Middleton School District No. 134

Year Ended June 30, 2025

Audited Financial Statements



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Quest CPAs PLLC

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, 2025, 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, 2025, 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, 2025, 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 is the responsibility of management and, 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 October 13, 2025, 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

Meridian, Idaho
October 13, 2025

MIDDLETON SCHOOL DISTRICT NO. 134

Statement of Net Position

June 30, 2025

	Governmental Activities
Assets	
Current Assets	
Cash & Investments	$28,413,034
Receivables:	
Local Sources	1,226,708
State Sources	818,580
Federal Sources	1,459,131
Inventory	70,520
Total Current Assets	31,987,973
Noncurrent Assets	
	2,914,670
Depreciable Net Capital Assets	46,686,041
Total Noncurrent Assets	49,600,711
Total Assets	81,588,684
Deferred Outflows of Resources	
Pension Items	7,005,482
Total Deferred Outflows of Resources	7,005,482
Total Assets and Deferred Outflows of Resources	$88,594,166
Liabilities	
Current Liabilities	
Accounts Payable	$15,875
Salaries & Benefits Payable	4,113,202
Unspent Grant Allocation	395,857
Accrued Interest	172,873
Long-Term Liabilities, Current	3,222,471
Total Current Liabilities	7,920,278
Noncurrent Liabilities	
Long-Term Liabilities, Noncurrent	31,407,469
Total Noncurrent Liabilities	31,407,469
Total Liabilities	39,327,747
Deferred Inflows of Resources	
Pension Items	355,396
Total Deferred Inflows of Resources	355,396
Total Liabilities and Deferred Inflows of Resources	39,683,143
Net Position	
Net Investment in Capital Assets	34,377,163
Restricted:	
Special Programs	688,695
Debt Service	5,352,122
Capital Projects	19,272,981
Unrestricted	(10,779,938)
Total Net Position	48,911,023
Total Liabilities and Deferred Inflows of Resources and Net Position	$88,594,166

MIDDLETON SCHOOL DISTRICT NO. 134

Statement of Activities

Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges For Services	Program Revenues: Operating Grants And Contributions	Program Revenues: Capital Grants And Contributions	Net (Expense) Revenue And Changes in Net Position: Governmental Activities
Governmental Activities					
Instructional Programs					
Elementary School	$7,883,900		$402,844		($7,481,056)
Secondary School	8,304,005		330,020		(7,973,985)
Alternative School	1,222,586		71,789		(1,150,797)
Vocational-Technical	11,088		11,088		0
Special Education	3,489,279		1,344,569		(2,144,710)
Special Education Preschool	263,180		23,862		(239,318)
Gifted & Talented	110,489				(110,489)
Interscholastic	395,711				(395,711)
School Activity	0				0
Summer School	85,285		53,471		(31,814)
Support Service Programs					
Attendance - Guidance - Health	1,758,234		184,910		(1,573,324)
Special Education Support Services	1,331,857		847,480		(484,377)
Instruction Improvement	1,448,400		81,885		(1,366,515)
Educational Media	238,785		35,499		(203,286)
Instruction-Related Technology	1,142,223		465,371		(676,852)
Board of Education	58,894				(58,894)
District Administration	1,098,815				(1,098,815)
School Administration	2,586,471				(2,586,471)
Business Operation	285,211				(285,211)
Buildings - Care	1,792,471				(1,792,471)
Maintenance - Non-Student Occupied	24,218				(24,218)
Maintenance - Buildings & Equipment	1,252,957				(1,252,957)
Maintenance - Grounds	513,977				(513,977)
Security	360,444		90,754		(269,690)
Pupil-To-School Transportation	2,379,996		7,141		(2,372,855)
Pupil-Activity Transportation	69,789				(69,789)
General Transportation	7,400				(7,400)
Non-Instructional Programs					
Child Nutrition	1,226,390	$334,302	611,323		(280,765)
Student Activity	1,804,552	1,690,099			(114,453)
Capital Assets	1,501,855		570,849		(931,006)
Capital Assets - Non-Student Occupied	0				0
Debt Service - Principal	0				0
Debt Service - Interest	559,344				(559,344)
Total	$43,207,806	$2,024,401	$5,132,855	$0	(36,050,550)
	General Revenues				
	Local Taxes				3,449,581
	Other Local Revenues				1,536,673
	State Revenues				55,462,620
	Federal Revenues				0
	Pension Revenue (Expense)				(6,930,184)
	Total				53,518,690
	Change in Net Position				17,468,140
	Net Position - Beginning				31,442,883
	Net Position - Ending				$48,911,023

