

**KIMBERLY SCHOOL DISTRICT No. 414**  
**KIMBERLY, IDAHO**  
**ANNUAL FINANCIAL REPORT**  
**JUNE 30, 2017**

**KIMBERLY SCHOOL DISTRICT No. 414**  
**KIMBERLY, IDAHO**  
**ANNUAL FINANCIAL REPORT**  
**JUNE 30, 2017**

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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 (the District), as of and for the year ended June 30, 2017, 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.

### ***Auditors' 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 position, increase liabilities, and increase expenses in the governmental activities. The amount by which this departure would affect net position, liabilities, and expenses in the governmental activities has not been determined.

#### **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 previously present fairly, in all material respects, the financial position of the governmental activities of the District as of June 30, 2017, 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.

#### **Unmodified Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the General Fund, each major fund and the aggregate remaining fund information of the District as of June 30, 2017, 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 schedules, schedule of employer's share of net pension liability, and schedule of employer contributions listed as required supplementary information in the table of contents 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 the management's discussion and analysis information 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 District's basic financial statements. The budgetary comparison schedules, accompanying 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 Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The budgetary comparison schedules, 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 budgetary comparison schedules, 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 12, 2017, on our consideration of the District'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 the District's internal control over financial reporting and compliance.

Sincerely,

*Mahlke Hunsaker & Co.*

MAHLKE HUNSAKER & CO., PLLC  
Twin Falls, Idaho  
October 12, 2017

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
STATEMENT OF NET POSITION  
JUNE 30, 2017**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 539,166
Investments	13,178,482
Property taxes receivable	59,319
Other receivables	1,002,053
Total current assets	14,779,020
Noncurrent assets:	
Capital assets, (net of depreciation)	16,491,944
Construction in Progress	2,128,619
Total noncurrent assets	18,620,563
<b>Total assets</b>	<b>33,399,583</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension Obligations	2,979,883
Advance Refunding	271,898
Total deferred outflows of resources	3,251,781
<b>Total assets and deferred outflows of resources</b>	<b>\$ 36,651,364</b>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 961,582
Interest payable	323,882
Current portion of long-term obligations	678,677
Salaries and benefits payable	1,315,381
Total current liabilities	3,279,522
Noncurrent liabilities:	
Noncurrent portion of long-term obligations	21,437,935
Premium on debt issuance	1,660,047
Net pension liability	4,328,004
Total noncurrent liabilities	27,425,986
<b>Total liabilities</b>	<b>30,705,508</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Employer pension assumption	1,363,335
Total deferred inflows of resources	1,363,335
<b>NET POSITION</b>	
Invested in capital assets, net of related debt	(5,479,978)
Restricted for:	
School lunch	53,902
Federal Programs	(11,195)
State Programs	44,179
Capital projects	9,894,593
Debt service	1,458,700
Unrestricted (deficit)	(1,377,680)
Total net position	4,582,521
<b>Total liabilities, deferred inflows, and net position</b>	<b>\$ 36,651,364</b>

See Notes to Financial Statements.

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2017**

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	\$ 5,402,087	\$ 5,259,760	\$ -	\$ (142,327)
Supplies and other	780,286	759,728	-	(20,558)
Supporting services:				
Instructional staff and supplies	1,295,040	1,260,920	-	(34,120)
District administration	393,418	383,053	-	(10,365)
School administration	1,910,820	1,860,476	-	(50,344)
Operation and maintenance of facilities	1,190,406	1,159,043	-	(31,363)
Transportation	534,293	-	-	(534,293)
School lunch services	617,956	400,276	204,478	(13,202)
Student activities	244,372	237,934	-	(6,438)
Interest on long-term debt	826,681	-	-	(826,681)
Total governmental activities	13,195,359	11,321,190	204,478	(1,669,691)

General Revenues:

Taxes:

Property taxes, levied for general purposes	409,874
Property taxes, levied for debt service	1,176,395
Interest and investment earnings	94,870
Bond levy equalization	243,371
Other local & miscellaneous	76,374
Total general revenues	2,000,884

Change in net position 331,193

Net position-beginning of year as previously stated 4,251,328

Net position-end of year \$ 4,582,521

See Notes to Financial Statements.



## **FUND FINANCIAL STATEMENTS**

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2017**

	<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>Child Nutrition</b>		
<b>ASSETS</b>						
Cash and cash equivalents	\$ 471	\$ 136,253	\$ 717,380	\$ 67,555	\$ 11,144	\$ 932,803
Equity in pooled cash	-	-	-	6,008	39,922	45,930
Restricted Cash	-	-	-	-	-	-
Investments	2,228,046	797,061	10,058,670	-	-	13,083,777
Taxes receivable	15,472	43,847	-	-	-	59,319
Receivable from other governments	392,314	408,294	-	-	201,445	1,002,053
Due from other funds	19,215	-	-	-	-	19,215
Investments-Restricted	-	94,705	-	-	-	94,705
Prepaid items	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 2,655,518</b>	<b>\$ 1,480,160</b>	<b>\$ 10,776,050</b>	<b>\$ 73,563</b>	<b>\$ 252,511</b>	<b>\$ 15,237,802</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>						
<b>LIABILITIES</b>						
Deficit in pooled cash	\$ 301,879	\$ -	\$ -	\$ -	\$ 137,688	\$ 439,567
Accounts payable	77,583	-	881,457	446	2,096	961,582
Payable to other funds	-	-	-	19,215	-	19,215
Salaries and benefits payable	1,193,085	-	-	-	122,296	1,315,381
<b>Total liabilities</b>	<b>1,572,547</b>	<b>-</b>	<b>881,457</b>	<b>19,661</b>	<b>262,080</b>	<b>2,735,745</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue-property taxes	7,520	21,460	-	-	-	28,980
<b>FUND BALANCE</b>						
Nonspendable	-	-	-	-	-	-
Restricted						
Capital projects	-	-	9,894,593	-	-	9,894,593
Debt service	-	1,458,700	-	-	-	1,458,700
Federal programs	-	-	-	-	-	-
State programs	-	-	-	-	44,179	44,179
School lunch program	-	-	-	53,902	-	53,902
Local Grants	79,668	-	-	-	-	79,668
Committed						
General board reserves	156,242	-	-	-	-	156,242
Assigned						
Capital projects	-	-	-	-	-	-
Unassigned	839,541	-	-	-	(53,748)	785,793
<b>Total fund balances</b>	<b>1,075,451</b>	<b>1,458,700</b>	<b>9,894,593</b>	<b>53,902</b>	<b>(9,569)</b>	<b>12,473,077</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 2,655,518</b>	<b>\$ 1,480,160</b>	<b>\$ 10,776,050</b>	<b>\$ 73,563</b>	<b>\$ 252,511</b>	<b>\$ 15,237,802</b>

See Notes to Financial Statements.

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2017**

**Total fund balances - governmental funds** \$ 12,473,077

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	15,676,732	
Transportation and other equipment, net of accumulated depreciation	535,090	
Construction in progress	<u>2,128,619</u>	18,620,563

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		28,980
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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 \$323,882.		(323,882)
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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 and advance refunding loss on bonds payable	(1,388,149)	
Bonds payable	<u>(22,116,612)</u>	(23,504,761)

Net pension liability and related pension obligation deferred outflow and employer pension assumption deferred inflow of resources are not due and payable in the current period and therefore are not reported in the funds		<u>(2,711,456)</u>
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**Net Position of Governmental Activities** \$ 4,582,521

