

Garden Valley School District No. 71

Year Ended June 30, 2025

Audited Financial Statements



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Quest CPAs PLLC

GARDEN VALLEY SCHOOL DISTRICT NO. 71

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Independent Auditor's Report

Board of Trustees
Garden Valley School District No. 71

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 Garden Valley School District No. 71 (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.

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 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 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 November 4, 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
November 4, 2025

GARDEN VALLEY SCHOOL DISTRICT NO. 71

Statement of Net Position

June 30, 2025

	Governmental Activities
Assets	
Current Assets	
Cash & Investments	\$4,038,940
Receivables:	
Local Sources	384,479
State Sources	0
Federal Sources	162,183
Prepaid Expenses	10,000
Total Current Assets	<u>4,595,602</u>
Noncurrent Assets	
Nondepreciable Capital Assets	405,180
Depreciable Net Capital Assets	10,530,906
Total Noncurrent Assets	<u>10,936,086</u>
Total Assets	<u>15,531,688</u>
Deferred Outflows of Resources	
Pension Items	573,450
Total Deferred Outflows of Resources	<u>573,450</u>
Total Assets and Deferred Outflows of Resources	<u>\$16,105,138</u>
Liabilities	
Current Liabilities	
Accounts Payable	\$36,009
Salaries & Benefits Payable	129,857
Unspent Grant Allocation	23,940
Accrued Interest	26,483
Long-Term Liabilities, Current	785,000
Total Current Liabilities	<u>1,001,289</u>
Noncurrent Liabilities	
Long-Term Liabilities, Noncurrent	3,083,067
Total Noncurrent Liabilities	<u>3,083,067</u>
Total Liabilities	<u>4,084,356</u>
Deferred Inflows of Resources	
Pension Items	29,008
Total Deferred Inflows of Resources	<u>29,008</u>
Total Liabilities and Deferred Inflows of Resources	<u>4,113,364</u>
Net Position	
Net Investment in Capital Assets	8,639,603
Restricted:	
Special Programs	479,311
Debt Service	1,012,101
Capital Projects	1,091,657
Unrestricted	769,102
Total Net Position	<u>11,991,774</u>
Total Liabilities and Deferred Inflows of Resources and Net Position	<u>\$16,105,138</u>

GARDEN VALLEY SCHOOL DISTRICT NO. 71

Statement of Activities Year Ended June 30, 2025

					Net (Expense) Revenue And Changes in Net Position
			Program Revenues		
			Operating	Capital	
Functions/Programs	Expenses	Charges For Services	Grants And Contributions	Grants And Contributions	Governmental Activities
Governmental Activities					
Instructional Programs					
Elementary School	\$690,560		\$62,396		(\$628,164)
Secondary School	644,998		75		(644,923)
Vocational-Technical	13,554		7,029		(6,525)
Special Education	416,501		194,342		(222,159)
Special Education Preschool	14,614		2,590		(12,024)
Gifted & Talented	0				0
Interscholastic	89,367				(89,367)
School Activity	0				0
Summer School	2,857				(2,857)
Support Service Programs					
Attendance - Guidance - Health	122,380		92,630		(29,750)
Special Education Support Services	62,979				(62,979)
Instruction Improvement	27,159		26,424		(735)
Educational Media	0				0
Instruction-Related Technology	6,558				(6,558)
Board of Education	70,742				(70,742)
District Administration	136,126				(136,126)
School Administration	60,716				(60,716)
Business Operation	143,934		1,545		(142,389)
Administrative Technology Service	69,745		55,953		(13,792)
Buildings - Care	249,998				(249,998)
Maintenance - Non-Student Occupied	20,543				(20,543)
Maintenance - Buildings & Equipment	153,140				(153,140)
Maintenance - Grounds	79,820				(79,820)
Security	0				0
Pupil-To-School Transportation	332,148				(332,148)
Pupil-Activity Transportation	30,240				(30,240)
General Transportation	0				0
Non-Instructional Programs					
Child Nutrition	163,086	\$40,104	111,344		(11,638)
Student Activity	153,981	177,487			23,506
Capital Assets	344,068				(344,068)
Capital Assets - Non-Student Occupied	0				0
Debt Service - Principal	0				0
Debt Service - Interest	135,392				(135,392)
Total	\$4,235,206	\$217,591	\$554,328	\$0	(3,463,287)
General Revenues					
					1,174,139
					210,032
					4,067,430
					0
					(340,249)
					5,111,352
Change in Net Position					
					1,648,065
Net Position - Beginning					
					10,343,709
Net Position - Ending					
					\$11,991,774