MIDDLETON SCHOOL DISTRICT NO. 134

Balance Sheet - Governmental Funds

June 30, 2025

	General Fund	Child Nutrition Fund	Bond R & I Fund	School District Modernization Facilities Fund
Assets				
Cash & Investments	$3,536,439	$323,751	$4,749,758	$18,092,042
Receivables:				
Local Sources	551,174		675,534	
State Sources	666,635			
Federal Sources				
Due From Other Funds	1,098,417			
Inventory		70,520		
Total Assets	$5,852,665	$394,271	$5,425,292	$18,092,042
Liabilities				
Accounts Payable				
Due To Other Funds				
Salaries & Benefits Payable	$3,847,114	$111,994		
Unspent Grant Allocation				
Total Liabilities	3,847,114	111,994	$0	$0
Deferred Inflows of Resources				
Unavailable Tax Revenues	50,535		73,170	
Total Deferred Inflows of Resources	50,535	0	73,170	0
Fund Balances				
Nonspendable		70,520		
Restricted:				
Special Programs		211,757		
Debt Service			5,352,122	
Capital Projects				18,092,042
Unassigned	1,955,016			
Total Fund Balances	1,955,016	282,277	5,352,122	18,092,042
Total Liabilities and Deferred Inflows of Resources and Fund Balances	$5,852,665	$394,271	$5,425,292	$18,092,042

MIDDLETON SCHOOL DISTRICT NO. 134
Balance Sheet - Governmental Funds
June 30, 2025

	Nonmajor Governmental Funds	Total Governmental Funds
Assets		
Cash & Investments	$1,711,044	$28,413,034
Receivables:		
Local Sources	0	1,226,708
State Sources	151,945	818,580
Federal Sources	1,459,131	1,459,131
Due From Other Funds	0	1,098,417
Inventory	0	70,520
Total Assets	$3,322,120	$33,086,390
Liabilities		
Accounts Payable	$15,875	$15,875
Due To Other Funds	1,098,417	1,098,417
Salaries & Benefits Payable	154,094	4,113,202
Unspent Grant Allocation	395,857	395,857
Total Liabilities	1,664,243	5,623,351
Deferred Inflows of Resources		
Unavailable Tax Revenues	0	123,705
Total Deferred Inflows of Resources	0	123,705
Fund Balances		
Nonspendable	0	70,520
Restricted:		
Special Programs	476,938	688,695
Debt Service	0	5,352,122
Capital Projects	1,180,939	19,272,981
Unassigned	0	1,955,016
Total Fund Balances	1,657,877	27,339,334
Total Liabilities and Deferred Inflows of Resources and Fund Balances	$3,322,120	$33,086,390

MIDDLETON SCHOOL DISTRICT NO. 134
Balance Sheet - Governmental Funds
June 30, 2025

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

Total Governmental Fund Balances	$27,339,334
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.	49,600,711
Certain receivables are not available to pay for current period expenditures and therefore are deferred in the funds.	123,705
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(34,802,813)
Pension deferred outflows/inflows are not due and payable in the current period and therefore are not reported in the funds.	6,650,086
Net Position of Governmental Activities	$48,911,023

MIDDLETON SCHOOL DISTRICT NO. 134

Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
Year Ended June 30, 2025

	General Fund	Child Nutrition Fund	Bond R & I Fund	School District Modernization Facilities Fund
Revenues				
Local Taxes	$1,655,820		$1,924,787	
Other Local Revenue	903,151	$335,189	152,530	$394,019
State Revenue	34,339,596		2,260,728	18,862,296
Federal Revenue		611,323		
Total Revenues	36,898,567	946,512	4,338,045	19,256,315
Expenditures				
Instructional Programs				
Elementary School	8,996,993			
Secondary School	9,570,700			
Alternative School	1,150,797			
Vocational-Technical				
Special Education	2,144,710			
Special Education Preschool	239,318			
Gifted & Talented	110,489			
Interscholastic	395,711			
School Activity				
Summer School	31,814			
Support Service Programs				
Attendance - Guidance - Health	1,475,288			
Special Education Support Services	484,377			
Instruction Improvement	1,363,265			
Educational Media	225,658			
Instruction-Related Technology	649,580			
Board of Education	58,894			
District Administration	1,098,815			
School Administration	2,586,471			
Business Operation	285,211			
Buildings - Care	1,792,471			
Maintenance - Non-Student Occupied	23,116			
Maintenance - Buildings & Equipment	669,165			
Maintenance - Grounds	374,194			
Security	270,898			
Pupil-To-School Transportation	2,372,855			
Pupil-Activity Transportation	69,789			
General Transportation	7,400			
Non-Instructional Programs				
Child Nutrition		1,226,390		
Student Activity				
Capital Assets				770,254
Capital Assets - Non-Student Occupied				
Debt Service - Principal			3,922,132	
Debt Service - Interest			675,084	
Total Expenditures	36,447,979	1,226,390	4,597,216	770,254
Excess (Deficiency) of Revenues Over Expenditures	450,588	(279,878)	(259,171)	18,486,061
Other Financing Sources (Uses)				
Transfers In		33,710		
Transfers Out	(1,068,139)			(394,019)
Total Other Financing Sources (Uses)	(1,068,139)	33,710	0	(394,019)
Net Change in Fund Balances	(617,551)	(246,168)	(259,171)	18,092,042
Fund Balances - Beginning	2,572,567	528,445	5,611,293	0
Fund Balances - Ending	$1,955,016	$282,277	$5,352,122	$18,092,042

