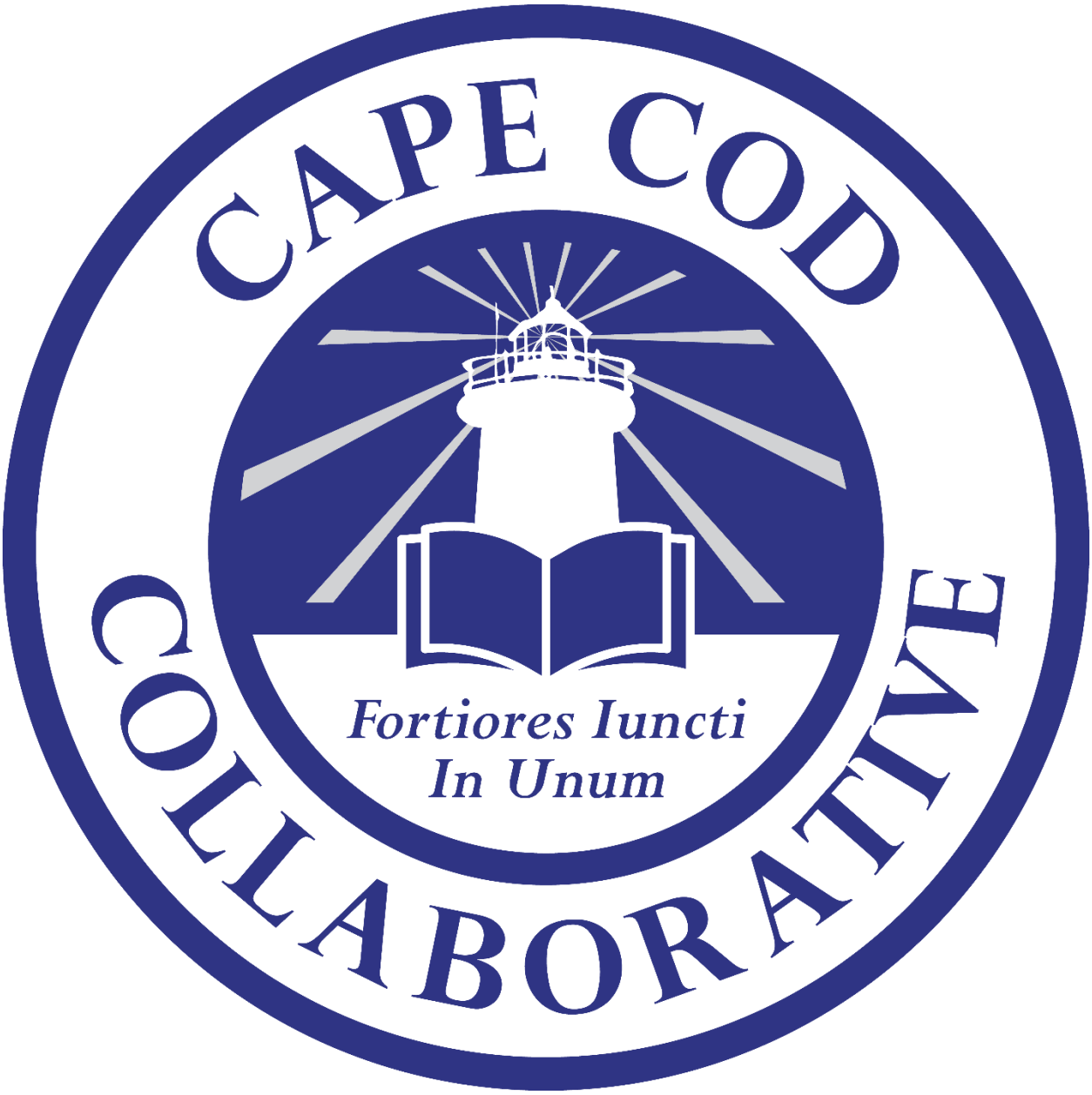

Annual Report
2017-2018

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

The Cape Cod Collaborative Board of Directors was comprised of school committee representatives from the nineteen (19) Cape Cod and Islands school districts during the 2017-2018 school year.

Barnstable Public Schools
Bourne Public Schools
Brewster Public Schools
Cape Cod Regional Technical High
Dennis-Yarmouth Regional
Eastham Public Schools
Falmouth Public Schools
Martha's Vineyard Regional
Mashpee Public Schools
Monomoy Regional
Nantucket Public Schools
Nauset Regional
Orleans Public Schools
Provincetown Public Schools
Sandwich Public Schools
Truro Public Schools
Upper Cape Cod Technical High
Wareham Public School
Wellfleet Public Schools

Articles of Agreement (Excerpt)

Mission, Purpose, Focus, Objectives

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

2.2 The Purpose of the Collaborative is:

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

Governance:

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

Board of Directors

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

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

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

Cape Cod Collaborative Board of Directors 2017-2018

Michael Judge (July - May) Barbara Dunn (June -)	Barnstable Public Schools
Christopher Hyldburg	Bourne Public Schools
Jessica Larsen, Co-Chair	Brewster Public Schools
Ann Williams (July - January) Scott McGee (February -)	Cape Cod Regional Technical
Phillip Morris	Dennis-Yarmouth Regional
Judy Lindahl	Eastham Public Schools
John Furnari	Falmouth Public Schools
Kate Devane (July – March) Lisa Reagan (April -)	Martha's Vineyard Regional
Nicole Bartlett	Mashpee Public Schools
Terry Russell (June - September) Steven Craffey (October –)	Monomoy Regional Schools
Dr. Timothy Lepore	Nantucket Public Schools
Judy Schumacher	Nauset Regional Schools
Hank Schumacher	Orleans Public Schools
Anthony Brackett (July – February) No member appointed (March -)	Provincetown Public Schools
Beth Cummings, Co-Chair (July - May) Sherri Erikson (June -)	Sandwich Public Schools
Drew Locke	Truro Public Schools
Robert Fichtenmayer	Upper Cape Cod Regional Technical
Mary Morgan (July - April) Michael Flaherty (May -)	Wareham Public Schools
Jill Putnam	Wellfleet Public Schools
Treasurer	William Friel

Administrative Board

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

Cape Cod & Islands Superintendents	**2017-2018**
Meg Mayo-Brown	Barnstable Public Schools
Steven Lamarche	Bourne Public Schools
Robert Sanborn	Cape Cod Regional Technical
Carol A Woodbury	Dennis-Yarmouth Regional
Nancy Taylor	Falmouth Public Schools
Dr. Matthew D'Andrea	Martha's Vineyard Regional
Patricia DeBoer	Mashpee Public Schools
Scott Carpenter	Monomoy Regional
W. Michael Cozort	Nantucket Public Schools
Thomas Conrad	Nauset Regional (including Brewster, Eastham, Orleans, & Wellfleet)
Dr. Beth Singer	Provincetown Public Schools
Dr. Pamela Gould	Sandwich Public Schools
Michael Gradone	Truro Public Schools
Dr. Robert Dutch	Upper Cape Cod Technical
Dr. Kimberly Shaver-Hood	Wareham Public Schools

Cape Cod & Islands Special Education Directors 2017-2018

Dr. Jane Jezard (Special Education) Dr. Gina Hurley (Pupil Personnel)	Barnstable Public Schools
Christina Caputo	Bourne Public Schools
Kate Clemens	Cape Cod Regional Technical
Maria Lopes	Dennis-Yarmouth Regional
Charles Joidoin	Falmouth Public Schools
Hope MacLeod (8-12) Nancy Dugan (PK-8)	Martha's Vineyard Regional
Jaime Curley	Mashpee Public Schools
Melissa Maguire	Monomoy Regional
Michele Brady	Nantucket Public Schools
Dr. Ann Caretti	Nauset Regional (including Brewster, Eastham, Orleans, & Wellfleet)
Dr. Beth Singer	Provincetown Public Schools
Marilyn Vrountas	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- (9 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.

2017-2018 Program Directors

- Laurence Carroll — Waypoint (2000 to 2017 – 17 years+)
- Dr. Anita Woods — S.T.A.R. Program (2001 to 2018 – 16 years+), now Director of Special Education Programs (2018)
- Amy Lipkind — Business Operations (2016)
- Dr. Joseph Gilbert — Special Projects (2003 –14 years +)
- Dr. Christopher Bogden — Special Projects (2017 -)
- Lisa Stobbart — Transportation (2014 - 4 years +)

Paul C. Hilton
Executive Director
CAPE COD COLLABORATIVE

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December 2018

Our (seventh) Cape Cod Collaborative Annual Report is dedicated to the committed, capable and highly valued Collaborative staff that create and maintain high quality programming for the students, families and districts of Cape Cod and the Islands. This report, and associated financial audit, highlight some of the activities of the Collaborative during the 2017-2018 School (& Fiscal) Year.

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

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

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

- Larry Carroll, the founder and program director of Waypoint Academy retired after seventeen (17) years of services dedicated to those students and families served by the Collaborative. Mr. Carroll's started to enjoy his (well deserved) retirement; however, he returned to direct the program on a part-time basis.
- Sheila Driscoll, a van driver for over 10 years, passed unexpectedly in May. She embodied a caring attitude, and will be sorely missed by students, families and staff.
- Other long term staff who left the Collaborative after many years of dedicated service to the students and families served by the Collaborative include: Bruce Boren (11 years); Jason Fennelly (16 years); Kelly Kennedy (13 years); Virginia Lamborghini (16 years); Nancy Radosovic (11 years); John Nathan (21 years).

Thank you on behalf of the entire Collaborative community.

We look forward to continued service to the students, families and districts of the region and are thankful for having had the opportunity to serve during the 2017-2018 School Year.

Paul C. Hilton

Strategic Planning

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

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

Mission

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

Vision

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

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

- The Articles of Agreement (Governance) subcommittee proposed changes to the Articles of Agreement. The Articles of Agreement were reviewed and revisions proposed by the Board of Directors in February 2011. The process for the final approval was formally completed (MA-DESE) on March 25, 2016.

- The Financial Subcommittee made several recommendations regarding changes to Collaborative financial reporting and operations, as well as recommending the development of an annual forum for all stakeholders to discuss Collaborative issues – the **Collaborative Summit.** The first Collaborative Summit was held in September 2011 and attended by representatives of Member School Committees, Member school district Superintendents, Special Education Administrators, School Business Administrators and Collaborative Administrators.

The Cape Cod Collaborative continues to strive to serve the purposes for which the Collaborative was established by its Member School Committees. The Collaborative continues to provide an array of services that support and strengthen the programming of its Member School Districts in an effective and efficient manner. A brief reflection regarding the effectiveness (and efficiency) of these collaborative services follows a description of each of the various activities that occurred through the Cape Cod Collaborative during the 2017-2018 School (& Fiscal) Year.

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

Regional Collaborative Activities

The Cape Cod Collaborative staff and/or representatives from the Collaborative administration were deeply involved with planning, developing and implementing activities throughout the region throughout the 2018 Fiscal/School Year.

Bridgewater State University – Off Campus Programming

Mr. Hilton initiated discussions between the Cape Cod Collaborative and Bridgewater State University to develop an agreement allowing the Collaborative to sponsor coursework towards Preliminary Licensure for Teachers of Students with Moderate Disabilities and Preliminary Licensure for Teachers of Students with Intensive Disabilities. These courses occurred over the course of two years and were available to Collaborative staff and to employees of member school districts at a reduced rate made possible by this agreement. The final session was completed in May 2018. Several Collaborative staff members matriculated and have obtained initial licensure.

