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## ***ABOUT EDCO COLLABORATIVE***

EDCO is a collaborative of 16 urban and suburban school districts serving the Greater Boston area and beyond. We are governed by a Board of Directors comprised of superintendents and school committee members representing each of our member school districts.

All EDCO programs and services are developed and implemented through consultation with member school districts and other sponsoring agencies. EDCO Collaborative Roundtables often facilitate the gathering of information needed for planning programs, services, and professional learning opportunities. Programs align with EDCO's mission, reflect the priorities of EDCO's primary constituencies, and are provided in a cost effective manner through interdistrict and interagency collaboration.

EDCO Collaborative's range of services includes professional learning opportunities for educators; special education and alternative education programs for students with disabilities and at-risk youth; in-district consultation, special education transportation through a cost effective consortium of adjacent communities; and cooperative purchasing of utilities and other items upon request.

In addition, EDCO provides services to youth and adults through a variety of state and federally funded programs, including the Massachusetts Migrant Education Program, the Special Education Surrogate Parent Program, Wrentham Habilitative Services, and the EDCO Youth Alternative Program.



### ***EDCO Collaborative – Contact Information***

***Chairperson, Board of Directors:***

Kathleen Bodie  
Superintendent, Arlington Public Schools  
kbodie@arlington.k12.ma.us

***Executive Director:***

Nadine Ekstrom  
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Bedford, MA 01730  
617-738-5600

*Please visit the EDCO Collaborative website: [www.edcollab.org](http://www.edcollab.org)*

# ***MESSAGE FROM THE EXECUTIVE DIRECTOR***

Dear EDCO Collaborative Community Members,

Dr. Robert Peebles, EDCO's first Director of the organization, stated in his speech on February 29, 1972 that, "it is the role of our collaborative to support students and teachers from different schools to learn from and stimulate each other." He further expressed, "our primary goal has always been to establish a metropolitan model in education. In some tangible ways, we have, but there is much more to be done." These statements remain consistent with the work of EDCO Collaborative, nearly 50 years later. In fact, EDCO Collaborative went through some significant transitions in FY19 that resulted in financial challenges that are being revised in the FY20 operating budget.

This annual report services as a tool to share with you the progress and challenges EDCO Collaborative experienced in FY19 in order to adapt and respond to the needs of the organization's students and districts of whom we serve. The organization is proud of the fact that its member districts have observed a reduction in their membership costs, resulting in similar membership fees to that of 1972. The ability to provide its membership with lower membership costs while providing significant professional development and specialized services is a representation of the work and dedication of EDCO employees and its Board of Directors.

During the 2018-2019 school year, the Collaborative engaged in expanding awareness of its special education programs by increasing exposure in social media, reaching out to member districts, and creating opportunities for roundtable discussions, as they relate to the needs of member districts. The Collaborative hired a Technology Integration Specialist to provide supports to member districts and private organizations within the Greater Boston area. We offered consultation and interpretation to school systems for students of the deaf and hard of hearing community. Additionally, we expanded our supports around race and racism by providing professional development to districts throughout the Commonwealth of Massachusetts and partnered with the Department of Elementary & Secondary Education on their INSPIRED grant.

One challenge EDCO faced in FY19 is the realization that some of their programs may no longer meet the need of its member districts. Fifty years ago, when EDCO began serving the special education population, the organization served nearly 20% of the identified population of special education students across Massachusetts. However, given the advancement of special education programming that is now offered within member districts, the needs of some programs have shifted from out of district placements to in-house programming. After meeting with member districts, and listening to them describe a growing need in specialized areas, however, two new programs have been created in FY20. Our hope is to increase our enrollment by redesigning the current therapeutic programs, building two new programs, and potentially expanding our deaf and hard of hearing program to include students at the elementary level.

Thank you for your contribution to our efforts at EDCO Collaborative. Your commitment to our organization and supporting our specialized programs and professional development results in the success of our EDCO community. I look forward to continuing our partnership as we work together to improve our educational organization.