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Balance Sheet - Governmental Funds

June 30, 2025

	General Fund	Child Nutrition Fund	Bond R & I Fund	School District Modernization Facilities Fund
Assets				
Cash & Investments	\$1,632,660	\$53,323	\$823,389	\$1,091,657
Receivables:				
Local Sources	132,090		252,389	
State Sources				
Federal Sources		9,460		
Prepaid Expenditures	10,000			
Due From Other Funds	110,771			
Total Assets	<u>\$1,885,521</u>	<u>\$62,783</u>	<u>\$1,075,778</u>	<u>\$1,091,657</u>
Liabilities				
Accounts Payable	\$34,041	\$846		
Due To Other Funds				
Salaries & Benefits Payable	93,905	2,627		
Unspent Grant Allocation				
Total Liabilities	<u>127,946</u>	<u>3,473</u>	<u>\$0</u>	<u>\$0</u>
Deferred Inflows of Resources				
Unavailable Tax Revenues	32,964		63,677	
Total Deferred Inflows of Resources	<u>32,964</u>	<u>0</u>	<u>63,677</u>	<u>0</u>
Fund Balances				
Nonspendable	10,000			
Restricted:				
Special Programs		59,310		
Debt Service			1,012,101	
Capital Projects				1,091,657
Unassigned	1,714,611			
Total Fund Balances	<u>1,724,611</u>	<u>59,310</u>	<u>1,012,101</u>	<u>1,091,657</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$1,885,521</u>	<u>\$62,783</u>	<u>\$1,075,778</u>	<u>\$1,091,657</u>

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Balance Sheet - Governmental Funds

June 30, 2025

	Nonmajor Governmental Funds	Total Governmental Funds
Assets		
Cash & Investments	\$437,911	\$4,038,940
Receivables:		
Local Sources	0	384,479
State Sources	0	0
Federal Sources	152,723	162,183
Prepaid Expenditures	0	10,000
Due From Other Funds	23,730	134,501
Total Assets	\$614,364	\$4,730,103
Liabilities		
Accounts Payable	\$1,122	\$36,009
Due To Other Funds	134,501	134,501
Salaries & Benefits Payable	33,325	129,857
Unspent Grant Allocation	23,940	23,940
Total Liabilities	192,888	324,307
Deferred Inflows of Resources		
Unavailable Tax Revenues	1,475	98,116
Total Deferred Inflows of Resources	1,475	98,116
Fund Balances		
Nonspendable	0	10,000
Restricted:		
Special Programs	420,001	479,311
Debt Service	0	1,012,101
Capital Projects	0	1,091,657
Unassigned	0	1,714,611
Total Fund Balances	420,001	4,307,680
Total Liabilities and Deferred Inflows of Resources and Fund Balances	\$614,364	\$4,730,103

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

Total Governmental Fund Balances	\$4,307,680
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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.	10,936,086
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Certain receivables are not available to pay for current period expenditures and therefore are deferred in the funds.	98,116
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Long-term liabilities, including their accrued interest, are not due and payable in the current period and therefore are not reported in the funds.	(3,894,550)
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Pension deferred outflows/inflows are not due and payable in the current period and therefore are not reported in the funds.	544,442
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Net Position of Governmental Activities	<u><u>\$11,991,774</u></u>
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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	\$413,181		\$747,341	
Other Local Revenue	121,353	\$40,104	40,323	\$8,252
State Revenue	2,854,173		129,851	1,083,406
Federal Revenue		111,344		
Total Revenues	<u>3,388,707</u>	<u>151,448</u>	<u>917,515</u>	<u>1,091,658</u>
Expenditures				
Instructional Programs				
Elementary School	620,758			
Secondary School	747,298			
Vocational-Technical	4,617			
Special Education	171,319			
Special Education Preschool	12,024			
Gifted & Talented				
Interscholastic	89,367			
School Activity				
Summer School	2,857			
Support Service Programs				
Attendance - Guidance - Health	28,378			
Special Education Support Services	62,979			
Instruction Improvement	660			
Educational Media				
Instruction-Related Technology	6,558			
Board of Education	70,742			
District Administration	136,126			
School Administration	60,716			
Business Operation	142,389			
Administrative Technology Service				
Buildings - Care	249,998			
Maintenance - Non-Student Occupied	20,543			
Maintenance - Buildings & Equipment	153,140			
Maintenance - Grounds	79,820			
Security				
Pupil-To-School Transportation	332,148			
Pupil-Activity Transportation	30,240			
General Transportation				
Non-Instructional Programs				
Child Nutrition	3,724	159,362		
Student Activity				
Capital Assets				
Capital Assets - Non-Student Occupied				
Debt Service - Principal			1,820,000	
Debt Service - Interest			156,626	
Total Expenditures	<u>3,026,401</u>	<u>159,362</u>	<u>1,976,626</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	362,306	(7,914)	(1,059,111)	1,091,658
Other Financing Sources (Uses)				
Transfers In				
Transfers Out	(25,748)			
Total Other Financing Sources (Uses)	<u>(25,748)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	336,558	(7,914)	(1,059,111)	1,091,658
Fund Balances - Beginning	1,388,053	67,224	2,071,212	0
Fund Balances - Ending	<u><u>\$1,724,611</u></u>	<u><u>\$59,310</u></u>	<u><u>\$1,012,101</u></u>	<u><u>\$1,091,658</u></u>

