

**COCHISE COUNTY COMMUNITY
COLLEGE DISTRICT
REPORT ON AUDIT OF ANNUAL
BUDGETED EXPENDITURE
LIMITATION REPORT
YEAR ENDED JUNE 30, 2004**

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LIMITATION REPORT
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| <u>CONTENTS</u> | <u>PAGE</u> |
|---|--------------------|
| Independent Auditors' Report | 1 |
| Annual Budgeted Expenditure Limitation Report - Part I | 2 |
| Annual Budgeted Expenditure Limitation Report - Part II | 3 |
| Notes to Annual Budgeted Expenditure Limitation Report | 4 |



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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

The Auditor General of the State of Arizona

The Governing Board of
Cochise County Community College District

We have audited the accompanying Annual Budgeted Expenditure Limitation Report of Cochise County Community College District for the year ended June 30, 2004. This report is the responsibility of the District's management. Our responsibility is to express an opinion on this report based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the report is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the report. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall report presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Annual Budgeted Expenditure Limitation Report was prepared for the purpose of complying with the uniform expenditure reporting system as discussed in Note 1, and is not intended to be a presentation in conformity with U.S. generally accepted accounting principles.

In our opinion, the Annual Budgeted Expenditure Limitation Report of Cochise County Community College District, for the year ended June 30, 2004, referred to above presents fairly, in all material respects, the information required by the uniform expenditure reporting system on the basis of accounting described in Note 1.

This report is intended solely for the information and use of the members of the Arizona State Legislature and the Governing Board, and for filing with the Auditor General of the State of Arizona and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

Heinfeld, Meech & Co., P.C.

HEINFELD, MEECH & CO., P.C.
Certified Public Accountants

January 13, 2005

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
ANNUAL BUDGETED EXPENDITURE LIMITATION REPORT - PART I
YEAR ENDED JUNE 30, 2004**

| | | |
|---|----------------|-------------------|
| 1. Economic Estimates Commission expenditure limitation | | \$23,778,152 |
| 2. Total amount subject to the expenditure limitation (from Part II, Line C) | \$24,229,590 | |
| 3. Less expenditures of monies received pursuant to Arizona Revised Statutes §15-1472 (workforce development) | <u>451,439</u> | |
| 4. Adjusted amount subject to the expenditure limitation | | <u>23,778,151</u> |
| 5. Amount under the expenditure limitation | | <u>\$ 1</u> |

I hereby certify, to the best of my knowledge and belief, that the information contained in this report is accurate and in accordance with the requirements of the uniform expenditure reporting system.

Signature of Chief Fiscal Officer: _

Name and Title: Terry Bowmaster, Interim Vice President for Administration

Telephone Number: (520) 417-4007 Date: January 13, 2005

See accompanying notes to report.

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
ANNUAL BUDGETED EXPENDITURE LIMITATION REPORT - PART II
YEAR ENDED JUNE 30, 2004**

| <u>Description</u> | Current Funds | | | Plant Funds | | |
|--|---------------|--------------------------|--------------|-------------|-------------------------------|-------------------------------|
| | Unrestricted | | Restricted | Unexpended | | Retirement of Indebtedness |
| | General | Auxiliary Enterprises | | Unexpended | Retirement of Indebtedness | |
| A. Budeted expenditures | \$ 20,544,053 | \$ 1,598,103 | \$ 7,260,292 | \$ 929,845 | \$ 299,098 | \$ 30,631,391 |
| B. Less exclusions claimed: | | | | | | |
| 1. Debt service requirements on other long-term obligations (Note 2) | | | | | 299,098 | 299,098 |
| 2. Grants and aid from the Federal government (Note 3) | | | 5,978,981 | | | 5,978,981 |
| 3. Contracts with other political subdivisions (Note 3) | | | 123,722 | | | 123,722 |
| 4. Total exclusions claimed | | | 6,102,703 | | 299,098 | 6,401,801 |
| C. Amount subject to the expenditure limitation | \$ 20,544,053 | \$ 1,598,103 | \$ 1,157,589 | \$ 929,845 | \$ | \$ 24,229,590 |

See accompanying notes to report.

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO ANNUAL BUDGETED EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2004**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Annual Budgeted Expenditure Limitation Report (ABELR) is presented on the basis of accounting prescribed by the Uniform Expenditure Reporting System (UERS), as required by Arizona Revised Statutes(A.R.S.) Section 41-1279.07, which excludes expenditures of certain revenues specified in the Arizona Constitution, Article IX, Section 21 from the total budgeted expenditures.

The information reported in both the ABELR and the financial statements is derived from the same underlying accounting data. However, the formats of the ABELR and the financial statements differ. The ABELR presents budgeted expenditures, exclusions, and amounts subject to limitation by fund type as required by A.R.S. section 41-1279.07. The financial statements present the net assets, changes in the net assets and cash flows for the District as a whole in accordance with U.S. generally accepted accounting principles.

In accordance with UERS requirements, a note to the ABELR is presented below for any exclusion reported in the total column on Part II than cannot be traced directly to an amount reported in the annual financial statements.

- NOTE 2 -** The exclusion claimed for debt service requirements on other long-term obligations of \$299,098 is reported in the Statement of Cash Flows as principal and interest paid on capital debt.
- NOTE 3 -** \$6,577,668 and \$123,722 from the Restricted Fund are reported in the Statement of Revenues, Expenses, and Changes in Net Assets as restricted government grants and contracts. \$6,102,703 has been expended and is being used as an exclusion. The remaining \$598,687 has been carried forward to future years. \$198,594 and \$4,025 from the Auxiliary Operations Fund are reported in the Statement of Revenues, Expenses and Changes in Net Assets as restricted government grants and contracts, private grants and contract revenues. No amount has been expended and is being used as an exclusion. The total amount of \$202,619 has been carried forward to future years.
- NOTE 4 -** The tuition and fees of \$5,947,025 reported on the Statement of Revenues, Expenses, and Changes in Net Assets was not expended and claimed as an exclusion. \$5,565,785 and \$381,240 from the General Fund and Auxiliary Operations Fund, respectively, have been carried forward to future years for the ABELR.