

**KIMBERLY SCHOOL DISTRICT No. 414**  
**KIMBERLY, IDAHO**  
**ANNUAL FINANCIAL REPORT**  
**JUNE 30, 2014**

**KIMBERLY SCHOOL DISTRICT No. 414**  
**KIMBERLY, IDAHO**  
**ANNUAL FINANCIAL REPORT**  
**JUNE 30, 2014**

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Mahlke Hunsaker & Company PLLC  
C e r t i f i e d P u b l i c A c c o u n t a n t s

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## INDEPENDENT AUDITORS' REPORT

Chairman and Board of Trustees  
Kimberly School District No. 414  
Kimberly, ID 83341

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Kimberly School District No. 414, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

#### **Basis for Qualified Opinion on Governmental Activities**

Management has not performed the actuarial calculations for other post-employment benefits for the governmental activities and, accordingly, has not considered the District's other post-employment benefit liability. Accounting principles generally accepted in the United States of America require a liability be recorded for other post-employment benefits, which would decrease net assets, increase liabilities, and increase expenses in the governmental activities. The amount by which this departure would affect net assets, liabilities, and expenses in the governmental activities is not reasonably determinable.

#### **Qualified Opinion**

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion on Governmental Activities" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of Kimberly School District No. 414 as of June 30, 2014, and the changes in financial position thereof for the year ended in conformity with accounting principles generally accepted in the United States of America.

## **Unmodified Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of Kimberly School District No. 414 as of June 30, 2014, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 28-36 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted a management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Kimberly School District No. 414's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Continuing Disclosure Statement has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 1, 2014, on our consideration of the Kimberly School District No. 414's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Kimberly School District No. 414's internal control over financial reporting and compliance.

Sincerely,

*Mahlke Hunsaker & Co.*

MAHLKE HUNSAKER & CO., pllc  
Twin Falls, Idaho  
October 1, 2014

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
STATEMENT OF NET POSITION  
JUNE 30, 2014**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 494,226
Investments	3,504,852
Property taxes receivable	57,942
Other receivables	878,552
Total current assets	4,935,572
Noncurrent assets:	
Capital assets, (net of depreciation)	17,032,665
Total noncurrent assets	17,032,665
<b>Total assets</b>	<b>\$ 21,968,237</b>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 513,195
Interest payable	188,494
Current portion of long-term obligations	545,000
Salaries and benefits payable	1,047,753
Total current liabilities	2,294,442
Noncurrent liabilities:	
Noncurrent portion of long-term obligations	13,490,000
Premium on debt issuance	91,605
Total noncurrent liabilities	13,581,605
<b>Total liabilities</b>	<b>15,876,047</b>
<b>NET POSITION</b>	
Invested in capital assets, net of related debt	2,717,566
Restricted for:	
School lunch	83,572
Non K-12 programs	48,875
Capital projects	1,067,081
Debt service	927,623
Unrestricted (deficit)	1,247,473
Total net position	6,092,190
<b>Total liabilities and net position</b>	<b>\$ 21,968,237</b>

See accompanying notes and accountants' report.

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2014**

Functions/Programs	<u>Expenses</u>	<u>Program Revenues Operating Grants and Contributions</u>	<u>Charges for Services</u>	<u>Net (Expense) Revenue and Changes in Net Assets Total Governmental Activities</u>
Instructional services:				
Instructional staff and benefits	\$ 4,260,451	\$ 3,822,622	\$ -	\$ (437,829)
Supplies and other	627,816	563,298	-	(64,518)
Supporting services:				
Instructional staff and supplies	1,120,078	1,004,972	-	(115,106)
District administration	477,601	428,520	-	(49,081)
School administration	1,460,651	1,310,546	-	(150,105)
Operation and maintenance of facilities	1,062,643	953,440	-	(109,203)
Transportation	443,268	236,792	-	(206,476)
School lunch services	589,853	379,758	148,933	(61,162)
Student activities	191,912	172,190	-	(19,722)
Interest on long-term debt	722,440	-	-	(722,440)
Total governmental activities	10,956,713	8,872,138	148,933	(1,935,642)
General Revenues:				
Taxes:				
Property taxes, levied for general purposes				402,913
Property taxes, levied for debt service				959,933
Interest and investment earnings				7,070
Bond levy equalization				168,296
Miscellaneous				229,271
Total general revenues				1,767,483
Change in net position				(168,159)
Net position-beginning of year (restated)				6,260,349
Net position-end of year				\$ 6,092,190

See accompanying notes and accountants' report.



## **FUND FINANCIAL STATEMENTS**

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2014**

	<b>Major Funds</b>			<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
	<b>General Fund</b>	<b>Debt Service</b>	<b>Capital Projects</b>		
<b>ASSETS</b>					
Cash and cash equivalents	\$ 825	\$ 61,350	\$ -	\$ 83,427	\$ 145,602
Equity in pooled cash	219,191	-	270,626	50,995	540,812
Restricted Cash	-	-	-	-	-
Investments	1,710,013	446,938	1,260,551	-	3,417,502
Taxes receivable	17,938	40,004	-	-	57,942
Receivable from other governments	316,701	325,279	-	236,571	878,551
Investments-Restricted	-	87,350	-	-	87,350
Prepaid items	-	-	-	-	-
<b>Total assets</b>	<b>\$ 2,264,668</b>	<b>\$ 960,921</b>	<b>\$ 1,531,177</b>	<b>\$ 370,993</b>	<b>\$ 5,127,759</b>
<b>LIABILITIES</b>					
Deficit in pooled cash	\$ -	0	\$ -	\$ 192,188	\$ 192,188
Accounts payable	47,563	-	464,096	1,536	513,195
Payable to other funds	-	-	-	-	-
Salaries and benefits payable	947,955	-	0	99,798	1,047,753
Unavailable revenue-property taxes	15,002	33,298	0	-	48,300
<b>Total liabilities</b>	<b>1,010,520</b>	<b>33,298</b>	<b>464,096</b>	<b>293,522</b>	<b>1,753,136</b>
<b>FUND BALANCE</b>					
Nonspendable	-	-	-	-	-
Restricted					
Capital projects	-	-	-	-	-
Debt service	-	927,623	-	-	927,623
Federal programs	-	-	-	2,537	2,537
State programs	-	-	-	46,338	46,338
School lunch program	-	-	-	83,572	83,572
Committed					
General board reserves	248,656	-	-	-	248,656
Assigned					
Capital projects	-	-	-	-	-
Unassigned	1,005,492	-	1,067,081	(54,976)	2,017,597
<b>Total fund balances</b>	<b>1,254,148</b>	<b>927,623</b>	<b>1,067,081</b>	<b>77,471</b>	<b>3,326,323</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 2,264,668</b>	<b>\$ 960,921</b>	<b>\$ 1,531,177</b>	<b>\$ 370,993</b>	<b>\$ 5,127,759</b>

See accompanying notes and accountants' report.

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2014**

**Total fund balances - governmental funds** \$ 3,326,323

Amounts reported for governmental activities in the statement of net position are different because:

The cost of capital assets (land, buildings, furniture, equipment and construction in process) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the District as a whole. The cost of those capital assets is allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

Land	\$ 280,122	
Buildings and improvements, net of accumulated depreciation	16,477,423	
Transportation and other equipment, net of accumulated depreciation	<u>275,120</u>	
		17,032,665

Some of the District's property taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as unavailable revenue-property taxes in the funds		48,300
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Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. Accrued interest for general obligation bonds is \$188,494.		(188,494)
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Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and therefore are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the Statement of Net Position.

Unamortized premium on bonds payable	(91,604)	
Bonds payable	<u>(14,035,000)</u>	
		<u>(14,126,604)</u>

**Net Position of Governmental Activities** \$ 6,092,190

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Major Funds</u>			<u>Other</u>	<u>Total</u>
	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Governmental</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Service</u>	<u>Projects</u>	<u>Funds</u>	<u>Funds</u>
<b>REVENUES</b>					
Property taxes	\$ 410,941	\$ 976,635	\$ -	\$ -	\$ 1,387,576
Earnings on investments	3,883	923	-	47	4,853
School lunch revenue	-	-	-	148,980	148,980
Other local	151,542	-	44,666	112,016	308,224
State aid	7,704,445	176,650	-	116,452	7,997,547
Federal aid	3,493	43,182	-	1,096,969	1,143,644
<b>Total revenues</b>	<u>8,274,304</u>	<u>1,197,390</u>	<u>44,666</u>	<u>1,474,464</u>	<u>10,990,824</u>
<b>EXPENDITURES</b>					
Current operating:					
General government	7,981,482	-	2,319,370	1,840,750	12,141,602
Capital Projects	-	-	-	-	-
Debt service	-	1,635,585	-	-	1,635,585
<b>Total expenditures</b>	<u>7,981,482</u>	<u>1,635,585</u>	<u>2,319,370</u>	<u>1,840,750</u>	<u>13,777,187</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>292,822</u>	<u>(438,195)</u>	<u>(2,274,704)</u>	<u>(366,286)</u>	<u>(2,786,363)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Bond proceeds	-	-	3,000,000	-	3,000,000
Transfers in	15,131	-	306,663	305,266	627,060
Transfers out	(611,929)	-	-	(15,131)	(627,060)
Total other financing sources (uses)	<u>(596,798)</u>	<u>-</u>	<u>3,306,663</u>	<u>290,135</u>	<u>3,000,000</u>
<b>Net change in fund balance</b>	<u>(303,976)</u>	<u>(438,195)</u>	<u>1,031,959</u>	<u>(76,151)</u>	<u>213,637</u>
<b>Fund balances-beginning</b>	<u>1,558,124</u>	<u>1,365,818</u>	<u>35,122</u>	<u>153,622</u>	<u>3,112,686</u>
<b>Fund balances-ending</b>	<u>\$ 1,254,148</u>	<u>\$ 927,623</u>	<u>\$ 1,067,081</u>	<u>\$ 77,471</u>	<u>\$ 3,326,323</u>

See accompanying notes and accountants' report.

