014	Secondary	\$ 1,316,354	\$ 3,155,792	\$ 5,526,596	\$ 9,297,274	\$ 79,328
2015	Primary	\$ 1,176,570	\$ 2,898,238	\$ 4,596,475	\$ 9,623,943	\$ 81,877
2015	Secondary	\$ 1,176,570	\$ 3,008,336	\$ 5,186,888	\$ 10,680,888	\$ 83,029
2016	Primary	\$ 1,135,893	\$ 2,846,725	\$ 4,192,318	\$ 10,128,539	\$ 89,197
2016	Secondary	\$ 1,135,893	\$ 3,228,851	\$ 5,362,145	\$ 12,150,616	\$ 93,670
2017	Primary	\$ 983,319	\$ 2,973,933	\$ 4,168,735	\$ 10,751,684	\$ 95,608
2017	Secondary	\$ 983,319	\$ 3,419,030	\$ 5,780,037	\$ 13,173,101	\$ 1,071,762

Source: Mohave County Assessor's Office

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

Tax Year		Historic	Enterprise Zone	Environmental Tech	Capital Improvements	Net Assessed Value ALL
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
2012	Primary	\$ 2,154	\$ 1,083	-	-	\$ 1,995,767
2012	Secondary	\$ 2,278	\$ 1,093	-	-	\$ 2,071,604
2013	Primary	\$ 2,184	\$ 1,442	-	-	\$ 2,030,619
2013	Secondary	\$ 2,422	\$ 1,451	-	-	\$ 2,078,444
2014	Primary	\$ 2,184	\$ 1,442	-	-	\$ 1,996,554
2014	Secondary	\$ 2,422	\$ 1,451	-	-	\$ 2,072,397
2015	Primary	\$ 2,219	\$ 1,514	-	-	\$ 1,942,868
2015	Secondary	\$ 3,556	\$ 1,544	-	-	\$ 2,119,897
2016	Primary	\$ 3,127	\$ 1,589	-	-	\$ 1,928,845
2016	Secondary	\$ 4,880	\$ 1,800	-	-	\$ 2,292,492
2017	Primary	\$ 3,289	\$ 2,082	-	-	\$ 1,991,472
2017	Secondary	\$ 5,430	\$ 2,153	-	-	\$ 2,443,656

Source: Mohave County Assessor's Office

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

Tax Year	MCC Primary Levy	MCC Secondary Levy	MCC Total
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
2013	\$ 1.2215	-	\$ 1.2215
2014	\$ 1.2215	-	\$ 1.2215
2015	\$ 1.2927	-	\$ 1.2927
2016	\$ 1.3288	-	\$ 1.3288
2017	\$ 1.3430	-	\$ 1.3430

Tax Year	Mohave County	School Districts	Cities or Fire Districts	Sanitary or Improvement Districts	Irrigation & Drainage Districts	Other Districts (Water/Lighting)
2008	\$ 1.5298	0.0500 - 11.4664	0.6704 - 3.2500	0.0266 - 0.6846	1.75 - 100.74/acre	3.56/acre - 2.8776
2009	\$ 1.3309	0.0500 - 10.0415	0.6038 - 3.2500	0.0182 - 0.5425	1.75 - 100.74/acre	3.56/acre - 1.5167
2010	\$ 1.2637	0.0500 - 9.5000	0.5834 - 3.2500	0.0698 - 0.4769	0.77 - 156.78/acre	3.56/acre - 1.5567
2011	\$ 1.4637	0.0500 - 8.5000	0.5834 - 3.2500	0.0841 - 0.4925	1.00 - 212.75 acre	3.56/acre - 1.5474
2012	\$ 1.8196	0.0500 - 9.0000	0.7264 - 3.2500	0.0838 - 0.6095	1.00 - 268.86 acre	3.56/acre - 2.6672
2013	\$ 1.8196	0.0500 - 9.0000	0.7332 - 3.2500	0.0838 - 0.6762	1.50 - 268.86 acre	3.56/acre - 2.6885
2014	\$ 1.8196	0.0500 - 8.0000	0.7408 - 3.2500	0.0509 - 0.7983	1.50 - 268.85 acre	0.0179 - 376.35/Lot
2015	\$ 1.9696	0.0500 - 6.0000	0.7235 - 3.2500	0.0406 - 0.8748	1.50 - 268.85 acre	0.0176 - 376.35/Lot
2016	\$ 1.9696	0.0500 - 4.5868	0.7000 - 3.2500	0.0429 - 1.0028	1.50 - 268.85 acre	0.0176 - 376.35/Lot
2017	\$ 1.9696	0.0500 - 6.0297	0.6718 - 3.2500	0.0379 - 0.8764	1.50 - 268.85 acre	0.0130 - 374.89/Lot

