

Cape Cod Collaborative

2016-2017 Annual Report

The Cape Cod Collaborative was established in 1975 to provide high quality services to low-incident special student populations whose needs could be best addressed through multi-district efforts.

The Cape Cod Collaborative Board of Directors was comprised of school committee representatives from the nineteen (19) Cape Cod and Islands school districts during the 2016-2017 school year.

Barnstable Public Schools
Bourne Public Schools
Brewster Public Schools
Cape Cod Regional Technical High
Dennis-Yarmouth Regional
Eastham Public Schools
Falmouth Public Schools
Martha's Vineyard Regional
Mashpee Public Schools
Monomoy Regional

Nantucket Public Schools
Nauset Regional
Orleans Public Schools
Provincetown Public Schools
Sandwich Public Schools
Truro Public Schools
Upper Cape Cod Technical High
Wareham Public School
Wellfleet Public Schools

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Articles of Agreement (Excerpt)

Mission, Purpose, Focus, Objectives

2.1 *The Mission of the Cape Cod Collaborative is to provide, as an interdependent collaboration of Member School Districts, a flexible, evolving range of high quality, cost-effective programs and services.*

2.2 *The Purpose of the Collaborative is:*

- A. *To conduct joint educational programs and services which permit the Member School Districts to supplement and strengthen school programs for students with or without special needs.*
- B. *To provide specialist services and transportation services to support programs operated by the Collaborative and to other programs on behalf of Member and Non-Member School Districts.*
- C. *To provide vocational, prevocational, behavioral intervention, developmental skill training, enrichment programs, and educational programs to students with and without disabilities; and*
- D. *To provide services, consistent with applicable laws and regulations, to Member and Non-Member School Districts that strengthen and supplement the educational programming and educational opportunities of the communities including, but not restricted to:*
 - *Professional development activities for staff*
 - *Programming for gifted and talented students*
 - *After-school and summer programming*
 - *Professional consultation & assistance*
 - *Assistance with employment searches*
 - *Educator Licensure assistance*
 - *Procurement coordination and assistance*
 - *Regional coordination of educational activities, programming and services supportive of school districts, including, but not limited to:*
 - *Public day school programs and services for students with low-incidence disabilities*
 - *Professional Development activities for educators*
 - *Professional Development activities for staff providing services for schools*
 - *Professional Development activities for providers of early childhood services*
 - *Job-a-like groups for professional development and regional coordination of activities*
 - *Procurement coordination*
 - *Procurement consultation*
 - *Administration Assistance*
 - *Employment Search and consultation services*
 - *Transportation Services*
 - *Facilities Management Services*
 - *Any other programs and services that may be provided and/or coordinated on behalf of the Member School Districts as may be permitted by statute.*

Governance:

The Cape Cod Collaborative has been formed by the School Committees of its member districts. It is governed by a Board of Directors that is comprised of an elected School Committee representative from each member school district. In addition to the Board of Directors, there are Advisory Boards composed of the Superintendents and Special Education Directors of the member districts that meet on a regular basis throughout the year and serve in an advisory capacity

Board of Directors

“The education collaborative shall be managed by a board of directors which shall be comprised of 1 person appointed by each member school committee and 1 person appointed by each member charter board of trustees. All appointed persons shall be either a school committee member or his designee, the superintendent of schools or his designee or a member of the charter board of trustees.” (MGL, Ch.40, Sec.4e)

The Cape Cod Collaborative Board of Directors has been comprised of School Committee Representatives from the Member Districts for over forty years.

- 4.2 *Each Member School District shall annually appoint one (1) person from its school committee or charter school board to serve as its representative on the Board of Directors (“appointed representative”).*

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Cape Cod Collaborative Board of Directors **2016-2017**

Jessica Larsen, Chairperson	Brewster Public Schools
Robert Fichtenmayer, Vice-Chairperson	Upper Cape Cod Regional Technical
Michael Judge	Barnstable Public Schools
Christopher Hyldborg	Bourne Public Schools
Ann Williams	Cape Cod Regional Technical
Michelle Conover (September - May) Phillip Morris (June)	Dennis-Yarmouth Regional
Mary Louise Sette (July – August) Judy Lindahl (September – June)	Eastham Public Schools
Terri Medeiros (July-May) John Furnari (June -)	Falmouth Public Schools
Kate Devane	Martha’s Vineyard Regional
Scott McGee (July - May) Nicole Bartlett (June -)	Mashpee Public Schools
Brian Widegren (July – September) Terry Russell (October – June)	Monomoy Regional Schools
Dr. Timothy Lepore	Nantucket Public Schools
Deborah Beal	Nauset Regional Schools
Hank Schumacher	Orleans Public Schools
Anthony Brackett	Provincetown Public Schools
Beth Cummings	Sandwich Public Schools
Drew Locke	Truro Public Schools
Mary Morgan	Wareham Public Schools
Jill Putnam	Wellfleet Public Schools
Treasurer	Judy Fitzgerald (July-October) Frank Colvario (October-May) William Friel (May-)

Administrative Representative

Michael Gradone	Truro Public Schools
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Administrative Board

- 6.1 *The Administrative Board (a professional advisory council composed of a Superintendent or designee from each Member School District) shall meet as called, and may make recommendations to the Board of Directors concerning any aspect of the Collaborative's operation. The Administrative Board may be represented at Board of Directors' meetings by the Chairperson of the Administrative Board or her/his designee. The Executive Director shall be responsible for providing necessary information (i.e., program and financial data) to the Administrative Board.*

Cape Cod & Islands Superintendents

2016-2017

Meg Mayo-Brown	Barnstable Public Schools
Steven Lamarche	Bourne Public Schools
Robert Sanborn	Cape Cod Regional Technical
Carol A Woodbury	Dennis-Yarmouth Regional
Nancy Taylor	Falmouth Public Schools
Dr. Matthew D'Andrea	Martha's Vineyard Regional
Patricia DeBoer	Mashpee Public Schools
Scott Carpenter	Monomoy Regional
W. Michael Cozort	Nantucket Public Schools
Thomas Conrad	Nauset Regional (including Brewster, Eastham, Orleans, & Wellfleet)
Dr. Beth Singer	Provincetown Public Schools
Dr. Pamela Gould	Sandwich Public Schools
Michael Gradone	Truro Public Schools
Dr. Robert Dutch	Upper Cape Cod Technical
Dr. Kimberly Shaver-Hood	Wareham Public Schools

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Cape Cod & Islands Special Education Directors 2016-2017

Dr. Jane Jezard (Special Education) Dr. Gina Hurley (Pupil Personnel)	Barnstable Public Schools
Christina Stuart	Bourne Public Schools
Kate Clemens	Cape Cod Regional Technical
Jaime Curley	Dennis-Yarmouth Regional
Charles Joidoin	Falmouth Public Schools
Hope MacLeod (8-12) Nancy Dugan (PK-8)	Martha's Vineyard Regional
Michele Brady	Mashpee Public Schools
Melissa Maguire	Monomoy Regional
Nancy Miller (July – November) Sheila Reardon, Interim (December -)	Nantucket Public Schools
Dr. Ann Caretti	Nauset Regional (including Brewster, Eastham, Orleans, & Wellfleet)
Dr. Beth Singer	Provincetown Public Schools
Marilyn Vrontas	Sandwich Public Schools
Stephanie Costigan	Truro Public Schools
Mark Dufresne	Upper Cape Cod Technical
Beverly Shea	Wareham Public Schools

Cape Cod Collaborative Administrative Continuity

The supervision and oversight of Collaborative operations is the responsibility of the Executive Director, Paul Hilton, who reports to the Board of Directors. The Cape Cod Collaborative has benefitted from administrative continuity throughout its existence. Mr. Hilton follows (only) six Executive Directors that have served the Board in this capacity since 1975.

Executive Directors

- Joseph Wert 1975-1978 (3 years)
- Ian Stewart 1978-1979 (1 year)
- F. Randall Powers 1979-1980 (1 year)
- Robert Filbin 1980-1982 (2 years)
- Brian Davis 1982-1986 (4 years)
- Walter Healey 1986-2009 (23 years)
- Paul Hilton 2009- (8 years +)

The Cape Cod Collaborative has continued to benefit from the dedication and commitment of a management team that has served the region consistently for many years. Each member of this administrative team brought a wealth of knowledge and experience to the Collaborative. Their service to the region through the Collaborative is demonstrative of the commitment of Collaborative employees to the students, families and districts throughout the region.

2016-2017 Program Directors

- Laurence Carroll Waypoint (2000 – 16 years+)
- Dr. Anita Woods S.T.A.R. Program (2001 – 14 years+)
- Amy Lipkind Business Operations (2016)
- Dr. Joseph Gilbert Special Projects (2003 –13 years +)
- Lisa Stobbart Transportation (3 years +)

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Cape Cod Collaborative
418 Bumps River Road
Osterville, MA 02655



Paul C Hilton
Executive Director
508.420.6950
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December 2017

Our (sixth) Cape Cod Collaborative Annual Report is dedicated to the committed, capable and highly valued Collaborative staff that create and maintain high quality programming for the students, families and districts of Cape Cod and the Islands. This report, and associated financial audit, highlight some of the activities of the Collaborative during the 2016-2017 School (& Fiscal) Year.

Our FY2017 annual report continued to remind us of our commitment to *collaboration and adaptation*.

We remain committed to fostering collaboration among our member districts, families and communities to meet the evolving needs of this region. As in the previous school year, our educational programs adapted and evolved to meet the changing needs of school districts and specialized educational projects were developed and refined to meet the needs of districts in a changing educational environment.

Special commendations this year are deserved for those who have served the Collaborative for many years and who have been instrumental in supporting coordinated efforts of school districts through the Collaborative.

- Larry Carroll, the founder and program director of Waypoint Academy has retired after seventeen (17) years of services dedicated to those students and families served by the Collaborative. Mr. Carroll's (well deserved) retirement comes after a lifetime of committed service to those in need.
- Judy Fitzgerald stepped down as the Collaborative Treasurer after over thirty years of service to the Collaborative as the Treasurer.
- Jim Brown, the Collaborative Business Manager assisted in guiding the organization in a consulting capacity, despite having retired after eleven (11) years of dedicated service.
- PJ Archambault, who retired after working tirelessly in our STAR Program for 15 years.
- Michael Marciezyk left the Collaborative after seven (7) years driving children in the Nauset region).
- Daniel Kenney (9) and Jason Antonio (10), assistant teachers at Waypoint Academy, left the organization after many years of dedicated service.
- Other long term staff who left the Collaborative after many years of dedicated service to the students and families served by the Collaborative include: Brenda Gaskill (7+ years); Suzanne Letendre (7 years), Anthony Teixeira, Jr. (6) and Christopher Oliva (6 years).

Thank you on behalf of the entire Collaborative community.

We look forward to continued service to the students, families and districts of the region and are thankful for having had the opportunity to serve during the 2016-2017 School Year.

Paul C. Hilton

Strategic Planning

The Collaborative had embarked upon a strategic planning process in FY2011 (2010-2011). Stakeholders from the member districts met throughout the fall and winter of 2010-2011 and recommitted to their collaboration. These stakeholders formally recognized the mutual benefit of their (necessary) interdependence in developing and operating programs that strengthen and support their district education programming.

Through this process the Board of Directors, and the stakeholders within the member districts, developed a mission and vision that recognized this celebrated this interdependence and collaboration:

Mission

The Mission of the Cape Cod Collaborative is to provide, as an interdependent collaboration of public school communities, a flexible, evolving range of high quality, cost-effective programs and services.

Vision

To ensure its success, the Collaborative will establish and maintain communication, governance structures, and practices that regularly assess needs, provide collaborative solutions, and monitor effectiveness.

Two subcommittees were formed in the strategic planning process. These groups met throughout the remainder of the calendar year and into the following year.

- The Articles of Agreement (Governance) subcommittee proposed changes to the Articles of Agreement. The Articles of Agreement were reviewed and revisions proposed by the Board of Directors in February 2011. The process for the final approval was formally completed (MA-DESE) on March 25, 2016.
- The Financial Subcommittee made several recommendations regarding changes to Collaborative financial reporting and operations, as well as recommending the development of an annual forum for all stakeholders to discuss Collaborative issues – the **Collaborative Summit**. The first Collaborative Summit was held in September 2011 and attended by representatives of Member School Committees, Member school district Superintendents, Special Education Administrators, School Business Administrators and Collaborative Administrators.

The Cape Cod Collaborative continues to strive to serve the purposes for which the Collaborative was established by its Member School Committees. The Collaborative continues to provide an array of services that support and strengthen the programming of its Member School Districts in an effective and efficient manner. A brief reflection regarding the effectiveness (and efficiency) of these collaborative services follows a description of each of the various activities that occurred through the Cape Cod Collaborative during the 2016-2017 School (& Fiscal) Year.

It will be evident through this discourse, that the Collaborative, through the guidance of the Collaborative Board of Directors and Advisory Boards, provides effective and efficient services that strengthen and support the programming of the Member School Districts (and others).

Regional Collaborative Activities

The Cape Cod Collaborative staff and/or representatives from the Collaborative administration were deeply involved with planning, developing and implementing activities throughout the region throughout the 2017 Fiscal/School Year.

July 2016

Advanced Studies and Leadership Program (ASLP)

The Collaborative ASLP graduated 209 students from its twelfth session at Massachusetts Maritime Academy. This annual, residential program brings together students from throughout the region for high quality Science, Technology, Engineering and Math (STEM) focused academic activities embedded in an outstanding three-week residential program. The participation in ASLP for Summer 2016 (FY2017) represented students from throughout the entire region.

Mr. Hilton participated in “visioning sessions” throughout the month of July regarding the building project for Cape Cod Regional Technical High School.

On July 19th, the Annual Summer Institute was held at the Wequasset Inn in Harwich. The Summer Institute was funded through the Massachusetts Tiered System of Support grant secured in coordination with the National Center for Learning Disabilities (NCLD). The Summer Institute was facilitated by D. Stevan Kukic and Dr. Magdalene Giffune and was attended by administrators throughout the region.

August 2016

August 2nd – Wareham hosted large group of students from Qingdao, China through a program facilitated by the Boston Ivy organization through a weeklong “home stay” and summer classroom experiences.

August 8th – Qingdao Damei Educational Group representatives visited districts throughout the region, including Sandwich, Mashpee, Dennis-Yarmouth and Monomoy to discuss exchange and study opportunities.

Mr. Hilton continued to participate in Barnstable County Regional Substance Abuse Council meetings and activities as well as strategic planning activities for the Cape Cod Challenger Club.

September 2016

Collaborative Conference Space

The Collaborative opened conference space in a newly-renovated building at the Osterville campus. This space was renovated to provide flexible meeting space including a kitchenette facility and rest room. This space will be utilized for various activities including meetings of the Collaborative’s Board of Directors, various job-alike groups, for professional development activities, and other events as needed.

Bridgewater State University – Off Campus Programming

Mr. Hilton initiated discussions between the Cape Cod Collaborative and Bridgewater State University to develop an agreement allowing the Collaborative to sponsor coursework towards Preliminary Licensure for Teachers of Students with Moderate Disabilities and Preliminary Licensure for Teachers of Students with Intensive Disabilities. These courses would occur over the course of two years and would be available to Collaborative staff and through member school

districts at a reduced rate made possible by this agreement. The associated classes would occur in the newly-renovated conference space at the Osterville Campus.

Career and Vocational Technical Education Partnership Planning Grant

There were several activities associated with the CVTE Partnership Planning Grant throughout the month of September as the grant period ended:

- Partner district representatives visited programming at Lower Pioneer Valley Educational Collaborative in West Springfield, Massachusetts (September 13th) to observe and study programming at that site that might be replicated in the Cape & Islands region.
- From September 27th through September 28th representatives from partner districts visited the Broome-Tioga BOCES (Bureau of Cooperative Educational Services) in Binghamton, New York. The group also observed and discussed opportunities for replication of the BOCES model of Career and Vocational Technical Education during and following that visit.

Grant Development

The Collaborative facilitated discussions with school districts throughout the region as well as supportive organizations aimed at enhancing opportunities for students throughout the region.

- A Career & Vocational Technical Education Partnership Implementation Grant was developed (and proposal submitted in October) with organizations throughout the region as well as the majority of the districts in the region. This grant proposal was submitted through the Upper Cape Cod Regional Technical School.
- An EPIC Partnership Implementation grant proposal was developed by the Collaborative in coordination with Bridgewater State University throughout September and October. This grant proposal included plans for coordinated activities with several districts in the region with Bridgewater State University. This proposal was not funded, but resulted in productive discussions and relationships amongst the planning entities.

Other September 2016 Activities

- Sandwich School Committee Presentation (September 8th) by Mr. Hilton about the Cape Cod Collaborative operations and activities.
- Nauset School Committee Transportation SubCommittee meetings with presentations by Mr. Brown and Mr. Hilton.
- Bourne Public Schools Transportation Planning

October 2016

On October 27th, educators from the Confucius Institute of China visited the Monomoy Regional School District and Dennis-Yarmouth Regional School District to observe activities and discuss opportunities for collaboration.

November 2016

All-Cape In-Service Day

The Collaborative coordinated activities for the twelfth annual All-Cape In-Service Day. The All-Cape In-Service Day was November 8, 2016. The activities coordinated by the Collaborative included over 795 registrants who participated in workshops that were developed by the Collaborative for district (and Collaborative) staff on that day. Coordination of programming

through the Collaborative provides professional development opportunities to school districts across Cape Cod and the Islands at an average cost per person of under \$25.

Bridgewater State University – Off Campus Programming

Bridgewater State University representatives worked with Mr. Hilton to develop and refine the MOU to effectively provide opportunities for professional development of Collaborative staff and staff throughout the region.

January 2017

Bourne Public Schools Transportation

Mr. Hilton met with the Bourne School Committee on January 4th, when the School Committee voted to enter into a Memorandum of Agreement (MOA) with the Collaborative for the provision of general education transportation services.

Sheltered English Immersion (SEI) Course Development

The Collaborative arranged to offer three “for cost” SEI Endorsement courses through a partnership with the South Shore Educational Collaborative. These courses were held in Barnstable on Mondays, beginning January 30, 2017; on Tuesdays, beginning February 7, 2017; and on Wednesdays, beginning February 1, 2017.

Waypoint Academy Relocation

Mr. Hilton continued to work with representatives of the Board and advisory groups to seek a future site for Waypoint Academy. Mr. Hilton worked closely with the advisory group and with representatives from Upper Cape Cod Regional Technical School and the Sandwich Public Schools to identify potential sites for the relocation. Discussions with the landowner adjacent to Upper Cape Cod Regional slowed and preliminary discussions occurred between Mr. Hilton, the Town of Sandwich and the Sandwich Public Schools occurred regarding the potential for the Collaborative to lease a portion of the recently vacated Wing School in Sandwich.

Bridgewater State University Off-Campus Programming

The Collaborative Board of Directors allocated funds to support a Memorandum of Understanding (MOU) for the provision of courses at reduced rates to Collaborative staff and staff from districts throughout the region. The MOU was executed in late January for coursework to commence in Spring 2017.

