



Annual Report
2020-2021

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An Overview

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 2020-2021 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-five 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”).

Cape Cod Collaborative Board of Directors

2020-2021

Barbara Dunn (July) Kathleen Bent (August – June)	Barnstable Public Schools
Maureen Fuller	Bourne Public Schools
Marie Enochty (July) Katie Miller-Jacobus (August – June))	Brewster Public Schools
Scott McGee	Cape Cod Regional Technical
Phillip Morris	Dennis-Yarmouth Regional
Judy Lindahl, Vice-Chair	Eastham Public Schools
John Furnari, Chair (July – May)	Falmouth Public Schools
Lisa Reagan	Martha’s Vineyard Regional
George Schmidt (July) Don Myers (August – June)	Mashpee Public Schools
Joseph Auciello	Monomoy Regional Schools
Zona Tanner-Butler	Nantucket Public Schools
Robert Jacobus (July – November) Chris Easley (January – June)	Nauset Regional Schools
Hank Schumacher	Orleans Public Schools
No member appointed	Provincetown Public Schools
Kristin Bader	Sandwich Public Schools
Christine Roderick	Truro Public Schools
Robert Fichtenmayer	Upper Cape Cod Regional Technical
Michael Flaherty (June – May)	Wareham Public Schools
Jill Putnam	Wellfleet Public Schools
Treasurer	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.

Cape Cod & Islands Superintendents

2020-2021

Dr. Meg Mayo-Brown	Barnstable Public Schools
Dr. Kerri-Ann Quinlan-Zhou	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
Elizabeth Hallett, Ed.D.	Nantucket Public Schools
Thomas Conrad	Nauset Regional (including Brewster, Eastham, Orleans, & Wellfleet)
Suzanne Scallion	Provincetown Public Schools
Dr. Pamela Gould	Sandwich Public Schools
Michael Gradone	Truro Public Schools
Roger Forget	Upper Cape Cod Technical
Dr. Kimberly Shaver-Hood	Wareham Public Schools

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Cape Cod & Islands Special Education Directors

2020-2021

Eric Bruinooge (Secondary) Catherine Zinni (Primary/Elementary)	Barnstable Public Schools
Dr. Ryan Place	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
Debra Gately	Nantucket Public Schools
Mary Buchanan	Nauset Regional (including Brewster, Eastham, Orleans, & Wellfleet)
Jeff Slater	Provincetown Public Schools
Bernard (BJ) McNamara	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- (12 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.

2020-2021 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, ASLP (2003)
- Dr. Christopher Bogden Special Projects (2017)
- Lisa Stobbart Transportation (2014)
- Julia Bryant STAR Program Coordinator (2006)
- Kara Peterson Waypoint Program Coordinator (2020)



Paul C. Hilton
Executive Director

CAPE COD COLLABORATIVE

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December 2021

Our tenth Cape Cod Collaborative Annual Report is dedicated to the committed, capable and highly valued Collaborative staff that maintain high quality programming and services 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 2020-2021 School (& Fiscal) Year.

Our FY2021 annual report continued demonstrate our commitment to *collaboration and adaptation*.

Throughout the 2020-2021 Fiscal Year, the Collaborative served as a clearinghouse and collaborative forum for information and opportunities for SARS-CoV-2 (COVID) testing and acquisition of supplies, materials and protective equipment.

The impact of the SARS-CoV-2 (COVID-19) pandemic continued to have a profound impact upon the operations of the Cape Cod Collaborative throughout the 2020-2021 Fiscal (and School) Year. The ongoing impact of the pandemic is likely to be felt for a considerable period time.

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. Specialized educational projects were developed and refined to meet the needs of districts in a changing educational environment.

Special acknowledgments are deserved for those who have served the Collaborative for many years and who were instrumental in supporting the coordinated efforts of school districts through the Collaborative.

Dr. Anita Woods retired at the close of the 2020-2021 School (and Fiscal Year). Dr. Woods most recently served as the Director of Special Education Programs for the Collaborative. Dr. Woods began with the Collaborative in 2000. Her contributions to the programming and to the support the educational community throughout the region have been tremendous throughout her career.

There were also profound losses felt by the districts with the untimely passing of two individuals who were active with the Collaborative and were highly valued colleagues to many throughout the region.

- **Paul Funk (October 2020)** had “retired to Cape Cod” in 2004 after serving districts throughout the state as a teacher and as a Business Official. In his “retirement”. Mr.

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Funk served various districts, as well as the Collaborative. He served briefly as the Interim Business Manager for the Cape Cod Collaborative shortly after his retirement. He also served for many years as the Treasurer at Cape Cod Regional Technical High School, as an interim Business Manager for the Sandwich Public Schools and as a highly valued and respected member of the Mashpee Public Schools administration into August 2020.

- **Kenneth Jenks (March 2021)** was serving as the Assistant Superintendent for the Dennis Yarmouth Regional School District at the time of his death. Mr. Jenks was a highly valued and respected resource within the district that he served for well over three decades. He was also deeply respected throughout the region for his dedication, resourcefulness and inclusive collaboration.

Several long-term staff left from the Collaborative after many years of dedicated service to the students and families served by the Collaborative include:

- Linda Barrett Bayard – Nantucket Transportation Supervisor 1997 - 2021
- Dr. Anita Woods – Director of Special Education Programs 2000-2021
- Renata O'Connor – Paraprofessional at STAR 2001-2021
- Carol Costa – 7D Van Driver 2007 – 2021
- Kimberly Gainey – Teacher at Waypoint Academy 2007 - 2020
- Susan Sentance – School Bus Driver for Truro 2008 – 2020
- Sarah Beckner – Teacher at STAR Program 2011 - 2020
- Errol Thompson – School Bus Driver for Mashpee 2012 - 2021
- Peter Bayard – School Bus Driver for Nantucket 2013 – 2021
- Rhonda Fitzgerald – School Bus Monitor 2013 - 2020
- William Kalagher – Paraprofessional at Waypoint 2013 - 2021
- Charles Ouellette – School Bus Monitor 2013 - 2020

The contributions of each of these individuals were valued has been appreciated by all at the Collaborative as well as by the students, families and districts that they had served. Their commitment and collegiality will be missed by all. 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 2020-2021 School Year.

Paul 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 was 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 2020-2021 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 2021 Fiscal/School Year.

Executive Summary

Bridgewater State University - Off Campus Programming

A formalized agreement supported 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 initial sessions of the second “cohort” were scheduled to occur in the fall of 2020. The start of this cohort was postponed due to the impact of the pandemic

Development of a Partnership between Bridgewater State University and the Cape Cod Collaborative

The Cape Cod Collaborative entered into a Memorandum of Understanding with Bridgewater State University to form a partnership to “facilitate joint educational initiatives to improve teacher education and professional development opportunities on Cape Cod”. This agreement was formalized during an event on January 28, 2020 at the Bridgewater State University Cape Cod Campus in Yarmouth.



Throughout FY2021, the Collaborative worked with the University and the Town of Yarmouth to establish an agreement which would facilitate the shared use of space at the Laurence MacArthur in South Yarmouth.

Annual Legislative Breakfast

The Eleventh Annual Cape Cod Collaborative Legislative Breakfast occurred on Friday, February 12, 2021. This event continued to be co-sponsored by the Massachusetts Association of School Committees Division VII.

The 2021 Legislative Breakfast occurred virtually due to restrictions associated with the SARS-CoV-2 (COVID-19) pandemic. The virtual Legislative Breakfast was extremely well attended with the majority of the legislative delegation as well as over 75 attendees.

There was a well received presentation by students regarding initiatives which were occurring in local schools that were structured to address systemic issues of discrimination. An interactive forum occurred regarding addressing regional challenges including interactive breakout sessions.

A vibrant discussion occurred regarding the challenges facing the region, especially in regards to education with particular focus upon efforts to address the impact of the pandemic as well as efforts to address systemic discrimination.

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.

This group continued to advocate for funding and support for students and districts to be provided through educational collaboratives in Massachusetts. The sharing of initiatives and opportunities to address pandemic related challenges was integral to the success of each member collaborative.

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.

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 multi-year grant was secured for the Collaborative to coordinate the regional activities. The Collaborative coordinated the 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. In the spring of 2020, the Collaborative was granted increased flexibility for the use of the funding.

The Collaborative and the Tower Foundation agreed to adapt the activities associated with the grant for the provision of professional development and coordinated support across the region. Funds associated with the initiative supported multi-district initiatives with an organization (Modern Teacher) that provided professional development regarding the systems, instructional strategies and practices necessary to address the challenges of remote teaching and learning.

In the spring of 2021, the Collaborative was granted an additional \$16,000 in funding to support the initiative with Modern Teacher and was granted another calendar year (Calendar Year 2022) of funding for the Promoting High Achievement for All Students initiative (\$54,000).

Plymouth Public Schools

The Plymouth Public Schools have consistently had a number of students enrolled in Collaborative programs and utilized Collaborative services. The School District's commitment for five (5) committed slots in the Waypoint Academy program was again recognized and approved by the Board of Directors.

Consulting School Physician

Dr. Mathew Baldasaro of Bass River Pediatrics in Yarmouth served as the consulting school physician for the Cape Cod Collaborative for the tenth year. Dr. Baldasaro's guidance and direction have been invaluable throughout his tenure, especially with the impact of SARS-CoV-2 (COVID-19) and the associated coordination and adaptation of programming and services that were necessary. His continued services are greatly appreciated, especially as he has become increasingly involved with regional school health initiatives.

Waypoint Academy Program Planning

Waypoint Academy relocated to the Henry T Wing School in Sandwich in 2017. The Town of Sandwich elected to solicit proposals for the development of the property and ultimately approved a proposal that is anticipated to ultimately result in the construction of affordable, age-restricted apartments. The impact of this decision will be the need for the relocation of the Waypoint Academy program. The Collaborative solicited proposals for a location for the program in the Fall of 2019 and received two proposals, neither of which proved to be advantageous.

The Collaborative continued to pursue relocation options for the program while continuing to work closely with the Town of Sandwich and the developer regarding the timeline(s) for relocation.

During FY2021, the Collaborative contracted a real estate broker to assist in securing a long term location for the Waypoint Academy program. Mr. Hilton, Ms. Lipkind and the broker (John Shields of Realty Advisors) toured over a dozen properties and evaluated properties for appropriateness for the program. Each of the properties was toured with Dr. Peterson, the Program Director, representatives from the staff at the program. Following an exhaustive search and evaluation of options, the development of the Laurence MacArthur building in South Yarmouth was determined to be the most advantageous option for relocating the program.

STAR - Osterville Program Planning

The STAR program continued to operate at the Osterville school building for its eleventh year at the location. A second ten (10) year lease was negotiated and approved by the Town of Barnstable, the Barnstable School Committee and the Collaborative in FY2020. A series of HVAC improvements occurred throughout the year to ensure safety during in-person programming.

Transportation

The evolution of Student Transportation services through the Collaborative continued to evolve and adapt throughout the 2020-2021 school/fiscal year. The Transportation Manager, Lisa Stobbart, continued to ensure that quality services were delivered and that staff had appropriate resources for their work.

