Middleton School District No. 134

Year Ended June 30, 2023

Audited Financial Statements



Quest CPAs PLLC

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MIDDLETON SCHOOL DISTRICT NO. 134
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Independent Auditor's Report

Board of Trustees
Middleton School District No. 134

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Middleton School District No. 134 (the School) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Qualified Opinion on the Governmental Activities

In our opinion, except for the effects of the matter described in the Matter Giving Rise to the Qualified Opinion on the Governmental Activities section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the School, as of June 30, 2023, and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Unmodified Opinions on All Other Opinion Units Described Below

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the School as of June 30, 2023, 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.

Basis for Qualified and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Matter Giving Rise to the Qualified Opinion on the Governmental Activities

Management has elected not to adopt the provisions of GASB 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Accounting principles generally accepted in the United States of America require recognition and measurement of an asset or liability, deferred outflows of resources, deferred inflows of resources, and expenses related to the other postemployment benefits as well as note disclosures and required supplementary information. The amount by which the departure would affect net position, assets, liabilities, deferred outflows of resources, deferred inflows of resources, expenses, note disclosures, and required supplementary information has not been determined.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules and schedule of employer's share of net pension asset and liability and schedule of employer contributions listed in the table of contents be presented to supplement the basic financial statements. Such information, although not 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, and 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 not included the management's discussion and analysis information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such information, although not 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, and historical context. Our opinion on the basic financial statements is not affected by not including this information.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated August 18, 2023, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 School'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 School's internal control over financial reporting and compliance.

Quest CPAs PLLC

Payette, Idaho
August 18, 2023

MIDDLETON SCHOOL DISTRICT NO. 134

Statement of Net Position

June 30, 2023

	Governmental Activities
Assets	
Current Assets	
Cash & Investments	$7,455,488
Receivables:	
Local Sources	1,988,833
State Sources	636,477
Federal Sources	5,093,187
Inventory	64,479
Total Current Assets	15,238,464
Noncurrent Assets	
Nondepreciable Capital Assets	2,067,444
Depreciable Net Capital Assets	49,118,428
Total Noncurrent Assets	51,185,872
Total Assets	66,424,336
Deferred Outflows of Resources	
Pension Items	11,268,545
Total Deferred Outflows of Resources	11,268,545
Total Assets and Deferred Outflows of Resources	$77,692,881
Liabilities	
Current Liabilities	
Accounts Payable	$330,648
Salaries & Benefits Payable	3,521,856
Unspent Grant Allocation	1,908,338
Accrued Interest	259,498
Long-Term Liabilities, Current	3,553,645
Total Current Liabilities	9,573,985
Noncurrent Liabilities	
Long-Term Liabilities, Noncurrent	36,479,536
Total Noncurrent Liabilities	36,479,536
Total Liabilities	46,053,521
Deferred Inflows of Resources	
Pension Items	78,652
Total Deferred Inflows of Resources	78,652
Total Liabilities and Deferred Inflows of Resources	46,132,173
Net Position	
Net Investment in Capital Assets	28,514,917
Restricted:	
Special Programs	1,176,971
Debt Service	4,921,833
Capital Projects	908,202
Unrestricted	(3,961,215)
Total Net Position	31,560,708
Total Liabilities and Deferred Inflows of Resources and Net Position	$77,692,881

MIDDLETON SCHOOL DISTRICT NO. 134

Statement of Activities

Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue And Changes in Net Position
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities
Governmental Activities					
Instructional Programs					
Elementary School	$6,540,568		$665,810		($5,874,758)
Secondary School	6,758,709		392,802		(6,365,907)
Alternative School	932,757		77,282		(855,475)
Special Education	3,385,071		1,350,804		(2,034,267)
Special Education Preschool	109,544		35,709		(73,835)
Gifted & Talented	96,072				(96,072)
Interscholastic	310,735				(310,735)
School Activity	1,526,237	$1,282,712			(243,525)
Summer School	59,056		59,056		0
Support Service Programs					
Attendance - Guidance - Health	1,138,761		26,095		(1,112,666)
Special Education Support Services	669,797		253,430		(416,367)
Instruction Improvement	3,197,581		1,352,134		(1,845,447)
Educational Media	190,557				(190,557)
Instruction-Related Technology	956,986		33,290		(923,696)
Board of Education	74,405				(74,405)
District Administration	1,536,313				(1,536,313)
School Administration	2,217,489				(2,217,489)
Business Operation	296,932				(296,932)
Buildings - Care	1,486,111				(1,486,111)
Maintenance - Non-Student Occupied	3,658				(3,658)
Maintenance - Student Occupied	1,330,494		154,804		(1,175,690)
Maintenance - Grounds	458,792				(458,792)
Security	138,065		50,828		(87,237)
Pupil-To-School Transportation	1,940,609		55,984		(1,884,625)
Pupil-Activity Transportation	60,105				(60,105)
General Transportation	688				(688)
Non-Instructional Programs					
Child Nutrition	1,256,237	378,268	677,416		(200,553)
Student Activity	0				0
Capital Assets - Student Occupied	1,540,767		505,027		(1,035,740)
Capital Assets - Non-Student Occupied	42,209				(42,209)
Debt Service - Principal	0				0
Debt Service - Interest	398,024				(398,024)
Total	$38,653,329	$1,660,980	$5,690,471	$0	(31,301,878)
	General Revenues				
	Local Taxes				5,651,712
	Other Local Revenues				1,055,998
	State Revenues				29,856,086
	Federal Revenues				0
	Pension Revenue (Expense)				(4,787,757)
	Total				31,776,039
	Change in Net Position				474,161
	Net Position - Beginning				31,086,547
	Net Position - Ending				$31,560,708

MIDDLETON SCHOOL DISTRICT NO. 134

Balance Sheet - Governmental Funds

June 30, 2023

	General Fund	Child Nutrition Fund	Bond R & I Fund	Capital Construction Fund
Assets				
Cash & Investments	$1,194,638	$898,904	$3,637,757	$330,648
Receivables:				
Local Sources	557,177		1,431,656	
State Sources	636,477			
Federal Sources				
Due From Other Funds	2,978,602			
Inventory		64,479		
Total Assets	$5,366,894	$963,383	$5,069,413	$330,648
Liabilities				
Accounts Payable				$330,648
Due To Other Funds				
Salaries & Benefits Payable	$3,108,337	$89,020		
Unspent Grant Allocation				
Total Liabilities	3,108,337	89,020	$0	330,648
Deferred Inflows of Resources				
Unavailable Tax Revenues	57,560		147,580	
Total Deferred Inflows of Resources	57,560	0	147,580	0
Fund Balances				
Nonspendable		64,479		
Restricted:				
Special Programs		809,884		
Debt Service			4,921,833	
Capital Projects				
Unassigned	2,200,997			
Total Fund Balances	2,200,997	874,363	4,921,833	0
Total Liabilities and Deferred Inflows of Resources and Fund Balances	$5,366,894	$963,383	$5,069,413	$330,648

