

**CONCORDE CAREER COLLEGE**

**AURORA, COLORADO**

**CDHE INSTITUTIONAL CODE: 4719**

**AUDIT OF THE**

**STATE-FUNDED STUDENT ASSISTANCE PROGRAMS**

**111 HAVANA STREET  
AURORA, COLORADO 80010**

**TOGETHER WITH THE  
INDEPENDENT AUDITORS' REPORTS  
AND COMMENTS**

**DATED  
NOVEMBER 21, 2016**

**COLORADO STUDENT GRANT PROGRAM**

**FOR THE YEAR ENDED JUNE 30, 2016**

**Ball & McGraw, P.C.  
Certified Public Accountants  
Phoenix, Arizona**



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*By Justin L. Smith at 2:35 pm, Jan 26, 2017*

**CONCORDE CAREER COLLEGE  
STATE OF COLORADO  
STATE-FUNDED STUDENT ASSISTANCE PROGRAMS  
FOR YEAR ENDED JUNE 30, 2016**

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**CONCORDE CAREER COLLEGE  
STATE OF COLORADO  
STATE-FUNDED STUDENT ASSISTANCE PROGRAMS  
FOR THE YEAR ENDED JUNE 30, 2016**

**INTRODUCTION**

Concorde Career College is a proprietary institution of higher education located in Aurora, Colorado.

Our financial and compliance examination of the various state-funded student assistance programs at the Institution for the year ended June 30, 2016, was directed toward the objectives and criteria set forth in the Colorado Department of Higher Education's (CDHE) Financial Aid Policy", adopted in 2004.

**State-Funded Assistance Programs**

Concorde Career College participates in only one state-funded student assistance program, the Colorado Student Grant Program.

The state-funded student assistance awards made by Concorde Career College were \$210,035 for the fiscal year ended June 30, 2016.

Management of the Institution is responsible for administration of this program. This responsibility includes application processing, eligibility determination, financial aid packaging, as well as ensuring compliance with regulations governing the participation of Concorde Career College in federal and state financial aid programs. Management is also responsible for the financial management, general ledger accounting, payments, and collections of the program.

During the audit period, Concorde Career College obtained authorizations to award federal student financial aid funds of \$2,157,234 in the Federal Pell Grant Program, \$59,235 in the Federal Supplemental Educational Opportunity Grant Program, and \$44,997 in the Federal Perkins Student Loan Program.

During the audit period, Concorde Career College was authorized to award Colorado student financial aid funds of \$210,035 in the Colorado Need-based Grant Program.

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**REPORT SUMMARY**

**PURPOSE AND SCOPE OF THE AUDIT**

Our audit of the state-funded student assistance program 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 appropriations, expenditures, and reversions for the year ended June 30, 2016, and to determine if these programs were administered in accordance with applicable laws, regulations, terms of agreements, and CDHE directives which were set forth in the handbook.

Our examination included:

- Expressing an opinion on the statement of student aid program appropriations, expenditures, and reversions.
- Evaluation of the policies, procedures, and practices used to administer these programs.
- Determination of compliance with applicable sections of the CDHE guidelines, 2014 version.

**SUMMARY OF CURRENT YEAR COMMENTS**

The audit covered the period July 1, 2015 through June 30, 2016 and fieldwork was performed on November 21, 2016.

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**SUMMARY OF PROGRESS IN IMPLEMENTING PRIOR AUDIT  
RECOMMENDATIONS**

The prior audit report for the year ended June 30, 2015, included one recommendation. The disposition of this audit recommendation at Concorde Career College was as follows:

**Finding No 2015-01 Student Unit Record Data System (SURDS) Reporting:**

The Institution reported incorrect information on the SURDS financial aid report for the year ended June 30, 2015 for 4 students out of 25 in the sample.

**Status:** The Institution provided CDHE with the updated information for the students; however CDHE did not require a second submission.



**Ball & McGraw, P.C.**  
*Certified Public Accountants*

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**Independent Auditors' Report**

To the Board of Directors  
Concorde Career College  
Aurora, Colorado

***Report on the Financial Statements***

We have audited the accompanying statement of appropriations, expenditures, and reversions of Concorde Career College for the year ended June 30, 2016 and related notes to the financial statement.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Governmental 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 financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, 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 financial statements 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 financial statements.

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 financial statement referred to above presents fairly, in all material respects, the appropriations, expenditures and reversions of state-funded student assistance programs of Concorde Career College for the year ended June 30, 2016 in accordance with accounting principles generally accepted in the United States of America.

