Statement of net position—This statement reports all of the District’s assets, liabilities, and net position. Net position is reported in three major categories:

- **Net investment in capital assets**—shows the equity in property, buildings, and equipment.
- **Restricted**—shows the resources that must be used for restricted purposes as specified by donors and other external entities, such as the federal government.
- **Unrestricted**—shows the resources available for general operations.

Statement of revenues, expenses, and changes in net position—This statement reports all revenues, expenses, and other changes in net position. Revenues and expenses are reported as either operating or non-operating. The change in net position indicates whether the District’s financial health has improved or deteriorated as a result of the current-year activities. During fiscal year 2014, net position decreased by $8.0 million, or 3.7 percent, as compared to a decrease of $2.3 million, or 1.1 percent, in fiscal year 2013.

Schedule of expenditures of federal awards—During fiscal year 2014, the District expended $61.3 million in federal awards, which consisted primarily of student financial assistance. This included $47.3 million that was spent as educational and general operating expenses and $14.0 million in new loans disbursed to students and outstanding loan balances. The District’s federal award expenditures decreased by $17.8 million, or 22.5 percent, compared to fiscal year 2013.
Summary of audit findings and recommendations

For the financial statement audit, our report on internal control and compliance included no reported deficiencies in the District’s internal control over financial reporting. For the federal compliance audit, we tested six federal programs under the major program guidelines established by the Single Audit Act and found that the District did not always have adequate internal controls and did not always comply with federal program requirements for three of its programs. Our Single Audit Report includes a Schedule of Findings and Questioned Costs that contains further details to help the District correct the deficiencies. The most significant finding and recommendation is summarized below.

Noncompliance with student financial assistance federal program requirements

For the Student Financial Assistance Cluster, the District is required to report accurate information on students’ enrollment status to the National Student Loan Data System (NSLDS) and report changes in enrollment status within specified time frames. We found that the District did not always report accurate enrollment information to the NSLDS and that changes in enrollment status were not reported within specified time frames. As a result, students may have been awarded larger loans than they were qualified to receive, and loan repayment terms and conditions could have been affected.

**Recommendation**

To help ensure compliance with federal requirements, the District should develop and implement policies and procedures to help ensure that the student enrollment status information reported to the NSLDS is accurate and complete and that changes in enrollment status are reported within specified time frames.