

DEVRY INC  
Form 11-K  
December 22, 2006

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 11-K**

**ANNUAL REPORT  
EMPLOYEE STOCK REPURCHASE AND SIMILAR PLANS  
PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

x ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended: June 30, 2006

Commission file number: 1-13988

DeVry Inc. Profit Sharing Retirement Plan

A. Full title of the plan:

DeVRY INC.  
ONE TOWER LANE, SUITE 1000  
OAKBROOK TERRACE, ILLINOIS 606181

B. Name of issuer of the securities held pursuant to the plan and address of its principal executive office:

**REQUIRED INFORMATION**

The Plan's audited financial statements and other required information are included on pages 2-16.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the following administrator of the DeVry Inc. Profit Sharing Retirement Plan has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

DeVry Inc. Profit Sharing Retirement Plan  
(Name of Plan)

Date: December 21, 2006

By: /s/DANA ARIZZI

Total Number of Pages 14

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DEVRY INC.  
PROFIT SHARING RETIREMENT PLAN

REPORT ON AUDITED FINANCIAL STATEMENTS  
AND SUPPLEMENTAL SCHEDULE

YEARS ENDED JUNE 30, 2006 AND 2005

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DEVRY INC.  
PROFIT SHARING RETIREMENT PLAN

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**Report of Independent Registered Public Accounting Firm**

To the Participants and Administrator of  
DeVry Inc. Profit Sharing Retirement Plan

We have audited the accompanying statements of net assets available for benefits of DeVry Inc. Profit Sharing Retirement Plan (the Plan) as of June 30, 2006 and 2005 and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of DeVry Inc. Profit Sharing Retirement Plan as of June 30, 2006 and 2005 and the changes in its net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets held for investment purposes at June 30, 2006 is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Hill, Taylor LLC

December 8, 2006

DEVRY INC.  
PROFIT SHARING RETIREMENT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

JUNE 30, 2006 AND 2005

	2006	2005
<b><u>Assets</u></b>		
Invesments, at market value	\$ 197,729,620	\$ 189,623,364
<b>Receivables:</b>		
Accrued investment income	56,155	25,988
Employee 401(k) contributions	434,964	414,497
Company contributions	3,750,761	3,025,713
	4,241,880	3,466,198
Net Assets Available for Benefits	\$ 201,971,500	\$ 193,089,562

The accompanying notes are an integral part of these financial statements.

DEVRY INC.  
PROFIT SHARING RETIREMENT PLAN

STATEMENTS OF CHANGES IN NET ASSETS  
AVAILABLE FOR BENEFITS

YEARS ENDED JUNE 30, 2006 AND 2005

	2006	2005
<b>Additions:</b>		
Additions to net assets attributed to:		
Employee 401(k) contributions	\$ 12,833,042	\$ 12,504,900
Employer 401(k) matching contributions	2,969,235	3,090,932
Company discretionary contributions	3,648,344	2,929,178
Assets transferred from other plans	791,978	302,821
Interest and dividends on invested funds	5,200,023	3,166,290
Realized and unrealized gains on invested funds	13,926,134	11,018,136
<b>Total additions</b>	<b>39,368,756</b>	<b>33,012,257</b>
<b>Deductions:</b>		
Deductions from net assets attributed to:		
Investment and administrative expenses	140,737	143,803
Distributions to employees	24,558,883	16,759,961
Realized and unrealized losses on invested funds	5,787,198	8,927,212
<b>Total deductions</b>	<b>30,486,818</b>	<b>25,830,976</b>
<b>Net increase</b>	<b>8,881,938</b>	<b>7,181,281</b>
<b>Net assets available for benefits:</b>		
Beginning of year	193,089,562	185,908,281
End of year	\$ 201,971,500	\$ 193,089,562

The accompanying notes are an integral part of these financial statements.

