

Mohave Community College, Mohave County Arizona
Comprehensive Annual Financial Report
for Fiscal Year Ended June 30, 2014



Comprehensive Annual Financial Report
Year Ended June 30, 2014

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Comprehensive Annual Financial Report
Year Ended June 30, 2014

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College Administration
Michael J. Kearns President
Diana Stithem Vice President for Administration
Ana Masterson Dean of Student Services
Jess Jacobs Associate Dean of Business Services
Jill Loveless Dean of Instruction
Fred Gilbert Dean of Kingman Campus
Paula Norby Dean of Lake Havasu Campus
Shawn Bristle Dean of Bullhead City Campus
Carolyn Hamblin Dean of North Mohave Campus

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

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

Mohave Community College

1971 Jagerson Avenue

Kingman, AZ 86409



December 18, 2014

To the Residents of Mohave County Community College District:

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

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

The 2013-14 fiscal year brought further financial challenges but Mohave Community College has met those challenges with conservative resource allocation and a dynamic vision for the future. A downward shift in enrollment has leveled off as the economy stabilizes and the institution continues to focus on the strategic plan which, above all else, focuses on improvements in student learning.

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

Sincerely,

Michael J. Kearns
President

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

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

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

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

www.mohave.edu
1.866.664.2836



December 18, 2014

To the Residents of Mohave County Community College District:

Mohave Community College District is pleased to present the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2014. The District is responsible for the accuracy, completeness, and fairness of the data presented in this report.

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

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

Arizona Revised Statutes requires community college districts to prepare an annual budgeted expenditure limitation report and annual financial statements. The Auditor General or a certified public accountant must audit these documents on an annual basis. For the 2013-14 year the statements are audited by the Office of the Auditor General for the State of Arizona. The auditors have provided the District with an unqualified opinion meaning they believe the financial statements to be fairly and appropriately presented.

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Institutional Profile

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

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



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



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



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



In 1971, the first academic year, 27 courses were offered with 1,068 students attending (duplicated headcount). The District now offers a wide variety of degrees and certifications for vocational and university transfer purposes to more than 10,000 students.

As a political subdivision of the State of Arizona, Mohave Community College District is subject to the oversight of the District's Governing Board which is comprised of five elected members. According to Arizona Revised Statutes the Governing Board is charged with managing the business and education needs of the District while the administrative staff of the District remains responsible for the operation and administration of all District activities. Although the District shares the same geographic boundaries with Mohave County, financial accountability over all activities related to public community college education in Mohave County is exercised solely by the District.

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

Performance and Planning

With declines in enrollment and state appropriations stabilized the District continued an active budget management philosophy. Through responsive budget controls and reduced expenses the District was able to finish the year with a positive financial gain.

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

Strategically budgeting expenses based on the operational areas of the District has enabled the District to better distribute funding to the mission-sensitive areas of the College. Additionally, presenting major financial decisions in a way that illustrates the effect on the entire 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, further explained in the MD&A, allows for the cyclical improvement of College facilities in line with budget considerations. This plan, in addition to academic and enrollment specific plans, are all outlined and required by the District's Governing Board approved strategic plan. The plan represents collective decision making and planning by administration, staff, students, and community members. It seeks to establish the school as a learning-centered institution and provide resources, both human and financial, to this end.

Growth and Initiatives

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

- Dual enrollment partnerships with local high schools in each service area have grown substantially and continue to grow as enrollment increases in this area.
- The District has partnered with the local manufacturing association and other community college districts in offering a mobile training unit for the entire region. The training unit provides on-site manufacturing and equipment skills training for workforce development.
- The District is developing methods to increase completion for the entire student population. The methods will help students set and reach goals.

Financial Reporting

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

Independent Audit

The Office of the Auditor General for the State of Arizona performed the audit services for Mohave Community College for the 2013-14 fiscal year. The Report of the Independent Auditors is included in the financial section of this report. The District received an unqualified opinion for fiscal year 2013-14.

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, 2013. 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 2013-14 report to the GFOA to determine its eligibility for another certificate.

Acknowledgement

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

Respectfully,

Diana Stithem
Vice President for Administration



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

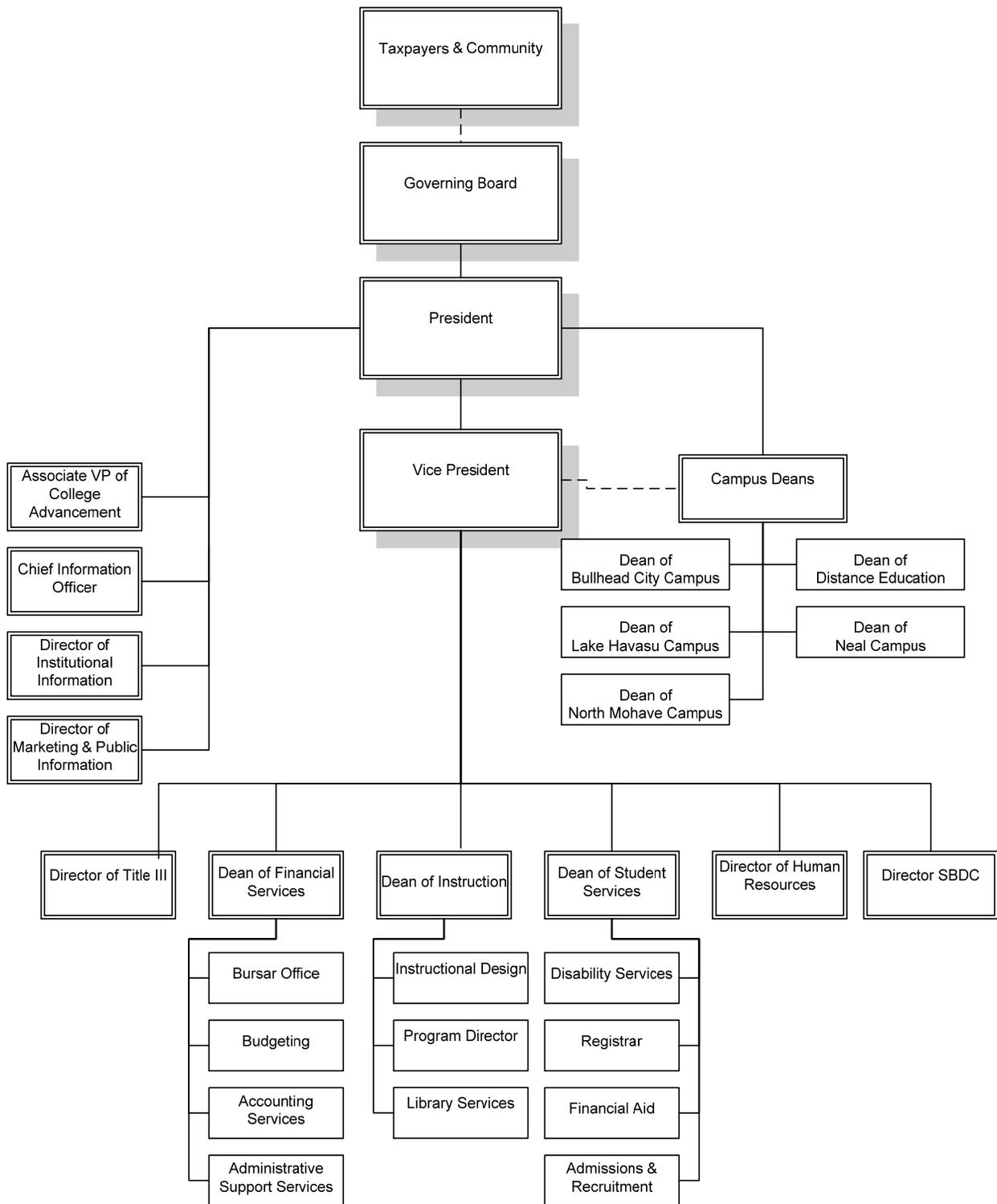
Presented to

Mohave Community College
Arizona

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

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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DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

Independent Auditors' Report

Members of the Arizona State Legislature

The Governing Board of
Mohave County Community College District

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of the Mohave County Community College District as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and discretely presented component unit of Mohave County Community College District as of June 30, 2014, 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 15 through 23 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Debbie Davenport
Auditor General

December 18, 2014

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, 2014. Please read it in conjunction with the transmittal letter and the District's basic financial statements, which follow this section.

Mohave County Community College District in 2014

Financial Report

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

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

- The *Statement of Net Position* reflects the District's financial position at June 30, 2014. It shows the various current and noncurrent assets owned or controlled and related liabilities. Capital assets are depreciated over their useful life with annual depreciation being reported as a current year expense.
- The *Statement of Revenues, Expenses, and Changes in Net Position* reflects the results of operations and other changes for the year ended June 30, 2014. It shows the various revenues and expenses, both operating and non-operating.
- The *Statement of Cash Flows* reflects the inflows and outflows of cash and cash equivalents for the year ended June 30, 2014.

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 2013-14, comparative data is presented for the previous fiscal year 2012-13. 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 2013-14 was highlighted by tuition and fees revenues slightly increasing by \$112,059 despite declining enrollment along with continued efforts by the District to improve severely depleted facilities on all campuses. Though tuition and fees revenue for the 2013-14 year was budgeted conservatively, the District ended the fiscal year with this primary revenue source under anticipated levels. Through ongoing cost reduction efforts, improved staffing models, and strategic, purposeful use of reserve funds the District was able to absorb this income reduction while continuing capital investments headlined by the completion and opening of a new classroom and lab building on the Lake Havasu City campus. The District continues to demonstrate the ability to maintain financial stability in financially challenging times and still emphasize completing the strategic plan initiatives.

Key financial highlights for the District include:

- Total net position increased 17.9%
- Operating expenses decreased 5.6%
- Total revenues increased 3.6%
- Enrollment decreased 2.28% (Full-time student equivalent)
- Unrestricted net assets increased 28.2% as administration continued a conservative fiscal policy to adjust expenses according to received income.

These highlights are not inclusive of all major financial changes. The graphs and information on the following pages provide further detail on the 2013-14 fiscal year.

Economic Outlook

Mohave County has begun a cycle of improvement to economic conditions with the unemployment rate decreasing to 7.6%. The District experienced an inverse effect to economic conditions as enrollment numbers increased during years of economic struggle as an unemployed/underemployed workforce returned to school in order to increase skill levels, then once returning to employment as economic conditions improve enrollment will decline. As the economy began recovery in 2011-12, the full-time student enrollment level dropped 13.2% and dropped an additional 13.4% in 2012-13. The drop in enrollment was only 2.28% in 2013-14 as the improving economy is leveling off for enrollment numbers.

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. The Mobile Training Unit continues to assist employers throughout the county to pursue training opportunities in the manufacturing industry.

<i>Condensed Statement of Net Position</i>	<i>As of June 30, 2014</i>	<i>As of June 30, 2013</i>	<i>Increase / (Decrease)</i>	
			<i>Amount</i>	<i>% Change</i>
Current assets	\$ 18,175,475	\$ 15,063,585	\$ 3,111,890	20.7%
Capital assets, net of depreciation	21,549,880	20,490,366	1,059,514	5.2%
Total assets	\$ 39,725,355	\$ 35,553,951	\$ 4,171,404	11.7%
Long-term liabilities	\$ 5,104,769	\$ 5,651,942	\$ (547,173)	-9.7%
Other liabilities	1,107,023	1,468,184	(361,161)	-24.6%
Total liabilities	\$ 6,211,792	\$ 7,120,126	\$ (908,334)	-12.8%
Net position:				
Net investment in capital assets	\$ 16,594,144	\$ 15,342,457	\$ 1,251,687	8.2%
Restricted	667,422	416,548	250,874	60.2%
Unrestricted	16,251,997	12,674,820	3,577,177	28.2%
Total net position	\$ 33,513,563	\$ 28,433,825	\$ 5,079,738	17.9%

The Statement of Net Position for 2013-14 shows an increase in the District's net position of \$5,079,738 representing an increase of 17.9% over prior year. This figure highlights the ability of the District to remain financially strong despite declining enrollment by remaining cost effective in operations and actively decreasing expenses as revenue patterns decline.

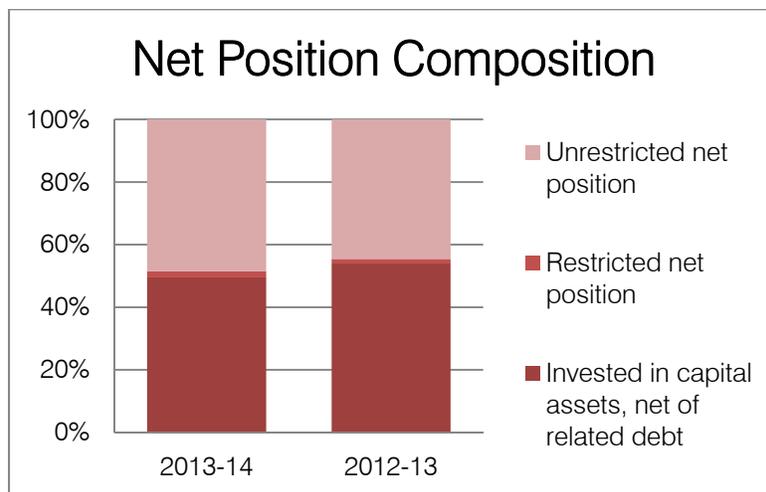
Current assets are considered those resources that are available to meet the operating needs of the District and are convertible to cash within one year. Current assets for the District increased 20.7% as the District increased cash position.

Capital assets, net of accumulated depreciation, increased slightly by 5.2% as the new building on the Lake Havasu City campus was completed and received a certificate of occupancy.