MIDDLETON SCHOOL DISTRICT NO. 134

Balance Sheet - Governmental Funds

June 30, 2023

	Plant Facilities Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets			
Cash & Investments	$908,202	$485,339	$7,455,488
Receivables:			
Local Sources		0	1,988,833
State Sources		0	636,477
Federal Sources		5,093,187	5,093,187
Due From Other Funds		0	2,978,602
Inventory		0	64,479
Total Assets	$908,202	$5,578,526	$18,217,066
Liabilities			
Accounts Payable		$0	$330,648
Due To Other Funds		2,978,602	2,978,602
Salaries & Benefits Payable		324,499	3,521,856
Unspent Grant Allocation		1,908,338	1,908,338
Total Liabilities	$0	5,211,439	8,739,444
Deferred Inflows of Resources			
Unavailable Tax Revenues		0	205,140
Total Deferred Inflows of Resources	0	0	205,140
Fund Balances			
Nonspendable		0	64,479
Restricted:			
Special Programs		367,087	1,176,971
Debt Service		0	4,921,833
Capital Projects	908,202	0	908,202
Unassigned		0	2,200,997
Total Fund Balances	908,202	367,087	9,272,482
Total Liabilities and Deferred Inflows of Resources and Fund Balances	$908,202	$5,578,526	$18,217,066

MIDDLETON SCHOOL DISTRICT NO. 134
Balance Sheet - Governmental Funds
June 30, 2023

Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities

Total Governmental Fund Balances	$9,272,482
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	51,185,872
Certain receivables are not available to pay for current period expenditures and therefore are deferred in the funds.	205,140
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(40,292,679)
Pension deferred outflows/inflows are not due and payable in the current period and therefore are not reported in the funds.	11,189,893
Net Position of Governmental Activities	$31,560,708

MIDDLETON SCHOOL DISTRICT NO. 134

Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
Year Ended June 30, 2023

	General Fund	Child Nutrition Fund	Bond R & I Fund	Capital Construction Fund
Revenues				
Local Taxes	$1,650,141		$3,960,411	
Other Local Revenue	626,994	$378,673	88,130	$322,077
State Revenue	29,072,825		783,261	
Federal Revenue		677,416		
Total Revenues	31,349,960	1,056,089	4,831,802	322,077
Expenditures				
Instructional Programs				
Elementary School	7,056,737			
Secondary School	7,577,195			
Alternative School	855,475			
Special Education	1,851,069			
Special Education Preschool	73,835			
Gifted & Talented	96,072			
Interscholastic	310,735			
School Activity				
Summer School				
Support Service Programs				
Attendance - Guidance - Health	1,112,666			
Special Education Support Services	233,169			
Instruction Improvement	1,762,178			
Educational Media	190,557			
Instruction-Related Technology	923,696			
Board of Education	74,405			
District Administration	1,536,313			
School Administration	2,217,489			
Business Operation	296,932			
Buildings - Care	1,486,111			
Maintenance - Non-Student Occupied	3,658			
Maintenance - Student Occupied	1,175,690			
Maintenance - Grounds	436,546			
Security	87,237			
Pupil-To-School Transportation	1,940,609			
Pupil-Activity Transportation	60,105			
General Transportation	688			
Non-Instructional Programs				
Child Nutrition		1,256,237		
Student Activity				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				682,679
Debt Service - Principal			5,132,936	
Debt Service - Interest			505,816	
Total Expenditures	31,359,167	1,256,237	5,638,752	682,679
Excess (Deficiency) of Revenues Over Expenditures	(9,207)	(200,148)	(806,950)	(360,602)
Other Financing Sources (Uses)				
Transfers In		31,503		
Transfers Out	(593,230)			
Total Other Financing Sources (Uses)	(593,230)	31,503	0	0
Net Change in Fund Balances	(602,437)	(168,645)	(806,950)	(360,602)
Fund Balances - Beginning	2,803,434	1,043,008	5,728,783	360,602
Fund Balances - Ending	$2,200,997	$874,363	$4,921,833	$0

MIDDLETON SCHOOL DISTRICT NO. 134

Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
Year Ended June 30, 2023

	Plant Facilities Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
Local Taxes		$0	$5,610,552
Other Local Revenue		1,301,704	2,717,578
State Revenue		582,357	30,438,443
Federal Revenue		4,430,098	5,107,514
Total Revenues	$0	6,314,159	43,874,087
Expenditures			
Instructional Programs			
Elementary School		665,810	7,722,547
Secondary School		402,915	7,980,110
Alternative School		77,282	932,757
Special Education		1,534,002	3,385,071
Special Education Preschool		35,709	109,544
Gifted & Talented		0	96,072
Interscholastic		0	310,735
School Activity		1,526,237	1,526,237
Summer School		59,056	59,056
Support Service Programs			
Attendance - Guidance - Health		26,095	1,138,761
Special Education Support Services		436,628	669,797
Instruction Improvement		1,435,403	3,197,581
Educational Media		0	190,557
Instruction-Related Technology		33,290	956,986
Board of Education		0	74,405
District Administration		0	1,536,313
School Administration		0	2,217,489
Business Operation		0	296,932
Buildings - Care		0	1,486,111
Maintenance - Non-Student Occupied		0	3,658
Maintenance - Student Occupied	352,260	154,804	1,682,754
Maintenance - Grounds	36,686	0	473,232
Security		50,828	138,065
Pupil-To-School Transportation		55,984	1,996,593
Pupil-Activity Transportation		0	60,105
General Transportation		0	688
Non-Instructional Programs			
Child Nutrition		0	1,256,237
Student Activity		0	0
Capital Assets - Student Occupied		505,027	505,027
Capital Assets - Non-Student Occupied		0	682,679
Debt Service - Principal		0	5,132,936
Debt Service - Interest		0	505,816
Total Expenditures	388,946	6,999,070	46,324,851
Excess (Deficiency) of Revenues Over Expenditures	(388,946)	(684,911)	(2,450,764)
Other Financing Sources (Uses)			
Transfers In	185,000	376,727	593,230
Transfers Out		0	(593,230)
Total Other Financing Sources (Uses)	185,000	376,727	0
Net Change in Fund Balances	(203,946)	(308,184)	(2,450,764)
Fund Balances - Beginning	1,112,148	675,271	11,723,246
Fund Balances - Ending	$908,202	$367,087	$9,272,482

MIDDLETON SCHOOL DISTRICT NO. 134
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
Year Ended June 30, 2023

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities

Net Change in Fund Balances - Total Governmental Funds	($2,450,764)
Amounts reported for governmental activities in the statement of activities are different because:	
Government funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives as depreciation expense or allocated over the appropriate term as amortization expense. This is the excess of capital outlays over (under) depreciation/amortization expense in the current period.	27,414
Revenues in the statement of activities that do not provide current financial resources are deferred in the funds.	41,160
Repayment of long-term liability principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	5,132,936
Bond premium is amortized against interest expense over the term of the bond.	69,438
In the statement of activities, interest is accrued on long-term debt, but the expenditure is reported when due in the governmental funds.	38,354
Changes in net pension asset/liability and related pension deferred outflows/inflows do not provide or require current financial resources and therefore are not reflected in the funds.	(2,384,377)
Change in Net Position of Governmental Activities	$474,161

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity – Middleton School District No. 134 (the School) provides public school educational services as authorized by Section 33 of Idaho Code. The School's boundaries for taxing and school enrollment purposes are located within Canyon County.

These financial statements are prepared in accordance with generally accepted accounting principles (GAAP) as applied to school districts. The governmental accounting standards board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). The more significant accounting policies established in GAAP and used by the School are discussed below.