February 2017

Annual Legislative Breakfast

The Annual Cape Cod Collaborative Legislative Breakfast occurred on February 3rd. The event was co-sponsored by the Massachusetts Association of School Committees Division VII. Senators DeMacedo, Senator Cyr, Representative Hunt, Representative Peake, Representative Vieira, and Representative Whelan and /or representatives from their offices attended the event as well as Collaborative Board members, Superintendents and School Committee members from throughout the region.

A vibrant discussion occurred regarding issues impacting districts throughout the region.

March 2017

Waypoint Academy Program Director Search

The search for a Program Director for Waypoint Academy was underway for March 2017. Larry Carroll announced his intent to retire to the Board of Directors at a previous Board meeting. Mr. Carroll started the alternative education program in 2000 and has been the only program director of the program.

Dr. Chris Bogden was contracted through his consulting firm to work with staff and the program to prepare for the search. Dr. Bogden offered to continue with the search process without additional remuneration as the analytic process and program preparation process were completed.

An interview committee of representatives from districts, the Board of Directors, the Collaborative administration and the Waypoint Academy program staff were selected for the interview panel.

Waypoint Program Relocation Planning

Mr. Hilton continued to explore options for the relocation of the Waypoint Academy program through Upper Cape Cod Regional Technical School and the Town of Sandwich/Sandwich Public Schools. Site visits occurred to the grounds of the UCCRTS in Bourne as well as the Henry T Wing School in Sandwich.

Bourne Public Schools Transportation

The Bourne School Committee voted to enter into a Memorandum of Agreement (MOA) in January 2017. The Collaborative initiated a procurement of twenty-three (23) buses to support the provision of these services.

The Collaborative staff met with Bourne staff throughout the Spring to develop specifications and to address questions from prospective drivers.

April 2017

Waypoint Academy Program Director Search

Applications/Resumes were received for the Waypoint Academy Program Director position. The candidate pool was reviewed and preliminary interviews occurred with qualified candidates. Six candidates were sent to the interview panel for consideration; however, one candidate withdrew after the preliminary interview.

Waypoint Program Relocation Planning

Mr. Hilton continued to meet with UCCRTS and various parties in Sandwich to explore opportunities for the relocation of the Waypoint Academy program.

Mr. Hilton met with Town and School officials in Sandwich to explore the viability for the use of a section of the Henry T Wing School. Parties throughout the Town and School indicated that the viability for use of a section of the building was positive and that they would work together to effectively explore and support a determination of the full exploration and study of the appropriateness of the site for the Waypoint Academy program.

Collaborative Treasurer

Mr. Frank Colvario indicated in the Spring of 2017 that he intended to step down as the Treasurer of the Collaborative. Mr. Colvario had worked with the Collaborative administration to assess and refine processes during his tenure.

Mr. Hilton explored options for a successor to Mr. Colvario and Mr. William Friel, a resident of Centerville and former long-term (23 years) Town Administrator in Canton, MA. After interviews with Collaborative staff and the Board of Directors, Mr. Friel was asked to consider an appointment through the Board of Directors in May 2017 (he was appointed in May 2017).

May 2017

Mr. Hilton and Dr. Woods attended a regional conference of Educational Service Agencies in Lenox, MA from May 4th through May 5th.

Waypoint Program Director Search

Candidates each toured the Waypoint Academy program and met with staff in late April. The panel appointed to interview candidates for this position conducted interviews on May 2nd and May 9th. There were five (5) candidates interviewed by the panel of: two (2) Board members; three (3) Waypoint staff members; one (1) district special education administrator and one (1) Collaborative administrator.

Following the panel interviews, two (2) finalists were asked to participate in a half-day visit to Waypoint Academy for further group discussion with staff. Following the second visit(s), one candidate was unanimously recommended for consideration by the Waypoint Academy staff.

Bourne Transportation

Transportation staff, Business Office staff and Collaborative administrators met with prospective Bourne school bus staff on May 9th to address questions associated with the Collaborative provision of school transportations services.

MA-DESE Coordinated Program Review: Mid-Cycle Review

On May 11th the Massachusetts Department of Elementary & Secondary Education conducted a Coordinated Program Review (CPR) – Mid-Cycle Review (MCR) of Collaborative programs. The MCR found that both Waypoint Academy and the STAR/Osterville program continued to be in full compliance with items reviewed.

Program Development

Dr. Woods organized special education directors and education professionals throughout the region for a visit on May 19th to programming within Plymouth Public Schools. The group observed and discussed programming that supported students ages 18-22 in specialized programming.

June 2017

Waypoint Academy Program Director Search

Dr. Kevin Turner was recommended for appointment and was formally appointed by the Board of Directors as the Program Director for Waypoint Academy on June 14th. Dr. Turner immediately developed plans for his transition and began meetings with staff during vacation time from his (then current) position with the Mashpee Public Schools.

Waypoint Program Relocation

Mr. Hilton continued to meet with officials in Sandwich, including discussions at a “tri-Board” meeting on June 25th to discuss the opportunity for a Collaborative lease of space at the Henry T Wing School.

Mr. Hilton continued discussions with UCCRTS and the landowner of the property adjacent to UCCRTS regarding additional, and future, relocation opportunities.

Mr. Hilton worked with various facility professionals to assess and determine viability of space at the Henry T Wing School. The Collaborative Board supported efforts to secure a lease with the Sandwich Public Schools for use of space at the Henry T Wing School as the option became the most viable and immediate solution for relocation of the Waypoint Academy program for September 2017.

Nauset Public Schools Transportation

Mr. Hilton and Mr. Brown continued to work with the Nauset Transportation Subcommittee to assist in developing pricing and specifications for transportation services. Meetings of this Subcommittee continued through June 2017 as the Nauset Regional Schools considered options for transportation services.

Full Year Initiatives

Southeastern Massachusetts Regional Collaborative Organization

The Cape Cod Collaborative continued to be one of the nine educational collaboratives in southeastern Massachusetts that coordinates activities to maximize efficiency and effectiveness of programming wherever, and whenever, appropriate. Mr. Hilton also participated in a Virtual Education Subcommittee that was formed to explore and implement additional virtual learning opportunities that may be utilized for students in the region. This initiative has resulted in several new online courses being offered each year throughout the Southeastern Massachusetts region (not inclusive of the 200+ courses being offered through the Cape Cod Virtual High School consortium).

Barnstable County Substance Abuse Council

Mr. Hilton continued to represent school districts throughout the region as a member of the Barnstable County Substance Abuse Council (<http://www.bchumanservices.net/community-partners/regional-substance-abuse-council/>).

The Council continued to meet to develop and discuss initiatives to meet the evolving (and increasing) need for coordinated efforts to address substance use disorder issues throughout the region.

Massachusetts Department of Children & Families Cape Cod & Islands Area Board

Mr. Hilton was appointed to serve on the MA-DCF Area Board in May 2017. The DCF Area Board works with the DCF Area Office to support and integrate initiatives and activities to support at-risk children and families in the area, as well as to advise the office regarding issues in the region.

Massachusetts Legislative Working Group – Retirement Funding Obligations Working Group

Mr. Hilton was appointed to a legislative working group to study and make recommendations regarding the retirement funding obligations for “non-agency” organizations within the Massachusetts State Employees Retirement System (MSERS).

This working group has been assigned the responsibility to recommend legislative solutions to meet the past, current and future unfunded liability “non-agency” participants in MSERS. Educational collaboratives (approximately 29) have been participants in MSERS since the late 1980s. There are seventeen (17) additional “non-agency” participant organizations, including vocational technical schools (9), planning agencies (7) and regional boards of health (1) within the MSERS. .

The Legislative Working Group met throughout the latter part of FY17 to investigate options and discuss solutions to meet the “unfunded liability” of the MSERS.

Cape Cod Global Education Initiative

The Cape Cod Global Education Initiative had limited activities throughout FY2017. There were several visits of students, educators and local officials from various schools, especially in China, to schools throughout the Cape Cod region.

Mr. Hilton continued meeting with various entities to explore opportunities on behalf of the school districts throughout the region. There continued to be increased interest by school districts in the region to collaborate regarding opportunities to develop strong partnerships with each other and internationally to support a growing interest of the students in the region to further participate in global education opportunities.

Multi-Tiered Systems of Support Grant

The Collaborative coordinated the participation of districts throughout the region in a grant funded opportunity to share resources in building capacity to support their efforts with Multi-Tiered Systems of Support in their districts.

This 2 ½ year grant was secured for the Collaborative to coordinate the regional activities through the National Center for Learning Disabilities (NCLD). As indicated in other areas of this report, this \$291,000 provides funding for staffing and consultation to the school districts throughout the region. The grant was funded through the Peter and Elizabeth Tower Foundation and the proposal was submitted through the National Center for Learning Disabilities.

The Barnstable and Mashpee Public Schools secured Tower Foundation supported assistance from the NCLD in previous years for similar support programming from national consultants through NCLD.

Dr. Magdalene Giffune was hired in the Spring of 2016, and support activities associated with the grant began immediately.

Dr. Giffune and Mr. Hilton met with administrative teams throughout the region in the Spring and through the Summer to re-introduce and further discuss the opportunities associated with this grant funded assistance.

Dr. Giffune continued to meet with several school districts teams throughout the spring and summer to develop processes and plans for the 2016-2017 school year.

Dr. Giffune and Dr. Stevan Kukic from NCLD worked with Mr. Hilton to develop and facilitate the Summer Institute for administrators throughout the region for July 2016.

CVTE Partnership Planning Grant

Mr. Hilton worked with Dr. Robert Dutch of Upper Cape Cod Regional Technical School to develop a proposal for a planning grant to support career and technical education opportunities for students throughout the region. Mr. Hilton facilitated the commitment of school, business, professional and higher education partners to this grant proposal. The proposal (eventually funded) allowed for the exploration and discussion regarding the feasibility and need for programming at the Upper Cape Cod Tech site outside of school hours, as well as the development of additional Career and Vocational Education (CVTE) opportunities that could be more accessible for students at the Collaborative Waypoint Academy program and students within the comprehensive high schools in the region.

DESE Coordinated Program Review

The Department of Elementary and Secondary Education conducted a Coordinated Program Review (CPR), of the Cape Cod Collaborative Day Programs, STAR and Waypoint in 2014 – 15 SY. Both Programs received a full compliance rating of 100% in all areas of Special Education Regulations, Civil Rights, and Operations of a Substantially Separate Day Program. Both programs were also commended for “performance in data driven practice for both individual student and school-wide behavioral interventions.”

During FY17, DESE conducted the Mid-Cycle Review to monitor the regulatory standards evaluated during the previous review (CPR-FY15). Both programs continued to demonstrate 100% compliance rating in all areas.

**Cape Cod Collaborative STAR Program
418 Bumps River Road, Osterville, MA 02655
Public Day Program 2016-2017**



The Cape Cod Collaborative Osterville-STAR Program (418 Bumps River Rd., Osterville, MA) continued to operate as a Public Day Program in Osterville for a seventh year. The Osterville-STAR Program continued to be fully approved by the Department of Elementary & Secondary Education. STAR enrollment began at 49 and the year closed out at 57. Focusing on student growth and independence, the staff at the STAR Program emphasize “embedded therapies” and creating an environment supporting social-emotional growth and behavioral regulation.

This program continues to serve the students, families and districts throughout the region through the provision of a local (regional) program that provides high quality and intensive services. The provision of the services offered through this program might otherwise necessitate extraordinary commutes to non-local educational placements or placements of students in residential school settings to access the same (or similar) level of benefit. This program provides effective and efficient high quality programming that ensures students are appropriately served within their home community (local or regional) to the extent possible.

The programming and the enrollment at the STAR-Osterville program supported **64 students** during the 2016-2017 school year. The home districts of these students included:

Member Districts

Barnstable
Bourne
Dennis-Yarmouth
Falmouth
Mashpee
Monomoy
Nauset
Sandwich
Truro
Wareham

Non-member districts

Duxbury
Plymouth

During the 2016-2017 School Year, **41 inquiries** for programming were received for the STAR-Osterville Program:

**Enrolled in
Collaborative**

15 enrolled @ STAR
4 referred to Waypoint
2 started in ESY
2 starting in Sept 2017

**Supported in
District(s)**

7 maintained with added
support (or other
arrangements)
3 “parent inquiries”
directed back to district
(IEP Process)

**Enrolled in Other
Collaboratives**

5
**More Restrictive
Setting (residential or
public day)**
3

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The programs of the Cape Cod Collaborative reflect the needs expressed by the students, families and districts throughout the region. The STAR-Osterville Program provides exceptional services for many students as a Public Day Program. The program effectively supports the students, families and districts as students progress through a continuum of services provided by school districts, by the Collaborative, and by other providers as needs become more significant, necessitating more restrictive settings. During 2016-2017 School Year, 7 students were transitioned from the STAR-Osterville Program. In June 2016, at the close of school 4 students were transitioned:

Returned to District Programming

4 Students

To Adult Services at age 22

3 Students

Transitioned to Residential

1 student

Transitioned to home Programming

1 student

& 2 students moved off-Cape and/or out of state

The Goals for the Osterville-STAR Program during the 2016-2017 School Year were focused upon key areas including:

- ★ Developing a Team Professional Learning Goal maintaining a continued focus on using data for instructional planning (informed practice) and setting targets / progress monitoring.
 - ★ Writing clear definitions and setting clear criteria for measurement
 - ★ Using fidelity across staff.
 - ★ What is essential question for that student?
- ★ Continuing an educator evaluation process that is focused on professional development leading to improved outcomes for students.
 - ★ Teachers incorporated peer observations and peer feedback
 - ★ Teachers incorporated a video submission of a lesson/activity
 - ★ Program uses multiple measures to show student growth
- ★ Continuing to create a school culture supporting the staff/team
 - ★ CCC STAR instituted a Mentor & Induction Program supporting new teaching staff
 - ★ Teacher Peer observations as well as Mentor observations and feedback
 - ★ Interdisciplinary professional learning group schedule
 - Bi-weekly child study meetings are held in each classroom lead by the classroom teacher and include paraprofessionals, OT, PT, Speech, BCBA, Social Worker and Nurse
 - ★ CCC instituted a cohort with Bridgewater State University for Collaborative staff (teachers and/or paraprofessionals) that possess at least a Bachelor's

degree could be actively working toward obtaining provisional certification as a teacher of special education (Moderate or Severe).

- ★ Maintain consultation with Dr. Marc Hauser and Dr. Bart Main for ongoing staff support and Program development

CCC STAR Friendship Garden continued to be an integral component of the student experience at the STAR Osterville Program. In addition to natural opportunities for social, communication, motor and academic skills, sensory components were added to the Friendship Garden this past school year (water wheel, sound tubes, herb section, texture components). A new weather station was also installed.

This school year students created a pathway into the garden that allowed for easier access to all students. Through the generosity of the Cape Cod Five Foundation, a grant supported monies for purchase of concrete and pavers. The students used math skills in planning and social skills in navigating the steps to get it done. The occupational therapists work with all students in continued access to this outdoor learning environment.



Some students also participate at the Camp Burgess Farm in Sandwich to build skills and participate in community support.

The **Long Pasture Audubon Program** continued their collaboration with the STAR Program provided our students with hands-on opportunities to enhance units associated with tidal flats, amphibians and vernal pools during the extended school year and regular school.



Extended School Year Program: The 2016 extended school year program provided many enriching activities for language, social and motor opportunities. Some of the various activities included Sail Cape Cod, an outing to “Dream Day” at Nickerson State Park in Brewster, a Magic Show, a music group, YMCA swim, and Thursday cook-outs with produce from the friendship garden.



During the 2016-2017 school year:

Students participated in weekly art classes lead by a staff member. Students also participated in weekly Yoga classes conducted by staff from Yoga Neighborhood. Some students participate in the YMCA swim program. Other students enjoy walking programs and movement using our track out in the back of the school. This school year we also added a weekly music therapy group coordinated with Tones in Motion. Some students participated in a Cape-wide opportunity through the Cape Cod Symphony for grade 4 students. Three mini-grants were received through the Cape Cod Five Foundations: 1 mentioned already for the garden. Two additional mini-grants were focused on setting up a literacy listening station for audio books and additional leveled reading books and online literacy materials.



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Best Buddies dances held in Harwich and Falmouth gave some high school students an opportunity to participate with other students Cape wide in social opportunities. Some students also traveled to Barnstable High School for weekly outings.

We had a school-wide wreath project for the Holidays and in June took a school trip to Buttonwood Zoo.





In collaboration with Waypoint Academy, some students participated in helping to coordinate a food program provided free groceries to both staff and family. Through the generosity and facilitation of the Falmouth Community Center, students worked to help assemble the bags at the Center, then other students pick up and deliver the bags back to school. Shepley also made a tremendous donation of re-usable food bags that was of great benefit.



Family Events

Families were encouraged to participate in their child's school experience. A **Parent Advisory Group** (PAG) was held weekly for input to programs and services. In October, an open house was held inviting families to hear teacher's goals and plans for the school year. In November, a family luncheon was held the Tuesday before Thanksgiving. It always has been a well-attended event! Students held a short assembly and then the feast began. A March luncheon was added as another family event. A music group was held prior to the luncheon for families to join in. In May, students and families attended the Special Olympics held at Mashpee High School. In June, our annual family day was held which allowed families time to socialize with other families and with staff and students.

Dr. Woods helped to organize a Cape-wide Transition Fair as part of a Cape-wide transition group with representatives from Department of Developmental Services, BAMSI, CORD, & others helping to educate families regarding the transition process, financial planning, and services available after high school.

The STAR-Osterville Program has continued to share facilities and opportunities with the Cape Cod Challenger Club. The continued generosity of the Challenger Club in improvements and maintenance of the facility has provided continued benefit the program students as well as the Challenger Club participants.

Dr. Woods continued to demonstrate her dedication and attention to the students, families, districts and staff throughout FY2017.

Cost Effectiveness –The Osterville-STAR Program had a daily tuition rate of \$250 during the 2016-2017 School Year. This rate was developed with consideration of the activities and enrollment of the previous year. The rate was approved by the Board of Directors with recognition regarding the projected enrollment and programmatic needs for the school year. There is not one individual comparable program that provides services identical to the students served at the STAR-Osterville Program. An analysis regarding the student needs and average

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tuitions for various private school programs offers some perspective regarding the efficiency of the Program. The Program served the Districts by offering a substantially separate educational program that is neither as restrictive as Private Day School Programming nor Residential School Programming. The efficiency with which the Program operates may be noted in review of the referrals, admission and discharges from the Osterville-STAR Program.

It may also be discerned that the Program serves students in a local/regional setting that prepares students and families for other settings if their needs become more significant than the Program might be able to address, or inversely, the program assists and supports students and families in entering a school (district) settings as their needs and District supports allow. This Program effectively and efficiently serves the students, families and districts in broadening the continuum of services to effectively support students in the least restrictive setting possible.

