



Mohave Community College
2010-2011 Comprehensive
Annual Financial Report



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

Mohave Community College
 1971 Jagerson Avenue
 Kingman, AZ 86409

College Administration

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

Board of Governors

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

November 15, 2011

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.

The district understands its role as a steward of taxpayer money. This report is designed to show the ways in which the district has demonstrated its stewardship by positioning Mohave County Community College District well during these difficult economic times, and by focusing on its education mission to assure students, and all citizens of Mohave County, the quality education they deserve.

The financial operations of the District have been at the forefront of discussion in recent years, as reduced state funding has become a reality. The United States and the State of Arizona in particular, have been facing truly difficult economic times over the last several years. Community Colleges must educate more students than ever before with less financial support from the state. The District, with the support and approval of its governing board, made significant financial moves over the last year to proactively place the college in a strong position. One such move was the decision to pay off more than half of the existing long term debt, in an effort to free the budget for forthcoming funding cuts.

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

Sincerely,

Michael J. Kearns
President

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

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

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

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

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

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

www.mohave.edu
1.866.664.2832

November 15, 2011

To the Residents of Mohave County Community College District:

Mohave County Community College District is pleased to present the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2011. 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 protect from loss, theft or misuse, and to ensure accounting data is compiled to allow for the preparation of financial statements in conformance with GASB and GAAP requirements.

Arizona Revised Statutes requires community college districts to prepare an annual budgeted expenditure limitation report and annual financial statements. The Auditor General or a certified public accountant must audit these documents on an annual basis. For the 2010 11 year the statements are audited by Moss Adams LLP. The auditors have provided the District with an unqualified opinion meaning they believe the financial statements to be fairly and appropriately presented.

Report Layout

This CAFR is presented in three sections:

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

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

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Institutional Profile

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

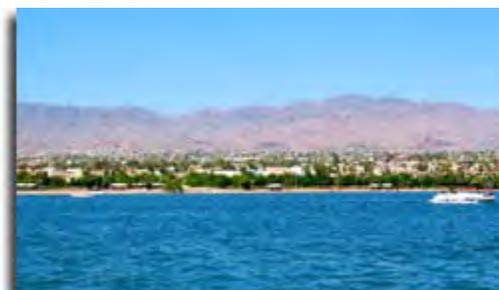
Bullhead City is located along the Colorado River across from Laughlin, Nev., the third largest gaming industry destination in Nevada. Laughlin is the primary employer for the residents of Bullhead City. The campus serves students from the surrounding areas of Mohave Valley, Fort Mohave, Needles, Calif.,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



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



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



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



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

As a political subdivision of the State of Arizona, Mohave County 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 is seeking a renewed accreditation during the 2012-13 academic year.

Performance and Planning

The District experienced another strong fiscal year as revenues reached budgeted levels while expenses were closely controlled through process improvement and personnel cost savings realized through attrition. Additionally, the District reduced the debt it owed and by year's end had regenerated the majority of money used for the debt payoff. More detailed information on these financial issues may be found in the financial section of this report.

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

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

The District also maintains a five year Facilities Renovation Master Plan. The plan, further explained in the MD&A, allows for the cyclical improvement of College facilities in line with budget considerations. This plan, in addition to academic and enrollment specific plans, are all outlined and required by the District's Governing Board approved strategic plan. The plan represents collective decision making and planning by administration, staff, students, and community members. It seeks to establish the school as a learning-centered institution and provide resources, both human and financial, to this end. The strategic plan emphasizes preparation for the upcoming accreditation visit by the Higher Learning Commission in 2012 along with numerous academic access and success initiatives.

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.
- New program development, including a new Radiologic Technology and Health Information Technology program, which will begin in fall of 2012, is being implemented to enhance workforce development in Mohave County.
- The District is developing a strategic enrollment plan to improve existing enrollment services. The plan will seek to strengthen the entire process from initial recruiting to graduation.
- Arizona State University plans to establish a campus in Lake Havasu City. The District is committed to establishing a mutually beneficial partnership to ensure student success.
- The District will have a required accreditation visit from the Higher Learning Commission in 2012-13. Documentation and preparation have been ongoing for several years to assure continued accreditation following the on-site visit.

Financial Reporting

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

Independent Audit

The Office of the Auditor General for the State of Arizona contracted the services of Moss Adams, LLP to perform audit services for Mohave Community College for the 2010-11 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 2010-11.

GFOA Certificate of Achievement

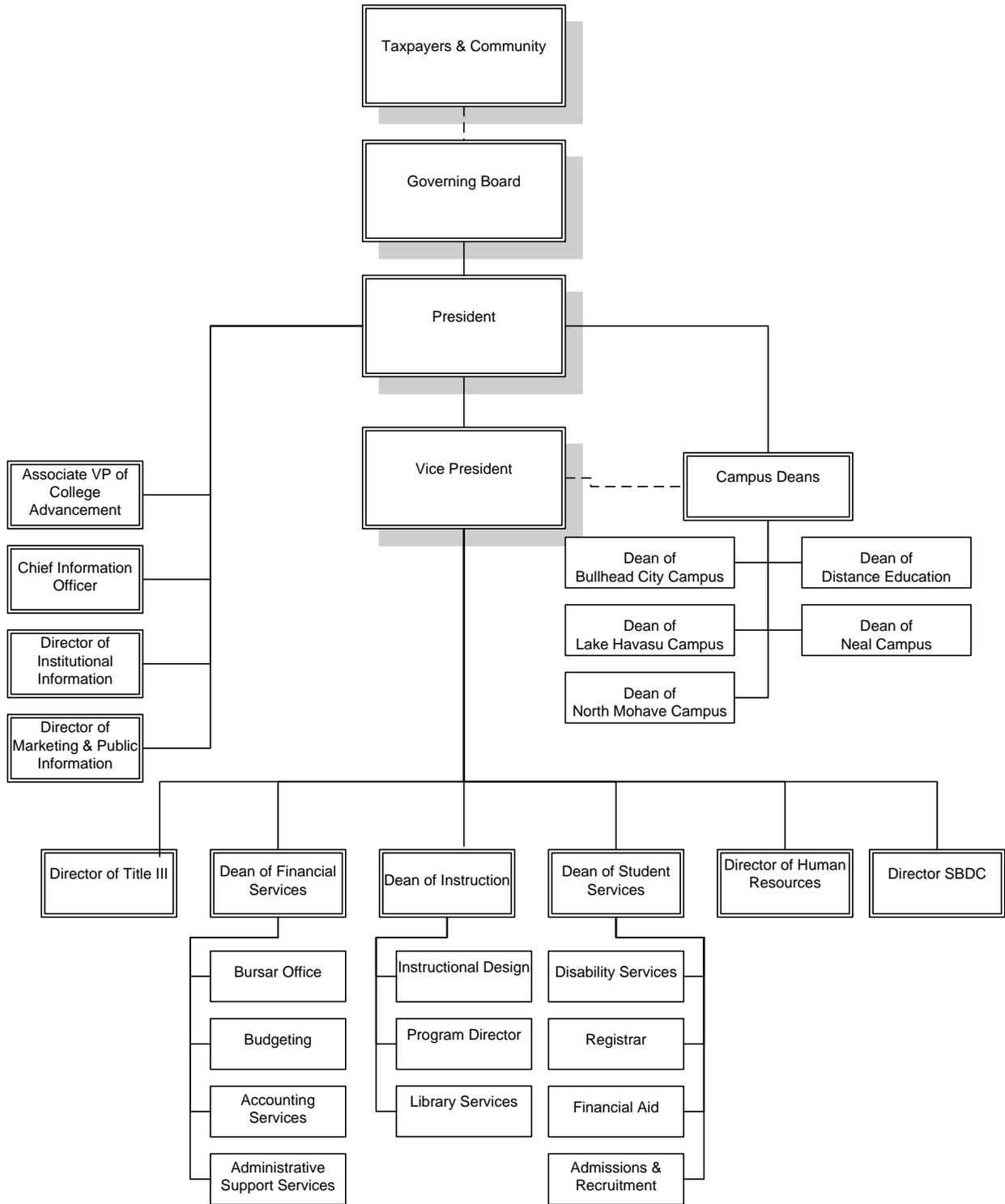
2010-11 marks the first year the District has compiled a Comprehensive Annual Financial Report. Government entities may submit their CAFR's to the GFOA (Government Finance Officers Association) in an effort to be awarded with a Certificate of Achievement for financial reporting. The report must be easily readable and efficiently organized and must also be in compliance with generally accepted accounting principles and applicable legal requirements. The District will submit this CAFR to the GFOA to determine its eligibility for the achievement award.

Acknowledgement

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

Respectfully,

H. Lynn Cundiff
Vice President for Administration



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

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

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

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

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

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

MOSS-ADAMS LLP
Certified Public Accountants | Business Consultants

Report of Independent Auditors

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

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of Mohave County Community College District (the District), as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The other auditor's report on the audit of the discretely presented component unit was conducted in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and discretely presented component unit of the District as of June 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

The accompanying *Management's Discussion and Analysis*, as listed in the table of contents, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Mohave County Community College 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 a required part 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 express no opinion on them.

In accordance with *Government Auditing Standards*, we will also issue our report on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters at a future date. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Mess Adams LLP

Albuquerque, New Mexico
November 15, 2011

The discussion and analysis below provide an overview of the financial position and activities of Mohave County Community College District for the year ended June 30, 2011. This discussion has been prepared by management and should be read in conjunction with the financial statements and accompanying notes, which follow this section.

Financial Report

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

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

- The *Statement of Net Assets* reflects the District's financial position at June 30, 2011. It shows the various current and noncurrent assets owned or controlled and related liabilities. Capital assets are depreciated over their useful life with annual depreciation being reported as a current year expense.
- The *Statement of Revenues, Expenses, and Changes in Net Assets* reflects the results of operations and other changes for the year ended June 30, 2011. 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, 2011.

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

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

Although the primary focus of this document is on the results of activity for fiscal year 2010-11, comparative data is presented for the previous fiscal year 2009-10. This Management's Discussion and Analysis (MD&A) uses the prior fiscal year as a reference point in illustrating issues and trends for determining whether the institution's financial health may have improved or deteriorated.

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

Financial Highlights and Analysis

The financial planning and economic outlook for the College continues to be framed by the economic conditions at the State level. The District experienced a strong 2010-11 fiscal year as revenue met full budget expectations and expenses fell considerably below budget.

At the onset of State budget concerns in 2007-2008, management began steering strategic budgeting toward a "zero state aid dependency" model. The progressive decrease

in state funding relative to all College funding sources has continued each year. Process improvements and expense reductions have taken place each year allowing the College to position itself against possible cuts. For the 2010-11 year the College received \$3,682,900 in state aid, equal to the state aid distribution from prior year 2009-10.

However, the College is expected to receive a 50% reduction in state aid appropriations for the 2011-12 fiscal year with additional cuts possible based on a deepening budget crisis. Though the reduced appropriations negatively affect the College's total revenue the education mission of the College has been strengthened through strategic budgeting and resource allocation focused on students.

In anticipation of the state aid reduction the District Governing Board elected to pay off two outstanding bond issues during the 2010-11 fiscal year. Unrestricted net assets were used to pay off outstanding principal of \$5,835,000. The payoff represents \$709,466 in interest savings over five years in addition to the principal no longer required for future budgets. This move reflects the ongoing effort to reduce costs through attrition, process examination, and financial planning.

Key financial highlights for the District include:

- Total expenses increased just .1% over prior fiscal year
- Instructional expenses increased 13.1%
- Institutional expenses decreased 19.3%
- Total operating revenue increased 6.8%
- Gross tuition and fees climbed 9.6%
- Total long-term debt decreased \$4,790,487

- Unrestricted net assets fell just \$683,470 or 6.2% following the elective payoff of two bond issues

These highlights are not inclusive of all major financial changes. The graphs and information on the following pages provide further detail on the 2010-11 fiscal year.

Economic Outlook

Mohave County has faced increased unemployment as the real estate and construction industries continue to remain weak; an issue affecting the State at large. Unemployment in the County increased from 4.6% in 2007 to 11.2% in 2010. The College has seen enrollment increases during the recession as many unemployed workers have returned to further their education or learn new skills; and this trend has continued through the 2010-11 year.

The District has responded to the communities' employment needs by preparing to offer new Radiologic Technology and Health Information Technology programs in the 2012-13 academic year. The District is also monitoring continued development of numerous renewable energy projects through the region. Several major industrial developments, which will result in jobs for the area, have been approved.

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

<i>Condensed Statement of Net Assets</i>	<i>As of</i>		<i>Increase / (Decrease)</i>	
	<i>June 30, 2011</i>	<i>June 30, 2010</i>	<i>Amount</i>	<i>% Change</i>
Current assets	\$ 11,863,791	\$ 13,035,973	\$ (1,172,182)	-9.0%
Noncurrent assets, other than capital assets	106,540	106,166	374	0.4%
Capital assets, net	17,761,519	16,535,736	1,225,783	7.4%
Total assets	\$ 29,731,850	\$ 29,677,875	\$ 53,975	0.2%
Long-term liabilities	\$ 6,034,369	\$ 11,225,415	\$ (5,191,046)	-46.2%
Other liabilities	910,373	1,061,118	(150,745)	-14.2%
Total liabilities	\$ 6,944,742	\$ 12,286,533	\$ (5,341,791)	-43.5%
Net assets:				
Invested in capital assets, net of related debt	\$ 12,155,904	\$ 6,139,634	\$ 6,016,270	98.0%
Restricted net assets	257,541	194,575	62,965	32.4%
Unrestricted net assets	10,373,663	11,057,133	(683,470)	-6.2%
Total net assets	\$ 22,787,108	\$ 17,391,342	\$ 5,395,766	31.0%

The Statement of Net Assets for 2010-11 shows an increase in the District’s net assets of \$5,395,766 representing a substantial increase of 31% over prior year.

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 decreased 9% as the District used unrestricted cash reserves to pay off two outstanding bond issues.

Noncurrent assets remained flat and capital assets, net of accumulated depreciation, increased 7.4% primarily due to the addition of a new learning center leased from the Foundation.

Long-term liabilities decreased 46.2% following the payoff of two bond issues during the fiscal

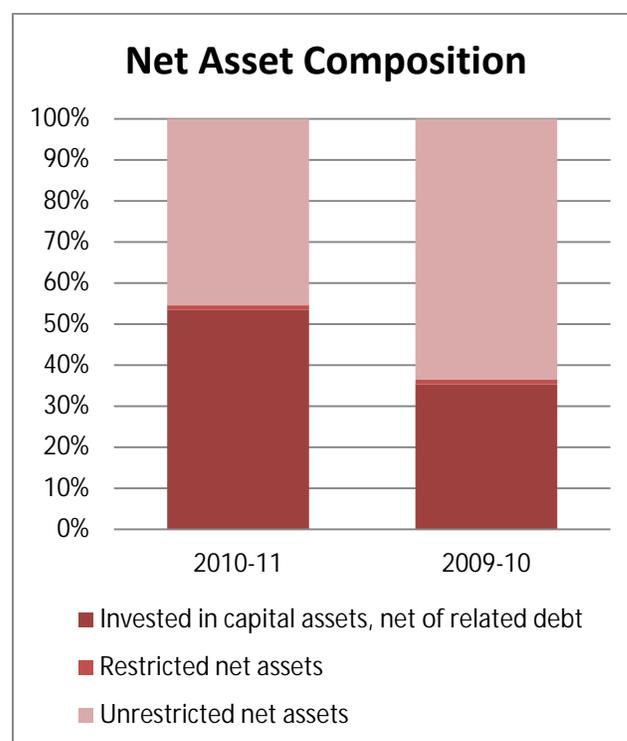
year. Additionally, the liability for compensated absences was reduced substantially following the adoption of a new leave plan for eligible District employees. Further information on these liabilities can be found in the Notes to the Financial Statements.

Other Liabilities were reduced by 14.2% due to a large decrease in the current portion of long-term debt. This figure represents the debt payments due in the coming fiscal year. Other liabilities remained otherwise flat versus prior fiscal year.

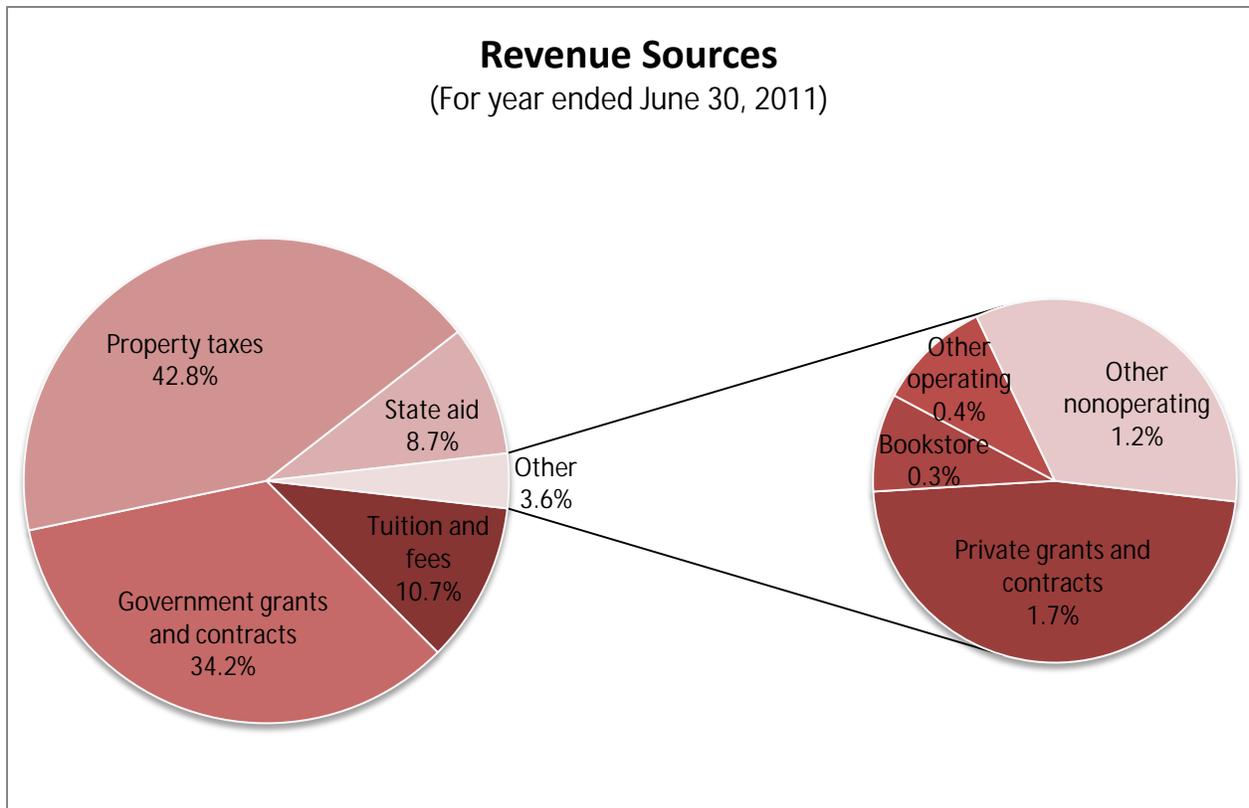
Net assets invested in capital, net of related debt nearly doubled reflecting the large reduction in long-term debt and the overall increase to capital assets. Unrestricted net assets dropped by 6.2% following the debt payoff but were largely recouped following a year of strong revenue and reduced expense.