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2014**

**Net change in fund balances-total governmental funds** \$ 213,637

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 for furniture and equipment and \$100,000 for buildings and improvements are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Depreciation expense	(585,446)
Capital outlays	2,315,237

The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. Also, governmental funds report the effect of issuance costs and premiums when debt is first issued, whereas these amounts were deferred and amortized in the statement of activities. This years adjustment includes the write-off of prior years' unamortized debt issuance costs to implement GASB Statement 65. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, however, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:

Bond proceeds	(3,000,000)
Bond issuance costs	(76,605)
Repayment of bond principal	1,020,000
Interest expense - general obligation bonds	(30,250)

Property tax revenues received prior to the year for which they are being levied are reported as deferred inflows of resources in the governmental funds. They are, however, recorded as revenues in the statement of Unavailable revenue -property taxes decreased this year. (24,732)

Total adjustments	<u>(381,796)</u>
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**Change in net assets of governmental activities** \$ (168,159)

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2014**

	Agency Funds
<b>ASSETS</b>	
Cash and cash equivalents	\$ 325,156
<b>Total Assets</b>	\$ 325,156
 <b>LIABILITIES</b>	
Liabilities	
Due to student activities	\$ 325,156
<b>Total Liabilities</b>	\$ 325,156

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2014**

<b>Additions:</b>	
Other	\$ -
Total additions	-
 <b>Deductions</b>	
Other	-
Total deductions	-
<b>Net increase</b>	-
<b>Net position, beginning of year</b>	-
<b>Net position, end of year</b>	\$ -

See accompanying notes and accountants' report.

## **NOTES TO FINANCIAL STATEMENTS**

**KIMBERLY SCHOOL DISTRICT No. 414**  
**KIMBERLY, IDAHO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the School District**

The Kimberly School District No. 414 is governed by an elected Board of Trustees which possesses final decision making authority and is held primarily accountable for those decisions. The Board is responsible for approving the budget, establishing spending limitations, funding any deficits, and borrowing funds and/or issuing bonds to finance school system operations and construction. The statements reflect all funds and accounts directly under the control of the District.

**B. Basis of Presentation**

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local government units and to state laws applicable to school districts. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principals. The more significant accounting policies of the District are described below:

**C. Financial Reporting Entity**

The District follows GASB Statement No.'s 14 and 39 in determining the reporting entity and component units. The financial reporting entity consists solely of the primary government. Accordingly, the financial statements include all funds, and agencies of the primary government whose budgets are controlled or whose boards are appointed by the District's Board of Trustees. Control or dependence on the District was determined on the basis of appointment authority, budget adoption, taxing authority, outstanding debt secured by revenues or general obligations of the District and legal standing.

The District contributes to the multi-employer Public Employee Retirement System of Idaho (PERSI). PERSI is administered by the State of Idaho. A ten year history is provided in PERSI's annual report.

**D. Fund Accounting**

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The funds of the District are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follows:

*Governmental Funds*

Governmental funds are used to account for the District's general governmental activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. The general fund, debt service fund, capital projects fund and the special education billing fund are considered major funds while the remaining governmental funds are considered non-major. Governmental funds include:



**KIMBERLY SCHOOL DISTRICT No. 414**  
**KIMBERLY, IDAHO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

General fund – the primary operating fund of the District accounts for all financial resources, except those required to be accounted for in other funds.

Special revenue funds – account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt service funds – account for the servicing of general long-term debt.

Capital project fund – accounts for the acquisition of fixed assets or construction of major capital projects.

*Fiduciary Funds*

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the District.

Agency funds are used to account for assets that the government holds for others in the agency capacity. The agency funds are custodial in nature and do not present results of operations or have a measurement focus.

The District has the following agency funds:

School activity funds – accounts for assets held by the District as an agent for the individual schools and school organizations.

Sports complex fund – accounts for assets held by the District as an agent for the sports complex fund.

**E. Measurement Focus and Basis of Accounting**

Government-Wide Financial Statements (GWFS) - The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. Fiduciary funds are not included in the Government Wide Financial Statements. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 “Accounting and Financial Reporting for Nonexchange Transactions.”

*Program revenues*

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District’s taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District’s general revenues. Program revenues include charges to students or applicants who purchase, use or directly benefit from the goods or services provided by the given function.

**KIMBERLY SCHOOL DISTRICT No. 414**  
**KIMBERLY, IDAHO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

*Allocation of indirect expenses*

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense is not specifically identified by function and is considered an unallocated indirect expense. Interest on general long term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Fund Financial Statements – The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

*Ad valorem taxes* are susceptible to accrual.

*Entitlements and shared revenues* (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met.

*Other receipts* become measurable and available when cash is received by the District and are recognized as revenue at that time.

Expenditures

Salaries are recorded as paid. Salaries for twelve-month employees are accrued at June 30, 2014.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying event occurs.

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**F. Cash and Investments**

*Cash and Cash Equivalents*

The District pools cash of all funds into common bank accounts. The accounting records of each fund reflect its interest in the pooled cash. Any deficiencies in cash of individual funds represent liabilities to other funds for cash borrowed. Cash includes amounts in demand deposits and interest-bearing demand deposits, and time deposit accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits or time deposits with state banks organized under Idaho law and national banks having their principal offices in Idaho.

*Restricted Cash and Investments*

The restricted cash and investments are comprised of restricted deposits for specific program expenditures, unexpended bond proceeds, capital project deposits, and debt services funds that are restricted for use on specifically identified programs, capital projects and debt service payments.

*Investments*

Investments are stated at fair value, as determined by quoted market prices, except for any certificates of deposit, which are non-participating contracts, and are therefore carried at amortized cost. Idaho Code provides authorization for the investment of funds as well as to what constitutes an allowable investment. The District policy allows for investment of idle funds consistent with the Idaho State Code 67-1210 and 67-1210A.

The Code limits investments to the following general types:

Certain revenue bonds, general obligation bonds, local improvement district bonds and registered warrants of state and local governmental entities.

Time deposit accounts, tax anticipation and interest-bearing notes.

Bonds, treasury bills, debentures, or other similar obligations of the United States Government and United States Government Agencies.

Repurchase agreements secured by the above.

Investments in certificates of deposits are stated at amortized cost. Investments in U.S. Treasury securities are stated at fair market value. Investments in the Joint Powers Investment Pool and repurchase agreements are valued at fair value.

The Joint Powers Investment Pool was established as a cooperative endeavor to enable public entities of the State of Idaho to aggregate funds for investment. This pooling is intended to improve administrative efficiency and increase investment yield. The Local Government Investment Pool is managed by the State of Idaho Treasurer's office. The funds of the pool are invested in certificates of deposit, repurchase agreements, and U.S. government securities. The certificates of deposit are federally insured. The U.S. government securities and the collateral for the repurchase agreements are held in trust by a safekeeping bank.

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

An annual audit of Joint Powers Investment Pool (“Pool”) is conducted by the State Legislative Auditors Office. The Legislative Auditor of the State of Idaho has full access to the records of the Pool.

**G. Short-term Interfund Receivables and Payables**

During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as receivable from other funds or payable to other funds on the fund financial statements balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

**H. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District does not have any items that qualify for reporting in this category.

**I. Capital Assets**

Capital assets, which include land, buildings and improvements, and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset’s life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized.

Buildings and improvements and furniture and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<b>Asset</b>	<b>Years</b>
Buildings and improvements	40
Furniture	7
Buses	10

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

Depreciation expense for buildings, furniture and equipment relate to multiple programs, for which allocating among programs is not easily identifiable. As such, depreciation is not allocated.

**J. Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

In fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued and bond premiums are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**K. Equity and Fund Balance Classifications**

**Equity classifications**

In the District-wide financial statements, equity is classified as net position and displayed in three components:

*Invested in capital assets, net of related debt*—Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of these assets.

*Restricted* - Consists of net assets with constraints placed on their use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

*Unrestricted* - All other net assets that do not meet the definition of “invested in capital assets, net of related debt” or “restricted.”

The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**Fund balance classifications**

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

*Nonspendable Fund Balance* - consists of amounts that are not in a spendable form or are required to be maintained intact.

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued**

*Restricted Fund Balance* - consists of amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally, or through enabling legislation. The restricted for State Programs and Restricted for Federal Programs balances reflect amounts restricted for specific state and federal programs as mandated by respective state and federal grant or funding agreements. The Restricted for Debt Service balance is to be used for future servicing of the outstanding bonds and are restricted through debt covenants. The Restricted for Capital Projects balance reflect amounts that are restricted for construction or other capital outlay projects.

*Committed Fund Balance*—consists of amounts that can be used only for the specific purposes pursuant to constraints imposed by formal action of the District Board. These amounts cannot be used for any other purpose unless the District’ Board removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed.

*Assigned Fund Balance*—consists of amounts that are constrained by the District’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the District’s Board or Superintendent.

*Unassigned Fund Balance*—consists of any remaining fund balance that has not been reported in any other classification.

For the purposes of fund balance classification, the District’s policy is to have expenditures spent from the restricted fund balances first, followed in order by committed fund balance (if any), assigned fund balance (if any) and last unassigned fund balance.

**L. Interfund Transfers**

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursement, are reported as transfers.

**M. Unavailable and Advanced Revenue**

The District reports unavailable and advance revenues on its Statement of Net Position and Fund Balance Sheet. Advanced revenues are reported when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the District has a legal claim to the resources, the liability for advanced revenue is removed from the combined balance sheet and the revenue is recognized. On the government fund financial statements property taxes that are delinquent are recorded as unavailable revenue since they are not available within 60 days of the fiscal year end; however in the government-wide financial statements all property taxes are recognized in the year they are measurable.

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued**

**N. Salaries and Benefits Payable**

Teaching personnel are paid on contracts that provide monthly payments throughout the year, even though school is not in session during the summer months. Salaries and benefits payable represents payment for teachers that are distributed during July and August, but are for services performed for the year ended June 30, 2014. It also includes an amount for full time administrative employees for vacation earned but not paid at year end.

**O. Property Taxes**

Property tax revenues are recognized when received or, if received within the two-month period subsequent to year-end, are accrued on the fund financial statements. Property tax revenues are recognized when levied with appropriate accrual made at year-end on the government-wide financial statements. The District's property taxes, levied on the Thursday prior to the second Monday in September on a market value basis, are billed to the taxpayers in November. Half of the real, personal, and mobile home property taxes are due on December 20 and the remainder is due the following June 20. Occupancy taxes are due December 20. Real property taxes not paid constitute a lien on the property when entered on the real property assessment roll as delinquent on the first day of January of the succeeding year.

Delinquent property tax receivable is recognized as revenue in the government-wide financial statements. Only the portion that meets the revenue recognition criteria is recognized as revenue on the fund financial statements. Under State law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic distributions of collections to entities levying taxes. Twin Falls County bill and collect property taxes for the District.

