

COMPLIANCE REPORT

ADVANCED WELDING INSTITUTE, LLC

SOUTH BURLINGTON, VERMONT

TIN NUMBER: 04-3748835

OPE ID NUMBERS: 04146900
04146901

DUNS NUMBER: 144357576

COMPLIANCE AUDIT
OF THE TITLE IV PROGRAMS

at 2 Green Tree Drive, Suite 3
South Burlington, Vermont 05403

8900 Highway 17 South
Eagle River, Wisconsin 54521

FEDERAL PELL GRANT PROGRAM (84.063)
FEDERAL DIRECT LOAN PROGRAM (84.268)

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

Knutte & Associates, P.C.
Certified Public Accountants

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K&A ASSOCIATES, LLC

Certified Public Accountants

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**REPORT ON COMPLIANCE FOR STUDENT FINANCIAL ASSISTANCE
PROGRAMS AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE *GUIDE FOR AUDITS OF PROPRIETARY SCHOOLS
AND FOR COMPLIANCE ATTESTATION ENGAGEMENTS OF THIRD-PARTY
SERVICERS ADMINISTERING TITLE IV PROGRAMS***

INDEPENDENT AUDITORS' REPORT

To the Member
Advanced Welding Institute, LLC

Report on Compliance for Student Financial Assistance Programs

We have audited Advanced Welding Institute, LLC's compliance with the compliance requirements regarding:

- Institutional Eligibility and Participation
- Reporting
- Student Eligibility
- Disbursements
- Return of Title IV Funds
- G5 and Cash Management
- Administrative Requirements

described in Chapter 3 of the 2016 edition of the U.S. Department of Education's *Guide For Audits of Proprietary Schools and For Compliance Attestation Engagements of Third-Party Servicers Administering Title IV Programs* (Guide) relative to Advanced Welding Institute, LLC's Student Financial Assistance (SFA) programs, for the year ended December 31, 2017.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for Advanced Welding Institute, LLC's SFA programs based on our audit of the 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 Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above occurred. An audit includes examining, on a test basis, evidence about Advanced Welding Institute, LLC'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 SFA programs. However, our audit does not provide a legal determination of Advanced Welding Institute, LLC's compliance.

Opinion on SFA Programs

In our opinion, Advanced Welding Institute, LLC complied, in all material respects, with the compliance requirements referred to above for the year ended December 31, 2017.

Other Matters

Advanced Welding Institute, LLC's response to our audit is described in the accompanying Corrective Action Plan. Advanced Welding Institute, LLC's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of Advanced Welding Institute, LLC is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered Advanced Welding Institute, LLC's internal control over compliance with the compliance requirements to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for SFA programs and to test and report on internal control over compliance in accordance with the Guide, 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 Advanced Welding Institute, LLC'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 compliance requirement applicable to SFA programs 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 a material noncompliance with a compliance requirement applicable to SFA programs will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance requirements of applicable SFA programs 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been 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 Guide. Accordingly, this report is not suitable for any other purpose.

Kuntle & Associates, P.C.

ADVANCED WELDING INSTITUTE, LLC
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2017

Part A - Information About Universe and Audit Sample

Total Population:

	Pell	Direct Loan	Total
Universe			
Dollars	\$ 95,988	\$ 380,728	\$ 476,716
Number of Students	27	43	48

Students Enrolled, Graduated, or Students on an Approved Leave of Absence:

	Pell	Direct Loan	Total
Universe			
Dollars	\$ 85,158	\$ 374,792	\$ 459,950
Number of Students	23	41	44
Sample			
Dollars	\$ 60,459	\$ 189,879	\$ 250,338
Number of Students	16	23	26

Withdrew, Dropped Out, Enrolled but Never Began Attendance During the Audit, or Terminated Students:

	Pell	Direct Loan	Total
Universe			
Dollars Returned/Refunded	\$ 1,652	\$ 5,579	\$ 7,231
Number of Students	2	2	4
Sample			
Dollars Returned/Refunded	\$ 1,652	\$ 5,579	\$ 7,231
Number of Students	2	2	4

The IPA's definition of material noncompliance is as follows for each attribute:

Institutional Eligibility and Participation - Any finding cited for this attribute would be considered an instance of material noncompliance.