Condensed Statement of Revenues, Expenses and Changes in Net Assets	For the Year Ended	For the Year Ended	Increase / (Decrease)	
	June 30, 2011	June 30, 2010	Amount	% Change
Operating revenues	\$ 5,542,944	\$ 5,189,305	\$ 353,639	6.8%
Operating expenses				
Educational and general	\$ 34,745,129	\$ 34,571,783	\$ 173,346	0.5%
Auxiliary enterprises	\$ 273,818	\$ 280,419	\$ (6,601)	-2.4%
Depreciation	\$ 1,468,082	\$ 1,479,676	\$ (11,594)	-0.8%
Total operating expenses	\$ 36,487,029	\$ 36,331,878	\$ 155,151	0.4%
Operating loss	\$ (30,944,085)	\$ (31,142,573)	\$ 198,488	-0.6%
Non-operating revenues	\$ 36,758,190	\$ 35,219,448	\$ 1,538,742	4.4%
Non-operating expenses	\$ 418,339	\$ 543,786	\$ (125,447)	-23.1%
Income before other revenues, expenses, gains or losses	\$ 5,395,766	\$ 3,533,089	\$ 1,862,677	52.7%
Increase in net assets	\$ 5,395,766	\$ 3,533,089	\$ 1,862,677	52.7%
Net assets, Beginning of year	\$ 17,391,342	\$ 13,858,253	\$ 3,533,089	25.5%
Net assets, End of year	\$ 22,787,108	\$ 17,391,342	\$ 5,395,766	31.0%

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



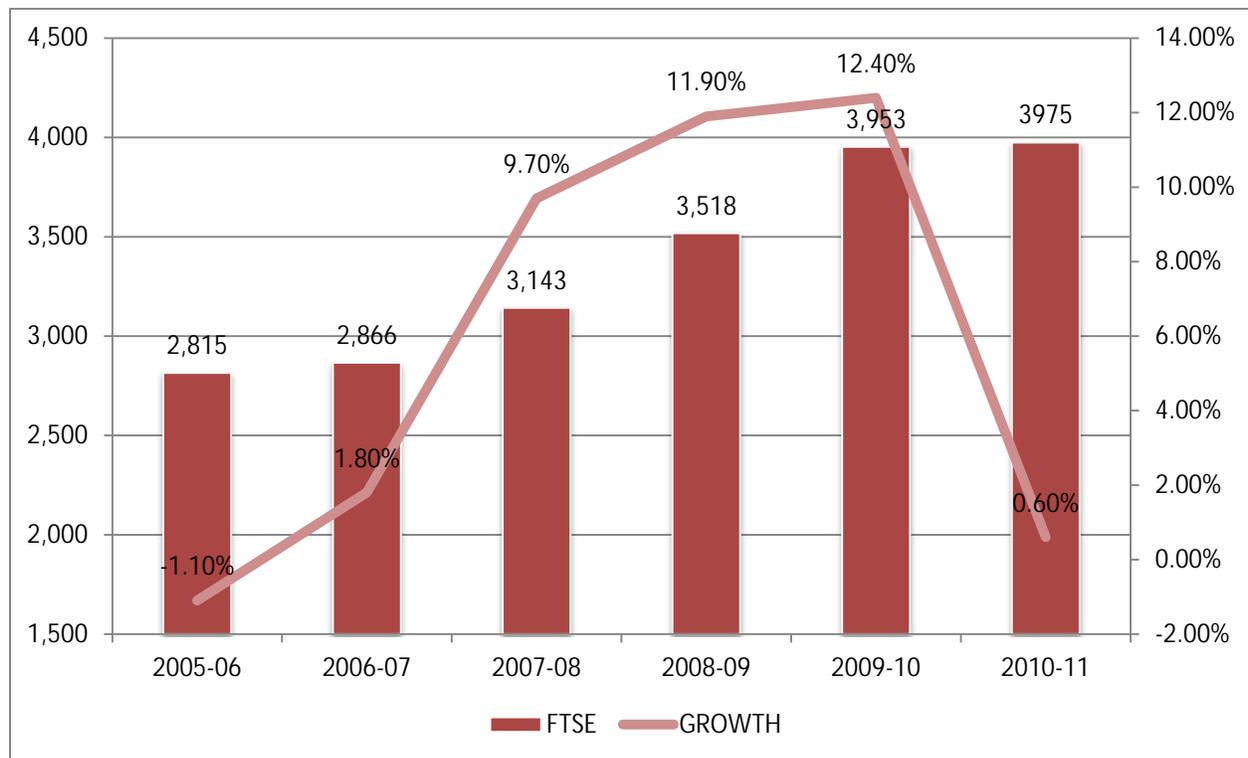
Revenues by Source	For the Year Ended	For the Year Ended	Increase / (Decrease)	
	June 30, 2011	June 30, 2010	Amount	% Change
Operating revenues				
Tuition and fees (net of allowances)	\$ 4,526,951	\$ 4,168,056	\$ 358,895	8.6%
Private grants and contracts	726,101	592,730	133,371	22.5%
Bookstore income	134,039	222,701	(88,662)	-39.8%
Other operating revenues	155,853	205,818	(49,965)	-24.3%
Total operating revenues	\$ 5,542,944	\$ 5,189,305	\$ 353,639	6.8%
Non-operating revenues				
Government grants and contracts	\$ 14,468,876	\$ 13,939,348	\$ 529,528	3.8%
Property taxes	18,085,425	17,048,446	1,036,979	6.1%
State appropriations	3,682,900	3,682,901	(1)	0.0%
Other	520,989	548,753	(27,764)	-5.1%
Total non-operating revenues	\$ 36,758,190	\$ 35,219,448	\$ 1,538,742	4.4%
Total revenues	\$ 42,301,134	\$ 40,408,753	\$ 1,892,381	4.7%



Revenues

Revenues for the District were strong for the 2010-11 year. Despite deep budget concerns at the state level the District received the same state appropriations as the prior fiscal year. Property taxes increased 6.1% as new construction in the County increased revenues beyond the 2% increase in the levy approved by the Governing Board. Tuition and fees increased 8.6% when reported net of allowances and 9.6% when reported at gross. The increase in tuition and fees is in line with the tuition increase approved for the 2010-11 year for all in-state and out-of-state students. In addition to the tuition increase the District realized a small increase of .6% in FTSE (full-time student equivalent) enrollment. FTSE levels for 2010-11 and the previous five years are also shown below.

In addition to the three primary revenue sources mentioned above the District also noted a 22.5% increase in Private Contracts however bookstore income decreased by 39.8% as the District cut back operations at the North Mohave campus. Bookstores at the remaining campuses are operated by Barnes & Noble with the District receiving commission checks based on strength of sales. Other non-operating revenue decreased 5.1% as investment income continued to decline. This is due to lower cash holdings following the payoff of outstanding debt along with the emphasis on investment safety above return. In summary, the District realized budgeted targets for revenue in all major areas with state appropriations continuing to comprise a smaller percentage of total income.



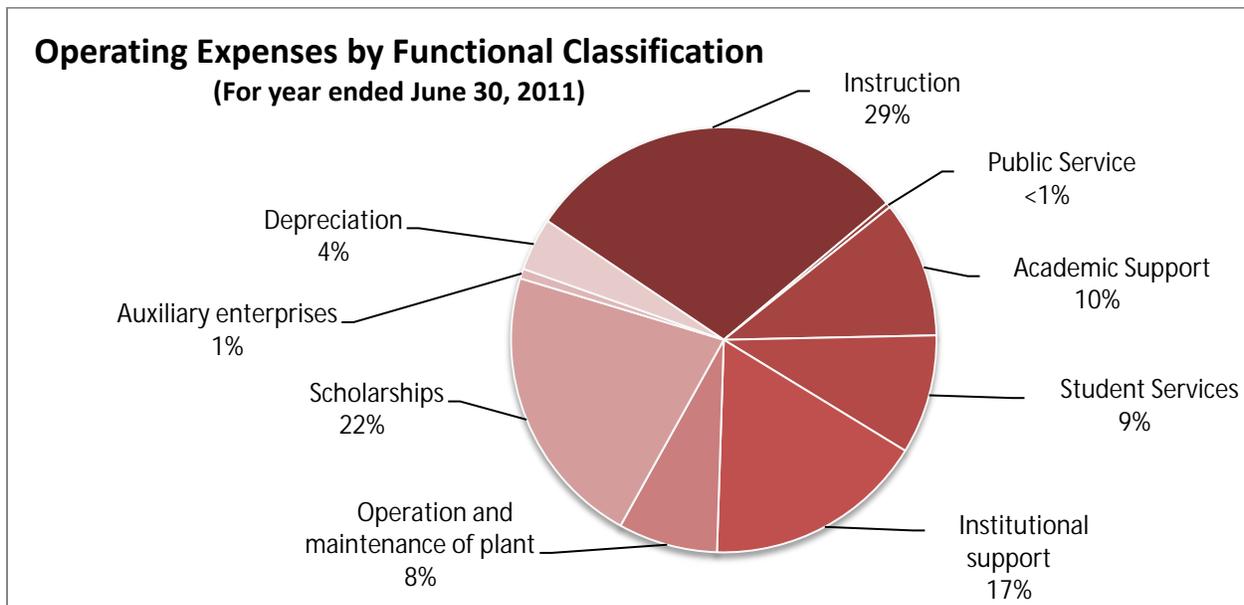
Expenses

Total expenses for the 2010-11 year increased just .1% as compared to a total revenue increase of 4.7%. In consideration of the real possibility of severe reductions in state aid management has continued to reduce expenses through attrition and conservative spending and budgeting. No salary increases were provided for the 2010-11 year though the District did cover mandatory increases in employer paid health insurance premiums and Arizona State Retirement System contributions. Management has made extended efforts to streamline processes to enhance savings and has, wherever possible, made efforts to move necessary costs to the functional areas more in line with the District's strategic plan. Instructional expenses increased 13.1% as new faculty and other instructional positions were added. Academic Support decreased 7.5% as many positions remained unfilled and several

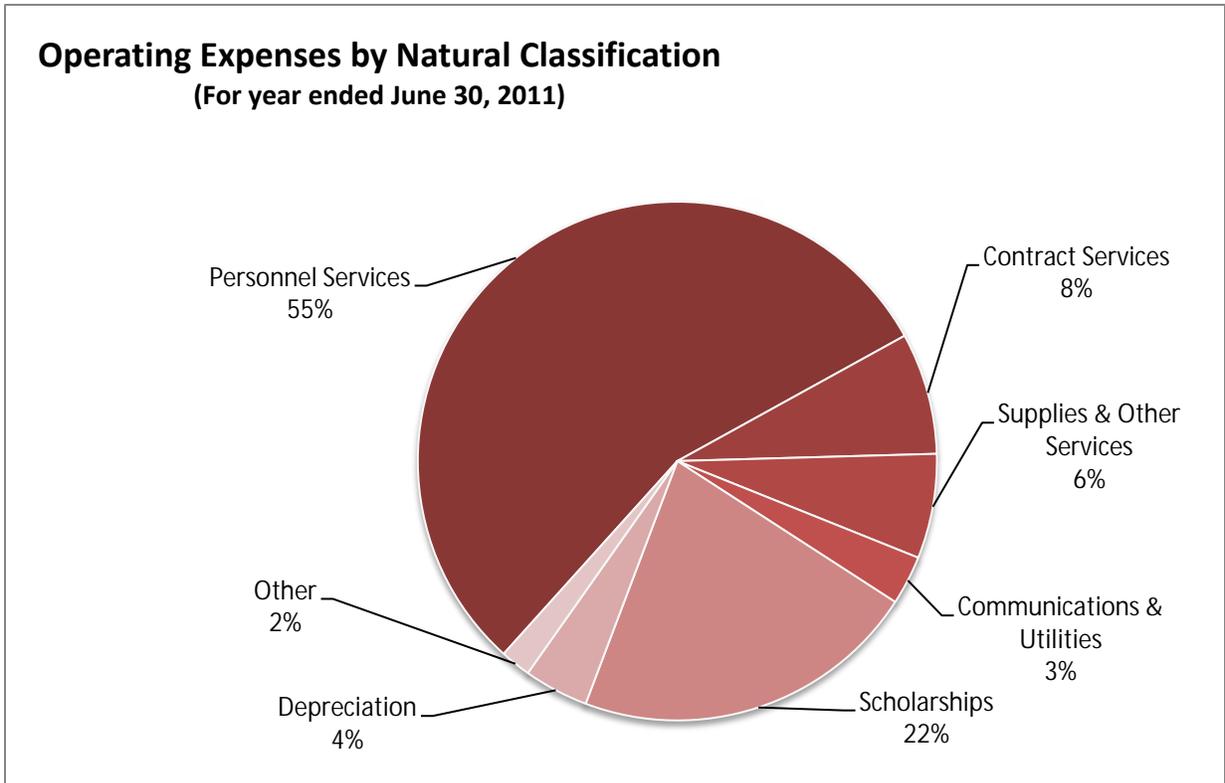
tech support and distance education functions were realigned to instruction and student services. Student Services increased 10% due to new positions in financial aid and the addition of a veteran's services function. Institutional expense decreased 19.3% as numerous positions went unfilled after going vacant including the role of Vice President for Student Services and Instruction. Interest expense decreased 23.6% as two of the District's four major debt issuances were paid in full in December. Depreciation expense decreased slightly despite an increase in overall capital fixed assets as several major capital items became fully depreciated. Depreciation is expected to increase going forward along with continued investment in capital assets. Descriptions of the expenses included in the functional areas of the District are below.

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

Expenses by Function	For the Year Ended	For the Year Ended	Increase / (Decrease)	
	June 30, 2011	June 30, 2010	Amount	% Change
Operating expenses				
Education and general:				
Instruction	\$ 10,743,772	\$ 9,502,581	\$ 1,241,191	13.1%
Public Service	134,167	144,167	(10,000)	-6.9%
Academic Support	3,798,199	4,106,925	(308,726)	-7.5%
Student Services	3,310,869	3,009,029	301,840	10.0%
Institutional support	6,118,714	7,578,624	(1,459,910)	-19.3%
Operation and maintenance of plant	2,757,453	2,871,130	(113,677)	-4.0%
Scholarships	7,881,955	7,359,327	522,628	7.1%
Auxiliary enterprises	273,818	280,419	(6,601)	-2.4%
Depreciation	1,468,082	1,479,676	(11,594)	-0.8%
Total operating expenses	\$ 36,487,029	\$ 36,331,878	\$ 155,151	0.4%
Non-operating expenses				
Interest expense on debt	\$ 415,474	\$ 543,786	\$ (128,312)	-23.6%
Loss on disposal of capital assets	2,865	0	2,865	100.0%
Total non-operating expenses	\$ 418,339	\$ 543,786	\$ (125,447)	-23.1%
Total expenses	\$ 36,905,368	\$ 36,875,664	\$ 29,704	0.1%



<i>Expenses by Natural Classification</i>	<i>For the Year Ended</i>	<i>For the Year Ended</i>	<u>Increase / (Decrease)</u>	
	<i>June 30, 2011</i>	<i>June 30, 2010</i>	Amount	% Change
Personnel Services	\$20,180,416	\$20,130,234	\$ 50,182	0.2%
Contract Services	2,765,608	3,439,247	(673,639)	-19.6%
Supplies & Other Services	2,380,083	2,313,898	66,185	2.9%
Communications & Utilities	1,119,185	1,024,747	94,438	9.2%
Scholarships	7,881,955	7,359,327	522,628	7.1%
Depreciation	1,468,082	1,479,676	(11,594)	-0.8%
Other	691,700	584,749	106,951	18.3%
Total	\$36,487,029	\$36,331,878	\$ 155,151	0.4%



Capital and Debt Management

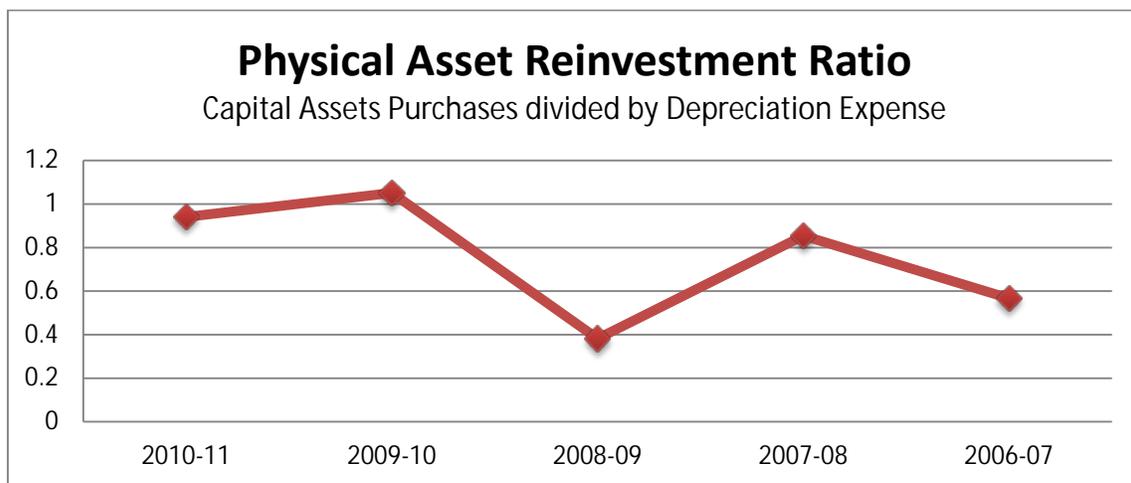
Capital assets increased by \$2,456,459 gross and \$1,225,783 net of accumulated depreciation. The primary addition was the acquisition of a new nursing instruction building through a long-term lease with the Foundation. The District directly purchased \$1,381,410 worth of capital assets during the fiscal year as well. The District is seeking 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 below graph illustrates the amount used for the purchase of capital assets versus depreciation expense for the last five fiscal years.

The District has developed a five year facilities update plan. The plan calls for 20% of the existing buildings and classroom space to be renovated or updated each year. After the five year cycle is completed each campus will have received a renovation of all facilities. The District is seeking 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. Wherever possible the District is seeking to obtain new facilities through outside donor funding as state aid cuts and economic conditions have forced resources away from major capital improvement projects.

Also in anticipation of state funding decreases the District elected to pay off two outstanding bond issues in order to free future year budgets of principal and interest payments. Further information on the District’s debt structure is available in Note 5 of the financial statements. The table below shows the payments schedule for the two bond issues prior to the payoff.

	Interest	Principal	Total
2011-12	\$263,558	\$1,100,000	\$1,363,558
2012-13	\$202,058	\$1,160,000	\$1,362,058
2013-14	\$137,205	\$1,240,000	\$1,377,205
2014-15	\$67,895	\$1,290,000	\$1,357,895



Primary Government Statement of Net Assets
(June 30, 2011)

	Business-Type Activities
Assets	
Current assets:	
Cash and cash equivalents	\$ 5,571,073
Short-term investments	3,002,544
Receivables (net of allowances)	3,071,961
Inventories	2,273
Prepaid items	215,940
Total current assets	<u>11,863,791</u>
Noncurrent assets:	
Restricted assets:	
Cash and cash equivalents	106,540
Capital assets, net	<u>17,761,519</u>
Total noncurrent assets	<u>17,868,059</u>
Total assets	<u>29,731,850</u>
Liabilities	
Current liabilities:	
Accounts payable	425,428
Accrued payroll and employee benefits	319,121
Interest payable	59,284
Deposits held in custody for others	106,540
Current portion of compensated absences payable	2,521
Current portion of long-term debt	172,090
Total current liabilities	<u>1,084,984</u>
Noncurrent liabilities:	
Compensated absences payable	426,233
Long-term debt	<u>5,433,525</u>
Total noncurrent liabilities	<u>5,859,758</u>
Total liabilities	<u>6,944,742</u>
Net Assets	
Invested in capital assets, net of related debt	12,155,904
Restricted:	
Expendable:	
Grants and contracts	171,071
Capital projects	86,470
Unrestricted	<u>10,373,663</u>
Total net assets	<u>\$ 22,787,108</u>

See Notes to Financial Statements

Component Unit Statement of Financial Position
(June 30, 2011)

Assets

Cash and cash equivalents	\$ 217,331
Investments	2,527,417
Unconditional promises to give	85,732
Unimproved land held for investment	334,986
Capital lease receivable	1,260,123
Property and equipment	800,931
	<u>5,226,520</u>

Liabilities and Net Assets

Liabilities:

Accounts payable	15,893
Custodial liabilities	61,864
Note payable	1,230,123
	<u>1,307,880</u>

Net assets:

Unrestricted:	
Expended for property and equipment	830,931
Board designated	1,216,981
Available for operations	424,825
	<u>2,472,737</u>
Temporarily restricted	504,171
Permanently restricted	941,732
	<u>3,918,640</u>
	<u>\$ 5,226,520</u>

See Notes to Financial Statements

Primary Government Statement of Revenues, Expenses, and Changes
in Net Assets (For year ended June 30, 2011)

	Business-Type Activities
Operating revenues:	
Tuition and fees (net of scholarship allowances of \$7,067,489)	\$ 4,526,951
Private contracts	726,101
Bookstore income	134,039
Food service income	26,540
Other sales and services	113,113
Other	16,200
Total operating revenues	<u>5,542,944</u>
Operating expenses:	
Educational and general:	
Instruction	10,743,772
Public service	134,167
Academic support	3,798,199
Student services	3,310,869
Institutional support	6,118,714
Operation and maintenance of plant	2,757,453
Scholarships	7,881,955
Auxiliary enterprises	273,818
Depreciation	1,468,082
Total operating expenses	<u>36,487,029</u>
Operating loss	<u>(30,944,085)</u>
Non-operating revenues (expenses):	
Government grants	14,468,876
Property taxes	18,085,425
State appropriations	3,682,900
Share of state sales taxes	506,197
Investment income, net of investment expense	14,792
Interest expense on debt	(415,474)
Loss on disposal of capital assets	(2,865)
Total non-operating revenues (expenses)	<u>36,339,851</u>
Increase in net assets	5,395,766
Total net assets, July 1, 2010	<u>17,391,342</u>
Total net assets, June 30, 2011	<u>\$ 22,787,108</u>

See Notes to Financial Statements

Component Unit Statement of Activities
(For Year Ended June 30, 2011)