Historically, virtually all ad valorem taxes receivable were collected since they are secured by property; therefore, there is no material allowance for uncollectible taxes.

**P. Elimination and Reclassifications**

In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

**Q. Grants and Other Intergovernmental Revenues**

Federal and state reimbursement-type grants are recorded as intergovernmental revenues when the related expenditures/expenses are incurred and, in governmental funds, when the revenues meet the availability criterion. For programs that are supported by multiple funding sources, federal and state grant monies are applied to expenditures first.

**R. Encumbrances**

Purchase orders, contracts, and other commitments for the expenditure of funds are considered to be encumbrances for budgeting control purposes during the year. Outstanding encumbrances at year-end do not constitute expenditures and are either charged to an appropriation the following year or the contractual commitment is canceled.

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**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued**

**S. Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. It is at least reasonably possible that the significant estimates used will change within the next year.

**NOTE 2 – CASH AND INVESTMENTS**

At June 30, 2014 the District’s cash and investments, excluding trust and agency funds, consisted of the following:

	Bank Deposit Balance	Carrying Amounts
Cash and Equivalents:		
Insured or collateralized	\$ 250,000	\$ 250,000
Uninsured or uncollateralized	244,537	244,226
Total Deposits	\$ 494,537	\$ 494,226

	Rating	Duration	Fair Value
Investments:			
State Treasurer's local government pool	Unrated	136 Days	\$ 3,417,502

**Investments Restricted**

Investments restricted amounts include funds put into the mandatory sinking fund for the Series 2013B General Obligation Bonds. These funds will be used to pay off the debt.

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover the value of its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, the District will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District does not have a policy restricting the amount of deposits and investments subject to custodial credit risk.

The District minimizes exposure to custodial credit risk by requiring that investments, to the extent possible, be identified as to the Kimberly School District ownership and be held in the District’s name.

**Credit Risk**

Credit risk is the risk that an issuer of debt securities or counterparty to an investment will not fulfill its obligation. It is commonly expressed in terms of the credit quality rating issued by a nationally recognized statistical rating organization such as Moody’s, Standard & Poor’s and Fitch’s. The investments of the District are not rated and the District’s policy does not restrict them to rated investments. Most of the Investments of the District as of June 30, 2014, are invested in the LGIP which is not required to be rated.



**KIMBERLY SCHOOL DISTRICT No. 414**  
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**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 2 – CASH AND INVESTMENTS-Continued**

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely impact the fair value of an investment. Investments that are fixed for longer periods are likely to experience greater variability in their fair values due to future changes in interest rates. At June 30, 2014, the District is not subject to interest rate risk as all investments are held in the LGIP and certificates of deposits, which have short maturities. The District does not have a policy concerning interest rate risk.

**Concentration of Credit Risk**

When investments are concentrated in one issuer, this concentration represents heightened risk of potential loss. No specific percentage identifies when concentration risk is present. The Governmental Accounting Standards Board has adopted a principle that governments should provide not disclosure when 5% of the total entities investments are concentrated in any one issuer. Investments in obligations specifically guaranteed by the U.S. government, mutual funds, and other pooled investments are exempt from disclosure. The District has no policy limiting the amount it may invest in any one issuer.

**NOTE 3 – INTERFUND TRANSFERS**

The following operating transfers occurred during the fiscal year:

<u>Transfers In</u>		<u>Transfers Out</u>	
Technology Fund	\$249,259	General Fund	\$ 611,929
Capital Projects	306,663	Title I	12,796
General Fund	15,131	Teacher Quality	<u>2,335</u>
Special Ed Billing	<u>56,007</u>		
Total	<u>\$ 627,060</u>	Total	<u>\$ 627,060</u>

**NOTE 4 – DUE FROM OTHER AGENCIES AND UNITS OF GOVERNMENTS**

Amounts due from other agencies and units of government were as follows as of June 30, 2014:

State agencies	\$ 403,636
County agencies	461,821
Other agencies	<u>14</u>
Total	<u>\$ 865,471</u>

**NOTE 5 – UNAVAILABLE AND ADVANCED REVENUES**

Revenues are considered unavailable in accordance with the modified accrual basis of accounting for the fund financial statements. The following revenues are measurable but do not represent available expendable resources for the Fund Financial Statements or were received in advance before the District has legal claim to them for the fiscal year ended June 30, 2014:

	<u>General Fund</u>	<u>Debt Service</u>	<u>Total</u>
Delinquent taxes	<u>\$ 15,002</u>	<u>\$ 33,298</u>	<u>\$ 48,300</u>

**KIMBERLY SCHOOL DISTRICT No. 414**  
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**NOTE 6 - CAPITAL ASSETS**

The following presents a summary of activity in the capital assets as follows:

	<b>Balance</b> <b>June 30, 2013</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance</b> <b>June 30, 2014</b>
<b>Land</b>	\$ 280,122	\$ -	\$ -	\$ 280,122
<b>Buildings</b>				
Elementary	4,550,854	-	-	4,550,854
Secondary	15,401,139	-	-	15,401,139
Other	369,940	2,315,237	-	2,685,177
Transportation	75,000	-	-	75,000
Maintenance	162,695	-	-	162,695
<b>Total Buildings</b>	<b>20,559,628</b>	<b>2,315,237</b>	<b>-</b>	<b>22,874,865</b>
<b>Equipment and Other</b>	<b>509,980</b>	<b>-</b>	<b>-</b>	<b>509,980</b>
<b>Transportation Equip.</b>	<b>935,986</b>	<b>-</b>	<b>-</b>	<b>935,986</b>
Total Capital Assets	22,285,716	2,315,237	-	24,600,953
Accum. Depreciation	(6,982,842)	(585,446)	-	(7,568,288)
Net Capital Assets	<u>\$ 15,302,874</u>	<u>\$ 1,729,791</u>	<u>\$ -</u>	<u>\$ 17,032,665</u>

**NOTE 7 - GENERAL OBLIGATION BONDS**

*Changes in Long-Term Debt*

The following is a summary of bond transactions of the District for the year ended June 30, 2014:

	<b>Bonds Payable</b> <b>June 30, 2013</b>	<b>Bond</b> <b>Issuance</b>	<b>Principal</b> <b>Payments</b>	<b>Bonds Payable</b> <b>June 30, 2014</b>
2005 Bond Refinance	\$ 2,375,000	\$ -	\$ (880,000)	\$ 1,495,000
2007 Series A	9,695,000	-	(140,000)	9,555,000
2013 Series A	-	1,500,000		1,500,000
2013 Series B	-	1,485,000		1,485,000
Total	<u>\$ 12,070,000</u>	<u>\$ 2,985,000</u>	<u>\$ (1,020,000)</u>	<u>\$ 14,035,000</u>

On August 1, 2013, the District issued General Obligation Bonds, Series 2013(A) (Tax-Exempt in the amount of \$1,500,000 , and General Obligation Bonds, Series 2013 B (Taxable QSCB-Direct Pay Subsidy) in the amount of \$1,485,000 The funds will be used to finance the costs of renovations and improvements to the historic L.A. Thomas Gymnasium, to complete the Sports Complex, construction of technology classrooms and other improvements to facilities throughout the District, and acquisition of related equipment for such school facilities.

**KIMBERLY SCHOOL DISTRICT No. 414**  
**KIMBERLY, IDAHO**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 7 - GENERAL OBLIGATION BONDS-continued**

In 2007, the District issued General Obligation Bonds, Series 2007A (Bank Qualified) and Series 2007B (Taxable). The proceeds of the Bonds and other monies legally available from the District were used to finance the costs of the acquisition, improvement and preparation of school site(s), including the demolition of obsolete structures; the construction, renovation, furnishing and equipping of schools and school facilities; improvements to existing schools; and the acquisition and installation of all lighting, heating, ventilation and sanitation facilities and appliances necessary to maintain and operate said building and facilities in the District, and costs of issuance of the Bonds.

General obligation bonds payable as of June 30, 2014 consist of the following:

Series 2005 Refunding Bonds in the original principal amount of \$4,415,000 maturing through August 15, 2019. Principal payments are due annually on August 15, and interest is payable semi-annually on February 15, and August 15 of each year. Interest rates range from 2% to 5% on the outstanding bonds. \$ 1,495,000

Series 2007A General Obligation Bonds in the original principal amount of \$9,860,000 maturing through September 1, 2027. Principal payments are due annually on September 15, and interest is payable semi-annually on March 15, and September 15 of each year. Interest rates on the bonds range from 3.75% to 5% on the outstanding bonds. 9,555,000

Series 2013A General Obligation Bonds in the original principal amount of \$1,500,000 maturing September 15, 2029. Principal payments are due on September 15, 2028 and 2029. Interest is payable semi-annually on March 15, and September 15 of each year. The interest rates on the bonds is 4.25%. 1,500,000

Series 2013B General Obligation Bonds in the original principal amount of \$1,485,000 maturing on August 15, 2019. One principal payment is due on September 15, 2030. Interest is payable semi-annually on March 15, and September 15 of each year. The interest rate on the bond is 5.036%. The terms of the bond require annual mandatory sinking fund installments of \$10,000 per year and two installments of \$780,000 and \$555,000 in 2029 and 2030 respectively. 1,485,000

\$ 14,035,000

**KIMBERLY SCHOOL DISTRICT No. 414**  
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**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 7 - GENERAL OBLIGATION BONDS – Continued**

The annual requirements to pay principal, interest and sinking fund deposit requirements on outstanding general obligation bonds payable are as follows:

Year Ended June 30	2005 Bond Refinance	2007 Series A	2013 Series A	2013 Series B Mandatory Sinking Fund Installment	Interest	Federal Interest Subsidy	Total
2015	\$ 375,000	\$ 160,000	\$ -	\$ 10,000	\$ 298,636	\$ (34,139)	\$ 809,497
2016	390,000	190,000	-	10,000	572,122	(68,278)	1,093,844
2017	410,000	215,000	-	10,000	544,534	(68,278)	1,111,256
2018	320,000	235,000	-	10,000	514,922	(68,278)	1,011,644
2019	-	275,000	-	10,000	487,172	(68,278)	703,894
2020-2024	-	4,230,000	-	50,000	2,090,048	(341,390)	6,028,658
2025-2029	-	4,250,000	1,095,000	50,000	1,128,322	(341,390)	6,181,932
2030-2031	-	-	405,000	1,335,000	166,782	(136,556)	1,770,226
	<u>\$ 1,495,000</u>	<u>\$ 9,555,000</u>	<u>\$ 1,500,000</u>	<u>\$ 1,485,000</u>	<u>\$ 5,802,538</u>	<u>\$ (1,126,587)</u>	<u>\$ 18,710,951</u>

**NOTE 8 - RETIREMENT PLAN**

Public Employee Retirement System of Idaho (PERSI) - The PERSI Base Plan, a cost sharing multiple-employer public retirement system, was created by the Idaho State Legislature. It is a defined benefit plan requiring that both the member and the employer contribute. The Plan provides benefits based on members' years of service, age, and compensation. In addition, benefits are provided for disability, death, and survivors of eligible members or beneficiaries. The authority to establish and amend benefit provisions is established in Idaho Code. Designed as a mandatory system for eligible state and school district employees, the legislation provided for other political subdivisions to participate by contractual agreement with PERSI. After 5 years of credited service, members become fully vested in retirement benefits earned to date. Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. For each month of credited service, the annual service retirement allowance is 2.0% (2.3% police/firefighter) of the average monthly salary for the highest consecutive 42 months.

