

**KIMBERLY SCHOOL DISTRICT No. 414
KIMBERLY, IDAHO
ANNUAL FINANCIAL REPORT
JUNE 30, 2020**

KIMBERLY SCHOOL DISTRICT No. 414
KIMBERLY, IDAHO
ANNUAL FINANCIAL REPORT
JUNE 30, 2020

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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, 2020, 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, 2020, 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 and continuing disclosure statement 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 14, 2020, 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 the District's internal control over financial reporting and compliance.

Sincerely,

Mahlke Hunsaker & Co.

MAHLKE HUNSAKER & CO., pllc
Twin Falls, Idaho
October 14, 2020

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**KIMBERLY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2020**

| | Governmental Activities |
|--|------------------------------------|
| ASSETS | |
| Current assets: | |
| Cash and cash equivalents | \$ 489,099 |
| Investments | 3,415,986 |
| Property taxes receivable | 60,312 |
| Receivable from other governments | 1,453,590 |
| Total current assets | 5,418,988 |
| Noncurrent assets: | |
| Capital assets, net | 30,156,751 |
| Net OPEB asset | 539,712 |
| Total noncurrent assets | 30,696,463 |
| Total assets | 36,115,451 |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Pensions | 1,309,676 |
| OPEB | 95,352 |
| Total deferred outflows of resources | 1,405,028 |
| Total assets and deferred outflows of resources | \$ 37,520,479 |
| LIABILITIES | |
| Current liabilities: | |
| Accounts payable | \$ 55,153 |
| Salaries and benefits payable | 1,628,579 |
| Interest payable | 221,872 |
| Current portion of capital leases payable | 109,064 |
| Current portion of bonds payable | 865,000 |
| Total current liabilities | 2,879,668 |
| Noncurrent liabilities: | |
| Noncurrent portion of capital leases payable | 130,458 |
| Noncurrent portion of bonds payable | 22,005,000 |
| Premium on debt issuance | 1,193,385 |
| Net pension liability | 2,429,423 |
| Total noncurrent liabilities | 25,758,266 |
| Total liabilities | 28,637,934 |
| DEFERRED INFLOWS OF RESOURCES | |
| Pensions | 1,167,659 |
| OPEB | 31,195 |
| Total deferred outflows of resources | 1,198,854 |
| NET POSITION | |
| Net investment in capital assets | 8,151,751 |
| Restricted for: | |
| School lunch | 25,528 |
| Non K-12 programs | 30,190 |
| Capital projects | 288,675 |
| Debt service | 2,128,296 |
| Unrestricted | (2,940,749) |
| Total net position | 7,683,691 |
| Total liabilities, deferred inflows, and net position | \$ 37,520,479 |

See Notes to Financial Statements.

**KIMBERLY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

| Functions/Programs | Program Revenues | | | Net (Expense) Revenue and Changes in Net Assets |
|---|-------------------------|---|---------------------------------|--|
| | Expenses | Operating Grants and Contributions | Charges for Services | Governmental Activities |
| Instruction: | | | | |
| Elementary School Program | \$ 3,174,422 | \$ 2,970,714 | \$ - | \$ (203,707) |
| Secondary School Program | 3,536,641 | 3,309,689 | - | (226,951) |
| Alternative School Program | 9,381 | 8,779 | - | (602) |
| Exceptional School Program | 884,817 | 828,037 | - | (56,780) |
| Preschool School Program | 44,980 | 42,093 | - | (2,886) |
| Gifted & Talented School Program | 23,547 | 22,036 | - | (1,511) |
| Interscholastic School Program | 188,521 | 176,424 | - | (12,098) |
| School Activity Program | 44,699 | 41,831 | - | (2,868) |
| Support Services: | | | | |
| Pupil Support Services | 1,918,432 | 1,795,323 | - | (123,108) |
| Staff Support Services | 575,992 | 539,029 | - | (36,962) |
| District Administration | 167,863 | 157,091 | - | (10,772) |
| School Administration | 923,845 | 864,560 | - | (59,284) |
| Business Administrative | 420,954 | 393,941 | - | (27,013) |
| Operation and maintenance of facilities | 2,432,156 | 2,276,081 | - | (156,075) |
| Transportation | 517,809 | 370,270 | - | (147,539) |
| School lunch services | 779,548 | 518,084 | 187,847 | (73,618) |
| Interest on long-term debt | 662,413 | - | - | (662,413) |
| Total governmental activities | <u>16,306,018</u> | <u>14,313,983</u> | <u>187,847</u> | <u>(1,804,189)</u> |

General Revenues:

Taxes:

| | |
|--|------------------|
| Property taxes, levied for general purposes | 494,725 |
| Property taxes, levied for debt service & capital projects | 1,663,205 |
| Interest and investment earnings | 88,954 |
| Miscellaneous | 335,173 |
| Total general revenues, extraordinary items and transfers | <u>2,582,058</u> |

Change in net assets 777,869

Net position-beginning of year, restated 6,905,822

Net position-end of year \$ 7,683,691

See Notes to Financial Statements.

FUND FINANCIAL STATEMENTS

**KIMBERLY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020**

| | <u>Major Funds</u> | | | Other Governmental Funds | Total Governmental Funds |
|---|-------------------------|-------------------------|-----------------------------|---|---|
| | General Fund | Debt Service | Capital Projects | | |
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 139,650 | \$ 143,056 | \$ 150,805 | \$ 244,271 | \$ 677,783 |
| Investments | 1,868,613 | 1,505,211 | 42,163 | - | 3,415,986 |
| Property taxes receivable | 12,712 | 38,898 | 8,702 | - | 60,312 |
| Receivable from other governments | 579,881 | 466,033 | 101,609 | 306,068 | 1,453,590 |
| Total assets | <u>2,600,856</u> | <u>2,153,197</u> | <u>303,279</u> | <u>550,340</u> | <u>5,607,672</u> |
| DEFERRED OUTFLOWS | | | | | |
| | - | - | - | - | - |
| Total assets and deferred outflows | <u>\$ 2,600,856</u> | <u>\$ 2,153,197</u> | <u>\$ 303,279</u> | <u>\$ 550,340</u> | <u>\$ 5,607,672</u> |
| LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE | | | | | |
| Accounts payable | \$ 38,680 | \$ - | \$ 10,574 | \$ 5,899 | \$ 55,153 |
| Pooled cash deficit | - | - | - | 188,684 | 188,684 |
| Salaries and benefits payable | 1,437,085 | - | - | 191,494 | 1,628,579 |
| Total liabilities | <u>1,475,766</u> | <u>-</u> | <u>10,574</u> | <u>386,077</u> | <u>1,872,416</u> |
| DEFERRED INFLOWS | | | | | |
| Unavailable revenue-property taxes | 9,403 | 24,902 | 4,030 | - | 38,335 |
| FUND BALANCE | | | | | |
| Nonspendable | | | | | |
| Restricted | | | | | |
| Capital projects | - | - | 288,675 | - | 288,675 |
| Debt service | - | 2,128,296 | - | - | 2,128,296 |
| Federal programs | - | - | - | - | - |
| State programs | - | - | - | 30,190 | 30,190 |
| Child Nutrition | - | - | - | 25,528 | 25,528 |
| Local Grants | 11,085 | - | - | 98,239 | 109,324 |
| Committed | | | | | |
| General Board Reserves | 750,000 | - | - | - | 750,000 |
| Assigned | | | | | |
| Unassigned | 354,602 | - | - | 10,307 | 364,909 |
| Total fund balances | <u>1,115,687</u> | <u>2,128,296</u> | <u>288,675</u> | <u>164,263</u> | <u>3,696,921</u> |
| Total liabilities, deferred inflows and fund balance | <u>\$ 2,600,856</u> | <u>\$ 2,153,197</u> | <u>\$ 303,279</u> | <u>\$ 550,340</u> | <u>\$ 5,607,672</u> |

See Notes to Financial Statements.

**KIMBERLY SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2020**

| | |
|--|-----------------------------------|
| Total fund balances for governmental funds | \$ 3,696,921 |
| Total net position reported for governmental activities in the statement of net position is different because: | |
| Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds. Those assets consist of: | |
| Land | \$ 1,880,106 |
| Buildings and improvements, net of \$10,475,782 accumulated depreciation | 27,572,939 |
| Equipment, net of \$553,630 accumulated depreciation | 133,154 |
| Transportation buses, net of \$1,095,807 accumulated depreciation | <u>570,552</u> |
| Total | 30,156,751 |
| 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. | 38,335 |
| 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 \$221,872 | (221,872) |
| 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 assets. | |
| Other post employment benefits asset | 539,712 |
| Due in more than one year-pension liabilities | (2,429,423) |
| Unamortized premium and advance refunding loss on bonds payable | (1,193,385) |
| Bonds payable | (22,870,000) |
| Capital leases payable | (239,522) |
| Deferred outflows of resources not reported in the funds | 1,405,028 |
| Deferred inflows of resources not reported in the funds | <u>(1,198,854)</u> |
| Total net position of governmental activities | <u><u>\$ 7,683,690</u></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, 2020