Basic Financial Statements - Government-Wide Statements – The School's basic financial statements include both government-wide (reporting the School as a whole) and fund financial statements (reporting the School's major funds). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. Currently, all the School's activities are categorized as governmental activities.

In the government-wide statement of net position, the activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The government-wide statement of activities reports both the gross and net cost of each of the School's functions. The functions are also supported by general government revenues as reported in the statement of activities. The statement of activities reduces gross expenses (including depreciation when recorded) by related program revenues and operating and capital grants. Program revenues must be directly associated with the function. Internal activity between funds (when two or more funds are involved) is eliminated in the government-wide statement of activities. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reports capital-specific grants.

The net costs (by function) are normally covered by general revenues.

The School reports expenditures in accordance with the State Department of Education's "Idaho Financial Accounting Reporting Management System" (IFARMS). IFARMS categorizes all expenditures by function, program and object. Accordingly, there is no allocation of indirect costs.

The government-wide focus is more on the sustainability of the School as an entity and the change in the School's net position resulting from the current year's activities. Fiduciary funds are not included in the government-wide statements.

Basic Financial Statements - Fund Financial Statements – The financial transactions of the School are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses.

The emphasis in fund financial statements is on the major funds. Nonmajor funds by category are summarized into a single column. Generally accepted accounting principles set forth minimum criteria (percentage of assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of the funds) for the determination of major funds.

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. Major governmental funds of the School include:

General Fund – The general fund is the School's primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Major special revenue funds include the child nutrition fund, which serves to account for providing nutritional meals to students (including subsidized meals).

Debt Service Funds – Debt service funds are used to account for the accumulation of funds for the periodic payment of principal and interest on long term debt. Major debt service funds include the bond redemption and interest fund, which accounts for accumulation of funds for the periodic payment of principal and interest on long term debt.

Capital Projects Funds – Capital projects funds are used to account for the acquisition of capital assets. Major capital project funds include the capital construction fund, used to account for the facility construction and betterments and the plant facilities fund, used to account for the maintenance of facilities and other capital assets.

Basis of Accounting – Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Activities in the government-wide and fiduciary fund financial statements are presented on the full accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or within thirty days after year end. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include principal and interest on long-term debt which, if any, are recognized when due and payable.

Cash and Investments – Nearly all the cash and investment balances of the School's funds are pooled for investment purposes. The individual funds' portions of the pooled cash and investments are reported in each fund as cash and investments. Interest earned on pooled cash and investments is allocated to the various funds based on each fund's respective investment balance. Investments include the local government investment pool, reported and measured at amortized cost following the provisions of GASB 79 which provide for consistent measurement of investment value amongst pool participants.

Receivables – Receivables are reported net of any estimated uncollectible amounts.

Inventories – Material supplies on hand at year end are stated at the lower of cost or net realizable value using the first-in, first-out method.

Capital Assets and Depreciation – Capital assets purchased or acquired with an original cost of $5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation over the estimated useful lives of all depreciable assets is recorded using the straight line method.

Leases/SBITAs and Amortization – Material long-term leases and subscription-based information technology arrangements (SBITAs) are reported in accordance with the provisions of GASB 87 *Leases* and GASB 96 *SBITAs*. When incurred, amortization over the appropriate lease or SBITA term is recorded using the straight-line method.

Compensated Absences – The School provides certain compensated absences to its employees. The estimated amount of compensation for future amounts is deemed to be immaterial and, accordingly, no liability is recorded. Compensated absences will be paid by the fund in which the employee works.

Other Post-Employment Benefits – The School 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 monthly 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 an asset or liability, deferred outflows of resources, deferred inflows of resources, and 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 School accounts for the other-post employment benefits for retirees on the pay-as-you-go basis. Other post-employment benefits will be paid by the fund in which the employee works.

Pensions – For purposes of measuring the net pension asset/liability and pension revenue/expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (the Base Plan) and additions to/deductions from the 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. Pension obligations will be paid by the fund in which the employee works.

Deferred Outflows/Inflows of Resources – The School's financial statements may report deferred outflows/inflows of resources. Deferred outflows of resources represent a consumption of net assets that apply to a future period. Deferred inflows of resources represent an acquisition of net assets that apply to a future period. Deferred outflows/inflows of resources generally represent amounts that are not available in the current period.

Net Position – Net position is assets plus deferred outflows of resources less liabilities less deferred inflows of resources. The net investment in capital assets component of net position consists of the historical cost of capital assets less accumulated depreciation less any outstanding debt that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets. Restricted net position consists of assets that are restricted by creditors, grantors, contributors, legislation,

and other parties. All other net position not reported as restricted or net investment in capital assets is reported as unrestricted.

Fund Balance Classifications – Restrictions of the fund balance indicate portions that are legally or contractually segregated for a specific future use. Nonspendable portions of the fund balance are those amounts that cannot be spent because they are in a nonspendable form or because they are legally or contractually required to be maintained intact. Committed portions represent amounts that can only be used for specific purposes pursuant to formal action (i.e. board approval) of the reporting entity's governing body. Assigned portions represent amounts that are constrained by the government's intent to be used for a specific purpose. Remaining fund balances are reported as unassigned. When expenditures are incurred that qualify for either restricted or unrestricted resources, the School first utilizes restricted resources. When expenditures are incurred that qualify for either committed or assigned or unassigned resources, the School first utilizes committed resources then assigned resources before using unassigned resources.

Property Taxes – The School is responsible for levying property taxes, but the taxes are collected by the respective county. Taxes are levied by the second Monday in September for each calendar year. Taxes are due in two installments – December 20th and June 20th. A lien is filed on real property three years from the date of delinquency.

Contingent Liabilities – Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the School expects such amounts, if any, to be immaterial.

Interfund Activity – Interfund activity is reported either as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Custodial Credit Risk – The School maintains its cash at insured financial institutions. Periodically, balances may exceed federally insured limits. The School does not have a formal policy concerning custodial credit risk.

Risk Management – The School is exposed to various risks related to its operations. Insurance is utilized to the extent practical to minimize these risks.

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

Subsequent Events – Subsequent events were evaluated through the date of the auditor's report, which is the date the financial statements were available to be issued.

B. CASH AND INVESTMENTS

Cash and investments consist of the following at year end:

Cash - Deposits	$170,038
Investments - Local Gov't Investment Pool	7,285,450
Total	$7,455,488

Deposits – At year end, the carrying amounts of the School's deposits were $170,038 and the bank balances were $1,607,841. Of the bank balances, $500,000 was insured and the remainder was uninsured and uncollateralized.

Considerations for interest rate risk and credit rate risk relating to investments are shown below.

Interest rate risk:

	Investment Maturity Schedule (In Years)	
Investment Type	Less Than 1	Total
Local Gov't Invest Pool	$7,285,450	$7,285,450
Total	$7,285,450	$7,285,450

Credit rate risk:

	Investment Rating Schedule	
Investment Type	Not Rated	Total
Local Gov't Invest Pool	$7,285,450	$7,285,450
Total	$7,285,450	$7,285,450

Investments – State statutes authorize government entities to invest in certain bonds, notes, accounts, investment pools, and other obligations of the state, U.S. Government, and U.S. corporations pursuant to Idaho Code 67-1210 and 67-1210A. These statutes are designed to help minimize the custodial risk that deposits may not be returned in the event of the failure of the issuer or other counterparty, interest rate risk resulting from fair value losses arising from rising interest rates, or credit risks that an issuer or other counterparty will not fulfill its obligations. The School's investment policy complies with state statutes.