The Osterville-STAR Program Tuition (\$250/day – \$45,050/year) for FY2017 is considerably lower than other options, options often at great distance (and transportation expense). Assuming that other programs could provide the similar and appropriate services, it may be noted that the Osterville-STAR day rate (\$250/day) is considerably lower than an average tuition of \$330/day (\$69,057/year) for Private Day Education Programs in Massachusetts. It is important to note that each district (and family) considers the needs of particular students and their particular needs when evaluating each program for consideration for student placement.

The Osterville-STAR Program allows districts to pool resources, and mitigate the cost risk while optimizing quality and cost effective services within a day setting.

Tuition Rates by student population type, for analytical reference only (rates per MA-Operational Services Division)

Medically Fragile:		Emotional Impairment:		Autism & Intellectual:	
STAR	\$250	STAR	\$250	STAR	\$250
BC Campus	\$442	Walker	\$398	Higashi	\$340
Schwartz	\$244	St. Vincent's	\$263	May	\$389/\$464/\$482
Perkins	\$536/\$658/\$654	Chamberlain	\$270	Cushing	\$338/\$342
				NECC	\$508

Cape Cod Collaborative Waypoint Academy
5500 Curtis Blvd, Buzzards Bay, MA 02542
Public Day Program 2016 – 2017



Waypoint Academy continues to be approved by the Department of Elementary and Secondary Education as a Public Day School Program. The Program Director, Laurence Carroll, M.Ed., who has been the Program Director since the inception of the Program in 2000, retired June 30, 2017. During the school year, the program continued to operate at 5500 Curtis Blvd., Bourne, MA, although planning occurred throughout the school year to consider a program move for the 2017-2018 school year.

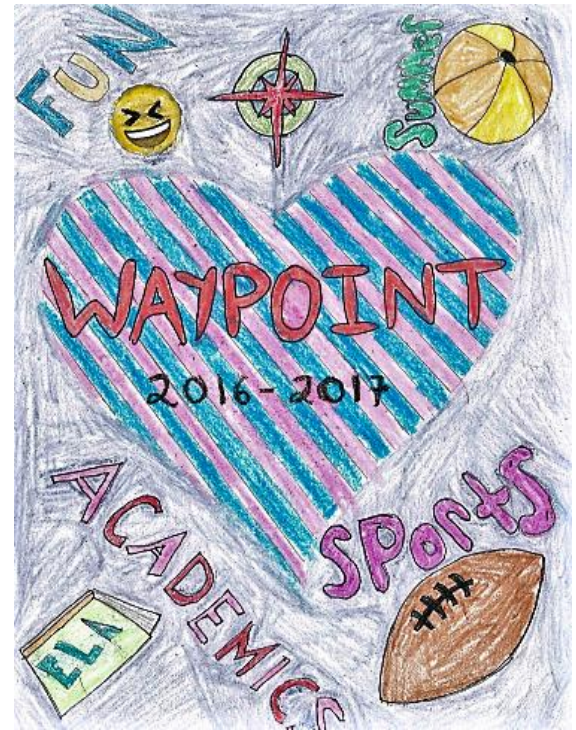
Waypoint Academy developed as an Alternative High School through a combined committee of Cape Cod Districts Superintendents and Special Education Directors along with the Collaborative Executive Director(s) in 1999-2000. The goal of this Committee was to provide programming to educate

students who could not be maintained appropriately in the district public school settings, thus requiring a substantially separate educational program. The program was initially only a high school and expanded to serve Middle School students (Grades 5-8) in 2003

The Academy accepts and provides services for students on a “rolling” or on-going basis. This process for admission eliminates lengthy wait-lists and wait times for admissions, thus decreasing, or eliminating, prolonged periods that students are out of school. This is especially important as many students are “at-risk” and in significant need of additional services and support quickly.

The principles of “*Trauma Sensitive Schools*” are integral to the practices of staff throughout the program. The fundamental design of the therapeutic milieu is based on the principles of the *Trauma and Learning Policy Initiative*, 2005 as developed (and published) through by the Massachusetts Advocates for Children. Programmatic adherence to these principles is integral to the success of the students (and program) as many, if not most, of our students are affected by significant social emotional issues that may impact their functional ability.

This program continues to offer an effective alternative program for students in a cost-efficient manner and maintains students in programming close to their home district and allows for the capacity for students to participate in (home) school/district activities. Waypoint Academy is considered to be an extension of each of the “sending” School Districts. The Academy encourages and supports students in their transitions to (and from) their home schools as appropriate.



A primary focus of the program is assisting in the development of the adaptive skills necessary for students to successfully return to their local school and district on terms of their academic and socio-emotional abilities. The local/regional location allows for programming that facilitates gradual reintegration of students back to their (home) schools. Although it is not possible, and/or appropriate, for every student to return to their home district, the Academy continues to maintain goals to support each student in this process. The skills that are gained by students while enrolled in this program may be adjusted and generalized to promote success in home and community as well as in the school environment.

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The programming and the enrollment at Waypoint Academy supported **90 students** during the 2016-2017 school year. The home districts of these students included:

Member Districts

Barnstable
Bourne
Cape Cod Technical
Dennis-Yarmouth
Falmouth
Mashpee
Monomoy
Nauset
Sandwich
Upper Cape Cod Technical
Wareham

Non-member districts

Brockton
Carver
Dartmouth
Middleboro
New Bedford
Old Rochester Regional
Plymouth

During 2016-2017 School Year, **40** students were transitioned from the Waypoint Academy Program:

Other	Supported in District(s)	More Restrictive Setting
9 <u>Graduated</u> from Waypoint, earning a <u>diploma</u> from their district	9 transitioned to district programming with added support	3 transitioned to residential settings
4 moved from the region	7 Transferred districts	1 transferred to another program
7 Withdrew from school		

Enrollment Activity by District (not inclusive of continued students that completed the school year): 54

District	Enrolled	Un-enrolled
Barnstable	15	7
Bourne	7	4
Cape Cod Tech	0	0
Carver	1	1
Dartmouth	1	1
Dennis-Yarmouth	19	9
Falmouth	13	7
Monomoy	9	1
Mashpee	1	1
Nauset	5	3
New Bedford	1	1
Old Rochester	2	2
Plymouth	4	0
Sandwich	4	1
Wareham	8	2
Totals	90	40



Services provided at Waypoint Academy meet the needs of students who are experiencing difficulty in their home schools' and districts' educational programs. Many of the students attending the Program experience social, emotional and mood disorders, including but not limited to: anxiety disorders; depression; attention deficit disorder; oppositional defiant disorder and trauma related issues. These students often are at-risk for failure in one or more of the following areas: academic achievement; meeting social expectations; regulation of behavior; maintaining safety, and/or other issues that inhibit their participation in school/class activities.

Waypoint Academy provides students with clinical interventions and counseling services which are intentionally designed to promote confidence, self-esteem, individual responsibility, social awareness, (executive function) organization and cognitive development. The Academy offers a highly specialized, intensely structured educational environment which emphasizes safety and security through the development and implementation of individualized educational and behavioral plans. Each student participates in an appropriate, grade level academic curriculum as well as a variety of services (and accommodations) distinct to and each individual student's needs.

Effective programming for students with emotional and/or behavioral disorders requires broad-based and intensive work with families, providers and other supports systems in our student's lives. Inclusion of the various parties in each student's lives is important to develop appropriate and strong supports for students' for: regulating their emotions and behavior; achieving success in academic and social skills; and aiding them in experiencing a more normalized educational process. The aim of the Academy is to increase teaching and learning time and reduce the time students spend on non-productive behaviors. Positive Behavior Shaping (PBS), Cognitive Behavior Therapy (CBT), and Collaborative Problem Solving are all elements of the schoolwide behavior shaping process. In addition to an educational and therapeutic milieu, students access clinical support (three full-time Licensed Mental Health Counselors on staff) at the Academy. The work of the clinical staff is tailored to the individual needs of students through participation in individual and group counseling to learn develop conflict resolution skills, experience effective team building, develop communication skills, develop transition skills, participate in social skill assessment and training, and develop affective regulation skills.

Technology: Technology is used at the Academy to not only support instruction but also to inform the program regarding changing student needs. Throughout the 2016-2017 School (and Fiscal) Year databases regarding student achievement and progress were continually refined (and maintained). These databases assist in and inform the program staff regarding student performance and behaviors, including both the individual and the group dynamics. The refinement, maintenance and use of databases have increased the capacity of staff to assess students (academically and socially/behaviorally), to analyze the information, and to develop appropriate (reflective) interventions and practices that are focused on student success.



The program has continued to add technology to support the program's specialized instructional needs, including additional computer workstations as well as *netbooks*, *Promethean Interactive Screens* and additional *iPads*. The addition of Promethium interactive boards and interactive software have increased the school's ability to engage students in remote learning activities that promote easier access to the curriculum and online access to class instruction.

The Academy also continues to integrate technology with curriculum supports in academic areas, as well as with executive function improvement programs such including *ThinkIt* and *Lumosity*.

Programmatic Assessment: Dr. Marc Hauser, college professor and researcher, became affiliated with the program in 2011. Dr. Hauser has continued to be integral in developing staff capacity to analyze and apply the data that has been gathered and to assist in the development of interventions to improve student and program performance.

Several programmatic data tracking systems were developed and maintained throughout the past six school years. These data systems include: student *time on learning*; individual *student performance in the milieu* (effort, observing school rules, completion of task, respect and attitude); *Point / Level System*; *Daily Emotional-Level* check-in; "How Are You Feeling?"; *Social-Emotional IEP Goal Progress*; *Goal Seeker IEP Goal Progress Tracking*; *Teacher Evaluation Walkthrough Software* and *Teacher Evaluation Response*. The analysis of information (data) gathered through this "evidence collection" (data gathering) has continued to support discussion and decision making regarding student needs. These discussions lead to the ongoing refinement of the manner, and form, of the staff interventions to working with the students (plan interventions) as well as informing instruction /interventions with data (reflective practice). This school year the student's daily assessment measures have been extended to academic performance in addition to personal goals and school expectations.

Program staff continued to focus a considerable amount of their work with Dr. Hauser (and Risk-Eraser) upon the refinement data to measure student progress in various areas These program measures are targeted to ensure that common terminology and accurate/consistent measures are maintained in tracking student progress on their milieu goals as well as their (student specific) social-emotional IEP goals.

This work continues to be refined, enhancing the capacity of staff to maintain reflective practices in developing interventions that effectively promote student learning. The program utilizes the Goal Seeker software, which enables faculty immediately access all student goal information in programmatic and social-emotional (personal) goal areas and progress data. The progress in all goal areas is able to be analyzed and presented for student conferences, IEP meetings and planning.

The program administration continues to facilitate structured discussions with staff in the development of “reflective practices”. The organization of data for appropriate maintenance and analysis continues to have a school wide impact, resulting in interventions (programming) that have demonstrably improved student behavior, including classroom participation, academic performance and attitude.

Professional Learning Community: Academy teachers have continued to participate in a Professional Learning Community (PLC) dedicated to *improved teacher performance and learning from best practices*. A strong emphasis continues to be placed by the staff (and the administration) upon *cross-curricular planning* and *project based lesson planning* for student *motivation and involvement*.

Camp Burgess: The program continues to utilize space at Camp Burgess in Sandwich to enhance program opportunities. The Camp Burgess classroom experience continued to be a source of motivation and investment for many of our students. Students that participate in classwork at Camp Burgess follow an established curriculum with classroom teachers for the associated content areas.

Each week, two groups of five to seven students alternate weeks during which they participated in programming at Camp Burgess. This experience has continued to allow students to actively participate in social skills and adventure based groups as well as applied academic experiences. This setting also promotes applied learning of the academic and instructional content through participation in activities such as the integrated farm and forestry programming.

Indicators demonstrate elevated academic performance scores for students (albeit slight) during the Burgess Classroom week, programmatic stability for the students, and significant social and emotional regulation improvements for both groups throughout the year (including non-Burgess weeks).

Camp Burgess extends the “Camp Burgess classroom” experience for all students at the Academy through planned Field Days. These Field Days include programming with Camp Burgess Staff in developing leadership capacity, team-building, and self-confidence for students.



Parent Advisory Group:

Waypoint Parent Advisory Group meetings coincide with ongoing, planned school activities and celebrations. Parents are invited to participate in school wide events organized by the Clinical Team and the Student Council that are scheduled quarterly. Parents have additional opportunities to spend time with their child during school activities and events, to meet with faculty, to participate in informational activities aimed at improving parent/school relationships, to be included in school planning activities, as well as to participate in skill building and resource sharing. This commitment to school/parent interactions has raised the level of participation of parents and continues to be a valuable source of parent/school sharing and engagement.

Extended School Year: Students enrolled in the Waypoint Academy Program participate in programmatic services from the Academy faculty during the months of July and August. During the summer of 2016, 34 students participated in summer programming. The primary goal of these educational activities is to prevent regression of prior learning and help increase the likelihood that the identified students' make progress during the coming school year.



Cost Effectiveness –Waypoint Academy operated during the 2016-2017 School Year with a daily tuition rate of \$225/\$246 & \$265 per day. The tuition rate is differentiated based upon projected enrollment. Member (and sometimes non-member) districts have purchased “committed” slots (\$231) and own a portion of the program capacity. Districts may need to increase their allocation of space in the program and may purchase additional “committed” slots at the program after the budget and resultant staffing have been planned (\$246/day). The other tuitions (non-committed slots @ \$265/day) are associated with enrollment that may be less dependable and necessitates greater flexibility in maintaining resources to meet student needs. The rate structure was approved by the Board of Directors with particular attention to the projected enrollment and programmatic needs for the school year.

Although there is not a program that provides services identical to the students served at the Waypoint Academy, analysis regarding need and average tuitions for private school programs offer some perspective regarding the efficiency of the Academy. It is evident (in review of the referrals, admission and discharges from the Academy Program) that the Academy serves the Districts effectively by offering a substantially separate educational program that is neither as restrictive as Private Day School Programming nor Residential School Programming. It may also be discerned that the Academy serves students in a local/regional setting that prepares students and families for other settings if their needs become more significant than the Academy might address or (re)entering a school (district) setting as their needs and District supports allow. The Academy effectively and efficiently serves the students, families and districts in broadening the continuum of services to effectively support students in the least restrictive setting possible.

In consideration of *cost efficiency*, the Waypoint Academy Tuition structure (\$225/\$246 & \$265 per day – \$40,488, \$44,208 & \$47,765/year) for FY2017 was considerably lower than options, (which are often at great distance and transportation expense). Assuming the programs could provide the appropriate services then things such as: Waypoint day versus an average tuition of \$330/day (\$69,507/year) for Private Day Education Programs in Massachusetts. Each district

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(and family) considers the needs of particular students and their particular needs when evaluating each program for consideration for student placement.

Waypoint Academy programming allows districts to pool resources, and mitigate the cost risk while optimizing quality and cost effective services within a day setting.

Tuition Rates by student population type, for analytical reference only (rates per MA-Operational Services Division)

Tuition Comparison

Waypoint	\$225/\$246 & \$265 (<i>average of \$239</i>)
St. Vincent's	\$263
Chamberlain	\$270
Franklin Perkins	\$296
Home for Little Wanderers	\$317
Southeast Alternative/Anchor	\$263
Private Day Average	\$330

Therapy Services and Programmatic Consultation

Speech & Language Pathologists, Occupational Therapy, Physical Therapy

The Collaborative has provided therapy services to students in Collaborative programs and in school district programs since the establishment of the Collaborative in 1975. In FY2017 the Collaborative provided Speech and Language Therapy, Occupational Therapy and Physical Therapy to school districts and to students in Collaborative Programs.

The Collaborative staff have continued to provide the related services necessary to strengthen and support the quality programming of the districts throughout the region. Many districts and another collaborative, utilized Collaborative staff to supplement services in their districts, others utilize Collaborative staff as the primary service providers for certain types of services, especially in small districts. The Collaborative has a cadre of highly skilled and competent clinicians that work with students, and districts, throughout the region. A significant benefit is realized by districts that are able to “share” the expertise and costs for highly capable and competent staff through their educational collaborative. During FY2017, the Collaborative therapy staff provided services in Barnstable, Bourne, Cape Cod Technical High School, Martha’s Vineyard, Monomoy Regional, Pilgrim Area Collaborative, Provincetown, Sandwich, Truro and Upper Cape Cod Technical High School. These services were provided at a rate of approximately \$83 per hour in the districts. The Collaborative also provided these services within Collaborative programs at the same base rate, billed upon an “IEP Service Hour” including 20% preparation time. This has proven to be the most cost-effective predictable method for sharing of the service resource in Collaborative programming. This provided significant cost efficiency for school districts that would be contracting with private providers at rates of \$100 per hour more. Comparable rates in the region include an average (Easter Seals, Invo HealthCare, Norton & Associates) of: Occupational Therapy (\$92.50); Physical Therapy (\$92.50); and Speech & Language Pathology (\$89.00).

The Monomoy Regional Schools and Bourne Public Schools developed internal capacity to meet the Physical Therapy service needs for students served by their districts. Dr. John Nathan, a Collaborative Physical Therapist accepted a position with one of the districts at the close of the 2016-2017 school year. Dr. Nathan had served the students, families and districts of the region for twenty (20) years through the Collaborative. His commitment and expertise will be an asset to that school district.

Special Projects

The Collaborative supports member (and non-member) school districts through “special project” initiatives. Dr. Joseph Gilbert, a retired Superintendent, leads and coordinates many of the activities associated with these “special projects”.

All-Cape In-Service

- The Cape Cod Collaborative established a regionally coordinated professional development day in 2004. Each of the districts have held their in-district professional development on this day and also promoted enrollment of district staff into workshops developed by the Collaborative that were particularly focused upon lower incidence subject areas or specializations. The date of the All-Cape In-Service occurs each October (November in Presidential election years) to allow for integration of activities into instructional practices early in the school year. The FY2016 All-Cape In-Service occurred on November 8, 2016. Most workshops were hosted on the campuses of the Dennis-Yarmouth and Mashpee High Schools.

Over 795 educators participated in Collaborative (inter-district) offerings during the All-Cape In-Service. The Collaborative contracted with presenters and facilitates, sharing these costs amongst the participating districts. The popularity of this event has grown over the years. *The average cost per participant for the November 2016 All-Cape In-Service was approximately \$25 including the annual cost of the SmartPD platform for professional development coordination.*

Other Professional Development

- Professional Development activities, including the All Cape In-Service Day, continued to be guided by input from the Collaborative’s job-alike groups including:
 - Superintendents
 - Curriculum Administrators
 - Administrators’ of Special Education
 - School Business Managers
 - Early Learning Network
- Additional groups offering input regarding planning of activities for educators in the region include:
 - Cape Music Educators;
 - Cape Cod Art Educators,
 - Cape Physical Education/Health Educators;
 - Work Force Investment Board &
 - School Facilities Managers

Cape Cod Early Learning Network (ELN)

- The **Cape Cod Early Learning Network (ELN)**, an association of early childhood service providers and early childhood educators, worked with and through the Collaborative to develop a **Cape-based strategic plan** for coordination of professional development activities associated with early childhood education and services.
- A Department of Early Education & Care (DEEC) grant was secured for strategic planning in FY2013.
- A subsequent grant proposal was funded for FY15-FY16 for the purpose of alignment of pre K-Grade 3 professional development & strengthening Cape area family intervention

services. The culminating activity for this grant was a conference in December 2015: “Collaborating for Early Childhood Education & Services with Mixed Delivery Systems”. The conference included participation by local and state representatives, including the Commissioner of Early Education & Care.

