

DeVry University
Colorado State-Funded Student
Assistance Program
For the years ended June 30, 2016 and 2015

DeVry University – Colorado
Colorado State-Funded Student Assistance Program
Index
For the years ended June 30, 2016 and 2015

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Report of Independent Registered Public Accounting Firm on Statements of Appropriations, Expenditures and Reversions

To the Board of Directors of
DeVry Education Group Inc.:

Report on Compliance for the Colorado State Funded Student Assistance Program

We have audited DeVry University – Colorado's (the "University") compliance with the types of compliance requirements described in the *Colorado Funded Student Aid Audit Guide* that could have a direct and material effect on the University's Colorado State Funded Student Assistance Program for the years ended June 30, 2016 and 2015.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the University's Colorado State Funded Student Assistance Program 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 *Colorado Funded Student Aid Audit Guide*. Those standards 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 major state program occurred. An audit includes examining, on a test basis, evidence about the University'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 the University's Colorado State Funded Student Assistance Program. However, our audit does not provide a legal determination of the University's compliance.

Opinion on Compliance for the Colorado State Funded Student Assistance Program

In our opinion, the University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its Colorado State Funded Student Assistance Program for the years ended June 30, 2016 and 2015.

Report on Statement of Appropriations, Expenditures and Reversions

We have audited the consolidated financial statements of the University as of and for the years ended June 30, 2016 and 2015, and have issued our report thereon dated August 25, 2016, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Statement of Appropriations, Expenditures and Reversions is prepared on the cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. This schedule is presented for purposes of additional analysis as required by the *Colorado Funded Student Aid Audit Guide* and is not a required part of the financial statements. Such information is the responsibility of



management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Statement of Appropriations, Expenditures and Reversions is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

The purpose of this report on compliance with the types of compliance requirements referred to above is solely to describe the scope of our testing of compliance and the results of that testing based on the requirements described in the *Colorado Funded Student Aid Audit Guide* that could have a direct and material effect on the Colorado State Funded Student Assistance Program. Accordingly, this report is not suitable for any other purpose.

PricewaterhouseCoopers LLP

February 10, 2017

DeVry University – Colorado
Colorado State-Funded Student Assistance Program
Introduction
For the years ended June 30, 2016 and 2015

DeVry University – Colorado (the “University”) is a private, degree-granting, regionally accredited, institution of higher education with locations throughout the state of Colorado.

Our financial and compliance examination of the Colorado State-Funded Student Assistance Program at the University for the years ended June 30, 2016 and 2015, was directed toward the objectives and criteria set forth in the Colorado Commission on Higher Education’s Financial Aid Policy. The state student financial assistance program was examined in conjunction with the audit of federal financial aid for the years ended June 30, 2016 and 2015.

Colorado State-Funded Assistance Program

The Colorado State-Funded Student Assistance Program at the University is the Colorado Student Grant Program.

The state-funded student assistance awards made by the University were \$295,558 during the fiscal year ended June 30, 2016 and \$275,884 during the fiscal year ended June 30, 2015. No state funds were transferred to the Perkins Loan Program in fiscal year 2016 or 2015.

The University’s Vice President of Finance is responsible for administration of this program. This responsibility includes application processing, eligibility determination and financial aid packaging, as well as ensuring compliance with regulations governing the participation of the University in the federal and state financial aid program. The University awards some aid to the neediest students but provides aid to other lower-need students if funds are available. The University Controller is responsible for the program financial management, general ledger accounting, payments and collections.

During the audit period DeVry University was originally authorized to award and disburse \$577,042 in Colorado Student Grant Program funds, however, subsequently self-identified through an internal audit, \$5,600 of this amount was required to be returned due to updates in student eligibility. Management returned these excess funds to the state, and properly disbursed the correct amount of \$571,422. No exceptions were noted.

DeVry University – Colorado
Colorado State-Funded Student Assistance Program
Report Summary
For the years ended June 30, 2016 and 2015

Purpose and Scope of Audit

See the Report of Independent Auditors on Statements of Appropriations, Expenditures and Reversions and the Report of Independent Auditors on Compliance with Program Requirements for information regarding the purpose and scope of the audits.

