

**REPORT
 HIGHLIGHTS**
 SINGLE AUDIT

Subject

The District is responsible for preparing financial statements, complying with federal and state laws, and maintaining strong internal controls over compliance and financial reporting. As the auditors, our job is to determine whether the District has met its responsibilities. The District's Single Audit Reporting Package includes our report on the District's financial statements, the District's financial statements including its schedule of expenditures of federal awards, and our reports on the District's compliance and internal control.

Our Conclusion

The District's financial statements are fairly stated in all material respects, except for the effects of an omitted component unit, which resulted in a qualified opinion. The District maintained adequate internal controls over financial reporting and federal compliance and complied with the federal program requirements for the programs tested.



2006

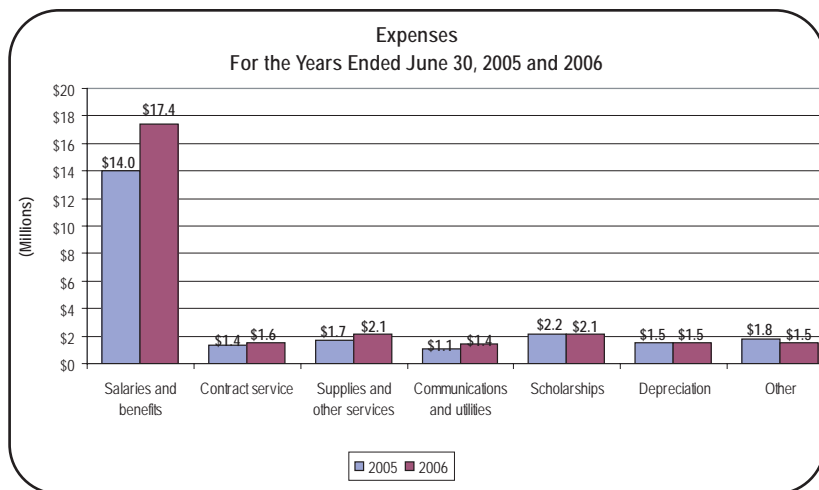
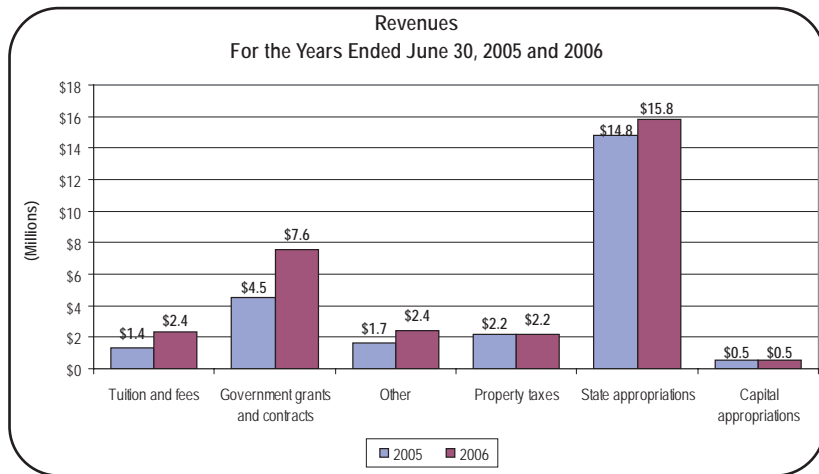
Year Ended June 30, 2006

District Revenues and Expenses

Revenues and Expenses

In fiscal year 2006, the District's revenues increased by \$5.8 million, and its expenses increased by \$3.9 million over the prior year. The increase in revenues was primarily due to increased tuition and fees and government grants and contracts revenues resulting from the District's contract with the Gila County Community College District.

Under the Gila contract, the District provided educational services to students in Gila County. In return, the District received all student tuition and fees, and Gila paid the District for services provided, including an administrative fee. The increase in the District's expenses was primarily due to the additional salaries and benefits costs incurred by the District to provide services under the Gila contract.



The District Spent \$3.8 Million of Federal Monies

The District spent \$3.8 million of federal monies and additional required district matching monies this past year for ten federal grant programs. The largest federal grants were for student financial assistance. Under the guidelines established by the Single Audit Act, auditors tested the Student Financial

Assistance Program Cluster, which included the following federal programs:

- Federal Supplemental Educational Opportunity Grants
- Federal Work-Study Program
- Federal Pell Grant Program

TO OBTAIN MORE INFORMATION

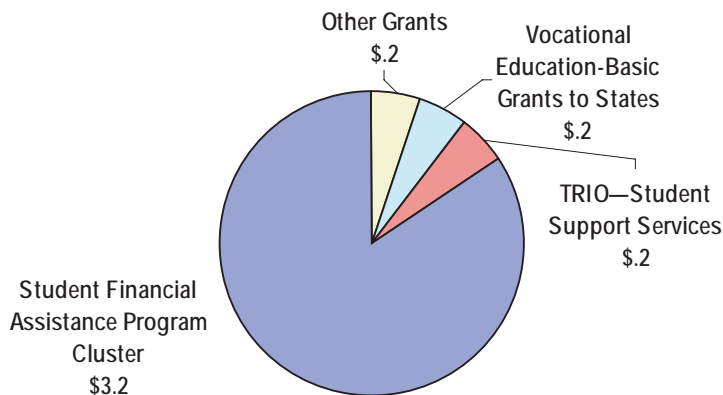
A copy of the full report can be obtained by calling
(602) 553-0333



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Contact person for this report:
Donna Miller

Federal Expenditures Totalling \$3.8 Million Fiscal Year 2006 (In Millions)



The Single Audit Fact Sheet

- No weaknesses in financial reporting or federal compliance internal controls.
- No violations of federal program compliance requirements.
- No program costs were questioned as a result of our audit.

REPORT HIGHLIGHTS SINGLE AUDIT

Year Ended June 30, 2006