

**REPORT
HIGHLIGHTS**
FINANCIAL STATEMENT AND
SINGLE AUDITS

Subject

Graham County Community College District issues financial statements and a schedule of expenditures of federal awards annually. The District is responsible for preparing its statements and schedule, maintaining strong internal controls, demonstrating accountability for its use of public monies, and complying with federal program requirements. As the auditors, our job is to determine whether the District has met its responsibilities.

Our Conclusion

The information in the District's financial statements is fairly stated in all material respects and the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to these financial statements. A summary of this information is presented to the right.



2010

Year Ended June 30, 2010

Summary of Financial Information

A condensed summary of the District's basic financial statements and Schedule of Expenditures of Federal Awards follows:

Statement of Net Assets—This statement reports all of the District's assets, liabilities, and net assets using the accrual basis of accounting. Net assets, the difference between assets and liabilities, are reported in three major categories:

- Invested in capital assets shows the equity in land, buildings, and equipment.
- Restricted net assets shows the net resources that must be used for restricted purposes as specified by external parties.
- Unrestricted net assets shows the net resources available for general operations.

Statement of Revenues, Expenses, and Changes in Net Assets—This statement shows how net assets changed during the year. Revenues and expenses are reported as either operating or nonoperating. The change in net assets indicates whether the District's financial health has improved or deteriorated as a result of current-year operations. The District's net assets increased by \$5.7 million during the fiscal year.

Schedule of Expenditures of Federal Awards—The District's operating expenses included \$7.9 million in federal awards. The District's expenditures of federal award monies increased by \$2.3 million during the fiscal year. The increase was primarily due to \$2.6 million of additional funding for the Federal Pell Grant Program within the Student Financial Assistance Cluster.

Condensed Statement of Net Assets June 30, 2010 (In Thousands)	
Assets:	
Current	\$38,500
Capital	39,300
Total assets	77,800
Liabilities:	
Current	1,900
Noncurrent	1,000
Total liabilities	2,900
Net Assets:	
Invested in capital assets	39,400
Restricted	1,300
Unrestricted	34,200
Total net assets	\$74,900

Condensed Statement of Revenues, Expenses, and Changes in Net Assets Year Ended June 30, 2010 (In Thousands)	
Operating revenues:	
Tuition and fees	\$ 3,000
Contracts	4,700
Other operating revenues	1,400
Total operating revenues	9,100
Operating expenses:	
Educational and general	33,400
Auxiliary enterprises	2,400
Depreciation	1,600
Total operating expenses	37,400
Operating loss	(28,300)
Nonoperating revenues:	
Property taxes	3,900
State appropriations	21,700
Government grants	7,900
Other	500
Total nonoperating revenues	34,000
Increase in net assets	5,700
Net assets—beginning	69,200
Net assets—ending	\$74,900

Condensed Schedule of Expenditures of Federal Awards by Grantor Agency Year Ended June 30, 2010 (In Thousands)	
U.S. Department of Education	\$7,738
U.S. Small Business Administration	119
National Science Foundation	8
U.S. Department of Interior	6
Total federal expenditures	\$7,871



TO OBTAIN
MORE INFORMATION

A copy of the
Single Audit report
is available at:
www.azauditor.gov

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Year Ended June 30, 2010