Source: Mohave County Finance Office

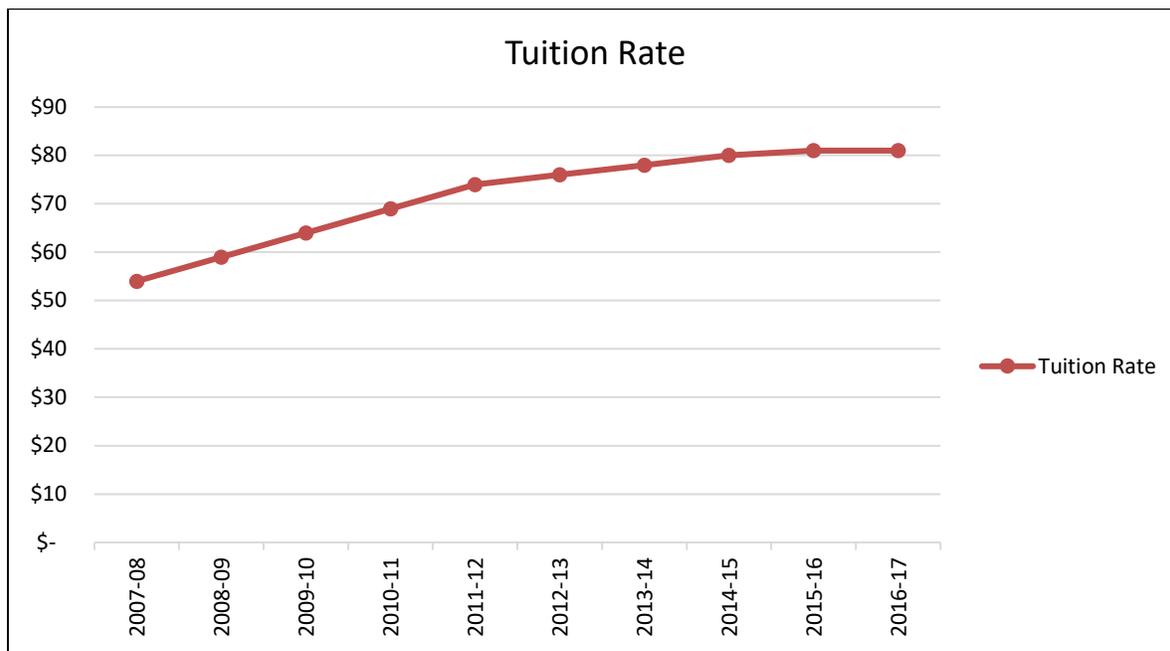
Note (1) - Mohave County applies to the General and State Education Equalization, and to the General, Library District and Fire District Assistance Funds. Fire, Sanitary, Improvement, Irrigation, Water and Lighting District levies are based on secondary values.

Historic Resident Tuition Rates – Last 10 Fiscal Years

	Tuition Per Credit Hour	Annual Cost	\$ Increase	% Increase
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%
2013-14	\$ 78	\$ 2,550	\$ 30	1%
2014-15	\$ 80	\$ 2,610	\$ 60	2%
2015-16	\$ 81	\$ 2,640	\$ 30	1%
2016-17	\$ 81	\$ 2,640	\$ 30	1%

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
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%
2013-14	\$ 5,149,928	\$ 95,000	\$ 169,713	\$ 264,713	5%
2014-15	-	-	-	-	-
2015-16	-	-	-	-	-
2016-17	-	-	-	-	-

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

Note (2) – In 2006-07 revenue refunding bonds were issued to pay remaining principal of \$3,150,000. In 2010-11 unrestricted net position were used to pay off the remaining principal of \$3,720,000 and \$2,115,000 for the 2000 and 2001 Pledged Revenue Obligations. In 2014-15, all remaining principal and interest were paid off with reserve funds. There are currently no bonds held.

Debt Burden Ratio – Last 10 Fiscal Years

	Operating Expenses	Principal	Interest	Total	Debt as % of Operating Expenses
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%
2013-14	\$ 34,464,025	\$ 95,000	\$ 169,713	\$ 264,713	<1%
2014-15	\$ 34,236,152	-	-	-	N/A
2015-16	\$ 30,887,905	-	-	-	N/A
2016-17	\$ 30,248,966	-	-	-	N/A

Note (1) – In 2006-07 revenue refunding bonds were issued to pay remaining principal of \$3,150,000. In 2010-11 unrestricted net position were used to pay off the remaining principal of \$3,720,000 and \$2,115,000 for the 2000 and 2001 Pledged Revenue Obligations. In 2014-15, all remaining principal and interest were paid off with reserve funds. There are currently no bonds held.

