Pioneer Valley Performing Arts Charter Public School

Finance Committee Meeting

Published on October 2, 2026 at 3:36 PM EDT

Date and Time

Tuesday October 6, 2026 at 6:00 PM EDT

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**			**6:00 PM**
	A. Record Attendance		Marcy Conner	2 m
	B. Call the Meeting to Order		Mindi Winter	1 m
	C. Approve Minutes	Approve Minutes	Mindi Winter	5 m
II.	**Finance**			**6:08 PM**

		Purpose	Presenter	Time
A.	FY26 Audit Review	Vote	Marcy Conner	20 m
	Presenting the FY26 Audit Report is Kristopher Lane, CPA from Daniel Denis & Co			
B.	2026-2027 Annual Timeline	Discuss	Marcy Conner	5 m
C.	FY27 Budget Updates	Discuss	Marcy Conner	15 m
	Areas of known budget increases/decreases. Changes in Procedure: Salary Schedule Adjustment			

III. Other Business

IV. Closing Items — 6:48 PM

A.	Adjourn Meeting	Vote	Mindi Winter	2 m

Coversheet

FY26 Audit Review

Section: II. Finance
Item: A. FY26 Audit Review
Purpose: Vote
Submitted by:
Related Material: PVPA FY26 Draft Audit.pdf
FY26 Audit PVPA Exit Presentation 10-6-26.pdf

Pioneer Valley Performing Arts Charter Public School and Friends of Pioneer Valley Performing Arts Charter Public School, Inc.

Combined Financial Statements
and
Independent Auditors' Report in Accordance with
Governmental Auditing Standards

June 30, 2026

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Pioneer Valley Performing Arts Charter Public School
and
Friends of Pioneer Valley Performing Arts Charter Public School, Inc.

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DANIEL DENNIS & Co
Certified Public Accountants

Independent Auditors' Report

To the Board of Trustees
Pioneer Valley Performing Arts Charter Public School and
Friends of Pioneer Valley Performing Arts Charter Public School, Inc.

Report on the Audit of the Combined Financial Statements

Opinion

We have audited the accompanying combined statement of net position of Pioneer Valley Performing Arts Charter Public School (a governmental entity) and Friends of Pioneer Valley Performing Arts Charter Public School, Inc. (a nonprofit organization) (collectively, the Organization) as of and for the year ended June 30, 2026, and the related combined statements of revenues, expenses and changes in net position and cash flows for the year then ended and the related notes to the combined financial statements, which collectively comprise the Organization's combined financial statements as listed in the table of contents.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the respective combined financial position of the Organization, as of June 30, 2026, and the respective changes in combined financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Basis for Opinion

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

Responsibilities of Management for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of Management for the Combined Financial Statements – *Continued*

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

Auditors' Responsibilities for the Audit of the Combined Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

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Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 7 be presented to supplement the combined financial statements. Such information is the responsibility of management and, although not a part of the combined financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the combined 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 combined financial statements, and other knowledge we obtained during our audit of the combined 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 Matter

The financial statements of the Organization as of June 30, 2025, were audited by other auditors whose report dated October 25, 2025, expressed an unmodified opinion on those statements.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October XX, 2026, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

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October XX, 2026

Pioneer Valley Performing Arts Charter Public School
Management's Discussion and Analysis
June 30, 2026 (Unaudited)

The following management's discussion and analysis of Pioneer Valley Performing Arts Charter Public School's (the School) financial performance provides an overview of the School's financial activities for the fiscal year ended June 30, 2026, with comparative information for fiscal year 2025. Please read it in conjunction with the combined financial statements and the related notes, which begin on page 8.

Overview of the Financial Statements

The School operates as a public charter school in the Commonwealth 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 School's charter was renewed, with conditions, in fiscal year 2026, effective July 1, 2026 through June 30, 2031.

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. The School evaluated its potential component unit and determined that the Friends of Pioneer Valley Performing Arts Charter Public School, Inc. (the Foundation) is a component unit of the School and should be presented as blended component unit in the combined financial statements. The School and its blended component unit, the Foundation, are referred to collectively as the Organization.

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The Organization's combined financial statements consist of the following:

The *Combined Statement of Net Position* presents information on all the Organization's assets plus deferred outflows of resources, and liabilities plus deferred inflows of resources, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Organization is improving or deteriorating.

The *Combined Statement of Revenues, Expenses and Changes in Net Position* presents information showing how the Organization's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The *Combined Statement of Cash Flows* presents information about the Organization's cash receipts and cash payments during the fiscal year. Cash flows are classified as operating, noncapital financing, capital and related financing, and investing activities, providing information about how the Organization generates and uses cash.

The *Notes to the Combined Financial Statements* provide additional information that is essential to a full understanding of the amounts and disclosures presented in the basic financial statements. They include information about the Organization's significant accounting policies and additional detail regarding certain financial statement balances and activities.

Financial Summary and Analysis

The chart and analyses below focus on the summary of the School's Statement of Net Position for the years ended June 30, 2026 and 2025:

Summary of Statement of Net Position

	2026	*2025*	*Increase (Decrease)*	*Percentage Change*
Assets and Deferred Outflows of Resources:				
Current and other assets	$ 4,709,147	$ 4,388,494	$ 320,653	7.3%
Capital assets, net	1,299,107	1,414,010	(114,903)	-8.1%
Total assets	$ 6,008,254	$ 5,802,504	$ 205,750	3.5%
Liabilities:				
Current and other liabilities	$ 629,395	$ 556,467	$ 72,928	13.1%
Total liabilities	$ 629,395	$ 556,467	$ 72,928	13.1%
Net Position:				
Net investment in capital assets	$ 1,299,107	$ 1,414,010	$ (114,903)	-8.1%
Unrestricted	4,079,752	3,832,027	247,725	6.5%
Total net position	$ 5,378,859	$ 5,246,037	$ 132,822	2.5%

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Current and other assets increased by $320,653 or 7.3%, which is primarily due to an increase in grants and accounts receivable, partially offset by a decrease in cash and cash equivalents. The change in grants in accounts receivable was attributable to the School switching to provide regional transportation in fiscal year 2026 compared to fiscal year 2025, resulting in an additional receivable amount of approximately $900 thousand.

Capital assets, net decreased by $115,000 or 8.1% as a result of depreciation expense of approximately $223,000 and capital asset additions of approximately $108,000.

Current and other liabilities increased by $73,000, which is consistent with prior year.

Total net position increased by $132,822 or 2.5%, attributable to the surplus in the current fiscal year.

Financial Summary and Analysis – *Continued*

The chart and analyses below focus on the summary of the School's Statement of Changes in Net Position for the years ended June 30, 2026 and 2025:

Summary of Changes in Net Position

	2026	2025	Increase (Decrease)	Percentage Change
Revenues:				
Tuition	$ 8,112,295	$ 7,917,998	$ 194,297	2.5%
Federal and state grants	256,619	287,324	(30,705)	-10.7%
Other operating	1,152,715	107,732	1,044,983	970.0%
Total operating revenue (excluding on-behalf)	$ 9,521,629	$ 8,313,054	$ 1,208,575	14.5%
Nonoperating revenue	$ 106,593	$ 122,494	$ (15,901)	-13.0%
Total revenue (excluding on-behalf)	$ 9,628,222	$ 8,435,548	$ 1,192,674	14.1%
Expenses:				
Personnel costs	$ 6,213,366	$ 5,805,011	$ 408,355	7.0%
Occupancy costs	705,127	660,347	44,780	6.8%
Student costs	1,820,226	765,545	1,054,681	137.8%
Other operating costs	746,521	776,533	(30,012)	-3.9%
Total operating expenses (excluding on-behalf)	$ 9,485,240	$ 8,007,436	$ 1,477,804	18.5%
Nonoperating expenses	$ 10,160	$ 4,000	$ 6,160	154.0%
Total expenses (excluding on-behalf)	$ 9,495,400	$ 8,011,436	$ 1,483,964	18.5%
Change in Net Position				
Change in net position	$ 132,822	$ 424,112	$ (291,290)	-68.7%
Net position - beginning	5,246,037	4,821,925	424,112	8.8%
Net position - ending	$ 5,378,859	$ 5,246,037	$ 132,822	2.5%

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Tuition increased by $194,297 or 2.5%, which is primarily attributable to an increase in the per pupil tuition rate from DESE.