The local government investment pool is managed by the state treasurer's office and is invested in accordance with state statutes and regulations. The local government investment pool is not registered with the SEC and is a short-term investment pool. The state treasurer’s office investment policy for the local government investment pool includes the following three primary objectives in order of priority: safety, liquidity, and yield. Participants have overnight availability to their funds, up to $10 million. Withdrawals of $10 million or more require three business days’ notification. More information on the local governmental investment pool including regulatory information, ratings, and risk information can be found at www.sto.idaho.gov.

C. RECEIVABLES

Receivables consist of the following at year end:

	General Fund	Special Revenue Funds	Debt Service Fund	Total
Local Sources				
Local Taxes	$557,177		$1,431,656	$1,988,833
Total	$557,177		$1,431,656	$1,988,833
State Sources				
Foundation Program	$636,477			$636,477
Total	$636,477			$636,477
Federal Sources				
Special Programs		$5,093,187		$5,093,187
Total		$5,093,187		$5,093,187

D. CAPITAL ASSETS

A summary of capital assets for the year is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Nondepreciable Capital Assets				
Land	$2,067,444			$2,067,444
Total	2,067,444	$0	$0	2,067,444
Depreciable Capital Assets				
Buildings	71,603,352	1,497,757		73,101,109
Equipment	2,180,664	70,424		2,251,088
Subtotal	73,784,016	1,568,181	0	75,352,197
Accumulated Depreciation				
Buildings	22,732,071	1,461,230		24,193,301
Equipment	1,960,931	79,537		2,040,468
Subtotal	24,693,002	1,540,767	0	26,233,769
Total	49,091,014	27,414	0	49,118,428
Net Capital Assets	$51,158,458	$27,414	$0	$51,185,872

Depreciation expense of $1,540,767 was charged to the capital assets – student occupied program.

E. LONG-TERM LIABILITIES

Bonded Debt - At year end, the School's bonded debt was as follows:

	Outstanding
2009B - $5,000,000 - qualified school construction bonds due in annual principal installments and semiannual interest payments with interest at 1.98% through 2024/25, secured by future taxes, paid through the bond redemption and interest fund	$741,723
2010A - $7,700,000 - qualified school construction bonds due in annual principal installments and semiannual interest payments (interest payments originally scheduled to be 100% federally subsidized, but currently subsidized at 93.8% due to sequestration) through 2029/30, secured by future taxes, paid through the bond redemption and interest fund	2,373,124
2011 - $3,615,000 - qualified school construction bonds due in annual principal installments and semiannual interest payments (interest payments originally scheduled to be 100% federally subsidized, but currently subsidized at 93.8% due to sequestration) through 2030/31, secured by future taxes, paid through the bond redemption and interest fund	1,063,586
2015 - $27,145,000 - general obligation refunding bonds due in annual principal installments and semiannual interest payments with interest at 2.00% - 5.00% through 2028/29, secured by future taxes, paid through the bond redemption and interest fund	17,740,000
Total	$21,918,433

Maturities on the bonds are estimated as follows:

Year Ended	Principal	Interest
6/30/24	$3,484,207	$820,585
6/30/25	3,894,207	672,085
6/30/26	3,649,207	490,103
6/30/27	3,406,966	328,797
6/30/28	3,426,966	210,997
6/30/29-31	4,056,880	118,119
Total	$21,918,433	$2,640,686

Changes in long-term liabilities are as follows:

Description	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
2009B QSC Bonds	$1,032,112		$290,389	$741,723	$247,241
2010A QSC Bonds	2,720,926		347,802	2,373,124	339,018
2011 QSC Bonds	2,928,331		1,864,745	1,063,586	132,948
2015 GOR Bonds	20,370,000		2,630,000	17,740,000	2,765,000
Bond Premiums	562,462		69,438	493,024	69,438
Net Pension Liability	0	$17,621,724		17,621,724	-
Total	$27,613,831	$17,621,724	$5,202,374	$40,033,181	$3,553,645

Interest and related costs during the year amounted to $398,024 and were charged to the debt service – interest program.

F. PENSION PLAN

Plan description

The School 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 74% for police and firefighters. As of June 30, 2022 it was 7.16% for general employees and 9.13% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.94% for general employees and 12.28% for police and firefighters. The School's contributions were $2,403,380 for the year ended June 30, 2023.

Pension asset/liabilities, pension revenue (expense), and deferred outflows of resources and deferred inflows of resources related to pensions

At June 30, 2023, the School reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School's proportion of the net pension liability was based on the School'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, 2022, the School's proportion was 0.44739290 percent.

For the year ended June 30, 2023, the School recognized pension revenue (expense) of ($4,787,757). At June 30, 2023, the School 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	$1,937,746	$78,652
Changes in assumptions or other inputs	2,872,869	
Net difference between projected and actual earnings on pension plan investments	4,054,550	
Employer contributions subsequent to the measurement date	2,403,380	
Total	$11,268,545	$78,652

$2,403,380 reported as deferred outflows of resources related to pensions resulting from School contributions made subsequent to the measurement date will be recognized as an adjustment to the pension revenue (expense) in the year ending June 30, 2024.

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, 2022 the beginning of the measurement period ended June 30, 2021 is 4.6 and 4.6 for the measurement period June 30, 2022.

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

Year Ended	
6/30/24	($2,101,177)
6/30/25	(2,281,028)
6/30/26	(1,054,973)
6/30/27	(3,349,337)
Total	($8,786,515)

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.

The total pension asset in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases including inflation	3.05%
Investment rate of return, net of investment expenses	6.35%
Cost-of-living adjustments	1.00%

Contributing members, service retirement members, and beneficiaries

General Employees and All Beneficiaries - Males	Pub-2010 General Tables, increased 11%
General Employees and All Beneficiaries - Females	Pub-2010 General Tables, increased 21%
Teachers - Males	Pub-2010 Teacher Tables, increased 12%
Teachers - Females	Pub-2010 Teacher Tables, increased 21%
Fire & Police - Males	Pub-2010 Safety Tables, increased 21%
Fire & Police - Females	Pub-2010 Safety Tables, increased 26% 5% of Fire & Police active member deaths are assumed to be duty related. This assumption was adopted July 1, 2021.
Disabled Members - Males	Pub-2010 Disabled Tables, increased 38%
Disabled Members - Females	Pub-2010 Disabled Tables, increased 36%

An experience study was performed for the period July 1, 2015 through June 30, 2020 which reviewed all economic and demographic assumptions other than mortality. The total pension liability as of June 30, 2022 is based on the results of an actuarial valuation date of July 1, 2022.

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 2022.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	0%	0.00%
Large Cap	18%	4.50%
Small/Mid Cap	11%	4.70%
International Equity	15%	4.50%
Emerging Markets Equity	10%	4.90%
Domestic Fixed	20%	-0.25%
TIPS	10%	-0.30%
Real Estate	8%	3.75%
Private Equity	8%	6.00%

Discount rate

The discount rate used to measure the total pension liability was 6.35%. 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 asset. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for administrative expense.

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

The following presents the School's proportionate share of the net pension liability calculated using the discount rate of 6.35 percent, as well as what the School's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
School's proportionate share of the net pension liability	$31,100,617	$17,621,724	$6,589,599

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.

