

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES

UNIVERSITY OF SOUTHERN INDIANA

EVANSVILLE, INDIANA

July 1, 2001 to June 30, 2015



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**INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES**

To: The Management of the University of Southern Indiana

We have performed the procedures enumerated below, which were agreed to by the management of the University of Southern Indiana (University), solely to assist you in determining whether the University of Southern Indiana has properly performed end-of-participation procedures as they relate to the Federal Perkins Loan Program (Loan Program). The engagement covered the period of July 1, 2001 to June 30, 2015. The University's management is responsible for the completion of the close-out for the Loan Program as described in the Federal Perkins Loan Liquidation and Closeout Procedures document revised October 28, 2014. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. 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 associated findings are as follows:

1. We obtained and reviewed the Fiscal Operations Report and Application to Participate (FISAP) for 2001-2002. The 2001-2002 FISAP was the last year Loan Program activity was reported. In Part II, Section B, indicated the University's intent to liquidate. Additionally, we obtained and reviewed an email with the required disclosures, which the U.S. Department of Education (Department) accepted as written notification.

No exceptions were found as a result of applying these procedures.

2. We obtained and reviewed an email confirming that all the Perkins Loans had been assigned and the balance of outstanding loans was \$0.

No exceptions were found as a result of applying these procedures.

3. We obtained and reviewed the supporting documentation maintained by the University to verify that the following information had been reconciled:

(a) All loans for the total number of borrowers that make up the portfolio had been accounted for;

(b) Service cancellation date on Section A and all of the data on Section C of Part III of the University's latest submitted FISAP;

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- (c) The Federal Capital Contribution (FCC);
- (d) The Institutional Capital Contribution (ICC);
- (e) Overall cash on hand or excess cash amounts.

No exceptions were found as a result of applying these procedures.

4. We calculated the Department's federal share of the University's Perkins program fund using the "over-time" formula as outlined below and utilizing data from the 2010-2011 FISAP.

Federal Capital Contributions (Field Item 27): \$366,455

Repayments of Fund capital to federal government (Field Item 28): \$268,992

Net Federal Capital Contributions (Federal Capital Contributions minus Repayments of Fund Capital to federal government): \$97,463

Institutional Capital Contributions (Field Item 29.3): \$55,046

Repayments of Fund capital to school (Field Item 30.3): \$43,833

Net institutional Capital Contributions (Institutional Capital Contributions minus Repayments of Fund capital to school): \$11,213

Cash on hand (Field Item 1.1 or 1.2): \$1,811.52

Formula: $\frac{\text{net FCC}}{\text{(net FCC + net ICC)}} \times \text{Cash on Hand} = \text{Final Capital Distribution}$

$$\frac{97,463}{108,676} \times 1,811.52 = \$1,612.25$$

No exceptions were found as a result of applying these procedures.

5. We obtained and reviewed check voucher I0157165, processed on October 5, 2011, for the period ending September 30, 2011, ensuring the amount calculated as the University's federal share was returned to the Department.

No exceptions were found as a result of applying these procedures.

6. We obtained the 2014-2015 FISAP and reviewed the data reported. We ensured the Field Items outlined below had the correct values reported.

- (a) All outstanding loans have been fully retired, including those loans it purchased or that the Department accepted for assignment;
- (b) The federal share of cash on hand has been returned to the Department. Report must show zero entered for Cash on hand as of 6/30 and Cash on hand as of 10/31 (Part III. Section A Field Items 1.1 and 1.2);

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(c) Entries for Repayments of Fund capital to federal government (Field Item 28) and Repayments of Fund capital to school (Field Item 30.3) equal the amounts returned to the Department and reclaimed by the University;

(d) Entries in the following Field Items of Part III. Section C. are zero:

- (i) total borrowers not in repayment status (Field Item 3),
- (ii) borrowers on schedule in repayment status (Field Item 4),
- (iii) in default less than 240 days (monthly installments) or less than 270 days (other installments) (Field Item 5.1),
- (iv) in default more than 2 years but not more than 5 years (Field Item 5.3), and
- (v) in default more than 5 years (Field Item 5.4);


(e) Amounts pertaining to loans that have been fully retired, purchased or assigned are entered in the following Field Items of Part III. Section C:

- (i) borrowers whose loans are fully retired (Field Item 1.1). This would include borrowers whose loans were purchased;
- (ii) amount of loans that have been purchased (Field Item 1.2),
- (iii) borrowers whose loans were assigned to and officially accepted by the Department as of June 30 (Field item 2),
- (iv) assignments due to default or liquidation (Field Item 2.1), and
- (v) assignments due to total and permanent disability discharge (Field Item 2.2).

No exceptions were found as a result of applying these procedures.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on whether the University properly performed end-of-participation procedures, as they relate to the Loan Program. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management of the University, and is not intended to be and should not be used by anyone other than those specified parties.


Paul D. Joyce, CPA
State Examiner

February 24, 2016