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017**

	<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>Child Nutrition</b>		
<b>REVENUES</b>						
Property taxes	\$ 415,323	\$ 1,190,268	\$ -	\$ -	\$ -	\$ 1,605,591
Earnings on investments	23,015	6,651	-	-	65,204	94,870
School lunch revenue	-	-	-	200,083	-	200,083
Other local	30,573	-	65,204	4,395	90,755	190,927
State aid	10,068,387	266,279	-	-	298,495	10,633,161
Federal aid	593	67,184	-	400,276	575,682	1,043,735
<b>Total revenues</b>	<u>10,537,891</u>	<u>1,530,382</u>	<u>65,204</u>	<u>604,754</u>	<u>1,030,136</u>	<u>13,768,367</u>
<b>EXPENDITURES</b>						
Current operating:						
General government	9,851,975	-	-	-	1,477,249	11,329,224
Capital Projects	-	-	2,349,217	-	-	2,349,217
Debt service	-	1,498,221	-	-	-	1,498,221
Child Nutrition	-	-	-	598,547	-	598,547
<b>Total expenditures</b>	<u>9,851,975</u>	<u>1,498,221</u>	<u>2,349,217</u>	<u>598,547</u>	<u>1,477,249</u>	<u>15,775,209</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>685,916</u>	<u>32,161</u>	<u>(2,284,013)</u>	<u>6,207</u>	<u>(447,113)</u>	<u>(2,006,842)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Bond proceeds	-	-	11,317,092	-	-	11,317,092
Proceeds of refunding bonds	-	9,106,656	-	-	-	9,106,656
Transfers in	19,436	-	355,044	2,000	399,897	776,377
Transfers out	(758,659)	-	-	-	(17,718)	(776,377)
Advance refunding escrow	-	(9,051,616)	-	-	-	(9,051,616)
<b>Total other financing sources (uses)</b>	<u>(739,223)</u>	<u>55,040</u>	<u>11,672,136</u>	<u>2,000</u>	<u>382,179</u>	<u>11,372,132</u>
<b>Net change in fund balance</b>	(53,307)	87,201	9,388,123	8,207	(64,934)	9,365,290
<b>Fund balances-beginning</b>	<u>1,128,758</u>	<u>1,371,499</u>	<u>506,470</u>	<u>45,695</u>	<u>55,365</u>	<u>3,107,787</u>
<b>Fund balances-ending</b>	<u>\$ 1,075,451</u>	<u>\$ 1,458,700</u>	<u>\$ 9,894,593</u>	<u>\$ 53,902</u>	<u>\$ (9,569)</u>	<u>\$ 12,473,077</u>

See Notes to Financial Statements.

**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, 2017**

**Net change in fund balances-total governmental funds** \$ 9,365,290

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	(626,770)
Capital outlays	2,353,384

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	(20,420,538)
Bond premium amortization	100,164
Repayment of bond principal	9,796,616
Interest expense - general obligation bonds	(173,549)

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 increased this year. (19,321)

Changes in net pension liability and related pension obligations deferred outflow and employer pension assumption deferred inflow of resources do not provide required current financial resources and therefore are not reflected in the funds (44,083)

**Change in net assets of governmental activities** \$ 331,193

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2017**

	Agency Funds
<b>ASSETS</b>	
Cash and cash equivalents	\$ 378,821
<b>Total Assets</b>	\$ 378,821
 <b>LIABILITIES</b>	
Liabilities	
Due to student activities	\$ 378,821
<b>Total Liabilities</b>	\$ 378,821

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2017**

<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 Notes to Financial Statements.

## **NOTES TO FINANCIAL STATEMENTS**

**KIMBERLY SCHOOL DISTRICT No. 414**  
**KIMBERLY, IDAHO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

**A. Description of the School District**

Kimberly School District No. 414 (the District) provides public school educational services as authorized by Section 33 of Idaho Code. The District 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 and debt service 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, 2017**

**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.

**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.

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**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, 2017.

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 has two items that qualifies for reporting in this category: the deferred amount on refunding and the pension obligation reported on the government-wide statement of net position. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price and is deferred and amortized over the shorter of the life of the refunded or refunding debt. The pension obligation results from changes in assumptions or other inputs in the actuarial calculation of the District’s net pension liability.

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 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 has one item that qualifies for reporting in this category: the employer pension assumption. The employer pension assumption results from differences between the expected and actual experience and the net difference between projected and actual earnings on pension plan investments derived from the actuarial calculation of the District’s net pension liability. On the fund level financial statements, the District has only one item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category: unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**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.

**KIMBERLY SCHOOL DISTRICT No. 414**  
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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

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

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.

**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 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.

**J. 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.

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

**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.

*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.

**K. 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.

**KIMBERLY SCHOOL DISTRICT No. 414**  
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**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

**L. 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 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.

**M. 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, 2017. It also includes an amount for full time administrative employees for vacation earned but not paid at year end.

**N. Pensions**

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan ( Base Plan) and additions to/deductions from Base Plan’s fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**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 bills and collects 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.

**KIMBERLY SCHOOL DISTRICT No. 414**  
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**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

**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. Nonmonetary Transactions**

Items received via food commodities programs are recognized at their stated fair market value.

**R. 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.

**S. 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.

**T. 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.

**U. Budgets**

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for all governmental fund types.



**KIMBERLY SCHOOL DISTRICT No. 414**  
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**JUNE 30, 2017**

**NOTE 2 – CASH AND INVESTMENTS**

At June 30, 2017 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	\$ 318,339	\$ 318,026
Uninsured or uncollateralized	232,704	221,139
Total Deposits	\$ 551,043	\$ 539,165

	Rating	Duration	Fair Value
Investments:			
State Treasurer's local government pool	Unrated	123 Days	\$ 12,758,332
Certificate of Deposit/Other			420,150
Total			\$ 13,178,482

**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 part. 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, 2017, are invested in the LGIP which is not required to be rated.

**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, 2017, 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.

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

**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	\$165,561	General Fund	\$ 759,659
Special Services	224,243	Title I	14,243
General Fund	19,436	School Net	1,465
Capital Projects	355,044	Title II-A	984
Child Nutrition	2,000	Safe & Drug Free	<u>1,026</u>
IDEA Pre-School	4,600	Total	<u>\$ 776,377</u>
Migrant	1,458		
Perkins	357		
Rural & Low Income	<u>3,678</u>		
Total	<u>\$ 776,377</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, 2017:

State agencies	\$ 442,793
County agencies	550,846
Other agencies	<u>8,414</u>
Total	<u>\$ 1,002,053</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, 2017:

	<u>General Fund</u>	<u>Debt Service</u>	<u>Total</u>
Delinquent taxes	<u>\$ 7,520</u>	<u>\$ 21,460</u>	<u>\$ 28,980</u>

**KIMBERLY SCHOOL DISTRICT No. 414**  
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**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 6 - CAPITAL ASSETS**

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

	<b>Balance</b>			<b>Balance</b>
	<b>June 30, 2016</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2017</b>
<b>Land</b>	\$ 280,122	\$ -	\$ -	\$ 280,122
<b>Buildings</b>				
Elementary	4,605,348	75,623	-	4,680,971
Secondary	15,401,139	-	-	15,401,139
Other	3,443,034	-	-	3,443,034
Transportation	75,000	-	-	75,000
Maintenance	162,695	-	-	162,695
<b>Total Buildings</b>	<b>23,687,216</b>	<b>75,623</b>	<b>-</b>	<b>23,762,839</b>
<b>Equipment and Other</b>	<b>540,053</b>	<b>10,000</b>	<b>-</b>	<b>550,053</b>
<b>Transportation Equip.</b>	<b>1,025,151</b>	<b>320,756</b>	<b>-</b>	<b>1,345,907</b>
Total Capital Assets	25,532,542	406,379	-	25,938,921
Accum. Depreciation	(8,820,207)	(626,770)	-	(9,446,977)
Net Capital Assets	<u>\$ 16,712,335</u>	<u>\$ (220,391)</u>	<u>\$ -</u>	<u>\$ 16,491,944</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, 2017:

	<b>June 30, 2016</b>	<b>Issuance</b>	<b>Payments</b>	<b>June 30, 2017</b>
2007 Series A	\$ 9,205,000	\$ -	\$ (8,970,000)	\$ 235,000
2013 Series A	1,500,000	-	-	1,500,000
2013 Series B	1,485,000	-	-	1,485,000
2015 Refunding Bonds	530,000	-	(530,000)	-
2016 Series A	-	10,660,000	-	10,660,000
2016 Refunding Bonds	-	8,055,000	-	8,055,000
Total	<u>\$ 12,720,000</u>	<u>\$ 18,715,000</u>	<u>\$ (9,500,000)</u>	<u>\$ 21,935,000</u>

In September 2016, the District issued General Obligation Bonds, Series 2016A in the amount of \$10,660,000. The funds are being used for the construction of a new elementary school, repairs and renovations and to purchase land for future school sites.

In September 2016, the District issued General Obligation Refunding Bonds, Series 2016B in the amount of \$8,055,000. The funds were used to refund the Series 2007 Bonds.