See Accompanying Notes

MIDDLETON SCHOOL DISTRICT NO. 134

Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
Year Ended June 30, 2025

	Nonmajor Governmental Funds	Total Governmental Funds
Revenues		
Local Taxes	$0	$3,580,607
Other Local Revenue	1,823,272	3,608,161
State Revenue	1,320,428	56,783,048
Federal Revenue	3,154,017	3,765,340
Total Revenues	6,297,717	67,737,156
Expenditures		
Instructional Programs		
Elementary School	402,844	9,399,837
Secondary School	330,020	9,900,720
Alternative School	71,789	1,222,586
Vocational-Technical	11,088	11,088
Special Education	1,344,569	3,489,279
Special Education Preschool	23,862	263,180
Gifted & Talented	0	110,489
Interscholastic	0	395,711
School Activity	0	0
Summer School	53,471	85,285
Support Service Programs		
Attendance - Guidance - Health	282,946	1,758,234
Special Education Support Services	847,480	1,331,857
Instruction Improvement	85,135	1,448,400
Educational Media	13,127	238,785
Instruction-Related Technology	492,643	1,142,223
Board of Education	0	58,894
District Administration	0	1,098,815
School Administration	0	2,586,471
Business Operation	0	285,211
Buildings - Care	0	1,792,471
Maintenance - Non-Student Occupied	1,102	24,218
Maintenance - Buildings & Equipment	583,792	1,252,957
Maintenance - Grounds	139,783	513,977
Security	89,546	360,444
Pupil-To-School Transportation	7,141	2,379,996
Pupil-Activity Transportation	0	69,789
General Transportation	0	7,400
Non-Instructional Programs		
Child Nutrition	0	1,226,390
Student Activity	1,804,552	1,804,552
Capital Assets	646,168	1,416,422
Capital Assets - Non-Student Occupied	0	0
Debt Service - Principal	0	3,922,132
Debt Service - Interest	0	675,084
Total Expenditures	7,231,058	50,272,897
Excess (Deficiency) of Revenues Over Expenditures	(933,341)	17,464,259
Other Financing Sources (Uses)		
Transfers In	1,462,059	1,495,769
Transfers Out	(33,611)	(1,495,769)
Total Other Financing Sources (Uses)	1,428,448	0
Net Change in Fund Balances	495,107	17,464,259
Fund Balances - Beginning	1,162,770	9,875,075
Fund Balances - Ending	$1,657,877	$27,339,334

MIDDLETON SCHOOL DISTRICT NO. 134
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
Year Ended June 30, 2025

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	$17,464,259
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.	(85,433)
Revenues in the statement of activities that do not provide current financial resources are deferred in the funds.	(131,026)
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.	3,922,132
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.	46,302
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.	(3,817,532)
Change in Net Position of Governmental Activities	$17,468,140

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 school district modernization facilities fund, used to account for school facility construction, renovation, and maintenance needs.

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	$579,879
Investments - Local Gov't Investment Pool	27,833,155
Total	$28,413,034

Deposits – At year end, the carrying amounts of the School's deposits were $579,879 and the bank balances were $807,561. Of the bank balances, $261,496 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	$27,833,155	$27,833,155
Total	$27,833,155	$27,833,155

Credit rate risk:

	Investment Rating Schedule	
Investment Type	Not Rated	Total
Local Gov't Invest Pool	$27,833,155	$27,833,155
Total	$27,833,155	$27,833,155

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	$551,174		$675,534	$1,226,708
Total	$551,174		$675,534	$1,226,708
State Sources				
Foundation Program	$666,635			$666,635
Special Programs		$151,945		151,945
Total	$666,635	$151,945		$818,580
Federal Sources				
Special Programs		$1,459,131		$1,459,131
Total		$1,459,131		$1,459,131

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
Construction In Progress	0	$847,226		847,226
Total	2,067,444	847,226	$0	2,914,670
Depreciable Capital Assets				
Buildings	73,101,109	493,877		73,594,986
Equipment	2,251,088	75,319		2,326,407
Subtotal	75,352,197	569,196	0	75,921,393
Accumulated Depreciation				
Buildings	25,642,190	1,458,604		27,100,794
Equipment	2,091,307	43,251		2,134,558
Subtotal	27,733,497	1,501,855	0	29,235,352
Total	47,618,700	(932,659)	0	46,686,041
Net Capital Assets	$49,686,144	($85,433)	$0	$49,600,711

Depreciation expense of $1,501,855 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	$223,033
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	1,801,762
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	871,732
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	11,800,000
Total	$14,696,527

Maturities on the bonds are estimated as follows:

Year Ended	Principal	Interest
6/30/26	$3,153,033	$490,103
6/30/27	2,935,000	328,797
6/30/28	2,955,000	210,997
6/30/29	2,980,000	92,297
6/30/30	1,801,762	21,087
6/30/31	871,732	4,739
Total	$14,696,527	$1,148,020