Impact on the School's net position

Depending on the annual performance of the Base Plan and the various non-financial factors that affect the collective Base Plan net pension liability (as described above), the School may periodically experience a deficit in its net position. This can occur as a result of recording the School's allocable portion of the net pension liability which is an estimated liability that changes substantially from year to year depending on the factors described above but does not currently require cash outflows. As the net pension liability of the Base Plan is closely monitored by PERSI's board (who makes changes to the contribution rates and other terms of the Base Plan when deemed necessary), such deficits are not deemed to be of substantial concern.

G. INTERFUND BALANCES AND TRANSFERS

Interfund balances at year end consist of the following:

	Due From Fund	
	Nonmajor Governmental	Total
Due To Fund		
General	$2,978,602	$2,978,602
Total	$2,978,602	$2,978,602

These interfund balances resulted from the time lag between when expenditures are incurred in a fund and when the fund is reimbursed for such expenditures.

Interfund transfers during the year consist of the following:

Fund	Transfer In	Transfer Out	Purpose
General		$593,230	Support, Reimbursement
Child Nutrition	$31,503		Support
Plant Facilities	185,000		Reimbursement
Nonmajor Governmental	376,727		Support
Total	$593,230	$593,230	

H. TAX ABATEMENTS

Idaho counties are authorized by state statute to transact certain property tax activity with property owners in their respective taxing districts. The counties collect the property taxes, then allocate and remit those collections among the taxing districts within the counties. The counties are authorized to cancel or reduce property taxes due to various reasons, including the circuit breaker program, agricultural and other exemptions, and section 63-602NN exemptions under Idaho code for real property improvements.

MIDDLETON SCHOOL DISTRICT NO. 134

Budgetary Comparison Schedule -
General and Major Special Revenue Funds
Year Ended June 30, 2023

General Fund	Budgeted Amounts (GAAP Basis) Original	Budgeted Amounts (GAAP Basis) Final	Actual Amounts	Final Budget Variance Positive (Negative)	
Revenues					
Local Taxes	$1,670,700	$1,686,000	$1,650,141	($35,859)	
Other Local Revenue	120,320	349,200	626,994	277,794	
State Revenue	28,255,209	28,787,821	29,072,825	285,004	
Federal Revenue	0	0	0	0	
Total Revenues	30,046,229	30,823,021	31,349,960	526,939	
Expenditures					
Instructional Programs					
Elementary School	6,293,045	7,214,264	7,056,737	157,527	
Secondary School	7,498,642	7,573,018	7,577,195	(4,177)	
Alternative School	896,378	857,599	855,475	2,124	
Special Education	2,087,158	1,917,544	1,851,069	66,475	
Special Education Preschool	62,786	99,115	73,835	25,280	
Gifted & Talented	97,818	99,018	96,072	2,946	
Interscholastic	205,000	333,160	310,735	22,425	
School Activity	0	0	0	0	
Summer School	0	0	0	0	
Support Service Programs					
Attendance - Guidance - Health	1,014,192	1,112,514	1,112,666	(152)	
Special Education Support Services	173,925	370,169	233,169	137,000	
Instruction Improvement	1,694,348	1,563,243	1,762,178	(198,935)	
Educational Media	185,765	183,958	190,557	(6,599)	
Instruction-Related Technology	1,647,585	889,076	923,696	(34,620)	
Board of Education	74,148	74,148	74,405	(257)	
District Administration	782,252	1,402,405	1,536,313	(133,908)	
School Administration	2,173,649	2,217,652	2,217,489	163	
Business Operation	349,809	346,718	296,932	49,786	
Buildings - Care	1,448,007	1,440,382	1,486,111	(45,729)	
Maintenance - Non-Student Occupied	27,500	4,000	3,658	342	
Maintenance - Student Occupied	927,173	1,159,012	1,175,690	(16,678)	
Maintenance - Grounds	988,970	450,238	436,546	13,692	
Security	160,000	87,300	87,237	63	
Pupil-To-School Transportation	1,804,500	1,971,340	1,940,609	30,731	
Pupil-Activity Transportation	60,000	60,105	60,105	0	
General Transportation	0	689	688	1	
Non-Instructional Programs					
Child Nutrition	30,000	30,000	0	30,000	
Student Activity	0	0	0	0	
Capital Assets - Student Occupied	1,616,192	1,616,192	0	1,616,192	
Capital Assets - Non-Student Occupied	0	0	0	0	
Debt Service - Principal	0	0	0	0	
Debt Service - Interest	0	0	0	0	
Total Expenditures	32,298,842	33,072,859	31,359,167	1,713,692	*
Excess (Deficiency) of Revenues Over Expenditures	(2,252,613)	(2,249,838)	(9,207)	2,240,631	
Other Financing Sources (Uses)					
Transfers In	0	0	0	0	
Transfers Out	(25,000)	(553,596)	(593,230)	(39,634)	*
Total Other Financing Sources (Uses)	(25,000)	(553,596)	(593,230)	(39,634)	
Net Change in Fund Balances	(2,277,613)	(2,803,434)	(602,437)	2,200,997	
Fund Balances - Beginning	2,277,613	2,803,434	2,803,434	0	
Fund Balances - Ending	$0	$0	$2,200,997	$2,200,997	

**Total expenditures (over) under appropriations are:* $1,674,058

MIDDLETON SCHOOL DISTRICT NO. 134

Budgetary Comparison Schedule -
General and Major Special Revenue Funds
Year Ended June 30, 2023

Child Nutrition Fund	Budgeted Amounts (GAAP Basis) Original	Budgeted Amounts (GAAP Basis) Final	Actual Amounts	Final Budget Variance Positive (Negative)	
Revenues					
Other Local Revenue	$12,100	$333,200	$378,673	$45,473	
State Revenue	0	109,006	0	(109,006)	
Federal Revenue	1,000,000	457,000	677,416	220,416	
Total Revenues	1,012,100	899,206	1,056,089	156,883	
Expenditures					
Support Service Programs					
Business Operation	0	0	0	0	
Non-Instructional Programs					
Child Nutrition	1,247,663	1,942,214	1,256,237	685,977	
Total Expenditures	1,247,663	1,942,214	1,256,237	685,977	*
Excess (Deficiency) of Revenues Over Expenditures	(235,563)	(1,043,008)	(200,148)	842,860	
Other Financing Sources (Uses)					
Transfers In	0	0	31,503	31,503	
Transfers Out	0	0	0	0	*
Total Other Financing Sources (Uses)	0	0	31,503	31,503	
Net Change in Fund Balances	(235,563)	(1,043,008)	(168,645)	874,363	
Fund Balances - Beginning	892,735	1,043,008	1,043,008	0	
Fund Balances - Ending	$657,172	$0	$874,363	$874,363	
	**Total expenditures (over) under appropriations are:*			$685,977	

MIDDLETON SCHOOL DISTRICT NO. 134

Schedule of Employer's Share of Net Pension Asset and Liability
and Schedule of Employer Contributions
PERSI - Base Plan

Schedule of Employer's Share of Net Pension Asset and Liability*

Fiscal Year Ended June 30	Employer's Portion of the Net Pension (Asset) Liability	Employer's Proportionate Share of the Net Pension (Asset) Liability	Covered Payroll	Employer's Proportional Share of the Net Pension (Asset) Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension (Asset) Liability
2015	0.43732210%	$2,932,603	$11,137,182	26.33%	94.95%
2016	0.44390550%	$5,845,513	$12,014,240	48.65%	91.38%
2017	0.44699110%	$9,061,196	$14,422,606	62.83%	87.26%
2018	0.44350230%	$6,971,094	$15,183,763	45.91%	90.68%
2019	0.45607690%	$6,727,214	$14,712,350	45.72%	91.69%
2020	0.45319250%	$5,173,066	$15,390,433	33.61%	93.79%
2021	0.45046340%	$10,460,356	$16,042,797	65.20%	88.22%
2022	0.43196664%	($341,158)	$16,123,392	-2.12%	100.36%
2023	0.44739290%	$17,621,724	$17,642,420	99.88%	83.09%

*As of the measurement date of the net pension (asset) liability.