Other operating revenue increased $1,044,983 attributable to the School receiving regional transportation revenue as a result of providing transportation services to students in the local region attending the School for the first time in fiscal year 2026.

Personnel costs increased by $408,355 or 7.0%, which is largely attributable to new positions and annual raises.

Other operating expenses increased $1,054,681 as a result of incurring additional expenses attributable to providing transportation services to the students in the local region for the first time in fiscal year 2026.

Change in net position decreased by $132,822 or 2.5%, attributable to adherence to the current budget and an increase in tuition when comparing fiscal years 2026 to 2025.

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Current Known Facts, Decisions, and Conditions

The Massachusetts Department of Elementary and Secondary Education has released projected tuition information for fiscal year 2027 based on projected student enrollment. Based on this information, the School's tuition revenue is projected to be $6,644,076, compared with tuition revenue of $8,112,295 in the current fiscal year. The projected tuition is based on a projected enrollment of XXX students.

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. Any questions about this report or need additional information should be addressed to the Chief Financial Officer at Pioneer Valley Performing Arts Charter Public School, 15 Mulligan Drive, South Hadley, MA 01075.

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Pioneer Valley Performing Arts Charter Public School
Friends of Pioneer Valley Performing Arts Charter Public School,
Combined Statement of Net Position
With Combining Information at June 30, 2026
With Summarized Comparative Totals For June 30, 2025

	Pioneer Valley Performing Arts Charter Public School	*Friends of PVPA*	*Memorandum Only Total Primary Government June 30, 2026*	*Memorandum Only Summarized Comparative June 30, 2025*
Assets				
Current Assets:				
Cash and cash equivalents	$ 1,234,943	$ 140,668	$ 1,375,611	$ 4,841,592
Certificates for deposit	2,229,152	530,802	2,759,954	-
Grants and accounts receivable, net	1,073,672	-	1,073,672	96,420
Related party receivable/(payable)	124,203	(124,203)	-	-
Prepaid expenses	47,177	-	47,177	12,928
Total current assets	4,709,147	547,267	5,256,414	4,950,940
Noncurrent Assets:				
Capital assets, net	1,299,107	4,621,388	5,920,495	6,132,681
Total noncurrent assets	1,299,107	4,621,388	5,920,495	6,132,681
Total assets	$ 6,008,254	$ 5,168,655	$ 11,176,909	$ 11,083,621
Liabilities and Net Position				
Current Liabilities:				
Accounts payable	$ -	$ -	$ -	$ 12,937
Accrued expenses	604,815	8,125	612,940	511,370
Notes payable - current	-	102,235	102,235	96,947
Advances	19,096	-	19,096	24,408
Other liabilities	5,484	-	5,484	7,752
Total current liabilities	629,395	110,360	739,755	653,414
Noncurrent Liabilities:				
Notes payable - net of current	-	2,896,770	2,896,770	2,998,993
Total noncurrent liabilities	-	2,896,770	2,896,770	2,998,993
Total liabilities	629,395	3,007,130	3,636,525	3,652,407
Net Position:				
Net investment in capital assets	1,299,107	1,622,383	2,921,490	3,036,741
Unrestricted	4,079,752	539,142	4,618,894	4,394,473
Total net position	5,378,859	2,161,525	7,540,384	7,431,214
Total liabilities and net position	$ 6,008,254	$ 5,168,655	$ 11,176,909	$ 11,083,621

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See accompanying notes to combined financial statements.

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Pioneer Valley Performing Arts Charter Public School
Friends of Pioneer Valley Performing Arts Charter Public School,
Combined Statement of Revenues, Expenses and Changes in Net Position
With Combining Information For the Year Ending June 30, 2026
With Summarized Comparative Totals For the Year Ending June 30, 2025

	Pioneer Valley Performing Arts Charter Public School	*Friends of PVPA*	*Memorandum Only Total Primary Government June 30, 2026*	*Memorandum Only Summarized Comparative June 30, 2025*
Operating revenues:				
Tuition	$ 8,112,295	$ -	$ 8,112,295	$ 7,917,998
Federal and state grants	256,619	-	256,619	287,324
Program fees	84,625	-	84,625	70,871
Transportation	1,039,990	-	1,039,990	36,861
Other income	28,100	-	28,100	248
On-behalf pension	511,547	-	511,547	828,805
Total operating revenues	10,033,176	-	10,033,176	9,142,107
Personel costs:				
Salaries	5,048,170	-	5,048,170	4,876,103
Payroll taxes	162,649	-	162,649	173,138
Fringe benefits	1,002,547	-	1,002,547	755,770
On-behalf fringe benefits	511,547	-	511,547	828,805
Total personel costs	6,724,913	-	6,724,913	6,633,816
Occupancy costs:				
Occupancy costs	144,216	-	144,216	103,600
Rent expense/(income) - related party	337,233	(337,233)	-	-
Depreciation	223,678	199,980	423,658	418,574
Total occupancy costs	705,127	(137,253)	567,874	522,174
Student costs:				
Student activities	86,815	-	86,815	55,594
Student costs		-	-	69,960
Contracted services	341,341	-	341,341	201,115
Professional services	80,334	20,890	101,224	65,356
Food services program	4,246	-	4,246	25,975
Classroom computers and equipment	68,688	-	68,688	65,211
Transportation	1,238,802	-	1,238,802	282,334
In-kind transportation	-	-	-	-
Total student costs	1,820,226	20,890	1,841,116	765,545
Other operating costs:				
Training and development	130,220	-	130,220	135,849
Networking	62,908	-	62,908	36,871
Advertising and marketing	37,678	446	38,124	22,103
Insurance	61,931	-	61,931	57,491
Repairs and maintenance	367,874	-	367,874	460,777
Office supplies, printing and postage	7,934	-	7,934	8,563
Office computers and equipment	32,434		32,434	25,446
Travel	34,116	-	34,116	5,657
Miscellaneous	11,426	5,407	16,833	30,757
Total other operating costs	746,521	5,853	752,374	783,514
Total operating expenses	9,996,787	(110,510)	19,772,554	8,705,049
Net operating income	36,389	110,510	(9,739,378)	437,058
Non-operating revenues/(expenses):				
Contributions	31,299	-	31,299	14,817
Contributions from Foundation/(to School)	-	2,728	2,728	-
Interest income	75,294	25,578	100,872	116,799
Other income	-	-	-	14,295
Fundraising expense	(10,160)	-	(10,160)	(4,000)
Interest expense	-	(162,468)	(162,468)	(167,477)
Net non-operating expenses	96,433	(134,162)	(37,729)	(25,566)
Change in net position	132,822	(23,652)	109,170	411,492
Net position, beginning of the year	5,246,037	2,185,177	7,431,214	7,019,722
Net position, end of the year	$ 5,378,859	$ 2,161,525	$ 7,540,384	$ 7,431,214

See accompanying notes to combined financial statements.

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Pioneer Valley Performing Arts Charter Public School
Friends of Pioneer Valley Performing Arts Charter Public School
Combined Statement of Cash Flows
With Combining Information For the Year Ended June 30, 2026
With Summarized Comparative Totals For the Year Ending June 30, 2025

