

**ST. THOMAS UNIVERSITY, INC.**

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SINGLE AUDIT REPORT IN ACCORDANCE  
WITH THE UNIFORM GUIDANCE AND SECTION 10.650,  
RULES OF THE FLORIDA AUDITOR GENERAL

JUNE 30, 2017

**ST. THOMAS UNIVERSITY, INC.**

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**TABLE OF CONTENTS**

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	1 - 2
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND PROJECT, INTERNAL CONTROL OVER COMPLIANCE AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.650, <i>RULES OF THE FLORIDA AUDITOR GENERAL</i>	3 - 4
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE	5
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE	6
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	7 - 8
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS	9



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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To the Board of Trustees  
St. Thomas University, Inc.

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 financial statements of St. Thomas University, Inc. (the "University") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 25, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, 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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of St. Thomas University, Inc.'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 financial statements 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 St. Thomas University, Inc.'s financial statements are 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 financial 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 results of that testing, and not to provide an opinion on the effectiveness of the University'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 University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Monison, Brown, Aziz & Fana*

Miami, Florida  
September 25, 2017

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND PROJECT,  
INTERNAL CONTROL OVER COMPLIANCE AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL  
AWARDS AND STATE FINANCIAL ASSISTANCE REQUIRED BY THE UNIFORM GUIDANCE  
AND CHAPTER 10.650, RULES OF THE FLORIDA AUDITOR GENERAL**

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To the Board of Trustees  
St. Thomas University, Inc.

**Report on Compliance for Each Major Federal Program and State Project**

We have audited St. Thomas University, Inc.'s (the "University") compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* and the requirements described in the *Executive Office of the Governor's State Projects Compliance Supplement*, that could have a direct and material effect on each of the University's major federal programs and state projects for the year ended June 30, 2017. The University's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the University's major federal programs and state projects based on our audit of the types of 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; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"); and Chapter 10.650, *Rules of the Florida Auditor General*. Those standards, the Uniform Guidance and Chapter 10.650, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or major state project occurred. An audit includes examining, on a test basis, evidence about the University'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 each major federal program and state project. However, our audit does not provide a legal determination of the University's compliance.

**Opinion on Each Major Federal Program and State Project**

In our opinion, St. Thomas University, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended June 30, 2017.

## **Report on Internal Control Over Compliance**

Management of St. Thomas University, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the University's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, 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 the University'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 type of compliance requirement of a federal program or state project 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 material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project 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.

### **Purpose of this Report**

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 Uniform Guidance and Chapter 10.650. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.650**

We have audited the financial statements of the University as of and for the year ended June 30, 2017, and have issued our report thereon dated September 25, 2017, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Uniform Guidance and Chapter 10.650 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

*Monison, Brown, Ariz & Fana*

Miami, Florida  
September 25, 2017

**ST. THOMAS UNIVERSITY, INC.**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2017

<b>Federal/State Grantor Pass-through Grantor, Program/Project or Cluster Title</b>	<b>CFDA/ CSFA Number</b>	<b>Contract/ Grant Number</b>	<b>Passed Through to Subrecipients</b>	<b>Total Expenditures</b>
<b>FEDERAL AWARDS:</b>				
<b>U.S. Department of Education</b>				
Student Financial Aid-Cluster				
Federal Direct Student Loans	84.268		\$ -	\$ 46,314,722
Federal Pell Grant Program	84.063		-	2,014,597
Federal Work-Study Program	84.033		-	372,742
Federal Supplemental Educational Opportunity Grants	84.007		-	110,400
Federal Perkins Loan Program - Federal Capital Contribution	84.038		-	4,364,722
Sub-total Student Financial Aid-Cluster Program			-	53,177,183
Passed through Miami-Dade College				
STEM TRAC	84.031C	P03C110190	-	91,925
STEM SPACE	84.031C	P031C160161	-	41,091
Passed through Florida Department of Education				
Twenty-First Century Community Learning Centers	84.287C	853-2447B-7PCC1/ 853-2447B-7PCC2	-	772,357
Pathway to College Success	84.066A	P066A160258	-	135,159
<b>Total U.S. Department of Education</b>			<b>-</b>	<b>54,217,715</b>
<b>U.S. Department of Health and Human Services</b>				
Passed through National Institutes of Health				
National Institute of Health Undergraduate Scholarship (NIH)	93.187	N/A*	-	11,301
Passed through Church World Service, Inc.				
Refugee and Entrant Assistance - Discretionary Grants/ State Administered Programs	93.576/ 93.566	(XK046)/(XK047)/ (XK048)	-	2,071,720
<b>Total U.S. Department of Health and Human Services</b>			<b>-</b>	<b>2,083,021</b>
<b>U.S. Department of Homeland Security</b>				
State Homeland Security Grant Program	97.067	853-5327A-7PE01	-	15,646
<b>Total U.S. Department of Homeland Security</b>			<b>-</b>	<b>15,646</b>
<b>U.S. Department of Agriculture</b>				
Passed through Florida International University				
Hispanic Serving Institutions Education Grants	10.223	2016-38422-25549	-	48,690
<b>Total U.S. Department of Agriculture</b>			<b>-</b>	<b>48,690</b>
			<b>\$ -</b>	<b>\$ 56,365,072</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				
<b>STATE FINANCIAL ASSISTANCE:</b>				
<b>Florida Department of Education:</b>				
Florida Resident Access Grant	48.064	N/A*	\$ -	\$ 1,402,500
Florida Student Assistance Grant	48.054	N/A*	-	414,680
The Florida Bright Futures Scholarship Program	48.059	N/A*	-	69,591
				1,886,771
<b>Florida Department of Highway Safety and Motor Vehicles</b>				
Saint Thomas University License Plate Project	76.058	N/A*	-	6,042
<b>TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE</b>			<b>-</b>	<b>1,892,813</b>
			<b>\$ -</b>	<b>\$ 58,257,885</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE</b>				

\*N/A - not applicable or available.