Changes in long-term liabilities are as follows:

Description	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
2009B QSC Bonds	$457,304		$234,271	$223,033	$223,033
2010A QSC Bonds	2,162,114		360,352	1,801,762	
2011 QSC Bonds	1,024,241		152,509	871,732	
2015 GOR Bonds	14,975,000		3,175,000	11,800,000	2,930,000
Bond Premiums	423,586		69,438	354,148	69,438
Net Pension Liability	18,845,231	$734,034		19,579,265	-
Total	$37,887,476	$734,034	$3,991,570	$34,629,940	$3,222,471

Interest and related costs during the year amounted to $559,344 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 public safety. As of June 30, 2024 it was 6.71% for general employees and 9.83% for public safety. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.18% for general employees and 13.26% for public safety. The School's contributions were $3,112,652 for the year ended June 30, 2025.

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

At June 30, 2025, the School reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, 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, 2024, the School's proportion was 0.52341951%.

For the year ended June 30, 2025, the School recognized pension revenue (expense) of ($6,930,184). At June 30, 2025, 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	$3,117,200	
Changes in assumptions or other inputs	775,630	
Net difference between projected and actual earnings on pension plan investments		$355,396
Employer contributions subsequent to the measurement date	3,112,652	
Total	$7,005,482	$355,396

$3,112,652 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, 2026.

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, 2023 the beginning of the measurement period ended June 30, 2024 is 4.6 and 4.6 for the measurement period June 30, 2024.

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	
6/30/26	($966,353)
6/30/27	(3,650,604)
6/30/28	629,540
6/30/29	449,985
Total	($3,537,432)

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 liability in the June 30, 2024 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 (COLA) 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, 2024 is based on the results of an actuarial valuation date of July 1, 2024.

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 2024.

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	$37,206,704	$19,579,265	$5,182,141

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	$1,098,417	$1,098,417
Total	$1,098,417	$1,098,417

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		$1,068,139	Reimbursement, Support
Child Nutrition	$33,710		Support
School District Modernization Facilities		394,019	Balance Transfer
Nonmajor Governmental	1,462,059	33,611	Balance Transfer, Reimbursement, Support
Total	$1,495,769	$1,495,769	

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, 2025

General Fund	Budgeted Amounts (GAAP Basis) Original	Budgeted Amounts (GAAP Basis) Final	Actual Amounts	Final Budget Variance Positive (Negative)	
Revenues					
Local Taxes	$1,740,000	$1,673,548	$1,655,820	($17,728)	
Other Local Revenue	496,000	617,000	903,151	286,151	
State Revenue	33,090,286	34,251,802	34,339,596	87,794	
Federal Revenue	0	0	0	0	
Total Revenues	35,326,286	36,542,350	36,898,567	356,217	
Expenditures					
Instructional Programs					
Elementary School	8,618,420	9,192,103	8,996,993	195,110	
Secondary School	9,502,101	9,757,241	9,570,700	186,541	
Alternative School	1,163,215	1,173,349	1,150,797	22,552	
Vocational-Technical	0	0	0	0	
Special Education	2,353,763	2,155,547	2,144,710	10,837	
Special Education Preschool	188,681	252,068	239,318	12,750	
Gifted & Talented	108,598	111,968	110,489	1,479	
Interscholastic	321,000	321,000	395,711	(74,711)	
School Activity	0	0	0	0	
Summer School	36,602	31,814	31,814	0	
Support Service Programs					
Attendance - Guidance - Health	1,470,326	1,464,712	1,475,288	(10,576)	
Special Education Support Services	771,810	646,023	484,377	161,646	
Instruction Improvement	1,454,185	1,438,813	1,363,265	75,548	
Educational Media	243,938	227,557	225,658	1,899	
Instruction-Related Technology	812,295	734,431	649,580	84,851	
Board of Education	55,650	59,095	58,894	201	
District Administration	1,027,389	1,098,097	1,098,815	(718)	
School Administration	2,555,934	2,577,068	2,586,471	(9,403)	
Business Operation	341,492	311,648	285,211	26,437	
Buildings - Care	2,012,100	1,900,997	1,792,471	108,526	
Maintenance - Non-Student Occupied	27,500	0	23,116	(23,116)	
Maintenance - Buildings & Equipment	754,801	683,346	669,165	14,181	
Maintenance - Grounds	397,721	396,392	374,194	22,198	
Security	250,000	270,600	270,898	(298)	
Pupil-To-School Transportation	2,305,500	2,453,531	2,372,855	80,676	
Pupil-Activity Transportation	60,000	64,000	69,789	(5,789)	
General Transportation	3,250	8,000	7,400	600	
Non-Instructional Programs					
Child Nutrition	35,000	35,000	0	35,000	
Student Activity	0	0	0	0	
Capital Assets	1,655,015	1,654,517	0	1,654,517	
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	38,526,286	39,018,917	36,447,979	2,570,938	*
Excess (Deficiency) of Revenues Over Expenditures	(3,200,000)	(2,476,567)	450,588	2,927,155	
Other Financing Sources (Uses)					
Transfers In	0	0	0	0	
Transfers Out	0	(96,000)	(1,068,139)	(972,139)	*
Total Other Financing Sources (Uses)	0	(96,000)	(1,068,139)	(972,139)	
Net Change in Fund Balances	(3,200,000)	(2,572,567)	(617,551)	1,955,016	
Fund Balances - Beginning	3,200,000	2,572,567	2,572,567	0	
Fund Balances - Ending	$0	$0	$1,955,016	$1,955,016	