Sincerely,

Nadine G. Ekstrom, Ph.D.  
Executive Director

# **EDCO'S COLLABORATIVE'S MISSION & VISION**

***Since 1969 EDCO's Mission has been to:***

*Improve education through inter-district and interagency collaboration.*

*Provide high quality education and related services to students-at-risk.*

*Enhance equity, intercultural understanding and equal opportunity in education.*

## ***EDCO Collaborative Vision:***

- *Sustain its role as a statewide leader for excellence in education with a strong and positive political influence*
- *Support member districts through a variety of services that:*
  - *Meet the special education service needs of students with low incidence disabilities*
  - *Provide the benefits of economies of scale*
- *Support the recruitment, retention, and development of high quality teachers and administrators*
- *Integrate new Board Members quickly into the roles and responsibilities of the Board and enjoy steady commitment and engagement from all Board Members*
- *Develop a budget annually from a balanced mix of member services and contract services.*

## ***Objectives of EDCO Collaborative:***

- *To provide day programs and other services for students with low-incidence disabilities in the least restrictive environment consistent with MGL c.40 § 4E and 603 CMR 50.00*
- *To provide day programs and services for at-risk students*
- *To provide therapeutic services for adults with disabilities in collaboration with the Department of Developmental Services and/or other agencies*
- *To offer quality professional learning opportunities to general and special education teachers and administrators, related service providers, school committees, and charter school boards*
- *To explore and pursue grants and other funding to support identified needs of the member districts and community.*
- *To offer cooperative and regional programs and/or services to help member districts maximize cost efficiency and program effectiveness through a collaborative effort.*

## ***HISTORY OF EDCO COLLABORATIVE***

EDCO Collaborative has a long and diverse history, beginning in 1969 as a private consortium of public schools prior to the enactment of the first Massachusetts collaborative legislation and continuing to the present as a public collaborative. EDCO 's mission has been consistent throughout its history, focusing on the power of interdistrict and interagency collaboration to meet the needs of underserved and at risk students and adults.

In its first form, Education Collaborative for Greater Boston, Inc. was a private, not-for-profit charitable corporation formed by superintendents from seven member school districts. Their purpose was to increase communication and understanding among staff and students in urban and suburban school districts. Initial programs were designed to cross racial, economic and social barriers. Early on, ECGBI Inc. received funding to operate voluntary desegregation programs, using the City of Boston as a classroom and bringing suburban students into Boston to work with inner city students. Over time, school districts began to see the value in collaborating on other education issues such as special education, school-to-work, vocational education and professional development for teachers. A grant from the Ford Foundation in the early 1980's allowed for the development of additional programs related to curriculum and instruction, and membership grew along with the services offered.

In 1988, after the passage of the legislation encouraging collaboration, EDCO Collaborative was formed as a public collaborative under Chapter 40, Section 4E, to complement the services offered by the private not-for-profit corporation. Many of the programs operated under the original organization were shifted to the public collaborative. The private corporation remained as an affiliated agency with shared administration.

When additional changes in the legislation were anticipated, the dissolution process of Education Collaborative for Greater Boston, Inc. occurred from FY12 through FY14. All of its assets were transferred to EDCO Collaborative, and the contracts and programs managed by ECGBI, Inc. were reassigned by the funding agencies to EDCO

Today, EDCO continues to strengthen programs and services to its member communities and to support both local and statewide educational programs funded by federal and state contracts.



## ***GOVERNANCE & LEADERSHIP***

A Board of Directors that includes one voting representative from each member district governs EDCO Collaborative. District School Committees vote annually to appoint either a School Committee member or the Superintendent to EDCO's Board of Directors.

### ***BOARD OF DIRECTORS***

District	Name & Title	Position
Acton-Boxborough	Peter Light, Superintendent	Board Member
	Diane Baum, School Committee	Advisory Member
Arlington	Kathleen Bodie, Superintendent	Board Member & Advisory Member
Bedford	Jon Sills, Superintendent	Board Member
	Ann Guay, School Committee	Advisory Member
Belmont	Andrea Prestwich, School Committee	Board Member
	John Phelan, Superintendent	Advisory Member
Brookline	Helen Charlupski, School Committee	Board Member
	Andrew Bott, Superintendent	Advisory Member
Carlisle	James O'Shea, Superintendent	Board Member & Advisory Member
Concord	Laurie Hunter, Superintendent	Board Member
	Johanna Boynton, School Committee	Advisory Member
Concord-Carlisle	Laurie Hunter, Superintendent	Board Member
	Johanna Boynton, School Committee	Advisory Member
Lexington	Julie Hackett, Superintendent	Board Member
	Christine Lyons, Assistant Superintendent	Advisory Member
Lincoln	Rebecca McFall, Superintendent	Board Member
	Tara Mitchell, School Committee	Advisory Member
Lincoln-Sudbury	Bella Wong, Superintendent	Board Member
	Ellen Joachim, School Committee	Advisory Member
Newton	Diana Fisher-Gomberg, School Committee	Board Member
	David Fleishman, Superintendent	Advisory Member
Sudbury	Brad Crozier, Superintendent	Board Member
	Ellen Joachim, School Committee	Advisory Member
Waltham	Drew Echeleson, Superintendent	Board Member
	Margaret Donnelly, School Committee	Advisory Member
Watertown	Deanne Galdston, Superintendent	Board Member
	John Portz, School Committee	Advisory Member
Weston	Midge Connolly, Superintendent	Board Member
	Dr. J. Kimo Carter, Assistant Superintendent	Advisory Member

