



Annual Report
2021-2022

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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

2021-2022

Kathleen Bent	Barnstable Public Schools
Maureen Fuller	Bourne Public Schools
Katie Miller-Jacobus (July - August) Casey Mecca (September -)	Brewster Public Schools
Scott McGee	Cape Cod Regional Technical
Phillip Morris	Dennis-Yarmouth Regional
Judy Lindahl, Chair	Eastham Public Schools
William Dorfner	Falmouth Public Schools
Kate DeVane	Martha's Vineyard Regional
Don Myers	Mashpee Public Schools
Joseph Auciello (July - November) Jessica Rogers (January -)	Monomoy Regional Schools
Laura Gallagher Byrne (September -)	Nantucket Public Schools
Chris Easley (September - February) Cathryn Lonsdale (March -)	Nauset Regional Schools
Hank Schumacher	Orleans Public Schools
No member appointed	Provincetown Public Schools
Michael Pell	Sandwich Public Schools
Christine Roderick (September) Kolby Blehm (October -)	Truro Public Schools
Robert Fichtenmayer	Upper Cape Cod Regional Technical
Joyce Bacchiocchi	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

2021-2022

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
Dr. Elizabeth Hallett	Nantucket Public Schools
Dr. Brooke Clenchy (interim)	Nauset Regional (including Brewster, Eastham, Orleans, & Wellfleet)
Dr. Suzanne Scallion	Provincetown Public Schools
Dr. Pamela Gould	Sandwich Public Schools
Stephanie Costigan	Truro Public Schools
Roger Forget	Upper Cape Cod Technical
Dr. Kimberly Shaver-Hood	Wareham Public Schools

Cape Cod Collaborative
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Cape Cod & Islands Special Education Directors

2021-2022

Eric Bruinooge (Secondary)

Catherine Zinni (Primary/Elementary)

Barnstable Public Schools

Dr. Ryan Place

Bourne Public Schools

Kate Clemens

Cape Cod Regional Technical

Maria Lopes

Brenda Burke, Assistant Director

Dennis-Yarmouth Regional

Dr. Joan Woodward

Anne Barnes, Assistant Director

Falmouth Public Schools

Hope MacLeod

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.

2021-2022 Program Directors

- Christina Caputo Director of Special Education (July 2018)
- Amy Lipkind Business Manager (2016)
- Anders Erikson Operations Manager (2019)
- Dr. Joseph Gilbert Special Projects, ASLP (2003)
- Dr. Christopher Bogden Special Projects (2017)
- Lisa Stobbart Transportation (2014)
- Julia Bryant STAR Program Director (2006)
- Kara Peterson Waypoint Program Director (2020)
- James Andrews Assistant Operations Manager (January 2022)



Paul C. Hilton
Executive Director

CAPE COD COLLABORATIVE

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December 2022

Our eleventh 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 2021-2022 School (& Fiscal) Year.

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.

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

- | | | |
|----------------------|------------------------------------|-------------------------|
| • Peter Andrade | Teacher, Waypoint Academy | 2000-2013 & 2015 – 2021 |
| • David Borges | Paraprofessional, Waypoint Academy | 2012 – 2022 |
| • Donna Langlois | Paraprofessional, Waypoint Academy | 1997 – 2021 (Retired) |
| • Catherine McKernan | School Bus Driver | 2012 – 2022 |
| • Richard Oberton | Teacher, Waypoint Academy | 2010 – 2021 |
| • Tammy Richards | Paraprofessional, STAR Program | 2001 – 2021 (Retired) |

Ms. Corrine Savery (re)retired from her ongoing role supporting the Transportation needs of the Collaborative after over twenty years of service. She had been integral to ensuring quality and continued service throughout her tenure. Her exceptional dedication and commitment to the students, families and staff served by the Collaborative exemplify the aspirations of those of us who serve others through the Collaborative.

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 2021-2022 School Year.

Paul Hilton
Executive Director

Strategic Planning

The Collaborative embarked upon a strategic planning process in FY2011 (2010-2011). Stakeholders formally recognized the mutual benefit and the necessity of 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.

- 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 strives to serve the purposes for which the Collaborative was established by its Member School Committees and provides an array of services that support and strengthen the programming of its Member School Districts. 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 2021-2022 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.



Cape Cod Collaborative Public Day School Programs

The Cape Cod Collaborative runs two public day schools: The STAR Program in Osterville and Waypoint Academy in Sandwich.

During the 2021-2022 school year, staff from both programs met regularly to discuss how to embed trauma-informed practice into all programmatic efforts. The Collaborative contracted with a psychologist to work with and support clinical staff.

STAR Program –Osterville



The Cape Cod Collaborative Osterville-STAR Program continued to operate as a Public Day School in Osterville for the twelfth year. The Program continued to be fully approved by the Department of Elementary & Secondary Education.

STAR enrollment (September 2021) began at 54 students and increased to 62.5 students (June 2022). The program started the year with eleven classrooms.

COVID continued to present significant challenges, contributing to staff and student absences during the school year. As there were no substitute staff, remaining staff worked tirelessly to ensure appropriate coverage for all classrooms.

With COVID protocols in place, program students reengaged in community trips and inter-class experiences. Enrichment programs, including yoga, music, and theater were offered. Community trips for older students were scheduled.

Students and staff returned to eat in the cafeteria. Students enjoyed the socialization while teachers were able to observe students outside of the classroom setting.

Professional Learning Community (PLC) groups, consisting of teachers who work with similar populations, were reestablished. Groups worked on ensuring the continuity of curriculum across classrooms. The EDBD classrooms looked at Social Studies and Science expectations across each grade level. Later in the year, the EDBD classrooms began to discuss the point / level system, with focus on improving its effectiveness using a research-based approach. The ASD classrooms focused on reading and took a closer look at leveled reading programs and several online educational sites in order to determine supplemental online sources for the STAR Program to invest in.

Program staff (five teachers and one paraprofessional) joined the Bridgewater State University (BSU) cohort.

The STAR Program continued to work with Jacob Stapledon, Community Engagement and Education Coordinator at Children’s Cove, with discussions on trauma analysis and vicarious trauma. Dr. Marc Hauser continued to work on teacher competencies with Goal Seeker and BTR data collection systems, and Paraprofessional competencies in entering data on these platforms. Dr. Hauser also gave several professional development sessions on typical child development to all staff throughout the year. Staff participated in professional development with Tara Vargas Wallace on bias and micro-aggression.

The STAR 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-two (62) students during the 2021-2022 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
- Wareham

Non-Member Districts

- Plymouth
- Silver Lake Regional

During the 2021-2022 School Year, 36 inquiries for programming were received for the STAR Program:

Enrolled in Collaborative	Supported in District(s)	Other
21 enrolled at STAR	1 maintained with added support (or other arrangements)	3 resulted in other placements
2 required a different level of care	1 “parent inquiry” directed back to district (IEP Process) 1 district inquiry only	7 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 2021-2022 School Year, 18 students transitioned out of the STAR Program. Two (2) of these students aged out during the school year, three (3) students transitioned to other programming, and thirteen (13) students returned to district programming.

Extended School Year Program

Students were full-time and in-person in July 2020 during the extended school year program. Staff continued to provide fun activities throughout the summer, including many enriching activities for language, social, and motor opportunities for the forty-four (44) students while adhering to COVID safety guidelines.

During the 2021-2022 school year



Students participated in weekly art classes, music/theater groups, social skills groups, and yoga classes. Students continued to enjoy walking programs and movement using the track behind the school. Many staff and students participated in the "theme" days held throughout the school year, ending with the 2nd annual "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 Cape Cod Collaborative STAR Program continued to utilize Safety-Care, a crisis prevention and intervention program, through QBS, Inc. (Quality Behavioral Solutions to Complex Behavioral Problems).

Family Events

Due to COVID restrictions within the school settings, no family activities were held during the 2021-2022 school year. IEP meetings for students were 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 \$281.09 during the 2021-2022 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. At the end of the 2021-2022 school year, thirteen (13) students returned to their home districts.

The STAR Program tuition (\$287/day - \$51,720.22/year) for FY22 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 (\$287/day) is considerably lower than an average tuition of \$418/day (\$75,165/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	\$287	STAR	\$287	STAR	\$287
BC Campus	\$494	Walker	\$446	Higashi	\$381
Meeting Street	\$341	St. Vincent's	closed	May	\$532/\$535
Perkins	\$682 /884/1,019	Chamberlain	\$495	Cushing	\$431/\$460
				NECC	\$568

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 plans to repurpose the Wing School for affordable, age-restricted apartments. The impact of this decision will result in the need for the program to relocate for the 2023-2024 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 2021-2022 school year focused on revising the school wide measures for all students, improving instructional practices, and focusing on social emotional learning as a therapeutic public day school.

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 2021) began at 41 students and increased throughout the year as students transitioned in (and out) of the program. 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. Internships and dual enrollment was made available to our graduating seniors.

During the 2021-2022 school year, twenty-three (23) students transitioned out of Waypoint Academy; two (2) dropped out of school, one (1) student went to STAR, seven (7) returned to their home district, four (4) moved out of member / non-member districts, two (2) sought alternate placement, three (3) were emergency terminated, and four (4) graduated.

