

Aims College District

State of Colorado State-Funded Student
Financial Assistance Programs

Year Ended June 30, 2016

Aims College District
State of Colorado State-Funded Student Financial Assistance Programs
Year Ended June 2016

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Aims College District

State of Colorado State-Funded Student Financial Assistance Programs

Year Ended June 30, 2016

Introduction

Aims College District (the District) is a state-supported institution of higher education located in Greeley, Colorado.

The financial and compliance audits of the various state-funded student financial assistance programs at the District for the year ended June 30, 2016, were directed toward the objectives and criteria set forth in the District's financial aid policy, adopted April 2013. The state-funded student financial assistance programs were audited simultaneously with the federal financial aid programs for the year ended June 30, 2016.

Description of State-Funded Student Financial Assistance Programs

The various state-funded student financial assistance programs at the District include the Colorado Student Grant Program, the Colorado Work-Study Program, the Colorado Merit Program, and the Colorado Technical Education (CTE) Grant Program.

The state-funded student financial assistance awards made by the District were \$3,141,384 during the fiscal year ended June 30, 2016.

The District's Financial Aid Director is responsible for administration of these programs. This responsibility includes application processing, eligibility determination, and financial aid packaging, as well as ensuring compliance with regulations governing the participation of the District in federal and state financial aid programs. The District's Vice President for Administrative Services is responsible for the programs' financial management, general ledger accounting, payments, and collections.

In addition to the state-funded student financial assistance awards made during the year, the District obtained authorizations to award federal student financial aid of \$6,276,293 in the Federal Pell Grant Program; \$105,714 in the Federal Supplemental Educational Opportunity Grants Program; and \$104,233 in the Federal Work-Study Program.

During the year ended June 30, 2016, the District was authorized to award Colorado student financial aid funds of \$2,768,975 in the Colorado Student Grant Program, \$249,564 in the Colorado Work-Study Program, \$113,734 in the Colorado Merit Program, and \$9,111 in the CTE Grant Program.

Aims College District

State of Colorado State-Funded Student Financial Assistance Programs

Year Ended June 30, 2016

Report Summary

Purpose and Scope of Audit

Our audit of the state-funded student assistance programs was performed in accordance with the financial compliance elements of “Standards for Audits of Governmental Organizations, Programs, Activities, and Functions” issued by the Comptroller General of the United States, as revised through 2004. The purpose of the audit was to formulate an opinion on the statement of student aid program allocations, expenditures, and reversions for the fiscal year ended June 30, 2016, and to determine if these programs were administered in accordance with applicable laws, regulations, terms of agreements, and Governing Board directives which were set forth in the handbook.

Our examination included:

- Expressing an opinion on the statement of allocations, expenditures and reversions of the state-funded student financial assistance programs.
- Evaluation of the policies, procedures and practices used to administer these programs.
- Determination of compliance with applicable sections of Colorado Revised Statutes 23-3.3 et.seq and approved Governing Board Policies.

Summary of Current Year Comments

The audit covered the period July 1, 2015 through June 30, 2016, and fieldwork was performed during the period June 27, 2016 through September 23, 2016, at the campus Business and Student Financial Aid Offices.

The audit report for the year ended June 30, 2016, contains no findings related to state-funded student financial assistance programs.

Summary of Progress in Implementing Prior Audit Recommendations

There were no matters noted in the audit report for the year ended June 30, 2014.

Independent Auditor's Report on the Statement of Allocations, Expenditures and Reversions of the State-Funded Student Financial Assistance Programs

Board of Trustees
Aims College District
Greeley, Colorado

Report on the Financial Statements

We have audited the accompanying statement of allocations, expenditures and reversions of the state-funded student financial assistance programs (the Statement) of Aims College District (the District) for the year ended June 30, 2016, and the related notes to the Statement, in accordance with the requirements of *2015-16 Audit Guide for State and Private Non-Profit Institutions of Higher Education, Colorado-Funded Student Aid*, issued by the Colorado Department of Higher Education (CDHE).

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the Statement in accordance with accounting principles generally accepted in the United States of America and requirements of CDHE; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the Statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Statement.

Board of Trustees
Aims College District

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Statement referred to above presents fairly, in all material respects, the allocations, expenditures and reversions of the state-funded student financial assistance programs of Aims College District for the year ended June 30, 2016, pursuant to the *2015-16 Audit Guide for State and Private Non-Profit Institutions of Higher Education, Colorado-Funded Student Aid* issued by the Colorado Department of Higher Education, and in conformity with the provisions of the District's policies.

