

**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
OCTOBER 25, 2019**

COLORADO STUDENT GRANT PROGRAM

FOR THE YEAR ENDED JUNE 30, 2019

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

**CONCORDE CAREER COLLEGE
STATE OF COLORADO
STATE-FUNDED STUDENT ASSISTANCE PROGRAMS
FOR YEAR ENDED JUNE 30, 2019**

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**CONCORDE CAREER COLLEGE
STATE OF COLORADO
STATE-FUNDED STUDENT ASSISTANCE PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2019**

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, 2019, was directed toward the objectives and criteria set forth in the “Colorado Department of Higher Education’s (CDHE) Financial Aid Policy”, adopted in 2004. The federal financial aid programs for the year ended December 31, 2018 was examined by another auditor.

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 \$239,501 for the fiscal year ended June 30, 2019.

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 \$2,660,449 in the Federal Pell Grant Program and \$80,398 in the Federal Supplemental Educational Opportunity Grant Program.

During the audit period, Concorde Career College was authorized to award Colorado student financial aid funds of \$239,501 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, 2019, 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, 2017 version.

SUMMARY OF CURRENT YEAR COMMENTS

The audit covered the period July 1, 2018 through June 30, 2019 and fieldwork was performed on September 24, 2019.

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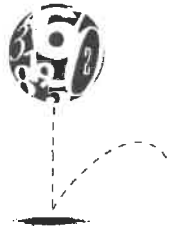
**SUMMARY OF PROGRESS IN IMPLEMENTING
PRIOR AUDIT RECOMMENDATIONS**

The prior audit report for the year ended June 30, 2018, included one recommendation. The disposition of this audit recommendation at Concorde Career College was as follows:

Finding No 2018-01 Student Unit Record Data System (SURDS) Reporting:

The Institution reported incorrect information on the SURDS financial aid report for the year ended June 30, 2018 for 1 student out of 25 in the sample.

Status: The Institution provided CDHE with the updated information for the student and a second submission was not required.



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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, 2019 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 *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 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, 2019 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 October 25, 2019 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.

Ball - Morgan P.C.

October 25, 2019

**CONCORDE CAREER COLLEGE
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FOR THE YEAR ENDED JUNE 30, 2019**

**STATEMENT OF APPROPRIATIONS, EXPENDITURES
AND REVERSIONS**

	<u>Colorado Student Grants</u>
FUND BALANCE - June 30, 2018	\$ <u>0</u>
APPROPRIATIONS:	
State authorization	239,501
EXPENDITURES:	
Grants and awards	(239,501)
REVERSIONS:	
Amounts refunded to the State	(<u>0</u>)
FUND BALANCE - June 30, 2019	\$ <u><u>0</u></u>

See accompanying note to financial statement

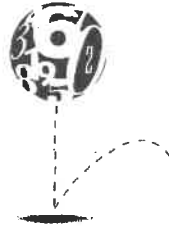
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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NOTE 1 - 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.

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, 2019 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 " (2017-18 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, 2019. 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.

October 25, 2019

Buell . M'grew P.C.

**CONCORDE CAREER COLLEGE
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FOR THE YEAR ENDED JUNE 30, 2019**

**REQUIRED STATEMENTS, COMMENTS,
AND RECOMMENDATIONS**

The Institution has been provided instructions as to where to file the audit with the State of Colorado.

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.

FINDING: NO 2019-01

For the year ended June 30, 2019 the Institution reported incorrect information on the SURDS report for 5 out of the 25 students in the sample.

The Institution reported the incorrect amount of other loans received during the audit period for students #1, #17, and #18. The amount of other loans the students received were \$0, \$232, and \$100, respectively; the SURDS reported them as \$2,807, \$272, and \$140, respectively.

Students #1, #2, and #15 had the incorrect actual Institutional Budget/Cost of Attendance (COA) amounts reported on the SURDS and therefore the incorrect nine-month budget/COA reported, according to the table below:

Student	Correct COA for Enrollment Period	Incorrect COA reported on SURDS for Enrollment Period	Correct COA for 9 Month Period	Incorrect COA reported on SURDS for 9 Month Period
#1	\$11,729.00	\$11,711.00	\$26,390.00	\$26,350.00
#2	\$21,681.00	\$28,810.00	\$32,522.00	\$32,411.00
#15	\$42,129.00	\$46,939.00	\$31,597.00	\$35,204.00

This is a repeat finding. Please review policies and make the necessary changes that will ensure continued improvements in this area.

RECOMMENDATIONS:

The Auditor recommended that the Institution provide the CDHE with the correct information from the errors that were found in the SURDS report. The CDHE indicated that they would make the correction of the errors on their system. A resubmission of the SURDS report was not required.

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

COLLEGE'S RESPONSE:

The college is diligently working with the IT department to improve the data received to ensure it is accurate as possible. Due to the detailed nature of the information requested the data has to be reviewed manually and updated/adjusted as needed. The college continues to make every effort to complete SURDS reporting with zero errors.

We will continue to review the student data that is report on the SURDS for accuracy.