The programming and the enrollment at Waypoint Academy supported more than sixty-one (61) students during the 2021-2022 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

- Carver
- Fall River
- Norwood
- Plymouth
- Silver Lake Regional
- Taunton

During the 2021-2022 School Year, 64 referrals and inquiries for alternative education programming were received by Waypoint Academy:

Enrolled in Collaborative	Supported in District(s)	Other
28 enrolled at Waypoint	3 “parent inquiry” directed back to district (IEP Process)	3 sought other placement
2 enrolled/referred to STAR	1 district inquiry	3 required a different level of care
1 remained in district		2 placed on wait list
3 other		18 unknown status

Waypoint Academy continued to serve the needs of students who experience difficulty in their home schools and districts educational programs. Many of the students who attend the Academy 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 had two full-time clinicians on staff who worked with all students to build confidence, to increase self-esteem, to develop individual responsibility, to advance social awareness, and to build upon organization and cognitive development. The highly specialized, intensely structured educational environment emphasized safety and security through the development and implementation of individualized educational and behavioral plans. Each student participated in an appropriate, grade-level academic curriculum as well as a variety of services (and accommodations) distinct to their individual needs.

Staff shifts were made during the 2021-2022 school year, including: the creation of a Behavior Specialist position, the increase of the part-time role of the Art Instructor, the initiation of a Culinary Arts program, and the bolstering of the Clinical Department with a dedicated paraprofessional holding a Licensed Mental Health certificate.

Technology

Technology is used at Waypoint to support instruction and to inform the program regarding changing student needs. Throughout the 2021-2022 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.

During the 2021-2022 school year

Dr. Peterson refocused the program from eleven (11) core classrooms to eight (8) core classrooms. This change resulted in an increase of class size to five or six students per class. New

educational opportunities were offered through the hiring of a part-time art teacher and a teacher of culinary arts. Changes were made to the Middle School rotation to change the content taught at different times during the day.

Changes to student “time out” processes were made with the creation of “Energy” rooms, with exercise equipment including a punching bag, exercise bikes and rowing machines and “Chill” spaces with soft lighting, aroma therapy, and soft chairs. Students were given the opportunity to utilize these spaces as options for self-regulation, and half of the traditional time-out structures were removed.

Students returned to the cafeteria for lunch. “Home room” periods were used as structured learning for social development activities. Student Councils were established for the Middle and High school programs. These councils worked on organizing school events, such as “Spirit Week” and proposed school field trips.

Waypoint staff met with Bridge for Resilient Youth in Transition (BRYT) staff in a professional development cohort which worked toward a consistent and coordinated practice in response to trauma. A trauma-responsive practice assessment process was implemented and safety planning continued to occur.

In March of 2022 a group of staff, students, and parents convened as a work group. The focus and end-result of several months of work and iterations resulted in a redesigned and research-based weekly summary of students’ social, emotional, and academic progress to take over from a long-standing “point level” daily worksheet.

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

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

Parent Advisory Group / Family Gatherings

Waypoint Academy Parent Advisory Group meetings were not held during the 2021-2022 school year. A Thanksgiving Celebration was held prior to the Thanksgiving Break. Many family members participated in the event which included a full carving station and a delicious meal. Additionally, families were given frozen turkeys with all the fixings to take home.

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 20 students expected to attend the 2021 ESY program, 13 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 2021-2022 school year with a daily tuition rate of \$258/

/ \$282 and \$304 per day. The tuition rate is differentiated based upon projected enrollment. Member (and sometimes non-member) districts have purchased “committed” slots (\$258/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 (\$282/day). Other tuitions (non-committed slots at \$305/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 (\$258 / \$282 and \$305 per day - \$46,483 / \$50,754 and \$54,837 per year) for FY22 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 \$418/day (\$75,165/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	\$46,483/\$50,754 & \$54,837 (\$282 average)
Saint Vincent’s	closed
Chamberlain	\$495
Franklin Perkins	\$361
Home for Little Wanderers	\$481
JRI Southeast Alternative / Anchor & Granite	\$295 / \$345
Private Day Average	\$418

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 FY2022 the Collaborative provided Speech and Language Therapy, Occupational Therapy and Physical Therapy to students in school districts and to students in Collaborative Programs.

During FY2022 there was an increased demand for therapy services throughout the region. To meet the increased demand, the Collaborative added a part-time Occupational Therapist to meet the needs of Cape Cod Technical High School and Truro Public Schools.

Special Education Directors identified the critical need for Speech and Language Pathologists in the upcoming years, and an increased need for Occupational Therapists was noted.

Special Projects

The Collaborative supports member (and non-member) school districts through “special project” initiatives. Dr. Christopher Bogden led and coordinated 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 MCAS scores and on 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 2-week summer program that offers hands-on academic pursuit and interactive leadership activities within a collegial environment.
- To provide a total of 31.5 hours of project-oriented study in Science, Technology, Engineering and Math (STEM) related subject areas.
- To provide a total of 22 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

A residential program was not possible for summer 2021. The program was ultimately restructured to be a two week, weekday program. Tuition for the program was reduced from \$1,400 to \$1,000 to reflect the adjusted programming. Morning classes were held at Massachusetts Maritime Academy and afternoons at Sandwich High School. Over 112 students elected to participate in the Alternative ASLP program during summer 2021. The Cape Cod Collaborative and ASLP is immensely grateful to the wonderful support received

from the Sandwich School District and Sandwich High School. This modified program was a huge success.

The Collaborative submitted a proposal and ultimately received a grant from the Commonwealth of Massachusetts, the Summer School Expansion and Engagement Grant, for \$100,000. Over \$92,000 of the grant funds were targeted to offset costs for the ASLP Program. Scholarship Students were reimbursed the full tuition cost; funds exceeding \$700 per student were returned to families of students who paid full costs for the program.

Throughout FY2022, planning occurred for the programming for the summer of 2022 (Fiscal Year 2023). Dr. Gilbert and Capt. Kelleher met with Mass Maritime Academy administration. Although the program was able to return to an overnight camp, COVID protocols resulted in some format changes. Capt. Kelleher and Lt. John Muldoon led the 2022 program.

Massachusetts Maritime Academy

The ASLP 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 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 Professional Development Day

Dr. Bogden organized the 2021 All-Cape Professional Development Day, held on October 8. Professional development opportunities were presented in person and virtually, both synchronously and asynchronously. Of the 26 offerings, 13 were delivered in-person and 13 were virtual / remote. There were 620 individual sessions available to participants. The All-Cape day has continued to provide high-quality professional development at a minimal cost to districts.

Other Professional Development

Professional Development activities continued to be guided by input from the Collaborative's job-alike groups including:

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

The meetings of the region's Curriculum Administrators continued on a monthly basis. These meetings led to the identification of professional development opportunities that effectively assist the region's teachers.

Curriculum Administrators and their district science department heads worked together to offer professional development to elementary, middle, and high school teachers with representatives from Tufts University. The Administrators explored the opportunity for a regional Administrator institute focused on Restorative Justice, which was ultimately held on July 26, 2022.

Other courses offered during FY2022 included:

- Collaborative Framework for Educator Evaluation (CoFFEE)
This regionally designed course is for new administrators and/or department heads who were responsible for supervision, observation, and/or evaluation. The course was designed specifically for Massachusetts and was anchored in the Mass model for educator evaluation. The focus was on teaching and learning through the lens of cultural proficiency.
- SEI Teacher Endorsement Course
The SEA Endorsement Course focused on current theories and evidence-based instructional practices related to the teaching of English Language Learners.
- Responding to the Massachusetts Dyslexia Guidelines
The Collaborative worked with the region's Special Education Directors to provide training to more than 60 educators over two 3-hour sessions in December 2021. This training specifically addressed the Mass DESE guidelines on dyslexia that were disseminated in the spring of 2021.

Modern Teacher

Four (4) Cape and Islands districts (Falmouth, Bourne, Wareham, and Barnstable) continued to utilize Modern Teacher through the support of the MTSS grant funding. Falmouth and Wareham participated fully with the Modern teacher training, which was an integral component for their districts' remote and hybrid teaching.

Bridgewater State University (BSU)

Sped Licensure Cohort

The Collaborative continued to offer coursework through BSU which supported a cohort of students progressing towards their licensure in Moderate or Severe Special Education. The third cohort of students started classes in November 2021. Courses included SPED 510 – *Teaching Exceptional Children in Schools* and SPED 509 – *Teaching Reading to Learners with Disabilities*. These courses were offered remotely and asynchronously.

Emergency Licensure Support

The Collaborative partnered with Bridgewater State University in the development of proposal for the support of educators teacher with an Emergency Moderate Special Needs Teaching License. This successful proposal funded the coursework (and competencies) during the 2022-2023 necessary for one-hundred (100) educators to receive their Provisional Teaching Licenses.

Center for Executive Search

Mr. Hilton and Mr. Gradone worked in concert with the Massachusetts Association of School Committees (Glenn Koocher and Jim Hardy) to support the Barnstable School Committee and the Barnstable Search Committee. Dr. Sara Ahern was appointed by the Barnstable School Committee to serve the district beginning in July 2022. Welcome Dr. Ahern.

Virtual High School

Districts continued to enroll students for the 2021-2022 school year. Enrollment remained consistent with the previous year. Local districts receive significant savings on the cost of course enrollment through participation in a consortium coordinated by the Collaborative

Cape Cod Collaborative Transportation



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 FY2022. 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 FY22. The 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 of transportation elements.

The Collaborative continued the implementation of a maintenance software program (Dossier) as well as 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. The recruitment and retention of drivers during FY22 was a top priority for the Collaborative. The adjustment of standard hourly rates of pay to better compete with other transportation providers was a significant area of emphasis.

Despite the upwards adjustment of hourly rates for drivers, the resulting Collaborative costs were consistently lower than the pricing received by districts from private vendors in the region. The Collaborative continued to work with district school administrators and school committees to refine their current transportation needs and discern their future needs.

Within the past five years the Collaborative has become the largest provider of school transportation in the region. The creation of a support infrastructure through our processes, our people, and parking/ dispatch locations allows the Collaborative to develop and to sustain responsive services and to assess and (where appropriate) assume additional transportation service requests from districts.

