MOUNTAIN VIEW SCHOOL DISTRICT

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

JUNE 30, 2025

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INDEPENDENT AUDITORS' REPORT

To the Board of Education of the
Mountain View School District:

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of the Mountain View School District (District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of the District as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, 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.

Emphasis of Matter

As discussed in Note 8 to the financial statements, in 2025 the District adopted new accounting guidance related to compensated absences. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP; and for 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 District'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.

Auditors' Responsibilities 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 GAAS 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 GAAS 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 District'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 District'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

GAAP requires that the management's discussion and analysis on pages 7 through 16, and the required supplementary information on pages 58 through 62 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of expenditures of federal awards on page 63, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* is presented for purposes of additional analysis and is 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 to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards is 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 January 29, 2026 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Carbondale, Pennsylvania
January 29, 2026

MOUNTAIN VIEW SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025
(UNAUDITED)

This Management's Discussion and Analysis (MD&A) is intended to provide a narrative overview and analysis of the financial activities of the Mountain View School District (District) for the year ended June 30, 2025. The District's financial performance is discussed and analyzed within the context of the financial statements and the disclosures that follow. This discussion focuses on the District's financial performance as a whole; readers should review the basic financial statements and the notes to the financial statements for a better understanding of the District as a whole.

FINANCIAL HIGHLIGHTS

Total net position (deficit) of the District decreased $(2,723,715) to $(24,245,776) at June 30, 2025. Net position (deficit) of governmental activities decreased $(2,708,349) and net position of the business-type activity decreased $(15,366) from 2024. These decreases included $(1,417,406) and $(14,451) in the governmental and business-type activities, respectively, resulting from the adoption of new accounting guidance on compensated absences.

The District had $25,034,270 in expenses related to governmental activities in 2025; only $5,546,506 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes and state subsidies) of $18,196,821 were not enough to provide for these programs, resulting in a decrease in net position (deficit) of $(1,290,943).

The District's business-type activity saw a $(915) decrease in net position in 2025 as operations were stable compared to 2024.

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. These statements are prepared using the accrual basis of accounting. The focus of these statements is long-term.

The statement of net position (deficit) presents information on all of the District's assets, liabilities, and deferred outflows and inflows of resources. Over time, increases or decreases in net position (deficit) may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. To assess the District's overall health, the reader will need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

The statement of activities presents information showing how the District's net position (deficit) changed during the most recent fiscal year. All changes in net position (deficit) are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include all of the District's instructional programs and support services except for its food service operation, which is considered a business-type activity.

The government-wide financial statements can be found on pages 17-18 of this report.

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of fund financial statements is short-term. Fund financial statements are prepared using the modified accrual basis of accounting. The District uses several different types of funds, but the two most significant types are the governmental and proprietary fund types.

GOVERNMENTAL FUNDS

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and change in fund balances for the General Fund, Capital Reserve Fund, Capital Projects Fund, and Debt Service Fund.

The basic governmental fund financial statements can be found on pages 19-22 of this report.

The District adopts an annual budget for its General Fund. A budgetary comparison statement for the General Fund has been provided on page 23 of this report to demonstrate compliance with this budget.

PROPRIETARY FUND

The District accounts for its food service operation in a proprietary fund, which reports the same functions presented as business-type activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages 24-26 of this report.

FIDUCIARY FUNDS

The District accounts for its student activities custodial fund and private purpose trust fund as fiduciary funds. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The basic fiduciary fund financial statements can be found on pages 27 and 28 of this report.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-57 of this report.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District prepares a budget each year for its General fund according to Pennsylvania law. The budget complied with all applicable state laws and financial policies approved by the School Board.

The General Fund's approved budget for 2025 included revenues of $22,620,004 and expenditures and other financing uses of $22,933,907. There were no amendments made to the budget in 2025.

Actual revenues exceeded budget by $1,164,637, or 5.1%. Local source revenue exceeded budget by $566,004 led by higher than expected current real estate tax ($159,256) and delinquent real estate tax collections ($292,680). State source revenue exceeded budget by $608,980 with new funding for charter schools ($110,244), facility improvements ($350,000), and safety and mental health grants ($59,610) as well as increased transportation subsidy ($73,715) accounting for the majority of the variance. Actual federal source revenue was less than budget by $(10,347) due to the reduction of federal grants received. Actual other financing sources exceeded budget by $3,200,000 as the District issued a general obligation note to reimburse it for capital expenditures occurring in 2025 and prior years.

Actual expenditures were more than budget by $2,222,259, or 10.0%, primarily due to higher than expected health insurance costs ($167,878), professional education services ($251,382), tuition ($1,082,698), and equipment ($401,705). Actual financing uses were less than budget by $23,103 as actual debt service transfers were less than expected.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The District's condensed government-wide financial statements are presented comparatively as follows:

Condensed Statement of Net Position (Deficit)

	Governmental Activities		Business-type Activity		Total	
	6/30/2025	6/30/2024	6/30/2025	6/30/2024	6/30/2025	6/30/2024
Current and other assets	$ 5,043,868	$ 3,022,571	$ 108,803	$ 98,745	$ 5,152,671	$ 3,121,316
Capital assets	12,837,684	13,639,422	53,963	60,300	12,891,647	13,699,722
Cash held for capital projects	488,461	472,305	-	-	488,461	472,305
Deferred outflows of resources	4,216,529	4,871,025	-	-	4,216,529	4,871,025
					-	-
Total	$ 22,586,542	$ 22,005,323	$ 162,766	$ 159,045	$ 22,749,308	$ 22,164,368
Current liabilities	$ 3,728,577	$ 3,310,523	$ 81,298	$ 76,306	$ 3,809,875	$ 3,386,829
Long-term liabilities*	41,921,902	40,358,832	22,013	22,369	41,943,915	40,381,201
Deferred inflows of resources	1,241,294	1,350,256	-	-	1,241,294	1,350,256
Total	46,891,773	45,019,611	103,311	98,675	46,995,084	45,118,286
Net investment in capital assets	1,016,785	4,749,145	53,963	60,300	1,070,748	4,809,445
Restricted net position	100,324	97,700	-	-	100,324	97,700
Unrestricted net position*	(25,422,340)	(27,861,133)	5,492	70	(25,416,848)	(27,861,063)
Total	(24,305,231)	(23,014,288)	59,455	60,370	(24,245,776)	(22,953,918)
Total	$ 22,586,542	$ 22,005,323	$ 162,766	$ 159,045	$ 22,749,308	$ 22,164,368

* 2024 restated for effect of adoption of new accounting standard on compensated absences

Condensed Statement of Activities

	Governmental Activities		Business-Type Activity		Total	
	6/30/2025	6/30/2024	6/30/2025	6/30/2024	6/30/2025	6/30/2024
Program revenues						
Charges for service	$ 100,156	$ 69,865	$ 109,166	$ 91,194	$ 209,322	$ 161,059
Operating grants	5,096,350	6,004,002	644,121	665,776	5,740,471	6,669,778
Capital grants	350,000	-	-	-	350,000	-
General revenues						
Taxes levied for general purposes, net	11,014,376	10,366,274	-	-	11,014,376	10,366,274
Grants, subsidies, contributions not restricted	6,780,531	6,572,084	-	-	6,780,531	6,572,084
Investment earnings	111,495	125,378	3,572	1,880	115,067	127,258
Rental income	163,926	145,074	-	-	163,926	145,074
Miscellaneous income	126,493	162,850	-	-	126,493	162,850
Total revenues	23,743,327	23,445,527	756,859	758,850	24,500,186	24,204,377
Program expenses:						
Instruction	15,090,376	14,466,928	-	-	15,090,376	14,466,928
Instructional student support	1,873,308	1,734,791	-	-	1,873,308	1,734,791
Administrative	2,399,600	2,194,921	-	-	2,399,600	2,194,921
Operation of plant	1,956,278	1,693,041	-	-	1,956,278	1,693,041
Pupil transportation	1,588,699	1,587,102	-	-	1,588,699	1,587,102
Student activities	714,108	618,147	-	-	714,108	618,147
Interest	386,495	343,809	-	-	386,495	343,809
Depreciation	1,025,406	1,051,901	-	-	1,025,406	1,051,901
Food service	-	-	757,774	761,481	757,774	761,481
Total expenses	25,034,270	23,690,640	757,774	761,481	25,792,044	24,452,121
Change in net position	(1,290,943)	(245,113)	(915)	(2,631)	(1,291,858)	(247,744)
Net position (deficit), beginning*	(23,014,288)	(22,769,175)	60,370	63,001	(22,953,918)	(22,706,174)
Net position (deficit), ending	$ (24,305,231)	$ (23,014,288)	$ 59,455	$ 60,370	$ (24,245,776)	$ (22,953,918)

* 2024 restated for effect of adoption of new accounting standard on compensated absences

GOVERNMENTAL ACTIVITIES

Revenues increased $297,800 or 1.3%, as real estate tax revenue, state subsidies, rental income, and charges for services all increased. These were offset by lower operating grants, investment earnings and miscellaneous income. Expenditures increased $1,343,630 or 5.7%, resulting primarily from increases in tuition expense which increased $879,097 over 2024.

BUSINESS-TYPE ACTIVITY

The change in net position of the District's food service operation improved by $1,716 over 2024. Total revenues decreased $1,991 due to decreased operating grants. In 2025, the District elected to participate in the Community Eligibility Program which provides free meals to all students. Expenses decreased $3,707 primarily due to decreased food service management cost.

FINANCIAL ANALYSIS OF THE FUNDS

GENERAL FUND (MAJOR)

The following represents a summary of General Fund revenue and other financing sources, by source, along with changes from 2024:

	2025 Amount	2024 Amount	Increase (Decrease)	% Change
Local sources	$11,701,963	$11,083,063	$ 618,900	5.6%
State sources	11,696,800	11,094,433	602,367	5.4%
Federal sources	385,878	1,260,589	(874,711)	-69.4%
Other sources	3,200,000	-	3,200,000	100.0%
Total	$26,984,641	$23,438,085	$3,546,556	15.1%

LOCAL SOURCES

Local source revenues increased $618,900 or 5.6% over 2024 primarily due to higher current ($254,396) and delinquent ($301,894) real estate tax collections as well as earned income tax collections ($150,600).