	Unrestricted net assets	Temporarily restricted net assets	Permanently restricted net assets	Totals
Public support and revenues:				
Contributions	\$ 2,296	122,844	\$ 14,812	\$ 139,952
Member dues contributions	33,178			33,178
In-kind contributions	88,745			88,745
Special event income, net of \$36,057 direct donor benefit	29,506			29,506
Investment income	161,306	203,232	1,248	365,786
Interest income	67,053			67,053
Other	959			959
	383,043	326,076	16,060	725,179
Releases from restrictions	246,055	(246,055)		
Total public support and revenues	629,098	80,021	16,060	725,179
Expenses and gains:				
Advertising	10,417			10,417
Alumni projects	14,170			14,170
Amortization	6,995			6,995
Annuity payments	9,368			9,368
Depreciation	5,760			5,760
Donor/recipient events	48,689			48,689
In-kind expense	8,042			8,042
Interest	55,673			55,673
Management fees paid to MCC	63,295			63,295
Meetings	1,866			1,866
Miscellaneous	5,463			5,463
Office expense	1,425			1,425
MCC operations	266,150			266,150
Printing	4,896			4,896
Professional fees	36,245			36,245
Supplies	14,577			14,577
Training	7,184			7,184
Travel	3,868			3,868
	564,083			564,083
Change in fair market value of land held for investment	8,357			8,357
Total expenses and gains	572,440	-	-	572,440
Change in net assets before reclassification	56,658	80,021	16,060	152,739
Reclassification of funds with deficiencies	3,643	(3,643)		-
Change in net assets	60,301	76,378	16,060	152,739
Net assets, beginning of year, as restated	2,412,436	427,793	925,672	3,765,901
Net assets, end of year	\$ 2,472,737	\$ 504,171	\$ 941,732	\$ 3,918,640

See Notes to Financial Statements

Primary Government Statement of Cash Flows
(For Year Ended June 30, 2011)

	Business-Type Activities
Cash flows from operating activities:	
Tuition and fees	4,195,487
Contracts	726,101
Bookstore receipts	134,039
Food service receipts	26,540
Sales and services	113,113
Other payments	(18,857)
Payments to suppliers and providers of goods and services	(8,969,963)
Payments to employees	(18,426,536)
Payments for scholarships	(7,881,953)
Net cash used for operating activities	<u>(30,102,030)</u>
Cash flows from noncapital financing activities:	
Grants	14,415,793
Property taxes	17,998,821
State appropriations	3,682,900
Share of state sales taxes	506,197
Deposits held in custody for others disbursed	(56,898)
Deposits held in custody for others received	57,272
Net cash provided by noncapital financing activities	<u>36,604,085</u>
Cash flows from capital and related financing activities:	
Proceeds from sale of capital assets	3,459
Principal paid on capital debt	(6,109,267)
Interest paid on capital debt	(522,156)
Purchases of capital assets	(1,381,410)
Net cash used for capital and related financing activities	<u>(8,009,374)</u>
Cash flows from investing activities:	
Interest received on investments, net	16,045
Purchase of short-term investments	(2,002,544)
Net cash used for investing activities	<u>(1,986,499)</u>
Net decrease in cash and cash equivalents	(3,493,818)
Cash and cash equivalents, July 1, 2010	<u>9,171,431</u>
Cash and cash equivalents, June 30, 2011	<u><u>\$ 5,677,613</u></u>

See Notes to Financial Statements

Primary Government Statement of Cash Flows (continued)
(For Year Ended June 30, 2011)

	<u>Business-Type Activities</u>
Reconciliation of operating loss to net cash used for operating activities:	
Operating loss	(30,944,085)
Adjustments to reconcile operating loss to net cash used for operating activities:	
Depreciation	1,468,082
Changes in assets and liabilities:	
Increase in:	
Accounts receivable	(35,057)
Student receivables	(331,464)
Accounts payable	29,071
Decrease in:	
Prepaid items	183,791
Inventories	1,699
Accrued payroll and employee benefits	(73,509)
Compensated absences payable	(400,559)
Net cash used for operating activities	<u>\$ (30,102,030)</u>
Reconciliation of cash and cash equivalents, as presented on the Statement of Net Assets:	
Cash and cash equivalents	\$ 5,571,073
Restricted assets:	
Cash and cash equivalents	<u>106,540</u>
Total cash and cash equivalents, June 30, 2011	<u>\$ 5,677,613</u>

Non-cash investing, capital and noncapital financing activities:

During the year the District increased capital assets through a capital lease in the amount of \$1,309,626.

See Notes to Financial Statements

Note 1 – Summary of Significant Accounting Policies

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

Reporting Entity

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

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

For financial reporting purposes, the Foundation follows the Financial Accounting Standards Board (FASB) statements for not-for-profit organizations. As such, certain revenue

recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information included in the District's financial report. Accordingly, those financial statements have been reported on separate pages following the respective counterpart financial statements of the District. For financial reporting purposes, only the Foundation's statements of financial position and activities are included in the District's financial statements as required by generally accepted accounting principles for public colleges and universities. The Foundation has a June 30 year-end.

During the year ended June 30, 2011, the Foundation distributed \$329,445 to the District for both restricted and unrestricted purposes. Complete financial statements for the Foundation are included herein.

Basis of Accounting

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

The statement of net assets provides information about the assets, liabilities, and net assets of the District at the end of the year. Assets and liabilities are classified as either current or noncurrent. Net assets are classified according to external donor restrictions or availability of assets to satisfy District obligations. The "Invested in Capital Assets Net of Related Debt" category represents the value of capital assets, minus accumulated depreciation, less any outstanding debt incurred to acquire or construct the assets. The "Expendable Restricted Net Assets" category

represents grants, contracts, gifts, and other resources that have been externally restricted for specific purposes. The "Unrestricted Net Assets" category includes all other net assets, including those that have been designated by management to be used for other than general operating purposes.

The statement of revenues, expenses, and changes in net assets provides information about the District's financial activities during the year. Revenues and expenses are classified as either operating or non-operating, and all changes in net assets are reported, including capital contributions and additions to endowments. Operating revenues and expenses generally result from exchange transactions. Accordingly, revenues such as tuition, bookstore, and food service charges are considered to be operating revenues. Other revenues, such as property taxes, state appropriations, and government grants, are not generated from exchange transactions and are considered to be non-operating revenues. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. Other expenses, such as interest expense on debt, are considered to be non-operating expenses.

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

The financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take

place. Property taxes are recognized in the year for which they are levied. State appropriations are recognized as revenue in the year in which the appropriation is first made available for use. Grants and donations are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. It is the District's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

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

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

Cash and Investments

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

Inventories

Inventory is stated at cost using the weighted-average method.

Capital Assets

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

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

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

Compensated Absences

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

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

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

The newly adopted policy paid out all existing sick leave reserve removing all liabilities associated with the benefit. It also established new percentages for termination payout and lower accrual rates for all PTO eligible employees. The new payout percentages allow for a 50% payout of PTO after 5 years of service and 100% after 10 years. Additionally, accrual rates were reduced for all PTO eligible staff. Each employee is subject to a cap on PTO termination pay equal to 1.5 times his/her annual accrual. With reduced annual accruals and the change in payout percentages the District reduced its compensated absences

liability by adopting the new PTO policy. Accordingly, an estimate for vested PTO is accrued as a liability in the financial statements.

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

Investment Income

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

Scholarship Allowances

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

Note 2 – Deposits and Investments

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

risk, concentration of credit risk, interest rate risk, or foreign currency risk for the District’s investments.

The District has adopted a formal investment policy which seeks to maximize FDIC coverage primarily through the Certificate of Deposit Account Registry Service (CDARS) 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 custody risk, concentration of credit risk, or foreign currency risk.

Deposits

At June 30, 2011, the total cash on hand was \$2,130. The carrying amount of the District’s deposits was \$3,627,449.

Investments

The District’s investments at June 30, 2011, were as follows:

Investment Type	Fair Value
County Treasurer’s Investment Pool	\$48,035
Certificates of Deposit (CDARS)*	\$2,000,000
Certificates of Deposit (CDARS)**	\$3,002,544
Total	\$5,050,579

* Original maturity less than 90 days.

** Original maturity greater than 90 days and less than 1 year.

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, 2011, credit risk for the District's investments was as follows:

Investment Type	Rating	Rating Agency	Amount
County Treasurer's Investment Pool	Unrated	Not applicable	\$48,035

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's policy limits investments to maturities of less than one year. The District's investments and their corresponding maturities at June 30, 2011 are listed to the right.

Investment Type	Amount	Less than 1 Year
County Treasurer's Investment Pool	\$48,035	\$48,035

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

Cash, deposits, and investments:		Statement of Net Assets:	
Cash on hand	\$2,129	Cash and cash equivalents	\$5,571,073
Amount of deposits	3,627,449	Short-term investments	3,002,544
Amount of investments	5,050,579	Restricted assets:	
		Cash and cash equivalents	106,540
Total	\$8,680,157	Total	\$8,680,157

Note 3 - Receivables

Receivables at June 30, 2011 consist of the following:

Category	Amount
Accounts	\$107,108
Property taxes	1,783,956
Government Grants and Contracts	749,197
Student Receivables, net of allowance of \$393,127	76,118
Due from Federal Government	353,830
Interest	1,752
	\$3,071,961

Property taxes receivable represents taxes levied by the District which have yet to be collected. The County has maintained a historical collection rate close to 100%. As a result the District does not provide for allowance for doubtful tax collections. Student receivables are reported as net of the allowance for doubtful accounts. Due from Federal Government represents Federal Students Loans disbursed to students but not yet drawn down from the Department of Education by the District as of June 30, 2011.

Note 4 – Capital Assets

	Balance June 30, 2010	Increases	Decreases	Balance June 30, 2011
Capital assets not being depreciated:				
Land	\$638,098			\$638,098
Construction in progress	137,804	\$178,632	\$137,805	178,631
Total capital assets not being depreciated	775,902	178,632	137,805	816,729
Capital assets being depreciated:				
Buildings and improvements	23,267,839	1,645,376		24,913,215
Improvements other than buildings	3,015,998	351,927		3,367,925
Equipment	3,085,264	488,780	243,729	3,330,316
Library books	1,740,596	55,477		1,796,073
Software systems	1,092,100	117,800		1,209,900
Total capital assets being depreciated	32,201,797	2,659,361	243,729	34,617,429
Less accumulated depreciation for:				
Buildings and improvements	10,890,250	718,294		11,608,544
Improvements other than buildings	2,062,178	215,105		2,277,283
Equipment	1,646,212	438,798	237,405	1,847,605
Library books	1,668,306	19,806		1,688,111
Software systems	175,017	76,079		251,096
Total accumulated depreciation	16,441,963	1,468,082	237,405	17,672,639
Total capital assets being depreciated, net	15,759,834	\$1,191,279	6,324	16,944,790
Capital assets, net	\$16,535,736	\$1,369,911	\$144,129	\$17,761,519

The District was engaged in several capital improvement projects at June 30, 2011. The construction in progress projects includes science lab remodels on the Kingman and Lake Havasu campuses along with the build out of existing space in the Detroit Avenue Center. The center, used for Nursing instruction, is a capital lease of an asset held by the Foundation. The Foundation recognizes the building as a capital lease receivable as the lease agreement demands payment from the District. The District recognizes this as a physical asset as it must be recognized as a capital lease in accordance with GASB standards. The Foundation's assets are offset by a mortgage liability with the financing bank and the District's assets are offset by a capital lease payable to the Foundation.

Note 5 – Long-Term Liabilities

The following schedule details the District’s long-term liability activity for fiscal year ended June 30, 2011.

	Balance June 30, 2010	Additions	Reductions	Balance June 30, 2011	Due Within One Year
Revenue refunding bonds payable	\$ 3,340,000	\$ -	\$ 5,000	\$ 3,335,000	\$ 5,000
Pledged revenue obligations	6,875,000	-	5,915,000	960,000	\$ 80,000
Capital leases payable	181,102	1,318,778	189,265	\$ 1,310,615	87,090
Total long-term debt	\$ 10,396,102	\$ 1,318,778	\$ 6,109,265	\$ 5,605,615	\$ 172,090

	Balance June 30, 2010	Additions	Reductions	Balance June 30, 2011	Due Within One Year
Compensated absences payable	\$ 829,313	\$ 510,052	\$ 910,611	\$ 428,754	\$ 2,521

Pledged revenue obligations – The District’s pledged revenue obligations issued under the terms of agreements with the trustee are generally callable. The obligations mature in 1 to 10 years. Principal and interest are payable from and secured by the District’s tuition, fees, rentals, and other charges paid by student, faculty, and others.

The proceeds from the Series 2000 Pledged Revenue Obligations, issued in the amount of \$4,350,000 were used to construct new classrooms and revenue producing facilities and for repairs, improvements, and renovations to existing buildings. The remaining balance was paid in December 2010.

The proceeds from the Series 2001 Pledged Revenue Obligations, issued in the amount of \$4,630,000, were used to advance refund older, higher rate Certificates of Participation. The entire balance of the Certificates of Participation was paid prior to June 30, 2011. The remaining balance of the Series 2001 Pledged Revenue Obligations was paid in December 2010.

Proceeds from the Services 2005 Pledged Revenue Obligations, issued during fiscal year 2005-2006 in the amount of \$1,325,000, were used to: (i) design construct, furnish and equip a classroom building, (ii) pay the premium of \$22,174 for municipal bond insurance policy for the Series 2005 Obligations and (iii) pay all legal, financial and other costs of \$83,194 relating to the execution and delivery of the Series 2005 Obligations. The total principal and interest remaining to be paid on the bonds is \$960,000 and \$205,514, respectively. Principal and interest paid for the current year and total pledged revenue obligations are expected to require less than 50 percent of pledged revenues through fiscal year 2020.

In 2010 the 2000 and 2001 pledged revenue obligations became callable. The District Governing Board approved the use of unrestricted net assets to pay these obligations in full. In December 2010 the District paid out \$5,835,000 in outstanding principal and \$119,772 in prorated interest to formally pay off the 2000 and 2001 pledged revenue

obligations. The District's pledged revenue obligations at June 30, 2011 are summarized below.

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

- Proceeds of the Series 2005 Pledged Revenue Obligations, issued during

Description	Original Amount	Maturity Ranges	Interest Rates	Outstanding Principal
Series 2000	4,350,000	3/1/10-15	5.50%	\$ 0
Series 2001	4,630,000	3/1/08-15	3.75-5.25%	\$ 0
Series 2005	1,325,000	9/1/07-20	3.5-4.125%	\$ 960,000

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

	Principal	Interest
2011-12	\$80,000	\$36,326
2012-13	\$85,000	\$33,354
2013-14	\$85,000	\$30,188
2014-15	\$90,000	\$26,906
2015-16	\$95,000	\$23,438
2017-2021	\$525,000	\$56,203
Total	\$960,000	\$206,414

Revenue Refunding Bonds – The District's revenue refunding bonds consist of Series 2006 bonds that are generally callable with interest payable semiannually. The bond proceeds were used to refund the Series 2000 Revenue Bonds. The revenue refunding bonds are repaid from tuition, fees, rentals and other charges paid by students, faculty and others. The total principal and interest remaining to be paid on the revenue refunding bonds is \$4,324,188. Principal and interest paid for the current year were \$5,000 and \$140,258, respectively. Annual principal and interest payments on the pledged revenue obligations are expected to require less than 50 percent of pledged revenues.

In prior years, the District paid off certain revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old revenue bonds. Accordingly, the trust accounts assets and the liabilities for these revenue bonds are not included in the District's financial statements. At June 30, 2011, revenue bonds in the amount of \$3,150,000 were considered defeased.

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

Description	Original Amount	Maturity Ranges	Interest	Outstanding Principal
Series 2006	\$3,490,000	3/1/08-20	4.0-4.25%	\$3,335,000

Pledged refunding bonds debt service to maturity are as follows:

	Principal	Interest
2011-12	\$5,000	\$140,125
2012-13	\$10,000	\$139,925
2013-14	\$10,000	\$139,525
2014-15	\$10,000	\$139,125
2015-16	\$610,000	\$138,725
2017-2020	\$2,690,000	\$291,763
Total	\$3,335,000	\$989,188

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

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

The classroom building lease is considered a capital lease payable to the Foundation. Further information on the lease is highlighted in note number four of this financial report. Information on the District's capital leases is illustrated on the right.

Capital leases	
Buildings	\$1,550,169
Accumulated depreciation	\$(9,689)
Equipment	\$91,753
Accumulated depreciation	\$(34,827)
Carrying value	\$1,597,364

Capital lease obligations	
2011-12	\$149,802
2012-13	\$149,802
2013-14	\$128,694
2014-15	\$125,787
2015-16	\$979,363
Total minimum lease payments	\$1,533,448
Amount representing interest	\$(222,833)
Present value of minimum lease payments	\$1,310,615

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.

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.

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.

The District is a member of the Mohave Schools Insurance Consortium, which provides life insurance and medical, dental and vision benefits to eligible employees of Consortium members. An independent administrator

provides the Consortium with claims and recordkeeping services. The District is responsible for paying the premiums for eligible employees, but requires employees to pay premiums for spousal and dependent coverage.

Note 7 – Operating Leases

The District leases equipment under the provisions of various long-term lease agreements classified as operating leases for accounting purposes. The District’s leases include numerous copy machines and mailing machines. Lease expenditures under the terms of the operating leases were \$179,556 for the year ended June 30, 2011. The future minimum payments required under the operating leases at June 30, 2011, were as follows:

2011-12	\$81,111
2012-13	\$6,818

Note 8 – Retirement Plan

The District contributes to a cost-sharing, multiple-employer defined benefit pension plan; a cost-sharing, multiple-employer defined benefit health care plan; and a cost-sharing, multiple-employer defined benefit long-term disability plan, all of which are administered by the Arizona State Retirement System. The Arizona State Retirement System (through its Retirement Fund) provides retirement (i.e., pension), death, and survivor benefits; the Health Benefit Supplement Fund provides health insurance premium benefits (i.e., a monthly subsidy); and the Long-Term Disability Fund provides long-term disability benefits. Benefits are established by state statute. The System is governed by the Arizona State

Retirement System Board according to the provisions of A.R.S. Title 38, Chapter 5, Article 2.

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

The Arizona State Legislature establishes and may amend active plan members' and the District's contribution rates. For the year ended June 30, 2011, active plan members were required by statute to contribute at the

actuarially determined rate of 9.85 percent (9.6 percent for retirement and 0.25 percent for long-term disability) of the members' annual covered payroll and the District was required by statute to contribute at the actuarially determined rate of 9.85 percent (9.01 percent for retirement, 0.59 percent for health insurance premium, and 0.25 percent for long-term disability) of the members' annual covered payroll.

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

	Retirement Fund	Health Benefit Fund	Long-Term Disability Fund
2010-11	\$ 1,168,614	\$ 76,844	\$ 32,433
2009-10	\$ 1,023,920	\$ 81,030	\$ 49,108
2008-09	\$ 935,036	\$ 121,602	\$ 59,030

Note 9 – Subsequent Events

In the beginning of the 2011-12 fiscal year the District finalized an agreement with the Legacy Foundation (an unrelated foundation based in Phoenix with a local chapter located in Mohave County) regarding the donation of a new classroom building to be built on the Bullhead City campus. The building will house the new Radiologic Technology program as well as provide updated science labs for other instructional areas. The construction will be funded through reoccurring payments made directly from the Legacy Foundation with the District covering necessary cash flows required for construction in between payments.

Note 10 – Operating Expenses

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

Personnel Services	\$20,180,416
Contract Services	2,765,608
Supplies & Other Services	2,380,083
Communications & Utilities	1,119,185
Scholarships	7,881,955
Depreciation	1,468,082
Other	691,700
Total	\$36,487,029

Note 11 – Discretely Presented Component Unit Disclosures

NOTE A – Organization

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

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

NOTE B – Summary of significant accounting policies

Financial statement presentation

MCCF follows the accounting standards issued under the Financial Accounting Standards Board (FASB). MCCF is required under generally accepted accounting principles to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted.

Use of estimates

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

Cash and cash equivalents

MCCF considers all cash and highly liquid investments with an original maturity of three months or less to be cash equivalents. MCCF maintains its cash in bank deposit accounts, which, for short periods of time, may exceed federally insured limits. At June 30, 2011, there were no funds in excess of insured limits.

Investments

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

Property and equipment

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

Contributions/restricted revenue

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

Endowments

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

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

permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by the Act. In accordance with the Act, MCCF considers the following factors in making a determination to appropriate or accumulate endowment funds:

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

Donated goods, facilities and services

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

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

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

Advertising

MCCF expenses all advertising costs as incurred.

Alumni projects

MCCF promotes alumni relations through mailings and promotion of the College throughout the community. For the year ended June 30, 2011, 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.

Loan costs

Loan costs were amortized using the straight-line method over the term of the loan. During the year ended June 30, 2011, the construction loan was converted into a mortgage; therefore the previous loan costs were completely amortized.

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).

In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740-10, MCCF holds no uncertain tax positions and, therefore, has no policy for evaluating them. 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 and the Arizona Department of Revenue, respectively, for four years after the date filed.

Reclassifications

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

NOTE C - Investments

Investments in marketable securities held by MCCF at June 30, 2011 consisted of the following:

	2011
Mutual funds	\$2,268,989
Stocks	89,644
Bonds	96,582
Unit trusts	72,202
	2,527,417
Less investments for permanently restricted endowments	(941,732)
	\$1,585,685

Investment income consisted of the following for the year ended June 30, 2011:

2011	
Realized gains	\$ 2,454
Unrealized gains	292,928
Dividend/interest income	70,404
	\$ 365,786

NOTE D – Unconditional promises to give

Unconditional promises to give at June 30, 2011 were as follows:

2011	
Receivable in less than one year	\$ 30,000
Receivable in one to five years	60,000
	90,000
Less 3% discount to net present value	(4,268)
	\$ 85,732

Unconditional promises to give are pledges from the capital campaign that was held during fiscal years 2008 through 2010.

