

**STEPHEN F. AUSTIN STATE UNIVERSITY**

*INDEPENDENT ACCOUNTANTS' REPORT  
ON AGREED-UPON PROCEDURES*

*FEDERAL PERKINS LOAN PROGRAM CLOSEOUT*

# STEPHEN F. AUSTIN STATE UNIVERSITY

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## INFORMATION SHEET

### School Information

Stephen F. Austin State University  
OPEID# 00362400  
UEID# KB7KMZD3GF51

#### *Primary Contact:*

Jane Bridges  
Chief Audit Executive  
[bridgesjal@sfasu.edu](mailto:bridgesjal@sfasu.edu)  
1936 North Street | P.O. Box 6121 SFA Station | Nacogdoches, TX 75962  
Tel 936.468.5240

### Auditor Information

Belt Harris Pechacek, LLLP  
ID of License Holder Below: CPA License 58056 Texas

#### *Primary Contact:*

Robert Belt, CPA, CGMA  
Managing Partner  
[rbelt@txauditors.com](mailto:rbelt@txauditors.com)  
3210 Bingle Rd., Ste. 300 | Houston, TX 77055  
Tel: 713.263.1123



***INDEPENDENT ACCOUNTANTS' REPORT  
ON AGREED-UPON PROCEDURES  
FEDERAL PERKINS LOAN PROGRAM CLOSEOUT***

To the Internal Audit Committee of  
Stephen F. Austin State University:

We have performed the procedures enumerated below on Stephen F. Austin State University's (the "University") end-of-participation responsibilities for the Federal Perkins Loan Program (the "Program"), as requested by the University, an agency of the State of Texas.

**Management's Responsibilities**

Management is responsible for the preparation and fair presentation of this financial information 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 a financial information that is free from material misstatement, whether due to fraud or error. Additionally, management is responsible for compliance with laws and regulations, including federal statutes, regulations, and the terms and conditions of federal awards applicable to the Program and for establishing and maintaining effective internal control over compliance with the types of compliance requirements.

**Sufficiency of Procedures**

The University has agreed to and acknowledged that the procedures performed are appropriate to meet the purposes of evaluating whether it has properly performed its end-of-participation responsibilities for the Program as outlined in the U.S. Department of Education's (the "Department") Federal Perkins Loan Program Assignment and Liquidation Guide (the "Guide"). Additionally, to the extent that the Department has published the Guide, the Department has indirectly acknowledged the procedures performed are appropriate for their purposes. The report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report, as users are responsible for determining whether the procedures are appropriate for their purposes. 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.

## Procedures and Associated Findings

- a. We obtained and inspected documentation that the University has returned any unspent funds as a result of ending its participation in the Program.

We found no exceptions as a result of this procedure.

- b. We verified that the University notified the Department of its intent to liquidate its Program portfolios via the Common Origination and Disbursement (COD) System. The University's electronic Intent to Liquidate form was submitted to COD on September 24, 2018.

We found no exceptions as a result of this procedure.

- c. We confirmed that the University has completed the liquidation of its Program portfolios and all loans with outstanding balances have either been assigned and accepted by the Department or purchased by the University.

We found no exceptions as a result of this procedure.

- d. We verified that the University notified its Perkins Portfolio and Liquidation Team point of contact of the intent to purchase unassignable loans.

We found no exceptions as a result of this procedure.

- e. We verified that the University maintained program and fiscal records of all Program funds since the most recent Fiscal Operations Report (FISAP) was submitted and confirmed that the following information was reconciled:

- 1) All loans for the total number of borrowers in the University's portfolio have been accounted for. This includes:

- i. Retired loans, including loans purchased, and
- ii. Loans assigned to the Department, including validation of the computed accumulated interest charged on the loans.

- 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);

- 3) The Federal Capital Contribution (FCC);

- 4) The Institutional Capital Contribution (ICC); and

- 5) Overall cash on hand amounts.

- f. We inquired of management if any data was found to be inaccurate on the latest submitted FISAP and if applicable, confirm that it was corrected and resubmitted to the Department.

We found no inaccuracies on the latest submitted FISAP.

## **Emphasis of Matter**

While the results of our procedures are not modified with respect to this matter, the University is an agency of the State of Texas (the “State”). The Texas State Auditor’s Office performs the statewide Single Audit. Our procedures related solely to the University’s end-of-participation procedures for the Program and not to any other state agency or in conjunction with the statewide Single Audit.

## **Limited Use**

We were engaged by the University to perform this agreed-upon procedures engagement and conduct our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an examination, the objective would be the expression of an opinion or conclusion. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

## **Independence**

We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related to our agreed-upon procedures engagement.

## **Restricted Use**

This report is intended solely for the information and use of the University’s management, the Board of Regents, and the Department and is not intended to be, and should not be, used by anyone other than these specified parties.

*BELT HARRIS PECHACEK, LLLP*

Belt Harris Pechacek, LLLP  
*Certified Public Accountants*  
Houston, Texas  
September 26, 2023