STATE SOURCES

The increase in state source revenues of $602,367 or 5.4% was primarily due to a $350,000 facility improvement grant as well as higher basic education ($76,909), new charter school reimbursement ($110,244), transportation ($73,714) and state property tax reduction ($131,537) subsidies offset by lower pre-K Counts funding ($133,334).

FEDERAL SOURCES

The decrease in federal source revenues of $874,711 or 69.4% is due to the conclusion of federal pandemic grant funds. $887,193 was recognized in 2024 and none in 2025.

OTHER SOURCES

The increase in other source revenues resulted from the District's issuance of a general obligation note to reimburse it for capital expenditures occurring in 2025 and prior years.

The following represents a summary of General Fund expenditures and other financing uses, by function, along with changes from 2024:

	2025 Amount	2024 Amount	Increase (Decrease)	% Change
Instruction	$15,582,225	$15,041,174	$ 541,051	3.6%
Support services	8,194,705	8,064,158	130,547	1.6%
Noninstructional services	735,767	642,355	93,412	14.5%
Transfers out	598,410	599,599	(1,189)	-0.2%
Debt service	21,956	1,112	20,844	1874.5%
Total	$25,133,063	$24,348,398	$ 784,665	3.2%

INSTRUCTION

Instruction expenses increased $541,051 primarily due to increased tuition ($879,097) and professional educational services ($127,390). This was partially offset by decreased salaries ($55,318), health insurance ($253,209), supplies ($39,986), and equipment ($63,396).

SUPPORT SERVICES

Support services increased $130,547 due to increased salaries and benefits.

NONINSTRUCTIONAL SERVICES

Noninstructional services increased $93,412 primarily due to increased salaries, benefits and equipment.

TRANSFERS OUT

Transfers out are for debt service payments and had no significant change from 2024.

DEBT SERVICE

Debt service represents interest paid on tax anticipation notes.

DEBT SERVICE FUND (MAJOR)

The Debt Service Fund accounts for the proceeds and payments on long-term obligations. It is normally used to account for refunding of bond issues and the payment of the annual debt service on existing bonds. In 2025, the District paid $245,000 in principal and $351,595 in interest on the District's outstanding bonds and note payable. The Debt Service Fund has a fund balance of $424,565 at June 30, 2025 due to transfers made in June 2025 to cover July 2025 debt service payments.

CAPITAL RESERVE AND CAPITAL PROJECTS FUNDS (MAJOR)

The Capital Reserve Fund is legally restricted to capital improvements and related debt service under Pennsylvania state law. The Capital Projects Fund accounts for major capital projects funded through bond issues. There was no activity other than interest income in 2025 for these funds. The fund balances of the Capital Reserve Fund and Capital Project Fund were $100,324 and $388,137, respectively, at June 30, 2025.

CAPITAL ASSETS

The District's investment in capital assets as of June 30, 2025 is summarized below.

	Governmental Activities	Business-Type Activity	Total
Land	$ 6,250	$ -	$ 6,250
Construction in progress	493,678		493,678
Land improvements	2,611,008	-	2,611,008
Buildings and improvements	29,441,090	-	29,441,090
Furniture and equipment	1,434,503	229,996	1,664,499
Total	33,986,529	229,996	34,216,525
Less accumulated depreciation	(21,148,845)	(176,033)	(21,324,878)
Net	$ 12,837,684	$ 53,963	$ 12,891,647

Construction in progress consists primarily of costs incurred to upgrade the District's boilers to allow for the use of natural gas in addition to current fuel sources. The boiler upgrades are complete but the natural gas lines will not be installed until 2026.

LONG-TERM DEBT

In fiscal 2025, the District issued a $3,200,000 general obligation note (Series B of 2025) for capital improvements. The note is due in varying annual installments plus interest at rates ranging from 5.99% to 7.50%, with final maturity scheduled for 2045.

At June 30, 2025, the District's general obligation debt was $11,965,000. Debt service of $771,900 is scheduled for payment in fiscal 2026, including principal of $250,000.

ECONOMIC CONDITION AND OUTLOOK

The District is located in Susquehanna County and is largely rural and residential in nature. The District's population has remained relatively constant over the past few years. Student enrollment has also been stable in recent years and is expected to remain stable in the future.

The District has experienced modest growth of approximately 1% annually in its tax base over the past 15 years. The District anticipates future growth will continue at a similar rate. The ability to raise real estate taxes is limited by state law. Increases above the annually determined limit must either meet state approved referendum exceptions or be approved by the residents of the District through voter referendum

The District continues to experience pressure from rising salaries, benefits, and other costs. While recent increases in state funding have helped, the District continues to rely on its real estate tax levy to cover the increased costs. For fiscal 2026, the District raised its levy by 2.5% to offset some of these costs. For fiscal 2027, the District can raise taxes without state approval or voter referendum by 4.1%.

The General Fund's approved budget for 2026 includes revenue of $23,548,930 and expenditures and other financing uses of $23,547,680.

EMPLOYEE RELATIONS

The collective bargaining agreement with professional staff runs through June 30, 2029.

The collective bargaining agreement with support personnel runs through June 30, 2030.

REQUESTS FOR INFORMATION

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Office of Business Manager, Mountain View School District, 11748 State Route 106, Kingsley, PA 18826.

MOUNTAIN VIEW SCHOOL DISTRICT

STATEMENT OF NET POSITION (DEFICIT)
JUNE 30, 2025

	GOVERNMENTAL ACTIVITIES	BUSINESS - TYPE ACTIVITY	TOTAL
ASSETS & DEFERRED OUTFLOWS OF RESOURCES			
Current assets:			
Cash	$ 3,103,952	$ 133,857	$ 3,237,809
Cash held for debt service	424,565	-	424,565
Real estate taxes receivable, net	378,534	-	378,534
Due from other governments	862,531	19,247	881,778
Other receivables	219,706	257	219,963
Internal balances	54,580	(54,580)	-
Inventories	-	10,022	10,022
Total current assets	5,043,868	108,803	5,152,671
CAPITAL ASSETS	12,837,684	53,963	12,891,647
CASH HELD FOR CAPITAL PROJECTS	488,461	-	488,461
Total assets	18,370,013	162,766	18,532,779
DEFERRED OUTFLOWS OF RESOURCES - PENSION AND OPEB	4,216,529	-	4,216,529
TOTAL	$ 22,586,542	$ 162,766	$ 22,749,308
LIABILITIES, DEFERRED INFLOWS AND NET POSITION (DEFICIT)			
Current liabilities:			
Accounts payable	$ 623,620	$ 72,522	$ 696,142
Accrued salaries and benefits	2,333,456	-	2,333,456
Payroll deductions and withholdings	58,257	-	58,257
Current maturities of bonds and note payable	250,000	-	250,000
Current portion of compensated absences	208,064	2,446	210,510
Current portion of special termination benefits	54,000	-	54,000
Accrued interest	201,180	-	201,180
Unearned revenues	-	6,330	6,330
Total current liabilities	3,728,577	81,298	3,809,875
BONDS AND NOTE PAYABLE	11,959,036	-	11,959,036
OTHER POSTEMPLOYMENT BENEFITS	2,468,292	-	2,468,292
COMPENSATED ABSENCES	1,872,574	22,013	1,894,587
SPECIAL TERMINATION BENEFITS	90,000	-	90,000
NET PENSION LIABILITY	25,532,000	-	25,532,000
Total liabilities	45,650,479	103,311	45,753,790
DEFERRED INFLOWS OF RESOURCES - PENSION AND OPEB	1,241,294	-	1,241,294
NET POSITION (DEFICIT):			
Net investment in capital assets	1,016,785	53,963	1,070,748
Restricted	100,324	-	100,324
Unrestricted	(25,422,340)	5,492	(25,416,848)
Total net position (deficit)	(24,305,231)	59,455	(24,245,776)
TOTAL	$ 22,586,542	$ 162,766	$ 22,749,308

See Notes to Financial Statements

MOUNTAIN VIEW SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE 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) REVENUES AND CHANGE IN NET POSITION (DEFICIT): GOVERNMENTAL ACTIVITIES	NET (EXPENSE) REVENUES AND CHANGE IN NET POSITION (DEFICIT): BUSINESS-TYPE ACTIVITY	NET (EXPENSE) REVENUES AND CHANGE IN NET POSITION (DEFICIT): TOTAL
GOVERNMENTAL ACTIVITIES:							
Instruction	$ (15,090,376)	$ 95,756	$ 3,285,437	$ -	$ (11,709,183)		$ (11,709,183)
Instructional student support	(1,873,308)	-	229,144	-	(1,644,164)		(1,644,164)
Administration and financial support services	(2,399,600)	-	183,156	-	(2,216,444)		(2,216,444)
Operation and maintenance of plant services	(1,956,278)	-	258,114	350,000	(1,348,164)		(1,348,164)
Pupil transportation	(1,588,699)	-	1,140,499	-	(448,200)		(448,200)
Student activities	(714,108)	4,400	-	-	(709,708)		(709,708)
Interest	(386,495)	-	-	-	(386,495)		(386,495)
Depreciation	(1,025,406)	-	-	-	(1,025,406)		(1,025,406)
Total governmental activities	(25,034,270)	100,156	5,096,350	350,000	(19,487,764)		(19,487,764)
BUSINESS-TYPE ACTIVITY, FOOD SERVICE	(757,774)	109,166	644,121	-	-	$ (4,487)	(4,487)
Total	$ (25,792,044)	$ 209,322	$ 5,740,471	$ 350,000	(19,487,764)	(4,487)	(19,492,251)
GENERAL REVENUES:							
Taxes levied for general purposes, net					11,014,376	-	11,014,376
Grants, subsidies and contributions not restricted					6,780,531	-	6,780,531
Rental income					163,926	-	163,926
Miscellaneous income					126,493	-	126,493
Investment earnings					111,495	3,572	115,067
Total general revenues					18,196,821	3,572	18,200,393
CHANGE IN NET POSITION					(1,290,943)	(915)	(1,291,858)
NET POSITION (DEFICIT), BEGINNING, AS PREVIOUSLY REPORTED					(21,596,882)	74,821	(21,522,061)
ADOPTION OF NEW ACCOUNTING PRINCIPLE - NOTE 8					(1,417,406)	(14,451)	(1,431,857)
NET POSITION (DEFICIT), BEGINNING, AS RESTATED					(23,014,288)	60,370	(22,953,918)
NET POSITION (DEFICIT), ENDING					$ (24,305,231)	$ 59,455	$ (24,245,776)