See Accompanying Notes

GARDEN VALLEY SCHOOL DISTRICT NO. 71

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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	\$1,160,522
Other Local Revenue	275,309	485,341
State Revenue	68,120	4,135,550
Federal Revenue	317,146	428,490
Total Revenues	660,575	6,209,903
Expenditures		
Instructional Programs		
Elementary School	202,022	822,780
Secondary School	21,196	768,494
Vocational-Technical	8,937	13,554
Special Education	245,182	416,501
Special Education Preschool	2,590	14,614
Gifted & Talented	0	0
Interscholastic	0	89,367
School Activity	0	0
Summer School	0	2,857
Support Service Programs		
Attendance - Guidance - Health	94,002	122,380
Special Education Support Services	0	62,979
Instruction Improvement	26,499	27,159
Educational Media	0	0
Instruction-Related Technology	0	6,558
Board of Education	0	70,742
District Administration	0	136,126
School Administration	0	60,716
Business Operation	1,545	143,934
Administrative Technology Service	69,745	69,745
Buildings - Care	0	249,998
Maintenance - Non-Student Occupied	0	20,543
Maintenance - Buildings & Equipment	0	153,140
Maintenance - Grounds	0	79,820
Security	0	0
Pupil-To-School Transportation	0	332,148
Pupil-Activity Transportation	0	30,240
General Transportation	0	0
Non-Instructional Programs		
Child Nutrition	0	163,086
Student Activity	153,981	153,981
Capital Assets	0	0
Capital Assets - Non-Student Occupied	0	0
Debt Service - Principal	0	1,820,000
Debt Service - Interest	0	156,626
Total Expenditures	825,699	5,988,088
Excess (Deficiency) of Revenues Over Expenditures	(165,124)	221,815
Other Financing Sources (Uses)		
Transfers In	25,748	25,748
Transfers Out	0	(25,748)
Total Other Financing Sources (Uses)	25,748	0
Net Change in Fund Balances	(139,376)	221,815
Fund Balances - Beginning	559,377	4,085,866
Fund Balances - Ending	\$420,001	\$4,307,681

See Accompanying Notes

GARDEN VALLEY SCHOOL DISTRICT NO. 71
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
Year Ended June 30, 2025

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**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 \$221,815

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. (344,068)

Revenues in the statement of activities that do not provide current financial resources are deferred in the funds. 13,617

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. 1,820,000

In the statement of activities, interest is accrued on long-term debt, but the expenditure is reported when due in the governmental funds. 21,234

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. (84,533)

Change in Net Position of Governmental Activities \$1,648,065

GARDEN VALLEY SCHOOL DISTRICT NO. 71
Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity – Garden Valley School District No. 71 (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 Boise 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.

GARDEN VALLEY SCHOOL DISTRICT NO. 71
Notes to Financial Statements

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).

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 facility projects.

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.

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 paid to the general fund unless Idaho Code specifies otherwise. 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 \$20,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at

GARDEN VALLEY SCHOOL DISTRICT NO. 71
Notes to Financial Statements

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.

GARDEN VALLEY SCHOOL DISTRICT NO. 71
Notes to Financial Statements

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.