Large Buses

The Cape Cod Collaborative provides large bus services for the following school districts:

Bourne Public Schools

Mashpee Public Schools

Monomoy Public Schools

Nantucket Public Schools

Nauset Public Schools

Truro Public Schools

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.



Out of district transportation services are provided for every district across the region as needed.

Business Operations

The Cape Cod Collaborative continues to operate as an extension of the member school districts to strengthen and support educational programs.

Ms. Amy Lipkind has served as the Business Manager since 2016. William Friel continued as Treasurer throughout FY2022. Mr. Friel has continued to refine the efficiency of internal controls with Collaborative operations. He has also instituted a formal investment policy that was ultimately adopted by the Board of Directors in FY2018.

There were several personnel changes within the business office during FY22. The operational needs and essential tasks are continually evaluated to ensure accuracy and continuity for the Collaborative business operations.

Ms. Lipkind elected to change her role at the Collaborative and a search for a Business Manager occurred throughout the 2021-2022 fiscal/school year. There were exceptional candidates who were considered for the role. Mr. Patrick Murphy was appointed by the Collaborative Board of Directors and would be transitioning into his new role early in the 2022-2023 fiscal/school year. Mr. Murphy will be transitioning to the Collaborative from his role as the Business Manager for the Falmouth Public Schools, where he served for over eight years. Mr. Murphy brings a breadth of experience and familiarity to his work with the Collaborative. He had briefly served as a Collaborative Board member through his experience on the Barnstable School Committee and had also been very involved with Collaborative operations through his role in Falmouth. Ms. Lipkind has decreased her time commitment at the Collaborative, but will assume a supportive role in the Business Office. The Collaborative extends deep appreciation to Ms. Lipkind for her guidance and support throughout her tenure as the Collaborative Business Manager. Thank you Ms. Lipkind and Welcome Mr. Murphy.

Laurence A MacArthur Building – South Yarmouth



The Collaborative formalized their relationship with the Town of Yarmouth and Bridgewater State University as a ten-year agreement was signed in October 2021. The Collaborative initiated a “design-build” process for completing renovations to the Laurence A MacArthur building in South Yarmouth. The guidance and support of the Board was appreciated as the Collaborative entered into a ten year, \$3,000,000 bond financing agreement with TDBank through MassDevelopment. The bonding was necessary to provide support for the renovation of MacArthur building. When completed during FY23, this location will become the permanent home for Waypoint Academy and will be utilized by Bridgewater State University to meet professional, development and licensure requirements for educators throughout the region.

During FY22, a Capital Reserve Plan was established and accepted by the Board of Directors to fund projects across all programs and departments over a ten-year period and up to \$10,000,000. The capital plan will allow application of existing or future available funds, and did not include any planned or additional assessment to member districts. The capital reserve was established to support Waypoint Academy renovations in Yarmouth, repairs and a new playground installation at the STAR Program in Osterville, and future renovation of the transportation dispatch office in Orleans. The initial deposit of reserve funds were allocated for the following planned uses:

• Waypoint Academy Renovations	\$1,236,437
• Waypoint Reserve	\$ 250,000
• Osterville Repairs and Modifications	\$ 250,000
• Renovation of Orleans Dispatch Station	\$ 50,000
• Playground Replacement Osterville	<u>\$ 200,000</u>

Total Capital Reserves	\$1,986,437
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Cape Cod Collaborative
Annual Report 2021-2022

The Cape Cod Collaborative FY2022 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 FY2022, for the eighth 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 June 30, 2022 was completed which indicated that, although the Collaborative's liability has increased and the previous year saw intense market fluctuations, the OPEB Trust is 85% 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 FY22. 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 FY2022.

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
Business Managers
Superintendents
(Administrative Advisory Board)
Facility Directors

Special Education Directors (Advisory)
Curriculum Administrators
Parents (Parents' Advisory Committees)

Member District Participation (June 2022)

District	Oct 2021 Enrollment	Waypoint Academy (2022)	STAR / Osterville (6/22)	Itinerant Services (Therapies)	ASLP	Professional Development	Transportation (Large Bus)	Special Education Transportation	Virtual High School
Barnstable	4,751	10	13	Speech (as needed)	25 Summer 2021	Yes	2010-2011 Consultation	Occasional	25 Seats
Bourne	1,557	2	3.5	Physical - Stop FY18	19 Summer 2021	Yes	2012 Consultation; 2016-2017 MOA; FY18 Service Start	Occasional	Individual Purchase
Cape Cod Tech	654	0	0	Occupational / Physical		Yes	2011 Pricing	As needed	Joined Consortium 2013
D-Y	2,795	14	3	Occupational, Behavioral Consultation - Stop FY18	23 Summer 2021	Yes	2010 Consultation; 2011 Consultation; 2013 Consultation; 2016 Consultation; 2018 Consultation	Out-of-District	50 Seats
Falmouth	3,044	8	8.5	Stop FY11	19 Summer 2021	Yes	2011 Pricing; 2017 Consultation	Occasional	
Martha's Vineyard	2,229	0	0	Stop Speech & Occupational - FY19; Start Speech - FY20 - Stop FY22	5 Summer 2021	Yes	2005 Consultation		
Mashpee	1,457	3.2	3	Stop FY15	10 Summer 2021	Yes	2009 Start	In & Out-of-District	
Monomoy	1,672	3.2	4	Physical - Stop FY18; Speech - FY19 only	10 Summer 2021	Yes	2012 Consultation; 2018 Consultation; 2019 Start	Occasional	Consultation
Nauset (& Union)	2,272	4.9	3	Stop FY11	0 Summer 2021	Yes	2010-2011 Consultation; 2016 Consultation; 2017 Consultation; 2018 MOA Development' 2019 Start	In & Out-of-District	25 Seats
Brewster		0	1			Yes			
Eastham		0	1			Yes			
Orleans		0	0			Yes			
Wellfleet		0	1			Yes			
Nantucket	1,672	0	0	Behavioral Consultation - Stop FY18	7 Summer 2021	Yes	1997 Start	In & Out-of-District	25 Seats +
Provincetown	141	0	0	Stop FY19	0 Summer 2021	Yes			
Sandwich	2,288	7	2	Stop FY19	26 Summer 2021	Yes		Study - FY12	25 Seats
Truro	111	0	0	Occupational, Physical		Yes	2008 Start	In & Out-of-District	
Upper Cape Tech	744	0	0	Physical - as needed		Yes		As needed	Individual Purchase
Wareham	2,043	6.3	11	Stop (FY16)	9 Summer 2021	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 2022

ATT: 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 FY2022 Annual Report.

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

The entirety of the FY2022 Annual Report reflects the progress made towards the achieving the objectives and purposes in the Collaborative Agreement.

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

The Purpose of the Collaborative is:

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

The Cape Cod Collaborative continued to provide an array of programs and services that strengthened and supported school programs for students with and without special needs. The Collaborative continued to meet with advisory boards and continuously explored options for the establishment of new programming. The Collaborative has also 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 FY2022 Annual Report.

The coordinated communication, cooperative planning and sharing of expertise and resources has been critical to ensuring effective responses to increasing challenges in contemporary public education.

- 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 support an increased demand for transportation services which support district and collaborative programming. The ongoing operational challenges associated with the COVID-19 pandemic necessitated coordinated planning and implementation of transportation services, and the specialized consultation supported districts in a cost-effective and efficient manner.

The increasing and critical need for recruitment, training and retention of drivers has been an ongoing focus for Collaborative support to districts and for Collaborative programming.

In FY2022 the Collaborative continued to facilitate 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 has regularly convened school districts 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 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 Collaborative re-initiated planning within programs and with member districts to address the challenges of shared vocational opportunities.

The Collaborative Advanced Studies and Leadership (ASLP) Program was held in July 2021 in coordination with the Massachusetts Maritime Academy and with support from the Sandwich Public Schools. This program had been suspended for Summer 2020 due to the COVID pandemic, and occurred as a day program for Summer 2021 (has been a residential program on the Academy campus since 2004).

- 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: During FY2021, the COVID-19 pandemic had forced the cancellation of this regionally coordinated professional development day, which had been run annually since 2004. The All-Cape In-Service occurred in October 2021 with nearly 500 participants attending over 650 sessions.*
- *The Collaborative has continued to offer coursework, developed regionally, for new administrators (Collaborative Framework for Educator Evaluation - CoFFEE). This coursework is also approved for credit from Bridgewater State University (BSU). This programming provides high quality, locally relevant professional development in a very cost-efficient manner.*
- *The Collaborative continued to deepen the formal, programmatic partnership with Bridgewater State University (BSU), increasing opportunities for Collaborative staff and district staff throughout the region, resulting in increased qualified, certified, licensed staff throughout the region. The Collaborative secured bond financing to renovate a building that will be shared with BSU with Collaborative programming occurring during school hours and BSU offering occurring evenings and weekends.*
- *The Collaborative maintained the 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 Program (ASLP) operates annually in coordination with Massachusetts Maritime Academy. The ASLP Summer 2021 Program (FY2022) had been continuously restructured due to COVID-19 pandemic restrictions. After several different opportunities were assessed for viability, the program was offered in a day-program format with daily transportation from each district in the region.*
 - *Throughout FY2022, planning occurred for ASLP Summer 2022 (FY2023), which did operate successfully in a modified residential 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 to the provision of in-person learning for the Summer of 2021 with increasing engagement throughout the summer.*

- *The Collaborative transportation services supported school districts and programs through the continuous provision of transportation services to support summer program offerings.*

- **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 continued to be extremely important for the sharing of strategies, expertise and resources throughout the year to address ongoing pandemic related issues.