- In October of 2015 a \$39,000 Preschool Expansion Grant was secured from the Department of Early Education and Care (DEEC). The funding allowed for the development of an early childhood education strategic plan for the towns of Chatham, Dennis, Harwich & Yarmouth (including the school districts of Dennis-Yarmouth Regional and Monomoy Regional). A seminal document outlining the need and methods for expanding preschool within a mixed delivery system of public and private providers was produced and distributed to school districts and agencies across the State. This document was well received by DEEC and widely excerpted in a summary of “promising practices” produced by the Collaborative.
- The ELN continues to explore activities to refine and improve the access, coordination, effectiveness and efficiency of early childhood education services for the region.

Advanced Studies & Leadership Program (ASLP)

The Advanced Studies and Leadership Program is a program developed (2005) to enhance and enrich the education of high achieving students. This program continues to be integral to the array of Collaborative coordinated services. The program had typically served 160 high achieving students from Cape Cod Collaborative districts. In Summer 2014 (FY2015) the program enrollment increased approximately 30%, when 208 students participated in the ASLP Program.



Students continue to be selected for this program based on qualifying scores on MCAS or PARCC and recommendations from district teachers and administrators. Feedback from parents and students has been extremely positive.

ASLP Objectives

- To support and stimulate the thinking of high achieving students by providing a 3-week summer program that offers hands-on academic pursuit and interactive leadership activities within a collegial environment.
- To provide a total of 48 hours of project-oriented study in Science, Technology, Engineering and Math (STEM) related subject areas.
- To provide a total of 24 hours of project-oriented study in humanities related subject areas.
- To provide evening programming of interactive leadership activities.
- To provide necessary media and library support to ensure the success of each student

National Grid Scholarships – Summer 2016 (FY2017)

In the Summer of 2011 (early FY2012), one thousand dollar (\$1,000) scholarship grants funded by National Grid were awarded to students on Cape Cod. For the Summer of 2016 (FY2017), National Grid continued their scholarship commitment to ASLP. Massachusetts Maritime Academy has ensured that the scholarships are funded annually regardless of the National Grid commitment. The National Grid scholarships have been noted by families to be a “lifeline” to families with high achieving students who are in serious financial need.

ASLP Programming

During the past summer students again designed and built small wind turbines and solar cookers. Other students tested the remotely operated vehicles that they designed and constructed in the campus swimming pool. Some students collected marine plankton and analyzed their findings in a lab. Other classes navigated and steered a simulated ship into Boston Harbor using the campus bridge simulator.

All students were very active with the recreational and leadership aspects of the program, which included the opportunity to participate in an “improv” theatre class, a student talent night, rock climbing, sailing, and the publication of an ASLP yearbook. Throughout the Summer of 2016 the ASLP band continued to receive rave reviews.

ASLP Staff Support

The ASLP Program continues to be an exceptional program, a program in which each of the districts takes great pride. Mr. Gil Newton (Science Teacher, Sandwich) and Mr. Rodney Weston (a retired Science Teacher, Bourne) have been the backbone of this three-week residential program hosted by the Massachusetts Maritime Academy since the program began in 2005. The dedication and diligence of these individuals, as well as the facilitation and coordination by Dr. Joseph Gilbert are at the heart of this program.

Massachusetts Maritime Academy



This program would not be possible without the support, dedication and guidance from the staff and administration of the Massachusetts Maritime Academy. The past, and current, commitment to ASLP of the (now) retired President Admiral Gurnon, the current President Admiral Francis McDonald and Captain/ Vice President Elizabeth Stevenson have been integral to the success of this program.

President Rear Admiral Dr. McDonald has been indispensable in the continuity of ASLP was integral to the development of the program with Dr. Joseph Gilbert in 2005. The aforementioned grants from National Grid are possible because of the commitment and coordination of Massachusetts Maritime Academy staff.

Each summer, at the end of the ASLP session, the Academy awards a full college tuition scholarship to the Academy to one male and one female participant from the program.

Inclusive Concurrent Enrollment

In FY15, Mr. Hilton worked with Superintendents, Special Education Directors, State Agency staff, Adult Service provider staff and Cape Cod Community College staff to develop a proposal (on behalf of Cape Cod Community College) that would support “Inclusive Concurrent Enrollment” for young adults ages eighteen to twenty-two (18-22) with significant disabilities. This grant focuses upon supporting students in accessing opportunities at the Cape Cod Community College.

During FY17 an increasing number of students from member districts actively participated in Inclusive Concurrent programming at Cape Cod Community College.

Dr. Woods and Mr. Hilton continue to be involved in the coordination and planning of activities associated with the programming.

Center for Executive Search

The Cape Cod Collaborative Center for Executive Search continues to assist and support school districts in their searches for key administrators in their districts. A team of capable professionals is coordinated by Dr. Joseph Gilbert in supporting districts accessing the Center for Executive Search.

The Center coordinated the completion of a search for a Business Administrator at the start of the fiscal year (welcome Amy Lipkind).

Cape Cod Center for Graduate Education

Mr. Hilton was elected President of this Board in 2015 as the board embarked on strategic planning for future endeavors. This group continues to consist of representatives from the public school districts in the region, professionals from the community and representatives from Cape Cod Community College.

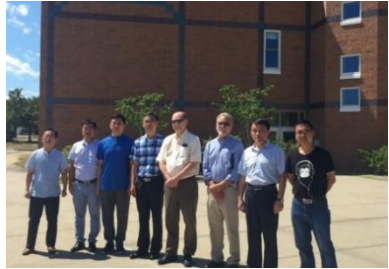
The Center members met in FY17 to discuss future activities and agreed to begin the process of phasing the activities of this group to other organizations.

International Student Hosting Initiative

Mr. Hilton and Dr. Christopher Bogden, an educational consultant that has worked extensively in development of international school programs, continued to facilitate discussions with the Superintendents and Board Members throughout the region regarding the a regional approach for hosting international students who seek to study in the United States through the “Student and Exchange Visitor Program” (SEVP) as well as to effectively for partnerships with schools and programs in other countries.



Cape Cod Collaborative
Annual Report 2016-2017



The potential benefits of enrolling foreign students for local school districts include increasing the ethnic and cultural diversity within a district as well as the capacity to collect tuition. Groups from various

organizations in China visited districts throughout the region during Fy17.

There have been increasing numbers students and educators visiting from these school and interest continues to grow regarding the benefits of global education and cultural exchange.

Virtual High School

The Collaborative continued to coordinate a consortium of school districts for Virtual High School (VHS). In FY2017, there were nine (9) districts accessing 300+ “seats” within this highly lauded program. During FY17, the Wareham Public Schools (re)joined the consortium for participation and the Monomoy Regional Schools withdrew from the consortium. The continued collaboration of the districts provides significant opportunities for quality educational programming along with significant savings and efficiencies for the participating districts.

Facility Directors Group

The Collaborative continued to facilitate meetings of Facility Directors from throughout the region in FY2017. Ms. Lipkind became increasingly involved with this group as she began her work with the Collaborative. This group continues to be invaluable to facility professionals for the sharing of ideas and opportunities regarding their vocation. The group continued to serve as a regional group of the MFAA, a professional organization of Facility Administrators.

This group has continued to meet at the Collaborative with ambitious agendas and has gained in credibility with local municipal groups, contractors and professional groups.

Cape Cod Collaborative Transportation



The Cape Cod Collaborative has continued to provide assistance and consultation to school districts regarding their transportation needs since the establishment of the Collaborative in 1975. The Collaborative formally began the provision and coordination of transportation as a service to the school districts in the 1980s. The Collaborative has expanded this service area significantly over the decades in response to expressed district needs. The coordination and operation of (district) transportation services through the Collaborative allows districts to gain efficiencies while controlling the quality of their service.

Ms. Lisa Stobbart formally accepted the Transportation Manager position at the start of FY17. She continued to manage all Collaborative transportation services, including a growing team of drivers, monitors, dispatchers and mechanics in providing exceptional service to students and districts throughout the region.

With the retirement of Jim Brown from the Business Manager position and the integration of a new Business Manager (Amy Lipkind), the Transportation Department continued to become more closely integrated with the Collaborative Business Operations.

During FY17 the Collaborative continued to provide Special Needs and General Education Transportation cost proposals as part of the bidding process for member districts. The resulting Collaborative costs were consistently lower than the pricing received from most vendors (bid prices). While the Collaborative was not always asked to provide the service, the proposals give district administration a benchmark for evaluating costs. The Collaborative continued to work with district school administrators and school committees to refine their current transportation needs and discern their future needs.

Large Buses

The Cape Cod Collaborative has provided large bus services on behalf of the Nantucket Public Schools since 1997. The Collaborative started operating large buses on behalf of the Truro Public schools in 2007, and the Mashpee Public Schools in 2009. The Collaborative continued to provide this service to these three (3) districts through FY17. Discussions continued with several additional districts that were deliberating upon establishing a partnership with



the Collaborative to meet their student transportation needs. Discussions with the Bourne Public Schools culminated with a formalized agreement in March 2017 for the Collaborative to provide large bus service to that district beginning in July 2017. The Collaborative completed a procurement for twenty-three buses (23) to support the provision of these services.

General education (large bus) services costs are based upon an algorithm that calculates costs based upon routing and service requirements (specifications for service). The Collaborative cost-methodology has evolved over time and is useful for determining the appropriate charges for provision of services, as well as for providing member districts with an (estimated) price for comparison with vendors as part of a “bid” process. As the Collaborative fleet of large buses has grown over time, the pooled cost of vehicles has dropped, resulting in cost-benefit to member districts utilizing these services.

The Collaborative continues to be asked to provide pricing for comparison with bids where there are existing vendors for bus services. The Collaborative estimates are consistently lower than the “bid costs”. In several consulting situations, there has been no expectation that the Collaborative would provide the service if pricing is reasonable, and that there is a good service record of the existing vendor.

Special Education Transportation

The Collaborative continued to provide “in-district” special education transportation services in FY17 to four (4) districts: Nantucket, Nauset Regional (including Brewster, Eastham, Orleans and Wellfleet), Mashpee, and Truro (as needed). The Collaborative also provided “out-of-district” special education transportation (at some level) to most of the districts in the region. Many of these districts has solicited pricing for this service and found the Collaborative pricing (and service) to be the most advantageous, lower cost, option for the provision of this service.

While special needs transportation service costs are shared based on each student’s relative share of vehicle costs, the Collaborative rates for “out-of-district” special education transportation are continually refined to allocate the cost-sharing of each specific route.

In FY17, the Collaborative continued the ongoing process of refining the cost-sharing methodology for transportation services. The methodology continues to be based upon actual costs for each route with “route costs” allocated based on each students shared usage of the service. Transportation Costs are segmented to Vehicle Costs, Labor Costs, Mileage Costs, Dispatch Costs and Overhead. A clear delineation of costs (and the impacts of changes delineated in the rate structure) continue to provide a basis for the Collaborative (and participating districts) to achieve cost efficiencies while maintaining quality services.

Transportation Consulting & Management

Three member districts worked with the Collaborative to manage their large school bus transportation needs on a “cost plus 10% program administration” fee basis. These districts assist with the purchase of vehicles, fuel and maintenance costs, while the Collaborative provides the labor and dispatch supervision. This arrangement has continued to allow for the sharing of expertise and cost savings to the districts.

Maintaining transportation expertise is especially important in a region with an era of declining enrollment and population shifts. These population shifts are due to a variety of factors

including: the impact(s) of school choice; district regionalization; changes in school start times; innovative educational programming; and school building closures. Each of these issues has necessitated ongoing attention and flexibility in support services. The utilization of Collaborative transportation expertise allows member districts to plan and to procure services in a cost effective and cost efficient manner. Additional member districts are seeking the services of the Collaborative for their large bus transportation needs as the cost savings can be realized.

Business Operations

The Cape Cod Collaborative continues to operate as an extension of the member school districts to strengthen and support educational programs. The acumen of the Business Office is integral to the success of the Collaborative in providing services in an effective and efficient manner for the students, families and districts in the region.

Ms. Amy Lipkind started as the Business Manager in mid-July 2017. Mr. Jim Brown continued to consult with the Business Office to assist with the transition as well as to provide support the Transportation service area. There were additional staff changes within the Business Office during Fall 2017, which necessitated greater focus and training in functional areas where new staff members assumed roles in the Business Office. The cross-training of business office staff took has allowed for greater flexibility, efficiency and coverage of the office.

Mr. Frank Colvario was appointed the Treasurer of the Collaborative in September 2016. He served the Board in that role through May 2017, when he stepped down as Treasurer and Mr. William Friel was appointed as Treasurer. Both Ms. Colvario and Mr. Friel added depth and expertise to the business operations as well as refinement and efficiency of internal controls with Collaborative operations.

The Cape Cod Collaborative FY17 Audit and Audited Financial Statements are appended to this Annual report for Review. Each area of the Collaborative operations succeeded in achieving operational, fiscal and programmatic goals throughout the year.

During FY17, for the third year in a row, the Collaborative funded a significant portion of the Other Post-Employment Benefit (OPEB) obligation in an irrevocable trust. This OPEB Trust Fund will support the provision of benefits for retirees of the Collaborative in the future. An actuarial valuation as of July 1, 2016 was completed and indicated that the Collaborative's liability has decreased for the short-term. This (unusual) situation is due, in large part, to the Collaborative's realized commitment to funding this obligation as the obligation develops, as well as changes in regulations and returns on Trust Fund investments.

Business Officials Group

Ms. Lipkind worked with the business officials throughout the region to facilitate four meetings of the Collaborative Member Districts Business Officials during FY17. This group discussed

current challenges and “best practices” regarding transportation services, facilities management, regional procurement, and audits.

Facility Directors Group

Ms. Lipkind coordinated and facilitated one joint meeting with Business Officials and Facility Directors from throughout the member districts in FY17. An OSHA-10 training course was developed through the Collaborative. Fourteen (14) people from member districts received this certification. This group will continue to meet to develop and review potential collaborative efforts for facility management.

Thank You for Your Support

The advice and guidance of the various constituencies of the Collaborative are integral to the success of the Collaborative programs as well as those served by the Collaborative. Most of these groups meet on a monthly basis and offer guidance and advice to enhance and develop strong, effective, efficient programs. Deep gratitude is due to each of these groups for their consideration and attention.

- *Cape Cod Collaborative Board of Directors*
- *Special Education Directors (Advisory)*
- *Business Managers*
- *Curriculum Administrators*
- *Superintendents (Administrative Advisory Board)*
- *Parents (Parents’ Advisory Committees)*
- *Facility Directors*

Member District Participation (June 2017)

District	Oct 2016 Enrollment	Waypoint Academy (6/17)		STAR / Osterville (6/17)	Itinerant Services (Therapies)	ASLP	Professional Development	Transportation (Large Bus)	Special Education Transportation	Virtual High School
		Latency / Middle	High							
Barnstable	5,238	2	8	7	Speech	25 (2016) / 28 (2017)	Yes	2010-2011 Consultation	Occasional	25 Seats
Bourne	1,935	2	4	1	Physical	14 (2016) / 11 (2017)	Yes	2012 Consultation; 2016-2017 MOA	Occasional	Individual Purchase
Cape Cod Tech	623	0	1	0	Behavioral Consultation, Occupational, Physical		Yes	2011 Pricing	As needed	Joined Consortium 2013
D-Y	3,024	7	5	9	Occupational, Behavioral Consultation	13 (2016) / 11 (2017)	Yes	2010 Consultation; 2011 Consultation; 2013 Consultation;	Out-of-District	50 Seats
Falmouth	3,466	0	10	10	Stop FY11	38 (2016) / 36 (2017)	Yes	2011 Pricing	Occasional	
Martha's Vineyard	2,160	0	0	0	Speech	15 (2016) / 8 (2017)	Yes	2005 Consultation		
Mashpee	1,500	0	1	7	Stop FY15	11 (2016) / 12 (2017)	Yes	2009 Start	In & Out-of-District	
Monomoy	1,864	6	1	1	Physical	11 (2016) / 16 (2017)	Yes	2012 - Consultation	Occasional Out-of-District	Stop 2016-2017
Nauset (& Union)	2,466	1	3	5	Stop FY11	12 (2016) / 13 (2017)	Yes	2010-2011 Consultation; 2016 Consultation; 2017 Consultation	In & Out-of-District	25 Seats
Brewster		0	0	0			Yes			
Eastham		0	0	0			Yes			
Orleans		0	0	0			Yes			
Wellfleet		0	0	0			Yes			
Nantucket	1,583	0	0	0	Behavioral Consultation	8 (2016) / 7 (2017)	Yes	1997 Start	In & Out-of-District	25 Seats
Provincetown	129	0	0	0	Occupational, Physical	1 (2016) / 2 (2017)	Yes			
Sandwich	2,726	2	1	4	Physical	25 (2016) / 21 (2017)	Yes		Study - FY12	25 Seats
Truro	116	0	0	1	Occupational, Physical		Yes	2008 Start	In & Out-of-District	
Upper Cape Tech	709	0	0	0	Occupational, Physical		Yes		As needed	Individual Purchase
Wareham	2,461	1	4	8	Stop (FY16)	17 (2016) / 21 (2017)	Yes	2010 Consultation	Occasional	Individual Purchase - Start 2016-2017

Key	No CCC Service	Stopped Service- CCC Consult	Active CCC Service
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Cape Cod Collaborative



Cape Cod Collaborative

December 21, 2017

Massachusetts Department of Elementary & Secondary Education
75 Pleasant Street
Malden, MA 02148-4908
ATT: Office of Regional Governance - Collaboratives

The purpose of this letter is to address particular regulatory issues that were not succinctly addressed in the FY17 Annual Report.

- **Progress Made Towards Achieving the Objectives and Purposes in the Collaborative Agreement**

The entirety of the FY17 Annual Report reflects the progress made towards the achieving the objectives and purposes in the Collaborative Agreement.

The following narrative will reflect more particularly the progress towards achieving the objectives and purposes in the newly accepted Cape Cod Collaborative Articles of Agreement.

The Purpose of the Collaborative is:

- A. To conduct joint educational programs and services which permit the Member School Districts to supplement and strengthen school programs for students with or without special needs.

The Cape Cod Collaborative continued to provide an array of programs and services that strengthened and supported school programs for students with and without special needs. The Collaborative also continued to meet with advisory boards and explored options for the establishment of new programming. The Collaborative provided support services, including therapies and consultation to school districts as outlined in the chart of district participation that is included in the FY17 Annual Report.