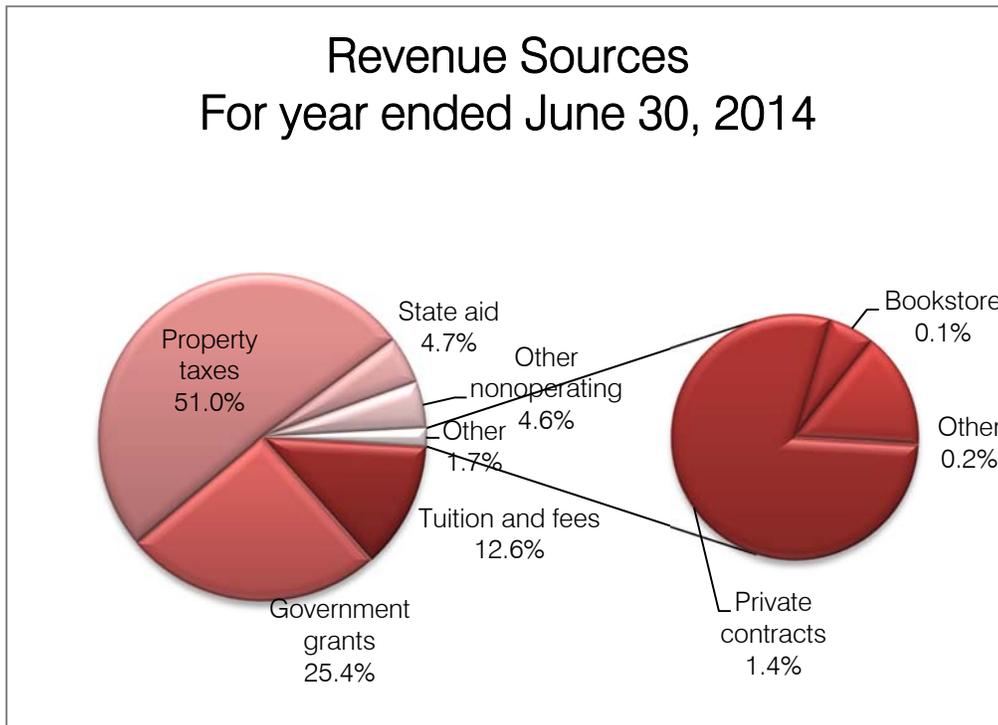
Long-term liabilities decreased 9.7% as the District continued scheduled debt service payments. Further information on these liabilities can be found in the Notes to the Financial Statements.

Condensed Statement of Revenues, Expenses and Changes in Net Position	For the Year Ended		Increase / (Decrease)	
	June 30, 2014	June 30, 2013	Amount	% Change
Operating revenues	\$ 5,687,138	\$ 5,794,371	\$ (107,233)	-1.9%
Operating expenses				
Educational and general	\$ 32,385,219	\$ 34,523,096	\$ (2,137,877)	-6.2%
Auxiliary enterprises	383,299	422,095	(38,796)	-9.2%
Depreciation	1,695,507	1,558,015	137,492	8.8%
Total operating expenses	34,464,025	36,503,206	(2,039,181)	-5.6%
Operating loss	\$ (28,776,887)	\$ (30,708,835)	\$ 1,931,948	6.3%
Non-operating revenues	\$ 34,074,466	\$ 32,594,566	\$ 1,479,900	4.5%
Non-operating expenses	217,841	243,055	(25,214)	-10.4%
Increase in net position	\$ 5,079,738	\$ 1,642,676	\$ 3,437,062	209.2%
Net position, Beginning of year	\$ 28,433,825	\$ 26,791,149	\$ 1,642,676	6.1%
Net position, End of year	\$ 33,513,563	\$ 28,433,825	\$ 5,079,738	17.9%

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

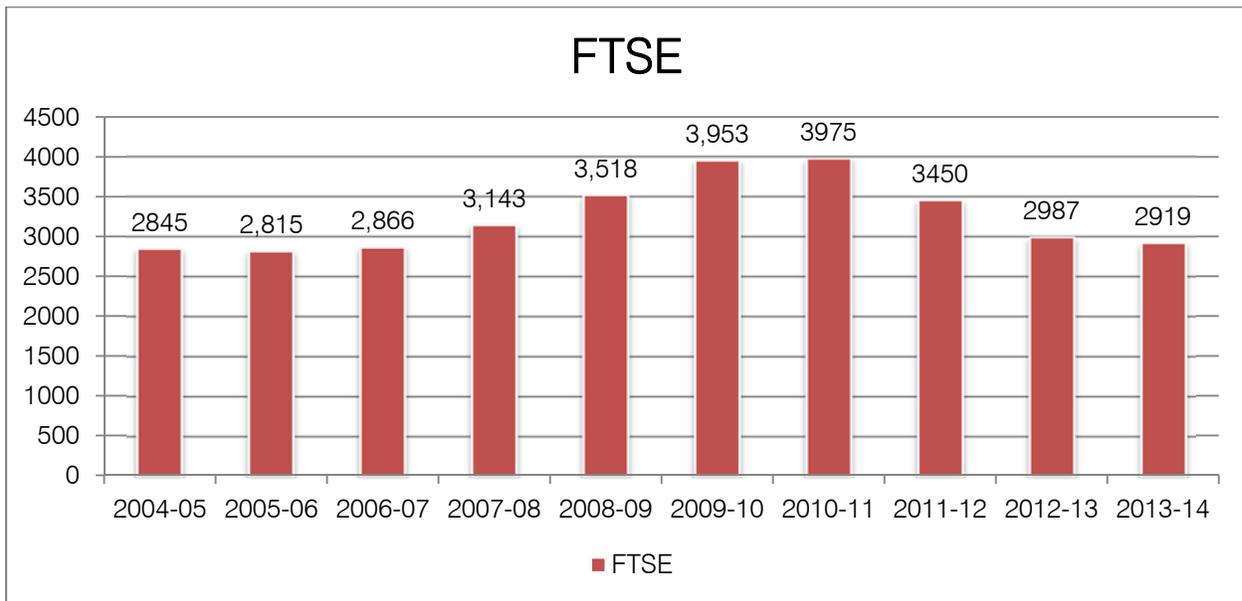


Revenues by Source	For the Year Ended June 30, 2014	For the Year Ended June 30, 2013	Increase / (Decrease)	
			Amount	% Change
Operating revenues				
Tuition and fees (net of allowances)	\$ 4,999,502	\$ 4,887,443	\$ 112,059	2.3%
Private contracts	542,238	624,186	(81,948)	-13.1%
Bookstore income	41,078	75,214	(34,136)	-45.4%
Other operating revenues	104,320	207,528	(103,208)	-49.7%
Total operating revenues	\$ 5,687,138	\$ 5,794,371	\$ (107,233)	-1.9%
Non-operating revenues				
Government grants	\$ 10,097,575	\$ 10,771,753	\$ (674,178)	-6.3%
Property taxes	20,277,352	19,438,502	838,850	4.3%
State appropriations	1,871,100	1,785,600	85,500	4.8%
Other	1,828,439	598,711	1,229,728	205.4%
Total non-operating revenues	\$ 34,074,466	\$ 32,594,566	\$ 1,479,900	4.5%
Total revenues	\$ 39,761,604	\$ 38,388,937	\$ 1,372,667	3.6%



Revenues

Revenues for the District increased for the 2013-14 year. Property taxes increased 4.3% as new construction in the County increased revenues beyond the 2% increase in the levy approved by the Governing Board. This levy increase along with a restructure of fees offset the 2.28% drop in FTSE (full-time student equivalent) enrollment. Sharp 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 2013-14. FTSE levels for 2013-14 and previous years are also shown below.



Other nonoperating revenue shows a significant increase due to a large donation the Foundation received that applied to the DAC principal lease payments. State aid revenue appears to have bottomed out with the state budget crisis now beginning to improve. State appropriations continue to represent less than 5% of unrestricted revenue for the District. Bookstore income decreased by 45.4%. Bookstores on the southern campuses are operated by Barnes & Noble. Government grants revenue decreased 6.3% due to reduced Pell disbursements following the drop in enrollment. Private contracts decreased 13.1% due to the completion of a large donation for the Bullhead City campus infrastructure. In summary, the District has absorbed losses in enrollment by managing tuition rates and expenses to ensure the educational mission of the District is unaffected.

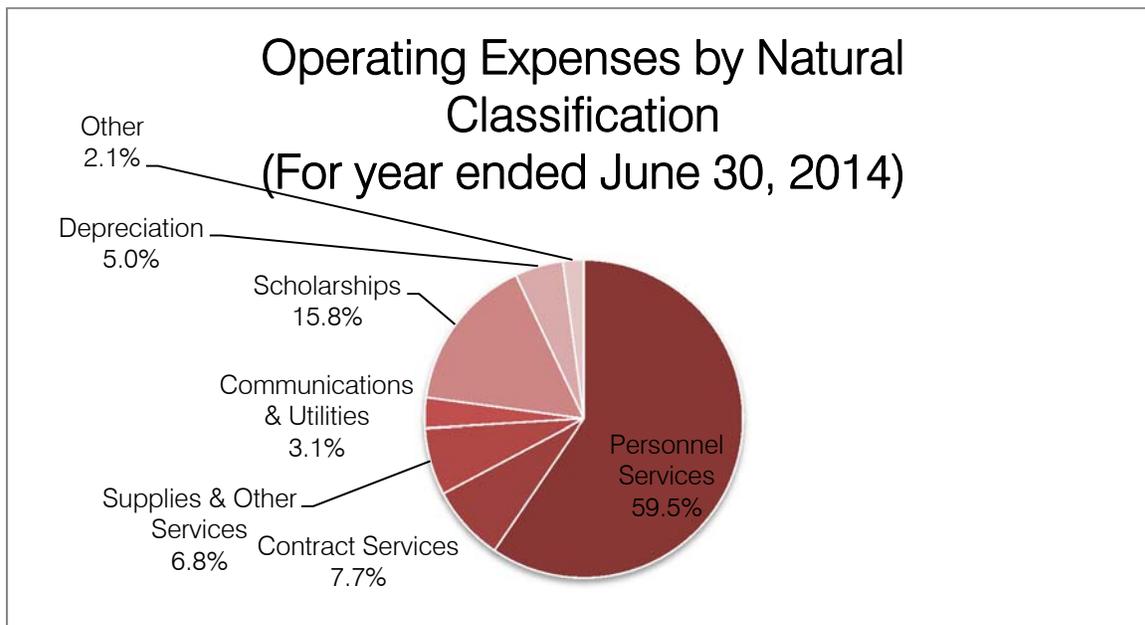
Expenses

Total expenses for the 2013-14 year decreased 5.6% over prior fiscal year. The District elected to provide a salary increase of 1% to MCC employees following the 2012-13 year though the overall number of budgeted positions decreased. Scholarship expenses decreased 5.2% in line with the drop in student enrollment which has a direct effect on aid that is offered. Depreciation climbed to 8.8% with the completion of the Lake Havasu building. Completion of that same building caused contracted services, supplies & other services expenses to drop. The new building on the Lake Havasu campus also allowed the college to vacate a facility that was inefficient in resources, which

in turn dropped 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>Expenses by Function</i>	<i>For the Year Ended</i>		<i>Increase / (Decrease)</i>	
	<i>June 30, 2014</i>	<i>June 30, 2013</i>	<i>Amount</i>	<i>% Change</i>
<u>Operating expenses</u>			Amount	% Change
Education and general:				
Instruction	\$ 11,518,445	\$ 11,642,062	\$ (123,617)	-1.1%
Public Service	139,836	120,923	18,913	15.6%
Academic Support	3,530,464	3,962,091	(431,627)	-10.9%
Student Services	3,655,541	4,180,148	(524,607)	-12.5%
Institutional support	5,365,809	5,761,053	(395,244)	-6.9%
Operation and maintenance of plant	2,719,734	3,104,566	(384,832)	-12.4%
Scholarships	5,455,390	5,752,253	(296,863)	-5.2%
Auxiliary enterprises	383,299	422,095	(38,796)	-9.2%
Depreciation	1,695,507	1,558,015	137,492	8.8%
Total operating expenses	\$ 34,464,025	\$ 36,503,206	\$ (2,039,181)	-5.6%
<u>Non-operating expenses</u>				
Interest expense on debt	\$ 216,009	\$ 231,530	\$ (15,521)	-6.7%
Loss on disposal of capital assets	1,832	11,525	(9,693)	-84.1%
Total non-operating expenses	\$ 217,841	\$ 243,055	\$ (25,214)	-10.4%
Total expenses	\$ 34,681,866	\$ 36,746,261	\$ (2,064,395)	-5.6%



Expenses by Natural Classification	For the Year Ended		Increase / (Decrease)	
	June 30, 2014	June 30, 2013	Amount	% Change
Personnel Services	\$ 20,503,840	\$ 21,775,377	\$ (1,271,537)	-5.8%
Contract Services	2,662,596	2,870,696	(208,100)	-7.2%
Supplies & Other Services	2,351,770	2,589,907	(238,137)	-9.2%
Communications & Utilities	1,065,725	1,225,318	(159,593)	-13.0%
Scholarships	5,455,390	5,752,253	(296,863)	-5.2%
Depreciation	1,695,507	1,558,015	137,492	8.8%
Other	729,197	731,640	(2,443)	-0.3%
Total	\$ 34,464,025	\$ 36,503,206	\$ (2,039,181)	-5.6%

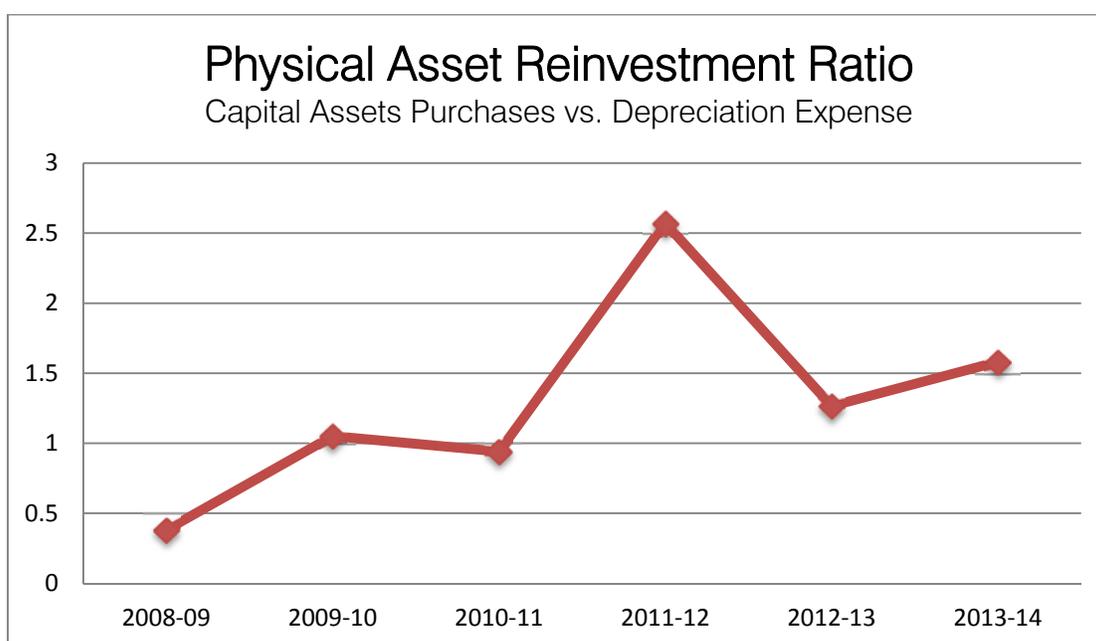
Capital Assets and Debt Management

Capital assets increased by \$1,059,514 net of accumulated depreciation. The primary addition was the completion of the new classroom and lab building on the Lake Havasu City campus. The Lake Havasu City building houses labs and work spaces for art (including lapidary, sculpting and others) and industrial disciplines (including HVAC) as well as provides office space for faculty and staff.