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

- **Assistance with employment searches**
The Collaborative continued to develop proposals to assist with securing appropriate personnel through the Collaborative Center for Executive Search (CES). In FY2022, the Center (CES) developed proposals to support a searches for Superintendent for a member district in partnership with the Massachusetts Association of School Committees.

- **Educator Licensure assistance**
The Collaborative continued to be a clearinghouse for information sharing with the Massachusetts Department of Elementary & Secondary Education. The Collaborative also continued to provide coursework through the formal partnership with Bridgewater State University (BSU) to host coursework for licensure in Moderate and Severe Special Needs.

During Fiscal Year 2022, the Collaborative coordinated with BSU to submit a grant proposal that would provide coursework on an accelerated timeline for individuals with Moderate Special Needs Emergency Licensure that is necessary for these individuals to progress towards Initial Licensure. This proposal was funded and supports approximately one hundred (100) individuals in a cohort model based upon the Collaborative/BSU Moderate Special Needs Cohort offerings.

- **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. The Collaborative also served as a resource for coordination/activities throughout the fiscal year as well as ongoing consultation regarding student transportation related issues.

- 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 FY2022 Annual Report. The Collaborative continues to successfully (hybrid format) 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 regarding procurement activities. The Collaborative continues to actively assist districts to ensure best practices and best value in procurement and service provision. During the 2021-2022 School Year, the Collaborative actively assisted districts in analyzing services to restructure costs.*
 - Administration Assistance
The Collaborative assisted districts 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 this period grant funds and consultation were focused upon supporting district leadership.

- Employment Search and consultation services
The Collaborative Center for Executive Search consulted regarding several searches in FY2022.
- Transportation Services
The Collaborative continually refined the provision of transportation services and transportation consultation with member districts to respond to the continued challenges associated with the pandemic. Please see the FY2022 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.
- 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.

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 FY2022 Annual Report and information above regarding progress towards purpose of provision of public day programming for students with special needs as well as the Advanced Studies and Leadership Program. The expansion of Collaborative efforts aimed at international education, supporting MTSS in school districts, and universal access to preschool also expanded the capacity of the Collaborative and member districts to meet the needs of diverse learners.

The coordinated, collaborative initiatives to support in-person instruction as well as “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 teacher licensure support, 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 and post-pandemic.

- 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.

In-person job-a-like groups had suspended due to the COVID-19 pandemic but resumed in a hybrid format during the 2021-2022 school/fiscal year. The Curriculum Directors met with renewed focus upon developing and implementing effective models for re-engagement.

The focus of Facility Directors was upon critical facility issues associated with the pandemic and supporting re-engagement. The remote meetings of the Directors of Special Education were also focused upon the re-engagement and meeting the needs of students with special needs and ensuring the consistent 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 increased 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



**Powers &
Sullivan, LLC**
CPAs AND ADVISORS

CAPE COD COLLABORATIVE
REPORT ON EXAMINATION OF
BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

CAPE COD COLLABORATIVE

REPORT ON EXAMINATION OF BASIC FINANCIAL STATEMENTS

JUNE 30, 2022

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Independent Auditor's Report

To the Board of Directors
Cape Cod Collaborative
Osterville, Massachusetts

Report on the Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the Collaborative's basic financial statements as listed in the table of contents.

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, 2022, 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.

Basis for Opinions

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

Change in Accounting Principle

As discussed in Note 6 and Note 8 to the financial statements, during the year 2022, the Collaborative adopted new accounting guidance, Government Accounting Standards Board (GASB) Statement No. 87, Leases. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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

Management is responsible for the other information included in this report. The other information comprises the required disclosures by the Massachusetts Department of Elementary and Secondary Education for Massachusetts Educational Collaboratives but does not include the basis financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2022, on our consideration of the Cape Cod Collaborative's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Collaborative's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Collaborative's internal control over financial reporting and compliance.



December 14, 2022

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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, 2022. 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 Massachusetts Department of Elementary and Secondary Education (DESE). Hardware and software upgrades that were initiated in 2012 continued into 2022 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 2021 - 2022 school year enrollment met expectations in the STAR and Waypoint Program throughout the year.

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.

Adding staffing assistance to support the expanded transportation service delivery was a key focus this past year. Continuing to build up this transportation infrastructure (people and processes) is required to meet growing district needs for general education and special education transportation for our member school districts. The Collaborative has continued to work to expand its capacity for the provision of these services as member districts face increased costs and receive diminished services from outside private contractors. Building efficiencies in the invoicing, routing, time and attendance, and payroll processes will continue to be refined in an ongoing initiative that will continue into the next fiscal year. Of course, the nationwide shortage of school bus drivers remains a serious problem across Cape Cod. Our efforts to recruit and retain drivers has allowed the Collaborative to maintain a strong level of services with our member districts.

The acclaimed Advanced Studies and Leadership Program (ASLP), a partnership with Massachusetts Maritime Academy, was held during the summers of 2021 & 2022 with enrollment rebounding significantly this past summer. The program objectives for ASLP are:

- To support and stimulate high achieving students by providing a 2-week residential summer program that offers hands-on academic pursuit and interactive leadership activities within a collegial environment;
- To provide project-oriented study in science, technology, engineering and mathematics (STEM) related subject areas; to provide project-oriented study in humanities related subject areas;
- 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, planning has started again for Summer 2023 with the expectation that enrollment will reach 100% of capacity (210 participants). The top two senior year students at Massachusetts Maritime Academy for the 2022-2023 School Year (both women) were appointed in May 2022 to student leadership positions at the Academy. Both of these students attended the ASLP program when in middle school, attesting to the strength and the legacy of the program.

Professional Development offerings organized and facilitated by the Collaborative remain well attended. Whether they are Cape wide offerings on individual days delivered in person and online or cohorts of teachers taking courses throughout the year the Collaborative is well regarded for our professional development offerings.

The most significant long-term initiative undertaken by the Collaborative over the past year was the preparation for permanent move of the Waypoint Academy program to the MacArthur building in Yarmouth. The Collaborative has entered into a long-term lease for virtually no cost (\$1 per year) with Bridgewater State University and the Town of Yarmouth. The Collaborative will continue the renovation of the property and to cover all associated operating costs. The Collaborative secured a loan for \$3.0 million with a ten (10) year term to support the renovation and the move. The bid environment has raised the final project estimates in excess of \$4 million. Following significant planning and discussion, the Collaborative's Board of Directors approved the planned renovation and program move. The Waypoint Academy program is anticipated to move into the building by the end of 2023.

The continued restructuring of transportation administration, which began in 2014, continued to add administrative support to expand service delivery. Member district requests for general education transportation continue to be evaluated along with the capacity of the Collaborative to effectively support the provision of services. The Collaborative continued to expand its capacity to provide 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 has proven 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 continued 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 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 to provide time and distance data to support the costing process and to facilitate the cost allocation process. Further technology and recordkeeping procedures will 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 Collaborative Board of Directors voted to return funds to school districts associated with the payment for services that had not been rendered in 2020 due to pandemic restrictions. The Board voted to return \$850,355 to districts associated with transportation services and \$100,000 for “committed” tuition for Waypoint Academy. These (non-annualized) items raised the budgetary expenses in the associated areas and were to be funded by the “General Fund”, as opposed to 2022 service generated revenues.

The 2022 final budget included Board of Directors authorized modifications.

- Transportation COVID Credits (\$850,355)
- Waypoint Commitment COVID Credits (\$100,000)

Each of these items were approved by the Collaborative Board of Directors to be expended from the 2021 Cumulative Surplus.

COVID-19 (SARS-CoV-2) Note

Throughout 2022, the Cape Cod Collaborative worked closely with member school districts to ensure that services were provided in a manner consistent with restrictions put in place due to the pandemic. The Member School Districts continued to work 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.

2022 Financial Highlights

- Governmental fund revenues increased 9.59% or \$1.9 million, and expenditures, including credits to member districts and excluding lease financing and capital purchase financing, increased 3.89% or \$727,000 over the prior year. This, along with \$3.0 million of bond proceeds, resulted in an increase in fund balance of \$4.7 million.
- The general fund's actual revenue exceeded budget by \$630,000. Expenditures related to the above were under budget by \$493,000. Overall, there was a \$2.1 million increase in budgetary fund balance.
- During the year the Collaborative financed the acquisition of \$867,000 of school buses for regular and special education transportation. Due to the implementation of GASB No. 87 *Leases* in 2022, these purchases, in addition to buses previously financed and previously reported as capital leases, were reclassified as long-term debt in the 2022 financial statements.
- The implementation of GASB Statement No. 87, *Leases* in 2022 changed the reporting of the leases for the Osterville Campus and the Dennisport Bus Terminal. The new GASB Statement requires these leases to be capitalized at the present value of the future minimum lease payments as of the beginning of the year of implementation. The Collaborative recorded a "right to use" asset for the building leases in the amount of \$853,000 along with related depreciation and interest expense of \$128,000 and \$25,000, respectively.
- 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 85.87% as of June 30, 2022 (down from 95.76% as of June 30, 2021). 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 12 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 \$6.3 million at the close of 2022.

Net position of \$33,000 reflects the Collaborative's net investment in capital assets (e.g., equipment, furniture and fixtures, right to use facilities, 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 \$148,000 represents resources that are subject to external restrictions on how they may be used (restricted for gifts and grants). The remaining \$6.1 million portion of net position is unrestricted.