Summary of Current Year Comments

The audit covered the period July 1, 2014 through June 30, 2016, and field work was performed during the period September 14, 2016 through February 10, 2017, and no audit findings were noted.

Summary of Progress in Implementing Prior Audit Recommendations

The audit report for the year ended June 30, 2013 included two recommendations. In our testing, we had noted 2 out of 30 students tested whose aid received per the accounting records varied from the Student Unit Record Data System (SURDS) report submitted to the Colorado Commission on Higher Education (CCHE). One of the students to which the funds were disbursed was also ineligible as they were not a resident of Colorado. The second student to which the funds were disbursed was also ineligible as they failed to provide documentation of residence in the state of Colorado. The University has continued to monitor and strengthen controls to ensure that transactions involving CCHE funds are accurately reported and all students receiving funds are eligible students. No instances of similar findings were noted in the audit of the award years ended June 30, 2016, 2015, and 2014.

DeVry University – Colorado
Colorado State-Funded Student Assistance Program
Statement of Appropriations, Expenditures and Reversions
For the years ended June 30, 2016 and 2015

For the year ended June 30, 2015

**Colorado
Student Grant
Program**

Appropriations	
State authorization	\$ 281,484
Expenditures	
Grants and awards	\$ (281,484) ^a
Reversions	
Amounts returned to the state	\$ -

^a As explained in the Introduction above, the University subsequently returned \$4,900 and \$700 of funds in August 2016.

For the year ended June 30, 2016

**Colorado
Student Grant
Program**

Appropriations	
State authorization	\$ 295,558
Expenditures	
Grants and awards	\$ (295,558)
Reversions	
Amounts returned to the state	\$ -

See the accompanying Summary of Significant Accounting Policies and Notes to Financial Statements.

DeVry University – Colorado
Colorado State-Funded Student Assistance Program
Summary of Significant Accounting Policies and Notes to Financial
Statements
For the years ended June 30, 2016 and 2015

Basis of Accounting

DeVry University's accounting system is structured and administered in accordance with the accounting principles promulgated by the National Association of College and University Business Officers in their revised publication "*College and University Business Administration*," as supplemented by the American Institute of Certified Public Accountants industry guide *Audits of Colleges and Universities*. In addition, the University complies with the guidelines set forth by their accrediting body, Commission on Institutions of Higher Education of the North Central Association of Colleges and Schools, on such matters.

The accompanying financial statements are prepared on the cash basis of accounting. Additionally, all state-funded aid is expensed on a cash basis.



Report of Independent Auditors on Internal Control over Compliance Applicable to Colorado State-Funded Student Assistance Programs

To the Board of Directors of
DeVry Education Group Inc.:

Internal Control Over Compliance

The management of DeVry University - Colorado is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered the internal control including, receipt and disbursement of Funds; eligibility or recipients and award amounts; and reports to the Colorado Commission on Higher Education over compliance with the requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 DeVry University - Colorado'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 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 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 federal 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 and therefore, material weaknesses or significant deficiencies may exist that were not 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 the *Colorado Funded Student Aid Audit Guide*. Accordingly, this report is not suitable for any other purpose.

PricewaterhouseCoopers LLP

February 10, 2017

DeVry University – Colorado
Colorado State-Funded Student Assistance Program
Audit Comments and Recommendations
For the years ended June 30, 2016 and 2015

No compliance findings were noted during the course of our audit of the DeVry University Colorado State-Funded Student Assistance Program for the years ended June 30, 2016 and 2015.

DeVry University – Colorado
Colorado State-Funded Student Assistance Program
Disposition of Prior Audit Recommendations
For the years ended June 30, 2014 and 2013

Finding No. 2013-1

The University failed to report the correct disbursement amount per the accounting records to the Colorado Commission on Higher Education (CCHE) on the Student Unit Record Data System (SURDS) report. The student to which the funds were disbursed was also ineligible as they failed to provide documentation of residence in the state of Colorado.

Status

The University subsequently corrected the SURDS report to reflect the actual disbursement amount per the accounting records. No instances of similar findings were noted in the audit of the award years ended June 30, 2016 and 2015.