The District seeks to budget capital expenditures at least at the level of expected depreciation in order for facilities to stay current and not fall into extended states of disrepair requiring more advanced and expensive remodels and upgrades. The graph below illustrates the amount used for the purchase of capital assets versus depreciation expense for the last five fiscal years.

The District has developed a five year facilities update plan. The plan calls for 20% of the existing buildings and classroom space to be renovated or updated each year. After the five year cycle is completed each campus will have received a renovation of all facilities. Further information on the District's capital asset activity is available in Note 4 of the notes to the financial statements.

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



Statement of Net Position—Primary Government
June 30, 2014

	Business- Type Activities
Assets	
Current assets:	
Cash and cash equivalents	\$ 14,136,845
Receivables (net of allowances for uncollectibles):	3,578,081
Prepaid items	360,130
Restricted assets:	
Cash and cash equivalents	100,419
Total current assets	<u>18,175,475</u>
Noncurrent assets:	
Capital assets, net:	<u>21,549,880</u>
Total noncurrent assets	<u>21,549,880</u>
Total assets	<u>39,725,355</u>
Liabilities	
Current liabilities:	
Accounts payable	321,626
Accrued payroll and employee benefits	473,960
Interest payable	57,633
Deposits held in custody for others	100,419
Unearned revenues	153,385
Current portion of long-term debt	205,500
Total current liabilities	<u>1,312,523</u>
Noncurrent liabilities:	
Compensated absences payable	157,863
Long-term debt	4,741,406
Total noncurrent liabilities	<u>4,899,269</u>
Total liabilities	<u>6,211,792</u>
Net Position	
Net investment in capital assets	16,594,144
Restricted:	
Expendable:	
Grants and contracts	279,680
Capital projects	387,742
Unrestricted	16,251,997
Total net position	<u>\$ 33,513,563</u>

See accompanying notes to financial statements.

Statement of Financial Position—Component Unit

June 30, 2014

	<i>Mohave Community College Foundation</i>
Assets	
Current assets:	
Cash and cash equivalents	\$ 333,934
Investments - unrestricted	1,992,600
Unimproved land held for investment	225,548
Other receivables	1,937
Current portion of capital lease receivable - affiliated organization	125,784
Total current assets	<u>2,679,803</u>
Investments - restricted	1,096,919
Capital lease receivable - affiliated organization, net of current portion	773,340
Property and equipment	<u>787,290</u>
Total assets	<u>5,337,352</u>
Liabilities	
Current liabilities:	
Accounts payable	5,720
Scholarships payable	70,452
Current portion of notes payable	86,481
Total current liabilities	<u>162,653</u>
Notes Payable, net of current portion	<u>802,161</u>
Total liabilities	<u>964,814</u>
Net Assets	
Unrestricted	2,003,422
Temporarily restricted	1,272,197
Permanently restricted	<u>1,096,919</u>
Total net assets	<u>4,372,538</u>
Total liabilities and net assets	<u><u>\$ 5,337,352</u></u>

See accompanying notes to financial statements.

Statement of Revenues, Expenses, and Changes in Net Position – Primary Government
Year Ended June 30, 2014

	Business- Type Activities
Operating revenues:	
Tuition and fees (net of scholarship allowances of \$ 4,953,001)	\$ 4,999,502
Private contracts	542,238
Bookstore income	41,078
Food service income	14,249
Other	90,071
Total operating revenues	<u>5,687,138</u>
Operating expenses:	
Educational and general:	
Instruction	11,518,445
Public service	139,836
Academic support	3,530,464
Student services	3,655,541
Institutional support	5,365,809
Operation and maintenance of plant	2,719,734
Scholarships	5,455,390
Auxiliary enterprises	383,299
Depreciation	1,695,507
Total operating expenses	<u>34,464,025</u>
Operating loss	<u>(28,776,887)</u>
Nonoperating revenues (expenses):	
Property taxes	20,277,352
State appropriations	1,871,100
Government grants	10,097,575
Share of state sales taxes	1,717,603
Other non-operating revenue	105,808
Investment earnings	5,028
Interest expense on debt	(216,009)
Loss on disposal of capital assets	(1,832)
Total nonoperating revenues (expenses)	<u>33,856,625</u>
Increase in net position	5,079,738
Total net position, July 1, 2013	<u>28,433,825</u>
Total net position, June 30, 2014	<u>\$ 33,513,563</u>

See accompanying notes to financial statements.

Statement of Activities – Component Unit
Year Ended June 30, 2014

	Mohave Community College Foundation			
	Unrestricted net assets	Temporarily restricted net assets	Permanently restricted net assets	Totals
Public support and revenues:				
Contributions	\$ 2,592	\$ 674,020	\$ 5,700	\$ 682,312
Member dues contributions	33,321			33,321
In-kind contributions		39,711		39,711
Special event income, net of \$38,782 direct donor benefit	32,326			32,326
Gain on sale of vehicles	8,042			8,042
Investment income	172,332	338,008	12,365	522,705
Subtotal	248,613	1,051,739	18,065	1,318,417
Releases from restrictions	380,967	(377,467)	(3,500)	
Total public support and revenues	629,580	674,272	14,565	1,318,417
Expenses and losses:				
Program service	570,559			570,559
Administration	22,458			22,458
Fundraising	39,339			39,339
Subtotal	632,356			632,356
Change in fair market value of land held for investment	67,788			67,788
Total expenses and losses	700,144			700,144
Change in net assets	(70,564)	674,272	14,565	618,273
Net assets, beginning of year	2,073,986	597,925	1,082,354	3,754,265
Net assets, end of year	\$ 2,003,422	\$ 1,272,197	\$ 1,096,919	\$4,372,538

See accompanying notes to financial statements.

Statement of Cash Flows – Primary Government
Year Ended June 30, 2014

	Business-Type Activities
Cash flows from operating activities:	
Tuition and fees	\$ 4,961,108
Contracts	1,110,951
Bookstore receipts	41,078
Food services receipts	14,249
Sales and services	77,840
Other receipts	16,017
Payments to suppliers and providers of goods and services	(7,187,102)
Payments for employee wages and benefits	(20,884,196)
Payments to students for scholarships	(5,455,390)
Net cash used for operating activities	<u>(27,305,445)</u>
Cash flows from noncapital financing activities:	
Property taxes	19,627,430
State appropriations	1,871,100
Grants	10,240,123
Share of state sales taxes	1,501,634
Federal direct lending receipts	7,712,351
Federal direct lending disbursements	(7,310,497)
Deposits held in custody for others received	73,699
Deposits held in custody for others disbursed	(72,200)
Net cash provided by noncapital financing activities	<u>33,643,640</u>
Cash flows from capital and related financing activities:	
Principal paid on capital debt	(173,461)
Interest paid on capital debt	(215,477)
Purchases of capital assets	(2,680,770)
Net cash used for capital and related financing activities	<u>\$ (3,069,708)</u>
Cash flows from investing activities:	
Interest received on investments	<u>\$ 5,056</u>
Net cash provided by investing activities	<u>5,056</u>
Net increase in cash and cash equivalents	2,733,543
Cash and cash equivalents, July 1, 2013	<u>11,503,721</u>
Cash and cash equivalents, June 30, 2014	<u><u>\$ 14,237,264</u></u>

See accompanying notes to financial statements.

Statement of Cash Flows – Primary Government
 Year Ended June 30, 2014
 (Continued)

	Business-Type Activities
Reconciliation of operating loss to net cash used for operating activities:	
Operating loss	\$ (28,776,887)
Adjustments to reconcile operating loss to net cash used for operating activities:	
Depreciation	1,695,507
Changes in assets and liabilities:	
Increase in:	
Prepaid expenses	(142,954)
Decrease in:	
Accounts payable	(234,860)
Accrued payroll	(36,368)
Accounts receivable	3,786
Compensated absences payable	(343,988)
Donor receivable	568,713
Student receivable	53,569
Unearned revenue	(91,963)
Net cash used for operating activities	<u>\$ (27,305,445)</u>
Reconciliation of cash and cash equivalents, as presented on the Statement of Net Position:	
Cash and cash equivalents	\$ 14,136,845
Restricted assets:	
Cash and cash equivalents	100,419
Total cash and cash equivalents, June 30, 2014	<u>\$ 14,237,264</u>

Nonoperating Non-cash Transactions Not Included in Above Statement:

The Mohave Community College Foundation reduced the amount owed on the Detroit Avenue Center capital lease by \$60,402.

During the year the District experienced a net loss on disposal of capital assets with an original cost of \$22,096, accumulated depreciation of \$20,264.

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).

For the year ended June 30, 2014, the District implemented the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*; GASB Statement No. 66, *Technical Corrections—2012, an amendment of GASB Statements No. 10 and No. 62*; and GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. GASB Statement No. 65 reclassifies certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources and recognizes certain other items that were previously reported as assets and liabilities as revenues or expenses. GASB Statement No. 66 resolves conflicting guidance in previous GASB pronouncements related to risk financing activities, operating leases, purchases of loans, and servicing fees. GASB Statement No. 70 improves accounting and financial reporting for governments that extend or receive nonexchange financial guarantees. The implementation of these standards had no effect on the District's financial statements for the year ended June 30, 2014.

A. Reporting Entity

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

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 (FASB) statements for not-for-profit organizations. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information included in the District's financial report. Accordingly, those financial statements have been reported on separate pages following the 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, 2014, the Foundation distributed \$694,804 to the District for both restricted and unrestricted purposes. Complete financial statements for the Foundation are now available and/or can be obtained from <http://publicinfo.mohavecollegefoundation.org/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. Expendable 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, including capital contributions and additions to endowments. Operating revenues and expenses generally result from exchange transactions. Accordingly, revenues, such as tuition and 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, cash and investments held by the County Treasurer, investments in the State Treasurer's Local Government Investment Pool, and certificates of deposit with a maturity of 3 months or less when purchased. 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 estimated fair value at the time received.

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. Compensated Absences

Compensated absences payable consists of Paid Time Off (PTO). 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 leave credit.

In June 2013, the District approved changes to the existing policy regarding PTO accrual and payout upon termination. The new policy took effect beginning July 1, 2013. Under prior policy,

PTO was payable based on a 50% payout of PTO after 5 years of service and 100% after 10 years. Each employee was subject to a cap on PTO termination pay equal to 1.5 times his/her annual accrual.

Under the new policy, the faculty leave accrual was reduced by 40% in conjunction with a newly developed program that uses donated unused leave to be used by faculty in a catastrophic health situation.

The Employee Leave Buyback program was revised to require a minimum of 10 years of service to be eligible for payout. Additionally, the payout rate was changed to a flat \$75 per day with a maximum payout of \$4,500.

Employees may still accrue up to 480 hours (60 days) but are subject to the aforementioned cap on hours that may apply to termination payout.

With reduced annual accruals and the change in payout percentages, the District reduced its compensated absences liability dramatically by adopting the new PTO policy.

G. 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. The statutes do 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. The statutes do not include any requirements for credit risk, custodial credit risk, concentration of credit risk, interest rate risk, or foreign currency risk for the District's investments.

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

Deposits—At June 30, 2014, the carrying amount of the District's deposits were \$14,146,294, and the bank balance was \$14,221,173.

Investments—The District’s investments at June 30, 2014, were as follows:

Investment Type	Amount
County Treasurer’s investment pool	\$ 89,020

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

Credit Risk - The District does not have a formal policy with respect to credit risk. At June 30, 2014, credit risk for the District’s investments was as follows:

Investment Type	Rating	Rating Agency	Amount
County Treasurer’s investment pool	Unrated	Not applicable	\$89,020

Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from rising interest rates, the District’s policy limits investments to maturities of less than one year.

At June 30, 2014, the District had the following investments in debt securities:

Investment Type	Amount	Investment maturities less than 1 year
County Treasurer’s investment pool	\$ 89,020	\$ 89,020

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

Cash, deposits, and investments:	Statement of Net Position:	
Cash on hand	\$ 1,950	Cash and cash equivalents \$ 14,136,845
Amount of deposits	14,146,294	Restricted assets:
Amount of investments	89,020	Cash and cash equivalents 100,419
Total	\$14,237,264	Total \$ 14,237,264

Note 3 - Receivables

Receivables at June 30, 2014 consist of the following:

Category:	Amount:
Accounts	\$ 11,453
Property taxes	2,735,631
Government grants and contracts	243,570
Share of state sales tax	215,969
Student receivables, net of allowance (\$4,953,001)	134,221
Due from Federal Government	237,146
Interest	91
Total	\$ 3,578,081

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, 2014, was as follows:

	Balance June 30, 2013	Increases	Decreases	Balance June 30, 2014
Capital assets not being depreciated:				
Land	\$ 638,098			\$ 638,098
Construction in progress	690,193		\$ 690,193	
Total capital assets not being depreciated	1,328,291		690,193	638,098
Capital assets being depreciated:				
Buildings and improvements	29,351,150	\$ 2,725,908		32,077,058
Improvements other than buildings	3,615,115	105,449		3,720,564
Equipment	3,444,559	222,158	22,097	3,644,620
Library books	1,862,166	33,342		1,895,508
Software systems	1,209,900	360,188		1,570,088
Total capital assets being depreciated	39,482,890	3,447,045	22,097	42,907,838
Less accumulated depreciation for:				
Buildings and improvements	13,183,775	846,577		14,030,352
Improvements other than buildings	2,678,308	298,794		2,977,102
Equipment	2,330,257	451,041	20,266	2,761,032
Library books	1,716,059	18,435		1,734,494
Software systems	412,416	80,660		493,076
Total accumulated depreciation	20,320,815	1,695,507	20,266	21,996,056
Total capital assets being depreciated, net	19,162,075	1,751,538	1,831	20,911,782
Capital assets, net	\$20,490,366	\$1,751,538	\$692,024	\$21,549,880

Note 5 - Long-Term Liabilities

The following schedule details the District's long-term liability and obligation activity for the year ended June 30, 2014:

	Balance July 1, 2013	Additions	Reductions	Balance June 30, 2014	Due within 1 year
Revenue bonds payable	\$3,320,00		\$10,000	\$3,310,000	\$10,000
Pledged revenue obligations	795,000		85,000	710,000	90,000
Capital leases payable	1,035,091	\$76,082	184,267	926,906	105,500
Compensated absences payable	501,851	7,200	351,188	157,863	0
Total long-term debt	\$5,651,942	\$76,082	\$623,255	\$5,104,769	\$205,500

Pledged Revenue Obligations—The District's pledged revenue obligations consist of debt issued under terms of agreement with the trustee and are generally callable meaning the District retains the privilege of redeeming the bond before the full maturity date. The debt obligations are payable from and secured by the District's tuition and fees, rentals, sales and services and other revenue paid by students and the general public. At the beginning of fiscal 2013-14, the District had one outstanding pledged revenue obligation.

