

# UTAH HIGHER EDUCATION ASSISTANCE AUTHORITY

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Letter of Credit and Reimbursement Agreement  
with the Royal Bank of Canada  
Related to the Senior Series 2011A Student Loan Revenue Bonds  
For the Year Ended June 30, 2013

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Report No. 13-17



OFFICE OF THE  
UTAH STATE AUDITOR

# **UTAH HIGHER EDUCATION ASSISTANCE AUTHORITY**

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Letter of Credit and Reimbursement Agreement  
with the Royal Bank of Canada  
Related to the Senior Series 2011A Student Loan Revenue Bonds  
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Report No. 13-17

**AUDIT TEAM:**

Van Christensen, CPA, Audit Director  
Scott Parke, CPA, Audit In-Charge

**UTAH HIGHER EDUCATION ASSISTANCE AUTHORITY**  
LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT  
WITH THE ROYAL BANK OF CANADA  
RELATED TO THE SENIOR SERIES 2011A STUDENT LOAN REVENUE BONDS  
FOR THE YEAR JUNE 30, 2013

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OFFICE OF THE  
UTAH STATE AUDITOR

INDEPENDENT STATE AUDITOR'S REPORT ON COMPLIANCE

To the Board of Directors and Audit Committee,  
Utah Higher Education Assistance Authority  
and  
David L. Buhler, Commissioner of Higher Education

We have audited, in accordance with auditing standards generally accepted in the United States of America, the Statement of Net Position of the State Board of Regents of the State of Utah Student Loan Purchase Program (Program) as of June 30, 2013, and the related Statement of Revenues, Expenses, and Changes in Net Position and Statement of Cash Flows and related notes to the financial statements and have issued our report thereon dated September 26, 2013.

In connection with our audit, nothing came to our attention that causes us to believe that the Program failed to comply with the terms, covenants, provisions, or conditions of section 6.01 of the Letter of Credit and Reimbursement Agreement dated September 1, 2011, with the Royal Bank of Canada insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention that would have been included in this report.

This report is intended solely for the information and use of UHEAA's management, Board of Directors, and Audit Committee, and the Royal Bank of Canada and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*Office of the Utah State Auditor*

Office of the Utah State Auditor  
September 26, 2013



OFFICE OF THE  
**UTAH STATE AUDITOR**

**INDEPENDENT STATE AUDITOR'S REPORT ON APPLYING  
AGREED-UPON PROCEDURES**

To the Board of Directors and Audit Committee,  
Utah Higher Education Assistance Authority  
and  
David L. Buhler, Commissioner of Higher Education

We have performed the procedures enumerated below, which were agreed to by the Utah Higher Education Assistance Authority (UHEAA), solely to assist you in evaluating whether the Collateral Requirement Certificates submitted during the year ended June 30, 2013 were correct.

UHEAA management is responsible for the correct preparation of the Collateral Requirement Certificates. This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of UHEAA. Consequently, we make no representation regarding the sufficiency of the procedures either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures are described below.

We selected the June 30, 2013 Collateral Requirement Certificate (Certificate) and performed the following:

- a) We agreed all current quarter amounts on the Certificate over \$1,000,000, plus 10 percent of those amounts less than \$1,000,000, to supporting documentation.
  - Draws and deposits in the Operating Account section were both overstated by \$9,820,000, while draws and deposits in the Payment Account section were both understated by \$9,820,000. Both the ending Operating Account and Payment Account balances were correct. These discrepancies did not affect the Senior Asset Ratio calculation.
- b) We agreed the Certificate's prior quarter amounts to the December 31, 2011 Certificate with no exceptions noted.
- c) We checked the Certificate for mathematical accuracy and recalculated the Senior Asset Ratio with no exceptions noted.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the Certificates or internal controls over the Certificates' preparation. Accordingly, we do not express such an opinion. Had we performed other procedures, other matters may have come to our attention that would have been included in this report.

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*Office of the Utah State Auditor*

Office of the Utah State Auditor  
September 26, 2013