Key components of the Collaborative's governmental financial position are presented below:

	2022	2021
Assets:		
Current assets.....	\$ 12,483,027	\$ 9,224,511
Capital assets, net of accumulated depreciation.....	5,964,397	5,544,896
Total assets.....	18,447,424	14,769,407
Deferred outflows of resources.....	415,051	336,460
Liabilities:		
Current liabilities (excluding debt).....	1,992,801	1,431,984
Noncurrent liabilities (excluding debt).....	360,760	112,271
Current debt.....	1,821,871	3,442,739
Noncurrent debt.....	6,689,987	4,018,107
Total liabilities.....	10,865,419	9,005,101
Deferred inflows of resources.....	1,703,096	1,960,487
Net position:		
Net investment in capital assets.....	33,184	20,842
Restricted.....	147,638	106,385
Unrestricted.....	6,113,138	4,013,052
Total net position.....	\$ 6,293,960	\$ 4,140,279
	2022	2021
Program Revenues:		
Charges for services.....	\$ 17,295,791	\$ 15,863,401
Operating grants and contributions.....	1,530,527	3,381,796
General Revenues:		
Grants and contributions not restricted to specific programs - Paycheck protection program grant.....	1,936,792	-
Unrestricted investment income (loss).....	(17,749)	13,697
Other revenue.....	400,990	36,470
Total revenues.....	21,146,351	19,295,364
Expenses:		
Waypoint Academy.....	2,999,731	2,592,574
STAR Program.....	2,867,611	2,802,676
Itinerant Services.....	687,559	777,921
Transportation.....	9,762,625	9,009,244
Professional development and executive search.....	244,130	252,974
Advance Studies and Leadership Program.....	135,992	20,888
Interest.....	196,280	-
State funded pension benefits.....	1,148,387	3,296,192
Total expenses.....	18,042,315	18,752,469
Credits to member communities.....	(950,355)	-
Change in net position.....	2,153,681	542,895
Net position, beginning of year.....	4,140,279	3,597,384
Net position, end of year.....	\$ 6,293,960	\$ 4,140,279

The Collaborative's net position increased by \$2.2 million in 2022 as compared to a \$543,000 increase in 2021.

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 \$9.3 million. The general fund balance increased by \$2.1 million. The Waypoint capital project fund increased by 2.6 million and nonmajor governmental funds increased by \$41,000.

The general fund is the Collaborative's chief operating fund. At year end, fund balance in the general fund totaled \$6.6 million.

In the current year, the Collaborative established the Waypoint Capital Project fund to help facilitate the rehabilitation and construction of a new Waypoint facility in Yarmouth, Massachusetts. The Waypoint capital project fund received \$3.0 million of bond proceeds and had expenditures of \$419,000 for and ending fund balance of \$2.6 million.

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 2022 approved budget for the general fund authorized \$17.3 million in appropriations. The Board voted to approve \$596,000 in additional appropriations, and approved \$950,000 in credits back to member communities.

Capital Asset and Debt Administration

The Collaborative's net capital assets totaled \$6.0 million as of June 30, 2022. The Collaborative recorded capital financing for the purchase of school buses totaling \$867,000 and recorded right to use building leases in the amount of \$853,000 during 2022. Depreciation expense in the amount of \$1.7 million was recorded.

At June 30, 2022, the Collaborative has \$7.8 million of long-term debt outstanding related to financing the Waypoint capital project and the purchase of school buses, in addition to \$736,000 of lease liabilities for the right to use buildings.

Please refer to the Notes 4, 5, 6 and 8 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

STATEMENT OF NET POSITION

JUNE 30, 2022

	<i>Primary Government</i>
	Governmental Activities
ASSETS	
CURRENT:	
Cash and cash equivalents.....	\$ 10,825,165
Investments.....	347,434
Receivables, net of allowance for uncollectibles:	
Due from member communities.....	1,305,640
Other assets.....	4,788
Total current assets.....	12,483,027
NONCURRENT:	
Capital assets, nondepreciable.....	419,355
Capital assets, net of accumulated depreciation.....	5,545,042
Total noncurrent assets.....	5,964,397
TOTAL ASSETS.....	18,447,424
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to other postemployment benefits.....	415,051
LIABILITIES	
CURRENT:	
Warrants payable.....	816,038
Accrued payroll.....	720,641
Due to member communities.....	199,447
Other liabilities.....	126,018
Compensated absences.....	130,657
Lease obligations.....	120,875
Long-term debt.....	1,700,996
Total current liabilities.....	3,814,672
NONCURRENT:	
Compensated absences.....	32,665
Lease obligations.....	614,711
Net other postemployment benefits liability.....	328,095
Long-term debt.....	6,075,276
Total noncurrent liabilities.....	7,050,747
TOTAL LIABILITIES.....	10,865,419
DEFERRED INFLOWS OF RESOURCES	
Unearned revenue.....	1,291,896
Deferred inflows related to other postemployment benefits.....	411,200
TOTAL DEFERRED INFLOWS OF RESOURCES.....	1,703,096
NET POSITION	
Net investment in capital assets.....	33,184
Restricted for:	
Gifts and grants.....	147,638
Unrestricted.....	6,113,138
TOTAL NET POSITION.....	\$ 6,293,960

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2022

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue
Primary Government:				
<i>Governmental Activities:</i>				
Waypoint academy.....	\$ 2,999,731	\$ 3,065,567	\$ 38,707	\$ 104,543
STAR program.....	2,867,611	3,518,698	113,926	765,013
Itinerant services.....	687,559	659,546	-	(28,013)
Transportation.....	9,762,625	9,710,983	70,000	18,358
Professional development and executive search.....	244,130	267,220	62,820	85,910
Advanced studies and leadership program.....	135,992	73,777	96,687	34,472
State funded pension benefits.....	1,148,387	-	1,148,387	-
Interest.....	196,280	-	-	(196,280)
Total Governmental Activities.....	\$ 18,042,315	\$ 17,295,791	\$ 1,530,527	\$ 784,003

(Continued)

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2022

		<u>Primary Government</u>
		<u>Governmental Activities</u>
Changes in net position:		
Net (expense) revenue from previous page.....	\$	784,003
<i>General revenues:</i>		
Grants and contributions not restricted to specific programs - Paycheck protection program grant.....		1,936,792
Other revenue - COVID-19 reimbursements.....		400,990
Unrestricted investment income (loss).....		<u>(17,749)</u>
Total general revenues.....		2,320,033
Credits to member communities.....		<u>(950,355)</u>
Change in net position.....		2,153,681
<i>Net position:</i>		
Beginning of year.....		<u>4,140,279</u>
End of year.....	\$	<u><u>6,293,960</u></u>

(Concluded)

See notes to basic financial statements.

**GOVERNMENTAL FUNDS
BALANCE SHEET**

JUNE 30, 2022

	General	Waypoint Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents.....	\$ 7,934,254	\$ 2,700,702	\$ 190,209	\$ 10,825,165
Investments.....	347,434	-	-	347,434
Receivables, net of uncollectibles:				
Due from member communities.....	1,305,640	-	-	1,305,640
Other assets.....	4,788	-	-	4,788
TOTAL ASSETS.....	\$ 9,592,116	\$ 2,700,702	\$ 190,209	\$ 12,483,027
LIABILITIES				
Warrants payable.....	\$ 694,759	\$ 120,057	\$ 1,222	\$ 816,038
Accrued payroll.....	720,641	-	-	720,641
Due to member communities.....	199,447	-	-	199,447
Other liabilities.....	126,018	-	-	126,018
TOTAL LIABILITIES.....	1,740,865	120,057	1,222	1,862,144
DEFERRED INFLOWS OF RESOURCES				
Unearned revenue.....	1,291,896	-	-	1,291,896
FUND BALANCES				
Restricted.....	-	2,580,645	188,987	2,769,632
Committed.....	1,986,437	-	-	1,986,437
Unassigned.....	4,572,918	-	-	4,572,918
TOTAL FUND BALANCES.....	6,559,355	2,580,645	188,987	9,328,987
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 9,592,116	\$ 2,700,702	\$ 190,209	\$ 12,483,027

See notes to basic financial statements.

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

JUNE 30, 2022

Total governmental fund balances.....		\$	9,328,987
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....			5,964,397
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.....			3,851
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:			
Long-term debt.....	(7,776,272)		
Net other postemployment benefits liability.....	(328,095)		
Lease obligations.....	(735,586)		
Compensated absences.....	<u>(163,322)</u>		
Net effect of reporting long-term liabilities.....			<u>(9,003,275)</u>
Net position of governmental activities.....		\$	<u><u>6,293,960</u></u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2022

	General	Waypoint Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:				
Tuition.....	\$ 6,525,058	\$ -	\$ -	\$ 6,525,058
Service revenue.....	1,028,238	-	-	1,028,238
Transportation.....	9,710,983	-	-	9,710,983
Other departmental revenue.....	449,192	-	-	449,192
Intergovernmental.....	-	-	365,450	365,450
Intergovernmental - State provided pension benefits.....	1,148,387	-	-	1,148,387
Paycheck protection program grant.....	1,936,792	-	-	1,936,792
Investment income (loss).....	(17,749)	-	-	(17,749)
TOTAL REVENUES.....	20,780,901	-	365,450	21,146,351
EXPENDITURES:				
Current:				
Waypoint academy.....	2,965,211	419,355	39,481	3,424,047
STAR program.....	3,389,623	-	96,852	3,486,475
Itinerant services.....	689,054	-	-	689,054
Transportation.....	9,057,715	-	70,000	9,127,715
Professional development and executive search.....	222,955	-	21,675	244,630
Advanced studies and leadership program.....	39,378	-	96,688	136,066
State funded pension benefits.....	1,148,387	-	-	1,148,387
Debt Service:				
Principal on leases.....	117,189	-	-	117,189
Interest on leases.....	24,781	-	-	24,781
Principal.....	1,614,430	-	-	1,614,430
Interest.....	171,499	-	-	171,499
TOTAL EXPENDITURES.....	19,440,222	419,355	324,696	20,184,273
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	1,340,679	(419,355)	40,754	962,078
OTHER FINANCING SOURCES (USES):				
Issuance of bonds.....	-	3,000,000	-	3,000,000
Capital purchase financing.....	866,648	-	-	866,648
Lease financing.....	852,775	-	-	852,775
TOTAL OTHER FINANCING SOURCES (USES).....	1,719,423	3,000,000	-	4,719,423
NET CHANGE IN FUND BALANCES PRIOR TO CREDITS TO MEMBER COMMUNITIES.....	3,060,102	2,580,645	40,754	5,681,501
Credits to member communities.....	(950,355)	-	-	(950,355)
NET CHANGE IN FUND BALANCES.....	2,109,747	2,580,645	40,754	4,731,146
FUND BALANCES AT BEGINNING OF YEAR.....	4,449,608	-	148,233	4,597,841
FUND BALANCES AT END OF YEAR.....	\$ 6,559,355	\$ 2,580,645	\$ 188,987	\$ 9,328,987

