



REPORT HIGHLIGHTS FINANCIAL STATEMENT AUDIT

Subject

Gila County Provisional Community College District issues financial statements annually. The District is responsible for preparing financial statements, maintaining strong internal controls, and demonstrating accountability for its use of public monies. As the auditors, our job is to determine whether the District has met its responsibilities.

Our Conclusion

The District did not meet its responsibilities to maintain strong internal controls over capital assets. However, except for the information related to capital assets, the information in the District's financial statements is fairly stated in all material respects, and the financial statements can be relied upon.



2005

Year Ended June 30, 2005

The District Had Inadequate Controls Over its Capital Assets

During fiscal year 2005, Gila County Provisional Community College District acquired capital assets. However, the District did not establish adequate internal controls over capital assets. Specifically, the District did not maintain a complete and detailed listing of its capital

assets, did not tag or otherwise specifically identify its capital assets, and did not have written capital assets policies and procedures. As a result, auditors issued a qualified opinion on the District's June 30, 2005, financial statements.

District's Condensed Government-wide Financial Information

The tables below present summarized versions of the District's government-wide Statement of Net Assets at June 30, 2005, and Statement of Activities for the year ended June 30, 2005.

Statement of Net Assets As of June 30, 2005 (In Thousands)

Assets	
Cash and investments	\$1,293
Property taxes receivable	80
Government grants receivable	14
Other receivables	31
Capital assets, net of accumulated depreciation	<u>223</u>
Total assets	<u>1,641</u>
Liabilities	
Due to other governments	<u>643</u>
Total liabilities	<u>643</u>
Net Assets	
Invested in capital assets, net of related debt	223
Unrestricted	<u>775</u>
Total net assets	<u>\$ 998</u>

Statement of Activities For the Year Ended June 30, 2005 (In Thousands)

Expenses	
Educational and general	\$2,742
Total expenses	<u>2,742</u>
Program Revenues	
Charges for services	150
Operating grants and contributions	<u>73</u>
Total program revenues	<u>223</u>
General Revenues	
Property taxes	2,365
State appropriations	325
Gila County allocation	250
Investment earnings	14
Capital grants and gifts	44
Other	<u>104</u>
Total general revenues	<u>3,102</u>
Total revenues	<u>3,325</u>
Change in net assets	583
Net assets—beginning	<u>415</u>
Net assets—ending	<u>\$ 998</u>



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Rick Meyer

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Year Ended June 30, 2005