DEVRY INC.  
PROFIT SHARING RETIREMENT PLAN  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2006 AND 2005

**1. General Description of the Plan:**

The following brief description of the DeVry Inc. Profit Sharing Retirement Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

The Plan, as amended, is a participant-directed defined contribution plan with elective employee participation on a before-tax basis under Section 401(k) of the Internal Revenue Code and is subject to the Employee Retirement Income Security Act of 1974 (ERISA). The Plan covers all United States of America employees of DeVry Inc. (the Company), and its subsidiaries except employees of Dominica Management Inc. and Ross University, eligible on the date of hire to make employee contributions. Employees of Dominica Management Inc. and Ross University participate in separate plans. Participants are eligible for the Company's matching contributions and profit sharing contributions after completing one year of service with 1,000 or more hours worked. New employees who were participants in other qualified retirement plans are permitted to transfer their vested account balances to the Plan. The Plan covered 5,431 and 4,560 of the Company's employees at June 30, 2006 and 2005, respectively. This includes 801 and 802 former employees for whom benefits had not yet been distributed as of June 30, 2006 and 2005, respectively. The Plan was last amended to be effective as of January 1, 2002, to reflect the adoption of certain provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001.

The Company is the administrator of the Plan. Effective July 1, 2000, the Company engaged American Express Retirement Services as trustee of the Plan to perform certain administrative and record keeping services.

Pursuant to the Plan, eligible employees may elect to contribute from 1-50% of their annual eligible compensation on a before-tax basis as limited by the Internal Revenue Code. Highly compensated employees of the Company, as defined by the Internal Revenue Code, are limited to contributing a maximum of 6% of their compensation. In accordance with the Internal Revenue Code, eligible employees could contribute a maximum of \$15,000 and \$14,000 during calendar years 2006 and 2005, respectively. Eligible employees who are at least 50 years old may contribute an additional catch-up contribution of \$5,000 and \$4,000 during calendar years 2006 and 2005, respectively, as specified in the Internal Revenue Code.



1. **General Description of the Plan (Continued):**

The Company makes a matching contribution for all participants who have elected to make 401(k) contributions. This matching contribution is equal to 1% of gross pay if a participant contributes 1% of his or her eligible compensation. The matching contribution is 2% if a participant contributes 2% or more of his or her eligible compensation. The Company may also make a discretionary contribution in an amount determined annually by its board of directors.

Participants in the Plan may elect each month to invest their contributions and previous account balances in 1% increments in any of the funds described below. However, investments in the DeVry Inc. Stock Fund may be made only with current period contributions and are limited to 25% of these contributions. Prior account balances may not be allocated to this fund.

U.S. Government Securities Fund II - Invests in direct U.S. Government obligations including Treasury bills and other short-term securities backed by the full faith and credit of the U.S. Government. The assets are managed by American Express Trust Company as part of the American Express Trust U.S. Government Securities Fund II.

Income Fund - Invests in commercial mortgages and privately placed and publicly traded fixed income securities, including corporate bonds, asset-backed securities and residential mortgage bonds. The assets are invested in the CIGNA Income Fund.

Equity Index Fund - Invests in a portfolio consisting of common stocks of the S&P 500 Index, an unmanaged index. The assets are managed by American Express Trust Company as part of the American Express Trust Equity Index Fund I.

Income and Growth Fund - Invests primarily in common stocks selected from a universe of the 1,500 largest companies traded in the United States. The assets are invested in the American Century Income & Growth Fund (Advisor Class).

Growth Fund - Invests in a portfolio of companies with significant growth potential due to superiority in technology, marketing, or management. Stocks of these companies may be subject to more price volatility than the stock market as a whole. The assets are invested in the American Express New Dimensions Fund (Class Y).

Large Cap Core Fund - Typically owns between 90 and 120 different stocks diversified across industry sectors similar to the S&P 500 Index. The assets are invested in the Bank of America Large Cap Core Equity Fund.

Emerging Growth Fund - Invests in common stocks of small or medium-sized companies. Stocks of these companies may be subject to abrupt or erratic price movements. Some of these companies may also have fewer financial resources. The assets are managed by American Express Trust Company as part of the American Express Trust Emerging Growth Fund II.

1. **General Description of the Plan (Continued):**

DeVry Inc. Stock Fund - Invests only in the common stock, \$0.01 par value, of the Company. The assets are managed by the Plan's trustee, American Express Trust Company.

PIMCO Total Return Fund - Invests for both current income (bond coupons and dividends) and capital appreciation (bond price movement), consistent with preservation of capital and prudent investment management.

Vanguard Lifestyle Funds - This consists of the Vanguard Target Retirement Income Fund that invests in other Vanguard mutual funds according to asset allocation strategies designed for investors currently in retirement. The Vanguard Target Retirement 2005, 2015, 2025, 2035, and 2045 strategies are designed for investors planning to retire in or within a few years of the fund year.

Dodge & Cox Balanced Fund - Invests in a diversified portfolio of common stocks, preferred stocks and fixed-income securities.

