



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

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NEWS RELEASE

FOR RELEASE

August 26, 2020

Contact: Marlys Gaston
515/281-5834

The Office of Auditor of State today released a report on the Iowa Braille and Sight Saving School, Vinton, Iowa for the year ended June 30, 2019.

The School is governed by the Board of Regents, State of Iowa and provides day school educational programs for visually impaired youth, as well as a variety of resource services for mainstreamed students. During the year ended June 30, 2019, the School provided outreach services to 623 students and the average cost per student was \$14,745, compared to 661 students and an average cost per student of \$12,963 for the prior year.

A copy of the report is available for review on the Auditor of State's web site at <https://auditor.iowa.gov/reports/audit-reports/>.

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

JUNE 30, 2019

Iowa Braille and Sight Saving School



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August 25, 2020

Iowa Braille and Sight Saving School
Vinton, Iowa

To the Board Members of the Iowa Braille and Sight Saving School:

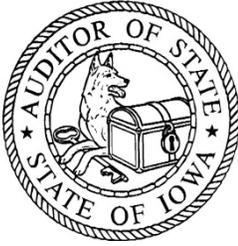
I am pleased to submit to you the Report of Recommendations for Iowa Braille and Sight Saving School for the year ended June 30, 2019. This report includes an audit finding pertaining to the School's internal control which resulted from the fiscal year 2019 audit. This report also includes cost per student information required by Section 11.28 of the Code of Iowa.

I appreciate the cooperation and courtesy extended by the officials and employees of Iowa Braille and Sight Saving School throughout the audit. If I or this office can be of any further assistance, please contact me or my staff at 515-281-5834.

A handwritten signature in black ink, appearing to read "Rob Sand".

Rob Sand
Auditor of State

Iowa Braille and Sight Saving School



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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, 2019.

In addition to these reports, we also prepare a separate report of recommendations pertaining to the School's internal control, compliance with statutory requirements and other matters when our audits disclose findings we believe should be brought to your attention.

In conducting our audits, we became aware of an aspect concerning the School's operations for which we believe corrective action is necessary. As a result, we have developed a recommendation pertaining to the School's internal control which is reported on the following page. This recommendation has been discussed with School personnel and their response to the recommendation is included in this report. While we have expressed our conclusion on the School's response, we did not audit the Iowa Braille and Sight Saving School's response and, accordingly, we express no opinion on it.

We have also included certain unaudited financial and other information on page 5 to report an average cost per student for the School for the five years ended June 30, 2019, as required by Section 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 any 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 4 and they are available to discuss these matters with you.

Marlys K. Gaston, CPA
Deputy Auditor of State

cc: Honorable Kim Reynolds, Governor
David Roederer, Director, Department of Management
Glen P. Dickinson, Director, Legislative Services Agency

Report of Recommendations to the
Iowa Braille and Sight Saving School

June 30, 2019

Findings Reported in the State's Single Audit Report:

No matters were reported.

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

No matters were reported.

Other Finding Related to Internal Control:

Financial Reporting

Criteria – A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements of the financial statements on a timely basis. Properly designed policies and procedures and implementation of the policies and procedures are an integral part of ensuring the reliability and accuracy of the School's financial statements.

Condition – During the audit, we identified material amounts of lease income and investments that had been misstated. The conditions identified are as follows:

- Investments were understated by \$19,899.88 on the GAAP Package. The carrying value was used instead of the fair market value.
- Estimated lease income was understated by \$47,859.49.

Cause – School policies do not require, and procedures have not been established to require independent review of investments and lease income to ensure the School's financial statements are accurate and reliable.

Effect – Lack of policies and procedures resulted in School employees not detecting the errors in the normal course of performing their assigned functions.

Recommendation – The School should establish procedures to ensure all lease payments and investments are identified and properly reported in the School's financial statements.

Response – A procedure will be established to ensure that the investment account balances are reviewed prior to the GAAP Package submission to properly reflect them at fair market value.

Estimated lease income will be included for the entire fiscal year if there are additional years on the remaining least agreement.

Conclusion – Response accepted.

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, 2019

Staff:

Questions or requests for further assistance should be directed to:

Marlys K. Gaston, CPA, Deputy
Deborah J. Moser, CPA, Manager
Erin J. Sietstra, Senior Auditor

Other individuals who participated in the audits include:

Maria R. Collins, Assistant Auditor
April R. Davenport, Assistant Auditor
Charles P. Duff, Assistant Auditor
Corey D. Hauptmann, Assistant Auditor
Tristan J. Swiggum, Assistant Auditor

Iowa Braille and Sight Saving School

Average Cost per Student

(Unaudited)

Year ended June 30, 2019
with comparative figures for the four preceding years

Total General Education Fund expenditures		\$ 9,312,858
Deduct:		
Expenditures not related to teaching programs:		
Building repair	\$ 90,610	
Scholarships	36,250	126,860
Net expenditures for teaching programs		<u>\$ 9,185,998</u>
Full-time enrollment		<u>623</u>
Cost per student 2018-2019		<u>\$ 14,745</u>

Comparative enrollment statistics and cost per student for the year ended June 30, 2019 and the four previous years:

Year	Average Number of Employees	Average Number of Students	Average Cost Per Student
2018-2019	79	623	\$ 14,745
2017-2018	79	661	12,963
2016-2017	75	669	11,942
2015-2016	80	609	12,894
2014-2015	79	532	14,730

For fiscal years 2019 through 2015, expenditures related to outreach services exclude expenditures related to construction in progress and costs associated with the space leased by Americorps, which total \$90,610, \$599,890, \$729,249, \$580,212 and \$1,726,758, respectively.