PERSI issues publicly available standalone financial reports that include audited financial statements and required supplementary information. These reports may be obtained from PERSI's website at [www.persi.idaho.gov](http://www.persi.idaho.gov).

The actuarially determined contribution requirements of the District and its employees are established and may be amended by the PERSI Board of Trustees. For the year ended June 30, 2014, the required contribution rate as a percentage of covered payrolls for members was 6.79% for general members and 8.36% for police/firefighters. The employer rate as a percentage of covered payroll was 11.32% for general members and 11.66% for police/firefighter members. The Districts employer contributions required and paid were \$709,322, \$622,620, and \$612,867 for the three years ended June 30, 2014, 2013, and 2012, respectively.

**KIMBERLY SCHOOL DISTRICT No. 414**  
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**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 9 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

For the fiscal year ended June 30, 2014, material expenditures that exceeded appropriation were in the Professional Technical Fund in the amount of \$11,931 and the Special Ed. Billing Fund of \$54,008.

**NOTE 10 - FUND BALANCE AND NET POSITION DEFICITS**

Fund deficits as of June 30, 2014, which are significant, are as follows:

*Special Education Billing Fund* - The deficit of \$54,008 is due to accumulated costs exceeding revenues over a couple of years. The District has reduced full time staff and replaced them with part time staff for the next couple of years in order to reduce the deficit in this fund.

**NOTE 11 – RISK FROM LOSSES/CONTINGENT LIABILITIES**

The District is not aware of any pending or threatened litigation that would adversely affect the District. The District purchases commercial insurance to protect assets from losses from workmen's compensation claims, fire and casualty, general liability and fidelity losses.

The District has received several Federal/State grants for specific purposes that were subject to review and audit of the compliance conditions of each program. This audit found no elements of non-compliance with terms and conditions of the individual programs.

**NOTE 12 – LACK OF IMPLEMENTATION OF GASB STATEMENT NO. 45**

GASB 45 establishes standards for the measurement, recognition, and display of other postemployment benefits (OPEB) expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers. The District is required to follow GASB 45 as the District allows retired employees, who pay for their own health insurance premiums, to remain on the District's health insurance plan. Even though the retirees pay their own premiums, the premiums are not age-adjusted. The District therefore provides an implicit subsidy to the retirees on their premiums, which would be higher if they were age-adjusted. GASB 45 requires that the future expense of the implicit subsidy be calculate and accrued annually. The District has determined that the required cost to calculate this future expense and accrual, which involves paying for actuarial services, is too expensive. The District has therefore chosen not to comply with the requirement of GASB 45.

**NOTE 13 – SUBSEQUENT EVENTS**

The District has evaluated subsequent events through October 1, 2014, the date which the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY INFORMATION**

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
GENERAL FUND  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>				
<b>Local:</b>				
Property taxes	\$ 336,000	\$ 402,215	\$ 410,941	\$ 8,726
Earnings on investments	4,500	3,400	3,883	483
Rentals	1,600	2,240	3,065	825
Other local revenue	<u>10,325</u>	<u>145,283</u>	<u>148,477</u>	<u>3,194</u>
<b>Total local revenue</b>	352,425	553,138	566,366	13,228
<b>State:</b>				
State apportionment	6,079,402	6,462,381	6,475,100	12,719
State paid benefits	807,990	859,318	860,862	1,544
Revenue in lieu of taxes	14,727	18,229	18,229	-
Other state support	<u>296,241</u>	<u>337,302</u>	<u>350,254</u>	<u>12,952</u>
<b>Total State Revenue</b>	7,198,360	7,677,230	7,704,445	27,215
<b>Federal:</b>				
Forest reserve fund	3,537	3,537	3,493	(44)
Other federal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Federal Revenue</b>	<u>3,537</u>	<u>3,537</u>	<u>3,493</u>	<u>(44)</u>
<b>Total Revenues</b>	7,554,322	8,233,905	8,274,304	40,399

See accountants' report.

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
GENERAL FUND  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2014**

<b>Expenditures</b>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Instructional:</b>				
<b>Elementary:</b>				
Teachers salaries	1,177,367	1,270,736	1,266,546	4,190
Teachers aides	55,215	87,275	87,365	(90)
Substitutes	14,305	15,778	24,908	(9,130)
Social security	93,610	103,413	99,795	3,618
Teachers fringe pool	324,458	353,160	350,910	2,250
Telephone	2,050	2,050	2,229	(179)
Travel and other	4,647	6,147	6,555	(408)
Supplies and textbooks	25,800	43,415	43,408	7
Equipment	12,000	12,000	9,920	2,080
<b>Total elementary</b>	<b>1,709,452</b>	<b>1,893,974</b>	<b>1,891,636</b>	<b>2,338</b>
<b>Middle school:</b>				
Teachers salaries	695,616	725,235	726,444	(1,209)
Substitutes	8,919	8,771	7,256	1,515
Social security	53,241	56,168	54,849	1,319
Teachers fringe pool	180,951	182,862	180,270	2,592
Telephone	2,000	2,000	2,143	(143)
Travel and other	15,803	16,137	13,380	2,757
Supplies and textbooks	6,500	12,490	14,332	(1,842)
Equipment	-	-	-	-
<b>Total middle</b>	<b>963,030</b>	<b>1,003,663</b>	<b>998,674</b>	<b>4,989</b>
<b>Secondary:</b>				
Teachers salaries	995,440	952,933	923,068	29,865
Substitutes	14,644	12,260	9,374	2,886
Social security	68,220	68,241	68,029	212
Teachers fringe pool	247,732	248,628	241,953	6,675
Telephone	4,000	4,000	4,370	(370)
Travel and other	17,426	28,776	23,423	5,353
Supplies and textbooks	28,356	31,350	30,674	676
<b>Total secondary</b>	<b>1,375,818</b>	<b>1,346,188</b>	<b>1,300,891</b>	<b>45,297</b>
<b>Alternative:</b>				
Teachers salaries	-	-	7,175	(7,175)
Social security	-	-	548	(548)
Teachers fringe pool	-	-	896	(896)
<b>Total alternative</b>	<b>-</b>	<b>-</b>	<b>8,619</b>	<b>(8,619)</b>
<b>Total instructional</b>	<b>4,048,300</b>	<b>4,243,825</b>	<b>4,199,820</b>	<b>44,005</b>

See accountants' report.



**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
GENERAL FUND  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Favorable (Unfavorable)</b>
<b>Expenditures</b>				
<b>Interscholastic:</b>				
Salaries	95,795	98,998	94,265	4,733
Social security & fringe	18,830	19,261	19,686	(425)
Travel and other	3,230	12,176	12,278	(102)
Supplies	3,325	3,325	3,413	(88)
<b>Total interscholastic</b>	<u>121,180</u>	<u>133,760</u>	<u>129,642</u>	<u>4,118</u>
<b>Activities:</b>				
Salaries	23,196	22,919	21,668	1,251
Social security & fringe	4,496	4,448	4,170	278
Gifted and talented program	11,163	11,161	10,529	632
Debate	1,023	1,120	825	295
Other	10,776	10,768	9,102	1,666
<b>Total activities</b>	<u>50,654</u>	<u>50,416</u>	<u>46,294</u>	<u>4,122</u>
<b>Support:</b>				
Counselor & social worker salaries	155,388	156,468	183,121	(26,653)
Social security	11,888	11,971	11,080	891
Fringe pool	37,594	37,680	37,774	(94)
Other	400	400	400	-
<b>Total support</b>	<u>205,270</u>	<u>206,519</u>	<u>232,375</u>	<u>(25,856)</u>
<b>Special services:</b>				
Psychologist & teachers salaries	326,834	330,254	325,905	4,349
Teachers aides & secretary	32,736	26,581	33,121	(6,540)
Substitutes	-	-	-	-
Social security	26,006	25,797	24,821	976
Fringe pool	93,052	95,522	95,315	207
Supplies & other	-	-	-	-
<b>Total special services</b>	<u>478,628</u>	<u>478,154</u>	<u>479,162</u>	<u>(1,008)</u>

See accountants' report.

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
GENERAL FUND  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Expenditures</b>				
<b>Instructional improvement program:</b>				
Salaries	86,173	133,871	124,292	9,579
Social security & fringe	15,798	25,350	22,683	2,667
Purchased services	-	-	-	-
Supplies & other	21,201	149,694	115,505	34,189
Equipment	-	-	-	-
<b>Total instructional improvement program</b>	<b>123,172</b>	<b>308,915</b>	<b>262,480</b>	<b>46,435</b>
<b>Library &amp; personal development:</b>				
Salaries	178,584	184,587	184,514	73
Social security	12,338	12,798	13,301	(503)
Fringe pool	48,083	48,733	48,351	382
Books & supplies - elementary	4,769	4,769	4,750	19
Books & supplies - middle school	4,769	4,769	3,647	1,122
Books & supplies - secondary	4,769	4,769	4,764	5
Other	-	-	-	-
<b>Total library and personal development</b>	<b>253,312</b>	<b>260,425</b>	<b>259,327</b>	<b>1,098</b>
<b>District office - Superintendent:</b>				
Superintendent salary	79,895	80,255	80,255	-
Social security	6,112	6,140	5,948	192
Fringe pool	17,304	17,324	17,369	(45)
Travel and other	15,214	15,559	12,173	3,386
<b>Total district office superintendent</b>	<b>118,525</b>	<b>119,278</b>	<b>115,745</b>	<b>3,533</b>
<b>Principals and secretaries:</b>				
Salaries - principals	228,748	233,514	233,164	350
Salaries - secretaries	108,557	106,759	107,066	(307)
Social security	25,004	25,232	24,953	279
Fringe pool	93,623	93,370	93,934	(564)
Travel and dues	5,322	7,337	5,323	2,014
<b>Total principals &amp; secretaries</b>	<b>461,254</b>	<b>466,212</b>	<b>464,440</b>	<b>1,772</b>

See accountants' report.

