

## REPORT HIGHLIGHTS SINGLE AUDIT

### Subject

Cochise County 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 County has met its responsibilities.

### Our Conclusion

The information in the financial statements is fairly stated in all material respects and the financial statements can be relied upon. The County maintained adequate internal controls over financial reporting. Also, the County maintained adequate internal controls over, and complied with, federal program requirements for the programs tested. However, for one federal program, our report recommends the County strengthen controls over payroll expenditures.



# 2004

Year Ended June 30, 2004

## County's Condensed Financial Information

The County's government-wide financial statements are designed to provide readers with a broad overview of the County's finances in a manner similar to private-sector businesses. These statements report the financial activities of the overall government, except for fiduciary activities.

The tables to the right present a summarized version of the County's government-wide Statement of Net Assets and Statement of Activities reported in the current year financial statements.

The Statement of Net Assets presents information on all county assets and liabilities, with the difference between the two reported as net assets. The Statement of Activities presents information showing how net assets changed during the most recent fiscal year. As shown in the tables, net assets increased by over \$6 million. This increase was primarily due to the County's increased investment in capital assets.

### Statement of Net Assets June 30, 2004 (In thousands)

	Total Governmental and Business-type Activities
Current and other assets	\$39,373
Capital assets	<u>56,748</u>
Total assets	<u>96,121</u>
Current liabilities	7,677
Noncurrent liabilities	<u>15,465</u>
Total liabilities	<u>23,142</u>
Net assets	
Invested in capital assets, net of related debt	47,104
Restricted net assets	5,294
Unrestricted net assets	<u>20,581</u>
Total net assets	<u>\$72,979</u>

### Statement of Activities Year Ended June 30, 2004 (In thousands)

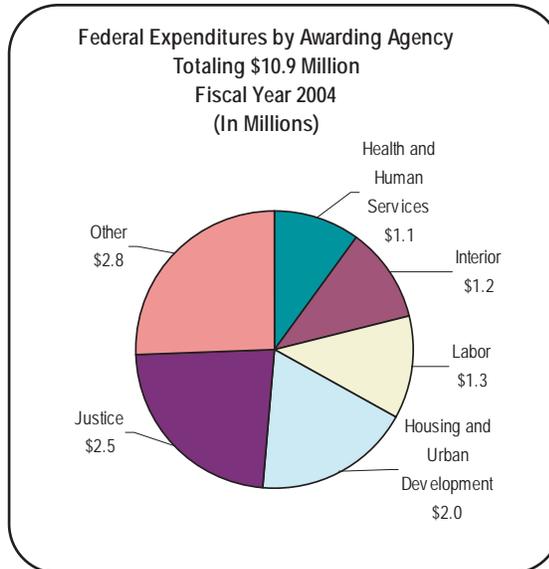
	Total Governmental and Business-type Activities
Program revenues:	
Governmental activities	\$ 29,079
Business-type activities	33,238
General revenues:	
Governmental activities	41,825
Business-type activities	<u>511</u>
Total revenues	<u>104,653</u>
Expenses:	
Governmental activities	65,500
Business-type activities	<u>32,975</u>
Total expenses	<u>98,475</u>
Change in net assets	6,178
Net assets—beginning, as restated	<u>66,801</u>
Net assets—ending	<u>\$ 72,979</u>

# The County Spent \$10.9 Million in Federal Awards

The County spent \$10.9 million of federal monies this past year for 50 programs. The Department of Justice and the Department of Housing and Urban Development were the two largest federal grantors with County program expenditures totaling \$2.5 million and \$2 million, respectively.

Expenditures from Department of Justice programs included approximately \$1 million spent for the Public Safety Partnership and Community Policing Grants Program. This program helped the County pay for public safety communication equipment.

Expenditures from Department of Housing and Urban Development programs included approximately \$1.7 million spent for the Section 8 Housing Choice Vouchers program. This program is administered by the Housing Authority of Cochise County and helps low-income families obtain decent, safe, and sanitary rental housing.



## TO OBTAIN MORE INFORMATION

A copy of the full report can be obtained by calling  
**(602) 553-0333**



or by visiting our Web site at:  
[www.auditorgen.state.az.us](http://www.auditorgen.state.az.us)

Contact person for this report:  
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### The Single Audit Fact Sheet

- No weaknesses in financial reporting internal controls.
- One weakness in federal compliance internal controls that resulted in immaterial noncompliance with federal compliance requirements.
- No program costs were questioned as a result of our audit.

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Year Ended June 30, 2004