- B. To provide specialist services and transportation services to support programs operated by the Collaborative and to other programs on behalf of Member and Non-Member School Districts.

The Collaborative found an increased demand for transportation services to support district and collaborative programming. The transportation, specialist services and consultation supported districts in a cost effective and efficient manner and expertise and resources were increasingly shared to support programming.

In FY17 the Collaborative consulted regarding the effectiveness and efficiency of transportation services for several school districts including the

Bourne Public Schools, the Nauset Regional Schools, the Dennis-Yarmouth Regional Schools and the Monomoy Regional Schools.
In March 2017, the Collaborative executed an agreement with the Bourne Public Schools to assume the general education transportation service responsibilities for the district, with an estimated savings of over \$200,000.

- C. To provide vocational, prevocational, behavioral intervention, developmental skill training, enrichment programs, and educational programs to students with and without disabilities; and

The Collaborative continued to provide these support services within Collaborative programming and also coordinated and secured a partnership grant to explore the establishment of Career and Vocational Educational Opportunities on behalf of the Collaborative and school districts throughout the region. The Partnership Planning grant and the Implementation Grant targeted the increased access to Career and Vocational Education opportunities for students that could not access the regional technical and vocational schools.
Please see Annual Report for more information.

- D. To provide services, consistent with applicable laws and regulations, to Member and Non-Member School Districts that strengthen and supplement the educational programming and educational opportunities of the communities including, but not restricted to:

- Professional development activities for staff
The Collaborative continued to coordinate and provide professional development activities for districts throughout the region including, but not limited to:
 - *All-Cape In-Service: Full day of professional development shared throughout the region. School districts participate both through “in-district” opportunities and “coordinated” opportunities. There were over 600 registrants again in FY17,*
 - *Research for Better Teaching (RBT) coursework to support district initiatives.*
 - *Establishment of programmatic partnership with Bridgewater State University, increasing opportunities for Collaborative staff and staff throughout the region.*
 - *Initiated and maintained partnership to provide Sheltered English Immersion (SEI) endorsement coursework in the region.*
 - *Maintained Early Childhood Network*
 - *Coordinated and Facilitated Professional Meetings*
 - *Developed and Coordinated Professional Development for Providers.*

Please see Annual Report for more information.

- Programming for gifted and talented students
The Collaborative continued to coordinate and operate the Advanced Studies & Leadership Programs in coordination with Massachusetts Maritime Academy. Please see Annual Report for more information.

- After-school and summer programming
The Collaborative continued to provide extended year programming through the Approved Public Day Programs (Waypoint & STAR) as well as continuing to operate the ASLP Program.
The Collaborative also participated in a Strategic Planning discussion with a local non-profit provider that surveyed parents of students with special needs and school districts to determine the focus and need for vacation and after-school programming.
- Professional consultation & assistance
The Collaborative continued to facilitate “job-a-like” groups to focus the sharing of expertise and information among districts.
The Collaborative also continued a partnership with the National Center for Learning Disabilities (NCLD) to support the development of Multi-Tiered Systems of Support in school districts throughout the region.
The Collaborative has also continued to assist with securing appropriate personnel through the Collaborative Center for Executive Search, In FY17, the CES supported a search for a Collaborative Business Manager.
- Assistance with employment searches
Please see above
- Educator Licensure assistance
The Collaborative continued to be a clearinghouse for information sharing with the Massachusetts Department of Elementary & Secondary Education. The Collaborative continued to facilitate “office hours” with MA-DESE staff.
The Collaborative also provided coursework through the partnership with Bridgewater State University to host coursework for licensure in Moderate and Severe Special Needs.
- Vocational/occupational exploratory and major trade/technical course concentrations in collaboration with Chapter 74 schools
Please see above regarding grant programming and partnership development to expand vocational opportunities.
- Procurement coordination and assistance
The Collaborative has had limited procurement coordination and assistance with member school districts. There have been opportunities actualized in the coordination of vehicle procurement and the sharing of specifications. There is an active regional procurement (county) group in the area that also coordinates procurement activities.
- Regional coordination of educational activities, programming and services supportive of school districts, including, but not limited to:
 - Public day school programs and services for students with low-incidence disabilities (*continued to operate two approved public day programs*)
 - Professional Development activities for educators (*please see above – ongoing and expanding provision of services*)

- Professional Development activities for staff providing services for schools (*The Collaborative continues to provide ongoing coordination of activities with regional entities to support facilities, transportation and food service staff. The Collaborative has continued to facilitate shared activities with facility directors throughout the region after establishing a regional job-a-like group.*)
- Professional Development activities for providers of early childhood services (*The Collaborative has maintained an Early Learning Network that was successful in securing a series of multi-year grants to provide strategic planning and professional development activities.*
- Job-a-like groups for professional development and regional coordination of activities
Please see page 36 of the FY17 Annual Report. The Collaborative continues to successfully gather groups throughout the region to facilitate collegial affiliation, professional development and strategic planning.
- Procurement Coordination
The Collaborative has had limited procurement coordination and assistance with member school districts. There is an active regional procurement (county) group in the area that also coordinates procurement activities.
- Procurement Consultation
There have been continued opportunities actualized in the coordination of vehicle procurement and the sharing of specifications.
The Collaborative has continued to serve as a consulting entity for consultation regarding procurement activities, especially regarding activities such as transportation and program development. The Collaborative continues to actively assist districts in reviewing pricing for transportation services to ensure best practices and best value in procurement and service provision.
- Administration Assistance
The Collaborative has not been contracted to provide mentoring and/or administration assistance in FY17. The Collaborative has secured assistance for districts (grant funded) through the National Center for Learning Disabilities to provide administrative support to districts in the development and implementation of Multi-tiered Systems of Support (MTSS).
- Employment Search and consultation services
The Collaborative Center for Executive Search completed one superintendent search and consulted regarding others in FY17,

- **Transportation Services**
The Collaborative continues to increase the provision of transportation and transportation consultation with member districts. Please see pages 41-42 of the FY17 Annual Report.
- **Facilities Management Services**
This continues to be an area that needs increased coordination through the Collaborative. Although there are ongoing meetings with the Facility Directors in the region coordinated by and through the Collaborative, there have not been core activities associated with facilities management that are offered through the Collaborative.
- **Any other programs and services that may be provided and/or coordinated on behalf of the Member School Districts as may be permitted by statute.**
The Collaborative has explored the opportunity for hosting students from other countries (pages 17, 39 & 40) as well as continuing to offer access (at greatly reduced rate) to Virtual High School (page 40). The Collaborative continues to explore opportunities for districts throughout the region to develop shared programming that will support and strengthen the school programs in the districts.

The Objectives of the Cape Cod Collaborative are:

- A. To enhance and expand learning opportunities to meet the diverse needs of all students;

Please see FY17 Annual Report and information above regarding progress towards purpose of provision of public day programming for students with special needs as well as the Advanced Studies and Leadership Program. The expansion of Collaborative efforts aimed at international education, supporting MTSS in school districts, and universal access to preschool also continue to expand the capacity of the Collaborative and member districts to meet the needs of diverse learners.

- B. To enhance and expand professional development that meets and anticipates Member School Districts' needs;

The Collaborative continues to develop professional development programming to meet the current and evolving needs of school districts. Ongoing efforts such as the All-Cape In-Service offer quality shared professional development activities for all educators, including paraprofessionals and low-incidence teachers (art, music, physical education, nurses, special educators, occupational therapists, physical therapists, and speech and language pathologists). Additional activities include targeted graduate coursework, early childhood provider activities and administrator institutes.

- C. To strengthen our relationships and partnerships with Member and Non-Member School Districts; and

The Collaborative continues to increase attendance at Collaborative activities and generated increased collaboration through the Collaborative as well as external to the Collaborative. The ongoing relationships and discussions facilitated through the job-a-like groups have provided a forum for the development of shared activities including specialized programming as well as sharing of resources.

- D. To maintain communication, governance structures, and practices that regularly assess needs of Member School Districts, provide collaborative solutions and monitor the effectiveness of those solutions.

The Collaborative governance structure facilitates input from all advisory groups. The ongoing assessment of needs is continuously refined to gather more insight into the needs of districts as well as opportunities for Collaboration. Given the increases transiency in administrators and Board members throughout the region, it will be necessary to re-initiate strategic planning to ensure a comprehensive assessment of needs and opportunities.

Thank you for the opportunity to clarify the items that had been noted in the MA-DESE review of our Annual Report and Audit.

Please do not hesitate to contact me if you have further questions.

Best regards,

Paul C Hilton

CAPE COD COLLABORATIVE
REPORT ON EXAMINATION OF
BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

CAPE COD COLLABORATIVE
REPORT ON EXAMINATION OF BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

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Independent Auditor's Report

To the Board of Directors
Cape Cod Collaborative
Osterville, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Cape Cod Collaborative (the "Collaborative"), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Collaborative's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 entity'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 financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Cape Cod Collaborative, as of June 30, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Collaborative's basic financial statements. The other information, as listed in the table of contents, is presented for the purpose of additional analysis and is not a required part of the financial statements.

The other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2017, on our consideration of the Collaborative's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Collaborative's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Powers & Sullivan LLC". The signature is written in a cursive, flowing style.

November 8, 2017

Management's Discussion and Analysis

Management's Discussion and Analysis

Cape Cod Collaborative provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2017. We encourage readers to consider this information in conjunction with the Collaborative's financial statements, which follow.

Nature of the Organization

The Cape Cod Collaborative is an agent of its members (school districts); a governmental subdivision of its members. Unlike a Municipality or a School District, the Collaborative determines values for its services by allocating estimated costs based on the projected service needs of its member districts. Inevitably there are variances between projected and actual service needs and estimated and actual costs. An excess or deficiency results to the extent that actual needs fall short of or exceed estimates. When this occurs, and after providing for adequate operating capital, these variances (shared assets or liabilities) are passed on to member districts as future service cost increases or reductions.

The Cape Cod Collaborative continues to expand and develop its technology resources to meet member needs and increased requirements of the DESE. Hardware and software upgrades initiated in 2012 continued into 2017 and improving: financial reporting, teacher evaluation processes, student learning, transportation tracking and network server access.

The STAR program in Osterville and Waypoint Academy on Joint Base Cape Cod in Bourne are Collaborative tuition programs. 2017 enrollment met expectations through the year due to changing student populations, and transportation service requests increased slightly over a very strong 2016. Our student population is typically fluid throughout the year; a number of factors impact enrollment such as: residential placement, students who attain the age of 22, students who return to their district or leave the area entirely. While a large percentage of our enrollment is stable these other factors can fluctuate from projections by as much as 20%, which can be problematic without budgetary safeguards. Consequently, many of our spending decisions (wages and other expenses) are predicated on evolving enrollment, which allows us to be quite efficient at providing services.

The restructuring of transportation administration which began in 2014 added administrative support and increased reliance on database improvement. This continued into 2017 as Dispatch services were strengthened. We continue to work with districts to refine the in-district costing templates, providing them with control over their services and costs, and yielding significant efficiencies for us and cost savings for them. We continue to see this as having resulted in an increase in the transportation services we provide to members. We see this area of the Collaborative expanding as members face increased costs and diminished services from outside contractors.

Transportation invoicing, while more transparent and efficient, was still complicated and cumbersome. The automation of the invoicing process has eliminated the redundancy and intensity of manual manipulation that was previously required. This process continued to be refined into 2017 to provide time and distance data to feed the costing process and facilitate the cost allocation process. Further technology and recordkeeping procedures were implemented and will be further evaluated over the next fiscal year to provide consistent and accurate costs for transportation services.

The acclaimed Advanced Studies and Leadership Program (ASLP), in partnership with Massachusetts Maritime Academy, had another successful session. 209 enrolled students successfully completed the summer program. The following program objectives were accomplished: To support and stimulate high achieving students by providing a 3-week summer program that offers hands-on academic pursuit and interactive leadership activities within a collegial environment; To provide a total of 48 hours of project-oriented study in STEM related subject

areas; To provide a total of 24 hours of project-oriented study in a humanities related subject area; To provide an evening program of interactive leadership activities; To provide necessary media and library support to ensure success for each student. Demand for this program allowed us to expand access to ASLP in 2017. In 2017, 275± students had applied for the summer program and 209 attended.

Using This Annual Report

The annual report consists of a series of financial statements and other information, as follows:

- **Management's Discussion and Analysis** introduces the basic financial statements and provides an analytical overview of the Collaborative's financial activities.
- The **Government-wide Financial Statements** consist of a *Statement of Net Position* and a *Statement of Activities*. These provide information about the activities of the Collaborative as a whole and present an overall view of the Collaborative's finances including Fixed Assets, Depreciation, Long Term Debt and Other Post-retirement Employee Benefits.
- The **Fund Financial Statements** tell how governmental services were financed in the short term as well as what remains for future spending. The Collaborative's Budget follows Governmental Funds reporting. Fund financial statements report operations in more detail than the Government-wide Statements by providing information about the most significant funds.
- **Notes to Financial Statements** provide additional information essential to a full understanding of the data provided in the basic financial statements. It is here that you will find a reconciliation of the Statement of Net Position to the Funds Balance Sheet as well as detail concerning some significant major transactions.
- **Required Supplementary Information** further explains and supports the financial statements with a comparison to the Collaborative's Governmental Fund budget for the year. Legislation also requires the Collaborative to provide other data as mandated by the Massachusetts Department of Elementary and Secondary Education.

2017 Financial Highlights

- Governmental fund revenues increased 1.14% or \$141,000 and expenditures increased 1.38% or \$174,000 over the prior year which excludes state pension contributions referred to above. The resulting net change in fund balance of \$526,00 is due to the Collaborative's ability to maintain a linear relationship between cost of services and revenue.
- The Governmental Funds actual revenue and other sources were less than budget by \$39,000. Expenditures related to the above were less than budget by \$467,000. This resulted in a net change in fund balance of \$428,000.

- Governmental activities revenues, excluding state pension contributions referred to above increased 0.41%, or \$51,000 from fiscal year 2016, while total expenditures increased by 0.18%, or \$21,000, resulting in an increase in net position of \$565,000.
- Other Post-retirement Employee Benefits (OPEB) in the Governmental Activities portion of the financial statements represents the unfunded portion of this liability and continues to be a reconciling item between Governmental Activities and the Governmental Funds. In fiscal 2017 the Board voted to transfer \$180,000 into the irrevocable OPEB Trust that was created to manage these deposits. This transfer is recorded in the 2017 General Fund as a current expenditure. The balance in the Trust totaled \$779,000 at year end.
- GASB 68, *Accounting and Financial Reporting for Pensions* was implemented in 2016. The GASB requires disclosures related to our proportional share of pension costs and liabilities unless you are in a Special Funding situation, such as we are, where the Commonwealth of Massachusetts is responsible to pay for our past service costs and has assumed our pension liabilities. However, we are still responsible to pay the annual normal cost (currently .05936%; \$185,163 in 2017) and to disclose our proportional share of pensions costs in both MTRS and MSERS. In addition, we must record those proportional pension costs and the Commonwealth's contribution as pension revenue in the financial statements.

At year end the Collaborative was committed to purchase eleven buses and vans for approximately \$585,000 to replace and improve the existing fleet.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Assets exceeded liabilities by \$1.7 million at the close of 2017. Key components of the Collaborative's governmental financial position are as follows.

	<u>2017</u>	<u>2016</u>
Assets:		
Current assets.....	\$ 4,743,562	\$ 4,209,708
Capital assets.....	1,713,138	1,445,091
Total assets.....	<u>6,456,700</u>	<u>5,654,799</u>
Liabilities:		
Current liabilities (excluding debt).....	887,768	934,784
Noncurrent liabilities (excluding debt).....	1,623,262	1,696,234
Current debt.....	387,121	381,653
Noncurrent debt.....	1,284,130	987,802
Total liabilities.....	<u>4,182,281</u>	<u>4,000,473</u>
DEFERRED INFLOWS OF RESOURCES		
Unearned revenue.....	<u>555,175</u>	<u>500,271</u>
Net Position:		
Net investment in capital assets.....	41,887	75,636
Unrestricted.....	1,677,357	1,078,419
Total net position.....	<u>\$ 1,719,244</u>	<u>\$ 1,154,055</u>

Net position of \$41,887 reflects the Collaborative's net investment in capital assets (e.g., equipment, furniture and fixtures, and vehicles); less any related debt used to acquire those assets that is still outstanding. The Collaborative uses these capital assets to provide services to pupils; consequently, these assets are *not* available for future spending. Although the investment in capital assets is reported net of its related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining \$1.7 million portion of net position is unrestricted.

	2017	2016
Program revenues:		
Charges for services.....	\$ 12,390,909	\$ 12,237,933
Operating grants and contributions.....	2,128,621	1,555,843
Other revenue.....	43,380	58,980
Investment income.....	5,850	9,138
Total revenues.....	14,568,760	13,861,894
Expenses:		
Waypoint Academy.....	2,708,063	2,655,128
STAR Program.....	2,542,427	2,743,364
Interant Services.....	1,038,043	1,194,601
Transportation.....	5,134,902	4,760,165
Executive Search.....	247,564	277,145
Advance Studies and Leadership Program.....	219,634	239,164
State funded pension benefits.....	2,112,938	1,456,708
Total expenses.....	14,003,571	13,326,275
Change in net position.....	565,189	535,619
Net position - beginning.....	1,154,055	618,436
Net position - ending.....	\$ 1,719,244	\$ 1,154,055

The Collaborative's net position increased by \$565,000 in 2017 as compared to a \$536,000 increase in 2016. The increase is mainly related to the positive results at Waypoint Academy, the STAR Program and Transportation. This was also helped by a decrease in the OPEB liability of \$73,000.

Financial Analysis of the Governmental Funds

The focus of *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of the Collaborative's net resources available for spending at the end of the year.

At the end of the current year, governmental funds reported combined ending fund balances of \$3.3 million. The general fund balance increased by \$526,000. Nonmajor governmental funds increased slightly.

The general fund is the Collaborative's chief operating fund. At year end, fund balance in the general fund totaled \$3.3 million. This represents 22.0% of total general fund expenditures.

See financial highlights for additional information.

General Fund Budgetary Highlights

The Collaborative adopts an annual budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The original year 2017 approved budget for the general fund authorized \$12.5 million in appropriations. During the year, the original budget was increased to \$13.3 million.

See financial highlights for additional information.

Capital Asset and Debt Administration

The Collaborative's net capital assets totaled \$1.7 million as of June 30, 2017. The Collaborative capital purchases consisted of several new school busses and some office equipment. Depreciation expense in the amount of \$524,000 was recorded.

The Collaborative has several capital leases liabilities outstanding at year end, which totaled \$1.7 million.

Please refer to the Notes 4 and 7 of the basic financial statements for further discussion of the capital asset and debt activity.

Requests for Information

This financial report is designed to provide a general overview of the Cape Cod Collaborative's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Administrator, Cape Cod Collaborative, 418 Bumps River Road, Osterville, Massachusetts 02655.