Reporting - Findings encountered with reporting requirements would be considered material instances of noncompliance.

Student Eligibility/Disbursements - Findings in the sample resulting in a dollar value in excess of 10% of the total awards for the sample would be considered material instances of noncompliance.

Return of Title IV Funds - Findings in the drop sample resulting in a dollar value in excess of 10% of the total awards for the drop sample would be considered material instances of noncompliance.

G5 and Cash Management - Any finding cited for this attribute would be considered a material instance of noncompliance.

Administrative Requirements - Any finding cited for this attribute would be considered a material instance of noncompliance.

ADVANCED WELDING INSTITUTE, LLC
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
DECEMBER 31, 2017

Part B - Audit Findings

There are no findings in the current audit period.

Schedules A, B and C have not been submitted as they do not apply.

ADVANCED WELDING INSTITUTE, LLC
AUDITORS' COMMENTS ON THE RESOLUTION
OF PRIOR AUDIT/ATTESTATION FINDINGS

INDEPENDENT AUDITORS' COMMENTS ON RESOLUTION OF PRIOR AUDIT
FINDINGS

There were no findings in the prior audit period. The Institution was notified via eZ-Audit that no action was required.

Auditor Information Sheet

ADVANCED WELDING INSTITUTE, LLC
2 GREEN TREE DRIVE, SUITE 3
SOUTH BURLINGTON, VERMONT 05403
TIN NUMBER: 04-3748835
OPE ID NUMBERS: 04146900
04146901
DUNS NUMBER: 144357576

School Information:

Telephone Number (802) 660-0600
Fax Number (802) 660-0689
President Richard Irick
Contact Person and Title Richard Irick, President

Audit Firm Information:

Lead Auditor David Robb
Email Address daver@knutte.com
License Number (Home State) 066.005122
(Out of State) 092-0000689, 797-003
Firm's Name Knutte & Associates, P.C.
Partner in Charge Michael J. Knutte, CPA
Street 7900 South Cass Avenue, Suite 210
City, State, Zip Darien, Illinois 60561
Telephone Number (630) 960-3317
Fax Number (630) 960-9960

Programs Audited:

FSEOG	84.007	
FWS	84.033	
Perkins	84.037 and 84.038	
Pell	84.063	x
Direct Loan	84.268	x
TEACH	84.379	
IASG	84.408	

For the award year that ended during the audit period, the audited ratios are:

Correspondence courses to total courses	0%	Regular students enrolled in correspondence courses to total regular students	0%
Regular students who are incarcerated to total regular students	0%	Regular students enrolled based on ability to benefit to total regular students	0%

Audited completion and placement rate for all short term programs:

Program Name:	Completion Rate:	Placement Rate:
No short term programs	N/A	N/A

The campuses/locations that are considered to be part of the school:

Address and Name of Location	Was 50% or more of a program offered at this location?	Is location listed on the school's eligibility letter?	Did school notify ED before offering instruction here?	Date location was opened	Date location was closed	Date of auditors' last visit to the location	Reason the location was not visited for this audit engagement
South Burlington	Yes	Yes	Yes	2003	N/A	1/16-17/18	N/A
Eagle River	Yes	Yes	Yes	2013	N/A	3/27/18	N/A

Name and address of the school's primary accrediting organization:

Accreditation Commission of Career Schools and Colleges
2101 Wilson Boulevard, Suite 302, Arlington, Virginia 22201

Name and address of any other organizations accrediting the school or its programs:

None

Does the school use a servicer to help it administer all or any portion of its Title IV program responsibilities?

No

If yes, how many servicers does the school use?

N/A

Location of the school's accounting and administrative records for Title IV programs administered:

2 Green Tree Drive, Suite 3, South Burlington, Vermont 05403
8090 Highway 17 South, Eagle River, Wisconsin 54521

Has the school stopped participating in all Title IV programs?

No



CORRECTIVE ACTION PLAN

March 30, 2018

Audit Firm: Knutte and Associates


Audit Period: Fiscal Year Ending December 31, 2017

A. Comments on Findings and Recommendations

We agree there were no findings in the audit period.

B. Actions Taken or Planned

We agree there were no findings in the audit period.


Richard Irick, Owner -- Advanced Welding Institute
802-660-0600