**Total expenditures (over) under appropriations are:* $1,598,799

MIDDLETON SCHOOL DISTRICT NO. 134

Budgetary Comparison Schedule -
General and Major Special Revenue Funds
Year Ended June 30, 2025

Child Nutrition Fund	Budgeted Amounts (GAAP Basis) Original	Budgeted Amounts (GAAP Basis) Final	Actual Amounts	Final Budget Variance Positive (Negative)	
Revenues					
Other Local Revenue	$478,000	$378,250	$335,189	($43,061)	
State Revenue	0	0	0	0	
Federal Revenue	420,725	590,000	611,323	21,323	
Total Revenues	898,725	968,250	946,512	(21,738)	
Expenditures					
Support Service Programs					
Business Operation	0	0	0	0	
Non-Instructional Programs					
Child Nutrition	1,508,809	1,496,695	1,226,390	270,305	
Total Expenditures	1,508,809	1,496,695	1,226,390	270,305	*
Excess (Deficiency) of Revenues Over Expenditures	(610,084)	(528,445)	(279,878)	248,567	
Other Financing Sources (Uses)					
Transfers In	0	0	33,710	33,710	
Transfers Out	0	0	0	0	*
Total Other Financing Sources (Uses)	0	0	33,710	33,710	
Net Change in Fund Balances	(610,084)	(528,445)	(246,168)	282,277	
Fund Balances - Beginning	610,084	528,445	528,445	0	
Fund Balances - Ending	$0	$0	$282,277	$282,277	

**Total expenditures (over) under appropriations are:* $270,305

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
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%
2024	0.47223218%	$18,845,231	$20,128,811	93.62%	83.83%
2025	0.52341951%	$19,579,265	$22,603,562	86.62%	85.54%

*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
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%
2024	$2,868,392	$2,868,392	$0	$22,603,562	12.69%
2025	$3,112,652	$3,112,652	$0	$23,090,890	13.48%

MIDDLETON SCHOOL DISTRICT NO. 134

Combining Balance Sheet - Nonmajor Governmental Funds

June 30, 2025

	Special Revenue Funds			
	Go On Grant	**Local Special Projects**	**Student Activity**	**Securing Our Future**
Assets				
Cash & Investments		$51,556	$215,394	
Receivables:				
Local Sources				
State Sources				
Federal Sources	$95,738			
Due From Other Funds				
Inventory				
Total Assets	$95,738	$51,556	$215,394	$0
Liabilities				
Accounts Payable	$15,393			
Due To Other Funds	30,660			
Salaries & Benefits Payable	45,885			
Unspent Grant Allocation				
Total Liabilities	91,938	$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	3,800	51,556	215,394	
Debt Service				
Capital Projects				
Unassigned				
Total Fund Balances	3,800	51,556	215,394	0
Total Liabilities and Deferred Inflows of Resources and Fund Balances	$95,738	$51,556	$215,394	$0

MIDDLETON SCHOOL DISTRICT NO. 134
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds			
	Driver Education	**Idaho Career Ready Students Program**	**Professional Technical**	**Technology**
Assets				
Cash & Investments			$1,873	$256,442
Receivables:				
Local Sources				
State Sources		$151,945		
Federal Sources				
Due From Other Funds				
Inventory				
Total Assets	$0	$151,945	$1,873	$256,442
Liabilities				
Accounts Payable				
Due To Other Funds		$151,945		
Salaries & Benefits Payable			$1,873	$55,094
Unspent Grant Allocation				
Total Liabilities	$0	151,945	1,873	55,094
Deferred Inflows of Resources				
Unavailable Tax Revenues				
Total Deferred Inflows of Resources	0	0	0	0
Fund Balances				
Nonspendable				
Restricted:				
Special Programs				201,348
Debt Service				
Capital Projects				
Unassigned				
Total Fund Balances	0	0	0	201,348
Total Liabilities and Deferred Inflows of Resources and Fund Balances	$0	$151,945	$1,873	$256,442

