# Pioneer Valley Performing Arts Charter Public School

## Finance Committee Meeting

Published on May 5, 2026 at 9:25 AM EDT

**Date and Time**

Monday May 11, 2026 at 7:00 PM EDT

**Location**

Google Meeting ID
meet.google.com/zkg-vctu-ikb
Phone Numbers
(US) +1 240-532-3788
PIN: 783 984 031#

On-Line Only:
Google Meeting ID
meet.google.com/zkg-vctu-ikb
Phone Numbers
(US) +1 240-532-3788
PIN: 783 984 031#

**Agenda**

| | | Purpose | Presenter | Time |
|---|---|---|---|---|
| **I.** | **Opening Items** | | | **7:00 PM** |
| **A.** | Record Attendance | | Marcy Conner | 2 m |

| | | Purpose | Presenter | Time |
|---|---|---|---|---|
| **B.** | Call the Meeting to Order | | Neil Hede | 1 m |
| **C.** | Approve Minutes | Approve Minutes | Neil Hede | 5 m |

Approve minutes for Finance Committee Meeting on April 7, 2026

| | | | | |
|---|---|---|---|---|
| **D.** | Approve Executive Session Minutes | Approve Minutes | Neil Hede | 5 m |

Chair to approve Executive Session Minutes from April 7, 2026 meeting.

## II. Finance — 7:13 PM

| | | | | |
|---|---|---|---|---|
| **A.** | RFP for Auditing Services | Discuss | Marcy Conner | 5 m |
| **B.** | FY27 Budget Presentation | Discuss | Marcy Conner | 15 m |
| **C.** | FY27 Tuition | Vote | Marcy Conner | 5 m |
| **D.** | FY27 Budget Approval | Vote | Marcy Conner | 10 m |

## III. Other Business

## IV. Closing Items — 7:48 PM

| | | | | |
|---|---|---|---|---|
| **A.** | Adjourn Meeting | Vote | Neil Hede | 2 m |

# Coversheet

## Approve Minutes

| | |
|---|---|
| **Section:** | I. Opening Items |
| **Item:** | C. Approve Minutes |
| **Purpose:** | Approve Minutes |
| **Submitted by:** | |
| **Related Material:** | Minutes for Finance Committee Meeting on April 7, 2026 |

APPROVED

# Pioneer Valley Performing Arts Charter Public School

# Minutes

## Finance Committee Meeting

**Date and Time**
Tuesday April 7, 2026 at 6:00 PM

**Location**
On-Line Only:
Google Meeting ID
meet.google.com/zkg-vctu-ikb
Phone Numbers
(US) +1 240-532-3788
PIN: 783 984 031#

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(US) +1 240-532-3788
PIN: 783 984 031#

**Committee Members Present**
James Montemayor (remote), Mindi Winter (remote), Neil Hede (remote), Thomas Roy (remote)

**Committee Members Absent**
Keith Black

**Guests Present**
Brent Nielsen (remote), Marcy Conner (remote)

## I. Opening Items

### A. Record Attendance

### B. Call the Meeting to Order

Neil Hede called a meeting of the Finance Committee of Pioneer Valley Performing Arts Charter Public School to order on Tuesday Apr 7, 2026 at 6:04 PM.

### C. Approve Minutes

Mindi Winter made a motion to approve the minutes from Finance Committee Meeting on 03-03-26.
James Montemayor seconded the motion.
Error on Agenda: 1/6/26 minutes were approved at the 3/3/26 meeting.
The committee **VOTED** unanimously to approve the motion.

| **Roll Call** | |
|---|---|
| James Montemayor | Aye |
| Neil Hede | Aye |
| Thomas Roy | Aye |
| Mindi Winter | Aye |
| Keith Black | Absent |

## II. Finance

### A. RFP for Auditing Services

Request For Proposals for auditing services was sent to several accounting firms as required by M.G.L. c. 30B. The due date for submissions is April 17, 2026. It has been several years since we put a bid out and the contract we had with CBIZ has come to an end.

### B. FY26 3rd Quarter Budget vs Actual

Both the condensed and full version of the report were attached to the agenda. There do seem to be some discrepancies with the report vs the way the budget was developed and the translation to the new accounting format - ex some expenditures with no budget amounts. At the third quarter there should only be about 25% of the budget remaining:
**Revenue**
Grant funding - remember that grants are reimbursable in nature. Our grants were approved late this year so the revenue is behind in collection.

Regional Transportation Aid - no revenue to date. This funding will be received from the state during FY27.

Transportation Income - is being collected monthly with our tuition payments and will be "trued up" at the end of the year. DESE is estimating $52,000, which is more than budgeted.

**Expenses**

Personnel Costs - % vary depending on the type of positions: either 12 month employee or 10 month employee. Salaries will be under budget at year end by approximately $50,000 - $75,000.

5122a Contracted Services - this line will be over budget for the year due to the increased cost of the FY25 audit ($9,000 in FY25 vs $30,000 in FY26).

5132 Contract Services - Legal - SPED and labor attorney fees - will be under budget for the year.

5234 Contracted Services - Other Teaching - this line is where we account for services to students such as hospital tutoring, which has increased and part-time substitute teachers. To date we have spend $54,000 of a $70,000 budget on part-time substitutes.

5266 Classroom Instructional Tech - is the purchase of Chromebooks that was budgeted for on line 5265 Other Instructional Services.

Overall Instructional services with 30.38% of the budget remaining will be under budget at year end.

5345 Student Transportation - Contract - this will be over budget by $76,500. The budget was produced based on 15 buses with the contract with Five Star. The student demographics actually called for 16 buses. One year is remaining on the contract with Five Star. We will be reimbursed by the state under the regional transportation budget @ 87%.

5440 Networking & Communications - loss of some e-rate funding will result in approximately $15,000 over budget.

5530 Insurance (non-employee) - will be over budget by approximately $5,000.

Employee Retirement & Fixed Charges as well as Fringe Benefits will end the year within budget.

5610 Dissemination Activities - new tracking requirements for dissemination activities.

Grant expenses - grant awards are not published until after the PVPA budget is created. Both revenue and expenses were budgeted at $261,975 whereas the total amount

awarded for FY26 is actually $275,000. Again, grants are reimbursable in nature and have a net zero balance at year end.

Depreciation and bad debt will see adjustments at the end of the year as we close the books.

The change in net assets (or the amount added to the reserves) at FY25 year end was $411,000 - we are predicting that the FY26 year end change in net assets will be less than FY25. Approximately in the range of $300,000.

### C. FY26 3rd Quarter Tuition

Adjustments to the 3rd quarter tuition projection by DESE show PVPA with approximately $30,557 more than budgeted. The increase was caused mainly by increases in several districts in their Above Foundation Rates (AFR) - highlighted in green in the total column. The red highlights indicate districts that have had a decrease in AFR. We are not tracking to be able to meet the benchmarks that would give staff a contingency payment at year end.

Final enrollment numbers will be provided to DESE this month and a reconciliation of partial year tuition will be made before we know our final tuition number for the year. We will be close to budget if there are no more adjustments to AFR.

### D. FY27 Capital Budget - update

The FY26 Capital Budget was not voted on by the Board at the March meeting. The Board will address it and vote during the April 14th meeting.

### E. Financial Transparency

Fiscal transparency and an understanding of how PVPA is funded will be critical in the next couple of budget cycles. A spreadsheet showing the tuition information of our sending districts was shared with the Committee - more information than the Committee needs to see however there are metrics that we watch - the sheet is sorted in order of highest enrollment. The red highlights show districts who will experience significant decreases in Federal Funds (as released by DESE). The Outlook column is showing known information of how each community is approaching FY27 - many are seeking over rides and/or cutting positions. As communities make adjustments to their education net school spending, PVPA will begin to see our tuition rate decrease due to lower AFR. This information will be critical in determining PVPA's tuition budget for FY27, the last year of the Student Opportunity Act (SOA) funding. With the SOA being fully implemented the state will be reviewing the education funding formula again through committee as community and Federal dollars dry up and enrollments are decreasing. The feeling across the state is that in FY28 and beyond any increases to tuition will be limited to <=3% and AFRs will be falling.

The fiscal Transparency slide presentation was discussed:

1. PVPA is a public School that is driven by our mission and held to a higher standard of accountability than a district school.
2. Funding comes to PVPA through district tuition funding, federal and state granting sources and fundraising.

PVPA is not operated by a municipality where we can raise taxes but is affected by decisions our sending communities make about funding education.

PVPA's funding goes to support it's mission:

1. FY26 budget included 26 FTE's which accounted for 53% of the PVPA budget. PVPA has 15 FTE's in the arts - this is 12 more FTE's than most district school have for the arts.
2. 72.26% of the FY26 salary budget was spent on education teachers and staff.
3. 52.51 of the FY26 budget was for education purposes
4. Other mission driven pieces of PVPV that require funding are restorative practices and the production budget. Restorative practices requires 2 FTE's and an additional $22,000 in federal funding. The production budget (mission related but not required) includes 1 FTE, $70,815 in stipends and $47,585 in program expenses for a total of $177,296
5. Transportation - new to the FY26 budget. Regional transportation expenses will be reimbursed by the state at a rate of 84%.
6. Facilities - Just 11.07% of the budget but rising. PVPA has no control over the coat of utilities, contractors and supplies.
7. Employee benefits - FY26 saw a 29.9% increase in health insurance benefits. PVPA has a robust benefits package that includes health and dental insurance along with an HRA that reimburses 100% of deductible costs, no cost to employee USAble Life products and an Employee Assistance Program.

The last several pages of the presentation show graphs that measure different data points for PVPA:
1. Five year history of the reserve accounts.
2. Five year history of the health insurance rate increases.
3. Five year history of how the SOA funds have increased tuition.
4. MA Charter & Virtual School Financial Dashboard form DES's website - all indicators are green which demonstrates good financial stability.
5. Various graphs by DESE with a five year history of enrollment, tuition, revenues, expenses and changes in net assets. All very positive indicators of the overall picture of PVPA.

## III. Executive Session

### A. Executive Session

Neil Hede made a motion to move into executive session to discuss strategy with respect to collective bargaining or litigation if an open meeting may have a detrimental effect on the bargaining or litigating position of the public body and the chair does so declare. Brent Nielsen and Marcy Conner will be asked to join the executive session. The Finance Committee will not return to open session.
Mindi Winter seconded the motion.
The committee **VOTED** unanimously to approve the motion.

| **Roll Call** | |
|---|---|
| Neil Hede | Aye |
| James Montemayor | Aye |
| Mindi Winter | Aye |
| Thomas Roy | Aye |
| Keith Black | Absent |

## IV. Closing Items

### A. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 7:00 PM.

Respectfully Submitted,
Marcy Conner

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### Documents used during the meeting

- PVPA - Audit RFP 3-26-26.pdf
- BudgetvsActualsBudget_FY26_Q3 4-1-26.pdf
- BudgetvsActualsBudget_FY26_Q3 Condensed 4-1-26.pdf
- PVPA FY26 Tuition Projection 3rd QTR.pdf

# Coversheet

## RFP for Auditing Services

**Section:** II. Finance
**Item:** A. RFP for Auditing Services
**Purpose:** Discuss
**Submitted by:**
**Related Material:** DD& Co - Proposal 4-15-26.pdf

# Pioneer Valley Performing Arts
# Charter Public School

Proposal to Furnish Audit Services

April 2026

**Kristoffer Lane, CPA**
Daniel Dennis & Company LLP
Dedham Executive Center
990 Washington Street, Suite 308A
Dedham, MA 02026
(617) 262-9898 X219
Klane@danieldennis.com

DANIEL DENNIS & Co
Certified Public Accountants

April 15, 2026

Ms. Marleen Connor
Chief Financial Officer
Pioneer Valley Performing Arts
Charter Public School
15 Mulligan Drive
Hadley, MA 01075

Daniel Dennis & Company LLP is pleased to submit its proposal to provide audit services to the Pioneer Valley Performing Arts Charter Public School for fiscal years ending June 30, 2026, 2027 and 2028.

Our resources and experience enable us to provide quality professional services on a timely basis and at a reasonable cost. Daniel Dennis & Company LLP is distinctive for several reasons:

- We have provided audit and consulting services to the Massachusetts charter school sector since the inception of Charter Schools in Massachusetts and concentrate in the governmental and nonprofit areas.
- We developed and periodically update the *Massachusetts Department of Elementary and Secondary Education Massachusetts Charter School Audit Guide* that is followed by all charter schools in the Commonwealth of Massachusetts.
- Our partners are closely involved in all engagement decisions. We meet weekly to discuss the status of all current engagements and their due dates.
- Daniel Dennis & Company LLP has a strong history of meeting strict deadlines, and in providing an additional level of responsiveness, in terms of completion of work, and delivery of reports.

We appreciate this opportunity to present our firm for your consideration and will gladly furnish any information you require. We believe we are the most qualified firm to provide the services you require. If you have any questions, or require additional information, please call me at (617) 262-9898 x 219 or email me at klane@danieldennis.com.

Very truly yours,

Kristoffer Lane

Kristoffer Lane, CPA
*Managing Partner*

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# EXECUTIVE SUMMARY

Daniel Dennis & Company LLP reaches beyond the usual firm-client relationship. Our goals are to develop long-term relationships with our clients and to help our clients grow and prosper. In an increasingly competitive marketplace, an effective partnership is essential in meeting the strategic and economic challenges of operating a successful charter school. Our highly diverse team of dedicated professionals will be an asset to your school in assisting you in meeting today's challenges and plans for the future.

Daniel Dennis & Company LLP offers an extensive selection of services, all designed to build organizational capacity. From comprehensive audit and accounting services to client specific topic training, we provide customized services to ensure the integrity and accuracy of the financial reporting of your organization. You will find the same distinctive professionalism and credibility of our auditing services behind all of the services we offer.

Daniel Dennis & Company LLP offers a full range of audit, compliance and consulting services to the charter school industry. Our staff has extensive experience performing financial and compliance audits for governmental entities, nonprofit organizations, limited partnerships and corporate entities receiving federal and state subsidies, including specific experience in auditing charter schools within Massachusetts.

# ORGANIZATION

## *PROFILE*

Daniel Dennis & Company LLP is a regional Certified Public Accounting firm founded in 1981 and located in Dedham, Massachusetts. The firm provides auditing, accounting, tax, and management advisory services to a wide range of clients throughout New England. These include nonprofit organizations, federal, state, and local government entities, political subdivisions, school districts, charter schools, independent authorities, and commercial businesses. The partners of the firm are Kenneth Lund, Kristoffer Lane, Michael Driscoll, Colleen D'Alfonso, Eric Mahoney and Andrew Bacigalupo.

Auditing services comprise 85% of our practice, accounting and management advisory services comprise 15%. Approximately 65% of the firm's work is for nonprofit organizations and governmental departments or agencies, inclusive of charter schools.

Daniel Dennis & Company LLP is an equal opportunity employer and as such, our hiring and staff retention process encourages diversity and inclusion at all levels within our firm. Creating an environment that promotes and values diversity and an inclusive culture has been one of our core values since our firm was founded. We feel that this type of environment helps individuals and our firm grow by bringing staff members from all types of backgrounds and cultures together, thereby driving innovation and bringing additional value to our clients.

Daniel Dennis & Company LLP is registered with the Massachusetts Division of Professional Licensure Board of Public Accountancy. There is no history of sanctions, and we certify that Daniel Dennis & Company LLP is in compliance with the Code of Ethics and Professional Conduct as promulgated by the Board of Public Accountancy and codified in the code of Massachusetts Regulations. In addition, all partners and managers are licensed in Massachusetts and meet all the licensing and independence requirements as required by *Government Auditing Standards* and the *United States General Accounting Office.*

### *PEER REVIEW*

Daniel Dennis & Company LLP is a member of the AICPA Division for CPA Firms, Private Companies Practice Section (PCPS), the Governmental Audit Quality Center and the Employee Benefit Plan Audit Quality Center (the Centers). Members of PCPS and the Centers agree to meet professional quality standards, including annual continuing education for all professional staff, and to undergo an independent Peer Review once every three years.

A Peer Review includes a review of the firm's overall quality control policies and procedures, as well as their specific application on selected client engagements. Firms may receive a rating of pass, pass with deficiency or fail. Additionally, a letter of comments is commonly issued, describing weaknesses and recommendations for improvement if a pass with deficiency or fail rating is received.

