



Mahlke Hunsaker & Company PLLC

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

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## INDEPENDENT AUDITORS' REPORT

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

### ***Qualified and Unmodified Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Kimberly School District, Kimberly Idaho (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Qualified Opinion on the Governmental Activities***

In our opinion, except for the effect of the matter described in the Matter Giving Rise to the Qualified Opinion on the Governmental Activities section of our report, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, of the District, as of June 30, 2024, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Unmodified Opinions on all Other Opinion Units Described Below***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the District, as of June 30, 2024, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Qualified and Unmodified Opinions***

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Matter Giving Rise to the Qualified Opinion on the Governmental Activities***

Management has elected not to record a liability for the implicit rate subsidy of the retiree healthcare. Accounting principles generally accepted in the United States of America require recognition and measurement of an asset or liability, deferred outflows of resources, deferred inflows of resources, and expenses related to the excess of the age-adjusted health insurance premium over the blended health insurance premium for retirees, as well as note disclosures and required supplementary information. The amount by which this departure would affect net position, assets, liabilities, deferred outflows of resources, deferred inflows of resources, expenses note disclosure, and required supplementary information has not been determined.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

***Responsibilities of Management for the Financial Statements-continued***

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, schedule of employer's share of net pension liability, schedule of employer contribution, schedule of employer's share of net OPEB liability and, schedule of employer contributions, (OPEB), listed as required supplementary information in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

***Required Supplementary Information-continued***

Management has not included 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 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 not including this information.

***Supplementary 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 accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the Continuing Disclosure Statement but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2024, 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 solely 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 the effectiveness of the District's 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 District's internal control over financial reporting and compliance.

Sincerely,

*Mahlke Hunsaker & Co.*

MAHLKE HUNSAKER & CO., pllc  
Twin Falls, Idaho  
October 16, 2024

**KIMBERLY SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2024**

	<u>Major Funds</u>			<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 290,229	\$ 1,004,183	\$ 1,294,413
Investments	3,177,155	2,175,166	25	5,352,347
Property taxes receivable	27,221	31,591	9,602	68,415
Receivable from other governments	1,109,841	264,655	521,334	1,895,829
<b>Total assets</b>	<u>4,314,217</u>	<u>2,761,641</u>	<u>1,535,145</u>	<u>8,611,003</u>
<b>DEFERRED OUTFLOWS</b>				
	-	-	-	-
<b>Total assets and deferred outflows</b>	<u>\$ 4,314,217</u>	<u>\$ 2,761,641</u>	<u>\$ 1,535,145</u>	<u>\$ 8,611,003</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>				
Accounts payable	\$ 41,858	\$ -	\$ 82,917	\$ 124,775
Pooled cash deficit	139,577	-	174,281	313,858
Salaries and benefits payable	1,823,823	-	263,610	2,087,433
<b>Total liabilities</b>	<u>2,005,258</u>	<u>-</u>	<u>520,807</u>	<u>2,526,066</u>
<b>DEFERRED INFLOWS</b>				
Unavailable revenue-property taxes	18,880	22,866	6,661	48,408
<b>FUND BALANCE</b>				
Nonspendable				
Restricted				
Capital projects	-	-	175,572	175,572
Debt service	-	2,738,775	-	2,738,775
Federal programs	-	-	56,847	56,847
State programs	-	-	170	170
Child Nutrition	-	-	461,831	461,831
Local Grants	114,181	-	-	114,181
Student Activities	-	-	317,711	317,711
Committed				
General Board Reserves	850,000	-	-	850,000
Assigned				
Unassigned	1,325,898	-	(4,455)	1,321,443
<b>Total fund balances</b>	<u>2,290,079</u>	<u>2,738,775</u>	<u>1,007,677</u>	<u>6,036,530</u>
<b>Total liabilities, deferred inflows and fund balance</b>	<u>\$ 4,314,218</u>	<u>\$ 2,761,641</u>	<u>\$ 1,535,145</u>	<u>\$ 8,611,004</u>

See Notes to Financial Statements.