Career and Vocational Technical Education Partnership Planning Grant

Mr. Hilton worked with Dr. Robert Dutch of Upper Cape Cod Regional Technical School to develop a proposal for a grant to support career and technical education opportunities for students throughout the region. Mr. Hilton facilitated the commitment of school, business, professional and higher education partners to this grant proposal. The grant has allowed for the exploration and discussion regarding the feasibility and need for programming at the Upper Cape Cod Tech site outside of school hours, as well as the development of additional Career and Vocational Education (CVTE) opportunities that are accessible for students at the Collaborative Waypoint Academy program and students within the comprehensive high schools in the region. A teacher and two assistants were assigned to this initiative. Instruction for Waypoint Academy students began in the late fall of 2017 and expanded to students from other school districts in early 2018. Students from Monomoy and Falmouth have participated.

Annual Legislative Breakfast

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

Southeastern Massachusetts Regional Collaborative Organization

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

Barnstable County Substance Abuse Council

Mr. Hilton continued to represent school districts throughout the region as a member of the Barnstable County Substance Abuse Council

(http://www.bchumanservices.net/community-partners/regional-substance-abuse-council/). The Council continued to meet to develop and discuss initiatives to meet the evolving (and increasing) need for coordinated efforts to address substance use disorder issues throughout the region.

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

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

Massachusetts Legislative Working Group – Retirement Funding Obligations Working Group

Mr. Hilton was appointed to a legislative working group to study and make recommendations regarding the retirement funding obligations for "non-agency" organizations within the Massachusetts State Employees Retirement System (MSERS). This working group has been assigned the responsibility to recommend legislative solutions to meet the past, current and future unfunded liability "non-agency" participants in MSERS. Educational collaboratives (approximately 29) have been participants in MSERS since the late 1980s. There are seventeen (17) additional "non-agency" participant organizations, including vocational technical schools (9), planning agencies (7) and regional boards of health (1) within the MSERS. The Legislative Working Group met throughout the latter part of FY17 to investigate options and discuss solutions to meet the "unfunded liability" of the MSERS.

Multi-Tiered Systems of Support Grant

The Collaborative coordinated the participation of districts throughout the region in a grant funded opportunity to share resources in building capacity to support their efforts with Multi-Tiered Systems of Support in their districts. This 2 ½ year grant was secured for the Collaborative to coordinate the regional activities through the National Center for Learning Disabilities (NCLD). As indicated in other areas of this report, this $291,000 grant supported staffing and consultation to the school districts throughout the region. The grant was funded through the Peter and Elizabeth Tower Foundation and the proposal was submitted through the National Center for Learning Disabilities.
Dr. Magdalene Giffune continued to provide support services to local districts throughout FY18. A full-day Conference was held June 27, 2018 at the Sea Crest in Falmouth with participating school districts.

Cape Cod Collaborative STAR Program –Osterville Public Day Program 2017-2018

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

STAR enrollment (August 2017) began at 51 and the year closed out at 59 (June 2018). Focusing on student growth and independence, the staff at the STAR Program emphasize "embedded therapies" and creating an environment supporting social-emotional growth and behavioral regulation. This program continues to serve the students, families and districts throughout the region through the provision of a local (regional) program that provides high quality and intensive services. The provision of the services offered through this program might otherwise necessitate extraordinary commutes to non-local educational placements or placements of students in residential school settings to access the same (or similar) level of benefit. This program provides effective and efficient high quality programming that ensures students are appropriately served within their home community (local or regional) to the extent possible.

The programming and enrollment at the STAR program supported **63 students** during the 2017-2018 school year. The home districts of these students included:

Member Districts	**Non-member districts**
Barnstable	Duxbury
Bourne	Plymouth
Dennis-Yarmouth	
Falmouth	
Mashpee	
Monomoy	
Nauset	
Sandwich	
Truro	
Wareham	

During the 2017-2018 School Year, **49 inquiries** for programming were received for the STAR Program:

Enrolled in Collaborative	**Supported in District(s)**	**Enrolled in Other Collaboratives**
17 enrolled @ STAR **2** started in ESY 2018	**9** maintained with added support (or other arrangements) **12** "parent inquiries" directed back to district (IEP Process)	7 **More Restrictive Setting (residential or hospitalized)** **2**

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 2017-2018 School Year, **8** students were transitioned from the STAR Program. In June 2018, at the close of school an additional **4** students were transitioned:

Returned to District Programming
2 student
Transitioned to Waypoint Academy
4 students
Transitioned to other day program
1 student
Transitioned to Residential
2 students
Transitioned to home Programming
1 student
& 2 students moved off-Cape and/or out of state

The Goals for the Osterville-STAR Program during the 2017-2018 School Year were focused upon key areas including:

★ Student Learning
★ Professional Culture
★ Family & Community Engagement

CCC STAR Friendship Garden continues to be an integrated experience for the students at the STAR Program. Occupational and Physical therapies integrate goals through a functional approach to accessing natural environments and generalizing skills. The social and communicative experience allows for increasing vocabulary, problem solving and social cooperative endeavors. The multi-sensory experience allows for access to all students. The weather station is also still in place. In the summer, we use our harvest for salads for our Thursday lunches. We also make a lot of pickles….We love pickles!

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

The **Long Pasture Audubon Program** continued their collaboration with the STAR Program providing our students with hands-on opportunities to enhance units associated with tidal flats, amphibians and vernal pools during the extended school year and regular school. The experience of "being scientists" and learning about Cape Cod's environment are wonderful opportunities.

Extended School Year Program: The 2017 extended school year program provided many enriching activities for language, social and motor opportunities for 48 students. Some of the various activities included Sail Cape Cod, an outing to "Dream Day" at Nickerson State Park in Brewster, a Magic Show, a music group, YMCA swim, and Thursday cook-outs with produce from the friendship garden.

During the 2017-2018 school year:
Students participated in weekly art classes lead by a staff member. Students also participated in weekly Yoga classes conducted by staff from Yoga Neighborhood. Some students participate in the YMCA swim program. Other students enjoy walking programs and movement using our track out in the back of the school. This school year we continued with a weekly music therapy group coordinated with Tones in Motion. Some students participated in a Cape-wide opportunity through the Cape Cod Symphony for grade 4-5 students. Two mini-grants were received through the Cape Cod Five Foundations. Both were focused on literacy activities and materials.

Promethean Boards were added to several classrooms to support instruction. Chromebooks are also in place for instruction, as well as utilized for state testing (MCAS).

Dr. Marc Hauser continued to consult with STAR staff as a trainer related to understanding brain-based learning in the field of education. Dr. Hauser also provides clinical support in development of measurement systems and data management systems for staff to utilize data which informs instruction.

Students participated in other Cape-wide activities such as Best Buddies dances held in Harwich and Falmouth and the Special Olympics in the fall at Monomoy HS and the Spring at Mashpee HS.

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

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

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

Family Events
Families are encouraged to participate in their child's school experience. A **Parent Advisory Group** (PAG) is held weekly for input to programs and services. In October, an open house is held inviting families to hear teacher's goals and plans for the school year. In November, a student assembly and family luncheon was held the Tuesday before Thanksgiving. It is our most attended event each year. A March luncheon was planned, but cancelled due to the weather on that day. In May, many of our families accompany students to the Special Olympics held at Mashpee High School. In June, our annual family day is held which allows families time to socialize with other families and with staff and students.

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

Dr. Woods continued to demonstrate her dedication and attention to the students, families, districts and staff throughout FY2018. In March 2018, Dr. Woods moved into the position of Director of Special Education Programs for Cape Cod Collaborative working with Julia Bryant, who transitioned into Program Coordinator for the STAR Program.

Cost Effectiveness –The Osterville-STAR Program had a daily tuition rate of $257 during the 2017-2018 School Year. This rate was developed with consideration of the activities and enrollment of the previous year. The rate was approved by the Board of Directors with recognition regarding the projected enrollment and programmatic needs for the school year. There is not one individual comparable program that provides services identical to the students served at the STAR-Osterville Program. An analysis regarding the student needs and average tuitions for various private school programs offers some perspective regarding the efficiency of the Program. The Program serves the Districts by offering a substantially separate educational program that is neither as restrictive as Private Day School Programming nor Residential School Programming. The efficiency with which the Program operates may be noted in review of the referrals, admission and discharges from the Osterville-STAR Program.

It may also be discerned that the Program serves students in a local/regional setting that prepares students and families for other settings if their needs become more significant than the

Program might be able to address, or inversely, the program assists and supports students and families in entering a school (district) settings as their needs and District supports allow. This Program effectively and efficiently serves the students, families and districts in broadening the continuum of services to effectively support students in the least restrictive setting possible.

The Osterville-STAR Program Tuition ($257/day – $46,311/year) for FY2018 is considerably lower than other options, options often at great distance (and transportation expense). Assuming that other programs could provide the similar and appropriate services, it may be noted that the Osterville-STAR day rate ($257/day) is considerably lower than an average tuition of $343/day ($71,544/year) for Private Day Education Programs in Massachusetts. It is important to note that each district (and family) considers the needs of particular students and their particular needs when evaluating each program for consideration for student placement.

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

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

Medically Fragile:		**Emotional Impairment**:		**Autism & Intellectual:**	
STAR	$257	STAR	$257	STAR	$257
BC Campus	$448	Walker	$404	Higashi	$345
Schwartz	$247	St. Vincent's	$267	May	$603/$677
Perkins	$543/$668/$664	Chamberlain	$274	Cushing	$343/$345
				NECC	$635/$855/$924

Cape Cod Collaborative Waypoint Academy
Public Day Program 2017 – 2018

Waypoint Academy continues to be approved by the Department of Elementary and Secondary Education as a Public Day School. Waypoint Academy went through many changes during the 2017-2018 year administratively, but successfully served over 75 students, on a rolling admission, from our member districts and southeastern MA. Larry Carroll, Program Director since the Program's inception in 2000, retired, but remained to consult throughout the school year. Dr. Kevin Turner supported the transition through the summer and as the school year opened with Melissa Goldstein assumed the role of Interim Program Director for school year.

Waypoint Academy moved to a new location at the Henry T. Wing School in Sandwich, MA. Waypoint moved from the Otis Memorial School in Bourne where it had been housed since 2000 on the Otis Air National Guard Base. Collaborative staff (business office, custodial, administration and school staff) and contractors worked diligently throughout the summer 2017 to prepare the building (and program) for a successful school opening for the Fall of 2017.

Waypoint continues to accept and provide 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 and district on terms of their academic and socio-emotional abilities.

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

The programming and the enrollment at Waypoint Academy supported 75 students throughout the 2017-2018 school year. Of the 55 inquiries that came in during the school year, 26 students were started at Waypoint during the course of the year. The remaining inquiries: 22 students chose to attend another program or Collaborative, 1 was referred to STAR, 2 remained hospitalized, 2 stayed in district programming, and 2 were slated to begin in the fall of 2018.