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**  
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**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**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, 2017 consist of the following:

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. \$ 235,000

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

2016A 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. 10,660,000

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. 8,055,000

\$ 21,935,000

**KIMBERLY SCHOOL DISTRICT No. 414**  
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**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**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	2007 Series A	2013 Series A	2013 Series B	2016 Series A	2016 Series B	Interest	Interest Subsidy
2018	\$ 235,000	\$ -	\$ 20,000	\$ 380,000	\$ -	\$ 752,141	\$ (68,278)
2019	-	-	10,000	425,000	235,000	728,315	(68,278)
2020	-	-	10,000	-	540,000	706,066	(68,278)
2021	-	-	10,000	-	790,000	686,115	(68,278)
2022	-	-	10,000	-	835,000	661,741	(68,278)
2023-2027	-	-	50,000	-	4,645,000	2,898,978	(341,390)
2028-2032	-	1,500,000	1,375,000	2,290,000	1,010,000	1,881,730	(238,973)
2033-2037	-	-	-	7,565,000	-	486,697	-
	<u>\$ 235,000</u>	<u>\$ 1,500,000</u>	<u>\$ 1,485,000</u>	<u>\$ 10,660,000</u>	<u>\$ 8,055,000</u>	<u>\$ 8,801,783</u>	<u>\$ (921,753)</u>

In September 2016, the District issued \$8,055,000 in general obligation bonds with an average interest rate of 3.36% to advance refund \$8,755,000 of outstanding 2007A-series bonds with an average interest rate of 4.0%. The 2016B series bonds were sold at the purchase price of \$9,106,656 representing the principal amount thereof, plus premium in the amount of \$1,085,943, less underwriter’s discount of \$34,287. The proceeds were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments except for the principal payment of \$235,000 due September 15, 201) on the 2007-series bonds. As a result, the 2007-series bonds are considered to be defeased except for the principal payment of \$235,000 due September 15, 2017 and the liability for these bonds has been removed from the government-wide statement of net position.

The District advance refunded the 2007 series bonds to reduce its total debt service payments over the next 10 years by \$1,288,332 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,141,127.

**NOTE 8 - PENSION PLAN**

*Plan Description*

The District contributes to the Base Plan which is a cost-sharing multiple-employer defined benefit pension plan administered by Public Employee Retirement System of Idaho (PERSI or System) that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at [www.persi.idaho.gov](http://www.persi.idaho.gov).

**KIMBERLY SCHOOL DISTRICT No. 414**  
**KIMBERLY, IDAHO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 8 - PENSION PLAN – Continued**

Responsibility for administration of the Base Plan is assigned to the Board comprised of five members appointed by the Governor and confirmed by the Idaho Senate. State law requires that two members of the Board be active Base Plan members with at least ten years of service and three members who are Idaho citizens not members of the Base Plan except by reason of having served on the Board.

*Pension Benefits*

The Base Plan provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service, age, and highest average salary. Members become fully vested in their retirement benefits with five years of credited service (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months.

The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1% minimum cost of living increase per year provided the Consumer Price Index increases 1% or more. The PERSI Board has the authority to provide higher cost of living increases to a maximum of the Consumer Price Index movement or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

*Member and Employer Contributions*

Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation. Contribution rates are determined by the PERSI Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) that are adequate to accumulate sufficient assets to pay benefits when due. The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2016 it was 6.79% for general employees and 8.36% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.32% for general employees and 11.66% for police and firefighters. The District's contributions were \$721,793 for the year ended June 30, 2016.

*Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At June 30, 2017, the District reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2016, the District's proportion was 0.002180145 percent.

For the year ended June 30, 2017, the District recognized pension expense (revenue) of \$775,886. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**KIMBERLY SCHOOL DISTRICT No. 414**  
**KIMBERLY, IDAHO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 8 - PENSION PLAN – Continued**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 440,369
Changes in assumptions or other inputs	98,242	-
Net difference between projected and actual earnings on pension plan investments	2,151,055	1,005,073
Changes in the District's proportion and differences between the District's contributions and the District's proportionate contributions	(26,861)	(82,107)
The District's contributions subsequent to the measurement date	<u>757,447</u>	<u>-</u>
Total	<u>\$ 2,979,883</u>	<u>\$ 1,363,335</u>

\$757,447 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2015 the beginning of the measurement period ended June 30, 2016 is 4.9 and 5.5 for the measurement period June 30, 2015.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

Year ended June 30,		
2017	\$	4,491
2018		4,491
2019		512,735
2020		282,136

*Actuarial Assumptions*

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. The Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Base Plan permitted under Section 59-1322, Idaho Code, is 25 years.

**KIMBERLY SCHOOL DISTRICT No. 414**  
**KIMBERLY, IDAHO**  
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**NOTE 8 - PENSION PLAN – Continued**

The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increases	4.25 – 10.00%
Salary inflation	3.75%
Investment rate of return	7.10%, net of investment expenses
Cost-of-living adjustments	1%

Mortality rates were based on the RP – 2000 combined table for healthy males or females as appropriate with the following offsets:

- \* Set back 3 years for teachers
- \* No offset for male fire and police
- \* Forward one year for female fire and police
- \* Set back one year for all general employees and all beneficiaries

An experience study was performed for the period July 1, 2007 through June 30, 2013 which reviewed all economic and demographic assumptions other than mortality. Mortality and all economic assumptions were studied in 2014 for the period from July 1, 2009 through June 30, 2013. The Total Pension Liability as of June 30, 2016 is based on the results of an actuarial valuation date July 1, 2016.

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of January 1, 2016.



**KIMBERLY SCHOOL DISTRICT No. 414**  
**KIMBERLY, IDAHO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 8 - PENSION PLAN – Continued**

**Capital Market Assumptions**

Asset Class	Expected Return	Expected Risk	Strategic Normal	Strategic Ranges
Equities			70%	66% - 77%
Broad Domestic Equity	9.15%	19.00%	55%	50% - 65%
International	9.25%	20.20%	15%	10% - 20%
Fixed Income	3.05%	3.75%	30%	23% - 33%
Cash	2.25%	0.90%	0%	0% - 5%
	Expected Return	Expected Inflation	Expected Real Return	Expected Risk
<b>Total Fund</b>				
Actuary	7.00%	3.25%	3.75%	N/A
Portfolio	6.58%	2.25%	4.33%	12.67%

\* Expected arithmetic return net of fees and expenses

**Actuarial Assumptions:**

Assumed Inflation - Mean	3.25%
Assumed Inflation -Standard Deviation	2.00%
Portfolio Arithmetic Mean Return	8.42%
Portfolio Long-Term Expected Geometric Rate of Return	7.50%
Assumed Investment Expenses	<u>0.40%</u>
<b>Long-Term Expected Geometric Rate of Return, Net of Investment Expenses</b>	<b><u><u>7.10%</u></u></b>

*Discount Rate*

The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

**KIMBERLY SCHOOL DISTRICT No. 414**  
**KIMBERLY, IDAHO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 8 - PENSION PLAN – Continued**

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.*

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
<b>(6.10%)</b>	<b>Discount Rate</b>	<b>(8.10%)</b>
<b>(6.10%)</b>	<b>(7.10%)</b>	<b>(8.10%)</b>

District's proportionate share of the net pension liability (asset)	\$ 8,488,535	\$ 4,327,253	\$ 866,688
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*Pension plan fiduciary net position*

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report.

PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at [www.persi.idaho.gov](http://www.persi.idaho.gov).

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

For the fiscal year ended June 30, 2017, expenditures exceeded appropriations in the Title I-A Fund by \$16,716, IDEA School Age Fund by \$25,048, the School Net Fund by \$2,644, the Technology Fund by \$20,777, the Professional Technical Fund by \$4,104, the Special Ed. Billing Fund by \$6,228 and the Safe & Drug Free Fund by \$1,026.

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

Fund deficits as of June 30, 2017, consisted of the following: Title I-A Fund in the amount of \$11,195, the IDEA School Age Fund in the amount of \$31,696, and Special Ed. Billing Fund in the amount of \$10,857.

**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.

**KIMBERLY SCHOOL DISTRICT No. 414**  
**KIMBERLY, IDAHO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**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 12, 2017, 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, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>				
<b>Local:</b>				
Property taxes	\$ 333,600	\$ 410,856	\$ 415,323	\$ 4,467
Earnings on investments	5,000	5,000	23,015	18,015
Rentals	400	400	195	(205)
Other local revenue	5,150	26,164	30,378	4,214
<b>Total local revenue</b>	344,150	442,420	468,911	26,491
<b>State:</b>				
State apportionment	8,189,089	8,476,270	9,532,428	1,056,158
State paid benefits	1,043,266	1,072,721	-	(1,072,721)
Revenue in lieu of taxes	26,582	26,582	18,409	(8,173)
Other state support	495,322	517,659	517,550	(109)
<b>Total State Revenue</b>	9,754,259	10,093,232	10,068,387	(24,845)
<b>Federal:</b>				
Forest reserve fund	3,350	3,350	593	(2,757)
Other federal	-	-	-	-
<b>Total Federal Revenue</b>	3,350	3,350	593	(2,757)
<b>Total Revenues</b>	10,101,759	10,539,002	10,537,891	(1,111)