| | <u>Major Funds</u> | | | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|-------------------------|-------------------------|-----------------------------|---|---|
| | <u>General Fund</u> | <u>Debt Service</u> | <u>Capital Projects</u> | | |
| REVENUES | | | | | |
| Local Revenues | | | | | |
| Property taxes | \$ 491,679 | \$ 1,365,433 | \$ 302,514 | \$ - | \$ 2,159,627 |
| Earnings on investments | 65,725 | 19,499 | 3,704 | 26 | 88,954 |
| Other local | 55,655 | - | - | 467,365 | 523,020 |
| State Revenues | 12,082,548 | 540,425 | - | 366,823 | 12,989,796 |
| Federal aid | 3,375 | 35,074 | - | 1,285,738 | 1,324,187 |
| Total revenues | <u>12,698,982</u> | <u>1,960,431</u> | <u>306,218</u> | <u>2,119,952</u> | <u>17,085,584</u> |
| EXPENDITURES | | | | | |
| Instruction: | | | | | |
| Elementary school program | 2,927,797 | - | - | 233,716 | 3,161,514 |
| Secondary school program | 3,449,350 | - | - | 73,152 | 3,522,503 |
| Alternative school program | 9,339 | - | - | - | 9,339 |
| Exceptional school program | - | - | - | 882,291 | 882,291 |
| Preschool school program | - | - | - | 44,837 | 44,837 |
| Gifted and talented school program | 23,449 | - | - | - | 23,449 |
| Interscholastic school program | 187,931 | - | - | - | 187,931 |
| School activity program | 44,533 | - | - | - | 44,533 |
| Total instructional | <u>6,642,401</u> | <u>-</u> | <u>-</u> | <u>1,233,996</u> | <u>7,876,397</u> |
| Support Services | | | | | |
| Attendance-guidance-health | 348,688 | - | - | - | 348,688 |
| Special services program | 741,828 | - | - | - | 741,828 |
| Instructional improvement program | 402,830 | - | - | 45,571 | 448,401 |
| Educational media program | 370,263 | - | - | - | 370,263 |
| Board of education | 14,037 | - | - | - | 14,037 |
| District administration | 129,637 | - | - | 37,529 | 167,166 |
| School administration program | 919,891 | - | - | - | 919,891 |
| Business operations | 328,788 | - | - | 90,847 | 419,635 |
| Administrative technology | - | - | - | 560,762 | 560,762 |
| Maintenance and improvements | | | | | |
| Buildings, grounds and equipment | 1,103,828 | - | 167,901 | 26,470 | 1,298,199 |
| Pupil transportation | 508,279 | - | 117,117 | - | 625,397 |
| Other support | - | 1,700 | - | - | 1,700 |
| Total support services | <u>4,868,069</u> | <u>1,700</u> | <u>285,019</u> | <u>761,179</u> | <u>5,915,967</u> |
| Food services program | 18,999 | - | - | 759,097 | 778,097 |
| Capital asset program | - | - | 1,420,086 | - | 1,420,086 |
| Debt service program: | | | | | |
| Principal | - | 960,000 | - | - | 960,000 |
| Interest and other charges | - | 779,303 | - | - | 779,303 |
| Total debt service program | <u>-</u> | <u>1,739,303</u> | <u>-</u> | <u>-</u> | <u>1,739,303</u> |
| Total expenditures | <u>11,529,469</u> | <u>1,741,003</u> | <u>1,705,105</u> | <u>2,754,272</u> | <u>15,990,547</u> |
| Excess (deficiency) of revenues over expenditures | 1,169,513 | 219,428 | (1,398,887) | (634,320) | (644,266) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | - | - | 1,094,084 | 772,640 | 1,866,724 |
| Transfers out | (865,686) | (1,000,000) | - | (1,038) | (1,866,724) |
| Loan Proceeds | - | 1,000,000 | - | - | 1,000,000 |
| Total other financing sources (uses) | <u>(865,686)</u> | <u>-</u> | <u>1,094,084</u> | <u>771,602</u> | <u>1,000,000</u> |
| Net change in fund balance | 303,827 | 219,428 | (304,803) | 137,282 | 355,734 |
| Fund balances-beginning | <u>811,860</u> | <u>1,908,868</u> | <u>593,478</u> | <u>26,981</u> | <u>3,341,187</u> |
| Fund balances-ending | <u>\$ 1,115,687</u> | <u>\$ 2,128,296</u> | <u>\$ 288,675</u> | <u>\$ 164,263</u> | <u>\$ 3,696,921</u> |

See Notes to Financial Statements.

KIMBERLY SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

Net change in fund balances-total governmental funds \$ 355,734

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 capital outlays exceeded depreciation in the current period.

| | | |
|----------------------|--------------------|---------|
| Capital outlays | \$ 1,351,746 | |
| Depreciation expense | <u>(1,062,994)</u> | |
| Total | | 288,752 |

The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the statement of net assets, 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 are deferred and amortized in the statement of activities. 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:

| | | |
|---|---------------|---------|
| Loan proceeds | (1,000,000) | |
| Lease payments | 109,192 | |
| Bond premium amortization | 106,040 | |
| Repayment of bond principal | 960,000 | |
| Interest expense - general obligation bonds | <u>10,850</u> | |
| Total | | 186,082 |

Property tax revenues received prior to the year for which they are being levied are reported as deferred revenue in the governmental funds. They are, however, recorded as revenues in the statement of activities. Deferred property tax revenues increased this year. (1,697)

Benefits paid on behalf of retirees for other post-employment benefits (OPEB) in the Statement of Activities differs from the amount reported in the governmental funds because these costs are recognized as an expenditure in the governmental funds when they are paid, thus requiring the use of current financial resources. In the Statement of Activities, however, the OPEB obligation is recognized based on the actuarial valuations, regardless of when it is paid. (110,608)

Changes in net pension liability and related pension obligation deferred outflow and employer pension assumption deferred inflows of resources do not provide or required current financial resources and therefore are not reflected in the funds. 59,606

Change in net position of governmental activities \$ 777,869

**KIMBERLY SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2020**

| | Agency Funds |
|---|---------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 409,145 |
| Total Assets | \$ 409,145 |
| LIABILITIES AND NET ASSETS | |
| Liabilities | |
| Due to student activities | \$ 409,145 |
| Total Liabilities | 409,145 |
| Net Position | - |
| Total Liabilities and Net Position | \$ 409,145 |

See Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

KIMBERLY SCHOOL DISTRICT No. 414
KIMBERLY, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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 in determining the reporting entity. 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:

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.

KIMBERLY SCHOOL DISTRICT No. 414
KIMBERLY, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Debt Service Fund – 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

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.

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.

KIMBERLY SCHOOL DISTRICT No. 414
KIMBERLY, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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, 2020.

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.

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.

KIMBERLY SCHOOL DISTRICT No. 414
KIMBERLY, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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.

The Joint Powers Investment Pool (POOL)

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 in 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.

An annual audit of Joint Powers Investment 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.

KIMBERLY SCHOOL DISTRICT No. 414
KIMBERLY, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

H. Deferred Outflows/Inflows of Resources

Deferred Outflows 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 that time.

The District has Two Items that Qualify for Reporting in this Category:

Pension Obligation and the Post-Employment Obligation (OPEB) – reported on the Government-Wide Statement of Net Position results from changes in the assumptions or other inputs in the actuarial calculation of the District’s net pension liability and OPEB asset.

Deferred Inflows of Resources

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 Two Items that Qualify for Reporting in this Category:

Employer Pension Assumption and the OPEB Obligation – results from differences between the expected and actual experience and the net difference between projected and actual earnings on pension plan investments and OPEB investments derived from the actuarial calculation of the District’s net pension liability and OPEB 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.

Buildings and Improvements and Furniture and Equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

| Assets | Years |
|----------------------------|-------|
| Buildings and Improvements | 40 |
| Furniture | 7 |
| Buses | 10 |

KIMBERLY SCHOOL DISTRICT No. 414
KIMBERLY, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

J. Unavailable and Advanced Revenue

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

K. 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 represent payment for teachers that are distributed during July and August, but are for services performed for the year ended June 30, 2020. It also includes an amount for full time administrative employees for vacation earned but not paid at year end.

L. 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 using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

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.

M. 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.

KIMBERLY SCHOOL DISTRICT No. 414
KIMBERLY, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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:

Non-Spendable 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 Federal Programs Balances – reflect amounts restricted for specific state and federal programs as mandated by respective state and federal grant or funding agreements.

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.

N. 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
KIMBERLY, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

O. 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.

P. Other Post-Employment Benefits-Health and Dental

The District does not provide benefits to retired employees other than retirement benefits funded through the Public Employees Retirement System of Idaho. However, certain retired employees can remain on the School insurance policy after retirement if the retired employee pays the average monthly cost. The difference between the age-adjusted monthly cost and the average cost is referred to as an “implicit subsidy” since the medical insurance rate of a retired employee is generally higher than the medical insurance rate of a younger employee. GASB 75 requires that employers have actuarial calculations performed for these other post-employment benefits so that liabilities and related expenses can be recorded in the government-wide financial statements and related notes and required supplementary information can be prepared. Management believes the costs of implementing GASB 75 cannot be justified at this time. Accordingly, the District accounts for the other post-employment benefits for retirees on the pay-as-you-go basis.

Q. Other Post-Employment Benefits (OPEB) – PERSI Sick Leave

For purposes of measuring the net OPEB asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense;(expense offset), information about the fiduciary net position of the Public Employee Retirement System of Idaho (PERSI or System) Sick Leave Insurance Reserve Fund and additions to/deductions from Sick Leave Insurance Reserve Fund’s fiduciary net position have been determined on the same basis as they are reported by the Sick Leave Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

R. Property Taxes

Property Tax Revenues

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 Receivables

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

KIMBERLY SCHOOL DISTRICT No. 414
KIMBERLY, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Ad Valorem Taxes Receivables

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

S. 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 activity’s column.

T. 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.

U. 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.

V. Nonmonetary Transactions

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

W. 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.

X. 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
KIMBERLY, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 – CASH AND INVESTMENTS

At June 30, 2020 the District’s Cash and Investments, excluding Trust and Agency Funds, consisted of the following:

| | Carrying Amounts | Bank Deposit Balance |
|-------------------------------|---------------------|-------------------------|
| Cash and Equivalents: | | |
| Insured or Collateralized | \$ 273,334 | \$ 273,396 |
| Uninsured or Uncollateralized | 215,765 | 570,961 |
| Total Deposits | \$ 489,099 | \$ 844,357 |

| | Rating | Duration | Fair Value |
|--|---------|----------|--------------|
| Investments: | | | |
| State Treasurer's Local Government Investment Pool | Unrated | 177 Days | \$ 3,058,965 |
| US Treasury Time Deposits | | | 357,021 |
| Total Investments | | | \$ 3,415,986 |

A. 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.

B. 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.

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.

C. 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, 2020, are invested in the LGIP which is not required to be rated.

KIMBERLY SCHOOL DISTRICT No. 414
KIMBERLY, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 – CASH AND INVESTMENTS – CONTINUED

D. 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, 2020, 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 doesn't have a policy concerning interest rate risk.

E. Concentration of Credit Risk

When investments are concentrated in one issuer, this concentration represents heightened risk of potential loss. No 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 entity 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 RECEIVABLES, PAYABLES AND INTERFUND TRANSFERS

At June 30, 2020 the composition of Interfund Balances are as follows:

| Receivable Funds | Payable Funds | | |
|---|---------------------------|----|-----------|
| General, Capital Projects and Debt Service | Technology Fund | \$ | 9,202 |
| | Title I-A | | 12,027 |
| | Cares | | 126,090 |
| | Title I-C Migrant | | 2,152 |
| | Idea School Age | | 19,456 |
| | Title V-A | | 795 |
| | Carl Perkins | | 5,400 |
| | Improving Teacher Quality | | 13,562 |
| | | | <u>\$</u> |

The balances resulted from loans made to cover operating cash deficits., the amounts are shown on the balance sheet as deficit in pooled cash.