The home districts of Waypoint students included:

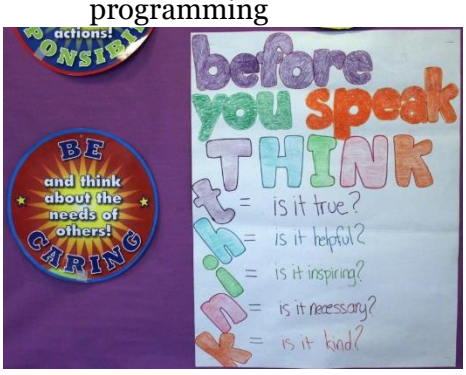
Member Districts	**Non-member districts**
Bourne	Boston
Cape Cod Technical	Brockton
Dennis-Yarmouth	Dartmouth
Falmouth	Fall River
Mashpee	Middleboro
Monomoy	New Bedford
Nauset	Old Rochester Regional
Sandwich	Plymouth
Upper Cape Cod Technical	Stoughton
Wareham	Westport
	Weymouth

During 2017-2018 School Year, **28** students transitioned from the Waypoint Academy Program:

4 <u>Graduated</u> from Waypoint, earning a *<u>diploma</u>* from their district
2 moved out of state
2 returned to district programming

3 transitioned to another Collaborative
2 transitioned to another day program
13 were unenrolled by their sending district

1 transitioned to a residential setting
1 transitioned to DYS

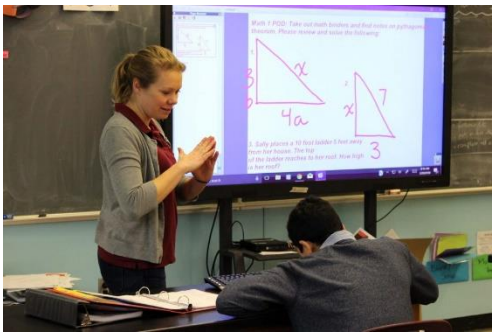


Waypoint Academy serves the needs of students who are experiencing difficulty in their home schools' and districts' educational programs. Many of the students attending the Program experience social, emotional and mood disorders, including but not limited to: anxiety disorders; depression; attention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

Waypoint Academy has full-time clinicians on staff who promote interventions for building confidence, self-esteem, individual responsibility, social awareness, (executive function) organization and cognitive development. The highly specialized, intensely structured educational environment emphasizes safety and security through the development and implementation of individualized educational and behavioral plans. Each student participates in an appropriate, grade level academic curriculum as well as a variety of services (and accommodations) distinct to and each individual student's needs.

Effective programming for students with emotional and/or behavioral disorders requires broad-based and intensive work with families, providers and other supports systems in our student's lives. Inclusion of the various parties in each student's lives in important to develop appropriate and strong supports for students' for: regulating their emotions and behavior; achieving success in academic and social skills; and aiding them in experiencing a more normalized educational process. The aim of Waypoint Academy continues to be to increase teaching and learning time and reduce the time students spend on non-productive behaviors.

***Technology*:** Technology is used at the Academy to not only support instruction but also to inform the program regarding changing student needs. Throughout the 2017-2018 School Year databases regarding student achievement and progress were continually refined (and maintained). These databases assist to inform the program staff regarding student performance and behaviors, including both the individual and the group dynamics.



The program has continued to add technology to support the program's specialized instructional needs, including additional computer workstations as well as netbooks, Promethean Interactive Screens and additional iPads. Chromebooks are also utilized for instruction, as well as computer-based state testing.

***During the 2017-2018 school year*:**

Ms. Goldstein noted the year was filled with building relationships and learning new things. Community outings included Zeiterion Theater, biking on the canal, fishing and career exploration.

Dr. Marc Hauser has worked with Waypoint staff since 2011 providing consultation in development of measurable goals and utilization of data to inform instruction. Dr. Hauser has also guided "think it" lessons focused on inquiry, critical thinking and perspective taking on current events. He continues to be a valued support of the Team.

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

***Camp Burgess*:**
The Camp Burgess classroom experience continued to be a source of motivation and investment for many of our students. Students that participate in class work at Camp Burgess follow an established curriculum (primarily science/biology) with classroom teachers for the associated content areas. This setting also promotes applied learning of the academic and instructional content through participation in activities such as the integrated farm and forestry programming.

The "Camp Burgess classroom" experience is made available for all Waypoint students at the Academy through planned Field Days. These Field Days include programming with Camp Burgess Staff in developing leadership capacity, team-building, and self-confidence for students.

Parent Advisory Group:

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

Extended School Year: Students enrolled at Waypoint Academy participate in programmatic services from faculty during the months of July and August. During the summer of 2017, nineteen (19) students participated in summer programming held in Bourne. The primary goal of extended school year educational activities is to prevent regression of prior learning and promote social-cooperative learning.

Graduation: Waypoint Academy graduated 4 students during 2017-2018 school year. One student completed requirements and graduated in August 2017. The remaining three (3) graduates completed the school year and met their district requirements to receive a diploma. The three (3) graduates were the guests of honor (with their families) at a dinner hosted by Waypoint staff at the Canalside Restaurant (the Upper Cape Regional Technical School).

Vocational Group: The Upper Cape Cod Regional Vocational Technical School and the Cape Cod Collaborative facilitated a project with Cape Cod school district partners in the development of a "strand" of Vocational/Technical Education (Building and Property Maintenance) through a Career Vocational and Technical Education (CVTE) grant. The students and staff participating in this program were hosted within Waypoint Academy site at the Wing School. Several Waypoint students participated in the program beginning in October 2017. The program was opened to member districts beginning February 2018 with students from Monomoy High School and Falmouth High School participating.

Ms. Goldstein demonstrated her continued dedication and attention to the students, families, districts and staff throughout the 2017-2018 School Year as the Interim Director of the program.

In March 2018, Dr. Anita Woods assumed the position of Director of Special Education Programs for Cape Cod Collaborative and worked in collaboration with Ms. Goldstein to support the students, staff and families at Waypoint Academy.

Cost Effectiveness –Waypoint Academy operated during the 2017-2018 School Year with a daily tuition rate of $231/$252 & $273 per day. The tuition rate is differentiated based upon projected enrollment. Member (and sometimes non-member) districts have purchased "committed" slots ($231) and own a portion of the program capacity. Districts may need to increase their allocation of space in the program and may purchase additional "committed" slots at the program after the budget and resultant staffing have been planned ($252/day). The other

tuitions (non-committed slots @ $273/day) are associated with enrollment that may be less dependable and necessitates greater flexibility in maintaining resources to meet student needs. The rate structure was approved by the Board of Directors with particular attention to the projected enrollment and programmatic needs for the school year.

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

In consideration of *cost efficiency*, the Waypoint Academy Tuition structure ($231/$252 & $273 per day – $41,622, $45,446 & $49,102/year) for FY2018 was considerably lower than options, (which are often at great distance and transportation expense). Assuming the programs could provide the appropriate services then things such as: Waypoint day versus an average tuition of $343/day ($71,544/year) for Private Day Education Programs in Massachusetts. Each district (and family) considers the needs of particular students and their particular needs when evaluating each program for consideration for student placement.

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

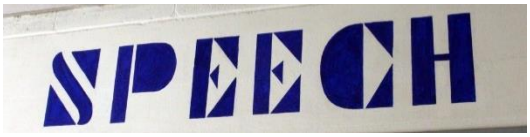
Tuition Rates by student population type, for analytical reference only (rates per MA-Operational Services Division)

Tuition Comparison

Waypoint	$231/$252& $273 (*average of $252*)
St. Vincent's	$267
Chamberlain	$374
Franklin Perkins	$307
Home for Little Wanderers	$322
Southeast Alternative/Anchor	$267
Private Day Average	$342

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 FY18 the Collaborative provided Speech and Language Therapy, Occupational Therapy and Physical Therapy to students in school districts and to students in Collaborative Programs.

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

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

During FY18, the Collaborative therapy staff provided services in Barnstable, Cape Cod Technical High School, Martha's Vineyard, Pilgrim Area Collaborative, Provincetown, Sandwich, Truro and Upper Cape Cod Technical High School. These services were provided at a rate of approximately $85 per hour in the districts. This provided significant cost efficiency for school districts that would be contracting with private providers at rates of $100 per hour more.

The Sandwich and Provincetown Schools developed internal capacity to meet the Physical and Occupational Therapy service needs for students served by their districts. Bruce Boren and Nancy Radosevic, Collaborative Occupational Therapists both retired at the close of the FY18 School Year and Dr. Emilie Cataldo accepted a position with one of the districts at the close of the 2017-2018 school year. Ms. Radosevic and Mr. Boren had each served the students, families and districts of the region for ten (10) years through the Collaborative. Dr. Cataldo had served students through the Collaborative for approximately six (6) years. Her commitment and expertise will be an asset to the school district.

Special Projects

The Collaborative supports member (and non-member) school districts through "special project" initiatives. Dr. Joseph Gilbert a retired Superintendent, and Dr. Christopher Bogden. Drs. Gilbert and Bogden lead and coordinate many of the activities associated with these "special projects".

Advanced Studies & Leadership Program (ASLP)

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

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

ASLP Objectives

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

National Grid Scholarships – Summer 2017 (FY2018)

In the Summer of 2011 (early FY2012), one thousand dollar ($1,000) scholarship grants funded by National Grid were awarded to students on Cape Cod.
For the Summer of 2017 (FY2018), National Grid continued their scholarship commitment to ASLP. Massachusetts Maritime Academy has ensured that the scholarships are funded annually regardless of the National Grid commitment. The National Grid scholarships have been noted by families to be a "lifeline" to families with high achieving students who are in serious financial need.

ASLP Programming

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

All students were very active with the recreational and leadership aspects of the program, which included the opportunity to participate in an "improv" theatre class, a student talent night, rock climbing, sailing, and the publication of an ASLP yearbook. Throughout the Summer of 2017 the ALSP band continued to receive rave reviews.

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

Massachusetts Maritime Academy
This program would not be possible without the support, dedication and guidance from the staff and administration of the Massachusetts Maritime Academy. The past, and current, commitment to ASLP of the (now) retired President Admiral Gurnon, the current President Admiral Francis McDonald and Captain/ Vice President Elizabeth Stevenson have been integral to the success of this program.
President Rear Admiral Dr. McDonald has been indispensable in the continuity of ASLP and was integral to the development of the program with Dr. Joseph Gilbert in 2005.

The aforementioned grants from National Grid are possible because of the commitment and coordination of Massachusetts Maritime Academy staff.

Each summer, at the end of the ASLP session, the Academy awards a full college tuition scholarship to the Academy to one male and one female participant from the program. The graduation on July 14th was attended by hundreds of relatives and friends of the participants.

All-Cape In-Service
The Cape Cod Collaborative established a regionally coordinated professional development day in 2004. Each of the districts have held their in-district professional development on this day and also promoted enrollment of district staff into workshops developed by the Collaborative that were particularly focused upon lower incidence subject areas or specializations. The date of the All-Cape In-Service occurs each October (November in Presidential election years) to allow for integration of activities into instructional practices early in the school year. The FY18 All-Cape In-Service occurred on October 6, 2017.
Twenty-one (21) workshops were offered. Most workshops were hosted on the campuses of the Dennis-Yarmouth and Mashpee High Schools.