See Notes to 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, 2017**

<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	1,605,591	1,640,828	1,645,609	(4,781)
Teachers aides	129,365	122,025	136,089	(14,064)
Substitutes	23,183	23,183	31,796	(8,613)
Social security	132,594	135,138	131,760	3,378
Teachers fringe pool	498,830	504,918	505,358	(440)
Telephone	2,050	2,050	2,243	(193)
Travel and other	5,678	11,032	5,130	5,902
Supplies and textbooks	63,000	80,880	80,561	319
Equipment	75,200	95,200	90,348	4,852
<b>Total elementary</b>	<b>2,535,491</b>	<b>2,615,254</b>	<b>2,628,894</b>	<b>(13,640)</b>
<b>Middle school:</b>				
Teachers salaries	812,985	832,596	844,238	(11,642)
Substitutes	11,087	11,087	10,458	629
Social security	63,107	65,017	64,264	753
Teachers fringe pool	218,362	244,385	218,607	25,778
Telephone	2,000	2,000	2,150	(150)
Travel and other	13,215	18,569	10,534	8,035
Supplies and textbooks	32,250	36,894	37,432	(538)
Equipment	3,097	5,597	1,574	4,023
<b>Total middle</b>	<b>1,156,103</b>	<b>1,216,145</b>	<b>1,189,257</b>	<b>26,888</b>
<b>Secondary:</b>				
Teachers salaries	1,136,409	1,174,969	1,166,868	8,101
Substitutes	17,773	20,773	16,970	3,803
Social security	82,573	86,086	86,884	(798)
Teachers fringe pool	316,877	317,103	310,923	6,180
Telephone	4,000	4,000	4,472	(472)
Travel and other	6,960	12,314	4,493	7,821
Supplies and textbooks	54,400	72,952	64,155	8,797
<b>Total secondary</b>	<b>1,618,992</b>	<b>1,688,197</b>	<b>1,654,765</b>	<b>33,432</b>
<b>Alternative:</b>				
Teachers salaries	8,100	8,100	7,557	543
Social security	620	620	575	45
Teachers fringe pool	1,011	1,011	943	68
<b>Total alternative</b>	<b>9,731</b>	<b>9,731</b>	<b>9,075</b>	<b>656</b>
<b>Total instructional</b>	<b>5,320,317</b>	<b>5,529,327</b>	<b>5,481,991</b>	<b>47,336</b>

See Notes to 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, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Favorable (Unfavorable)</b>
<b>Expenditures</b>				
<b>Interscholastic:</b>				
Salaries	114,330	120,114	117,087	3,027
Social security & fringe	23,141	23,747	24,088	(341)
Travel and other	18,515	20,593	18,224	2,369
Supplies	4,300	4,300	3,176	1,124
<b>Total interscholastic</b>	<u>160,286</u>	<u>168,754</u>	<u>162,575</u>	<u>6,179</u>
<b>Activities:</b>				
Salaries	25,882	28,972	27,972	1,000
Social security & fringe	5,056	5,679	5,535	144
Gifted and talented program	20,462	22,477	24,830	(2,353)
Debate	1,400	1,400	2,193	(793)
Other	11,728	11,762	11,826	(64)
<b>Total activities</b>	<u>64,528</u>	<u>70,290</u>	<u>72,356</u>	<u>(2,066)</u>
<b>Guidance Counselors:</b>				
Counselor & social worker salaries	213,685	213,985	214,128	(143)
Social security	16,347	16,370	15,367	1,003
Fringe pool	46,664	46,830	46,525	305
Other	787	1,968	1,960	8
<b>Total support</b>	<u>277,483</u>	<u>279,153</u>	<u>277,980</u>	<u>1,173</u>
<b>Special services:</b>				
Psychologist & teachers salaries	353,210	355,419	355,712	(293)
Teachers aides & secretary	27,427	27,427	27,534	(107)
Substitutes	-	-	-	-
Social security	27,618	25,689	27,025	(1,336)
Fringe pool	105,592	96,909	108,034	(11,125)
Supplies & other	-	-	-	-
<b>Total special services</b>	<u>513,847</u>	<u>505,444</u>	<u>518,305</u>	<u>(12,861)</u>

See Notes to 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, 2017**

	<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	222,461	241,422	235,948	5,474
Social security & fringe	58,177	64,263	58,645	5,618
Purchased services	-	-	-	-
Supplies & other	31,207	42,800	41,554	1,246
Equipment	-	-	-	-
<b>Total instructional improvement program</b>	<b>311,845</b>	<b>348,485</b>	<b>336,147</b>	<b>12,338</b>
<b>Library &amp; personal development:</b>				
Salaries	179,417	179,417	180,167	(750)
Social security	12,401	12,401	13,127	(726)
Fringe pool	54,718	53,061	52,513	548
Books & supplies - elementary	4,769	4,769	4,769	-
Books & supplies - middle school	4,769	4,769	4,733	36
Books & supplies - secondary	4,769	4,769	4,723	46
Other	-	-	-	-
<b>Total library and personal development</b>	<b>260,843</b>	<b>259,186</b>	<b>260,032</b>	<b>(846)</b>
<b>District office - Superintendent:</b>				
Superintendent salary	94,178	94,178	94,228	(50)
Social security	7,205	7,205	7,176	29
Fringe pool	19,516	19,646	19,688	(42)
Travel and other	16,073	12,075	11,772	303
<b>Total district office superintendent</b>	<b>136,972</b>	<b>133,104</b>	<b>132,864</b>	<b>240</b>
<b>Principals and secretaries:</b>				
Salaries - principals	387,993	371,199	371,246	(47)
Salaries - secretaries	151,277	155,006	162,880	(7,874)
Social security	40,454	39,455	39,612	(157)
Fringe pool	142,527	138,649	137,919	730
Travel and dues	11,772	13,272	11,004	2,268
<b>Total principals &amp; secretaries</b>	<b>734,023</b>	<b>717,581</b>	<b>722,661</b>	<b>(5,080)</b>

See Notes to 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, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Expenditures</b>				
<b>District office:</b>				
Salaries	125,000	160,000	126,831	33,169
Social security	9,063	11,741	9,076	2,665
Fringe pool	35,429	40,121	35,847	4,274
Professional services	19,650	21,500	21,220	280
Travel and other	73,427	72,567	66,164	6,403
<b>Total district office</b>	<u>262,569</u>	<u>305,929</u>	<u>259,138</u>	<u>46,791</u>
<b>Administrative technology services</b>				
Salaries	-	-	-	-
Social security	-	-	-	-
Fringe pool	-	-	-	-
Travel and other	-	-	-	-
Equipment	-	-	-	-
<b>Total administrative technology services</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Custodians:</b>				
Salaries	229,689	250,767	230,119	20,648
Social security	17,572	19,185	16,766	2,419
Fringe pool	87,259	91,679	88,243	3,436
Utilities	245,000	245,000	237,637	7,363
Supplies and other	38,637	43,387	44,029	(642)
Property insurance	56,860	56,860	54,531	2,329
<b>Total custodians</b>	<u>675,017</u>	<u>706,878</u>	<u>671,325</u>	<u>35,553</u>
<b>Maintenance:</b>				
Salaries	212,560	208,459	207,949	510
Social security	16,262	15,948	15,322	626
Fringe pool	62,340	66,134	64,217	1,917
Contracted repairs	38,500	41,000	37,857	3,143
Supplies and other	92,872	111,472	114,472	(3,000)
Building improvements	5,450	11,464	180	11,284
<b>Total maintenance</b>	<u>427,984</u>	<u>454,477</u>	<u>439,997</u>	<u>14,480</u>
<b>School lunch:</b>				
Social security	12,248	12,555	10,592	1,963
Fringe pool	-	-	-	-
<b>Total school lunch</b>	<u>12,248</u>	<u>12,555</u>	<u>10,592</u>	<u>1,963</u>

See Notes to 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, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Expenditures</b>				
<b>Security/Safety</b>				
School Resource Officer	4,625	2,313	2,313	-
Contracted Services	14,125	15,037	14,260	777
Supplies	9,600	11,000	10,883	117
<b>Total security/safety</b>	<u>28,350</u>	<u>28,350</u>	<u>27,456</u>	<u>894</u>
<b>Transportation:</b>				
Salaries - mechanics	35,414	35,414	34,988	426
Salaries - drivers	135,338	145,932	156,902	(10,970)
Salaries - supervisors	41,000	38,793	38,537	256
Salaries - other	34,810	34,191	37,394	(3,203)
Travel and other	35,069	37,042	26,902	10,140
Social security	18,860	19,455	20,007	(552)
Fringe pool	72,594	73,988	73,712	276
Physicals	2,000	2,000	1,254	746
Contract repairs & maintenance	29,640	28,500	26,656	1,844
Tires, batteries & parts	20,455	20,455	20,075	380
Fuel, oil & lube	84,000	84,000	35,262	48,738
Insurance	6,865	6,865	6,865	-
<b>Total transportation</b>	<u>516,045</u>	<u>526,635</u>	<u>478,554</u>	<u>48,081</u>
<b>Total support</b>	<u>4,382,040</u>	<u>4,516,821</u>	<u>4,369,983</u>	<u>146,838</u>
<b>Total expenditures</b>	<u>9,702,357</u>	<u>10,046,148</u>	<u>9,851,975</u>	<u>194,174</u>
<b>Other sources (uses)</b>				
Transfers in (out)	<u>(634,529)</u>	<u>(742,090)</u>	<u>(739,223)</u>	<u>(2,867)</u>
<b>Total other sources (uses)</b>	<u>(634,529)</u>	<u>(742,090)</u>	<u>(739,223)</u>	<u>(2,867)</u>
<b>Excess revenues over (under) expenditures</b>	(235,127)	(249,236)	(53,307)	195,930
<b>Fund balance - July 1, 2016</b>	<u>1,090,700</u>	<u>1,128,758</u>	<u>1,128,758</u>	<u>-</u>
<b>Fund balance - June 30, 2017</b>	<u>\$ 855,573</u>	<u>\$ 879,522</u>	<u>\$ 1,075,451</u>	<u>\$ 195,930</u>

See Notes to Required Supplementary Information.