Causeway International Value Fund - Invests primarily in common stocks of companies in developed countries located outside the United States.

The Growth Fund of America - A diversified growth fund invests primarily in common stocks. The fund may also invest in convertible securities, nonconvertible preferred stock and stock of issuers outside the United States. The fund has the flexibility to invest wherever the best growth opportunities appear to be.

The number of participants in each of the Plan's funds was as follows:

	June 30	
	2006	2005
U.S. Government Securities Fund II	2,927	2,747
Income Fund	1,369	1,551
Equity Index Fund	628	703
Income and Growth Fund	642	690
Growth Fund	-	588
Large Cap Core Fund	1,350	1,500
Emerging Growth Fund	1,369	1,474
DeVry Inc. Stock Fund	1,167	1,333
Total Return Fund	791	870
Lifestyle Funds	596	338
Dodge & Cox Balanced Fund	1,185	1,217
International Value Fund	858	857
The Growth Fund of America	642	-

1. **General Description of the Plan (Continued):**

Participants are fully vested in their 401(k) contributions and related investment earnings or losses. Participants vest in the Company's matching and discretionary contributions and related investment earnings and losses based upon the following vesting schedule:

Years of Service	Vesting %
1	20%
2	40%
3	60%
4	80%
5	100%

Participant contributions and the Company's contribution for its 1% or 2% match of compensation of participants who make 401(k) contributions on a before-tax basis are allocated after each payroll to participants' accounts. The Company's discretionary contribution, if any, is allocated to participants' accounts following the end of the Plan year for which the contribution is declared. As of June 30, 2006, the discretionary contribution of \$3,648,066 for the Plan year 2006 has not yet been allocated to participants' accounts. Interest, dividends and investment gains or losses are allocated to participants' accounts daily. Allocations are based upon participants' earnings, seniority or account balances as defined in the Plan. Forfeitures of the unvested or unclaimed portions of former participants' balances are annually allocated to the accounts of the remaining participants.

Former employees may elect to receive a lump sum distribution or, under certain circumstances, to maintain their vested account balances in the Plan but they are not eligible to receive any future Company matching or discretionary contributions.

Active participants may, under certain circumstances, withdraw a portion of their 401(k) account balance. These withdrawals may be in the form of loans, which are to be repaid with interest over a period not to exceed five years (ten years under certain limited circumstances). Participants may borrow from their accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their account balance, whichever is less. The interest rate is based on the prime rate plus 1%. Loans are repaid through payroll deductions. Permanent withdrawals of contributions, but not earnings, may also be made if the Internal Revenue Service (IRS) defined hardship conditions are met. A permanent withdrawal is treated as a taxable distribution to the participant. Upon retirement or after age 59½, participants may elect a lump sum distribution or one of several annuity payment plans.

The Company anticipates that the Plan will continue without interruption but reserves the right to terminate or freeze the Plan at any time. In the event the Plan is terminated or frozen, all amounts not yet allocated to the participants' accounts will be allocated in accordance with the provisions of the Plan. The resultant participants' accounts then

1. **General Description of the Plan (Continued):**

become fully vested. If the Plan is terminated, the assets in the Plan will be completely distributed. If the Plan is frozen, the assets of the Plan will be retained in the Plan for distribution at such time and in such a manner as the Plan provides.

2. **Summary of Significant Accounting Policies:**

(a) **Basis of Accounting**

The financial statements of the Plan are prepared on the accrual basis of accounting.

(b) **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

(c) **Risk and Uncertainties**

The Plan provides for various investment options in several mutual funds. Investing in mutual funds presents various risks, such as interest rate and market volatility. Due to the level of risk associated with certain investment options and the level of uncertainty related to changes in the value of investment securities, it is possible that changes in risks in the near term would materially affect participants' account balances and the amounts reported in the statements of net asset available for benefits and the statements of changes in net assets available for benefits.

(d) **Contributions**

Contributions from participants are recorded in the period payroll deductions are made. The Company's 401(k) matching contributions are recorded in the same period as the participant contributions are made. The Company's discretionary contribution, if any, is recorded in the period for which the contribution is declared.

(e) **Valuation and Income Recognition**

The Plan's investments are stated at fair value. Quoted market prices are used to value investments. Shares of mutual funds and collective investment trusts are valued at the net asset value of shares or units held by the Plan at year end. Participant loans receivable are stated at cost, which approximates fair market value.

Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date.

2. **Summary of Significant Accounting Policies (Continued):**(f) **Expenses**

Investment expenses incurred by the manager of the funds and directly related administrative expenses are deducted from the earnings of the Plan. Other administrative expenses are paid by the Company.

3. **Investments:**

The following presents investments (all are participant-directed) that represent 5 percent or more of the Plan's net assets.

	June 300	
	2006	2005
U.S. Government Securities Fund II (15,122,563.835 and 11,730,643.895 units at June 30, 2006 and 2005, respectively)	\$ 15,122,564	\$ 11,730,644
CIGNA Income Fund (3,427,028.377 and 3,662,606.094 units at June 30, 2006 and 2005, respectively)	46,251,175	47,353,834
Bank of America Large Cap Core Fund (4,867,085.370 and 5,533,023.815 units at June 30, 2006 and 2005, respectively)	45,414,774	47,357,151
American Express Trust Emerging Growth Fund II (1,141,740.083 and 1,194,721.539 units at June 30, 2006 and 2005, respectively)	23,371,419	23,310,212
DeVry Inc. Common Stock (1,703,172.973 and 1,903,395.967 units at June 30, 2006 and 2005, respectively)	11,469,167	11,627,846
Dodge and Cox Balanced Fund (195,976.894 and 173,011.882 units at June 30, 2006 and 2005, respectively)	16,377,789	13,673,129
All other investments	39,722,732	34,570,548
	\$ 197,729,620	\$ 189,623,364

4. **Tax Status:**

The Plan has received a favorable determination letter from the Internal Revenue Service dated April 20, 1995. Furthermore, the Company believes the Plan has been administered in accordance with Internal Revenue Code requirements and is therefore exempt from federal income taxes.

5. **Subsequent Event:**

On July 7, 2006, the Plan changed its Trustee from Ameriprise to Fidelity Investments.

**Supplemental Schedule**

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DEVRY INC.  
PROFIT SHARING RETIREMENT PLAN

Form 5500, Schedule H, Part IV, Line 4(i)  
SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES

AT JUNE 30, 2006

(a)	(b)	(c)	(d)	(e)
Identity of issue, borrower, lessor, or similar party	Description of investment	Cost	Current Value	
*	American Express Trust	U.S. Government Securities Fund II (15,122,563.835 units) \$	15,122,564 \$	15,122,564
	Connecticut General Life Insurance Company	CIGNA Income Fund (3,427,028.377 units)	39,812,476	46,251,175
*	American Express Trust	American Express Trust Equity Index Fund I (140,221.759 units)	4,970,955	5,619,247
	American Century	American Century Income & Growth Fund (Advisor Class) (161,204.251 units)	4,767,239	4,950,582
	Bank of America	Large Cap Core Fund (4,867,085.370 units)	43,543,875	45,414,774
*	American Express Trust	The Growth of America Fund (164,557.592 units)	5,115,355	5,185,210
*	American Express Trust	American Express Trust Emerging Growth Fund II (1,141,740.083 units)	21,258,877	23,371,419
*	American Express Trust, Trustee	DeVry Stock Fund (1,703,172.973 units)	13,487,129	11,469,167
	PIMCO	Total Return Fund (Institutional Class) (627,700.360 units)	6,662,611	6,389,990

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The Vanguard Group, Inc.	Vanguard Target Retirement Inc. (13,614.300 units)	143,025	139,138
	Vanguard Target Retirement Fund 2005 (79,644.142 units)	865,043	871,307
	Vanguard Target Retirement Fund 2015 (113,843.023 units)	1,301,165	1,321,717
	Vanguard Target Retirement Fund 2025 (103,508.684 units)	1,218,904	1,241,069
	Vanguard Target Retirement Fund 2035 (90,109.551 units)	1,084,344	1,138,084
	Vanguard Target Retirement Fund 2045 (50,319.531 units)	622,665	656,167
Dodge and Cox	Balanced Fund (195,976.894 units)	15,586,899	16,377,789
Causeway Capital Management	International Value Fund (Institutional Class) (482,674.493 units)	7,906,815	8,837,770
* American Express Trust, Trustee	Participant Loans (Interest rates of 5% to 9.5%)	-	3,323,621
* American Express Trust	Cash	48,830	48,830
		\$ 183,518,771	\$ 197,729,620

\* *Indicates party-in-interest*