	Pioneer Valley Performing Arts Charter Public School	*Friends of PVPA*	*Memorandum Only Total Primary Government June 30, 2026*	*Memorandum Only Summarized Comparative June 30, 2025*
Cash flows from operating activities:				
Receipts from tuition	$ 8,112,295	$ -	$ 8,112,295	$ 7,917,998
Receipts from governmental grants	288,651	-	288,651	329,533
Receipts from programs	170,151	337,233	507,384	131,631
Payments to employees	(6,119,921)	-	(6,119,921)	(4,955,216)
Payments to suppliers and vendors	(3,095,382)	(50,650)	(3,146,032)	(2,548,209)
Net cash (used in)/provided by operating activities	(644,206)	286,583	(357,623)	875,737
Cash flows from non capital financing activities:				
Non-operating receipts	106,593	2,728	109,321	29,112
Non-operating disbursements	(10,160)	(162,468)	(172,628)	(4,000)
Net cash provided by/(used in) non capital financing activities	96,433	(159,740)	(63,307)	25,112
Cash flows from investment activities:				
Investment income from interest, dividend and gains/(losses)	(2,269)	25,578	23,309	116,799
Purchase of other investments	(2,229,150)	(530,802)	(2,759,952)	-
Net cash (used in)/provided by investing activities	(2,231,419)	(505,224)	(2,736,643)	116,799
Cash flows from capital and related financing activities:				
Principal payments on bonds and notes	-	(96,935)	(96,935)	(91,933)
Payments for interest	-	-	-	(167,477)
Purchase of capital assets	(108,776)	(102,697)	(211,473)	(239,531)
Net cash used in capital and related financing activities	(108,776)	(199,632)	(308,408)	(498,941)
Change in cash and cash equivalents	(2,887,968)	(578,013)	(3,465,981)	518,707
Cash and cash equivalents, beginning of year	4,122,911	718,681	4,841,592	4,322,885
Cash and cash equivalents, end of year	$ 1,234,943	$ 140,668	$ 1,375,611	$ 4,841,592
Reconciliation of net operating revenue to net cash (used in)/provided by operating activities:				
Operating revenue	$ 36,389	$ 110,510	$ 146,899	$ 437,058
Adjustments to reconcile operating revenue to net cash used in operating activities:				
Depreciation and amortization	223,678	199,980	423,658	418,574
Change in assets and liabilities:				
(Increase)/decrease in accounts receivable	(945,220)	-	(945,220)	60,062
(Increase)/decrease in prepaid expenses	(34,249)	-	(34,249)	10,000
(Decrease)/increase in accounts payable	(12,937)	132,328	119,391	2,137
Increase/(decrease) in accrued expenses	93,445	(156,235)	(62,790)	(60,635)
(Decrease)/increase in advances	(5,312)	-	(5,312)	8,541
Net cash (used in)/provided by operating activities	$ (644,206)	$ 286,583	$ (357,623)	$ 875,737

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See accompanying notes to combined financial statements.

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1. Nature of Organization

The Pioneer Valley Performing Arts Charter Public School (the School) was established on March 15, 1996 after receiving their 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 School's charter was renewed in fiscal year 2026, effective July 1, 2026 through June 30, 2031. The DESE provided 99% of revenue to the School, excluding on-behalf fringe benefits, for the years ended June 30, 2026 and 2025, respectively through per pupil tuition, federal and state grants and transportation funding.

The School's mission is: *To offer its students intensive exposure to the performing arts within the context of an excellent college preparatory curriculum."*

The combined financial statements consist of the following:

Primary government

- Pioneer Valley Performing Arts Charter Public School – (PVPA) operates as an elementary, middle school and high school in South Hadley, Massachusetts, and served 395 and 397 students in fiscal years 2026 and 2025, respectively, in grades seven through twelfth. At capacity, the School will serve 400 students.

- Friends of Pioneer Valley Performing Arts Charter Public School, (Friends of PVPA) – (the Foundation) was established during fiscal year 2005 and is 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.

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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. 3,* and *GASB No. 80, Blending Requirements for Certain Component Units,* the School evaluated its potential component unit to determine the reporting entity.

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

Financial Reporting Entity – Continued
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 combined financial statements to be misleading or incomplete. The School is financially accountable if it appoints a majority of the Foundation's board members 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 blended component unit of the School. The blended component unit, although a legally separate entity, is in substance, part of the School's operations and therefore, the 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 958 (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 were made to the Foundation's financial information in the School's financial statements for those differences.

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

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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 combined financial statements are prepared using the accrual basis of accounting and all of the activity is recorded in the enterprise fund.

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. Grants and contributions are recognized when all eligible requirements are met.

Pursuant to GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements,* the Organization 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.

Advances
Revenue is recognized when earned, however funds received that are not earned as of year-end are recorded within the liabilities as advances.

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

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, except for income taxes on unrelated business income, if any. For the years ended June 30, 2026 and 2025, the Foundation had no unrelated business income subject to taxes.

The Foundation evaluates its tax positions taken or expected to be taken in their 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 an those expected to be taken in its 2026 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 by federal and state tax authorities for up to a three year period after the returns have been filed (2023-2025).

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Cash and Cash Equivalents
For the purpose of the *Combined Statement of Net Position* and the *Combined Statement of Cash Flows*, the Organization considers all short-term investments with an original maturity of three months or less to be cash equivalents. As of June 30, 2026 and 2025, the Organization held $1,698,808 and $4,841,592, respectively of cash equivalents.

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, 2026 and 2025, no allowance for doubtful accounts had been recorded and management considers all remaining receivables to be fully collectible.

Grants and accounts receivables that are expected to be collected within one year are recorded at net realizable value. Grants and accounts receivables that are expected to be collected in future years are recorded at the present value of their estimated future cash flows.

Operating Revenue and Expenses
The School - 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 non-operating revenues and expenses.

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

Operating Revenue and Expenses – Continued
The Foundation - Operating revenue and expenses generally result from fundraising on behalf of the School. The principal operating revenues include private grants and contributions. Operating expenses include contributions to the School, fundraising expenses and administrative expenses. All other revenue and expenses not meeting this definition are reported as non-operating 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 3 years for computers, 5 years for vehicles and equipment, 7 years for furniture and fixtures, 10 years for land improvements, 40 years for buildings and building improvements and the lessor of the remaining life of the lease or useful life for leased assets.

On-Behalf Payments
The School recognizes its proportional share of pension revenue and expense, as reported by Massachusetts Teachers' Retirement System (MTRS), as on-behalf payments in the *Combined Statement of Revenues, Expenses, and Changes in Net Position*.

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

- Net Investment in Capital Assets – book value of capital assets net of any related debt
- Capital Reserve – the board has discretionary control over all of these assets and designated these resources for future capital needs of the School. This designation may be removed at the board's direction.
- Restricted – amounts that can be spent only for specific purposes because of externally imposed restrictions by grantors and contributors.
- Unrestricted – portion of funds to support operations

The Organization applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

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

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

Compensated Absences

Employees of the School are entitled to paid sick time, paid vacations and paid holidays, depending on the job classification, length of service, and other factors. The School accrues for these compensated absences based on management's assessment of the likelihood the amount would be utilized by the employees.

Fair Value

In accordance with GASB Statement No. 72, *Fair Value Measurement and Application*; the Organization's investments are measured at fair value on a recurring basis. The Organization categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

In-kind Contributions

The Organization records various types of in-kind support including professional services, advertising and materials. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not donated. Such donations are recorded as contributions in the consolidated financial statements. Donated materials are recorded at the fair value at the date of the gift.

Summarized Comparative Information

The combined financial statements include certain prior year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's combined financial statements for the year ended June 30, 2025, from which the summarized information was derived.

Subscription-Based Information Technology Arrangements

For subscription-based information technology arrangements with a maximum possible term of 12 months or less at commencement, including any options, the Organization recognizes the expense based on the provisions of the subscription. For all other subscriptions, the Organization recognizes a subscription liability and an intangible right-to-use subscription asset.

Adoption of Accounting Standard

The School adopted GASB Statement No. 103, *Financial Reporting Model Improvements* (GASB No. 103), effective for the fiscal year ended June 30, 2026. GASB No. 103 establishes improvement to key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing accountability. The adoption of GASB No. 103 did not result in any material changes to the School's combined financial statements for the year ended June 30, 2026.

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2. *Summary of Significant Accounting Policies – Continued*

The School adopted GASB Statement No. 104, *Disclosure of Certain Capital Assets* (GASB No. 104), effective for the fiscal year ended June 30, 2026. GASB No. 104 establishes disclosure requirements related to certain information regarding capital assets to be presented by major class. The adoption of GASB No. 104 did not result in any material changes to the School's combined financial statements for the year ended June 30, 2026.

Reclassifications
Certain amounts in the fiscal year 2025 combined financial statements have been reclassified to conform with the fiscal year 2026 presentation.