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.

GARDEN VALLEY SCHOOL DISTRICT NO. 71
Notes to Financial Statements

B. CASH AND INVESTMENTS

Cash and investments consist of the following at year end:

Cash - Deposits	\$422,733
Investments - Local Gov't Investment Pool	3,616,207
Total	<u><u>\$4,038,940</u></u>

Deposits – At year end, the carrying amounts of the School's deposits were \$422,733 and the bank balances were \$513,633. Of the bank balances, \$270,241 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 Type	Investment Maturity Schedule (In Years)	
	Less Than 1	Total
Local Gov't Invest Pool	\$3,616,207	\$3,616,207
Total	<u><u>\$3,616,207</u></u>	<u><u>\$3,616,207</u></u>

Credit rate risk:

Investment Type	Investment Maturity Schedule (In Years)	
	Less Than 1	Total
Local Gov't Invest Pool	\$3,616,207	\$3,616,207
Total	<u><u>\$3,616,207</u></u>	<u><u>\$3,616,207</u></u>

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.

GARDEN VALLEY SCHOOL DISTRICT NO. 71

Notes to Financial Statements

C. RECEIVABLES

Receivables consist of the following at year end:

	General Fund	Special Revenue Funds	Debt Service Fund	Total
Local Sources				
Local Taxes	\$132,090		\$252,389	\$384,479
Total	<u>\$132,090</u>		<u>\$252,389</u>	<u>\$384,479</u>
Federal Sources				
Special Programs		\$162,183		\$162,183
Total		<u>\$162,183</u>		<u>\$162,183</u>

D. CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Nondepreciable Capital Assets				
Land	\$405,180			\$405,180
Total	<u>405,180</u>	<u>\$0</u>	<u>\$0</u>	<u>405,180</u>
Depreciable Capital Assets				
Buildings	16,692,694			16,692,694
Equipment	281,873			281,873
Subtotal	<u>16,974,567</u>	<u>0</u>	<u>0</u>	<u>16,974,567</u>
Accumulated Depreciation				
Buildings	5,878,945	333,854		6,212,799
Equipment	220,648	10,214		230,862
Subtotal	<u>6,099,593</u>	<u>344,068</u>	<u>0</u>	<u>6,443,661</u>
Total	<u>10,874,974</u>	<u>(344,068)</u>	<u>0</u>	<u>10,530,906</u>
Net Capital Assets	<u>\$11,280,154</u>	<u>(\$344,068)</u>	<u>\$0</u>	<u>\$10,936,086</u>

Depreciation expense of \$344,068 was charged to the capital assets program.

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Notes to Financial Statements

E. LONG-TERM DEBT LIABILITIES

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

	<u>Outstanding</u>
2015 - \$8,120,000 - general obligation refunding bond for capital improvements due in annual principal installments and semiannual interest payments with interest at 3.50% - 4.13% through 2027/28, secured by future taxes, paid through the bond redemption and interest fund	<u>\$2,270,000</u>
Total	<u><u>\$2,270,000</u></u>

Maturities on the bonds are estimated as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>
6/30/26	\$785,000	\$75,100
6/30/27	815,000	43,100
6/30/28	670,000	13,400
Total	<u><u>\$2,270,000</u></u>	<u><u>\$131,600</u></u>

Changes in long-term liabilities are as follows:

<u>Description</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
2015 G.O. Bonds	\$4,090,000		\$1,820,000	\$2,270,000	\$785,000
Net Pension Liability	1,891,078		293,011	1,598,067	-
Total	<u><u>\$5,981,078</u></u>	<u><u>\$0</u></u>	<u><u>\$2,113,011</u></u>	<u><u>\$3,868,067</u></u>	<u><u>\$785,000</u></u>

Interest and related costs amounting to \$135,392 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.

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Notes to Financial Statements

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 \$255,716 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 0.04272169%.

For the year ended June 30, 2025, the School recognized pension revenue (expense) of (\$340,249). At June 30, 2025, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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Notes to Financial Statements

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$254,427	
Changes in assumptions or other inputs	63,307	
Net difference between projected and actual earnings on pension plan investments		\$29,008
Employer contributions subsequent to the measurement date	255,716	
Total	\$573,450	\$29,008

\$255,716 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	(\$78,874)
6/30/27	(297,964)
6/30/28	51,383
6/30/29	36,728
Total	(\$288,727)

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%

GARDEN VALLEY SCHOOL DISTRICT NO. 71
Notes to Financial Statements

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%

GARDEN VALLEY SCHOOL DISTRICT NO. 71

Notes to Financial Statements

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	Current	1% Increase
	(5.35%)	(6.35%)	(7.35%)
School's proportionate share of the net pension liability	<u>\$3,036,825</u>	<u>\$1,598,067</u>	<u>\$422,968</u>

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.