**KIMBERLY SCHOOL DISTRICT  
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY  
PERSI - BASE PLAN  
LAST 10 FISCAL YEARS\***

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's portion of the net pension liability	0.002180145	0.002134645	0.002081040
District's proportionate share of the net pension liability	\$ 4,419,489	\$ 2,810,980	\$ 1,531,971
District's covered-employee payroll	\$ 6,442,911	\$ 6,038,896	\$ 5,696,181
District's proportional share of the net pension liability as a percentage of its covered-employee payroll	68.59%	46.55%	26.89%
Plan fiduciary net position as a percentage of the total pension liability	87.26%	91.38%	94.95%

\*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a 10 year trend is compiled, the District will present information for those years for which information is available.

Data reported is measured as of June 30, 2016, 2015 and 2014.

**KIMBERLY SCHOOL DISTRICT  
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS  
PERSI - BASE PLAN  
LAST 10 FISCAL YEARS\***

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Statutorily required contribution	\$ 729,338	\$ 683,603	\$ 644,808
Contribution in relation to the statutorily required contribution	<u>721,793</u>	<u>676,832</u>	<u>638,200</u>
Contribution deficiency (excess)	<u>\$ 7,545</u>	<u>\$ 6,771</u>	<u>\$ 6,608</u>
District's covered -employee payroll	\$ 6,442,911	\$ 6,038,896	\$ 5,696,181
Contributions as a percentage of covered-employee payroll	11.20%	11.21%	11.20%

\*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10 year trend is compiled, the District will present information for those years for which information is available.

Data reported is measured as of each year's most recent fiscal year end.

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2017**

**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 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, 2017**

	<u>Final Budget</u>	<u>Original Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>				
Local	\$ 1,175,959	\$ 1,297,500	\$ 1,196,919	\$ 20,960
State	248,514	243,219	266,279	17,765
Federal	68,278	68,278	67,184	(1,094)
<b>Total Revenues</b>	1,492,751	1,608,997	1,530,382	37,631
<b>Expenditures</b>				
Principal payments	473,000	272,000	745,000	(272,000)
Interest & fees	749,814	561,717	753,221	(3,407)
Contingency Reserve	1,641,436	1,509,911	-	1,641,436
<b>Total Expenditures</b>	2,864,250	2,343,628	1,498,221	1,366,029
<b>Other Sources (Uses)</b>				
Advance refunding escrow	-	-	55,040	55,040
Transfers in (out)	-	-	-	-
<b>Total Other Sources (Uses)</b>	-	-	55,040	55,040
<b>Excess Revenues Over (Under) Expenditures</b>	(1,371,499)	(734,631)	87,201	1,458,700
<b>Fund Balance - July 1, 2016</b>	1,371,499	734,631	1,371,499	-
<b>Fund Balance - June 30, 2017</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,458,700</u>	<u>\$ 1,458,700</u>

See Notes to Required Supplementary Information.

**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, 2017**

	<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:				
Other Local	\$ -	\$ -	\$ -	\$ -
Earnings on investments	45,000	-	65,204	20,204
Total local sources	<u>45,000</u>	<u>-</u>	<u>65,204</u>	<u>20,204</u>
<b>Total revenues</b>	<u>45,000</u>	<u>-</u>	<u>65,204</u>	<u>20,204</u>
<b>EXPENDITURES</b>				
Capital outlay	12,153,784	881,862	2,349,217	9,804,567
Contingency Reserve	40,000	12	-	40,000
Total expenditures	<u>12,193,784</u>	<u>881,874</u>	<u>2,349,217</u>	<u>9,844,567</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	355,044	355,044	355,044	-
Transfers out	-	-	-	-
Bond proceeds	10,760,452	-	11,317,092	556,640
Total other financing sources (uses)	<u>11,115,496</u>	<u>355,044</u>	<u>11,672,136</u>	<u>556,640</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(1,033,288)</u>	<u>(526,830)</u>	<u>9,388,123</u>	<u>10,421,411</u>
<b>Fund balances-beginning</b>	<u>1,033,288</u>	<u>526,830</u>	<u>506,470</u>	<u>(526,818)</u>
<b>Fund balances-ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,894,593</u>	<u>\$ 9,894,593</u>

See Notes to Required Supplementary Information



**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2017**

	<u>Title I-A</u>	<u>IDEA School Age</u>	<u>IDEA Pre- School</u>	<u>School Net</u>	<u>Title II-A</u>	<u>Technology</u>
<b>Assets</b>						
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash	-	-	-	680	-	18,717
Investments	-	-	-	-	-	-
Taxes Receivable	-	-	-	-	-	-
Receivable From Other Governments	51,926	62,708	8,219	-	7,563	-
Receivable From Other Funds	-	-	-	-	-	-
<b>Total Assets</b>	<u>\$ 51,926</u>	<u>\$ 62,708</u>	<u>\$ 8,219</u>	<u>\$ 680</u>	<u>\$ 7,563</u>	<u>\$ 18,717</u>
<b>Liabilities</b>						
Deficit in Pooled Cash	\$ 31,503	\$ 53,581	\$ 2,670	\$ -	\$ 6,671	\$ -
Accounts Payable	-	-	-	680	-	35
Salaries and Benefits Payable	31,618	40,823	5,549	-	892	11,439
Due to Other Funds	-	-	-	-	-	-
<b>Total Liabilities</b>	63,121	94,404	8,219	680	7,563	11,474
<b>Fund Equity</b>						
Fund Balances:						
Nonspendable						
	-	-	-	-	-	-
Restricted:						
Capital projects	-	-	-	-	-	-
Federal Programs	-	-	-	-	-	-
State Programs	-	-	-	-	-	7,243
School Lunch Program	-	-	-	-	-	-
Committed:						
	-	-	-	-	-	-
Assigned:						
Capital Projects	-	-	-	-	-	-
Unassigned	(11,195)	(31,696)	-	-	-	-
<b>Total Fund Equity</b>	<u>(11,195)</u>	<u>(31,696)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,243</u>
<b>Total Liabilities and Fund Equity</b>	<u>\$ 51,926</u>	<u>\$ 62,708</u>	<u>\$ 8,219</u>	<u>\$ 680</u>	<u>\$ 7,563</u>	<u>\$ 18,717</u>

<u>Title I-C Migrant</u>	<u>Perkins III</u>	<u>Driver's Ed</u>	<u>Professional Technical</u>	<u>Special Ed. Billing</u>	<u>Safe &amp; Drug Free</u>	<u>Rural &amp; Low Income</u>	<u>Totals</u>
\$ -	\$ -	\$ -	\$ -	\$ 11,144	\$ -	\$ -	\$ 11,144
-	-	20,525	-	-	-	-	39,922
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
4,523	13,906	4,600	45,447	2,553	-	-	201,445
-	-	-	-	-	-	-	-
<u>\$ 4,523</u>	<u>\$ 13,906</u>	<u>\$ 25,125</u>	<u>\$ 45,447</u>	<u>\$ 13,697</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 252,511</u>
\$ 1,715	\$ 13,906	\$ -	\$ 27,642	\$ -	\$ -	\$ -	\$ 137,688
-	-	-	603	778	-	-	2,096
2,808	-	-	5,391	23,776	-	-	122,296
-	-	-	-	-	-	-	-
4,523	13,906	-	33,636	24,554	-	-	262,080
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	25,125	11,811	-	-	-	44,179
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	(10,857)	-	-	(53,748)
-	-	25,125	11,811	(10,857)	-	-	(9,569)
<u>\$ 4,523</u>	<u>\$ 13,906</u>	<u>\$ 25,125</u>	<u>\$ 45,447</u>	<u>\$ 13,697</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 252,511</u>