3. *Deposits with Financial Institutions*

The Organization maintained its cash accounts at several 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 institutions minimizes such risk. In addition, the financial institution maintains additional insurance through the Depositors Insurance Fund, a private industry sponsored insurance company. Lastly, the balances below include the certificates of deposits classified separately on the combined statement of net position. As required by GASB Statement No. 40, *Deposits and Investment Risk Disclosures* are as follows:

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	2026	*2025*
Fully insured deposits	$ 4,456,761	$ 4,841,592
Uncollateralized	-	-
Total	$ 4,456,761	$ 4,841,592

4. *Grants and Accounts Receivables*

Grants and accounts receivable for the Organization at June 30, 2026 and 2025 are as follows:

	2026	*2025*
Commonwealth of Massachusetts - transportation	$ 988,017	$ -
Commonwealth of Massachusetts - grants	79,722	95,349
Other	5,933	1,071
Total	$ 1,073,672	$ 96,420

5. *Accounts Payable and Accrued Expenses*

Accounts payable and accrued expenses at June 30, 2026 and 2025 are as follows:

	2026	*2025*
Payables to vendors	$ 49,460	$ 53,551
Accrued salaries and benefits	563,480	470,756
Total	$ 612,940	$ 524,307

Pioneer Valley Performing Arts Charter Public School
Friends of Pioneer Valley Performing Arts Charter Public School, Inc.
Notes to Combined Financial Statements - *Continued*
June 30, 2026

6. *Capital Assets*

The Changes in capital assets of the Organization for the year ended June 30, 2026 and 2025 are as follows:

The School	*Balance July 1, 2025*	*Additions*	*Deletions*	*Balance June 30, 2026*
Land	$ 405,985	$ -	$ -	$ 405,985
Capital assets not being depreciated	405,985	-	-	405,985
Capital assets being depreciated				
Building - other	45,311	3,500	-	48,811
Building/leasehold improvement	1,202,388	70,969	-	1,273,357
Furniture and equipment	1,292,656	34,307	-	1,326,963
Total capital assets being depreciated	2,540,355	108,776	-	2,649,131
Less accumulated depreciation				
Building - other	116,244	23,650	-	139,894
Building/leasehold improvement	451,446	61,971	-	513,417
Furniture and equipment	964,641	138,057	-	1,102,698
Total accumulated depreciation	1,532,331	223,678	-	1,756,009
Total capital assets being depreciated, net	1,008,024	(114,902)	-	893,122
Capital assets, net	$ 1,414,009	$ (114,902)	$ -	$ 1,299,107

	Balance July 1, 2024	*Additions*	*Deletions*	*Balance June 30, 2025*
Land	$ 405,985	$ -	$ -	$ 405,985
Capital assets not being depreciated	405,985	-	-	405,985
Capital assets being depreciated				
Building - other	45,311	-	-	45,311
Building/leasehold improvement	1,202,388	-	-	1,202,388
Furniture and equipment	1,292,656	-	-	1,292,656
Total capital assets being depreciated	2,540,355	-	-	2,540,355
Less accumulated depreciation				
Building - other	92,594	23,650	-	116,244
Building/leasehold improvement	389,475	61,971	-	451,446
Furniture and equipment	833,328	131,313	-	964,641
Total accumulated depreciation	1,315,397	216,934	-	1,532,331
Total capital assets being depreciated, net	1,224,958	(216,934)	-	1,008,024
Capital assets, net	$ 1,630,943	$ (216,934)	$ -	$ 1,414,009

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Pioneer Valley Performing Arts Charter Public School
Friends of Pioneer Valley Performing Arts Charter Public School, Inc.
Notes to Combined Financial Statements - *Continued*
June 30, 2026

6. *Capital Assets - Continued*

The Foundation *Capital assets not being depreciated*	*Balance June 30, 2025*	*Additions*	*Deletions*	*Balance June 30, 2026*
Land	$ 500,000	$ -	$ -	$ 500,000
Capital assets not being depreciated	500,000	-	-	500,000
Capital assets being depreciated				
Building - other	4,227,822	102,697	-	4,330,519
Building improvements	2,292,321	-	-	2,292,321
Parking lot	510,679	-	-	510,679
Total capital assets being depreciated	7,030,822	102,697	-	7,133,519
Less accumulated depreciation				
Building - other	2,036,756	108,627	-	2,145,383
Building improvements	544,228	57,308	-	601,536
Parking lot	231,167	34,045	-	265,212
Total accumulated depreciation	2,812,151	199,980	-	3,012,131
Total capital assets being depreciated, net	4,218,671	(97,283)	-	4,121,388
Capital assets, net	$ 4,718,671	$ (97,283)	$ -	$ 4,621,388

Capital assets not being depreciated	*Balance July 1, 2024*	*Additions*	*Deletions*	*Balance June 30, 2025*
Land	$ 500,000	$ -	$ -	$ 500,000
Capital assets not being depreciated	500,000	-	-	500,000
Capital assets being depreciated				
Building - other	4,227,822	-	-	4,227,822
Building improvements	2,292,321	-	-	2,292,321
Parking lot	510,679	-	-	510,679
Total capital assets being depreciated	7,030,822	-	-	7,030,822
Less accumulated depreciation				
Building - other	1,928,129	108,627	-	2,036,756
Building improvements	486,920	57,308	-	544,228
Parking lot	197,122	34,045	-	231,167
Total accumulated depreciation	2,612,171	199,980	-	2,812,151
Total capital assets being depreciated, net	4,418,651	-	-	4,218,671
Capital assets, net	$ 4,918,651	$ -	$ -	$ 4,718,671

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7. Long-term Debt

The Foundation entered into an agreement with the Massachusetts Development Finance Agency (MDF A) for the purchase of the land and building upon which the School's facilities are located. The MDFA approved the issuance of eighteen-year tax-exempt bonds that were issued on January 6, 2006, in the amount of $3,800,000 that the Friends used to acquire the land and building. On June 1, 2014, the Friends borrowed $4,260,000 in the form of MDF A Series 2014 Revenue Bonds. The proceeds from the bond were used to refinance the outstanding MDFA Series 2006 Revenue Bonds, and to fund additional building improvements. The 2014 bond matures on June 26, 2044. The interest rate is a fixed rate that is, adjusted by the bank every ten years. Effective June 26, 2024, the interest was adjusted to a rate of 5.25%, which is based on the Federal Home Loan Bank ten-year classic rate and a margin of 0.25%. The bonds are secured by the property located at 15 Mulligan Drive and all revenues of PVPA and the Friends. This means that the property and revenues serve as collateral for the bondholders. In the event of a default, bondholders have a claim on the property and the revenues, providing an added layer of security for their investment.

The School is required to maintain a combined minimum debt service ratio of 1.25: 1.0, measured on an annual basis. As of June 30, 2026 and June 30, 2025, the School was in compliance with this covenant.

The School has guaranteed the above debt for the Foundation. In the event that the Foundation defaults, the School would be required to perform under this guarantee. The School does not have any recourse against the Foundation.

Future principal and interest payments on bonds payable are presented below. The scheduled payments reflect the terms of the bonds through their repayment date of June 2044.

Fiscal Years	*Principal*	*Interest*	*Total*
2027	$ 102,235	$ 157,175	$ 259,410
2028	107,394	152,016	259,410
2029	113,670	145,740	259,410
2030	119,871	139,539	259,410
2031	126,409	133,001	259,410
2032-2036	742,625	554,425	1,297,050
2037-2041	969,030	328,021	1,297,051
2042-2044	717,771	60,466	778,237
Total	$ 2,999,005	$ 1,670,383	$ 4,669,388

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Pioneer Valley Performing Arts Charter Public School
Friends of Pioneer Valley Performing Arts Charter Public School, Inc.
Notes to Combined Financial Statements - *Continued*
June 30, 2026

7. Long-term Debt - *Continued*

The following summarizes the debt obligations of the Organization for the fiscal years ending June 30, 2026 and 2025:

	Beginning Balance	*Additions*	*Principal Payments*	*Ending Balance*	*Amounts Due Within One Year*
June 30, 2026	$ 3,095,940	$ -	$ 96,935	$ 2,999,005	$ 102,235
June 30, 2025	$ 3,187,873	$ -	$ 91,933	$ 3,095,940	$ 96,947

8. Line of Credit

PVPA has a demand line of credit (limit of $450,000) with a bank. The line of credit must have a zero balance for a minimum of thirty consecutive days during each calendar year. The existing loan documents allow the line to remain open until the bank makes a demand. Interest is calculated on the daily unpaid principal of all amounts owing in PVPA's loan account. The line of credit is secured by the property located at 15 Mulligan Drive and all cash, deposit balances, instruments or other property of PVPA. This means that the property serves as collateral for the lender. In the event of a default, the lender has a claim on the property and the revenues, providing an added layer of security for their investment. The interest rate on the line of credit is floating at the Wall Street Journal prime rate with a margin of 1.00%. As of June 30, 2026, and 2025, there was no balance due on the line of credit.

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9. Retirement Plan

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. 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.