Finding No. 2013-2

The University failed to report the correct disbursement amount per the accounting records to the Colorado Commission on Higher Education (CCHE) on the Student Unit Record Data System (SURDS) report. The student to whom the funds were disbursed was also ineligible as they were not a resident of Colorado.

Status

The University subsequently corrected the SURDS report to reflect the actual disbursement amount per the accounting records. No instances of similar findings were noted in the audit of the award years ended June 30, 2016 and 2015.

No compliance findings were noted during the course of our audit of the DeVry University Colorado State-Funded Student Assistance Program for the year ended June 30, 2014.



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DeVry University - Colorado

Corrective Action Plan

Audit Firm: PricewaterhouseCoopers LLP
Audit Periods: July 1, 2014 through June 30, 2015
July 1, 2015 through June 30, 2016

No compliance findings were noted during the course of the audits of the DeVry University – Colorado State-Funded Student Assistance Program for the years ended June 30, 2016, 2015 and 2014.

Status of Corrective Actions of Prior Findings for the Year Ended June 30, 2013

Finding No. 2013-1

One student was awarded Colorado State Aid at the beginning of award year 2012-2013 totaling \$1,000. The aid had not been disbursed by the end of the academic year as the student had failed to provide proof that he resided in Colorado. The Student Unit Record Data System (SURDS) submission accurately excluded this award. However, the aid was inadvertently disbursed to the student in October 2013 (subsequent to the end of the award year) due to a manual error by a new Student Finance Representative and the disbursement was improperly included in the *Fiscal Report of Expenditures* for 2012-2013.

The University notified CCHE of the required adjustment to the *Fiscal Report of Expenditures*, returned the \$1,000 of aid disbursed to an ineligible student, and reversed the disbursement from the student's account. The University reviewed its processes and reports utilized to award, disburse and to submit required reporting for Colorado State Aid. Appropriate enhancements were made to ensure the accuracy of future disbursements and report submissions.

There were no such findings noted in the Colorado State-Funded Student Assistance Program Compliance Audits for the years ended June 30, 2016, 2015, and 2014.

Finding No. 2013-2

One student was awarded Colorado State Aid at the beginning of award year 2012-2013 totaling \$1,400, for the entire academic year, scheduled to be disbursed in four increments of \$350. The student moved out of Colorado and transferred campus locations to his new state of residence prior to the third disbursement limiting eligibility to only \$700 of the initial award. Because the student's address was not immediately updated in the student information system, the third and fourth installments of \$350 each were incorrectly processed. However, since the student's campus location was changed prior to the fourth disbursement, the University reported only \$1,050 (rather than the total \$1,400 disbursed to the student) of the disbursements via the SURDS submission and the *Fiscal Report of Expenditures*. The University subsequently returned \$350 to CCHE.

DeVry University - Colorado

Corrective Action Plan


Audit Firm: PricewaterhouseCoopers LLP
Audit Periods: July 1, 2014 through June 30, 2015
July 1, 2015 through June 30, 2016


**Status of Corrective Actions of Prior Findings for the Year Ended June 30, 2013
(Continued)**

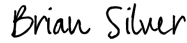
Finding No. 2013-2 (Continued)

The University returned the remaining \$350 to CCHE and updated the *Fiscal Report of Expenditures*, notified CCHE of the required change to the SURDS report, and reversed the appropriate disbursements totaling \$700 from the student's account. . The University reviewed its processes and reports utilized to award, disburse and to submit required reporting for Colorado State Aid. Appropriate enhancements were made to ensure the accuracy of future disbursements and report submissions.

There were no such findings noted in the Colorado State-Funded Student Assistance Program Compliance Audits for the years ended June 30, 2016, 2015, and 2014.

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President
DeVry University

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Christen Summers
Vice President, Regulatory Affairs
DeVry Education Group

DeVry University – Colorado
Colorado State-Funded Student Assistance Program
Appendix
For the years ended June 30, 2016 and 2015

Copies of this report have been distributed to:

DeVry University (4)

Colorado Commission on Higher Education (2)

Legislative Audit Committee (2)