



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

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, 2025, 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, 2025, 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, 2025, 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 17, 2025, 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 17, 2025

**KIMBERLY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025**

	Major Funds			Other	Total
	General	Debt	Modernization	Governmental	Governmental
	Fund	Service	Fund	Funds	Funds
ASSETS					
Cash and cash equivalents	\$ 351,082	\$ 292,949	\$ -	\$ 770,684	\$ 1,414,714
Investments	2,492,446	2,138,247	8,443,640	26	13,074,359
Property taxes receivable	30,515	13,417	-	10,700	54,633
Receivable from other governments	623,307	28,846	-	473,411	1,125,564
Lease receivable	1,605,165	-	-	-	1,605,165
Total assets	5,102,516	2,473,458	8,443,640	1,254,821	17,274,435
DEFERRED OUTFLOWS	-	-	-	-	-
Total assets and deferred outflows	\$ 5,102,516	\$ 2,473,458	\$ 8,443,640	\$ 1,254,821	\$ 17,274,435
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE					
Accounts payable	\$ 41,307	\$ -	\$ 373	\$ 64,053	\$ 105,733
Pooled cash deficit	-	-	6,810	131,958	138,768
Salaries and benefits payable	1,992,005	-	-	275,318	2,267,323
Total liabilities	2,033,312	-	7,183	471,329	2,511,823
DEFERRED INFLOWS					
Unavailable revenue-property taxes	20,045	8,885	-	7,031	35,962
Lease	1,508,401	-	-	-	1,508,401
Total deferred inflows	1,528,446	8,885	-	7,031	1,544,363
Total Liabilities and deferred inflow	3,561,758	8,885	7,183	478,360	4,056,186
FUND BALANCE					
Nonspendable					
Restricted					
Capital projects	-	-	8,436,458	121,747	8,558,205
Debt service	-	2,464,573	-	-	2,464,573
Federal programs	-	-	-	-	-
State programs	-	-	-	10,488	10,488
Child Nutrition	-	-	-	240,419	240,419
Miscellaneous	278,926	-	-	-	278,926
Student Activities	-	-	-	403,808	403,808
Committed					
General Board Reserves	850,000	-	-	-	850,000
Assigned	-	-	-	-	-
Unassigned	411,831	-	-	(0)	411,831
Total fund balances	1,540,757	2,464,573	8,436,458	776,461	13,218,249
Total liabilities, deferred inflows and fund balance	\$ 5,102,516	\$ 2,473,458	\$ 8,443,640	\$ 1,254,821	\$ 17,274,435

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, 2025

	Major Funds			Other	Total
	General	Debt	Modernization	Governmental	Governmental
	Fund	Service	Fund	Funds	Funds
REVENUES					
Local Revenues					
Property taxes	\$ 870,210	\$ 105,338	\$ -	\$ 303,054	\$ 1,278,603
Earnings on investments	360,175	88,776	167,858	197	617,006
Other local	442,865	-	-	1,221,845	1,664,710
State Revenues	16,394,565	526	8,629,507	1,526,685	26,551,282
Federal aid	107,947	63,203	-	2,143,395	2,314,544
Total revenues	18,175,761	257,842	8,797,365	5,195,176	32,426,145
EXPENDITURES					
Instruction:					
Elementary school program	3,786,390	-	-	314,155	4,100,544
Secondary school program	4,754,371	-	-	265,356	5,019,727
Alternative school program	17,081	-	-	-	17,081
Exceptional school program	-	-	-	1,936,374	1,936,374
Preschool school program	-	-	-	27,979	27,979
Interscholastic school program	274,656	-	-	-	274,656
School activity program	71,240	-	-	789,265	860,505
Afterschool program	-	-	-	6,829	6,829
Total instructional	8,903,738	-	-	3,339,958	12,243,696
Support Services					
Attendance-guidance-health	415,314	-	-	-	415,314
Special services program	1,063,446	-	-	-	1,063,446
Instructional improvement program	764,559	-	-	72,062	836,621
Educational media program	372,565	-	-	-	372,565
Educational technology program	414,842	-	-	-	414,842
Books and periodicals	13,918	-	-	-	13,918
Board of education	117,203	-	-	-	117,203
District administration	204,135	-	-	-	204,135
School administration program	1,436,806	-	-	-	1,436,806
Business operations	585,944	-	-	2,907	588,851
Administrative technology	-	-	-	440,027	440,027
Maintenance and improvements					
Buildings, grounds and equipment	1,883,663	-	84,849	174,437	2,142,949
Pupil transportation	744,206	-	-	57,539	801,745
Other support	-	7,650	-	-	7,650
Total support services	8,016,601	7,650	84,849	746,972	8,856,071
Food services program	57,310	-	-	909,765	967,075
Capital asset program	-	-	276,059	1,245,943	1,522,002
Debt service program:					
Principal	-	995,000	-	79,689	1,074,689
Interest and other charges	-	563,678	-	17,215	580,893
Total debt service program	-	1,558,678	-	96,904	1,655,582
Total expenditures	16,977,649	1,566,328	360,908	6,339,541	25,244,426
Excess (deficiency) of revenues over expenditures	1,198,112	(1,308,486)	8,436,458	(1,144,366)	7,181,719
OTHER FINANCING SOURCES (USES)					
Transfers in	-	1,034,284	-	913,150	1,947,434
Transfers out	(1,947,434)	-	-	-	(1,947,434)
Total other financing sources (uses)	(1,947,434)	1,034,284	-	913,150	-
Net change in fund balance	(749,322)	(274,202)	8,436,458	(231,216)	7,181,719
Fund balances-beginning	2,290,079	2,738,775	-	1,007,677	6,036,530
Fund balances-ending	\$ 1,540,757	\$ 2,464,573	\$ 8,436,458	\$ 776,461	\$ 13,218,249

See Notes to Financial Statements.