NOTE E – Property and equipment

Property and equipment at June 30, 2011 consisted of the following:

2011	
Land	\$ 787,291
Vehicles	28,800
	816,091
Less accumulated depreciation	(15,160)
	\$ 800,931

NOTE F – Capital lease receivable

During the year ended June 30, 2011, MCCF entered into a direct financing capital lease with MCC for the Foundation’s building. At the end of the lease term, title of the property will transfer to MCC for a bargain purchase of \$1. Monthly payments are \$10,482. Interest income under this agreement totaled \$67,053 for the year ended June 30, 2011. Future capital lease receivables are as follows:

Year ending June 30, 2012	\$ 125,787
2013	125,787
2014	125,787
2015	125,787
2016	979,363
	1,482,511
Less interest at 5%	(222,388)
	\$ 1,260,123

NOTE G – Custodial liabilities

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

NOTE H – Note payable

MCCF has a note payable with interest fixed at 5%, monthly principal and interest installments of \$10,482 and a lump sum payment of \$941,545 due in August 2015. The balance of the note payable at June 30, 2011 totaled \$1,230,123. The note is collateralized by real property. Future maturities of long-term debt at June 30, 2011 are as follows:

Year ending June 30, 2012	\$ 69,728
2013	69,342
2014	72,889
2015	76,619
2016	941,545
	\$ 1,230,123

NOTE I – Temporarily restricted net assets

Temporarily restricted net asset activity was as follows during the year ended June 30, 2011:

	Beginning balance	Contributions/pledge discount	Investment income	Releases	Reclassification of funds with deficiencies	Ending balance
Accumulated endowment						
earning on scholarships	\$ 228,299		\$ 203,232	\$ (44,850)	\$ (3,643)	\$ 383,038
Allied Health Training Center	134,203			(60,000)		74,203
College for Kids - BHC	1,670	400		(2,070)		0
College for Kids - LHC	791	4,256		(4,958)		89
College for Kids - NCK	0	1,445		(1,445)		0
Disc golf - BHC	126			(126)		0
Other	401	3,896		(1,168)		3,129
Scholarships	55,240	108,381		(131,438)		32,183
Future years operations	7,063	4,466				11,529
	\$ 427,793	\$ 122,844	\$ 203,232	\$ (246,055)	\$ (3,643)	\$ 504,171

NOTE J – Permanently restricted net assets

Permanently restricted net asset activity for scholarships was as follows for the years ended June 30, 2011:

	2011
Beginning balance	\$ 925,672
Contributions	14,812
Investment income	1,248
Ending balance	\$ 941,732

	2011
Kingman chapter	\$ 47,875
Lake Havasu City chapter	83,223
Bullhead City chapter	32,530
Foundation operations	58,604
Endowments	976,284
General fund	18,465
Fischer trust	0
Macartney trust	0
	\$ 1,216,981

NOTE K – Board designated net assets

MCCF had the following board designated net assets at June 30, 2011:

NOTE L – 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 and (\$3,643) as of June 30, 2011 and 2010, respectively.

Return objectives and risk parameters

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

Spending policy

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

Net assets in the endowment fund consisted of the following at June 30, 2011:

	Fund deficiencies - Unrestricted	Board designated - Unrestricted	Temporarily restricted	Permanently restricted	Total
Balance, June 30, 2010	\$ (3,643)	\$ 887,881	\$ 228,299	\$ 925,672	\$ 2,038,209
Contributions				14,812	14,812
Dividend/interest income		26,556	39,114	578	66,248
Unrealized/realized gains		111,847	164,118	670	276,635
Releases/appropriations		(50,000)	(44,850)		(94,850)
Fund deficiency transfers	3,643		(3,643)		-
Balance, June 30, 2011	\$ -	\$ 976,284	\$ 383,038	\$ 941,732	\$ 2,301,054

See Note 11.I for endowment related activities in temporarily restricted net assets and Note 11.J for endowment related activities in permanently restricted net assets.

NOTE M – Fair value measurements

Fair value measurements are determined based on the assumptions—referred to as inputs—that market participants would use in pricing

the asset. A fair value hierarchy distinguishes between market participant assumptions and MCCF’s own assumptions about market participant assumptions. Observable inputs are assumptions based on market data obtained from independent sources, while unobservable inputs are MCCF’s own assumptions about what

market participants would assume based on the best information available in the circumstances.

Level 1 inputs. A quoted price in an active market for an identical asset or liability is considered to be the most reliable evidence of fair value. The fair value of MCCF's marketable securities are determined by reference to quoted prices in active markets for identical assets and other relevant information generated by market transactions.

Level 2 inputs. These are observable inputs, either directly or indirectly, other than quoted prices included within Level 1. MCCF does not have any Level 2 inputs.

Fair values of assets measured on a recurring basis at June 30, 2011 were as follows:

2011	
Marketable securities (Level 1)	\$ 2,527,417
Unimproved land held for investment (Level 3)	334,986
	\$ 2,862,403

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

2011	
Beginning balance	\$ 337,818
Donated land	9,757
Land sold	(4,232)
Change in value	(8,357)
Ending balance	\$ 334,986

Fair value of Level 3 assets measured on a non-recurring basis at June 30, 2011 consisted of unconditional promises to give of \$85,732.

Level 3 inputs. These inputs are unobservable and are used to measure fair value only when observable inputs are not available. The fair value of unimproved land held for investment is determined by reference to property tax assessed values and other relevant information generated by market transactions. The fair value of unconditional promises to give is estimated using an interest rate which approximates the present value of future cash flows.

NOTE N – Payments and transfers to MCC

During the year ended June 30, 2011, MCCF made the following payments and transfers to MCC or on behalf of MCC:

2011	
Scholarships	\$ 185,928
Capital expenditures	270
Transfer of in-kind contributions	70,946
Program expenditures	9,006
MCC operations	266,150
Management fees	63,295
Total expenses	329,445
Pass through funds	358,269
Total payments and transfers	\$ 687,714

NOTE O – Related party transactions

MCCF paid a company owned by a board member for printing services. The total payments for the year ended June 30, 2011 were \$11,984. No amounts were due to this

related party as of June 30, 2011. In addition to the transactions in Notes 11.F and 11.N, MCCF owed MCC \$18,520 at June 30, 2011 for scholarships.

Land held for investment	9,757
Total in-kind revenues	\$ 88,745

NOTE P – In-kind contributions

	2011
In-kind goods and services passed to MCC (see Note O)	\$ 70,946
In-kind goods and services for MCCF	8,042
Total in-kind expense	78,988

NOTE Q – Functional expenses

During the year ended June 30, 2011, MCCF had the following functional expense breakdown:

	2011
Program	\$ 407,497
Management and general	98,256
Fundraising, including direct donor benefit	58,330
Total expenses	\$ 564,083

NOTE R – Prior period restatement

During the year ended June 30, 2011, the following correction was made to net assets at June 30, 2010:

	Unrestricted net assets	Temporarily restricted net assets	Permanently restricted net assets	Total
Balance at June 30, 2010, as originally reported	\$ 2,345,873	\$ 427,793	\$ 925,672	\$ 3,699,338
Restatement	66,653	-	-	66,653
Balance at June 30, 2010, as restated	\$ 2,412,436	\$ 427,793	\$ 925,672	\$ 3,765,901

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

➤ Financial Trends

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

➤ Revenue Capacity

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

➤ Debt Capacity

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

➤ Demographic and Economic Information

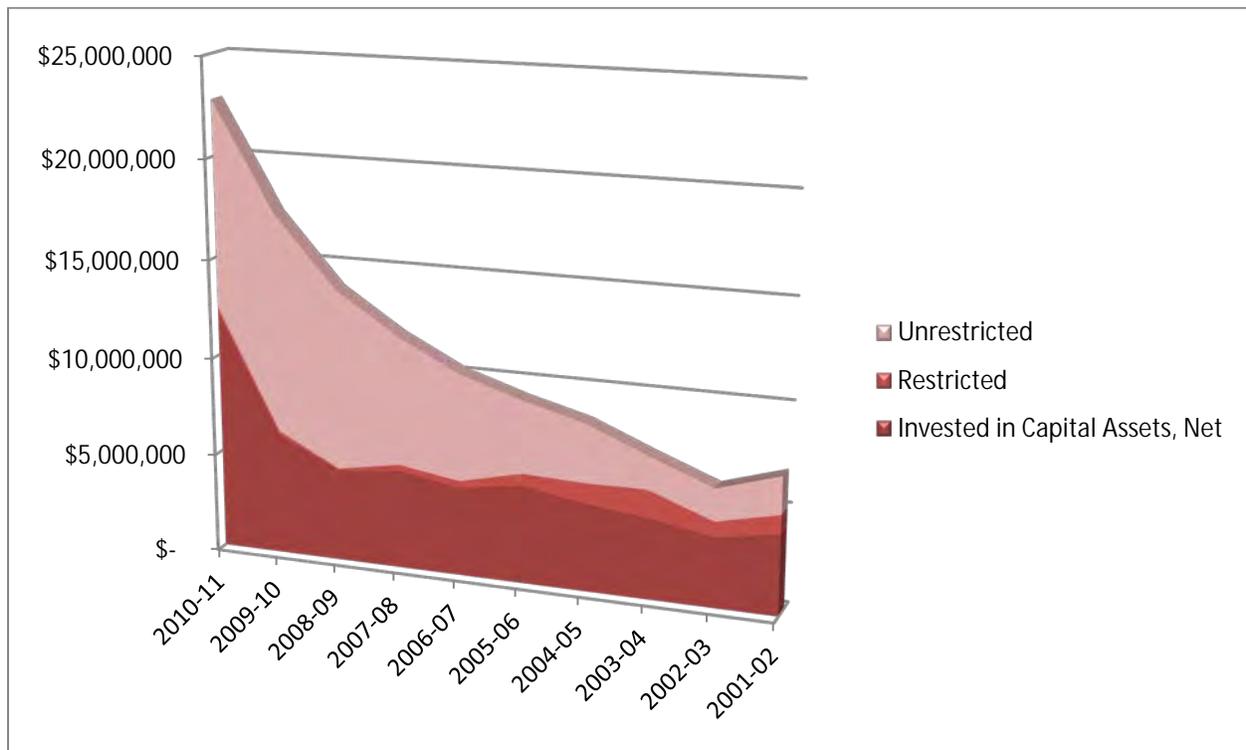
Information in this section assists readers in understanding and assessing the demographic and economic environment in which the District operates

➤ Operating Information

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

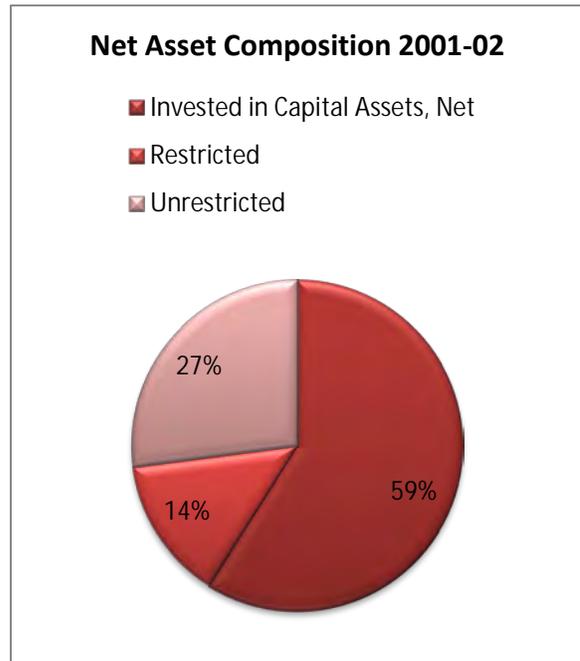
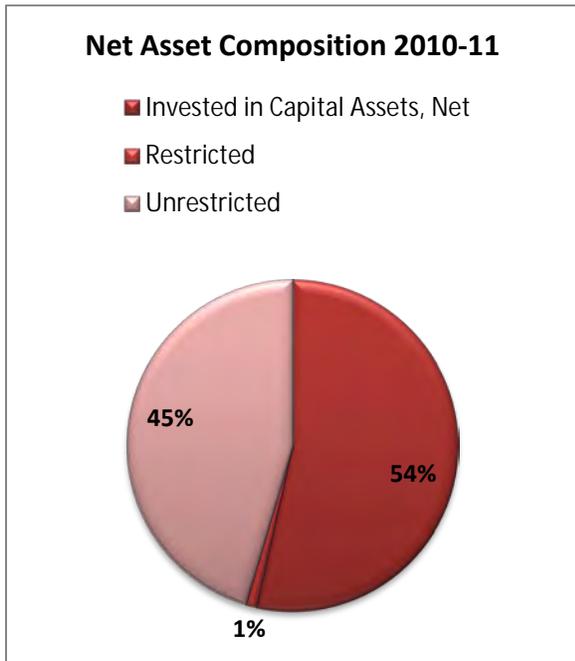
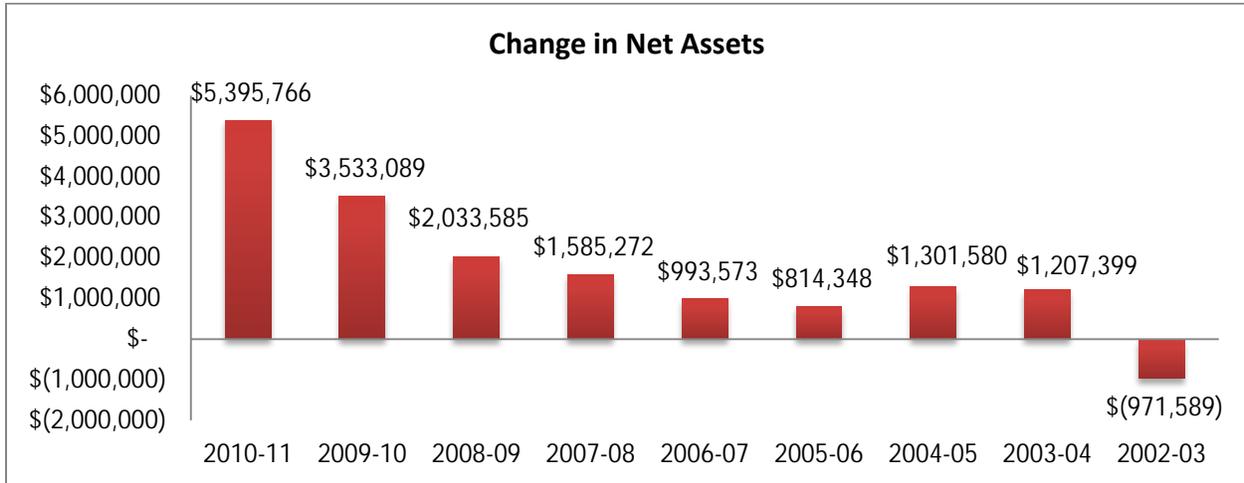
Net Assets by Component	2010-11	2009-10	2008-09	2007-08	2006-07
Invested in Capital Assets, Net	\$ 12,155,904	\$ 6,139,634	\$ 4,641,128	\$ 4,981,341	\$ 4,479,547
Restricted	\$ 257,540	\$ 194,575	\$ 86,844	\$ 313,737	\$ 335,423
Unrestricted	\$ 10,373,663	\$ 11,057,133	\$ 9,130,281	\$ 6,529,590	\$ 5,424,426
	\$ 22,787,108	\$ 17,391,342	\$ 13,858,253	\$ 11,824,668	\$ 10,239,396

Net Assets by Component	2005-06	2004-05	2003-04	2002-03	2001-02
Invested in Capital Assets, Net	\$ 4,971,770	\$ 4,478,623	\$ 4,101,290	\$ 3,553,967	\$ 4,062,389
Restricted	\$ 585,244	\$ 967,148	\$ 1,383,656	\$ 757,973	\$ 965,912
Unrestricted	\$ 3,688,809	\$ 2,985,704	\$ 1,644,949	\$ 1,610,556	\$ 1,865,784
	\$ 9,245,823	\$ 8,431,475	\$ 7,129,895	\$ 5,922,496	\$ 6,894,085



	2010-11	2009-10	2008-09	2007-08	2006-07
Change in Net Assets	\$ 5,395,766	\$ 3,533,089	\$ 2,033,585	\$ 1,585,272	\$ 993,573
Net Assets	\$ 22,787,108	\$ 17,391,342	\$ 13,858,253	\$ 11,824,668	\$ 10,239,396

	2005-06	2004-05	2003-04	2002-03
Change in Net Assets	\$ (381,904)	\$ (416,508)	\$ 625,683	\$ (207,939)
Net Assets	\$ 9,245,823	\$ 8,431,475	\$ 7,129,895	\$ 5,922,496

