



# Annual Report 2018-2019

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 2017-2018 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

## **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**

**2018-2019**

Barbara Dunn	Barnstable Public Schools
Christopher Hyldburg	Bourne Public Schools
Jessica Larsen	Brewster Public Schools
Scott McGee	Cape Cod Regional Technical
Phillip Morris (Andrea St. Germain – May)	Dennis-Yarmouth Regional
Judy Lindahl, Vice-Chair	Eastham Public Schools
John Furnari, Chair	Falmouth Public Schools
Lisa Reagan	Martha’s Vineyard Regional
Nicole Bartlett	Mashpee Public Schools
Joe Auciello (January –) Steven Craffey (thru December)	Monomoy Regional Schools
Dr. Timothy Lepore	Nantucket Public Schools
Robert Jacobus (September –) Judith Schumacher (thru August)	Nauset Regional Schools
Hank Schumacher	Orleans Public Schools
No member appointed	Provincetown Public Schools
Sherri Erikson	Sandwich Public Schools
Drew Locke	Truro Public Schools
Robert Fichtenmayer	Upper Cape Cod Regional Technical
Michael Flaherty	Wareham Public Schools
Jill Putnam	Wellfleet Public Schools
<b>Treasurer</b>	William Friel

**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.*

<b><u>Cape Cod &amp; Islands Superintendents</u></b>	<b><u>2018-2019</u></b>
Dr. Meg Mayo-Brown	Barnstable Public Schools
Steven Lamarche	Bourne Public Schools
Robert Sanborn	Cape Cod Regional Technical
Carol A Woodbury	Dennis-Yarmouth Regional
Dr. Lori Deurr	Falmouth Public Schools
Dr. Matthew D’Andrea	Martha’s Vineyard Regional
Patricia DeBoer	Mashpee Public Schools
Dr. 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

**Cape Cod & Islands Special Education Directors 2018-2019**

Dr. Jane Jezard	Barnstable Public Schools
Craig Davidson, Interim	Bourne Public Schools
Kate Clemens	Cape Cod Regional Technical
Maria Lopes	Dennis-Yarmouth Regional
Dr. Joan Woodward	Falmouth Public Schools
Hope MacLeod (8-12) Nancy Dugan (PK-8)	Martha's Vineyard Regional
Jaime Curley	Mashpee Public Schools
Melissa Maguire	Monomoy Regional
Michele Brady	Nantucket Public Schools
Dr. Ann Caretti	Nauset Regional (including Brewster, Eastham, Orleans, & Wellfleet)
Jeff Slater	Provincetown Public Schools
Marilyn Vrontas	Sandwich Public Schools
Stephanie Costigan	Truro Public Schools
Mark Dufresne	Upper Cape Cod Technical
Melissa Fay	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-              (10 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.

#### **2018-2019 Program Directors**

- Dr. Anita Woods                Director of Special Education Programs (2001)
- Christina Caputo               Assist. Director of Special Education Programs (July 2018)
- Amy Lipkind                    Business Manager (2016)
- Anders Erikson                 Operations Manager (June 2019)
- Dr. Joseph Gilbert              Special Projects (2003)
- Dr. Christopher Bogden        Special Projects (2017)
- Lisa Stobbart                    Transportation (2014)





Paul C. Hilton  
*Executive Director*

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## CAPE COD COLLABORATIVE

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December 2019

Our (eighth) 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 2018-2019 School (& Fiscal) Year.

Our FY2018 annual report continued to remind us of our commitment to *collaboration and adaptation*.

Throughout the 2018-2019 Fiscal Year, the Collaborative facilitated discussions and hosted presentations regarding the changing demographics throughout the region. Peter Francese, and economic demographer, facilitated many of these sessions culminating with a discussion with stakeholders throughout the region, including legislators, at a Legislative Breakfast in February 2019. It is anticipated that these conversations will continue throughout the 2019-2020 Fiscal/School Year and involve an increasing group of stakeholders.

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.

- Several long term staff who left the Collaborative after many years of dedicated service to the students and families served by the Collaborative include: Karen Craddock (18 years); Gil Newton (14 years); Rodney Weston (14 years), Maura Kelley (13 years), Claudette Schneider (11 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 2018-2019 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 2018-2019 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).

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 2019 Fiscal/School Year.

***Bridgewater State University - Continued Off Campus Programming***

An agreement continued to allow 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 occurred over the course of two years (three fiscal years) and were available to Collaborative staff and to employees of member school districts at a reduced rate made possible by this agreement. The final session of the initial “cohort” was completed in May 2018.

***Career and Vocational Technical Education Partnership Planning Grant***

The Cape Cod Collaborative and Upper Cape Cod Regional Technical School developed a proposal for a 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 develop and support this grant proposal. The grant has 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 are accessible for students at the Collaborative Waypoint Academy program and students within the comprehensive high schools in the region. A teacher and two assistants were assigned to this initiative. Instruction for Waypoint Academy students began in the late fall of 2017 and expanded to students from other school districts in early 2018. Students from Dennis, Yarmouth, Monomoy and Falmouth participated in the 2018-2019 School Year.

***Annual Legislative Breakfast***

The Annual Cape Cod Collaborative Legislative Breakfast occurred on February 8<sup>th</sup>. The focus of this Legislative Breakfast was regarding the demographic changes throughout the region. Peter Francese, an economic demographer who has facilitated discussions in the region during the past decade, presented information regarding demographic trends and facilitated discussion regarding the topic. This event was co-sponsored by the Massachusetts Association of School Committees Division VII. 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 these issues and how they impact districts throughout the region.

***Southeastern Massachusetts Regional Collaborative Organization***

The Cape Cod Collaborative continued to be one of the eight 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 had 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, although less often, 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 has served on the MA-DCF Area Board since 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 to investigate options and discuss solutions to meet the “unfunded liability” of the MSERS and will be submitting information for consideration for future legislation

***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 grant supported 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. Dr. Magdalene Giffune continued to provide support services to local districts throughout Calendar Year. A full-day Conference was held June 27, 2018 at the Sea Crest in Falmouth with participating school districts. The Collaborative coordinated an application to secure additional funding through the Peter & Elizabeth Tower Foundation to continue this work. The Collaborative was awarded over \$191,000 to continue this work throughout Calendar Years 2019, 2020 & 2021.

## Cape Cod Collaborative Public Day School Programs 2018-2019



Cape Cod Collaborative runs two public day schools: The STAR Program in Osterville and Waypoint Academy in Sandwich. During the 2018-2019 school year, there was an administrative transition to a Director of Special Education Programs, Anita Woods (formerly the Program Director for STAR Program) and an Assistant Director of Special Education Programs, Christina Caputo overseeing both schools. Ms. Caputo joined the Team in July 1, 2018. Together with the Program Coordinators, Julia Bryant/STAR and Melissa Goldstein/Waypoint, the Team worked to improve alignment between the programs related to policies and procedures. Dr. Woods and Ms. Caputo participated in all components of both programs and coordinated communications between districts, families and staff.

### STAR Program –Osterville Public Day Program 2018-2019

The Cape Cod Collaborative Osterville-STAR Program continued to operate as a Public Day School in Osterville for a ninth year. The STAR Program continued to be fully approved by the Department of Elementary & Secondary Education. The Goals for the Osterville-STAR Program during the 2018-2019 School Year continued to focus on key areas involving Student Learning, Professional Culture, and Family & Community Engagement.

STAR enrollment (September 2018) began at 55 students and the year closed out at 59 students (June 2019). 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 enrollment at the STAR program supported **69 students** during the 2018-2019 school year. The home districts of these students included:



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**Member Districts**

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

**Non-Member Districts**

Duxbury  
Plymouth  
Silver Lake

During the 2018-2019 School Year, **50 inquiries** for programming were received for the STAR Program:

<b>Enrolled in Collaborative</b>	<b>Supported in District(s)</b>	<b>Other</b>
<b>17</b> Enrolled @ STAR	<b>17</b> maintained with added support (or other arrangements)	<b>2</b> Enrolled in Other Collaboratives
<b>2</b> started in ESY 2019	<b>10</b> “parent inquiries” directed back to district (IEP Process)	<b>1</b> More Restrictive Setting (residential or hospitalized)
		<b>1</b> Moved prior to placement

The programs of the Cape Cod Collaborative continue to reflect the needs expressed by the students, families and districts throughout the region. The STAR Program provides exceptional services for many students as a Public Day School. 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 2018-2019 School Year, **10** students were transitioned out of the STAR Program. In June 2019, at the close of school an additional **7** students were transitioned. Six (**6**) additional students transitioned at the close of ESY 2019:

**Returned to District Programming**

**10** students

**Transitioned to Waypoint Academy**

**1** students

**Transitioned to other day program**

**3** students

**Transitioned to public school**

**(school choice) 1** student

**Transitioned to Residential Setting**

**4** students

**Transitioned to Home Programming**

**2** students

**& 1 student moved off-Cape and/or out of state**

**Turned age 22 to adult services**

**1** student

**CCC STAR Friendship Garden** continues to be an integrated experience for the students at the STAR Program. Occupational and Physical therapies integrate goals through a functional approach to accessing natural environments and generalizing skills. The social and communicative experience allows for increasing vocabulary, problem solving and social cooperative endeavors. The multi-sensory experience allows for access to all students. In the

summer, we use our harvest for salads for our Thursday lunches. The school has also participated in collaboration with the Cape Cod Challenger Club, a food composting program.