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
GENERAL FUND  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Expenditures</b>				
<b>District office:</b>				
Salaries	93,336	94,056	93,829	227
Social security	6,640	6,766	6,159	607
Fringe pool	28,834	29,490	29,714	(224)
Professional services	19,500	19,000	13,227	5,773
Travel and other	40,315	45,130	46,435	(1,305)
<b>Total district office</b>	<u>188,625</u>	<u>194,442</u>	<u>189,364</u>	<u>5,078</u>
<b>Administrative technology services</b>				
Salaries	60,000	60,000	60,000	-
Social security	4,590	4,590	4,158	432
Fringe pool	13,444	13,426	13,425	1
Travel and other	-	-	-	-
Equipment	-	99,000	82,105	16,895
<b>Total administrative technology services</b>	<u>78,034</u>	<u>177,016</u>	<u>159,688</u>	<u>17,328</u>
<b>Custodians:</b>				
Salaries	202,638	213,297	207,897	5,400
Social security	15,503	16,461	14,910	1,551
Fringe pool	83,990	84,112	82,396	1,716
Utilities	245,000	245,000	225,552	19,448
Supplies and other	37,637	37,637	37,303	334
Property insurance	55,183	55,183	55,183	-
<b>Total custodians</b>	<u>639,951</u>	<u>651,690</u>	<u>623,241</u>	<u>28,449</u>
<b>Maintenance:</b>				
Salaries	196,268	209,442	199,571	9,871
Social security	14,221	15,230	14,677	553
Fringe pool	64,271	67,754	65,574	2,180
Contracted repairs	18,500	28,500	30,108	(1,608)
Supplies and other	82,627	101,418	103,194	(1,776)
Building improvements	38,442	17,339	16,177	1,162
<b>Total maintenance</b>	<u>414,329</u>	<u>439,683</u>	<u>429,301</u>	<u>10,382</u>
<b>School lunch:</b>				
Social security	12,560	12,848	12,383	465
Fringe pool	-	-	-	-
<b>Total school lunch</b>	<u>12,560</u>	<u>12,848</u>	<u>12,383</u>	<u>465</u>

See accountants' report.

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
GENERAL FUND  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Favorable (Unfavorable)</b>
<b>Expenditures</b>				
<b>Transportation:</b>				
Salaries - mechanics	26,469	26,758	26,900	(142)
Salaries - drivers	114,530	104,501	113,760	(9,259)
Salaries - supervisors	21,666	21,666	21,666	-
Salaries - other	25,198	34,079	30,110	3,969
Travel and other	32,517	34,517	25,079	9,438
Social security	14,371	14,304	14,161	143
Fringe pool	57,212	51,770	53,669	(1,899)
Physicals	2,000	2,000	1,991	9
Contract repairs & maintenance	34,640	34,640	14,842	19,798
Tires, batteries & parts	15,455	15,455	13,596	1,859
Fuel, oil & lube	86,000	84,000	55,777	28,223
Insurance	6,669	6,669	6,669	-
<b>Total transportation</b>	<u>436,727</u>	<u>430,359</u>	<u>378,220</u>	<u>52,139</u>
<b>Total support</b>	<u>3,582,221</u>	<u>3,929,717</u>	<u>3,781,662</u>	<u>130,727</u>
<b>Total expenditures</b>	7,630,521	8,173,542	7,981,482	174,732
<b>Other sources (uses)</b>				
Transfers in (out)	<u>(595,901)</u>	<u>(595,901)</u>	<u>(596,798)</u>	<u>897</u>
<b>Total other sources (uses)</b>	<u>(595,901)</u>	<u>(595,901)</u>	<u>(596,798)</u>	<u>897</u>
<b>Excess revenues over (under) expenditures</b>	(672,100)	(535,538)	(303,976)	231,562
<b>Fund balance - July 1, 2013</b>	<u>1,558,124</u>	<u>1,558,124</u>	<u>1,558,124</u>	<u>-</u>
<b>Fund balance - June 30, 2014</b>	<u>\$ 886,024</u>	<u>\$ 1,022,586</u>	<u>\$ 1,254,148</u>	<u>\$ 231,562</u>

See accountants' report.

**KIMBERLY SCHOOL DISTRICT NO. 414**  
**KIMBERLY, IDAHO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**DEBT SERVICE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Final Budget</u>	<u>Original Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>				
Local	\$ 959,845	\$ 1,100,000	\$ 977,558	\$ 17,713
State	176,650	173,105	176,650	-
Federal	-	-	43,182	43,182
<b>Total Revenues</b>	<u>1,136,495</u>	<u>1,273,105</u>	<u>1,197,390</u>	<u>60,895</u>
<b>Expenditures</b>				
Principal payments	495,000	495,000	1,020,000	(525,000)
Interest & fees	541,878	498,163	615,585	(73,707)
Contingency Reserve	1,465,434	1,952,908	-	1,465,434
<b>Total Expenditures</b>	<u>2,502,312</u>	<u>2,946,071</u>	<u>1,635,585</u>	<u>866,727</u>
<b>Other Sources (Uses)</b>				
Advance refunding escrow	-	-	-	-
Transfers in (out)	-	-	-	-
<b>Total Other Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess Revenues Over (Under) Expenditures</b>	<u>(1,365,817)</u>	<u>(1,672,966)</u>	<u>(438,195)</u>	<u>927,622</u>
<b>Fund Balance - July 1, 2013</b>	<u>1,365,817</u>	<u>1,672,966</u>	<u>1,365,818</u>	<u>1</u>
<b>Fund Balance - June 30, 2014</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 927,623</u>	<u>\$ 927,623</u>

See accountants' report.

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES-BUDGET AND ACTUAL  
CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Final</u>	<u>Original</u>		<u>Favorable (Unfavorable)</u>
<b>REVENUES</b>				
Local Sources:				
Lottery receipts & State Revenue	\$ -	\$ -	\$ 42,450	\$ 42,450
Earnings on investments	2,700	2,700	2,216	(484)
Total local sources	<u>2,700</u>	<u>2,700</u>	<u>44,666</u>	<u>41,966</u>
<b>Total revenues</b>	<u>2,700</u>	<u>2,700</u>	<u>44,666</u>	<u>41,966</u>
<b>EXPENDITURES</b>				
Capital outlay	3,382,258	3,173,326	2,319,370	1,062,888
Contingency Reserve	<u>3,780</u>	<u>-</u>	<u>-</u>	<u>3,780</u>
Total expenditures	<u>3,386,038</u>	<u>3,173,326</u>	<u>2,319,370</u>	<u>1,066,668</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond proceeds	3,000,000	3,000,000	3,000,000	-
Transfers in	348,217	135,504	306,663	(41,554)
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>3,348,217</u>	<u>3,135,504</u>	<u>3,306,663</u>	<u>(41,554)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(35,121)</u>	<u>(35,122)</u>	<u>1,031,959</u>	<u>1,067,080</u>
<b>Fund balances-beginning</b>	<u>35,121</u>	<u>35,122</u>	<u>35,122</u>	<u>1</u>
<b>Fund balances-ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,067,081</u>	<u>\$ 1,067,081</u>

See accountants' report.

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2014**

**NOTE 1- BUDGETARY INFORMATION**

*Budgetary-GAAP Reporting Reconciliation*

The accompanying Budgetary Comparison Schedules compare the legally adopted budget with actual data on a budgetary basis. Accounting principles applied for purposes of developing data on the budgetary basis do not differ significantly from those used to present financial statements in conformity with generally accepted accounting principles (GAAP).

*Budgetary Policies*

Kimberly School District #414 prepares an annual budget of revenue and expenditures prior to the beginning of the fiscal year. The budget is prepared on the modified accrual basis of accounting. Budget figures are based on prior levels of revenue and expenditures taking into account specific items which may be planned in advance by the District such as capital outlay expenditures. Any excess of budgeted expenditures over budgeted revenues are temporary situations and are budgeted so as to utilize cash balances in the individual fund.

## **SUPPLEMENTARY INFORMATION**



**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2014**

	<u>Title I-A</u>	<u>IDEA School Age</u>	<u>IDEA Pre- School</u>	<u>Schoolnet</u>	<u>Title II-A</u>	<u>Technology</u>
<b>Assets</b>						
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash	-	-	-	7,999	-	31,072
Investments	-	-	-	-	-	-
Taxes Receivable	-	-	-	-	-	-
Receivable From Other Governments	58,752	78,048	6,554	-	27,702	13,209
Receivable From Other Funds	-	-	-	-	-	-
<b>Total Assets</b>	<u>\$ 58,752</u>	<u>\$ 78,048</u>	<u>\$ 6,554</u>	<u>\$ 7,999</u>	<u>\$ 27,702</u>	<u>\$ 44,281</u>
<b>Liabilities</b>						
Deficit in Pooled Cash	\$ 34,726	\$ 49,398	\$ 4,093	\$ -	\$ 25,738	\$ -
Accounts Payable	314	550	-	-	165	12
Salaries and Benefits Payable	24,561	25,563	2,461	3,126	1,850	15,637
Due to Other Funds	-	-	-	-	-	-
<b>Total Liabilities</b>	59,601	75,511	6,554	3,126	27,753	15,649
<b>Fund Equity</b>						
Fund Balances:						
Nonspendable	-	-	-	-	-	-
Restricted:						
Capital projects	-	-	-	-	-	-
Federal Programs	-	2,537	-	-	-	-
State Programs	-	-	-	4,873	-	28,632
School Lunch Program	-	-	-	-	-	-
Committed:	-	-	-	-	-	-
Assigned:	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-
Unassigned	(849)	-	-	-	(51)	-
<b>Total Fund Equity</b>	<u>(849)</u>	<u>2,537</u>	<u>-</u>	<u>4,873</u>	<u>(51)</u>	<u>28,632</u>
<b>Total Liabilities and Fund Equity</b>	<u>\$ 58,752</u>	<u>\$ 78,048</u>	<u>\$ 6,554</u>	<u>\$ 7,999</u>	<u>\$ 27,702</u>	<u>\$ 44,281</u>

See accountants' report.