Proceeds of the Series 2005 Pledged Revenue Obligations, issued during fiscal year 2005-06 in the amount of \$1,325,000, and were primarily used to design, construct, furnish and equip a classroom building.

At June 30, 2014, pledged revenues totaled \$5,149,928 of which 2.24% or \$115,188 was required to cover current year debt service. Future annual principal and interest payments on the bonds are expected to require approximately 2% of pledged revenues. Future pledged revenues required to pay all remaining debt service for the bonds through final maturity in 2020-2021 is \$816,548.

The District's pledged revenue obligation at June 30, 2014 is summarized below.

Description	Amount Issued	Maturity Ranges	Interest Rates	Outstanding Principal
Series 2005	\$1,325,000	9/1/15-20	3.7-4.125%	\$710,000

The following schedule details debt service requirements to maturity for the District's bonds payable at June 30, 2014:

Year ending June 30	Pledged Revenue Obligation	
	Principal	Interest
2015	\$90,000	\$26,906
2016	95,000	23,438
2017	95,000	19,697
2018	100,000	15,675
2019	105,000	11,447
2020	225,000	9,385
Total	\$710,000	\$106,548

Revenue Bonds Payable—The District's revenue refunding bonds consist of Series 2006 bonds that are callable with interest payable semiannually. The bond proceeds were used to refund the Series 2000 Revenue Bonds. The revenue refunding bonds are repaid from tuition, fees, rentals and other charges paid by students, faculty and others. The total principal and interest remaining to be paid on the bonds is \$3,879,613. Principal and interest paid for the current year were \$10,000 and \$139,525, respectively.

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

Description	Amount Issued	Maturity Ranges	Interest Rates	Outstanding Principal
Series 2006	\$3,490,000	3/1/15-20	4.0-4.25%	\$3,310,000

Year ending June 30	Revenue Refunding Bonds	
	Principal	Interest
2015	\$10,000	\$139,125
2016	610,000	138,725
2017	630,000	114,325
2018	660,000	87,550
2019	685,000	59,500
2020	715,000	30,388
Total	\$3,310,000	\$569,613

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, 2014, the following outstanding bonds were considered defeased:

Description	Amount
Revenue bonds	\$3,150,000

At June 30, 2014, pledged revenues totaled \$5,149,928 of which 2.90% or \$149,525 was required to cover current year debt service. Future annual principal and interest payments on the bonds are expected to require approximately 13% of pledged revenues. Future pledged revenues required to pay all remaining debt service for the bonds through final maturity in 2019-2020 is \$3,879,613.

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

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

The following assets were acquired through capital leases:

Capital Leases	\$ 1,626,251
Less: accumulated depreciation	141,168
Carrying value	\$ 1,485,083

The following schedule details debt service requirements to maturity for the District's capital leases payable at June 30, 2014:

Year ending June 30	
2015	\$ 144,807
2016	903,655
2017	223
Total minimum lease payments	\$ 1,048,685
Less amount representing interest	121,779
Present value of net minimum lease payments	\$ 926,906

Note 6 - Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District participates with other community college districts and Arizona school districts in the Arizona

School Risk Retention Trust, Inc. a public entity risk pool. The Trust insures the District against liabilities arising from general liability, professional liability, property, and commercial crime risks. The Trust's operating agreement includes a provision for member assessment in the event that total claims paid by the Trust exceed the contributions and reserves in any one year. The assessment is limited to the contribution amount paid by the District during the year in which the assessment is applied. The Trust has never had such an assessment. The District also carries commercial insurance for other risks of loss, including: workers' compensation and student field trips. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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

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

Note 7 - Pension and Other Post-Employment Benefits

Plan Descriptions—The District contributes to a cost-sharing, multiple-employer defined benefit pension plan; a cost-sharing, multiple-employer defined benefit health insurance premium benefit plan; and a cost-sharing, multiple-employer defined benefit long-term disability plan, all of which the Arizona State Retirement System administers. The Arizona State Retirement System (through its Retirement Fund) provides retirement (i.e., pension), death, and survivor benefits; the Health Benefit Supplement Fund provides health insurance premium benefits (i.e., a monthly subsidy); and the Long-Term Disability Fund provides long-term disability benefits. State statute establishes benefits. The Arizona State Retirement System Board governs the system according to the provisions of A.R.S. Title 38, Chapter 5, Article 2.

The System issues a comprehensive annual financial report that includes financial statements and required supplementary information. The most recent report is available on its Web site at www.azasrs.gov; by writing the Arizona State Retirement System, 3300 N. Central Ave., P.O. Box 33910, Phoenix, AZ 85067-3910; or by calling (602) 240-2000 or (800) 621-3778.

Funding Policy—The Arizona State Legislature establishes and may amend active plan members' and the District's contribution rates. For the year ended June 30, 2014, statute required active plan members to contribute at the actuarially determined rate of 11.54 percent (11.3 percent for retirement and 0.24 percent for long-term disability) of the members' annual covered payroll, and statute required the District to contribute at the actuarially determined rate of 11.54 percent (10.7 percent for retirement, 0.6 percent for health insurance premium benefit, and 0.24 percent for long-term disability) of the members' annual covered payroll.

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

	Retirement Fund	Health Benefit Supplement Fund	Long-Term Disability Fund
Year ended June 30			
2014	\$1,420,403	\$90,664	\$32,103
2013	1,438,969	91,252	33,699
2012	1,400,222	89,376	34,810

Note 8 - Operating Expenses

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

Personnel Services	\$20,503,840
Contract Services	2,662,596
Supplies & Other Services	2,351,770
Communications & Utilities	1,065,725
Scholarships	5,455,390
Depreciation	1,695,507
Other	729,197
Total	\$34,464,025

Note 9 – 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.

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

Cash and cash equivalents – MCCF considers all cash and highly liquid investments with an original maturity of three months or less to be cash equivalents. MCCF maintains its cash in bank deposit accounts, which, for short periods of time, may exceed federally insured limits. At June 30, 2014, there were no funds in excess of insured limits.

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

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

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

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

Investments – Investments 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.

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

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

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 ending June 30, 2014, advertising expense was \$5,195.

Alumni projects – MCCF promotes alumni relations through mailings and promotion of the College throughout the community. For the years ended June 30, 2014, 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.

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 30, 2014, which is the date the financial statements became available to issue.

Note C – Investments

Investments in marketable securities held by MCCF, at June 30, 2014, consisted of the following:

2014	
Mutual funds	\$ 2,806,023
Stocks	208,435
Unit trusts	75,061
	3,089,519
Less investments for permanently restricted endowments	(1,096,919)
	\$ 1,992,600

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

2014	
Realized gains	\$ 130,760
Unrealized gains	277,858
Dividend/interest income	114,087
	\$ 522,705

Fair value measurements – The fair values of assets and liabilities measured on a recurring basis at June 30, 2014 were as follows:

	Level 1	Level 3	Total
Mutual funds	\$	\$ 2,806,023	\$ 2,806,023
Stocks	208,435		208,435
Unit trusts	75,061		75,061
Unimproved land held for investment		225,548	225,548
	\$ 283,496	\$ 3,031,571	\$ 3,315,067

Changes in Level 3 assets measured at fair value on a recurring basis using significant unobservable inputs were as follows for the year ended June 30, 2014:

	Unimproved land	Mutual funds	Total
Beginning balance	\$ 266,626	\$ 1,971,534	\$ 2,238,160
Realized gains		127,293	127,293
Unrealized gains		214,640	214,640
Purchases		636,422	636,422
Sales		(60,000)	(60,000)
Other deposits		(83,866)	(83,866)
Change in value of land	(41,078)		(41,078)
Ending balance	\$ 225,548	\$ 2,806,023	\$ 3,031,571

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

The fair value of unimproved land held for investment is determined by reference to property tax assessed values and other relevant information generated by market transactions. There were no changes in valuation techniques during the year ended June 30, 2014.

Note D – Property and Equipment

Property and equipment at June 30, 2014 consisted of the following:

	2014
Improved Land	\$ 787,290
Vehicles	3,802
	791,092
Less accumulated depreciation	(3,802)
	\$ 787,290

Depreciation expense for the year ended June 30, 2014 was \$3,250.

Note E – Capital Lease Receivable – Affiliated Organization

During the year ended June 30, 2011, MCCF entered into a direct financing capital lease with MCC (an affiliated organization) for their building. At the end of the lease term, title of the property will transfer to MCC for a bargain purchase of \$1. Monthly payments are \$10,482 and include principal and interest. Interest income under this agreement totaled \$52,727 for the year ended June 30, 2014.

Future capital lease receivables are as follows:

Year ending June 30, 2015	\$ 125,784
2016	884,634
	1,010,418
Less interest at 5%	(111,294)
Capital Lease Receivable	\$ 899,124

Note F – Note Payable

MCCF has a note payable with interest fixed at 5%, monthly principal and interest installments of \$10,482 and an approximated lump-sum payment of \$798,334 due in

August 2015. The note is collateralized by real property, with a net book value of \$2,115,571 at June 30, 2014, including the building subject to the capital lease disclosed in Note E, as well as the capital lease receivable itself.

Future maturities of long-term debt at June 30, 2014 are as follows:

Year ending June 30, 2015	\$ 86,481
2016	802,161
Total notes payable	\$ 888,642

Note G– Commitments

During the year ended June 30, 2012, MCCF made a conditional promise to give to fund 10% of the development and construction of the 14,000 square foot Allied Health Sciences Building II at the MCC Bullhead City Campus, not to exceed \$210,000. As of June 30, 2014, the \$210,000 of this commitment was fully satisfied.

Note H – Temporarily Restricted Net Assets

Temporarily restricted net asset activity was as follows during the year ended June 30, 2014:

	Beginning balance	Contributions/ pledge discount	Investment income	Releases	Ending balance
Accumulated endowment earning on scholarships	\$ 455,723	\$	\$ 338,008	\$ (67,229)	\$ 726,502
Allied Health Training Center	55,364	33,701		(89,065)	
Other	18,111	475,856		(49,678)	444,289
Scholarships	65,813	204,174		(171,495)	98,492
Future years operations	2,914				2,914
	\$ 597,925	\$ 713,731	\$ 338,008	\$ (377,467)	\$1,272,197

Note I – Permanently Restricted Net Assets

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

Note J – Board Designated Net Assets

MCCF had the following board designated net assets at June 30, 2014:

	2014
Kingman chapter	\$ 57,163
Lake Havasu City chapter	91,823
Bullhead City chapter	33,321
Foundation operations/general fund	177,064
	\$ 359,371

Note K – Endowments

Funds with deficiencies – From time to time, the fair value of assets associated with individual donor- restricted endowment funds may fall below the level that the donor or the Act requires the Organization to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles, deficiencies of this nature that are reported in unrestricted net assets were \$0 as of June 30, 2014.

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.

Endowment fund activity – See Note H for endowment related activities in temporarily restricted net assets and Note I for endowment related activities in permanently restricted net assets.

Net assets in the endowment fund consisted of the following at June 30, 2014:

	Temporarily Restricted	Permanently Restricted	Total
Balance, June 30, 2013	\$ 455,723	\$ 1,082,354	\$ 1,538,077
Contributions		5,700	5,700
Dividend/interest income	93,665	3,493	97,158
Unrealized/realized gains	244,343	8,872	253,215
Releases/appropriations	(67,229)	(3,500)	(70,729)
Balance, June 30, 2014	\$ 726,502	\$ 1,096,919	\$ 1,823,421

Note L – In-Kind Contributions

During the years ended June 30, 2014, in-kind contributions consisted for the following:

	2014
In-kind goods and services passed to MCC	\$ 31,979
In-kind goods and services – special event	518
In-kind goods and services for MCCF	7,214
Total in-kind contributions	\$ 39,711

Note M – Payments and Transfers to MCC

During the years ended June 30, 2014, MCCF made the following payments and transfers to MCC or on behalf of MCC:

	2014
Scholarships	\$ 218,201
Unrestricted donation	100,000
Capital expenditures	112,112
Transfer of in-kind contributions	31,979
Program expenditures	45,950
Total MCC operations	508,242
Pass through funds	186,562
Total payments and transfers	\$ 694,804

At June 30, 2014, MCCF owed \$70,452 to MCC, consisting of scholarships liabilities.

