

Darlene Wood

Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Black Canyon City Water Improvement District
Black Canyon City, Arizona

I have audited the accompanying basic financial statements of Black Canyon City Water Improvement District as of and for the year ended June 30, 2006, as listed in the table of contents. These financial statements are the responsibility of Black Canyon City Water Improvement District management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Black Canyon City Water Improvement District as of June 30, 2006, and the changes in its financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United State of America.

The management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.



Prescott, Arizona
October 27, 2006

100 North Summit Avenue
Prescott, Arizona 86301

Phone: 928.771.1950
E-mail: darcpa@msn.com