Some students also participated at the **Camp Burgess Farm** in Sandwich to build skills and participate in community support. They work in the community garden as well as tend to some of the animals (goats, rabbits, chickens, etc.).

The **Long Pasture Audubon Program** continued their collaboration with the STAR Program providing 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. The experience of “being scientists” and learning about Cape Cod’s environment are wonderful opportunities.

**Extended School Year Program:** The 2018 extended school year program provided many enriching activities for language, social and motor opportunities for **52 students**. 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 2018-2019 school year:**

Students participated in weekly art classes led 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 continued with a weekly music therapy group coordinated with Tones in Motion. One mini-grant (focused upon science activities) was received through the Cape Cod Five Foundation.

Students participated in other Cape-wide activities such as a Best Buddies dance held at Monomoy High School, Special Olympics at Mashpee HS and a Cape-wide concert sponsored by the Cape Cod Symphony at the Barnstable Arts Center.

The high school vocational groups did community outings to Stop and Shop, the Osterville Library, a local nursery, and out to practice our social skills at local restaurants.

In collaboration with Waypoint Academy, students participated in helping to coordinate a food program providing free groceries to both staff and family. Through the generosity and facilitation of the Falmouth Service Center, students work to help sort, assemble, and deliver the bags to go home.

Dr. Marc Hauser continued to provide consultation and feedback to STAR administrative and teaching staff to enhance the reliability and consistency of data collection in order to better use evidence to assess student progress. The connection was a combination of student learning goals, professional learning goals, Individual Education Plan goals and school-wide break, time-out and restraint data. Discussions on methodologies for data collection are focused on looking at not only the accuracy of student response, but also the levels of support students require to be successful.

Cape Cod Collaborative STAR Program implemented a new training program through the QBS, Inc. (Quality Behavioral Solutions to Complex Behaviors Problems) called *Safety Care*. Administration staff (Director, Assistant Director, Program Coordinator) along with two teachers and a social worker were trained as trainers in de-escalation and restraint procedures. “Safety-Care™ Behavioral Safety Training program provides the skills and competencies necessary to effectively prevent, minimize, and manage behavioral challenges with dignity, safety and the possibility of change.”

### **Family Events**

Families are encouraged to participate in their child’s school experience. A **Parent Advisory Group** (PAG) is offered monthly for input to programs and services. In October, an open house was held inviting families to hear teachers’ goals and plans for the school year. In November, a student assembly and family luncheon was held the Tuesday before Thanksgiving. It continues to be our most attended event each year with over 70% of our students having a family member, friend or guardian attend. This year with staff, students and guests, we served over 160 lunches. A March luncheon was also held. This lunch was preceded by a student demonstration with Amy from Tones in Motion, our music program. In May, many of our families accompanied students to the Special Olympics held at Mashpee High School. In June, our annual family day was held which allows families time to socialize with other families and with staff and students. In June, STAR made a school-wide trip to the Buttonwood Zoo.

The STAR-Osterville Program has continued to share facilities and opportunities with the Cape Cod Challenger Club. They have been a great partner.

Julia Bryant, Program Coordinator together with teachers, paraprofessionals, social worker, school nurse, therapists, custodial & cafeteria staff and staff at the front desk continue to demonstrate their dedication and professionalism to all the students and their families participating in the STAR Program.

**Cost Effectiveness** –The Osterville-STAR Program had a daily tuition rate of \$264 during the 2018-2019 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 tuitions for various private school programs offers some perspective regarding the efficiency of the Program. The Program serves 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.



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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 (\$264/day – \$47,608/year) for FY2019 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 (\$264/day) is considerably lower than an average tuition of \$352/day (\$63,337/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)

<b>Medically Fragile:</b>		<b>Emotional Impairment:</b>		<b>Autism &amp; Intellectual:</b>	
STAR	\$264	STAR	\$264	STAR	\$264
BC Campus	\$459	Walker	\$413/678	Higashi	\$354
Schwartz	\$256	St. Vincent's	\$274	May	\$416/496/533
Perkins	\$556/\$683/\$679	Chamberlain	\$280	Cushing	\$353/\$351
				NECC	\$526

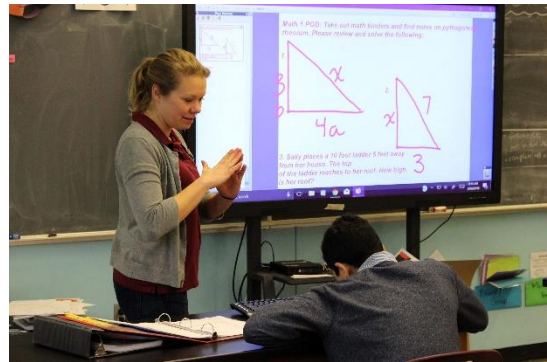
## Cape Cod Collaborative Waypoint Academy Public Day Program 2018 – 2019



Waypoint Academy continued to be approved by the Department of Elementary and Secondary Education as a Public Day School in Sandwich, MA. The Goals for Waypoint Academy during the 2018-2019 School Year continued to focus on key areas involving Student Learning, Professional Culture, and Family & Community Engagement

Waypoint accepts and provides services for students on a “rolling” or on-going basis. The principles of “*Trauma Sensitive Schools*” are integral to the practices of staff throughout the program. 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. 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 or enter the workforce.

Waypoint enrollment (September 2018) began at 48 students and ended (June 2019) at a count of 60 students. This program continues to offer an effective alternative education program for students in a cost-efficient manner. Some students attend close enough to their home district allowing 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.



The programming and the enrollment at Waypoint Academy supported 70 students, during the 2018-2019 school year. The home districts of Waypoint students included:

### Member Districts

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

### Non-member districts

Boston  
Bridgewater-Raynham  
Fairhaven  
Fall River  
Marshfield  
Middleboro  
New Bedford  
Plymouth  
Scituate  
Silver Lake

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During the 2018-2019 School Year, **70 inquiries** for alternative education programming were received for Waypoint Academy:

**Enrolled in Collaborative**  
**28** enrolled @ Waypoint  
**1** started at STAR  
**2** FY20 start

**Supported in District(s)**  
**28** maintained with added support (or other arrangements made)  
**4** “parent inquiries” directed back to district (IEP Process)

**Enrolled in Other Collaboratives**  
**5**  
**Moved prior to placement**  
**2**

During 2018-2019 school year, **11** students transitioned out of Waypoint Academy; one (1) student met graduation requirements in January 2019. In June 2019, **12** students transitioned at the close of school; Six (6) of those meeting graduation requirements. Two (**2**) additional students were discharged at the close of ESY 2019.

**7 met graduation** requirements of their home district  
**5 moved** off-Cape or out of state  
**3 returned to district programming**

**2** transitioned to **another Collaborative** or day program  
**8** were **terminated** by their sending district for various reasons

Waypoint Academy serves the needs of students who are require services beyond those 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 has full-time clinicians on staff who promote interventions for building confidence, self-esteem, individual responsibility, social awareness, (executive function) organization and cognitive development. The highly specialized, intensely structured educational environment 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 their individual needs.

**Technology:** Technology is used at the Academy to not only support instruction but also to inform the program regarding changing student needs. Throughout the 2018-2019 school year, databases regarding student achievement and progress were continually refined (and maintained). These databases assist to inform the program staff regarding student performance and behaviors, including both the individual and the group dynamics.

The program has continued to add technology to support the program’s specialized instructional needs, including additional computer workstations as well as Promethean Interactive Screens and Chromebooks.



***During the 2018-2019 school year:***

Dr. Marc Hauser continued to provide consultation and feedback to Waypoint administrative, clinical and teaching staff to enhance the reliability and consistency of data collection in order to better use evidence to assess student progress. Dr. Hauser worked with the clinical staff to enhance their summary reports with data being collected. He also worked with the teaching staff on ways to improve the writing of measurable IEP goals and linking that to their data systems already in place at Waypoint. Discussions on methodologies for data collection focused on the concept of not only looking at the accuracy of student response, but also the levels of support students require was introduced.

Cape Cod Collaborative Waypoint Academy implemented a new training program through the QBS, Inc. (Quality Behavioral Solutions to Complex Behaviors Problems) call Safety Care. Administration staff (Director, Assistant Director, Program Coordinator) along with two teachers were trained as trainers in de-escalation and restraint procedures. “Safety-Care™ Behavioral Safety Training program provides the skills and competencies necessary to effectively prevent, minimize, and manage behavioral challenges with dignity, safety and the possibility of change.”

Two educational mini grants were received from the Cape Cod Five Foundation for projects related to science and art activities.