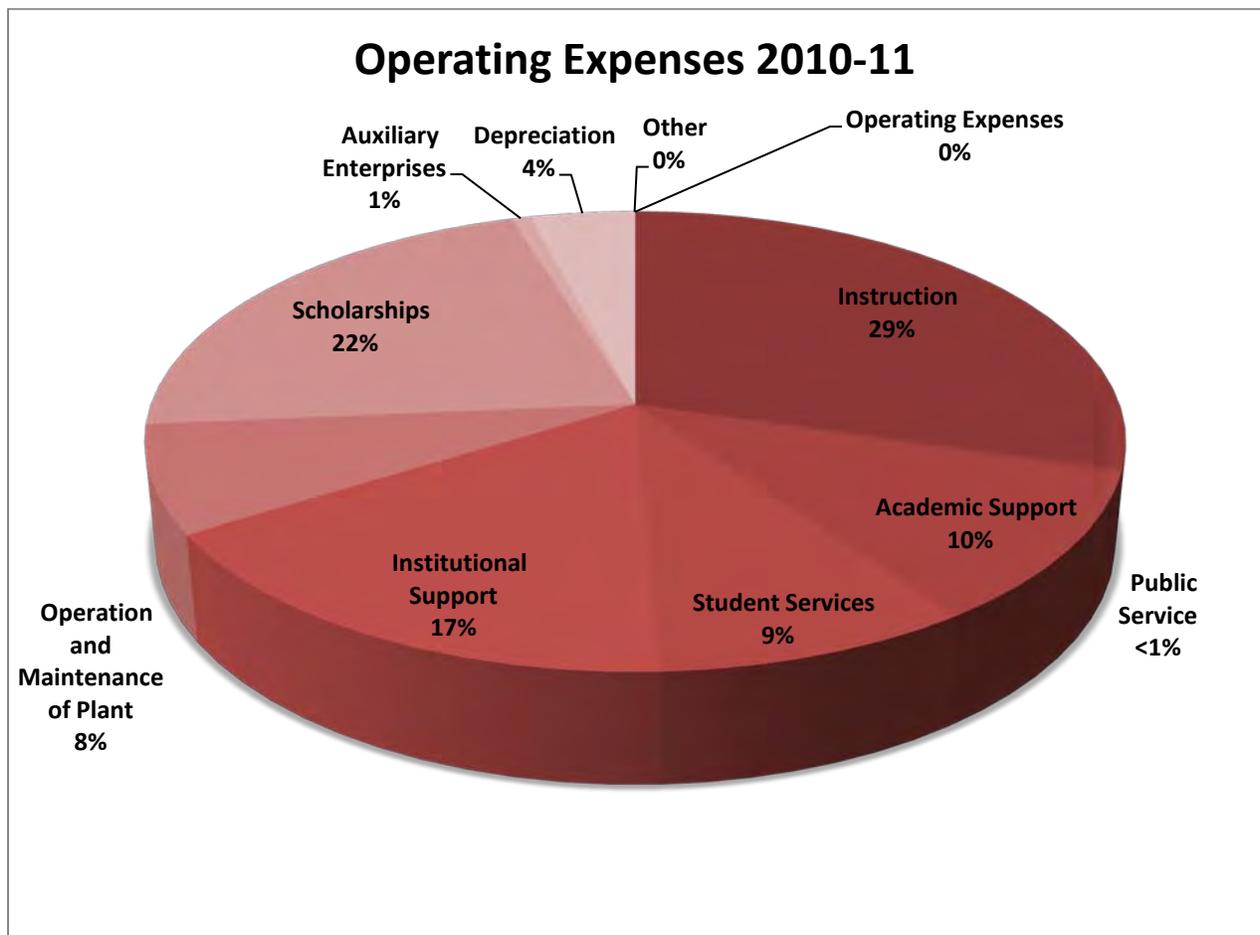


Changes in Net Assets

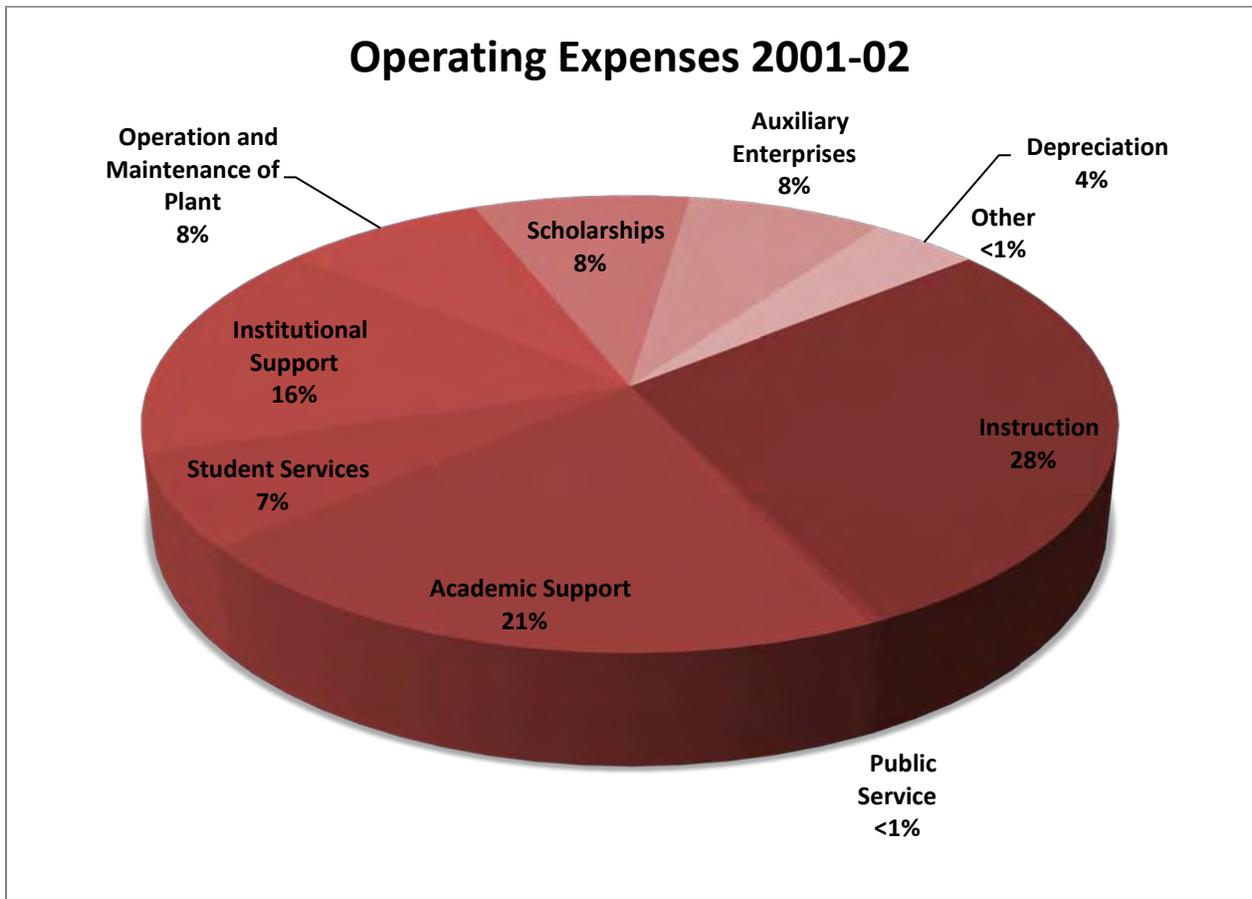
	2010-11	2009-10	2008-09	2007-08	2006-07
Operating Revenues					
Tuition and fees	4,526,951	4,168,056	4,510,286	3,296,204	3,512,519
Government grants and contracts	-	-	-	-	5,998,550
Private grants and contracts	726,101	592,730	329,024	573,216	253,528
Bookstore income	134,039	222,703	246,254	202,379	184,053
Food service income	26,540	42,183	37,971	37,618	33,845
Other sales and services	113,113	117,277	127,807	153,672	291,519
Other	16,200	46,356	43,466	27,329	50,749
Total Operating Revenues	5,542,944	5,189,305	5,294,808	4,290,418	10,324,763
Operating Expenses					
Instruction	10,743,772	9,502,581	8,569,285	7,892,400	7,184,340
Public Service	134,167	144,167	118,520	114,126	79,694
Academic Support	3,798,199	4,106,925	3,696,088	3,591,507	3,519,967
Student Services	3,310,869	3,009,029	3,844,024	3,424,680	3,453,928
Institutional Support	6,118,714	7,578,624	7,981,597	7,213,810	6,850,217
Operation and Maintenance of Plant	2,757,453	2,871,130	2,684,752	2,476,724	2,382,022
Scholarships	7,881,955	7,359,327	4,014,019	3,401,656	3,006,796
Auxiliary Enterprises	273,818	280,419	442,944	202,412	237,535
Depreciation	1,468,082	1,479,676	1,417,859	1,265,072	1,179,112
Other	-	-	-	-	47,907
Total Operating Expenses	36,487,029	36,331,878	32,769,088	29,582,387	27,941,518
Operating Income (Loss)	(30,944,085)	(31,142,573)	(27,474,280)	(25,291,969)	(17,616,755)
Non-operating Revenues (Expenses)					
Government Grants	14,468,876	13,939,348	9,512,174	6,549,809	-
Property Taxes	18,085,425	17,048,446	16,235,016	15,372,777	14,093,900
State Appropriations	3,682,900	3,682,901	3,748,881	4,196,900	4,196,900
Share of State Sales Tax	506,197	491,718	518,805	554,842	557,376
Private gifts	-	-	-	-	-
Investment Income	14,792	45,313	77,423	209,642	83,206
Interest Expense of Debt	(415,474)	(543,786)	(583,862)	(608,948)	(961,933)
Gain (Loss) on Disposal of Capital Assets	(2,865)	11,722	(572)	4,181	6,194
Total Non-operating Revenues (Expenses)	36,339,851	34,675,662	29,507,865	26,279,203	17,975,643
Income (Loss) Before Other Revenues, Expenses, Gains or Losses	5,395,766	3,533,089	2,033,585	987,234	358,888
Capital Appropriations	-	-	-	591,200	597,500
Capital Grants and Gifts	-	-	-	6,838	37,185
Change in Net Assets	5,395,766	3,533,089	2,033,585	1,585,272	993,573

	2005-06	2004-05	2003-04	2002-03	2001-02
Operating Revenues					
Tuition and fees	2,990,555	2,810,351	2,778,253	2,122,844	1,921,312
Government grants and contracts	5,952,940	5,170,921	2,682,220	2,182,375	1,881,464
Private grants and contracts	300,912	346,216	259,594	67,934	210,943
Bookstore income	159,473	140,233	383,674	1,249,195	1,207,751
Food service income	38,668	27,792	36,649	33,365	83,228
Other sales and services	339,052	278,613	252,054	221,298	90,650
Other	80,853	80,475	172,195	23,490	167,513
Total Operating Revenues	9,862,453	8,854,601	6,564,639	5,900,501	5,562,861
Operating Expenses					
Instruction	6,882,730	6,492,051	5,598,586	5,668,524	5,783,924
Public Service	124,169	91,821	105,118	118,695	83,262
Academic Support	3,462,743	2,992,161	2,685,363	3,827,995	4,195,865
Student Services	3,315,437	2,762,592	2,408,423	1,262,246	1,344,922
Institutional Support	6,001,049	5,237,170	5,150,994	3,715,656	3,183,542
Operation and Maintenance of Plant	2,434,154	2,435,786	1,837,077	1,513,825	1,599,692
Scholarships	2,954,737	2,733,955	1,942,755	1,680,538	1,706,035
Auxiliary Enterprises	228,419	190,639	415,948	1,595,387	1,540,994
Depreciation	1,087,742	996,621	944,514	996,721	861,236
Other	23,003	160	160	10,497	2,927
Total Operating Expenses	26,514,183	23,932,956	21,088,938	20,390,084	20,302,399
Operating Income (Loss)	(16,651,730)	(15,078,355)	(14,524,299)	(14,489,583)	(14,739,538)
Non-operating Revenues (Expenses)					
Government Grants					
Property Taxes	13,274,304	11,762,842	10,873,474	9,515,110	9,289,567
State Appropriations	3,710,000	3,710,000	3,630,300	3,630,300	3,944,700
Share of State Sales Tax	517,428	418,297	404,124	382,268	362,756
Private gifts	-	-	-	84,887	139,051
Investment Income	139,212	90,126	58,054	101,787	72,618
Interest Expense of Debt	(798,623)	(658,756)	(657,371)	(903,437)	(634,197)
Gain (Loss) on Disposal of Capital Assets	10,976	(30,800)	31,017	37,661	(405,933)
Total Non-operating Revenues (Expenses)	16,853,297	15,291,709	14,339,598	12,848,576	12,768,562
Income (Loss) Before Other Revenues, Expenses, Gains or Losses	201,567	213,354	(184,701)	(1,641,007)	(1,970,976)
Capital Appropriations	491,000	492,000	440,400	440,400	470,900
Capital Grants and Gifts	121,781	596,226	951,700	229,018	47,530
Change in Net Assets	814,348	1,301,580	1,207,399	(971,589)	(1,452,546)

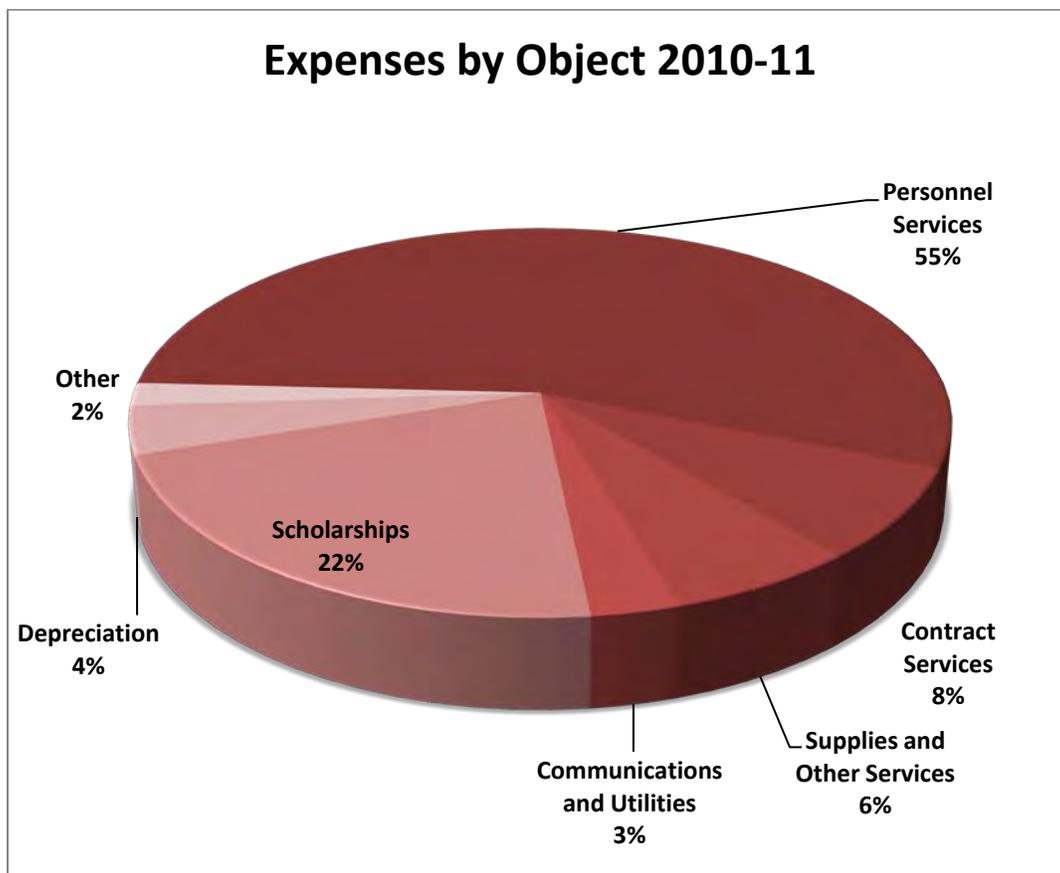
Expenses by Function	2010-11	2009-10	2008-09	2007-08	2006-07
Instruction	10,743,772	9,502,581	8,569,285	7,892,400	7,184,340
Public Service	134,167	144,167	118,520	114,126	79,694
Academic Support	3,798,199	4,106,925	3,696,088	3,591,507	3,519,967
Student Services	3,310,869	3,009,029	3,844,024	3,424,680	3,453,928
Institutional Support	6,118,714	7,578,624	7,981,597	7,213,810	6,850,217
Operation and Maintenance of Plant	2,757,453	2,871,130	2,684,752	2,476,724	2,382,022
Scholarships	7,881,955	7,359,327	4,014,019	3,401,656	3,006,796
Auxiliary Enterprises	273,818	280,419	442,944	202,412	237,535
Depreciation	1,468,082	1,479,676	1,417,859	1,265,072	1,179,112
Other Operating expenses					47,907
Total Expenses	36,487,029	36,331,878	32,769,088	29,582,387	27,941,518



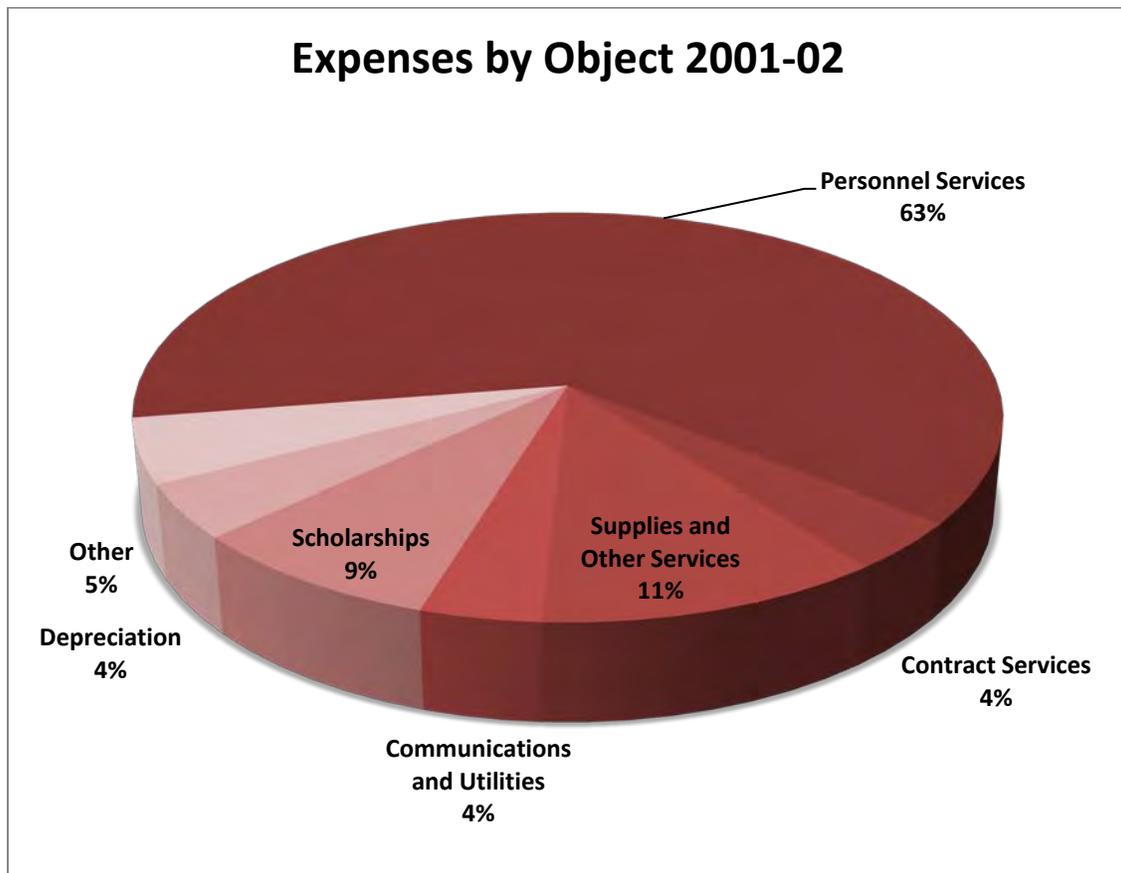
Expenses by Function	2005-06	2004-05	2003-04	2002-03	2001-02
Instruction	6,882,730	6,492,051	5,598,586	5,668,524	5,783,924
Public Service	124,169	91,821	105,118	118,695	83,262
Academic Support	3,462,743	2,992,161	2,685,363	3,827,995	4,195,865
Student Services	3,315,437	2,762,592	2,408,423	1,262,246	1,344,922
Institutional Support	6,001,049	5,237,170	5,150,994	3,715,656	3,183,542
Operation and Maintenance of Plant	2,434,154	2,435,786	1,837,077	1,513,825	1,599,692
Scholarships	2,954,737	2,733,955	1,942,755	1,680,538	1,706,035
Auxiliary Enterprises	228,419	190,639	415,948	1,595,387	1,540,994
Depreciation	1,087,742	996,621	944,514	996,721	861,236
Other Operating expenses	23,003	160	160	10,497	2,927
Total Expenses	26,514,183	23,932,956	21,088,938	20,390,084	20,302,399



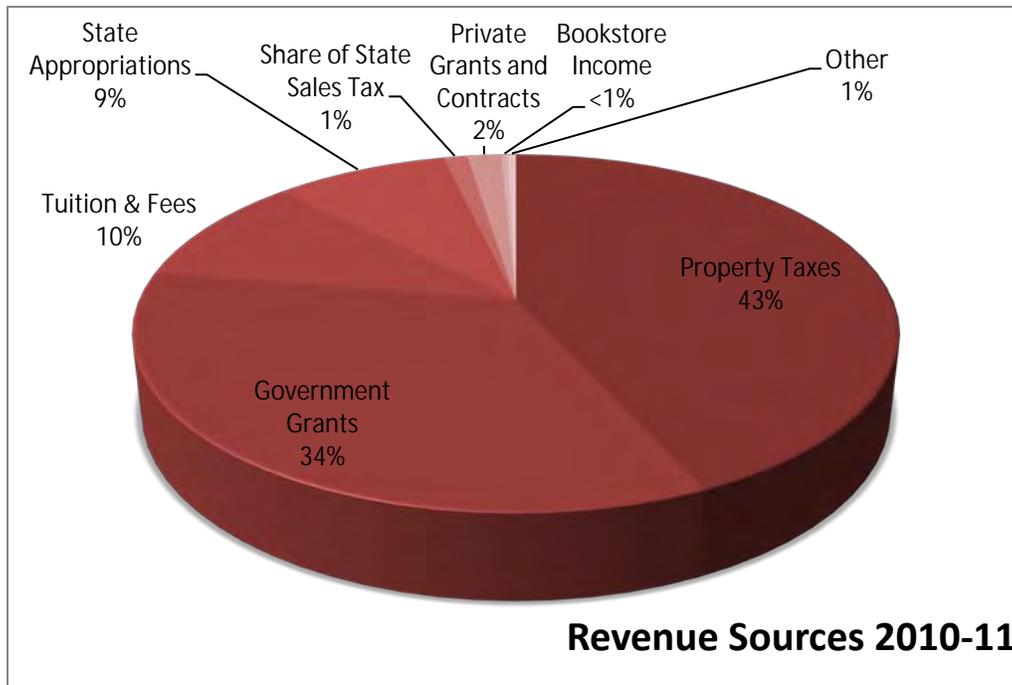
Expenses by Object	2010-11	2009-10	2008-09	2007-08	2006-07
Personnel Services	20,180,416	20,130,234	18,591,648	17,361,878	16,749,980
Contract Services	2,765,608	3,439,247	4,245,764	4,069,571	3,430,817
Supplies and Other Services	2,380,083	2,313,898	2,442,046	2,247,652	2,204,803
Communications and Utilities	1,119,185	1,024,747	1,098,602	1,065,066	1,078,423
Scholarships	7,881,955	7,359,327	4,014,019	3,401,656	2,761,216
Depreciation	1,468,082	1,479,676	1,417,859	1,265,072	1,179,112
Other	691,700	584,749	959,150	171,492	537,167
Total Expenses	36,487,029	36,331,878	32,769,088	29,582,387	27,941,518