MIDDLETON SCHOOL DISTRICT NO. 134
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds			
	Substance Abuse	**ESSER III**	**Title I-A ESSA IBP**	**Title I-C ESSA EMC**
Assets				
Cash & Investments	$4,840			
Receivables:				
Local Sources				
State Sources				
Federal Sources			$224,958	$107,945
Due From Other Funds				
Inventory				
Total Assets	$4,840	$0	$224,958	$107,945
Liabilities				
Accounts Payable				
Due To Other Funds			$8,519	$6,616
Salaries & Benefits Payable			9,461	1,300
Unspent Grant Allocation			206,978	100,029
Total Liabilities	$0	$0	224,958	107,945
Deferred Inflows of Resources				
Unavailable Tax Revenues				
Total Deferred Inflows of Resources	0	0	0	0
Fund Balances				
Nonspendable				
Restricted:				
Special Programs	4,840			
Debt Service				
Capital Projects				
Unassigned				
Total Fund Balances	4,840	0	0	0
Total Liabilities and Deferred Inflows of Resources and Fund Balances	$4,840	$0	$224,958	$107,945

MIDDLETON SCHOOL DISTRICT NO. 134
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds			
	IDEA Part B 611 School Age 3-21	**IDEA Part B 619 Pre-School Age 3-5**	**School Based Medicaid**	**Title IV-A ESSA SS & AE**
Assets				
Cash & Investments				
Receivables:				
Local Sources				
State Sources				
Federal Sources	$739,090	$23,862	$186,651	$11,512
Due From Other Funds				
Inventory				
Total Assets	$739,090	$23,862	$186,651	$11,512
Liabilities				
Accounts Payable				
Due To Other Funds	$711,818	$23,862	$154,119	$4,191
Salaries & Benefits Payable	3,517		32,532	
Unspent Grant Allocation	23,755			7,321
Total Liabilities	739,090	23,862	186,651	11,512
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	$739,090	$23,862	$186,651	$11,512

MIDDLETON SCHOOL DISTRICT NO. 134
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds			
	Perkins III Professional Technical Act	**IDEA Mini Grants**	**Title III ESSA ELA**	**Title II-A ESSA SEI**
Assets				
Cash & Investments				
Receivables:				
Local Sources				
State Sources				
Federal Sources	$2,971	$13,975	$8,805	$43,624
Due From Other Funds				
Inventory				
Total Assets	$2,971	$13,975	$8,805	$43,624
Liabilities				
Accounts Payable	$482			
Due To Other Funds	2,489			$4,198
Salaries & Benefits Payable				4,432
Unspent Grant Allocation		$13,975	$8,805	34,994
Total Liabilities	2,971	13,975	8,805	43,624
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	$2,971	$13,975	$8,805	$43,624

MIDDLETON SCHOOL DISTRICT NO. 134
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2025

	Capital Projects Plant Facilities Fund	Total
Assets		
Cash & Investments	$1,180,939	$1,711,044
Receivables:		
Local Sources		0
State Sources		151,945
Federal Sources		1,459,131
Due From Other Funds		0
Inventory		0
Total Assets	$1,180,939	$3,322,120
Liabilities		
Accounts Payable		$15,875
Due To Other Funds		1,098,417
Salaries & Benefits Payable		154,094
Unspent Grant Allocation		395,857
Total Liabilities	$0	1,664,243
Deferred Inflows of Resources		
Unavailable Tax Revenues		0
Total Deferred Inflows of Resources	0	0
Fund Balances		
Nonspendable		0
Restricted:		
Special Programs		476,938
Debt Service		0
Capital Projects	1,180,939	1,180,939
Unassigned		0
Total Fund Balances	1,180,939	1,657,877
Total Liabilities and Deferred Inflows of Resources and Fund Balances	$1,180,939	$3,322,120

MIDDLETON SCHOOL DISTRICT NO. 134

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds

Year Ended June 30, 2025

	Special Revenue Funds			
	Go On Grant	Local Special Projects	Student Activity	Securing Our Future
Revenues				
Local Taxes				
Other Local Revenue	$4,401	$46,587	$1,690,099	$18,049
State Revenue				
Federal Revenue	236,098			
Total Revenues	240,499	46,587	1,690,099	18,049
Expenditures				
Instructional Programs				
Elementary School	156			
Secondary School				
Alternative School	12,913			
Vocational-Technical		11,088		
Special Education				
Special Education Preschool				
Gifted & Talented				
Interscholastic				
School Activity				
Summer School	41,292			
Support Service Programs				
Attendance - Guidance - Health	263,007			10,125
Special Education Support Services				
Instruction Improvement				3,250
Educational Media		13,127		
Instruction-Related Technology				
Board of Education				
District Administration				
School Administration				
Business Operation				
Buildings - Care				
Maintenance - Non-Student Occupied				
Maintenance - Buildings & Equipment				4,000
Maintenance - Grounds				31,875
Security				
Pupil-To-School Transportation	7,141			
Pupil-Activity Transportation				
General Transportation				
Non-Instructional Programs				
Child Nutrition				
Student Activity			1,804,552	
Capital Assets				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	324,509	24,215	1,804,552	49,250
Excess (Deficiency) of Revenues Over Expenditures	(84,010)	22,372	(114,453)	(31,201)
Other Financing Sources (Uses)				
Transfers In	87,810			
Transfers Out				(26,797)
Total Other Financing Sources (Uses)	87,810	0	0	(26,797)
Net Change in Fund Balances	3,800	22,372	(114,453)	(57,998)
Fund Balances - Beginning	0	29,184	329,847	57,998
Fund Balances - Ending	$3,800	$51,556	$215,394	$0