The following Operating Transfers occurred during the Fiscal Year:

| | | | | |
|---------------------------|-----------|------------------|-----------|------------------|
| General | \$ | - | \$ | 865,686 |
| Debt Service | | - | | 1,000,000 |
| Capital Projects | | 1,094,084 | | - |
| Technology State | | 194,389 | | - |
| IDEA School Age | | 399 | | - |
| IDEA Preschool | | 5,559 | | - |
| Medicaid | | 532,293 | | - |
| Improving Teacher Quality | | - | | 1,038 |
| Child Nutrition | | <u>40,000</u> | | |
| Total | <u>\$</u> | <u>1,866,724</u> | <u>\$</u> | <u>1,866,724</u> |

KIMBERLY SCHOOL DISTRICT No. 414
KIMBERLY, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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, 2020:

| | |
|-----------------|---------------------|
| State Agencies | \$ 717,457 |
| County Agencies | <u>736,133</u> |
| Total | <u>\$ 1,453,590</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, 2020:

| | <u>General Fund</u> | <u>Debt Service</u> | <u>Capital Projects</u> | <u>Total</u> |
|------------------|---------------------|---------------------|-------------------------|------------------|
| Delinquent Taxes | <u>\$ 9,403</u> | <u>\$ 24,902</u> | <u>\$ 4,030</u> | <u>\$ 38,335</u> |

NOTE 6 - CAPITAL ASSETS

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

| | <u>Balance July 1, 2019</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance June 30, 2020</u> |
|--------------------------|---------------------------------|---------------------|------------------|----------------------------------|
| Land | \$ 648,028 | \$ 1,232,078 | | \$ 1,880,106 |
| Buildings | | | | |
| Elementary | 15,623,167 | 3,301,863 | | 18,925,030 |
| Secondary | 15,442,961 | - | | 15,442,961 |
| Other | 3,443,034 | | | 3,443,034 |
| Transportation | 75,000 | | | 75,000 |
| Maintenance | <u>162,695</u> | | | <u>162,695</u> |
| Total Buildings | 34,746,857 | 3,301,863 | - | 38,048,720 |
| Equipment and Other | 686,787 | - | - | 686,787 |
| Transportation Equip. | <u>1,557,691</u> | <u>108,666</u> | - | <u>1,666,357</u> |
| Total Capital Assets | 37,639,363 | 4,642,607 | - | 42,281,970 |
| Less Accum. Depreciation | <u>(11,062,225)</u> | <u>(1,062,994)</u> | - | <u>(12,125,219)</u> |
| Net Capital Assets | <u>\$ 26,577,138</u> | <u>\$ 3,579,613</u> | <u>\$ -</u> | <u>\$ 30,156,751</u> |

KIMBERLY SCHOOL DISTRICT No. 414
KIMBERLY, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7 - GENERAL OBLIGATION BONDS

The following is a summary of bond transactions of the District for the year ended June 30, 2020:

| | June 30, 2018 | Issuance | Payments | June 30, 2019 |
|----------------------|----------------------|---------------------|---------------------|----------------------|
| 2013 Series A | \$ 1,500,000 | \$ - | \$ - | \$ 1,500,000 |
| 2013 Series B | 1,485,000 | - | - | 1,485,000 |
| 2016 Series A | 9,855,000 | - | - | 9,855,000 |
| 2016 Refunding Bonds | 7,820,000 | - | (540,000) | 7,280,000 |
| 2018 Series | 2,170,000 | - | (420,000) | 1,750,000 |
| 2020 Series | - | 1,000,000 | - | 1,000,000 |
| Total | <u>\$ 22,830,000</u> | <u>\$ 1,000,000</u> | <u>\$ (960,000)</u> | <u>\$ 22,870,000</u> |

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

In August 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 August 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.

In February 2018, the District issued General Obligation Bonds, Series 2018 (Bank Qualified). The Bonds were issued for the purpose of financing the costs of acquiring, constructing, equipping and furnishing a new elementary school, including all relevant lighting, heating, ventilation and sanitation facilities and appliances necessary to maintain and operate the building and facilities. The Bonds were issued to also repair and renovate the existing Kimberly Elementary School and to purchase land for future school sites and to repay the costs of issuance of the Bonds (the "Project").

The District previously issued its General Obligation Bonds, Series 2016A, dated August 30, 2016 (the "Series 2016A Bonds"). The Series 2016A Bond proceeds provided \$11,245,000 in funds for the purpose of financing the Project. The Bonds represent the remaining authorization from the 2016 Authorizing Election.

In February 2020, the District issued Annual Appropriation Lease-Purchase, Series 2020 in the amount of \$1,000,000. The funds were used to purchase land.

KIMBERLY SCHOOL DISTRICT No. 414
KIMBERLY, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7 – GENERAL OBLIGATION BONDS – CONTINUED

General Obligation Bonds payable as of June 30, 2020 consist of the following:

| | |
|---|----------------------|
| 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 requires 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 |
| Series 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. | 9,855,000 |
| 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. | 7,820,000 |
| Series 2018 General Obligation Bonds in the original principal amount of \$2,695,000 maturing through September 15, 2037. 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% to 5% on the outstanding bonds. | 2,170,000 |
| Series 2020 Annual Appropriation Lease-Purchase in the original principal amount of \$1,000,000 maturing through March 1, 2032. Principal and interest payments are due semi-annually on September 1 and March 1. Interest is at 2.54%. | <u>1,000,000</u> |
| | <u>\$ 22,870,000</u> |

KIMBERLY SCHOOL DISTRICT No. 414
KIMBERLY, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7 - GENERAL OBLIGATION BONDS – CONTINUED

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

| Year Ended | 2013 Series A | 2013 Series B | 2016 Series A | 2016 Series B | 2018 Series | 2020 Series | Total | Interest | Total |
|--------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|---------------------|----------------------|
| 2021 | - | 10,000 | - | 790,000 | 65,000 | 75,101 | 940,101 | 769,030 | 1,709,131 |
| 2022 | - | 10,000 | - | 835,000 | 70,000 | 73,877 | 988,877 | 742,505 | 1,731,382 |
| 2023 | - | 10,000 | - | 880,000 | 75,000 | 75,766 | 1,040,766 | 711,266 | 1,752,032 |
| 2024 | - | 10,000 | - | 930,000 | 80,000 | 77,702 | 1,097,702 | 678,305 | 1,776,007 |
| 2025 | - | 10,000 | - | 915,000 | 80,000 | 79,689 | 1,084,689 | 644,643 | 1,729,332 |
| 2026-2030 | 1,500,000 | 840,000 | 150,000 | 2,930,000 | 465,000 | 430,058 | 6,315,058 | 2,614,419 | 8,929,477 |
| 2031-2035 | - | 595,000 | 6,555,000 | - | 545,000 | 187,807 | 7,882,807 | 1,083,524 | 8,966,331 |
| 2036-2038 | - | - | 3,150,000 | - | 370,000 | - | 3,520,000 | 96,456 | 3,616,456 |
| Total | \$ 1,500,000 | \$ 1,485,000 | \$ 9,855,000 | \$ 7,280,000 | \$ 1,750,000 | \$ 1,000,000 | \$ 22,870,000 | \$ 7,340,148 | \$ 30,210,148 |

NOTE 8 – CAPITAL LEASES

As of June 30, 2020, the District has several capital lease obligations for several busses. Total minimum lease payments are as follows:

| Year Ended | Principal | Interest | Total |
|---------------|-------------------|------------------|-------------------|
| June 30, 2021 | \$ 109,064 | \$ 8,004 | \$ 117,068 |
| 2022 | 64,103 | 4,584 | 68,687 |
| 2023 | 43,934 | 2,307 | 46,241 |
| 2024 | 22,421 | 733 | 23,154 |
| Total | \$ 239,522 | \$ 15,628 | \$ 255,150 |

KIMBERLY SCHOOL DISTRICT No. 414
KIMBERLY, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 9 – 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.

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, 2019, 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% general employees and 11.66% for police and firefighters. The Districts contributions were \$915,899 for the year ended June 30, 2020.

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

At June 30, 2020, the District reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, 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, 2019, the District's proportion was .002382218 percent.

KIMBERLY SCHOOL DISTRICT No. 414
KIMBERLY, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 9 – PENSION PLAN – CONTINUED

For the year ended June 30, 2020, the District recognized pension expense (revenue) of \$80,81. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ 252,711 | \$ 320,475 |
| Changes in assumptions or other inputs | 151,259 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 926,365 |
| Changes in the District's proportion and differences between the District's contributions and the District's proportionate contributions | (76,668) | (79,181) |
| The District's contributions subsequent to the measurement date | <u>982,374</u> | <u>-</u> |
| Total | <u>\$ 1,309,676</u> | <u>\$ 1,167,659</u> |

\$982,374 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, 2020.

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, 2018 the beginning of the measurement period ended June 30, 2018 is 4.8 and 4.8 for the measurement period June 30, 2019.

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, | | | | |
| | 2020 | \$ | (97,917) | |
| | 2021 | | (419,504) | |
| | 2022 | | (204,347) | |
| | 2023 | | (118,589) | |

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
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 9 – PENSION PLAN – CONTINUED

The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|----------------------------|------------------------------------|
| Inflation | 3.00% |
| Salary Increase | 3.75% |
| Salary Inflation | 3.75% |
| Investment Rate of Return | 7.05 %, Net of Investment Expenses |
| Cost-of-Living Adjustments | 1.00% |

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, 2013 through June 30, 2017 which reviewed all economic and demographic assumptions including mortality. The Total Pension Liability as of June 30, 2019 is based on the results of an actuarial valuation date July 1, 2019.

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, 2017.

