



**OFFICE OF AUDITOR OF STATE**  
**STATE OF IOWA**

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**NEWS RELEASE**

FOR RELEASE

July 27, 2010

Contact: Andy Nielsen  
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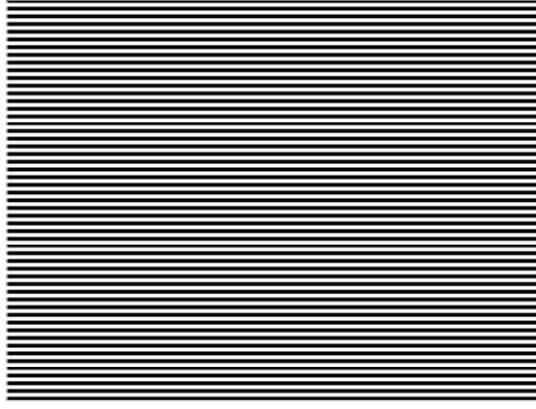
Auditor of State David A. Vaudt today released a report on the Iowa Braille and Sight Saving School, Vinton, Iowa, for the year ended June 30, 2009.

The School is governed by the Board of Regents, State of Iowa and provides residential and day school educational programs for visually impaired youth, as well as a variety of resource services for mainstreamed students. For the year ended June 30, 2009, the average enrollment was 12 students and the average cost per student was \$230,432, compared to an average enrollment of 17 students and an average cost per student of \$174,350 for the prior year. During the year ended June 30, 2009, the School provided outreach services to 405 students compared to 398 students in the year ended June 30, 2008.

A copy of the report is available for review at the Iowa Braille and Sight Saving School, in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/1061-8040-BR00.pdf>

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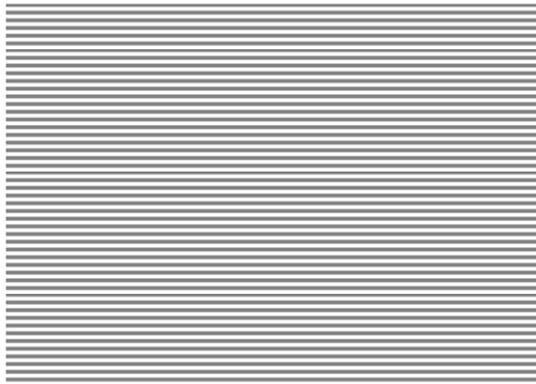
**REPORT OF RECOMMENDATIONS TO THE  
IOWA BRAILLE AND SIGHT SAVING SCHOOL**

**JUNE 30, 2009**

Office of  
**AUDITOR  
OF STATE**  
State Capitol Building • Des Moines, Iowa



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David A Vaudt, CPA  
Auditor of State

July 14, 2010

To the Members of the Board of Regents,  
State of Iowa:

The Iowa Braille and Sight Saving School is a part of the State of Iowa and, as such, has been included in our audits of the State's Comprehensive Annual Financial Report (CAFR) and the State's Single Audit Report for the year ended June 30, 2009.

In conducting our audits, we became aware of certain aspects concerning the School's operations for which we believe corrective action is necessary. As a result, we have developed recommendations which are reported on the following pages. We believe you should be aware of these recommendations pertaining to the School's internal control. These recommendations have been discussed with School personnel and their responses to the recommendations are included in this report. While we have expressed our conclusions on the School's responses, we did not audit the Iowa Braille and Sight Saving School's responses and, accordingly, we express no opinion on them.

Also, we have included on page 7 of this report certain unaudited financial and other information to report an average cost per student for the School for the five years ended June 30, 2009 as required by Chapter 11.28 of the Code of Iowa.

This report, a public record by law, is intended solely for the information and use of the officials and employees of the Iowa Braille and Sight Saving School, citizens of the State of Iowa and other parties to whom the Iowa Braille and Sight Saving School may report. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Iowa Braille and Sight Saving School during the course of our audits. Should you have questions concerning the above matters, we shall be pleased to discuss them with you at your convenience. Individuals who participated in our audits of the Iowa Braille and Sight Saving School are listed on page 6 and they are available to discuss these matters with you.