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***9. Retirement Plan** – Continued*

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* (GASB 68), is considered a special funding situation, where by the School does not contribute to the MTRS retirement plan, but the School is required to determine the net pension liability for all participants. The net pension liability for the retirement plan at the June 30, 2025 measurement date was determined by an actuarial valuation prepared as of January 1, 2025 and 2024 and rolled forward to June 30, 2025 and 2024. The School's share of the MTRS net pension liability at June 30, 2026 and 2025, was $9,362,371 and $10,041,059, respectively.

The Organization also has a Section 403(b) plan in which eligible employees make tax deferred contributions to the plan. The Organization does not contribute to the plan.

10. On-Behalf Payments

In accordance with GASB 68, the School is required to recognize its proportional share of pension revenue and expenses, as reported by MTRS, as on-behalf payments in their combined financial statements. As of June 30, 2026 and 2025, the School recognized $511,547 and $828,805, respectively of on-behalf revenues and expenses.

11. Related Party Transactions

The School leases the building (including parking areas and land) from the Foundation under a lease agreement. The lease began June 7, 2004, and has been amended several times. Under the most recent amendment, the lease expires on June 30, 2044. The School has an option to terminate this lease if its charter is not renewed or if the state tuition allocation is reduced by 10%. Rent expense for each of the years ended June 30, 2026 and 2025 was $337,233. Future minimum annual lease payments will be a fixed amount of $337,233 until the lease expires.

There are XXX employees of PVPA who are also voting Board members in fiscal 2026 and two members in fiscal 2025. Total compensation paid to these employees amounted to $XXXX in 2026 and $104,425 in 2025.

As of June 30, 2025 and 2024, amounts due to PVPA from the Friends totaled $124,203 and $156,235, respectively.

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12. Contingencies

Grant Funding
The School is subject to an audit of its Commonwealth of Massachusetts and Federal funding and as such, if determined that funds are not expended in accordance with the grant agreements, the grantor agency has the right to recapture these funds. Therefore, final acceptance of costs incurred under these grants and contracts resides with the 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 adjustments.

Cumulative Surplus Revenue
Effective July 1, 2010 any cumulative surplus revenue generated by the School must comply with M.G.L. c. 71, §89 (as amended by Chapter 12 of the Acts of 2010 under §7 (hh)). In accordance with this legislation and subsequent DESE regulations, if the School's cumulative surplus revenue, as defined, exceeds 20% of its operating budget and its budgeted capital costs for the succeeding fiscal year, the amount in excess of said 20% shall be returned by the School to the sending district or districts and the Commonwealth in proportion to their share of tuition paid during the fiscal year. Management does not anticipate any repayment for fiscal year 2026.

Potential Legal Claim
The School is involved in mediation related to a potential claim asserted by certain parties as the result of conduct of a former employee. As of the issuance date, no formal legal action has been filed in connection with this matter and the parties are currently participating in mediation in an effort to resolve the matter.

The ultimate outcome of this matter cannot presently be determined, and the amount of any potential loss, if any, cannot be reasonably estimated. Management believes that any potential loss resulting from this matter would be covered by the School's applicable insurance coverage, subject to the terms, conditions, and limitations of the policy. Accordingly, no liability has been recorded in the accompanying financial statements.

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13. Charter Renewal

During 2026, the Massachusetts Board of Elementary and Secondary Education renewed the charter of the School, subject to certain conditions. These conditions require the Board of Trustees to develop and implement an action plan addressing areas for improvement identified through their review, including policies, procedures, staff training, board oversight, mandated reporting, complaint procedures, and compliance with applicable charter school and public school requirements. In addition, the conditions require the Board of Trustees to hire third-party consultants to assist the School in evaluating certain incidents that occurred during the previous school year.

The School is required to demonstrate compliance with these conditions within the timeframes established by DESE. Failure to satisfy the conditions may result in additional conditions being imposed, placement of the School on probation, or may revoke their charter. The School has currently addressed some of the conditions and is working with DESE to address any remaining items within the required time frames indicated.

14. Subsequent Events

The Organization has performed an evaluation of subsequent events through September XX, 2026, which is the date the combined financial statements were available to be issued. There are no recognized subsequent events, events that provide additional evidence about conditions that existed at the *Combined Statement of Net Position* date, or non-recognized subsequent events, or events that provide evidence about conditions that did not exist at the *Combined Statement of Net Position*, which are necessary to disclose to keep the combined financial statements from being misleading.

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

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DANIEL DENNIS & Co
Certified Public Accountants

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

To the Board of Trustees of
Pioneer Valley Performing Arts Charter Public School and
Friends of Pioneer Valley Performing Arts Charter Public School,

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 combined statement of net position of Pioneer Valley Performing Arts Charter Public School and Friends of Pioneer Valley Performing Arts Charter Public School, (collectively, the Organization) as of and for the year ended June 30, 2026, and the combined statements of revenue, expenses and changes in net position and cash flows and the related notes to the combined financial statements, which comprise the Organization's combined financial statements and have issued our report thereon dated October XX, 2026.

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Report on Internal Control over Financial Reporting

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's combined 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 combined financial statements. 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

October XX, 2026

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SCHEDULE OF FINDINGS
AND RESPONSES

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Pioneer Valley Performing Arts Charter Public School and
Friends of Pioneer Valley Performing Arts Charter Public School
Schedule of Findings and Responses
For the Year Ended June 30, 2026

No Current Year Findings

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SCHEDULE OF PRIOR YEAR FINDINGS

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Pioneer Valley Performing Arts Charter Public School and
Friends of Pioneer Valley Performing Arts Charter Public School
Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2026

There were no unresolved audit findings from prior year's audit.

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BOARD ACCEPTANCE LETTER

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ACCEPTANCE OF THE BOARD OF TRUSTEES

We, the Board of Trustees of Pioneer Valley Performing Arts Charter Public School and Friends of Pioneer Valley Performing Arts Charter Public School, or its designated committee or individual, have voted to accept the representations of management and the expression of the opinion made by Daniel Dennis & Company LLP as embodied in the combined financial statements and independent auditors' reports for the year ended June 30, 2026.

We also certify that the representations made by management and the disclosures in the combined 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 year ended June 30, 2026.

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_____
Board President or Treasurer
or Other Designated Person

_____
Date

Pioneer Valley Performing Arts Charter Public School
Board of Trustees Presentation

October 6, 2026

DANIEL DENNIS & Co
Certified Public Accountants

990 Washington Street, Suite 203
Dedham, MA 02026
(617) 262-9898
Fax: (617) 279-0837
Website: http://www.danieldennis.com

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Pioneer Valley Performing Arts Charter Public School
June 30, 2026

Summary of Audit Results

Pioneer Valley Performing Arts Charter Public School

Description

- Audited Financial Statements

Status

Issued draft

Independent Auditors' Report

- Unmodified Opinion on the Financial Statements
- No Opinion on MD&A (Unaudited Information)

Report on Compliance and 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

- No material weaknesses over financial reporting
- No reportable instances of non-compliance