**KIMBERLY SCHOOL DISTRICT No. 414
KIMBERLY, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 9 – PENSION PLAN – CONTINUED

| Asset Class | | Target Allocation | Long-Term Expected Nominal Rate of Return (Arithmetic) | Long-Term Expected Real Rate of Return (Arithmetic) |
|---|------------------------------|----------------------|---|--|
| Core Fixed Income | Barclays Aggregate | 30.00% | 3.05% | 0.80% |
| Broad US Equities | Wilshire 5000 / Russell 3000 | 55.00% | 8.30% | 6.05% |
| Developed Foreign Equities | MSCI EAFE/ World ex US | 15.00% | 8.45% | 6.20% |
| Assumed Inflation - Mean | | | 2.25% | 2.25% |
| Assumed Inflation - Standard Deviation | | | 1.50% | 1.50% |
| Portfolio Arithmetic - Mean Return | | | 6.75% | 4.50% |
| Portfolio - Standard Deviation | | | 12.54% | 12.54% |
| Portfolio Long-Term (Geometric) Expected Rate of Return | | | 6.13% | 3.77% |
| Assumed Investment Expenses | | | 0.40% | 40.00% |
| Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses | | | 5.73% | 3.37% |
| Portfolio Long-Term Expected Real Rate of Return, Net of Investment Income | | | | 4.19% |
| Portfolio - Standard Deviation | | | | 14.16% |
| Valuation Assumptions Chosen by PERSI Board | | | | |
| Long-Term Expected Real Rate of Return, Net of Investment Expenses | | | | 4.05% |
| Assumed Inflation | | | | 3.00% |
| Long-Term Expected Nominal Rate of Return, Net of Investment Expenses | | | | 7.05% |

Discount Rate

The discount rate used to measure the total pension liability was 7.05%. 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.

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 7.05 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 (6.05 percent) or 1-percentage-point higher (8.05 percent) than the current rate:

| | 1% Decrease (6.05%) | Current Discount Rate (7.05%) | 1% Increase (8.05%) |
|--|------------------------|-------------------------------------|------------------------|
| District's Proportionate Share of the Net Pension Liability (Asset) | \$ 8,213,139 | \$ 2,429,423 | \$ (1,824,047) |

KIMBERLY SCHOOL DISTRICT No. 414
KIMBERLY, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 9 – PENSION PLAN – CONTINUED

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.

NOTE 10 - OPEB PLAN

Plan Description

The District contributes to the Sick Leave Insurance Reserve Fund (Sick Leave Plan) which is a cost-sharing multiple-employer defined benefit OPEB plan that covers members receiving retirement benefits that are administered by PERSI 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 the Sick Leave Plan. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Responsibility for administration of the Sick Leave 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.

OPEB Benefits

Group retiree health, dental, accident, and life insurance premiums may qualify as a benefit. Retirees who have a sick leave account can use their balance as a credit towards these premiums paid directly to the applicable insurance company.

Employer Contributions

The contribution rate for employers are set by statute at .065% of covered compensation for state members. Covered school members contribution rates are set by statute based on the number of sick days offered by the employer. The contribution rate of 1.16% for school members with nine or ten sick days, 1.26% for school members with 11-14 sick days. If a school member has more than 14 days of sick leave then the contribution rate will be set by the PERSI Retirement Board based on current cost and actuarial data and reviewed annually. The District's contributions were \$92,430 for the year ended June 30, 2019.

KIMBERLY SCHOOL DISTRICT No. 414
KIMBERLY, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10 - OPEB PLAN – CONTINUED

OPEB Liabilities, OPEB Expense (Expense Offset), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2020, the District reported an asset for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB asset was based on the District's share of contributions relative to the total contributions of all participating Sick Leave employers. At June 30, 2019, the District's proportion was .00563490 percent.

For the year ended June 30, 2020, the District recognized OPEB expense (expense offset) of (\$29,819). \$36,214 reported as deferred outflows of resources related to OPEBs resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB asset in the year ending June 30, 2020.

Actuarial Assumptions

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. The Sick Leave Plan amortizes any net OPEB asset based on a level percentage of payroll. The maximum amortization period for the Sick Leave Plan permitted under Section 59-1322, Idaho Code, is 25 years.

The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|-----------------------------------|
| Inflation | 3.25% |
| Salary Increase | 3.75% |
| Salary Inflation | 3.75% |
| Investment Rate of Return | 7.05%, Net of Investment Expenses |

The long-term expected rate of return on OPEB 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 OPEB 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. The health care trend rate is not applicable as the benefit amount a participant will receive is established with a set amount upon retirement thus would have no impact.

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.

**KIMBERLY SCHOOL DISTRICT No. 414
KIMBERLY, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 10 – OPEB 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% |
| | | | | |
| Total Fund | Expected Return | Expected Inflation | Expected Real Return | Expected Risk |
| Actuary | 7% | 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 | 8.08% |
| Portfolio Long-Term Expected Geometric Rate of Return | 7.50% |
| Assumed Investment Expenses | 0.35% |
| Long-Term Expected Geometric Rate of Return, Net of Investment Expenses | 7.05% |

Discount Rate

The discount rate used to measure the total OPEB liability was 7.05%. 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 OPEB plan's 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The long-term expected rate of return was determined net of OPEB plan investment expense but without reduction for OPEB plan administrative expense.

KIMBERLY SCHOOL DISTRICT No. 414
KIMBERLY, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10 – OPEB PLAN – CONTINUED

Sensitivity of the Net OPEB Asset to Changes in the Discount Rate

The following presents the Employer's proportionate share of the net OPEB asset calculated using the discount rate of 7.10 percent, as well as what the Employer's proportionate share of the net OPEB asset 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:

| | 1% Decrease (6.10%) | Current Discount Rate (7.10%) | 1% Increase (8.10%) |
|--|------------------------|-------------------------------------|------------------------|
| District's Proportionate Share of the Net OPEB Liability (Asset) | \$ (475,246) | \$ (539,712) | \$ (601,026) |

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB 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.

NOTE 11– EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the fund year ended June 30, 2020, expenditures exceeded appropriations in the following funds:

| | |
|-------------------|------------|
| Drivers Ed Fund | \$ 825 |
| Debt Service Fund | \$ 292,754 |
| ESSERF Cares Fund | \$ 140,008 |

NOTE 12 – FUND BALANCE AND NET POSITION DEFICITS

Fund Deficits at June 30, 2020 included:

Driver's Ed fund of \$825.

KIMBERLY SCHOOL DISTRICT No. 414
KIMBERLY, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 13 – RISK FROM LOSSES/CONTINGENT LIABILITIES

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

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

NOTE 14 – SUBSEQUENT EVENTS

The COVID–19 pandemic has developed rapidly in 2020, with a significant number of cases. Measures taken by various governments to contain the virus have affected economic activity. We have taken a number of measures to monitor and mitigate the effects of COVID–19, such as safety and health measures for our staff and students (such as social distancing, online classes when necessary and working from home).

At this stage, the impact on the District and results has not been significant [and based on our experience to date we expect this to remain the case] we will continue to follow the various government policies and advice, in parallel, we will do our utmost to continue our operations in the best and safest way possible without jeopardizing the health of our staff and students.

The District has evaluated subsequent events through October 14, 2020, the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

**KIMBERLY SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2020**

| | <u>Original</u> | <u>Final</u> | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------|-------------------|---------------------------|---|
| REVENUES | | | | |
| Local Revenues | | | | |
| Property taxes | \$ 291,000 | \$ 495,433 | \$ 491,679 | \$ (3,754) |
| Earnings on investments | 30,000 | 30,000 | 65,725 | 35,725 |
| Other local | 8,800 | 40,461 | 55,655 | 15,194 |
| State Revenues | 11,955,796 | 12,126,975 | 12,082,548 | (44,427) |
| Federal aid | 3,000 | 3,000 | 3,375 | 375 |
| Total revenues | <u>12,288,596</u> | <u>12,695,869</u> | <u>12,698,982</u> | <u>3,113</u> |
| EXPENDITURES | | | | |
| Instruction: | | | | |
| Elementary school program | 2,953,325 | 3,019,458 | 2,927,797 | 91,661 |
| Secondary school program | 3,613,086 | 3,592,287 | 3,449,350 | 142,936 |
| Alternative school program | 15,939 | 15,939 | 9,339 | 6,600 |
| Gifted and talented school program | 25,687 | 25,731 | 23,449 | 2,282 |
| Interscholastic school program | 204,208 | 205,176 | 187,931 | 17,245 |
| School activity program | 48,671 | 47,775 | 44,533 | 3,242 |
| Total instructional | <u>6,860,916</u> | <u>6,906,367</u> | <u>6,642,401</u> | <u>263,966</u> |
| Support Services | | | | |
| Attendance-guidance-health | 356,354 | 356,951 | 348,688 | 8,263 |
| Special services program | 694,735 | 745,560 | 741,828 | 3,732 |
| Instructional improvement program | 445,456 | 459,941 | 402,830 | 57,111 |
| Educational media program | 364,575 | 375,831 | 370,263 | 5,568 |
| Board of education | 11,072 | 13,883 | 14,037 | (154) |
| District administration | 139,113 | 142,807 | 129,637 | 13,170 |
| School administration program | 959,650 | 974,284 | 919,891 | 54,393 |
| Business operations | 319,058 | 321,079 | 328,788 | (7,709) |
| Maintenance and improvements | | | | |
| Buildings, grounds and equipment | 1,189,761 | 1,170,673 | 1,103,828 | 66,845 |
| Pupil transportation | 630,634 | 629,535 | 508,279 | 121,256 |
| - | - | - | - | - |
| Total support services | <u>5,110,408</u> | <u>5,190,545</u> | <u>4,868,069</u> | <u>322,476</u> |
| Food services program | 19,608 | 20,077 | 18,999 | 1,078 |
| Total expenditures | <u>11,990,932</u> | <u>12,116,989</u> | <u>11,529,469</u> | <u>587,519</u> |
| Excess (deficiency) of revenues over expenditures | 297,664 | 578,881 | 1,169,513 | 590,632 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | (661,551) | (777,311) | (865,686) | (88,375) |
| Total other financing sources (uses) | <u>(661,551)</u> | <u>(777,311)</u> | <u>(865,686)</u> | <u>(88,375)</u> |
| Net change in fund balance | (363,887) | (198,430) | 303,827 | 502,258 |
| Fund balances-beginning | 811,860 | 811,860 | 811,860 | 811,860 |
| Fund balances-ending | <u>\$ 447,973</u> | <u>\$ 613,429</u> | <u>\$ 1,115,687</u> | <u>\$ 1,314,118</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*

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| District's portion of the net pension liability | 0.002382218 | 0.002353427 | 0.00223869 | 0.002180145 | 0.002134645 | 0.002081040 |
| District's proportionate share of the net pension liability | \$ 2,429,423 | \$ 3,096,850 | \$ 4,419,489 | \$ 2,810,980 | \$ 1,531,971 | \$ 3,981,179 |
| District's covered-employee payroll | \$ 8,090,981 | \$ 7,571,829 | \$ 6,953,216 | \$ 6,376,263 | \$ 5,979,081 | \$ 5,637,809 |
| District's proportional share of the net pension liability as a percentage of its covered-employee payroll | 30.03% | 40.90% | 63.56% | 44.09% | 25.62% | 70.62% |
| Plan fiduciary net position as a percentage of the total pension liability | 93.79% | 91.69% | 90.68% | 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 30th.

