

**REPORT
 HIGHLIGHTS**
 SINGLE AUDIT

Subject

The District spent \$106 million of federal monies and additional required state matching monies this past year for 44 programs. The largest federal programs consisted of student financial assistance programs. In return, the District must be accountable for its use of both federal and state monies, maintain strong internal controls, and comply with federal program requirements.

Our Conclusion

The District maintained adequate internal controls over financial reporting. The District also maintained adequate internal controls over, and complied with, the federal program requirements.



2003

Year Ended June 30, 2003

**Student Financial Assistance
 Cluster Expenditures Increased
 \$25.5 Million**

The District's federal monies expenditures increased \$27.3 million, or 35 percent, from fiscal year 2002 to fiscal year 2003 as illustrated in the figure to the right.

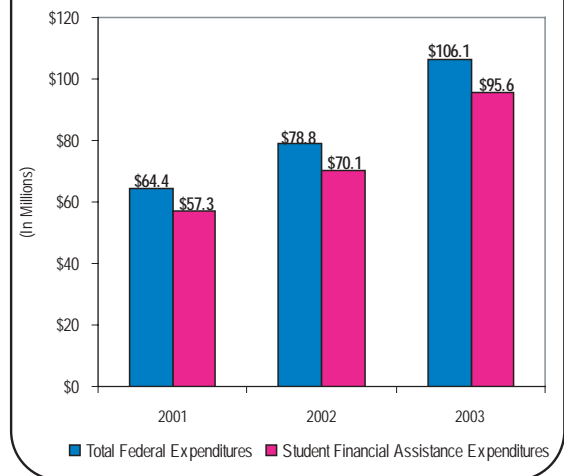
The largest increase was a \$25.5 million increase (36 percent) in student financial assistance (SFA) monies from the prior fiscal year. The District spent 90 percent of its federal funding for SFA programs in fiscal year 2003

Several student financial assistance programs increased significantly during the year. Specifically,

- Federal Family Education Loans program increased \$12.9 million (46 percent).
- Federal Pell Grant Program increased \$11.3 million (35 percent).
- Federal Direct Student Loans increased \$1.6 million (36 percent).

The increased expenditures in the SFA cluster of programs was the result of an increase in student enrollment. In addition, the increase in the Federal Pell Grant Program was due to an increase in the maximum amount awarded. Also, due to the weak economy, more students took advantage of the loan programs.

**Total Federal Expenditures and
 Student Financial Assistance Expenditures
 Years Ended June 30, 2001 through 2003
 (In Millions)**



The Single Audit Fact Sheet

- No weaknesses in financial reporting or federal compliance internal controls.
- No violations of federal program compliance requirements.
- No program costs were questioned as a result of our audit.



TO OBTAIN
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this report:
Phil Shultz

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