Daniel Dennis & Company LLP's most recent Peer Review for the year ended May 31, 2024 was completed on October 10, 2024. We are pleased to report that our firm received a rating of pass for the eleventh consecutive review. A copy of the opinion letter is enclosed as Appendix I.

## PRIOR EXPERIENCE

### *IN-DEPTH EXPERIENCE*

Daniel Dennis & Company LLP has extensive experience with financial and consulting services of charter schools and nonprofit organizations. We have been auditing charter schools since the inception of charter schools in Massachusetts. Over the years, we performed the annual audits of the charter schools, assisted in setting up related nonprofit organizations and various consulting services engagements, inclusive of start-up school services, financing options and training engagements for the charter school community.

## *IN-DEPTH EXPERIENCE – continued*

In addition, we have significant experience with the Commonwealth of Massachusetts Department of Elementary and Secondary Education's (DESE) Charter School Office. The services provided to DESE include reviewing the financial viability of various charter schools, performing training on various topics, developing and periodically updating the charter school audit guide and developing and periodically updating the charter school's recommended accounting policies and procedures manual. As a result, we are very familiar with and aware of all the current auditing requirements, compliance issues, and other filing requirements applicable to Pioneer Valley Performing Arts Charter Public School (the School).

Our firm currently performs the annual audits of the following charter schools:

- Alma Del Mar Charter Public School
- Atlantis Charter School
- Argosy Collegiate Charter School
- Benjamin Banneker Charter Public School
- Boston Renaissance Charter Public School
- Christa McAuliffe Regional Charter Public School
- City on a Hill Charter School
- Foxborough Regional Charter School
- Helen Y. Davis Leadership Academy Public Charter School
- Hill View Charter School
- Libertas Academy Charter School
- Lowell Community Charter Public School
- Marblehead Community Charter Public School
- New Heights Charter School
- Pioneer Charter School of Science
- Rising Tide Charter School
- River Valley Charter School
- Salem Academy Charter School
- Sizer Charter School

## *REFERENCES*

The following references are provided for your convenience:

| | |
|---|---|
| • Karen Calvert<br>Business Manager<br>Foxborough Regional Charter School<br>Foxborough, MA<br>Telephone: (508) 698-7371 | • Robert Gignac<br>Chief Operating Officer<br>Lowell Community Charter Public School<br>Lowell, MA<br>Telephone: (978) 323-0800 X124 |
| • Eric Mello<br>Business Manager<br>Rising Tide Charter Public School<br>Plymouth, MA<br>Telephone: (508)747-2620 | |

# OBJECTIVE AND SCOPE

The scope of this engagement is to audit the combined financial statements of the School for fiscal years 2026, 2027 and 2028.

We will conduct our audit in accordance with *Government Auditing Standards* (GAS) issued by the Comptroller General of the United States and auditing standards generally accepted in the United States of America established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

As part of our audit we will review and document our understanding of your systems of internal accounting and administrative control procedures. This review will determine the nature, timing, and extent of the auditing procedures necessary for expressing an opinion on the combined financial statements. The primary purpose of the review is to determine that internal accounting and administrative control procedures are adequate to produce fairly stated combined financial statements. The review will also indicate whether costs charged to grants are in compliance with the terms and conditions of the grant agreements.

## OBJECTIVE AND SCOPE – *continued*

The following deliverables will be issued at the completion of the audit:

1. An independent auditors' report on whether the financial statements present fairly the financial position of the School and the results of its financial operations are in accordance with accounting principles generally accepted in the United States of America.

2. *A Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.* The report will note any significant deficiencies or material weaknesses in internal control over financial reporting, however our consideration of internal control over financial reporting is for the limited purpose described in the report and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. The report will note any compliance and other matters that are required to be reported under *Government Auditing Standards*

3. Preparation of the Federal Form 990 and the Massachusetts Form PC for the Friends of Pioneer Valley Performing Arts Charter Public School, Inc.

## STAFF QUALIFICATIONS

### *AUDIT TEAM*

Kristoffer Lane, CPA, as engagement partner, will have overall responsibility for the conduct of this engagement. Colleen D'Alfonso, CPA will serve as concurring partner to perform an engagement quality review as required by our quality control standards. James Meehan, CPA, manager, will work with Mr. Lane to supervise and coordinate all activities of our firm. Mr. Lane and Mr. Meehan be responsible for completion of the fieldwork and supervising staff on a daily basis.

# STAFF QUALIFICATIONS - *continued*

## *AUDIT TEAM - CONTINUED*

Initial fieldwork involves senior level staff with junior staff being added later. Junior staff are supervised by a senior staff member while in the field to ensure the efficient performance of the audit procedures. Our expectation is that there will be significant partner involvement during the initial audit in order to gain a significant understanding of the School's operations and controls. See Appendix II for resumes of our audit team.

We feel that two factors account for the high quality of our audits and management services: first, the high integrity, general education and professional training, specialized skills, and experience possessed by our staff and second, the organizational structure of the firm which promotes close supervision and coordination of all work.

Our staff is well experienced with auditing charter schools. In addition, the staff is qualified to perform governmental audits and knowledgeable of federal and state regulations and experienced in reviewing for compliance with these regulations. This experience results in a well-coordinated audit and timely delivery of the reports at a reasonable cost.

Daniel Dennis & Company LLP's approach to staff retention is to maintain the engagement team intact to the extent possible. If the senior staff rotates off of the engagement, the staff assigned to the engagement in the prior year generally become the senior staff on the current engagement. Significant partner involvement in the engagement allows us to obtain an extensive knowledge of the operations of the School and also allows for a smooth transition if there is turnover in the senior team. We have been fortunate to have minimal turnover over the past three years.

## STAFF QUALIFICATIONS - *continued*

### *SUPERVISION*

Daniel Dennis & Company LLP's overall technical management of this engagement is a team approach from partner to staff level. From the entrance conference to delivery of the final reports, all staff assigned to the engagement will know the status and open issues of the engagement. Our approach emphasizes open communication lines; include regular status meetings, starting with the pre-audit conference through the exit conference. These status meetings will update the School as to the progress of the audit and any issues encountered.

## WORKPLAN AND APPROACH

Daniel Dennis & Company LLP designs an audit program specifically to address the risks noted during the planning phase for the particular audit. The audit program includes comprehensive audit procedures necessary to express an opinion on the financial statements. We tailor our audit approach to gain the most effective results in the most efficient manner for each stage of audit outlined as follows:

*Planning*

The planning stage is the most critical to the successful completion of the audit. During this stage, we determine the accounts to be tested based on overall audit risk and materiality to the combined financial statements and establish the audit approach for each of the material accounts. Based on our review of the trial balance and analytical procedures performed on operating accounts, we determine the critical areas that require further testing. It is also during this stage that we refine our audit program to the specific requirements of this engagement.

For initial audits of clients, we perform additional procedures related to the transition from a predecessor auditor to our firm. We request permission to make inquiries of the predecessor auditor as required under our professional standards. Additionally, we seek permission to review the prior year work papers of the predecessor auditor and request copies of the work papers that support the amounts reported on the prior year combined statement of net position. Any required organizational documents, contracts, grants, loan or lease agreements that we need should be provided to us by the School.

# WORKPLAN AND APPROACH – *continued*

*Internal Control Structure*

During the first year we document the control procedures and annually we perform a transaction walkthrough for each major accounting cycle to assure compliance with internal control procedures and to gain a greater understanding of the structure. This stage is generally performed at interim to identify any compliance issues prior to year-end fieldwork.

*Substantive Tests*

Our approach to the audit of the combined statement of net position and revenue, expenses and changes in net position is a substantive one. We will test all material accounts as efficiently as possible, based on the level of assessed audit risk. Testing procedures can include: third-party confirmations and analytical procedures, including reasonableness and predictive tests. Sampling and vouching tests will be performed where deemed necessary. We will use information obtained during our review of board minutes and abstracts of grant and contract agreements to substantiate our conclusions when possible.

*Review and Reporting*

This is the final phase of the audit and includes extensive workpaper review and report preparation by partner and senior level staff. The final report will comply with the requirements of the charter school audit guide and will be issued in draft form to management for their review and approval. We will be prepared to present our independent auditors' report on the combined financial statements at an exit conference with the appropriate officials of the School.

We also utilize the most up to date audit software, which provides efficiencies both during the audit reporting process and also with the groupings for the *Charter School End of Year* report. In addition, we utilize an engagement organizer, which is a secure portal that allows us to coordinate and streamline the audit process to work efficiently in a remote environment.

## WORKPLAN AND APPROACH – *continued*

Additionally, our firm has developed a graphical model of the combined financial statements for presentation and discussion at a Board of Trustees meeting prior to issuance of the final audit report. The graphical model supplements the current year combined financial statements with a summary of financial data and related trends, ratios and audit results. We have found it to be an excellent tool to provide the Board of Trustees with an overview of the financial position and results of operations of the School both for the current year and as an historical comparison. This presentation is included at no extra fee and has been very well received by both the board of trustees and by audit/finance committee members.

## OUR REQUIREMENTS

To conduct efficient audits, your office personnel will be needed to assist us by locating invoices, vouchers, canceled checks, other documents that we may request in addition to preparation of the items included on the sample request list (See Appendix III).

## FEES

We strive to maintain long term relationships with our clients and to that end we anticipate a minimal increase of 3% in the fees for the subsequent years. The fees below are inclusive of all out-of-pocket costs and include the anticipated cooperation and timely closing of the books by the School.

Our estimated fees for these services for fiscal years 2026, 2027 and 2028 are as follows:

| *Service* | *2026* | *2027* | *2028* |
|---|---|---|---|
| Audit of the Combined General Purpose Financial Statements of the School | $ 24,500 | $ 25,500 | $ 26,500 |
| Preparation of the IRS Form 990 and MA Form PC Friends of Pioneer Valley Performing Arts Charter School, Inc. | 2,000 | 2,000 | 2,000 |
| Total | $ 26,500 | $ 27,500 | $ 28,500 |

## FEES – *continued*

The estimated fees are based on anticipated cooperation from your personnel and represent not-to-exceed amounts with the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur additional costs.

We are available for on-call quick response to questions that arise throughout the course of the year, and provide this service as a component of the audit engagement. Should you require additional services that require a separate deliverable, we will discuss the scope and fee ahead of time and provide a separate engagement letter for this service. Our discounted rates for these services range from $125 - $200 per hour, depending on the level of expertise required for the task. Any inquiries that do not require a separate deliverable will be provided at no additional cost.

## TIMING

The anticipate timeframe for completion of each stage of the audit is as follows:

- Risk assessment, planning and compliance procedures – June
- Year-end fieldwork –August
- Presentation of draft audit reports to management – September
- Presentation of draft audit reports to the Finance Committee – October

This schedule is subject to the timely closing of the books and the availability of supporting documentation.

**PIONEER VALLEY PERFORMING ARTS CHARTER PUBLIC SCHOOL**

# APPENDIX I

## DANIEL DENNIS & COMPANY LLP

*Peer Review Opinion*

SULLIVAN BILLE PC
CERTIFIED PUBLIC ACCOUNTANTS

# Report on the Firm's System of Quality Control

October 10, 2024

To the Partners of
Daniel Dennis & Company
and the New England Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Daniel Dennis & Company (the firm) in effect for the year ended May 31, 2024. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

## Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

## Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm’s system of quality control based on our review.

300 Brickstone Square, Suite 1001, Andover, MA 01810
Tel 978.970.2900 – 800.818.1120 – Fax 978.970.3260

## Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act and audits of employee benefit plans.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

## Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Daniel Dennis & Company in effect for the year ended May 31, 2024, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass, pass with deficiency(ies) or fail*. Daniel Dennis & Company has received a peer review rating of *pass*.

*Sullivan Bille, PC*

# APPENDIX II

## DANIEL DENNIS & COMPANY LLP

*Resumes of Audit Team*

# Kristoffer Lane, CPA

## Education

**Merrimack College**
B.S.B.A, Accounting - 1990

*Annual continuing education consists of forty hours per year inclusive of twelve hours of governmental courses.*

## Professional Employment

**Daniel Dennis & Company LLP**
Boston, MA

| | |
|---|---|
| *Managing Partner* | *2024-Present* |
| *Partner* | *2007-2023* |
| *Manager* | *1999-2007* |
| *Supervisor* | *1998-1999* |
| *Senior Auditor* | *1995-1997* |
| *Staff Auditor* | *1992-1994* |

## Professional License

**Certified Public Accountant**
*Massachusetts*

## Related Experience

***Manager in charge of direct and indirect cost of government contract for:***

- Massachusetts Highway Department
- Various government contractors

***Partner in charge of the audits of various real estate limited partnerships including MHFA and HUD filing requirements and construction cost certifications for Low Income Housing Tax Credits.***

***Partner in charge of the following audits:***

**Governmental**

- Atlantis Charter School
- Academy of Strategic Learning Charter School
- Alma del Mar Charter School
- Boston Renaissance Charter School
- Commonwealth Corporation
- Christa McAuliffe Regional Charter Public School
- Foxborough Regional Charter School
- Lowell Community Charter School
- Marblehead Community Charter School
- Martin Luther King Jr. Charter School of Excellence
- New Heights Charter School
- Paulo Freire Charter School
- Pioneer Charter School of Science
- Salem Academy Charter School
- Sizer Charter School

# Kristoffer Lane, CPA (continued)

## Related Experience

**Nonprofit**

- Alma del Mar Foundation
- Alternative Supports, Inc.
- Atlantis Educational Foundation
- BayPath Elder Services
- Boston Municipal Research Bureau
- CASCAP, Inc.
- Central Massachusetts Housing Alliance, Inc.
- Clean Production Action
- Community Action of Cape Cod and the Islands
- Grow Associates
- Homeowners Rehab, Inc.
- Horizons for Homeless Children
- Island Autism, Inc.
- Lowell Community Charter School Friend, Inc.
- North Shore YMCA
- Wayfinders, Inc.

**Real Estate**

- 12 Summer Street Limited Partnership
- Auburn Park Limited Partnership
- Brunswick Holborn Limited Partnership
- Cabot Street Homes Limited Partnership
- Chapman Arms LLC
- Columbia Cast Limited Partnership
- Columbia Wood Two Limited Partnership
- Grove Hall Retail Center
- Holcroft Park Homes One Limited Partnership
- Holcroft Park Homes Two Limited Partnership
- Inman Cast LLC
- Nuestras Casas Limited Partnership
- Trolley Rental Limited Partnership
- Winter Street Limited Partnership

**Management Consulting Services**

- Committee for Public Counsel Services
- Dana Farber Cancer Institute
- US Department of Education – Charter School Office
- Department of Public Health
- Department of Employment and Training

# Colleen D'Alfonso, CPA

## Education

**Northeastern University**
Graduate Certificate in Forensic Accounting - 2005

**Salve Regina University** – Magna Cum Laude
BS, Accounting - 2003

*Annual continuing education consists of forty hours per year inclusive of twelve hours of governmental courses.*

## Professional Employment

**Daniel Dennis & Company LLP**
Boston, MA

| | |
|---|---|
| *Partner* | *2017 - Present* |
| *Manager* | *2012 - 2016* |
| *Supervisor* | *2010 - 2012* |
| *Supervising Senior* | *2007 - 2009* |
| *Senior Auditor* | *2005 - 2006* |
| *Staff Auditor* | *2004 – 2005* |

## Professional License

**Certified Public Accountant***, Massachusetts*

## Professional Affiliations

***Member of:***
*American Institute of CPAs*
*Massachusetts Society of CPA*

## Related Experience

***Partner for the following audits:***

- Argosy Collegiate Charter School
- Atlantis Charter School
- Atlantis Educational Foundation
- Boundless Israel, Inc.
- Codman Square Neighborhood Development Corporation
- Commonwealth Land Trust, Inc.
- Family Indpendence, Inc.
- Inner Explorer, Inc.
- Marblehead Charter School
- New Heights Charter School
- Plymouth Philharmonic, Inc.
- Project Implicit, Inc.
- Rising Tide Charter School
- Salem Academy Charter School
- Shawsheen Valley Regional Vocational Technical School District
- Tanzanian Children’s Fund, Inc.