***Camp Burgess:*** The Camp Burgess classroom experience continued to be a source of motivation and investment for many of our students. Students participated in outings to Camp Burgess as an extension of classroom instruction. This setting also promotes applied learning of the academic and instructional content through participation in activities such as the integrated farm and forestry programming. 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 periodically throughout the school year.

***Extended School Year:*** Students designated through their IEP who are enrolled in Waypoint Academy may participate in programmatic services during the months of July and August. Of

the 29 students expected to attend the 2018 ESY program, 23 participated. The primary goal of these educational activities is to prevent regression of prior learning and promote social-cooperative learning.

**Graduation:** Waypoint Academy had seven (7) students that met the graduation requirements from their home district. Four of the graduates attended a dinner held in their honor by Waypoint staff at Camp Burgess in Sandwich with their families. Some also participated in their home district graduation ceremonies.

**Vocational Group:** The Upper Cape Cod Regional Vocational Technical School and the Cape Cod Collaborative have worked with Cape district partners to develop a strand of Vocational/Technical Education (Building and Property Maintenance) through Career Vocational and Technical Education (CVTE) grant. This program continued in 2018-2019 with students from Falmouth and Dennis-Yarmouth Regional schools. Seniors from Waypoint also had an opportunity for participation in this program.

Ms. Goldstein, Waypoint Academy Program Coordinator together with teachers, paraprofessionals, clinical staff, LPN, therapists, custodial & cafeteria staff and staff at the front desk continue to demonstrate their dedication and professionalism to all the students and their families participating in Waypoint Academy.

**Cost Effectiveness** –Waypoint Academy operated during the 2018-2019 School Year with a daily tuition rate of \$238/\$260 & \$280 per day. The tuition rate is differentiated based upon projected enrollment. Member (and sometimes non-member) districts have purchased “committed” slots (\$238) 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 (\$260/day). The other tuitions (non-committed slots @ \$280/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 those provided for 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 (\$238/\$260 & \$280 per day – \$42,787, \$46,781& \$50,477/year) for FY2019 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 \$352/day (\$63,337/year) for Private Day Education Programs in Massachusetts. Each

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district (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	\$237/\$260 & \$280 ( <i>average of \$259</i> )
St. Vincent's	\$274
Chamberlain	\$280
Franklin Perkins	\$308
Home for Little Wanderers	\$330/359
Southeast Alternative/Anchor	\$274
Private Day Average	\$352



## ***Special Projects***

The Collaborative supports member (and non-member) school districts through “special project” initiatives. Dr. Joseph Gilbert and Dr. Christopher Bogden lead and coordinate many of the activities associated with these “special projects”.

### ***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. 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 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 2018 (FY2019)**

In the Summer of 2011 (early FY2012), one thousand dollar (\$1,000) scholarship grants were initially funded by National Grid were awarded to students on Cape Cod. For the Summer of 2018 (FY2019), National Grid continued their scholarship commitment to ASLP. Massachusetts Maritime Academy has continued to ensure 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 2018 the ASLP band again received rave reviews.

#### ASLP Staff Support

The ASLP Program continued to be an exceptional program, a program in which each of the districts takes great pride. Mr. Gil Newton (retired STEM Academy Principal, Sandwich) and Mr. Rodney Weston (a retired 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.

Gil Newton and Rod Weston served the program exceptionally for fourteen years. They both elected to retire after the close of the Summer 2018 ASLP Session.

Mr. Stephen Kelleher and Mr. John Muldoon assumed their responsibilities in planning and guiding the activities in preparation for ASLP Summer 2019.

Mr. Kelleher had previously taught a class at the program and his two (2) daughters had attended the program. He additionally serves as the Deputy Commandant and Dean of Students at Massachusetts Maritime Academy.

Mr. Muldoon has served as the Assistant Director of Student Services at Massachusetts Maritime Academy and has coached school sports teams throughout the region.

#### 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 Rear Admiral Francis McDonald and Captain/ Vice President Elizabeth Simmons have been integral to the continual success of this program.

President Rear Admiral Dr. McDonald has been indispensable in the continuity of ASLP and was integral to the development of the program with Dr. Joseph Gilbert in 2005.

The aforementioned grants from National Grid are possible through the ongoing 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. The graduation on July 14<sup>th</sup> was attended by hundreds of relatives and friends of the participants.*

## ***Professional Development***

### ***All-Cape In-Service***

The Cape Cod Collaborative established a regionally coordinated professional development day in 2004. Each of the districts have held their own 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 FY19 All-Cape In-Service occurred on October 5, 2018.

Numerous workshops were offered. Most workshops were hosted on the campuses of the Dennis-Yarmouth and Mashpee High Schools.

A decreased number of districts and early childhood 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 average cost per participant for the October 2018 All-Cape In-Service was approximately \$65 (\$25 for early childhood participants).*

### ***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

Through discussions with these groups, the need for Sheltered English Immersion (SEI) course development was identified. The Collaborative continues to offer "for cost" SEI Endorsement courses through a partnership with the South Shore Educational Collaborative. Additional courses were planned for the fall of 2019.



### **Summer 2018**

The Collaborative hosted ***IEP Boot Camp***, which attracted 40 special educators over four days in June and August, and featured regional speaker and facilitator Carol Kosnitsky.

### **September 2018**

The Collaborative purchased the necessary hardware and software subscription to make any Collaborative hosted class or meeting available through videoconference. To date, this technology has been employed at a CCC board meeting, Curriculum Administrators meetings and workshops, and Business Officials' meetings.

### **October 2018**

Two Research for Better Teaching courses were offered through the Collaborative attracting 50 local educators, ***Analyzing Teaching for Student Results*** (for administrators and teacher leaders) and ***Studying Skillful Teaching: Promoting Motivation, Learning, and Achievement*** (for teachers). Educators who complete these courses are awarded 3 graduate credits through Fitchburg State University.

More than 70 teachers enrolled in three sections of ***Sheltered English Immersion (SEI)*** endorsement courses, two in Falmouth and one in Barnstable.

### **January 2019**

The Collaborative hosted a presentation at the Sandwich High School auditorium by DESE's Michelle Ryan on the new History and Social Science Frameworks, more than 100 regional educators attended.

A fourth section of ***Sheltered English Immersion (SEI)*** endorsement course began in January and ran through March.

### **March 2019**

The Collaborative was able to provide teachers at Upper Cape Tech a SEI course tailored to meet the professional development needs of the educators from this school.

### ***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). 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.
- The Collaborative has continued to plan workshops to include early childhood education providers (private and public) for each All-Cape In-Service. These offerings are well attended each year, and offer an opportunity for high quality professional development as well as collegial support to these providers throughout the region.

***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 FY19, an increasing number of students from member districts actively participated in Inclusive Concurrent programming at Cape Cod Community College.

***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, now coordinated by Dr. Chris Bogden, is supporting districts accessing the Center for Executive Search.

The Center, through Dr. Patricia Grenier and Dr. Bogden and Mr. Hilton, developed proposals for member and non-member districts to consider as they determined the Superintendent Search process.

***Cape Cod Global Education Initiative CCGEI***

Through the Collaborative’s partnership with Boston Ivy, the opportunities for Cape and Islands, educators and students has continued to evolve and expand:

**July 2018**

Four teachers from Bourne, Sandwich and Mashpee went to China for 10 days in to conduct professional development activities for Chinese teachers and students.

**September 2018**

Two Chinese students, who graduated from Wareham High School in June 2018, began their studies in the fall semester of 2018 and the spring semester of 2019 at Suffolk and Bentley University respectively.

**December 2018**

A group of Chinese middle school students were hosted for a week by Monomoy Middle School.

**January 2019**

A Dennis-Yarmouth teacher joined a group of Needham educators to conduct professional development activities for Chinese Teachers in Beijing.

**February 2019**

A group of Chinese Middle School students were hosted for a week by Dennis-Yarmouth Regional High School.

**April 2019**

Thirteen students from Sandwich Middle/High School visited Beijing and the Daxing School District, staying in the homes of Chinese students, many of whom had previously visited Cape Cod schools.

### ***Virtual High School***

The Collaborative continued to coordinate a consortium of school districts for Virtual High School (VHS). In FY2019, the nine (9) districts continued to provide expanded programming for students through accessing 250+ “seats” within this highly lauded program. The continued collaboration of the districts provides significant opportunities for quality educational programming along with significant savings and efficiencies for the participating districts.

### ***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 school 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 continued as the Transportation Manager position throughout FY19. She managed all Collaborative transportation services, including a growing team of drivers, monitors, dispatchers and mechanics, in providing service to students and districts throughout the region.

The Transportation Department continued to become more closely integrated with the Collaborative Business Operations in FY19. The future (continued) growth in this area will necessitate further cross-discipline coordination between the Transportation and Business Administration departments. In June 2019, the Collaborative hired an Operations Manager, Anders Erikson, whose primary duties are to assist and oversee Transportation operations for managing continued growth and provision of services.

