

Report on the

Troy University - Florida Region Florida Student Financial Assistance Programs

Fort Walton Beach, Florida

2017-2018 Award Year

Filed: January 11, 2019



Department of Examiners of Public Accounts

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Rachel Laurie Riddle, Chief Examiner



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Rachel Laurie Riddle
Chief Examiner

Honorable Rachel Laurie Riddle
Chief Examiner of Public Accounts
Montgomery, Alabama 36130

Dear Madam:

Under the authority of the *Code of Alabama 1975*, Section 41-5A-19 as added by Act Number 2018-129, I submit this report on the results of the audit of the Troy University-Florida Region-Florida Student Financial Assistance Programs for the 2017-2018 award year.

Sworn to and subscribed before me this
the 21 day of December, 2018.

Kelly D. Matthews
Notary Public

Respectfully submitted,

Lynette Long

Lynette Long
Examiner of Public Accounts

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Department of
Examiners of Public Accounts

SUMMARY

**Troy University – Florida Region
Florida Student Financial Assistance Programs
2017-2018 Award Year**

Troy University – (the “University”) is a state-supported public institution of higher education. The University offers studies in the following colleges: the College of Education; the College of Arts and Sciences; the College of Communication and Fine Arts; the College of Health and Human Services; and the Sorrell College of Business.

This report presents the results of an audit, the objectives of which were to determine whether the University complied with applicable laws and regulations relating to the Florida Student Financial Assistance Programs. The audit was conducted 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, as well as, audit guidance provided by the Florida Department of Education.

An unmodified opinion was issued on the Schedule of Expenditures for the Florida Student Financial Assistance Programs, which means the financial schedule presents fairly, in all material respects, the disbursements made by the University under each of its Florida Student Financial Assistance Programs relating to the 2017-2018 award year.

There were no findings in the prior audit.

Tests performed during the audit did not disclose any significant instances of noncompliance with applicable laws and regulations.

The following officials/employees were invited to an exit conference to discuss the findings and recommendations appearing in this report: Tara Donaldson, Associate Vice-Chancellor and Controller. The following individuals attended the exit conference via teleconference: Tara Donaldson, Associate Vice-Chancellor and Controller and Conni Moseley, Assistant Controller. Representing the Department of Examiners of Public Accounts was Lynette Long, Examiner.

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Independent Auditor's Report

Independent Auditor's Report

Troy University Board of Trustees
Dr. Jack Hawkins, Jr., Chancellor – Troy University
Troy, Alabama 36082

Report on the Financial Statements

We have audited the accompanying Schedule of Expenditures for the Florida Student Financial Assistance Programs (the “Schedule”) of the Troy University (the “University”), for the 2017-2018 award year.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the Schedule in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Schedule that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Schedule 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; and the Audit Guidance provided by the Florida Department of Education Office of Student Financial Assistance. Those standards and guidance require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedule. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the Schedule, 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 Schedule 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 Schedule.

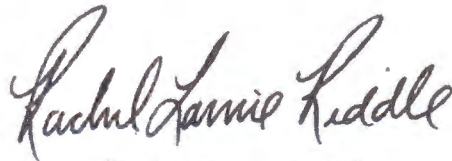
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Schedule of Expenditures for the Florida Student Financial Assistance Programs referred to above presents fairly, in all material respects, the awards issued in the 2017-2018 award year under the University's Florida Student Financial Assistance Programs in conformity with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2018, on our consideration of the University's internal control over the student financial assistance programs and on our tests of its compliance with applicable statutes and rules. The purpose of that report is to describe the scope of our testing of internal control over the Schedule and compliance and the results of that testing, and not to provide an opinion on the internal control over the Schedule 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 the Schedule and compliance.