Pioneer Valley Performing Arts Charter Public School
June 30, 2026

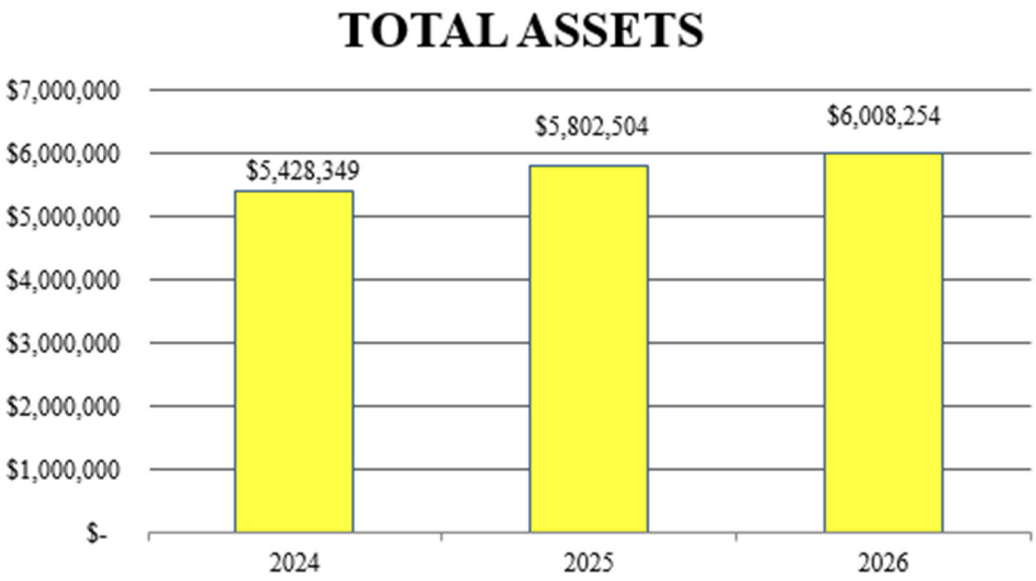
Financial Ratios

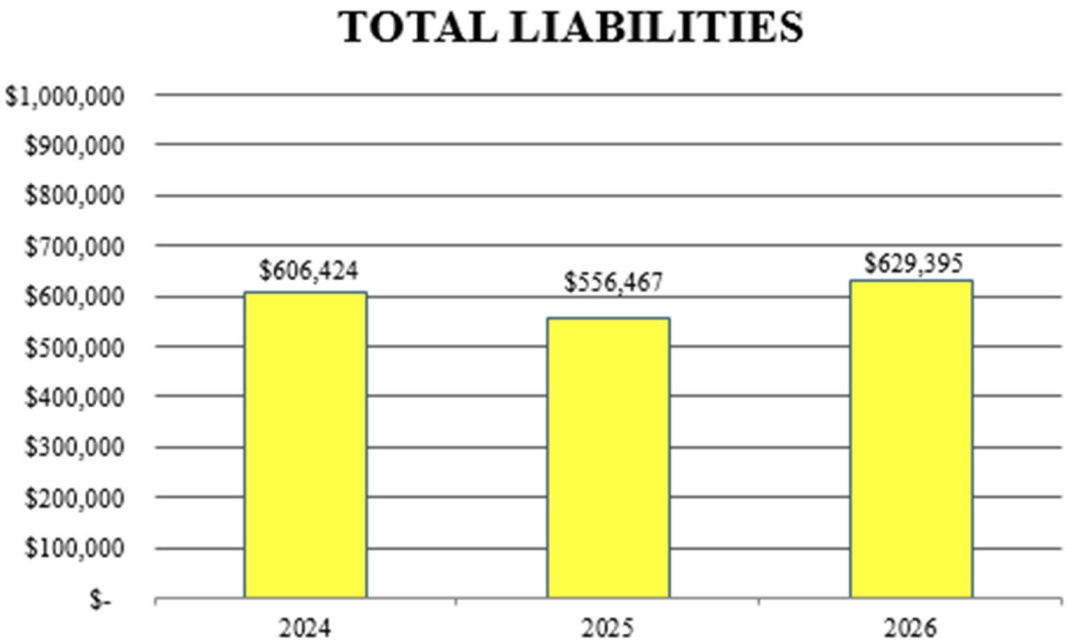
Description	2026	2025	FY25 State Average	DESE BENCHMARK* Low Risk	Moderate Risk	High Risk
Current ratio *Measures short-term financial health*	**7.5:1**	**7.9:1**	**5.3:1**	>=1.5	Between 1.0 and 1.5	< 1.0
Unrestricted Days Cash *Indicates how many days a school can pay its operating expenses without another inflow of cash.*	**57**	**192**	**122**	>=60 days	Between 30 and 60 days	< 30 days
Percentage of Program Paid by Tuition *Measures the percentage of the school's total expenses that are funded entirely by tuition.*	**86%**	**99%**	**90%**	>=90%	Between 75% and 90%	< 75%
Percentage of Program Paid by Tuition & Federal Grants *Measures the percentage of the school's total expenses that are funded entirely by tuition and federal grants.*	**88%**	**91%**	**95%**	>=90%	Between 75% and 90%	< 75%
Debt to Asset *Measures the extent to which the school relies on borrowed funds to finance its operations.*	**0.10**	**0.10**	**0.45**	< = .9	Between .9 and 1	> 1

**The risk levels are set by DESE*

Pioneer Valley Performing Arts Charter Public School
June 30, 2026

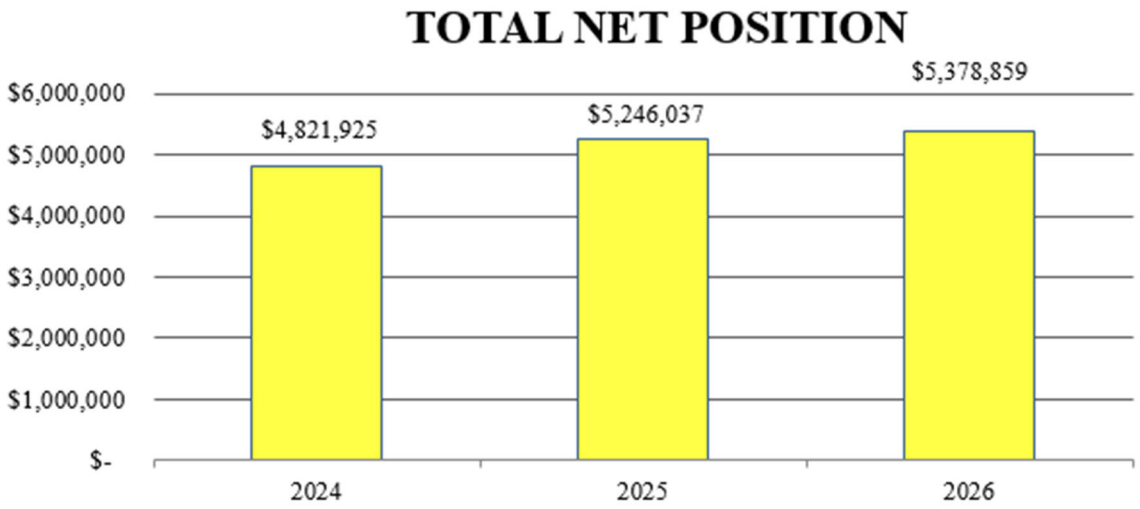
Historical Results





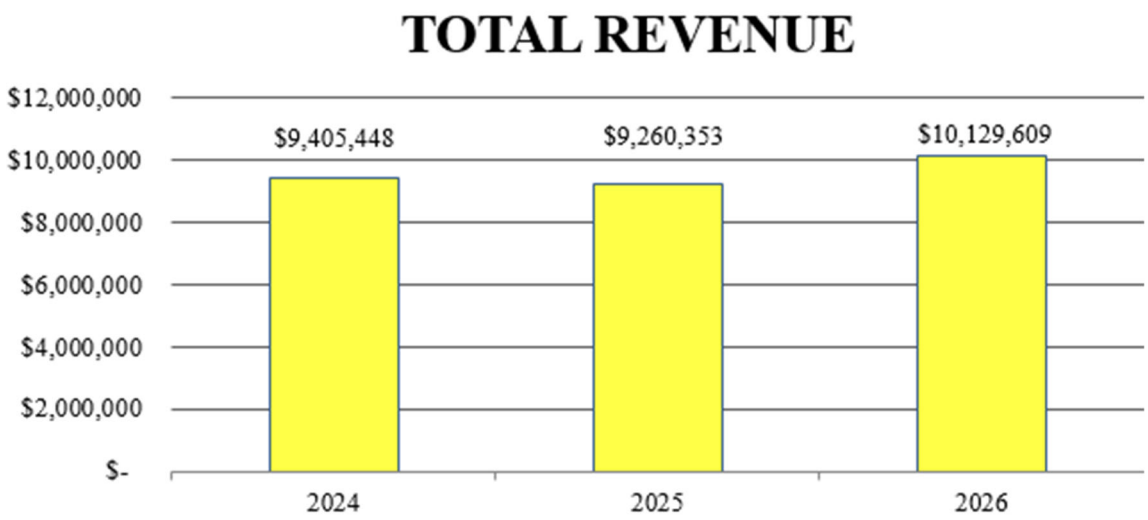
Pioneer Valley Performing Arts Charter Public School
June 30, 2026