Schedule of Employer Contributions

Fiscal Year Ended June 30	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	$1,360,012	$1,360,012	$0	$12,014,240	11.32%
2016	$1,632,639	$1,632,639	$0	$14,422,606	11.32%
2017	$1,718,802	$1,718,802	$0	$15,183,763	11.32%
2018	$1,665,438	$1,665,438	$0	$14,712,350	11.32%
2019	$1,742,197	$1,742,197	$0	$15,390,433	11.32%
2020	$1,915,510	$1,915,510	$0	$16,042,797	11.94%
2021	$1,925,133	$1,925,133	$0	$16,123,392	11.94%
2022	$2,106,505	$2,106,505	$0	$17,642,420	11.94%
2023	$2,403,380	$2,403,380	$0	$20,128,811	11.94%

Schedules above intended to show information for 10 years. Information for additional years will be presented as it becomes available.

MIDDLETON SCHOOL DISTRICT NO. 134
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds			
	Go On Grant	**TLC Grant**	**Student Activity**	**Driver Education**
Assets				
Cash & Investments			$337,121	$6,814
Receivables:				
Local Sources				
State Sources				
Federal Sources				
Due From Other Funds				
Inventory				
Total Assets	$0	$0	$337,121	$6,814
Liabilities				
Accounts Payable				
Due To Other Funds				
Salaries & Benefits Payable				
Unspent Grant Allocation				
Total Liabilities	$0	$0	$0	$0
Deferred Inflows of Resources				
Unavailable Tax Revenues				
Total Deferred Inflows of Resources	0	0	0	0
Fund Balances				
Nonspendable				
Restricted:				
Special Programs			337,121	6,814
Debt Service				
Capital Projects				
Unassigned				
Total Fund Balances	0	0	337,121	6,814
Total Liabilities and Deferred Inflows of Resources and Fund Balances	$0	$0	$337,121	$6,814

MIDDLETON SCHOOL DISTRICT NO. 134
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds			
	Professional Technical	**Technology**	**Substance Abuse**	**ESSER III**
Assets				
Cash & Investments	$944	$74,665	$3,581	
Receivables:				
Local Sources				
State Sources				
Federal Sources				$2,567,812
Due From Other Funds				
Inventory				
Total Assets	$944	$74,665	$3,581	$2,567,812
Liabilities				
Accounts Payable				
Due To Other Funds				$900,914
Salaries & Benefits Payable	$944	$55,094		10,759
Unspent Grant Allocation				1,656,139
Total Liabilities	944	55,094	$0	2,567,812
Deferred Inflows of Resources				
Unavailable Tax Revenues				
Total Deferred Inflows of Resources	0	0	0	0
Fund Balances				
Nonspendable				
Restricted:				
Special Programs		19,571	3,581	
Debt Service				
Capital Projects				
Unassigned				
Total Fund Balances	0	19,571	3,581	0
Total Liabilities and Deferred Inflows of Resources and Fund Balances	$944	$74,665	$3,581	$2,567,812

MIDDLETON SCHOOL DISTRICT NO. 134
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds			
	Title I-A ESSA IBP	**ESSER I**	**Title I-C ESSA EMC**	**ESSER II**
Assets				
Cash & Investments				
Receivables:				
Local Sources				
State Sources				
Federal Sources	$311,566		$166,193	$898,417
Due From Other Funds				
Inventory				
Total Assets	$311,566	$0	$166,193	$898,417
Liabilities				
Accounts Payable				
Due To Other Funds	$195,326		$91,764	$841,217
Salaries & Benefits Payable	40,684		15,886	4,290
Unspent Grant Allocation	75,556		58,543	52,910
Total Liabilities	311,566	$0	166,193	898,417
Deferred Inflows of Resources				
Unavailable Tax Revenues				
Total Deferred Inflows of Resources	0	0	0	0
Fund Balances				
Nonspendable				
Restricted:				
Special Programs				
Debt Service				
Capital Projects				
Unassigned				
Total Fund Balances	0	0	0	0
Total Liabilities and Deferred Inflows of Resources and Fund Balances	$311,566	$0	$166,193	$898,417

MIDDLETON SCHOOL DISTRICT NO. 134
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds			
	IDEA Part B 611 School Age 3-21	**IDEA Part B 619 Pre-School Age 3-5**	**IDEA Part B ARPA**	**School Based Medicaid**
Assets				
Cash & Investments				$62,214
Receivables:				
Local Sources				
State Sources				
Federal Sources	$739,129	$22,891	$173,684	
Due From Other Funds				
Inventory				
Total Assets	$739,129	$22,891	$173,684	$62,214
Liabilities				
Accounts Payable				
Due To Other Funds	$618,816	$21,879	$120,134	
Salaries & Benefits Payable	81,169		50,372	$62,214
Unspent Grant Allocation	39,144	1,012	3,178	
Total Liabilities	739,129	22,891	173,684	62,214
Deferred Inflows of Resources				
Unavailable Tax Revenues				
Total Deferred Inflows of Resources	0	0	0	0
Fund Balances				
Nonspendable				
Restricted:				
Special Programs				
Debt Service				
Capital Projects				
Unassigned				
Total Fund Balances	0	0	0	0
Total Liabilities and Deferred Inflows of Resources and Fund Balances	$739,129	$22,891	$173,684	$62,214

MIDDLETON SCHOOL DISTRICT NO. 134

Combining Balance Sheet - Nonmajor Governmental Funds

June 30, 2023

	Special Revenue Funds			
	Title IV-A ESSA SS & AE	**Perkins III Professional Technical Act**	**Title III ESSA ELA**	**Title II-A ESSA SEI**
Assets				
Cash & Investments				
Receivables:				
Local Sources				
State Sources				
Federal Sources	$52,317	$35,599	$39,492	$86,087
Due From Other Funds				
Inventory				
Total Assets	$52,317	$35,599	$39,492	$86,087
Liabilities				
Accounts Payable				
Due To Other Funds	$47,805	$35,599	$24,040	$81,108
Salaries & Benefits Payable			1,320	1,767
Unspent Grant Allocation	4,512		14,132	3,212
Total Liabilities	52,317	35,599	39,492	86,087
Deferred Inflows of Resources				
Unavailable Tax Revenues				
Total Deferred Inflows of Resources	0	0	0	0
Fund Balances				
Nonspendable				
Restricted:				
Special Programs				
Debt Service				
Capital Projects				
Unassigned				
Total Fund Balances	0	0	0	0
Total Liabilities and Deferred Inflows of Resources and Fund Balances	$52,317	$35,599	$39,492	$86,087