Debt Service Interest Expense – Last 10 Fiscal Years

	2000 PRO	2000 Rev	2001 PRO	2005 PRO	2006 Rev
2007-08	\$ 239,250	-	\$ 157,135	\$ 144,125	\$ 46,826
2008-09	\$ 239,250	-	\$ 143,195	\$ 142,325	\$ 44,376
2009-10	\$ 239,250	-	\$ 128,320	\$ 140,525	\$ 41,839
2010-11	\$ 111,393	-	\$ 61,219	\$ 140,258	\$ 38,193
2011-12	-	-	-	\$ 140,058	\$ 35,393
2012-13	-	-	-	\$ 139,925	\$ 33,354
2013-14	-	-	-	\$ 139,525	\$ 30,188
2014-15	-	-	-	\$ 288,504	\$ 28,391
2015-16	-	-	-	-	-
2016-17	-	-	-	-	-

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
2007-08	-	-	\$ 340,000	\$ 45,000	\$ 70,000
2008-09	-	-	\$ 350,000	\$ 45,000	\$ 70,000
2009-10	\$ 630,000	-	\$ 365,000	\$ 5,000	\$ 75,000
2010-11	\$ 3,720,000	-	\$ 2,115,000	\$ 5,000	\$ 80,000
2011-12	-	-	-	\$ 5,000	\$ 80,000
2012-13	-	-	-	\$ 10,000	\$ 85,000
2013-14	-	-	-	\$ 10,000	\$ 85,000
2014-15	-	-	-	\$ 710,000	\$ 3,310,000
2015-16	-	-	-	-	-
2016-17	-	-	-	-	-

Source: District Records

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

Ratios of Outstanding Debt – Last 10 Fiscal Years

	2007-08	2008-09	2009-10	2010-11	2011-12
Revenue Bonds	\$ 3,390,000	\$ 3,345,000	\$ 3,340,000	\$ 3,335,000	\$ 3,330,000
Pledged Revenue Obligations	\$ 8,365,000	\$ 7,495,000	\$ 6,875,000	\$ 960,000	\$ 880,000
Capital Leases	\$ 411,091	\$ 261,195	\$ 181,102	\$ 1,310,614	\$ 1,223,507
Total Outstanding Debt	\$ 12,166,091	\$ 11,551,195	\$ 10,396,102	\$ 5,605,614	\$ 5,433,507
Per Capita	\$ 62	\$ 59	\$ 54	\$ 29	\$ 27
Per FTSE	\$ 3,870.85	\$ 3,283.46	\$ 2,629.93	\$ 1,410.22	\$ 1,574.93
% of Personal Income	0.24%	0.22%	0.20%	Note (1)	Note (1)

	2012-13	2013-14	2014-15	2015-16	2016-17
Revenue Bonds	\$ 3,320,000	\$ 3,310,000	-	-	-
Pledged Revenue Obligations	\$ 795,000	\$ 710,000	-	-	-
Capital Leases	\$ 1,035,091	\$ 926,906	\$ 832,511	-	-
Total Outstanding Debt	\$ 5,150,091	\$ 4,946,906	\$ 832,511	-	-
Per Capita	\$ 26	\$ 24	\$ 4	-	-
Per FTSE	\$ 1,724.17	\$ 1,694.73	\$ 325.97	-	-
% of Personal Income	Note (1)	0.43%	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

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

	2012-13	2013-14	2014-15	2015-16	2016-17
Assessed Value of Real and Personal Property	\$ 1,791,765,155	\$ 1,771,371,842	\$ 1,727,793,369	\$ 1,685,788,538	\$1,696,199,992
Debt Limit, 15% of Secondary Assessed Value	\$ 268,764,773	\$ 265,705,776	\$ 259,169,005	\$ 252,868,281	\$ 254,429,999
Total Debt Applicable to Debt Limit	-	-	-	-	-
Legal Debt Margin	\$ 268,764,773	\$ 265,705,776	\$ 259,169,005	\$ 252,868,281	\$ 254,429,999