See Notes to Financial Statements

MOUNTAIN VIEW SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2025

	MAJOR FUNDS				
	GENERAL	CAPITAL RESERVE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL
ASSETS:					
Cash	$ 3,103,952	$ -	$ -	$ -	$ 3,103,952
Cash held for debt service	-	-	-	424,565	424,565
Cash held for capital projects	-	100,324	388,137	-	488,461
Real estate taxes receivable, net	378,534	-	-	-	378,534
Due from other governments	862,531	-	-	-	862,531
Due from other funds	54,580	-	-	-	54,580
Other receivables	219,706	-	-	-	219,706
TOTAL	$ 4,619,303	$ 100,324	$ 388,137	$ 424,565	$ 5,532,329
LIABILITIES:					
Accounts payable	$ 623,620	$ -	$ -	$ -	623,620
Accrued salaries and benefits	2,333,456	-	-	-	2,333,456
Payroll deductions and withholdings	58,257	-	-	-	58,257
Total liabilities	3,015,333	-	-	-	3,015,333
DEFERRED INFLOWS OF RESOURCES,					
Unavailable revenue - property taxes	278,406	-	-	-	278,406
FUND BALANCES (DEFICIT):					
Restricted	-	100,324	388,137	424,565	913,026
Unassigned	1,325,564	-	-	-	1,325,564
Total fund balances (deficit)	1,325,564	100,324	388,137	424,565	2,238,590
TOTAL	$ 4,619,303	$ 100,324	$ 388,137	$ 424,565	$ 5,532,329

See Notes to Financial Statements

MOUNTAIN VIEW SCHOOL DISTRICT

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION (DEFICIT)
JUNE 30, 2025

TOTAL FUND BALANCES - GOVERMENTAL FUNDS	$ 2,238,590
Amounts reported for governmental activities in the statement of net position (deficit) are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	12,837,684
Real estate taxes receivable will not be collected soon enough to pay for the current period's expenditures and therefore are deferred in the funds	278,406
Accrued interest payable is included in the statement of net position (deficit)	(201,180)
Deferred outflows of resources related to the net pension and other postemployment liabilities are included in the statement of net position (deficit)	4,216,529
Deferred inflows of resources related to the net pension and other postemployment liabilities are included in the statement of net position (deficit)	(1,241,294)
Long-term liabilities are not due and payable in the current period, and therefore are not reported in the governmental funds:	
Bonds and note payable	(12,209,036)
Other postemployment benefits (OPEB)	(2,468,292)
Compensated absences	(2,080,638)
Special termination benefits	(144,000)
Net pension liability	(25,532,000)
TOTAL NET POSITION (DEFICIT) - GOVERNMENTAL ACTIVITIES	$ (24,305,231)

See Notes to Financial Statements

MOUNTAIN VIEW SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES (DEFICIT) - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	MAJOR FUNDS				
	GENERAL	CAPITAL RESERVE	CAPITAL PROJECTS	DEBT SERVICE	TOTALS
REVENUES:					
Local sources	$ 11,701,963	$ 2,624	$ 13,532	$ 156	$ 11,718,275
State sources	11,696,800	-	-	-	11,696,800
Federal sources	385,878	-	-	-	385,878
Total revenues	23,784,641	2,624	13,532	156	23,800,953
EXPENDITURES:					
Instruction	15,582,225	-	-	-	15,582,225
Support services	8,194,705	-	-	-	8,194,705
Noninstructional services	735,767	-	-	-	735,767
Debt service	21,956	-	-	596,595	618,551
Total expenditures	24,534,653	-	-	596,595	25,131,248
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(750,012)	2,624	13,532	(596,439)	(1,330,295)
OTHER FINANCING SOURCES (USES):					
Proceeds from issuance of bonds	3,200,000	-	-	-	3,200,000
Transfers in	-	-	-	598,410	598,410
Transfers out	(598,410)	-	-	-	(598,410)
Total other financing sources (uses)	2,601,590	-	-	598,410	3,200,000
NET CHANGE IN FUND BALANCES	1,851,578	2,624	13,532	1,971	1,869,705
FUND BALANCE (DEFICIT), BEGINNING	(526,014)	97,700	374,605	422,594	368,885
FUND BALANCE, ENDING	$ 1,325,564	$ 100,324	$ 388,137	$ 424,565	$ 2,238,590

See Notes to Financial Statements

MOUNTAIN VIEW SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES (DEFICIT) OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	$ 1,869,705
Amounts reported for governmental activities in the statement of activities are different because:	
Capital asset additions are reported as expenditures in the funds	223,668
Depreciation expense is reported in the statement of activities	(1,025,406)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This amount is the net change in revenue accrued between the prior and current year	(57,626)
Proceeds from issuance of notes are considered current financial resources and are reported in the funds but not in the statement of activities	(3,200,000)
Repayment of bonds and note payable uses current financial resources and is reported in the funds but not the statement of activities	245,000
Amortization of premium on bonds payable	10,846
Change in accrued interest payable	(23,790)
Change in total OPEB liability and related deferred outflows and inflows of resources	40,777
Change in compensated absences	(218,593)
Change in special termination benefits	32,476
Change in net pension liability and related deferred outflows and inflows of resources	812,000
CHANGE IN NET POSITION (DEFICIT) OF GOVERNMENTAL ACTIVITIES	$ (1,290,943)

See Notes to Financial Statements

MOUNTAIN VIEW SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE (DEFICIT
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:			
Local sources	$ 11,135,959	$11,701,963	$ 566,004
State sources	11,087,820	11,696,800	608,980
Federal sources	396,225	385,878	(10,347)
Total revenues	22,620,004	23,784,641	1,164,637
EXPENDITURES:			
Instruction	14,412,390	15,582,225	(1,169,835)
Support services	7,308,743	8,194,705	(885,962)
Noninstructional services	591,261	735,767	(144,506)
Debt service	-	21,956	(21,956)
Total expenditures	22,312,394	24,534,653	(2,222,259)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	307,610	(750,012)	(1,057,622)
OTHER FINANCING SOURCES (USES):			
Proceeds from issuance of bonds	-	3,200,000	3,200,000
Interfund transfers	(621,513)	(598,410)	23,103
Total other financing sources (uses)	(621,513)	2,601,590	3,223,103
NET CHANGE IN FUND BALANCE	(313,903)	1,851,578	2,165,481
FUND BALANCE, BEGINNING	384,299	(526,014)	(910,313)
FUND BALANCE (DEFICIT), ENDING	$ 70,396	$ 1,325,564	$ 1,255,168

See Notes to Financial Statements

MOUNTAIN VIEW SCHOOL DISTRICT

STATEMENT OF NET POSITION - PROPRIETARY FUND
JUNE 30, 2025

ASSETS

CURRENT ASSETS:	
Cash	$ 133,857
Due from other governments	19,247
Other receivables	257
Inventories	10,022
Total current assets	163,383
CAPITAL ASSETS	53,963
TOTAL	$ 217,346

LIABILITIES AND NET POSITION

CURRENT LIABILITIES:	
Due to other funds	$ 54,580
Accounts payable	72,522
Unearned revenues	6,330
Current portion of compensated absences	2,446
Total current liabilities	135,878
COMPENSATED ABSENCES	22,013
Total liabilities	157,891
NET POSITION:	
Invested in capital assets	53,963
Unrestricted	5,492
Total net position	59,455
TOTAL	$ 217,346

See Notes to Financial Statements

MOUNTAIN VIEW SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION - PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2025

OPERATING REVENUES,	
Food service revenue	$ 109,166
OPERATING EXPENSES:	
Salaries	93,093
Employee benefits	87,413
Purchased property services	10,461
Other purchased services	509,861
Supplies	37,318
Depreciation	6,337
Other property	12,681
Other	610
Total operating expenses	757,774
OPERATING LOSS	(648,608)
NONOPERATING REVENUES:	
Earnings on investments	3,572
State sources	67,672
Federal sources	576,449
Total nonoperating revenues	647,693
CHANGE IN NET POSITION	(915)
NET POSITION, BEGINNING, AS PREVIOUSLY REPORTED	74,821
ADOPTION OF NEW ACCOUNTING PRINCIPLE - NOTE 8	(14,451)
NET POSITION, BEGINNING, AS ADJUSTED	60,370
NET POSITION, ENDING	$ 59,455

See Notes to Financial Statements

MOUNTAIN VIEW SCHOOL DISTRICT

STATEMENT OF CASH FLOWS -
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from users	$ 109,854
Cash payments to employees for services	(150,094)
Cash paid to suppliers for goods and services	(531,462)
Net cash used in operating activities	(571,702)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
State sources	42,149
Federal sources	465,386
Net cash provided by noncapital financing activities	507,535
CASH FLOWS FROM INVESTING ACTIVITIES,	
Earnings on investments	3,572
CHANGE IN CASH	(60,595)
CASH, BEGINNING	194,452
CASH, ENDING	$ 133,857
SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS,	
USDA donated commodities	$ 31,830
RECONCILIATION OF OPERATING LOSS TO NET CASH	
USED IN OPERATING ACTIVITIES:	
Operating loss	$ (648,608)
Adjustments to reconcile operating loss to net	
cash used in operating activities:	
Depreciation	6,337
USDA donated commodities	31,830
Increase or decrease in:	
Other receivables	(257)
Due to other funds	29,044
Inventory	5,316
Accounts payable	2,323
Unearned revenues	1,103
Compensated absences	1,210
Net cash used in operating activities	$ (571,702)