GARDEN VALLEY SCHOOL DISTRICT NO. 71

Notes to Financial Statements

G. INTERFUND BALANCES

Interfund balances at year end consist of the following:

	Due From Fund	
	Nonmajor Governmental	Total
Due To Fund		
General Fund	\$110,771	\$110,771
Nonmajor Governmental	23,730	23,730
Total	\$134,501	\$134,501

These interfund balances largely 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		\$25,748	Support
Nonmajor Governmental	\$25,748		Support
Total	\$25,748	\$25,748	

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.

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

General Fund	Budgeted Amounts (GAAP Basis)		Actual Amounts	Final Budget Variance
	Original	Final		Positive (Negative)
Revenues				
Local Taxes	\$414,568	\$414,568	\$413,181	(\$1,387)
Other Local Revenue	85,000	85,000	121,353	36,353
State Revenue	3,254,289	3,254,289	2,854,173	(400,116)
Federal Revenue	0	0	0	0
Total Revenues	3,753,857	3,753,857	3,388,707	(365,150)
Expenditures				
Instructional Programs				
Elementary School	676,605	676,605	620,758	55,847
Secondary School	832,783	832,783	747,298	85,485
Vocational-Technical	0	0	4,617	(4,617)
Special Education	112,581	112,581	171,319	(58,738)
Special Education Preschool	22,192	22,192	12,024	10,168
Gifted & Talented	0	0	0	0
Interscholastic	105,541	105,541	89,367	16,174
School Activity	0	0	0	0
Summer School	0	0	2,857	(2,857)
Support Service Programs				
Attendance - Guidance - Health	81,562	81,562	28,378	53,184
Special Education Support Services	102,707	102,707	62,979	39,728
Instruction Improvement	8,000	8,000	660	7,340
Educational Media	0	0	0	0
Instruction-Related Technology	75,000	75,000	6,558	68,442
Board of Education	82,215	82,215	70,742	11,473
District Administration	119,593	119,593	136,126	(16,533)
School Administration	173,369	173,369	60,716	112,653
Business Operation	167,191	167,191	142,389	24,802
Administrative Technology Service	0	0	0	0
Buildings - Care	251,723	251,723	249,998	1,725
Maintenance - Non-Student Occupied	38,500	38,500	20,543	17,957
Maintenance - Buildings & Equipment	164,250	164,250	153,140	11,110
Maintenance - Grounds	91,200	91,200	79,820	11,380
Security	0	0	0	0
Pupil-To-School Transportation	421,000	421,000	332,148	88,852
Pupil-Activity Transportation	40,000	40,000	30,240	9,760
General Transportation	0	0	0	0
Non-Instructional Programs				
Child Nutrition	5,500	5,500	3,724	1,776
Student Activity	0	0	0	0
Capital Assets	178,576	178,576	0	178,576
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	3,750,088	3,750,088	3,026,401	723,687 *
Excess (Deficiency) of Revenues				
Over Expenditures	3,769	3,769	362,306	358,537
Other Financing Sources (Uses)				
Transfers In	0	0	0	0
Transfers Out	0	0	(25,748)	(25,748) *
Total Other Financing Sources (Uses)	0	0	(25,748)	(25,748)
Net Change in Fund Balances	3,769	3,769	336,558	332,789
Fund Balances - Beginning	700,000	700,000	1,388,053	688,053
Fund Balances - Ending	\$703,769	\$703,769	\$1,724,611	\$1,020,842

*Total expenditures (over) under appropriations are:

\$697,939

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

	Budgeted Amounts (GAAP Basis)		Actual Amounts	Final Budget Variance Positive (Negative)
Child Nutrition Fund	Original	Final		
Revenues				
Other Local Revenue	\$53,000	\$53,000	\$40,104	(\$12,896)
Federal Revenue	56,954	56,954	111,344	54,390
Total Revenues	<u>109,954</u>	<u>109,954</u>	<u>151,448</u>	<u>41,494</u>
Expenditures				
Non-Instructional Programs				
Child Nutrition	204,954	204,954	159,362	45,592
Total Expenditures	<u>204,954</u>	<u>204,954</u>	<u>159,362</u>	<u>45,592</u> *
Excess (Deficiency) of Revenues				
Over Expenditures	(95,000)	(95,000)	(7,914)	87,086
Other Financing Sources (Uses)				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0 *
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	(95,000)	(95,000)	(7,914)	87,086
Fund Balances - Beginning	95,000	95,000	67,224	(27,776)
Fund Balances - Ending	<u>\$0</u>	<u>\$0</u>	<u>\$59,310</u>	<u>\$59,310</u>

*Total expenditures (over) under appropriations are: \$45,592

GARDEN VALLEY SCHOOL DISTRICT NO. 71
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	0.04912790%	\$586,752	\$1,376,059	42.64%	91.38%
2017	0.04791050%	\$971,219	\$1,401,234	69.31%	87.26%
2018	0.04356930%	\$611,889	\$1,354,635	45.17%	90.68%
2019	0.04433960%	\$654,017	\$1,426,566	45.85%	91.69%
2020	0.04325520%	\$493,746	\$1,469,121	33.61%	93.79%
2021	0.04395430%	\$1,020,677	\$1,566,998	65.14%	88.22%
2022	0.04634338%	(\$36,601)	\$1,729,472	-2.12%	100.36%
2023	0.05396443%	\$2,125,528	\$2,128,057	99.88%	83.09%
2024	0.04738748%	\$1,891,078	\$2,014,786	93.86%	83.83%
2025	0.04272169%	\$1,598,067	\$1,836,706	87.01%	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	\$158,620	\$158,620	\$0	\$1,401,234	11.32%
2017	\$153,345	\$153,345	\$0	\$1,354,635	11.32%
2018	\$161,487	\$161,487	\$0	\$1,426,566	11.32%
2019	\$166,305	\$166,305	\$0	\$1,469,121	11.32%
2020	\$187,100	\$187,100	\$0	\$1,566,998	11.94%
2021	\$206,499	\$206,499	\$0	\$1,729,472	11.94%
2022	\$254,090	\$254,090	\$0	\$2,128,057	11.94%
2023	\$240,565	\$240,565	\$0	\$2,014,786	11.94%
2024	\$233,078	\$233,078	\$0	\$1,836,706	12.69%
2025	\$255,716	\$255,716	\$0	\$1,897,003	13.48%

GARDEN VALLEY SCHOOL DISTRICT NO. 71
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2025

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	Special Revenue Funds			
	Forest Reserve	United Way Grant	A/B Compensatory Education	Student Activity
Assets				
Cash & Investments	\$144,775		\$656	\$208,759
Receivables:				
Local Sources				
State Sources				
Federal Sources		\$68,735		
Prepaid Expenditures				
Due From Other Funds				23,730
Total Assets	<u>\$144,775</u>	<u>\$68,735</u>	<u>\$656</u>	<u>\$232,489</u>
Liabilities				
Accounts Payable				\$1,122
Due To Other Funds		\$66,891		
Salaries & Benefits Payable	\$10,846	1,844		
Unspent Grant Allocation				
Total Liabilities	<u>10,846</u>	<u>68,735</u>	<u>\$0</u>	<u>1,122</u>
Deferred Inflows of Resources				
Unavailable Tax Revenues				1,475
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,475</u>
Fund Balances				
Nonspendable				
Restricted:				
Special Programs	133,929		656	229,892
Debt Service				
Capital Projects				
Unassigned				
Total Fund Balances	<u>133,929</u>	<u>0</u>	<u>656</u>	<u>229,892</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$144,775</u>	<u>\$68,735</u>	<u>\$656</u>	<u>\$232,489</u>

GARDEN VALLEY SCHOOL DISTRICT NO. 71
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2025