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

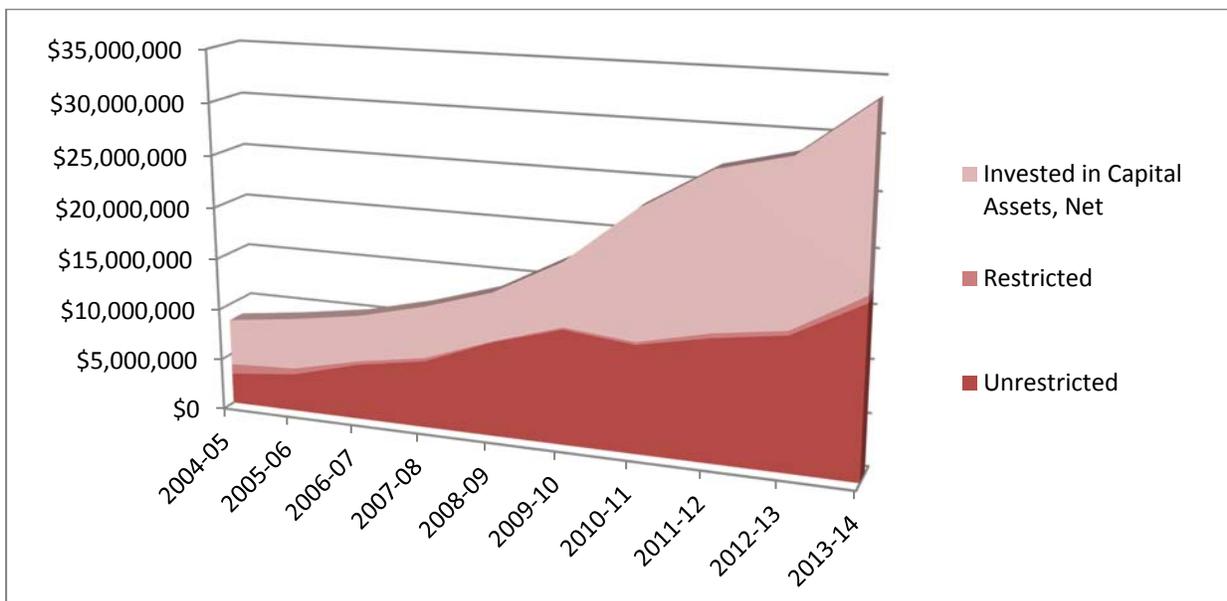
Information in this section assists readers in understanding and assessing the demographic and economic environment in which the District operates

➤ 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

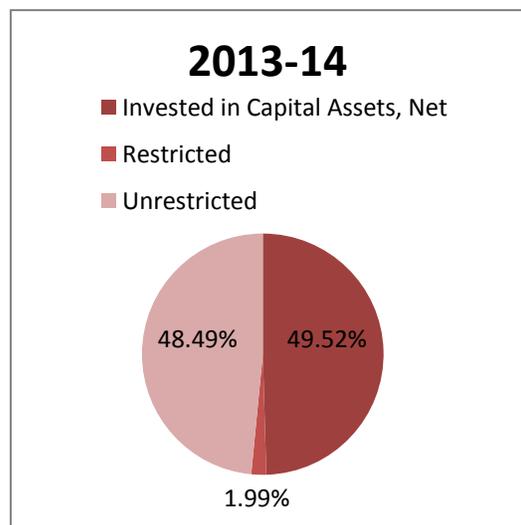
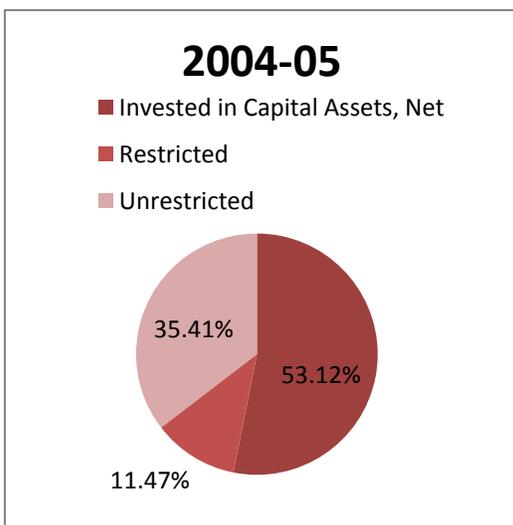
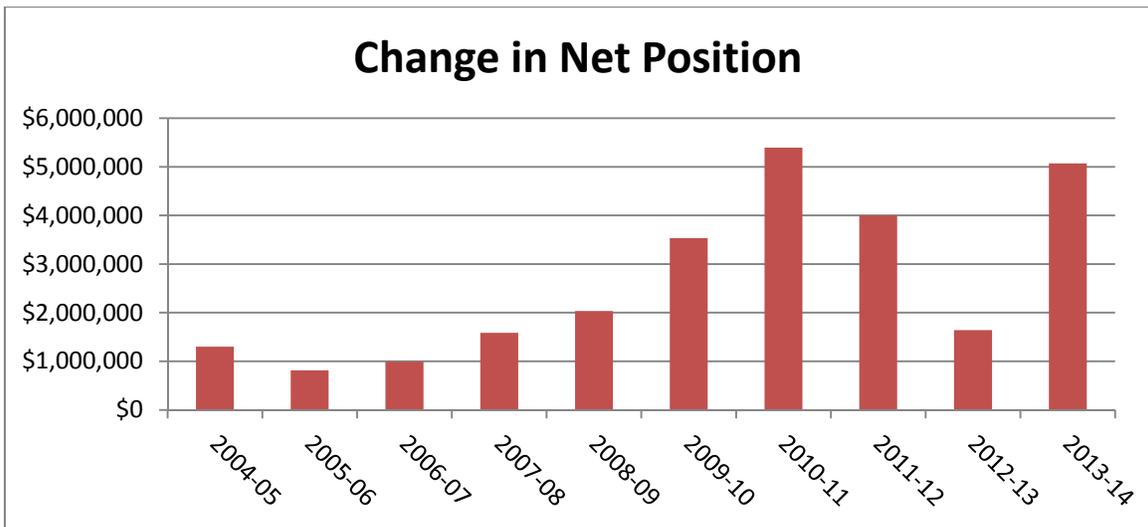
Net Position by Component	2009-10	2010-11	2011-12	2012-13	2013-14
Invested in Capital Assets, Net	\$ 6,139,634	\$ 12,178,365	\$ 14,651,563	\$ 15,342,457	\$ 16,594,144
Restricted	\$ 194,575	\$ 257,540	\$ 440,835	\$ 416,548	\$ 667,422
Unrestricted	\$ 11,057,133	\$ 10,351,202	\$ 11,698,751	\$ 12,674,820	\$ 16,251,997
Total	\$ 17,391,342	\$ 22,787,107	\$ 26,791,149	\$ 28,433,825	\$ 33,513,563

Net Position by Component	2004-05	2005-06	2006-07	2007-08	2008-09
Invested in Capital Assets, Net	\$ 4,478,623	\$ 4,971,770	\$ 4,479,547	\$ 4,981,341	\$ 4,641,128
Restricted	\$ 967,148	\$ 585,244	\$ 335,423	\$ 313,737	\$ 86,844
Unrestricted	\$ 2,985,704	\$ 3,688,809	\$ 5,424,426	\$ 6,529,590	\$ 9,130,281
Total	\$ 8,431,475	\$ 9,245,823	\$ 10,239,396	\$ 11,824,668	\$ 13,858,253



	2009-10	2010-11	2011-12	2012-13	2013-14
Change in Net Position	\$ 3,533,089	\$ 5,395,766	\$ 4,004,041	\$ 1,642,676	\$ 5,079,738
Net Position	\$ 17,391,342	\$ 22,787,108	\$ 26,791,149	\$ 28,433,825	\$ 33,513,563

	2004-05	2005-06	2006-07	2007-08	2008-09
Change in Net Position	\$ 1,301,580	\$ 814,348	\$ 993,573	\$ 1,585,272	\$ 2,033,585
Net Position	\$ 8,431,475	\$ 9,245,823	\$ 10,239,396	\$ 11,824,668	\$ 13,858,253



Change in Net Position – Last 10 Years

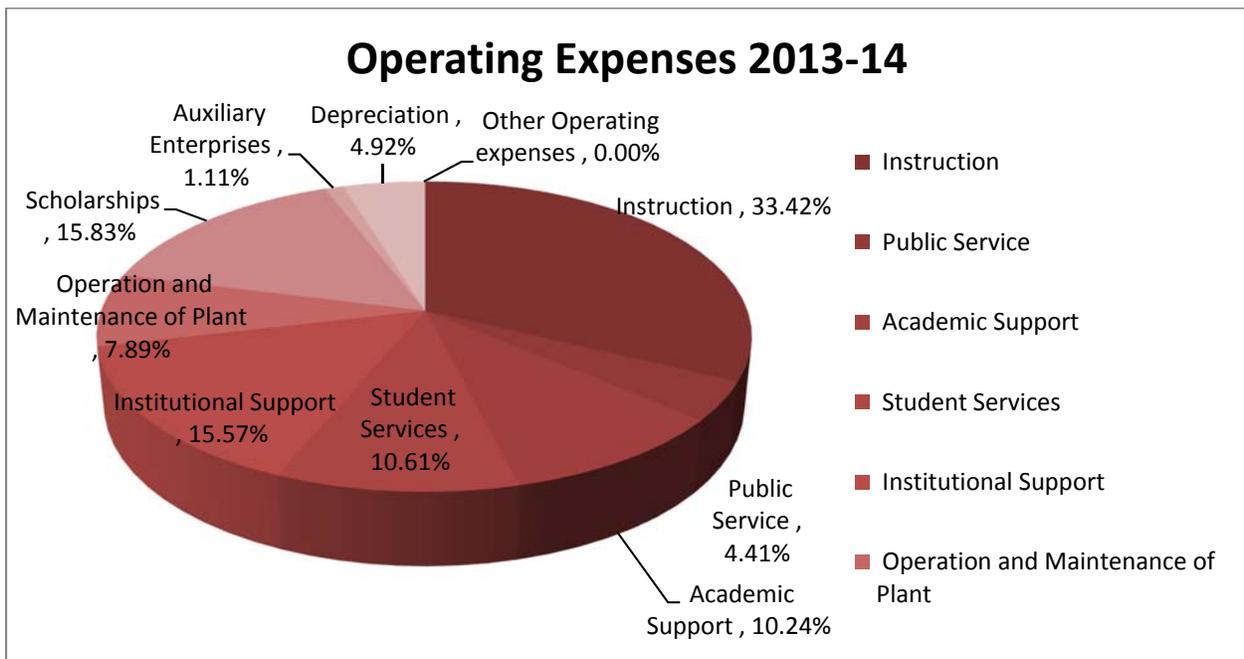
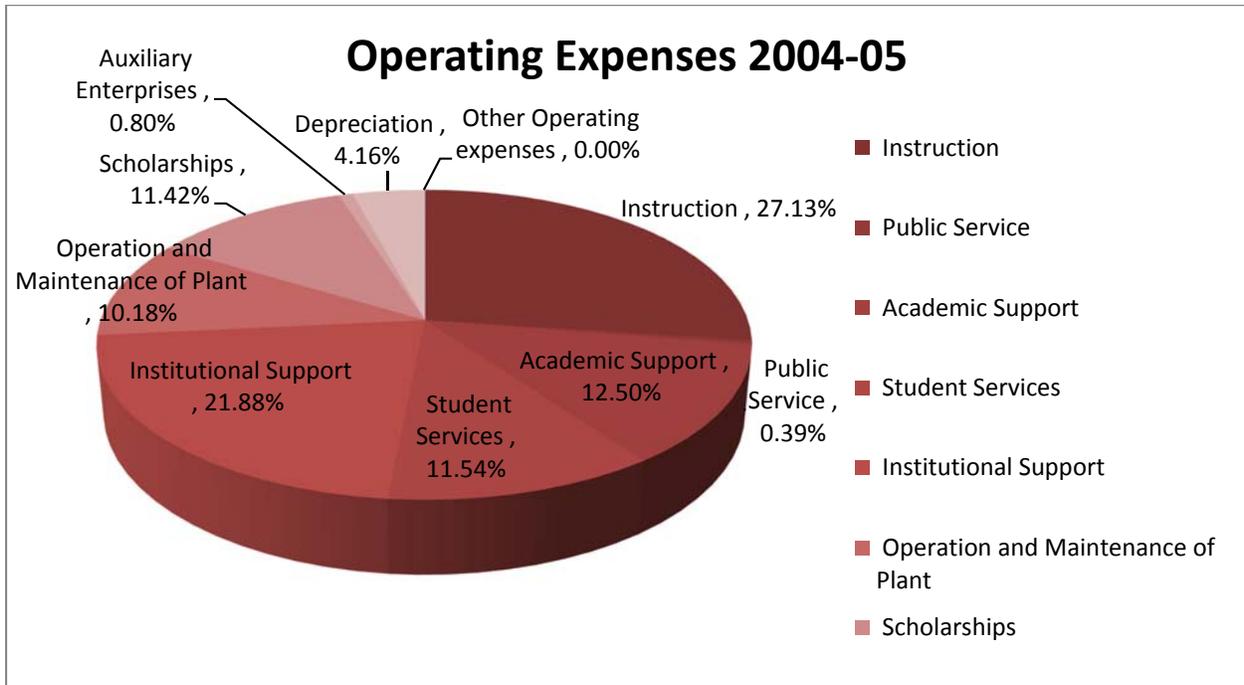
	2004-05	2005-06	2006-07	2007-08	2008-09
Operating Revenues					
Tuition and fees	2,810,351	2,990,555	3,512,519	3,296,204	4,510,286
Government grants and contracts	5,170,921	5,952,940	5,998,550		
Private grants and contracts	346,216	300,912	253,528	573,216	329,024
Bookstore income	140,233	159,473	184,053	202,379	246,254
Food service income	27,792	38,668	33,845	37,618	37,971
Other sales and services	278,613	339,052	291,519	153,672	127,807
Other	80,475	80,853	50,749	27,329	43,466
Total Operating Revenues	8,854,601	9,862,453	10,324,763	4,290,418	5,294,808
Operating Expenses					
Instruction	6,492,051	6,882,730	7,184,340	7,892,400	8,569,285
Public Service	91,821	124,169	79,694	114,126	118,520
Academic Support	2,992,161	3,462,743	3,519,967	3,591,507	3,696,088
Student Services	2,762,592	3,315,437	3,453,928	3,424,680	3,844,024
Institutional Support	5,237,170	6,001,049	6,850,217	7,213,810	7,981,597
Operation and Maintenance of Plant	2,435,786	2,434,154	2,382,022	2,476,724	2,684,752
Scholarships	2,733,955	2,954,737	3,006,796	3,401,656	4,014,019
Auxiliary Enterprises	190,639	228,419	237,535	202,412	442,944
Depreciation	996,621	1,087,742	1,179,112	1,265,072	1,417,859
Other	160	23,003	47,907		
Total Operating Expenses	23,932,956	26,514,183	27,941,518	29,582,387	32,769,088
Operating Income (Loss)	(15,078,355)	(16,651,730)	(17,616,755)	(25,291,969)	(27,474,280)
Nonoperating Revenues (Expenses)					
Government Grants				6,549,809	9,512,174
Property Taxes	11,762,842	13,274,304	14,093,900	15,372,777	16,235,016
State Appropriations	3,710,000	3,710,000	4,196,900	4,196,900	3,748,881
Share of State Sales Tax	418,297	517,428	557,376	554,842	518,805
Investment Income	90,126	139,212	83,206	209,642	77,423
Interest Expense on Debt	(658,756)	(798,623)	(961,933)	(608,948)	(583,862)
Gain (Loss) on Disposal of Capital Assets	(30,800)	10,976	6,194	4,181	(572)
Total Nonoperating Revenues (Expenses)	15,291,709	16,853,297	17,975,643	26,279,203	29,507,865
Change in Net Position	1,301,580	814,348	993,573	1,585,272	2,033,585