See Notes to Financial Statements

MOUNTAIN VIEW SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2025

	PRIVATE PURPOSE TRUST FUND	CUSTODIAL FUND
ASSETS		
CASH	$ 24,148	$ 107,366
LIABILITIES AND NET POSITION		
NET POSITION:		
Restricted for scholarships	$ 24,148	$ -
Restricted for student activities	-	107,366
TOTAL	$ 24,148	$ 107,366

See Notes to Financial Statements

MOUNTAIN VIEW SCHOOL DISTRICT

STATEMENT OF CHANGE IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	PRIVATE PURPOSE TRUST FUND	CUSTODIAL FUND
ADDITIONS:		
Student activity revenues	$ -	$ 218,218
Investments earnings	661	-
Total additions	661	218,218
DEDUCTIONS:		
Scholarships	1,000	-
Student activity expenses	-	219,277
Total deductions	1,000	219,277
CHANGE IN NET POSITION	(339)	(1,059)
NET POSITION, BEGINNING	24,487	108,425
NET POSITION, ENDING	$ 24,148	$ 107,366

See Notes to Financial Statements

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The major accounting principles and practices followed by the Mountain View School District (District) are summarized below:

NATURE OF OPERATIONS

The District provides elementary and secondary education to the residents of the following municipalities:

Harford Township	Lenox Township	Clifford Township
Lathrop Township	Brooklyn Township	Hop Bottom Borough
Gibson Township		

The District assesses the taxpayers of these municipalities based upon taxing powers at its disposal. The ability of the District's taxpayers to pay their assessments is dependent upon economic and other factors affecting the taxpayers.

REPORTING ENTITY

The reporting entity has been defined in accordance with the criteria established in Governmental Accounting Standards Board (GASB) Statement No. 14, as amended. The specific criteria used in determining whether other organizations should be included in the District's financial reporting entity are financial accountability, fiscal dependency, and legal separation.

Based on these criteria, the District has determined that there are no related organizations that should be included in the District's financial statements, nor is the District considered to be a component unit of any other government.

BASIS OF PRESENTATION – GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements include the statement of net position (deficit) and the statement of activities. These financial statements report financial information for the District as a whole, excluding fiduciary activities, on a full accrual, economic resource basis. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and District general revenues, from business-type activities, generally financed in whole or in part with fees charged to customers. The District's General, Capital Reserve, Capital Projects, and Debt Service Funds are classified as governmental activities. The District's Food Service Fund is classified as a business-type activity.

The statement of activities reports the expenses of a given function or program offset by program revenues directly connected with that function or program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include (1) charges for services to users of the District's services, (2) operating grants and contributions that finance annual operating activities and (3) capital grants and contributions that fund the acquisition, construction or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

BASIS OF PRESENTATION – FUND FINANCIAL STATEMENTS

The accounts of the District are organized on the basis of funds, each of which constitutes a separate accounting entity. The operations of each fund are accounted for within a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures/expenses. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent. The District uses the following fund types:

GOVERNMENTAL FUND TYPES

Governmental funds are those through which most governmental functions of the District are financed. The acquisition, use and balances of the District's expendable financial resources and the related liabilities are accounted for through governmental funds. The following is a description of the governmental funds of the District:

GENERAL FUND (MAJOR)

The General Fund accounts for the general operations of the District and all financial transactions not accounted for in another fund.

CAPITAL PROJECTS FUNDS

Capital Projects fund accounts for financial resources that are restricted, committed, or assigned to expenditure for capital outlays. The District uses the following Capital Project sub-funds which it has elected to report as major funds:

CAPITAL RESERVE FUND (MAJOR)

The Capital Reserve Fund was established under the Pennsylvania Municipal Code to account for (1) moneys transferred during any fiscal year from appropriations made for any particular purpose which may not be needed, (2) surplus moneys in the General Fund of the District at the end of a fiscal year, and (3) interest earnings of the fund itself. Bond proceeds and other local, state, and federal revenue may not be deposited in this fund. No transfers out of this fund are allowable for any purpose. Expenditures from this fund are limited to capital improvements, replacement and additions to public works and improvements, for deferred maintenance, for the purchase or replacement of school buses, and for no other purpose.

OTHER CAPITAL PROJECTS FUND (MAJOR)

The Capital Projects Fund accounts for the financial resources to be used for acquisition, renovation or construction of major capital facilities.

DEBT SERVICE FUND (MAJOR)

The Debt Service Fund accounts for resources accumulated for the purpose of funding general long-term obligations.

PROPRIETARY FUND TYPE

Proprietary funds account for the operations of the District that are financed and operated in a manner similar to those often found in the private sector. The fund included in this category is the Food Service Fund, which accounts for the food service operations of the District. The Food Service Fund distinguishes between operating revenues and expenses and nonoperating items. Operating revenues consist of charges for food served. Operating expenses consist mainly of food and food preparation costs, supplies and other direct costs. All other revenues and expenses are reported as nonoperating.

FIDUCIARY FUND TYPES

Fiduciary funds account for the assets held by the District as a trustee or agent for individuals, private organizations and/or other governmental units. The funds included in this category are:

CUSTODIAL FUND

The Custodial Fund accounts for assets held, collected, and disbursed on behalf of various student activities and clubs.

PRIVATE PURPOSE TRUST FUND

The Private Purpose Trust Fund accounts for the activity of various scholarship funds that provide scholarship grants to students of the District.

MEASUREMENT FOCUS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are prepared using the economic resources measurement focus. With this measurement focus, assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the District are included on the statement of net position (deficit). The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenses) in the District's total net position (deficit).

FUND FINANCIAL STATEMENTS

Governmental funds are accounted for using the current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Proprietary funds are accounted for using the economic resources measurement focus.

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.

ACCRUAL BASIS

Government-wide financial statements and the proprietary and fiduciary fund type financial statements are prepared using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. Tax revenues are recognized in the year levied while grant revenue is recognized when grantor eligibility requirements are met.

MODIFIED ACCRUAL BASIS

Governmental funds use the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when susceptible to accrual (i.e., 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 soon enough thereafter to be used to pay the liabilities of the current period. The District considers property and other taxes as available if they are collected within 60 days after year-end. Expenditures, other than principal and interest on bonds payable, compensated absences, pension and other postemployment benefits, and claims and judgments, are recorded when the related fund liability is incurred. Principal and interest on bonds payable, compensated absences, pension and other postemployment benefits, and claims and judgments are recorded as fund liabilities when due and unpaid.

The District reports unearned revenue in both the government-wide and fund financial statements. Unearned revenue arises when potential revenues do not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues may also arise when the District receives resources before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized.

ALLOCATION OF INDIRECT EXPENSES

The District does not allocate any indirect expenses, including depreciation.

BUDGETARY DATA

An operating budget is adopted each year for the General Fund on the modified accrual basis of accounting. The District utilizes the Executive Budget approach to budgetary control. This approach requires the administration to prepare and submit a plan of financial operation to the Board of Education.

INVENTORIES

Food Service inventories are valued at the lower of cost (first-in, first-out method) or market except for donated inventories, which are valued at fair market value as determined by the U.S. Department of Agriculture at the date of donation.

CASH HELD FOR CAPITAL PROJECTS

Cash held for capital projects consist of money market funds restricted for the acquisition of capital assets.

CAPITAL ASSETS

General capital assets are those assets not specifically related to activities reported in the proprietary fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position (deficit) but are not reported in the fund financial statements. Capital assets used by the Food Service Fund are reported both in the business-type activity of the government-wide statement of net position (deficit) and in the fund financial statements.

All capital assets are stated at cost or estimated cost, net of accumulated depreciation. Donated capital assets are reported at their fair value at date of receipt. The District maintains a capitalization threshold of $5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All capital assets except land and construction in progress are depreciated. Land is never depreciated. Construction in progress costs are accumulated until the project is complete and placed in service. At that time, the costs are transferred to the appropriate asset class and depreciation begins.

Depreciation is computed using the straight-line method over the following estimated useful lives:

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITY
Land improvements	15 – 20 years	N/A
Buildings and improvements	30 – 50 years	N/A
Furniture and equipment	5 – 20 years	5 - 15 years

The District does not have any infrastructure capital assets.

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District reports certain changes in its net pension/OPEB liabilities in the government-wide statement of net position (deficit) in this category.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue or reduction of expense) until that time. Under the modified accrual basis of accounting, the District has an item that qualifies for reporting in this category. Accordingly, the item, unavailable revenues, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from real estate taxes not yet collected which are deferred and recognized as an inflow of resources in the period that the amounts become available. The District also reports certain changes in its net pension/OPEB liabilities in the government-wide statement of net position (deficit) in this category.

COMPENSATED ABSENCES

The District’s collective bargaining agreements with its professional and support employees specify the sick leave and vacation leave policies. Administrative personnel, while not party to these agreements, are provided similar benefits. The agreements generally provide for payment of accumulated sick leave based upon fixed rates specified in the agreements. Vacation leave is available only to administrative and twelve month support employees and may be accumulated subject to limitations.

PENSIONS/OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The District provides eligible employees with retirement and OPEB benefits through the Public School Employees' Retirement System (PSERS), a governmental cost-sharing multiple-employer defined benefit pension plan. PSERS was established as of July 18, 1917, under the provisions of Public Law 1043, No. 343. In addition, the District provides eligible employees with OPEB benefits through a single employer defined benefit plan sponsored by the District (District Plan).