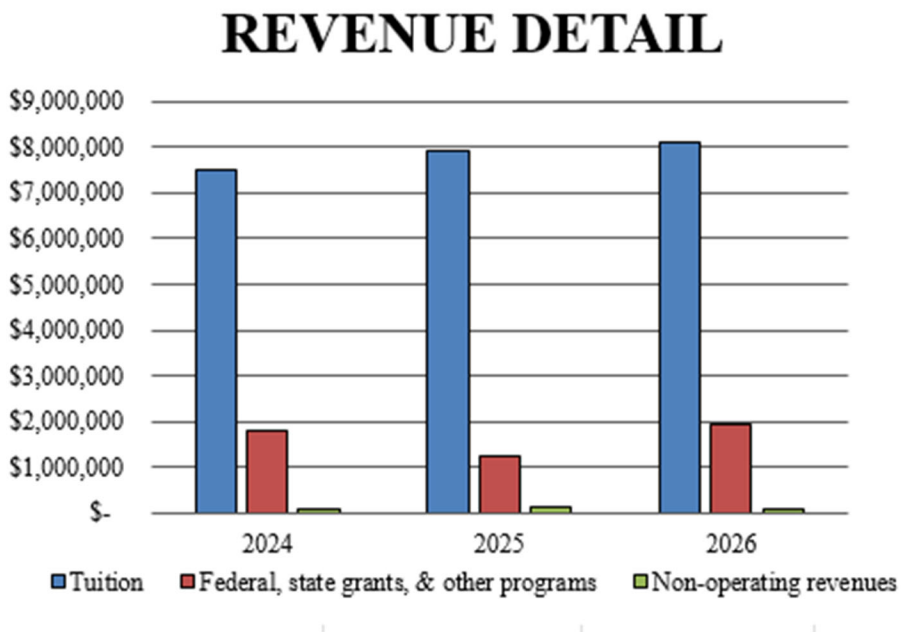
Historical Results – Continued



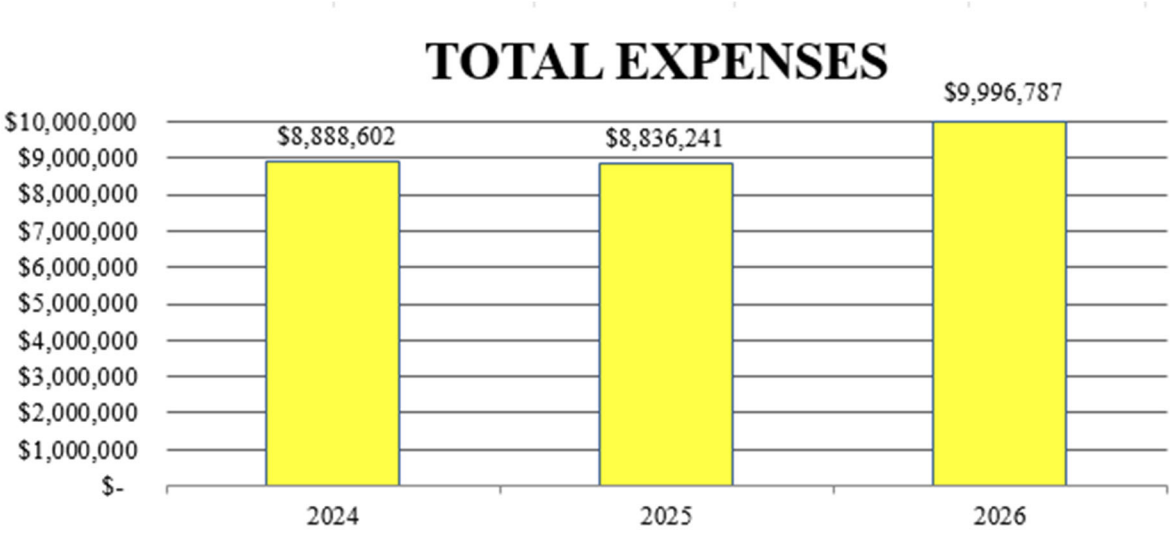
Pioneer Valley Performing Arts Charter Public School
June 30, 2026

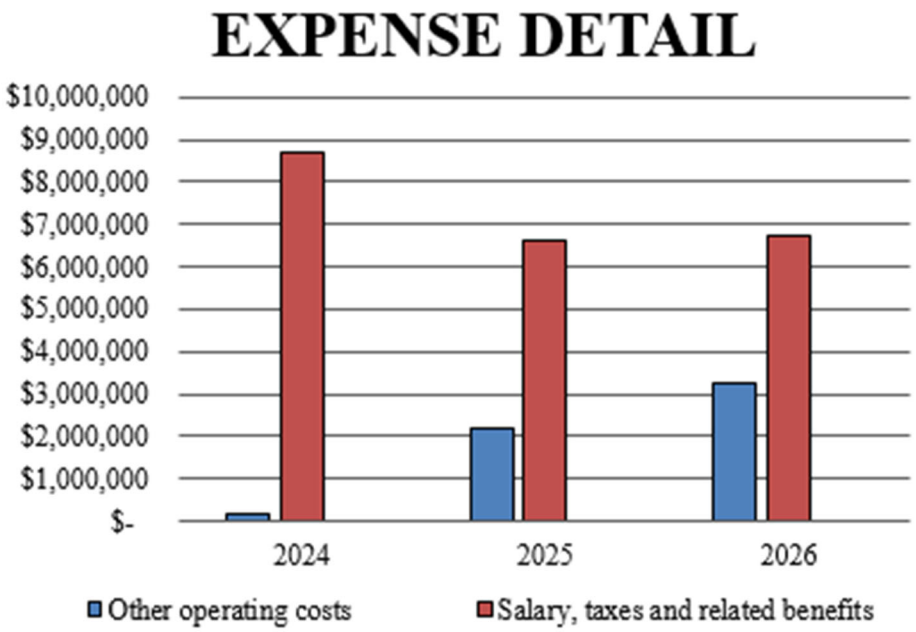
Historical Results – Continued





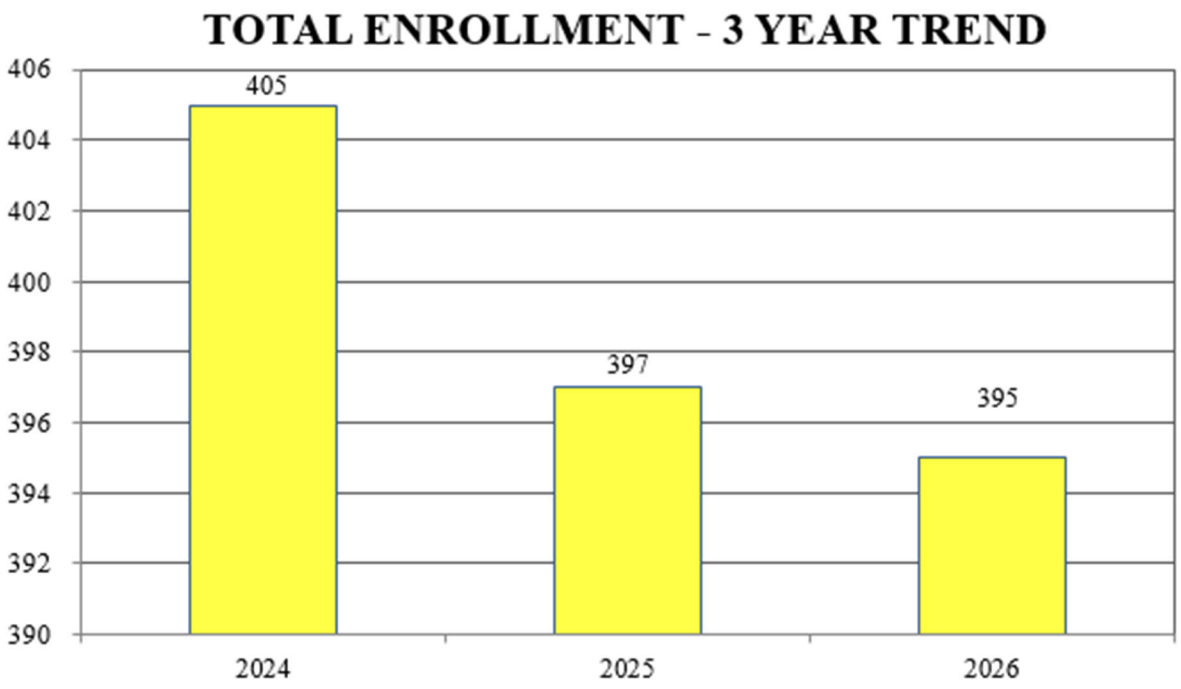
Pioneer Valley Performing Arts Charter Public School
June 30, 2026





Pioneer Valley Performing Arts Charter Public School
June 30, 2026

Historical Results – Continued



Pioneer Valley Performing Arts Charter Public School
June 30, 2026

Discussion Items

- GASB Statement 101 – Sick/Leave Time – Treatment for fiscal year 2026
- Regional Transportation Revenue Estimate - $988,017
- Conditions on Charter Renewal
- On going litigation