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	Special Revenue Funds			Title I-A ESSA IBP
	Professional Technical	Technology	Substance Abuse	
Assets				
Cash & Investments	\$675	\$48,970	\$5,879	
Receivables:				
Local Sources				
State Sources				
Federal Sources				\$12,029
Prepaid Expenditures				
Due From Other Funds				
Total Assets	\$675	\$48,970	\$5,879	\$12,029
Liabilities				
Accounts Payable				
Due To Other Funds				\$6,117
Salaries & Benefits Payable				5,912
Unspent Grant Allocation				
Total Liabilities	\$0	\$0	\$0	12,029
Deferred Inflows of Resources				
Unavailable Tax Revenues				
Total Deferred Inflows of Resources	0	0	0	0
Fund Balances				
Nonspendable				
Restricted:				
Special Programs	675	48,970	5,879	
Debt Service				
Capital Projects				
Unassigned				
Total Fund Balances	675	48,970	5,879	0
Total Liabilities and Deferred Inflows of Resources and Fund Balances	\$675	\$48,970	\$5,879	\$12,029

GARDEN VALLEY SCHOOL DISTRICT NO. 71
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2025

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	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	\$4,257			
Receivables:				
Local Sources				
State Sources				
Federal Sources	2,000	\$618	\$69,341	
Prepaid Expenditures				
Due From Other Funds				
Total Assets	<u>\$6,257</u>	<u>\$618</u>	<u>\$69,341</u>	<u>\$0</u>
Liabilities				
Accounts Payable				
Due To Other Funds		\$618	\$60,875	
Salaries & Benefits Payable	\$6,257		8,466	
Unspent Grant Allocation				
Total Liabilities	<u>6,257</u>	<u>618</u>	<u>69,341</u>	<u>\$0</u>
Deferred Inflows of Resources				
Unavailable Tax Revenues				
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances				
Nonspendable				
Restricted:				
Special Programs				
Debt Service				
Capital Projects				
Unassigned				
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$6,257</u>	<u>\$618</u>	<u>\$69,341</u>	<u>\$0</u>

GARDEN VALLEY SCHOOL DISTRICT NO. 71
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2025

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	Special Revenue Funds		Total
	Title V-B ESSA REI	Title II-A ESSA SEI	
Assets			
Cash & Investments	\$23,940		\$437,911
Receivables:			
Local Sources			0
State Sources			0
Federal Sources			152,723
Prepaid Expenditures			0
Due From Other Funds			23,730
Total Assets	<u>\$23,940</u>	<u>\$0</u>	<u>\$614,364</u>
Liabilities			
Accounts Payable			\$1,122
Due To Other Funds			134,501
Salaries & Benefits Payable			33,325
Unspent Grant Allocation	\$23,940		23,940
Total Liabilities	<u>23,940</u>	<u>\$0</u>	<u>192,888</u>
Deferred Inflows of Resources			
Unavailable Tax Revenues			1,475
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>1,475</u>
Fund Balances			
Nonspendable			0
Restricted:			
Special Programs			420,001
Debt Service			0
Capital Projects			0
Unassigned			0
Total Fund Balances	<u>0</u>	<u>0</u>	<u>420,001</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$23,940</u>	<u>\$0</u>	<u>\$614,364</u>

GARDEN VALLEY SCHOOL DISTRICT NO. 71
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2025

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	Special Revenue Funds			
	Forest Reserve	United Way Grant	A/B Compensatory Education	Student Activity
Revenues				
Local Taxes				
Other Local Revenue	\$1,516	\$92,630		\$181,163
State Revenue				
Federal Revenue	15,187			
Total Revenues	16,703	92,630	\$0	181,163
Expenditures				
Instructional Programs				
Elementary School	141,548			
Secondary School				
Vocational-Technical				
Special Education			50,840	
Special Education Preschool				
Gifted & Talented				
Interscholastic				
School Activity				
Summer School				
Support Service Programs				
Attendance - Guidance - Health		94,002		
Special Education Support Services				
Instruction Improvement				
Educational Media				
Instruction-Related Technology				
Board of Education				
District Administration				
School Administration				
Business Operation	1,545			
Administrative Technology Service				
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				153,981
Capital Assets				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	143,093	94,002	50,840	153,981
Excess (Deficiency) of Revenues Over Expenditures	(126,390)	(1,372)	(50,840)	27,182
Other Financing Sources (Uses)				
Transfers In			25,748	
Transfers Out				
Total Other Financing Sources (Uses)	0	0	25,748	0
Net Change in Fund Balances	(126,390)	(1,372)	(25,092)	27,182
Fund Balances - Beginning	260,319	1,372	25,748	202,710
Fund Balances - Ending	\$133,929	\$0	\$656	\$229,892

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GARDEN VALLEY SCHOOL DISTRICT NO. 71
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2025

