



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

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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

Basis for Qualified Opinion on Governmental Activities

Management has not performed the actuarial calculations for Other Post-Employment Benefits – Health and Dental 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 and related expense 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 the Governmental Activities Opinion Unit" paragraph, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities of the District as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the District as of June 30, 2021, 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.

**KIMBERLY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021**

	<u>Major Funds</u>			<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	
ASSETS				
Cash and cash equivalents	\$ 405,868	\$ 172,817	\$ 931,155	\$ 1,509,840
Investments	1,916,731	1,920,120	23	3,836,874
Prepaid Insurance	-	-		-
Property taxes receivable	22,950	41,313	8,919	73,182
Receivable from other funds	-	-	-	-
Receivable from other governments	540,643	461,910	259,203	1,261,755
Cash and cash equivalents-restricted	-	-	-	-
Total assets	<u>2,886,191</u>	<u>2,596,160</u>	<u>1,199,300</u>	<u>6,681,651</u>
DEFERRED OUTFLOWS				
	-	-	-	-
Total assets and deferred outflows	<u>\$ 2,886,191</u>	<u>\$ 2,596,160</u>	<u>\$ 1,199,300</u>	<u>\$ 6,681,651</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE				
Accounts payable	\$ 10,148	\$ -	\$ 6,826	\$ 16,974
Pooled cash deficit	-	-	87,143	87,143
Salaries and benefits payable	1,376,527	-	166,455	1,542,982
Total liabilities	<u>1,386,675</u>	<u>-</u>	<u>260,424</u>	<u>1,647,099</u>
DEFERRED INFLOWS				
Unavailable revenue-property taxes	12,072	21,649	1,256	34,978
FUND BALANCE				
Nonspendable				
Restricted				
Capital projects	-	-	239,899	239,899
Debt service	-	2,574,510	-	2,574,510
Federal programs	-	-	36,525	36,525
State programs	-	-	19,312	19,312
Child Nutrition	-	-	213,918	213,918
Local Grants	11,085	-	3,031	14,116
Student Activities			438,529	438,529
Committed				
General Board Reserves	750,000	-	-	750,000
Assigned				
Unassigned	726,359	-	(13,594)	712,765
Total fund balances	<u>1,487,444</u>	<u>2,574,510</u>	<u>937,619</u>	<u>4,999,574</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 2,886,191</u>	<u>\$ 2,596,160</u>	<u>\$ 1,199,300</u>	<u>\$ 6,681,651</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, 2021

	<u>Major Funds</u>			<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	
REVENUES				
Local Revenues				
Property taxes	\$ 841,800	\$ 1,410,322	\$ 302,015	\$ 2,554,137
Earnings on investments	16,972	12,765	143	29,880
Other local	63,207	-	551,773	614,979
State Revenues	11,490,466	562,339	322,940	12,375,745
Federal aid	713,756	64,717	2,440,049	3,218,521
Total revenues	<u>13,126,200</u>	<u>2,050,143</u>	<u>3,616,920</u>	<u>18,793,263</u>
EXPENDITURES				
Instruction:				
Elementary school program	2,879,829	-	306,347	3,186,177
Secondary school program	3,406,620	-	125,239	3,531,859
Alternative school program	10,049	-	-	10,049
Exceptional school program	-	-	791,740	791,740
Preschool school program	-	-	30,273	30,273
Gifted and talented school program	176	-	-	176
Interscholastic school program	186,721	-	-	186,721
School activity program	41,722	-	410,899	452,620
COVID related	661,614	-	488,218	1,149,832
Total instructional	<u>7,186,730</u>	<u>-</u>	<u>2,152,716</u>	<u>9,339,447</u>
Support Services				
Attendance-guidance-health	356,452	-	8,431	364,884
Special services program	683,195	-	19,362	702,557
Instructional improvement program	422,730	-	41,338	464,067
Educational media program	322,673	-	-	322,673
Board of education	6,273	-	-	6,273
District administration	147,457	-	117,889	265,346
School administration program	865,007	-	-	865,007
Business operations	296,252	-	1,055	297,307
Administrative technology	-	-	765,746	765,746
Maintenance and improvements				
Buildings, grounds and equipment	1,065,051	-	174,671	1,239,722
Pupil transportation	514,509	-	251,667	766,177
Other support	-	1,700	-	1,700
Total support services	<u>4,679,601</u>	<u>1,700</u>	<u>1,380,159</u>	<u>6,061,460</u>
Food services program	43,010	-	818,751	861,761
Capital asset program	-	-	42,708	42,708
Debt service program:				
Principal	-	930,101	-	930,101
Interest and other charges	-	775,289	-	775,289
Total debt service program	<u>-</u>	<u>1,705,390</u>	<u>-</u>	<u>1,705,390</u>
Total expenditures	<u>11,909,341</u>	<u>1,707,090</u>	<u>4,394,334</u>	<u>18,010,766</u>
Excess (deficiency) of revenues over expenditures	1,216,858	343,053	(777,414)	782,497
OTHER FINANCING SOURCES (USES)				
Transfers in	-	103,162	761,134	864,295
Transfers out	(845,101)	-	(19,194)	(864,295)
Loan Proceeds	-	-	111,010	111,010
Total other financing sources (uses)	<u>(845,101)</u>	<u>103,162</u>	<u>852,950</u>	<u>111,010</u>
Net change in fund balance	371,757	446,215	75,536	893,507
Fund balances-beginning (restated)	<u>1,115,687</u>	<u>2,128,296</u>	<u>862,084</u>	<u>4,106,066</u>
Fund balances-ending	<u>\$ 1,487,444</u>	<u>\$ 2,574,510</u>	<u>\$ 937,619</u>	<u>\$ 4,999,574</u>

See Notes to Financial Statements.