Change in Net Position – Last 10 Years (continued)

	2009-10	2010-11	2011-12	2012-13	2013-14
Operating Revenues					
Tuition and fees	4,168,056	4,526,951	5,331,328	4,887,443	4,999,502
Private grants and contracts	592,730	726,101	2,729,704	624,186	542,238
Bookstore income	222,703	134,039	101,768	75,214	41,078
Food service income	42,183	26,540	17,105	14,191	14,249
Other sales and services	117,277	113,113	114,334	94,311	
Other	46,356	16,200	45,031	99,026	90,071
Total Operating Revenues	5,189,305	5,542,944	8,339,270	5,794,371	5,687,138
Operating Expenses					
Instruction	9,502,581	10,743,772	11,703,226	11,642,062	11,518,445
Public Service	144,167	134,167	129,216	120,923	139,836
Academic Support	4,106,925	3,798,199	3,902,563	3,962,091	3,530,464
Student Services	3,009,029	3,310,869	3,605,952	4,180,148	3,655,541
Institutional Support	7,578,624	6,118,714	6,468,703	5,761,053	5,365,809
Operation and Maintenance of Plant	2,871,130	2,757,453	3,121,617	3,104,566	2,719,734
Scholarships	7,359,327	7,881,955	6,990,940	5,752,253	5,455,390
Auxiliary Enterprises	280,419	273,818	393,006	422,095	383,299
Depreciation	1,479,676	1,468,082	1,480,120	1,558,015	1,695,507
Total Operating Expenses	36,331,878	36,487,029	37,795,343	36,503,206	34,464,025
Operating Income (Loss)	(31,142,573)	(30,944,085)	(29,456,073)	(30,708,835)	(28,776,887)
Nonoperating Revenues (Expenses)					
Government Grants	13,939,348	14,468,876	12,627,839	10,771,753	10,097,575
Property Taxes	17,048,446	18,085,425	18,759,341	19,438,502	20,277,352
State Appropriations	3,682,901	3,682,900	1,792,200	1,785,600	1,871,100
Share of State Sales Tax	491,718	506,197	507,522	490,964	1,717,603
Investment Income	45,313	14,792	7,411	5,658	5,028
Interest Expense on Debt	(543,786)	(415,474)	(238,162)	(231,530)	(216,009)
Gain (Loss) on Disposal of Capital Assets	11,722	(2,865)	3,963	(11,525)	(1,832)
Other Non-Operating Revenues				102,089	105,808
Total Nonoperating Revenues (Expenses)	34,675,662	36,339,851	33,460,114	32,351,511	33,856,625
Change in Net Position	3,533,089	5,395,766	4,004,041	1,642,676	5,079,738

Expenses by Function	2004-05	2005-06	2006-07	2007-08	2008-09
Instruction	\$ 6,492,051	\$ 6,882,730	\$ 7,184,340	\$ 7,892,400	\$ 8,569,285
Public Service	\$ 91,821	\$ 124,169	\$ 79,694	\$ 114,126	\$ 118,520
Academic Support	\$ 2,992,161	\$ 3,462,743	\$ 3,519,967	\$ 3,591,507	\$ 3,696,088
Student Services	\$ 2,762,592	\$ 3,315,437	\$ 3,453,928	\$ 3,424,680	\$ 3,844,024
Institutional Support	\$ 5,237,170	\$ 6,001,049	\$ 6,850,217	\$ 7,213,810	\$ 7,981,597
Operation and Maintenance of Plant	\$ 2,435,786	\$ 2,434,154	\$ 2,382,022	\$ 2,476,724	\$ 2,684,752
Scholarships	\$ 2,733,955	\$ 2,954,737	\$ 3,006,796	\$ 3,401,656	\$ 4,014,019
Auxiliary Enterprises	\$ 190,639	\$ 228,419	\$ 237,535	\$ 202,412	\$ 442,944
Depreciation	\$ 996,621	\$ 1,087,742	\$ 1,179,112	\$ 1,265,072	\$ 1,417,859
Other Operating expenses	\$ 160	\$ 23,003	\$ 47,907		
Total Expenses	\$ 23,932,956	\$ 26,514,183	\$ 27,941,518	\$ 29,582,387	\$ 32,769,088

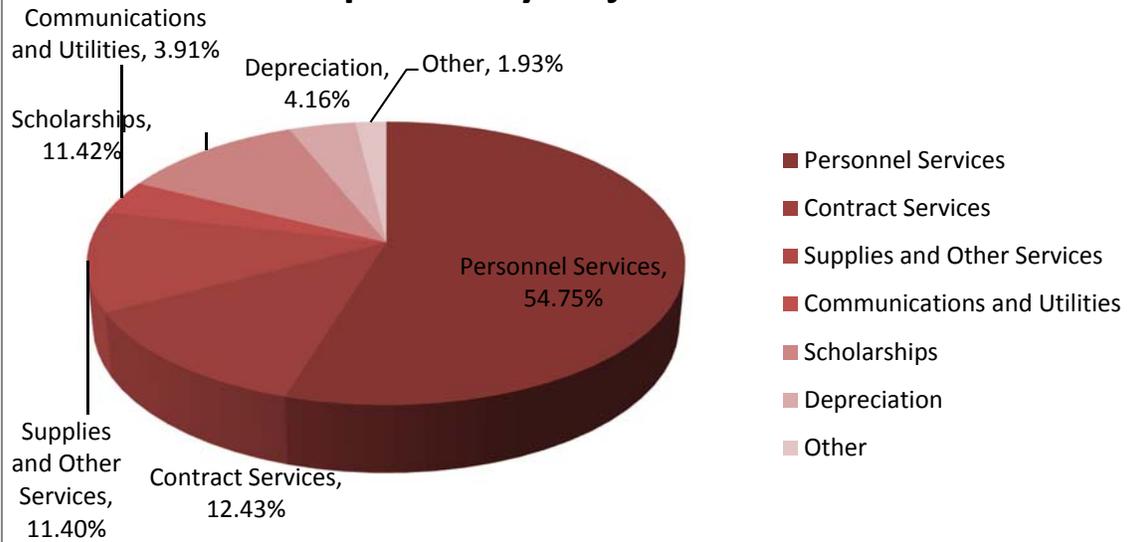
Expenses by Function	2009-10	2010-11	2011-12	2012-13	2013-14
Instruction	\$ 9,502,581	\$ 10,743,772	\$ 11,703,226	\$ 11,642,062	\$ 11,518,445
Public Service	\$ 144,167	\$ 134,167	\$ 129,216	\$ 120,923	\$ 139,836
Academic Support	\$ 4,106,925	\$ 3,798,199	\$ 3,902,563	\$ 3,962,091	\$ 3,530,464
Student Services	\$ 3,009,029	\$ 3,310,869	\$ 3,605,952	\$ 4,180,148	\$ 3,655,541
Institutional Support	\$ 7,578,624	\$ 6,118,714	\$ 6,468,703	\$ 5,761,053	\$ 5,365,809
Operation and Maintenance of Plant	\$ 2,871,130	\$ 2,757,453	\$ 3,121,617	\$ 3,104,566	\$ 2,719,734
Scholarships	\$ 7,359,327	\$ 7,881,955	\$ 6,990,940	\$ 5,752,253	\$ 5,455,390
Auxiliary Enterprises	\$ 280,419	\$ 273,818	\$ 393,006	\$ 422,095	\$ 383,299
Depreciation	\$ 1,479,676	\$ 1,468,082	\$ 1,480,120	\$ 1,558,015	\$ 1,695,507
Other Operating expenses					
Total Expenses	\$ 36,331,878	\$ 36,487,029	\$ 37,795,343	\$ 36,503,206	\$ 34,464,025



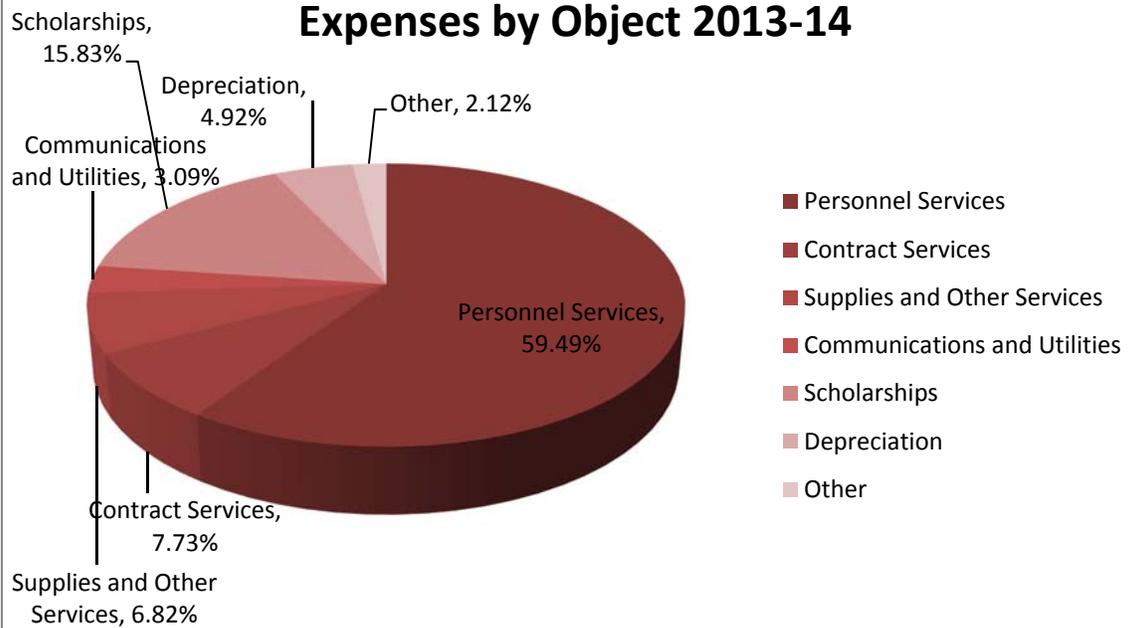
Expenses by Object	2004-05	2005-06	2006-07	2007-08	2008-09
Personnel Services	\$13,102,317	\$15,317,595	\$16,749,980	\$17,361,878	\$18,591,648
Contract Services	\$ 2,975,047	\$ 3,247,471	\$ 3,430,817	\$ 4,069,571	\$ 4,245,764
Supplies and Other Services	\$ 2,728,839	\$ 2,545,080	\$ 2,204,803	\$ 2,247,652	\$ 2,442,046
Communications and Utilities	\$ 935,052	\$ 978,466	\$ 1,078,423	\$ 1,065,066	\$ 1,098,602
Scholarships	\$ 2,733,955	\$ 2,954,737	\$ 2,761,216	\$ 3,401,656	\$ 4,014,019
Depreciation	\$ 996,621	\$ 1,087,742	\$ 1,179,112	\$ 1,265,072	\$ 1,417,859
Other	\$ 461,125	\$ 383,092	\$ 537,167	\$ 171,492	\$ 959,150
Total Expenses	\$23,932,956	\$26,514,183	\$27,941,518	\$29,582,387	\$32,769,088

Expenses by Object	2009-10	2010-11	2011-12	2012-13	2013-14
Personnel Services	\$20,130,234	\$20,180,416	\$21,361,203	\$21,775,377	\$20,503,840
Contract Services	\$ 3,439,247	\$ 2,765,608	\$ 3,225,563	\$ 2,870,696	\$ 2,662,596
Supplies and Other Services	\$ 2,313,898	\$ 2,380,083	\$ 2,841,190	\$ 2,589,907	\$ 2,351,770
Communications and Utilities	\$ 1,024,747	\$ 1,119,185	\$ 1,238,307	\$ 1,225,318	\$ 1,065,725
Scholarships	\$ 7,359,327	\$ 7,881,955	\$ 6,744,325	\$ 5,752,253	\$ 5,455,390
Depreciation	\$ 1,479,676	\$ 1,468,082	\$ 1,480,119	\$ 1,558,015	\$ 1,695,507
Other	\$ 584,749	\$ 691,700	\$ 890,714	\$ 731,640	\$ 729,197
Total Expenses	\$36,331,878	\$36,487,029	\$37,781,421	\$36,503,206	\$34,464,025