Rachel Laurie Riddle
Chief Examiner
Department of Examiners of Public Accounts

Montgomery, Alabama

November 6, 2018

***Schedule of Expenditures for the Florida Student
Financial Assistance Programs
Year Ended September 30, 2018***

Florida Student Assistance Grant

Disbursements	\$ 5,220.00
Total	<u>5,220.00</u>

Bright Futures Florida Medallion Scholars Award

Disbursements	<u>693.00</u>
Total	<u>693.00</u>

**Scholarships for Children and Spouses of Deceased
or Disabled Veterans**

Disbursements	<u>6,360.00</u>
Total	<u>\$ 6,360.00</u>

See accompanying Notes to the Schedule of Expenditures for Florida Student Financial Assistance Programs.

Notes to the Schedule of Expenditures for the Florida Student Financial Assistance Programs

Basis of Presentation

1. The purpose of the accompanying Schedule of Expenditures for the Florida Student Financial Assistance Programs is to present student financial assistance activities as listed on the Reconciliation Report for the applicable program.
2. The purpose of the accompanying Summary of Population, Items Tested and Findings for the Florida Student Financial Assistance Programs is to present, in summary form, for each program.
 - ◆ the number of students in the population, the number selected for testing and the number associated with findings,
 - ◆ the number of term awards in the population, the number of term awards selected for testing and the number of term awards associated with questioned disbursements,
 - ◆ the dollar amount disbursed to the population, the dollar amount tested, and the dollar amount of questioned disbursements.
3. The University disbursed aid from the following programs during the period covered by this audit.
 - ◆ *Florida Student Assistance Grant (“FSAG”)* – The FSAG program is a need-based grant program to degree seeking, resident, undergraduate students who demonstrate substantial financial need and are enrolled in participating postsecondary institutions.
 - ◆ *Bright Futures Florida Scholarship Award (“BF”)* – The Florida Bright Futures Scholarship Program establishes three lottery-funded scholarships to reward Florida high school graduates for high academic achievement. The Florida Bright Futures Scholarship Program is comprised of the following three awards:
 - ✓ Florida Academic Scholars (FAS) award (no disbursements)
 - ✓ Florida Medallion Scholars (FMS) award
 - ✓ Florida Gold Seal Vocational Scholars (GSV) award (no disbursements)
 - ◆ *Scholarships for Children and Spouses of Deceased or Disabled Veterans (“CDDV”)* – This scholarship program (CDDV) provides scholarships for dependent children or spouses who are not remarried of Florida veterans who died as a result of service-connected injuries, diseases, or disabilities sustained while on active duty or who have been verified by the Florida Department of Veterans' Affairs as having service-connected 100% permanent and total disabilities. The program also provides funds for dependent children whose parent is classified as a prisoner of war or missing in action by the Armed Forces of the United States or as civilian personnel captured while serving with the consent or authorization of the United States Government during wartime service.

***Summary of Population, Items Tested and Findings for the
Florida Student Financial Assistance Programs
Year Ended September 30, 2018***

Description of Category	Number of Students (Findings)	Percent of Population (Tested)
<u>Florida Student Assistance Grant</u>		
Population	2	100.00%
Tested	2	100.00%
Findings	0	0.0%
<u>Bright Futures Florida Medallion Scholars Award</u>		
Population	1	100.00%
Tested	1	100.00%
Findings	0	0.0%
<u>Scholarships for Children and Spouses of Deceased or Disabled Veterans</u>		
Population	2	100.00%
Tested	2	100.00%
Findings	0	0.0%

Number of Awards (Questioned)	Percent of Population (Tested)	Amount of Awards (Questioned)	Percent of Population (Tested)
4	100.00%	\$ 5,220.00	100.00%
4	100.00%	5,220.00	100.00%
0	0.0%		0.0%
1	100.00%	\$ 693.00	100.00%
1	100.00%	693.00	100.00%
0	0.00%		0.0%
3	100.00%	\$ 6,360.00	100.00%
3	100.00%	6,360.00	100.00%
0	0.0%		0.0%