The challenges associated with SARS-CoV-2 (COVID-19) continued to create additional challenges for maintaining capacity for the continuity of in-person instruction as well as ensuring the support of (transportation) staff.

All Collaborative staff worked closely with the School Districts to ensure that transportation staff were considered and that the costs for maintaining capacity were contained and managed.

As districts evaluated their capacity and timelines for return to in-person instruction throughout the Summer of 2020, Collaborative staff met with District staff and continuously adapted planning and capacity to ensure appropriate support.

The Collaborative Board of Directors affirmed the Collaborative payment for “standard hours” for Collaborative drivers and monitors during the phasing to in-person instruction in each district. The pricing associated with Memoranda of Agreement/Understanding between the Collaborative and Member School Districts continued to be revised to reduce costs where and when possible.

Recruitment / Retaining School Bus Drivers

The challenge of recruiting, training and retaining school bus drivers continued to be a challenge locally, regionally and nationally. In FY2020, the Collaborative initiated an incentive program to recognize and honor the commitment of individuals who drive the students that are served by the Collaborative. The first payments occurred at the start of the pandemic and were greatly appreciated by those that had received them. The Collaborative continued to pay Transportation Staff throughout the pandemic closure and during the “phasing in” of in-person instruction. School Districts (the majority) continued to provide payment to the Collaborative to support the continuity of transportation operations.

Although each district pursued slightly different pathways to return to in-person instruction, the Collaborative School Bus Drivers and Monitors successfully met the challenges associated with the provision of transportation services. There were ongoing and significant challenges with continuity of transportation operations with pandemic restrictions as well as ongoing and occasional closures associated with COVID-19 spread.

ASLP

The Advanced Studies and Leadership Program (ASLP) was planned for the summer of 2020 for the sixteenth session of ASLP. The development of the ASLP Summer 2020 Program continued to occur despite the impact of the pandemic. Although the residential program was ultimately not possible, planning occurred for alternative programming throughout the winter of 2020-2021 for students that had been accepted to that program. The ASLP2020 cohort programming did not occur as the impact of the pandemic was determined to be too prohibitive.

The planning for ALSF for the summer pf 2021 occurred throughout the Fall of 2020 and Spring of 2021. Over 210 students were accepted into the program. A residential program was not possible for summer 2021 and the program was restructured to be a two week, weekday program.

Grants and Donations

Paycheck Protection Program

An application for a Paycheck Protection Program loan was submitted by the Collaborative in May 2021. The purpose of the Loan, and potential forgiveness, was to support the continuity of staff/payroll during the early pandemic period. The Collaborative received a loan for \$1,936,792 for the periods of May 2020 through October 2020.

Comprehensive School Health Services

A number of grants and donations were received during the school year in addition to those noted independently. A *Comprehensive School Health Services* grant was received following coordination and submission form the Lead Collaborative Nurse, Marette Power, RN. Ms. Power had coordinated previous activities where the Collaborative benefited as a sub-recipient of other district's grants and had submitted independently for direct receipt of the funds for the 2020-2021 school year.

Cape Cod Challenger Club Playground Donation

A donation was made into a Playground Fund in the amount of \$5,000 by the Cape Cod Challenger Club to honor the retirement of Dr. Anita Woods.

Peter and Elizabeth Tower Foundation

The Collaborative received an additional \$16,000 to support district initiative as well as the renewal (\$54,000) of the Supporting High Achievement for All Students initiative.

All-Cape In-Service 2020

The All-Cape In-Service did not occur in fall 2020 due to pandemic restrictions

SARS-CoV-2 (COVID-19 Notes)

- The Collaborative continued to coordinate the purchase of Personal Protective Equipment (PPE) for several districts throughout the region as well as serving as a clearinghouse for information regarding PPE purchase, including coordination with Barnstable County.
- Throughout FY2021, the Memoranda of Understanding for Transportation with districts were adjusted to remove variable costs associated with fuel and mileage maintenance as well as costs for additional trips that had been included in annual pricing template. The pricing templates were also revised to reflect standardization of hours for periods of remote learning during the COVID-19 building closures as well as increases in costs for cleaning and disinfecting vehicles to ensure safety and health of students and staff.
- The Collaborative completed an application for Paycheck Protection Program loan with the United States Small Business Administration (US-SBA) in May 2020. The application was approved for \$1,936,792.
- The Collaborative Special Education Day Schools resumed instructional programs after a very short period of closure. The staff of the programs maintained close communication with students and families to support their educational and other needs during any period(s) of remote learning.

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- Collaborative Special Education Day Programs returned to in-person instruction for the Extended School Year (ESY) programming in the summer of 2020. Staff worked full time in-person through the summer and students were phased (alternating days) to in-person instruction throughout the ESY programming.
- There were short periods of program and/or individual classroom movement to remote instruction where/when infection and/or quarantine necessitated the change.
- Collaborative transportation staff continued to assist districts and Collaborative programs in the delivery of instructional materials and food throughout the period(s) of school building closures.

Cape Cod Collaborative Public Day School Programs



Cape Cod Collaborative runs two public day schools: The STAR Program in Osterville and Waypoint Academy in Sandwich. During the 2020-2021 school year, the pandemic continued. Dr. Woods and Ms. Caputo worked with Program Coordinators Julia Bryant (STAR) and Kara Peterson (Waypoint), together with all the amazing program staff, to transition many of our students back to in-person learning. Remote learning continued to be available for students who had to be out for reasons related to COVID-19. The Coordinated Program Review with the Department of Elementary and Secondary Education resumed through remote tours and interviews.

STAR Program –Osterville

The Cape Cod Collaborative Osterville-STAR Program continued to operate as a Public Day School in Osterville for an eleventh 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 2020-2021 School Year continued to focus on key areas involving Student Learning, Data Assessment, Trauma Informed Programming, Professional Culture and Vicarious Trauma, and Family & Community Engagement. In addition, training around Equity and Bias was introduced.

STAR enrollment (September 2020) began at 51 students and the year closed out at 56.5 students (June 2021). Focusing on student growth and independence, the staff at the STAR Program emphasize “embedded therapies” and creating an environment supporting social-emotional growth and behavior 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 ensure students are appropriately serviced within their home community (local or regional) to the extent possible.

The programming and enrollment at the STAR Program supported sixty (60) students during the 2020-2021 school year. The home districts of these students included:

Member Districts

- Barnstable
- Bourne
- Dennis-Yarmouth Regional
- Falmouth
- Mashpee
- Monomoy Regional
- Nauset Regional
- Brewster
- Eastham
- Orleans
- Wellfleet
- Sandwich
- Truro
- Wareham

Non-Member Districts

- Duxbury
- Middleborough
- Plymouth
- Silver Lake Regional

During the 2020-2021 School Year, 44 inquiries for programming were received for the STAR Program:

Enrolled in Collaborative	Supported in District(s)	Other
18 enrolled at STAR	5 maintained with added support (or other arrangements)	6 resulted in other placements
2 enrolled at Waypoint	8 “parent inquiry” directed back to district (IEP Process) 1 district inquiry only	4 status unknown

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 the 2020-2021 School Year, 17 students transitioned out of the STAR Program. Four (4) of these students aged out during the school year, three (3) students transitioned to other programming, five (5) students transitioned to Waypoint Academy, and five (5) students returned to district programming.

During 2020-2021, STAR staff continued to participate in training focused on understanding the effect of trauma and secondary trauma for those working with challenging students. All STAR staff participated in trainings with staff from Children’s Cove focused upon understanding the effects of secondary trauma and developing self-care strategies. Staff met with Jacob Stapleton from Children’s Cove to review the results of the survey regarding vicarious trauma completed the previous year. Mr. Stapleton collected feedback from the staff to share with administration.

The STAR Friendship Garden

Due to COVID-19 restrictions, students were unable to return to the garden until spring of 2021. Occupational and Physical therapies integrated student 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 continued to participate in a composting program in collaboration with the Cape Cod Challenger Club and the 18-22 age classroom worked with the Challenger Club to grow pea shoots.

The Long Pasture Audubon Program

Due to COVID-19 restrictions, this program was suspended for the 2020-2021 school year.

Extended School Year Program

Students transitioned to in-person in July 2020 during the extended school year program. One half of the students came in for two (2) hours in the morning the other half of the students came for two (2) hours in the afternoon. During this period, each classroom was considered a cohort and all therapies were provided in the classroom. Program staff continued to provide many enriching activities for language, social, and motor opportunities for the **forty-four (44) students** while adhering to COVID safety guidelines.

During the 2020-2021 school year

Students participated in weekly art classes led by classroom staff. Students also continued to enjoy walking programs and movement using the track behind the school. Many staff and students participated in many theme days throughout the year, ending with a “rainbow run” where students set goals for the number of laps completed, danced to music, and ran through bubbles created by a bubble machine while wearing brightly colored outfits.

In collaboration with Waypoint Academy, staff continued to coordinate a food (bank) program which provided staple food items for families. Through the generosity and facilitation of the Falmouth Service Center, staff helped to sort, assemble, and deliver bags to homes. The Collaborative Transportation Department provided two (2) buses to deliver to the homes of students.

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. Staff met weekly with Dr. Hauser via Zoom and in person to review the data specific to their students. In addition, STAR staff worked towards completing competency-based models focused on using EDUCATA and BTR data forms.

The Cape Cod Collaborative STAR Program continued to utilize Safety-Care, a crisis prevention and intervention program through the QBS, Inc. (Quality Behavioral Solutions to Complex Behavioral Problems).

In the summer of 2020, staff participated in training around COVID protocols and worked diligently to get the building ready for the return of students. Our lead nurse, Marette Power, worked tirelessly throughout the year to make sure that all staff were informed and anxieties alleviated.

Family Events

Due to COVID restrictions within the school settings, no family activities were held during the 2020-2021 school year. IEP meetings for students were also held via Zoom, unless a parent/guardian requested an in-person meeting.

The STAR Program continued to share facilities and opportunities with the Cape Cod Challenger Club. This organization has continued to be a great partner in serving the students/families.

Through the additional challenges placed upon all school staff, families and students due to COVID-19, the teachers, paraprofessionals, the program social worker, school nurse, therapists, custodial & cafeteria staff, and front desk staff continued to demonstrate exceptional dedication and professionalism to all the students participating in the STAR Program and their families.

Cost Effectiveness

The Osterville-STAR Program had a daily tuition rate of \$279.51 during the 2020-2021 school year. This rate had been developed with consideration of the activities and enrollment of the previous year. The rate was approved by the Board of Directors with recognition of 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 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 School Districts through offering of 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, admissions, and discharges from the STAR Program.

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

The Osterville-STAR Program tuition (\$279.51/day - \$50,311.50/year) for FY21 was considerably lower than other options, options often at a great distance (and transportation expense). Assuming other programs could provide the similar and appropriate services, it may be noted that the STAR day rate (\$279.51/day) is considerably lower than an average tuition of \$400.20/day (\$72,036/year) for Private Day Education Programs in Massachusetts. It is important to note that each district (and family) considers the particular needs of students 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 school setting.