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Basic Financial Statements

STATEMENT OF NET POSITION

JUNE 30, 2017

	Governmental Activities
ASSETS	
CURRENT:	
Cash and cash equivalents.....	\$ 2,778,781
Investments.....	340,268
Receivables, net of allowance for uncollectibles:	
Departmental and other.....	1,599,943
Prepaid expenses.....	24,570
Capital assets, net of accumulated depreciation.....	1,713,138
TOTAL ASSETS.....	6,456,700
LIABILITIES	
CURRENT:	
Accounts payable.....	308,300
Accrued liabilities.....	183,243
Accrued payroll.....	396,225
Capital lease obligations.....	387,121
NONCURRENT:	
Capital lease obligations.....	1,284,130
Other postemployment benefits.....	1,623,262
TOTAL LIABILITIES.....	4,182,281
DEFERRED INFLOWS OF RESOURCES	
Unearned revenue.....	555,175
NET POSITION	
Net investment in capital assets.....	41,887
Unrestricted.....	1,677,357
TOTAL NET POSITION.....	\$ 1,719,244

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2017

		<u>Program Revenues</u>			
<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Expense) Revenue</u>	
Primary Government:					
<i>Governmental Activities:</i>					
Waypoint Academy.....	\$ 2,708,063	\$ 2,767,318	\$ 5,470	\$ 64,725	
STAR Program.....	2,542,427	2,670,644	1,213	129,430	
Itinerant Services.....	1,038,043	985,697	-	(52,346)	
Transportation.....	5,134,902	5,515,997	-	381,095	
Professional Development & Executive Search.....	247,564	183,011	-	(64,553)	
Advanced Studies & Leadership Program.....	219,634	268,242	9,000	57,608	
State funded pension benefits.....	<u>2,112,938</u>	<u>-</u>	<u>2,112,938</u>	<u>-</u>	
Total Governmental Activities.....	\$ <u>14,003,571</u>	\$ <u>12,390,909</u>	\$ <u>2,128,621</u>	\$ <u>515,959</u>	

See notes to basic financial statements.

(Continued)

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2017

	Primary Government
	Governmental Activities
Changes in net position:	
Net (expense) revenue from previous page.....	\$ 515,959
<i>General revenues:</i>	
Other revenue.....	43,380
Unrestricted investment income.....	5,850
Total general revenues.....	49,230
Change in net position.....	565,189
<i>Net Position:</i>	
Beginning of year.....	1,154,055
End of year.....	\$ 1,719,244

(Concluded)

**GOVERNMENTAL FUNDS
BALANCE SHEET**

JUNE 30, 2017

	General	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS:			
Cash and cash equivalents.....	\$ 2,719,841	\$ 58,940	\$ 2,778,781
Investments.....	340,268	-	340,268
Receivables, net of uncollectibles:			
Departmental and other.....	1,599,943	-	1,599,943
Prepaid expenses.....	24,570	-	24,570
TOTAL ASSETS.....	\$ 4,684,622	\$ 58,940	\$ 4,743,562
LIABILITIES:			
Accounts payable.....	\$ 308,204	\$ 96	\$ 308,300
Accrued liabilities.....	183,243	-	183,243
Accrued payroll.....	396,225	-	396,225
Unearned revenue.....	527,626	27,549	555,175
TOTAL LIABILITIES.....	1,415,298	27,645	1,442,943
FUND BALANCES:			
Restricted.....	-	31,295	31,295
Committed.....	200,000	-	200,000
Unassigned.....	3,069,324	-	3,069,324
TOTAL FUND BALANCES.....	3,269,324	31,295	3,300,619
TOTAL LIABILITIES AND FUND BALANCE.....	\$ 4,684,622	\$ 58,940	\$ 4,743,562

See notes to basic financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TOTAL FUND BALANCES TO THE STATEMENT OF NET POSITION**

JUNE 30, 2017

Total governmental fund balances.....	\$ 3,300,619
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....	1,713,138
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Capital lease obligations.....	(1,671,251)
Other postemployment benefits.....	<u>(1,623,262)</u>
Net effect of reporting long-term liabilities.....	<u>(3,294,513)</u>
Net position of governmental activities.....	<u>\$ 1,719,244</u>

See notes to basic financial statements.

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2017

	General	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:			
Tuition.....	\$ 5,620,106	\$ -	\$ 5,620,106
Service revenue.....	1,255,216	-	1,255,216
Transportation.....	5,515,117	-	5,515,117
Other.....	27,036	-	27,036
Fees and rentals.....	-	-	-
Pension trust dividends.....	-	-	-
Licenses and permits.....	-	-	-
Fines and forfeitures.....	-	-	-
Supplemental services.....	-	-	-
Professional development.....	-	-	-
Special assessments.....	-	-	-
Intergovernmental - other.....	-	32,497	32,497
Intergovernmental - State provided pension benefits.....	2,112,938	-	2,112,938
Investment income.....	5,850	-	5,850
TOTAL REVENUES.....	14,536,263	32,497	14,568,760
EXPENDITURES:			
Current:			
Waypoint Academy.....	2,724,332	17	2,724,349
STAR Program.....	2,564,267	661	2,564,928
Itinerant Services.....	1,047,707	-	1,047,707
Transportation.....	5,917,247	-	5,917,247
Professional Development & Executive Search.....	247,701	524	248,225
Advanced Studies & Leadership Program.....	219,634	-	219,634
State funded pension benefits.....	2,112,938	-	2,112,938
TOTAL EXPENDITURES.....	14,833,826	1,202	14,835,028
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(297,563)	31,295	(266,268)
OTHER FINANCING SOURCES (USES):			
Capital lease financing.....	792,234	-	792,234
NET CHANGE IN FUND BALANCES.....	494,671	31,295	525,966
FUND BALANCES AT BEGINNING OF YEAR.....	2,774,653	-	2,774,653
FUND BALANCES AT END OF YEAR.....	\$ 3,269,324	\$ 31,295	\$ 3,300,619

See notes to basic financial statements.

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2017

Net change in fund balances - total governmental funds.....	\$	525,966
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay.....	792,234	
Depreciation expense.....	(524,187)	
Net effect of reporting capital assets.....		268,047

The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Capital lease financing.....	(792,234)	
Capital lease principal payments.....	490,438	
Net effect of reporting long-term debt.....		(301,796)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Net change in other postemployment benefits accrual.....		72,972
Change in net position of governmental activities.....	\$	565,189

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2017

	Other Postemployment Benefit Trust Fund
ASSETS	
CURRENT:	
Cash and cash equivalents.....	\$ 11,675
Investments.....	<u>767,624</u>
TOTAL ASSETS.....	<u>779,299</u>
NET POSITION	
Held in trust for other postemployment benefits and other purposes.....	\$ <u><u>779,299</u></u>

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2017

	Other Postemployment Benefit Trust Fund
<u>ADDITIONS:</u>	
Contributions:	
Employer contribution to the trust.....	\$ 180,000
Employer contribution to pay for OPEB benefits.....	38,813
Total contributions.....	218,813
Net investment income:	
Interest.....	74,784
TOTAL ADDITIONS.....	293,597
<u>DEDUCTIONS:</u>	
Administration.....	1,811
OPEB benefits.....	38,813
TOTAL DEDUCTIONS.....	40,624
CHANGE IN NET ASSETS.....	252,973
NET POSITION AT BEGINNING OF YEAR.....	526,326
NET POSITION AT END OF YEAR.....	\$ 779,299

See notes to basic financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Cape Cod Collaborative (the “Collaborative”) was formed by an agreement between the communities of Barnstable, Bourne, Brewster, Chatham, Eastham, Falmouth, Harwich, Mashpee, Nantucket, Orleans, Provincetown, Sandwich, Truro, Wareham, and Wellfleet, and the regional school districts of Cape Cod Tech, Dennis Yarmouth, Martha’s Vineyard, Nauset and Upper Cape Cod Tech, dated March 1, 1975, as amended April 20, 1993. The objectives of the Collaborative include jointly conducting educational programs which shall supplement and strengthen school programs for special needs students offered by the participating communities.

The Collaborative provides specialized services to its own programs and to programs operated directly by its members. In addition, it provides vocational, prevocational, behavioral intervention and development skills to the low incidence special needs population.

Governance of the Collaborative is vested in a 19 member Board of Directors (the “Board”) composed of one representative appointed by each member school committee. The Board appoints an Executive Director who is the chief operating official for the Collaborative and who reports directly to the Board.

The accompanying basic financial statements of the Collaborative have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles. The significant Collaborative accounting policies are described herein.

A. Reporting Entity

For financial reporting purposes, the Collaborative has included all funds, organizations, agencies, boards, commissions, and institutions. The Collaborative has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the Collaborative are such that exclusion would cause the basic financial statements to be misleading or incomplete. As required by GAAP, these basic financial statements present the Collaborative (the primary government) and its component units. The Collaborative has no component units that require inclusion in these basic financial statements.

The primary government consists of all funds and departments which provide various services including special education, occupational education, supplemental services, professional development and administrative. The Board and Executive Director are directly responsible for these activities.

B. Government-Wide and Fund Financial Statements***Government-Wide Financial Statements***

The government-wide financial statements (i.e., statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the primary government and its component units. *Governmental activities* are primarily supported by member assessments and intergovernmental revenue.

Fund Financial Statements

Separate financial statements are provided for governmental funds and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and displayed in a single column.

Major Fund Criteria

Major funds must be reported if the following criteria are met:

- If the total assets and deferred outflows, liabilities and deferred inflows, revenues, or expenditures/expenses of an individual governmental or enterprise fund are at least 10 percent of the corresponding element (assets, liabilities, etc.) for all funds of that category or type (total governmental or total enterprise funds), *and*
- If the total assets and deferred outflows, liabilities and deferred inflows, revenues, or expenditures/expenses of the individual governmental fund are at least 5 percent of the corresponding element for all governmental and enterprise funds combined.

Additionally, any other governmental fund that management believes is particularly significant to the basic financial statements may be reported as a major fund.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation*Government-Wide Financial Statements*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The statement of activities demonstrates the degree to which the direct expenses of a particular function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include the following:

- Charges to recipients who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment.
- Grants and contributions that are restricted to meeting the operational requirements of a particular function or segment.
- Grants and contributions that are restricted to meeting the capital requirements of a particular function or segment.

Other items not identifiable as program revenues are reported as general revenues.

The effect of interfund activity has been removed from the government-wide financial statements.

Fund Financial Statements

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences, claims and judgments which are recognized when the obligations are expected to be liquidated with current expendable available resources.

Investment income is susceptible to accrual. Other receipts and revenues become measurable and available when the cash is received and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria is met. Expenditure driven grants recognize revenue when the qualifying expenditures are incurred and all other grant requirements are met.

The following major governmental funds are reported:

The *general fund* is the primary operating fund. It is used to account for all financial resources, except those that are required to be accounted for in another fund.

The *nonmajor governmental funds* consist of other special revenue funds that are aggregated and presented in the *nonmajor governmental funds* column on the governmental funds financial statements. The following describes the general use of these fund types:

The *special revenue fund* is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than permanent funds or capital projects.

Fiduciary fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Fiduciary funds are used to account for assets held in a trustee capacity for others that cannot be used to support the governmental programs. The Collaborative does not currently have any funds that are required to be reported as fiduciary funds.

D. Cash and Investments*Government-Wide and Fund Financial Statements*

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition. Investments are carried at fair value.

E. Fair Value Measurements

The Collaborative reports required types of financial instruments in accordance with the fair value standards. These standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or valuation techniques) to determine fair value. Fair value standards also require the government to classify these financial instruments into a three-level hierarchy, based on the priority of inputs to the valuation technique or in accordance with net asset value practical expedient rules, which allow for either Level 2 or Level 3 depending on lock up and notice periods associated with the underlying funds.

Instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Quoted prices are available in active markets for identical instruments as of the reporting date. Instruments, which are generally included in this category, include actively traded equity and debt securities, U.S. government obligations, and mutual funds with quoted market prices in active markets.

Level 2 – Pricing inputs are other than quoted in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Certain fixed income securities, primarily corporate bonds, are classified as Level 2 because fair values are estimated using pricing models, matrix pricing, or discounted cash flows.

Level 3 – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation.

In some instances the inputs used to measure fair value may fall into different levels of the fair value hierarchy and is based on the lowest level of input that is significant to the fair value measurement.

Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. It is reasonably possible that change in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in these financial statements. For more information on the fair value of the Collaborative's financial instruments, see Note 2 – Cash and Investments.

F. Accounts Receivable

Government-Wide and Fund Financial Statements

The recognition of revenue related to accounts receivable reported in the government-wide financial statements and fiduciary funds financial statements are reported under the accrual basis of accounting. The recognition of revenue related to accounts receivable reported in the governmental funds financial statements are reported under the modified accrual basis of accounting.

Departmental and Other

Departmental and other receivables consist of various benefit payments which are under agreement with current and former employees to reimburse the Collaborative and tuition payments receivable from other Collaborative's for special education services provided.

Intergovernmental

Various federal and state grants for operating and capital purposes are applied for and received annually. For non-expenditure driven grants, receivables are recorded as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, receivables are recorded when the qualifying expenditures are incurred and all other grant requirements are met.

These receivables are considered 100% collectible and therefore do not report an allowance for uncollectibles.

G. Inventories*Government-Wide and Fund Financial Statements*

Inventories are recorded as expenditures at the time of purchase. Such inventories are not material in total to the government-wide and fund financial statements, and therefore are not reported.

H. Capital Assets*Government-Wide Financial Statements*

Capital assets, which include equipment, furniture and fixtures, and vehicles, are reported in the government-wide financial statements. Capital assets are recorded at historical cost, or at estimated historical cost, if actual historical cost is not available. Donated capital assets are recorded at the estimated fair market value at the date of donation.

All purchases and construction costs in excess of \$5,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

Capital assets are depreciated on a straight-line basis. The estimated useful lives of capital assets are as follows:

<u>Capital Asset Type</u>	<u>Estimated Useful Life</u>
Office equipment and furniture.....	5 years
Leasehold improvements.....	10 years
School buses.....	3-7 years

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized and are treated as expenses when incurred. Improvements are capitalized.

Governmental Fund Financial Statements

Capital asset costs are recorded as expenditures in the acquiring fund in the year of the purchase.

I. Deferred Outflows/Inflows of Resources*Government-Wide Financial Statements (Net Position)*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The Collaborative did not have any elements that qualify for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Collaborative did not have any elements that qualify for reporting in this category.

Government Fund Financial Statements

In addition to liabilities, the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents amounts that have been recorded in the governmental fund financial statements but the revenue is not available and so will not be recognized as an inflow of resources (revenue) until it becomes available. The Collaborative did not have any items that qualify for reporting in this category.

J. Interfund Receivables and Payables

During the course of its operations, transactions occur between and within individual funds that may result in amounts owed between funds.

Fund Financial Statements

Transactions of a buyer/seller nature between and within funds are not eliminated from the individual fund statements. Receivables and payables resulting from these transactions are classified as "Due from other funds" or "Due to other funds" on the balance sheet.

Government-Wide Financial Statements

Transactions of a buyer/seller nature between and within governmental funds are eliminated from the governmental activities in the statement of net position.

K. Interfund Transfers

During the course of its operations, resources are permanently reallocated between and within funds. These transactions are reported as transfers in and transfers out.

Government-Wide Financial Statements

Transfers within governmental funds are eliminated from the governmental activities in the statement of activities.

Fund Financial Statements

Transfers between and within funds are *not* eliminated from the individual fund statements and are reported as transfers in and transfers out.

L. Net Position and Fund Equity*Government-Wide Financial Statements (Net Position)*

Net position reported as "net investment in capital assets" includes capital assets, net of accumulated depreciation, less the principal balance of outstanding debt used to acquire capital assets. Unspent proceeds of capital related debt are not considered to be capital assets.

Net position is reported as restricted when amounts are not available for appropriation or are legally restricted by outside parties for a specific future use.

Sometimes the Collaborative will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Collaborative's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Financial Statements (Fund Balances)

Governmental fund balances are classified as nonspendable, restricted, committed, assigned, or unassigned based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The governmental fund balance classifications are as follows:

“Nonspendable” fund balance includes amounts that cannot be spent because they are either not in spendable form or they are legally or contractually required to be maintained intact.

“Restricted” fund balance includes amounts subject to constraints placed on the use of resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or that are imposed by law through constitutional provisions or enabling legislation.

“Committed” fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority.

“Assigned” fund balance includes amounts that are constrained by the Collaborative's intent to be used for specific purposes, but are neither restricted nor committed.

“Unassigned” fund balance includes the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

The Collaborative's spending policy is to spend restricted fund balance first, followed by committed, assigned and unassigned fund balance. Most governmental funds are designated for one purpose at the time of their creation. Therefore, any expenditure from the fund will be allocated to the applicable fund balance classifications in the order of the aforementioned spending policy. The general fund and certain other funds may have more than one purpose.

M. Long-term debt

Government-Wide Financial Statements

Long-term debt is reported as liabilities in the government-wide statement of net position. Material bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

Governmental Fund Financial Statements

The face amount of governmental funds long-term debt is reported as other financing sources. Bond premiums and discounts, as well as issuance costs, are recognized in the current period. Bond premiums are reported as other financing sources and bond discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual bond proceeds received, are reported as administrative expenditures.

N. Investment Income

Investment income derived from major and nonmajor governmental funds is legally assigned to the general fund unless otherwise directed by Massachusetts General Law (MGL).

O. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of both the Massachusetts State Employee Retirement System and the Massachusetts Teachers Retirement System and additions to/deductions from the Systems fiduciary net position have been determined on the same basis as they are reported by the Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

P. Compensated Absences

Employees are granted vacation and sick leave in varying amounts based on collective bargaining agreements, state laws and executive policies.

Government-Wide Financial Statements

Vested or accumulated vacation and sick leave are reported as liabilities and expensed as incurred.

Governmental Fund Financial Statements

Vested or accumulated vacation and sick leave, which will be liquidated with expendable available financial resources, are reported as expenditures and fund liabilities upon maturity of the liability.

Q. Use of Estimates*Government-Wide and Fund Financial Statements*

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets and liabilities at the date of the basic financial statements and the reported amounts of the revenues and expenditures/expenses during the year. Actual results could vary from estimates that were used.

R. Total Column*Government-Wide Financial Statements*

The total column presented on the government-wide financial statements represents consolidated financial information.

Fund Financial Statements

The total column on the fund financial statements is presented only to facilitate financial analysis. Data in this column is not the equivalent of consolidated financial information.

NOTE 2 – CASH AND INVESTMENTS

A cash and investment pool is maintained that is available for use by all funds. Each fund type's portion of this pool is displayed on the balance sheet as "Cash and Cash Equivalents". The deposits and investments of trust funds are held separately from those of other funds.