Expenses by Object 2004-05



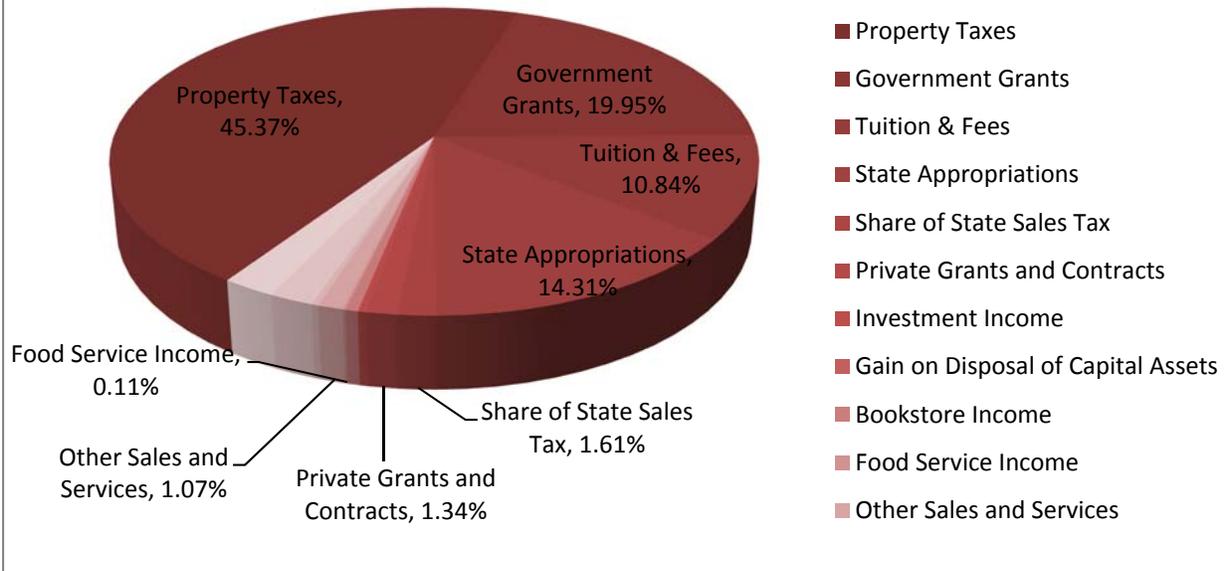
Expenses by Object 2013-14



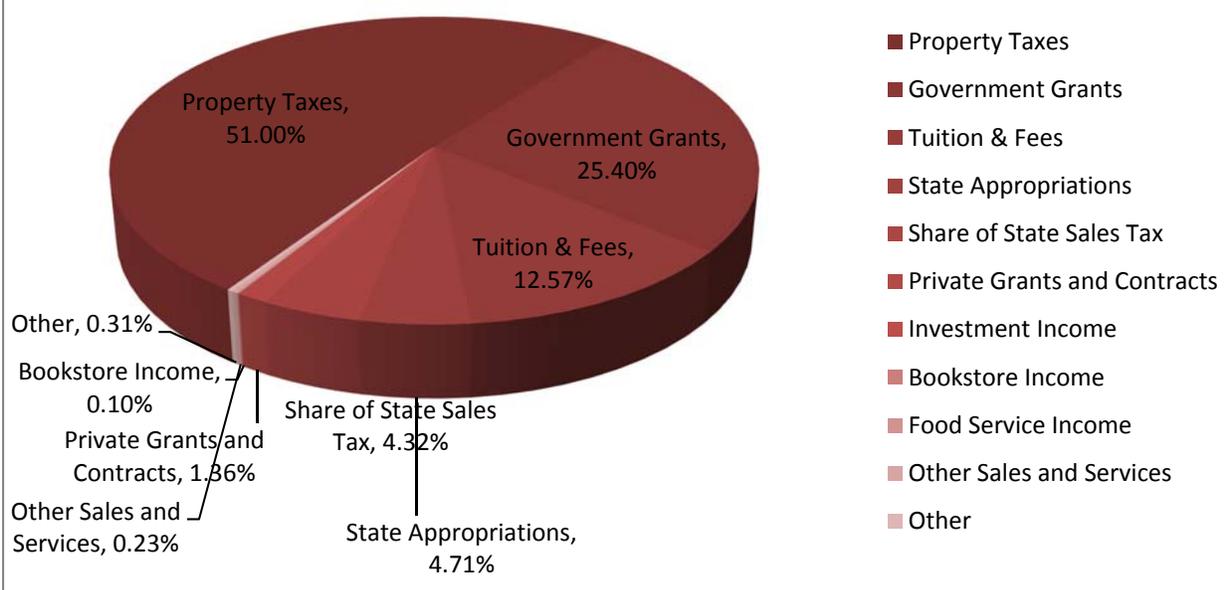
Revenues by Source	2004-05	2005-06	2006-07	2007-08	2008-09
Property Taxes	\$11,762,842	\$13,274,304	\$14,093,900	\$15,372,777	\$16,235,016
Government Grants	\$ 5,170,921	\$ 5,952,940	\$ 5,998,550	\$ 6,549,809	\$ 9,512,174
Tuition & Fees	\$ 2,810,351	\$ 2,990,555	\$ 3,512,519	\$ 3,296,204	\$ 4,510,286
State Appropriations	\$ 3,710,000	\$ 3,710,000	\$ 4,196,900	\$ 4,196,900	\$ 3,748,881
Share of State Sales Tax	\$ 418,297	\$ 517,428	\$ 557,376	\$ 554,842	\$ 518,805
Private Grants and Contracts	\$ 346,216	\$ 300,912	\$ 253,528	\$ 573,216	\$ 329,024
Investment Income	\$ 90,126	\$ 139,212	\$ 83,206	\$ 209,642	\$ 77,423
Gain on Disposal of Capital Assets		\$ 10,976	\$ 6,194	\$ 4,181	
Bookstore Income	\$ 140,233	\$ 159,473	\$ 184,053	\$ 202,379	\$ 246,254
Food Service Income	\$ 27,792	\$ 38,668	\$ 33,845	\$ 37,618	\$ 37,971
Other Sales and Services	\$ 278,613	\$ 339,052	\$ 291,519	\$ 153,672	\$ 127,807
Other	\$ 80,475	\$ 80,853	\$ 50,749	\$ 27,329	\$ 43,466
Capital appropriations	\$ 492,000	\$ 491,000	\$ 597,500	\$ 591,200	
Capital grants and gifts	\$ 596,226	\$ 121,781	\$ 37,185	\$ 6,838	
Total Revenue	\$25,924,092	\$28,127,154	\$29,897,024	\$31,776,607	\$35,387,107

Revenues by Source	2009-10	2010-11	2011-12	2012-13	2013-14
Property Taxes	\$17,048,446	\$18,085,426	\$18,759,341	\$19,438,502	\$20,277,352
Government Grants	\$13,939,348	\$14,378,844	\$12,627,839	\$10,771,753	\$10,097,575
Tuition & Fees	\$ 4,168,056	\$ 4,195,487	\$ 5,331,328	\$ 4,887,443	\$ 4,999,502
State Appropriations	\$ 3,682,901	\$ 3,682,901	\$ 1,792,200	\$ 1,785,600	\$ 1,871,100
Share of State Sales Tax	\$ 491,718	\$ 506,198	\$ 507,522	\$ 490,964	\$ 1,717,603
Private Grants and Contracts	\$ 592,730	\$ 726,101	\$ 2,729,704	\$ 624,186	\$ 542,238
Investment Income	\$ 45,313	\$ 14,793	\$ 7,413	\$ 5,658	\$ 5,028
Gain on Disposal of Capital Assets	\$ 11,722		\$ 3,963		
Bookstore Income	\$ 222,703	\$ 134,039	\$ 101,768	\$ 75,214	\$ 41,078
Food Service Income	\$ 42,183	\$ 26,540	\$ 17,105	\$ 14,191	\$ 14,249
Other Sales and Services	\$ 117,277	\$ 113,113	\$ 114,334	\$ 94,311	\$ 90,071
Other	\$ 46,356	\$ 16,200	\$ 45,031	\$ 201,115	\$ 105,808
Capital appropriations					
Capital grants and gifts					
Total Revenue	\$40,408,753	\$41,879,642	\$42,037,548	\$38,388,937	\$39,761,604

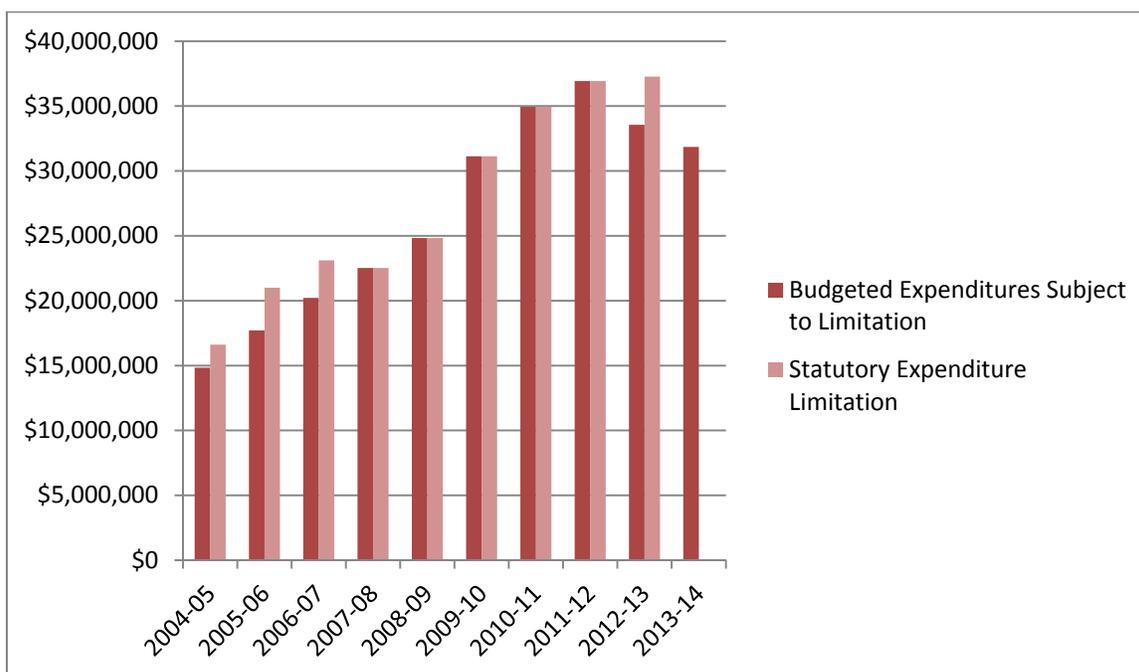
Revenue Sources 2004-05



Revenue Sources 2013-14



Budgeted Expenditure Limitation



	2004-05	2005-06	2006-07	2007-08	2008-09
Statutory Expenditure Limitation	\$16,619,702	\$21,009,091	\$23,118,821	\$22,526,351	\$24,835,230
Budgeted Expenditures Subject to Limitation	\$14,841,404	\$17,718,963	\$20,218,585	\$22,526,351	\$24,835,230
Amount Under Expenditure Limitation	\$ 1,778,298	\$ 3,290,128	\$ 2,900,236		

	2009-10	2010-11	2011-12	2012-13	2013-14
Statutory Expenditure Limitation	\$31,134,362	\$34,950,321	\$36,395,014	\$37,273,118	\$36,697,479
Budgeted Expenditures Subject to Limitation	\$31,134,362	\$34,950,321	\$36,395,014	\$33,554,312	\$31,859,142
Amount Under Expenditure Limitation				\$ 3,718,806	\$4,838,337

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

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
2004	Primary	\$ 1,899			\$ 6	\$ 1,248,899
2004	Secondary	\$ 2,108			\$ 6	\$ 1,316,903
2005	Primary	\$ 1,963			\$ 6	\$ 1,352,302
2005	Secondary	\$ 2,141			\$ 6	\$ 1,515,016
2006	Primary	\$ 2,095			\$ 6	\$ 1,587,595
2006	Secondary	\$ 2,292			\$ 6	\$ 1,888,192
2007	Primary	\$ 2,237	\$ 594			\$ 1,908,234
2007	Secondary	\$ 2,564	\$ 1,558			\$ 2,523,334
2008	Primary	\$ 2,429	\$ 962		\$ 1,047	\$ 2,274,474
2008	Secondary	\$ 2,926	\$ 1,991		\$ 1,090	\$ 3,217,317
2009	Primary	\$ 2,442	\$ 1,131			\$ 2,520,925
2009	Secondary	\$ 2,628	\$ 1,866			\$ 3,032,797
2010	Primary	\$ 2,379	\$ 20,598			\$ 2,314,646
2010	Secondary	\$ 2,556	\$ 22,971			\$ 2,496,568
2011	Primary	\$ 1,841	\$ 1,386			\$ 1,926,852
2011	Secondary	\$ 1,841	\$ 1,898			\$ 1,986,954
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

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
2004	\$ 0.9483		\$ 0.9483
2005	\$ 0.9404		\$ 0.9404
2006	\$ 0.8982		\$ 0.8982
2007	\$ 0.8221		\$ 0.8221
2008	\$ 0.7152		\$ 0.7152
2009	\$ 0.6791		\$ 0.6791
2010	\$ 0.7866		\$ 0.7866
2011	\$ 0.9779		\$ 0.9779
2012	\$ 1.0951		\$ 1.0951
2013	\$ 1.2215		\$ 1.2215

Tax Year	Mohave County	School Districts	Cities or Fire Districts	Sanitary or Improvement Districts	Irrigation & Drainage Districts	Other Districts (Water/Lighting)
2003	\$1.7500	0.4135 - 5.2253	0.3033 - 3.0000	0.0544 - 3.4221	1.13 - 100.77/acre	0.0373 - 219.96/Lot
2004	\$1.7500	0.4969 - 8.9421	0.2862 - 3.0000	0.0586 - 3.0983	1.25 - 100.74/acre	0.0398 - 219.96/Lot
2005	\$1.7500	0.4262 - 11.4664	0.2632 - 3.2500	0.0544 - 1.9907	1.33 - 100.74/acre	12.2/acre - 0.0511
2006	\$1.6777	0.2169 - 11.4664	0.2301 - 3.2500	0.0490 - 1.9907	1.33 - 100.74/acre	3.56/acre - 0.1856
2007	\$1.5298	0.0500 - 11.4664	0.6704 - 3.2500	0.0266 - 0.6846	1.75 - 100.74/acre	3.56/acre - 2.8776
2008	\$1.3309	0.0500 - 10.0415	0.6038 - 3.2500	0.0182 - 0.5425	1.75 - 100.74/acre	3.56/acre - 1.5167
2009	\$1.2637	0.0500 - 9.5000	0.5834 - 3.2500	0.0698 - 0.4769	0.77 - 156.78/acre	3.56/acre - 1.5567
2010	\$1.4637	0.0500 - 8.5000	0.5834 - 3.2500	0.0841 - 0.4925	1.00 - 212.75 acre	3.56/acre - 1.5474
2011	\$1.8196	0.0500 - 9.0000	0.7264 - 3.2500	0.0838 - 0.6095	1.00 - 268.86 acre	3.56/acre - 2.6672
2012	\$1.8196	0.0500 - 9.0000	0.7332 - 3.2500	0.0838 - 0.6762	1.50 - 268.86 acre	3.56/acre - 2.6885

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.

