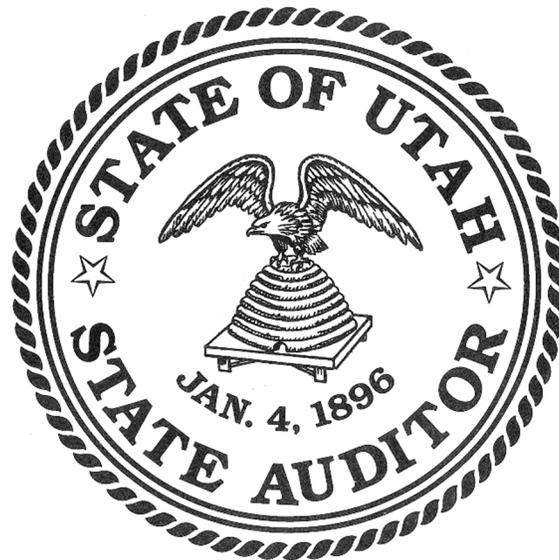


Dixie State University

Perkins Loan Program Liquidation
Agreed-Upon Procedures Report
For the Year Ended June 30, 2019

Report No. 19-32



OFFICE OF THE STATE AUDITOR

AUDIT LEADERSHIP:

John Dougall, State Auditor
Bertha Lui, CPA, Senior Audit Manager
Andrew Driggs, Audit Senior



OFFICE OF THE
STATE AUDITOR

INDEPENDENT STATE AUDITOR'S REPORT

To the Board of Trustees, Audit Committee,
and
Richard B. Williams, President
Dixie State University

We have performed the procedures enumerated below, which were agreed to by Dixie State University's (University) management, solely to assist you in evaluating whether the University has performed its Perkins Loan close-out in accordance with the requirements as outlined in the U.S. Department of Education's Federal Perkins Loan Program – Assignment and Liquidation Guide (Guide) for the year ended June 30, 2019. The University's management is responsible for its compliance with those requirements. The sufficiency of these procedures is solely the University's responsibility. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and the associated findings are as follows:

- a. We verified that the University notified the U.S. Department of Education (ED) via COD of its intent to liquidate its Perkins loan portfolios.
- b. Since the University completed the liquidation of its Perkins loan portfolio as of June 30, 2019, we verified that the University has assigned to ED all Perkins loans with outstanding balances. The University was not required to purchase any of the outstanding Perkins loans.
- c. The process of liquidating outstanding loans has been completed; therefore, we did not verify that the University informed ED of how the University would provide for the collection of outstanding loans made under the program.
- d. We reviewed and verified the following:
 - 1) All loans for the total of 3,056 borrowers in the portfolio have been accounted for as of June 30, 2019. There were 2,454 borrowers whose loans were fully retired and 602 borrowers whose loans were assigned to ED (including the 232 loans that were assigned to ED during liquidation). We did not note any differences in the total number of borrowers reported.

The outstanding principal balance assigned and accepted according to ED records was \$17 more than the corresponding balance shown on the University’s loan management system and the 2018-19 FISAP report. We noted no difference between the University’s computed accumulated interest reported on the 18–19 FISAP report and what was shown on the ED records.

- 2) Teacher, service, and other loan cancellation data counted in Part III, *Fiscal Report* (Section A, lines 7–25 and 35–52), and all of the data in Part III, *Cumulative Repayment Information* (Section C, lines 1.1–5.4) as of June 30, 2019.

We used the report generated from the University’s loan management system and noted several differences between the system report and the 18-19 FISAP report as follows:

FISAP Part III, Section A Differences			
Line Item	2018-19 FISAP Report	University System Amount on June 30, 2019	Difference
8	\$ 17,913	\$ 17,911	\$ 2
37	287,243	288,977	(1,734)
42	957,732	959,810	(2,078)
49	165,352	165,133	219

- 3) The \$2,241,648 Federal Capital Contribution (FCC) reported at the end of fiscal year 2019 (as in Section A, lines 27–28).
 - 4) The \$490,659 Institutional Capital Contribution (ICC) reported at the end of fiscal year 2019 (as in Section A, line 29.2).
 - 5) The \$180,563 overall cash-on-hand or excess cash amounts on June 30, 2019 (as reported on Section A, line 1.1) to the University’s general ledger.
- e. We validated that the distributional shares of the final capital distribution were calculated using the Guide’s Over-time Calculation. The University had not returned to the U.S. Treasury the \$148,138 federal portion as of January 15, 2020.

Except as noted in d.1, d.2, and e., we found no exceptions as a result of these procedures.

This agreed-upon procedures engagement was conducted in accordance with the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

We were not engaged to and did not conduct an examination. Accordingly, we do not express any such opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of the agreed-upon procedures and the results of those procedures. Accordingly, this communication is not suitable for any other purpose. However, pursuant to Utah Cod Title 63G Chapter 2, this report is a matter of public record and, as such, its distribution is not limited.

Office of the State Auditor

Office of the State Auditor

January 15, 2020