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

Medical Fragile		Emotional Impairment		Autism & Intellectual	
STAR	\$279.51	STAR	\$279.51	STAR	\$279.51
BC	\$483	Walker	\$436	Higashi	\$373
Campus Meeting	\$333	St. Vincent's	N/A	May	\$520/\$523
St / Schwartz		Chamberlain	\$484	Cushing NECC	\$421/\$450 \$555
Perkins	\$670/\$868/\$1,001				

Cape Cod Collaborative Waypoint Academy

Waypoint Academy Program Planning

Waypoint Academy, located at the Henry T. Wing School in Sandwich, continued a planning process for a program relocation during the 2021-2022 school year. The Town of Sandwich elected to solicit proposals for development of the school site and ultimately approved a proposal that is anticipated to result in the construction of affordable, age-restricted apartments. The impact of this decision will result in the need for the program to relocate for the 2021-2022 school year.



Waypoint Academy continued to be approved by the Department of Elementary & Secondary Education as a Public Day School in Sandwich, MA. The goals for Waypoint Academy during the 2020-2021 school year focused on key areas involving Student Learning, Data and Assessment, and Professional Culture.

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 2020) began at 41 students and ended (June 2021) at a count of 42 students attending in-person. The program continued to offer an effective alternative education program for students in a cost-efficient manner. Some students enrolled in the program are close enough to their “home district” to allow the opportunity for them to participate in (home) school / district activities. Waypoint Academy is considered to be an extension of each of the “sending” school districts. Waypoint encourages and supports students in their transitions to (and from) their home schools as appropriate.

During 2020-2021 school year, **20** students transitioned out of Waypoint Academy; one (1) student went to residential programming, three (3) moved out of member / non-member districts, and six (6) transferred to other programs.

The programming and the enrollment at Waypoint Academy supported more than sixty (60.2) students during the 2020-2021 school year. The home districts of Waypoint students included:

Member Districts

- Barnstable
- Dennis Yarmouth Regional
- Falmouth
- Mashpee
- Monomoy
- Nauset Regional
- Sandwich
- Wareham

Non-Member Districts

- Plymouth
- Norwood
- Silver Lake Regional
- Taunton

During the 2020-2021 School Year, 36 inquiries for alternative education programming were received by Waypoint Academy:

Enrolled in Collaborative	Supported in District(s)	Other
13 enrolled at Waypoint	1 maintained with added support (or other arrangements made)	6 sought other placement
2 enrolled at Waypoint from inquiries made to STAR	3 “parent inquiry” directed back to district (IEP Process)	2 required a higher level of care
	5 district inquiry only	2 moved out of district 2 status unknown

Waypoint Academy serves the needs of students who are experiencing difficulty in their home schools and districts educational programs. Many of the students attending the Program experience social, emotional, and mood disorders, including but not limited to: anxiety disorders, depression, attention deficit disorder, oppositional defiant disorder, and trauma related issues. These students are often 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 two full-time clinicians on staff who work with all students in order to build confidence, increase self-esteem, develop individual responsibility, advance social awareness, and build on 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 Waypoint to support instruction and to inform the program regarding changing student needs. Throughout the 2020-2021 school year databases which tracked and analyzed student achievement and progress were continually refined (and maintained). These databases assist the program staff in assessing and analyzing student performance and behavior, and include both the individual and group dynamics.

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

During the 2020-2021 school year

Marc Hauser, Ph.D., continued to provide consultation and feedback to Waypoint administrative, clinical and teaching staff to enhance the reliability and consistency of data in order to better use quantitative evidence to assess student progress. Dr. Hauser worked with the clinical staff to enhance their summary reports and data collection. He also worked with teaching staff to enhance and refine measurable IEP goals as well as linking those goals to data

systems already in place at the program. The result was a combination of student learning goals, professional learning goals, Individual Education Plan goals and school-wide break, time-out, and restraint data.

Waypoint Academy continues to utilize Safety-Care, a crisis prevention and intervention program through Quality Behavioral Solutions (QBS).

Parent Advisory Group

Due to limitations surrounding COVID-19, the Waypoint Academy Parent Advisory Group meetings were not held during the 2020-2021 school year.

Extended School Year

Students designated as eligible for an Extended School Year Program through their IEP who are enrolled in Waypoint Academy may participate in programmatic services during the months of July and August. Of the 14 students expected to attend the 2020 ESY program, 12 participated regularly. The primary goal of these educational activities is to prevent regression of prior learning and promote social development.

Cost Effectiveness

Waypoint Academy operated during the 2020-2021 school year with a daily tuition rate of \$251.20 / \$274.28 and \$296.35 per day. The tuition rate is differentiated based upon projected enrollment. Member (and sometimes non-member) districts have purchased “committed” slots (\$251.20/day) and thereby own a portion of the program capacity. Districts that have a need to increase their allocation of space in the program may purchase additional “committed” slots at the program after the budget and resulting staffing have been planned (\$274.28/day). Other tuitions (non-committed slots at \$296.35/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 those provided for students served at Waypoint Academy, analysis regarding need and average tuitions for private school programs offer some perspective regarding the efficiency of Waypoint Academy. It is evident (in review of the referrals, admission and discharges from the Academy) that Waypoint serves students in a local/regional setting that prepares students and families for other settings. Waypoint 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*, Waypoint Academy tuition structure (\$251.20 / \$274.28 and \$296.35 per day - \$45,256.69 / \$49,371.16 and \$53,343.59 per year) for FY21 was considerably lower than options, which are often at great distance and transportation expense. Assuming the programs could provide the appropriate services, a comparison of Waypoint’s tuitions versus an average tuition of \$400/day (\$72,036/year) for Private Day Education Programs in Massachusetts demonstrates the cost savings. Each district (and family) considers the needs of particular students when evaluating programs for consideration for student placement.

Waypoint Academy programming allows districts to pool resources and mitigate 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 (daily rates)	
Waypoint Academy	\$251.20/\$274.28/\$296.35 (\$273.94 average)
Saint Vincent's	N/A
Chamberlain	\$484
Franklin Perkins	\$353
Home for Little Wanderers	\$449
JRI Southeast Alternative / Anchor & Granite	\$288 / \$338
Private Day Average	\$400

Therapy Services and Programmatic Consultation

Speech & Language Pathologists, Occupational Therapy, Physical Therapy

The Collaborative has provided therapy services to students in Collaborative programs and in school district programs since the establishment of the Collaborative in 1975. In FY2021 the Collaborative provided Speech and Language Therapy, Occupational Therapy and Physical Therapy to students in school districts and to students in Collaborative Programs.

The Collaborative staff have continued to provide the related services necessary to strengthen and support the quality programming of the districts throughout the region. Some districts utilized Collaborative staff to supplement services in their districts, other districts utilized Collaborative staff as the primary service providers for certain types of services, especially in small districts.

The Collaborative has a cadre of highly skilled and competent clinicians that work with students, and districts, throughout the region. A significant benefit is realized by districts that are able to “share” the expertise and costs for highly capable and competent staff through their educational collaborative.

During FY2021, the Collaborative therapy staff provided services in Barnstable, Cape Cod Technical High School, Martha's Vineyard, and Truro. These services were provided at a rate of approximately \$92.50 per hour in the districts. This provided significant cost efficiency for school districts that would be contracting with private providers at rates of \$100 per hour more.

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 was developed in 2005 to enhance and enrich the education of high achieving students.

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

The development of the ASLP Summer 2020 Program continued to occur despite the impact of the pandemic. Although the residential program was ultimately not possible, planning occurred for alternative programming during the Winter of 2020-2021 for students that had been accepted to that program. **The alternative ASLP program did not prove practical, or possible, for Summer 2020.**

Throughout FY2021, planning occurred for the programming for Summer 2021 (Fiscal Year 2022). There were over 210 students accepted into the three-week residential program.

A residential program was not possible for Summer 2021. The program was ultimately restructured to be a two week, weekday program. An alternative program that would occur with mornings at Massachusetts Maritime Academy and afternoons at Sandwich High School. Over 110 students elected to participate in the Alternative ASLP program during Summer 2021.

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.

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.

Professional Development

All-Cape In-Service

COVID-19 forced the cancellation of this regionally coordinated professional development day, which had been run annually since 2004.

Other Professional Development

While substantially impacted by the pandemic, other Professional Development activities continued through a 100% virtual / remote format guided by input from the Collaborative's job-alike groups including:

- Superintendents
- Curriculum Administrators
- Administrators of Special Education
- School Business Managers
- Early Learning Network

The monthly meetings of the region's Curriculum Administrators continued on a weekly basis. Discussions with regard to the challenges of teaching and learning remotely led to identifying professional development opportunities that would assist the region's teachers in overcoming these challenges.

Modern Teacher

Ten (10) Cape and Islands districts elected to take advantage of a Tower Foundation Grant, working through the Cape Cod Collaborative, to jointly participate in training delivered by Modern Teacher that began in July of 2020 and continued throughout the school year. This training specifically targeted the organization and delivery of remote classroom instruction.

Integrating Teaching through the Arts: Instruction for Diverse Learners

The Collaborative has offered this course annually in the summer. Because of the hands-on nature of the course, the instructor cancelled for the summer of 2020.

Sheltered English Immersion (SEI)

The Collaborative continued to offer "for cost" SEI endorsement courses through a partnership with South Shore Educational Collaborative.

Studying Skillful Teaching: Promotion, Motivation, Learning, and Achievement (SST) and Analyzing Teaching for Student Results (ATSR)

These courses were offered by RBT in a 100% remote / virtual format during FY21, requiring districts and teachers to register directly with RBT.

BSU Sped Licensure Cohort

The Collaborative continued to offer the second sequence of graduate courses in partnership with Bridgewater State University, designed to qualify successful enrollees for Preliminary Licensure as Teachers of Students with Moderate or Intensive Disabilities. The courses in this sequence were offered throughout FY21 and included SPED 575, SPED 501/504, SPED 508, SPED 530, SPED 517, and SPED 525. Educators enrolled were from the Collaborative's Waypoint and STAR Programs, member districts, as well as non-member districts.

Collaborative Framework for Educator Evaluation (CoFFEE)

Spring of 2021 marked the debut of this course, which was regionally designed for new administrators / department heads who are, or will be, responsible for supervision,

observation, and / or evaluation. Unlike other evaluation training programs, CoFFEE was designed specifically for Massachusetts, is anchored in the Massachusetts model for educator evaluation, and looks at teaching and learning with a lens of cultural proficiency. During the course, candidates deepen their understanding of the MA framework for educator evaluation and develop a common language to define effective instruction. Using practice exercises, videos, case studies, reading, discussion and coaching sessions, participants will develop instructional leadership to:

- Name, explain, and document effective instruction regardless of the means of delivery (e.g., in-person, solely online, and/or blended),
- Communicate effectively about pedagogical practices that impact student learning to provide teachers with detailed feedback in order to promote a continued cycle of professional growth,
- Develop and reinforce professional practice that engages instructional leaders and their colleagues in meaningful, student-focused conversations about best practices and maintains an open feedback loop,
- Utilize a wide range of data points about student learning in teacher goal setting and benchmarking to indicate measures of growth and success.