<b>Title I-C Migrant</b>	<b>Child Nutrition</b>	<b>Perkins III</b>	<b>Driver's Ed</b>	<b>Professional Technical</b>	<b>Special Ed. Billing</b>	<b>Rural and Low Income</b>	<b>Totals</b>
\$ -	\$ 83,427	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 83,427
-	145	-	11,779	-	-	-	50,995
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
9,061	-	16,353	2,500	14,441	-	9,951	236,571
-	-	-	-	-	-	-	-
<u>\$ 9,061</u>	<u>\$ 83,572</u>	<u>\$ 16,353</u>	<u>\$ 14,279</u>	<u>\$ 14,441</u>	<u>\$ -</u>	<u>\$ 9,951</u>	<u>\$ 370,993</u>
\$ 1,497	\$ -	\$ 16,353	\$ -	\$ 10,381	\$ 46,652	\$ 3,350	\$ 192,188
38	-	-	28	293	136	-	1,536
7,544	-	-	1,418	3,757	7,220	6,661	99,798
-	-	-	-	-	-	-	-
9,079	-	16,353	1,446	14,431	54,008	10,011	293,522
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	2,537
-	-	-	12,833	0	-	-	46,338
-	83,572	-	-	-	-	-	83,572
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(18)	-	-	-	10	(54,008)	(60)	(54,976)
(18)	83,572	-	12,833	10	(54,008)	(60)	77,471
<u>\$ 9,061</u>	<u>\$ 83,572</u>	<u>\$ 16,353</u>	<u>\$ 14,279</u>	<u>\$ 14,441</u>	<u>\$ -</u>	<u>\$ 9,951</u>	<u>\$ 370,993</u>

See accountants' report.

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES-NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Title I-A</u>	<u>IDEA School Age</u>	<u>IDEA Pre- School</u>	<u>Schoolnet</u>	<u>Title II-A</u>	<u>Technology</u>
<b>Revenues</b>						
Local	\$ -	\$ -	\$ 7,449	\$ -	\$ -	\$ 98,746
State	-	-	-	3,300	-	57,827
Federal	191,220	239,243	17,923	-	48,143	-
<b>Total Revenues</b>	191,220	239,243	25,372	3,300	48,143	156,573
<b>Expenditures</b>						
Instructional	179,261	241,327	25,372	-	45,859	323,083
Support	-	-	-	20,115	-	133,543
Non-Instructional	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
<b>Total Expenditures</b>	179,261	241,327	25,372	20,115	45,859	456,626
<b>Other Sources (Uses)</b>						
Bond Proceeds	-	-	-	-	-	-
Transfers In (Out)	(12,796)	-	-	-	(2,335)	249,259
<b>Total Other Sources (Uses)</b>	(12,796)	-	-	-	(2,335)	249,259
Excess Revenues Over (Under) Expenditures	(837)	(2,084)	-	(16,815)	(51)	(50,794)
<b>Fund Balance - July 1, 2013</b>	(12)	4,621	-	21,688	-	79,426
<b>Fund Balance - June 30, 2014</b>	<u>\$ (849)</u>	<u>\$ 2,537</u>	<u>\$ -</u>	<u>\$ 4,873</u>	<u>\$ (51)</u>	<u>\$ 28,632</u>

See accountants' report.

<b>Title I-C Migrant</b>	<b>Child Nutrition</b>	<b>Perkins III</b>	<b>Driver's Ed</b>	<b>Professional Technical</b>	<b>Special Ed. Billing</b>	<b>Rural and Low Income</b>	<b>Totals</b>
\$ -	\$ 148,980	\$ -	\$ 5,868	\$ -	\$ -	\$ -	\$ 261,043
-	-	-	7,187	48,138	-	-	116,452
20,610	379,758	16,353	-	-	154,538	29,181	1,096,969
20,610	528,738	16,353	13,055	48,138	154,538	29,181	1,474,464
20,882	-	16,353	13,959	48,128	175,111	-	1,089,335
-	-	-	-	-	-	29,241	182,899
-	568,516	-	-	-	-	-	568,516
-	-	-	-	-	-	-	-
20,882	568,516	16,353	13,959	48,128	175,111	29,241	1,840,750
-	-	-	-	-	-	-	-
-	-	-	-	-	56,007	-	290,135
-	-	-	-	-	56,007	-	290,135
(272)	(39,778)	-	(904)	10	35,434	(60)	(76,151)
254	123,350	-	13,737	-	(89,442)	-	153,622
<u>\$ (18)</u>	<u>\$ 83,572</u>	<u>\$ -</u>	<u>\$ 12,833</u>	<u>\$ 10</u>	<u>\$ (54,008)</u>	<u>\$ (60)</u>	<u>\$ 77,471</u>

See accountants' report.

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2014**

	Title I-A				IDEA School-Age			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>								
Local	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State	-	-	-	-	-	-	-	-
Federal	210,391	208,577	191,220	(17,357)	246,631	246,897	239,243	(7,654)
<b>Total Revenues</b>	210,391	208,577	191,220	(17,357)	246,631	246,897	239,243	(7,654)
<b>Expenditures</b>								
Instructional:								
Salaries	142,406	126,083	129,213	(3,130)	177,623	170,328	164,366	5,962
Benefits	50,909	43,479	44,152	(673)	57,757	51,394	51,178	216
Purchased Services	2,000	4,250	2,963	1,287	8,403	12,829	20,307	(7,478)
Supplies and Materials	2,053	21,957	2,933	19,024	2,848	16,967	5,476	11,491
Equipment	-	-	-	-	-	-	-	-
<b>Total Instructional</b>	197,368	195,769	179,261	16,508	246,631	251,518	241,327	10,191
Support:								
Equipment and Other Expenses	-	-	-	-	-	-	-	-
<b>Total Support</b>	-	-	-	-	-	-	-	-
Non-Instructional	-	-	-	-	-	-	-	-
<b>Total Non-Instructional</b>	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	197,368	195,769	179,261	16,508	246,631	251,518	241,327	10,191
<b>Other Sources (Uses)</b>								
Transfers In (Out)	(13,023)	(12,796)	(12,796)	-	-	-	-	-
<b>Total Other Sources (Uses)</b>	(13,023)	(12,796)	(12,796)	-	-	-	-	-
<b>Excess Revenues Over (Under) Expenditures</b>	-	12	(837)	(849)	-	(4,621)	(2,084)	2,537
<b>Fund Balance - July 1, 2013</b>	-	(12)	(12)	-	-	4,621	4,621	-
<b>Fund Balance - June 30, 2014</b>	\$ -	\$ -	\$ (849)	\$ (849)	\$ -	\$ -	\$ 2,537	\$ 2,537

See accountants' report.

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2014**

	IDEA - Pre School				SchoolNet			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>								
Local	\$ 10,500	\$ 10,500	\$ 7,449	\$ (3,051)	\$ -	\$ -	\$ -	\$ -
State	-	-	-	-	-	-	3,300	3,300
Federal	20,571	21,013	17,923	(3,090)	-	-	-	-
<b>Total Revenues</b>	31,071	31,513	25,372	(6,141)	-	-	3,300	3,300
<b>Expenditures</b>								
Instructional:								
Salaries	21,908	20,177	19,470	707	-	-	-	-
Benefits	3,401	3,293	3,220	73	-	-	-	-
Purchased Services	3,600	5,098	20	5,078	-	-	-	-
Supplies and Materials	2,162	2,945	2,662	283	-	-	-	-
Equipment	-	-	-	-	-	-	-	-
<b>Total Instructional</b>	31,071	31,513	25,372	6,141	-	-	-	-
Support:								
Equipment and Other Expenses	-	-	-	-	21,406	24,387	20,115	4,272
<b>Total Support</b>	-	-	-	-	21,406	24,387	20,115	4,272
Non-Instructional	-	-	-	-	-	-	-	-
<b>Total Non-Instructional</b>	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	31,071	31,513	25,372	6,141	21,406	24,387	20,115	4,272
<b>Other Sources (Uses)</b>								
Transfers In (Out)	-	-	-	-	-	-	-	-
<b>Total Other Sources (Uses)</b>	-	-	-	-	-	-	-	-
<b>Excess Revenues Over (Under) Expenditures</b>	-	-	-	-	(21,406)	(24,387)	(16,815)	7,572
<b>Fund Balance - July 1, 2013</b>	-	-	-	-	21,406	24,387	21,688	(2,699)
<b>Fund Balance - June 30, 2014</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,873	\$ 4,873

See accountants' report.

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2014**

	Title II-A				Technology			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>								
Local	\$ -	\$ -	\$ -	\$ -	\$ 98,545	\$ 98,545	\$ 98,746	\$ 201
State	-	-	-	-	52,776	54,950	57,827	2,877
Federal	54,846	55,094	48,143	(6,951)	-	-	-	-
<b>Total Revenues</b>	54,846	55,094	48,143	(6,951)	151,321	153,495	156,573	3,078
<b>Expenditures</b>								
Instructional:								
Salaries	32,974	33,461	34,033	(572)	164,853	166,293	163,236	3,057
Benefits	7,244	5,252	5,650	(398)	56,570	56,860	55,395	1,465
Purchased Services	2,062	6,747	6,113	634	16,705	33,193	34,093	(900)
Supplies and Materials	10,219	7,299	63	7,236	173,005	194,458	54,018	140,440
Equipment	-	-	-	-	30,781	31,376	16,341	15,035
<b>Total Instructional</b>	52,499	52,759	45,859	6,900	441,914	482,180	323,083	159,097
Support:								
Equipment and Other Expenses	-	-	-	-	-	-	133,543	(133,543)
<b>Total Support</b>	-	-	-	-	-	-	133,543	(133,543)
Non-Instructional	-	-	-	-	-	-	-	-
<b>Total Non-Instructional</b>	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	52,499	52,759	45,859	6,900	441,914	482,180	456,626	25,554
<b>Other Sources (Uses)</b>								
Transfers In (Out)	(2,347)	(2,335)	(2,335)	-	217,796	249,259	249,259	-
<b>Total Other Sources (Uses)</b>	(2,347)	(2,335)	(2,335)	-	217,796	249,259	249,259	-
<b>Excess Revenues Over (Under) Expenditures</b>	-	-	(51)	(51)	(72,797)	(79,426)	(50,794)	28,632
<b>Fund Balance - July 1, 2013</b>	-	-	-	-	72,797	79,426	79,426	-
<b>Fund Balance - June 30, 2014</b>	\$ -	\$ -	\$ (51)	\$ (51)	\$ -	\$ -	\$ 28,632	\$ 28,632

See accountants' report.