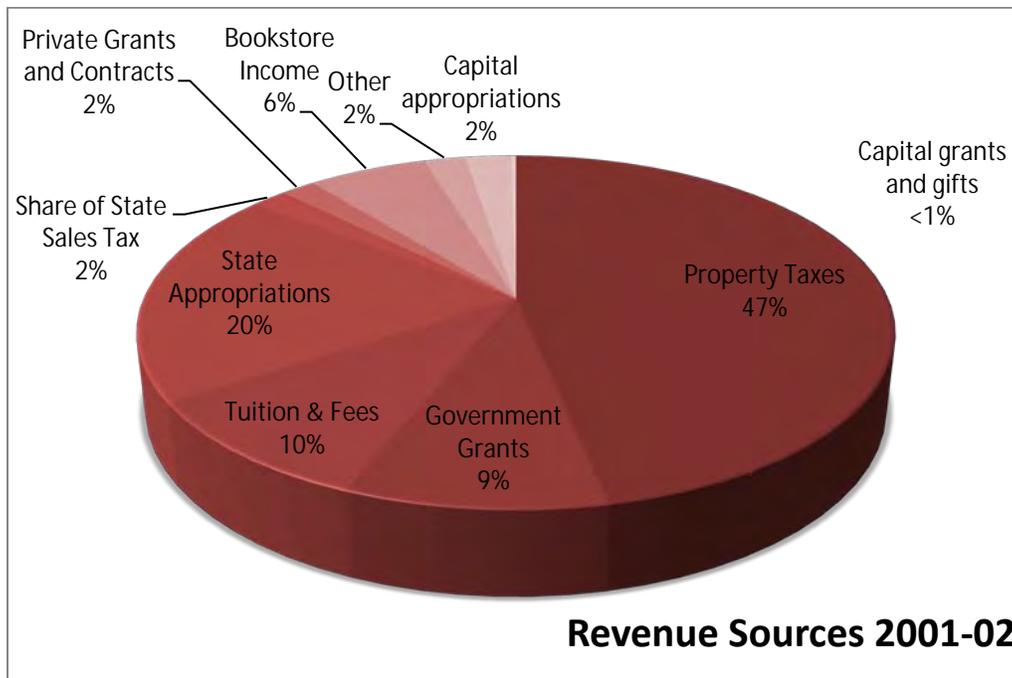
Expenses by Object	2005-06	2004-05	2003-04	2002-03	2001-02
Personnel Services	15,317,595	13,102,317	12,515,924	13,064,266	12,836,384
Contract Services	3,247,471	2,975,047	2,474,967	1,058,975	794,212
Supplies and Other Services	2,545,080	2,728,839	1,913,344	2,484,561	2,271,283
Communications and Utilities	978,466	935,052	909,273	814,507	793,471
Scholarships	2,954,737	2,733,955	1,942,755	1,680,538	1,706,035
Depreciation	1,087,742	996,621	944,514	996,721	861,236
Other	383,092	461,125	388,161	290,516	1,039,778
Total Expenses	26,514,183	23,932,956	21,088,938	20,390,084	20,302,399



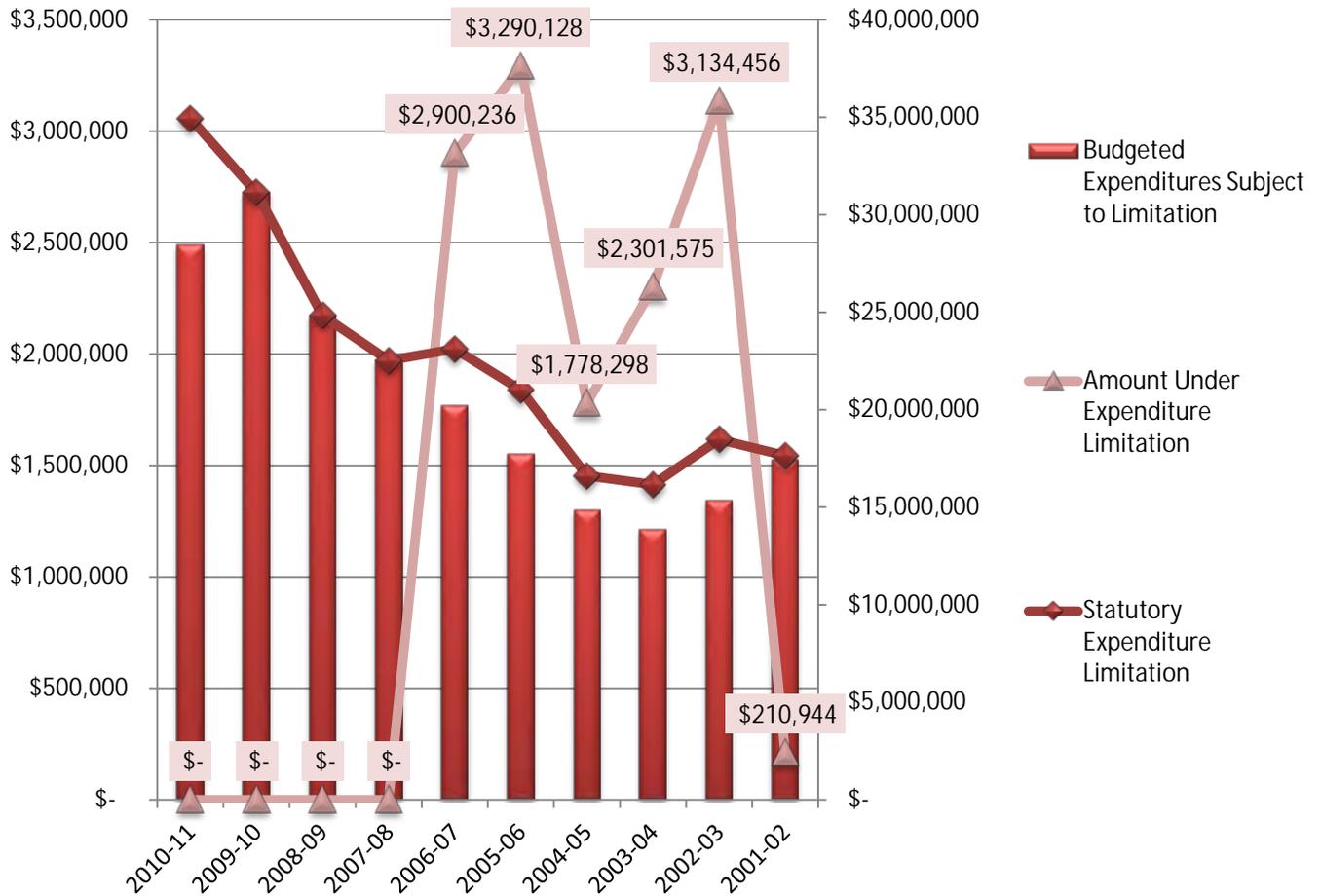
Revenues by Source	2010-11	2009-10	2008-09	2007-08	2006-07
Property Taxes	18,085,426	17,048,446	16,235,016	15,372,777	14,093,900
Government Grants	14,378,844	13,939,348	9,512,174	6,549,809	5,998,550
Tuition & Fees	4,195,487	4,168,056	4,510,286	3,296,204	3,512,519
State Appropriations	3,682,901	3,682,901	3,748,881	4,196,900	4,196,900
Share of State Sales Tax	506,198	491,718	518,805	554,842	557,376
Private Grants and Contracts	726,101	592,730	329,024	573,216	253,528
Private Gifts					
Investment Income	14,793	45,313	77,423	209,642	83,206
Gain on Disposal of Capital Assets		11,722		4,181	6,194
Bookstore Income	134,039	222,703	246,254	202,379	184,053
Food Service Income	26,540	42,183	37,971	37,618	33,845
Other Sales and Services	113,113	117,277	127,807	153,672	291,519
Other	16,200	46,356	43,466	27,329	50,749
Capital appropriations				591,200	597,500
Capital grants and gifts				6,838	37,185
Total Revenue	41,879,641	40,408,753	35,387,107	31,776,607	29,897,024



Revenues by Source	2005-06	2004-05	2003-04	2002-03	2001-02
Property Taxes	13,274,304	11,762,842	10,873,474	9,515,110	9,289,567
Government Grants	5,952,940	5,170,921	2,682,220	2,182,375	1,881,464
Tuition & Fees	2,990,555	2,810,351	2,778,253	2,122,844	1,921,312
State Appropriations	3,710,000	3,710,000	3,630,300	3,630,300	3,944,700
Share of State Sales Tax	517,428	418,297	404,124	382,268	362,756
Private Grants and Contracts	300,912	346,216	259,594	67,934	210,943
Private Gifts				84,887	139,051
Investment Income	139,212	90,126	58,054	101,787	72,618
Gain on Disposal of Capital Assets	10,976		31,017	37,661	
Bookstore Income	159,473	140,233	383,674	1,249,195	1,207,751
Food Service Income	38,668	27,792	36,649	33,365	83,228
Other Sales and Services	339,052	278,613	252,054	221,298	90,650
Other	80,853	80,475	172,195	23,490	167,513
Capital appropriations	491,000	492,000	440,400	440,400	470,900
Capital grants and gifts	121,781	596,226	951,700	229,018	47,530
Total Revenue	28,127,154	25,924,092	22,953,708	20,321,932	19,889,983



Budgeted Expenditure Limitation



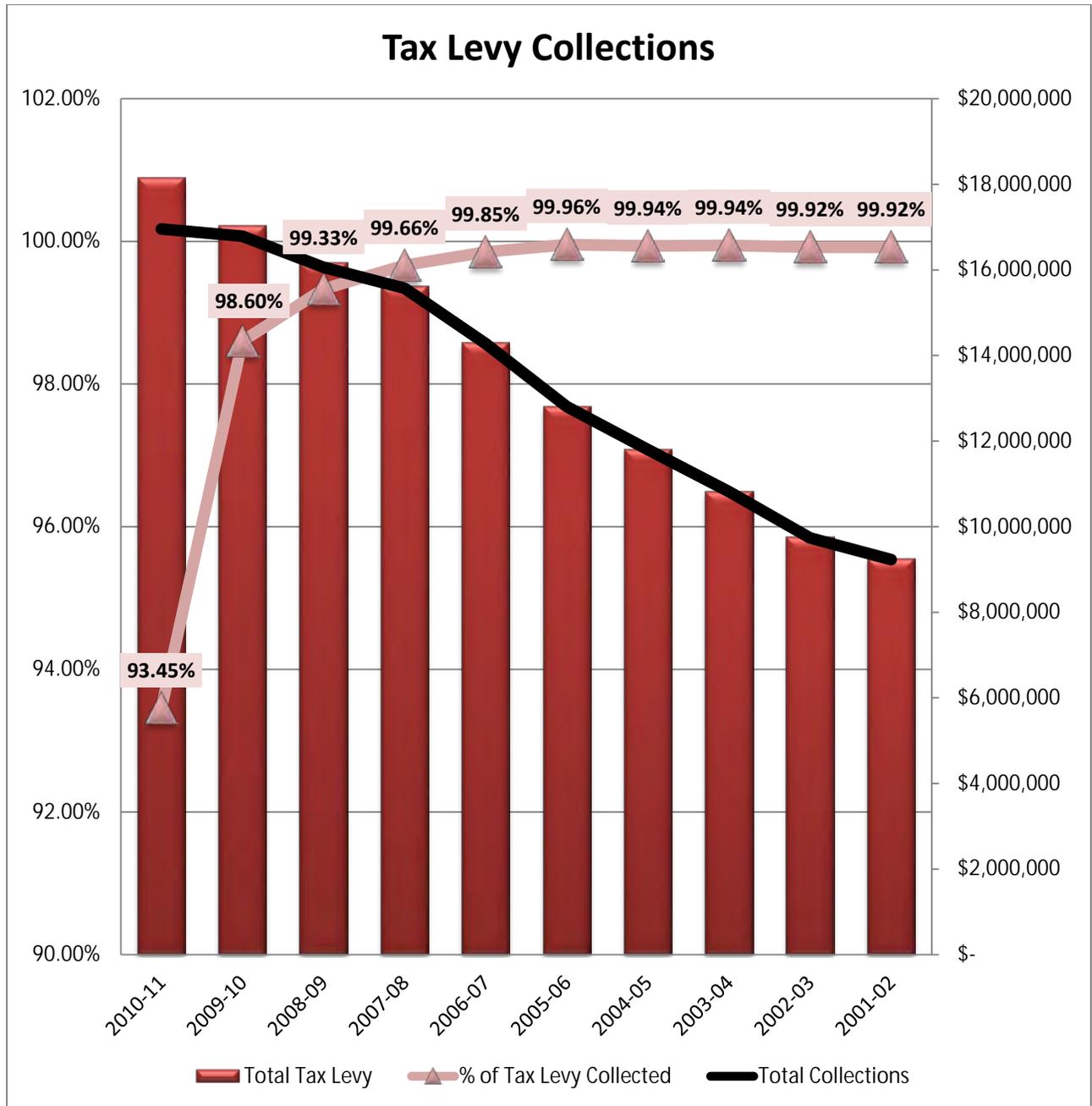
	2010-11	2009-10	2008-09	2007-08	2006-07
Statutory Expenditure Limitation	\$ 34,950,321	\$ 31,134,362	\$ 24,835,230	\$ 22,526,351	\$ 23,118,821
Budgeted Expenditures Subject to Limitation	\$ 28,463,105	\$ 31,134,362	\$ 24,835,230	\$ 22,526,351	\$ 20,218,585
Amount Under Expenditure Limitation	\$ -	\$ -	\$ -	\$ -	\$ 2,900,236

	2005-06	2004-05	2003-04	2002-03	2001-02
Statutory Expenditure Limitation	\$ 21,009,091	\$ 16,619,702	\$ 16,163,538	\$ 18,472,189	\$ 17,652,638
Budgeted Expenditures Subject to Limitation	\$ 17,718,963	\$ 14,841,404	\$ 13,861,963	\$ 15,337,733	\$ 17,441,694
Amount Under Expenditure Limitation	\$ 3,290,128	\$ 1,778,298	\$ 2,301,575	\$ 3,134,456	\$ 210,944

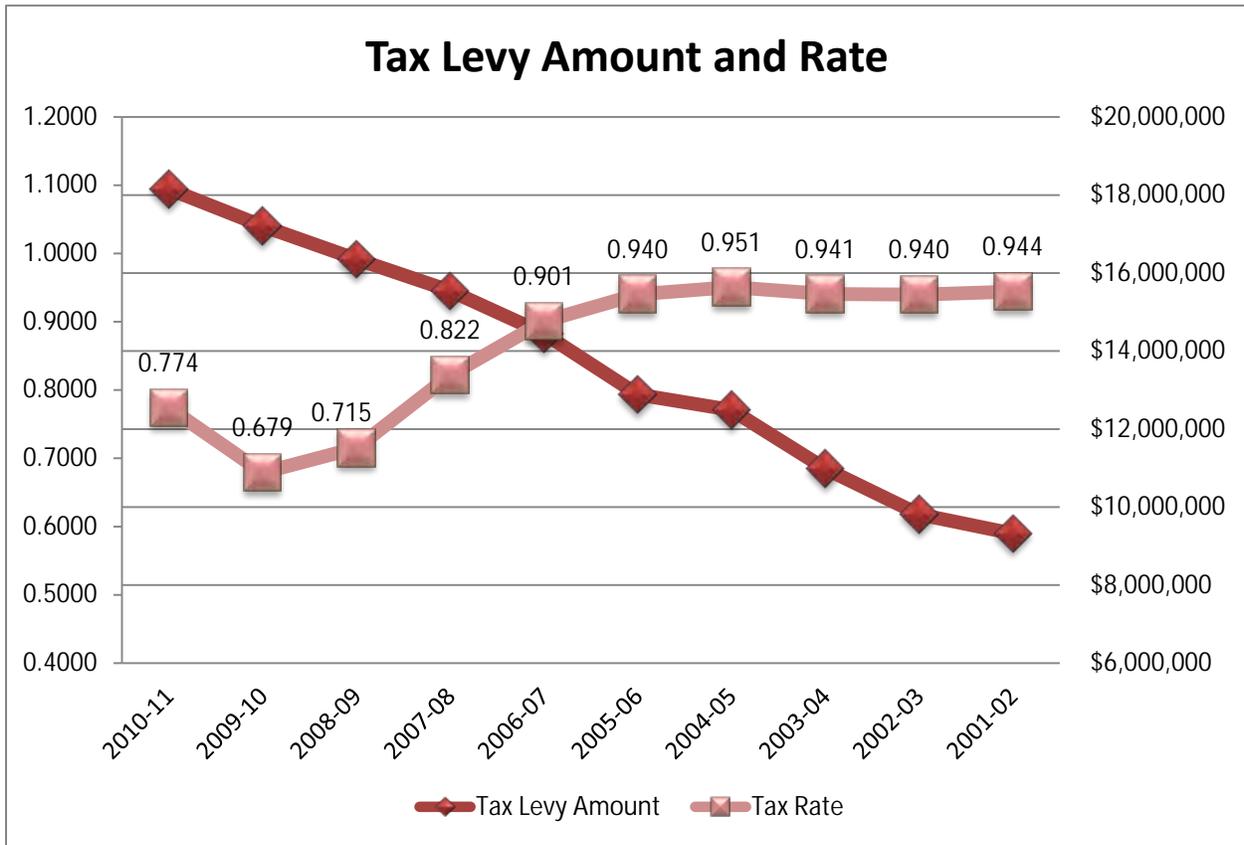
Source: Audited Reports on Annual Budgeted Expenditure Limitation

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

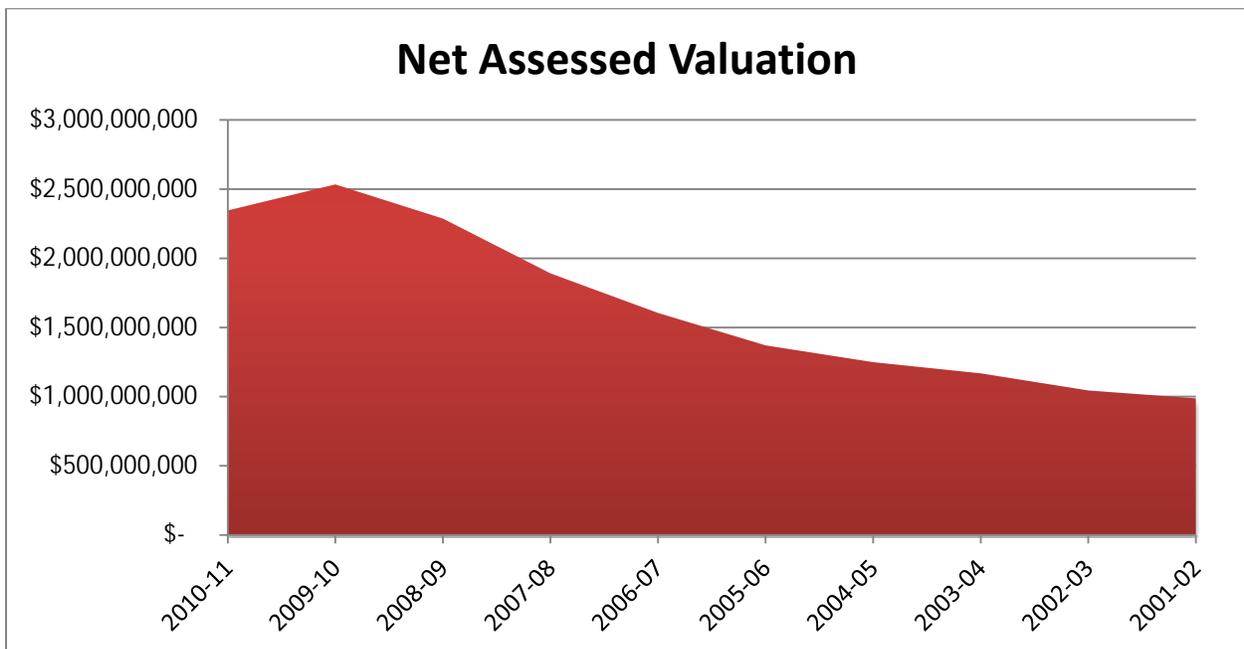
Note (2) – Budgeted expenditures are calculated net of allowable exclusions.



Source: Mohave County Treasurer



Source: Mohave County Treasurer



Source: Mohave County Treasurer

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

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

Source: Mohave County Assessor's Office

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

Source: Mohave County Assessor's Office

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

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

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

Source: Mohave County Finance Office

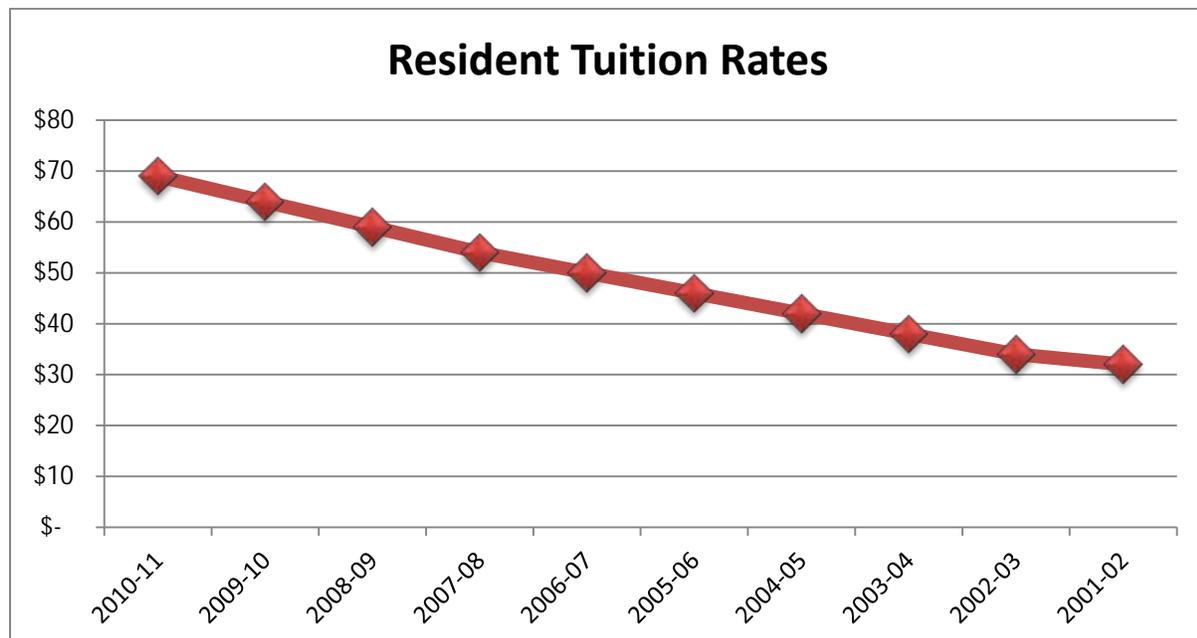
Note (1) - Mohave County applies to the General and State Education Equalization, and to the General, Library District and Fire District Assistance Funds. Fire, Sanitary, Improvement, Irrigation, Water and Lighting District levies are based on secondary values.