CoFFEE was conceived, written and taught by Dr. Sonia Tellier and Mr. Marc Smith, the Assistant Superintendents of Falmouth and Monomoy respectively.

Center for Executive Search

COVID-19 inhibited the turnover of school district leaders in FY21 and the Cape Cod Collaborative Center for Executive Search was not engaged in any searches during this period.

Cape Cod Global Education Initiative CCGEI

The global emergence of COVID-19 in February 2020 shut down this international initiative.

Virtual High School

As schools began the 2020-2021 year with classes largely being delivered remotely, the Collaborative saw an increase in both district participation and the number of courses purchased through the Virtual High School (VHS). In FY21, the nine (9) districts continued to provide expanded course offerings for students through the purchase of 249 “seats” from this highly lauded program. The continued collaboration of these districts provides 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 throughout FY2021. She managed all Collaborative transportation services, including a 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 FY21. 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 operations to support expansion (including transportation operational elements).

FY2021 was an extremely challenging year with the Covid-19 pandemic affecting all modes of transportation. The Collaborative immediately sourced Personal Protective Equipment (PPE) and disinfecting equipment to assure there were means to keep staff and students safe and to keep our vehicles cleaned/disinfected. The Collaborative invested over \$18,000 in disinfecting equipment and approximately \$58,000 in a bulk mask purchase that included large orders from several of our member school districts. The Collaborative developed a program for disinfecting the vehicles based upon DESE guidance and installed Purell dispensers on all small and large buses. Several drivers and monitors retired and/or took a leave of absence before the school year for a variety of reasons, most COVID related. It was a tremendous challenge throughout the year to manage operations and to replace staff. The the majority of open routes were staffed with existing spare drivers, and the Collaborative continuously trained new drivers and monitors to fill these open positions.

FY2021 also saw the consolidation of the maintenance department into the Dennisport shop, closing the Pocasset shop and moving all mechanics to a single location. In addition, the Collaborative continued the implementation of a maintenance software program (Dossier) as well as a GPS tracking software (Zonar). Zonar functionality enables the Collaborative to track electronic vehicle inspections and automatically downloads associated information into the maintenance program (Dossier) for real time reporting of vehicle issues to mechanics and management.

One of the most critical challenges in bus transportation has been the (nationwide) shortage of drivers. In FY2020, the Collaborative instituted a "new driver incentive" program to provide a bonus for current drivers as well as an incentive to attract new drivers. This program assisted

with the recruitment and retention of drivers during FY2021. The Collaborative also adjusted standard rates of pay across the Board to better compete with other transportation providers.

During FY2021 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, and the Bourne Public Schools in 2017. Bourne added 4 new routes in FY20, moving from 18 to 22 routes overall. Nauset Public Schools began using the Collaborative for their large bus transportation 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). In FY20, the Collaborative obtained approval from the town of Orleans to build a propane filling station. Construction of this station began in December 2020; the station was ready for service in FY2021. In July 2019, the Collaborative began providing small and large bus transportation for the Monomoy Regional School District (21 buses purchased).

The Collaborative has provided this service to these six (6) districts (or nine districts, counting each of the Nauset town's elementary school districts) throughout FY2021. (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.



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.

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. Elizabeth Deck continued in her Human Resources role, and also assumed additional responsibility for accounts receivable during the year. Mary Lemos joined the Business Office team in July 2019 supporting Payroll operations. She progressively assumed responsibility for other duties including accounts payable and accounts receivable. The tasks of accounts payable and accounts receivable were ultimately distributed within the existing Business Office staff. The cross-training of business office staff has allowed for greater flexibility and coverage of the office. The COVID-19 pandemic created a very challenging year for everyone. Business Operations continued uninterrupted throughout the pandemic period, both remotely and in-person. The Business Office staff continued to share information with each other as well as programmatic personnel to gain efficiencies. By the end of FY2021, it was evident that staffing needs had to be revisited to return to pre-pandemic levels. This reorganization and restructuring will take place during FY2022.

William Friel continued as Treasurer throughout FY2021. 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 FY2018.

The Cape Cod Collaborative FY2021 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 FY2021, for the seventh 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, 2020 was completed which indicated that although the Collaborative's liability has increased, the OPEB Trust is 96% funded.

Business Officials Group

Ms. Lipkind worked with the business officials throughout the region to facilitate meetings, mainly remote, of the Collaborative Member Districts Business Officials during FY21. This group discussed current challenges and "best practices" regarding transportation services, facilities management, regional procurement, and audits, as well as issues related to COVID-19.

Facility Directors Group

Ms. Lipkind also coordinated and facilitated joint meetings with Business Officials and Facility Directors throughout the member districts in FY2021.

Thank You for Your Support

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

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

Member District Participation (June 2021)

District	Oct 2020 Enrollment	Waypoint Academy (2021)	STAR / Osterville (6/21)	Itinerant Services (Therapies)	ASLP	Professional Development	Transportation (Large Bus)	Special Education Transportation	Virtual High School
Barnstable	4,713	12	11	Speech (as needed)	0 Summer 2020	Yes	2010-2011 Consultation	Occasional	25 Seats
Bourne	1,650	2	2.5	Physical - Stop FY18	0 Summer 2020	Yes	2012 Consultation; 2016-2017 MOA; FY18 Service Start	Occasional	Individual Purchase
Cape Cod Tech	626	0	0	Occupational / Physical		Yes	2011 Pricing	As needed	Joined Consortium 2013
D-Y	2,739	14	4	Occupational, Behavioral Consultation - Stop FY18	0 Summer 2020	Yes	2010 Consultation; 2011 Consultation; 2013 Consultation; 2016 Consultation;	Out-of-District	50 Seats
Falmouth	3,029	8	10.5	Stop FY11	0 Summer 2020	Yes	2011 Pricing; 2017 Consultation	Occasional	
Martha's Vineyard	2,172	0	0	Stop Speech & Occupational - FY19; Start Speech - FY20	0 Summer 2020	Yes	2005 Consultation		
Mashpee	1,468	3.2	4	Stop FY15	0 Summer 2020	Yes	2009 Start	In & Out-of-District	
Monomoy	1,763	3.2	2	Physical - Stop FY18; Speech - FY19 only	0 Summer 2020	Yes	2012 Consultation; 2018 Consultation; 2019 Start	Occasional	Consultation
Nauset (& Union)	2,318	4.9	5	Stop FY11	0 Summer 2020	Yes	2010-2011 Consultation; 2016 Consultation; 2017 Consultation; 2018 Consultation; 2018 MOA Development' 2019 Start	In & Out-of-District	25 Seats
Brewster		0	0			Yes			
Eastham		0	1			Yes			
Orleans		0	2			Yes			
Wellfleet		0	1			Yes			
Nantucket	1,666	0	0	Behavioral Consultation - Stop FY18	0 Summer 2020	Yes	1997 Start	In & Out-of-District	25 Seats +
Provincetown	133	0	0	Stop FY19	0 Summer 2020	Yes			
Sandwich	2,326	2	4	Stop FY19	0 Summer 2020	Yes		Study - FY12	25 Seats
Truro	113	0	1	Occupational, Physical		Yes	2008 Start	In & Out-of-District	
Upper Cape Tech	722	0	0	Physical - as needed		Yes		As needed	Individual Purchase
Wareham	1,988	6.3	8	Stop (FY16)	0 Summer 2020	Yes	2010 Consultation	Occasional	Individual Purchase - Start 2016-2017

Key	No CCC Service	Stopped Service- CCC Consult
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Cape Cod Collaborative
418 Bumps River Road
Osterville, MA 02655



Paul C Hilton
Executive Director
508.420.6950 x 1111
Fax 508.420.6959

December 2021

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

The purpose of this letter is to address particular regulatory issues that are not independently addressed in the FY2021 Annual Report.

Progress Made Towards Achieving the Objectives and Purposes in the Collaborative Agreement:

The entirety of the FY2021 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 articulated in the 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 FY2021 Annual Report.

The Collaborative increasingly served as an entity to organize regional responses to the challenges of the COVID-19 pandemic. The coordinated communication, cooperative planning and sharing of expertise and resources has been critical to ensuring effective responses to the challenges.

- 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 has continued to meet an increased demand for transportation services, which supported both district and collaborative programming. The operational challenges associated with the COVID-19 pandemic necessitated coordinated, collaborative planning. The

implementation of transportation specialist services and specialized consultation supported districts in a cost-effective and efficient manner.

In FY2021, the Collaborative served as an entity that facilitated the sharing of expertise and resources. The Collaborative continually consulted regarding the effectiveness and efficiency for the flexible delivery of transportation services for school districts throughout the region.

The Collaborative regularly convened school district administrators and business managers throughout the region to discuss methods to address transportation challenges, including the (nationwide) shortage of school bus drivers, training/support programming for school bus drivers, and most particularly, ensuring safety for staff and students with implementation of transportation services during the pandemic period(s).

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. The CVTE Implementation Grant, which had increased access to Career and Vocational Education opportunities for students, was suspended as scheduling challenges for participation of students from districts could not be appropriately addressed. The Collaborative initiated planning within programs and with member districts to address the challenges of shared vocational opportunities.

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: COVID-19 forced the cancellation of this regionally coordinated professional development day, which had been run annually since 2004.
- The Collaborative worked with member school district administrators to develop coursework for new administrators (Collaborative Framework for Educator Evaluation - CoFFEE) that was approved for credit from Bridgewater State University. This locally developed programming provides high quality, locally relevant professional development in a very cost-efficient manner.
- Deepened formal, programmatic partnership with Bridgewater State University, increasing opportunities for Collaborative staff and district staff throughout the region, and 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 Advanced Studies & Leadership Programs, Summer 2020 Program, which operates annually in coordination with Massachusetts Maritime Academy was continually restructured due to COVID-19 pandemic restrictions. After several different opportunities were determined to not be viable, the program did not occur in any structure during FY2021. Throughout Fy2021, planning occurred for Summer 2021 (FY2021) which did operate successfully in a modified manner.

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 aforementioned ASLP Program. The Collaborative programs successfully returned students to in-person learning for the Summer of 2020 with increasing engagement throughout the summer.

- **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. This became increasingly important for the sharing of strategies, expertise and resources throughout the FY to address COVID-19 pandemic related issues.

The Collaborative continued grant funded programming with the Peter & Elizabeth Tower Foundation. This initiative supports the continued development of Multi-Tiered Systems of Support in school districts throughout the region.

The initiative received increased funding and was renewed for an additional (calendar) year during Fy2021.

The Collaborative has also continued to develop proposals to assist with securing appropriate personnel through the Collaborative Center for Executive Search. In FY2021, the CES developed proposals to support searches for Superintendent for two member 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 continued to provide coursework through the formal 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 had previously provided limited procurement coordination and assistance with member school districts.
- There was an increased need to coordinated purchasing, especially for testing, personal protective equipment and safety supplies throughout the fiscal year.
- The Collaborative also served as a resource in coordination of re is a regional procurement (county) activities throughout the fiscal year.