MIDDLETON SCHOOL DISTRICT NO. 134

Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2025

	Special Revenue Funds			
	Driver Education	Idaho Career Ready Students Program	Professional Technical	Technology
Revenues				
Local Taxes				
Other Local Revenue				$41,826
State Revenue		$570,849	$204,040	489,353
Federal Revenue				
Total Revenues	$0	570,849	204,040	531,179
Expenditures				
Instructional Programs				
Elementary School				212
Secondary School			186,696	23,770
Alternative School			17,344	
Vocational-Technical				
Special Education				
Special Education Preschool				
Gifted & Talented				
Interscholastic				
School Activity				
Summer School				
Support Service Programs				
Attendance - Guidance - Health				
Special Education Support Services				
Instruction Improvement				
Educational Media				
Instruction-Related Technology				492,643
Board of Education				
District Administration				
School Administration				
Business Operation				
Buildings - Care				
Maintenance - Non-Student Occupied				
Maintenance - Buildings & Equipment				
Maintenance - Grounds				
Security				
Pupil-To-School Transportation				
Pupil-Activity Transportation				
General Transportation				
Non-Instructional Programs				
Child Nutrition				
Student Activity				
Capital Assets		570,849		
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	0	570,849	204,040	516,625
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	14,554
Other Financing Sources (Uses)				
Transfers In				
Transfers Out	(6,814)			
Total Other Financing Sources (Uses)	(6,814)	0	0	0
Net Change in Fund Balances	(6,814)	0	0	14,554
Fund Balances - Beginning	6,814	0	0	186,794
Fund Balances - Ending	$0	$0	$0	$201,348

MIDDLETON SCHOOL DISTRICT NO. 134

Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2025

	Special Revenue Funds			
	Substance Abuse	ESSER III	Title I-A ESSA IBP	Title I-C ESSA EMC
Revenues				
Local Taxes				
Other Local Revenue				
State Revenue	$56,186			
Federal Revenue		$12,817	$352,468	$150,995
Total Revenues	56,186	12,817	352,468	150,995
Expenditures				
Instructional Programs				
Elementary School		3,003	295,701	92,739
Secondary School	432		25,602	43,210
Alternative School			31,165	2,867
Vocational-Technical				
Special Education				
Special Education Preschool				
Gifted & Talented				
Interscholastic				
School Activity				
Summer School				12,179
Support Service Programs				
Attendance - Guidance - Health		9,814		
Special Education Support Services				
Instruction Improvement				
Educational Media				
Instruction-Related Technology				
Board of Education				
District Administration				
School Administration				
Business Operation				
Buildings - Care				
Maintenance - Non-Student Occupied				
Maintenance - Buildings & Equipment				
Maintenance - Grounds				
Security	54,546			
Pupil-To-School Transportation				
Pupil-Activity Transportation				
General Transportation				
Non-Instructional Programs				
Child Nutrition				
Student Activity				
Capital Assets				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	54,978	12,817	352,468	150,995
Excess (Deficiency) of Revenues Over Expenditures	1,208	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	1,208	0	0	0
Fund Balances - Beginning	3,632	0	0	0
Fund Balances - Ending	$4,840	$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, 2025

	Special Revenue Funds			
	IDEA Part B 611 School Age 3-21	**IDEA Part B 619 Pre-School Age 3-5**	**School Based Medicaid**	**Title IV-A ESSA SS & AE**
Revenues				
Local Taxes				
Other Local Revenue				
State Revenue				
Federal Revenue	$716,748	$23,862	$1,475,301	$42,705
Total Revenues	716,748	23,862	1,475,301	42,705
Expenditures				
Instructional Programs				
Elementary School				
Secondary School				6,500
Alternative School				
Vocational-Technical				
Special Education	568,427		776,142	
Special Education Preschool		23,862		
Gifted & Talented				
Interscholastic				
School Activity				
Summer School				
Support Service Programs				
Attendance - Guidance - Health				
Special Education Support Services	148,321		699,159	
Instruction Improvement				1,205
Educational Media				
Instruction-Related Technology				
Board of Education				
District Administration				
School Administration				
Business Operation				
Buildings - Care				
Maintenance - Non-Student Occupied				
Maintenance - Buildings & Equipment				
Maintenance - Grounds				
Security				35,000
Pupil-To-School Transportation				
Pupil-Activity Transportation				
General Transportation				
Non-Instructional Programs				
Child Nutrition				
Student Activity				
Capital Assets				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	716,748	23,862	1,475,301	42,705
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, 2025