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

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| Statutorily required contribution | \$ 982,374 | \$ 915,899 | \$ 857,131 | \$ 787,104 | \$ 721,793 | \$ 676,832 |
| Contribution in relation to the statutorily required contribution | 982,374 | 915,899 | 857,131 | 787,104 | 721,793 | 676,832 |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| District's covered -employee payroll | \$ 8,227,588 | \$ 8,090,981 | \$ 7,571,829 | \$ 6,953,216 | \$ 6,376,263 | \$ 5,979,081 |
| Contributions as a percentage of covered-employee payroll | 11.94% | 11.32% | 11.32% | 11.32% | 11.32% | 11.32% |

*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
SCHEDULE OF EMPLOYER'S SHARE OF NET OPEB ASSET
PERSI - SICK LEAVE
LAST 10 FISCAL YEARS*

| | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|---|-------------|-------------|-------------|
| District's portion of the net OPEB asset | 0.005634900 | 0.005631618 | 0.005458761 |
| District's proportionate share of the net OPEB asset | \$ 539,712 | \$ 453,844 | \$ 419,030 |
| District's covered-employee payroll | \$8,090,981 | \$7,571,829 | \$6,953,216 |
| District's proportional share of the OPEB asset as a percentage of its covered-employee payroll | 6.67% | 5.99% | 6.03% |
| Plan fiduciary net position as a percentage of the net OPEB asset | 138.51% | 135.69% | 136.78% |

*GASB Statement No. 75 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.

See Notes to Required Supplementary Information.

**KIMBERLY SCHOOL DISTRICT
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS
PERSI - SICK LEAVE
LAST 10 FISCAL YEARS***

| | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|---|---------------|---------------|---------------|
| Statutorily required contribution | \$ 36,214 | \$ 92,430 | \$ 87,833 |
| Contribution in relation to the statutorily required contribution | <u>36,214</u> | <u>92,430</u> | <u>87,833</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| District's covered -employee payroll | \$ 8,227,588 | \$ 8,090,981 | \$ 7,571,829 |
| Contributions as a percentage of covered-employee payroll | 0.44% | 1.14% | 1.16% |

*GASB Statement No. 75 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, 2020**

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
BUDGETARY COMPARISON SCHEDULE - DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2020**

| | <u>Original</u> | <u>Final</u> | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|---------------------|---------------------|---------------------------|---|
| REVENUES | | | | |
| Local Revenues | | | | |
| Property taxes | \$ 1,675,326 | \$ 1,675,326 | \$ 1,365,433 | \$ (309,893) |
| Earnings on investments | 1,000 | 1,000 | 19,499 | 18,499 |
| State Revenues | 476,242 | 523,881 | 540,425 | 16,544 |
| Federal aid | 68,278 | 68,278 | 35,074 | (33,204) |
| Total revenues | <u>2,220,846</u> | <u>2,268,485</u> | <u>1,960,431</u> | <u>(308,054)</u> |
| EXPENDITURES | | | | |
| Debt Service Program | | | | |
| Principal Reduction | 550,000 | 970,000 | 960,000 | 10,000 |
| Interest and fees | 450,896 | 786,303 | 781,003 | 5,300 |
| Total Debt Service | <u>1,000,896</u> | <u>1,756,303</u> | <u>1,741,003</u> | <u>15,300</u> |
| Total expenditures | <u>1,000,896</u> | <u>1,756,303</u> | <u>1,741,003</u> | <u>15,300</u> |
| | - | - | | |
| Excess (deficiency) of revenues over expenditures | 1,219,950 | 512,182 | 219,428 | (292,754) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | (1,000,000) | (1,000,000) |
| Loan proceeds | - | - | 1,000,000 | 1,000,000 |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | 1,219,950 | 512,182 | 219,428 | (292,754) |
| | - | - | | |
| Fund balances-beginning | <u>1,908,868</u> | <u>1,908,868</u> | <u>1,908,868</u> | <u>1,908,868</u> |
| Fund balances-ending | <u>\$ 3,128,818</u> | <u>\$ 2,421,049</u> | <u>\$ 2,128,296</u> | <u>\$ 1,616,114</u> |

**KIMBERLY SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - CAPITAL PROJECT FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

| | <u>Original</u> | <u>Final</u> | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------|-------------------|---------------------------|---|
| REVENUES | | | | |
| Local Revenues | | | | |
| Property taxes | \$ 300,000 | \$ 300,000 | \$ 302,514 | \$ 2,514 |
| Earnings on investments | 2,000 | 2,000 | 3,704 | 1,704 |
| Total revenues | <u>302,000</u> | <u>302,000</u> | <u>306,218</u> | <u>4,218</u> |
| EXPENDITURES | | | | |
| Support Services | | | | |
| Maintenance and improvements | | | | |
| Buildings, grounds and equipment | 200,000 | 170,323 | 167,901 | 2,422 |
| Pupil transportation | 78,381 | 129,084 | 117,117 | 11,967 |
| Total support services | 278,381 | 299,407 | 285,019 | 14,388 |
| Capital asset program | 672,058 | 554,501 | 1,420,086 | (865,585) |
| Total expenditures | <u>950,439</u> | <u>853,908</u> | <u>1,705,105</u> | <u>(851,197)</u> |
| Excess (deficiency) of revenues over expenditures | (648,439) | (551,908) | (1,398,887) | (846,979) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 53,381 | 94,084 | 1,094,084 | 1,000,000 |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | <u>53,381</u> | <u>94,084</u> | <u>1,094,084</u> | <u>1,000,000</u> |
| Net change in fund balance | (595,058) | (457,824) | (304,803) | 153,021 |
| Fund balances-beginning | 593,478 | 593,478 | 593,478 | 593,478 |
| Fund balances-ending | <u>\$ (1,580)</u> | <u>\$ 135,654</u> | <u>\$ 288,675</u> | <u>\$ 746,499</u> |

**KIMBERLY SCHOOL DISTRICT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2020**

| | Federal Reserve Fund | Local Grants | Drivers Ed | Professional Technical State | Technology State | Substance Abuse State | Title I-A Improving Basic Programs Federal | Title III | Title IC Education of Migratory Children |
|--|----------------------------|------------------|-----------------|------------------------------------|---------------------|-----------------------------|---|-------------------|---|
| Assets | | | | | | | | | |
| Cash | \$ - | \$ 98,239 | \$ 1,565 | \$ 36,449 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Due From Other Governments | - | - | - | - | 45,486 | - | 37,893 | 127,306 | 7,114 |
| Total Assets | - | 98,239 | 1,565 | 36,449 | 45,486 | - | 37,893 | 127,306 | 7,114 |
| Deferred Outflows | - | - | - | - | - | - | - | - | - |
| Total Assets and Deferred Outflows | <u>\$ -</u> | <u>\$ 98,239</u> | <u>\$ 1,565</u> | <u>\$ 36,449</u> | <u>\$ 45,486</u> | <u>\$ -</u> | <u>\$ 37,893</u> | <u>\$ 127,306</u> | <u>\$ 7,114</u> |
| Liabilities | | | | | | | | | |
| Accounts Payable | \$ - | \$ - | \$ 158 | \$ - | \$ - | \$ - | \$ - | \$ 1,216 | \$ - |
| Pooled Cash Deficits | - | - | - | - | 9,202 | - | 12,027 | 126,090 | 2,152 |
| Contracts and Benefits Payable | - | - | 2,231 | 6,259 | 25,153 | - | 25,866 | - | 4,963 |
| Total Liabilities | - | - | 2,389 | 6,259 | 34,355 | - | 37,893 | 127,306 | 7,115 |
| Deferred Inflows | - | - | - | - | - | - | - | - | - |
| Fund Equity | | | | | | | | | |
| Fund Balances: | | | | | | | | | |
| Nonspendable | - | - | - | - | - | - | - | - | - |
| Restricted | | | | | | | | | |
| Child Nutrition | - | - | - | - | - | - | - | - | - |
| Federal Programs | - | - | - | - | - | - | - | - | - |
| State Programs | - | - | - | 30,190 | - | - | - | - | - |
| School Lunch Program | - | - | - | - | - | - | - | - | - |
| Local Grants | - | 98,239 | - | - | - | - | - | - | - |
| Committed | - | - | - | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | - | - | - | - |
| Unassigned | - | - | (825) | - | 11,131 | - | - | - | - |
| Total Fund Equity | - | 98,239 | (825) | 30,190 | 11,131 | - | - | - | - |
| Total Liabilities, Deferred Inflows and Fund Equity | <u>\$ -</u> | <u>\$ 98,239</u> | <u>\$ 1,565</u> | <u>\$ 36,449</u> | <u>\$ 45,486</u> | <u>\$ -</u> | <u>\$ 37,893</u> | <u>\$ 127,306</u> | <u>\$ 7,115</u> |

| | IDEA Part B School Age Federal | IDEA Part B Pre-School Federal | Medicaid | Title V-A Innovation | Rural Education | Carl Perkins | Improving Teacher Quality | Child Nutrition | Totals |
|--|---|---|-----------------|---------------------------------|----------------------------|-------------------------|--|----------------------------|---------------|
| Assets | | | | | | | | | |
| Cash | \$ - | \$ - | \$ 82,491 | \$ - | \$ - | \$ - | \$ - | \$ 25,528 | \$ 244,271 |
| Due From Other Governments | 61,595 | - | - | 2,414 | - | 8,882 | 15,377 | - | 306,068 |
| Total Assets | 61,595 | - | 82,491 | 2,414 | - | 8,882 | 15,377 | 25,528 | 550,339 |
| Deferred Outflows | - | - | - | - | - | - | - | - | - |
| Total Assets and Deferred Outflows | \$ 61,595 | \$ - | \$ 82,491 | \$ 2,414 | \$ - | \$ 8,882 | \$ 15,377 | \$ 25,528 | \$ 550,339 |
| Liabilities | | | | | | | | | |
| Accounts Payable | \$ - | \$ - | \$ 1,042 | \$ - | \$ - | \$ 3,482 | \$ - | \$ - | \$ 5,899 |
| Pooled Cash Deficits | 19,456 | - | - | 795 | - | 5,400 | 13,562 | - | 188,684 |
| Contracts and Benefits Payable | 42,139 | - | 81,448 | 1,620 | - | - | 1,815 | - | 191,494 |
| Total Liabilities | 61,595 | - | 82,491 | 2,415 | - | 8,882 | 15,377 | - | 386,077 |
| Deferred Inflows | - | - | - | - | - | - | - | - | - |
| Fund Equity | | | | | | | | | |
| Fund Balances: | | | | | | | | | |
| Nonspendable | - | - | - | - | - | - | - | - | - |
| Restricted | | | | | | | | | |
| Child Nutrition | - | - | - | - | - | - | - | 25,528 | 25,528 |
| Federal Programs | - | - | - | - | - | - | - | - | - |
| State Programs | - | - | - | - | - | - | - | - | 30,190 |
| Child Nutrition | - | - | - | - | - | - | - | - | - |
| Local Grants | - | - | - | - | - | - | - | - | 98,239 |
| Committed | - | - | - | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | - | - | - | - |
| Unassigned | - | - | - | - | - | - | - | - | 10,307 |
| Total Fund Equity | - | - | - | - | - | - | - | 25,528 | 164,263 |
| Total Liabilities, Deferred Inflows and Fund Equity | \$ 61,595 | \$ - | \$ 82,491 | \$ 2,415 | \$ - | \$ 8,882 | \$ 15,377 | \$ 25,528 | \$ 550,340 |