- **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 FY2021 Annual Report. The Collaborative continues to successfully (remotely) gather groups throughout the region to facilitate collegial affiliation, professional development and strategic planning.
- Procurement Coordination
Please see above
- Procurement Consultation
 - There have continued to be opportunities actualized in the coordination of vehicle procurement and the sharing of specifications.
 - The Collaborative continued to serve as a consulting entity for consultation regarding procurement activities, especially regarding critical COVID-19 pandemic activities. The Collaborative continues to actively assist districts to ensure best practices and best value in procurement and service provision. During the 2020-2021 School Year, the Collaborative actively assisted districts in analyzing services with districts to restructure costs during the period of the COVID-19 pandemic.
- Administration Assistance
 - The Collaborative assisted districts (grant funded) through a grant from the Peter & Elizabeth Tower Foundation which continues to support districts in the development and implementation of Multi-Tiered Systems of Support (MTSS). During the COVID-19 pandemic period grant funds and consultation was focused upon supporting leadership and instructional staff in developing and sustaining remote/distance instructional/learning models.
- Employment Search and consultation services
 - The Collaborative Center for Executive Search consulted regarding several searches in FY2021.
- Transportation Services
 - The Collaborative continually refined the provision of transportation and transportation consultation with member districts to respond to the challenges associated with pandemic period services. Please see the FY2021 Annual Report.
- Facilities Management Services
 - 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) has allowed for increased collaboration.
 - The primary focus throughout the fiscal year was to ensure that school facilities were equipped and adequately supplied to meet the challenges of the COVID-19 pandemic, including coordination of the purchase of

disinfecting equipment and supplies as well as Personal Protective Equipment for all staff.

- 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 had facilitated opportunities for hosting students and administrators from other countries. The Collaborative has also continued 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.
 - International visits were discontinued due to the COVID-19 pandemic.

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 FY2021 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 expanded the capacity of the Collaborative and member districts to meet the needs of diverse learners. The coordinated, collaborative initiatives to support “blended” learning have been critical to ensure continuous learning opportunities throughout the year.

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

The Collaborative continued to develop professional development programming to meet the current and evolving needs of school districts. Activities include focused initiatives such as MTSS related grant activities, support for remote/distance learning, targeted graduate coursework, early childhood provider activities and administrator institutes.

Additional activities include developing staff capacity to effectively meet the challenges of provision of services (administrative, operational and educational) during the COVID-19 pandemic period.

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

The ongoing relationships and discussions facilitated through the job-a-like groups continued to provide a forum for the development of shared activities including specialized programming as well as sharing of resources, which was of critical need to respond to the challenges of the pandemic. The majority of in-person job-a-like groups were suspended due to the COVID-19 pandemic.

The Curriculum Directors met remotely with renewed focus upon developing and implementing effective models for remote/distance instruction.

The focus of Facility Directors was upon critical facility issues associated with the pandemic.

The remote meetings of the Directors of Special Education were focused upon the development and implementation of models of distance/remote instruction to meet the needs of students with special needs and ensuring the delivery of services.

The focus of the Business Managers varied from ensuring that funding opportunities were known, that equipment and supplies were secured to meet the changing needs and that coordination occurred on a regional basis to meet the rapidly changing needs.

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 as well as the significant impact of the pandemic upon all students, it is necessary to re-initiate regional strategic planning to ensure a comprehensive assessment of needs and opportunities.

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

Best regards,

Paul C Hilton

CAPE COD COLLABORATIVE
REPORT ON EXAMINATION OF
BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

CAPE COD COLLABORATIVE

REPORT ON EXAMINATION OF BASIC FINANCIAL STATEMENTS

JUNE 30, 2021

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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, 2021, 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, 2021, 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 December 8, 2021, 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.



December 8, 2021

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, 2021. 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 the values for its services by allocating estimated costs based upon the projected service need(s) of its member districts. There may be variances between the projected and the actual service needs and the resulting estimated and actual costs. An excess or deficiency results to the extent that the actual needs are below or above initial estimates. When this occurs, and after providing for adequate operating capital, these variances (shared assets or liabilities) are passed on to the member districts as "future service" cost increases or reductions.

The Cape Cod Collaborative continues to expand and to develop its technology resources to meet our membership needs as well as the increased accountability and requirements of the MA-DESE. Hardware and software upgrades that were initiated in 2012 continued into 2021 which 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 tuition-based special education day programs of the Collaborative. The 2020 - 2021 enrollment met expectations in the STAR Program throughout the year. Due to a school year of COVID-19 precautions, transportation services increased because of the requirements of the school districts to allow for cohort education, remote learning, and social distancing on the buses. The Collaborative had a challenging year to accommodate all the needs of each district served, and we met the challenge.

Our student programs' population is typically fluid throughout the year; a number of factors impact special education day placement enrollment such as: residential placement; students who attain the age of 22; and, students who return to their district or leave the area entirely. While a large percentage of our program enrollment is stable, these factors may contribute to variations from projections by as much as 20%, which is problematic without adequate budgetary safeguards. Consequently, many of our spending decisions (wages and other expenses) are predicated upon evolving enrollment, which allows the Collaborative to be efficient in the provision of services.

The restructuring of transportation administration, which began in 2014, added administrative assistance to support the expanded service delivery and the increased reliance upon continual refinement of databases to support transportation operations. Further and future district needs for general education transportation for member school districts continue to be evaluated along with the capacity of the Collaborative to effectively support the provision of services. The Collaborative has continued to expand its capacity for the provision of these services as member districts face increased costs and receive diminished services from outside contractors. The Collaborative has continued to work closely with school districts to support insightful decision making for the procurement of transportation services, whether through the Collaborative or through private contractors. The adaptability and flexibility of the Collaborative model for the provision of services proved supportive for districts as all were challenged due to the impact of the SARS-CoV-2 (COVID-19) pandemic. The Collaborative model was transparent and straightforward and allowed for participating districts to clearly understand and amend the variables in refining the service template to effectively adjust associated costs.

Special Education Transportation invoicing, while more transparent and efficient, continued to be complicated and cumbersome. The Collaborative continues to work with districts to refine their in-district costing templates, providing them with control over their services and costs, while yielding significant efficiencies for the Collaborative and cost savings for them (districts). The automation of the invoicing process has eliminated some redundancy as well as the intensity of manual manipulation that had been previously required. The invoicing process continued to be refined throughout 2020-2021 to provide time and distance data to support the costing process and to facilitate the cost allocation process. Further technology and recordkeeping procedures continue to be implemented and to be evaluated to ensure consistent and accurate determination of costs and invoicing for transportation services. Efficiencies in the invoicing process will continue to be refined and implemented, an ongoing initiative that will continue into the next fiscal year.

The acclaimed Advanced Studies and Leadership Program (ASLP), a partnership with Massachusetts Maritime Academy, had to be canceled for the Summer of 2020 due to COVID-19. This program will be held again when the situation allows, and students can be on the campus in-person. The program objectives for ASLP are:

- 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.

The demand continues to increase for this program in FY2021, 220± students had applied for the summer program. Although the program was cancelled for that summer, many students expressed interest to attend the following year if circumstances allow.

COVID-19 (SARS-CoV-2) Note

At the very start of FY2021, the Cape Cod Collaborative worked closely with member school districts to ensure that services were prepared to resume with any restrictions that were put in place due to the pandemic. The Member School Districts worked closely with the Collaborative administration to ensure that the programs and services remained viable while ensuring that the costs associated with maintaining program and service capacity were contained and reasonable.

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.

2021 Financial Highlights

- Governmental fund revenues increased .24% or \$46,000 and expenditures decreased 2.38% or \$455,000 over the prior year (this excludes the \$547,000 of capital lease financing). This resulted in an increase in fund balance of \$607,000.
- The general fund's actual revenue and other sources were under budget by \$1.3 million. Expenditures related to the above were less than budgeted by \$2.5 million. Overall, there was a \$585,000 increase in budgetary fund balance.
- During the year the Collaborative leased an additional \$547,000 of school buses for regular and special education transportation.
- The Collaborative has continued to make significant progress towards funding the long-term financial obligation associated with other post-employment benefits. The Collaborative had a funding ratio of 95.76% as of June 30, 2021 (up from 69.90% as of June 30, 2020). The successful funding of this obligation protects the financial stability of the Collaborative and ensures that revenues received for services are focused on current obligations. Please refer to Note 13 of the basic financial statements for further discussion of the other postemployment benefits liability.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Assets and deferred outflows exceeded liabilities and deferred inflows by \$4.1 million at the close of 2021. Key components of the Collaborative's governmental financial position are presented in the table on the following page.

	2021	2020
Assets:		
Current assets.....	\$ 9,224,511	\$ 8,437,182
Capital assets, net of accumulated depreciation....	5,544,896	6,539,643
Total assets.....	14,769,407	14,976,825
Deferred outflows of resources.....	336,460	303,578
Liabilities:		
Current liabilities (excluding debt).....	1,431,984	1,048,243
Noncurrent liabilities (excluding debt).....	112,271	639,813
Current debt.....	3,442,739	3,423,609
Noncurrent debt.....	4,018,107	5,029,873
Total liabilities.....	9,005,101	10,141,538
Deferred inflows of resources.....	1,960,487	1,541,481
Net position:		
Net investment in capital assets.....	20,842	22,953
Restricted.....	106,385	61,204
Unrestricted.....	4,013,052	3,513,227
Total net position.....	\$ 4,140,279	\$ 3,597,384

Net position of \$21,000 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. Net position of \$106,000 represents resources that are subject to external restrictions on how they may be used (restricted for gifts and grants). The remaining \$4.0 million portion of net position is unrestricted.

	2021	2020
Program Revenues:		
Charges for services.....	\$ 15,863,401	\$ 16,221,496
Operating grants and contributions.....	3,381,796	2,962,987
General Revenues:		
Unrestricted investment income.....	13,697	24,910
Miscellaneous revenue.....	36,470	40,375
Total revenues.....	19,295,364	19,249,768
Expenses:		
Waypoint Academy.....	2,592,574	2,674,908
STAR Program.....	2,802,676	2,795,995
Itinerant Services.....	777,921	701,287
Transportation.....	9,009,244	9,512,836
Professional development and executive search.....	252,974	317,375
Advance Studies and Leadership Program.....	20,888	273,437
State funded pension benefits.....	3,296,192	2,888,830
Total expenses.....	18,752,469	19,164,668
Change in net position.....	542,895	85,100
Net position, beginning of year.....	3,597,384	3,512,284
Net position, end of year.....	\$ 4,140,279	\$ 3,597,384

The Collaborative's net position increased by \$543,000 in 2021 as compared to a \$85,000 increase in 2020.

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 \$4.6 million. The general fund balance increased by \$585,000. Nonmajor governmental funds increased by \$22,000.

The general fund is the Collaborative's chief operating fund. At year end, fund balance in the general fund totaled \$4.4 million.

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 2021 approved budget for the general fund authorized \$18.4 million in appropriations. The Board did not approve any subsequent budget modifications.