**KIMBERLY SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Major Funds</u>			<u>Total</u> <u>Governmental</u> <u>Funds</u>
	<u>General</u> <u>Fund</u>	<u>Debt</u> <u>Service</u>	<u>Other</u> <u>Governmental</u> <u>Funds</u>	
<b>REVENUES</b>				
Local Revenues				
Property taxes	\$ 871,018	\$ 816,115	\$ 301,763	\$ 1,988,896
Earnings on investments	304,005	92,412	257	396,674
Other local	338,951	-	1,223,866	1,562,816
State Revenues	15,981,899	510,694	620,031	17,112,625
Federal aid	129,912	69,038	2,540,282	2,739,232
<b>Total revenues</b>	<u>17,625,784</u>	<u>1,488,260</u>	<u>4,686,199</u>	<u>23,800,243</u>
<b>EXPENDITURES</b>				
Instruction:				
Elementary school program	3,538,135	-	362,541	3,900,676
Secondary school program	4,548,561	-	218,643	4,767,204
Alternative school program	20,967	-	-	20,967
Exceptional school program	-	-	1,520,314	1,520,314
Preschool school program	-	-	29,665	29,665
Interscholastic school program	262,712	-	-	262,712
School activity program	76,599	-	893,993	970,592
Afterschool program	-	-	4,949	4,949
<b>Total instructional</b>	<u>8,446,974</u>	<u>-</u>	<u>3,030,106</u>	<u>11,477,080</u>
Support Services				
Attendance-guidance-health	389,354	-	-	389,354
Special services program	935,670	-	-	935,670
Instructional improvement program	648,480	-	143,175	791,655
Educational media program	345,543	-	-	345,543
Educational technology program	369,253	-	16,040	385,292
Books and periodicals	14,257	-	-	14,257
Board of education	114,534	-	-	114,534
District administration	196,397	-	-	196,397
School administration program	1,371,982	-	-	1,371,982
Business operations	518,334	-	1,844	520,177
Administrative technology	-	-	417,542	417,542
Maintenance and improvements				
Buildings, grounds and equipment	1,493,423	-	311,712	1,805,134
Pupil transportation	721,846	-	232,524	954,371
Other support	-	21,081	-	21,081
<b>Total support services</b>	<u>7,119,073</u>	<u>21,081</u>	<u>1,122,836</u>	<u>8,262,991</u>
Food services program	18,222	-	698,563	716,785
Capital asset program	-	-	643,441	643,441
Debt service program:				
Principal	-	2,510,000	77,702	2,587,702
Interest and other charges	-	627,228	19,201	646,430
<b>Total debt service program</b>	<u>-</u>	<u>3,137,228</u>	<u>96,904</u>	<u>3,234,132</u>
<b>Total expenditures</b>	<u>15,584,269</u>	<u>3,158,310</u>	<u>5,591,850</u>	<u>24,334,429</u>
<b>Excess (deficiency) of revenues over expenditures</b>	2,041,515	(1,670,050)	(905,651)	(534,186)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	27,710	745,197	781,318	1,554,225
Transfers out	(1,554,225)	-	-	(1,554,225)
Loan Proceeds	-	-	151,956	151,956
<b>Total other financing sources (uses)</b>	<u>(1,526,515)</u>	<u>745,197</u>	<u>933,274</u>	<u>151,956</u>
<b>Net change in fund balance</b>	515,000	(924,853)	27,623	(382,229)
<b>Fund balances-beginning</b>	<u>1,775,078</u>	<u>3,663,628</u>	<u>980,054</u>	<u>6,418,760</u>
<b>Fund balances-ending</b>	<u>\$ 2,290,079</u>	<u>\$ 2,738,775</u>	<u>\$ 1,007,677</u>	<u>\$ 6,036,531</u>

See Notes to Financial Statements.

**KIMBERLY SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Local Revenues				
Property taxes	\$ 860,500	\$ 855,631	\$ 871,018	\$ 15,387
Earnings on investments	5,000	275,000	304,005	29,005
Other local	529,900	595,040	338,951	(256,089)
State Revenues	15,218,080	15,967,324	15,981,899	14,575
Federal aid	3,500	3,272	129,912	126,640
<b>Total revenues</b>	<u>16,616,980</u>	<u>17,696,267</u>	<u>17,625,784</u>	<u>(70,483)</u>
<b>EXPENDITURES</b>				
Instruction:				
Elementary school program	3,447,836	3,494,814	3,538,135	(43,321)
Secondary school program	4,605,228	4,564,352	4,548,561	15,791
Alternative school program	29,898	23,918	20,967	29,951
Interscholastic school program	260,342	271,101	262,712	8,388
School activity program	71,694	73,492	76,599	(3,107)
<b>Total instructional</b>	<u>8,414,998</u>	<u>8,427,676</u>	<u>8,446,974</u>	<u>(19,298)</u>
Support Services				
Attendance-guidance-health	397,380	402,206	389,354	12,852
Special services program	923,781	954,661	935,670	18,991
Instructional improvement program	539,254	618,687	648,480	(29,793)
Educational media program	346,875	350,675	345,543	5,132
Educational technology program	374,090	376,685	369,253	7,432
Books and periodicals	-	14,800	14,257	543
Board of education	16,014	294,042	114,534	179,508
District administration	199,538	195,842	196,397	(556)
School administration program	1,352,101	1,355,808	1,371,982	(16,174)
Business operations	433,482	480,685	518,334	(37,649)
Maintenance and improvements				
Buildings, grounds and equipment	1,508,225	1,433,889	1,493,423	(59,533)
Pupil transportation	701,441	758,913	721,846	37,067
<b>Total support services</b>	<u>6,792,182</u>	<u>7,236,893</u>	<u>7,119,073</u>	<u>117,820</u>
Food services program	20,008	19,474	18,222	1,252
<b>Total expenditures</b>	<u>15,227,188</u>	<u>15,684,043</u>	<u>15,584,269</u>	<u>99,774</u>
<b>Excess (deficiency) of revenues over expenditures</b>	1,389,792	2,012,224	2,041,515	29,291
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	27,710	27,710
Transfers out	(1,634,118)	(1,803,499)	(1,554,225)	249,274
<b>Total other financing sources (uses)</b>	<u>(1,634,118)</u>	<u>(1,803,499)</u>	<u>(1,526,515)</u>	<u>276,984</u>
<b>Net change in fund balance</b>	(244,326)	208,725	515,000	306,275
<b>Fund balances-beginning</b>	<u>1,140,887</u>	<u>925,078</u>	<u>1,775,078</u>	<u>1,775,078</u>
<b>Fund balances-ending</b>	<u>\$ 896,561</u>	<u>\$ 1,133,803</u>	<u>\$ 2,290,079</u>	<u>\$ 2,081,354</u>

See Notes to Required Supplementary Information.