DAVID A. VAUDT, CPA  
Auditor of State

WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

cc: Honorable Chester J. Culver, Governor  
Richard C. Oshlo, Jr., Director, Department of Management  
Glen P. Dickinson, Director, Legislative Services Agency

Report of Recommendations to the  
Iowa Braille and Sight Saving School  
June 30, 2009

**Findings Reported in the State's Single Audit Report:**

No matters were noted.

**Findings Reported in the State's Report on Internal Control:**

No matters were noted.

**Other Finding Related to Internal Control:**

- (A) Segregation of Duties – One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible.
- Responsibilities for receipt collection, deposit preparation and reconciliation functions are not segregated from those of recording and accounting for disbursements.
  - Responsibilities for disbursement preparation are not segregated from those for recording cash disbursements.
  - Responsibilities for check signing are not segregated from those for reconciling cash.

Recommendation – We realize segregation of duties is difficult with a limited number of office employees. However, the School should review its control activities to obtain the maximum internal control possible under the circumstances.

Response – We will review procedures and obtain the maximum internal control with the current staff.

Conclusion – Response accepted.

- (B) AmeriCorps Reimbursement – The School recorded \$1,015,555 of AmeriCorps reimbursements for construction costs associated with renovating School facilities as negative expenditures, resulting in an understatement of revenues and expenditures on the GAAP package.

Recommendation – The School should establish procedures to ensure revenues are not netted against expenditures but instead are recorded and reported properly at the gross amounts.

Response – The reimbursement of the construction expenditures were offset against the construction expenditures to ensure future analysis of operating expenses were not materially overstated due to this extra ordinary item. The Iowa Braille School will consult with Lisa Dooley of the GAAP Team to see if it would be permissible to modify the Statement of Revenues, Expenditures and Changes in Fund Balances to reflect the construction cost reimbursement or if a footnote disclosure would be appropriate. Finally, this has a net zero impact on the Statement of Revenues, Expenditures and Changes in Fund Balances.

Conclusion – Response acknowledged. Revenues and expenditures should be reported at the gross amounts.

Report of Recommendations to the  
Iowa Braille and Sight Saving School  
June 30, 2009

**Findings Related to Statutory Requirements and Other Matters:**

No matters were noted.

Report of Recommendations to the  
Iowa Braille and Sight Saving School

June 30, 2009

**Staff:**

Questions or requests for further assistance should be directed to:

Marlys K. Gaston, CPA, Manager  
Aaron P. Wagner, CPA, Staff Auditor  
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audits include:

Kurt D. Goldsmith, Assistant Auditor  
Christina M. Renze, Assistant Auditor  
Reza Sepehri, Assistant Auditor

Iowa Braille and Sight Saving School

Average Cost per Student

(Unaudited)

Year ended June 30, 2009

with comparative figures for four preceding years

Year	Average Number of		Average Cost Per Student *
	Students	Employees	
2009	12	95	\$ 230,432 **
2008	17	95	174,350 **
2007	26	112	164,812 **
2006	31	128	147,967 **
2005	32	126	130,054 **

\* The average cost per student excludes expenditures for outreach services. For fiscal years 2009, 2008, 2007, 2006 and 2005, the School provided outreach services to 405, 398, 497, 510 and 545 students, respectively.

\*\* For fiscal years 2009, 2008, 2007, 2006 and 2005, capital outlay for construction in progress totaling \$204,627, \$993,492, \$577,106, \$697,570 and \$296,306, respectively, paid by the Iowa Braille and Sight Saving School were removed from costs for purposes of this computation. As noted in Comment (B) on page 4, the School netted \$1,015,555 of expenditures against revenues. Accordingly, the amount reported in this paragraph for fiscal year 2009 capital outlay does not include the \$1,015,555 of capital outlay expenditures.

See accompanying independent auditor's report.