**Related Experience – continued**

***Audit Partner of various real estate limited partnerships, LLC and cooperatives, with HUD, MHFA, MHIC, NEF and MMA filing requirements and construction cost certifications for IRS Low Income Housing and Historic Tax Credits.***

# James Meehan, CPA

## Education

**University of Massachusetts, Dartmouth**
BS, Accounting – 2012
*Annual continuing education consists of forty hours per year inclusive of twelve hours of governmental courses.*

## Professional Employment

**Daniel Dennis & Company LLP**
Dedham, MA

| | |
|---|---|
| *Partner* | *2026– Present* |
| *Manager* | *2022 – 2025* |
| *Supervisor* | *2019 – 2022* |
| *Senior Auditor* | *2015 – 2022* |
| *Staff Auditor* | *2013 – 2015* |

## Professional License

***Certified Public Accountant,*** *Massachusetts*

## Related Experience

**Non Profits and Charter Schools:**

- Homeowners Rehab Inc.
- Cambridge Neighborhood Affordable Housing Services Inc.
- Cambridge Community Housing Inc.
- Clean Production Action Inc.
- Downtown Boston Business Improvement District
- Job Training Employment Corporation
- Professional Fire Fighters of Massachusetts
- Community Action Committee of Cape Cod and the Islands Inc.
- Two Ten Footwear Foundation
- Masshire North Central Workforce Board
- Hilltown Public Charter School
- Sizer School, a North Central Charter Essential School
- Montachusett Veteran's Outreach Center inc.
- Valuing Our Children Inc.

**Real Estate:**

- Auburn Park Limited Partnership
- Trolley Rental LLC
- Columbia Cast LLC
- Inman Cast LLC
- HRI Putnam Square II LLC
- Auburn Court LLC
- HRI Matheson Apartments LLC
- 808-812 Memorial Drive II LLC
- Whittier Place LLC
- 808 Memorial Drive II LLC
- Chapman Arms LLC
- Roxbury Corners LLC
- Wollaston Lutheran Apartments LLC

# APPENDIX III

## DANIEL DENNIS & COMPANY LLP

*Sample Request List*

DANIEL DENNIS & Co
Certified Public Accountants

May 1, 202x

ABC Charter Public School

In anticipation of the upcoming audit of the financial statements of the ABC Charter Public School for the year ended June 30, 201X, the following is a checklist of items to be completed prior to the start of the audit, as well as documentation which will be needed when we begin the audit. This listing should not be considered all-inclusive, as there may be issues noted during the audit fieldwork, which would require a review of other documentation not listed below. However, the listing provides a general outline of commonly requested items.

*Items Needed Prior to Audit Fieldwork*

1. Current list of board members and management including name and position.

2. The following confirmation letters should be typed, signed and returned to our office.

   - Insurance confirmations for all insurance agents
   - Mortgage and notes payable
   - Bonds payable
   - Legal letter requests to all lawyers who performed services during the year

3. Copies of board minutes for meetings held for the period of July 20XX through the most recent meeting held.

4. Copies of any new grants, contracts, and other program agreements/documents for fiscal year 201X.

5. Copies of policies and procedures manual and description of any changes.

6. Copies of any loan agreements and/or financial arrangements for fiscal year 201X.

7. Copies of any audit, review or monitoring reports on the School from regulatory agencies during fiscal year 201X.

8. Listing of all equipment donated to the School, inclusive of date of donation, description of equipment, fair value and general ledger account where it is recorded.

9. Description of any pending or threatened litigation, claims or assessments, with management's appraisal of the anticipated outcome.

10. Copies of any lease agreements in effect during fiscal year 201X.

11. Copy of the fiscal year 201X budget.

**Dedham Executive Center, 990 Washington Street, Suite 203, Dedham, Massachusetts 02026 Telephone (617) 262-9898 Fax (617) 279-0837**

*Items Needed Prior to Audit Fieldwork - continued*

12. Written narrative noting steps taken to insure compliance with the requirements listed in the 'Recommended Audit Guide' issued by the Commonwealth of Massachusetts Department of Education.

13. Description of any changes in the School's fiscal policies and procedures in place during fiscal year 201X.

14. Copy of the 'End of Year Report' submitted to DESE.

*Items Needed at the Start of Audit fieldwork:*

1. Bank reconciliations for all bank accounts, which agree to the June 30, 201X general ledger, cash accounts.

2. Written Management Discussion and Analysis for the year ended June 30, 201X.

3. A comparative income statement for 20X1 vs. 20X2 with explanations for fluctuations of + or - $XXX. Also a budget to actual analysis with explanations for differences over $XXX.

4. Listing of accounts/grants receivable which agrees to the June 30, 201X general ledger account(s).

5. Copies of all billing records and reports filed for grants and contracts.

6. Reconciliation and description of the items due to/(from) the Foundation.

7. Detailed listing of fixed assets including description, useful life, additions, depreciation expense and accumulated depreciation that ties to the general ledger at June 30, 201X

8. Schedule of prepaid expenses, which agrees to the June 30, 201X general ledger account.

9. Detail listing of accounts payable which agrees to the June 30, 201X general ledger account.

10. Detailed listing of accrued expenses, including payroll, which agrees to the June 30, 201X general ledger accounts.

11. Listing of notes and bond payable inclusive of payments due in the next five years and the five year increments thereafter.

12. Completed Form 990/Form PC questionnaire

13. Listing of related parties and related party transaction through June 30, 201X.

14. Minutes of additional Board of Directors meetings.

# APPENDIX IV

## DANIEL DENNIS & COMPANY LLP

*Sample Audit Report*

# ABC Charter School

# And

# ABC Foundation Corporation

Combining Financial Statements
and
Independent Auditors' Report in Accordance with
Government Auditing Standards

June 30, 202x

**ABC Charter School And**
**ABC Foundation Corporation**
June 30, 202x

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DANIEL DENNIS & Co
Certified Public Accountants

The Board of Trustees
**ABC Charter School and**
**ABC Foundation Corporation**

*Independent Auditors' Report*

**Report on the Combining Financial Statements**
We have audited the accompanying combining financial statements of ABC Charter School (a governmental entity) (the School) and ABC Foundation Corporation (a nonprofit organization) (the Foundation) (collectively, the Organization) as of and for the year ended June 30, 202x, and the related notes to the combining financial statements, which collectively comprise the Organization's basic combining financial statements as listed in the table of contents.

***Management's Responsibility for the Combining Financial Statements***
Management is responsible for the preparation and fair presentation of these combining financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the combining financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***
Our responsibility is to express an opinion on these combining financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combining financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combining financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combining financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the combining financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combining financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the combining financial statements listed in the table of contents present fairly, in all material respects, the respective combining financial position of the Organization as of June 30, 202x, and the respective changes in the combining financial position and the combining cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

*Report on Summarized Comparative Information*

We have previously audited the Organization's fiscal year 202x combining financial statements, and our report dated October 20, 202x, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 202x, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 7 be presented to supplement the basic combining financial statements. Such information, although not a part of the basic combining 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 combining financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic combining financial statements, and other knowledge we obtained during our audit of the basic combining 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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 202x, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Organization's internal control over financial reporting and compliance.

Daniel Dennis & Company LLP

*Dedham, Massachusetts*
*October 24, 202x*

**ABC Charter School**
Management Discussion and Analysis
June 30, 202x (Unaudited)

The following discussion and analysis of ABC Charter School's (the School) financial performance provides an overview of the School's financial activities for the fiscal year ended June 30, 202x and summarized comparative information for fiscal year 202x. Please read it in conjunction with the School's combining financial statements and the related notes, which begin on page 8.

## The School as a Whole

The School received their initial charter on February 28, 1998 to operate as a public charter school in the Commonwealth of Massachusetts. The charter is awarded in five-year increments and is subject to renewal by the Commonwealth of Massachusetts Department Elementary and Secondary Education (DESE). The School's charter was renewed during fiscal year 2013 and is effective for the five year period ending June 30, 2018. During fiscal year 202x, the School operated fifth grade through XXXX grade and the enrollment was comprised of approximately XXX students and during fiscal year XXX, the School operated fifth grade through eleventh grade and the enrollment was comprised of approximately XXX students. The School's maximum enrollment approved by the DESE is 700 students.

## Using This Annual Report

This annual report consists of a series of combining financial statements. In accordance with *Government Accounting Standards Board* GASB No. 34 - *Basic Financial Statement – Management's Discussion and Analysis - for State and Local Governments* (GASB No. 34), the School is considered a special purpose government entity that engages in only business type activities. All of the financial activity of the School is recorded in an enterprise fund within the proprietary fund group. In accordance with GASB No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,* the School issues a Combining *Statement of Net Position,* a *Combining Statement of Revenues, Expenses and Changes in Net Position* and a *Combining Statement of Cash Flows*. These statements provide information about the financial activities of the School, as a whole. This annual report also contains notes to the combining financial statements and other information which provides additional information that is essential to a full understanding of the information provided in the basic combining financial statements.

## Financial Reporting Entity

As required by generally accepted accounting principles, and in conformance with the *GASB Statements No. 14, The Financial Reporting Entity* and *GASB Statement No. 39, Determining Whether Certain Organizations Are Component Units and subsequently amended by GASB No. 61, The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*. The School evaluated its potential component unit and determined that ABC Foundation Corporation (the Foundation) is a component unit of the School and should be presented as a blended component unit in the basic combining financial statements.

**Financial Statements**

The *Combining Statement of Net Position* presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the School as a whole, as of the end of the fiscal year and is a point-in-time financial statement. The purpose of the *Combining Statement of Net Position* is to present a fiscal snapshot of the School to the readers of the financial statements. Assets are resources with present service capacity that the Schools presently controls. Liabilities are present obligations to sacrifice resources that the School has little or no discretion to avoid. A deferred outflow of resources is a consumption of net position by the School that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the Schools that is applicable to a future reporting period. Net position represents the difference between all other elements in a statement of financial position and is displayed in three components - *net investment in capital assets*; *restricted* (distinguishing between major categories of restrictions); and *unrestricted*.

The *net investment in capital assets* component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

The *restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.

The *unrestricted* component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of *net investment in capital assets* or the *restricted* component of net position.

Over time, readers of the combining financial statements will be able to evaluate the School's fiscal health (liquidity and solvency) or financial position by analyzing the increases and decreases in net position to determine if the School's financial health is improving or deteriorating. The reader will also need to consider other non-financial factors such as changes in economic conditions and new or amended charter school legislation when evaluating the overall financial health of the School. This statement is also a good source for readers to determine how much the School owes to vendors and creditors and the available assets that can be used to satisfy those liabilities.

**Financial Statements –** *Continued*

The *Combining Statement of Revenues, Expenses and Changes in Net Position* reports the financial (revenue and expenses) activities of the School and divides it into two categories: *Operating activities* and *Non-operating activities*. Operating activities include all financial activities associated with the operation of the School and its related programs. Consequently, all non-operating activities include all financial activities not related to the operation of a charter school. Changes in total net position as presented on the *Combining Statement of Net Position* are based on the activity presented in this statement. This statement helps to determine whether the School had sufficient revenues to cover expenses during the fiscal year and its net increase or net decrease in net position based on current year operations.

The *Combining Statement of Cash Flows* provides information about the School's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from *operations, investing*, and *capital* and *noncapital financing activities* and provides answers to such questions as "from where did cash come?," "for what was cash used?," and "what was the change in the cash balance during the reporting period?" This statement also is an important tool in helping users assess the School's ability to generate future net cash flows, its ability to meet its obligations as they come due, and its need for external financing.

*Notes to the Combining Financial Statements* provide additional information that is essential to a full understanding of the information provided in the School's financial statements.

**Financial Highlights**

The following financial highlights are for the School for fiscal year 202x and will provide comparative information from fiscal year 202x:

- The School held total assets of $X,XXXX and $XXXXX, at June 30, 202x and 202x, respectively, of which $XXXXX and $XXXXX were net capital assets, respectively and the majority of the remaining assets consisted of cash and accounts receivable. The increase in total assets was largely due to the increase in capital assets.

- The School held total liabilities of $XXXXX and $XXXXX at June 30, 202x and 202x, respectively. At June 30, 202x, $XXXXX was current and $XXXX was noncurrent. At June 30, 202x, $XXXXX was current and $XXXX was noncurrent. The decrease in total liabilities was due to the School repaying its note payable.

**Financial Highlights –** *Continued*

- Total net position for the School was $XXXXX and $XXXX, at June 30, 202x and 202x, respectively, of which $XXXXX and $XXXXX, respectively, were unrestricted. The unrestricted net position balance for the years ended June 30, 202x and 202x was $0 and $XXXX, respectively, which were board designated and $XXXXX and $XXXXX, respectively, which were undesignated. In addition, for the years ended June 30, 202x and 202x, the School had $XXXX and $XXXXX, respectively, in net position were related to investments in capital assets. The increase in the net position is due to the surplus in fiscal year 202x.

- The School earned total revenues of $XXXXX and $XXXXX for the years ended June 30, 202x and 202x, respectively, of which 99% were operating revenues and 1% were from nonoperating revenues (private grants, contributions, etc.). The increase in revenue was directly related to the increase in the per student tuition due to the increase in enrollment and increase in the on-behalf payments calculated by the MTRS.

- The School had total expenses of $XXXXX and $XXXXXX for the years ended June 30, 202x and 202x, respectively. For the years ended June 30, 202x and 202x, total expenses include operating expenses of $XXXXX and $XXXXXX, respectively, and nonoperating expense of $XX and $XXXXX, respectively. The increase in expenses during fiscal year 202x was due to the School hiring additional teachers and administrators to meet the educational needs as a result of the expansion into the twelfth grade and the increase in the on-behalf payments calculated by the MTRS.

- The School had a change in net position of $XXXXX and $XXXX for the years ending June 30, 202x and 202x, respectively. In fiscal year 202x, the change in net position was comprised of operating income of $XXXX and a nonoperating income of $XXXX. In fiscal year 202x, the change in net position was comprised of an operating income of $XXXXX and a nonoperating loss of $XXXX.

**Budgetary Highlights**

The School's annual budget for the year ended June 30, 202x was approved by the Board of Trustees. For the fiscal year ended June 30, 202x the School incurred $XXXX in actual expenditures, excluding $XXXXX of in-kind transportation and $XXXXX of on-behalf retirements expenses, compared to budgeted expenditures of $XXXXX. The School was under budget by $XXXX. This was a result of the School being under budget for Health and Dental Insurance premiums due to less staff utilizing the employer sponsored plans.

The School budgeted tuition for fiscal year 202x based on enrollment of XXX students, utilizing the average per pupil rate from the sending districts projected by DESE for fiscal year posted on the DESE Charter School web site on April 15, 202x. *(Tuition Rate Summary, Projected FY15 Rates by Charter School and Sending District (Q1)(c))*

## School's Financial Activities

The majority of the School's funding is received from the Commonwealth of Massachusetts DESE and is based on a standard rate per pupil. The School received $XXXXXX in per pupil funding in fiscal year 202x, compared to $XXXXXX in per pupil funding in fiscal year 2014. This represents 91% and 90% of the School's revenue for fiscal years 202x and 2014, respectively. In addition, the School received various governmental grants which totaled $136,216 and $118,421 for fiscal years 202x and 2014, respectively.

## Other Financial Factors

During fiscal year 2014, the School along with the Foundation purchased XXXXXXXXXXX. The School along with the Foundation also purchased an adjoining parcel at XXXXXX on which the School plans to build a xxxxxx.

During 2011, the School entered into an additional operating lease agreement for space to house grades nine through twelve. The lease commences July 1, 2011 and expires on July 31, 202x and provides for an option to extend through December 2017.

## Current Known Facts, Decisions and Conditions

During fiscal year 2009 School received approval from the DESE to expand into grades nine through twelve. During fiscal year 202x, the School completed its first year with all grades filled from fifth through twelfth grade.