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	Special Revenue Funds			
	Professional Technical	Technology	Substance Abuse	Title I-A ESSA IBP
Revenues				
Local Taxes				
Other Local Revenue				
State Revenue	\$7,029	\$56,028	\$5,063	
Federal Revenue				\$57,407
Total Revenues	<u>7,029</u>	<u>56,028</u>	<u>5,063</u>	<u>57,407</u>
Expenditures				
Instructional Programs				
Elementary School			3,067	57,407
Secondary School		75		
Vocational-Technical	8,937			
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				
Board of Education				
District Administration				
School Administration				
Business Operation				
Administrative Technology Service		69,745		
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	<u>8,937</u>	<u>69,820</u>	<u>3,067</u>	<u>57,407</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,908)	(13,792)	1,996	0
Other Financing Sources (Uses)				
Transfers In				
Transfers Out				
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	(1,908)	(13,792)	1,996	0
Fund Balances - Beginning	2,583	62,762	3,883	0
Fund Balances - Ending	<u>\$675</u>	<u>\$48,970</u>	<u>\$5,879</u>	<u>\$0</u>

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GARDEN VALLEY SCHOOL DISTRICT NO. 71
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2025

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	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	\$51,449	\$2,590	\$142,893	\$10,000
Total Revenues	<u>51,449</u>	<u>2,590</u>	<u>142,893</u>	<u>10,000</u>
Expenditures				
Instructional Programs				
Elementary School				
Secondary School				
Vocational-Technical				
Special Education	51,449		142,893	
Special Education Preschool		2,590		
Gifted & Talented				
Interscholastic				
School Activity				
Summer School				
Support Service Programs				
Attendance - Guidance - Health				
Special Education Support Services				
Instruction Improvement				10,000
Educational Media				
Instruction-Related Technology				
Board of Education				
District Administration				
School Administration				
Business Operation				
Administrative Technology Service				
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	<u>51,449</u>	<u>2,590</u>	<u>142,893</u>	<u>10,000</u>
Excess (Deficiency) of Revenues				
Over Expenditures	0	0	0	0
Other Financing Sources (Uses)				
Transfers In				
Transfers Out				
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances - Beginning	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances - Ending	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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GARDEN VALLEY SCHOOL DISTRICT NO. 71

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

	Special Revenue Funds		
	Title V-B	Title II-A	
	ESSA	ESSA	
	REI	SEI	Total
Revenues			
Local Taxes			\$0
Other Local Revenue			275,309
State Revenue			68,120
Federal Revenue	\$21,121	\$16,499	317,146
Total Revenues	<u>21,121</u>	<u>16,499</u>	<u>660,575</u>
Expenditures			
Instructional Programs			
Elementary School			202,022
Secondary School	21,121		21,196
Vocational-Technical			8,937
Special Education			245,182
Special Education Preschool			2,590
Gifted & Talented			0
Interscholastic			0
School Activity			0
Summer School			0
Support Service Programs			
Attendance - Guidance - Health			94,002
Special Education Support Services			0
Instruction Improvement		16,499	26,499
Educational Media			0
Instruction-Related Technology			0
Board of Education			0
District Administration			0
School Administration			0
Business Operation			1,545
Administrative Technology Service			69,745
Buildings - Care			0
Maintenance - Non-Student Occupied			0
Maintenance - Buildings & Equipment			0
Maintenance - Grounds			0
Security			0
Pupil-To-School Transportation			0
Pupil-Activity Transportation			0
General Transportation			0
Non-Instructional Programs			
Child Nutrition			0
Student Activity			153,981
Capital Assets			0
Capital Assets - Non-Student Occupied			0
Debt Service - Principal			0
Debt Service - Interest			0
Total Expenditures	<u>21,121</u>	<u>16,499</u>	<u>825,699</u>
Excess (Deficiency) of Revenues			
Over Expenditures	0	0	(165,124)
Other Financing Sources (Uses)			
Transfers In			25,748
Transfers Out			0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>25,748</u>
Net Change in Fund Balances	<u>0</u>	<u>0</u>	<u>(139,376)</u>
Fund Balances - Beginning	<u>0</u>	<u>0</u>	<u>559,377</u>
Fund Balances - Ending	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$420,001</u></u>

See Auditor's Report



**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
Garden Valley School District No. 71

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 Garden Valley School District No. 71 (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 November 4, 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 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
November 4, 2025