MIDDLETON SCHOOL DISTRICT NO. 134
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2023

	Special Revenues	
	SLFRF	**Total**
Assets		
Cash & Investments		$485,339
Receivables:		
Local Sources		0
State Sources		0
Federal Sources		5,093,187
Due From Other Funds		0
Inventory		0
Total Assets	$0	$5,578,526
Liabilities		
Accounts Payable		$0
Due To Other Funds		2,978,602
Salaries & Benefits Payable		324,499
Unspent Grant Allocation		1,908,338
Total Liabilities	$0	5,211,439
Deferred Inflows of Resources		
Unavailable Tax Revenues		0
Total Deferred Inflows of Resources	0	0
Fund Balances		
Nonspendable		0
Restricted:		
Special Programs		367,087
Debt Service		0
Capital Projects		0
Unassigned		0
Total Fund Balances	0	367,087
Total Liabilities and Deferred Inflows of Resources and Fund Balances	$0	$5,578,526

MIDDLETON SCHOOL DISTRICT NO. 134

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2023

	Special Revenue Funds			
	Go On Grant	**TLC Grant**	**Student Activity**	**Driver Education**
Revenues				
Local Taxes				
Other Local Revenue			$1,282,712	
State Revenue				
Federal Revenue				
Total Revenues	$0	$0	1,282,712	$0
Expenditures				
Instructional Programs				
Elementary School				
Secondary School	382			
Alternative School				
Special Education				
Special Education Preschool				
Gifted & Talented				
Interscholastic				
School Activity			1,526,237	
Summer School				
Support Service Programs				
Attendance - Guidance - Health				
Special Education Support Services				
Instruction Improvement		12,331		
Educational Media				
Instruction-Related Technology				
Board of Education				
District Administration				
School Administration				
Business Operation				
Buildings - Care				
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied				
Maintenance - Grounds				
Security				
Pupil-To-School Transportation				
Pupil-Activity Transportation				
General Transportation				
Non-Instructional Programs				
Child Nutrition				
Student Activity				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	382	12,331	1,526,237	0
Excess (Deficiency) of Revenues Over Expenditures	(382)	(12,331)	(243,525)	0
Other Financing Sources (Uses)				
Transfers In				
Transfers Out				
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balances	(382)	(12,331)	(243,525)	0
Fund Balances - Beginning	382	12,331	580,646	6,814
Fund Balances - Ending	$0	$0	$337,121	$6,814

MIDDLETON SCHOOL DISTRICT NO. 134

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2023

	Special Revenue Funds			
	Professional Technical	Technology	Substance Abuse	ESSER III
Revenues				
Local Taxes				
Other Local Revenue		$18,992		
State Revenue	$129,640	401,889	$50,828	
Federal Revenue				$898,617
Total Revenues	129,640	420,881	50,828	898,617
Expenditures				
Instructional Programs				
Elementary School		47,272		237,276
Secondary School	139,971	157,741		47,962
Alternative School				1,943
Special Education				
Special Education Preschool				
Gifted & Talented				
Interscholastic				
School Activity				
Summer School				33,798
Support Service Programs				
Attendance - Guidance - Health				3,518
Special Education Support Services				
Instruction Improvement		234,524		21,943
Educational Media				
Instruction-Related Technology		33,290		
Board of Education				
District Administration				
School Administration				
Business Operation				
Buildings - Care				
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied				47,150
Maintenance - Grounds				
Security			50,828	
Pupil-To-School Transportation				
Pupil-Activity Transportation				
General Transportation				
Non-Instructional Programs				
Child Nutrition				
Student Activity				
Capital Assets - Student Occupied				505,027
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	139,971	472,827	50,828	898,617
Excess (Deficiency) of Revenues Over Expenditures	(10,331)	(51,946)	0	0
Other Financing Sources (Uses)				
Transfers In	10,331			
Transfers Out				
Total Other Financing Sources (Uses)	10,331	0	0	0
Net Change in Fund Balances	0	(51,946)	0	0
Fund Balances - Beginning	0	71,517	3,581	0
Fund Balances - Ending	$0	$19,571	$3,581	$0

MIDDLETON SCHOOL DISTRICT NO. 134

Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2023

	Special Revenue Funds			
	Title I-A ESSA IBP	ESSER I	Title I-C ESSA EMC	ESSER II
Revenues				
Local Taxes				
Other Local Revenue				
State Revenue				
Federal Revenue	$332,125	$2,250	$146,352	$829,784
Total Revenues	332,125	2,250	146,352	829,784
Expenditures				
Instructional Programs				
Elementary School	272,765		86,631	7,817
Secondary School	13,790		3,284	3,750
Alternative School	44,160		31,179	
Special Education				
Special Education Preschool				
Gifted & Talented				
Interscholastic				
School Activity				
Summer School			25,258	
Support Service Programs				
Attendance - Guidance - Health				21,500
Special Education Support Services				
Instruction Improvement	1,410	2,250		633,079
Educational Media				
Instruction-Related Technology				
Board of Education				
District Administration				
School Administration				
Business Operation				
Buildings - Care				
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied				107,654
Maintenance - Grounds				
Security				
Pupil-To-School Transportation				55,984
Pupil-Activity Transportation				
General Transportation				
Non-Instructional Programs				
Child Nutrition				
Student Activity				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	332,125	2,250	146,352	829,784
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Other Financing Sources (Uses)				
Transfers In				
Transfers Out				
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balances	0	0	0	0
Fund Balances - Beginning	0	0	0	0
Fund Balances - Ending	$0	$0	$0	$0

MIDDLETON SCHOOL DISTRICT NO. 134

Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2023

	Special Revenue Funds			
	IDEA Part B 611 School Age 3-21	**IDEA Part B 619 Pre-School Age 3-5**	**IDEA Part B ARPA**	**School Based Medicaid**
Revenues				
Local Taxes				
Other Local Revenue				
State Revenue				
Federal Revenue	$699,200	$21,879	$170,506	$748,358
Total Revenues	699,200	21,879	170,506	748,358
Expenditures				
Instructional Programs				
Elementary School				
Secondary School				
Alternative School				
Special Education	484,018		156,676	893,308
Special Education Preschool		21,879	13,830	
Gifted & Talented				
Interscholastic				
School Activity				
Summer School				
Support Service Programs				
Attendance - Guidance - Health				
Special Education Support Services	215,182			221,446
Instruction Improvement				
Educational Media				
Instruction-Related Technology				
Board of Education				
District Administration				
School Administration				
Business Operation				
Buildings - Care				
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied				
Maintenance - Grounds				
Security				
Pupil-To-School Transportation				
Pupil-Activity Transportation				
General Transportation				
Non-Instructional Programs				
Child Nutrition				
Student Activity				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	699,200	21,879	170,506	1,114,754
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	(366,396)
Other Financing Sources (Uses)				
Transfers In				366,396
Transfers Out				
Total Other Financing Sources (Uses)	0	0	0	366,396
Net Change in Fund Balances	0	0	0	0
Fund Balances - Beginning	0	0	0	0
Fund Balances - Ending	$0	$0	$0	$0