Due Dates

- Audit Report: October 30, 2026
- End of Year Report: November 20, 2026
- Friends of PVPA Tax Return: Extended to 5/15/2027

DANIEL DENNIS & Co
Certified Public Accountants

October 6, 2026

To the Board of Trustees of
Pioneer Valley Performing Arts Charter Public School

We have audited the financial statements of Pioneer Valley Performing Arts Charter Public School (the Organization), for the year ended June 30, 2026. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards,* as well as certain information related to the planned scope and timing of our audits. We have communicated such information in our letter engagement letter. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note 2 to the financial statements. As described in Note 2 to the combined financial statements, the Organization adopted GASB Statement No. 103, *Financial Reporting Model Improvements* (GASB No. 103), and GASB Statement No. 104*, Disclosure of Certain Capital Assets* (GASB No. 104) effective for the fiscal year ended June 30, 2026. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the combined financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the Organization's financial statements were:

- Management's allocation of expenditures to grants. The allocation methodology used is based on management's estimate of the equitable share of expenditures applicable to each grant. We evaluated the key factors and assumptions used to develop the allocation of expenditures in determining that it is reasonable in relation to the financial statements taken as a whole.
- The amount of on-behalf fringe benefit payments recorded in accordance with GASB No. 68 in the *Statements of Revenues, Expenses and Change and Net Position*. This is an estimate based on the report provided by the Massachusetts Teachers Retirement System.

- Regional Transportation aide estimate. The estimate is based off of the actual expenditures incurred multiplied by the average of the last three years of approved rates that were provided by DESE. We evaluated the key factors and assumptions used to develop the allocation of expenditures in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear. The most sensitive disclosures are as follows:

- *Note 12: Contingencies - Potential Legal Claim*
- *Note 13: Charter Renewal*

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We will request certain representations from management that will be included in the management representation letter.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the *Management Discussion and Analysis* (MD&A), which is required supplementary information (RSI) that supplements the financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the information and use of the Board of Trustees and management of the Organization and is not intended to be, and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Dennis & Company LLP

Coversheet

2026-2027 Annual Timeline

Section: II. Finance
Item: B. 2026-2027 Annual Timeline
Purpose: Discuss
Submitted by:
Related Material: FY27 Annual Timeline.pdf

15 Mulligan Drive
South Hadley, MA 01075
413-552-1580
www.pvpa.org

FINANCE COMMITTEE ANNUAL TIMELINE

(October 2026)

October	Presentation by Auditors of audit for previous fiscal year A Financial Look Ahead
November	DESE projected 1st quarter tuition PVPA 1st quarter Budget vs Actual Reserves & Transportation Reserve Account
December	Charter School End of Year Annual Financial Report
January	DESE projected 2nd quarter tuition PVPA 2nd quarter Budget vs Actual
February	FY28 Capital Budget FY28 Salary Discussion Review of Governor's State Budget Tuition
March	FY28 Expenditure Budget
April	PVPA 3rd quarter Budget vs Actual DESE 3rd quarter tuition House & Senate State Budget Tuition Review FY28 Expenditure Budget FY28 Tuition Budget
May	Final State Budget Tuition Review Finalize FY28 budget & presentation to Board of Trustees
June	Reserved for additional budget needs and extension of deadline as approved by the Board of Trustees

Coversheet

FY27 Budget Updates

Section: II. Finance
Item: C. FY27 Budget Updates
Purpose: Discuss
Submitted by:
Related Material: Payroll Schedule Change Example 9-25-26.pdf
PVPA - FY27 Budget Concerns 10-1-26.pdf

Payroll Schedule Change - Example

MA Step 9
Annual Salary $59,277.00
Pays 26
Per Pay $ $2,279.88
2026-2027 1st day was 8/24/26
1st payroll = 8/20/26
Original Last payroll = 8/5/27
Adjusted last payroll = 8/19/27

2026-2027 Payroll Schedule - Revised 10 Month 26 Pays

Contract Installment	Hourly Pay-Period Starting (Saturday)	Hourly Pay-Period Ending (Friday)	Time Sheets Due by 6:00pm Friday	Bi-Weekly Pay Date Thursday	Per Pay $
1	8/1/2026	8/14/2026	8/14/2026	8/20/2026	$2,279.88
2	8/15/2026	8/28/2026	8/28/2026	9/3/2026	$2,279.88
3	8/29/2026	9/11/2026	9/11/2026	9/17/2026	$2,279.88
4	9/12/2026	9/25/2026	9/25/2026	10/1/2026	$2,279.88
5	9/26/2026	10/9/2026	10/9/2026	10/15/2026	$2,279.88
6	10/10/2026	10/23/2026	10/23/2026	10/29/2026	$1,139.94
7	10/24/2026	11/6/2026	11/6/2026	11/12/2026	$2,279.88
8	11/7/2026	11/20/2026	11/20/2026	11/26/2026	$2,279.88
9	11/21/2026	12/4/2026	12/4/2026	12/10/2026	$2,279.88
10	12/5/2026	12/18/2026	12/18/2026	12/24/2026	$2,279.88
11	12/19/2026	1/1/2027	1/1/2027	1/7/2027	$2,279.88
12	1/2/2027	1/15/2027	1/15/2027	1/21/2027	$2,279.88
13	1/16/2027	1/29/2027	1/29/2027	2/4/2027	$2,279.88
14	1/30/2027	2/12/2027	2/12/2027	2/18/2027	$2,279.88
15	2/13/2027	2/26/2027	2/26/2027	3/4/2027	$2,279.88
16	2/27/2027	3/12/2027	3/12/2027	3/18/2027	$2,279.88
17	3/13/2027	3/26/2027	3/26/2027	4/1/2027	$2,279.88
18	3/27/2027	4/9/2027	4/9/2027	4/15/2027	$2,279.88
19	4/10/2027	4/23/2027	4/23/2027	4/29/2027	$1,139.94
20	4/24/2027	5/7/2027	5/7/2027	5/13/2027	$2,279.88
21	5/8/2027	5/21/2027	5/21/2027	5/27/2027	$2,279.88
22	5/22/2027	6/4/2027	6/4/2027	6/10/2027	$2,279.88
23	6/5/2027	6/18/2027	6/18/2027	6/24/2027	$2,280.00
24	6/19/2027	7/2/2027	7/2/2027	7/8/2027	$2,279.88
25	7/3/2027	7/16/2027	7/16/2027	7/22/2027	$2,279.88
26	7/17/2027	7/30/2027	7/30/2027	8/5/2027	$2,279.88
27	7/31/2027	8/13/2027	8/13/2027	8/19/2027	$2,279.88
					$59,277.00

* 9/2/27 becomes 1st pay of 2027-2028 - after 1st day

PVPA
FY27 Budget - Updates
October 1, 2026

Areas of Change:

REVENUE:

Account #/Description	Budget $	Change (+/-)	Total Projected Eevenue	Over/Under Budget	Description
4101 Tuition	8,474,478.57	92,680.43	8,567,159.00	Over	DESE 1st Quarter Projection
4510a Transportation Income	52,675.00	-3,096.00	49,579.00	Under	DESE 1st Quarter Projection
Total Revenue		89,584.43			

EXPENSES:

Account #/Description	Budget $	Change (+/-)	Total Projected Expnediture	Over/Under Budget	Description
5345 Student Transportation - Contract	1,236,091.00	-76,500.00	1,312,591.00	Over	Budget based on 16 buses - contracted 17 buses. Regional reimbursement will also increas to offset some of the extra cost (potentially: $76,500 * 87% = $66,555 Diff = $9,945)
5000 Personnel Costs	5,334,706.73	477.25	5,334,229.48	Under	Staffing changes. Addition of 1.0 FTE Paraprofessional
5530 Insurnace (non-Employee)	71,100.00	4,805.00	66,295.00	Under	Insurance Renewals at actual cost
5510 Employee Retire & Taxes	209,592.21	-2,460.37	212,052.58	Over	Taxes related to staffing.
5520 Fringe Benefits	1,061,669.27	-17,279.03	1,078,948.30	Over	Health/dental/life insurance related to staffing.
Total Expenses		-90,957.15			

Changes to Budget	-1,372.72

Balance:	
Budget Net Profit	4021.28
Working Budget Net Profit	2648.56
	1372.72