## Contacting the School's Financial Management

This financial report is designed to provide the reader with a general overview of the School's finances and to show the accountability for the funds received. If you have questions about this report or need additional information, please contact XXXXXX

**ABC Charter School and**
**ABC Foundation Corporation**
Combining Statement of Net Position
As of June 30, 202x
With Summarized Comparative Totals as of June 30, 202x

| | *ABC Charter School* | *ABC Foundation Corporation* | *Memorandum Only - Total Primary Government June 30, 202X* | *Memorandum Only - Summarized Comparative June 30, 202X* |
|---|---|---|---|---|
| **Assets** | | | | |
| ***Current Assets:*** | | | | |
| Cash | $ - | $ - | $ - | $ - |
| Accounts receivable | - | - | - | - |
| Prepaid expenses | - | - | - | - |
| Related party (payables)/receivables | - | - | - | - |
| Total current assets | - | - | - | - |
| ***Noncurrent Assets:*** | | | | |
| Related party receivables/(payables) | - | - | - | - |
| Restricted cash | - | - | - | - |
| Capital assets, net | - | - | - | - |
| Total noncurrent assets | - | - | - | - |
| Total assets | $ - | $ - | $ - | $ - |
| **Liabilities and Net Position** | | | | |
| ***Current Liabilities:*** | | | | |
| Accrued expenses | $ - | $ - | $ - | $ - |
| Accounts payable | - | - | - | - |
| Current portion of long-term debt | - | - | - | - |
| Total current liabilities | - | - | - | - |
| ***Noncurrent Liabilities:*** | | | | |
| Mortgage payable, net of current portion and unamortized debt issuance costs | - | - | - | - |
| Total noncurrent liabilities | - | - | - | - |
| Total liabilities | - | - | - | - |
| ***Net Position:*** | | | | |
| Net investment in capital assets | - | - | - | - |
| Unrestricted | - | - | - | - |
| Total net position | - | - | - | - |
| Total liabilities and net position | $ - | $ - | $ - | $ - |

*See accompanying notes to the combining financial statements.*

**ABC Charter School and**
**ABC Foundation Corporation**
Combining Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 202x
With Summarized Comparative Totals for the Year Ended June 30, 202x

| | *ABC Charter School* | *ABC Foundation Corporation* | *Memorandum Only Total Primary Government June 30, 202X* | *Memorandum Only Summarized Comparative June 30, 20XX* |
|---|---|---|---|---|
| *Operating revenues:* | | | | |
| Tuition | $ - | $ - | $ - | $ - |
| Federal grants | - | - | - | - |
| Program fees | - | - | - | - |
| In-kind meals | - | - | - | - |
| In-kind transportation | - | - | - | - |
| On-behalf payments - fringe benefits | - | - | - | - |
| Total operating revenues | - | - | - | - |
| *Operating expenses:* | | | | |
| Salaries | - | - | - | - |
| Payroll taxes | - | - | - | - |
| Workers compensation | - | - | - | - |
| Employee benefits | - | - | - | - |
| Rent - related party | - | - | - | - |
| Telephone and utilities | - | - | - | - |
| Dues and subscriptions | - | - | - | - |
| Instructional materials and supplies | - | - | - | - |
| Student related activities | - | - | - | - |
| Professional development | - | - | - | - |
| Professional services | - | - | - | - |
| Consultants | - | - | - | - |
| Insurance | - | - | - | - |
| Office expense | - | - | - | - |
| Repairs and maintenance | - | - | - | - |
| In-kind expense | - | - | - | - |
| On-behalf payments - fringe benefits | - | - | - | - |
| Depreciation | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Total operating expenses | - | - | - | - |
| Net operating income | - | - | - | - |
| *Non-operating revenues/(expenses):* | | | | |
| Contributions | - | - | - | - |
| Interest income | - | - | - | - |
| Other revenue | - | - | - | - |
| Interest expense | - | - | - | - |
| Net nonoperating revenues/(expenses) | - | - | - | - |
| Change in net position | - | - | - | - |
| Net position, beginning of the year | - | - | - | - |
| Net position, end of the year | $ - | $ - | $ - | $ - |

*See accompanying notes to the combining financial statements.*

# ABC Charter School and ABC Foundation Corporation

Combining Statement of Cash Flows
For the Year Ended June 30, 202x
With Summarized Comparative Totals for the Year Ended June 30, 202x

| | *ABC Charter School* | *ABC Foundation Corporation* | *Memorandum Only Total Primary Government June 30, 202X* | *Memorandum Only Summarized Comparative June 30, 201X* |
|---|---|---|---|---|
| **Cash flows from operating activities:** | | | | |
| Receipts from tuition | $ - | $ - | $ - | $ - |
| Receipts from governmental grants | - | - | - | - |
| Receipts from other sources | - | - | - | - |
| Payments to employees | - | - | - | - |
| Payments to suppliers and vendors | - | - | - | - |
| Net cash provided by/(used in) operating activities | - | - | - | - |
| **Cash flows from non capital financing activities:** | | | | |
| Non-operating receipts | - | - | - | - |
| Non-operating disbursements | - | - | - | - |
| Net cash provided by/(used in) non capital financing activities | - | - | - | - |
| **Cash flows from capital and related financing activities:** | | | | |
| Payments of debt | - | - | - | - |
| Purchase of capital assets | - | - | - | - |
| Net cash used in capital and related financing activities | - | - | - | - |
| Change in cash and cash equivalents | - | - | - | - |
| Cash and cash equivalents, beginning of year | - | - | - | - |
| Cash and cash equivalents, end of year | $ - | $ - | $ - | $ - |
| **Reconciliation of operating income to net cash provided by/(used in) operating activities:** | | | | |
| Operating income | $ - | $ - | $ - | $ - |
| *Adjustments to reconcile operating income to net cash (used in)/provided by operating activities:* | | | | |
| Depreciation | - | - | - | - |
| *Change in operating assets and liabilities:* | | | | |
| Accounts receivable | - | - | - | - |
| Contributions receivable | - | - | - | - |
| Prepaid expenses | - | - | - | - |
| Due to/from related parties | - | - | - | - |
| Accounts payable | - | - | - | - |
| Accrued expenses | - | - | - | - |
| Net cash provided by/(used in) operating activities | $ - | $ - | $ - | $ - |

*See accompanying notes to the combining financial statements.*

**ABC Charter School and**
**ABC Foundation Corporation**
Notes to Combining Financial Statements
June 30, 202x

## *1. Nature of Organization*

The ABC Charter School, (the School) was established on February 28, 1998, after receiving its charter from the Commonwealth of Massachusetts under Chapter 71, Section 89 of the General Laws of Massachusetts. The School's charter is awarded in five year increments and is subject to renewal at the discretion of the Commonwealth of Massachusetts' Department of Elementary and Secondary Education (DESE). The initial charter was for a five-year period and commenced on the date of the first enrolled class, which was September 1998. The School is operating under its fourth charter which was approved on January 18, 2013 and expires on June 30, 2018. DESE provided 91% and 90% of the funding to the School for the years ended June 30, 202x and 2014, respectively through a per pupil reimbursement.

The basic combining financial statements consist of the following:

Primary government

- ABC Charter School (the School) – operates as a middle and high school in xxxxx, Massachusetts and serves 590 students in grades five through twelve. At capacity the School will serve 700 students.

- The ABC Foundation Corporation (the Foundation) – a legally separate, tax-exempt organization that acts primarily as a fundraising organization to supplement the resources of the School. The Foundation is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Because these resources can only be used by or for the benefit of the School, the Foundation is considered a component unit of the School and is presented as a blended component unit.

The School and its blended component unit, the Foundation are referred to collectively as the Organization.

The School's mission is:
XXXXXXXXX

## *2. Summary of Significant Accounting Policies*

The accounting policies of the Organization conform to accounting principles generally accepted in the United States of America, as applicable to governmental units. The following is a summary of the Organization's significant accounting policies:

*Financial Reporting Entity*
As required by generally accepted accounting principles, and in conformance with the *Government Accounting Standards Board (GASB) Statements No. 14, The Financial Reporting Entity* and *GASB Statement No. 39, Determining Whether Certain Organizations Are Component Units and subsequently amended by GASB No. 61, The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34,* the School evaluated its potential component unit to determine the reporting entity.

The reporting entity consists of the School and it's blended component unit. Component units are legally separate organizations for which the board is financially accountable for or other organizations whose nature and significant relationship with the School are such that exclusion would cause the combining financial statements to be misleading or incomplete. The School is financially accountable if it appoints a majority of the Foundation's board and (1) is able to impose its will on the Foundation, or (2) there is a potential to provide specific financial benefit or to impose a burden on the School.

The Foundation was evaluated and is reported as a blended component unit. The blended component unit, although a legally separate entity, is in substance, part of the School's operations and so financial data is combined and reported within the financial data of the primary government.

The Foundation is a non-profit organization that reports under Financial Accounting Standards Board (FASB) accounting standards, including *Accounting Standards Codification (ASC) 958, Financial Reporting for Non-Profit Organizations*. As such, certain revenue recognition criteria and financial presentation features are different from GASB revenue recognition and financial presentation features. No modifications have been made to the Foundation's financial information in the School's reporting entity for those differences.

Complete financial statements for the Foundation can be obtained from the School's Business Office.

*Financial Statement Presentation*
The School, in accordance with *GASB Statement No. 34 - Basic Financial Statement – and Management's Discussion and Analysis - for State and Local Governments,* is considered a special purpose governmental entity that engages in only business type activities and is not a component unit of another governmental entity. Therefore, the combining financial statements are prepared using the accrual basis of accounting and all of the activity is recorded in the enterprise fund.

***2. Summary of Significant Accounting Policies*** *– Continued*

*Basis of Accounting*
The accrual basis of accounting is used for all governmental entities that operate as business type entities. Accordingly, revenue is recognized when earned and capital assets and expenditures are recorded when received and incurred, respectively.

Pursuant to GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements,* the School has elected to apply the provisions of all relevant pronouncements of Financial Accounting Standards Board (FASB) that do not conflict with or contradict GASB pronouncements.

*Tax Status*
The School was established under a charter granted by the Commonwealth of Massachusetts' DESE and operates as a part of the Commonwealth of Massachusetts and is therefore, generally exempt from income taxes under Section 115 of the Internal Revenue Code.

The Foundation is exempt from federal income taxes under Section 501 (c)(3) of the Internal Revenue Code. The Foundation is also exempt from Massachusetts income taxes.

The Foundation evaluates tax positions taken or expected to be taken in its tax returns to determine whether the tax positions are more-likely-than-not of being sustained by the applicable federal or state authority. The Foundation has evaluated the tax positions taken in its previously filed returns and those expected to be taken in its 202x returns and believes they are more-likely-than not to be sustained if examined by federal or state tax authorities. The Foundation's returns are subject to examination b federal and state tax authorities for up to a three year period after the returns have been filed (2013-202x).

*Cash and Cash Equivalents*
For the purpose of the *Combining Statement of Net Position* and the *Combining Statement of Cash Flows*, the Organization considers all short-term investments with an original maturity of three months or less to be cash equivalents. There were no cash equivalents at June 30, 202x and 202x.

*Grants and Accounts Receivable*
Grants and accounts receivables are presented net of the allowance for doubtful accounts. Management's periodic evaluation of the adequacy of the allowance is based on its past experience. These receivables are written off when deemed uncollectible. At June 30, 202x and 202x, no allowance for doubtful accounts had been recorded, as management considers all receivables to be fully collectible.

*Compensated Absences*
Employees of the School are entitled to paid vacations and paid holidays, depending on the job classification, length of service, and other factors. The School accrues for these compensated absences.

## 2. *Summary of Significant Accounting Policies* – *Continued*

*Operating Revenue and Expenses*
Operating revenue and expenses generally result from providing educational and instructional services in connection with the School's principal ongoing operations. The principal operating revenues include tuition and Federal and Commonwealth of Massachusetts grants. Operating expenses include educational costs, administrative expenses and depreciation on capital assets. All other revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

*Capital Assets*
Capital assets are recorded at cost or at fair market value at the date of donation. Capital assets purchased with a cost or value greater than $1,000 are capitalized. Depreciation is computed on the straight-line basis using estimated useful lives of 5 years for equipment, 10 years for furniture and fixtures, 40 years for buildings and the remaining expected life of the lease for leasehold improvements or equipment under capital leases.

*Classification of Net Position*
The following are the net position classifications:

- Unrestricted Net Position – portion of funds to support operations
- Net Investment in Capital Assets – book value of capital assets net of any related debt
- Restricted – funds received or committed to specific uses or programs

*Use of Estimates*
The preparation of the combining 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 combining financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

*In-Kind Contributions*
The School receives donated services in support of the School. Donated services are recorded at fair value. Donates services that (a) create or enhance a nonfinancial asset or (b) require specialized skills, are provided by individuals possessing those skills, and would need to be purchased if they were not donated are recorded as in-kind contributions in the combining financial statements. Donates services such as fund-raising, clerical assistance or other volunteer efforts not requiring specialized skills are not recorded in the combining financial statements.

## 2. *Summary of Significant Accounting Policies* – *Continued*

*Summarized Comparative Information*
The combining financial statements include certain prior-year summarized comparative information in total but not by individual reporting entity. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principals generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's combining financial statements for the fiscal year ended June 30, 2014, from which the summarized information was derived.

## 3. *Deposits with Financial Institutions*

The Organization maintained its cash accounts at four financial institutions. These balances at times may exceed the Federal Deposit Insurance Corporation (FDIC) insured limit per financial institution. Management acknowledges the possibility of risk in this arrangement; however, the size and longevity of the depository institution minimizes such risk. In addition, one of the financial institutions is a Massachusetts Chartered Savings Bank that maintains additional insurance through the Depositors Insurance Fund, a private industry sponsored insurance company.

As required by GASB Statement No. 40, *Deposits and Investment Risk Disclosures.* The following represents a summary of deposits as of June 30, 202x and 201x:

| | *June 20, 202X* | *June 20, 202X* |
|---|---|---|
| Fully insured deposits | $ 315,657 | $ 289,438 |
| Uncollateralized | 1,025,238 | 585,497 |
| Total | $ 1,340,895 | $ 874,935 |

## 4. *Grants and Accounts Receivables*

Grants and accounts receivable at June 30, 202x and 201x are as follows:

| | *202X* | *202X* |
|---|---|---|
| Commonwealth of Massachusetts | $ - | $ - |

## 5. *Accounts Payable and Accrued Expenses*

Accounts payable and accrued expenses at June 30, 202x and 202x are as follows:

| | *202X* | *202X* |
|---|---|---|
| Payables to vendors | $ - | $ - |
| Accrued payroll | - | - |
| Total | $ - | $ - |

**ABC Charter School and**
**ABC Foundation Corporation**
Notes to Combining Financial Statements – *Continued*
June 30, 202x

## *6. Capital Assets*

Changes in capital assets for the years ended June 30, 202x and 201x are as follows:

| | *June 20, 202X* | *Additions* | *Deletions* | *June 30, 202X* |
|---|---|---|---|---|
| *Capital assets being depreciated* | | | | |
| Leasehold improvements | $ - | $ - | $ - | $ - |
| Furniture and equipment | - | - | - | - |
| Total capital assets being depreciated | - | - | - | - |
| *Less accumulated depreciation* | | | | |
| Leasehold improvements | - | - | - | - |
| Furniture and equipment | - | - | - | - |
| Total accumulated depreciation | - | - | - | - |
| Capital assets, net | $ - | $ - | $ - | $ - |

| | *June 30, 202X* | *Additions* | *Deletions* | *June 30, 202X* |
|---|---|---|---|---|
| *Capital assets being depreciated* | | | | |
| Leasehold improvements | $ 485,894 | $ 22,181 | $ - | $ 508,075 |
| Furniture and equipment | 756,221 | 70,275 | - | 826,496 |
| Total capital assets being depreciated | 1,242,115 | 92,456 | - | 1,334,571 |
| *Less accumulated depreciation* | | | | |
| Leasehold improvements | 160,710 | 22,165 | - | 182,875 |
| Furniture and equipment | 668,102 | 48,759 | - | 716,861 |
| Total accumulated depreciation | 828,812 | 70,924 | - | 899,736 |
| Capital assets, net | $ 413,303 | $ 21,532 | $ - | $ 434,835 |

## *7. Lease Commitments*

*Operating Leases*
The School had an operating lease for its building and grounds, which houses students in grades five through eight. The lease agreement required a prepayment which was recorded on a straight-line method over the expected term of the lease, which management anticipated would be June 30, 202x. However, during fiscal year 2014, the Foundation purchased the building and grounds from the landlord which resulted in the remaining prepayment of $xxxx to be recognized as an expense in fiscal year 2014. The rental expense for fiscal year ended June 30, 202x and 201x, excluding the adjustment for the prepayment, was $0 and $xxxxx, respectively.

