

Report of Independent Auditor Rachelle K. Thompson

Rachelle Thompson, CPA, released an audit report on the Belmond-Klemme Community School District in Belmond, Iowa.

Financial Highlights:

The following are the highlighted findings of the auditor as indicated on page 5 of the audit report:

- ❖ General Fund revenue increased from \$9,946,901 in fiscal year 2020 to \$10,902,601 in fiscal year 2021, while General Fund expenditures increased from \$9,607,344 in fiscal year 2020 to \$10,462,914 fiscal year 2021. The District's General Fund balance increased from \$1,686,456 at the end of fiscal year 2020 to \$2,049,206 at the end of fiscal year 2021, a 21.5% increase.
- ❖ The fiscal year 2020 General Fund revenue increase was primarily attributable to the federal and state grants received for COVID expenses. The increase in expenditures was due primarily to COVID.
- ❖ The districts total net position increased from \$13,748,392 to \$14,700,697, an increase of 6.8%. Total revenue increased from \$12,484,964 in fiscal year 2020 to \$13,347,668 in fiscal year 2021, a 6.9% increase. Total expenses increased from \$11,616,953 in fiscal year 2020 to \$12,411,576 in fiscal year 2021, a 6.8% increase compared to prior year.

Audit Findings:

There were seven findings related to the receipt and expenditure of taxpayer funds. They are found on pages 63 through 67 of this report. The findings address issues such as a lack of segregation of duties and negative lunch account balances. Recommendations are provided for the District to address each of these findings.

The Belmond-Klemme Community School District's Board of Education has a fiduciary responsibility to provide oversight of the Belmond-Klemme Community School District's operations and financial transactions. Oversight is typically defined as the "watchful and responsible care" a governing body exercises in its fiduciary capacity.

Audit Report Publicly Posted:

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