During FY19 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 gave 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, the Mashpee Public Schools in 2009, the Bourne Public Schools in 2017, and the Nauset Public Schools starting in July 2018. Nauset’s District and Regional School committees elected to pursue the provision of Collaborative operated transportation services with anticipated savings of approximately \$200,000 as compared to renewal of their transportation contract(s).

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The Collaborative has provided this service to these five (5) districts (or nine districts, counting each of the Nauset town's elementary school districts) throughout FY19. (The Nauset Regional consists of a regional middle and high school, with a superintendency union for four elementary school districts.) Discussions have continued with additional districts deliberating upon establishing a partnership with the Collaborative to meet their student transportation needs.



Discussions with the Monomoy Regional School District culminated with a formalized agreement in March 2019 for the Collaborative to provide large bus and in-district special needs transportation beginning in July 2019. The Collaborative completed a procurement for twenty-one (21) buses to support the provision of these services. The Collaborative was asked to enter into discussions when Monomoy received no responsive “bidders” to their RFP process. It is anticipated that Collaborative pricing will provide the Monomoy Regional School District with cost savings.

General education (large bus) service 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 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 FY19 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 have 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 FY19, 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 student’s 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***

Five member districts have worked with the Collaborative to manage their large school bus transportation needs on a “cost plus 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. (Additionally, the geographic area has limited competition for these services.) 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 continue to seek the services of the Collaborative for their large bus transportation needs as the cost savings can be realized.

In the Spring of 2019, the Collaborative convened district business administrators and transportation managers to discuss methods to address current and evolving challenges associated with school transportation. A meeting was facilitated by Mr. Rich Labrie of Public Management Associates. Mr. Labrie guided a discussion regarding the identification of challenges with school transportation, especially the recruiting and maintaining of school bus drivers. This group is expected to reconvene to discuss strategies and propose methods to address challenges on a regional basis.

## ***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 2016. There have been additional staff changes within the Business Office during FY19, 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 has allowed for greater flexibility and coverage of the office. The Business Office staff continues to share information with each other as well as programmatic personnel to gain efficiencies.

William Friel continued as Treasurer throughout FY19. Mr. Friel has refined the efficiency of internal controls with Collaborative operations. He has also instituted a formal investment policy that was adopted by the Board of Directors in FY18.

The Cape Cod Collaborative FY19 Audit and Audited Financial Statements are appended to this Annual report for Review. The Collaborative operations succeeded in achieving operational, fiscal and programmatic goals throughout the year.

During FY19, for the fifth year in a row, the Collaborative funded a significant portion of its Other Post-Employment Benefit (OPEB) obligation in an irrevocable trust. This OPEB Trust Fund is anticipated to support the provision of benefits for retirees of the Collaborative in the future. An actuarial valuation as of July 1, 2018 was completed which 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 FY19. This group discussed current challenges and "best practices" regarding transportation services, facilities management, regional procurement, and audits.

### ***Facility Directors Group***

Ms. Lipkind also coordinated and facilitated joint meetings with Business Officials and Facility Directors throughout the member districts in FY19.



## **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*



December 2019

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 are not independently addressed in the FY19 Annual Report.

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

The entirety of the FY19 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 continuously explored options for the establishment of new programming. The Collaborative has continued to provide support services, including therapies and consultation to school districts as outlined in the chart of district participation that is included in the FY19 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, the specialist services and the specialized consultation supported districts in a cost effective and efficient manner. The Collaborative expertise and resources were increasingly shared to support programming. In FY19 the Collaborative began providing general education services to the Nauset Public Schools at considerable savings as well as procuring and deploying a "green" fleet of propane fueled buses. The Collaborative also*

*consulted regarding the effectiveness and efficiency of transportation services for several school districts including the Monomoy Regional Schools and the Dennis-Yarmouth Regional Schools.*

*The Collaborative convened school districts throughout the region to discuss methods to address transportation challenges, including the (nationwide) shortage of school bus drivers and training/support programming for school bus drivers.*

*In March 2019, the Collaborative executed an agreement with the Monomoy Regional Schools to assume the general and special 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 support services within Collaborative programming and also continued Career and Vocational Educational Opportunities (CVTE) on behalf of the Collaborative and school districts throughout the region. The CVTE Implementation Grant has increased access to Career and Vocational Education opportunities for students that could not access the regional technical and vocational schools and in Collaborative programs.*

*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 significantly fewer registrants in FY19 as several districts held mandated training on the scheduled date.*
- *Research for Better Teaching (RBT) coursework to support district initiatives.*
- *Maintained programmatic partnership with Bridgewater State University, increasing opportunities for Collaborative staff and staff throughout the region, resulting in increased qualified, certified, licensed staff throughout the region*
- *Maintained partnership to provide Sheltered English Immersion (SEI) endorsement coursework in the region.*

*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.*

- Professional consultation & assistance  
*The Collaborative continued to facilitate “job-a-like” groups to focus the sharing of expertise and information among districts, including expansion to the aforementioned Business Administrator and Transportation Manager groups.*  
*The Collaborative secured a grant with the Peter & Elizabeth Tower Foundation that supports the continued development of Multi-Tiered Systems of Support in school districts throughout the region.*  
*The Collaborative has also continued to develop proposals to assist with securing appropriate personnel through the Collaborative Center for Executive Search. In FY19, the CES developed proposals to support searches for Superintendent in two school districts.*
- 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 has 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 continued to be 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 the FY19 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 continued to be 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 provide mentoring and/or administration assistance into FY19 through a grant secured in coordination with the National Center for Learning Disabilities. The Collaborative maintained assistance for districts (grant funded) through a grant from the Peter & Elizabeth Tower Foundation that continues toe 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 consulted regarding several searches in FY19.*
  - Transportation Services  
*The Collaborative continues to increase the provision of transportation and transportation consultation with member districts. Please see the FY19 Annual Report.*
  - Facilities Management Services  
*This continues to be an area that necessitates increased coordination through the Collaborative. There are ongoing meetings with the Facility Directors in the region coordinated by and through the Collaborative. A partnership with the Massachusetts Facilities Administrators (MFAA) is expected to increase collaboration. The number of meetings of this group has increased, as well as the focus on cooperative efforts to address increasing facilities compliance issues in schools.*
  - 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 continued to facilitate opportunities for hosting students from other countries as well as continuing to*

*offer access (at greatly reduced rate) to Virtual High School 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 FY19 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 educations, 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

**Member District Participation (June 2019)**

District	Oct 2018 Enrollment	Waypoint Academy (6/19)		STAR / Osterville (6/19)	Itinerant Services (Therapies)	ASLP	Professional Development	Transportation (Large Bus)	Special Education Transportation	Virtual High School
		Cumulative Enrollment	Additional							
Barnstable	5,081	10	0.5	6.5	Speech (as needed)	22 Summer 2018	Yes	2010-2011 Consultation	Occasional	25 Seats
Bourne	1,935	4	0	0	Physical - Stop FY18	15 Summer 2018	Yes	2012 Consultation; 2016-2017 MOA; FY18 Service Start	Occasional	Individual Purchase
Cape Cod Tech	571	0	0	0	Occupational & Physical		Yes	2011 Pricing	As needed	Joined Consortium 2013
D-Y	3,025	15	0	6	Occupational, Behavioral Consultation - Stop FY18	26 Summer 2018	Yes	2010 Consultation; 2011 Consultation; 2013 Consultation; 2016 Consultation:	Out-of-District	50 Seats
Falmouth	3,351	7	1.5	7.5	Stop FY11	39 Summer 2018	Yes	2011 Pricing; 2017 Consultation	Occasional	
Martha's Vineyard	2,160	0	0	0	Stop - FY19	11 Summer 2018	Yes	2005 Consultation		
Mashpee	1,616	3	0	7	Stop FY15	8 Summer 2018	Yes	2009 Start	In & Out-of-District	
Monomoy	1,891	3	2.5	1	Physical - Stop FY18; Speech - FY19	11 Summer 2018	Yes	2012 Consultation; 2018 Consultation; 2019 MoA	Occasional	Stop 2016-2017
Nauset (& Union)	2,480	5	0	5	Stop FY11	10 Summer 2018	Yes	2010-2011 Consultation; 2016 Consultation; 2017 Consultation; 2018 Consultation; 2018 MOA Development' 2019 Start	In & Out-of-District	25 Seats
Brewster		1	0	2			Yes			
Eastham		0	0	0			Yes			
Orleans		0	0	2			Yes			
Wellfleet		0	0	1			Yes			
Nantucket	1,670	0	0	0	Behavioral Consultation - Stop FY18	12 Summer 2018	Yes	1997 Start	In & Out-of-District	25 Seats
Provincetown	125	0	0	0	Stop FY19	3 Summer 2018	Yes			
Sandwich	2,510	2	0	6	Stop FY19	25 Summer 2018	Yes		Study - FY12	25 Seats
Truro	106	0	0	1	Occupational, Physical		Yes	2008 Start	In & Out-of-District	
Upper Cape Tech	703	0	0	0	Physical		Yes		As needed	Individual Purchase
Wareham	2,126	5	0	11	Stop (FY16)	15 Summer 2018	Yes	2010 Consultation	Occasional	Individual Purchase - Start 2016-2017

Key	No CCC Service	Stopped Service- CCC Consult	Active CCC Service





**CAPE COD COLLABORATIVE**  
**REPORT ON EXAMINATION OF**  
**BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2019**

CAPE COD COLLABORATIVE

REPORT ON EXAMINATION OF BASIC FINANCIAL STATEMENTS

JUNE 30, 2019

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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, 2019, 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, 2019, 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 October 4, 2019, 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.