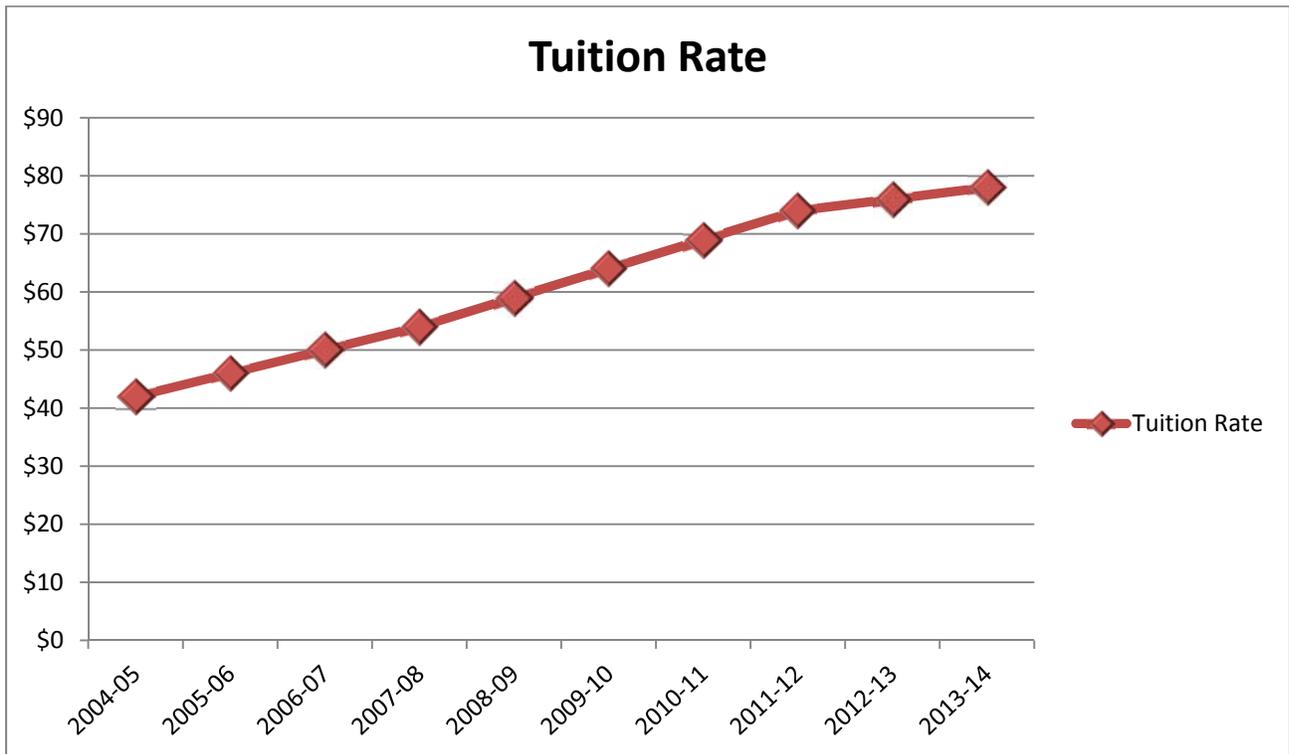
Note (2) – 2012 data represents the most recent data available as of the publishing of this report.

Historic Resident Tuition Rates – Last 10 Fiscal Years

	Tuition Per Credit Hour	Annual Cost	\$ Increase	%Increase
2004-05	\$ 42	\$ 1,260	\$ 120	11%
2005-06	\$ 46	\$ 1,380	\$ 120	10%
2006-07	\$ 50	\$ 1,580	\$ 200	14%
2007-08	\$ 54	\$ 1,700	\$ 120	8%
2008-09	\$ 59	\$ 1,870	\$ 170	10%
2009-10	\$ 64	\$ 2,020	\$ 150	8%
2010-11	\$ 69	\$ 2,310	\$ 290	14%
2011-12	\$ 74	\$ 2,460	\$ 150	6%
2012-13	\$ 76	\$ 2,520	\$ 60	2%
2013-14	\$ 78	\$ 2,550	\$ 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
2004-05	\$ 3,347,115	\$ 320,000	\$ 634,910	\$ 954,910	29%
2005-06	\$ 3,666,960	\$ 335,000	\$ 654,037	\$ 989,037	27%
2006-07	\$ 4,105,142	\$ 3,625,000	\$ 572,030	\$ 4,197,030	102%
2007-08	\$ 3,899,515	\$ 455,000	\$ 587,336	\$ 1,042,336	27%
2008-09	\$ 4,999,741	\$ 465,000	\$ 569,146	\$ 1,034,146	21%
2009-10	\$ 4,595,532	\$ 1,075,000	\$ 549,934	\$ 1,624,934	35%
2010-11	\$ 4,483,972	\$ 5,920,000	\$ 351,063	\$ 6,271,063	140%
2011-12	\$ 5,571,948	\$ 85,000	\$ 175,451	\$ 260,451	5%
2012-13	\$ 5,076,817	\$ 95,000	\$ 173,279	\$ 268,279	5%
2013-14	\$ 5,149,928	\$ 95,000	\$ 169,713	\$ 264,713	5%

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

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

Debt Burden Ratio – Last 10 Fiscal Years

	Operating Expenses	Principal	Interest	Total	Debt as % of Operating Expenses
2004-05	\$ 23,932,956	\$ 320,000	\$ 634,910	\$ 954,910	4%
2005-06	\$ 26,514,183	\$ 335,000	\$ 654,037	\$ 989,037	4%
2006-07	\$ 27,941,518	\$ 3,625,000	\$ 572,030	\$ 4,197,030	15%
2007-08	\$ 29,582,387	\$ 455,000	\$ 587,336	\$ 1,042,336	4%
2008-09	\$ 32,769,088	\$ 465,000	\$ 569,146	\$ 1,034,146	3%
2009-10	\$ 36,331,878	\$ 1,075,000	\$ 549,934	\$ 1,624,934	4%
2010-11	\$ 36,487,029	\$ 5,920,000	\$ 351,063	\$ 6,271,063	17%
2011-12	\$ 37,795,343	\$ 85,000	\$ 175,451	\$ 260,451	1%
2012-13	\$ 36,503,206	\$ 95,000	\$ 173,279	\$ 268,279	1%
2013-14	\$ 34,464,025	\$ 95,000	\$ 169,713	\$ 264,713	<1%

Debt Service Interest Expense – Last 10 Fiscal Years

	2000 PRO	2000 Rev	2001 PRO	2005 PRO	2006 Rev
2004-05	\$ 239,250	\$ 189,000	\$ 206,660		
2005-06	\$ 239,250	\$ 189,000	\$ 192,260	\$ 33,527	
2006-07	\$ 239,250	\$ 31,500	\$ 175,510	\$ 49,276	\$ 76,494
2007-08	\$ 239,250		\$ 157,135	\$ 46,826	\$ 144,125
2008-09	\$ 239,250		\$ 143,195	\$ 44,376	\$ 142,325
2009-10	\$ 239,250		\$ 128,320	\$ 41,839	\$ 140,525
2010-11	\$ 111,393		\$ 61,219	\$ 38,193	\$ 140,258
2011-12				\$ 35,393	\$ 140,058
2012-13				\$ 33,354	\$ 139,925
2013-14				\$ 30,188	\$ 139,525

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
2004-05			\$ 320,000		
2005-06			\$ 335,000		
2006-07		\$ 3,150,000	\$ 350,000	\$ 70,000	\$ 55,000
2007-08			\$ 340,000	\$ 70,000	\$ 45,000
2008-09			\$ 350,000	\$ 70,000	\$ 45,000
2009-10	\$ 630,000		\$ 365,000	\$ 75,000	\$ 5,000
2010-11	\$ 3,720,000		\$ 2,115,000	\$ 80,000	\$ 5,000
2011-12				\$ 80,000	\$ 5,000
2012-13				\$ 85,000	\$ 10,000
2013-14				\$ 85,000	\$ 10,000

Source: District Records

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

Ratios of Outstanding Debt – Last 10 Fiscal Years

	2004-05	2005-06	2006-07	2007-08	2008-09
Other Debt:					
Revenue Bonds	\$ 3,150,000	\$ 3,150,000	\$ 3,435,000	\$ 3,390,000	\$ 3,345,000
Pledged Revenue Obligations	\$ 8,205,000	\$ 9,195,000	\$ 8,775,000	\$ 8,365,000	\$ 7,495,000
Capital Leases	\$ 309,332	\$ 663,343	\$ 431,230	\$ 411,091	\$ 261,195
Total Outstanding Debt	\$ 11,664,332	\$ 13,008,343	\$ 12,641,230	\$ 12,166,091	\$ 11,551,195
Per Capita	\$ 65	\$ 70	\$ 66	\$ 62	\$ 59
Per FTSE	\$ 4,099.94	\$ 4,621.08	\$ 4,410.76	\$ 3,870.85	\$ 3,283.46
% of Personal Income	0.30%	0.30%	0.27%	0.24%	0.22%

	2009-10	2010-11	2011-12	2012-13	2013-14
Other Debt:					
Revenue Bonds	\$ 3,340,000	\$ 3,335,000	\$ 3,330,000	\$ 3,320,000	\$ 3,310,000
Pledged Revenue Obligations	\$ 6,875,000	\$ 960,000	\$ 880,000	\$ 795,000	\$ 710,000
Capital Leases	\$ 181,102	\$ 1,310,614	\$ 1,223,507	\$ 1,035,091	\$ 926,906
Total Outstanding Debt	\$ 10,396,102	\$ 5,605,614	\$ 5,433,507	\$ 5,150,091	\$ 4,946,906
Per Capita	\$ 54	\$ 29	\$ 27	\$ 26	\$ 24
Per FTSE	\$ 2,629.93	\$ 1,410.22	\$ 1,574.93	\$ 1,724.17	\$ 1,694.73
% of Personal Income	0.20%	Note (1)	Note (1)	Note (1)	0.43%

Source: District Records, US Census Bureau

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

Computation of Legal Debt Margin – Last 10 Fiscal Years

	2004-05	2005-06	2006-07	2007-08	2008-09
Assessed Value of Real and Personal Property	\$1,248,789,585	\$1,370,188,972	\$1,604,391,585	\$1,890,688,680	\$2,286,744,927
Debt Limit, 15% of Secondary Assessed Value	\$ 187,318,438	\$ 205,528,346	\$ 240,658,738	\$ 283,603,302	\$ 343,011,739
Total Debt Applicable to Debt Limit	\$ -	\$ -	\$ -	\$ -	\$ -
Legal Debt Margin	\$ 187,318,438	\$ 205,528,346	\$ 240,658,738	\$ 283,603,302	\$ 343,011,739

	2009-10	2010-11	2011-12	2012-13	2013-14
Assessed Value of Real and Personal Property	\$2,533,640,810	\$2,321,464,632	\$1,932,681,722	\$1,791,765,155	\$1,771,371,842
Debt Limit, 15% of Secondary Assessed Value	\$ 380,046,122	\$ 351,822,906	\$ 289,902,258	\$ 268,764,773	\$ 265,705,776
Total Debt Applicable to Debt Limit	\$ -	\$ -	\$ -	\$ -	\$ -
Legal Debt Margin	\$ 380,046,122	\$ 351,822,906	\$ 289,902,258	\$ 268,764,773	\$ 265,705,776

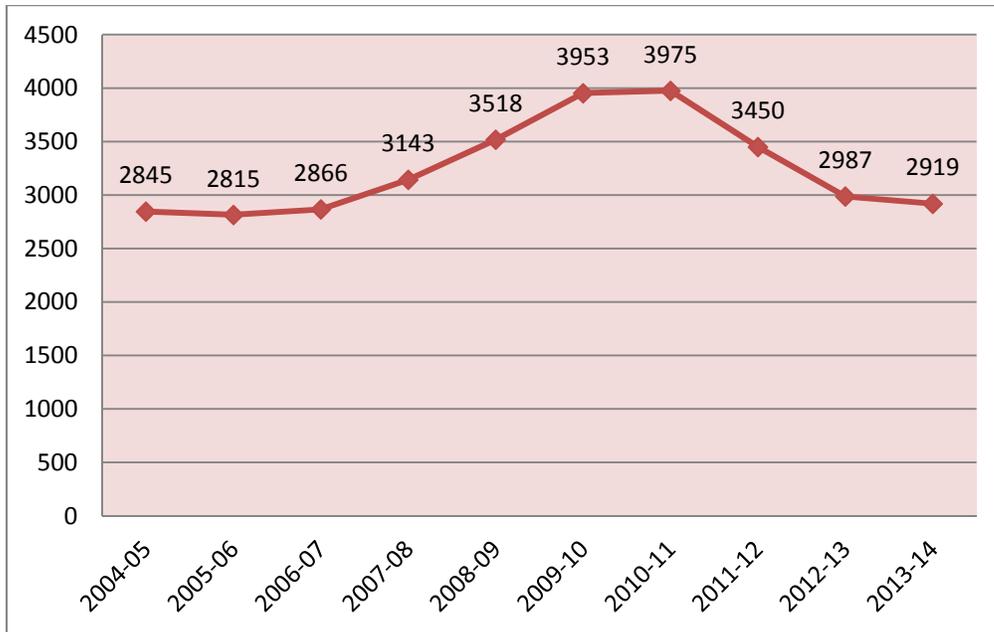
Source: District Records

Mohave County Leading Employers

Source: Mohave County Economic Development Office

Company	Business Description	Business Type	Location	Employment
Kingman Regional Medical Ctr	Hospital	Medical	Kingman	1,350
Havasu Regional Medical Ctr	Hospital	Medical	Lake Havasu City	901
Western AZ Regional Medical Ctr	Hospital	Medical	Bullhead City	734
MTC - Arizona State Prison	Min. Security Prison	Service	Mohave County	675
American Woodmark Corp	Cabinets	Manufacturing	Kingman	550
Mohave Community College	College	School	Mohave County	537
Freeport-McMoran Mine	Copper Ore Mining	Industrial	Wikieup/Bagdad	535
Mineral Park Mine	Molybdenum/Copper	Industrial	Mohave County	360
London Bridge Resort	Hotel/Resort	Service	Lake Havasu City	250
IMX Motor Freight	Transportation	Service	Kingman	240

Full-time Student Equivalent Totals – Last 10 Fiscal Years



Source: Office of the Arizona Auditor General

Employment Information by Group

	2009-10	2010-11	2011-12	2012-13	2013-14
Part-time Faculty	422	388	328	359	352
Full-time Faculty	53	67	73	75	78
Full-time Administration and Staff	242	249	245	244	235
Part-time Staff, Temp and Student Workers	571	584	481	416	320

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
2004-05	43	211	114	839	4,781	668	2,234	4,422
2005-06	59	152	100	884	4,390	197	2,006	3,776
2006-07	56	117	112	927	3,950	155	1,804	3,513
2007-08	73	136	116	752	4,552	250	1,937	3,942
2008-09	76	141	113	729	4,948	175	2,178	4,004
2009-10	88	125	127	875	5,328	159	2,464	4,238
2010-11	82	125	132	1,024	5,158	165	2,459	4,227
2011-12	86	91	103	1,012	4,597	218	2,178	3,929
2012-13	66	88	85	910	3,869	180	1,839	3,351
2013-14	61	108	75	962	3,819	202	1,894	3,333

Source: Integrated Postsecondary Education Data System

Facilities and Capital Asset Information

2011-12

Location	Building Square Footage	Campus Acreage	Campus Vehicles
Bullhead City Campus	128,508	360	5
Kingman Campus	105,543	160	6
Lake Havasu City Campus	94,520	14	5
North Mohave Campus	9,982	15	4
Total	338,553	549	20

2012-13

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

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

Source: District records