Statutes authorize the investment in obligations of the U.S. Treasury, agencies, and instrumentalities, certificates of deposit, repurchase agreements, money market accounts, bank deposits and the State Treasurer's Investment Pool (Pool). In addition, there are various restrictions limiting the amount and length of deposits and investments.

The Pool meets the criteria of an external investment pool. The Pool is administered by the Massachusetts Municipal Depository Trust (MMDT), which was established by the Treasurer of the Commonwealth who serves as Trustee. The fair value of the position in the Pool is valued at amortized cost.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Collaborative's deposits may not be returned to it. The Collaborative does not have a formal deposit policy for custodial credit risk.

At year-end, the carrying amount of deposits totaled \$561,133 and the bank balance totaled \$1,339,792. Of that amount \$265,972 was covered by Federal Depository Insurance and \$1,073,820 was uncollateralized.

Investments

The Collaborative holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the Collaborative's mission, the Collaborative determines that the disclosures related to these investments only need to be disaggregated by major type. The Collaborative chooses a tabular format for disclosing the levels within the fair value hierarchy.

The following table presents financial assets at June 30, 2017, that the Collaborative measures fair value on a recurring basis, by level, within the fair value hierarchy:

Investment Type	June 30, 2017	Fair Value Measurements Using		
		Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Other investments:</u>				
Equity Securities.....	\$ 448,597	\$ 448,597	\$ -	\$ -
Fixed Income Mutual Funds.....	659,295	659,295	-	-
Money Market Mutual Funds.....	<u>2,229,323</u>	<u>2,229,323</u>	<u>-</u>	<u>-</u>
Total investments measured at fair value.....	\$ 3,337,215	\$ 3,337,215	\$ -	\$ -

Equity Securities, Fixed Income Mutual Funds and Money Market Mutual Funds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of a failure by the counterparty, the entity will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. Of the Collaborative's investments, \$1,107,892 of equity securities and fixed income securities are exposed to custodial credit risk because the related securities are uninsured, unregistered and held by the counterparty.

The money market mutual funds of \$2,229,323 are fully collateralized.

The Collaborative does not have a formal investment policy for custodial credit risk.

Interest Rate Risk

Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect the fair value of the Collaboratives' investments. The Collaborative does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The Collaborative has not adopted a formal policy related to Credit Risk.

Concentration of Credit Risk

The Collaborative places no limit on the amount the government may invest in any one issuer.

NOTE 3 – RECEIVABLES

At June 30, 2017, receivables for the individual major and non-major governmental funds in the aggregate are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Departmental and other.....	\$ 1,599,943	\$ -	\$ 1,599,943

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017 was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
<u>Capital assets being depreciated:</u>				
School buses.....	\$ 5,332,569	\$ 792,234	\$ -	\$ 6,124,803
Leasehold improvements.....	202,892	-	-	202,892
Office equipment and furniture.....	28,868	-	-	28,868
Total capital assets being depreciated.....	5,564,329	792,234	-	6,356,563
<u>Less accumulated depreciation for:</u>				
School buses.....	(3,988,208)	(497,106)	-	(4,485,314)
Leasehold improvements.....	(121,734)	(20,289)	-	(142,023)
Office equipment and furniture.....	(9,306)	(6,782)	-	(16,088)
Total accumulated depreciation.....	(4,119,248)	(524,177)	-	(4,643,425)
Total capital assets being depreciated, net.....	\$ 1,445,081	\$ 268,057	\$ -	\$ 1,713,138

All depreciation expense was charged to Transportation in 2017.

NOTE 5 – INTERFUND TRANSFERS

Inter-fund transfers can occur between the general fund and nonmajor funds. There were no such transfers in 2017.

NOTE 6 – PREPAID TUITION

Member communities are allowed to prepay a portion of the next year's tuition. At June 30, 2017, the Collaborative had received \$555,000 of prepaid tuition from member communities.

NOTE 7 – CAPITAL LEASES

The Collaborative has entered into non-cancelable long-term lease agreements for the purchase of busses. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The following identifies the assets acquired through capital lease agreements:

<u>Asset:</u>	
School buses.....	\$ 6,124,803
Less: accumulated depreciation.....	<u>(4,485,315)</u>
Total.....	<u>\$ 1,639,488</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2017 were as follows:

<u>Year</u> <u>Ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018.....	\$ 387,121	\$ 31,863	\$ 418,984
2019.....	324,917	21,967	346,884
2020.....	322,773	17,507	340,280
2021.....	306,188	10,679	316,867
2022.....	217,674	4,781	222,455
2023.....	105,324	1,178	106,502
2024.....	<u>7,254</u>	<u>12</u>	<u>7,266</u>
	<u>\$ 1,671,251</u>	<u>\$ 87,987</u>	<u>\$ 1,759,238</u>

Related interest expense for the year ended June 30, 2017 was \$38,057.

Changes in Long-term Liabilities

During the year ended June 30, 2017, the following changes occurred in long-term liabilities:

	<u>Balance</u> <u>June 30,</u> <u>2016</u>	<u>Additions</u>	<u>Retirements</u> <u>and Other</u>	<u>Balance</u> <u>June 30,</u> <u>2017</u>	<u>Current</u> <u>Portion</u>
Capital Lease Obligation.....	\$ 1,369,455	\$ 792,235	\$ (490,439)	\$ 1,671,251	\$ 387,121
Other Postemployment Benefits.....	<u>1,696,234</u>	<u>145,841</u>	<u>(218,813)</u>	<u>1,623,262</u>	<u>-</u>
Total.....	<u>\$ 3,065,689</u>	<u>\$ 938,076</u>	<u>\$ (709,252)</u>	<u>\$ 3,294,513</u>	<u>\$ 387,121</u>

NOTE 8 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

The Collaborative has adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The intention of the GASB is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the Collaborative's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources.

GASB 54 provides for two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund.

In addition to the nonspendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- Restricted: fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- Committed: fund balances that contain self-imposed constraints of the government from its highest level of decision making authority.
- Assigned: fund balances that contain self-imposed constraints of the government to be used for a particular purpose.
- Unassigned: fund balance of the general fund that is not constrained for any particular purpose.

The Collaborative has classified its fund balances with the following hierarchy:

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balances			
Restricted for:			
Art & Music.....	\$ -	\$ 665	\$ 665
Advanced Studies & Leadership Program.....	-	5,275	5,275
Garden Fund.....	-	65	65
Preschool Expansion.....	-	25,290	25,290
Committed to:			
Construction project.....	200,000	-	200,000
Unassigned.....	<u>3,069,324</u>	<u>-</u>	<u>3,069,324</u>
Total Fund Balances.....	<u>\$ 3,269,324</u>	<u>\$ 31,295</u>	<u>\$ 3,300,619</u>

NOTE 9 – RISK FINANCING

The Collaborative is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Collaborative carries commercial insurance. Settlement claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

The Collaborative participates in premium-based health care plans for its employees and retirees.

NOTE 10 – PENSION PLAN*Plan Descriptions*

The Collaborative is a member of the Massachusetts State Employees' Retirement System (MSERS), a public employee retirement system that administers a cost-sharing multi-employer defined benefit plan covering substantially all employees of the Commonwealth and certain employees of the independent authorities and agencies. The MSERS is part of the Commonwealth's reporting entity and the audited financial report may be obtained by visiting <http://www.mass.gov/osc/publications-and-reports/financial-reports/>.

The Collaborative is also a member of the Massachusetts Teachers' Retirement System (MTRS), a cost-sharing multi-employer defined benefit plan. MTRS is managed by the Commonwealth of Massachusetts (Commonwealth) on behalf of municipal teachers and municipal teacher retirees. The Commonwealth is a nonemployer contributor and is responsible for 100% of the contributions and future benefit requirements of the MTRS. The MTRS covers certified teachers in cities (except Boston), towns, regional school districts, charter schools, educational collaboratives and Quincy College. The MTRS is part of the Commonwealth's reporting entity and the audited financial report may be obtained by visiting <http://www.mass.gov/osc/publications-and-reports/financial-reports/>.

Special Funding Situations

The Commonwealth is a nonemployer contributor and is required by statute to make 100% of all actuarially determined employer contributions on behalf of the Collaborative's teachers and retired teachers to the MTRS. Therefore, the Collaborative is considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributor in MTRS. Since the Collaborative does not contribute directly to MTRS, the Collaborative does not have a net pension liability. The total of the Commonwealth provided contributions have been allocated based on each employer's covered payroll to the total covered payroll of employers in MTRS as of the measurement date of June 30, 2016. The Collaborative's portion of the collective pension expense, contributed by the Commonwealth, of \$976,150 is reported in the general fund as intergovernmental revenue and pension expense in the current fiscal year. The portion of the Commonwealth's collective net pension liability associated with the Collaborative is \$9,569,480 as of the measurement date.

A special funding situation was created by Massachusetts General Laws for all educational collaboratives in the Commonwealth. Collaboratives contribute amounts equal to the normal cost of non-teaching employees' benefits at a rate established by the Public Employees' Retirement Administration Commission (PERAC), currently 5.6% of covered payroll. Legally, the Collaboratives are only responsible for contributing the annual normal cost of their employees' benefits (i.e., the present value of the benefits earned by those employees in any given year) and are not legally responsible for the past service cost attributable to those employees or

previously retired employees of the Collaboratives. Therefore, the Collaborative does not have a net pension liability. The Collaborative's required contribution to MSERS equaled its actual contribution for the year ended December 31, 2016 was \$185,163.

The Commonwealth as a nonemployer is legally responsible for the entire past service cost related to the non-teaching employees' of the Collaboratives and therefore has a 100% special funding situation. The total of the Commonwealth provided contributions are allocated based on each employer's covered payroll to the total covered payroll of employers in MSERS as of the measurement date of June 30, 2016. The Collaborative's portion of the collective pension expense, contributed by the Commonwealth, of \$1,136,788 is reported as intergovernmental revenue and pension expense in the current fiscal year. The portion of the Commonwealth's collective net pension liability associated with the Collaborative is \$8,185,506 as of the measurement date.

Benefits Provided

Both Systems provide retirement, disability, survivor and death benefits to plan members and beneficiaries. Massachusetts Contributory Retirement System benefits are, with certain minor exceptions, uniform from system to system. The System provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For persons who became members on or after

April 2, 2012, average salary is the average annual rate of regular compensation received during the five consecutive years that produce the highest average, or, if greater, during the last five years (whether or not consecutive) preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification. Members become vested after ten years of creditable service.

Employees who resign from service and who are not eligible to receive a retirement allowance or are under the age of 55 are entitled to request a refund of their accumulated total deductions. Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

Cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth's state law during those years are borne by the Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the Board and are borne by the System.

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description – The Collaborative administers a single-employer defined benefit healthcare plan (the "Plan"). The Plan provides lifetime healthcare insurance for eligible retirees and their spouses through the Collaborative's group health insurance plan, which covers both active and retired members. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions of the plan. Benefit provisions are negotiated between the Collaborative and the unions representing Collaborative employees and are renegotiated each bargaining period. The Plan does not issue a publicly available financial report.

Funding Policy – Contribution requirements are also negotiated between the Collaborative and union representatives. The required contribution is based on a pay-as-you-go financing requirement. The Collaborative contributes 50 percent of the cost of only medical insurance premiums for eligible retired plan members and their spouses. Plan members receiving benefits contribute the remaining portion of their premium costs. For 2017, contributions totaled approximately \$219,000.

The Commonwealth of Massachusetts passed special legislation that has allowed the Collaborative to establish a postemployment benefit trust fund and to enable the Collaborative to begin pre-funding its OPEB liabilities. The Trust is managed by the Board of Trustees whose are authorized to manage the Trust in accordance with the Trust Agreement.

The annual money-weighted rate of return on OPEB plan investments was 5.09%. The money-weighted rate of return expresses investment performance, net of OPEB plan investment expense, adjusted for the changing amounts actually invested.

Plan Membership - The following represents the Plan's membership at June 30, 2017:

Active members.....	152
Inactive members currently receiving benefits.....	<u>7</u>
Total.....	<u>159</u>

Components of OPEB Liability – Components of the other postemployment benefits liability as of June 30, 2017, were as follows:

Total OPEB liability.....	\$ 1,377,465
Less: OPEB plan's fiduciary net position.....	<u>779,299</u>
Net OPEB liability.....	<u><u>\$ 598,166</u></u>

The OPEB plan's fiduciary net position
as a percentage of the total OPEB liability..... 56.57%

Significant Actuarial Assumption – The total other postemployment benefit liability in the July 1, 2016, actuarial valuation was determined using the following actuarial assumptions:

Valuation date.....	July 1, 2016
Actuarial cost method.....	Entry Age Normal
Investment rate of return.....	7.5% net of investment expenses, including inflation
Healthcare cost trend rate.....	8.0% for 2016; decreasing .05% per year to an ultimate rate of 5% for 2022 and later years
Pre-Retirement Mortality - General Employees.....	RP-2014 Blue Collar Mortality Table, base year 2014, projected with generational improvement using Scale M-2016 and set forward one year for females
Post-Retirement Mortality - General Employees.....	RP-2014 Health Annuitant Blue Collar Mortality Table, base year 2014, projected with generational improvement using Scale M-2016 and set forward one year for females
Pre-Retirement Mortality - Teachers.....	RP-2014 Employees Mortality Table, base year 2014, projected with generational mortality improvement using Scale BB

Investment policy

The OPEB plan's assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the OPEB plan. The long-term real rate of return on OPEB investments was determined using the Collaborative's investment policy.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real of returns (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return of by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The Plan's expected future real rate of return of 4.5% is added to the expected inflation of 3.0% to produce the long-term expected nominal rate of return of 7.5%. Best estimates of geometric real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2017 are summarized in the following table.

<u>Asset Class</u>	<u>Long-Term Expected Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equities.....	54.00%	9.00%
U.S. Government and Agencies.....	20.00%	1.03%
Fixed Income.....	25.00%	3.61%
Cash and equivalents.....	1.00%	0.00%
Total Asset Allocation.....	100.00%	

Sensitivity of the net position liability to changes in the discount rate – The following presents the net other postemployment benefit liability, calculated using the discount rate of 7.5%, as well as what the net other postemployment benefit liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5%) or 1-percentage-point (8.5%) than the current rate.

	<u>1% Decrease (6.50%)</u>	<u>Current Discount (7.50%)</u>	<u>1% Increase (8.50%)</u>
Total OPEB liability.....	\$ 1,612,980	\$ 1,377,465	\$ 1,188,953
Less: Plan fiduciary net position.....	(779,299)	(779,299)	(779,299)
Net OPEB liability.....	\$ <u>833,681</u>	\$ <u>598,166</u>	\$ <u>409,654</u>

Sensitivity of the net position liability to changes in the healthcare trend – The following presents the net other postemployment benefit liability, calculated the healthcare trend rate if it was 1-percentage-point lower or 1-percentage-point higher than the current rate of 8% year one decreasing to 5%.

	<u>1% Decrease</u>	<u>Current Trend</u>	<u>1% Increase</u>
Total OPEB liability.....	\$ 1,155,114	\$ 1,377,465	\$ 1,677,285
Less: Plan fiduciary net position.....	(779,299)	(779,299)	(779,299)
Net OPEB liability.....	\$ <u>375,815</u>	\$ <u>598,166</u>	\$ <u>897,986</u>

Annual OPEB Cost and Net OPEB Obligation – The School's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The components of the School's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the School's net OPEB obligation are summarized in the following table:

Annual required contribution.....	\$ 136,483
Interest on existing net OPEB obligation.....	67,849
Adjustments to annual required contribution.....	<u>(58,491)</u>
Annual OPEB cost/expense.....	145,841
Contributions made.....	<u>(218,813)</u>
Increase/(Decrease) in net OPEB obligation.....	(72,972)
Net OPEB obligation - beginning of year.....	<u>1,696,234</u>
Net OPEB obligation - end of year.....	<u>\$ 1,623,262</u>

The Collaborative's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 and two preceding years was as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2017	\$ 145,841	150.0%	\$ 1,623,262
6/30/2016	342,465	71.5%	1,696,234
6/30/2015	327,738	54.9%	1,696,234

Funded Status and Funding Progress – As of July 1, 2016, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$1,227,422, of which \$779,299 was funded. The covered payroll (annual payroll of active employees covered by the plan) was \$6,423,123, and the ratio of the UAAL to the covered payroll was 10.3%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the

employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2016, actuarial valuation, actuarial liabilities were determined using the projected unit credit costs method. The actuarial assumptions included a 4.0% investment return assumption, which is based on the expected yield on the assets of the School, calculated based on the funded level of the plan at the valuation date, and an annual medical/ drug cost trend rate of 11% initially, graded to 5% over 8 years and included a 2.5% inflation assumption. The UAAL is being amortized over a 30 year period, with amortization payments increasing 4.0% per year. The remaining amortization period as of July 1, 2016 is 23 years.

NOTE 12 – CONTINGENCIES

Various legal actions and claims are pending against the Collaborative. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2017 cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2017.

NOTE 13 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 8, 2017, which is the date the financial statements were available to be issued.

NOTE 14 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2017, the following GASB pronouncements were implemented:

- GASB Statement #74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The basic financial statements, related notes and required supplementary information were updated to be in compliance with this pronouncement.
- GASB Statement #77, *Tax Abatement Disclosures*. This pronouncement did not impact the basic financial statements.
- GASB Statement #78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. This pronouncement did not impact the basic financial statements.
- GASB Statement #80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement #14*. This pronouncement did not impact the basic financial statements.
- GASB Statement #82, *Pension Issues – an amendment of GASB Statements #67, #68, and #73*. The basic financial statements and related notes were updated to be in compliance with this pronouncement.

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which is required to be implemented in 2018.

- The GASB issued Statement #81, *Irrevocable Split-Interest Agreements*, which is required to be implemented in 2018.
- The GASB issued Statement #83, *Certain Asset Retirement Obligations*, which is required to be implemented in 2019.
- The GASB issued Statement #84, *Fiduciary Activities*, which is required to be implemented in 2020.
- The GASB issued Statement #85, *Omnibus 2017*, which is required to be implemented in 2018.
- The GASB issued Statement #86, *Certain Debt Extinguishment Issues*, which is required to be implemented in 2018.
- The GASB issued Statement #87, *Leases*, which is required to be implemented in 2021.

Management is currently assessing the impact the implementation of these pronouncements will have on the basic financial statements.

Required Supplementary Information

General Fund Budgetary Comparison Schedule

The General Fund is the general operating fund of the Collaborative. It is used to account for all the financial resources, except those required to be accounted for in another fund.