For purposes of measuring the PSERS net pension and OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the PSERS pension and OPEB plans, and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by PSERS. 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.

GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

Fund balances are classified on the level of constraints placed on the usage of fund resources as follows:

- *Nonspendable* fund balances are amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The District has no nonspendable fund balances.

- *Restricted* fund balances are amounts that are restricted to specific purposes by constraints placed on their use that are externally imposed by creditors, grantors, contributions, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

- *Committed* fund balances are amounts that can only be used for specific purposes imposed by formal resolution of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specific use by taking the same action it employed to previously commit the amounts.

- *Assigned* fund balances are amounts constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. The Board of Education has designated the Business Manager to assign fund balance amounts as deemed financially necessary and appropriate.

- *Unassigned* fund balance is a residual classification and represents amounts that have not been assigned to other funds, and has not been restricted, committed, or assigned to a specific purpose within the General Fund.

ELIMINATIONS AND INTERNAL BALANCES

Transactions and balances between governmental activities have been eliminated in the government-wide financial statements. Residual amounts due between governmental and business-type activities are labeled "internal balances" on the statement of net position (deficit).

USE OF RESTRICTED RESOURCES

When an expenditure is incurred that can be paid using either restricted or unrestricted resources, the District's policy is to use restricted resources first, and then unrestricted resources as needed.

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. DEPOSITS

The Pennsylvania Public School Code of 1949, as amended, permits the District to invest only in certain types of investments. The District's deposits and investments adhere to these statutes.

Deposits are exposed to custodial credit risk if they are not covered by depository insurance. The District does not have a formal policy for custodial credit risk. At June 30, 2025, the bank balance of the District's deposits with financial institutions, including cash equivalents, was $4,322,754 compared to the carrying amount of $4,282,349. The difference is primarily due to items in transit and outstanding checks. $4,072,754 of the District's deposits were exposed to custodial credit risk. $424,205 of this amount was uninsured and collateralized by securities pledged by the financial institution for such funds in the District's name. $3,648,549 was uninsured and collateralized by securities pledged by the financial institutions for such funds but not in the District's name in accordance with Commonwealth of Pennsylvania Act 72 of 1971, as amended.

3. REAL ESTATE TAXES/TAXES RECEIVABLE

The tax on real estate, as levied by the Board of Education, was 50.4404 mills ($50.4404 per $1,000 of assessed valuation) in Susquehanna County. Susquehanna County determines the assessed valuation of property and the elected tax collectors are responsible for collection. The schedule for real estate taxes levied for each fiscal year is as follows:

July 1	Levy Date
July 1 – August 31	2% discount period
September 1 – October 31	Face payment period
November 1 – December 31	10% penalty period
January 1	Lien date

Delinquent real estate taxes receivable at June 30, 2025 amounted to $378,534. The amount of taxes receivable is reported net of an allowance for doubtful collections of $42,059.

4. DUE FROM OTHER GOVERNMENTS

The amount reported in the General Fund at June 30, 2025 as due from other governments is summarized below:

Pennsylvania Department of Education (PDE):	
State source revenue	$ 790,449
Federal source revenue	20,730
Pennsylvania Commission on Crime and Delinquency	44,938
County of Susquehanna	6,414
Total	$ 862,531

The amount reported in the Food Service Fund as due from other governments of $19,247 represents $1,441 due from the PDE for state meal subsidies as well as $17,806 in federal funds passed through the PDE.

5. CAPITAL ASSETS

The changes in the District's capital assets in 2025 are summarized as follows:

	BALANCE JULY 1, 2024	INCREASE	DECREASE/ TRANSFERS	BALANCE JUNE 30, 2025
Governmental activities:				
Cost:				
Land	$ 6,250	$ -	$ -	$ 6,250
Construction in progress	321,529	172,149	-	493,678
Land improvements	2,601,233	9,775	-	2,611,008
Buildings and improvements	29,411,090	30,000	-	29,441,090
Furniture and equipment	1,475,237	11,744	(52,478)	1,434,503
Total cost	33,815,339	223,668	(52,478)	33,986,529
Less accumulated depreciation:				
Land improvements	(1,622,245)	(90,139)	-	(1,712,384)
Buildings and improvements	(17,242,832)	(888,195)	-	(18,131,027)
Furniture and equipment	(1,310,840)	(47,072)	52,478	(1,305,434)
Total accumulated depreciation	(20,175,917)	(1,025,406)	52,478	(21,148,845)
Governmental activities capital assets, net	$13,639,422	$ (801,738)	$ -	$12,837,684
Business-type activity:				
Furniture and equipment	$ 229,996	$ -	$ -	$ 229,996
Less accumulated depreciation	(169,696)	(6,337)	-	(176,033)
Business-type activity capital assets, net	$ 60,300	$ (6,337)	$ -	$ 53,963

Construction in progress consists primarily of costs incurred to upgrade the District's boilers to allow for the use of natural gas in addition to current fuel sources. The boiler upgrades are complete but the natural gas lines will not be installed until 2026.

6. BONDS AND NOTE PAYABLE

In fiscal 2018, the District issued $9,930,000 of general obligation bonds (Series of 2018) to finance various capital improvements. These bonds are due in varying annual installments plus interest at rates ranging from 1.9% to 5.0%, with final maturity scheduled for 2048.

In fiscal 2025, the District issued a $3,200,000 general obligation note (Series B of 2025) for capital improvements. The note is due in varying annual installments plus interest at rates ranging from 5.99% to 7.50%, with final maturity scheduled for 2045.

The following summarizes the changes in bonds and note payable in 2025:

	BALANCE JULY 1, 2024	INCREASE	DECREASE	BALANCE JUNE 30, 2025
Series of 2018	$ 9,010,000	$ -	$ (245,000)	$ 8,765,000
Series B of 2025	-	3,200,000	-	3,200,000
Total principal	9,010,000	3,200,000	(245,000)	11,965,000
Premiums	254,882	-	(10,846)	244,036
Total	$ 9,264,882	$ 3,200,000	$ (255,846)	$ 12,209,036

Total interest paid on these bonds and note in 2025 was $351,595. No interest is reported as a direct expense in the statement of activities.

The following summarizes the District's future debt service requirements as of June 30, 2025:

YEAR ENDING JUNE 30	PRINCIPAL	INTEREST	TOTAL
2026	$ 250,000	$ 521,900	$ 771,900
2027	360,000	526,877	886,877
2028	377,000	512,896	889,896
2029	393,000	497,908	890,908
2030	406,000	481,225	887,225
2031-2035	2,115,000	2,325,727	4,440,727
2036-2040	2,685,000	1,759,326	4,444,326
2041-2045	3,441,000	1,005,375	4,446,375
2046-2048	1,938,000	137,488	2,075,488
TOTAL	$11,965,000	$ 7,768,722	$ 19,733,722

7. SHORT-TERM BORROWING

The District issued a $2,000,000 tax and revenue anticipation note in July 2024 that bore interest at a rate of 4.94%. The District repaid the balance in September 2024. Interest paid was $21,956.

8. COMPENSATED ABSENCES

The changes in the District's compensated absences in 2025 are summarized as follows:

	Governmental Activities	Business-Type Activity
Balance, July 1, 2024, as restated	$1,862,045	$ 23,249
Net change	218,593	1,210
Balance, June 30, 2025	2,080,638	24,459
Less current portion	208,064	2,446
Long-term compensated absences	$1,872,574	$ 22,013

The District adopted the provisions of GASB Statement No. 101, *Compensated Absences*, effective July 1, 2024. GASB 101 required the District to recognize a liability for leave that is more likely than not to be used for time off or settled in cash. Previously, the District had generally recognized a liability only for leave expected to be paid upon retirement. The adoption of GASB 101 increased the District's liability for compensated absences by $1,417,406 in its governmental activities and $14,451 in the business-type activities and proprietary fund and decreased the District's net position (deficit) at the beginning of the year by the same amounts.

9. SPECIAL TERMINATION BENEFITS

The District's agreement with its teachers provides an early retirement incentive for those employees who retire with a specified level of service to the District and with PSERS. The District pays eligible employees $6,000 annually for 7 years. 9 retirees are receiving this benefit as of June 30, 2025. Payments are made from General Fund.

Changes in the special termination benefits liability in 2025 were as follows:

Balance, July 1, 2024	$ 186,000
Additions	-
Payments	(42,000)
Balance, June 30, 2025	144,000
Less current portion	54,000
Long-term special termination benefits	$ 90,000

10. RETIREMENT PLAN

PLAN DESCRIPTION

PSERS is a governmental cost-sharing multiple-employer defined benefit pension plan that provides retirement benefits to public school employees of the Commonwealth of Pennsylvania. The members eligible to participate in PSERS include all full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. PSERS issues a publicly available financial report that can be obtained at www.pa.gov/PSERS

BENEFITS PROVIDED

PSERS provides retirement, disability, and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least 1 year of credited service; (b) age 60 with 30 or more years of credited service; or (c) 35 or more years of service regardless of age. Act 120 of 2010 (Act 120) preserves the benefits of existing members and introduced benefit reductions for individuals who become new members on or after July 1, 2011. Act 120 created two new membership classes: Class T-E and Class T-F. To qualify for normal retirement, Class T-E and Class T-F members must work until age 65 with a minimum of 3 years of service or attain a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service.

Act 5 of 2017 (Act 5) introduced a hybrid benefit with two membership classes and a separate defined contribution plan for individuals who become new members on or after July 1, 2019. Act 5 created two new hybrid membership classes, Membership Class T-G (Class T-G) and Membership Class T-H (Class T-H) and the separate defined contribution membership class, Membership Class DC (Class DC). To qualify for normal retirement, Class T-G and Class T-H members must work until age 67 with a minimum of 3 years of credited service. Class T-G may also qualify for normal retirement by attaining a total combination of age and service that is equal to or greater than 97 with a minimum of 35 years of credited service.