**KIMBERLY SCHOOL DISTRICT
NONMAJOR FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2020**

| | <u>Local Grants</u> | <u>Drivers Ed</u> | <u>Professional Technical State</u> | <u>Technology State</u> | <u>Substance Abuse State</u> | <u>Title I-A Improving Basic Programs Federal</u> | <u>ESSERF Cares</u> | <u>Title IC Education of Migratory Children</u> |
|--|-------------------------|-----------------------|---|-----------------------------|--------------------------------------|---|-------------------------|---|
| Revenues | | | | | | | | |
| Local sources | \$ 125,000 | \$ 7,400 | \$ - | \$ 133,367 | \$ - | \$ - | \$ - | \$ - |
| State sources | - | 4,461 | 71,554 | 264,474 | 26,334 | - | - | - |
| Federal sources | - | - | - | - | - | 166,531 | 127,306 | 28,547 |
| Total Revenues | 125,000 | 11,861 | 71,554 | 397,841 | 26,334 | 166,531 | 127,306 | 28,547 |
| Expenditures | | | | | | | | |
| Instructional | - | 12,813 | 47,727 | 1,203 | - | 166,531 | 26,512 | 28,547 |
| Support | 26,761 | - | - | 561,582 | 26,470 | - | 100,795 | - |
| School Lunch | - | - | - | - | - | - | - | - |
| Total Expenditures | 26,761 | 12,813 | 47,727 | 562,785 | 26,470 | 166,531 | 127,306 | 28,547 |
| Other Sources (Uses) | | | | | | | | |
| Transfers In (Out) | - | - | - | 194,389 | - | - | - | - |
| Total Other Sources (Uses) | - | - | - | 194,389 | - | - | - | - |
| Excess Revenues Over (Under) Expenditures | 98,239 | (952) | 23,827 | 29,444 | (136) | - | - | - |
| Fund Balance - Beginning | - | 127 | 6,363 | (18,313) | 136 | - | - | - |
| Fund Balance - Ending | <u>\$ 98,239</u> | <u>\$ (825)</u> | <u>\$ 30,190</u> | <u>\$ 11,131</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

| | IDEA Part B School Age Federal | IDEA Part B Pre-School Federal | Medicaid | Title V-A Innovation | Carl Perkins | Improving Teacher Quality | Child Nutrition | Totals |
|--|---|---|-----------------|---------------------------------|-------------------------|--|----------------------------|---------------|
| Revenues | | | | | | | | |
| Local sources | \$ - | \$ 13,752 | \$ - | \$ - | \$ - | \$ - | \$ 187,873 | \$ 467,392 |
| State sources | - | - | - | - | - | - | - | 366,823 |
| Federal sources | 336,248 | 25,526 | 28,007 | 9,894 | 8,882 | 36,714 | 518,084 | 1,285,738 |
| Total Revenues | 336,248 | 39,278 | 28,007 | 9,894 | 8,882 | 36,714 | 705,957 | 2,119,952 |
| Expenditures | | | | | | | | |
| Instructional | 336,646 | 44,837 | 560,299 | - | 8,882 | - | - | 1,233,996 |
| Support | - | - | - | 9,894 | - | 35,676 | - | 761,179 |
| School Lunch | - | - | - | - | - | - | 759,097 | 759,097 |
| Total Expenditures | 336,646 | 44,837 | 560,299 | 9,894 | 8,882 | 35,676 | 759,097 | 2,754,272 |
| Other Sources (Uses) | | | | | | | | |
| Transfers In (Out) | 399 | 5,559 | 532,292 | - | - | (1,038) | 40,000 | 771,602 |
| Total Other Sources (Uses) | 399 | 5,559 | 532,292 | - | - | (1,038) | 40,000 | 771,602 |
| Excess Revenues Over (Under) Expenditures | - | - | - | - | - | - | (13,140) | 137,282 |
| Fund Balance - Beginning | - | - | - | - | - | - | 38,668 | 26,981 |
| Fund Balance - Ending | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 25,528 | \$ 164,263 |

**KIMBERLY SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULES - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020**

| | <u>LOCAL GRANTS</u> | | | <u>DRIVERS ED</u> | | |
|--|---------------------|---------------------------|---|-------------------|---------------------------|---|
| | <u>Final</u> | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> | <u>Final</u> | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> |
| REVENUES | | | | | | |
| Local Revenues | | | | | | |
| Other local | \$ 125,000 | \$ 125,000 | \$ - | \$ 9,300 | \$ 7,400 | \$ (1,900) |
| State Revenues | - | - | - | 9,500 | 4,461 | (5,039) |
| Total revenues | <u>125,000</u> | <u>125,000</u> | <u>-</u> | <u>18,800</u> | <u>11,861</u> | <u>(6,939)</u> |
| EXPENDITURES | | | | | | |
| Instruction: | | | | | | |
| Secondary school program | - | - | - | 18,927 | 12,813 | 6,114 |
| Total instructional | <u>-</u> | <u>-</u> | <u>-</u> | <u>18,927</u> | <u>12,813</u> | <u>6,114</u> |
| Support Services | | | | | | |
| District dministration | 27,973 | 26,761 | 1,212 | - | - | - |
| Total support services | <u>27,973</u> | <u>26,761</u> | <u>1,212</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenditures | <u>27,973</u> | <u>26,761</u> | <u>1,212</u> | <u>18,927</u> | <u>12,813</u> | <u>6,114</u> |
| Excess (deficiency) of revenues over expenditures | 97,027 | 98,239 | 1,212 | (127) | (952) | (825) |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | 97,027 | 98,239 | 1,212 | (127) | (952) | (825) |
| Fund balances-beginning | - | - | - | 127 | 127 | 127 |
| Fund balances-ending | <u>\$ 97,027</u> | <u>\$ 98,239</u> | <u>\$ 1,212</u> | <u>\$ -</u> | <u>\$ (825)</u> | <u>\$ (697)</u> |

KIMBERLY SCHOOL DISTRICT
BUGETARY COMPARISON SCHEDULES - SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

| | <u>PROFESSIONAL TECHNICAL STATE</u> | | | <u>TECHNOLOGY STATE</u> | | |
|--|-------------------------------------|---------------------------|---|-------------------------|---------------------------|---|
| | <u>Final</u> | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> | <u>Final</u> | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> |
| REVENUES | | | | | | |
| Local Revenues | | | | | | |
| Other local | \$ - | \$ - | \$ - | \$137,212 | \$ 133,367 | \$ (3,846) |
| State Revenues | 71,554 | 71,554 | - | 316,328 | 264,474 | (51,854) |
| Total revenues | <u>71,554</u> | <u>71,554</u> | <u>-</u> | <u>453,540</u> | <u>397,841</u> | <u>(55,699)</u> |
| EXPENDITURES | | | | | | |
| Instruction: | | | | | | |
| Elementary school program | - | - | - | 4,790 | 325 | 4,465 |
| Secondary school program | 72,150 | 47,727 | 24,423 | 5,690 | 878 | 4,812 |
| Total instructional | <u>72,150</u> | <u>47,727</u> | <u>24,423</u> | <u>10,480</u> | <u>1,203</u> | <u>9,277</u> |
| Support Services | | | | | | |
| Business operations | - | - | - | 2,800 | 820 | 1,980 |
| Administrative technology | - | - | - | 616,336 | 560,762 | 55,574 |
| Total support services | <u>-</u> | <u>-</u> | <u>-</u> | <u>619,136</u> | <u>561,582</u> | <u>57,554</u> |
| Total expenditures | <u>72,150</u> | <u>47,727</u> | <u>24,423</u> | <u>629,616</u> | <u>562,785</u> | <u>66,831</u> |
| Excess (deficiency) of revenues over expenditures | (596) | 23,827 | 24,423 | (176,076) | (164,945) | 11,131 |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | - | - | - | - | - | - |
| Transfers out | - | - | - | 194,389 | 194,389 | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>194,389</u> | <u>194,389</u> | <u>-</u> |
| Net change in fund balance | (596) | 23,827 | 24,423 | 18,313 | 29,444 | 11,131 |
| Fund balances-beginning | <u>6,363</u> | <u>6,363</u> | <u>6,363</u> | <u>(18,313)</u> | <u>(18,313)</u> | <u>(18,313)</u> |
| Fund balances-ending | <u>\$ 5,767</u> | <u>\$ 30,190</u> | <u>\$ 30,786</u> | <u>\$ -</u> | <u>\$ 11,131</u> | <u>\$ (7,182)</u> |

**KIMBERLY SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULES - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020**

| | <u>STATE SUBSTANCE ABUSE</u> | | | <u>TITLE I-A</u> | | |
|--|------------------------------|---------------------------|---|------------------|---------------------------|---|
| | <u>Final</u> | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> | <u>Final</u> | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> |
| REVENUES | | | | | | |
| State Revenues | \$ 26,334 | \$ 26,334 | \$ - | \$ - | \$ - | \$ - |
| Federal aid | - | - | - | 194,597 | 166,531 | (28,066) |
| Total revenues | <u>26,334</u> | <u>26,334</u> | <u>-</u> | <u>194,597</u> | <u>166,531</u> | <u>(28,066)</u> |
| EXPENDITURES | | | | | | |
| Instruction: | | | | | | |
| Elementary school program | - | - | - | 194,597 | 166,531 | 28,066 |
| Total instructional | <u>-</u> | <u>-</u> | <u>-</u> | <u>194,597</u> | <u>166,531</u> | <u>28,066</u> |
| Support Services | | | | | | |
| Maintenace and improvements | | | | | | |
| Buildings, grounds and equipment | 26,470 | 26,470 | - | - | - | - |
| | - | - | - | - | - | - |
| Total support services | <u>26,470</u> | <u>26,470</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenditures | <u>26,470</u> | <u>26,470</u> | <u>-</u> | <u>194,597</u> | <u>166,531</u> | <u>28,066</u> |
| Excess (deficiency) of revenues over expenditures | (136) | (136) | - | - | - | - |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | (136) | (136) | - | - | - | - |
| Fund balances-beginning | <u>136</u> | <u>136</u> | <u>136</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances-ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 136</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