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, 2022

Net change in fund balances - total governmental funds.....	\$	4,731,146
<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.....	2,138,778	
Depreciation expense.....	<u>(1,719,277)</u>	
Net effect of reporting capital assets.....		419,501
<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>		
Issuance of bonds.....	(3,000,000)	
Debt service principal payments.....	1,614,430	
Debt service principal payment on leases.....	117,189	
Capital purchase financing.....	(866,648)	
Lease financing.....	<u>(852,775)</u>	
Net effect of reporting long-term debt.....		(2,987,804)
<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.....	271,550	
Net change in net other postemployment benefits liability.....	(240,433)	
Net change in compensated absences liability.....	<u>(40,279)</u>	
Net effect of recording long-term liabilities.....		(9,162)
Change in net position of governmental activities.....	\$	<u>2,153,681</u>

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2022

		Other Postemployment Benefit Trust Fund
ASSETS		
Cash and cash equivalents.....	\$	58,694
Investments:		
Equity mutual funds.....		1,056,946
Fixed income mutual funds.....		878,480
TOTAL ASSETS		1,994,120
NET POSITION		
Restricted for other postemployment benefits.....	\$	1,994,120

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2022

	Other Postemployment Benefit Trust Fund
ADDITIONS:	
Contributions:	
Employer contributions to the trust.....	\$ 180,000
Employer contributions for other postemployment benefit payments....	43,061
Total contributions.....	223,061
Net investment income (loss):	
Investment income (loss).....	(154,440)
Less: investment expense.....	(8,985)
Net investment income (loss).....	(163,425)
TOTAL ADDITIONS.....	59,636
DEDUCTIONS:	
Other postemployment benefit payments.....	43,061
NET INCREASE (DECREASE) IN NET POSITION.....	16,575
NET POSITION AT BEGINNING OF YEAR.....	1,977,545
NET POSITION AT END OF YEAR.....	\$ 1,994,120

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 Waypoint academy, the STAR program, Itinerant services, transportation, professional development and executive search, advanced studies and leadership program, state funded pension benefits, and interest. 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 *Waypoint capital project fund* is used to account for and report financial resources that are restricted, for the Waypoint capital project.

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

Due from member communities consist of 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 office equipment and furniture, leasehold improvements, school buses, and right to use facilities 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. Intangible right to use leased assets are recorded at the net present value of non-cancellable lease payments at inception.

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 (except for construction in progress) 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
Right to use facilities.....	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 assets 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 assets 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. Intangible Right to Use Lease Liability

Government-Wide Financial Statements

Intangible right to use lease liabilities are reported at the present value of their future minimum lease payments. Lease payments are reported as reductions of the lease liability and as interest expense during the lease term.

Governmental Fund Financial Statements

The present value of the future minimum lease payments are reported within the governmental funds as other financing sources and a capital expenditure. Lease payments are reported as debt service expenditures.

O. 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).

P. 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.

Q. 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, therefore the Collaborative does not report a liability for the employees' sick and vacation time.

R. 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.

S. 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 \$10,820,969 and the bank balance totaled \$10,833,158. Of that amount \$500,000 was covered by Federal Depository Insurance and \$5,350,834 was collateralized. The remaining balance of \$4,982,324 was exposed to custodial risk because it was uninsured and uncollateralized.

Fair 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, 2022:

Investment Type	June 30, 2022	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.....	\$ 22,389	\$ 22,389	\$ -	\$ -
Equity mutual funds.....	1,056,946	1,056,946	-	-
Fixed income mutual funds.....	1,203,525	1,203,525	-	-
Money market mutual funds.....	62,890	62,890	-	-
Total investments.....	\$ 2,345,750	\$ 2,345,750	\$ -	\$ -

Equity securities, equity mutual funds, fixed income mutual funds, and money-market mutual funds, classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for these securities.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of a failure by the counterparty, the entity will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. Of the Collaborative's investments, \$2,282,860 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, 2022, receivables for the individual major and non-major governmental funds in the aggregate are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Due from member communities.....	\$ 1,305,640	\$ -	\$ 1,305,640

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Capital assets not being depreciated:</u>				
Construction in progress.....	\$ -	\$ 419,355	\$ -	\$ 419,355
<u>Capital assets being depreciated:</u>				
Right to use - facilities.....	\$ -	\$ 852,775	\$ -	\$ 852,775
School buses.....	14,759,160	866,648	(52,955)	15,572,853
Leasehold improvements.....	202,892	-	-	202,892
Office equipment and furniture.....	28,868	-	-	28,868
Total capital assets being depreciated.....	14,990,920	1,719,423	(52,955)	16,657,388
<u>Less accumulated depreciation for:</u>				
Right to use - facilities.....	-	(128,049)	-	(128,049)
School buses.....	(9,214,264)	(1,591,228)	52,955	(10,752,537)
Leasehold improvements.....	(202,892)	-	-	(202,892)
Office equipment and furniture.....	(28,868)	-	-	(28,868)
Total accumulated depreciation.....	(9,446,024)	(1,719,277)	52,955	(11,112,346)
Total capital assets being depreciated, net.....	5,544,896	146	-	5,545,042
Total capital assets, net.....	\$ 5,544,896	\$ 419,501	\$ -	\$ 5,964,397

Depreciation expense was charged to the STAR program and to the Transportation functions of the primary government in the amounts of \$76,678 and \$1,642,599, respectively.

NOTE 5 – 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 Coronavirus Aid, Relief, and Economic Security (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 and the Collaborative has recognized this loan forgiveness as grant revenue in 2022.

NOTE 6 – LONG-TERM DEBT

Under the provisions of Chapter 43 of the Acts of 2012, the board of directors of an education collaborative may borrow money, enter into long-term or short-term loan agreements or mortgages and apply for state, federal or corporate grants or contracts to obtain funds necessary to carry out the purpose for which such collaborative is established; provided, however, that the board of directors has determined that any borrowing, loan or mortgage is cost-effective and in the best interest of the collaborative and its member cities or towns and charter schools.

The borrowing, loans or mortgages shall be consistent with the written agreement and articles of incorporation of the education collaborative and shall be consistent with standard lending practices.

During fiscal year 2022, the Collaborative borrowed \$3,000,000 through the Massachusetts Development Finance Agency. The bond has a fixed interest rate of 3.1%, with payments made monthly until August 2031. At the end of 2022, the Collaborative had \$3,000,000 of outstanding debt related to this issuance.

Change in Accounting Principle

The Collaborative implemented GASB Statement No. 87 *Leases* in 2022. Therefore, the Collaborative's existing agreements to finance the acquisition of buses, previously reported as leases, have been reclassified as capital financing long-term debt in the current year.

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2022
General Obligation Bonds:				
Massachusetts Development Bond.....	2032	\$ 3,000,000	3.10	\$ 3,000,000
Direct borrowing related to buses:				
Capital Purchase Financing 2016.....	2023	750,467	2.24%	19,251
Capital Purchase Financing 2017.....	2024	567,566	2.08%	93,327
Capital Purchase Financing 2018.....	2024	1,783,341	2.55%	541,514
Capital Purchase Financing 2018.....	2023	585,293	2.45%	30,997
Capital Purchase Financing 2019.....	2026	2,662,834	3.37%	1,250,484
Capital Purchase Financing 2019.....	2024	474,564	3.43%	109,828
Capital Purchase Financing 2020.....	2027	2,565,011	2.56%	1,551,849
Capital Purchase Financing 2021.....	2028	547,314	2.83%	420,857
Capital Purchase Financing 2022.....	2029	866,648	1.47%	758,165
Total Capital Purchase Financing.....				<u>4,776,272</u>
Total Long-Term Debt.....				<u>\$ 7,776,272</u>

Debt service requirements for principal and interest for the Collaborative’s long-term debt in future years are as follows:

Year	General Obligation Bonds			Direct Borrowing			Total
	Principal	Interest	Total	Principal	Interest	Total	
2023.....	\$ 244,075	\$ 90,186	\$ 334,261	\$ 1,456,921	\$ 107,054	\$ 1,563,975	\$ 1,898,236
2024.....	301,057	81,405	382,462	1,268,912	66,145	1,335,057	1,717,519
2025.....	310,742	71,720	382,462	1,006,469	38,517	1,044,986	1,427,448
2026.....	320,514	61,949	382,463	637,402	15,645	653,047	1,035,510
2027.....	330,592	51,870	382,462	245,058	5,052	250,110	632,572
2028.....	340,879	41,584	382,463	150,659	1,291	151,950	534,413
2029.....	351,706	30,757	382,463	10,851	13	10,864	393,327
2030.....	362,765	19,698	382,463	-	-	-	382,463
2031.....	374,172	8,291	382,463	-	-	-	382,463
2032.....	63,498	245	63,743	-	-	-	63,743
Total.....	\$ 3,000,000	\$ 457,705	\$ 3,457,705	\$ 4,776,272	\$ 233,717	\$ 5,009,989	\$ 8,467,694