Historic Resident Tuition Rates – Last 10 Fiscal Years

	Tuition Per Credit Hour	Annual Cost	\$ Increase	%Increase
2001-02	\$ 32	\$ 960		
2002-03	\$ 34	\$ 1,020	\$ 60	6%
2003-04	\$ 38	\$ 1,140	\$ 120	12%
2004-05	\$ 42	\$ 1,260	\$ 120	11%
2005-06	\$ 46	\$ 1,380	\$ 120	10%
2006-07	\$ 50	\$ 1,580	\$ 200	14%
2007-08	\$ 54	\$ 1,700	\$ 120	8%
2008-09	\$ 59	\$ 1,870	\$ 170	10%
2009-10	\$ 64	\$ 2,020	\$ 150	8%
2010-11	\$ 69	\$ 2,310	\$ 290	14%

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
2001-02	\$ 3,375,559	\$ 4,205,000	\$ 685,710	\$ 4,890,710	145%
2002-03	\$ 3,728,489	\$ 150,000	\$ 653,040	\$ 803,040	22%
2003-04	\$ 3,508,684	\$ 305,000	\$ 647,415	\$ 952,415	27%
2004-05	\$ 3,347,115	\$ 320,000	\$ 634,910	\$ 954,910	29%
2005-06	\$ 3,666,960	\$ 335,000	\$ 654,037	\$ 989,037	27%
2006-07	\$ 4,105,142	\$ 3,625,000	\$ 572,030	\$ 4,197,030	102%
2007-08	\$ 3,899,515	\$ 455,000	\$ 587,336	\$ 1,042,336	27%
2008-09	\$ 4,999,741	\$ 465,000	\$ 569,146	\$ 1,034,146	21%
2009-10	\$ 4,595,532	\$ 1,075,000	\$ 549,934	\$ 1,624,934	35%
2010-11	\$ 4,483,972	\$ 5,920,000	\$ 351,063	\$ 6,271,063	140%

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
2001-02	\$ 20,302,399	\$ 4,205,000	\$ 685,710	\$ 4,890,710	24%
2002-03	\$ 20,390,084	\$ 150,000	\$ 653,040	\$ 803,040	4%
2003-04	\$ 21,088,938	\$ 305,000	\$ 647,415	\$ 952,415	5%
2004-05	\$ 23,932,956	\$ 320,000	\$ 634,910	\$ 954,910	4%
2005-06	\$ 26,514,183	\$ 335,000	\$ 654,037	\$ 989,037	4%
2006-07	\$ 27,941,518	\$ 3,625,000	\$ 572,030	\$ 4,197,030	15%
2007-08	\$ 29,582,387	\$ 455,000	\$ 587,336	\$ 1,042,336	4%
2008-09	\$ 32,769,088	\$ 465,000	\$ 569,146	\$ 1,034,146	3%
2009-10	\$ 36,331,878	\$ 1,075,000	\$ 549,934	\$ 1,624,934	4%
2010-11	\$ 36,487,029	\$ 5,920,000	\$ 351,063	\$ 6,271,063	17%

Debt Service Interest Expense – Last 10 Fiscal Years

	1994 COPS	2000 PRO	2000 Rev	2001 PRO	2005 PRO	2006 Rev
2001-02	\$ 257,460	\$ 239,250	\$ 189,000	\$ -	\$ -	\$ -
2002-03	\$ -	\$ 239,250	\$ 189,000	\$ 224,790	\$ -	\$ -
2003-04	\$ -	\$ 239,250	\$ 189,000	\$ 219,165	\$ -	\$ -
2004-05	\$ -	\$ 239,250	\$ 189,000	\$ 206,660	\$ -	\$ -
2005-06	\$ -	\$ 239,250	\$ 189,000	\$ 192,260	\$ 33,527	\$ -
2006-07	\$ -	\$ 239,250	\$ 31,500	\$ 175,510	\$ 49,276	\$ 76,494
2007-08	\$ -	\$ 239,250	\$ -	\$ 157,135	\$ 46,826	\$ 144,125
2008-09	\$ -	\$ 239,250	\$ -	\$ 143,195	\$ 44,376	\$ 142,325
2009-10	\$ -	\$ 239,250	\$ -	\$ 128,320	\$ 41,839	\$ 140,525
2010-11	\$ -	\$ 111,393	\$ -	\$ 61,219	\$ 38,193	\$ 140,258

Source: District Records

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

Debt Service Principal Expense – Last 10 Fiscal Years

	1994 COPS	2000 PRO	2000 Rev	2001 PRO	2005 PRO	2006 Rev
2001-02	\$ 4,205,000	\$ -	\$ -	\$ -	\$ -	\$ -
2002-03	\$ -	\$ -	\$ -	\$ 150,000	\$ -	\$ -
2003-04	\$ -	\$ -	\$ -	\$ 305,000	\$ -	\$ -
2004-05	\$ -	\$ -	\$ -	\$ 320,000	\$ -	\$ -
2005-06	\$ -	\$ -	\$ -	\$ 335,000	\$ -	\$ -
2006-07	\$ -	\$ -	\$ 3,150,000	\$ 350,000	\$ 70,000	\$ 55,000
2007-08	\$ -	\$ -	\$ -	\$ 340,000	\$ 70,000	\$ 45,000
2008-09	\$ -	\$ -	\$ -	\$ 350,000	\$ 70,000	\$ 45,000
2009-10	\$ -	\$ 630,000	\$ -	\$ 365,000	\$ 75,000	\$ 5,000
2010-11	\$ -	\$ 3,720,000	\$ -	\$ 2,115,000	\$ 80,000	\$ 5,000

Source: District Records

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

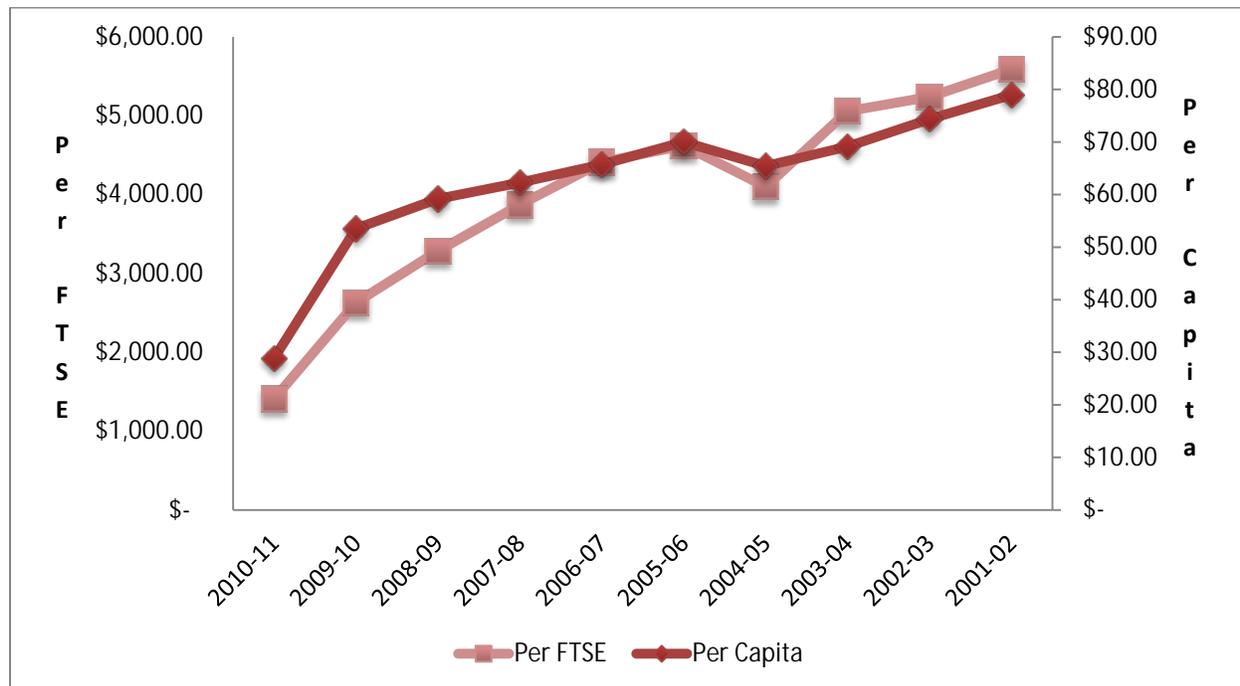
Ratios of Outstanding Debt – Last 10 Fiscal Years

	2010-11	2009-10	2008-09	2007-08	2006-07
Other Debt:					
Revenue Bonds	\$ 3,335,000	\$ 3,340,000	\$ 3,345,000	\$ 3,390,000	\$ 3,435,000
Pledged Revenue Obligations	\$ 960,000	\$ 6,875,000	\$ 7,945,000	\$ 8,365,000	\$ 8,775,000
Capital Leases	\$ 1,310,614	\$ 181,102	\$ 261,195	\$ 411,091	\$ 431,230
Total Outstanding Debt	\$ 5,605,614	\$ 10,396,102	\$ 11,551,195	\$ 12,166,091	\$ 12,641,230
Per Capita	\$ 28.85	\$ 53.52	\$ 59.20	\$ 62.28	\$ 65.73
Per FTSE	\$ 1,410.22	\$ 2,629.93	\$ 3,283.46	\$ 3,870.85	\$ 4,410.76
% of Personal Income	Note (1)	0.20%	0.22%	0.24%	0.27%

	2005-06	2004-05	2003-04	2002-03	2001-02
Other Debt:					
Revenue Bonds	\$ 3,150,000	\$ 3,150,000	\$ 3,150,000	\$ 3,150,000	\$ 3,150,000
Pledged Revenue Obligations	\$ 9,195,000	\$ 8,205,000	\$ 8,525,000	\$ 8,830,000	\$ 8,980,000
Capital Leases	\$ 663,343	\$ 309,332	\$ 150,379	\$ 297,333	\$ 487,809
Total Outstanding Debt	\$ 13,008,343	\$ 11,664,332	\$ 11,825,379	\$ 12,277,333	\$ 12,617,809
Per Capita	\$ 70	\$ 65	\$ 69	\$ 74	\$ 79
Per FTSE	\$ 4,621	\$ 4,100	\$ 5,058	\$ 5,240	\$ 5,591
% of Personal Income	0.30%	0.30%	0.33%	0.36%	0.39%

Source: District Records, US Census Bureau

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



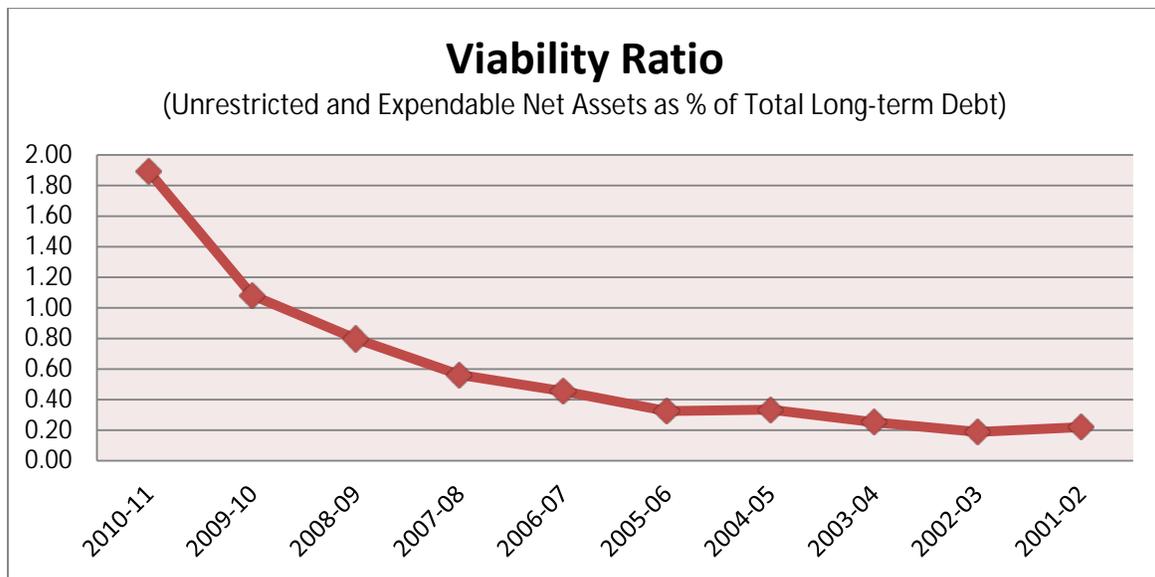
Computation of Legal Debt Margin – Last 10 Fiscal Years

	2010-11	2009-10	2008-09	2007-08	2006-07
Assessed Value of Real and Personal Property	\$ 2,345,486,041	\$ 2,533,640,810	\$ 2,286,744,927	\$ 1,890,688,680	\$ 1,604,391,585
Debt Limit, 15% of Secondary Assessed Value	\$ 351,822,906	\$ 380,046,122	\$ 343,011,739	\$ 283,603,302	\$ 240,658,738
Total Debt Applicable to Debt Limit	\$ -	\$ -	\$ -	\$ -	\$ -
Legal Debt Margin	\$ 351,822,906	\$ 380,046,122	\$ 343,011,739	\$ 283,603,302	\$ 240,658,738

	2005-06	2004-05	2003-04	2002-03	2001-02
Assessed Value of Real and Personal Property	\$ 1,370,188,972	\$ 1,248,789,585	\$ 1,167,876,273	\$ 1,044,211,616	\$ 987,113,692
Debt Limit, 15% of Secondary Assessed Value	\$ 205,528,346	\$ 187,318,438	\$ 175,181,441	\$ 156,631,742	\$ 148,067,054
Total Debt Applicable to Debt Limit	\$ -	\$ -	\$ -	\$ -	\$ -
Legal Debt Margin	\$ 205,528,346	\$ 187,318,438	\$ 175,181,441	\$ 156,631,742	\$ 148,067,054