**KIMBERLY SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULES - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020**

| | <u>ESSERF CARES</u> | | | <u>TITLE IC MIGRANT</u> | | |
|--|---------------------|---------------------------|---|-------------------------|---------------------------|---|
| | <u>Final</u> | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> | <u>Final</u> | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> |
| REVENUES | | | | | | |
| Federal aid | \$ 140,008 | \$ 127,306 | \$ (12,702) | \$ 47,352 | \$ 28,547 | \$ (18,805) |
| Total revenues | <u>140,008</u> | <u>127,306</u> | <u>(12,702)</u> | <u>47,352</u> | <u>28,547</u> | <u>(18,805)</u> |
| EXPENDITURES | | | | | | |
| Instruction: | | | | | | |
| Elementary school program | - | 23,659 | (23,659) | 47,352 | 28,547 | 18,805 |
| Secondary school program | - | 2,853 | (2,853) | - | - | - |
| Total instructional | <u>-</u> | <u>26,512</u> | <u>(26,512)</u> | <u>47,352</u> | <u>28,547</u> | <u>18,805</u> |
| Support Services | | | | | | |
| District dministration | - | 10,768 | (10,768) | - | - | - |
| Business operations | - | 90,027 | (90,027) | - | - | - |
| Total support services | <u>-</u> | <u>100,795</u> | <u>(100,795)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenditures | <u>-</u> | <u>127,306</u> | <u>(127,306)</u> | <u>47,352</u> | <u>28,547</u> | <u>18,805</u> |
| Excess (deficiency) of revenues over expenditures | 140,008 | - | (140,008) | - | - | - |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | 140,008 | - | (140,008) | - | - | - |
| Fund balances-beginning | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances-ending | <u>\$ 140,008</u> | <u>\$ -</u> | <u>\$ (140,008)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

**KIMBERLY SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULES - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020**

| | <u>IDEA PART B SCHOOL AGE</u> | | | <u>IDEA PART B PRESCHOOL</u> | | |
|--|-------------------------------|---------------------------|---|------------------------------|---------------------------|---|
| | <u>Final</u> | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> | <u>Final</u> | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> |
| REVENUES | | | | | | |
| Local Revenues | | | | | | |
| Other local | \$ - | \$ - | \$ - | \$ 15,000 | \$ 13,752 | \$ (1,248) |
| Federal aid | 344,618 | 336,248 | (8,370) | 25,526 | 25,526 | (0) |
| Total revenues | <u>344,618</u> | <u>336,248</u> | <u>(8,370)</u> | <u>40,526</u> | <u>39,278</u> | <u>(1,248)</u> |
| EXPENDITURES | | | | | | |
| Instruction: | | | | | | |
| Exceptional school program | 344,618 | 336,646 | 7,971 | - | - | - |
| Preschool school program | - | - | - | 40,526 | 44,837 | (4,311) |
| Total instructional | <u>344,618</u> | <u>336,646</u> | <u>7,971</u> | <u>40,526</u> | <u>44,837</u> | <u>(4,311)</u> |
| Total expenditures | <u>344,618</u> | <u>336,646</u> | <u>7,971</u> | <u>40,526</u> | <u>44,837</u> | <u>(4,311)</u> |
| Excess (deficiency) of revenues over expenditures | - | (399) | (399) | - | (5,559) | (5,559) |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | - | - | - | - | - | - |
| Transfers out | - | 399 | 399 | - | 5,559 | 5,559 |
| Total other financing sources (uses) | <u>-</u> | <u>399</u> | <u>399</u> | <u>-</u> | <u>5,559</u> | <u>5,559</u> |
| Net change in fund balance | - | - | - | - | - | - |
| Fund balances-beginning | - | - | - | - | - | - |
| Fund balances-ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

**KIMBERLY SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULES - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020**

| | <u>MEDICAID</u> | | | <u>TITLE V-A</u> | | |
|--|-----------------|---------------------------|---|------------------|---------------------------|---|
| | <u>Final</u> | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> | <u>Final</u> | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> |
| REVENUES | | | | | | |
| Federal aid | \$ 25,000 | \$ 28,007 | \$ 3,007 | \$ 16,082 | \$ 9,894 | \$ (6,188) |
| Total revenues | <u>25,000</u> | <u>28,007</u> | <u>3,007</u> | <u>16,082</u> | <u>9,894</u> | <u>(6,188)</u> |
| EXPENDITURES | | | | | | |
| Instruction: | | | | | | |
| Elementary school program | - | 14,654 | (14,654) | - | - | - |
| Exceptional school program | 513,838 | 545,644 | (31,806) | - | - | - |
| Total instructional | <u>513,838</u> | <u>560,299</u> | <u>(46,460)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Support Services | | | | | | |
| Instructional improvement program | - | - | - | 16,082 | 9,894 | 6,188 |
| Total support services | <u>-</u> | <u>-</u> | <u>-</u> | <u>16,082</u> | <u>9,894</u> | <u>6,188</u> |
| Total expenditures | <u>513,838</u> | <u>560,299</u> | <u>(46,460)</u> | <u>16,082</u> | <u>9,894</u> | <u>6,188</u> |
| Excess (deficiency) of revenues over expenditures | (488,838) | (532,292) | (43,454) | - | - | - |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | - | - | - | - | - | - |
| Transfers out | 488,838 | 532,292 | (43,454) | - | - | - |
| Total other financing sources (uses) | <u>488,838</u> | <u>532,292</u> | <u>(43,454)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | - | - | - | - | - | - |
| Fund balances-beginning | - | - | - | - | - | - |
| Fund balances-ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

**KIMBERLY SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULES - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020**

| | <u>CARL PERKINS</u> | | | <u>IMPROVING TEACHER QUALITY</u> | | |
|--|---------------------|---------------------------|---|----------------------------------|---------------------------|---|
| | <u>Final</u> | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> | <u>Final</u> | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> |
| REVENUES | | | | | | |
| Federal aid | \$ 16,414 | \$ 8,882 | \$ (7,532) | \$ 40,725 | \$ 36,714 | \$ (4,011) |
| Total revenues | <u>16,414</u> | <u>8,882</u> | <u>(7,532)</u> | <u>40,725</u> | <u>36,714</u> | <u>(4,011)</u> |
| EXPENDITURES | | | | | | |
| Instruction: | | | | | | |
| Secondary school program | 16,414 | 8,882 | 7,532 | - | - | - |
| Total instructional | <u>16,414</u> | <u>8,882</u> | <u>7,532</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Support Services | | | | | | |
| Instructional improvement program | - | - | - | 40,725 | 35,676 | 5,048 |
| Total support services | <u>-</u> | <u>-</u> | <u>-</u> | <u>40,725</u> | <u>35,676</u> | <u>5,048</u> |
| Total expenditures | <u>16,414</u> | <u>8,882</u> | <u>7,532</u> | <u>40,725</u> | <u>35,676</u> | <u>5,048</u> |
| Excess (deficiency) of revenues over expenditures | - | - | - | - | 1,038 | 1,038 |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | - | - | - | - | - | - |
| Transfers out | - | - | - | - | (1,038) | (1,038) |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(1,038)</u> | <u>(1,038)</u> |
| Net change in fund balance | - | - | - | - | - | - |
| Fund balances-beginning | - | - | - | - | - | - |
| Fund balances-ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

**KIMBERLY SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULES - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020**

CHILD NUTRITION

| | <u>Final</u> | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|----------------|---------------------------|---|
| REVENUES | | | |
| Local Revenues | | | |
| Earnings on investments | \$ - | \$ 26 | \$ 26 |
| Other local | 190,300 | 187,847 | (2,453) |
| Federal aid | 325,000 | 518,084 | 193,084 |
| Total revenues | <u>515,300</u> | <u>705,957</u> | <u>190,657</u> |
| EXPENDITURES | | | |
| Food services program | <u>553,968</u> | <u>759,097</u> | <u>(205,129)</u> |
| Total expenditures | <u>553,968</u> | <u>759,097</u> | <u>(205,129)</u> |
| Excess (deficiency) of revenues over expenditures | (38,668) | (53,140) | (14,472) |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | - | - | - |
| Transfers out | - | 40,000 | 40,000 |
| Total other financing sources (uses) | <u>-</u> | <u>40,000</u> | <u>40,000</u> |
| Net change in fund balance | (38,668) | (13,140) | 25,528 |
| | - | | |
| Fund balances-beginning | <u>38,668</u> | <u>38,668</u> | <u>38,668</u> |
| Fund balances-ending | <u>\$ -</u> | <u>\$ 25,528</u> | <u>\$ 64,195</u> |

**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, General Obligation Refunding Bonds Series 2016B, General Obligation Bonds Series 2018 and Annual Appropriation Lease-Purchase Bonds Series 2020 are subject to the requirements of Continuing Disclosure under S.E.C. Rule 15c-12. The following information is provided in compliance with this requirement.

Continuing Disclosure Bond Information

BOND INDEBTEDNESS

**Outstanding Long-Term Debt
As of June 30, 2020**

| General Obligation Bonds | Date of Issue | Date of Maturity | Amount Issued | Amount Outstanding |
|----------------------------------|----------------------|-------------------------|----------------------|---------------------------|
| Series 2013A | 8/1/2013 | 9/15/2029 | 1,500,000 | 1,500,000 |
| Series 2013B (QSCB) | 8/1/2013 | 9/15/1930 | 1,485,000 | 1,485,000 |
| Series 2016A | 9/20/2016 | 9/15/1937 | 10,660,000 | 9,855,000 |
| Series 2016 Refunding Bonds | 9/20/2016 | 9/15/2027 | 8,055,000 | 7,280,000 |
| Series 2018 | 9/20/2016 | 9/15/2027 | 2,695,000 | 1,750,000 |
| Series 2020 | 9/20/2020 | 3/1/2032 | 1,000,000 | 1,000,000 |
| Total Outstanding Long-Term Debt | | | <u>\$ 25,395,000</u> | <u>\$ 22,870,000</u> |

SHORT-TERM BORROWING

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

- A. The taxes levied but uncollected for the current Fiscal Year (the fiscal year includes July 1 to June 30), exclusive of taxes raised or required to be raised to pay the principal of outstanding bonded indebtedness of the District;
- B. Anticipated distribution from the Public-School Income Fund not yet collected for the current fiscal year; and
- C. Other revenues anticipated, and not yet collected for the current fiscal year.