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES-NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017**

	Title I-A	IDEA School Age	IDEA Pre- School	School Net	Title II-A	Technology
<b>Revenues</b>						
Local	\$ -	\$ -	\$ 10,851	\$ -	\$ -	\$ 132,366
State	-	-	-	-	-	156,267
Federal	230,324	255,424	20,118	-	26,866	-
<b>Total Revenues</b>	230,324	255,424	30,969	-	26,866	288,633
<b>Expenditures</b>						
Instructional	232,797	280,472	33,133	-	25,740	370,287
Support	-	-	-	1,179	-	104,684
Non-Instructional	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
<b>Total Expenditures</b>	232,797	280,472	33,133	1,179	25,740	474,971
<b>Other Sources (Uses)</b>						
Bond Proceeds	-	-	-	-	-	-
Transfers In (Out)	(14,243)	-	4,600	(1,465)	(984)	165,561
<b>Total Other Sources (Uses)</b>	(14,243)	-	4,600	(1,465)	(984)	165,561
Excess Revenues Over (Under) Expenditures	(16,716)	(25,048)	2,436	(2,644)	142	(20,777)
<b>Fund Balance - July 1, 2016</b>	5,521	(6,648)	(2,436)	2,644	(142)	28,020
<b>Fund Balance - June 30, 2017</b>	<u>\$ (11,195)</u>	<u>\$ (31,696)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,243</u>

<b>Title I-C Migrant</b>	<b>Perkins III</b>	<b>Driver's Ed</b>	<b>Professional Technical</b>	<b>Special Ed. Billing</b>	<b>Safe &amp; Drug Free</b>	<b>Rural &amp; Low Income</b>	<b>Totals</b>
\$ -	\$ -	\$ 12,742	\$ -	\$ -	\$ -	\$ -	\$ 155,959
-	-	12,186	104,825	-	25,217	-	298,495
<u>22,650</u>	<u>13,906</u>	<u>-</u>	<u>-</u>	<u>10,041</u>	<u>-</u>	<u>(3,647)</u>	<u>575,682</u>
22,650	13,906	24,928	104,825	10,041	25,217	(3,647)	1,030,136
24,059	13,906	16,334	108,929	240,512	25,217	-	1,371,386
-	-	-	-	-	-	-	105,863
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>24,059</u>	<u>13,906</u>	<u>16,334</u>	<u>108,929</u>	<u>240,512</u>	<u>25,217</u>	<u>-</u>	<u>1,477,249</u>
-	-	-	-	-	-	-	-
<u>1,458</u>	<u>357</u>	<u>-</u>	<u>-</u>	<u>224,243</u>	<u>(1,026)</u>	<u>3,678</u>	<u>382,179</u>
<u>1,458</u>	<u>357</u>	<u>-</u>	<u>-</u>	<u>224,243</u>	<u>(1,026)</u>	<u>3,678</u>	<u>382,179</u>
49	357	8,594	(4,104)	(6,228)	(1,026)	31	(64,934)
<u>(49)</u>	<u>(357)</u>	<u>16,531</u>	<u>15,915</u>	<u>(4,629)</u>	<u>1,026</u>	<u>(31)</u>	<u>55,365</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,125</u>	<u>\$ 11,811</u>	<u>\$ (10,857)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,569)</u>

**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, 2017**

	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	240,061	240,092	230,324	(9,768)	288,369	287,699	255,424	(32,275)
<b>Total Revenues</b>	240,061	240,092	230,324	(9,768)	288,369	287,699	255,424	(32,275)
<b>Expenditures</b>								
Instructional:								
Salaries	156,949	165,654	165,850	(196)	178,353	172,166	171,280	886
Benefits	56,867	51,521	61,337	(9,816)	74,007	82,830	83,171	(341)
Purchased Services	2,002	3,500	1,954	1,546	31,011	24,055	23,662	393
Supplies and Materials	10,000	10,695	3,656	7,039	4,998	2,000	2,359	(359)
Equipment	-	-	-	-	-	-	-	-
<b>Total Instructional</b>	225,818	231,370	232,797	(1,427)	288,369	281,051	280,472	579
Support:								
Equipment and Other Expenses	-	-	-	-	-	-	-	-
<b>Total Support</b>	-	-	-	-	-	-	-	-
Non-Instructional	-	-	-	-	-	-	-	-
<b>Total Non-Instructional</b>	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	225,818	231,370	232,797	(1,427)	288,369	281,051	280,472	579
<b>Other Sources (Uses)</b>								
Transfers In (Out)	(14,243)	(14,243)	(14,243)	-	-	-	-	-
<b>Total Other Sources (Uses)</b>	(14,243)	(14,243)	(14,243)	-	-	-	-	-
<b>Excess Revenues Over (Under) Expenditures</b>	-	(5,521)	(16,716)	(11,195)	-	6,648	(25,048)	(31,696)
<b>Fund Balance - July 1, 2016</b>	-	5,521	5,521	-	-	(6,648)	(6,648)	-
<b>Fund Balance - June 30, 2017</b>	\$ -	\$ -	\$ (11,195)	\$ (11,195)	\$ -	\$ -	\$ (31,696)	\$ (31,696)

**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, 2017**

	IDEA - Pre School				SchoolNet			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>								
Local	\$ 7,200	\$ 15,200	\$ 10,851	\$ (4,349)	\$ -	\$ -	\$ -	\$ -
State	-	-	-	-	-	-	-	-
Federal	21,274	20,513	20,118	(395)	-	-	-	-
<b>Total Revenues</b>	28,474	35,713	30,969	(4,744)	-	-	-	-
<b>Expenditures</b>								
Instructional:								
Salaries	20,743	22,483	21,581	902	-	-	-	-
Benefits	7,652	10,650	11,521	(871)	-	-	-	-
Purchased Services	-	-	-	-	-	-	-	-
Supplies and Materials	79	144	31	113	-	-	-	-
Equipment	-	-	-	-	-	-	-	-
<b>Total Instructional</b>	28,474	33,277	33,133	144	-	-	-	-
Support:								
Equipment and Other Expenses	-	-	-	-	-	2,644	1,179	1,465
<b>Total Support</b>	-	-	-	-	-	2,644	1,179	1,465
Non-Instructional	-	-	-	-	-	-	-	-
<b>Total Non-Instructional</b>	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	28,474	33,277	33,133	144	-	2,644	1,179	1,465
<b>Other Sources (Uses)</b>								
Transfers In (Out)	0	-	4,600	(4,600)	-	-	(1,465)	1,465
<b>Total Other Sources (Uses)</b>	-	-	4,600	(4,600)	-	-	(1,465)	1,465
<b>Excess Revenues Over (Under) Expenditures</b>	-	2,436	2,436	-	-	(2,644)	(2,644)	-
<b>Fund Balance - July 1, 2016</b>	-	(2,436)	(2,436)	-	2,644	2,644	2,644	-
<b>Fund Balance - June 30, 2017</b>	\$ -	\$ -	\$ -	\$ -	\$ 2,644	\$ -	\$ -	\$ -

**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, 2017**

	Title II-A				Technology			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>								
Local	\$ -	\$ -	\$ -	\$ -	\$ 107,811	\$ 137,433	\$ 132,366	\$ (5,067)
State	-	-	-	-	158,418	167,373	156,267	(11,106)
Federal	40,187	41,316	26,866	(14,450)	-	-	-	-
<b>Total Revenues</b>	40,187	41,316	26,866	(14,450)	266,229	304,806	288,633	(16,173)
<b>Expenditures</b>								
Instructional:								
Salaries	25,304	24,704	15,444	9,260	137,344	149,638	126,499	23,139
Benefits	5,672	5,588	3,822	1,766	48,585	51,060	44,501	6,559
Purchased Services	6,462	8,056	5,979	2,077	54,502	60,188	55,038	5,150
Supplies and Materials	500	500	495	5	192,047	217,965	113,092	104,873
Equipment	-	-	-	-	20,100	41,040	31,157	9,883
<b>Total Instructional</b>	37,938	38,848	25,740	13,108	452,578	519,891	370,287	149,604
Support:								
Equipment and Other Expenses	-	-	-	-	-	-	104,684	(104,684)
<b>Total Support</b>	-	-	-	-	-	-	104,684	(104,684)
Non-Instructional	-	-	-	-	-	-	-	-
<b>Total Non-Instructional</b>	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	37,938	38,848	25,740	13,108	452,578	519,891	474,971	44,920
<b>Other Sources (Uses)</b>								
Transfers In (Out)	(2,249)	(2,326)	(984)	(1,342)	185,449	177,372	165,561	11,811
<b>Total Other Sources (Uses)</b>	(2,249)	(2,326)	(984)	(1,342)	185,449	177,372	165,561	11,811
<b>Excess Revenues Over (Under) Expenditures</b>	-	142	142	-	(900)	(37,713)	(20,777)	16,936
<b>Fund Balance - July 1, 2016</b>	-	(142)	(142)	-	900	28,020	28,020	-
<b>Fund Balance - June 30, 2017</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (9,693)	\$ 7,243	\$ 16,936