	Special Revenue Funds			
	Perkins III Professional Technical Act	IDEA Mini Grants	Title III ESSA ELA	Title II-A ESSA SEI
Revenues				
Local Taxes				
Other Local Revenue				
State Revenue				
Federal Revenue	$51,225		$11,243	$80,555
Total Revenues	51,225	$0	11,243	80,555
Expenditures				
Instructional Programs				
Elementary School			11,033	
Secondary School	43,725		85	
Alternative School	7,500			
Vocational-Technical				
Special Education				
Special Education Preschool				
Gifted & Talented				
Interscholastic				
School Activity				
Summer School				
Support Service Programs				
Attendance - Guidance - Health				
Special Education Support Services				
Instruction Improvement			125	80,555
Educational Media				
Instruction-Related Technology				
Board of Education				
District Administration				
School Administration				
Business Operation				
Buildings - Care				
Maintenance - Non-Student Occupied				
Maintenance - Buildings & Equipment				
Maintenance - Grounds				
Security				
Pupil-To-School Transportation				
Pupil-Activity Transportation				
General Transportation				
Non-Instructional Programs				
Child Nutrition				
Student Activity				
Capital Assets				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	51,225	0	11,243	80,555
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, 2025

	Capital Projects Plant Facilities Fund	Total
Revenues		
Local Taxes		$0
Other Local Revenue	$22,310	1,823,272
State Revenue		1,320,428
Federal Revenue		3,154,017
Total Revenues	22,310	6,297,717
Expenditures		
Instructional Programs		
Elementary School		402,844
Secondary School		330,020
Alternative School		71,789
Vocational-Technical		11,088
Special Education		1,344,569
Special Education Preschool		23,862
Gifted & Talented		0
Interscholastic		0
School Activity		0
Summer School		53,471
Support Service Programs		
Attendance - Guidance - Health		282,946
Special Education Support Services		847,480
Instruction Improvement		85,135
Educational Media		13,127
Instruction-Related Technology		492,643
Board of Education		0
District Administration		0
School Administration		0
Business Operation		0
Buildings - Care		0
Maintenance - Non-Student Occupied	1,102	1,102
Maintenance - Buildings & Equipment	579,792	583,792
Maintenance - Grounds	107,908	139,783
Security		89,546
Pupil-To-School Transportation		7,141
Pupil-Activity Transportation		0
General Transportation		0
Non-Instructional Programs		
Child Nutrition		0
Student Activity		1,804,552
Capital Assets	75,319	646,168
Capital Assets - Non-Student Occupied		0
Debt Service - Principal		0
Debt Service - Interest		0
Total Expenditures	764,121	7,231,058
Excess (Deficiency) of Revenues Over Expenditures	(741,811)	(933,341)
Other Financing Sources (Uses)		
Transfers In	1,374,249	1,462,059
Transfers Out		(33,611)
Total Other Financing Sources (Uses)	1,374,249	1,428,448
Net Change in Fund Balances	632,438	495,107
Fund Balances - Beginning	548,501	1,162,770
Fund Balances - Ending	$1,180,939	$1,657,877

MIDDLETON SCHOOL DISTRICT NO. 134

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2025

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	202424/202525N119947	$44,404
National School Lunch Program*	10.555	202424/202525N119947	566,919
Total Child Nutrition Cluster			611,323
Total US Dept of Agriculture			611,323
US Dept of Education			
Passed Through United Way of Treasure Valley:			
Full-Service Community Schools Program	84.215J	S215J230074	236,098
Passed Through Idaho Dept of Education:			
Special Education Cluster:			
Special Education - Grants to States	84.027A	H027A250088	716,748
Special Education - Preschool Grants	84.173A	H173A240030	23,862
Total Special Education Cluster			740,610
Title I Grants to Local Educational Agencies	84.010A	S010A240012	352,468
Migrant Education - State Grant Program	84.011A	S011A240012	150,995
Career & Technical Education - Basic Grants to States	84.048A	V048A230012	51,225
English Language Acquisition State Grants	84.365A	T365A240012	11,243
Supporting Effective Instruction State Grants	84.367A	S367A240011	80,555
Student Support & Academic Enrichment	84.424A	S424A240013	42,705
COVID-19 - American Rescue Plan - Elementary and Secondary Schools Emergency Relief Fund	84.425U	S425U210043	3,003
COVID-19 - American Rescue Plan - Elementary and Secondary Schools Emergency Relief Fund – Homeless Children and Youth	84.425W	S425W210013	9,814
Total	84.425		12,817
Total US Dept of Education			1,678,716
Total Expenditures of Federal Awards			$2,290,039

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, 2025. 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 Guidance.

***C. Nonmonetary Assistance** - Included in the National School Lunch Program award is USDA food commodities stated at a fair market value of $100,935.

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, 2025, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated October 13, 2025. 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

Meridian, Idaho
October 13, 2025

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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, 2025. 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, 2025.

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 on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Quest CPAs PLLC

Meridian, Idaho
October 13, 2025

MIDDLETON SCHOOL DISTRICT NO. 134
Schedule of Findings and Questioned Costs
Year Ended June 30, 2025

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. Special Education Cluster – AL #84.027A, 84.173A	
Dollar threshold used to distinguish between type A and B programs:	$750,000
Auditee qualified as a low-risk auditee?	No