Changes in Long-term Liabilities

During the year ended June 30, 2022, the following changes occurred in long-term liabilities:

	Beginning Balance	Long Term Debt Issued	Long Term Debt Redeemed	Other Increases	Other Decreases	Ending Balance	Due Within One Year
Long-term bonds payable.....	\$ -	\$ 3,000,000	\$ -	\$ -	\$ -	\$ 3,000,000	\$ 244,075
Capital purchase financing.....	5,524,054	866,648	(1,614,430)	-	-	4,776,272	1,456,921
Total long-term debt.....	5,524,054	3,866,648	(1,614,430)	-	-	7,776,272	1,700,996
Lease obligations.....	-	-	-	852,775	(117,189)	735,586	120,875
Compensated absences.....	123,043	-	-	138,713	(98,434)	163,322	130,657
Net other postemployment benefits.....	87,662	-	-	445,983	(205,550)	328,095	-
Total long-term liabilities.....	\$ 5,734,759	\$ 3,866,648	\$ (1,614,430)	\$ 1,437,471	\$ (421,173)	\$ 9,003,275	\$ 1,952,528

NOTE 7 – PREPAID TUITION

Member communities are allowed to prepay a portion of the next year’s tuition. At June 30, 2022, the Collaborative had received \$1,291,896 of prepaid tuition from member communities.

NOTE 8 – LEASES

Change in Accounting Principle

During 2022 the Collaborative adopted Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. This statement redefines a lease as a right to use another entity’s asset over a definitive period of time and required the Collaborative to record the leases that were previously classified as operating leases where only footnote disclosure was required. No restatement of beginning net position was required.

The Collaborative has entered into facility lease agreements for the Osterville Campus and Dennisport maintenance facility. The cost of the lease for the year ended June 30, 2022 totaled \$141,970, and is reported as debt service in the general fund. A corresponding right to use lease building in the amount of the present value of

the future lease payments has been added to capital assets due to the implementation of GASB Statement No. 87.

The following identifies the assets acquired through lease agreements:

<u>Asset:</u>	<u>Governmental Activities</u>
Right to use - facilities.....	\$ 852,775
Less: accumulated depreciation...	<u>(128,049)</u>
Total.....	<u>\$ 724,726</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2022 were as follows:

<u>Years ending June 30:</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023.....	\$ 120,875	\$ 21,095	\$ 141,970
2024.....	124,675	17,295	141,970
2025.....	83,067	13,903	96,970
2026.....	76,434	11,536	87,970
2027.....	78,836	9,134	87,970
2028.....	81,317	6,653	87,970
2029.....	83,872	4,098	87,970
2030.....	<u>86,510</u>	<u>1,460</u>	<u>87,970</u>
Total minimum lease payments.....	<u>735,586</u>	<u>85,174</u>	<u>820,760</u>

Related interest expense for the year ended June 30, 2022, was \$24,781.

NOTE 9 – 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	Waypoint Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:				
Waypoint capital project fund.....	\$ -	\$ 2,580,645	\$ -	\$ 2,580,645
Art & Music.....	-	-	5,088	5,088
Advanced Studies & Leadership Program.....	-	-	41,349	41,349
Grants.....	-	-	142,550	142,550
Committed to:				
Capital Reserves.....	1,986,437	-	-	1,986,437
Unassigned.....	4,572,918	-	-	4,572,918
Total Fund Balances.....	\$ 6,559,355	\$ 2,580,645	\$ 188,987	\$ 9,328,987

NOTE 10 – 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 11 – 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 <https://mtrs.state.ma.us/service/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, 2021. The Collaborative's portion of the collective pension expense, contributed by the Commonwealth, of \$696,515 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 \$8,679,765 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, 2021 was \$260,019.

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, 2021. The Collaborative's portion of the collective pension expense, contributed by the Commonwealth, of \$451,872 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 \$7,398,742 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 12 – 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 2022, the Collaborative contributed approximately \$223,061 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 2022, 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, 2022, the balance in this fund totaled \$1,994,120. 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, 2022, 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, 2022:

Active members.....	186
Inactive members currently receiving benefits.....	<u>14</u>
Total.....	<u><u>200</u></u>

Components of OPEB Liability

Components of the other postemployment benefits liability as of June 30, 2022, were as follows:

Total OPEB liability.....	\$	2,322,215
Less: OPEB plan's fiduciary net position.....		<u>(1,994,120)</u>
Net OPEB liability.....	\$	<u>328,095</u>
The OPEB plan's fiduciary net position		
as a percentage of the total OPEB liability.....		85.87%

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.....	2.4% per year
Investment rate of return.....	6.50%, net of investment expenses, including inflation.
Healthcare cost trend rate.....	7.00% for 2020, decreasing .40% per year to 5.40%, then grading down to an ultimate trend rate of 4.00%.
Pre-retirement mortality - general employees.....	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.
Healthy retiree mortality - general employees.....	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
Disabled retiree mortality - general employees...	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.
Pre-retirement mortality - teachers.....	PUB-2010 Teachers Headcount-Weighted Employee Mortality Table, base year 2010, projected generational mortality using scale MP-2020
Healthy retiree mortality - teachers.....	PUB-2010 Teachers Headcount-Weighted Retiree Mortality Table, base year 2010, projected generational mortality using scale MP-2020
Disabled mortality - teachers.....	PUB-2010 Teachers Headcount-Weighted Disabled Mortality Table, base year 2010, projected with generational mortality using scale MP-2010.

Rate of return

The annual money-weighted rate of return on OPEB plan investments was -7.96%. 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 4.10% is added to the expected inflation of 2.40% 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, 2022 are summarized in the following table:

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity-large cap.....	32.30%	7.02%
Domestic equity-small/mid cap.....	4.80%	7.56%
International equity-developed market....	4.50%	6.63%
International equity-emerging market.....	2.30%	8.46%
Domestic fixed income.....	34.00%	1.07%
High Yield fixed Income.....	3.40%	4.02%
International fixed income.....	4.20%	1.36%
Alternatives.....	8.90%	2.97%
Real Estate.....	4.60%	7.64%
Cash.....	1.00%	-0.07%
Total.....	100.00%	

Discount rate

The discount rate used to measure the total OPEB liability was 6.50% as of June 30, 2022 and 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 table on the following page 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 higher (7.50%) than the current rate.

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Net OPEB liability.....	\$ 734,617	\$ 328,095	\$ 2,812

Sensitivity of the net OPEB liability/(asset) 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).....	\$ (59,919)	\$ 328,095	\$ 825,084

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, 2021.....	\$ 2,065,207	\$ 1,977,545	\$ 87,662
Changes for the year:			
Service cost.....	164,713	-	164,713
Interest.....	143,545	-	143,545
Changes in assumptions.....	(8,189)	-	(8,189)
Benefit payments.....	(43,061)	(43,061)	-
Net investment income (loss).....	-	(163,425)	163,425
Contributions by employer.....	-	223,061	(223,061)
Net change.....	257,008	16,575	240,433
Balances at June 30, 2022.....	\$ 2,322,215	\$ 1,994,120	\$ 328,095

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

For the year ended June 30, 2022, the Collaborative recognized OPEB expense of \$191,944. The Collaborative reported deferred outflows of resources and deferred inflows of resources related to OPEB of \$415,051 and \$411,200 from the following sources:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience..... \$	-	\$ (404,035)	\$ (404,035)
Difference between projected and actual earnings, net.....	133,284	-	133,284
Changes in assumptions.....	281,767	(7,165)	274,602
Total deferred outflows/(inflows) of resources..... \$	<u>415,051</u>	<u>\$ (411,200)</u>	<u>\$ 3,851</u>

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

Measurement date year ended June 30:

2023.....	\$ 8,834
2024.....	11,609
2025.....	1,404
2026.....	41,989
2026.....	(21,662)
Thereafter.....	<u>(38,323)</u>
Total.....	<u>\$ 3,851</u>

Changes in assumptions

The inflation rate assumption was updated from 2.20% to 2.40%.

Changes in plan provisions

None.

NOTE 13 – 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, 2022 cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2022.

NOTE 14 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 14, 2022 which is the date the financial statements were available to be issued.

NOTE 15 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2022, the following GASB pronouncements were implemented:

- GASB Statement #87, *Leases*. The basic financial statements and related notes were updated to be in compliance with this pronouncement.
- GASB Statement #89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This pronouncement did not impact the basic financial statements.
- GASB Statement #92, *Omnibus 2020*. This pronouncement did not impact the basic financial statements.
- GASB Statement #93, *Replacement of Interbank Offered Rates*. This pronouncement did not impact the basic financial statements.
- GASB 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*. This pronouncement did not impact the basic financial statements.

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #91, *Conduit Debt Obligations*, which is required to be implemented in 2023.
- 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 #99, *Omnibus 2022*, which is required to be implemented in 2023.
- The GASB issued Statement #100, *Accounting Changes and Error Corrections*, which is required to be implemented in 2024.
- The GASB issued Statement #101, *Compensated Absences*, which is required to be implemented in 2025.

