

**UNIVERSITY OF DENVER**

**STATE OF COLORADO STATE-FUNDED  
STUDENT ASSISTANCE PROGRAMS**

**FOR THE YEAR ENDED JUNE 30, 2020**

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**UNIVERSITY OF DENVER**  
**STATE OF COLORADO STATE-FUNDED STUDENT ASSISTANCE PROGRAMS**  
**INTRODUCTION**  
**Year Ended June 30, 2020**

**Introduction**

University of Denver (the University) is a private institution of higher education located in Denver, Colorado.

Our financial and compliance examination of the various state-funded student assistance programs at the University for the year ended June 30, 2020, was directed toward the objectives and criteria set forth in the University's Financial Aid Policy. The state student financial assistance programs were examined simultaneously with the federal financial aid programs for the year ending on June 30, 2020.

**State-Funded Assistance Programs**

The state-funded student assistance programs at the University include the Colorado Need-Based Grant Program, the Colorado Graduate Grant Program, the Colorado Work-Study Program, and the Colorado Aid Merit Program.

The state-funded student assistance awards made by the University were \$2,245,563 during the year ended June 30, 2020. There were no state matching funds during the year ended June 30, 2020, transferred to the Federal Perkins Loan Fund.

The University's Director of Financial Aid 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 University in federal and state financial aid programs. The University's Controller is responsible for the programs' financial management, general ledger accounting, payments, and collections.

During the year ended June 30, 2020, the University obtained authorizations to award federal student financial aid funds as follows:

Pell Grants	\$ 4,464,327
Direct Loan	164,419,320
Supplemental Educational Opportunity Grant	596,388
College Work-Study	2,393,955
Teacher Education Assistance for College and Higher Education Grant	85,499

During the year ended June 30, 2020, the University obtained authorizations to award state student financial aid funds as follows:

Colorado Need-Based Grant Program	\$ 1,514,620
Colorado Graduate Grant Program	181,638
Colorado Work-Study Program	485,170
Colorado Merit Aid Program	64,135

**UNIVERSITY OF DENVER**  
**STATE OF COLORADO STATE-FUNDED STUDENT ASSISTANCE PROGRAMS**  
**REPORT SUMMARY**  
**Year Ended June 30, 2020**

**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 *Government Auditing Standards* issued by the Comptroller General of the United States. 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 ending June 30, 2020 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 audit included:

- Expressing an opinion on the statement of student aid program allocations, expenditures, and reversions.
- 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 01, 2019 through June 30, 2020, and field work was performed during the period of June – July 2020 and again in September 2020.

The audit report for the year ended June 30, 2020 contained no findings or recommendations related to state-funded assistance programs.

**Summary of Progress in Implementing Prior Comments**

The audit report for the year ended June 30, 2018, contained no findings or recommendations related to state-funded assistance programs.



## **Independent Auditor's Report on the Statement of Appropriations, Expenditures, and Reversions of the State of Colorado State-Funded Student Assistance Programs**

Board of Trustees  
University of Denver  
Denver, Colorado

### **Report on the Financial Statement**

We have audited the accompanying statement of appropriations, expenditures, and reversions of the State of Colorado State-Funded Assistance Programs (the Statement) of the University of Denver (the University) for the year ended June 30, 2020, and the related notes.

### ***Management's Responsibility for the Schedule***

Management is responsible for the preparation and fair presentation of the Statement. The Statement was prepared in accordance with the format as set forth in the *2019-2020 Audit Guide for State and Private Non-Profit Institutions of Higher Education, Colorado-Funded Student Aid* issued by the Department of Higher Education (DHE) and in accordance with the policies and procedures for State-Funded Student Financial Assistance Programs established by the Board of Trustees of the University; 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.

### ***Auditors' 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement. The procedures selected depend on the auditors' 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.

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 appropriations, expenditures, and reversions of the State of Colorado State-Funded Student Assistance Programs of the University of Denver for the year ended June 30, 2020, in accordance with the format set forth in the *2019-2020 Audit Guide, Colorado-Funded Student Aid* issued by the DHE and in conformity with the policies and procedures for State-Funded Student Financial Assistance Programs established by the Board of Trustees of the University, as described in Note 1 to the Statement.