October 4, 2019

# ***Management's Discussion and Analysis***

## ***Management's Discussion and Analysis***

The 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, 2019. 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 2019 and improve: financial reporting, teacher evaluation processes, student learning and progress, transportation tracking and routing, and network server access.

The STAR program in Osterville and Waypoint Academy in Sandwich are Collaborative tuition-based programs. The 2019 enrollment met expectations in the STAR Program through the year. Waypoint Academy went through a transitional period during 2019 with lower than anticipated enrollment and changes in administrative staff for the program. Transportation service requests increased with the further addition of general education transportation services in 2019.

Our student programs' 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 2019 as dispatch services and administrative support were strengthened. General education transportation services were added for the Nauset Regional School District (28 buses). The increase in services was accomplished smoothly. Future district needs for general education transportation will be evaluated for providing service upon request. We see the Collaborative expanding the potential services as members face increased costs and diminished services from outside contractors.

Transportation invoicing, while more transparent and efficient, was still complicated and cumbersome. The Collaborative continues to work with districts to refine the in-district costing templates, providing them with control over their services and costs, while yielding significant efficiencies for us and cost savings for them. The automation of the invoicing process has eliminated some redundancy and intensity of manual manipulation that was previously required. This process continued to be refined into 2019 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 evaluated to provide consistent and accurate costs for transportation

services. Efficiencies in the invoicing process continued to be refined and implemented, and this will continue into the next fiscal year.

The acclaimed Advanced Studies and Leadership Program (ASLP), in partnership with Massachusetts Maritime Academy, had another successful session. 212 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 2019. In 2019, 250± students had applied for the summer program and 212 attended.

## Using this Report

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

- **Management's Discussion and Analysis** introduces the basic financial statements and provides an analytical overview of the Collaborative's financial activities.
- **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.
- **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.

## 2019 Financial Highlights

- Governmental fund revenues increased 14.7% or \$2.3 million and expenditures increased 8.8% or \$1.4 million over the prior year (this excludes the \$3.1 million of capital lease financing). The resulting net change in fund balance of \$1.0 million is due to the Collaborative's ability to maintain a linear relationship between cost of services and revenue as well as increased transportation revenues from the District servicing more communities.



- The general fund's actual revenue and other sources were more than budgeted by \$361,000. Expenditures related to the above were less than budgeted by \$517,000. Overall, there was a \$926,000 positive change in fund balance.
- During the year the Collaborative purchased \$3.1 million of buses, van and mini buses for regular and special education transportation.

### **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 \$3.6 million at the close of 2019. Key components of the Collaborative's governmental financial position are as follows:

	2019	2018
<b>Assets:</b>		
Current assets.....	\$ 5,575,200	\$ 4,682,837
Capital assets, net of accumulated depreciation....	5,473,347	3,380,534
<b>Total assets.....</b>	<b>11,048,547</b>	<b>8,063,371</b>
<b>Deferred outflows of resources.....</b>	<b>147,994</b>	<b>32,718</b>
<b>Liabilities:</b>		
Current liabilities (excluding debt).....	956,862	1,074,071
Noncurrent liabilities (excluding debt).....	506,613	557,759
Current debt.....	1,131,919	679,838
Noncurrent debt.....	4,261,981	2,651,596
<b>Total liabilities.....</b>	<b>6,857,375</b>	<b>4,963,264</b>
<b>Deferred inflows of resources.....</b>	<b>700,489</b>	<b>604,974</b>
<b>Net position:</b>		
Net investment in capital assets.....	79,447	49,100
Unrestricted.....	3,559,230	2,478,751
<b>Total net position.....</b>	<b>\$ 3,638,677</b>	<b>\$ 2,527,851</b>

Net position of \$79,447 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 \$3.5 million portion of net position is unrestricted.

	2019	2018
<b>Program Revenues:</b>		
Charges for services.....	\$ 15,339,238	\$ 13,191,101
Operating grants and contributions.....	2,219,773	2,143,948
Miscellaneous revenue.....	48,582	49,812
Investment income.....	36,038	1,024
<b>Total revenues.....</b>	<b>17,643,631</b>	<b>15,385,885</b>
<b>Expenses:</b>		
Waypoint Academy.....	2,799,129	2,996,065
STAR Program.....	2,670,216	2,779,854
Itinerant Services.....	714,434	835,403
Transportation.....	7,691,515	6,054,575
Executive Search.....	295,925	277,199
Advance Studies and Leadership Program.....	246,933	247,051
State funded pension benefits.....	2,114,653	2,026,458
<b>Total expenses.....</b>	<b>16,532,805</b>	<b>15,216,605</b>
<b>Change in net position.....</b>	<b>1,110,826</b>	<b>169,280</b>
<b>Net position, beginning of year.....</b>	<b>2,527,851</b>	<b>2,358,571</b>
<b>Net position, end of year.....</b>	<b>\$ 3,638,677</b>	<b>\$ 2,527,851</b>

The Collaborative's net position increased by \$1.1 million in 2019 as compared to a \$169,000 increase in 2018. The increase is mainly related to the Collaborative's increase in transportation services.

### ***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 \$4.0 million. The general fund balance increased by \$926,000. Nonmajor governmental funds increased by \$81,000.

The general fund is the Collaborative's chief operating fund. At year end, fund balance in the general fund totaled \$3.9 million. This represents 19.7% 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 2019 approved budget for the general fund authorized \$18.1 million in appropriations. There were no modifications made to the original budget for 2019.

See financial highlights for additional information.

### ***Capital Asset and Debt Administration***

The Collaborative's net capital assets totaled \$5.5 million as of June 30, 2019. The Collaborative capital purchases consisted of several new school busses. Depreciation expense in the amount of \$1.0 million was recorded.

The Collaborative has several capital leases liabilities outstanding at year end which totaled \$5.4 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, 2019

		<u>Primary Government</u>
		<u>Governmental Activities</u>
<b>ASSETS</b>		
CURRENT:		
Cash and cash equivalents.....	\$	3,638,299
Investments.....		351,633
Receivables, net of allowance for uncollectibles:		
Departmental and other.....		1,319,618
Prepaid expenses.....		265,650
NONCURRENT:		
Capital assets, net of accumulated depreciation.....		5,473,347
TOTAL ASSETS.....		<u>11,048,547</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to other postemployment benefits.....		<u>147,994</u>
<b>LIABILITIES</b>		
CURRENT:		
Accounts payable.....		298,145
Accrued payroll.....		546,811
Accrued liabilities.....		111,906
Capital lease obligations.....		<u>1,131,919</u>
Total current liabilities.....		<u>2,088,781</u>
NONCURRENT:		
Capital lease obligations.....		4,261,981
Net other postemployment benefits liability.....		<u>506,613</u>
Total noncurrent liabilities.....		<u>4,768,594</u>
TOTAL LIABILITIES.....		<u>6,857,375</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unearned revenue.....		608,076
Deferred outflows related to other postemployment benefits.....		<u>92,413</u>
TOTAL DEFERRED INFLOWS OF RESOURCES.....		<u>700,489</u>
<b>NET POSITION</b>		
Net investment in capital assets.....		79,447
Unrestricted.....		<u>3,559,230</u>
TOTAL NET POSITION.....	\$	<u><u>3,638,677</u></u>

See notes to basic financial statements.

**STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2019

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
<b>Primary Government:</b>				
<i>Governmental Activities:</i>				
Waypoint academy.....	\$ 2,799,129	\$ 2,822,343	\$ 33,424	\$ 56,638
STAR program.....	2,670,216	3,068,850	6,346	404,980
Itinerant services.....	714,434	720,677	-	6,243
Transportation.....	7,691,515	8,247,431	-	555,916
Professional development and executive search.	295,925	233,857	55,350	(6,718)
Advanced studies and leadership program.....	246,933	246,080	10,000	9,147
State funded pension benefits.....	<u>2,114,653</u>	<u>-</u>	<u>2,114,653</u>	<u>-</u>
Total Governmental Activities.....	\$ <u>16,532,805</u>	\$ <u>15,339,238</u>	\$ <u>2,219,773</u>	\$ <u>1,026,206</u>

See notes to basic financial statements.