Benefits are generally between 1% to 2.5%, depending on membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service. For members whose membership started joined prior to July 1, 2011, after completion of 5 years of service, a member's right to the defined benefits is vested and early retirement benefits may be elected. For Class T-E and Class T-F members, the right to benefits is vested after 10 years of service.

Participants are eligible for disability retirement benefits after completion of 5 years of credited service. Such benefits are generally equal to 2% or 2.5%, depending upon membership class, of the member's final average (as defined in the Code) salary multiplied by the number of years of credited service, but not less than one-third of such salary nor greater than the benefit the member would have had at normal retirement age. Members over normal retirement age may apply for disability benefits.

Death benefits are payable upon death of an active member who has reached age 62 with at least 1 year of credited service (age 65 with at least 3 years of credited service for Class T-E and Class T-F members) or who has at least 5 years of credited service (10 years for Class T-E and Class T-F members). Such benefits are actuarially equivalent to the benefit that would have been effective of the member had retired on the day before death.

MEMBER CONTRIBUTIONS

Active members who joined PSERS prior to July 22, 1983 contribute 5.25% (Membership Class T-C) or 6.50% (Membership Class T-D) of the member's qualifying compensation.

Members who joined PSERS on or after July 22, 1983, contribute 6.25% (Membership Class T-C) or 7.50% (Membership Class T-D) of the member's qualifying compensation.

Members who joined PSERS on or after July 1, 2011 who elected Membership Class T-E or T-F contribute 7.50% or 10.30% (base rates), respectively, of the member's qualifying compensation. Class T-E and Class T-F members are affected by a "shared risk" provision that in future fiscal years could cause the Class T-E contribution rate to fluctuate between 5.50% and 9.50% and the Class T-F contribution rate to fluctuate between 8.30% and 12.30%. The contribution rates for Class T-E and T-F are 8.00% and 10.80%, respectively, for periods after July 1, 2021 due to the shared risk provision.

Members who joined PSERS after June 30, 2019 and elected Membership Class T-G or T-H contribute 5.50% or 4.50% (base rates), respectively, of the member's qualifying compensation. Class T-G and Class T-H members are also subject to the shared risk provision that in future fiscal years could cause the Class T-G contribution rate to fluctuate between 2.50% and 8.50% and the Class T-H contribution rate to fluctuate between 1.50% and 7.50%. The contribution rates for Class T-G and T-H are 6.25% and 5.25%, respectively, for periods after July 1, 2021 due to the shared risk provision. In addition, these members contribute 2.75% (Class T-G) and 3.00% (Class T-H) to a defined contribution plan.

DISTRICT CONTRIBUTIONS

The District's contractually required contribution rate for PSERS for the fiscal year ended June 30, 2025 was 32.92% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to PSERS from the District were approximately $3,177,000 for the year ended June 30, 2025.

PENSION LIABILITIES, PENSION EXPENSE, DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

At June 30, 2025, the District reported a liability of $25,532,000 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 rolling forward the total pension liability as of June 30, 2023 to June 30, 2024. The District's proportion of the net pension liability as calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2025, the District's proportion was .0610%, which was an increase of .0007% from its proportion calculated as of June 30, 2024.

For the year ended June 30, 2025, the District recognized pension expense of $2,365,000. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	$ 422,000	$ -
Changes in proportion	227,000	212,000
Changes in assumptions	-	-
Difference between expected and actual experience	-	401,000
Contributions after the measurement date	3,177,000	-
Total	$3,826,000	$ 613,000

The District will recognize the $3,177,000 reported as deferred outflows of resources resulting from pension contributions after the measurement date as a reduction of the net pension liability in the year ended June 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

YEAR ENDING JUNE 30	
2026	$ (725,000)
2027	659,000
2028	188,000
2029	(86,000)
Total	$ 36,000

CHANGES IN ACTUARIAL ASSUMPTIONS

The total pension liability as of June 30, 2024 was determined by rolling forward the total pension liability as of June 30, 2023 to June 30, 2024 using the following actuarial assumptions, applied to all periods included in the measurement:

- Valuation date – June 30, 2023.
- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return - 7.00%, includes inflation at 2.50%.
- Salary growth – Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.

- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- The discount rate used to measure the Total Pension Liability was 7.00% as of June 30, 2023 and 2024.
- Demographic and economic assumptions approved by the PSERS Board for use effective with the June 30, 2021 actuarial valuation:
  - Salary growth rate – decreased from 5.00% to 4.50%.
  - Real wage growth and merit or seniority increases (components for salary growth) - decreased from 2.75% and 2.25% to 2.50% and 2.00%, respectively.
  - Mortality rates – Previously based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience, and projected using a modified version of the MP-2015 Mortality Improvement Scale. Effective with the June 30, 2021 actuarial valuation, mortality rates are based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study that was performed for the five-year period ending June 30, 2020.

The long-term expected rate of return on pension plan investments was determined using a building-block method 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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The pension's policy in regard to the allocation of invested plan assets is established and may be amended by the PSERS Board. Plan assets are managed with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global public equity	30.0 %	4.8 %
Private equity	12.0 %	6.7 %
Fixed income	33.5 %	3.9 %
Commodities	5.0 %	2.5 %
Infrastructure	10.0 %	6.4 %
Real estate	9.5 %	5.9 %
Total	100.0 %	

The above was the PSERS Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2024.

DISCOUNT RATE

The discount rate used to measure the total pension liability was 7.00%. 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 and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

SENSITIVITY OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the District's proportionate share of the net pension liability, calculated using the current discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1.00% lower or higher than the current rate:

	1% Decrease 6.00%	Current Rate 7.00%	1% Increase 8.00%
District's proportionate share of the net pension liability	$33,633,000	$25,532,000	$18,691,000

PENSION PLAN FIDUCIARY NET POSITION

Detailed information about PSERS' fiduciary net position is available in the PSERS Comprehensive Annual Financial Report, which can be found at www.pa.gov/PSERS

11. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

DISTRICT OPEB PLAN (DISTRICT PLAN)

PLAN DESCRIPTION AND BENEFITS

The District provides postretirement healthcare benefits for teachers and its business manager under a plan that is considered a single employer plan. To be eligible for the benefits, the employee must meet minimum District and PSERS service requirements. For employees retiring before September 13, 2015, the District pays 50% of the premium (up to $5,600) for the retiree for up to 10 years or until the retiree reaches Medicare age. If the retiree is not eligible for Medicare after the 10 years has expired, the retiree may continue coverage by paying the full premium. The District's contributions are made via contributions to 403(b) and health reimbursement accounts. Spouses and dependents may continue coverage by paying the full premium.

For employees retiring between September 13, 2015 and June 30, 2018, terms are same as above, but the maximum amount is reduced to $5,000 for 7 years. After 7 years, the retiree may continue coverage by paying the full premium.

For employees retiring after June 30, 2018, terms are the same as above, but the maximum amount is increased to $6,000 and the term is reduced to 5 years.

In addition, under Act 110 of 1998 and Act 43 of 1989, other retired employees may continue to receive benefits by paying 100% of the cost of such coverage until 65.

The contribution requirements of plan members and the District are established and may be amended by the Board of Education. The plan is funded on a pay-as-you-go basis, i.e., premiums are paid annually to fund the health care benefits provided to current retirees. As such, the plan is unfunded, there is no underlying trust, and no financial report is prepared.

EMPLOYEES COVERED BY THE DISTRICT PLAN

A total of 151 participants are covered by the benefit terms, including 139 active participants and 12 retired participants currently receiving benefits. There are no participants entitled to but not receiving benefits under the District Plan.

DISTRICT PLAN TOTAL OPEB LIABILITY

The District Plan's total OPEB liability of $1,386,292 was measured as of June 30, 2025, as rolled forward from an actuarial valuation as of July 1, 2024.

CHANGES IN THE DISTRICT PLAN TOTAL OPEB LIABILITY

Balance at July 1, 2024	$1,484,603
Service cost	72,522
Interest	61,274
Differences between expected and actual experience	(92,472)
Changes in assumptions	(3,949)
Benefit payments	(135,686)
Balance at June 30, 2025	$1,386,292

The changes in assumptions amount results from a change in the discount rate from 4.13% to 4.29%. In addition, the trend assumption was updated.

DISTRICT PLAN OPEB EXPENSE AND DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

For the year ended June 30, 2025, the District recognized OPEB expense of $108,669 for the District Plan. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to the District Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	$ 95,677	$ 311,661
Difference between expected and actual experience	47,406	102,633
District contributions after the measurement date	101,446	-
Total	$ 244,529	$ 414,294

The District will recognize the $101,446 reported as deferred outflows of resources resulting from plan contributions after the measurement date as a reduction of the OPEB liability in the year ended June 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

YEAR ENDING JUNE 30	
2026	$ (25,127)
2027	(25,127)
2028	(25,125)
2029	(28,318)
2030	(32,094)
Thereafter	(135,420)
Total	$ (271,211)

DISTRICT PLAN ACTUARIAL ASSUMPTIONS

The District Plan's total OPEB liability was determined by rolling forward the District Plan's total OPEB liability as of the July 1, 2024 actuarial valuation to June 30, 2025 using the following actuarial assumptions, applied to all periods included in the measurement:

- Valuation date – July 1, 2024.
- Actuarial cost method - Entry Age Normal - level % of pay.
- Discount rate – 4.29% based on the S&P Municipal Bond 20-Year High Grade Rate Index at July 1, 2024
- Salary growth - 2.50% cost of living adjustment, 1.50% real wage growth, and for teachers and administrators, a merit increase which varies by age from 2.75% to 0%.
- Mortality rates - PubT-2010 headcount-weighted mortality table including rates for contingent survivors for teachers. PubG-2010 headcount-weighted mortality table including rates for contingent survivors for all other employees. Incorporated into the tables are rates projected generationally Scale MP-2021 to reflect mortality improvement.
- Healthcare cost trend rates - 7.00% in 2024 with .50% decrease per year until 5.50% in 2027. Rates gradually decrease from 5.40% in 2028 to 4.00% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model.