### **Basis of Accounting**

We draw your attention to Note 2 of the Statement, which describes the basis of accounting. The Statement is a summary of cash activity of the state-funded 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 U.S. generally accepted accounting principles. Accordingly, the accompanying statement is not intended to, and does not present the financial position, changes in financial position or cash flows of the University in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2020, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the University's 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 University's internal control over financial reporting and compliance.

### **Restriction on Use**

This report is intended solely for the information and use the Board of Trustees, management, 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.



**CliftonLarsonAllen LLP**

Denver, Colorado  
November 13, 2020

**UNIVERSITY OF DENVER**  
**STATE OF COLORADO STATE-FUNDED STUDENT ASSISTANCE PROGRAMS**  
**STATEMENT OF APPROPRIATIONS, EXPENDITURES, AND REVERSIONS**  
**Year Ended June 30, 2020**

	Colorado Need-Based Grant Program	Colorado Graduate Grant Program	Colorado Work-Study Program	Colorado Merit Aid Program	Total State- Funded Student Assistance
<b>APPROPRIATIONS</b>					
Original Official Allocation Notice	\$ 1,460,713	\$ 181,638	\$ 539,077	\$ 64,135	\$ 2,245,563
Additional Funds Reallocated by CDHE	<u>53,907</u>	<u>-</u>	<u>(53,907)</u>	<u>-</u>	<u>-</u>
Total Appropriations	<u>1,514,620</u>	<u>181,638</u>	<u>485,170</u>	<u>64,135</u>	<u>2,245,563</u>
<b>EXPENDITURES</b>					
	<u>1,514,620</u>	<u>181,638</u>	<u>437,086</u>	<u>64,135</u>	<u>2,197,479</u>
<b>REVERSIONS TO STATE GENERAL FUND</b>					
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,084</u>	<u>\$ -</u>	<u>\$ 48,084</u>

See accompanying Notes to Statement of Appropriations, Expenditures, and Reversions.

**UNIVERSITY OF DENVER**  
**STATE OF COLORADO STATE-FUNDED STUDENT ASSISTANCE PROGRAMS**  
**NOTES TO STATEMENT OF APPROPRIATIONS, EXPENDITURES, AND REVERSIONS**  
**Year Ended June 30, 2020**

**(1) Basis of Presentation**

The University of Denver (the University) is governed by the University's Board of Trustees. The accompanying statement of appropriations, expenditures, and reversions of state-funded student financial assistance programs (the Statement) has been prepared in accordance with the format as set forth in the *2019-2020 Audit Guide for State and Private Non-Profit Institutions of Higher Education, Colorado Funded Student Aid* issued by the Department of Higher Education (DHE) and in accordance with the policies and procedures for State-Funded Student Financial Assistance Programs established by the Board of Trustees of the University. The purpose of the Statement is to present the state-funded student financial assistance activities for the year ended June 30, 2020.

Because the Statement presents only a selected portion of the activities of the University, it is not intended to and does not present either the financial position or changes in financial position of the University in conformity with U.S. generally accepted accounting principles.

**(2) Basis of Accounting**

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

All state-funded student financial assistance is expensed on a cash basis, except for the Colorado Work-Study program. Colorado Work-Study wages are recorded on the accrual basis recognizing expenses when the services are performed.

The University's state-funded student financial assistance programs include the following: the Colorado Need-Based Grant Program, the Colorado Graduate Grant Program, the Colorado Work-Study Program, and the Colorado Merit Aid Program.



**Independent Auditors' Report on Internal Control over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of the Statement of Appropriations,  
Expenditures, and Reversions of the State of Colorado State-Funded  
Student Assistance Programs Performed in  
Accordance with *Government Auditing Standards***

Board of Trustees  
University of Denver  
Denver, Colorado

We have audited, in accordance with the 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, the statement of appropriations, expenditures, and reversions of the State of Colorado State-Funded Assistance Programs (the Statement) of University of Denver (the University) for the year ended June 30, 2020, and the related notes to the Statement, and have issued our report thereon dated November 13, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the Statement, we considered the University's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Statement, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's Statement will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the University’s Statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of Statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Denver, Colorado  
November 13, 2020

**UNIVERSITY OF DENVER  
STATE OF COLORADO STATE-FUNDED STUDENT ASSISTANCE PROGRAMS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2020**

No matters are reportable.

**UNIVERSITY OF DENVER  
STATE OF COLORADO STATE-FUNDED STUDENT ASSISTANCE PROGRAMS  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
Year Ended June 30, 2018**

No matters are reportable.