



January 12, 2018

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Dr. Everett Blair Ward
President
Saint Augustine's University
1315 Oakwood Avenue
Raleigh, NC 27610-2298

Dear Dr. Ward:

The following action regarding your institution was taken by the Board of Trustees of the Southern Association of Colleges and Schools Commission on Colleges during its meeting held on December 3, 2017:

The SACSCOC Board of Trustees reviewed (1) a Third Monitoring Report that originated from unsolicited information regarding the institution's financial status, including financial statements, (2) a Special Committee Report, and (3) a Referral Report from the submission of the institution's Fifth-Year Interim Report in December 2016, and continued accreditation for Good Cause and that the institution be continued on Probation for twelve months for failure to comply with Core Requirement 2.11.1 (Financial resources and stability), Comprehensive Standard 3.3.1.1 (Institutional effectiveness: educational programs), Comprehensive Standard 3.10.1 (Financial stability), and Comprehensive Standard 3.10.3 (Control of finances) of the *Principles of Accreditation*. A Special Committee was authorized to visit the institution to determine compliance with the standards cited above.

The institution is requested to submit a Fourth Monitoring Report due at least four weeks before the Special Committee visit but **no later than September 7, 2018**, addressing the visiting committee's recommendations applicable to the following referenced standards of the *Principles*:

CR 2.11.1 (Financial resources and stability), Recommendation 2

This standard expects an institution to have a sound financial base and demonstrated financial stability to support the mission of the institution and the scope of its programs and services. Further, it expects a member institution to provide the following financial statements: (1) an institutional audit (or Standard Review Report issued in accordance with Statements on Standards for Accounting and Review Services issued by the AICPA for those institutions audited as part of a system-wide or statewide audit) and written institutional management letter for the most recent fiscal year prepared by an independent certified public accountant and/or an appropriate governmental auditing agency employing the appropriate audit (or Standard Review Report) guide; (2) a statement of financial position of unrestricted net assets, exclusive of plant assets and plant-related debt, which represents the change in unrestricted net assets attributable to operations for the most recent year; and (3) an annual budget that is preceded by sound planning, is subject to sound fiscal procedures, and is approved by the governing board.

CS 3.10.1 (Financial stability), Recommendation 4

This standard expects an institution's recent financial history to demonstrate financial stability.

Significant enrollment declines through 2015 with increases in fall 2016 and fall 2017, but net tuition and fee revenue decreased from \$14.6M to \$10.6M in FY 2016. Net tuition and fees only