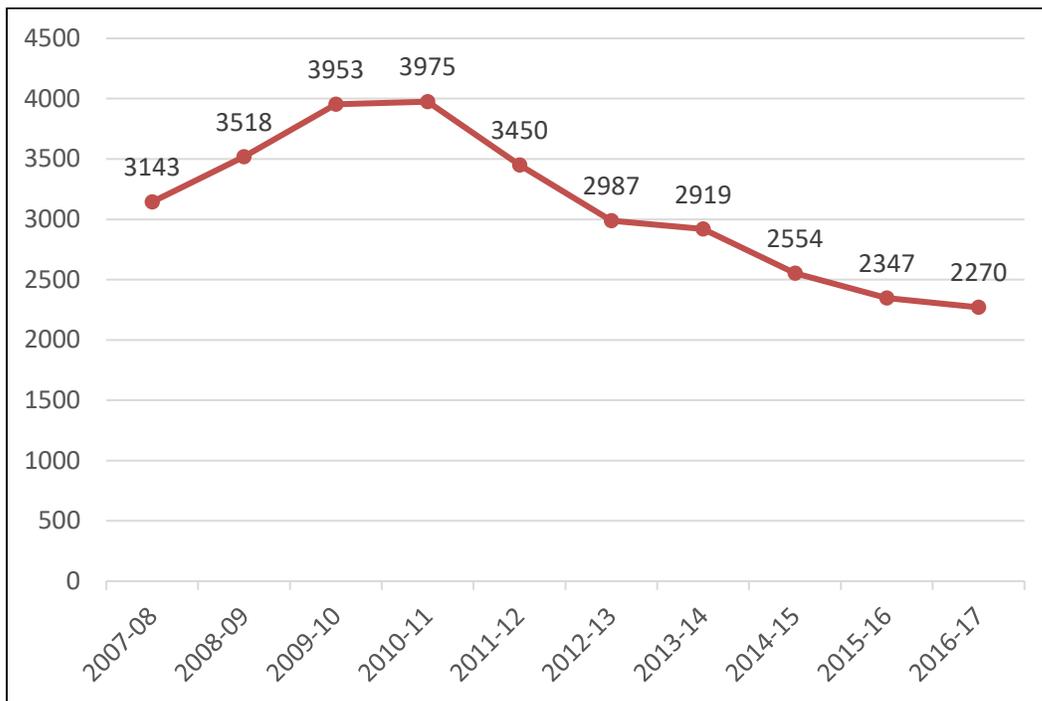
Source: District Records

Mohave County Leading Employers

Company	Business Description	Business Type	Location	Employment
Kingman Regional Medical Center	Hospital	Medical	Kingman	1,620
Havasu Regional Medical Center	Hospital	Medical	Lake Havasu City	928
Freeport-McMoran Mine	Copper Ore Mining	Industrial	Wikieup/Bagdad	810
Western AZ Regional Medical Center	Hospital	Medical	Bullhead City	748
American Woodmark	Cabinets	Manufacturing	Kingman	650
Hualapai Enterprises	Tourism/Hospitality	Service	Peach Springs	620
Mohave Community College	College	School	Mohave County	604
Mohave County Miner	Newspaper Publication	Service	Kingman	497
GEO Group/AZ Dept. of Corrections	Min/Med. Security Prison	Service	Golden Valley	334
Valley View Medical Center	Hospital	Medical	Fort Mohave	309

Source: Mohave County Economic Development Office

Full-Time Student Equivalent Totals – Last 10 Fiscal Years



Source: Office of the Arizona Auditor General

Employment Information by Group

	2012-13	2013-14	2014-15	2015-16	2016-17
Part-time Faculty	359	352	290	295	216
Full-time Faculty	75	78	78	81	76
Full-time Administration and Staff	244	235	230	185	193
Part-time Staff, Temp and Student Workers	416	320	318	253	234

Source: District Records

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

Student Enrollment and Demographic Information – Last 10 Fiscal Years

	African American	Native American	Asian	Hispanic	White, Non-Hispanic	Other/Unknown	Male	Female
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
2013-14	61	108	75	962	3,819	202	1,894	3,333
2014-15	108	46	153	1,533	5,442	489	2,880	4,886
2015-16	120	180	145	1,733	5,463	357	2,843	5,155
2016-17	64	121	108	1,318	3,790	284	1,942	3,743

Source: Integrated Postsecondary Education Data System

Facilities and Capital Asset Information

2013-14

Location	Building Square Footage	Campus Acreage	Campus Vehicles
Bullhead City Campus	128,508	360	4
Kingman Campus	105,543	160	5
Lake Havasu City Campus	97,798	14	3
North Mohave Campus	9,982	15	3
Total	341,831	549	15

2014-15

Location	Building Square Footage	Campus Acreage	Campus Vehicles
Bullhead City Campus	116,408	360	2
Kingman Campus	106,979	160	9
Lake Havasu City Campus	100,499	14	3
North Mohave Campus	10,800	15	3
Total	334,686	549	17

2015-16

Location	Building Square Footage	Campus Acreage	Campus Vehicles
Bullhead City Campus	114,908	360	2
Kingman Campus	125,547	160	9
Lake Havasu City Campus	100,499	14	4
North Mohave Campus	10,800	8	3
Total	338,954	542	18

2016-17

Location	Building Square Footage	Campus Acreage	Campus Vehicles
Bullhead City Campus	114,908	360	2
Kingman Campus	125,547	160	9
Lake Havasu City Campus	100,499	14	4
North Mohave Campus	10,800	8	3
Total	338,954	542	18

Source: District Records