



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

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Auditor of State

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**NEWS RELEASE**

FOR RELEASE July 11, 2008

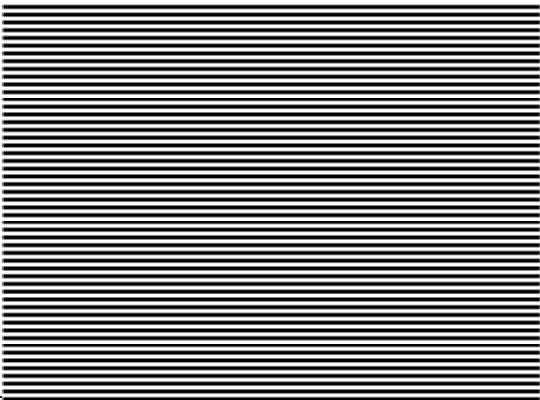
Contact: Andy Nielsen  
515/281-5834

Auditor of State David A. Vaudt today released a report on Iowa State University of Science and Technology, Ames, Iowa, for the year ended June 30, 2007. Iowa State University of Science and Technology previously released its annual financial report for the year ended June 30, 2007.

Iowa State University of Science and Technology is governed by the Board of Regents. For the year ended June 30, 2007, the full-time equivalent student enrollment was 25,150 with an average cost per student of \$12,461, compared to 25,410 students and an average cost per student of \$11,914 for the year ended June 30, 2006.

A copy of the report is available for review at Iowa State University of Science and Technology, in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/reports.htm>.

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**REPORT OF RECOMMENDATIONS TO  
IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY**

**JUNE 30, 2007**

Office of

**AUDITOR  
OF STATE**

State Capitol Building • Des Moines, Iowa



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July 7, 2008

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

Iowa State University of Science and Technology (Iowa State University) 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 and the State's Single Audit Report for the year ended June 30, 2007. We have also audited the financial statements of Iowa State University as of and for the year ended June 30, 2007 and have issued our report thereon dated December 12, 2007.

In conducting our audits, we became aware of certain aspects concerning Iowa State University's operations for which we believe corrective action is necessary. As a result, we have developed a recommendation which is reported on the following page. We believe you should be aware of this recommendation which was reported in the University's Report on Internal Control. This recommendation has been discussed with University personnel and their response to the recommendation is included in this report.

We have also included on page 5 of this report certain unaudited financial and other information to report an average cost per student for Iowa State University for the five years ended June 30, 2007 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 Iowa State University, citizens of the State of Iowa and other parties to whom Iowa State University 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 University during the course of our audits. Should you have questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience. Individuals who participated in our audits of the University are listed on page 4 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  
Charles J. Krogmeier, Director, Department of Management  
Timothy C. Faller, Interim Director, Legislative Services Agency

Report of Recommendations to Iowa State University

June 30, 2007

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

No matters were noted.

**Finding Reported in the University's Report on Internal Control:**

Department Reconciliation to Accounts Receivable System – Each semester, dormitory system room assessments are electronically transferred to the University accounts receivable system and subsequently billed to students. While adequate reconciliations are performed prior to the transfer, there is no reconciliation to ensure data received and billed by the accounts receivable system matches the room assessments from the dormitory system.

Recommendation – The University should follow guidelines for “Departmental Batch Transfer into the University Receivables System and Reconciliation” to help ensure all data sent to the accounts receivable system is complete.

Response – The Accounts Receivable Office tracks all errors produced by departmental transfers and provides Batch Transfer Edit Reports which inform the transferring department of the number of records as well as the total dollars transferred into the receivables system. These reports are designed to enable the departments to ensure transfers to the Receivables system are accurate and complete.

In Fall 2007, Department of Residence charges were brought into the Receivables system along with the Registrar's tuition fee assessments. A detailed report of all transferred charges was provided but the reports did not separate the Department of Residence charges into an individual category which complicated the reconciliation. Since that time, we have enhanced, and will continue to enhance, our reporting to assist our transferring departments with reconciliations.

Conclusion – Response accepted.

**Other Findings Related to Internal Control:**

No matters were noted.

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

No matters were noted.

Report of Recommendations to Iowa State University

June 30, 2007

**Staff:**

Questions or requests for further assistance should be directed to:

Ernest H. Ruben, Jr., CPA, Manager  
Patricia J. King, CPA, Senior Auditor II  
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audits include:

Shannon M. Hoffman, Staff Auditor  
Janet K. Mortvedt, Staff Auditor  
Jenny R. Schneider, Staff Auditor  
Adam D. Steffensmeier, Staff Auditor  
Dorothy O. Stover, Staff Auditor  
Brett M. Zeller, Staff Auditor  
Scott G. Anderson, Assistant Auditor  
Michael L. Castagnoli, Assistant Auditor  
Brett C. Conner, Assistant Auditor  
Lori M. Dinville, Assistant Auditor  
Michael D. Eckard, Assistant Auditor  
Tiffany M. Maske, Assistant Auditor  
Gelu Sherpa, Assistant Auditor

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Iowa State University

Cost per Student  
(unaudited)

Year ended June 30, 2007  
with comparative figures for prior years

Total General Educational Fund expenditures		\$ 389,883,043
Deduct:		
Expenditures not related to teaching programs:		
General University Research	\$ 12,536,283	
Public Service	5,828,801	
Scholarships	<u>58,120,484</u>	<u>76,485,568</u>
Net expenditures for teaching programs		<u>\$ 313,397,475</u>
Full-time equivalent enrollment 2006-2007		<u>25,150</u>
Cost per student 2006-2007		<u>\$ 12,461</u>

Comparative enrollment statistics and cost per student for the year ended June 30, 2007 and the four previous years:

Year	Enrollment	Cost per Student
2006-2007	25,150	\$12,461
2005-2006	25,410	11,914
2004-2005	25,921	11,293
2003-2004	26,298	10,859
2002-2003	26,635	10,597