(Continued)

**STATEMENT OF ACTIVITIES (continued)**

YEAR ENDED JUNE 30, 2019

	<u>Primary Government</u>	
		<u>Governmental Activities</u>
<b>Changes in net position:</b>		
Net (expense) revenue from previous page.....	\$	<b>1,026,206</b>
<i>General revenues:</i>		
Unrestricted investment income.....		36,038
Miscellaneous revenue.....		48,582
		<hr/>
Total general revenues.....		84,620
		<hr/>
Change in net position.....		1,110,826
 <i>Net position:</i>		
Beginning of year.....		2,527,851
		<hr/>
End of year.....	\$	<b>3,638,677</b>
		<hr/> <hr/>
		(Concluded)

See notes to basic financial statements.



**GOVERNMENTAL FUNDS**  
BALANCE SHEET

JUNE 30, 2019

	General	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents.....	\$ 3,546,608	\$ 91,691	\$ 3,638,299
Investments.....	351,633	-	351,633
Receivables, net of uncollectibles:			
Departmental and other.....	1,293,868	25,750	1,319,618
Other assets.....	265,650	-	265,650
<b>TOTAL ASSETS.....</b>	<b>\$ 5,457,759</b>	<b>\$ 117,441</b>	<b>\$ 5,575,200</b>
<b>LIABILITIES</b>			
Warrants payable.....	\$ 298,145	\$ -	\$ 298,145
Accrued payroll.....	546,811	-	546,811
Other liabilities.....	111,906	-	111,906
<b>TOTAL LIABILITIES.....</b>	<b>956,862</b>	<b>-</b>	<b>956,862</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unearned revenue.....	608,076	-	608,076
<b>FUND BALANCES</b>			
Restricted.....	-	118,602	118,602
Committed.....	60,000	-	60,000
Unassigned.....	3,832,821	(1,161)	3,831,660
<b>TOTAL FUND BALANCES.....</b>	<b>3,892,821</b>	<b>117,441</b>	<b>4,010,262</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....</b>	<b>\$ 5,457,759</b>	<b>\$ 117,441</b>	<b>\$ 5,575,200</b>

See notes to basic financial statements.

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

JUNE 30, 2019

Total governmental fund balances.....	\$	4,010,262
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		5,473,347
The statement of net position includes certain deferred inflows of resources and deferred outflows of resources that will be amortized over future periods. In governmental funds, these amounts are not deferred.....		55,581
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Net other postemployment benefits liability.....		(506,613)
Capital lease obligations.....		<u>(5,393,900)</u>
Net effect of reporting long-term liabilities.....		<u>(5,900,513)</u>
Net position of governmental activities.....	\$	<u>3,638,677</u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2019

	General	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>			
Tuition.....	\$ 6,035,685	\$ -	\$ 6,035,685
Service revenue.....	1,056,677	27,556	1,084,233
Transportation.....	8,219,875	-	8,219,875
Other departmental revenue.....	61,452	-	61,452
Intergovernmental.....	-	90,797	90,797
Intergovernmental - State provided pension benefits.....	2,114,653	-	2,114,653
Investment income.....	36,038	-	36,038
<b>TOTAL REVENUES.....</b>	<b>17,524,380</b>	<b>118,353</b>	<b>17,642,733</b>
<b>EXPENDITURES:</b>			
Current:			
Waypoint academy.....	2,807,202	8,243	2,815,445
STAR program.....	2,692,340	-	2,692,340
Itinerant services.....	724,235	-	724,235
Transportation.....	10,883,460	-	10,883,460
Professional development and executive search.....	267,096	29,499	296,595
Advanced studies and leadership program.....	246,933	-	246,933
State funded pension benefits.....	2,114,653	-	2,114,653
<b>TOTAL EXPENDITURES.....</b>	<b>19,735,919</b>	<b>37,742</b>	<b>19,773,661</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>(2,211,539)</b>	<b>80,611</b>	<b>(2,130,928)</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Capital lease financing.....	3,137,398	-	3,137,398
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>925,859</b>	<b>80,611</b>	<b>1,006,470</b>
<b>FUND BALANCES AT BEGINNING OF YEAR.....</b>	<b>2,966,962</b>	<b>36,830</b>	<b>3,003,792</b>
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ 3,892,821</b>	<b>\$ 117,441</b>	<b>\$ 4,010,262</b>

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, 2019

Net change in fund balances - total governmental funds.....		\$ 1,006,470
<p>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.</p>		
Capital outlay.....	3,137,398	
Depreciation expense.....	<u>(1,044,585)</u>	
Net effect of reporting capital assets.....		2,092,813
<p>The issuance of long-term debt 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 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 unavailable and amortized in the Statement of Activities.</p>		
Principal payments on capital leases.....	1,074,932	
Capital lease financing.....	<u>(3,137,398)</u>	
Net effect of reporting long-term debt.....		(2,062,466)
<p>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.</p>		
Net change in deferred outflow/(inflow) of resources related to other postemployment benefits...	22,863	
Net change in net other postemployment benefits liability.....	<u>51,146</u>	
Net effect of recording long-term liabilities.....		<u>74,009</u>
Change in net position of governmental activities.....		\$ <u><u>1,110,826</u></u>

See notes to basic financial statements.

**FIDUCIARY FUNDS**  
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2019

		Other Postemployment Benefit Trust Fund
<b>ASSETS</b>		
Cash and cash equivalents.....	\$	20,548
Investments.....		1,236,201
<b>TOTAL ASSETS</b> .....		1,256,749
<b>NET POSITION</b>		
Restricted for other postemployment benefits.....	\$	1,256,749

See notes to basic financial statements.

**FIDUCIARY FUNDS**  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2019

	Other Postemployment Benefit Trust Fund
<b>ADDITIONS:</b>	
Contributions:	
Employer contributions to the trust.....	\$ 180,000
Employer contributions for other postemployment benefit payments....	46,086
Total contributions.....	226,086
Net investment income:	
Investment income.....	96,176
Less: investment expense.....	(3,026)
Net investment income (loss).....	93,150
TOTAL ADDITIONS.....	319,236
<b>DEDUCTIONS:</b>	
Other postemployment benefit payments.....	46,086
NET INCREASE (DECREASE) IN NET POSITION.....	273,150
NET POSITION AT BEGINNING OF YEAR.....	983,599
NET POSITION AT END OF YEAR.....	\$ 1,256,749

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 also 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. It is comprised of *special revenue funds* which are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes.

**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 (in years)</u>
Office equipment and furniture.....	5
Leasehold improvements.....	10
School buses.....	5 - 10

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 reported deferred outflows related to postemployment benefits 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 reported deferred inflows related to postemployment benefits and unearned revenue 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 reported unearned revenue 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 has a formal policy for custodial credit risk that includes a review of the financial institutions financial statements and the background of the Advisor.

At year-end, the carrying amount of deposits totaled \$3,629,571 and the bank balance totaled \$4,029,188. Of that amount \$500,000 was covered by Federal Depository Insurance and \$2,821,245 was collateralized. The remaining balance of \$707,943 was exposed to custodial risk because it was uninsured and uncollateralized.

### Fair Market Value of 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 Collaborative categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The following table presents the Collaborative fair value measurements on a recurring basis as of June 30, 2019:

Investment Type	June 30, 2019	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments measured at fair value:</b>				
<u>Other investments:</u>				
Equity securities.....	\$ 23,634	\$ 23,634	\$ -	\$ -
Equity mutual funds.....	711,235	711,235	-	-
Fixed income.....	852,965	852,965	-	-
Money market mutual funds.....	29,276	29,276	-	-
Total investments.....	\$ 1,617,110	\$ 1,617,110	\$ -	\$ -

### 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, \$1,587,834 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 \$29,276 are fully collateralized.

The Collaborative has a formal policy for custodial credit risk that includes a review of the financial institutions financial statements and the background of the Advisor.

### 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 adopted a formal policy related to Credit Risk by diversifying the investment portfolio so the impact of potential losses from any one type of security or issuer is minimized.

### 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, 2019, receivables for the individual major and non-major governmental funds in the aggregate are as follows:

	<u>Gross Amount</u>	<u>Allowance for Uncollectibles</u>	<u>Net Amount</u>
<u>Receivables:</u>			
Departmental and other.....	\$ 1,319,618	\$ -	\$ 1,319,618

**NOTE 4 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Capital assets being depreciated:</u>				
School Buses.....	8,509,437	3,137,398	-	11,646,835
Leasehold improvements.....	202,892	-	-	202,892
Office equipment and furniture.....	28,868	-	-	28,868
Total capital assets being depreciated.....	<u>8,741,197</u>	<u>3,137,398</u>	<u>-</u>	<u>11,878,595</u>
<u>Less accumulated depreciation for:</u>				
School Buses.....	(5,178,003)	(1,020,036)	-	(6,198,039)
Leasehold improvements.....	(162,312)	(20,289)	-	(182,601)
Office equipment and furniture.....	(20,348)	(4,260)	-	(24,608)
Total accumulated depreciation.....	<u>(5,360,663)</u>	<u>(1,044,585)</u>	<u>-</u>	<u>(6,405,248)</u>
Total capital assets, net.....	<u>\$ 3,380,534</u>	<u>\$ 2,092,813</u>	<u>\$ -</u>	<u>\$ 5,473,347</u>

All depreciation expense was charged to Transportation in 2019.