**ABC Charter School and**
**ABC Foundation Corporation**
Notes to Combining Financial Statements - *Continued*
June 30, 202x

***7. Lease Commitments –*** *Continued*

The School leases space to house grades XXXX through XXXX. The lease commenced July 1, 2011 and expires on July 31, 202x and includes an option to extend through December 31, 2017. For the years ended June 30, 202x and 202x, the rent expense was $XXXX and $XXXXX, respectively.

The future minimum base lease payments under the executed operating leases are as follows:

| *Fiscal Year* | *Amount* |
|---|---|
| 202X | $ - |
| 202X | - |

*Land and Building*
In December 2013, the Foundation purchased the building and grounds located at XXXXX, Massachusetts and the Foundation purchased a parcel of land located at XXXXX and immediately entered into a thirty-year lease agreement with the School. The terms of the lease agreement require the School to make an initial payment of $XXXXX, which represents the base rent for the entire lease term. The School also agrees to pay additional rent of $1 per year and all operating expenses associated with the properties.

*Capital Leases*
The School has four capital leases for equipment. The assets and liabilities under these capital leases are recorded at the present value of the minimum lease payments or fair value of the asset. The assets are amortized over their estimated lives. The following is a summary of the property held under the capital leases and reported in capital assets at June 30, 202x and 202x:

| | *202X* | *202X* |
|---|---|---|
| Equipment | $ - | $ - |
| Less accumulated amortization | - | - |
| Total | $ - | $ - |

The minimum future lease payments under the capital leases as of June 30, 202x through the end of the leases are as follows:

| *Fiscal Year* | *Amount* |
|---|---|
| 2017 | $ - |
| 2018 | - |
| 2019 | - |
| 2020 | - |
| Total minimum lease payments | - |
| Less amount representing interest | - |
| Present value of minimum lease payments | $ - |

**ABC Charter School and**
**ABC Foundation Corporation**
Notes to Combining Financial Statements - *Continued*
June 30, 202x

## *8. Note Payable*

The School entered into a $XXXXX loan agreement with a financial institution on December XXXXX. The loan has a six year term with an interest rate at a rate of X% compounded monthly. Interest only payments were due monthly for the first twenty-three months, thereafter principal and interest payments of $XXXX were due monthly with any unpaid principal and interest due at maturity on January 1, XXXX. The note was secured by XXXXXX. During fiscal year 202x, the School repaid the loan in full. The principal balance at June 30, 202x and 202x was $XXX and $XXXXX, respectively and interest expense was $XXXXX and $XXXXX, respectively.

The Organization entered into a $XXXXX loan agreement with a financial institution on December 18, 2XXX. The loan has a thirty year term with a fixed interest rate at a rate of XXXX%, for the first seven years of the term. Interest only payments are due monthly for the first twelve months, thereafter principal and interest payments of $XXXX are due monthly with any unpaid principal and interest due at maturity on December 1, 20XX. The note is secured by the property located on XXXXXX and is guaranteed, by the Foundation. The proceeds of the loan were used to purchase the building and land the School was currently renting to house the middle school grades. The principal balance as of June 30, 202x and 2014 was $XXXXX and $XXXXX, respectively, and interest expense was $XXXXX and $XXXXX, respectively.

The Organization entered into a $XXXXX loan agreement with a financial institution on December 18, 20XX. The loan has a thirty year term with a fixed interest rate at a rate of XXX%, for the first seven years of the term. Interest only payments are due monthly for the first twelve months, thereafter principal and interest payments of $XXXX are due monthly with any unpaid principal and interest due at maturity on December 1, 20XX. The note is secured by the property located on 1 Resnik Road and is guaranteed, by the Foundation. The proceeds of the loan were used to purchase a parcel of land for the School to construct a building to house the high school grades. The principal balance as of June 30, 202x and 202x was $XXXXX and $XXXXX, respectively, and capitalized interest was $XXXXX and $XXXX, respectively.

The following summarizes the long term debt activity of the School for the years ended June 30, 202x and 202x:

| *Balance June 30, 202X* | *Additions* | *Principal Payments* | *Balance June 30, 202X* | *Due Within One Year* |
|---|---|---|---|---|
| $ - | $ - | $ - | $ - | $ - |

| *Balance June 30, 202X* | *Additions* | *Principal Payments* | *Balance June 30, 202X* | *Due Within One Year* |
|---|---|---|---|---|
| $ - | $ - | $ - | $ - | $ - |

**ABC Charter School and**
**ABC Foundation Corporation**
Notes to Combining Financial Statements - *Continued*
June 30, 202x

***8. Note Payable –*** *Continued*

Aggregate maturities of the long-term debt for the term of the loan are as follows:

| | *Principal* | *Interest* | *Total* |
|---|---|---|---|
| 2021 | $ 200,352 | $ 120,913 | $ 321,265 |
| 2022 | 206,900 | 114,366 | 321,266 |
| 2023 | 213,661 | 107,604 | 321,265 |
| 2024 | 220,643 | 100,622 | 321,265 |
| 2025 | 227,854 | 93,412 | 321,266 |
| 2026-2030 | 1,255,949 | 350,378 | 1,606,327 |
| 2031-2035 | 1,521,215 | 130,504 | 1,651,719 |
| Total | $ 3,846,574 | $ 1,017,799 | $ 4,864,373 |

***9. Restricted Cash***

In accordance with the loan agreement to purchase the middle school building described in Note 8, $xxxxx of the loan proceeds were deposited into an escrow account and are restricted for the renovation of the building. Additionally, during fiscal year 202X the Board of Trustees had designated $XXXXX for the repayment of the note payable maturing January 1, 20XX. During fiscal year 202x, the note payable was paid using the designated funds. The balance of restricted cash at June 30, 202x and 202x was $XXXXX and $XXXXX, respectively.

***10. Line-of-Credit***

The School had a $XXXX demand line-of-credit agreement with a financial institution, which was closed in November 20XX. The line of credit was secured by a guarantee of the Foundation and the School's assets and it was to be used to sustain working capital and cash flow for periods between the receipts of quarterly tuition payments from the Commonwealth of Massachusetts.

***11. Related Party***

The Foundation is a guarantor on the School's loans as discussed in Note 8. During fiscal year 202x and 202x, the School paid $XXX and $XXXX, respectively, of operating costs on behalf of the Foundation. As of June 30, 202x and 202x $XXXX and $XXXX, respectively, was due to the School from the Foundation.

## *12. Retirement Plans*

*Massachusetts Teachers Retirement System*
The Commonwealth of Massachusetts provides for retirement benefits to the School's eligible teachers through the Massachusetts Teachers' Retirement System (the MTRS), a contributory retirement system administered by the Massachusetts Teachers' Retirement Board (MTRB). The MTRS is governed by Massachusetts General Laws (M.G.L.), Chapter 32, as well as regulations contained in the Code of Massachusetts Regulations (CMR). Oversight is provided by a seven member board. The MTRS issues a publicly available annual report that includes financial statements and required supplementary information, which may be obtained by writing to Public Employee Retirement Administration Commission (PERAC), 5 Middlesex Avenue, Suite 304, Somerville, Massachusetts, 02145.

This retirement plan requires an employee contribution of five, seven, eight, or eleven percent (depending on the plan and the employment date) of the employee's compensation. The School is not assessed under this plan. This retirement system is a contributory defined benefit plan covering all the employees deemed eligible. Members of the plan become vested after 10 years of creditable service. A retirement allowance may be received upon reaching age 55 and upon attaining 20 years of service.

The plan also provides for retirement at age 55 if the participant (1) has a record of 10 years of creditable service, (2) was first employed by the School after January 1, 1978, (3) voluntarily left School employment on or after that date, and (4) left an accumulated annuity deduction in the fund.

The MTRS retirement plan, under GASB Statement No. 68, *Accounting and Financial Reporting for Pensions,* is required by statute to determine the net pension liability for all participants. The net pension liability for the retirement plan at the June 30, 202x measurement date was determined by an actuarial valuation prepared as of January 1, 202x rolled forward to June 30, 202x. The School's share of MTRS net pension liability is $XXXXX.

**ABC Charter School and**
**ABC Foundation Corporation**
Notes to Combining Financial Statements - *Continued*
June 30, 202x

***12. Retirement Plans –*** *Continued*

*Savings Plan*
The School also participates in a retirement savings plan for its employees under which all eligible employees may defer a portion of their annual compensation, pursuant to Section 403(b) of the Internal Revenue Code. The School matches eligible employee contributions up to 100% of the first 4% of eligible compensation and has the ability to make discretionary contributions to those employees with eligible compensation upon approval of the Board of Trustees. The total matching contributions to the plan for fiscal years 202x and 202x, were $XXXXX and $XXXX, respectively.

***13. On-Behalf Fringe Benefits***

In accordance with GASB Statement 68, *Accounting and Financial Reporting for Pensions*, the School is required to recognize its proportional share of pension revenue and expense, as reported by MTRS, as on-behalf payments in their combining financial statements. As of June 30, 202x and 202x, the School recognized $XXXX and $XXXXX, respectively of on-behalf revenue and expense.

***14. In-kind Revenue/Expense***

The Town of xxxxxx is obligated to provide transportation service to the School for the busing of its students. During fiscal years 202x and 202x, the fair value of these services was approximately $XXXXX and $XXXXX, respectively. The School has reported both revenue and expenses in the *Combining Statement of Revenues, Expenses and Changes in Net Position*.

***15. Board Designated Net Position***

During 202x, the Board of Trustees released $XXXX to repay the note payable due January 1, 2017. During 202x, the Board of Trustees designated $XXXXX to repay the note payable due January 1, 202X and released $XXXXX, which were restricted for exploring the possibility of purchasing a new facility.

***16. Contingency***

*Grant Funding*
The School's various grants and contracts are subject to audit by appropriate governmental agencies. Acceptance of final costs incurred under these grants and contracts resides with these grantors. As of the date of these statements, the materiality of adjustments to final costs, if any, cannot be determined and management does not anticipate any. Therefore, no adjustment has been made to the combining financial statements.

### *17. Risk Management*

The School is exposed to various risks of loss related to general liability, property and casualty, workers' compensation and unemployment.

The School carries commercial insurance for general liability, property and casualty, and workers' compensation. Losses are insured to the extent the losses exceed the deductibles. There have been no significant reductions in insurance coverage during fiscal year 202x.

### *18. Subsequent Events*

The Organization has evaluated subsequent events through October 24, 202x, which is the date the combining financial statements were available to be issued. There are no recognized subsequent events, events that provide additional evidence about conditions that existed at the *Combining Statement of Net Position* date, or non-recognized subsequent events, or events that provide evidence about conditions that did not exist at the *Combining Statement of Net Position* date, which are necessary to disclose to keep the combining financial statements from being misleading.

# REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

DANIEL DENNIS & Co
Certified Public Accountants

*Independent Auditor's Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards*

The Board of Trustees
**ABC Charter School and**
**ABC Foundation Corporation**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the business-type activities of ABC Charter School and the ABC Foundation Corporation, collectively (the Organization) as of and for the year ended June 30, 202x, and the related notes to the combining financial statements, which comprise the Organization's basic combining financial statements and have issued our report thereon dated October XX, 202x.

**Internal Control over Financial Reporting**

In planning and performing our audit of the combining financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the combining financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 Organization's combining financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization's combining financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of the combining financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Dedham, Massachusetts*
*October XX, 202x*

# SCHEDULE OF FINDINGS AND RESPONSES

**ABC Charter School**
Schedule of Findings and Responses
For the Year Ended June 30, 202x

**No Current Year Findings**

# SCHEDULE OF PRIOR YEAR FINDINGS

**ABC Charter School**
Schedule of Prior Year Findings
For the Year Ended June 30, 202x

**No Prior Year Findings**

# ACCEPTANCE OF THE BOARD OF TRUSTEES

## ACCEPTANCE OF THE BOARD OF TRUSTEES

We, the Board of Trustees of ABC Charter School and ABC Foundation Corporation or its designated committee or individual, have voted to accept the representations of management and the expression of the opinions made by Daniel Dennis & Company LLP as embodied in the financial statements and independent auditor's reports for the year ended June 30, 202x.

We also certify that the representations made by management and the disclosures in the financial statements are accurate and have been correctly and completely disclosed as required by accounting principles generally accepted in the United States of America and the Commonwealth of Massachusetts Charter School Audit Guide for the period ended June 30, 202x.

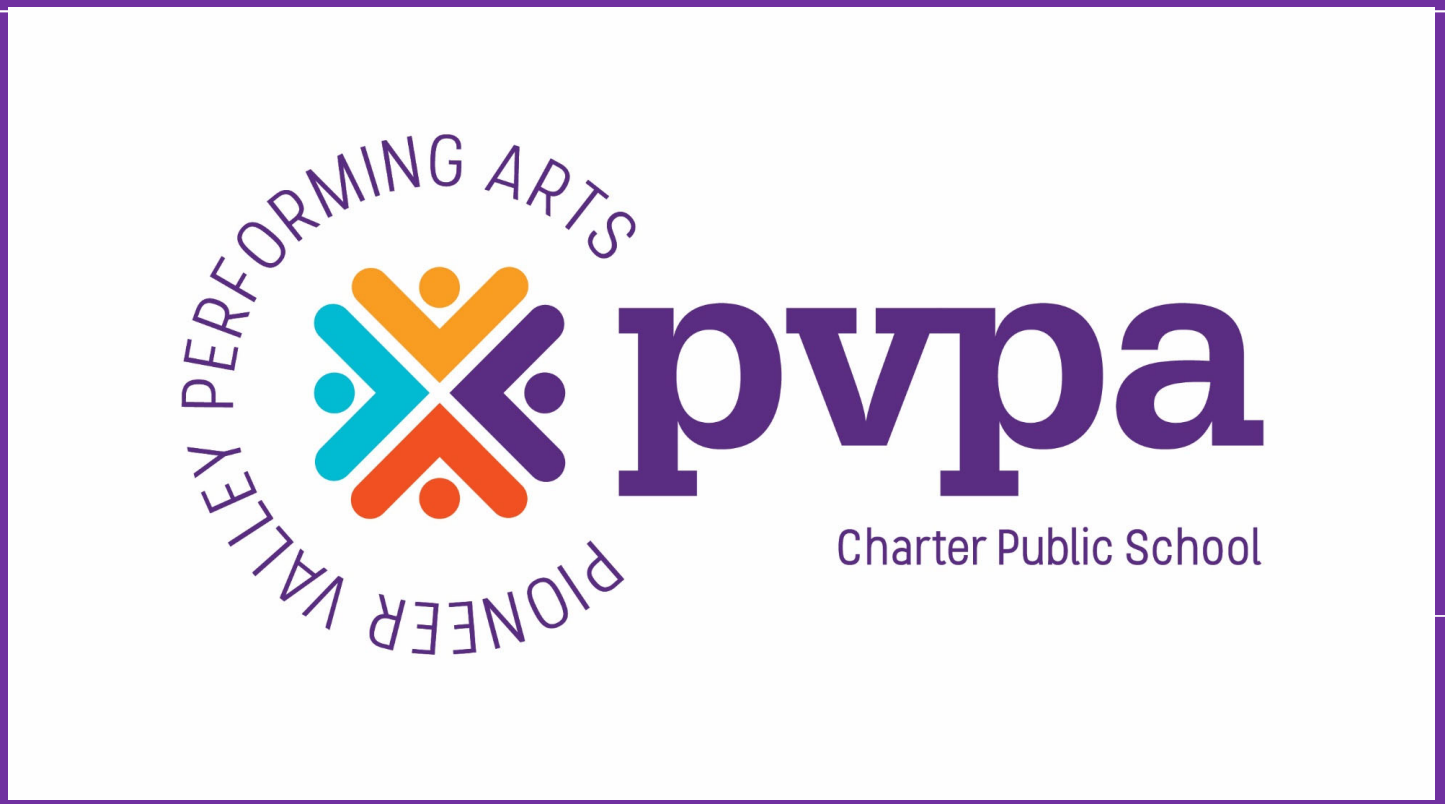
_____
Board President or Treasurer
or Other Designated Person

_____
Date

# Coversheet

## FY27 Budget Presentation

**Section:** II. Finance
**Item:** B. FY27 Budget Presentation
**Purpose:** Discuss
**Submitted by:**
**Related Material:** PVPA FY27 Budget Presentation 5-1-26.pdf
PVPA FY27 Budget Presentation 5-11-26.pdf




# FY 27 Budget

Finance Committee on 5/5/26 recommended budget based on 3.5% increase in tuition.