Over 548 educators participated in Collaborative (inter-district) offerings during the All-Cape In-Service. The Collaborative contracted with presenters and facilitates, sharing these costs amongst the participating districts. The popularity of this event has grown over the years. The *average cost per participant for the October 2018 All-Cape In-Service was approximately $35 including the annual cost of the SmartPD platform for professional development coordination.*

Other Professional Development

Professional Development activities, including the All Cape In-Service Day, continued to be guided by input from the Collaborative's job-alike groups including:

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

Through discussions with these groups, the need for Sheltered English Immersion (SEI) course development was identified. The Collaborative arranged to offer three "for cost" SEI Endorsement courses through a partnership with the South Shore Educational Collaborative. Additional courses were planned for the fall of 2018.

Cape Cod Early Learning Network (ELN)

- The **Cape Cod Early Learning Network (ELN)**, an association of early childhood service providers and early childhood educators, worked with and through the Collaborative to develop a **Cape-based strategic plan** for coordination of professional development activities associated with early childhood education and services.
- A Department of Early Education & Care (DEEC) grant was secured for strategic planning in Fy2013.
- A subsequent grant proposal was funded for FY15-FY16 for the purpose of alignment of pre K-Grade 3 professional development & strengthening Cape area family intervention services. The culminating activity for this grant was a conference in December 2015: "Collaborating for Early Childhood Education & Services with Mixed Delivery Systems". The conference included participation by local and state representatives, including the Commissioner of Early Education & Care.
- In October of 2015 a $39,000 Preschool Expansion Grant was secured from the Department of Early Education and Care (DEEC). A seminal document outlining the need and methods for expanding preschool within a mixed delivery system of public and private providers was produced and distributed to school districts and agencies across the State. This document was well received by DEEC and widely excerpted in a summary of "promising practices" produced by the Collaborative.
- The ELN continues to explore activities to refine and improve the access, coordination, effectiveness and efficiency of early childhood education services for the region.

Inclusive Concurrent Enrollment

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

During FY18 an increasing number of students from member districts actively participated in Inclusive Concurrent programming at Cape Cod Community College.

Center for Executive Search

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

The Center, through Dr. Patricia Grenier and Dr. Bogden, facilitated and supported the Falmouth School Committee in the completion of a search for a Superintendent for the Falmouth Public Schools at the start of the fiscal year (welcome Lori Duerr).

Cape Cod Center for Graduate Education

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

The Center members agreed to the process of phasing the activities of this group to other organizations throughout FY18.

International Student Hosting Initiative

Mr. Hilton and Dr. Christopher Bogden, continued to facilitate discussions with the Superintendents and Board Members throughout the region regarding the a regional approach for hosting international students who seek to study in the United States through the "Student and Exchange Visitor Program" (SEVP) as well as to effectively for partnerships with schools and programs in other countries.

A partnership with Boston Ivy was developed, and with Boston Ivy, the opportunities for Cape and Islands, educators and students has continued to evolve and expand. During the 2017-18 school year 2 Chinese students were place full time at Wareham High School, where they earned a Wareham high school diploma and are beginning their studies this fall at Suffolk and Bentley Universities.

In early October, approximately 30 middle school students and educators from the Daxing School District in Beijing were hosted by student host families at Dennis-Yarmouth, Monomoy and Bourne. These visits were intended to broaden the cultural and educational awareness of all participating students and educators. They also established a formal "sister school" partnership, allowing for future exchange opportunities. In April 2018, a group of 17 Cape administrators and spouses visited Beijing and the Daxing School District, where they visited their respective sister schools.

V*irtual High School*

The Collaborative continued to coordinate a consortium of school districts for Virtual High School (VHS). In FY2018, there were nine (9) districts accessing 250+ "seats" within this highly lauded program. The continued collaboration of the districts provides significant opportunities for quality educational programming along with significant savings and efficiencies for the participating districts.

Cape Cod Collaborative Transportation

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

Ms. Lisa Stobbart continued as the Transportation Manager position throughout FY18. She managed all Collaborative transportation services, including a growing team of drivers, monitors, dispatchers and mechanics, in providing service to students and districts throughout the region.

The Transportation Department continued to become more closely integrated with the Collaborative Business Operations in FY18. The future growth in this area will necessitate further cross-discipline coordination between the Transportation and Business Administration departments.

During FY18 the Collaborative continued to provide Special Needs and General Education Transportation cost proposals as part of the bidding process for member districts. The resulting Collaborative costs were consistently lower than the pricing received from most vendors (bid prices). While the Collaborative was not always asked to provide the service, the proposals give district administration a benchmark for evaluating costs. The Collaborative continued to work with district school administrators and school committees to refine their current transportation needs and discern their future needs.

Large Buses

The Cape Cod Collaborative has provided large bus services on behalf of the Nantucket Public Schools since 1997. The Collaborative started operating large buses on behalf of the Truro Public schools in 2007, the Mashpee Public Schools in 2009, and the Bourne Public Schools starting in July 2017 after the Bourne School Committee elected to pursue the provision of Collaborative operated transportation services with anticipated savings of $140,000-$210,000 as compared to results from a Request for Proposal (RFP) process.

The Collaborative provided this service to these four (4) districts throughout FY18. Discussions continued with several additional districts that were deliberating upon establishing a partnership with the Collaborative to meet their student transportation needs. Discussions with the Nauset Regional Schools and Superintendency Union 54 culminated with a formalized agreement in February 2018 for the Collaborative to provide large bus service to that district beginning in July 2018. The Collaborative completed a procurement for twenty-eight (28) propane-fueled buses to support the provision of these services.

General education (large bus) service costs are based upon an algorithm that calculates costs based upon routing and service requirements (specifications for service). The Collaborative cost-

methodology has evolved over time and is useful for determining the appropriate charges for provision of services, as well as for providing member districts with an (estimated) price for comparison with vendors as part of a "bid" process. As the Collaborative fleet of large buses has grown over time, the pooled cost of vehicles has dropped, resulting in cost-benefit to member districts utilizing these services.

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

Special Education Transportation

The Collaborative continued to provide "in-district" special education transportation services in FY18 to four (4) districts: Nantucket, Nauset Regional (including Brewster, Eastham, Orleans and Wellfleet), Mashpee, and Truro (as needed). The Collaborative also provided "out-of-district" special education transportation, at some level, to most of the districts in the region. Many of these districts have solicited pricing for this service and found the Collaborative pricing and service to be the most advantageous, lower cost, option for the provision of this service.

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

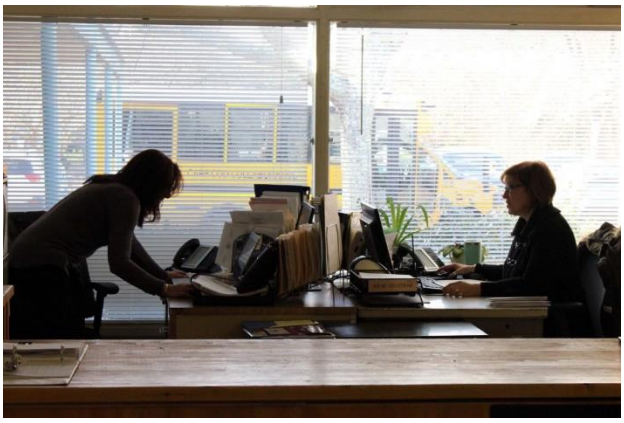
In FY18, the Collaborative continued the ongoing process of refining the cost-sharing methodology for transportation services. The methodology continues to be based upon actual costs for each route with "route costs" allocated based on each students shared usage of the service. Transportation Costs are segmented to Vehicle Costs, Labor Costs, Mileage Costs, Dispatch Costs and Overhead. A clear delineation of costs (and the impacts of changes delineated in the rate structure) continue to provide a basis for the Collaborative (and participating districts) to achieve cost efficiencies while maintaining quality services.

Transportation Consulting & Management

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

Maintaining transportation expertise is especially important in a region with an era of declining enrollment and population shifts. These population shifts are due to a variety of factors including: the impact(s) of school choice; district regionalization; changes in school start times; innovative educational programming; and school building closures. Each of these issues has necessitated ongoing attention and flexibility in support services. The utilization of Collaborative transportation expertise allows member districts to plan and to procure services in a cost effective and cost efficient manner. Additional member districts continue to seek the services of the Collaborative for their large bus transportation needs as the cost savings can be realized.

Business Operations



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

Ms. Amy Lipkind started as the Business Manager in mid-July 2017. There have been additional staff changes within the Business Office during FY18, which necessitated greater focus and training in functional areas where new staff members assumed roles in the Business Office. The cross-training of business office staff has allowed for greater flexibility and coverage of the office. The Business Office staff continues to share information with each other as well as programmatic personnel to gain efficiencies.

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

The Cape Cod Collaborative FY18 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 FY18, for the fourth year in a row, the Collaborative funded a significant portion of the Other Post-Employment Benefit (OPEB) obligation in an irrevocable trust. This OPEB Trust Fund will support the provision of benefits for retirees of the Collaborative in the future. An actuarial valuation as of July 1, 2017 was completed and indicated that the Collaborative's liability has decreased for the short-term. This (unusual) situation is due, in large part, to the Collaborative's realized commitment to funding this obligation as the obligation develops, as well as changes in regulations and returns on Trust Fund investments.

Business Officials Group
Ms. Lipkind worked with the business officials throughout the region to facilitate four meetings of the Collaborative Member Districts Business Officials during FY18. This group discussed current challenges and "best practices" regarding transportation services, facilities management, regional procurement, and audits.

Facility Directors Group
Ms. Lipkind coordinated and facilitated joint meetings with Business Officials and Facility Directors throughout the member districts in FY18.

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

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

Paul C. Hilton
Executive Director
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December 18, 2018

Massachusetts Department of Elementary & Secondary Education
75 Pleasant Street
Malden, MA 02148-4908

ATT: Office of Regional Governance - Collaboratives

The purpose of this letter is to address particular regulatory issues that were not independently addressed in the FY18 Annual Report.

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

The entirety of the FY18 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 Cape Cod Collaborative Articles of Agreement.

The Purpose of the Collaborative is:

A. To conduct joint educational programs and services which permit the Member School Districts to supplement and strengthen school programs for students with or without special needs.
The Cape Cod Collaborative continued to provide an array of programs and services that strengthened and supported school programs for students with and without special needs. The Collaborative also continued to meet with advisory boards and explored options for the establishment of new programming. The Collaborative provided support services, including therapies and consultation to school districts as outlined in the chart of district participation that is included in the FY18 Annual Report.

B. To provide specialist services and transportation services to support programs operated by the Collaborative and to other programs on behalf of Member and Non-Member School Districts.
The Collaborative found an increased demand for transportation services to support district and collaborative programming. The transportation, specialist services and consultation supported districts in a cost effective and efficient manner and expertise and resources were increasingly shared to support programming.
In FY18 the Collaborative began providing general education services to the Bourne Public Schools at considerable savings and consulted regarding the effectiveness and efficiency of transportation services for several school districts including the Nauset Regional Schools, the Dennis-Yarmouth Regional Schools and the Monomoy Regional Schools.
In March 2018, the Collaborative executed an agreement with the Nauset Public Schools to assume the general education transportation service responsibilities for the district, with an

estimated savings of approximately $200,000.