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual Budgetary Amounts	Variance to Final Budget
REVENUES:				
Tuition.....	\$ 5,833,972	\$ 5,765,254	\$ 5,620,106	\$ (145,148)
Service revenue.....	1,412,600	1,334,200	1,255,216	(78,984)
Transportation.....	4,445,857	5,405,390	5,515,117	109,727
Other.....	50,000	-	27,036	27,036
Investment income.....	-	-	5,850	5,850
TOTAL REVENUES.....	11,742,429	12,504,844	12,423,325	(81,519)
EXPENDITURES:				
Waypoint Academy.....	2,828,901	2,828,849	2,724,332	104,517
STAR Program.....	2,769,065	2,729,347	2,564,267	165,080
Itinerant Services.....	1,196,733	1,051,749	1,047,707	4,042
Transportation.....	5,195,857	6,155,390	5,983,991	171,399
Professional Development & Executive Search.....	235,071	224,525	247,701	(23,176)
Advanced Studies & Leadership Program.....	266,802	264,984	219,634	45,350
TOTAL EXPENDITURES.....	12,492,429	13,254,844	12,787,632	467,212
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(750,000)	(750,000)	(364,307)	385,693
OTHER FINANCING SOURCES (USES):				
Capital lease financing.....	750,000	750,000	792,234	42,234
NET CHANGE IN FUND BALANCES.....	-	-	427,927	427,927
FUND BALANCES AT BEGINNING OF YEAR.....	1,471,942	1,471,942	1,471,942	-
FUND BALANCES AT END OF YEAR.....	\$ 1,471,942	\$ 1,471,942	\$ 1,899,869	\$ 427,927

See notes to required supplementary information.

Collaborative Pension Plan Schedules

The Schedule of the Special Funding Amounts of the Net Pension Liability for the Massachusetts State Employees Retirement System presents multi-year trend information on the liability and expense assumed by the Commonwealth of Massachusetts on behalf of the Collaborative along with related ratios.

The Schedule of the Special Funding Amounts of the Net Pension Liability for the Massachusetts Teachers Retirement System presents multi-year trend information on the liability and expense assumed by the Commonwealth of Massachusetts on behalf of the Collaborative along with related ratios.

The Schedule of Collaborative's Contributions presents multi-year trend information on the Collaborative's required and actual contributions to the pension plan and related ratios.

These schedules are intended to present information for ten years. Until a ten year trend is compiled, information is presented for those years for which information is available.

**SCHEDULE OF THE SPECIAL FUNDING AMOUNTS
OF THE NET PENSION LIABILITY
MASSACHUSETTS STATE EMPLOYEES' RETIREMENT SYSTEM**

The Collaborative's teachers and retired teachers pensions are covered under the Massachusetts Teachers Retirement System while all other employees and retirees are covered under the Massachusetts State Employees Retirement System. This schedule only reports on the nonteacher employees and retirees covered under the Massachusetts State Employees Retirement System.

A special funding situation was created by Massachusetts General Laws for all educational collaboratives in the Commonwealth. Collaboratives contribute amounts equal to the normal cost of employees' benefits at a rate established by PERAC, currently 5.6% of covered payroll. Legally, the collaboratives are only responsible for contributing the annual normal cost of their employees' benefits (i.e., the present value of the benefits earned by those employees in any given year) and are not legally responsible for the past service cost attributable to those employees or previously retired employees of the collaboratives. The Commonwealth as a nonemployer is legally responsible for the entire past service cost related to the collaboratives and therefore has a 100% special funding situation. Since the collaborative does not contribute directly to MSERS for the past service cost, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the collective net pension liability that is associated with the collaborative; the portion of the collective pension expense as both a revenue and pension expense recognized by the collaborative; and the Plan's fiduciary net position as a percentage of the total liability.

<u>Fiscal Year</u>	<u>Commonwealth's 100% Share of the Net Pension Liability Associated with CCC</u>	<u>CCC's Expense and Revenue Recognized for the Commonwealth's Support</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Liability</u>
2017..... \$	8,185,506	\$ 1,136,788	63.48%
2016.....	6,641,623	741,921	55.38%
2015.....	4,442,707	315,923	61.64%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

**SCHEDULE OF THE SPECIAL FUNDING AMOUNTS
OF THE NET PENSION LIABILITY
MASSACHUSETTS TEACHERS' RETIREMENT SYSTEM**

The Collaborative's teachers and retired teachers pensions are covered under the Massachusetts Teachers Retirement System while all other employees and retirees are covered under the Massachusetts State Employees Retirement System. This schedule only reports on the teacher and retired teachers covered under the Massachusetts Teachers' Retirement System.

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding situation. Since the collaborative does not contribute directly to MTRS, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the collective net pension liability that is associated with the collaborative; the portion of the collective pension expense as both a revenue and pension expense recognized by the collaborative; and the Plan's fiduciary net position as a percentage of the total liability.

<u>Fiscal Year</u>		<u>Commonwealth's 100% Share of the Net Pension Liability Associated with the CCC</u>	<u>CCC's Expense and Revenue Recognized for the Commonwealth's Support</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Liability</u>
2017.....	\$	9,569,480	\$ 976,150	52.73%
2016.....		8,812,686	714,787	55.38%
2015.....		7,495,802	520,769	61.64%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

SCHEDULE OF CONTRIBUTIONS
MASSACHUSETTS STATE EMPLOYEES' RETIREMENT SYSTEM

A special funding situation was created by Massachusetts General Laws for all educational collaboratives in the Commonwealth. Collaboratives contribute amounts equal to the normal cost of employees' benefits at a rate established by PERAC, currently 5.6% of covered payroll. Legally, the collaboratives are only responsible for contributing the annual normal cost of their employees' benefits (i.e., the present value of the benefits earned by those employees in any given year) and are not legally responsible for the past service cost attributable to those employees or previously retired employees of the collaboratives. The Commonwealth as a nonemployer is legally responsible for the entire past service cost related to the collaboratives and therefore has a 100% special funding situation. Since the collaborative does not contribute directly to MSERS for the past service cost, there is no net pension liability to recognize. This schedule discloses the collaborative's required and actual contribution for the normal cost; covered payroll; and contributions recognized by the pension plan in relation to the covered payroll.

<u>Fiscal Year</u>	<u>CCC's Statutory Required and Actual Contribution for Normal Cost</u>	<u>CCC's Covered Payroll</u>	<u>The Amount of Contributions Recognized by the Pension Plan in Relation to the Covered Payroll</u>
2017.....	\$ 185,163	\$ N/A	N/A
2016.....	186,458	N/A	N/A
2015.....	177,775	N/A	N/A

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

Other Postemployment Benefits Plan Schedules

The Schedule of Changes in the Collaborative's Net Other Postemployment Benefit Liability presents multi-year trend information on the School's net other postemployment benefit liability and related ratios.

The Schedule of the School's Contributions presents multi-year trend information on the Collaborative's actual contributions to the other postemployment benefit plan and related ratios.

The Schedule of Investment Return presents multi-year trend information on the money-weighted investment return on other postemployment assets, net of investment expense.

The Schedule of Funding progress compares, over time, the actuarial accrued liability for benefits with the actuarial value of accumulated plan assets.

The Schedule of Actuarial Methods and Assumptions presents factors that significantly affect the identification of trends in the amounts reported.

**SCHEDULE OF CHANGES IN THE
COLLABORATIVE'S NET OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

June 30, 2017

Total OPEB Liability

Service Cost.....	\$ 91,399
Interest.....	97,457
Changes of benefit terms.....	-
Differences between expected and actual experience.....	-
Changes of assumptions.....	-
Benefit payments.....	(38,813)
Net change in total OPEB liability.....	150,043
Total OPEB liability- beginning.....	1,227,422
Total OPEB liability- ending (a).....	1,377,465

Plan fiduciary net position

Contributions- employer	\$ 218,813
Net investment income.....	31,908
Benefit payments.....	(38,813)
Net change in plan fiduciary net position.....	211,908
Plan fiduciary net position- beginning.....	567,391
Plan fiduciary net position- ending (b).....	\$ 779,299

Collaborative's net OPEB liability- ending (a)-(b)..... \$ **598,166**

Plan fiduciary net position as a percentage of the
total OPEB liability..... 56.57%

Covered-employee payroll..... 6,423,123

Collaborative's net OPEB liability as a percentage of
covered-employee payroll..... 9.31%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years
for which information is available.

See notes to required supplementary information.

SCHEDULE OF COLLABORATIVE CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFIT PLAN

	<u>June 30, 2017</u>
Actuarially determined contribution.....	\$ 136,483
Contributions in relation to the actuarially determined contribution.....	<u>(218,813)</u>
Contribution deficiency (excess).....	<u>\$ (82,330)</u>
Covered-employee payroll.....	\$ 6,423,123
Contributions as a percentage of covered- employee payroll.....	3.41%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for
which information is available.

See notes to required supplementary information.

SCHEDULE OF INVESTMENT RETURNS
OTHER POSTEMPLOYMENT BENEFIT PLAN

June 30, 2017

Annual money-weighted rate of return, net of investment expense.....	5.09%
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The annual money-weighted rate of return has been calculated by the Pension Reserves Investment Management Board (PRIM).

Note: This schedule is intended to present information for 10 years. Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

OTHER POSTEMPLOYMENT BENEFIT PLAN
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS

JUNE 30, 2017

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Entry Age Normal (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
7/1/2014	\$ 187,356	\$ 2,449,018	\$ 2,261,662	7.65%	\$ 5,918,408	38.2%
7/1/2011	-	1,724,811	1,724,811	0%	6,001,866	28.7%
7/1/2009	-	1,726,831	1,726,831	0%	6,614,918	26.1%

Schedule of Employer Contributions

Year Ended	Annual Required Contribution	Actual Contributions Made	Percentage Contributed
6/30/2017	\$ 136,483	\$ 218,813	160.3%
6/30/2016	319,242	244,954	76.7%
6/30/2015	327,738	180,000	54.9%

See notes to required supplementary information.

OTHER POSTEMPLOYMENT BENEFIT PLAN
ACTUARIAL METHODS AND ASSUMPTIONS

YEAR ENDED JUNE 30, 2017

Actuarial Methods:

Valuation date.....	July 1, 2016
Actuarial cost method.....	Entry Age Normal
Amortization method.....	Amortization payments increasing at 4.0% over 28 years on a closed amortization period
Remaining amortization period.....	28 years
Asset valuation method.....	Market Value
Investment rate of return.....	7.5% per annum
Inflation rate.....	3.0% per annum
Medical/drug cost trend rate.....	8.0% graded to 5% over 7 years

Plan Membership:

Current retirees, beneficiaries, and dependents...	7
Current active members.....	<u>152</u>
Total.....	<u><u>159</u></u>

See notes to required supplementary information.

NOTE A – BUDGETARY BASIS OF ACCOUNTING**A. Budgetary Information**

The Collaborative adopts a balanced budget that is approved by the Collaborative's Board of Directors. The Business Administrator presents an annual budget to the Board, which includes estimates of revenues and other financing sources and recommendations of expenditures and other financing uses. The Board, which has the full authority to amend and/or reject the budget or any line item, adopts the expenditure budget by majority vote. Increases to the budget subsequent to the approval of the annual budget require majority Board approval.

The majority of appropriations are non-continuing which lapse at the end of each year. Others are continuing appropriations for which the governing body has authorized that an unspent balance from a prior year be carried forward and made available for spending in the current year. These carry forwards are included as part of the subsequent year's original budget.

The Collaborative adopts an annual budget for the general fund in conformity with the guidelines described above. The original 2017 approved budget for the general fund authorized approximately \$12.5 million in appropriations. During 2017, the original budget was increased by approximately \$762,000, primarily for transportation, STAR program, and Itinerant services.

The Business Administrator has the responsibility to ensure that budgetary control is maintained. Budgetary control is exercised through the accounting system.

B. Budgetary - GAAP Reconciliation

For budgetary financial reporting purposes, a budgetary basis of accounting is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the general fund for the year ended June 30, 2017, is presented below:

Net change in fund balance, budgetary basis.....	\$ 427,927
<u>Basis of accounting differences:</u>	
Recognition of revenue for on-behalf pension payments.....	976,150
Recognition of expenditures for on-behalf pension payments.....	(976,150)
Recognition of revenue for capital leases.....	792,234
Recognition of expenditures for capital leases.....	(792,234)
Net change in recording accrued expenditures.....	<u>66,744</u>
Net change in fund balance, GAAP basis.....	<u><u>\$ 494,671</u></u>

NOTE B – PENSION PLAN***Pension Plan Schedules*****A. Schedule of Collaborative's Contributions**

A special funding situation was created by Massachusetts General Laws for all Educational Collaboratives in the Commonwealth. Collaboratives contribute amounts equal to the normal cost of non-teaching employees' benefits at a rate established by the Public Employees' Retirement Administration Commission (PERAC), currently 5.6% of covered payroll. Legally, the collaboratives are only responsible for contributing the annual normal cost of their

employees' benefits (i.e., the present value of the benefits earned by those employees in any given year) and are not legally responsible for the past service cost attributable to those employees or previously retired employees of the Collaboratives.

B. Schedules of the Special Funding Amounts of the Net Pension Liabilities

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the Collaborative which create two special funding situations.

- The MSERS schedule discloses the Commonwealth's 100% share of the collective net pension liability that is associated with the Collaborative; the portion of the collective pension expense as both revenue and pension expense recognized by the Collaborative; and the Plan's fiduciary net position as a percentage of the total liability.
- The MTRS schedule discloses the Commonwealth's 100% share of the collective net pension liability that is associated with the Collaborative; the portion of the collective pension expense as both revenue and pension expense recognized by the Collaborative; and the Plan's fiduciary net position as a percentage of the total liability.

NOTE C – OTHER POSTEMPLOYMENT BENEFITS

The Collaborative administers a single-employer defined benefit healthcare plan (the "Other Postemployment Benefit Plan"). The plan provides lifetime healthcare for eligible retirees through the Collaborative's health insurance plan, which covers both active and retired members.

The Collaborative currently finances its other postemployment benefits (OPEB) on a pay-as-you-go basis. As a result, the funded ratio (actuarial value of assets expressed as a percentage of the actuarial accrued liability) is 0%. In accordance with Governmental Accounting Standards, the Collaborative has recorded its OPEB cost equal to the actuarial determined annual required contribution (ARC) which includes the normal cost of providing benefits for the year and a component for the amortization of the total unfunded actuarial accrued liability of the plan.

Schedule of the School's Proportionate Share of the Net Other Postemployment Benefit Liability

The Schedule of the School's Proportionate Share of the Net Other Postemployment Benefit Liability details the net other postemployment benefit liability (asset) and the covered employee payroll. It also demonstrates the net position as a percentage of the total liability and the net other postemployment benefit liability as a percentage of covered payroll.

Schedule of the School's Contributions

The Schedule of the School's Contributions includes the School's annual required contribution, along with the contribution made in relation to the actuarially determined contribution and the covered employee payroll. The School is not required to fully fund this contribution. It also demonstrates the contributions as a percentage of covered payroll.

Schedule of Investment Return

The Schedule of Investment Return includes the money-weighted investment return on other postemployment assets, net of investment expense.

Schedule of Funding Progress

The Schedule of Funding Progress presents multiyear trend information which compares, overtime, the actuarial accrued liability for benefits with the actuarial value of accumulated plan assets.

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The Schedule of Employer Contributions presents multiyear trend information for required and actual contributions relating to the plan.

The Schedule of Actuarial Methods and Assumptions presents factors that significantly affect the identification of trends in the amounts reported.

Changes in Assumptions

- Mortality tables changed
- Discount rate changed from 4% to 7.5%
- Change in funding method from Projected Unit Credit to Entry Age Normal

Other Information

REQUIRED DISCLOSURES FOR MASSACHUSETTS EDUCATIONAL COLLABORATIVES

The following information is provided to conform with the requirements of the Massachusetts Session Law, Chapter 43 of the Acts of 2012: An Act Relative to Improving Accountability and Oversight of Education Collaboratives. This law was adopted in March of 2012 and constitutes a comprehensive amendment Massachusetts General Law, Chapter 40, Section 4E which establishes the requirements for the formation and administration of Educational Collaboratives in Massachusetts.

NOTE 1 – TRANSACTIONS BETWEEN THE EDUCATIONAL COLLABORATIVE AND ANY RELATED FOR-PROFIT OR NON-PROFIT ORGANIZATION

There are no related organizations that the Collaborative is associated with and therefore no transactions to report.

NOTE 2 – TRANSACTIONS OR CONTRACTS RELATED TO THE PURCHASE, SALE, RENTAL, OR LEASE OF REAL PROPERTY

The following are transactions that qualify for reporting in this category:

Osterville Campus - Town of Barnstable.....	\$	80,976
Bourne Campus - Town of Bourne.....		121,464
Camp Burgess facility - South Shore YMCA.....		60,000
Pocasset maintenance facility - Chipper LLC.....		<u>33,833</u>
	\$	<u><u>296,273</u></u>

NOTE 3 – NAMES, DUTIES, AND TOTAL COMPENSATION OF THE FIVE MOST HIGHLY COMPENSATED EMPLOYEES

The following employees were the five highest compensated employees for the period ended June 30, 2017:

<u>Name</u>	<u>Employee Position</u>	<u>Salary</u>
Paul Hilton	Executive Director	\$ 151,436
Lawrence Carroll	Director of Waypoint Academy	116,564
Anita Woods	Director of STAR Program	117,415
Amy Lipkind	Business Manager	93,180
Linda Dillon	Occupational Therapist	96,757

NOTE 4 – AMOUNTS EXPENDED ON ADMINISTRATION AND OVERHEAD

For the year ended June 30, 2017, the Collaborative expended \$482,719 and \$275,036 for amounts related to administration and overhead, respectively.

NOTE 5 – ACCOUNTS HELD BY THE COLLABORATIVE THAT MAY BE SPENT AT THE DISCRETION OF ANOTHER PERSON OR ENTITY

At June 30, 2017, there were no accounts that qualified for reporting in this category.

NOTE 6 – AMOUNTS EXPENDED ON SERVICES FOR INDIVIDUALS WITH DISABILITIES, 22 YEARS OF AGE OR OLDER

At June 30, 2017, there were no expenditures that qualified for reporting in this category.

NOTE 7 – CERTIFIED CUMULATIVE SURPLUS

Certified Cumulative Surplus is defined as the amount of general fund surplus in the collaborative accounts, as certified through an independent audit. Cumulative surplus is derived from a collaborative's unexpended general funds over a number of fiscal years. General funds are for the most part, the funds that a collaborative receives from school districts for tuitions, dues, fees for service, surcharges and related interest, as well as indirect costs allowed under certain grant awards not earmarked under the conditions of the funding for a specific purpose.

As of June 30, 2017, the Collaborative's general fund unassigned fund balance totaled \$3,069,324. This amount does not exceed the limit of 25% of general fund expenditures for the year.

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Report on Internal Control Over Financial Reporting and on Compliance



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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

Independent Auditor's Report

To the Board of Directors
Cape Cod Collaborative
Osterville, Massachusetts

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Cape Cod Collaborative (the Collaborative), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Collaborative's basic financial statements, and have issued our report thereon dated November 8, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Collaborative'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Collaborative's internal control. Accordingly, we do not express an opinion on the effectiveness of the Collaborative's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

A handwritten signature in black ink that reads "Powers & Sullivan LLC". The signature is written in a cursive, flowing style.

November 8, 2017



Cape Cod Collaborative