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, 2021. The Collaborative leased an additional \$547,000 of school buses during 2021. Depreciation expense in the amount of \$1.5 million was recorded.

The Collaborative has several capital leases liabilities outstanding at year end which totaled \$5.5 million. The Collaborative also had a Paycheck Protection Program Loan in the amount of \$1.9 million outstanding as of year-end. On July 28, 2021 the Small Business Administration forgave the loan in full, the Collaborative will recognize this loan forgiveness as grant revenue in the subsequent year.

Please refer to the Notes 4, 6 and 9 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 Collaborative'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.

Basic Financial Statements

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STATEMENT OF NET POSITION

JUNE 30, 2021

	<i>Primary Government</i>
	Governmental Activities
ASSETS	
CURRENT:	
Cash and cash equivalents.....	\$ 7,349,896
Investments.....	370,133
Receivables, net of allowance for uncollectibles:	
Due from member communities.....	1,502,465
Other assets.....	2,017
Total current assets.....	9,224,511
NONCURRENT:	
Capital assets, net of accumulated depreciation.....	5,544,896
TOTAL ASSETS.....	14,769,407
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to other postemployment benefits.....	336,460
LIABILITIES	
CURRENT:	
Warrants payable.....	574,534
Accrued payroll.....	636,396
Other liabilities.....	122,620
Paycheck Protection Program Loan.....	1,936,792
Compensated absences.....	98,434
Capital lease obligations.....	1,505,947
Total current liabilities.....	4,874,723
NONCURRENT:	
Compensated absences.....	24,609
Capital lease obligations.....	4,018,107
Net other postemployment benefits liability.....	87,662
Total noncurrent liabilities.....	4,130,378
TOTAL LIABILITIES.....	9,005,101
DEFERRED INFLOWS OF RESOURCES	
Unearned revenue.....	1,356,328
Deferred inflows related to other postemployment benefits.....	604,159
TOTAL DEFERRED INFLOWS OF RESOURCES.....	1,960,487
NET POSITION	
Net investment in capital assets.....	20,842
Restricted for:	
Gifts and grants.....	106,385
Unrestricted.....	4,013,052
TOTAL NET POSITION.....	\$ 4,140,279

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

<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>	
Primary Government:				
<i>Governmental Activities:</i>				
Waypoint academy.....	\$ 2,592,574	\$ 2,811,073	\$ -	\$ 218,499
STAR program.....	2,802,676	3,156,126	15,604	369,054
Itinerant services.....	777,921	717,183	-	(60,738)
Transportation.....	9,009,244	8,941,243	-	(68,001)
Professional development and executive search.	252,974	223,862	70,000	40,888
Advanced studies and leadership program.....	20,888	13,914	-	(6,974)
State funded pension benefits.....	<u>3,296,192</u>	<u>-</u>	<u>3,296,192</u>	<u>-</u>
Total Governmental Activities.....	\$ <u>18,752,469</u>	\$ <u>15,863,401</u>	\$ <u>3,381,796</u>	\$ <u>492,728</u>

(Continued)

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

		<u>Primary Government</u>
		<u>Governmental Activities</u>
Changes in net position:		
Net (expense) revenue from previous page.....	\$	492,728
<i>General revenues:</i>		
Unrestricted investment income.....		13,697
Miscellaneous revenue.....		36,470
		<hr/>
Total general revenues.....		50,167
		<hr/>
Change in net position.....		542,895
 <i>Net position:</i>		
Beginning of year.....		3,597,384
		<hr/>
End of year.....	\$	4,140,279
		<hr/> <hr/>
		(Concluded)

See notes to basic financial statements.

GOVERNMENTAL FUNDS
BALANCE SHEET

JUNE 30, 2021

	General	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents.....	\$ 7,197,818	\$ 152,078	\$ 7,349,896
Investments.....	370,133	-	370,133
Receivables, net of uncollectibles:			
Due from member communities.....	1,502,465	-	1,502,465
Other assets.....	2,017	-	2,017
TOTAL ASSETS.....	\$ 9,072,433	\$ 152,078	\$ 9,224,511
LIABILITIES			
Warrants payable.....	\$ 570,689	\$ 3,845	\$ 574,534
Accrued payroll.....	636,396	-	636,396
Other liabilities.....	122,620	-	122,620
Paycheck Protection Program Loan.....	1,936,792	-	1,936,792
TOTAL LIABILITIES.....	3,266,497	3,845	3,270,342
DEFERRED INFLOWS OF RESOURCES			
Unearned revenue.....	1,356,328	-	1,356,328
FUND BALANCES			
Restricted.....	-	148,233	148,233
Unassigned.....	4,449,608	-	4,449,608
TOTAL FUND BALANCES.....	4,449,608	148,233	4,597,841
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 9,072,433	\$ 152,078	\$ 9,224,511

See notes to basic financial statements.

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

JUNE 30, 2021

Total governmental fund balances.....	\$	4,597,841
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		5,544,896
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 reported.....		(267,699)
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.....		(87,662)
Capital lease obligations.....		(5,524,054)
Compensated absences.....		(123,043)
Net effect of reporting long-term liabilities.....		<u>(5,734,759)</u>
Net position of governmental activities.....	\$	<u><u>4,140,279</u></u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2021

	General	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:			
Tuition.....	\$ 5,856,434	\$ -	\$ 5,856,434
Service revenue.....	1,016,570	-	1,016,570
Transportation.....	8,941,243	-	8,941,243
Other departmental revenue.....	93,509	-	93,509
Intergovernmental.....	-	77,719	77,719
Intergovernmental - State provided pension benefits.....	3,296,192	-	3,296,192
Investment income.....	13,697	-	13,697
TOTAL REVENUES.....	19,217,645	77,719	19,295,364
EXPENDITURES:			
Current:			
Waypoint academy.....	2,598,300	3,929	2,602,229
STAR program.....	2,812,293	974	2,813,267
Itinerant services.....	780,830	-	780,830
Transportation.....	9,467,690	-	9,467,690
Professional development and executive search.....	228,951	24,996	253,947
Advanced studies and leadership program.....	21,032	-	21,032
State funded pension benefits.....	3,296,192	-	3,296,192
TOTAL EXPENDITURES.....	19,205,288	29,899	19,235,187
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	12,357	47,820	60,177
OTHER FINANCING SOURCES (USES):			
Capital lease financing.....	547,314	-	547,314
Transfers in.....	25,778	-	25,778
Transfers out.....	-	(25,778)	(25,778)
NET CHANGE IN FUND BALANCES.....	585,449	22,042	607,491
FUND BALANCES AT BEGINNING OF YEAR.....	3,864,159	126,191	3,990,350
FUND BALANCES AT END OF YEAR.....	\$ 4,449,608	\$ 148,233	\$ 4,597,841

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, 2021

Net change in fund balances - total governmental funds.....	\$	607,491
<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.....		547,314
Depreciation expense.....		<u>(1,542,061)</u>
Net effect of reporting capital assets.....		(994,747)
<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.....		1,539,950
Capital lease financing.....		<u>(547,314)</u>
Net effect of reporting long-term debt.....		992,636
<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...		(491,593)
Net change in net other postemployment benefits liability.....		552,151
Net Change in compensated absences liability.....		<u>(123,043)</u>
Net effect of recording long-term liabilities.....		<u>(62,485)</u>
Change in net position of governmental activities.....	\$	<u><u>542,895</u></u>

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2021

		Other Postemployment Benefit Trust Fund
ASSETS		
Cash and cash equivalents.....	\$	37,300
Investments:		
Equity mutual funds.....		1,127,072
Fixed income mutual funds.....		813,173
TOTAL ASSETS.....		1,977,545
NET POSITION		
Restricted for other postemployment benefits.....	\$	1,977,545

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2021

	Other Postemployment Benefit Trust Fund
ADDITIONS:	
Contributions:	
Employer contributions to the trust.....	\$ 180,000
Employer contributions for other postemployment benefit payments....	39,666
Total contributions.....	219,666
Net investment income:	
Investment income.....	316,742
Less: investment expense.....	(4,687)
Net investment income (loss).....	312,055
TOTAL ADDITIONS.....	531,721
DEDUCTIONS:	
Other postemployment benefit payments.....	39,666
NET INCREASE (DECREASE) IN NET POSITION.....	492,055
NET POSITION AT BEGINNING OF YEAR.....	1,485,490
NET POSITION AT END OF YEAR.....	\$ 1,977,545

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 Regional 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 following fiduciary fund types are reported:

The *other postemployment benefits trust fund* is used to accumulate resources to provide funding for future OPEB liabilities.

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.

Due from member communities

Departmental and other receivables consist tuition payments receivable for special education services provided as well as a receivable for transportation services provided to members.

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 other 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 other 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. Sick leave owed to transportation employees is allowed to be carryforward and sold back to the Collaborative during certain periods of the year. The Collaborative records a liability for this unused sick time for these transportation employees. Sick and vacation for all other employees is required to be used during the year and is not allowed to be carryforward, there the Collaborative does not report a liability for the employees' sick and vacation time.

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 \$7,344,431 and the bank balance totaled \$7,357,635. Of that amount \$500,000 was covered by Federal Depository Insurance and \$5,769,080 was collateralized. The remaining balance of \$1,088,555 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, 2021:

Investment Type	June 30, 2021	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)
Investments measured at fair value:				
<u>Other investments:</u>				
Equity securities.....	\$ 23,978	\$ 23,978	\$ -	\$ -
Equity mutual funds.....	1,127,072	1,127,072	-	-
Fixed income.....	1,159,328	1,159,328	-	-
Money market mutual funds.....	42,765	42,765	-	-
Total investments.....	\$ 2,353,143	\$ 2,353,143	\$ -	\$ -

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, \$2,310,378 of equity securities and equity and fixed income mutual funds are exposed to custodial credit risk because the related securities are uninsured, unregistered and held by the counterparty.

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, 2021, 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>			
Due from member communities.....	\$ 1,527,051	\$ (24,586)	\$ 1,502,465

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Capital assets being depreciated:</u>				
School Buses.....	\$ 14,211,846	\$ 547,314	\$ -	\$ 14,759,160
Leasehold improvements.....	202,892	-	-	202,892
Office equipment and furniture.....	28,868	-	-	28,868
Total capital assets being depreciated.....	<u>14,443,606</u>	<u>547,314</u>	<u>-</u>	<u>14,990,920</u>
 <u>Less accumulated depreciation for:</u>				
School Buses.....	(7,672,203)	(1,542,061)	-	(9,214,264)
Leasehold improvements.....	(202,892)	-	-	(202,892)
Office equipment and furniture.....	(28,868)	-	-	(28,868)
Total accumulated depreciation.....	<u>(7,903,963)</u>	<u>(1,542,061)</u>	<u>-</u>	<u>(9,446,024)</u>
Total capital assets, net.....	<u>\$ 6,539,643</u>	<u>\$ (994,747)</u>	<u>\$ -</u>	<u>\$ 5,544,896</u>

NOTE 5 – INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2021 are summarized as follows:

	<u>Transfers In:</u>
	General fund
<u>Transfers Out:</u>	
Nonmajor governmental funds.....	<u>\$ 25,778 (1)</u>

(1) Represents the transfer of residual balances from the Garden fund and Preschool Expansion grant to the general fund.

