

DEVRY UNIVERSITY, INC.

**Independent Accountants' Report on Management's
Assertions Regarding the University's Accountability Principles**

For the Fiscal Year Ended June 30, 2021

DEVRY UNIVERSITY, INC.

TABLE OF CONTENTS

	<u>Page</u>
Independent Accountants' Report on Management's Assertions	2
The University's Accountability Principles - Management's Introduction and Background	3
Schedule of Management's Assertions Regarding the University's Accountability Principles	5

ALMICH & ASSOCIATES

Certified Public Accounting and Business Services

INDEPENDENT ACCOUNTANTS' REPORT ON MANAGEMENT'S ASSERTIONS

To the Board of Trustees of DeVry University, Inc.:

We have examined management's assertions, included in the accompanying Schedule of Management's Assertions Regarding the University's Accountability Principles (the Schedule), that DeVry University, Inc. (the University) complied with the twenty accountability principles, adopted by the University to support its mission and hold itself publicly accountable for doing what's best for its students, at all times during the fiscal year ended June 30, 2021. Management is responsible for the University's compliance with those principles. Our responsibility is to express an opinion on management's assertions based on our examination.

Our examination was made in accordance with attestation standards established by the American Institute of Certified Public Accountants and accordingly, included examining, on a test basis, evidence about the University's compliance with those principles and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the University's compliance with the specified principles.

In our opinion, management's assertions that the University is in compliance with the aforementioned Accountability Principles as of and at all times during the fiscal year ended June 30, 2021, are fairly stated, in all material respects.

This report is intended solely for the information and use of the board of trustees and University management and is not intended to be and should not be used by anyone other than these specified parties.

Almich & Associates

Lake Forest, California
May 11, 2022

THE UNIVERSITY'S ACCOUNTABILITY PRINCIPLES – INTRODUCTION AND BACKGROUND

In 2016, Adtalem Global Education (Adtalem) adopted twenty-one voluntary student commitments (together, the “Student Commitments”) in designated areas including recruitment and enrollment, student outcomes, and informed student choice.¹ Adtalem’s stated purpose was to design voluntary commitments that provided transparency in student services, student outcomes, and financial obligations beyond any state or federal regulatory requirements. Implementation of the Student Commitments required significant technological investments as well as time and resources of staff at Adtalem headquarters and individual schools.

In the summer of 2017, Adtalem retained an independent third party to review its compliance with the Student Commitments. After conducting an exhaustive review of the operations of Adtalem and its relevant academic institutions, this third party concluded that Adtalem was operating consistent with the Student Commitments.

The voluntary Student Commitments are grouped in six general areas of student interest:

- Informed Student Choice
- Responsible Recruitment and Enrollment
- Responsible Participation in the Federal Loan Process
- Financial Literacy and Academic Transparency
- Improving Student Satisfaction
- Successful Student Outcomes and Accountability

In 2018, Adtalem updated and revised the Student Commitments, maintaining commitments in the existing six key areas outlined above. Updates included a commitment to provide borrowing advisory notices to all students rather than only those hitting a designated borrowing threshold, and disclosure of recruitment expenditures as part of the institution’s commitment to revenue transparency. These updates resulted in the total number of commitments being reduced from twenty-one to twenty.

Upon separation from Adtalem in December 2018², DeVry University Inc. (DVU) continued its promise to students by carrying forward the voluntary Student Commitments, including the annual third party review. In 2020, DVU engaged Almich and Associates, an Accountancy Corporation, to take over the annual review from the prior third-party.

As part of the original commitment to accountability, the Student Commitments are reviewed annually. In 2020, DVU conducted a comprehensive review of the Student Commitments to ensure that they remain aligned with DVU’s mission and strategy and adequately reflective of its deep commitment to students. The review resulted in a refreshing and renaming of the Student Commitments and the launch of the DeVry Accountability Principles (the “Accountability Principles”) in early 2021.