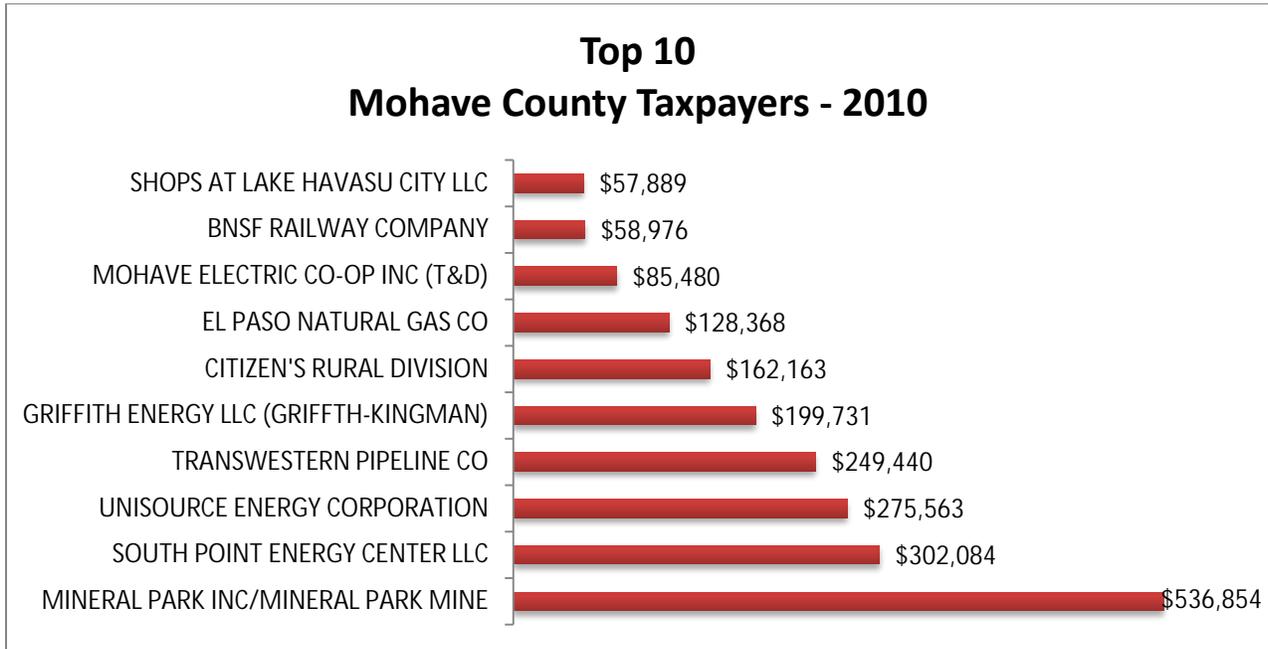
Source: District Records

Viability Ratio for Last 10 Fiscal Years



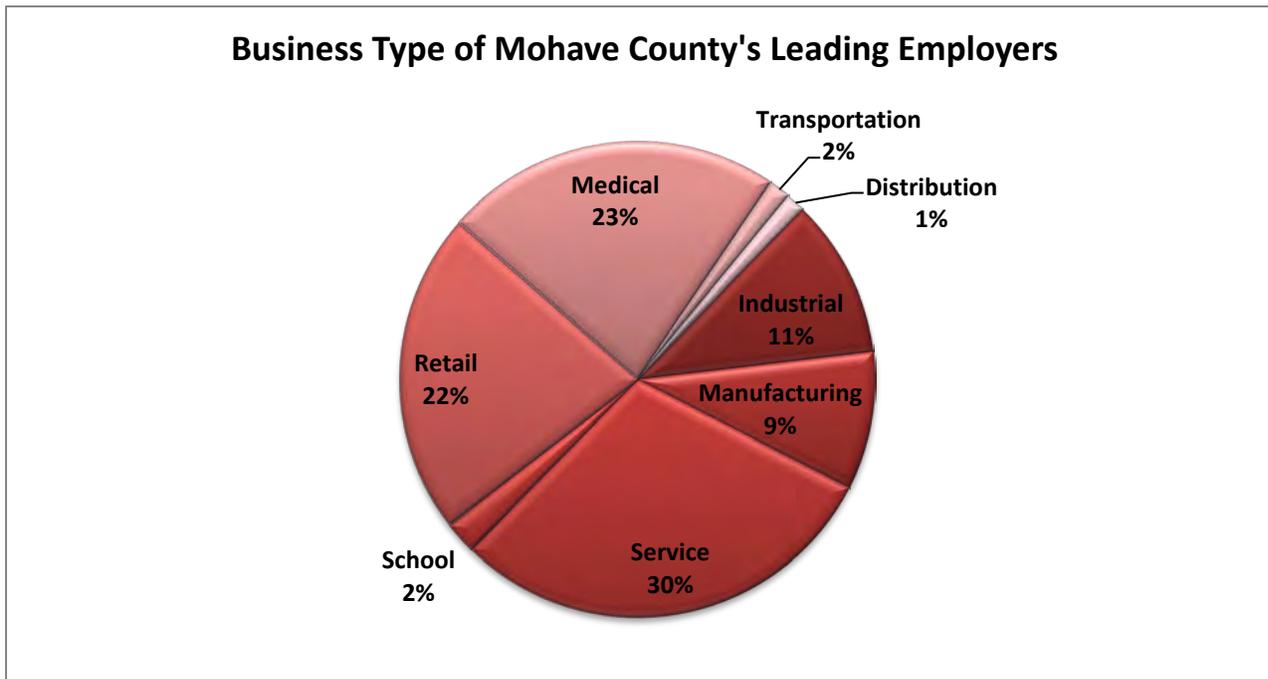
Source: District Records

Top 10 Taxpayers in Mohave County



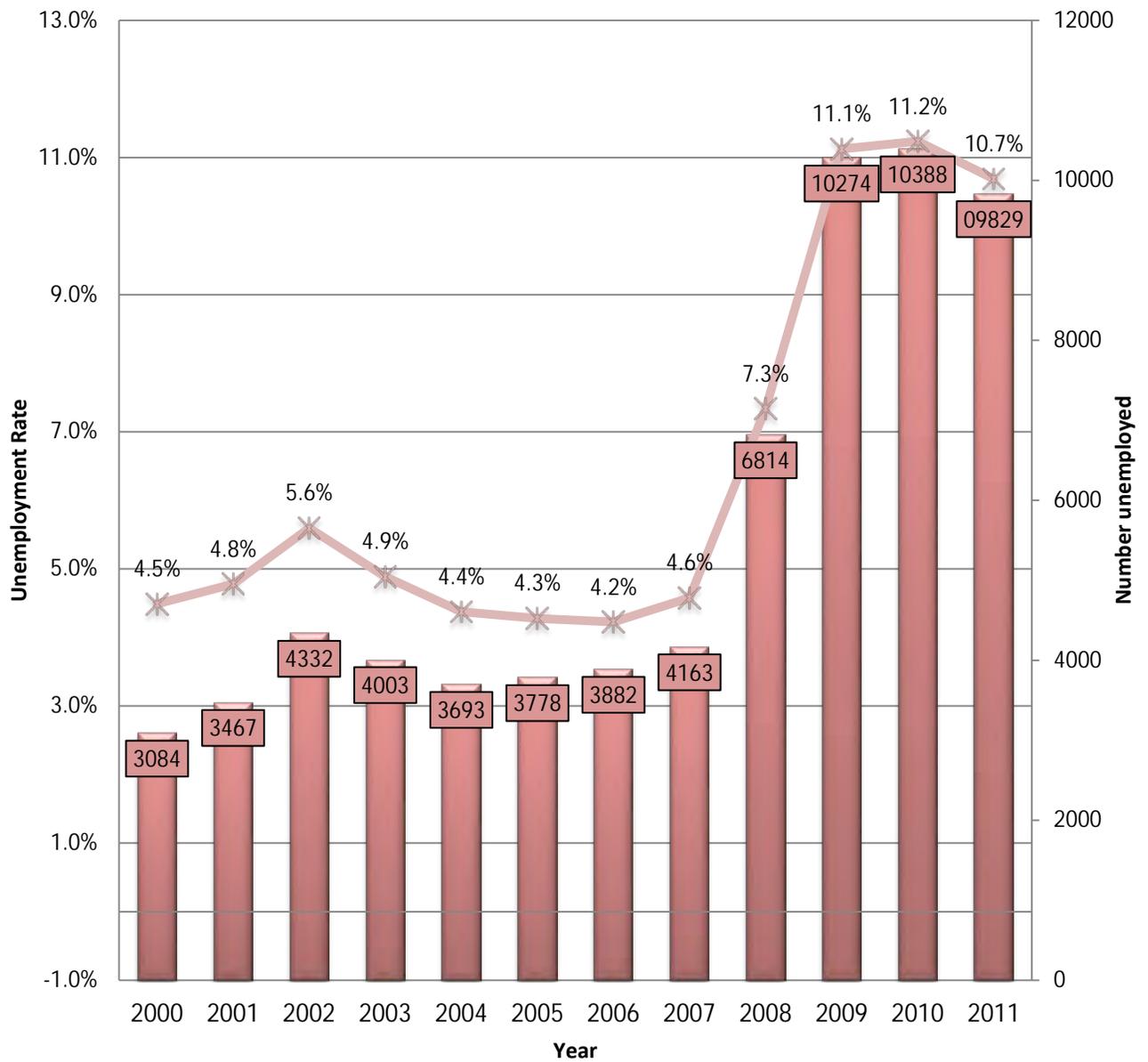
Source: Mohave County Department for Economic Development

Leading Industry Types for Mohave County



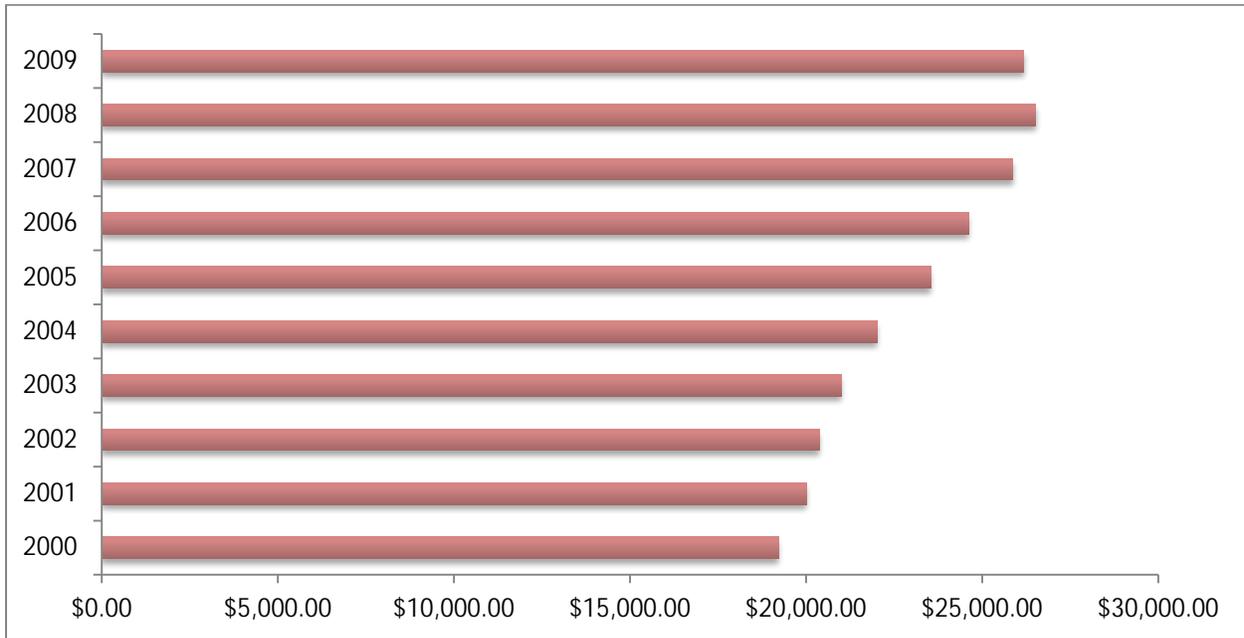
Source: Mohave County Department for Economic Development

Mohave County Unemployment – Last 10 years



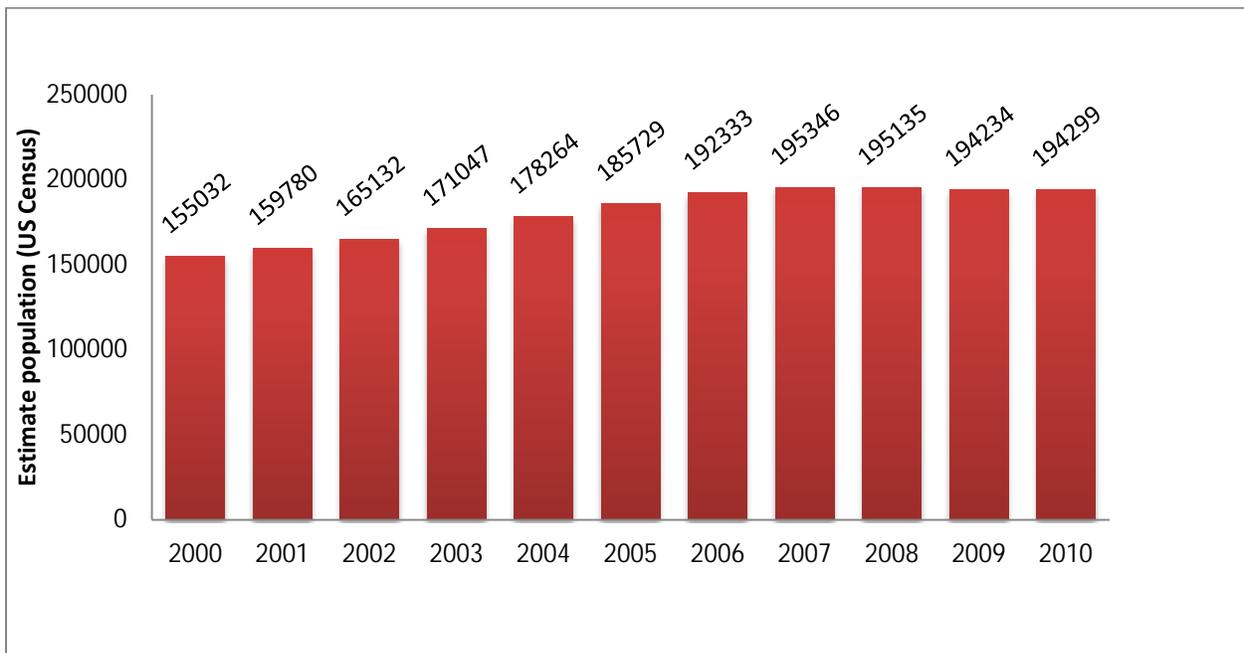
Source: US Department of Labor and Bureau of Labor Statistics

Mohave County Per Capita Personal Income



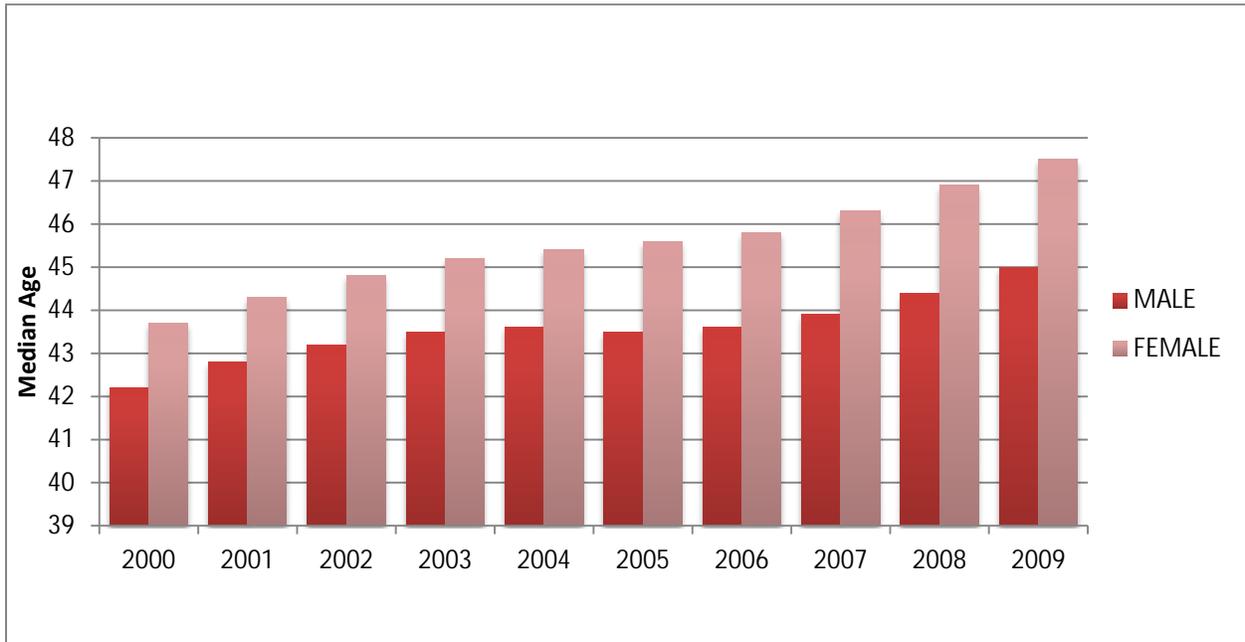
Source: Mohave County Department for Economic Development

Mohave County Population Estimates – Last 10 Years



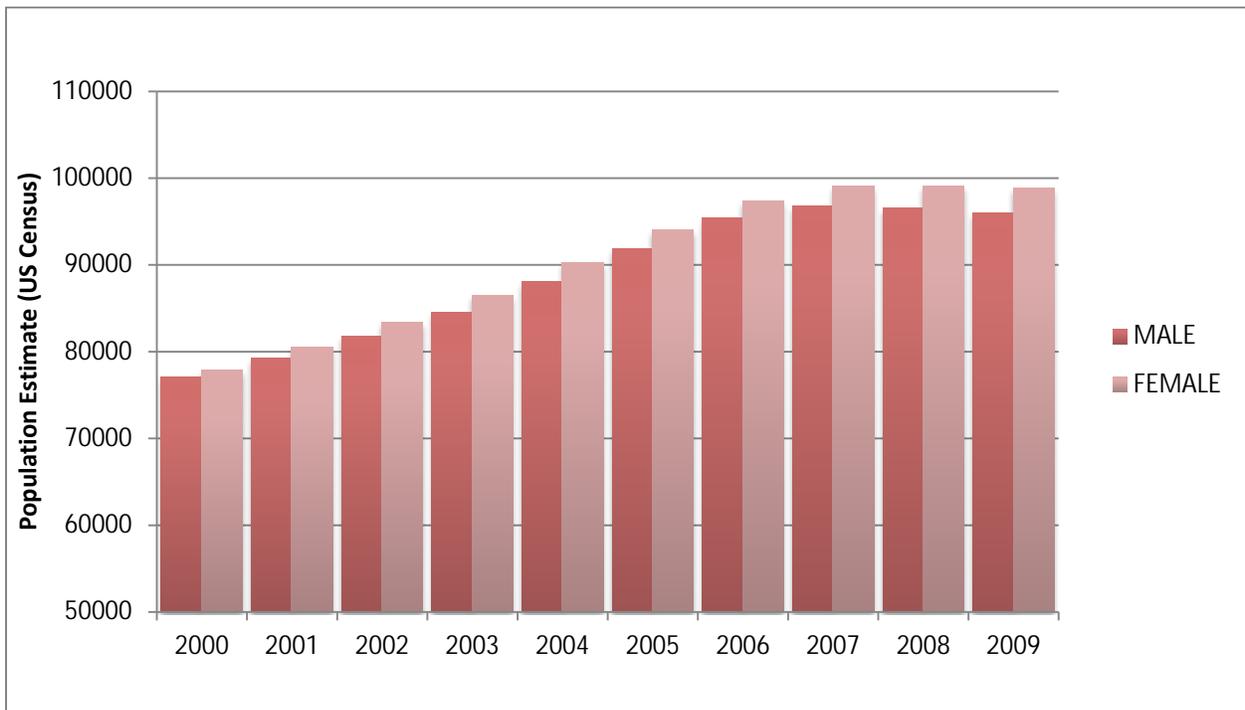
Source: US Census Bureau

Mohave County Population Median Age – Last 10 Years



Source: US Census Bureau

Mohave County Population Gender Breakdown – Last 10 Years



Source: US Census Bureau

Mohave County Leading Employers

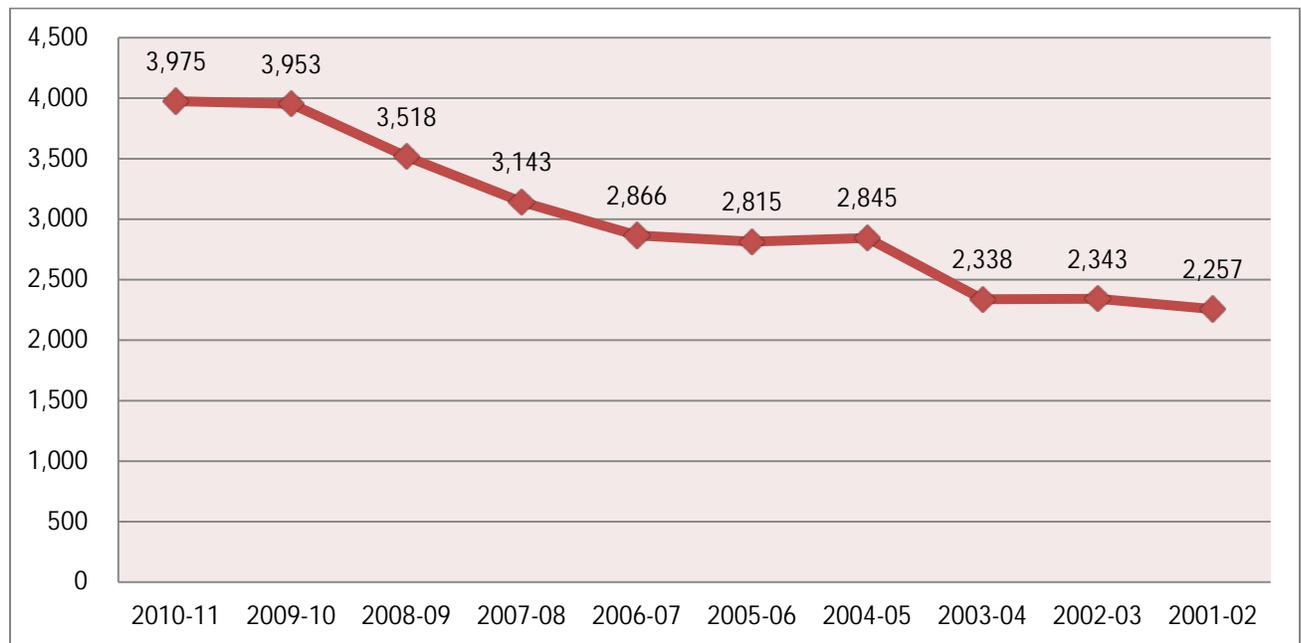
Company	Business Description	Business Type	Location	Employment
County of Mohave	County Services	Service	Kingman	1261
Kingman Regional Medical Ctr	Hospital	Medical	Kingman	1200
Freeport-McMoran Mine	Copper Ore Mining	Industrial	Wikieup/Bagdad	805
Havasu Regional Medical Ctr	Hospital	Medical	Lake Havasu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

Student Enrollment and Demographic Information – Last 10 Fiscal Years

	African American	Native American	Asian	Hispanic	White, Non-Hispanic	Other/Unknown	Male	Female
2001-02	33	118	86	509	4,344	189	1,715	3,564
2002-03	32	110	87	815	4,862	231	2,003	4,153
2003-04	29	104	106	781	4,925	303	2,210	4,038
2004-05	43	211	114	839	4,781	668	2,234	4,422
2005-06	59	152	100	884	4,390	197	2,006	3,776
2006-07	56	117	112	927	3,950	155	1,804	3,513
2007-08	73	136	116	752	4,552	250	1,937	3,942
2008-09	76	141	113	729	4,948	175	2,178	4,004
2009-10	88	125	127	875	5,328	159	2,464	4,238
2010-11	82	125	132	1,024	5,158	165	2,459	4,227

Source: Integrated Postsecondary Education Data System

Full-time Student Equivalent Totals – Last 10 Fiscal Years



Source: Office of the Arizona Auditor General

Employment Information by Group

	2010-2011	2009-2010	2008-2009
Part-time Faculty	388	422	421
Full-time Faculty	67	53	51
Full-time Administration and Staff	249	242	217
Part-time Staff, Temp and Student Workers	584	571	539

Source: District Records

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

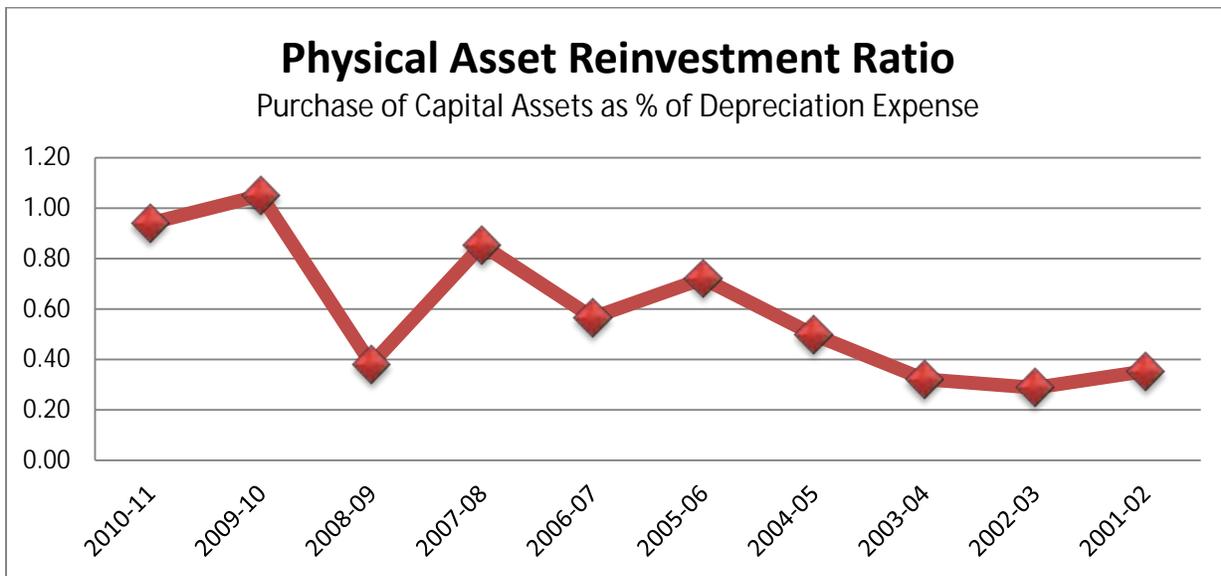
Note (2) - Information is displayed dating back to software conversion during 2007-2008 fiscal year. Additional information for future years will be displayed as it becomes available.

Facilities and Capital Asset Information

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

Source: District records

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





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Bullhead City | Kingman | Lake Havasu City | North Mohave | Distance Education