# PVPA Mission Statement

Pioneer Valley Performing Arts Charter Public School offers its students intensive exposure to the performing arts within the context of an excellent college preparatory curriculum.

# FY27 Budget - Revenue

| | FY26 BvA 4-30-26 | FY26 Approved Budget | FY27 Projected Budget | | Budget (+/-) | % |
|---|---|---|---|---|---|---|
| **Income** | | | | | | |
| **4100 Government Grants & Funding** | | | | | | |
| **4101 Tuition** | 6,142,460.00 | 8,157,345.00 | 8,474,478.57 | 1 | 317,133.57 | 3.89% |
| **4102b Grants - State (Direct/Other)** | 5,734.45 | 14,000.00 | 21,550.00 | 2 | 7,550.00 | 53.93% |
| **4103 Grants - Federal (thru DESE)** | 75,133.01 | 261,975.00 | 266,212.00 | | 4,237.00 | 1.62% |
| **Total 4100 Government Grants & Funding** | $ 6,223,327.46 | $ 8,433,320.00 | $ 8,762,240.57 | | 328,920.57 | 3.90% |
| **Total 4300 Student Clubs/Group Accounts** | $ 69,055.31 | $ 73,000.00 | $ 73,500.00 | | 500.00 | 0.68% |
| **Total 4400 Funddraising/Contributions** | $ 10,337.58 | $ 30,000.00 | $ 35,000.00 | | 5,000.00 | 16.67% |
| **4500 Student Services Programs** | | | | | | |
| **4510 Regional Transportation Aid** | | 1,002,721.98 | 1,029,571.92 | 3 | 26,849.94 | 2.68% |
| **4510a Transportation Income** | 30,100.00 | 31,374.00 | 52,675.00 | | 21,301.00 | 67.89% |
| **4511 Medicaid Reimbursements** | 10,456.97 | 3,000.00 | 15,000.00 | 4 | 12,000.00 | 400.00% |
| **Total 4500 Student Services Programs** | $ 40,556.97 | $ 1,037,095.98 | $ 1,097,246.92 | | 60,150.94 | 5.80% |
| **Total Income** | **$ 6,343,277.32** | **$ 9,573,415.98** | **$ 9,967,987.49** | | **394,571.51** | **4.12%** |
| **Gross Profit** | **$ 6,343,277.32** | **$ 9,573,415.98** | **$ 9,967,987.49** | | **394,571.51** | **4.12%** |

# Revenue - Continued

1. **Per Pupil Income** – On May 5,2026 the Finance Committee voted to set the FY27 tuition budget increase at 3.5% of the DESE projected tuition for the third quarter of FY26. Total $8,474,479.

2. **Grant Revenue** – grant funding levels for FY27 decreased (FY26 actual received $275,975) – The ESSA Title I grant has been cut by approximately 7%. All other grants are level funded.

4. **Transportation Revenue –** The new expansion of our transportation services to all students will allow PVPA to access funds for regional transportation reimbursement through the state and additional funds for transporting South Hadley residents. The regional transportation rate is set during the state budgeting process with FY26 budget projects 87% and remaining for FY27. For transporting South Hadley students PVPA would receive the lesser of our cost per student or South Hadley's. Funds will be received a year after spent.

4. **School Based Medicaid–** In Fy26 PVPA contracted with LPVEC to manage this program, which will net approximately $15,000 in revenue.

Overall increase of 4.12% proposed in revenue.

# FY27 Budget - Expenses

FY26 brought a new software and accounting structure to PVPA – the structure aligns our accounting with state reporting & auditing.

| | FY26 BvA 4-30-26 | FY26 Approved Budget | FY27 Projected Budget | | Budget (+/-) | % |
|---|---|---|---|---|---|---|
| **Expenses** | | | | | | |
| **Total 5000 Personnel Costs** | $ 3,738,007.92 | $ 5,135,314.23 | $ 5,333,507.61 | 1 | 198,193.38 | 3.86% |
| **Total 5100 Administration Costs** | $ 162,310.06 | $ 139,685.00 | $ 201,495.00 | 2 | 61,810.00 | 44.25% |
| **Total 5200 Instructional Services** | $ 316,625.41 | $ 411,685.00 | $ 356,160.00 | | -55,525.00 | -13.49% |
| **Total 5300 Pupil Services** | $ 946,392.75 | $ 1,234,524.00 | $ 1,356,486.00 | 3 | 121,962.00 | 9.88% |
| **Total 5400 Operation & Maint of Plant** | $ 458,582.56 | $ 591,950.00 | $ 567,967.00 | 4 | -23,983.00 | -4.05% |
| **Total 5500 Other Fixed Charges** | $ 90,734.19 | $ 94,867.00 | $ 108,500.00 | 5 | 13,633.00 | 14.37% |
| **Total 5510 Employee Retire & Taxes** | $ 134,515.10 | $ 199,776.72 | $ 209,563.31 | 6 | 9,786.59 | 4.90% |
| **Total 5520 Fringe Benefits** | $ 695,672.74 | $ 1,079,968.14 | $ 1,066,038.40 | | -13,929.74 | -1.29% |
| **Total 5600 Community Services** | $ 2,622.33 | $ 650.00 | $ 1,625.00 | 7 | 975.00 | 150.00% |
| **Total 5700 Non-Operating/Capital Facilities Cost** | $ 306,201.24 | $ 306,202.00 | $ 313,503.00 | 8 | 7,301.00 | 2.38% |
| **Total 5900 Grant Expenses** | $ 175,168.66 | $ 261,975.00 | $ 287,762.00 | 9 | 25,787.00 | 9.84% |
| **Total Expenses** | **$ 7,026,832.96** | **$ 9,456,597.09** | **$ 9,802,607.32** | | **346,010.23** | **3.66%** |
| **Net Operating Income** | **-$ 683,555.64** | **$ 116,818.89** | **$ 165,380.17** | | **48,561.28** | **41.57%** |
| **Total Other Income** | | | $ 67,500.00 | 10 | 67,500.00 | #DIV/0! |
| **Total Other Expenses** | $ 0.00 | $ 182,000.00 | $ 232,000.00 | 11 | 50,000.00 | 27.47% |
| **Net Other Income** | **$ 66,543.64** | **-$ 113,500.00** | **-$ 164,500.00** | | **-51,000.00** | **44.93%** |
| **Net Income** | **-$ 617,012.00** | **$ 3,318.89** | **$ 880.17** | | **-2,438.72** | **-73.48%** |

# Expenses – Continued

1. **Salaries & FTE Changes**
   FTEs
   - Permanent Substitutes - .40
   - Educational Team Leader +1.00
   - Salary Increases: Overall pool of $213,744 available for salary increases for all staff (this is over current spending vs FY26 budget)
2. **Administrative Costs & Instructional services –** reclassification of expenses.
3. **Pupil Services –** Transportation increase in Fy27 contract
4. **Operation & Maint of Plant –** reduction in supply items and projected maintenance
5. **Other Fixed Charges –** protecting an increase in non-employee insurance
6. **Employee Retire & Taxes and Fringe Benefits–** Health insurance increase projected at 12.4% - 14.4% (still negotiating with BCBS). Increase on budget looks skewed due to the mix of staff/policies between budget years. Also found that Disability Insurance and Worker's Compensation Insurance were over budgeted in FY26.
7. **Community Services –** cost associated with dissemination activities
8. **Non-Operating/Cap Facilities Cost –** Lease expense
9. **Grant Expenses –** reimbursement same as revenue
10. **Other Income – Non-Operating –** Interest income, rental income and miscellaneous income
11. **Other Expenses – Non-Operating –** Depreciation expense and bad debt

Overall increase of 3.66% on expense budget. Fy27 is a balanced budget with a minor net income of $880.17.

# PVPA Staffing

| PVPA Staffing FTEs | | | | | |
|---|---|---|---|---|---|
| FY27 Budget | | | | | |
| | | | | Difference | |
| Department | FY26 FTE | | Proposed FY27 FTE | FTE (+/-) | Comments |
| **Teaching Arts:** | **15** | | **15** | **0** | |
| Dance | 3 | | 3 | | |
| Music | 3 | | 3 | | 12 more FTEs than district schools that generally have 1 music, 1 art and |
| Theater | 3 | | 3 | | 1 theater teacher |
| Technical Theater | 3 | | 3 | | |
| VAPA | 3 | | 3 | | |
| **Teaching Academics:** | **32.6** | | **32.6** | **0** | |
| Academic Support | 4 | | 4 | | |
| Academic Support Middle School | 2 | | 2 | | |
| History | 3 | | 3 | | |
| History(Social Studies) Middle School | 2 | | 2 | | |
| ELA | 4 | | 4 | | *Intervention Teacher - new since COVID |
| ELA Middle School | 2 | | 2 | | |
| Math | 4 | | 4 | | *Intervention Teacher - new since COVID |
| Math Middle School | 2 | | 2 | | |
| Physical Education | 2 | | 2 | | |
| Science | 3 | | 3 | | |
| Science Middle School | 2 | | 2 | | |
| World Language | 2.6 | | 2.6 | | |
| **Instructional Support Personnel:** | **22.8** | | **23.4** | **0.60** | |
| Reading Specialist | 1 | | 1 | | |
| Permanent Substitutes | 3.4 | | 3 | | -0.4 |
| Instructional Support Professionals | 3 | | 3 | | |
| Instructional Support Professionals Middle School | 1 | | 1 | | |
| Paraprofessionals | 6 | | 6 | | |
| Therapeutic Paraprofessionals | 0 | | 0 | | |
| ELL Coordinator | 0.2 | ` | 0.2 | | |
| Educational Team Leader | 0 | | 1 | | 1 |
| School Counselor | 2 | | 2 | | |
| Adjustment Counselor | 1 | | 1 | | New since COVID |
| Speech Pathologist/Assistive Technology | 1 | | 1 | | |
| School Psychologist | 1 | | 1 | | |
| School Social Worker | 1 | | 1 | | New since COVID |
| Library Media Specialist | 1.2 | | 1.2 | | |
| School Nurse | 1 | | 1 | | |

# PVPA Staffing (continued)

| PVPA Staffing FTEs | | | | |
|---|---|---|---|---|
| FY27 Budget | | | | |
| | | | | Difference |
| Department | FY26 FTE | | Proposed FY27 FTE | FTE (+/-) | Comments |
| **Administrative Support:** | **8.5** | | **8.5** | **0** | |
| Theater Manager | 1 | | 1 | | |
| Accounting & HR Assitant | 1 | | 1 | | |
| Restorative Practice Coordinator/Activites Coordinator | 1 | | 1 | | |
| SIS Data Manager | 1 | | 1 | | |
| Enrollment & Communications Coordinator | 1 | | 1 | | |
| Asessment Coordinator | 0.5 | | 0.5 | | |
| Academic Support Admin Assistant | 1 | | 1 | | |
| Main Officec Admin Assist(12 month) | 1 | | 1 | | |
| Main Officec Admin Assist(11 month) | 1 | | 1 | | |
| **Facilities/Lunch:** | **1.98** | | **1.98** | **0** | |
| Facilities Technician | 1 | | 1 | | |
| Lunch Aide | 0.98 | | 0.98 | | |
| **Administration:** | **9** | | **9** | **0** | |
| Technology Coordinator | 1 | | 1 | | |
| Facilities Manager | 1 | | 1 | | |
| Dean of Students | 1 | | 1 | | |
| Assistant Dean of Students | 1 | | 1 | | |
| Director of Student Services | 1 | | 1 | | |
| Director of Arts | 1 | | 1 | | |
| Director of Curriculum & Instruction | 1 | | 1 | | |
| Chief Financial Officer | 1 | | 1 | | |
| Head of School | 1 | | 1 | | |

# PVPA Staffing (continued)

| | | | | | | |
|---|---|---|---|---|---|---|
| **Stipends** | | **204,510** | | | **218,225** | **0** | **13,715** |
| Department Leaders | 12 | 36,000 | | 12 | 36,000 | | |
| Longevity Stipends | 11 | 16,500 | | 8 | 12,000 | | |
| Licensure Stipend | 30 | 30,000 | | 34 | 37,000 | | |
| Athletic Stipends | | 7,170 | | | 7,170 | | |
| Academic Stipends | | 30,300 | | | 40,800 | | |
| Student Activities Stipends | | 13,725 | | | 13,725 | | |
| Production Stipends | | 70,815 | | | 71,530 | | |
| | | | | | | | |
| **Grand Totals** | **89.88** | | | **90.48** | | **0.60** | |

# FY27 Capital Budget

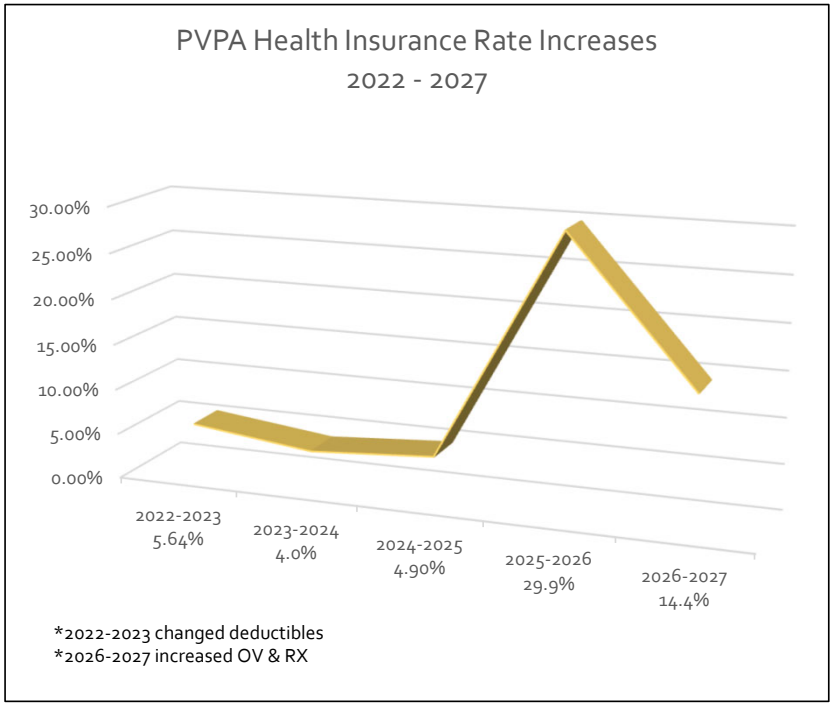
| | | | |
|---|---|---|---|
| Leasehold Improvements | | | |
| | Reconfiguring of rooms 132, 134, 136, 202 & 203 | $120,000 | Creates space for the Theater Depart and improves Music Classrooms |
| | | | (includes all demolition, electrical, flooring, paint and furnishings) |

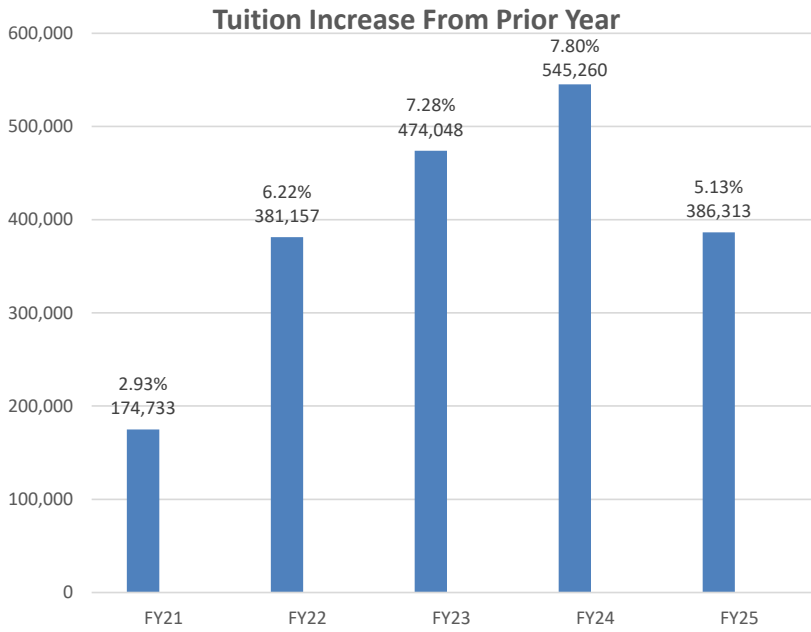
# PVPA – 5 Year History of Cash Reserves

| | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|
| General Operating Reserve (3 months cash) | 2,200,000 | 2,200,000 | 1,500,000 | 1,500,000 | 1,500,000 |
| Capital Reserve | 928,406 | 1,447,302 | 1,807,490 | 1,452,004 | 405,644 |
| Transportation Reserve | 994,500 | 0 | 0 | 0 | 0 |
| | | | | | |
| Cash (Per Balance Sheet @ 6/30) | 4,122,906 | 3,647,302 | 3,307,490 | 2,952,004 | 1,905,644 |