C. To provide vocational, prevocational, behavioral intervention, developmental skill training, enrichment programs, and educational programs to students with and without disabilities; and
The Collaborative continued to provide these support services within Collaborative programming and also established Career and Vocational Educational Opportunities (CVTE) on behalf of the Collaborative and school districts throughout the region. The CVTE Implementation Grant increased access to Career and Vocational Education opportunities for students that could not access the regional technical and vocational schools and in Collaborative programs.
Please see Annual Report for more information.

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

- Professional development activities for staff
  The Collaborative continued to coordinate and provide professional development activities for districts throughout the region including, but not limited to:
  - *All-Cape In-Service: Full day of professional development shared throughout the region. School districts participate both through "in-district" opportunities and "coordinated" opportunities. There were over 500 registrants again in FY18,*
  - *Research for Better Teaching (RBT) coursework to support district initiatives.*
  - *Maintained programmatic partnership with Bridgewater State University, increasing opportunities for Collaborative staff and staff throughout the region, resulting in increased qualified, certified, licensed staff throughout the region*
  - *Maintained partnership to provide Sheltered English Immersion (SEI) endorsement coursework in the region.*

  Please see Annual Report for more information.

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

- After-school and summer programming
  The Collaborative continued to provide extended year programming through the Approved Public Day Programs (Waypoint & STAR) as well as continuing to operate the ASLP Program.
  The Collaborative also continued discussions with a local non-profit provider following a survey of parents of students with special needs and school districts to determine the focus and need for vacation and after-school programming.

- Professional consultation & assistance
  The Collaborative continued to facilitate "job-a-like" groups to focus the sharing of expertise and information among districts.
  The Collaborative continued a partnership with the National Center for Learning Disabilities (NCLD) to support the development of Multi-Tiered Systems of Support in school districts throughout the region.
  The Collaborative has also continued to assist with securing appropriate personnel

through the Collaborative Center for Executive Search, In FY18, the CES supported a search for a Superintendent for the Falmouth Public Schools.

- Assistance with employment searches
  Please see above

- Educator Licensure assistance
  The Collaborative continued to be a clearinghouse for information sharing with the Massachusetts Department of Elementary & Secondary Education. The Collaborative continued to facilitate "office hours" with MA-DESE staff.
  The Collaborative also provided coursework through the partnership with Bridgewater State University to host coursework for licensure in Moderate and Severe Special Needs.

- Vocational/occupational exploratory and major trade/technical course concentrations in collaboration with Chapter 74 schools
  Please see above regarding grant programming and partnership development to expand vocational opportunities.

- Procurement coordination and assistance
  The Collaborative has had limited procurement coordination and assistance with member school districts. There have continued to be opportunities actualized in the coordination of vehicle procurement and the sharing of specifications. There is an active regional procurement (county) group in the area that also coordinates procurement activities.

- Regional coordination of educational activities, programming and services supportive of school districts, including, but not limited to:
  - Public day school programs and services for students with low-incidence disabilities *(continued to operate two approved public day programs)*

  - Professional Development activities for educators *(please see above – ongoing and expanding provision of services)*

  - Professional Development activities for staff providing services for schools (*The Collaborative continues to provide ongoing coordination of activities with regional entities to support facilities, transportation and food service staff. The Collaborative has continued to facilitate shared activities with facility directors throughout the region after establishing a regional job-a-like group*.)

  - Professional Development activities for providers of early childhood services (*The Collaborative has maintained an Early Learning Network that was successful in securing a series of multi-year grants to provide strategic planning and professional development activities.*

  - Job-a-like groups for professional development and regional coordination of activities
    Please see the FY18 Annual Report. The Collaborative continues to successfully gather groups throughout the region to facilitate collegial affiliation, professional development and strategic planning.

  - Procurement Coordination
    The Collaborative has had limited procurement coordination and assistance with

member school districts. There is an active regional procurement (county) group in the area that also coordinates procurement activities.

- Procurement Consultation
  There have continued to be opportunities actualized in the coordination of vehicle procurement and the sharing of specifications.
  The Collaborative has continued to serve as a consulting entity for consultation regarding procurement activities, especially regarding activities such as transportation and program development. The Collaborative continues to actively assist districts in reviewing pricing for transportation services to ensure best practices and best value in procurement and service provision.

- Administration Assistance
  The Collaborative has provide mentoring and/or administration assistance in FY18 through a grant secured in coordination with the National Center for Learning Disabilities. The Collaborative has maintained assistance for districts (grant funded) through the National Center for Learning Disabilities to provide administrative support to districts in the development and implementation of Multi-tiered Systems of Support (MTSS).

- Employment Search and consultation services
  The Collaborative Center for Executive Search completed one superintendent search and consulted regarding others in FY18.

- Transportation Services
  The Collaborative continues to increase the provision of transportation and transportation consultation with member districts. Please see the FY18 Annual Report.

- Facilities Management Services
  This continues to be an area that necessitates increased coordination through the Collaborative. There are ongoing meetings with the Facility Directors in the region coordinated by and through the Collaborative. A partnership with the Massachusetts Facilities Administrators (MFAA) is expected to increase collaboration. There have <u>not</u> been core activities associated with facilities management that are offered through the Collaborative.

- Any other programs and services that may be provided and/or coordinated on behalf of the Member School Districts as may be permitted by statute.
  The Collaborative has continued to facilitate opportunities for hosting students from other countries as well as continuing to offer access (at greatly reduced rate) to Virtual High School throughout the region to develop shared programming that will support and strengthen the school programs in the districts.

The Objectives of the Cape Cod Collaborative are:

A. To enhance and expand learning opportunities to meet the diverse needs of all students;
Please see FY18 Annual Report and information above regarding progress towards purpose of provision of public day programming for students with special needs as well as the Advanced Studies and Leadership Program. The expansion of Collaborative efforts aimed at international education, supporting MTSS in school districts, and universal access to preschool also continue to expand the capacity of the Collaborative and member districts to meet the needs of diverse learners.

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

C. To strengthen our relationships and partnerships with Member and Non-Member School Districts; and
The Collaborative continues to increase attendance at Collaborative activities and generated increased collaboration through the Collaborative as well as external to the Collaborative. The ongoing relationships and discussions facilitated through the job-a-like groups have provided a forum for the development of shared activities including specialized programming as well as sharing of resources.

D. To maintain communication, governance structures, and practices that regularly assess needs of Member School Districts, provide collaborative solutions and monitor the effectiveness of those solutions.
The Collaborative governance structure facilitates input from all advisory groups. The ongoing assessment of needs is continuously refined to gather more insight into the needs of districts as well as opportunities for Collaboration. Given the increases transiency in administrators and Board members throughout the region, it will be necessary to re-initiate strategic planning to ensure a comprehensive assessment of needs and opportunities.

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

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

Best regards,

Paul C Hilton

Member District Participation (June 2018)

District	Oct 2017 Enrollment	Waypoint Academy (6/18)		STAR / Osterville (6/18)	Itinerant Services (Therapies)	ASLP	Professional Development	Transportation (Large Bus)	Special Education Transportation	Virtual High School
		Latency / Middle	High							
Barnstable	**5,177**	5	6	6	Speech	25 Summer 2017	Yes	**2010-2011 Consultation**	Ocassional	25 Seats
Bourne	**1,951**	1	2	0	**Physical - Stop FY18**	14 Summer 2017	Yes	**2012 Consultation; 2016-2017 MOA; FY18 Service Start**	Occasional	Individual Purchase
Cape Cod Tech	**590**	0	0.25	0	Occupational & Physical		Yes	**2011 Pricing**	**As needed**	Joined Consortium 2013
D-Y	**3,055**	8	7.5	8	**Occupational, Behavioral Consultation - Stop FF18**	13 Summer 2017	Yes	**2010 Consultation; 2011 Consultation; 2013 Consultation; 2016 Consultation;**	Out-of-District	50 Seats
Falmouth	**3,379**	1	6	9.5	**Stop FY11**	28 Summer 2017	Yes	**2011 Pricing; 2017 Consultation**	Occasional	
Martha's Vineyard	**2,111**	0	0	0	Occupational	15 Summer 2017	Yes	**2005 Consultation**		
Mashpee	**1,622**	1	0	8.5	**Stop FY15**	11 Summer 2017	Yes	2009 Start	In & Out-of-District	
Monomoy	**1,866**	6	0.5	0	**Physical - Stop FY18**	11 Summer 2017	Yes	**2012 Consultation; 2018 Consultation**	Ocassional Out-of-District	**Stop 2016-2017**
Nauset (& Union)	**2,446**	2	2	7	**Stop FY11**	12 Summer 2017	Yes	**2010-2011 Consultation; 2016 Consultation; 2017 Consultaiton; 2018 MOA Development**	In & Out-of-District	25 Seats
Brewster		0	0	0			Yes			
Eastham		0	0	0			Yes			
Orleans		0	0	0			Yes			
Wellfleet		0	0	0			Yes			
Nantucket	**1,619**	0	0	0	**Behavioral Consultation - Stop FY18**	8 Summer 2017	Yes	1997 Start	In & Out-of-District	25 Seats
Provincetown	**120**	0	0	0	Occupational, Physical	1 Summer 2017	Yes			
Sandwich	**2,585**	3	0	5	Physical	23 Summer 2017	Yes		**Study - FY12**	25 Seats
Truro	**103**	0	0	1	Occupational, Physical		Yes	2008 Start	In & Out-ofDistrict	
Upper Cape Tech	**715**	0	0	0	Occupational, Physical		Yes		As needed	Individual Purchase
Wareham	**2,314**	1	2	9	**Stop (FY16)**	17 Summer 2017	Yes	**2010 Consultation**	Occasional	Individual Purchase - Start 2016-2017

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

CAPE COD COLLABORATIVE

REPORT ON EXAMINATION OF
BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

CAPE COD COLLABORATIVE

REPORT ON EXAMINATION OF BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

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Independent Auditor's Report

To the Board of Directors
Cape Cod Collaborative
Osterville, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Cape Cod Collaborative (the "Collaborative"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Collaborative's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Cape Cod Collaborative, as of June 30, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2018, on our consideration of the Collaborative's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Collaborative's internal control over financial reporting and compliance.

Powers & Sullivan LLC

November 16, 2018

Management's Discussion and Analysis

Management's Discussion and Analysis

Cape Cod Collaborative provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2018. We encourage readers to consider this information in conjunction with the Collaborative's financial statements, which follow.

Nature of the Organization

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

The Cape Cod Collaborative continues to expand and develop its technology resources to meet member needs and increased requirements of the DESE. Hardware and software upgrades initiated in 2012 continued into 2018 and improve: financial reporting, teacher evaluation processes, student learning, transportation tracking and network server access.

The STAR program in Osterville and Waypoint Academy, which was relocated from the Otis Memorial School on Joint Base Cape Cod in Bourne to the Henry T. Wing School in Sandwich are Collaborative tuition-based programs. The 2018 enrollment met expectations in the STAR Program through the year. Waypoint Academy went through a transitional period during 2018 due to lower than anticipated enrollment, moving the program location from Bourne to Sandwich, and the retirement of the long time program director. Transportation service requests held steady after a strong 2017.

Our student population is typically fluid throughout the year; a number of factors impact enrollment such as: residential placement, students who attain the age of 22, students who return to their district or leave the area entirely. While a large percentage of our enrollment is stable these other factors can fluctuate from projections by as much as 20%, which can be problematic without budgetary safeguards. Consequently, many of our spending decisions (wages and other expenses) are predicated on evolving enrollment, which allows us to be quite efficient at providing services.