NOTE 6 – PAYCHECK PROTECTION PROGRAM LOAN

On May 14, 2020, the Cape Cod Collaborative was granted a loan (the "loan") from TD Bank, N.A. in the aggregate amount of \$1,936,792, pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title I of the CARES Act, which was enacted on March 27, 2020.

The Loan, which is in the form of a Note dated May 14, 2020 issued by the Collaborative, matures on May 14, 2022 and bears interest at the rate of 1% per annum, payable monthly commencing on December 14, 2020. The Note may be prepaid by the Collaborative at any time prior to maturity with no prepayment penalties. Funds from the loan may only be used for payroll costs, costs used to continue health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred before February 15, 2020. The Collaborative has used the entire loan amount for qualifying expenses. Under the terms of the PPP, certain amounts of the loan

may be forgiven if they are used for qualifying expenses as described in the CARES Act. On July 28, 2021, the Small Business Administration forgave the loan in full, the Collaborative will recognize this loan forgiveness as grant revenue in the subsequent year.

NOTE 7 – PREPAID TUITION

Member communities are allowed to prepay a portion of the next year’s tuition. At June 30, 2021, the Collaborative had received \$1,356,328 of prepaid tuition from member communities.

NOTE 8 – FACILITY LEASES

The Collaborative has entered into operating lease agreements for the Osterville Campus, Waypoint Academy in Sandwich, Dennisport maintenance facility, and the Nauset Transportation office trailer. The cost of these leases for the year ended June 30, 2021 totaled \$252,285.

Future minimum lease payments for these agreements are as follows:

<u>Years ending June 30:</u>	
2022.....	\$ 204,970
2023.....	87,970
2024.....	87,970
2025.....	87,970
2026.....	87,970
2027.....	87,970
2028.....	87,970
2029.....	87,970
2030.....	<u>87,970</u>
 Total.....	 \$ <u>908,730</u>

NOTE 9 – CAPITAL LEASES

The Collaborative has entered into non-cancelable long-term lease agreements for the purchase of buses. 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>	<u>Governmental Activities</u>
School Buses.....	\$ 14,759,160
Less: accumulated depreciation...	<u>(9,214,264)</u>
 Total.....	 \$ <u>5,544,896</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2021 were as follows:

Years ending June 30:	Governmental Activities
2022.....	\$ 1,642,990
2023.....	1,433,614
2024.....	1,204,696
2025.....	914,624
2026.....	522,686
2027.....	119,748
2028.....	<u>21,589</u>
Total minimum lease payments.....	5,859,947
Less: amounts representing interest.....	<u>(335,893)</u>
Present value of minimum lease payments... \$	<u><u>5,524,054</u></u>

Related interest expense for the year ended June 30, 2021 was \$175,860.

Changes in Long-term Liabilities

During the year ended June 30, 2021, the following changes occurred in long-term liabilities:

	Beginning Balance	Other Increases	Other Decreases	Ending Balance	Due Within One Year
Capital lease obligations.....	\$ 6,516,690	\$ 547,314	\$ (1,539,950)	\$ 5,524,054	\$ 1,505,947
Compensated absences.....	-	123,043	-	123,043	98,434
Other postemployment benefits.....	639,813	445,983	(998,134)	87,662	-
Total long-term liabilities.....	<u>\$ 7,156,503</u>	<u>\$ 1,116,340</u>	<u>\$ (2,538,084)</u>	<u>\$ 5,734,759</u>	<u>\$ 1,604,381</u>

NOTE 10 – 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:

	General	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:			
Restricted for:			
Art & Music.....	\$ -	\$ 5,088	\$ 5,088
Advanced Studies & Leadership Program.....	-	41,848	41,848
Grants.....	-	101,297	101,297
Unassigned.....	4,449,608	-	4,449,608
Total Fund Balances.....	\$ 4,449,608	\$ 148,233	\$ 4,597,841

NOTE 11 – 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 12 – 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, 2020. The Collaborative's portion of the collective pension expense, contributed by the Commonwealth, of \$1,387,508 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 \$11,233,579 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, 2020 was \$278,010.

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, 2020. The Collaborative's portion of the collective pension expense, contributed by the Commonwealth, of \$1,908,684 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 \$12,785,584 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 13 – 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 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

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. Plan members receiving benefits contribute the remaining portion of their premium costs. For 2021, the Collaborative contributed approximately \$220,000 towards these benefits, including the pre-funded contribution discussed below.

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. During 2021, the Collaborative pre-funded future OPEB liabilities totaling \$180,000 by contributing funds to the Other Postemployment Benefit Fund in excess of the pay-as-you-go required contribution. These funds are reported within the Fiduciary Funds financial statements. As of June 30, 2021, the balance in this fund totaled \$1,977,545. The Trust is managed by the Board of Directors who are authorized to manage the Trust in accordance with the Trust Agreement.

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, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2020.

Membership

The following represents the Plan’s membership at June 30, 2021:

Active members.....	181
Inactive members currently receiving benefits.....	<u>12</u>
Total.....	<u><u>193</u></u>

Components of OPEB Liability

Components of the other postemployment benefits liability as of June 30, 2021, were as follows:

Total OPEB liability.....	\$	2,065,207
Less: OPEB plan's fiduciary net position.....		<u>(1,977,545)</u>
Net OPEB liability.....	\$	<u><u>87,662</u></u>
The OPEB plan's fiduciary net position as a percentage of the total OPEB liability.....		95.76%

Significant Actuarial Assumption

The total other postemployment benefit liability in the July 1, 2020, actuarial valuation was determined using the following actuarial assumptions:

Valuation date.....	July 1, 2020
Actuarial cost method.....	Entry Age Normal Cost Method.
Inflation rate.....	2.20%
Investment rate of return.....	6.50%, net of investment expenses, including inflation.
Healthcare cost trend rate.....	7.00 percent for 2020, decreasing .40 percent per year to 5.40 percent, then grading down to an ultimate trend rate of 4.00 percent.
Pre-retirement employees - general.....	RP-2014 Healthy Annuitant Blue Collar Mortality Table, base year 2014, projected with generational mortality improvement using scale MP-2020 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-2020 and set forward one year for females
Pre-retirement employees - teachers.....	PUB-2010 Teachers Headcount-Weighted Mortality Table, base year 2010, projected generational mortality using scale MP-2020
Post-retirement employees - teachers.....	PUB-2010 Teachers Headcount-Weighted Mortality Table, base year 2010, projected generational mortality using scale MP-2020

Rate of return

The annual money-weighted rate of return on OPEB plan investments was 20.05%. 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 4.30% is added to the expected inflation of 2.20% to produce the long-term expected nominal rate of return of 6.50%. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan’s target asset allocation as of June 30, 2021 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>
Domestic equity-large cap.....	32.00%	6.82%
Domestic equity-small/mid cap.....	5.00%	7.84%
International equity-developed market....	5.00%	5.69%
International equity-emerging market.....	2.00%	7.02%
Domestic fixed income.....	33.00%	1.05%
High Yield fixed Income.....	4.00%	2.19%
International fixed income.....	4.00%	2.70%
Alternatives.....	9.00%	4.27%
Real Estate.....	5.00%	5.64%
Cash.....	1.00%	-0.30%
 Total.....	 <u>100.00%</u>	

Discount rate

The discount rate used to measure the total OPEB liability was 6.50% as of June 30, 2021. 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. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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 6.50%, 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 (5.50%) or 1-percentage-point (7.50%) than the current rate.

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Net OPEB liability (asset)..... \$	<u>452,546</u>	<u>87,662</u>	<u>(204,046)</u>

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 7.00% year one decreasing to 4.00%.

	1% Decrease	Current Trend	1% Increase
Net OPEB liability (asset).....	\$ (243,473)	\$ 87,662	\$ 509,328

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, 2020.....	\$ 2,125,303	\$ 1,485,490	\$ 639,813
Changes for the year:			
Service cost.....	151,562	-	151,562
Interest.....	157,992	-	157,992
Differences between expected and actual experience....	(466,413)	-	(466,413)
Changes in assumptions.....	136,429	-	136,429
Benefit payments.....	(39,666)	(39,666)	-
Net investment income.....	-	312,055	(312,055)
Contributions by employer.....	-	219,666	(219,666)
Net change.....	(60,096)	492,055	(552,151)
Balances at June 30, 2021.....	\$ 2,065,207	\$ 1,977,545	\$ 87,662

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

For the year ended June 30, 2021, the Collaborative recognized OPEB expense of \$159,108. The Collaborative reported deferred outflows of resources and deferred inflows of resources related to OPEB of \$336,460 and \$604,159 from the following sources:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ -	\$ (475,066)	\$ (475,066)
Difference between projected and actual earnings, net.....	-	(129,093)	(129,093)
Changes in assumptions.....	336,460	-	336,460
Total deferred outflows/(inflows) of resources.....	\$ 336,460	\$ (604,159)	\$ (267,699)

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

<u>Measurement date year ended June 30:</u>	
2022.....	\$ (41,314)
2023.....	(49,492)
2024.....	(46,717)
2025.....	(56,922)
2026.....	(16,338)
Thereafter.....	<u>(56,916)</u>
 Total.....	 \$ <u>(267,699)</u>

Changes in assumptions

The discount rate changed from 7.00% as of June 30, 2020 to 6.50% as of June 30, 2021. In addition, the inflation rate, healthcare trend rate, mortality tables and mortality improvement rates were updated.

Changes in plan provisions

None.

NOTE 14 – 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, 2021 cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2021.

NOTE 15 – COVID-19

On March 10, 2020, the Massachusetts Governor declared a state of emergency in response to the coronavirus outbreak. The World Health Organization officially declared the novel Coronavirus (COVID-19) a pandemic the following day. In an attempt to slow the spread of COVID-19, governments issued various stay at home orders that caused global economic shutdowns and substantial financial market impact. Starting in March 2020, the Governor continued to issue orders allowing governments to operate and carry out essential functions safely. These included modifying the state’s Open Meeting Law, issuing a stay-at-home order, and introducing a phased approach to reopening State businesses.

The Collaborative is considered an essential business and although it was closed to the public for a brief period of time, classes remained operational and most employees continued to perform their daily duties. The Collaborative continued to support districts through the provision of special education and general education transportation services beginning in July 2020. Although the Collaborative worked closely with associated school districts, there was a significant impact to Collaborative revenues to support operational expenses in this area. Most districts supported the maintenance of transportation capital assets and transportation staff throughout the pandemic.

The 2020- 2021 school year began for Collaborative programs, all in-person, with an optional hybrid program for families electing this form of learning. Fiscal year 2021 enrollment was down approximately 5-10% to start the

new fiscal/school year. Enrollment met expectations over the course of FY21. The Collaborative incurred unanticipated costs, approaching several hundred thousand dollars, specifically related to the pandemic and currently plans to fund these expenditures using available reserves.