Inspired to Learn

# FY27 Budget By the Numbers



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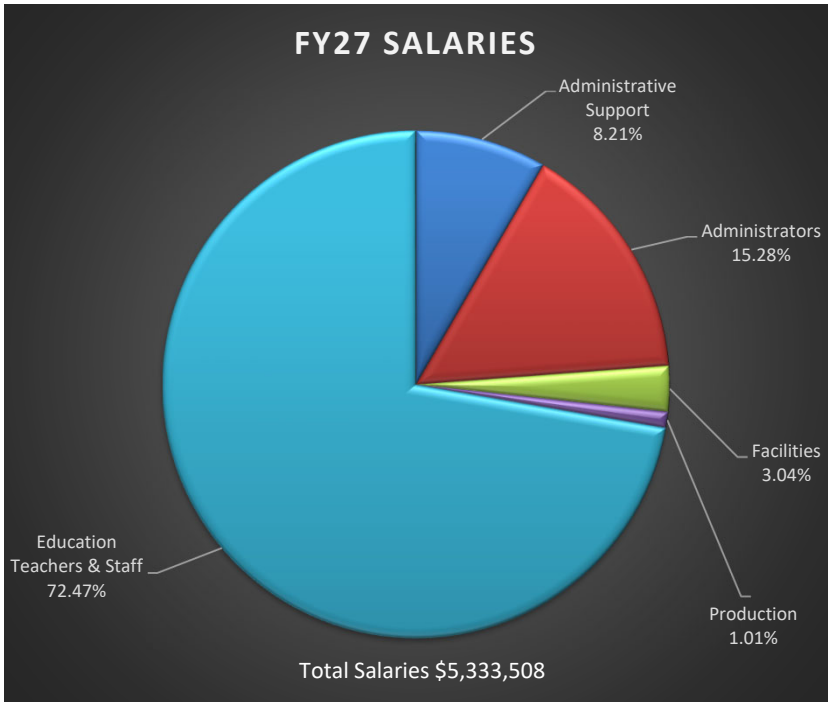


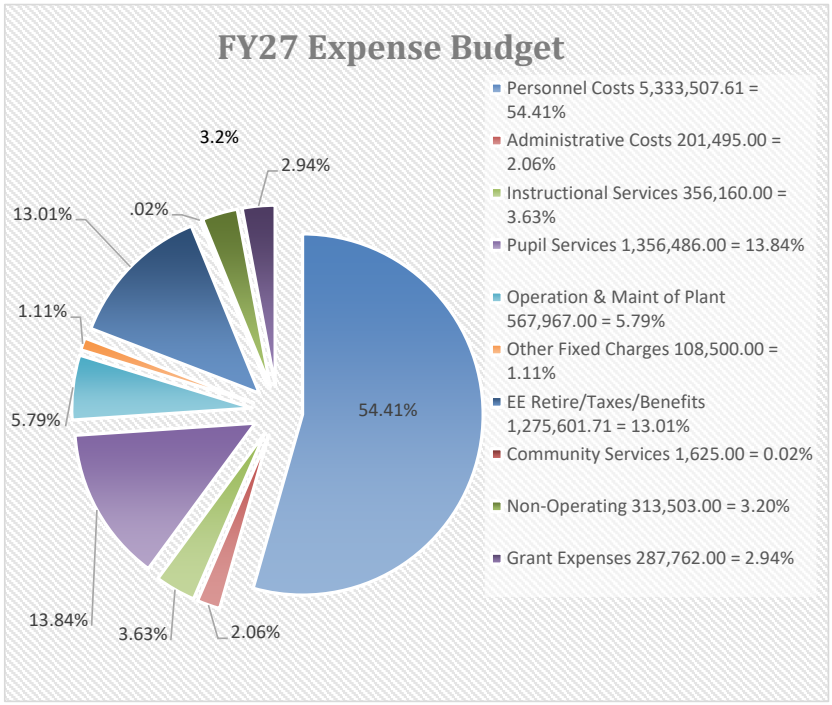

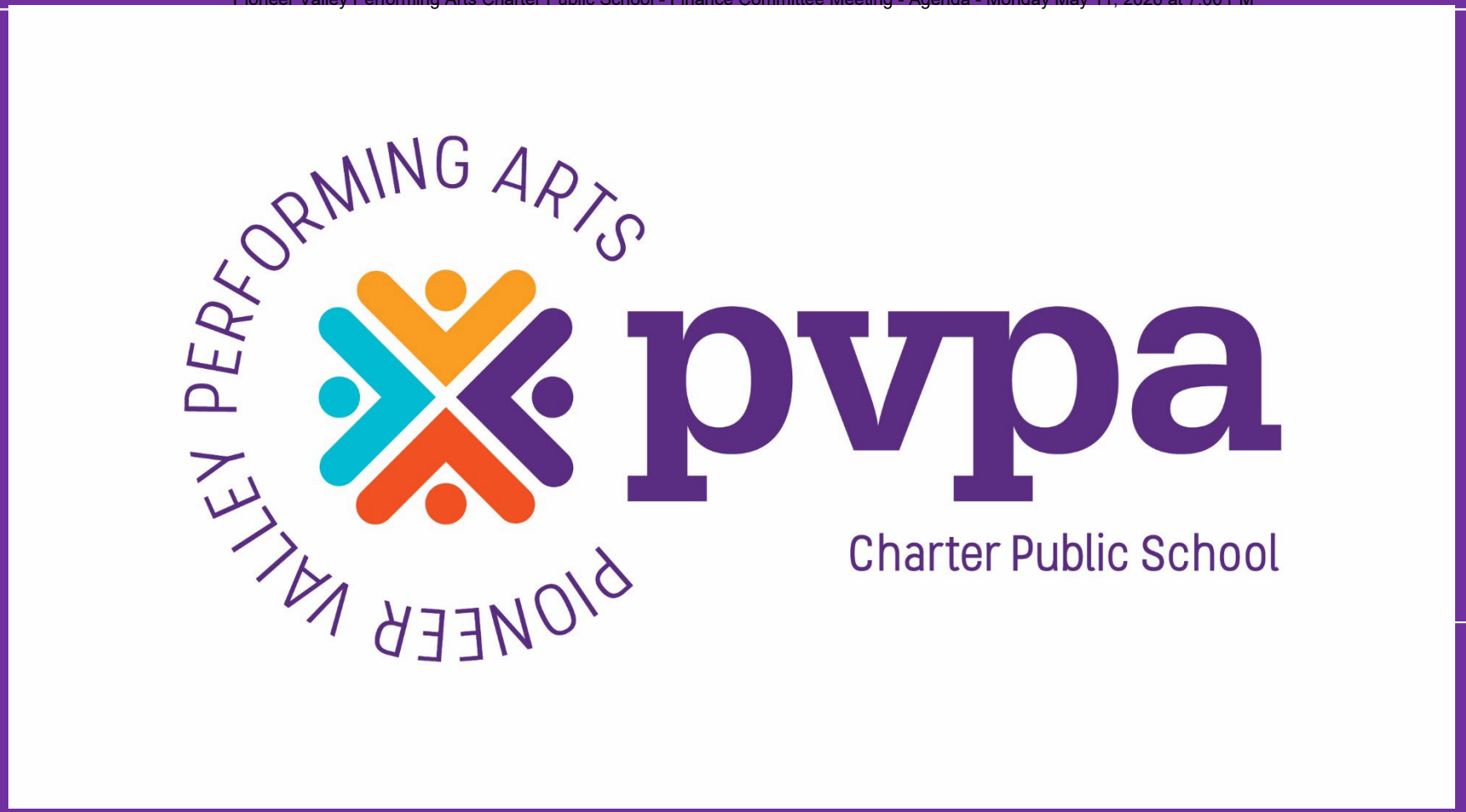


# FY 27 Budget

Finance Committee on 5/11/26 recommended budget based on 3.5% increase in tuition.

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# Revenue - Continued

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| **Total 5200 Instructional Services** | $ 316,625.41 | $ 411,685.00 | $ 356,160.00 | | -55,525.00 | -13.49% |
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| **Total 5510 Employee Retire & Taxes** | $ 134,515.10 | $ 199,776.72 | $ 209,592.21 | 6 | 9,815.49 | 4.91% |
| **Total 5520 Fringe Benefits** | $ 695,672.74 | $ 1,079,968.14 | $ 1,061,669.27 | | -18,298.87 | -1.69% |
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| **Total Expenses** | **$ 7,026,832.96** | **$ 9,456,597.09** | **$ 9,799,466.21** | | **342,869.12** | **3.63%** |
| **Net Operating Income** | **-$ 683,555.64** | **$ 116,818.89** | **$ 168,521.28** | | **51,702.39** | **44.26%** |
| **Total Other Income** | | | $ 67,500.00 | 10 | 67,500.00 | #DIV/0! |
| **Total Other Expenses** | $ 0.00 | $ 182,000.00 | $ 232,000.00 | 11 | 50,000.00 | 27.47% |
| **Net Other Income** | **$ 66,543.64** | **-$ 113,500.00** | **-$ 164,500.00** | | **-51,000.00** | **44.93%** |
| **Net Income** | **-$ 617,012.00** | **$ 3,318.89** | **$ 4,021.28** | | **702.39** | **21.16%** |

# Expenses – Continued

1. **Salaries & FTE Changes**
   FTEs

   | | |
   |---|---|
   | Permanent Substitutes | - .40 |
   | Educational Team Leader | +1.00 |

   Salary Increases: Overall pool of $213,744 available for salary increases for all staff (this is over current spending vs FY26 budget)
2. **Administrative Costs & Instructional services –** reclassification of expenses.
3. **Pupil Services –** Transportation increase in Fy27 contract
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6. **Employee Retire & Taxes and Fringe Benefits–** Health insurance increase settled at 11.9% and dental at 1.5% with BCBS. Increase on budget looks skewed due to the mix of staff/policies between budget years. Also found that Disability Insurance and Worker's Compensation Insurance were over budgeted in FY26.
7. **Community Services –** cost associated with dissemination activities
8. **Non-Operating/Cap Facilities Cost –** Lease expense
9. **Grant Expenses –** reimbursement same as revenue
10. **Other Income – Non-Operating –** Interest income, rental income and miscellaneous income
11. **Other Expenses – Non-Operating –** Depreciation expense and bad debt

Overall increase of 3.63% on expense budget. Fy27 is a balanced budget with a minor net income of $4,021.28.

# PVPA Staffing

**PVPA Staffing FTEs**
**FY27 Budget**

| Department | FY26 FTE | Proposed FY27 FTE | Difference FTE (+/-) | Comments |
|---|---|---|---|---|
| **Teaching Arts:** | **15** | **15** | **0** | |
| Dance | 3 | 3 | | |
| Music | 3 | 3 | | 12 more FTEs than district schools that generally have 1 music, 1 art and |
| Theater | 3 | 3 | | 1 theater teacher |
| Technical Theater | 3 | 3 | | |
| VAPA | 3 | 3 | | |
| **Teaching Academics:** | **32.6** | **32.6** | **0** | |
| Academic Support | 4 | 4 | | |
| Academic Support Middle School | 2 | 2 | | |
| History | 3 | 3 | | |
| History(Social Studies) Middle School | 2 | 2 | | |
| ELA | 4 | 4 | | *Intervention Teacher - new since COVID |
| ELA Middle School | 2 | 2 | | |
| Math | 4 | 4 | | *Intervention Teacher - new since COVID |
| Math Middle School | 2 | 2 | | |
| Physical Education | 2 | 2 | | |
| Science | 3 | 3 | | |
| Science Middle School | 2 | 2 | | |
| World Language | 2.6 | 2.6 | | |
| **Instructional Support Personnel:** | **22.8** | **23.4** | **0.60** | |
| Reading Specialist | 1 | 1 | | |
| Permanent Substitutes | 3.4 | 3 | | -0.4 |
| Instructional Support Professionals | 3 | 3 | | |
| Instructional Support Professionals Middle School | 1 | 1 | | |
| Paraprofessionals | 6 | 6 | | |
| Therapeutic Paraprofessionals | 0 | 0 | | |
| ELL Coordinator | 0.2 | 0.2 | | |
| Educational Team Leader | 0 | 1 | | 1 |
| School Counselor | 2 | 2 | | |
| Adjustment Counselor | 1 | 1 | | New since COVID |
| Speech Pathologist/Assistive Technology | 1 | 1 | | |
| School Psychologist | 1 | 1 | | |
| School Social Worker | 1 | 1 | | New since COVID |
| Library Media Specialist | 1.2 | 1.2 | | |
| School Nurse | 1 | 1 | | |

# PVPA Staffing (continued)

| PVPA Staffing FTEs | | | | |
|---|---|---|---|---|
| FY27 Budget | | | | |
| | | | Difference | |
| Department | FY26 FTE | Proposed FY27 FTE | FTE (+/-) | Comments |
| **Administrative Support:** | **8.5** | **8.5** | **0** | |
| Theater Manager | 1 | 1 | | |
| Accounting & HR Assitant | 1 | 1 | | |
| Restorative Practice Coordinator/Activites Coordinator | 1 | 1 | | |
| SIS Data Manager | 1 | 1 | | |
| Enrollment & Communications Coordinator | 1 | 1 | | |
| Asessment Coordinator | 0.5 | 0.5 | | |
| Academic Support Admin Assistant | 1 | 1 | | |
| Main Officec Admin Assist(12 month) | 1 | 1 | | |
| Main Officec Admin Assist(11 month) | 1 | 1 | | |
| **Facilities/Lunch:** | **1.98** | **1.98** | **0** | |
| Facilities Technician | 1 | 1 | | |
| Lunch Aide | 0.98 | 0.98 | | |
| **Administration:** | **9** | **9** | **0** | |
| Technology Coordinator | 1 | 1 | | |
| Facilities Manager | 1 | 1 | | |
| Dean of Students | 1 | 1 | | |
| Assistant Dean of Students | 1 | 1 | | |
| Director of Student Services | 1 | 1 | | |
| Director of Arts | 1 | 1 | | |
| Director of Curriculum & Instruction | 1 | 1 | | |
| Chief Financial Officer | 1 | 1 | | |
| Head of School | 1 | 1 | | |

# PVPA Staffing (continued)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Stipends** | | **204,510** | | | **218,225** | **0** | **13,715** |
| Department Leaders | 12 | 36,000 | | 12 | 36,000 | | |
| Longevity Stipends | 11 | 16,500 | | 8 | 12,000 | | |
| Licensure Stipend | 30 | 30,000 | | 34 | 37,000 | | |
| Athletic Stipends | | 7,170 | | | 7,170 | | |
| Academic Stipends | | 30,300 | | | 40,800 | | |
| Student Activities Stipends | | 13,725 | | | 13,725 | | |
| Production Stipends | | 70,815 | | | 71,530 | | |
| | | | | | | | |
| **Grand Totals** | **89.88** | | | **90.48** | | **0.60** | |

