

# MCNEESE STATE UNIVERSITY

UNIVERSITY OF LOUISIANA SYSTEM  
STATE OF LOUISIANA

FINANCIAL AUDIT SERVICES

**Agreed-Upon Procedures Report**  
**Issued May 15, 2024**

**LOUISIANA LEGISLATIVE AUDITOR  
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May 15, 2024

Independent Accountant's Report on the  
Application of Agreed-Upon Procedures

**DR. DARYL BURCKEL, PRESIDENT  
MCNEESE STATE UNIVERSITY  
UNIVERSITY OF LOUISIANA SYSTEM  
STATE OF LOUISIANA**  
Lake Charles, Louisiana

We have performed the procedures enumerated below, which were agreed to by you, as President of McNeese State University (MSU), solely to assist you in determining whether you have properly performed end-of-participation procedures for the Federal Perkins Loan Program per the compliance requirements outlined in Title 34 Code of Federal Regulation (CFR) Section 668.14, 34 CFR Section 668.26, 34 CFR Section 674, as specified below, and the procedures contained in the Federal Perkins Loan Program Assignment and Liquidation Guide. MSU management is responsible for compliance with Perkins Loan Liquidation requirements. 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 the management of MSU. Management of MSU has acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement. This 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 and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures that we performed and our findings are as follows:

**AGREED-UPON PROCEDURES**

1. We obtained and inspected documentation that MSU has returned any unspent funds as a result of ending its participation in the Perkins Loan Program [34 CFR Section 668.14(b)(25)].

We found no exceptions as a result of these procedures.



2. We obtained and inspected the notification that MSU used to advise the United States Department of Education (Department) of MSU's intent to liquidate its Perkins Loan Portfolio and end participation in the Perkins Loan Program [34 CFR Section 668.26(b)(1)].

We found no exceptions as a result of these procedures.

3. We confirmed that MSU has either purchased any outstanding loans left in its Perkins Loan Portfolio or assigned them to the Department [34 CFR Sections 674.8(d), 674.17(a)(2), and 674.45(d)(2)].

We found no exceptions as a result of these procedures.

4. We were to confirm that MSU informed the Department of how it would provide for the collection of the outstanding loans made under the program [34 CFR Section 668.26(b)(4)].

We were unable to confirm that MSU, after the point of notification of liquidation, informed the Department of how it would provide for the collection of the outstanding loans made under the program because MSU confirmed that as of February 17, 2024, all loans had been either fully retired, or assigned and accepted by the Department.

5. We obtained and inspected program and fiscal records of all Perkins funds since the most recent Fiscal Operations Report and Application to Participate (FISAP) was submitted and confirmed that the information below was reconciled at least monthly [34 CFR Section 674.19(d)]:

- (a) All loans for the total number of borrowers that make up the portfolio have been accounted for. This includes:
  - Retired loans, including loans purchased
  - Loans assigned to the Department, including validation of the computed accumulated interest charged on the loans.
- (b) Teacher, service, and other loan cancellation data in Section A and all of the data in Section C of Part III of the school's latest submitted FISAP
- (c) The Federal Capital Contribution
- (d) The Institutional Capital Contribution
- (e) Overall cash on hand or excess cash amounts. This overall cash on hand amount could include payment to the Federal Perkins Loan Fund for any loans the school has purchased.

For enumerated procedure 5(b), we noted two misclassification differences that impacted both Section A and Section C of Part III of the school's latest submitted FISAP. We noted one instance where a borrower was listed on Part III, Section C of the FISAP on row 5.2 which reports loans in default 240 days or more (monthly installments) or 270 days or more (other installments), up to two years; but should have been reported on row 2.1 because as of June 30, 2023, this loan was assigned to the Department due to default or liquidation. We also noted one instance where a borrower was reported on Part III, Section C of the FISAP on row 2.1 which includes loans classified as being assigned to the Department due to default or liquidation, but should have been reported on row 2.2 with loans classified as assigned to the Department due to total and permanent disability discharge.

These errors to Section C noted above caused corresponding corrections to Section A of Part III to increase the number of borrowers on row 6 by one to 488 and increase the loan principal assigned to and accepted by the United States by \$7,650 to \$1,047,861. This section also required an increase of \$7,650 to row 53 for the cost of loan principal and interest assigned to and accepted by the United States bringing the total to \$1,340,273.

We found no exceptions as a result of enumerated procedures 5(a) and (c) through (e).

6. We inquired if any data was found to be inaccurate on the latest submitted FISAP and confirmed that the FISAP was corrected and resubmitted to the Department by MSU.

As result of the classification differences noted in step 5, we confirmed that the June 30, 2023, FISAP was corrected and resubmitted in May 2024.

An agreed-upon procedures engagement involves the practitioner performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed. We were not engaged to, and did not, conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the compliance with Title 34 CFR, Section 668.14, 34 CFR Section 668.26, 34 CFR Section 674, as specified above, and the procedures contained in the Federal Perkins Loan Program Assignment and Liquidation Guide. 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.

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

This report is intended solely for the information and use of the President of MSU, and is not intended to be, and should not be, used by anyone other than this specified party. By provisions of state law, this report is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,



Michael J. "Mike" Waguespack, CPA  
Legislative Auditor

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