The restructuring of transportation administration which began in 2014 added administrative support and increased reliance on database improvement. This continued into 2018 as Dispatch services were strengthened. General education transportation services were added for the Bourne School District (23 buses), and this increase in services was accomplished smoothly. Future district needs for general education transportation will be evaluated for providing service upon request. We see the Collaborative expanding the potential services as members face increased costs and diminished services from outside contractors.

Transportation invoicing, while more transparent and efficient, was still complicated and cumbersome. The Collaborative continues to work with districts to refine the in-district costing templates, providing them with control over their services and costs, and yielding significant efficiencies for us and cost savings for them. The automation of the invoicing process has eliminated the redundancy and intensity of manual manipulation that was previously required. This process continued to be refined into 2018 to provide time and distance data to feed the costing process and facilitate the cost allocation process. Further technology and recordkeeping

procedures were implemented and will be evaluated over the next fiscal year to provide consistent and accurate costs for transportation services.

The acclaimed Advanced Studies and Leadership Program (ASLP), in partnership with Massachusetts Maritime Academy, had another successful session. 209 enrolled students successfully completed the summer program. The following program objectives were accomplished: To support and stimulate high achieving students by providing a 3-week summer program that offers hands-on academic pursuit and interactive leadership activities within a collegial environment; To provide a total of 48 hours of project-oriented study in STEM related subject areas; To provide a total of 24 hours of project-oriented study in a humanities related subject area; To provide an evening program of interactive leadership activities; To provide necessary media and library support to ensure success for each student. Demand for this program allowed us to expand access to ASLP in 2018. In 2018, 275± students had applied for the summer program and 209 attended.

Using this Report

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

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

- The **Government-wide Financial Statements** consist of a *Statement of Net Position* and a *Statement of Activities.* These provide information about the activities of the Collaborative as a whole and present an overall view of the Collaborative's finances including Fixed Assets, Depreciation, Long Term Debt and Other Post-retirement Employee Benefits.

- The **Fund Financial Statements** tell how governmental services were financed in the short term as well as what remains for future spending. The Collaborative's Budget follows Governmental Funds reporting. Fund financial statements report operations in more detail than the Government-wide Statements by providing information about the most significant funds.

- **Notes to Financial Statements** provide additional information essential to a full understanding of the data provided in the basic financial statements. It is here that you will find a reconciliation of the Statement of Net Position to the Funds Balance Sheet as well as detail concerning some significant major transactions.

- **Required Supplementary Information** further explains and supports the financial statements with a comparison to the Collaborative's Governmental Fund budget for the year. Legislation also requires the Collaborative to provide other data as mandated by the Massachusetts Department of Elementary and Secondary Education.

2018 Financial Highlights

- Governmental fund revenues increased 5.61% or $817,000 and expenditures increased 3.11% or $462,000 over the prior year (this excludes the $2.4 million of capital lease financing). The resulting net change in fund balance of $89,000 is due to the Collaborative's ability to maintain a linear relationship between cost of services and revenue.

- The general fund's actual revenue and other sources were less than budget by $679,000. Expenditures related to the above were less than budget by $1.1 million (excluding the $2.4 million of capital lease financing reported in transportation costs). Overall, there was a $99,000 positive change in fund balance.

- Governmental activities revenues, excluding state pension contributions referred to above increased the same as fund governmental fund revenues. Total expenditures increased by $1.2 million. There was an increase net position of $169,280.

- GASB Statement #75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* was implemented in Fiscal 2015. The basic financial statements, related notes and required supplementary information were updated to be in compliance with this pronouncement. This included reporting in the financial statements a n*et other postemployment benefit liability* equal to the total other postemployment benefit total liability net of the plan assets.

- During the year the Collaborative purchased $2.4 million of buses, van and mini buses for regular and special education transportation.

- Included in the financial statements are three significant one-time costs, all of which were related to Waypoint. They were the Otis Memorial Lease expense of $122,000, the Wing School Renovation, moving expense of $189,000 and long-term sick leave expense of $100,000.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Assets exceeded liabilities by $1.5 million at the close of 2018. Key components of the Collaborative's governmental financial position are as follows.

	2018	2017
Assets:		
Current assets	$ 4,682,837	$ 4,743,562
Capital assets, net of accumulated depreciation	3,380,534	1,713,138
Total assets	**8,063,371**	**6,456,700**
Deferred outflows of resources	**32,718**	**-**
Liabilities:		
Current liabilities (excluding debt)	1,074,071	887,768
Noncurrent liabilities (excluding debt)	557,759	1,623,262
Current debt	679,838	387,121
Noncurrent debt	2,651,596	1,284,130
Total liabilities	**4,963,264**	**4,182,281**
Deferred inflows of resources	**604,974**	**555,175**
Net position:		
Net investment in capital assets	49,100	41,887
Unrestricted	2,478,751	1,677,357
Total net position	$ **2,527,851**	$ **1,719,244**

Net position of $49,100 reflects the Collaborative's net investment in capital assets (e.g., equipment, furniture and fixtures, and vehicles); less any related debt used to acquire those assets that is still outstanding. The Collaborative uses these capital assets to provide services to pupils; consequently, these assets are *not* available for future spending. Although the investment in capital assets is reported net of its related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining $1.5 million portion of net position is unrestricted.

	2018	2017
Program Revenues:		
Charges for services	$ 13,191,101	$ 12,390,909
Operating grants and contributions	2,143,948	2,128,621
Other revenue	49,812	43,380
Investment income	1,024	5,850
Total revenues	**15,385,885**	**14,568,760**
Expenses:		
Waypoint Academy	2,996,065	2,708,063
STAR Program	2,779,854	2,542,427
Interant Services	835,403	1,038,043
Transportation	6,054,575	5,134,902
Executive Search	277,199	247,564
Advance Studies and Leadership Program	247,051	219,634
State funded pension benefits	2,026,458	2,112,938
Total expenses	**15,216,605**	**14,003,571**
Change in net position	**169,280**	**565,189**
Net position, beginning of year (as revised)	**2,358,571**	**1,154,055**
Net position, end of year	$ **2,527,851**	$ **1,719,244**

The Collaborative's net position increased by $169,000 in 2018 as compared to a $565,000 increase in 2017. The decrease is mainly related to the Collaborative's effort to expand its fleet of buses, increase costs associated with Waypoint and the impact of GASB 75.

Financial Analysis of the Governmental Funds

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

At the end of the current year, governmental funds reported combined ending fund balances of $3.0 million. The general fund balance increased by $83,000. Nonmajor governmental funds increased by $5,500.

The general fund is the Collaborative's chief operating fund. At year end, fund balance in the general fund totaled $2.9 million. This represents 16.9% of total general fund expenditures.

See financial highlights for additional information.

General Fund Budgetary Highlights

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

The original year 2018 approved budget for the general fund authorized $16.7 million in appropriations. There were no modifications made to the original budget for 2018.

See financial highlights for additional information.

Capital Asset and Debt Administration

The Collaborative's net capital assets totaled $3.4 million as of June 30, 2018. The Collaborative capital purchases consisted of several new school busses and some office equipment. Depreciation expense in the amount of $717,000 was recorded.

The Collaborative has several capital leases liabilities outstanding at year end, which totaled $3.3 million.

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

Requests for Information

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

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Basic Financial Statements

STATEMENT OF NET POSITION

JUNE 30, 2018

	Primary Government
	Governmental Activities
ASSETS	
CURRENT:	
Cash and cash equivalents	$ 2,750,569
Investments	339,332
Receivables, net of allowance for uncollectibles:	
Departmental and other	1,499,870
Prepaid expenses	93,066
Capital assets, net of accumulated depreciation	3,380,534
TOTAL ASSETS	8,063,371
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to other postemployment benefits	32,718
LIABILITIES	
CURRENT:	
Accounts payable	373,947
Accrued payroll	475,048
Accrued liabilities	225,076
Capital lease obligations	679,838
Total current liabilities	1,753,909
NONCURRENT:	
Capital lease obligations	2,651,596
Net other postemployment benefits liability	557,759
Total noncurrent liabilities	3,209,355
TOTAL LIABILITIES	4,963,264
DEFERRED INFLOWS OF RESOURCES	
Unearned revenue	604,974
NET POSITION	
Net investment in capital assets	49,100
Unrestricted	2,478,751
TOTAL NET POSITION	$ 2,527,851

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2018

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue
Primary Government:				
Governmental Activities:				
Waypoint academy	$ 2,996,065	$ 2,446,776	$ 115,942	$ (433,347)
STAR program	2,779,854	2,951,657	1,548	173,351
Itinerant services	835,403	814,983	-	(20,420)
Transportation	6,054,575	6,494,055	-	439,480
Professional development and executive search.	277,199	196,869	-	(80,330)
Advanced studies and leadership program	247,051	286,761	-	39,710
State funded pension benefits	2,026,458	-	2,026,458	-
Total Governmental Activities	$ 15,216,605	$ 13,191,101	$ 2,143,948	$ **118,444**

See notes to basic financial statements.

(Continued)

STATEMENT OF ACTIVITIES (continued)

YEAR ENDED JUNE 30, 2018

		Primary Government
		Governmental Activities
Changes in net position:		
Net (expense) revenue from previous page.....	$	**118,444**
General revenues:		
Unrestricted investment income.....		1,024
Miscellaneous revenue.....		49,812
Total general revenues.....		50,836
Change in net position.....		169,280
Net position:		
Beginning of year (as revised).....		2,358,571
End of year.....	$	2,527,851

See notes to basic financial statements.

GOVERNMENTAL FUNDS
BALANCE SHEET

JUNE 30, 2018

	General	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	$ 2,686,191	$ 64,378	$ 2,750,569
Investments	339,332	-	339,332
Receivables, net of uncollectibles:			
Departmental and other	1,499,870	-	1,499,870
Other assets	93,066	-	93,066
TOTAL ASSETS	$ 4,618,459	$ 64,378	$ 4,682,837
LIABILITIES			
Warrants payable	$ 373,947	$ -	$ 373,947
Accrued payroll	475,048	-	475,048
Other liabilities	225,076	-	225,076
TOTAL LIABILITIES	1,074,071	-	1,074,071
DEFERRED INFLOWS OF RESOURCES			
Unearned revenue	577,426	27,548	604,974
TOTAL DEFERRED INFLOWS OF RESOURCES	577,426	27,548	604,974
FUND BALANCES			
Restricted	-	36,830	36,830
Unassigned	2,966,962	-	2,966,962
TOTAL FUND BALANCES	2,966,962	36,830	3,003,792
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 4,618,459	$ 64,378	$ 4,682,837

See notes to basic financial statements.

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

JUNE 30, 2018

Total governmental fund balances		$ 3,003,792
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds		3,380,534
The statement of net position includes certain deferred inflows of resources and deferred outflows of resources that will be amortized over future periods. In governmental funds, these amounts are not deferred		32,718
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Net other postemployment benefits liability	(557,759)	
Capital lease obligations	(3,331,434)	
Net effect of reporting long-term liabilities		(3,889,193)
Net position of governmental activities		$ 2,527,851

See notes to basic financial statements.