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2014**

	Title I-C Migrant				Child Nutrition			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>								
Local	\$ -	\$ -	\$ -	\$ -	\$ 137,500	\$ 137,500	\$ 148,980	\$ 11,480
State	-	-	-	-	-	-	-	-
Federal	20,179	20,610	20,610	-	267,000	267,000	379,758	112,758
<b>Total Revenues</b>	20,179	20,610	20,610	-	404,500	404,500	528,738	124,238
<b>Expenditures</b>								
Instructional:								
Salaries	13,357	11,457	14,857	(3,400)	-	-	-	-
Benefits	5,171	5,185	5,842	(657)	-	-	-	-
Purchased Services	500	1,000	61	939	-	-	-	-
Supplies and Materials	1,151	3,222	122	3,100	-	-	-	-
Equipment	-	-	-	-	-	-	-	-
<b>Total Instructional</b>	20,179	20,864	20,882	(18)	-	-	-	-
Support:								
Equipment and Other Expenses	-	-	-	-	-	-	-	-
<b>Total Support</b>	-	-	-	-	-	-	-	-
Non-Instructional	-	-	-	-	475,150	527,850	568,516	(40,666)
<b>Total Non-Instructional</b>	-	-	-	-	475,150	527,850	568,516	(40,666)
<b>Total Expenditures</b>	20,179	20,864	20,882	(18)	475,150	527,850	568,516	(40,666)
<b>Other Sources (Uses)</b>								
Transfers In (Out)	-	-	-	-	-	-	-	-
<b>Total Other Sources (Uses)</b>	-	-	-	-	-	-	-	-
<b>Excess Revenues Over (Under) Expenditures</b>	-	(254)	(272)	(18)	(70,650)	(123,350)	(39,778)	83,572
<b>Fund Balance - July 1, 2013</b>	-	254	254	-	70,650	123,350	123,350	-
<b>Fund Balance - June 30, 2014</b>	\$ -	\$ -	\$ (18)	\$ (18)	\$ -	\$ -	\$ 83,572	\$ 83,572

See accountants' report.



**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2014**

	Perkins III				Drivers Education			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>								
Local	\$ -	\$ -	\$ -	\$ -	\$ 7,800	\$ 7,800	\$ 5,868	\$ (1,932)
State	-	-	-	-	9,000	9,000	7,187	(1,813)
Federal	12,920	16,353	16,353	-	-	-	-	-
<b>Total Revenues</b>	12,920	16,353	16,353	-	16,800	16,800	13,055	(3,745)
<b>Expenditures</b>								
Instructional:								
Salaries	-	-	-	-	16,000	16,000	10,073	5,927
Benefits	-	-	-	-	3,180	3,175	1,803	1,372
Purchased Services	2,600	3,000	3,020	(20)	2,371	2,371	844	1,527
Supplies and Materials	-	-	-	-	11,657	8,991	1,239	7,752
Equipment	10,320	13,353	13,333	20	-	-	-	-
<b>Total Instructional</b>	12,920	16,353	16,353	-	33,208	30,537	13,959	16,578
Support:								
Equipment and Other Expenses	-	-	-	-	-	-	-	-
<b>Total Support</b>	-	-	-	-	-	-	-	-
Non-Instructional	-	-	-	-	-	-	-	-
<b>Total Non-Instructional</b>	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	12,920	16,353	16,353	-	33,208	30,537	13,959	16,578
<b>Other Sources (Uses)</b>								
Transfers In (Out)	-	-	-	-	-	-	-	-
<b>Total Other Sources (Uses)</b>	-	-	-	-	-	-	-	-
<b>Excess Revenues Over (Under) Expenditures</b>	-	-	-	-	(16,408)	(13,737)	(904)	12,833
<b>Fund Balance - July 1, 2013</b>	-	-	-	-	16,408	13,737	13,737	-
<b>Fund Balance - June 30, 2014</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,833	\$ 12,833

See accountants' report.

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2014**

	Professional Technical				Special Ed. Billing			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>								
Local	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State	46,310	48,138	48,138	-	-	-	-	-
Federal	-	-	-	-	180,000	180,000	154,538	(25,462)
Contingency Reserve	-	-	-	-	134,853	51,811	-	(51,811)
<b>Total Revenues</b>	46,310	48,138	48,138	-	314,853	231,811	154,538	(77,273)
<b>Expenditures</b>								
Instructional:								
Salaries	18,887	18,887	18,887	-	105,820	134,573	113,091	21,482
Benefits	3,802	3,802	3,654	148	59,362	63,803	62,020	1,783
Purchased Services	8,508	8,508	8,935	(427)	-	-	-	-
Supplies and Materials	7,439	8,318	11,872	(3,554)	-	-	-	-
Equipment	7,674	8,623	4,780	3,843	-	-	-	-
<b>Total Instructional</b>	46,310	48,138	48,128	10	165,182	198,376	175,111	23,265
Support:								
Equipment and Other Expenses	-	-	-	-	-	-	-	-
<b>Total Support</b>	-	-	-	-	-	-	-	-
Non-Instructional	-	-	-	-	-	-	-	-
<b>Total Non-Instructional</b>	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	46,310	48,138	48,128	10	165,182	198,376	175,111	23,265
<b>Other Sources (Uses)</b>								
Transfers In (Out)	-	-	-	-	-	56,007	56,007	-
<b>Total Other Sources (Uses)</b>	-	-	-	-	-	56,007	56,007	-
<b>Excess Revenues Over (Under) Expenditures</b>	-	-	10	10	149,671	89,442	35,434	(54,008)
<b>Fund Balance - July 1, 2013</b>	-	-	-	-	(149,671)	(89,442)	(89,442)	-
<b>Fund Balance - June 30, 2014</b>	\$ -	\$ -	\$ 10	\$ 10	\$ -	\$ -	\$ (54,008)	\$ (54,008)

See accountants' report.

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2014**

	Rural and Low Income				Total			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>								
Local	\$ -	\$ -	\$ -	\$ -	\$ 254,345	\$ 254,345	\$ 261,043	\$ 6,698
State	-	-	-	-	108,086	112,088	116,452	4,364
Federal	14,225	29,181	29,181	-	1,026,763	1,044,725	1,096,969	52,244
Contingency Reserve	-	-	-	-	134,853	51,811	-	(51,811)
<b>Total Revenues</b>	14,225	29,181	29,181	-	1,524,047	1,462,969	1,474,464	11,495
<b>Expenditures</b>								
Instructional:								
Salaries	-	-	-	-	693,828	697,259	667,226	30,033
Benefits	-	-	-	-	247,396	236,243	232,914	3,329
Purchased Services	-	-	-	-	46,749	76,996	76,356	640
Supplies and Materials	-	-	-	-	210,534	264,157	78,385	185,772
Equipment	-	-	-	-	48,775	53,352	34,454	18,898
<b>Total Instructional</b>	-	-	-	-	1,247,282	1,328,007	1,089,335	238,672
Support:								
Equipment and Other Expenses	14,225	29,181	29,241	(60)	35,631	53,568	182,899	(129,331)
<b>Total Support</b>	14,225	29,181	29,241	(60)	35,631	53,568	182,899	(129,331)
Non-Instructional	-	-	-	-	475,150	527,850	568,516	(40,666)
<b>Total Non-Instructional</b>	-	-	-	-	475,150	527,850	568,516	(40,666)
<b>Total Expenditures</b>	14,225	29,181	29,241	(60)	1,758,063	1,909,425	1,840,750	68,675
<b>Other Sources (Uses)</b>								
Transfers In (Out)	-	-	-	-	202,426	290,135	290,135	-
<b>Total Other Sources (Uses)</b>	-	-	-	-	202,426	290,135	290,135	-
<b>Excess Revenues Over (Under) Expenditures</b>	-	-	(60)	(60)	(31,590)	(156,321)	(76,151)	80,170
<b>Fund Balance - July 1, 2013</b>	-	-	-	-	31,590	156,321	153,622	(2,699)
<b>Fund Balance - June 30, 2014</b>	\$ -	\$ -	\$ (60)	\$ (60)	\$ -	\$ -	\$ 77,471	\$ 77,471

See accountants' report.

**KIMBERLY SCHOOL DISTRICT No. 414  
KIMBERLY, IDAHO  
CONTINUING DISCLOSURE STATEMENT**

**Continuing Disclosure**

The General Obligation Bonds, Series 2007A (Bank Qualified), Series 2013A (Tax Exempt) and Series 2013B (Taxable QSCB-Direct Pay Subsidy bonds are subject to the requirements of Continuing Disclosure under S.E.C Rule 15c2-12. The following information is provided in compliance with this requirement.

Continuing Disclosure Bond Information

**Bonded Indebtedness**

**Outstanding Long-Term Debt  
As of June 30, 2014**

	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
<b>General Obligation Bonds</b>				
Series 2005 Refunding	01/15/05	08/15/19	\$ 4,415,000	\$ 1,495,000
Series 2007A	12/19/07	09/15/27	9,860,000	9,555,000
Series 2013A	08/01/13	09/15/29	1,500,000	1,500,000
Series 2013B (QSCB)	08/01/13	09/15/30	1,485,000	1,485,000
Total Outstanding Long-term Debt			<u>\$ 17,260,000</u>	<u>\$ 14,035,000</u>

**Short-Term Borrowing**

Under Idaho Code, the District is permitted to borrow up to an amount not to exceed 75 percent of:

- (a) The taxes levied but uncollected for the current Fiscal Year (the fiscal year includes July 1 to June 30), exclusive of taxes raised or required to be raised to pay the principal of outstanding bonded indebtedness of the District;
- (b) anticipated distribution from the public school income fund not yet collected for the current fiscal year; and
- (c) other revenues anticipated, and not yet collected for the current fiscal year.

If the tax levy or budget for any fiscal year has not been completed, then the amount borrowed cannot exceed 75 percent of the taxes levied or State fund or other revenues received by the District in the previous fiscal year.