¹ <http://www.businesswire.com/news/home/20161031005846/en/DeVry-Education-Group-Expands-Student-Commitments>

² <https://www.businesswire.com/news/home/20181211005999/en/Adtalem-Global-Education-Completes-Divestitures-of-DeVry-University-and-Carrington-College>

The Accountability Principles are broken down into a set of four key pillars:

- Responsible Recruiting and Enrollment
- Financial Literacy and Responsible Borrowing
- Academic and Student Support
- Accountability and Transparency

These pillars are designed to demonstrate how DVU holds itself publicly accountable for doing what's best for its students.

**SCHEDULE OF MANAGEMENT'S ASSERTIONS REGARDING
THE UNIVERSITY'S ACCOUNTABILITY PRINCIPLES**

- 1) DeVry University, Inc. ("DeVry", "we", and "our") provides every prospective student a program information disclosure that shows total program cost, completion and graduation rates, graduate debt and default rates, and relevant earnings and program licensure information.
- 2) We record all conversations with prospective students and routinely review a portion of these recordings to ensure our admissions teams are communicating clearly, and providing accurate and complete information about DeVry and our programs. Where needed, we provide coaching to team members and take other action to correct errors and address misconduct.
- 3) We work extensively with every prospective student prior to enrollment to develop a personalized academic plan that includes clear information on projected cost, transfer credit availability, and time for completion.
- 4) We create an estimated financial plan for every prospective student to help ensure they understand any financial commitments before enrolling.
- 5) Prior to the first day of class, all new students are encouraged to participate in an orientation program that includes an overview of available student services and academic support, online learning platforms, academic policies, and key points of contact.
- 6) We provide financial advising to every student throughout their time at DeVry and help them develop and refine a personal college financing plan. We clearly present available financial aid options, in addition to traditional federal financial aid programs, and explain eligibility and application requirements.
- 7) While DeVry cannot limit whether, or how much, a student borrows, we actively advise students to borrow only what they truly need to fund their education, and we advocate for more flexibility and transparency in federal financial aid programs.
- 8) We provide to every student an annual Borrower Advisory Notice that contains a detailed outline of the student's current loan balance(s) and projected repayment obligations.
- 9) We have developed a dynamic online tool that our students can access at any time to review their outstanding loan balance(s), projected repayment obligations, credits required to graduate, and remaining borrowing capacity available.
- 10) We proactively identify students who may be struggling academically, using insights from multiple sources including personal interactions and review of student activity and performance against known success predictors. Our faculty and student support advisors use this course-level, real-time engagement information to intervene and assist students to reduce the risk of failure and withdrawal.
- 11) Our Persistence and Retention Committee, led by our Chief Academic Officer, monitors key trends and data related to student learning, persistence and graduation, and uses this data to develop actionable strategies to improve student success.

- 12) Our clear and transparent student complaint resolution policies are available to students on DeVry's website and in our Student Handbook. We also conspicuously publish contact information for state oversight bodies with jurisdiction over student consumer complaints.
- 13) We do not require students to arbitrate potential claims against DeVry if we are unable to resolve a dispute or complaint informally or via the formal student complaint process. We do not require students to waive their rights to seek, or participate in class action remedies.
- 14) We use an independent third-party tool to conduct student surveys to ensure we are meeting student and graduate expectations, and we actively address opportunities for improvement and other feedback.
- 15) We annually disclose our spending related to instruction and academic support, student services, scholarships and grants, and marketing.
- 16) No more than 85% of our eligible program revenue in a given year will come from federal funding, which will include military tuition benefits and Department of Veterans Affairs funding, in addition to revenue considered for purposes of the 90/10 calculation.
- 17) Our leaders' performance evaluations and compensation are tied, in part, to student success.
- 18) We ensure responsible marketing by lead generation vendors through independent third-party monitoring, and clear remediation and contract termination procedures for non-compliance.
- 19) We only implement new academic programs after we review the planned program pricing and expected career outcomes to ensure graduates will be able to repay any debt upon successful completion of the program.
- 20) We engage an independent third party to review and publicly report on our compliance with the DeVry Accountability Principles annually.