MIDDLETON SCHOOL DISTRICT NO. 134

Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2023

	Special Revenue Funds			
	Title IV-A ESSA SS & AE	**Perkins III Professional Technical Act**	**Title III ESSA ELA**	**Title II-A ESSA SEI**
Revenues				
Local Taxes				
Other Local Revenue				
State Revenue				
Federal Revenue	$36,321	$35,599	$14,485	$77,532
Total Revenues	36,321	35,599	14,485	77,532
Expenditures				
Instructional Programs				
Elementary School			14,049	
Secondary School		35,599	436	
Alternative School				
Special Education				
Special Education Preschool				
Gifted & Talented				
Interscholastic				
School Activity				
Summer School				
Support Service Programs				
Attendance - Guidance - Health				
Special Education Support Services				
Instruction Improvement	36,321			77,532
Educational Media				
Instruction-Related Technology				
Board of Education				
District Administration				
School Administration				
Business Operation				
Buildings - Care				
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied				
Maintenance - Grounds				
Security				
Pupil-To-School Transportation				
Pupil-Activity Transportation				
General Transportation				
Non-Instructional Programs				
Child Nutrition				
Student Activity				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	36,321	35,599	14,485	77,532
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Other Financing Sources (Uses)				
Transfers In				
Transfers Out				
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balances	0	0	0	0
Fund Balances - Beginning	0	0	0	0
Fund Balances - Ending	$0	$0	$0	$0

MIDDLETON SCHOOL DISTRICT NO. 134

Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2023

	Special Revenues	
	SLFRF	**Total**
Revenues		
Local Taxes		$0
Other Local Revenue		1,301,704
State Revenue		582,357
Federal Revenue	$417,090	4,430,098
Total Revenues	417,090	6,314,159
Expenditures		
Instructional Programs		
Elementary School		665,810
Secondary School		402,915
Alternative School		77,282
Special Education		1,534,002
Special Education Preschool		35,709
Gifted & Talented		0
Interscholastic		0
School Activity		1,526,237
Summer School		59,056
Support Service Programs		
Attendance - Guidance - Health	1,077	26,095
Special Education Support Services		436,628
Instruction Improvement	416,013	1,435,403
Educational Media		0
Instruction-Related Technology		33,290
Board of Education		0
District Administration		0
School Administration		0
Business Operation		0
Buildings - Care		0
Maintenance - Non-Student Occupied		0
Maintenance - Student Occupied		154,804
Maintenance - Grounds		0
Security		50,828
Pupil-To-School Transportation		55,984
Pupil-Activity Transportation		0
General Transportation		0
Non-Instructional Programs		
Child Nutrition		0
Student Activity		0
Capital Assets - Student Occupied		505,027
Capital Assets - Non-Student Occupied		0
Debt Service - Principal		0
Debt Service - Interest		0
Total Expenditures	417,090	6,999,070
Excess (Deficiency) of Revenues Over Expenditures	0	(684,911)
Other Financing Sources (Uses)		
Transfers In		376,727
Transfers Out		0
Total Other Financing Sources (Uses)	0	376,727
Net Change in Fund Balances	0	(308,184)
Fund Balances - Beginning	0	675,271
Fund Balances - Ending	$0	$367,087

MIDDLETON SCHOOL DISTRICT NO. 134

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

Federal Grantor/ Pass-Through Grantor/Program or Cluster Title	Federal AL Number	Pass-Through Entity Identifying Number	Federal Expenditures
US Dept of Agriculture			
Passed Through Idaho Dept of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	202222/202323N119947	$70,468
National School Lunch Program*	10.555	202222/202323N119947	606,948
Total Child Nutrition Cluster			677,416
Total US Dept of Agriculture			677,416
US Dept of Treasury			
Passed Through Idaho Dept of Education:			
COVID-19 - Coronavirus State & Local Fiscal Recovery Fund	21.027	SLFRP0142	417,090
Total US Dept of Treasury			417,090
US Dept of Education			
Passed Through Idaho Dept of Education:			
Special Education Cluster:			
Special Education - Grants to States	84.027A	H027A210088	699,200
COVID-19 - Individuals with Disabilities Education Act/American Rescue Plan Act of 2021	84.027X	H027X210088	156,676
Total	84.027		855,876
Special Education - Preschool Grants	84.173A	H173A210030	21,879
COVID-19 - Individuals with Disabilities Education Act/American Rescue Plan Act of 2021	84.173X	H173X210030	13,830
Total	84.173		35,709
Total Special Education Cluster			891,585
Title I Grants to Local Educational Agencies	84.010A	S010A210012	314,047
Migrant Education - State Grant Program	84.011A	S011A20/210012	146,352
Career & Technical Education - Basic Grants to States	84.048A	V048A220012	35,599
English Language Acquisition State Grants	84.365A	S365A200012	14,485
Supporting Effective Instruction State Grants	84.367A	S367A20/210011	77,532
School Improvement Grants	84.377	S010A200012	18,078
Student Support & Academic Enrichment	84.424A	S424A20/210013	36,321
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	S425D20/210043	832,034
COVID-19 - American Rescue Plan - Elementary and Secondary Schools Emergency Relief Fund	84.425U	S425U210043	895,099
COVID-19 - American Rescue Plan - Elementary and Secondary Schools Emergency Relief Fund – Homeless Children and Youth	84.425W	S425W210013	3,518
Total	84.425		1,730,651
Total US Dept of Education			3,264,650
Total Expenditures of Federal Awards			$4,359,156

NOTES:

A. Basis of Presentation - The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the School under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the 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). Because the schedule presents only a selected portion of the operations of the School, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School.

B. Summary of Significant Accounting Policies - Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No awards were passed through to subrecipients. The School has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform

***C. Nonmonetary Assistance** - Included in the National School Lunch Program award is USDA food commodities stated at a fair market value of $114,916.

Quest CPAs PLLC
Quality Expertise Service Timeliness

Independent Auditor's 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*

Board of Trustees
Middleton School District No. 134

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 Middleton School District No. 134 (the School), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated August 18, 2023. In our report, we expressed a qualified opinion on the governmental activities as management has elected not to adopt the provisions of GASB 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) as a basis for designing 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 School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School'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 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 over financial reporting 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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free of 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

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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 School's internal control or compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose.

Quest CPAs PLLC

Payette, Idaho
August 18, 2023

Quest CPAs PLLC
Quality Expertise Service Timeliness

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

Board of Trustees
Middleton School District No. 134

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Middleton School District No. 134's (the School's) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the School's major federal programs for the year ended June 30, 2023. The School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School 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, 2023.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the School's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the School's federal programs.

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Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the School's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the School's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in

internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report in 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.

Quest CPAs PLLC

Payette, Idaho
August 18, 2023

MIDDLETON SCHOOL DISTRICT NO. 134
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report being issued:	Unmodified • Each Major Fund • Aggreg Remain Fund Info Qualified • Gov't Activities
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to the financial statements noted?	No

FEDERAL AWARDS

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings that are required to be reported in accordance with 2 CFR section 200.516(a)?	No

Major program identification:

a. Child Nutrition Cluster – AL #10.553, 10.555
b. COVID-19 - Elementary and Secondary School Emergency Relief Fund – AL #84.425D, COVID-19 - American Rescue Plan - Elementary and Secondary Schools Emergency Relief Fund – AL #84.425U, COVID-19 - American Rescue Plan - Elementary and Secondary Schools Emergency Relief Fund – Homeless Children and Youth – AL #84.425W

Dollar threshold used to distinguish between type A and B programs:	$750,000
Auditee qualified as a low-risk auditee?	No