**NOTE 5 – INTERFUND TRANSFERS**

Interfund transfers can occur between the general fund and nonmajor funds. There were no such transfers in 2019.

**NOTE 6 – PREPAID TUITION**

Member communities are allowed to prepay a portion of the next year’s tuition. At June 30, 2019, the Collaborative had received \$608,076 of prepaid tuition from member communities and is reported as unearned revenue.

**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>	Governmental Activities
School Buses.....	\$ 11,646,835
Less: accumulated depreciation...	(6,198,040)
Total.....	\$ 5,448,795

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2019 were as follows:

<u>Years ending June 30:</u>	Governmental Activities
2020.....	\$ 1,273,757
2021.....	1,250,344
2022.....	1,155,932
2023.....	946,607
2024.....	717,640
2025.....	427,568
2026.....	35,631
Total minimum lease payments.....	5,807,479
Less: amounts representing interest.....	(413,579)
Present value of minimum lease payments... \$	5,393,900

Related interest expense for the year ended June 30, 2019 was \$161,180.

Changes in Long-term Liabilities

During the year ended June 30, 2019, the following changes occurred in long-term liabilities:

	Beginning Balance	Other Increases	Other Decreases	Ending Balance	Due Within One Year
Capital lease obligations.....	\$ 3,331,434	\$ 2,742,304	\$ (679,838)	\$ 5,393,900	\$ 1,131,919
Other postemployment benefits.....	557,759	174,940	(226,086)	506,613	-
Total long-term liabilities.....	\$ 3,889,193	\$ 2,917,244	\$ (905,924)	\$ 5,900,513	\$ 1,131,919

**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.....	\$ -	\$ 1,644	\$ 1,644
Grants.....	-	50,810	50,810
Advanced Studies & Leadership Program.....	-	39,209	39,209
Preschool Expansion.....	-	25,290	25,290
Committed to:			
Articles and continuing appropriations:			
Playground Constuction Project.....	60,000	-	60,000
Unassigned.....	<u>3,832,821</u>	<u>(1,161)</u>	<u>3,831,660</u>
Total Fund Balances.....	<u>\$ 3,892,821</u>	<u>\$ 117,441</u>	<u>\$ 4,010,262</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, 2018. The Collaborative's portion of the collective pension expense, contributed by the Commonwealth, of \$949,956 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 \$9,374,364 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 6.1% 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, 2018 was \$239,873.

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, 2018. The Collaborative's portion of the collective pension expense, contributed by the Commonwealth, of \$1,164,697 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 \$8,840,685 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 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 2019, contributions totaled approximately \$226,000.

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.

*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.

*Measurement Date* – GASB #74 requires the net OPEB liability to be measured as of the OPEB Plan’s most recent fiscal year-end. Accordingly, the net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2018.

*Membership* - The following represents the Plan’s membership at June 30, 2019:

Active members.....	174
Inactive members currently receiving benefits.....	<u>11</u>
Total.....	<u><u>185</u></u>

*Components of OPEB Liability* – Components of the other postemployment benefits liability as of June 30, 2019, were as follows:

Total OPEB liability.....	\$ 1,763,362
Less: OPEB plan's fiduciary net position.....	<u>(1,256,749)</u>
Net OPEB liability.....	<u><u>\$ 506,613</u></u>
The OPEB plan's fiduciary net position as a percentage of the total OPEB liability.....	71.27%

*Significant Actuarial Assumption* – The total other postemployment benefit liability in the July 1, 2018, actuarial valuation was determined using the following actuarial assumptions:

Valuation date.....	July 1, 2018
Actuarial cost method.....	Entry Age Normal Cost Method.
Inflation rate.....	2.60%
Investment rate of return.....	7.5%, net of investment expenses, including inflation.
Healthcare cost trend rate.....	8 percent for 2018, decreasing .05 percent per year to 5 percent, then grading down to an ultimate trend rate of 3.9 percent.
Amortization method - 2002, 2003, & 2010 ERI Actuarial Liability.....	Level dollar amount to reduce the 2002, 2003 and 2010 ERI Actuarial Accrued Liability to zero on or before June 30, 2019, June 30, 2020 and June 30, 2022, respectively.
Pre-retirement employees - general.....	RP-2014 Employees Blue Collar Mortality Table, base year 2014, projected with generational mortality improvement using scale MP-2016 and set forward one year for females

Post-retirement employees - general.....	RP-2014 Health Annuitant Blue Collar Mortality Table, base year 2014, projected with generational mortality improvement using scale MP-2016 and set forward one year for females
Pre-retirement employees - teachers.....	RP-2014 Employees Mortality Table, base year 2014, projected with generational mortality improvement using scale MP-2016.
Post-retirement employees - teachers.....	RP-2014 Healthy Annuitant Mortality Table, base year 2014, projected with generational mortality improvement using scale MP-2016.

*Rate of return* - The annual money-weighted rate of return on OPEB plan investments was 8.81%. The money-weighted rate of return expresses investment performance, net of OPEB plan investment expense, adjusted for the changing amounts actually invested.

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 4.9% is added to the expected inflation of 2.6% 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, 2019 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.....	44.00%	7.58%
Fixed income.....	44.00%	1.54%
Alternatives.....	7.00%	3.72%
Real Estate.....	4.00%	7.47%
Cash & Equivalents.....	1.00%	-0.10%
 Total.....	 <u>100.00%</u>	

*Discount rate* – The discount rate used to measure the total OPEB liability was 7.5% as of June 30, 2019. The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the Plan’s funding policy.

*Sensitivity of the net OPEB 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 Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
Net OPEB liability.....	\$ 809,254	\$ 506,613	\$ 263,704

*Sensitivity of the net OPEB 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%.

	1% Decrease (7.00%)	Current Trend (8.00%)	1% Increase (9.00%)
Net OPEB liability.....	\$ 218,240	\$ 506,613	\$ 894,072

#### *Changes in Net OPEB Liability*

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2018.....	\$ 1,541,358	\$ 983,599	\$ 557,759
Changes for the year:			
Service cost.....	98,857	-	98,857
Interest.....	121,288	-	121,288
Differences between expected and actual experience....	(105,142)	-	(105,142)
Changes in assumptions and other inputs.....	153,087	-	153,087
Benefit payments.....	(46,086)	(46,086)	-
Net investment income.....	-	93,150	(93,150)
Contributions by employer.....	-	226,086	(226,086)
Net change.....	222,004	273,150	(51,146)
Balances at June 30, 2019.....	\$ 1,763,362	\$ 1,256,749	\$ 506,613

*Changes in assumptions* - The health cost trend rates and the mortality table and mortality improvement scale for teachers have been updated since the prior measurement date.

*Changes in plan provisions* – None

#### **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, 2019 cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2019.

#### **NOTE 13 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through October 4, 2019, which is the date the financial statements were available to be issued.



**NOTE 14 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS**

During 2019, the following GASB pronouncements were implemented:

- GASB Statement #83, *Certain Asset Retirement Obligations*. This pronouncement did not impact the basic financial statements.
- GASB Statement #88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This pronouncement did not impact the basic financial statements.

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #84, *Fiduciary Activities*, which is required to be implemented in 2020.
- The GASB issued Statement #87, *Leases*, which is required to be implemented in 2021.
- The GASB issued Statement #89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which is required to be implemented in 2021.
- The GASB issued Statement #90, *Majority Equity Interests – an amendment of GASB Statements #14 and #61*, which is required to be implemented in 2020.
- The GASB issued Statement #91, *Conduit Debt Obligations*, which is required to be implemented in 2022.

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, 2019

	Budgeted Amounts		Actual Budgetary Amounts	Variance to Final Budget
	Original Budget	Final Budget		
<b>REVENUES:</b>				
Tuition.....	\$ 5,970,682	\$ 5,970,682	\$ 6,035,685	\$ 65,003
Service revenue.....	1,262,375	1,262,375	1,056,677	(205,698)
Transportation.....	7,766,011	7,766,011	8,219,875	453,864
Other departmental revenue.....	50,000	50,000	61,452	11,452
Investment income.....	-	-	36,038	36,038
TOTAL REVENUES.....	15,049,068	15,049,068	15,409,727	360,659
<b>EXPENDITURES:</b>				
Current:				
Waypoint academy.....	2,880,741	2,880,741	2,807,202	73,539
STAR program.....	2,892,886	2,892,886	2,692,340	200,546
Itinerant services.....	883,824	883,824	724,235	159,589
Transportation.....	10,904,829	10,904,829	10,883,460	21,369
Professional development and executive search.....	310,175	310,175	267,096	43,079
Advanced studies and leadership program.....	265,967	265,967	246,933	19,034
TOTAL EXPENDITURES.....	18,138,422	18,138,422	17,621,266	517,156
<b>EXCESS (DEFICIENCY) OF REVENUES</b>				
OVER (UNDER) EXPENDITURES.....	(3,089,354)	(3,089,354)	(2,211,539)	877,815
<b>OTHER FINANCING SOURCES (USES):</b>				
Capital lease financing.....	3,089,354	3,089,354	3,137,398	48,044
<b>NET CHANGE IN FUND BALANCE.....</b>				
	-	-	925,859	925,859
<b>FUND BALANCES AT BEGINNING OF YEAR.....</b>				
	1,613,553	1,613,553	1,613,553	-
<b>FUND BALANCES AT END OF YEAR.....</b>				
	\$ 1,613,553	\$ 1,613,553	\$ 2,539,412	\$ 925,859

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**

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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.