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2018

	General	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:			
Tuition	$ 5,559,286	$ -	$ 5,559,286
Service revenue	1,138,279	-	1,138,279
Transportation	6,494,055	-	6,494,055
Other departmental revenue	50,483	-	50,483
Intergovernmental	-	116,300	116,300
Intergovernmental - State provided pension benefits	2,026,458	-	2,026,458
Investment income	1,024	-	1,024
TOTAL REVENUES	15,269,585	116,300	15,385,885
EXPENDITURES:			
Current:			
Waypoint academy	2,905,588	109,075	3,014,663
STAR program	2,798,413	1,690	2,800,103
Itinerant services	845,093	-	845,093
Transportation	8,454,347	-	8,454,347
Professional development and executive search	277,862	-	277,862
Advanced studies and leadership program	247,051	-	247,051
State funded pension benefits	2,026,458	-	2,026,458
TOTAL EXPENDITURES	17,554,812	110,765	17,665,577
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,285,227)	5,535	(2,279,692)
OTHER FINANCING SOURCES (USES):			
Capital lease financing	2,368,634	-	2,368,634
NET CHANGE IN FUND BALANCES	83,407	5,535	88,942
FUND BALANCES AT BEGINNING OF YEAR	2,883,555	31,295	2,914,850
FUND BALANCES AT END OF YEAR	$ 2,966,962	$ 36,830	$ 3,003,792

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, 2018

Net change in fund balances - total governmental funds		$ 88,942
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	2,384,634	
Depreciation expense	(717,238)	
Net effect of reporting capital assets		1,667,396
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.		
Principal payments on capital leases	708,451	
Capital lease financing	(2,368,634)	
Net effect of reporting long-term debt		(1,660,183)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Net change in deferred outflow/(inflow) of resources related to other postemployment benefits	32,718	
Net change in net other postemployment benefits liability	40,407	
Net effect of recording long-term liabilities		73,125
Change in net position of governmental activities		$ 169,280

See notes to basic financial statements.

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2018

	Other Postemployment Benefit Trust Fund
ASSETS	
Cash and cash equivalents	$ 13,527
Investments	970,072
TOTAL ASSETS	983,599
NET POSITION	
Restricted for other postemployment benefits	$ 983,599

See notes to basic financial statements.

FIDUCIARY FUNDS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2018

	Other Postemployment Benefit Trust Fund
ADDITIONS:	
Contributions:	
Employer contributions to the trust	$ 180,000
Employer contributions for other postemployment benefit payments	38,813
Total contributions	218,813
Net investment income:	
Investment income	26,796
Less: investment expense	(2,496)
Net investment income (loss)	24,300
TOTAL ADDITIONS	243,113
DEDUCTIONS:	
Other postemployment benefit payments	38,813
NET INCREASE (DECREASE) IN NET POSITION	204,300
NET POSITION AT BEGINNING OF YEAR	779,299
NET POSITION AT END OF YEAR	$ 983,599

See notes to basic financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

A. Reporting Entity

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

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

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

Fund Financial Statements

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

Major Fund Criteria

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

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

- If the total assets and deferred outflows, liabilities and deferred inflows, revenues, or expenditures/expenses of the individual governmental fund are at least 5 percent of the corresponding element for all governmental and enterprise funds combined.

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

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements

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

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

- Charges to recipients who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment.

- Grants and contributions that are restricted to meeting the operational requirements of a particular function or segment.

- Grants and contributions that are restricted to meeting the capital requirements of a particular function or segment.

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

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

Fund Financial Statements

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

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

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

The following major governmental funds are reported:

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

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

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

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

D. Cash and Investments

Government-Wide and Fund Financial Statements

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

E. Fair Value Measurements

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

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

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

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

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

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

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

F. Accounts Receivable

Government-Wide and Fund Financial Statements

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

Departmental and Other

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

Intergovernmental

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

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

G. Inventories

Government-Wide and Fund Financial Statements

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

H. Capital Assets

Government-Wide Financial Statements

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

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

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

Capital Asset Type	Estimated Useful Life (in years)
Office equipment and furniture……	5
Leasehold improvements……	10
School buses……	3 - 7

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

Governmental Fund Financial Statements

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

I. Deferred Outflows/Inflows of Resources

Government-Wide Financial Statements (Net Position)

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

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

Government Fund Financial Statements

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

J. Interfund Receivables and Payables

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

Fund Financial Statements

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

Government-Wide Financial Statements

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

K. Interfund Transfers

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

L. Net Position and Fund Equity

Government-Wide Financial Statements (Net Position)

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

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

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

Fund Financial Statements (Fund Balances)

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

The governmental fund balance classifications are as follows:

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

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

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

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

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

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

M. Long-term debt

Government-Wide Financial Statements

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

Governmental Fund Financial Statements

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

N. Investment Income

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

O. Pensions

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

P. Compensated Absences

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

Government-Wide Financial Statements

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

Governmental Fund Financial Statements

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

Q. Use of Estimates

Government-Wide and Fund Financial Statements

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

R. Total Column

Government-Wide Financial Statements

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

Fund Financial Statements

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

NOTE 2 – CASH AND INVESTMENTS

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

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

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

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Collaborative's deposits may not be returned to it. The Collaborative 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 $997,680 and the bank balance totaled $1,197,210. Of that amount $266,182 was covered by Federal Depository Insurance and $931,028 was collateralized.

Investments

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

The following table presents financial assets at June 30, 2018, that the Collaborative measures fair value on a recurring basis, by level, within the fair value hierarchy:

Investment Type	June 30, 2018	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:				
Other investments:				
Equity securities	$ 21,881	$ 21,881	$ -	$ -
Equity mutual funds	539,768	539,768	-	-
Fixed income	747,755	747,755	-	-
Money market mutual funds	1,766,416	1,766,416	-	-
Total investments	$ 3,075,820	$ 3,075,820	$ -	$ -

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

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of a failure by the counterparty, the entity will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. Of the Collaborative's investments, $1,309,404 of equity securities and fixed income securities are exposed to custodial credit risk because the related securities are uninsured, unregistered and held by the counterparty.

The money market mutual funds of $1,766,416 are fully collateralized.

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

Interest Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

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

NOTE 3 – RECEIVABLES

At June 30, 2018, receivables for the individual major and non-major governmental funds in the aggregate are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Receivables:			
Departmental and other	$ 1,499,870	$ -	$ 1,499,870

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets being depreciated:				
School Buses	6,124,803	2,384,634	-	8,509,437
Leasehold improvements	202,892	-	-	202,892
Office equipment and furniture	28,868	-	-	28,868
Total capital assets being depreciated	6,356,563	2,384,634	-	8,741,197
Less accumulated depreciation for:				
School Buses	(4,485,314)	(692,689)	-	(5,178,003)
Leasehold improvements	(142,023)	(20,289)	-	(162,312)
Office equipment and furniture	(16,088)	(4,260)	-	(20,348)
Total accumulated depreciation	(4,643,425)	(717,238)	-	(5,360,663)
Total capital assets, net	$ 1,713,138	$ 1,667,396	$ -	$ 3,380,534

All depreciation expense was charged to Transportation in 2018.

NOTE 5 – INTERFUND TRANSFERS

Inter-fund transfers can occur between the general fund and nonmajor funds. There were no such transfers in 2018.

NOTE 6 – PREPAID TUITION

Member communities are allowed to prepay a portion of the next year's tuition. At June 30, 2018, the Collaborative had received $604,974 of prepaid tuition from member communities.

NOTE 7 – CAPITAL LEASES

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

The following identifies the assets acquired through capital lease agreements:

	Governmental Activities
Asset:	
School Busses.....	$ 8,509,437
Less: accumulated depreciation.....	(5,217,471)
Total.....	$ 3,291,966

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2018 were as follows:

Years ending June 30:	Governmental Activities
2019.....	$ 749,375
2020.....	742,770
2021.....	719,356
2022.....	624,945
2023.....	415,621
2024.....	285,262
Total minimum lease payments.....	3,537,329
Less: amounts representing interest.....	(205,895)
Present value of minimum lease payments.....	$ 3,331,434

Related interest expense for the year ended June 30, 2018 was $81,899.

Changes in Long-term Liabilities

During the year ended June 30, 2018, the following changes occurred in long-term liabilities:

	Beginning Balance	Other Increases	Other Decreases	Ending Balance	Due Within One Year
Capital lease obligations.....	$ 1,671,251	$ 2,047,304	$ (387,121)	$ 3,331,434	$ 679,838
Other postemployment benefits.....	598,166	-	(40,407)	557,759	-
Total long-term liabilities.....	$ 2,269,417	$ 2,047,304	$ (427,528)	$ 3,889,193	$ 679,838

NOTE 8 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

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

GASB 54 provides for two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund.
In addition to the nonspendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

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

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

	General	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:			
Restricted for:			
Art & Music	$ -	$ 665	$ 665
Grants	-	(598)	(598)
Advanced Studies & Leadership Program	-	12,634	12,634
Preschool Expansion	-	25,290	25,290
Unassigned	2,966,962	-	2,966,962
Total Fund Balances	$ 2,966,962	$ 36,830	$ 3,003,792

NOTE 9 – RISK FINANCING

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

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

NOTE 10 – PENSION PLAN

*Plan Description*s

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

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

Special Funding Situations

The Commonwealth is a nonemployer contributor and is required by statute to make 100% of all actuarially determined employer contributions on behalf of the Collaborative's teachers and retired teachers to the MTRS. Therefore, the Collaborative is considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributor in MTRS. Since the Collaborative does not contribute directly to MTRS, the Collaborative does not have a net pension liability. The total of the Commonwealth provided contributions have been allocated based on each employer's covered payroll to the total covered payroll of employers in MTRS as of the measurement date of June 30, 2017. The Collaborative's portion of the collective pension expense, contributed by the Commonwealth, of $961,847 is reported in the general fund as intergovernmental revenue and pension expense in the current fiscal year. The portion of the Commonwealth's collective net pension liability associated with the Collaborative is $9,215,485 as of the measurement date.

A special funding situation was created by Massachusetts General Laws for all educational collaboratives in the Commonwealth. Collaboratives contribute amounts equal to the normal cost of non-teaching employees' benefits at a rate established by the Public Employees' Retirement Administration Commission (PERAC), currently 5.6% of covered payroll. Legally, the Collaboratives are only responsible for contributing the annual normal cost of their employees' benefits (i.e., the present value of the benefits earned by those employees in any given year) and are not legally responsible for the past service cost attributable to those employees or previously retired employees of the Collaboratives. Therefore, the Collaborative does not have a net pension liability. The Collaborative's required contribution to MSERS equaled its actual contribution for the year ended December 31, 2017 was $209,060.

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, 2017. The Collaborative's portion of the collective pension expense, contributed by the Commonwealth, of $1,064,611 is reported as intergovernmental revenue and pension expense in the current fiscal year. The portion of the Commonwealth's collective net pension liability associated with the Collaborative is $8,227,737 as of the measurement date.

Benefits Provided

Both Systems provide retirement, disability, survivor and death benefits to plan members and beneficiaries. Massachusetts Contributory Retirement System benefits are, with certain minor exceptions, uniform from system to system. The System provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For persons who became members on or after April 2, 2012, average salary is the average annual rate of regular compensation received during the five consecutive years that produce the highest average, or, if greater, during the last five years (whether or not consecutive) preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification. Members become vested after ten years of creditable service.