SENSITIVITY TO CHANGES IN THE DISCOUNT RATE

The following presents the District Plan's total OPEB liability, as well as what the District Plan's total OPEB liability would be if it were calculated a discount rate that is 1% lower and higher than the current discount rate:

	1% Decrease 3.29%	Current Rate 4.29%	1% Increase 5.29%
District Plan total OPEB liability	$1,479,203	$1,386,292	$1,297,166

SENSITIVITY TO CHANGES IN THE HEALTHCARE COST TREND RATES

The following presents the District Plan's total OPEB liability, as well as what the District Plan's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or higher than the current healthcare cost trend rates:

	1% Decrease	Current Rates	1% Increase
District Plan total OPEB liability	$1,294,543	$1,386,292	$1,492,789

PSERS HEALTH INSURANCE PREMIUM ASSISTANCE PROGRAM (PSERS PLAN)

GENERAL INFORMATION ABOUT THE HEALTH INSURANCE PREMIUM ASSISTANCE PROGRAM

PSERS provides Premium Assistance, which is a governmental cost-sharing, multiple-employer OPEB plan for all eligible retirees who qualify and elect to participate. Employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Effective January 1, 2002, under the provisions of Act 9 of 2001, participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of $100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program (HOP). As of June 30, 2024, there were no assumed future benefit increases to participating eligible retirees.

PREMIUM ASSISTANCE ELIGIBILITY CRITERIA

Retirees of PSERS can participate in the Premium Assistance program if they satisfy the following criteria:

- Have 24 ½ or more years of service, or
- Are a disability retiree, or
- Have 15 or more years of service and retired after reaching superannuation age.

For Class DC members to become eligible for Premium Assistance, they must satisfy the following criteria:

- Attain Medicare eligibility with 24 ½ or more eligibility points, or
- Have 15 or more eligibility points and terminated after age 67, and
- Have received all or part of their distributions.

DISTRICT CONTRIBUTIONS

The District's contractually required contribution rate for the year ended June 30, 2025 was 0.63% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the PSERS plan from the District were approximately $61,000 for the year ended June 30, 2025.

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

At June 30, 2025, the District reported a liability of $1,082,000 for its proportionate share of the PSERS Plan's net OPEB liability. The PSERS Plan's net OPEB liability was measured as of June 30, 2024, and the PSERS Plan's total OPEB liability used to calculate the PSERS Plan's net OPEB liability was determined by rolling forward the PSERS Plan's total OPEB liability as of June 30, 2023 to June 30, 2024. The District's proportion of the PSERS Plan's net OPEB liability was calculated utilizing the District's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2025, the District's proportion was .0609%, which was an increase of .0007% from its proportion calculated as of June 30, 2024.

For the year ended June 30, 2025, the District recognized OPEB expense of $13,000 for the PSERS Plan. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to the PSERS Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	$ 1,000	$ -
Changes in proportion	14,000	33,000
Changes in assumptions	66,000	165,000
Difference between expected and actual experience	4,000	16,000
District contributions after the measurement date	61,000	-
Total	$ 146,000	$ 214,000

The District will recognize the $61,000 reported as deferred outflows of resources resulting from PSERS Plan OPEB contributions after the measurement date as a reduction of the PSERS Plan's total OPEB liability in the year ended June 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

YEAR ENDING JUNE 30	
2026	$ (43,000)
2027	(39,000)
2028	(40,000)
2029	(6,000)
2030	(1,000)
TOTAL	$ (129,000)

Actuarial Assumptions

The PSERS Plan's total OPEB liability as of June 30, 2024, was determined by rolling forward the PSERS Plan's total OPEB liability as of June 30, 2023 to June 30, 2024 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return – 4.21% - S&P 20-Year Municipal Bond Rate.
- Salary growth - Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Premium Assistance reimbursement is capped at $1,200 per year.
- Assumed healthcare cost trends were applied to retirees with less than $1,200 in premium assistance per year.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- Participation rate:
    - Eligible retirees will elect to participate pre age 65 at 50%.
    - Eligible retirees will elect to participate post age 65 at 70%.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study that was performed for the five-year period ending June 30, 2020.

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2022 determined the employer contribution rate for fiscal year 2024.
- Cost method: Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- Asset valuation method: Market value.
- Participation rate: The actual data for retirees benefiting under the PSERS Plan as of June 30, 2021 was used in lieu of the 63% utilization assumption for eligible retirees.
- Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Mortality Improvement Scale.

Investments consist primarily of short term assets designed to protect the principal of the plan assets. The expected rate of return on OPEB plan investments was determined using the OPEB asset allocation policy and best estimates of geometric real rates of return for each asset class.

The PSERS Plan's policy in regard to the allocation of invested plan assets is established and may be amended by the PSERS Board. Under the program, as defined in the retirement code employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	100.0 %	1.7%

The above was the Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2023.

Discount Rate

The discount rate used to measure the PSERS Plan's total OPEB liability was 4.21%. Under the PSERS Plan's funding policy, contributions are structured for short-term funding of Premium Assistance. The funding policy sets contribution rates necessary to assure solvency of Premium Assistance through the third fiscal year after the actuarial valuation date. The Premium Assistance account is funded to establish reserves that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Due to the short-term funding policy, the PSERS Plan's fiduciary net position was not projected to be sufficient to meet projected future benefit payments, therefore the plan is considered a "pay-as-you-go" plan. A discount rate of 4.21% which represents the S&P 20-year Municipal Bond Rate at June 30, 2024, was applied to all projected benefit payments to measure the PSERS Plan's total OPEB liability.

Sensitivity to Change in Healthcare Cost Trend Rates

Healthcare cost trends were applied to retirees receiving less than $1,200 in annual Premium Assistance. As of June 30, 2024, retirees' Premium Assistance benefits are not subject to future healthcare cost increases. The annual Premium Assistance reimbursement for qualifying retirees is capped at a maximum of $1,200. The actual number of retirees receiving less than the $1,200 per year cap is a small percentage of the total population and has a minimal impact on healthcare cost trends as depicted below.

The following presents the District's proportionate share of the PSERS Plan's net OPEB liability, as well as what the proportionate share of the PSERS Plan's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or higher than the current healthcare trend rates:

	1% Decrease	Current Rates	1% Increase
District's proportionate share of the PSERS Plan's net OPEB liability	$1,082,000	$1,082,000	$1,082,000

SENSITIVITY TO CHANGES IN DISCOUNT RATE

The following presents the District's proportionate share of the PSERS Plan's net OPEB liability, as well as what the proportionate share of the PSERS Plan's net OPEB liability would be if it were calculated using a discount rate that is 1% lower or higher than the current discount rate:

	1% Decrease 3.21%	Current Discount Rate 4.21%	1% Increase 5.21%
District's proportionate share of the PSERS Plan's net OPEB liability	$1,222,000	$1,082,000	$964,000

OPEB Plan Fiduciary Net Position

Detailed information about PSERS' fiduciary net position is available in PSERS Comprehensive Annual Financial Report which can be found on PSERS' website at www.pa.gov/PSERS

12. INTERNAL BALANCES/TRANSFERS

At June 30, 2025, the Food Service Fund owed the General Fund $54,580 for operating expenses paid by the General Fund, net of subsidies received but not transferred.

The General Fund transferred $598,410 to the Debt Service Fund to pay long-term debt as it came due.

13. CONTINGENCIES

The District participates in both state and federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The District is potentially liable for any expenditure that may be disallowed pursuant to the terms of these grant programs. The District is not aware of any material items of noncompliance that would result in the disallowance of program expenditures.

The District is involved, from time to time, in various legal actions. In the opinion of the District, these matters either are adequately covered by insurance or will not have a material effect on the District's financial statements.

14. FUTURE ACCOUNTING STANDARDS

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This objective of the guidance is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. It also addresses certain application issues. Among other things, it limits the topics of discussion in the Management's Discussion and Analysis and requires explanations be provided for changes. It also requires the budgetary comparison information to be presented as required supplementary information (RSI) and that explanations of significant variances be presented as notes to the RSI. The District will adopt this guidance in 2026.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This guidance requires certain types of capital assets (such as lease assets, intangible right-to-use assets, subscription assets and other intangible assets) to be disclosed separately in the capital asset footnote. It also adds additional disclosures for capital assets held for sale. The District will adopt this guidance in 2026.

MOUNTAIN VIEW SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE PSERS NET PENSION LIABILITY
YEARS ENDED JUNE 30
(UNAUDITED)
(DOLLARS IN THOUSANDS)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the PSERS net pension liability	0.0610%	0.0603%	0.0611%	0.0614%	0.0610%	0.0625%	0.0653%	0.0690%	0.0662%	0.0613%
District's proportionate share of the PSERS net pension liability	$ 25,532	$ 26,825	$ 27,164	$ 25,209	$ 30,036	$ 29,239	$ 31,347	$ 34,078	$ 32,807	$ 26,552
District's covered employee payroll	$ 9,652	$ 9,621	$ 9,850	$ 8,735	$ 8,604	$ 8,626	$ 8,800	$ 9,191	$ 8,568	$ 7,893
District's proportionate share of the PSERS net pension liability as a percentage of its covered employee payroll	264.53%	278.82%	275.78%	288.60%	349.09%	338.96%	356.22%	370.78%	382.90%	336.40%
PSERS plan fiduciary net position as a percentage of the PSERS total pension liability	64.63%	61.85%	61.34%	63.67%	54.32%	55.66%	54.00%	51.84%	50.14%	54.36%