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Additional Information

Board Members and Officials
October 1, 2017 through September 30, 2018

Board Members	Term Expires
Hon. Kay Ivey, President	Ex-Officio
Hon. Gerald O. Dial, President Pro Tempore	2027
Hon. John D. Harrison, Vice-President Pro Tempore	2019
Hon. Forrest S. Latta	2027
Hon. Earl V. Johnson	2027
Hon. Allen E. Owen, III	2023
Hon. Lamar P. Higgins	2019
Hon. C. Gibson Vance	2023
Hon. Karen E. Carter	2019
Hon. Roy H. Drinkard	2023
Hon. C. Charles Nailen, Jr.	2021
Hon. Edward F. Crowell	2021

Officials

Dr. Jack Hawkins, Jr.
Chancellor

Dr. James Bookout, Sr.
Vice-Chancellor for Finance and Business Affairs

***Report on Compliance With Requirements for Each Florida
Student Financial Assistance Program and on Internal
Control Over Compliance in Accordance With the Guidance
Issued by the Florida Department of Education***

Independent Auditor's Report

Troy University Board of Trustees
Dr. Jack Hawkins, Jr., Chancellor – Troy University
Troy, Alabama 36082

Report on Compliance for the Florida Student Financial Assistance Programs

We have audited Troy University's (the "University") compliance with the program requirements described in the Florida State Board of Education Administrative Rules and the audit guidance provided by the Florida Department of Education that could have a direct and material effect on the University's Florida Student Financial Assistance Programs for the 2017-2018 award year. The University's Florida Student Financial Assistance Programs 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 the Florida Student Financial Assistance Programs.

Auditor's Responsibility

Our responsibility is to express an opinion on the University's compliance with the 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 audit guidance provided by the Florida Department of Education. Those standards and program guidance 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 the Florida Student Financial Assistance Programs occurred. An audit also 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 our audit provides a reasonable basis for our opinion on compliance for its Florida Student Financial Assistance Programs. However, our audit does not provide a legal determination on the University's compliance.

***Report on Compliance With Requirements for Each Florida
Student Financial Assistance Program and on Internal
Control Over Compliance in Accordance With the Guidance
Issued by the Florida Department of Education***

Opinion on Florida Student Financial Assistance Programs

In our opinion, the University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its Florida Student Financial Assistance Programs for the 2017-2018 award year.

Report on Internal Control Over Compliance

The management of the University 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 requirements that could have a direct and material effect on its Florida Student Financial Assistance Programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its Florida Student Financial Assistance Programs and to test and report on internal control over compliance in accordance with the audit guidance provided by the Florida Department of Education, 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 program 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 program 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 with a type of compliance requirement of a program 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 the 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, as defined above. However, material weaknesses may exist that have not been identified.

***Report on Compliance With Requirements for Each Florida
Student Financial Assistance Program and on Internal
Control Over Compliance in Accordance With the Guidance
Issued by the Florida Department of Education***

Purpose of the 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 provided by the Florida Department of Education. Accordingly, this report is not suitable for any other purpose.



Rachel Laurie Riddle
Chief Examiner
Department of Examiners of Public Accounts

Montgomery, Alabama

November 6, 2018

Schedule of Findings and Questioned Costs
2017-2018 Award Year

Section I – Summary of Examiner's Results

Schedule of Expenditures for the Florida Student Financial Assistance Programs

Type of opinion issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified? _____ Yes X None reported

Noncompliance material to financial statements noted? _____ Yes X No

Compliance – Florida Student Financial Assistance Programs

Internal control over major programs:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified? _____ Yes X 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 the audit guidance provided by the Florida Department of Education? _____ Yes X No

Florida Student Financial Assistance Programs
Florida Student Assistance Grant (FSAG) Bright Futures Florida Scholarship Award (BF) Scholarships for Children and Spouses of Deceased or Disabled Veterans (CDDV)

Section II – Schedule of Expenditures for the Florida Student Financial Assistance Programs Findings

There were no internal control or compliance related matters noted related to the Schedule of Expenditures for the Florida Student Financial Assistance Programs.

Section III – Findings and Questioned Costs for the Florida Student Financial Assistance Programs

No matters were reportable for the Florida Student Financial Assistance Programs.