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

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

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

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

Funding Policy – Contribution requirements are also negotiated between the Collaborative and union representatives. The required contribution is based on a pay-as-you-go financing requirement. The Collaborative contributes 50 percent of the cost of only medical insurance premiums for eligible retired plan members and their spouses. Plan members receiving benefits contribute the remaining portion of their premium costs. For 2018, contributions totaled approximately $220,000.

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

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

Measurement Date – GASB #74 requires the net OPEB liability to be measured as of the OPEB Plan's most recent fiscal year-end. Accordingly, the net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2016.

Membership - The following represents the Plan's membership at June 30, 2018:

Active members	160
Inactive members currently receiving benefits	9
Total	169

Components of OPEB Liability – Components of the other postemployment benefits liability as of June 30, 2018, were as follows:

Total OPEB liability	$ 1,541,358
Less: OPEB plan's fiduciary net position	(983,599)
Net OPEB liability	$ 557,759
The OPEB plan's fiduciary net position as a percentage of the total OPEB liability	63.81%

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

Valuation date	July 1, 2016
Actuarial cost method	Entry Age Normal Cost Method.
Inflation rate	2.60%
Investment rate of return	7.75%, net of investment expenses, including inflation.
Healthcare cost trend rate	8 percent for 2016, decreasing .05 percent per year to an ultimate rate of 5 percent
Amortization method - 2002, 2003, & 2010 ERI Actuarial Liability	Level dollar amount to reduce the 2002, 2003 and 2010 ERI Actuarial Accrued Liability to zero on or before June 30, 2019, June 30, 2020 and June 30, 2022, respectively.

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

Rate of return - The annual money-weighted rate of return on OPEB plan investments was 2.85%. The money-weighted rate of return expresses investment performance, net of OPEB plan investment expense, adjusted for the changing amounts actually invested.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real of returns (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return of by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The Plan's expected future real rate of return of 4.9% is added to the expected inflation of 2.6% to produce the long-term expected nominal rate of return of 7.5%. Best estimates of geometric real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2018 are summarized in the following table:

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Equities……	54.00%	9.00%
Fixed income……	20.00%	1.03%
Cash and cash equivalents……	25.00%	3.61%
Other……	1.00%	0.00%
Total……	100.00%	

Discount rate – The discount rate used to measure the total OPEB liability was 7.75% as of June 30, 2018. The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the Plan's funding policy.

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net OPEB liability	$ 820,891	$ 557,759	$ 347,093

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

	1% Decrease (4.00%)	Current Trend (5.00%)	1% Increase (6.00%)
Net OPEB liability	$ 297,630	$ 557,759	$ 910,842

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, 2017	$ 1,377,465	$ 779,299	$ 598,166
Changes for the year:			
Service cost	95,055	-	95,055
Interest	108,935	24,300	84,635
Changes of benefit terms	-	-	-
Differences between expected and actual experience	-	-	-
Changes in assumptions and other inputs	-	-	-
Benefit payments	(40,097)	(40,097)	-
Contributions by employer	-	220,097	(220,097)
Net change	163,893	204,300	(40,407)
Balances at June 30, 2018	$ 1,541,358	983,599	557,759

Changes in assumptions - None

Changes in plan provisions – None

NOTE 12 – CONTINGENCIES

Various legal actions and claims are pending against the Collaborative. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2018 cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2018.

NOTE 13 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through _____, 2018, which is the date the financial statements were available to be issued.

NOTE 14 – REVISION OF NET POSITION

The Collaborative implemented GASB 75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* in Fiscal 2018. Accordingly, beginning net position has been revised from $1,719,244 to $2,358,571 to reflect the impact of this statement.

NOTE 14 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2018, the following GASB pronouncements were implemented:

- GASB Statement #75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The basic financial statements, related notes and required supplementary information were updated to be in compliance with this pronouncement.
- GASB Statement #81, *Irrevocable Split-Interest Agreements*. This pronouncement did not impact the basic financial statements.
- GASB Statement #85, *Omnibus 2017*. This pronouncement did not impact the basic financial statements.
- GASB Statement #86, *Certain Debt Extinguishment Issues*. This pronouncement did not impact the basic financial statements.

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #83, *Certain Asset Retirement Obligations*, which is required to be implemented in 2019.
- The GASB issued Statement #84, *Fiduciary Activities*, which is required to be implemented in 2019.
- The GASB issued Statement #87, *Leases*, which is required to be implemented in 2021.
- The GASB issued Statement #88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, which is required to be implemented in 2019.
- The GASB issued Statement #89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which is required to be implemented in 2021.

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, 2018

	Budgeted Amounts			
	Original Budget	Final Budget	Actual Budgetary Amounts	Variance to Final Budget
REVENUES:				
Tuition	$ 5,981,868	$ 5,981,868	$ 5,559,286	$ (422,582)
Service revenue	1,251,650	1,251,650	1,138,279	(113,371)
Transportation	6,638,300	6,638,300	6,494,055	(144,245)
Other departmental revenue	50,000	50,000	50,483	483
Investment income	-	-	1,024	1,024
TOTAL REVENUES	13,921,818	13,921,818	13,243,127	(678,691)
EXPENDITURES:				
Current:				
Waypoint academy	3,111,543	3,111,543	2,905,588	205,955
STAR program	2,812,274	2,812,274	2,798,413	13,861
Itinerant services	948,187	948,187	845,093	103,094
Transportation	9,201,953	9,201,953	8,438,301	763,652
Professional development and executive search	312,789	312,789	277,862	34,927
Advanced studies and leadership program	269,413	269,413	247,051	22,362
TOTAL EXPENDITURES	16,656,159	16,656,159	15,512,308	1,143,851
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,734,341)	(2,734,341)	(2,269,181)	465,160
OTHER FINANCING SOURCES (USES):				
Capital lease financing	2,534,341	2,534,341	2,368,634	(165,707)
NET CHANGE IN FUND BALANCE	(200,000)	(200,000)	99,453	299,453
FUND BALANCES AT BEGINNING OF YEAR	1,514,100	1,514,100	1,514,100	-
FUND BALANCES AT END OF YEAR	$ 1,314,100	$ 1,314,100	$ 1,613,553	$ 299,453

See notes to required supplementary information.

Collaborative Pension Plan Schedules

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

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

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

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

SCHEDULE OF THE SPECIAL FUNDING AMOUNTS OF THE NET PENSION LIABILITY

MASSACHUSETTS STATE EMPLOYEES' RETIREMENT SYSTEM

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

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

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
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
2018	$ 9,215,485	$ 961,847	54.25%
2017	9,569,480	976,150	52.73%
2016	8,812,686	714,787	55.38%
2015	7,495,802	520,769	61.64%

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

See notes to required supplementary information.

SCHEDULE OF CONTRIBUTIONS
MASSACHUSETTS STATE EMPLOYEES' RETIREMENT SYSTEM

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

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
2018	$ 209,060	$ N/A	N/A
2017	185,163	N/A	N/A
2016	186,458	N/A	N/A
2015	177,775	N/A	N/A

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

See notes to required supplementary information.

Other Postemployment Benefits Plan Schedules

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

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

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

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

	June 30, 2017	June 30, 2018
Total OPEB Liability		
Service Cost	$ 91,399	$ 95,055
Interest	97,457	108,935
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Changes of assumptions	-	-
Benefit payments	(38,813)	(40,097)
Net change in total OPEB liability	150,043	163,893
Total OPEB liability - beginning	1,227,422	1,377,465
Total OPEB liability - ending (a)	$ 1,377,465	$ 1,541,358
Plan fiduciary net position		
Employer contributions	$ 218,813	$ 180,000
Employer contributions for OPEB payments	38,813	38,813
Net investment income	31,908	24,300
Benefit payments	(38,813)	38,813
Net change in plan fiduciary net position	250,721	281,926
Plan fiduciary net position - beginning of year	567,391	779,299
Plan fiduciary net position - end of year (b)	$ 818,112	$ 1,061,225
Net OPEB liability - ending (a)-(b)	$ 559,353	$ 480,133
Plan fiduciary net position as a percentage of the total OPEB liability	59.39%	68.85%
Covered-employee payroll	$ 6,423,123	$ 6,517,602
Net OPEB liability as a percentage of covered-employee payroll	8.71%	7.37%

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, 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

Year	Annual money-weighted rate of return, net of investment expense
June 30, 2018……	2.85%
June 30, 2017……	5.09%

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

See notes to required supplementary information.

NOTE A – BUDGETARY BASIS OF ACCOUNTING

A. Budgetary Information

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

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

The Collaborative adopts an annual budget for the general fund in conformity with the guidelines described above. The original 2018 approved budget for the general fund authorized approximately $12.5 million in appropriations. During 2018, the original budget was increased by approximately $762,000, primarily for transportation, STAR program, and Itinerant services.

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

B. Budgetary - GAAP Reconciliation

For budgetary financial reporting purposes, a budgetary basis of accounting is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the general fund for the year ended June 30, 2018, is presented below:

Net change in fund balance - budgetary basis	$	99,453
Basis of accounting differences:		
Net change in recording accrued expenditures		(16,046)
Recognition of revenues for capital leases		2,368,634
Recognition of expenditures for capital leases		(2,368,634)
Recognition of revenue for on-behalf payments		2,026,458
Recognition of expenditures for on-behalf payments		(2,026,458)
Net change in fund balance - GAAP basis	$	83,407

NOTE B – PENSION PLAN

Pension Plan Schedules

A. Schedule of Collaborative's Contributions

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

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

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

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

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

NOTE C – OTHER POSTEMPLOYMENT BENEFITS

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

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

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

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

Schedule of the School's Contributions

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

Schedule of Investment Return

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

Schedule of Funding Progress

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

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

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

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

Changes in Assumptions - none

Other Information

REQUIRED DISCLOSURES FOR MASSACHUSETTS EDUCATIONAL COLLABORATIVES

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

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

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

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

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

Osterville Campus - Town of Barnstable	$	83,244
Bourne Campus - Town of Bourne		124,866
Waypoint Academy - Town of Sandwich		83,243
Camp Burgess facility - South Shore YMCA		60,000
Pocasset maintenance facility - Chipper LLC		24,600
	$	375,953

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, 2018:

Paul Hilton, Executive Director	155,172.21
Anita Woods, Director of Special Education Programs	123,895.50
Melissa Goldstein, Waypoint Program Coordinator	110,959.69
Amy Lipkind, Business Manager	101,612.56
Julia Bryant, STAR Program Coordinator	94,906.76

NOTE 4 – AMOUNTS EXPENDED ON ADMINISTRATION AND OVERHEAD

For the year ended June 30, 2018, the Collaborative expended $685,534 and $528,243 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, 2018, 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, 2018, there were no expenditures that qualified for reporting in this category.

NOTE 7 – CERTIFIED CUMULATIVE SURPLUS

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

As of June 30, 2018, the Collaborative's general fund unassigned fund balance totaled $2,859,742. This amount does not exceed the limit of 25% of general fund expenditures for the year.

Report on Internal Control Over Financial Reporting and on Compliance

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

To the Board of Directors
Cape Cod Collaborative
Osterville, Massachusetts

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Cape Cod Collaborative (the Collaborative), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Collaborative's basic financial statements, and have issued our report thereon dated November 16, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Collaborative's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Collaborative's internal control. Accordingly, we do not express an opinion on the effectiveness of the Collaborative's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

November 16, 2018