**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, 2017**

	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	\$ -	\$ -	\$ -	\$ -	\$ 184,442	\$ 184,443	\$ 204,478	\$ 20,035
State	-	-	-	-	-	-	-	-
Federal	22,379	22,379	22,650	271	306,731	306,731	400,276	93,545
<b>Total Revenues</b>	22,379	22,379	22,650	271	491,173	491,174	604,754	113,580
<b>Expenditures</b>								
Instructional:								
Salaries	14,626	15,870	16,782	(912)	-	-	-	-
Benefits	7,221	6,291	7,021	(730)	-	-	-	-
Purchased Services	100	100	138	(38)	-	-	-	-
Supplies and Materials	432	69	118	(49)	-	-	-	-
Equipment	-	-	-	-	-	-	-	-
<b>Total Instructional</b>	22,379	22,330	24,059	(1,729)	-	-	-	-
Support:								
Equipment and Other Expenses	-	-	-	-	-	-	-	-
<b>Total Support</b>	-	-	-	-	-	-	-	-
Non-Instructional	-	-	-	-	541,355	538,869	598,547	(59,678)
<b>Total Non-Instructional</b>	-	-	-	-	541,355	538,869	598,547	(59,678)
<b>Total Expenditures</b>	22,379	22,330	24,059	(1,729)	541,355	538,869	598,547	(59,678)
<b>Other Sources (Uses)</b>								
Transfers In (Out)	-	-	1,458	(1,458)	-	2,000	2,000	-
<b>Total Other Sources (Uses)</b>	-	-	1,458	(1,458)	-	2,000	2,000	-
<b>Excess Revenues Over (Under) Expenditures</b>	-	49	49	-	(50,182)	(45,695)	8,207	53,902
<b>Fund Balance - July 1, 2016</b>	-	(49)	(49)	-	40,000	45,695	45,695	-
<b>Fund Balance - June 30, 2017</b>	\$ -	\$ -	\$ -	\$ -	\$ (10,182)	\$ -	\$ 53,902	\$ 53,902



**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, 2017**

	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	\$ 12,742	\$ 4,942
State	-	-	-	-	9,000	9,000	12,186	3,186
Federal	14,265	14,265	13,906	(359)	-	-	-	-
<b>Total Revenues</b>	14,265	14,265	13,906	(359)	16,800	16,800	24,928	8,128
<b>Expenditures</b>								
Instructional:								
Salaries	-	-	-	-	16,320	16,320	12,628	3,692
Benefits	-	-	-	-	3,170	3,211	1,453	1,758
Purchased Services	2,300	2,996	2,994	2	2,383	2,383	1,070	1,313
Supplies and Materials	-	-	-	-	4,927	11,417	1,183	10,234
Equipment	11,965	10,912	10,912	-	-	-	-	-
<b>Total Instructional</b>	14,265	13,908	13,906	2	26,800	33,331	16,334	16,997
Support:								
Equipment and Other Expenses	-	-	-	-	-	-	-	-
<b>Total Support</b>	-	-	-	-	-	-	-	-
Non-Instructional	-	-	-	-	-	-	-	-
<b>Total Non-Instructional</b>	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	14,265	13,908	13,906	2	26,800	33,331	16,334	16,997
<b>Other Sources (Uses)</b>								
Transfers In (Out)	-	-	357	(357)	-	-	-	-
<b>Total Other Sources (Uses)</b>	-	-	357	(357)	-	-	-	-
<b>Excess Revenues Over (Under) Expenditures</b>	-	357	357	-	(10,000)	(16,531)	8,594	25,125
<b>Fund Balance - July 1, 2016</b>	-	(357)	(357)	-	10,000	16,531	16,531	-
<b>Fund Balance - June 30, 2017</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,125	\$ 25,125

**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, 2017**

	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	73,182	104,824	104,825	1	-	-	-	-
Federal	-	-	-	-	50,000	50,000	10,041	(39,959)
Contingency Reserve	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>73,182</b>	<b>104,824</b>	<b>104,825</b>	<b>1</b>	<b>50,000</b>	<b>50,000</b>	<b>10,041</b>	<b>(39,959)</b>
<b>Expenditures</b>								
Instructional:								
Salaries	26,439	26,904	27,213	(309)	126,901	170,102	146,414	23,688
Benefits	5,321	5,414	5,483	(69)	33,627	98,250	93,768	4,482
Purchased Services	11,050	13,300	13,887	(587)	-	-	-	-
Supplies and Materials	21,400	39,985	21,493	18,492	-	1,262	330	932
Equipment	8,972	35,136	40,853	(5,717)	-	-	-	-
<b>Total Instructional</b>	<b>73,182</b>	<b>120,739</b>	<b>108,929</b>	<b>11,810</b>	<b>160,528</b>	<b>269,614</b>	<b>240,512</b>	<b>29,102</b>
Support:								
Equipment and Other Expenses	-	-	-	-	-	-	-	-
<b>Total Support</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Non-Instructional	-	-	-	-	-	-	-	-
<b>Total Non-Instructional</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>73,182</b>	<b>120,739</b>	<b>108,929</b>	<b>11,810</b>	<b>160,528</b>	<b>269,614</b>	<b>240,512</b>	<b>29,102</b>
<b>Other Sources (Uses)</b>								
Transfers In (Out)	-	-	-	-	110,528	224,243	224,243	-
<b>Total Other Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>110,528</b>	<b>224,243</b>	<b>224,243</b>	<b>-</b>
<b>Excess Revenues Over (Under) Expenditures</b>	<b>-</b>	<b>(15,915)</b>	<b>(4,104)</b>	<b>11,811</b>	<b>-</b>	<b>4,629</b>	<b>(6,228)</b>	<b>(10,857)</b>
<b>Fund Balance - July 1, 2016</b>	<b>-</b>	<b>15,915</b>	<b>15,915</b>	<b>-</b>	<b>-</b>	<b>(4,629)</b>	<b>(4,629)</b>	<b>-</b>
<b>Fund Balance - June 30, 2017</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,811</b>	<b>\$ 11,811</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (10,857)</b>	<b>\$ (10,857)</b>

**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, 2017**

	Safe & Drug Free				Rural and Low Income			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>								
Local	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State	23,775	25,217	25,217	-	-	-	-	-
Federal	-	-	-	-	-	-	(3,647)	(3,647)
Contingency Reserve	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	23,775	25,217	25,217	-	-	-	(3,647)	(3,647)
<b>Expenditures</b>								
Instructional:								
Salaries	-	-	-	-	-	-	-	-
Benefits	-	-	-	-	-	-	-	-
Purchased Services	23,775	26,243	25,217	1,026	-	-	-	-
Supplies and Materials	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-
<b>Total Instructional</b>	23,775	26,243	25,217	1,026	-	-	-	-
Support:								
Equipment and Other Expenses	-	-	-	-	-	(31)	-	(31)
<b>Total Support</b>	-	-	-	-	-	(31)	-	(31)
Non-Instructional	-	-	-	-	-	-	-	-
<b>Total Non-Instructional</b>	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	23,775	26,243	25,217	1,026	-	(31)	-	(31)
<b>Other Sources (Uses)</b>								
Transfers In (Out)	-	-	(1,026)	(1,026)	-	-	3,678	3,678
<b>Total Other Sources (Uses)</b>	-	-	(1,026)	(1,026)	-	-	3,678	3,678
<b>Excess Revenues Over (Under) Expenditures</b>	-	(1,026)	(1,026)	-	-	31	31	-
<b>Fund Balance - July 1, 2016</b>	-	-	1,026	-	-	(31)	(31)	-
<b>Fund Balance - June 30, 2017</b>	\$ -	\$ (1,026)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**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, 2017**