# FY27 Capital Budget

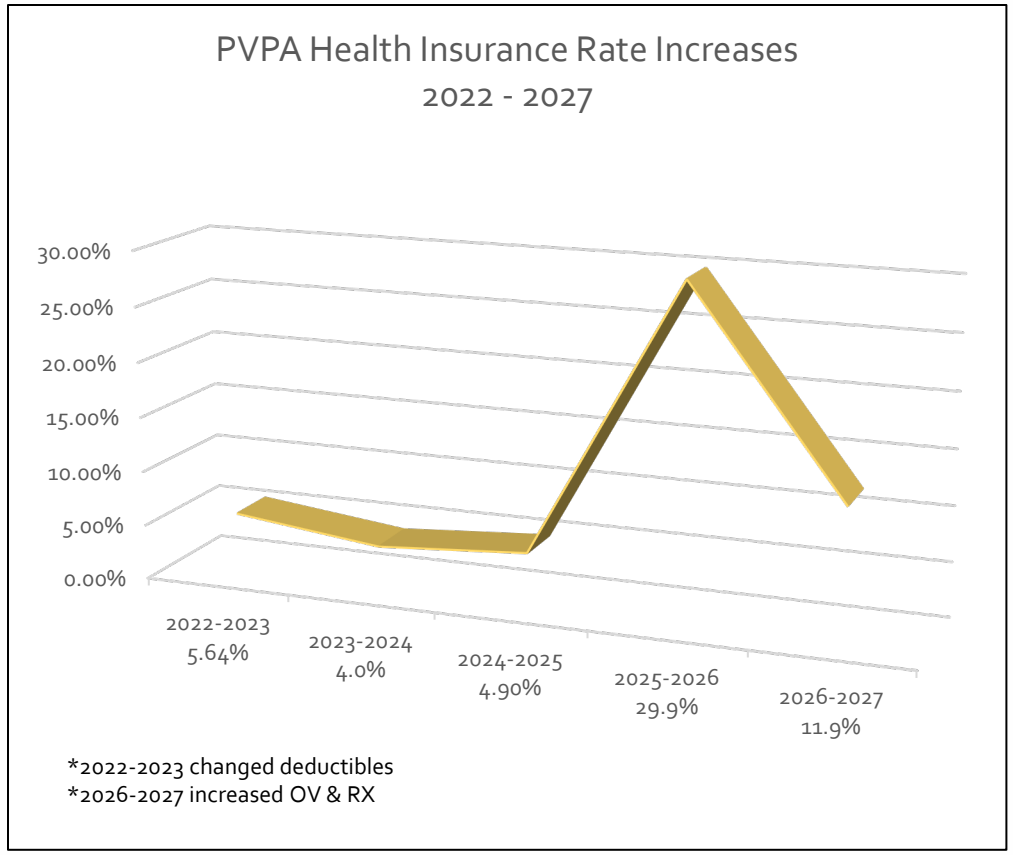
| | | | |
|---|---|---|---|
| Leasehold Improvements | | | |
| | Reconfiguring of rooms 132, 134, 136, 202 & 203 | $120,000 | Creates space for the Theater Depart and improves Music Classrooms |
| | | | (includes all demolition, electrical, flooring, paint and furnishings) |

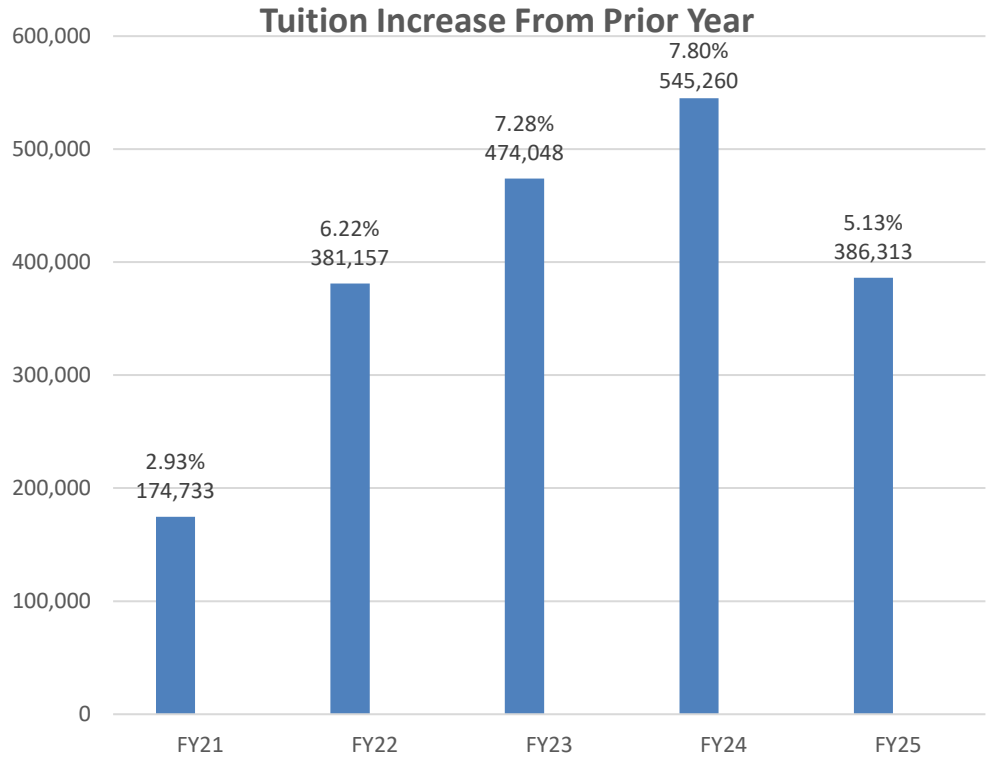
# PVPA – 5 Year History of Cash Reserves

| | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|
| General Operating Reserve (3 months cash) | 2,200,000 | 2,200,000 | 1,500,000 | 1,500,000 | 1,500,000 |
| Capital Reserve | 928,406 | 1,447,302 | 1,807,490 | 1,452,004 | 405,644 |
| Transportation Reserve | 994,500 | 0 | 0 | 0 | 0 |
| | | | | | |
| Cash (Per Balance Sheet @ 6/30) | 4,122,906 | 3,647,302 | 3,307,490 | 2,952,004 | 1,905,644 |

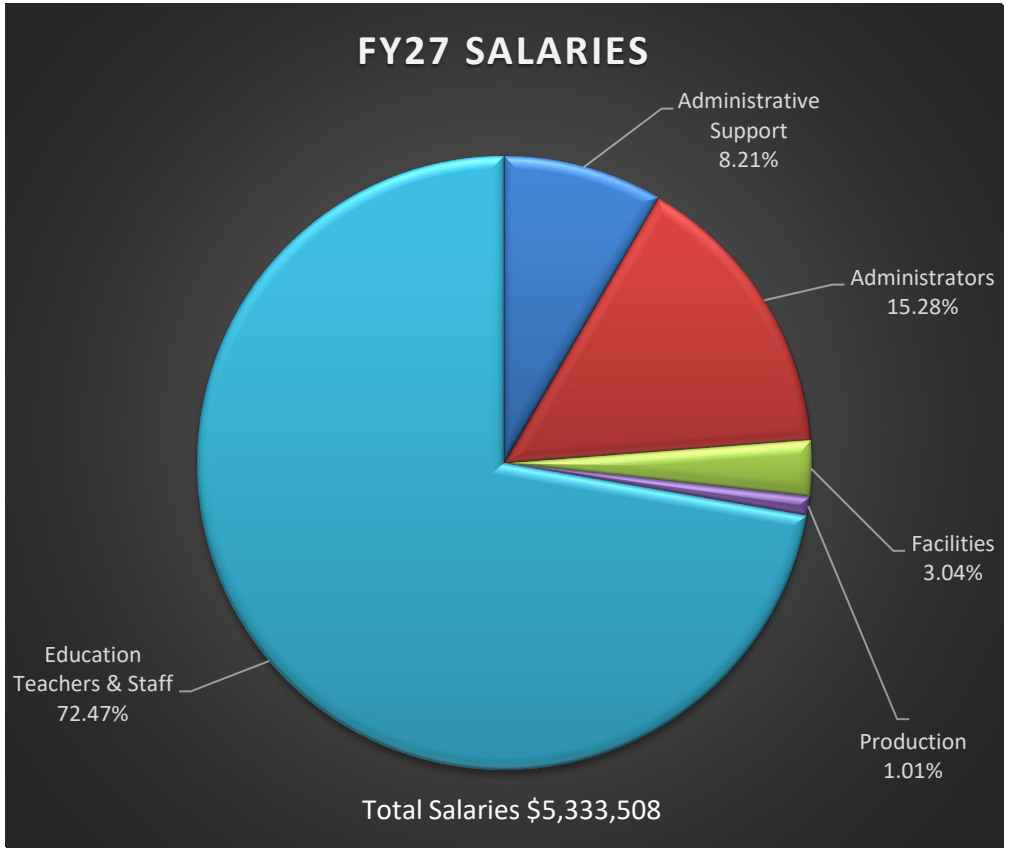
Inspired to Learn

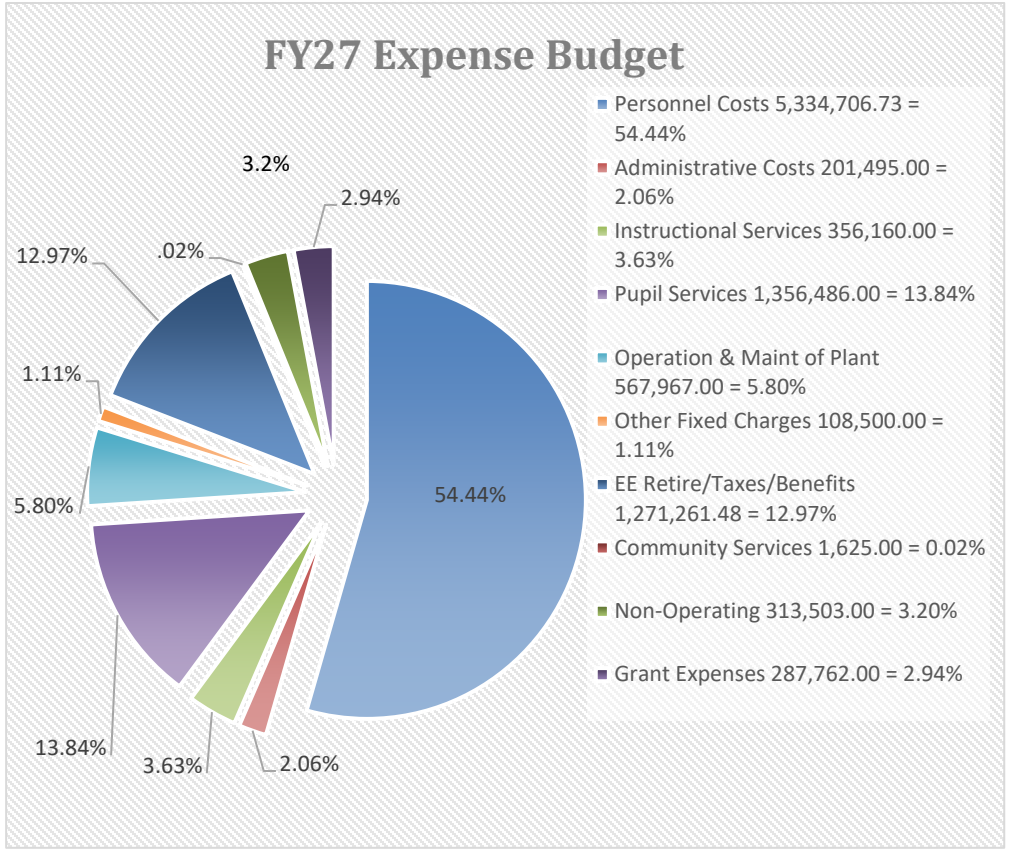
# FY27 Budget By the Numbers



# FY27 Budget By the Numbers



# Coversheet

## FY27 Tuition

| | |
|---|---|
| **Section:** | II. Finance |
| **Item:** | C. FY27 Tuition |
| **Purpose:** | Vote |
| **Submitted by:** | |
| **Related Material:** | FY27 Tuition History & Budgeting Options 5-1-26.pdf<br>FY27 Tution Budgeting History 5-11-26.pdf |

**Tuition Budgeting History and FY 27 Options**

| FY22 to FY26 Budgeting History | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | FY22 Budgeted | FY22 Actual | FY23 Budgeted | FY23 Actual | FY24 Budgeted | FY24 Actual | FY25 Budgeted | FY25 Actual | FY26 Budgeted | FY26 Projected* |
| **Base Tution** | 6,065,300 | | 6,457,683 | | 6,836,702 | | 7,531,687 | | 7,919,752 | |
| **Enrollment** | 400 | 392 | 400 | 400 | 400 | 399 | 400 | 400 | 400 | 395 |
| **% of Tuition Budgeted** | 4.0% | | 4.0% | | 4.0% | | 2.5% | | 3.0% | |
| **Tuition Income** | 6,307,912 | 6,512,379 | 6,715,990 | 6,986,427 | 7,110,170 | 7,501,092 | 7,719,979 | 7,918,000 | 8,157,345 | 8,187,902 |
| **Realized Increase** | | 204,467 | | 270,437 | | 390,922 | | 198,021 | | 30,557 |
| | | | | | | | | *DESE proj 3rd QTR | | |

| | DESE FY26 Q3 +2% | DESE FY26 Q3 +2.5% | DESE FY26 Q3 +3% | DESE FY26Q3 +3.5% | DESE FY26 Q3 +4% | DESE FY26 Q3 +4.5% | DESE FY27 Proj Jan 2026 (Gov Budget) | DESE FY27 Proj Apr 2026 (HWM Budget) | DESE FY27 Proj May 2026 (SWM Budget) |
|---|---|---|---|---|---|---|---|---|---|
| Base Tuition | 8,187,902 | 8,187,902 | 8,187,902 | 8,187,902 | 8,187,902 | 8,187,902 | 8,476,966 | 8,525,024 | |
| Enrollment | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 |
| Increased % of Tution Budgeted | 2.00% | 2.50% | 3.00% | 3.50% | 4.00% | 4.50% | | | |
| Tution Income | 8,351,660 | 8,392,600 | 8,433,539 | 8,474,479 | 8,515,418 | 8,556,358 | | | |
| Potential Increase ($) | 163,758 | 204,698 | 245,637 | 286,577 | 327,516 | 368,456 | 289,064 | 337,122 | |

**Tuition Budgeting History and FY 27 Options**

| FY22 to FY26 Budgeting History | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | FY22 Budgeted | FY22 Actual | FY23 Budgeted | FY23 Actual | FY24 Budgeted | FY24 Actual | FY25 Budgeted | FY25 Actual | FY26 Budgeted | FY26 Projected* |
| **Base Tution** | 6,065,300 | | 6,457,683 | | 6,836,702 | | 7,531,687 | | 7,919,752 | |
| **Enrollment** | 400 | 392 | 400 | 400 | 400 | 399 | 400 | 400 | 400 | 395 |
| **% of Tuition Budgeted** | 4.0% | | 4.0% | | 4.0% | | 2.5% | | 3.0% | |
| **Tuition Income** | 6,307,912 | 6,512,379 | 6,715,990 | 6,986,427 | 7,110,170 | 7,501,092 | 7,719,979 | 7,918,000 | 8,157,345 | 8,187,902 |
| **Realized Increase** | | 204,467 | | 270,437 | | 390,922 | | 198,021 | | 30,557 |
| | | | | | | | | *DESE proj 3rd QTR | | |

| | DESE FY26 Q3 +2% | DESE FY26 Q3 +2.5% | DESE FY26 Q3 +3% | DESE FY26Q3 +3.5% | DESE FY26 Q3 +4% | DESE FY26 Q3 +4.5% | DESE FY27 Proj Jan 2026 (Gov Budget) | DESE FY27 Proj Apr 2026 (HWM Budget) | DESE FY27 Proj May 2026 (SWM Budget) |
|---|---|---|---|---|---|---|---|---|---|
| Base Tuition | 8,187,902 | 8,187,902 | 8,187,902 | 8,187,902 | 8,187,902 | 8,187,902 | 8,476,966 | 8,525,024 | 8,577,699 |
| Enrollment | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 |
| Increased % of Tution Budgeted | 2.00% | 2.50% | 3.00% | 3.50% | 4.00% | 4.50% | | | |
| Tution Income | 8,351,660 | 8,392,600 | 8,433,539 | 8,474,479 | 8,515,418 | 8,556,358 | | | |
| Potential Increase ($) | 163,758 | 204,698 | 245,637 | 286,577 | 327,516 | 368,456 | 289,064 | 337,122 | |