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

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

OVERLAPPING DEBT

The District does not have any overlapping debt to report.

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

TAXES AND STATE FUNDING

Ad Valorem Tax Levy Rates of the District:

| Tax Year | Supplemental M & O | Emergency | Tort | Bond | Plant Facility | Total Levy Rate |
|-----------------|-------------------------------|------------------|-------------|-------------|-----------------------|------------------------|
| 2020 | 0.4507 | 0.3659 | 0.0710 | 2.4580 | 0.5410 | 3.8866 |
| 2019 | 0.0000 | 0.1850 | 0.0700 | 2.5400 | 0.5950 | 3.3900 |
| 2018 | 0.0000 | 0.3280 | 0.0630 | 2.7870 | 0.6430 | 3.8210 |
| 2017 | 0.0000 | 0.1950 | 0.0690 | 2.8840 | 0.7410 | 3.8890 |

DISTRICT PROPERTY VALUES

| Tax Year | Full Market Value (1) | % Annual Change in Full Market Value | Homeowner's Exemption (2) | Taxable Assessed Value | % Annual Change in Net Market Value |
|-----------------|------------------------------|---|----------------------------------|-------------------------------|--|
| 2019 | \$ 733,052,081 | 8.74% | \$ 178,347,682 | \$ 554,704,399 | 9.93% |
| 2018 | 674,146,700 | 8.33% | 169,555,639 | 504,591,061 | 8.18% |
| 2017 | 622,319,116 | 15.35% | 155,876,428 | 466,442,688 | 15.13% |
| 2016 | 539,526,111 | 5.00% | 34,396,875 | 405,129,236 | 4.20% |
| 2015 | 513,840,384 | 7.75% | 125,025,608 | 388,814,776 | 7.05% |

- (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 Exemption include Homeowner's Exemption. The Taxable Assessed Value is the value against which tax levies are applied.

Source: Idaho State Tax Commission, September 30, 2019.

DISTRICT PROPERTY TAX COLLECTION

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

| Tax Year | Total Certified Levied | Taxes Collected (1) | Percent Collected |
|-----------------|-------------------------------|----------------------------|--------------------------|
| 2019 | \$ 2,154,600 | \$ 2,115,444 | 98.18% |
| 2018 | 1,959,948 | 1,921,499 | 98.04% |
| 2017 | 1,782,338 | 1,722,892 | 96.66% |
| 2016 | 1,575,391 | 1,534,201 | 97.39% |
| 2015 | 1,521,388 | 1,521,388 | 100.00% |

- (1) Includes penalties, back taxes and interest on delinquent taxes collected.

Source: Office of the County Treasurer, November 2020

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

DISTRICT'S TOP TEN TAX PAYERS – FOR TAX YEAR 2018

| Owner | Type of Business | District Taxable Value | % of District's Tax Assessed Value |
|--|--------------------------|------------------------|------------------------------------|
| Idaho Power Company | Utility | \$ 6,895,961 | 1.37% |
| Terteling Properties | Real Estate | 5,765,302 | 1.14% |
| Kowitz, Kendall | Investment | 2,140,851 | 0.42% |
| Northwest Pipeline Corp. | Natural Gas | 2,135,922 | 0.42% |
| Sudik Dairy | Dairy Production | 1,778,296 | 0.35% |
| Agri-Sales & Service | Agriculture Equipment | 1,699,652 | 0.34% |
| Wayment, Tyler Trust | Plastic Surgeon | 1,694,487 | 0.34% |
| Betaseed, Inc. | Agriculture | 1,568,410 | 0.31% |
| Tesoro Logistics NW | Natural Energy Logistics | 1,493,733 | 0.30% |
| Middlekauff Ford | Auto Dealership | 1,320,047 | 0.26% |
| Top 10 Taxpayers | | 26,492,661 | 5.25% |
| All other District Taxpayers | | 478,098,400 | 94.75% |
| Total District Taxpayers (Tax Year 2018) | | <u>\$ 504,591,061</u> | 100.00% |

STATE OF IDAHO SCHOOL FINANCE

STATE SUPPORT TO THE DISTRICT - Fiscal Years

| | 2020 | 2019 | 2018 | 2017 | 2016 |
|-----------|----------------------|---------------------|----------------------|---------------------|---------------------|
| August | \$ 5,327,819 | \$ 5,015,746 | \$ 4,811,821 | \$ 4,345,947 | \$ 3,973,095 |
| November | 2,137,349 | 2,003,732 | 1,923,978 | 1,735,952 | 1,592,568 |
| February | 2,180,720 | 2,137,481 | 2,006,035 | 2,261,466 | 1,901,397 |
| May-July | 1,651,845 | 1,537,412 | 1,355,152 | 1,189,062 | 870,076 |
| Total (1) | <u>\$ 11,297,733</u> | <u>\$10,694,371</u> | <u>\$ 10,096,986</u> | <u>\$ 9,532,427</u> | <u>\$ 8,337,136</u> |

(1) Totals may not track due to rounding.

STATE FUNDING SCHEDULE – FISCAL YEAR 2019

| Payment Date | Payment Amount (1) |
|--------------|---|
| August 15 | 50% |
| November 15 | 20% |
| February 15 | 20% |
| May 15 | 10% |
| July 15 | Final Payment adjustment for the Fiscal Year Ending, the pervious June, 30. |

(1) Percentages 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 eliminated the October payment.

(3) Funds May not track due to rounding.

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

THE DISTRICT

| Fiscal Year | Enrollment | | | |
|--------------------|-------------------|---------------|------------------|--------------|
| | Elementary | Middle | Secondary | Total |
| 2021 (1) | 844 | 471 | 551 | 1,866 |
| 2020 (2) | 957 | 506 | 566 | 2,029 |
| 2019 (2) | 978 | 468 | 548 | 1,994 |
| 2018 (2) | 964 | 444 | 547 | 1,955 |
| 2017 (2) | 942 | 445 | 535 | 1,922 |
| 2016 (2) | 911 | 429 | 476 | 1,816 |

(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) Historically enrollment as of the last day of each school year.

KIMBERLY SCHOOL DISTRICT
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
AGENCY FUNDS (SCHOOL ACTIVITY FUNDS)
FOR THE YEAR ENDED JUNE 30, 2020

| | <u>6/30/2019</u> | <u>Receipts</u> | <u>Disbursements</u> | <u>6/30/2020</u> |
|------------------------------------|------------------|------------------|----------------------|------------------|
| Kimberly Elementary School | \$ 23,292 | \$ 16,899 | \$ (14,585) | \$ 25,606 |
| Kimberly Elementary School Faculty | 761 | 1,232 | (765) | 1,228 |
| Stricker Elementary School | 23,862 | 18,278 | (17,705) | 24,435 |
| Stricker Elementary School Staff | 1,028 | 4,737 | (4,251) | 1,514 |
| Kimberly Middle School | 31,800 | 47,031 | (40,913) | 37,918 |
| Kimberly High School | 252,998 | 347,956 | (355,967) | 244,987 |
| Kimberly High School Athletics | 16,368 | 333 | - | 16,701 |
| Kimberly High School Student Body | 55,622 | 1,134 | - | 56,756 |
| Total | <u>\$405,731</u> | <u>\$437,600</u> | <u>\$ (434,186)</u> | <u>\$409,145</u> |

REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

**KIMBERLY SCHOOL DISTRICT
KIMBERLY, IDAHO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

| Federal Grantor/ Pass Through Grantor/ Program Title | Federal CFDA Number | Pass-Through Grantor's Number | Expenditures |
|---|------------------------------------|--|---------------------|
| U.S. Department of Agriculture | | | |
| Passed Through State Superintendent of Public Instruction | | | |
| School Breakfast Program | 10.553 | 82-6000893W | \$ 38,426 |
| National School Lunch Program | 10.555 | 82-6000893W | 205,073 |
| Summer Food Service Program for Children | 10.559 | 82-6000893W | 194,465 |
| Total U.S. Department of Agriculture | | | 437,964 |
| U.S. Department of Education | | | |
| Passed Through State Superintendent of Public Instruction | | | |
| Title 1 Grants to Local Educational Agencies | 84.010 | 82-6000893W | 166,531 |
| Migrant Education Basic State Formula Grant Program | 84.011 | 82-6000893W | 28,864 |
| Improving Teacher Quality | 84.367 | 82-6000893W | 36,714 |
| Assistance to States for Education of Handicapped Children: | | | |
| Special Education-Preschool Grants | 84.173 | 82-6000893W | 25,526 |
| Special Education-Grants to States | 84.027 | 82-6000893W | 336,248 |
| Student Support & Academic Enrichment | 84.424 | 82-6000893W | 9,894 |
| Elementary & Secondary School Emergency Relief Fund | 84.425 | 82-6000893W | 127,306 |
| Total U.S. Department of Education | | | 731,083 |
| Total | | | \$ 1,169,047 |

See Notes to Schedule of Expenditures of Federal Awards.

**KIMBERLY SCHOOL DISTRICT
KIMBERLY, IDAHO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2020**

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Kimberly School District No. 414, Kimberly, Idaho (the District) as of and for the year ended June 30, 2020, 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 14, 2020.

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 and related expense have 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 14, 2020



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 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, 2020. 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, 2020.

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 a 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 14, 2020

**KIMBERLY SCHOOL DISTRICT
KIMBERLY, IDAHO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

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 no

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

Noncompliance material to financial
statements noted? yes no

Federal Awards

Internal control over major programs:

* Material weakness(es) identified? yes no

* Significant deficiency(s) identified
that are not considered to be material
weakness(es)? yes 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 no

Identification of major programs:

| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|------------------------|--|
| 10.553, 10.555, 10.559 | Child Nutrition Cluster |
| 84.367 | Supporting Effective Instruction State Grant |

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

Auditee qualified as low-risk auditee? yes no

**KIMBERLY SCHOOL DISTRICT
KIMBERLY, IDAHO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

Section II -- Financial Statement Findings

None

Section III -- Federal Award Findings and Questioned Costs

None