Emphasis of Matter

As described in the notes to the statement of allocations, expenditures and reversions of the state-funded student financial assistance programs of Aims College District (the Statement), the Statement was prepared in accordance with the format as set forth in the *2015-16 Audit Guide for State and Private Non-Profit Institutions of Higher Education, Colorado-Funded Student Aid* issued by the Colorado Department of Higher Education (CDHE), and in conformity with the District's policies for the purpose of complying with the requirements of the state-funded student financial assistance programs. The Statement is a summary of cash activity of the state-funded student financial assistance programs with the exception of the Colorado Work-Study Program and does not present certain transactions that would be included in the Statement of the state-funded student assistance programs if it was presented on the accrual basis of accounting, as prescribed by accounting principles generally accepted in the United States of America. Accordingly, the accompanying Statement is not intended to, and does not, present the financial position, changes in financial position or cash flows of the District in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2016, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

This report is intended solely for the information and use of the Board of Trustees and management of Aims College District, and the Colorado Department of Higher Education and the Colorado Office of the State Auditor and is not intended to be and should not be used by anyone other than these specified parties.

BKD, LLP

Denver, Colorado
November 2, 2016

Aims College District
Statement of Allocations, Expenditures and Reversions of the
State-Funded Student Financial Assistance Programs
Year Ended June 30, 2016

	Colorado Student Grant Program	Colorado Merit	Colorado Work-Study	Colorado Technical Education Grant	Total Colorado Financial Aid
Allocations					
Original	\$ 2,768,975	\$ 113,734	\$ 369,564	\$ 20,865	\$ 3,273,138
Allocation adjustment	-	-	(120,000)	(11,754)	(131,754)
Total Allocations	2,768,975	113,734	249,564	9,111	3,141,384
Expenditures	2,768,975	113,734	249,564	9,111	3,141,384
Reversions to State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -

See Notes to Statement of Allocations, Expenditures and Reversions of the State-Funded Student Financial Assistance Programs

Aims College District
Notes to Statement of Allocations, Expenditures and Reversions of the
State-Funded Student Financial Assistance Programs
Year Ended June 30, 2016

Note 1: Summary of Significant Accounting Policies

The District's accounting system is structured and administered in accordance with the accounting principles promulgated by the Governmental Accounting Standards Board.

The statement of allocations, expenditures and reversions of the state-funded student assistance programs of Aims College District have been prepared in accordance with the format as set forth in the *2015-16 Audit Guide for State and Private Non-Profit Institutions of Higher Education, Colorado-Funded Student Aid* issued by the Colorado Department of Higher Education and in conformity with the District's policies.

All student aid is expensed on a cash basis, except for the District Work-Study Program (CWS). The CWS is on the accrual basis in that the expense is recognized when the services are performed.

Note 2: Other – Required Statements, Comments and Recommendations

The District's packaging priority for need-based financial aid applicants is required to give the highest priority to the neediest students. Students with the lowest expected family contribution and the earliest date of filing a completed application are given top priority for available funds. Priority is not given on the basis of new or continuing student status but on the date the application is completed. The student catalog further outlines additional eligibility requirements set forth for specific federal and state assistance programs, including U.S. citizenship, Colorado residency and meeting satisfactory academic progress guidelines.

The District's policies do not allow the transfer of funds between programs.

Note 3: Contingent Liabilities

The state-funded student financial assistance program is subject to periodic program reviews. If disallowances should occur as a result of the program reviews, the District would be required to repay the disallowed amounts.

Independent Auditor's Report on Compliance For Each State-Funded Student Assistance Program and Report on Internal Control Over Compliance

Board of Trustees
Aims College District
Greeley, Colorado

Report on Compliance for Each State Funded Student Assistance Program

We have audited Aims College District's (the District) compliance with the types of compliance requirements described in the *2015-16 Audit Guide for State and Private Non-Profit Institutions of Higher Education, Colorado-Funded Student Aid*, issued by the Colorado Department of Higher Education (CDHE) that could have a direct and material effect on each of the District's state-funded student financial assistance programs for the year ended June 30, 2016. The District's state-funded student financial assistance programs are identified in the accompanying statement of allocations, expenditures and reversions.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, terms and conditions of its state awards and District policies applicable to its state-funded student financial assistance programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's state-funded student financial assistance programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *2015-16 Audit Guide for State and Private Non-Profit Institutions of Higher Education, Colorado-Funded Student Aid*, issued by the CDHE. Those standards and audit guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a state-funded student financial assistance program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each state-funded student financial assistance program. However, our audit does not provide a legal determination of the District's compliance with those requirements.

Board of Trustees
Aims College District

Opinion on Each State-Funded Student Financial Assistance Program

In our opinion, the Aims College District complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its state-funded student financial assistance programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above and District policies applicable to state-funded student financial assistance programs. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each state-funded student financial assistance program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the audit requirements of the CDHE, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state-funded student financial assistance program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state-funded student financial assistance program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state-funded student financial assistance program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of CDHE and District policies. Accordingly, this report is not suitable for any other purpose.

BKD, LLP

Denver, Colorado
November 2, 2016