The full extent of the financial impact cannot be determined as of the date of the financial statements.

NOTE 16 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 8, 2021 which is the date the financial statements were available to be issued.

NOTE 18 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2021, the following GASB pronouncements were implemented:

- GASB Statement #84, *Fiduciary Activities*. This pronouncement did not impact the basic financial statements.
- GASB Statement #90, *Majority Equity Interests – an amendment of GASB Statements #14 and #61*. This pronouncement did not impact the basic financial statements.

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #87, *Leases*, which is required to be implemented in 2022.
- The GASB issued Statement #89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which is required to be implemented in 2022.
- The GASB issued Statement #91, *Conduit Debt Obligations*, which is required to be implemented in 2023.
- The GASB issued Statement #92, *Omnibus 2020*, which is required to be implemented in 2022.
- The GASB issued Statement #93, *Replacement of Interbank Offered Rates*, which is required to be implemented in 2022.
- The GASB issued Statement #94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which is required to be implemented in 2023.
- The GASB issued Statement #96, *Subscription-Based Information Technology Arrangements*, which is required to be implemented in 2023.
- The GASB issued Statement #97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, 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, 2021

	Budgeted Amounts		Actual Budgetary Amounts	Variance to Final Budget
	Original Budget	Final Budget		
REVENUES:				
Tuition.....	\$ 6,218,506	\$ 6,218,506	\$ 5,856,434	\$ (362,072)
Service revenue.....	1,408,147	1,408,147	1,016,570	(391,577)
Transportation.....	9,591,101	9,591,101	8,941,243	(649,858)
Other departmental revenue.....	50,000	50,000	93,509	43,509
Investment income.....	-	-	13,697	13,697
TOTAL REVENUES.....	17,267,754	17,267,754	15,921,453	(1,346,301)
EXPENDITURES:				
Current:				
Waypoint academy.....	2,957,868	2,957,868	2,598,300	359,568
STAR program.....	3,040,002	3,040,002	2,812,293	227,709
Itinerant services.....	872,502	872,502	780,830	91,672
Transportation.....	10,848,922	10,848,922	9,467,690	1,381,232
Professional development and executive search.....	321,803	321,803	228,951	92,852
Advanced studies and leadership program.....	323,657	323,657	21,032	302,625
TOTAL EXPENDITURES.....	18,364,754	18,364,754	15,909,096	2,455,658
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(1,097,000)	(1,097,000)	12,357	1,109,357
OTHER FINANCING SOURCES (USES):				
Transfers in.....	-	-	25,778	25,778
Capital lease financing.....	1,097,000	1,097,000	547,314	(549,686)
TOTAL OTHER FINANCING SOURCES (USES)...	1,097,000	1,097,000	573,092	(523,908)
NET CHANGE IN FUND BALANCE.....	-	-	585,449	585,449
FUND BALANCES AT BEGINNING OF YEAR.....	3,864,159	3,864,159	3,864,159	-
FUND BALANCES AT END OF YEAR.....	\$ 3,864,159	\$ 3,864,159	\$ 4,449,608	\$ 585,449

See notes to required supplementary information.

Collaborative Pension Plan Schedules

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

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

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

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

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

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

A special funding situation was created by Massachusetts General Laws for all educational collaboratives in the Commonwealth. Collaboratives contribute amounts equal to the normal cost of employees' benefits at a rate established by PERAC, currently 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 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
2021.....	\$ 12,785,584	\$ 1,908,684	62.48%
2020.....	10,316,755	1,713,767	66.28%
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**

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
2021.....	\$ 11,233,579	\$ 1,387,508	50.67%
2020.....	9,689,850	1,175,063	53.95%
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

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
2021.....	\$ 278,010	\$ 4,557,541	6.10%
2020.....	213,581	3,501,328	6.10%
2019.....	239,873	3,932,344	6.10%
2018.....	209,060	3,733,214	5.60%
2017.....	185,163	3,306,482	5.60%
2016.....	186,458	3,329,607	5.60%
2015.....	177,775	3,174,554	5.60%

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	June 30, 2020	June 30, 2021
Total OPEB Liability					
Service Cost.....	\$ 91,399	\$ 95,055	\$ 98,857	\$ 133,758	\$ 151,562
Interest.....	97,457	108,935	121,288	140,501	157,992
Changes of benefit terms.....	-	-	-	(22,575)	-
Differences between expected and actual experience....	-	-	(105,142)	-	(466,413)
Changes of assumptions.....	-	-	153,087	157,810	136,429
Benefit payments.....	(38,813)	(40,097)	(46,086)	(47,553)	(39,666)
Net change in total OPEB liability.....	150,043	163,893	222,004	361,941	(60,096)
Total OPEB liability - beginning.....	1,227,422	1,377,465	1,541,358	1,763,362	2,125,303
Total OPEB liability - ending (a).....	\$ 1,377,465	\$ 1,541,358	\$ 1,763,362	\$ 2,125,303	\$ 2,065,207
Plan fiduciary net position					
Employer contributions.....	\$ 218,813	\$ 180,000	\$ 226,086	\$ 180,000	\$ 180,000
Employer contributions for OPEB payments.....	38,813	40,097	-	47,553	39,666
Net investment income.....	31,908	24,300	93,150	48,741	312,055
Benefit payments.....	(38,813)	(40,097)	(46,086)	(47,553)	(39,666)
Net change in plan fiduciary net position.....	250,721	204,300	273,150	228,741	492,055
Plan fiduciary net position - beginning of year.....	567,391	779,299	983,599	1,256,749	1,485,490
Plan fiduciary net position - end of year (b).....	\$ 818,112	\$ 983,599	\$ 1,256,749	\$ 1,485,490	\$ 1,977,545
Net OPEB liability - ending (a)-(b).....	\$ 559,353	\$ 557,759	\$ 506,613	\$ 639,813	\$ 87,662
Plan fiduciary net position as a percentage of the total OPEB liability.....	59.39%	63.81%	71.27%	69.90%	95.76%
Covered-employee payroll.....	\$ 6,423,123	\$ 6,517,602	\$ 6,754,577	\$ 7,544,325	\$ 7,066,127
Net OPEB liability as a percentage of covered-employee payroll.....	8.71%	8.56%	7.50%	8.48%	1.24%

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, 2021.....	\$ 197,642	\$ (219,666)	\$ (22,024)	7,066,127	3.11%
June 30, 2020.....	173,616	(227,553)	(53,937)	7,544,325	3.02%
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

<u>Year</u>	<u>Annual money-weighted rate of return, net of investment expense</u>
June 30, 2021.....	20.05%
June 30, 2020.....	3.66%
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 ACCOUNTINGA. 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 2021 approved budget for the general fund authorized approximately \$18.4 million in appropriations. The Board did not approve any subsequent budget modifications.

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, 2021, is presented below:

Net change in fund balance - budgetary basis.....	\$	585,449
<u>Basis of accounting differences:</u>		
Recognition of revenue for on-behalf payments.....		3,296,192
Recognition of expenditures for on-behalf payments.....		<u>(3,296,192)</u>
Net change in fund balance - GAAP basis.....	\$	<u>585,449</u>

NOTE B – PENSION PLANA. 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 Collaborative'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 Collaborative 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, 2020
Actuarial cost method.....	Entry Age Normal Cost Method.
Inflation rate.....	2.20%
Investment rate of return.....	6.50%, net of investment expenses, including inflation.
Healthcare cost trend rate.....	7.00 percent for 2020, decreasing .40 percent per year to 5.40 percent, then grading down to an ultimate trend rate of 4.00 percent.
Pre-retirement employees - general.....	RP-2014 Healthy Annuitant Blue Collar Mortality Table, base year 2014, projected with generational mortality improvement using scale MP-2020 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-2020 and set forward one year for females
Pre-retirement employees - teachers.....	PUB-2010 Teachers Headcount-Weighted Mortality Table, base year 2010, projected generational mortality using scale MP-2020
Post-retirement employees - teachers.....	PUB-2010 Teachers Headcount-Weighted Mortality Table, base year 2010, projected generational mortality using scale MP-2020

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 discount rate changed from 7.00% as of June 30, 2020 to 6.50% as of June 30, 2021. In addition, the inflation rate, healthcare trend rate, mortality tables and mortality improvement rates were updated.

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	\$	90,433
Waypoint Academy - Town of Sandwich		102,800
Office trailer Nauset Transportation - Williams Scotsman		5,052
Dennisport maintenance facility - Raymond Caterino		54,000
	<u>\$</u>	<u>252,285</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, 2021:

Paul Hilton, Executive Director	\$	166,950
Anita Woods, Director of Special Education Programs		140,454
Christina Caputo, Assistant Director of Special Education		128,488
Amy Lipkind, Business Manager		113,339
Kara Peterson, Waypoint Program Director		110,888

NOTE 4 – AMOUNTS EXPENDED ON ADMINISTRATION AND OVERHEAD

For the year ended June 30, 2021, the Collaborative expended \$693,457 and \$239,030 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, 2021, 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, 2021, there were no expenditures that qualified for reporting in this category.

NOTE 7 – ANNUAL DETERMINATION AND DISCLOSURE OF 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.

The Board of Directors voted to approve and retain \$4,449,608 as the amount designated as Cumulative Surplus from the general funds remaining in the Collaborative’s accounts as of June 30, 2021. This amount does exceed the limit of 25% of general fund expenditures for the year as shown in the following table:

(A) Voted Cumulative Surplus as of June 30, 2020.....	\$ 3,864,159	(A)	<u>p. 18</u>
(Breakdown of use of 2020 surplus)			
B(1) used to support the FY21 budget.....	\$ -		
B(2) issued as credits to member districts.....	\$ -		
B(3) issued as a check(s) to member districts.....	\$ -		
B(4) deposited to a restricted accounts(s).....	\$ -		
(B) Board voted uses of surplus funds during FY21.....	\$ -	(B)	<u>N/A</u>
(C) Unexpended FY21 General Funds.....	585,449	(C)	<u>p. 18</u>
(D) Cumulative Surplus as of June 30, 2021.....	4,449,608	(D)	<u>p. 18</u>
(E) FY21 Total General Fund Expenditures*.....	15,909,096	(E)	<u>p. 18</u>
(F) Cumulative Surplus Percentage.....	27.97%	(F)	<u>p. N/A</u>
(G) Cumulative Surplus as of June 30, 2021.....	\$ 4,449,608		
25% limit (allowed).....	\$ 3,977,274		
(H) Cumulative Surplus Reductions			
H(1) Credited to member districts for tuition, services, etc.....	\$ 950,355		
H(2) Deposited to an established trust and/or reserve fund.....	\$ -		
H(3) Returned (check) to school districts/towns.....	\$ -		
Total Reductions.....	\$ 950,355		
FY21 Cumulative Surplus Percentage after Reduction.....	22.00%		

* Exclusive of State funded pension benefits

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, 2021, and the related notes to the financial statements, which collectively comprise the Collaborative's basic financial statements, and have issued our report thereon dated December 8, 2021.

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 "Pomeroy & Sullivan, LLC".

December 8, 2021