	Total			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>				
Local	\$ 307,253	\$ 344,876	\$ 360,437	\$ 15,561
State	264,375	306,414	298,495	(7,919)
Federal	983,266	982,995	975,958	(7,037)
Contingency Reserve	-	-	-	-
<b>Total Revenues</b>	1,554,894	1,634,285	1,634,890	605
<b>Expenditures</b>				
Instructional:				
Salaries	702,979	763,841	703,691	60,150
Benefits	242,122	314,815	312,077	2,738
Purchased Services	133,585	140,821	129,939	10,882
Supplies and Materials	234,383	284,037	142,757	141,280
Equipment	41,037	87,088	82,922	4,166
<b>Total Instructional</b>	1,354,106	1,590,602	1,371,386	219,216
Support:				
Equipment and Other Expenses	-	2,613	105,863	(103,250)
<b>Total Support</b>	-	2,613	105,863	(103,250)
Non-Instructional	541,355	538,869	598,547	(59,678)
<b>Total Non-Instructional</b>	541,355	538,869	598,547	(59,678)
<b>Total Expenditures</b>	1,895,461	2,132,084	2,075,796	56,288
<b>Other Sources (Uses)</b>				
Transfers In (Out)	279,485	387,046	384,179	(2,867)
<b>Total Other Sources (Uses)</b>	279,485	387,046	384,179	(2,867)
<b>Excess Revenues Over (Under) Expenditures</b>	(61,082)	(110,753)	(56,727)	54,026
<b>Fund Balance - July 1, 2016</b>	53,544	100,034	101,060	1,026
<b>Fund Balance - June 30, 2017</b>	\$ (7,538)	\$ (10,719)	\$ 44,333	\$ 55,052

**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), General Obligation Bonds, Series 2016A and General Obligation Refunding Bonds, Series 2016B 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, 2017**

	Date of Issue	Date of Maturity	Amount Issued	Amount Outstanding
<b>General Obligation Bonds</b>				
Series 2007A	12/19/07	09/15/27	9,860,000	235,000
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
Series 2016A	09/20/16	09/15/37	10,660,000	10,660,000
Series 2016 Refunding Bonds	09/20/16	09/15/27	8,055,000	8,055,000
Total Outstanding Long-term Debt			\$ 31,560,000	\$ 21,935,000

**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**

<b>Tax Year</b>	<b>Supplemental M&amp;O</b>	<b>Emergency</b>	<b>Tort</b>	<b>Bond</b>	<b>Plant Facility</b>	<b>Total Levy Rate</b>
2016	-	0.195019	0.068924	2.884166	0.740504	3.888613
2015	0.771576	0.193943	0.063202	2.884165	-	3.912886
2014	0.825958	0.200829	0.060339	2.884165	-	3.971291
2013	0.911225	0.205527	0.092793	2.884164	-	4.093709
2012	0.910914	0.433061	0.085146	2.884164	-	4.313285

**District Property Values**

<b>Tax Year</b>	<b>Full Market Value (1)</b>	<b>% Annual Change in Full Market Value</b>	<b>Homeowner's Exemption (2)</b>	<b>Taxable Assessed Value (3)</b>	<b>% Annual Change in Net Market Value</b>
2016	523,422,087	1.86%	134,396,875	389,025,212	0.05%
2015	513,840,384	7.75%	125,025,608	388,814,776	7.05%
2014	476,889,466	10.11%	113,674,794	363,214,672	10.32%
2013	433,107,768	-0.82%	103,880,667	329,227,101	-0.03%
2012	436,699,213	-1.81%	107,359,729	329,339,484	-1.94%

- (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, 2017.

**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.

<b>Tax Year</b>	<b>Total Certified Levied</b>	<b>Taxes Collected</b>	<b>Percent Collected</b>	Source: Office of the County Treasurer
2016	1,575,391	1,536,800	97.55%	
2015	1,518,252	1,475,965	97.21%	
2014	1,440,701	1,427,613	99.09%	
2013	1,332,759	1,327,487	99.60%	
2012	1,415,647	1,415,647	100.00%	

**District's Top Ten Tax Payers - (As of October 2016)**

<b>Owner</b>	<b>Type of Business</b>	<b>District Taxable Value</b>	<b>% of District's Tax Assessed Value</b>
Idaho Power Company	Power Plant	\$ 5,905,382	1.52%
Agri Sales, Inc.	Farm Supplies	4,630,719	1.19%
Johnny Sudik	Dairy & Misc.	3,036,464	0.78%
Northwest Pipeline Corp.	Pipeline	2,163,335	0.56%
Tesoro Logistics NW		1,765,922	0.45%
Lower Lowline Hydro	Hydro Power Plant	1,693,000	0.44%
Greg & Sally Middlekauff	Residence	1,175,895	0.30%
Obenchain Family Revocable Trust	Residence	1,174,165	0.30%
Joe and Janet Russell	Residence	1,099,131	0.28%
Richard Foster		1,047,528	0.27%
Top 10 Taxpayers		<u>23,691,541</u>	6.09%
All other District Taxpayers		<u>365,333,671</u>	93.91%
Total District Taxpayers (Tax Year 2016)		<u>\$ 389,025,212</u>	100.00%

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

**State of Idaho School Finance**

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

	2017	2016	2015	2014	2013	2012
<b>State Support</b>						
August	\$ 4,345,947	\$ 3,973,095	\$ 3,639,603	\$ 2,013,057	\$ 1,893,214	\$ 1,850,669
October	-	-	-	2,015,553	1,892,281	1,851,616
November	1,735,952	1,592,568	1,459,788	1,345,502	1,273,336	1,239,433
February	2,261,466	1,901,397	1,737,682	1,032,931	714,383	779,054
May-July	1,189,062	870,076	1,014,766	928,918	991,780	748,275
<b>Total (1)</b>	<b>\$ 9,532,427</b>	<b>\$ 8,337,136</b>	<b>\$ 7,851,839</b>	<b>\$ 7,335,961</b>	<b>\$ 6,764,994</b>	<b>\$ 6,469,047</b>

(1) Totals may not track due to rounding

**State Funding Schedule - Fiscal Year 2015**

<b>Payment Date</b>	<b>Payment Amount (1)</b>
August 15	50%
October	Eliminated
November 15	20%
February 15	20%
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.
- (2) The 2014 Legislature amended the schedule, increasing the payment received in August from 30% to 50% of the total Distribution for the year, and eliminating the October payment.
- (3) Funds may not track due to rounding.



**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>
2018 (1)	929	447	569	1,945
2017 (2)	919	437	532	1,888
2016 (2)	915	442	490	1,847
2015 (2)	850	398	454	1,702
2014 (2)	822	411	439	1,672
2013 (2)	758	372	418	1,548
2012 (2)	725	341	433	1,499

- (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) Historical enrollment.

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

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2017**

<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	\$ 42,347
National School Lunch Program	10.555	82-6000893W	265,529
Child Nutrition Discretionary Grants	10.579	82-6000893W	407
Summer Food Service Program for Children	10.559	82-6000893W	<u>26,320</u>
<b>Total U.S. Department of Agriculture</b>			<b>334,603</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	232,797
Migrant Education Basic State Formula Grant Program	84.011	82-6000893W	22,601
Improving Teacher Quality	84.367	82-6000893W	25,740
Assistance to States for Education of Handicapped Children:			
Special Education-Preschool Grants	84.173	82-6000893W	28,533
Special Education-Grants to States	84.027	82-6000893W	<u>280,472</u>
<b>Total U.S. Department of Education</b>			<b><u>590,143</u></b>
<b>Total</b>			<b><u><u>\$ 924,746</u></u></b>

See Notes to Schedule of Expenditures of Federal Awards.

**KIMBERLY SCHOOL DISTRICT**  
**KIMBERLY, IDAHO**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**JUNE 30, 2017**

**Note A – Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Kimberly School District No. 414, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance.

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

Governmental fund types account for the District's federal grant activity. Therefore, expenditures reported on the schedule of expenditures of federal awards are recognized on the modified accrual basis-when they become a demand on current available financial resources. The District's summary of significant accounting policies is presented in Note 1 in the basic financial statements.



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 Kimberly School District No. 414, Kimberly, Idaho (the District), as of and for the year ended June 30, 2017, 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 12, 2017.

In our report, our opinion on the financial statements was qualified, as discussed in the "Basis for Qualified Opinion" paragraph in the report on the financial statements. 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. As a result, the OPEB liability has not been recorded on the Statement of Net Position.

**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 12, 2017



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 THE UNIFORM  
GUIDANCE**

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 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, 2017. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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, 2017.

## 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 the Uniform Guidance, 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Mahlke Hunsaker & Co.*

MAHLKE HUNSAKER & CO., pllc  
Twin Falls, Idaho  
October 12, 2017



**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**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: *unmodified*

Any audit findings disclosed that are  
required to be reported in accordance  
with the Uniform Guidance 2 CFR 200.516          yes                      x  no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555, and 10.559	Child Nutrition Cluster
84.011	Migrant Education State Grant Program
84.367	Improving Teacher Quality State Grants

Dollar threshold used to distinguish  
between type A and type B programs:                    \$ 750,000

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, 2017**

**Section II -- Financial Statement Findings**

None.

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

None