Year	Commonwealth's 100% Share of the Associated Net Pension Liability	Expense and Revenue Recognized for the Commonwealth's Support	Plan Fiduciary Net Position as a Percentage of the Total Liability
2019.....	\$ 8,840,685	\$ 1,164,697	67.91%
2018.....	8,227,737	1,064,611	67.21%
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**

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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. Therefore, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the associated collective net pension liability; the portion of the collective pension expense as both a revenue and pension expense recognized; and the Plan's fiduciary net position as a percentage of the total liability.

Year	Commonwealth's 100% Share of the Associated Net Pension Liability	Expense and Revenue Recognized for the Commonwealth's Support	Plan Fiduciary Net Position as a Percentage of the Total Liability
2019.....	\$ 9,374,364	\$ 949,956	54.84%
2018.....	9,215,485	961,847	54.25%
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**

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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 6.1% 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.

Year	Collaborative's Statutory Required and Actual Contribution for Normal Cost	Collaborative's Covered Payroll	Amount of Contributions Recognized by the Pension Plan in Relation to Covered Payroll
2019.....	\$ 239,873	\$ N/A	N/A
2018.....	209,060	N/A	N/A
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.

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

	June 30, 2017	June 30, 2018	June 30, 2019
<b>Total OPEB Liability</b>			
Service Cost.....	\$ 91,399	\$ 95,055	\$ 98,857
Interest.....	97,457	108,935	121,288
Changes of benefit terms.....	-	-	-
Differences between expected and actual experience....	-	-	(105,142)
Changes of assumptions.....	-	-	153,087
Benefit payments.....	<u>(38,813)</u>	<u>(40,097)</u>	<u>(46,086)</u>
Net change in total OPEB liability.....	150,043	163,893	222,004
Total OPEB liability - beginning.....	<u>1,227,422</u>	<u>1,377,465</u>	<u>1,541,358</u>
Total OPEB liability - ending (a).....	<u>\$ 1,377,465</u>	<u>\$ 1,541,358</u>	<u>\$ 1,763,362</u>
<b>Plan fiduciary net position</b>			
Employer contributions.....	\$ 218,813	\$ 180,000	\$ 226,086
Employer contributions for OPEB payments.....	38,813	40,097	-
Net investment income.....	31,908	24,300	93,150
Benefit payments.....	<u>(38,813)</u>	<u>(40,097)</u>	<u>(46,086)</u>
Net change in plan fiduciary net position.....	250,721	204,300	273,150
Plan fiduciary net position - beginning of year.....	<u>567,391</u>	<u>779,299</u>	<u>983,599</u>
Plan fiduciary net position - end of year (b).....	<u>\$ 818,112</u>	<u>\$ 983,599</u>	<u>\$ 1,256,749</u>
<b>Net OPEB liability - ending (a)-(b).....</b>	<u>\$ 559,353</u>	<u>\$ 557,759</u>	<u>\$ 506,613</u>
Plan fiduciary net position as a percentage of the total OPEB liability.....	59.39%	63.81%	71.27%
Covered-employee payroll.....	\$ 6,423,123	\$ 6,517,602	\$ 6,754,577
Net OPEB liability as a percentage of covered-employee payroll.....	8.71%	8.56%	7.50%

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 COLLABORATIVE'S CONTRIBUTIONS  
OTHER POSTEMPLOYMENT BENEFIT PLAN**

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered- employee payroll	Contributions as a percentage of covered- employee payroll
June 30, 2019.....	\$ 139,107	\$ (226,086)	\$ (86,979)	\$ 6,754,577	3.35%
June 30, 2018.....	\$ 135,433	\$ (220,097)	\$ (84,664)	\$ 6,517,602	3.38%
June 30, 2017.....	136,483	(218,813)	(82,330)	6,423,123	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**

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<u>Year</u>	<u>Annual money-weighted rate of return, net of investment expense</u>
June 30, 2019.....	8.81%
June 30, 2018.....	2.85%
June 30, 2017.....	5.09%

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.

**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 2019 approved budget for the general fund authorized approximately \$18.1 million in appropriations.

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, 2019, is presented below:

Net change in fund balance - budgetary basis.....	\$	925,859
<u>Basis of accounting differences:</u>		
Recognition of revenues for capital leases.....		3,137,398
Recognition of expenditures for capital leases.....		(3,137,398)
Recognition of revenue for on-behalf payments.....		2,114,653
Recognition of expenditures for on-behalf payments.....		<u>(2,114,653)</u>
Net change in fund balance - GAAP basis.....	\$	<u>925,859</u>

**NOTE B – PENSION PLAN**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 6.1% 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.

Schedule of Changes in the Net Other Postemployment Benefit Liability and Related Ratios

The Schedule of Changes in the Town's Net Other Postemployment Benefit Liability and Related Ratios presents multi-year trend information on changes in the Plan's total OPEB liability, changes in the Plan's net position, and ending net OPEB liability. It also demonstrates the Plan's net position as a percentage of the total liability and the Plan's net other postemployment benefit liability as a percentage of covered-employee payroll.

Schedule of Contributions

The Schedule of the Collaborative's Contributions includes the Collaborative's annual required contribution to the Plan, along with the contribution made in relation to the actuarially determined contribution and the covered-employee payroll. The Town is not required to fully fund this contribution. It also demonstrates the contributions as a percentage of covered payroll. The actuarially determined contribution rate is calculated as of June 30, two years prior to the end of the fiscal year in which the contributions are reported. Methods and assumptions used to determine contribution rates are shown on the following page.

Valuation date.....	July 1, 2018
Actuarial cost method.....	Entry Age Normal Cost Method.
Inflation rate.....	2.60%
Investment rate of return.....	7.5%, net of investment expenses, including inflation.
Healthcare cost trend rate.....	8 percent for 2018, decreasing .05 percent per year to 5 percent, then grading down to an ultimate trend rate of 3.9 percent.
Amortization method - 2002, 2003, & 2010 ERI Actuarial Liability.....	Level dollar amount to reduce the 2002, 2003 and 2010 ERI Actuarial Accrued Liability to zero on or before June 30, 2019, June 30, 2020 and June 30, 2022, respectively.
Pre-retirement employees - general.....	RP-2014 Employees Blue Collar Mortality Table, base year 2014, projected with generational mortality improvement using scale MP-2016 and set forward one year for females
Post-retirement employees - general.....	RP-2014 Health Annuitant Blue Collar Mortality Table, base year 2014, projected with generational mortality improvement using scale MP-2016 and set forward one year for females
Pre-retirement employees - teachers.....	RP-2014 Employees Mortality Table, base year 2014, projected with generational mortality improvement using scale MP-2016.
Post-retirement employees - teachers.....	RP-2014 Healthy Annuitant Mortality Table, base year 2014, projected with generational mortality improvement using scale MP-2016.

Schedule of Investment Returns

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

Changes in Assumptions

The health cost trend rates and the mortality table and mortality improvement scale for teachers have been updated since the prior measurement date.

Changes in Plan Provisions - None.

## ***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	\$ 85,574
Waypoint Academy - Town of Sandwich	102,800
Camp Burgess facility - South Shore YMCA	60,000
Pocasset maintenance facility - Chipper LLC	26,400
Office trailer Nauset Transportation - Williams Scotsman	5,052
Dennisport maintenance facility - Raymond Caterino	45,000
	<u>324,826</u>
	<u>\$ 324,826</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, 2019:

Paul Hilton, Executive Director	159,001
Anita Woods, Director of Special Education Programs	135,000
Christina Caputo, Waypoint Program Coordinator	123,640
Amy Lipkind, Business Manager	105,092
Linda Dillon, Occupational Therapist	100,512

**NOTE 4 – AMOUNTS EXPENDED ON ADMINISTRATION AND OVERHEAD**

For the year ended June 30, 2019, the Collaborative expended \$605,107 and \$256,167 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, 2019, 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, 2019, 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, 2019, the Collaborative's general fund unassigned fund balance totaled \$3,892,821, or 23.45% of total expenditures. This amount does not exceed the limit of 25% of general fund expenditures for the year.

# ***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, 2019, and the related notes to the financial statements, which collectively comprise the Collaborative's basic financial statements, and have issued our report thereon dated October 4, 2019.

### **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 cursive script that reads "Powers & Sullivan LLC".

October 4, 2019