MOUNTAIN VIEW SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PSERS PENSION CONTRIBUTIONS
YEARS ENDED JUNE 30
(UNAUDITED)
(DOLLARS IN THOUSANDS)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
PSERS contractually required contribution	$ 3,177	$ 3,183	$ 3,380	$ 3,042	$ 2,931	$ 2,869	$ 2,811	$ 2,788	$ 2,566	$ 2,254
Contributions in relation to the contractually required contribution	(3,177)	(3,183)	(3,380)	(3,042)	(2,931)	(2,869)	(2,811)	(2,788)	(2,566)	(2,254)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered employee payroll	$ 9,652	$ 9,621	$ 9,850	$ 8,950	$ 8,746	$ 8,626	$ 8,800	$ 9,191	$ 8,568	$ 7,893
Contributions as a percentage of covered employee payroll	32.92%	33.08%	34.31%	33.99%	33.51%	33.26%	31.94%	30.33%	29.95%	28.56%

MOUNTAIN VIEW SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE PSERS NET OPEB LIABILITY
YEARS ENDED JUNE 30
(UNAUDITED)
(DOLLARS IN THOUSANDS)

	2025	2024	2023	2022	2021	2020	2019	2018
District's proportion of the PSERS net OPEB liability	0.0609%	0.0602%	0.0610%	0.0616%	0.0613%	0.0625%	0.0653%	0.0690%
District's proportionate share of the PSERS net OPEB liability	$ 1,082	$ 1,089	$ 1,123	$ 1,460	$ 1,325	$ 1,329	$ 1,361	$ 1,406
District's covered employee payroll	$ 9,652	$ 9,621	$ 9,850	$ 8,735	$ 8,604	$ 8,626	$ 8,800	$ 9,191
District's proportionate share of the PSERS net OPEB liability as a percentage of its covered employee payroll	11.21%	11.32%	11.40%	16.71%	15.40%	15.41%	15.47%	15.30%
PSERS plan fiduciary net position as a percentage of the PSERS total OPEB liability	7.13%	7.22%	6.86%	5.30%	5.69%	5.56%	5.56%	5.73%

Information for years prior to 2018 is not available.

MOUNTAIN VIEW SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PSERS OPEB CONTRIBUTIONS
YEARS ENDED JUNE 30
(UNAUDITED)
(DOLLARS IN THOUSANDS)

	2025	2024	2023	2022	2021	2020	2019	2018
PSERS contractually required contribution	$ 61	$ 62	$ 74	$ 72	$ 72	$ 72	$ 72	$ 73
Contributions in relation to the contractually required contribution	(61)	(62)	(74)	(72)	(72)	(72)	(72)	(73)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 9,652	$ 9,621	$ 9,850	$ 8,735	$ 8,604	$ 8,626	$ 8,800	$ 9,191
Contributions as a percentage of covered-employee payroll	0.63%	0.64%	0.75%	0.82%	0.84%	0.83%	0.82%	0.79%

Information for years prior to 2018 is not available.

MOUNTAIN VIEW SCHOOL DISTRICT

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY - DISTRICT PLAN
YEARS ENDED JUNE 30
(UNAUDITED)

	2025	2024	2023	2022	2021	2020	2019	2018
Service cost	$ 72,522	$ 68,283	$ 99,360	$ 98,325	$ 79,145	$ 78,208	$ 96,978	$ 92,891
Interest	61,274	60,713	43,572	38,261	67,825	64,242	70,455	56,414
Change in benefit terms	-	-	-	-	-	-	(64,660)	-
Differences between expected and actual experience	(92,472)	-	48,933	-	(35,732)	-	32,495	-
Changes in assumptions	(3,949)	9,940	(367,235)	(40,123)	149,350	(37,154)	9,093	35,070
Benefit payments	(135,686)	(177,734)	(246,420)	(240,039)	(242,812)	(244,113)	(193,192)	(214,812)
Net change	(98,311)	(38,798)	(421,790)	(143,576)	17,776	(138,817)	(48,831)	(30,437)
Total OPEB liability, beginning	1,484,603	1,523,401	1,945,191	2,088,767	2,070,991	2,209,808	2,258,639	2,289,076
Total OPEB liability, ending	$ 1,386,292	$ 1,484,603	$ 1,523,401	$ 1,945,191	$ 2,088,767	$ 2,070,991	$ 2,209,808	$ 2,258,639
Covered employee payroll	$ 9,125,453	$ 8,501,605	$ 8,501,605	$ 8,342,179	$ 8,342,179	$ 8,161,867	$ 8,161,867	$ 7,929,195
Total OPEB liability as a percentage of covered employee payroll	15.19%	17.46%	17.92%	23.32%	25.04%	25.37%	27.07%	28.49%

The Plan is unfunded; therefore, total and net OPEB liability are the same.

Information for years prior to 2018 is not available.

MOUNTAIN VIEW SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

FEDERAL GRANTOR/PASS -THROUGH GRANTOR PROGRAM OR CLUSTER TITLE	PASS - THROUGH GRANTOR NUMBER	ASSISTANCE LISTING NUMBER	PROGRAM OR AWARD AMOUNT	TOTAL RECEIVED FOR THE YEAR	ACCRUED OR (DEFERRED) REVENUE AT JULY 1, 2024	REVENUES RECOGNIZED	FEDERAL EXPENDITURES	ACCRUED OR (DEFERRED) REVENUE AT JUNE 30, 2025
U.S. DEPARTMENT OF EDUCATION								
Passed through the Pennsylvania Department of Education (PDE):								
Title 1 Grants to Local Education Agencies	013-230271	84.010	$ 238,137	$ 34,019	$ 34,019	$ -	$ -	$ -
Title 1 Grants to Local Education Agencies	013-250271	84.010	251,852	252,145	-	251,852	251,852	(293)
Total				286,164	34,019	251,852	251,852	(293)
Supporting Effective Instruction State Grants	020-240271	84.367	32,865	2,155	-	10,774	10,774	8,619
Supporting Effective Instruction State Grants	020-250271	84.367	35,987	18,736	-	22,640	22,640	3,904
Total				20,891	-	33,414	33,414	12,523
Student Support and Academic Enrichment Program	144-240271	84.424	18,643	-	-	12,429	12,429	12,429
Student Support and Academic Enrichment Program	144-250271	84.424	19,211	6,404	-	2,475	2,475	(3,929)
Total				6,404	-	14,904	14,904	8,500
Education Stabilization Fund:								
COVID-19 American Rescue Plan (ARP) Elementary and Secondary School Emergency Relief Fund	225-210271	84.425U	133,392	70,334	70,334	-	-	-
Passed through NEIU #19:								
Special Education Cluster (IDEA):								
Special Education - Grants to States	N/A	84.027	215,901	634,922	413,593	221,329	221,329	-
Special Education - Preschool Grants	N/A	84.173	1,620	3,305	1,685	1,620	1,620	-
Total Special Education Cluster (IDEA)				638,227	415,278	222,949	222,949	-
English Language Acquisition State Grants - Title III, Part A	N/A	84.365A	804	804	-	804	804	-
Total U.S. Department of Education				1,022,824	519,631	523,923	523,923	20,730
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES								
Passed through the Pennsylvania Department of Human Services, Medical Assistance Program	N/A	93.778	5,708	5,708	-	5,708	5,708	-
U.S. DEPARTMENT OF TREASURY								
Passed through the Pennsylvania Commission on Crime and Delinquency								
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	2023-CM-01-42782	21.027	111,568	56,220	-	91,369	91,369	35,149
U.S. DEPARTMENT OF AGRICULTURE								
Passed Through Pennsylvania State University:								
Child Nutrition Discretionary Grants Limited Availability	N/A	10.579	6,670	6,670	-	6,670	6,670	-
Passed through the PDE:								
Child Nutrition Cluster:								
School Breakfast Program	365	10.553	168,031	165,466	2,003	168,031	168,031	4,568
National School Lunch Program	362	10.555	369,918	362,515	5,835	369,918	369,918	13,238
Passed through the Pennsylvania Department of Agriculture, Food Donation	N/A	10.555	31,830	31,830	-	31,830	31,830	-
Total Child Nutrition Cluster				559,811	7,838	569,779	569,779	17,806
Total U.S. Department of Agriculture				566,481	7,838	576,449	576,449	17,806
TOTAL				$ 1,651,233	$ 527,469	$ 1,197,449	$ 1,197,449	$ 73,685

See Notes to Schedule of Expenditures of Federal Awards

MOUNTAIN VIEW SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2025

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal grant activity of the Mountain View School District (District) 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 District, it is not intended to and does not present the net position, changes in net position, or cash flows of the District.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures, other than Child Nutrition Cluster expenditures, are reported on the Schedule on the modified accrual basis of accounting. Child Nutrition Cluster expenditures 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. If applicable, negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

3. INDIRECT COST RATE

The District elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

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

To the Board of Education of the
Mountain View School District:

We have audited, 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, the financial statements of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of the Mountain View School District (District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 29, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. 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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Carbondale, Pennsylvania
January 29, 2026

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Education of the
Mountain View School District:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the Mountain View School District's (District) 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 the District's major federal program for the year ended June 30, 2025. The District's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2025.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District 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 the major federal program. Our audit does not provide a legal determination of the District'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 District's federal programs.

Auditors' 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 District'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 GAAS, *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 District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 District'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 District'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 District'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 Auditors' 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 in internal control over compliance 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.



Carbondale, Pennsylvania
January 29, 2026

MOUNTAIN VIEW SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued on whether the financial statements audited were in accordance with GAAP:	Unmodified	
Internal control over financial reporting:		
• Material weakness(es) identified?	_____ yes	__X__ no
• Significant deficiency(ies) identified?	_____ yes	__X__ none reported
Noncompliance material to financial statements noted?	_____ yes	__X__ no

Federal Awards

Internal control over major programs:		
• Material weakness (es) identified?	_____ yes	__X__ no
• Significant deficiency (ies) identified?	_____ yes	__X__ none reported
Type of auditors' report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____ yes	__X__ no

Identification of major program:

Assistance Listing Number	Name of Federal Program or Cluster
10.553/10.555	Child Nutrition Cluster

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

Auditee qualified as low-risk auditee? _____ yes ___X___ no

SECTION II - FINANCIAL STATEMENT FINDINGS

None.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.