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, 2022

	Budgeted Amounts		Actual Budgetary Amounts	Variance to Final Budget
	Original Budget	Final Budget		
REVENUES:				
Tuition.....	\$ 6,174,213	\$ 6,174,213	\$ 6,525,058	\$ 350,845
Service revenue.....	1,272,405	1,272,405	1,028,238	(244,167)
Transportation.....	8,972,846	9,569,079	9,710,983	141,904
Other departmental revenue.....	50,000	50,000	449,192	399,192
Paycheck Protection Program grant.....	-	1,936,792	1,936,792	-
Investment income (loss).....	-	-	(17,749)	(17,749)
TOTAL REVENUES.....	16,469,464	19,002,489	19,632,514	630,025
EXPENDITURES:				
Current:				
Waypoint academy.....	2,767,290	2,914,176	2,965,211	(51,035)
STAR program.....	2,997,567	2,942,657	2,787,493	155,164
Itinerant services.....	793,543	779,922	689,054	90,868
Transportation.....	10,185,771	10,704,016	10,711,528	(7,512)
Professional development and executive search.....	304,216	303,849	222,955	80,894
Advanced studies and leadership program.....	287,725	287,725	39,378	248,347
Debt Service:				
Interest.....	-	-	23,441	(23,441)
TOTAL EXPENDITURES.....	17,336,112	17,932,345	17,439,060	493,285
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(866,648)	1,070,144	2,193,454	1,123,310
OTHER FINANCING SOURCES (USES):				
Capital purchase financing.....	866,648	866,648	866,648	-
Payments to member communities.....	-	(950,355)	(950,355)	-
NET CHANGE IN FUND BALANCE.....	-	986,437	2,109,747	1,123,310
FUND BALANCES AT BEGINNING OF YEAR.....	4,449,608	4,449,608	4,449,608	-
FUND BALANCES AT END OF YEAR.....	\$ 4,449,608	\$ 5,436,045	\$ 6,559,355	\$ 1,123,310

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
2022.....	\$ 7,398,742	\$ 451,872	77.54%
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
2022.....	\$ 8,679,765	\$ 696,515	62.03%
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 THE COLLABORATIVE'S 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
2022.....	\$ 260,019	\$ 4,262,607	6.10%
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 Collaborative'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 Returns presents multi-year trend information on the money-weighted investment return on other postemployment assets, net of investment expense.

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 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	June 30, 2022
Total OPEB Liability						
Service Cost.....	\$ 91,399	\$ 95,055	\$ 98,857	\$ 133,758	\$ 151,562	\$ 164,713
Interest.....	97,457	108,935	121,288	140,501	157,992	143,545
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	(8,189)
Benefit payments.....	(38,813)	(40,097)	(46,086)	(47,553)	(39,666)	(43,061)
Net change in total OPEB liability.....	150,043	163,893	222,004	361,941	(60,096)	257,008
Total OPEB liability - beginning.....	1,227,422	1,377,465	1,541,358	1,763,362	2,125,303	2,065,207
Total OPEB liability - ending (a).....	<u>\$ 1,377,465</u>	<u>\$ 1,541,358</u>	<u>\$ 1,763,362</u>	<u>\$ 2,125,303</u>	<u>\$ 2,065,207</u>	<u>\$ 2,322,215</u>
Plan fiduciary net position						
Employer contributions.....	\$ 218,813	\$ 180,000	\$ 226,086	\$ 180,000	\$ 180,000	\$ 180,000
Employer contributions for OPEB payments.....	38,813	40,097	-	47,553	39,666	43,061
Net investment income (loss).....	31,908	24,300	93,150	48,741	312,055	(163,425)
Benefit payments.....	(38,813)	(40,097)	(46,086)	(47,553)	(39,666)	(43,061)
Net change in plan fiduciary net position.....	250,721	204,300	273,150	228,741	492,055	16,575
Plan fiduciary net position - beginning of year.....	567,391	779,299	983,599	1,256,749	1,485,490	1,977,545
Plan fiduciary net position - end of year (b).....	<u>\$ 818,112</u>	<u>\$ 983,599</u>	<u>\$ 1,256,749</u>	<u>\$ 1,485,490</u>	<u>\$ 1,977,545</u>	<u>\$ 1,994,120</u>
Net OPEB liability - ending (a)-(b).....	<u>\$ 559,353</u>	<u>\$ 557,759</u>	<u>\$ 506,613</u>	<u>\$ 639,813</u>	<u>\$ 87,662</u>	<u>\$ 328,095</u>
Plan fiduciary net position as a percentage of total OPEB liability.....	59.39%	63.81%	71.27%	69.90%	95.76%	85.87%
Covered-employee payroll.....	\$ 6,423,123	\$ 6,517,602	\$ 6,754,577	\$ 7,544,325	\$ 7,066,127	\$ 7,733,467
Net OPEB liability as a percentage of covered-employee payroll.....	8.71%	8.56%	7.50%	8.48%	1.24%	4.24%

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, 2022.....	\$ 179,987	\$ (223,061)	\$ (43,074)	7,733,467	2.88%
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, 2022.....	-7.96%
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 2022 approved budget for the general fund authorized approximately \$17.3 million in appropriations. The board voted additional appropriations of \$596,000 which were mainly related to transportation and \$950,000 related to payments to member communities to reduce the Collaborative’s cumulative surplus.

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, 2022, is presented below:

Net change in fund balance - budgetary basis.....	\$	2,109,747
<u>Basis of accounting differences:</u>		
Recognition of revenue for on-behalf payments.....		1,148,387
Recognition of expenditures for on-behalf payments.....		(1,148,387)
Nonbudgeted lease financing revenue per GASB 87.....		852,775
Nonbudgeted lease financing expenditures per GASB 87.....		<u>(852,775)</u>
Net change in fund balance - GAAP basis.....	\$	<u><u>2,109,747</u></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 the Collaborative's 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.....	2.4% per year
Investment rate of return.....	6.50%, net of investment expenses, including inflation.
Healthcare cost trend rate.....	7.00% for 2020, decreasing .40% per year to 5.40%, then grading down to an ultimate trend rate of 4.00%.
Pre-retirement mortality - general employees.....	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.
Healthy retiree mortality - general employees.....	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
Disabled retiree mortality - general employees...	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.
Pre-retirement mortality - teachers.....	PUB-2010 Teachers Headcount-Weighted Employee Mortality Table, base year 2010, projected generational mortality using scale MP-2020
Healthy retiree mortality - teachers.....	PUB-2010 Teachers Headcount-Weighted Retiree Mortality Table, base year 2010, projected generational mortality using scale MP-2020
Disabled mortality - teachers.....	PUB-2010 Teachers Headcount-Weighted Disabled Mortality Table, base year 2010, projected with generational mortality using scale MP-2010.

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 inflation rate assumption was updated from 2.20% to 2.40%.

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 Collaborative has entered into facility right to use lease agreements for the Osterville Campus and Dennisport maintenance facility. The cost of the lease for the year ended June 30, 2022, totaled \$141,970, and is reported as debt service in the general fund. A corresponding right to use lease building in the amount of the present value of the future lease payments has been added to capital assets. Future minimum lease payments are provided in Note 8 to the financial statements.

The Collaborative has also entered into several agreements to finance the acquisition of buses, which has been recorded as capital purchase financing long-term debt. The cost of this financing for the year ended June 30, 2022, totaled \$1,762,488 and is reported as debt service in the general fund. Future minimum capital purchase financing payments are provided in Note 6 to the financial statements.

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, 2022:

Paul Hilton, Executive Director.....	\$	171,073
Christina Caputo, Assistant Director of Special Education.....		130,985
Kara Peterson, Waypoint Program Director.....		116,500
Amy Lipkind, Business Manager.....		115,606
Julia Bryant, STAR Program Director.....		115,000

NOTE 4 – AMOUNTS EXPENDED ON ADMINISTRATION AND OVERHEAD

For the year ended June 30, 2022, the Collaborative expended \$748,896 and \$447,384 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, 2022, 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, 2022, 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 \$4,572,918 as the amount designated as Cumulative Surplus from the general funds remaining in the Collaborative’s accounts as of June 30, 2022. This amount does exceed the limit of 25% of general fund expenditures for the year as shown in the following table:

Cape Cod Collaborative

Surplus Calculation			
Fiscal Year 2022	Enter values below	Page in FY22 FS	
(A) Surplus as of June 30, 2021	\$ 4,449,608	(A)	<u>p. 18</u>
<i>(Breakdown of use of 2021 surplus)</i>			
B(1) used to support the FY22 budget	\$ -		
B(2) issued as credits to member districts	\$ (950,355)		
B(3) issued as a check(s) to member district(s)	\$ -		
B(4) deposited to a restricted account(s)	\$ -		
(B) Board voted uses of surplus funds during FY22	<i>(total from B1:B4)</i> \$ (950,355)	(B)	<u>p. 18</u>
(C) Unexpended FY22 General Funds	\$ 3,060,102	(C)	<u>p. 18</u>
(D) Cumulative Surplus as of June 30, 2022	(A) - (B) + (C) = (D) \$ 6,559,355	(D)	<u>p. 18</u>
(E) FY22 Total General Fund Expenditures *	\$ 18,291,835	(E)	<u>p. 18</u>
(F) Cumulative Surplus Percentage	(D) ÷ (E) 35.86%	(F)	<u>p. N/a</u>

CUMULATIVE SURPLUS REDUCTION
Allowable uses of surplus - in excess of the 25% limit

(G) Cumulative surplus as of June 30, 2022	\$ 6,559,355
	25% limit (allowed) \$ 4,572,959
(H) Cumulative Surplus REDUCTIONS	
(H)1 Credited to member districts for tuition, services, etc.	\$ -
(H)2 Deposited to an established trust and/or reserve fund	\$ 1,986,437
(H)3 Returned (check) to school districts/towns	\$ -
Total Reductions	\$ 1,986,437
FY22 Cumulative Surplus Percentage after Reductions	25.00%

* Net of intergovernmental on-behalf payments.

***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, 2022, 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 14, 2022.

Report on 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) as a basis for designing 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 Collaborative'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 or significant deficiencies may exist that were not identified.

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



December 14, 2022