**Report on Other Legal and Regulatory Requirements**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2016 on our consideration of Concorde Career College's internal accounting control applicable to Colorado state-funded student assistance programs. The purpose of that report is to describe the scope of our testing of internal accounting control applicable to Colorado state-funded student assistance programs and the results of that testing, and not to provide an opinion on the internal accounting controls. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

*Baer + M'Graw P.C.*

November 21, 2016

**CONCORDE CAREER COLLEGE**  
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**STATE-FUNDED STUDENT ASSISTANCE PROGRAMS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**STATEMENT OF APPROPRIATIONS, EXPENDITURES AND REVERSIONS**

|                               | Colorado<br>Student<br><u>Grants</u> |
|-------------------------------|--------------------------------------|
| FUND BALANCE - June 30, 2015  | \$ <u>    0</u>                      |
| APPROPRIATIONS:               |                                      |
| State authorization           | 210,035                              |
| EXPENDITURES:                 |                                      |
| Grants and awards             | (210,035)                            |
| REVERSIONS:                   |                                      |
| Amounts refunded to the State | (    0)                              |
| FUND BALANCE - June 30, 2016  | \$ <u>    0</u>                      |

See accompanying Summary of Significant Accounting Policies and Notes to Financial Statement

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**BASIS OF ACCOUNTING**

Concorde Career College's accounting system is structured and administered in accordance with the accounting principles promulgated by the National Association of College and University Business Offices in their revised publication College and University Business Administration, as supplemented by the American Institute of CPAs industry audit guide Audits of Colleges and Universities.

**Note 1:**

The purpose of the Statement is to present, in summary form, State-funded student financial aid activities of Concorde Career College for the year ended June 30, 2016 which have been financed by the State of Colorado. At the request of the Colorado Commission of Higher Education, the financial statement has been prepared in the format prescribed in the publication, "Audit Guide for Colorado Funded Student Aid" (2015-16 Revision), published by the Colorado Commission on Higher Education.



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**Independent Auditors' Report on Internal Accounting Control**

Board of Directors  
Concorde Career College  
Aurora, Colorado

Members of the Colorado Legislative Audit Committee:

We have examined the statement of appropriations, expenditures and reversions of the State-Funded Student Assistance Programs of Concorde Career College for the year ended June 30, 2016. As part of our examination, we made a study and evaluation of the system of internal accounting control of Concorde Career College to the extent we considered necessary to evaluate the system as required by U.S. generally accepted auditing standards and the standards of financial and compliance audits contained *Government Auditing Standards* issued by the U.S. General Accounting Office. The following control categories were studied and evaluated:

- Receipt and Disbursement of Funds
- Eligibility of Recipients and Award Amounts
- Reports to the Colorado Commission

Our study included all of the control categories listed above. The purpose of our study and evaluation was to determine the nature, timing, and extent of the auditing procedures necessary for expressing an opinion on the entity's financial statement. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole or on any of the categories of controls identified above.

The management of Concorde Career College is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to prevent loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles. Because of inherent limitations in any system of internal accounting control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

Our study and evaluation made for the limited purpose described in the second paragraph would not necessarily disclose all material weaknesses in the system.

Accordingly, we do not express an opinion on the system of internal accounting control of Concorde Career College taken as a whole or on any of the categories of controls identified in the first paragraph. However, our study and evaluation disclosed no condition that we believe to be a material weakness in relation to Concorde Career College's financial information.

This report is intended solely for the use of Concorde Career College, members of the Colorado Legislative Audit Committee and Colorado Commission on Higher Education, and should not be used for any other purpose. This restriction is not intended to limit distribution of this report, which, upon release by the Legislative Audit Committee, is a matter of public record.

*Ball - M'ginnis P.C.*

November 21, 2016

**CONCORDE CAREER COLLEGE  
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**REQUIRED STATEMENTS, COMMENTS, & RECOMMENDATIONS**

**Comments:**

The Institution's packaging priority for need-based applicants is required to give the highest priority to the neediest students. In the sample of student files reviewed by the auditor, it was noted that all recipients fell within these guidelines.

**Recommendation 2016-01 SURDS Financial Aid Reporting:**

For the year ended June 30, 2016 the Institution reported incorrect information on the SURDS report for 8 out of the 25 students in the sample.

The Institution reported the incorrect Cost of Attendance (COA) for students #3, #16, #17, and #18. It also reported the incorrect 9 month COA for student #3. The Institution has provided CDHE with the updated information.

The incorrect amount of other loan funding received for the period was reported for students #16 and #22. The Institution has provided CDHE with the updated information.

Student #17 was enrolled as a first year student and was incorrectly classified as a second year student. Likewise a "waiver code" designated for students who are being paid over a two year period was used in error. The Institution has provided CDHE with the updated information.

The Institution reported the incorrect Adjusted Gross Income (AGI) for student #19. The Institution has provided CDHE with the updated information.

The gender for student #20 was incorrectly reported as male when the student is female. The Institution has provided CDHE with the updated information.

Student #25 received \$400 in FSEOG which was not reported. The Institution has provided CDHE with the updated information.

This is a repeat finding. Strengthen and enhance policies and procedures in this area to ensure that improvements continue.

**Required Statements:**

The Institution must provide CDHE with the correct information from the errors that were found in the SURDS report.

Based on our assessment the Institution complied with the entire mandatory requirements to satisfy the audit.

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**REQUIRED STATEMENTS, COMMENTS, & RECOMMENDATIONS**

**College's Response:**

**Corrective Action Plan for Colorado SURDS**

We will continue to review the student data that is reported on the SURDS for accuracy. The updated SURDS information has been provided to the State and no further action is needed.

We will work with our IT department to improve the extracting of SURDS data, for it to be as precise as possible. Due to the complicated nature of the information requested by the State, most of the data is calculated manually. We continue to strive for zero errors in all SURDS reporting.