

# 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 \$9,812,657 in fiscal year 2019 to \$9,946,901 in fiscal year 2020, while General Fund expenditures decreased from \$9,703,195 in fiscal year 2019 to \$9,607,344 fiscal year 2020. The District's General Fund balance increased from \$1,350,171 at the end of fiscal year 2020 to \$1,686,456 at the end of fiscal year 2020, a 24.9% increase.
- ❖ The fiscal year 2020 General Fund revenue increase was primarily attributable to the levy of cash reserve funds. The decrease in expenditures was due primarily to a decrease in expenditures incurred in the instruction functional area.
- ❖ The districts total net position increased from \$12,880,381 to \$13,748,392, an increase of 6.7%. Total revenue decreased from \$12,511,627 in fiscal year 2019 to \$12,484,964 in fiscal year 2020, a 0.2% decrease. Total expenses decreased from \$11,705,119 in fiscal year 2019 to \$11,616,953 in fiscal year 2020, a 0.8% decrease compared to prior year.

## Audit Findings:

There were seven findings related to the receipt and expenditure of taxpayer funds. They are found on pages 57 through 61 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> .