The District does not currently have any short-term notes outstanding, nor does it have plans to issue any notes at this time.

**KIMBERLY SCHOOL DISTRICT No. 414  
KIMBERLY, IDAHO  
CONTINUING DISCLOSURE STATEMENT**

**Overlapping Debt**

The District does not have any overlapping debt to report.

**Taxes and State Funding**

**Ad Valorem Tax Levy Rates of the District**

Tax Year	Supplemental M&O	Emergency	Tort	Bond	Total Levy Rate
2013	0.911225	0.205527	0.092793	2.884164	4.093709
2012	0.910914	0.433061	0.085146	2.884164	4.313285
2011	0.893269	0.418708	0.076818	2.884165	4.272960
2010	0.889294	0.276556	0.072175	2.884164	4.122189
2009	0.842133	0.275601	0.060830	2.884165	4.062729

**District Property Values**

Tax Year	Full Market Value (1)	% Annual Change in Full Market Value	Homeowner's Exemption (2)	Taxable Assessed Value (3)	% Annual Change in Net Market Value
2013	433,107,768	-0.82%	103,880,667	329,227,101	-0.03%
2012	436,699,213	-2.17%	107,359,729	329,339,484	-1.94%
2011	446,374,728	-1.81%	110,529,506	335,845,222	-0.44%
2010	454,592,894	3.20%	117,246,599	337,346,295	3.31%
2009	440,509,209	6.16%	113,957,557	326,551,652	6.50%

- (1) Each year all taxable property must be assessed at 100 percent of the current market value.
- (2) Homeowner's Exemption adjusts annually by the percentage change in the Idaho Housing Price Index. See "Homeowner's Exemption" herein.
- (3) Taxable Assessed Value is the Full Market Value less statutory exemption. Statutory exemptions include homeowner's exemption and property tax reductions, known as the Circuit Breaker Property Tax Relief Program. The Taxable Assessed Value is the value against which tax levies are applied. The District does not have URA.

Source: Idaho State Tax Commission, September 30, 2013.

**KIMBERLY SCHOOL DISTRICT No. 414  
KIMBERLY, IDAHO  
CONTINUING DISCLOSURE STATEMENT**

**District Property Tax Collection**

*Ad valorem* taxes, including delinquent taxes and penalties, are collected by the treasurer of the County. The taxes are due and payable in two equal installments on December 20 of the Tax Year and June 20 of the following year. The District receives tax receipts in January and July, one month following collection by the County.

Tax Year	Total Certified Levied	Taxes Collected	Percent Collected
2013	1,332,907	1,299,545	97.50%
2012	1,415,647	1,400,036	98.90%
2011	1,424,976	1,416,270	99.39%
2010	1,380,010	1,379,746	99.98%
2009	1,338,151	1,338,101	100.00%

Source: Office of the County Treasurer

**District's Top Ten Tax Payers - (As of October 2014)**

Owner	Type of Business	District Taxable Value	% of District's Tax Assessed Value
Idaho Power Company	Power Plant	5,260,848	1.44%
Northwest Pipeline Corp.	Pipeline	2,015,512	0.55%
Agri Sales, Inc	Farm Supplies	1,834,073	0.50%
Lower Lowline Hydro	Hydro Power Plant	1,420,000	0.39%
Johnny Sudik	Dairy	1,389,397	0.38%
Greg & Sally Middlekauff	Residence	1,139,256	0.31%
Joe and Janet Russell	Residence	1,064,723	0.29%
Obenchain Family Revocable Trust	Residence	1,051,593	0.29%
Gale Lim Construction, LLC	Development	1,014,028	0.28%
LK Godfrey Estates, LLC	Development	977,883	0.27%
Top 10 Taxpayers		17,167,313	4.71%
All other District Taxpayers		347,536,916	95.29%
Total District Taxpayers (Tax Year 2014)		\$ 364,704,229	100.00%

**KIMBERLY SCHOOL DISTRICT No. 414  
KIMBERLY, IDAHO  
CONTINUING DISCLOSURE STATEMENT**

**State of Idaho School Finance**

**State Support to the District - (Fiscal Years)**

	2014	2013	2012	2011	2010	2009
<b>State Support</b>						
August	\$ 2,013,057	\$ 1,893,214	\$ 1,850,669	\$ 1,846,034	\$ 2,071,258	\$ 2,109,878
October	2,015,553	1,892,281	1,581,616	1,869,315	2,083,395	2,117,507
November	1,345,502	1,273,336	1,239,433	1,248,399	766,343	1,412,001
February	1,032,931	714,383	779,054	698,983	763,667	877,102
May/June	928,918	986,721	748,275	972,040	540,647	841,782
<b>Total (1)</b>	<b>\$ 7,335,961</b>	<b>\$ 6,759,935</b>	<b>\$ 6,199,047</b>	<b>\$ 6,634,771</b>	<b>\$ 6,225,310</b>	<b>\$ 7,358,270</b>

(1) Totals may not track due to rounding

**State Funding Schedule - Fiscal Year 2014**

<b>Payment Date</b>	<b>Payment Amount (1)</b>
August 15	30%
October 1	30%
November 15	20%
February 15	10%
May 15	10%
July 15	Final payment adjustment for the Fiscal Year ending, the previous June 30.

(1) Percentage are an approximation of the distribution to be received; final amounts may vary.

**KIMBERLY SCHOOL DISTRICT No. 414  
KIMBERLY, IDAHO  
CONTINUING DISCLOSURE STATEMENT**

**The District**

**Enrollment**

<b>Fiscal Year</b>	<b>Elementary</b>	<b>Middle</b>	<b>Secondary</b>	<b>Total</b>
2015 (1)	898	422	508	1,828
2014 (2)	822	412	451	1,685
2013 (2)	752	373	439	1,564
2012 (3)	723	341	418	1,482
2011 (3)	699	333	433	1,465
2010 (3)	667	330	435	1,432
2009 (3)	652	339	448	1,439
2008 (3)	629	340	448	1,417

- (1) Estimates based on District's projections. The District makes no assurance that the projections will be achieved; actual results may differ materially from the forecasts shown above.
- (2) Actual enrollment as of September 2014 and 2013 respectively.
- (3) Historical enrollments as of Fall each year



**REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2014**

<b>Federal Grantor/ Pass Through Grantor/ Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Grantor's Number</b>	<b>Expenditures</b>
<b>U.S. Department of Agriculture</b>			
<b>Passed Through State Superintendent of Public Instruction</b>			
School Breakfast Program	10.553	82-6000893W	\$ 42,660
National School Lunch Program	10.555	82-6000893W	308,632
Summer Food Service Program for Children	10.559	82-6000893W	<u>28,466</u>
<b>Total U.S. Department of Agriculture</b>			<b>379,758</b>
<b>U.S. Department of Education</b>			
<b>Passed Through State Superintendent of Public Instruction</b>			
Title 1 Grants to Local Educational Agencies	84.010	82-6000893W	192,057
Migrant Education Basic State Formula Grant Program	84.011	82-6000893W	20,882
Improving Teacher Quality	84.367	82-6000893W	48,195
Rural Education	84.358	82-6000893W	29,241
College Access Challenge Grant Program	84.378	82-6000893W	800
Assistance to States for Education of Handicapped Children:			
Special Education-Preschool Grants	84.173	82-6000893W	17,922
Special Education-Grants to States	84.027	82-6000893W	<u>241,328</u>
<b>Total U.S. Department of Education</b>			<b><u>550,425</u></b>
<b>Total</b>			<b><u><u>\$ 930,183</u></u></b>

See accountants' report.

**KIMBERLY SCHOOL DISTRICT**  
**KIMBERLY, IDAHO**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**JUNE 30, 2014**

**Note A – Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Kimberly School District No. 414 under programs of the federal government for the year ended June 30, 2014. The information in this schedule is presented in accordance with the requirements of OMB-Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position and changes in net position of the District.

**Note B – Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB A-87, Cost Principles for State, Local, and Indian Tribal Governments, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.



Mahlke Hunsaker & Company PLLC  
C e r t i f i e d P u b l i c A c c o u n t a n t s

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Chairman and Board of Trustees  
Kimberly School District No. 414  
Kimberly, Id. 83341

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Kimberly School District No. 414, Kimberly, Idaho (the District), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 1, 2014.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

*A deficiency in internal control* 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 on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Mahlke Hunsaker & Co.*

MAHLKE HUNSAKER & CO., pllc  
Twin Falls, Idaho  
October 1, 2014



Mahlke Hunsaker & Company PLLC

C e r t i f i e d P u b l i c A c c o u n t a n t s

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Chairman and Board of Trustees  
Kimberly School District No. 414  
Kimberly, ID 83341

**Report on Compliance for Each Major Federal Program**

We have audited Kimberly School District No. 414, Kimberly, Idaho (the District)'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2014. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

## Report on Internal Control over Compliance

Management of the District, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Mahlke Hunsaker & Co.*

MAHLKE HUNSAKER & CO., pllc  
Twin Falls, Idaho  
October 1, 2014

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2014**

**Section I---Summary of Auditors' Results**

*Financial Statements*

Type of auditor's report issued: *qualified*

Internal control over financial reporting:

\* Material weakness(es) identified?                          yes   x  no

\* Significant deficiency(s) identified that are not considered to be material weaknesses?                          yes   x  none reported

Noncompliance material to financial statements noted?                          yes   x  no

*Federal Awards*

Internal control over major programs:

\* Material weakness(es) identified?                          yes   x  no

\* Significant deficiency(s) identified that are not considered to be material weakness(es)?                          yes   x  none reported

Type of auditor's report issued on compliance for major programs: *unqualified*

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?                          yes   x  no

Identification of major programs:

<u>CFDA Number(s)</u> 10.553, 10.555 and 10.559 84.027	<u>Name of Federal Program or Cluster</u> Child Nutrition Cluster Special Education Grants to States
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Dollar threshold used to distinguish between type A and type B programs:                    \$ 300,000

Auditee qualified as low-risk auditee?                          yes   x  no



**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2014**

**Section II -- Financial Statement Findings**

There were no reportable conditions, material weaknesses or instances of noncompliance related to the financial statements that were found during the course of the audit.

**Section III -- Federal Award Findings and Questioned Costs**

There were no reportable conditions, material weaknesses, or instances of noncompliance, including questioned costs related to Federal Awards that were found during the course of the audit.