See accompanying notes to schedule of expenditures of federal awards and state financial assistance.

# ST. THOMAS UNIVERSITY, INC.

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## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE FOR THE YEAR ENDED JUNE 30, 2017

### 1. GENERAL

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The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the "Schedule") presents the activity of all federal awards and state projects of St. Thomas University, Inc. (the "University") for the year ended June 30, 2017. All federal awards and state projects received directly from or passed through government agencies are included in the accompanying Schedule.

### 2. BASIS OF ACCOUNTING

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The accompanying Schedule is presented using the accrual basis of accounting. Federal award expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, or the cost principles contained in Title 2 U.S Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), wherein certain types of expenditures are not allowable or are limited as to reimbursement. State expenditures are recognized in accordance with Chapter 10.650, Rules of the Auditor General of the State of Florida. The amounts reported in the Schedule as expenditures may differ from certain financial reports submitted to Federal funding agencies due to those reports being submitted on either a cash or modified accrual basis of accounting.

### 3. BASIS OF PRESENTATION

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The accompanying Schedule is presented in accordance with the requirements of the Uniform Guidance and Chapter 10.650, Rules of the Auditor General of the State of Florida.

### 4. LOANS OUTSTANDING

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The federal student loan program listed subsequently is administered directly by the University, and balances and transactions relating to this program are included in the University's basic financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. The University had the following loan balances outstanding at June 30, 2017:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Outstanding</u>
Federal Perkins Loan Program	84.038	\$ 3,681,568

### 5. SUBRECIPIENTS

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There were no Federal awards provided to subrecipients.

### 6. INDIRECT COST RATE

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For certain grants the amount expended includes a provisional indirect cost recovery using an approved indirect cost rate of 38% or a lower agreed upon percentage per grant agreement. The University has elected not to use the de minimis indirect cost rate allowed under the Uniform Guidance during the year ended June 30, 2017. For the financial aid program, the University has elected to use the 5% administrative cost allowance based on the U.S. Department of Education Federal Student Aid Handbook.

### 7. REFUGEE AND ENTRANT ASSISTANCE GRANT

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The Refugee and Entrant Assistance grant agreement (the "Grant") between the University and Department of Children and Families Services is based on a negotiated "fee for services." The Grant provides services in three locations: Miami-Dade County, Broward County and West Palm Beach. Church World Services, Inc. is the fiscal agent for this grant. Payments received during fiscal year ending June 30, 2017 for services provided to clients totaled \$1,779,561. At June 30, 2017, the receivable for Miami-Dade County, Broward County and West Palm Beach is approximately \$207,300, \$35,200 and \$34,600, respectively. The University could not obtain a breakdown by CFDA number from the grantor, therefore the expenditures during the year ended June 30, 2017 were not broken down by CFDA number.

ST. THOMAS UNIVERSITY, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2017

**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?  Yes  No

Significant deficiencies identified that are not considered to be material weaknesses?  Yes  None reported

Noncompliance material to financial statements noted?  Yes  No

Federal Programs

Internal control over major programs:

Material weakness(es) identified?  Yes  No

Significant deficiencies identified that are not considered to be material weaknesses?  Yes  None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?  Yes  No

**Identification of major federal programs:**

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
84.268, 84.063, 84.033, 84.007, 84.038 84.287C	Student Financial Aid-Cluster Twenty-First Century Community Learning Centers
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

ST. THOMAS UNIVERSITY, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017

SECTION I - SUMMARY OF AUDITOR'S RESULTS (CONTINUED)

State Projects

Internal control over major state projects:

- Material weakness(es) identified? \_\_\_ Yes \_\_\_ X No
Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_ Yes \_\_\_ X None reported
Type of auditor's report issued on compliance for major projects: Unmodified
Any audit findings disclosed that are required to be reported in accordance with Chapter 10.650, Rules of the Florida Auditor General? \_\_\_ Yes \_\_\_ X No

Identification of major state projects:

Table with 2 columns: CSFA Number, Name of State Project. Rows include 48.064 (Florida Resident Access Grant), 48.054 (Florida Student Assistance Grant), 48.059 (The Florida Bright Futures Scholarship Program), and Dollar threshold used to distinguish between Type A and Type B projects: \$300,000.

SECTION II - FINANCIAL STATEMENT FINDINGS

CURRENT YEAR FINDINGS

None

PRIOR YEAR FINDINGS

None

SECTION III - MAJOR FEDERAL PROGRAMS - FINDINGS AND QUESTIONED COSTS

CURRENT YEAR FINDING

None

SECTION IV - STATE PROJECT FINDINGS AND QUESTIONED COSTS

A management letter is not required as there were no findings required to be reported.

A Summary Schedule of Prior Audit Findings is not required as there were no findings required to be reported related to State Projects.

A Corrective Action Plan is not required as there were no findings required to be reported under the Florida Single Audit Act.

**ST. THOMAS UNIVERSITY, INC.**

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SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2017

<b>Finding #</b>	<b>Finding</b>	<b>Status</b>
2016-01	Untimely return of Title IV funds	Corrected