



DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

WILLIAM THOMSON
DEPUTY AUDITOR GENERAL

September 8, 2009

The Honorable Tom Horne
Superintendent of Public Instruction
Arizona Department of Education
Executive Officer
Arizona State Board of Education
1535 West Jefferson Street
Phoenix, AZ 85007

Subject: Colorado City Unified School District No. 14

Dear Mr. Horne:

In December 2005 the Arizona State Board of Education placed Colorado City Unified School District No. 14 in receivership pursuant to Arizona Revised Statutes (A.R.S.) §15-103. In April 2009, the District represented to my Office that it has been financially solvent for 1 fiscal year, a statutory condition required for removal from receivership.

We have performed a review pursuant to A.R.S. §15-103(J)(1) to determine whether the District was financially solvent for the year ended June 30, 2008, the most recent year for which audit reports are available. Our review consisted primarily of inquiries of district management, the State Board-appointed receiver, the Arizona School Risk Retention Trust, Mohave County, and the Arizona Department of Education. We also reviewed the District's audit reports for the year ended June 30, 2008, which we received on March 30, 2009, and performed such additional procedures we considered necessary in the circumstances. Based on our review, none of the circumstances listed in A.R.S. §15-103(B), any one of which establishes a basis for the State Board to find the District insolvent, occurred at Colorado City Unified School District No. 14 for the year ended June 30, 2008. Therefore, it appears that the District has been financially solvent for 1 fiscal year, based on the criteria detailed in A.R.S. §15-103(B).

In addition, pursuant to A.R.S. §15-103(J)(2), we performed a review to determine whether the District's financial records complied with the *Uniform System of Financial Records* (USFR) and generally accepted accounting principles. Based on our status review as of August 14, 2008, and our review of the District's audit reports and USFR Compliance Questionnaire for the year ended June 30, 2008, the District has complied with the USFR and generally accepted accounting principles.

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If you have questions concerning this matter, please call Magdalene Haggerty, Accounting Services Director, or me at (602) 553-0333.

Sincerely,

Debra K. Davenport
Auditor General

DKD/MH/lm

cc: Governing Board

Ms. Carol Timpson, Superintendent

Colorado City Unified School District No. 14

Mr. Peter S. Davis, Receiver for Colorado City Unified School District No. 14

Simon Consulting, LLC

The Honorable Mike File, Mohave County School Superintendent

Mr. Vince Yanez, Executive Director

Arizona State Board of Education

Ms. Vicki G. Salazar, Associate Superintendent for Business and Finance

Arizona Department of Education