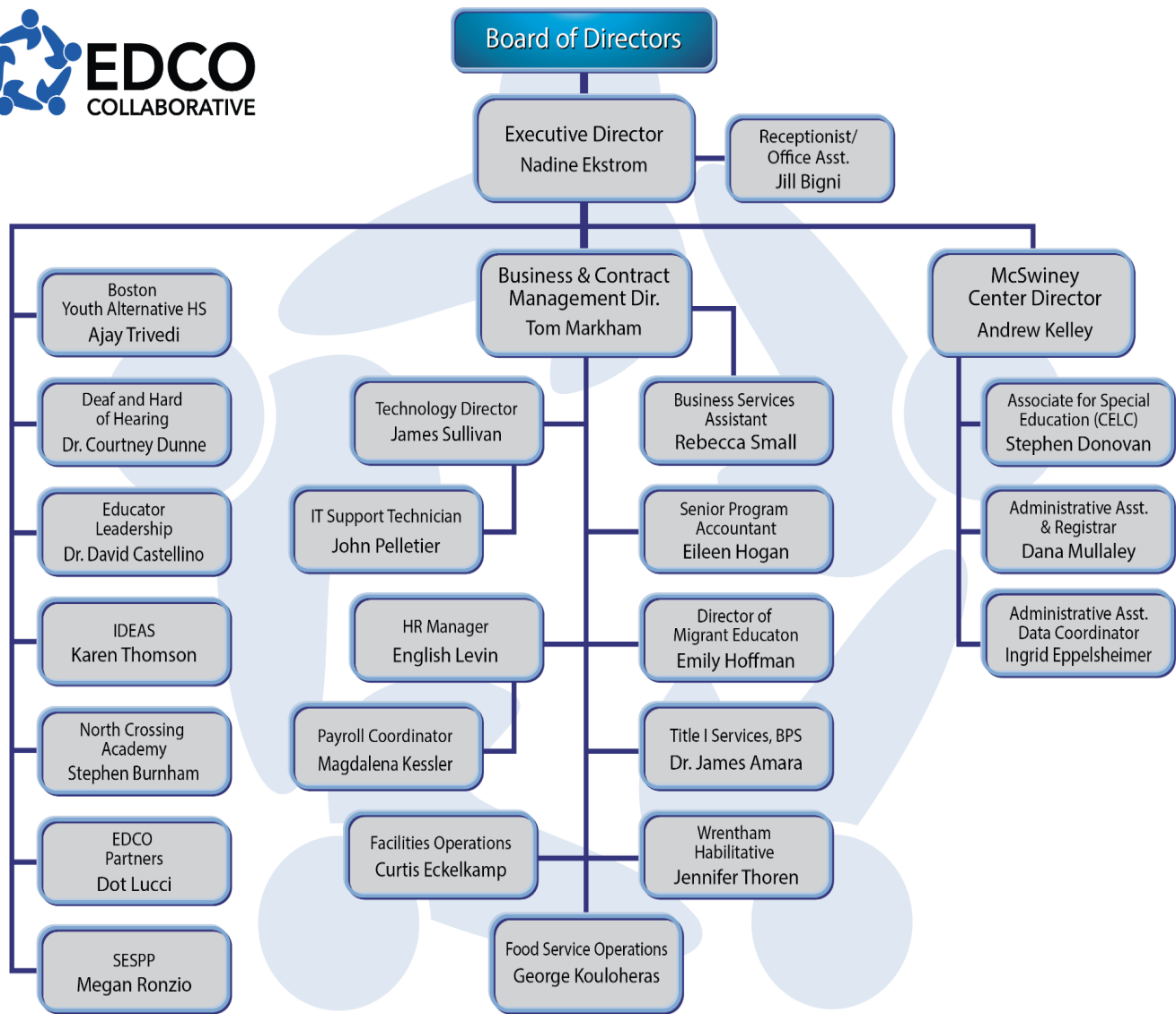
### ***ADMINISTRATIVE TEAM***

Nadine Ekstrom, Executive Director  
 Thomas Markham, Director of Business Management  
 Andrew Kelley, Director of Professional Learning and Community Education  
 James Sullivan, Director of Informational Technology

### **Standing Committees/Advisory Committees**

#### **Executive Finance Committee**

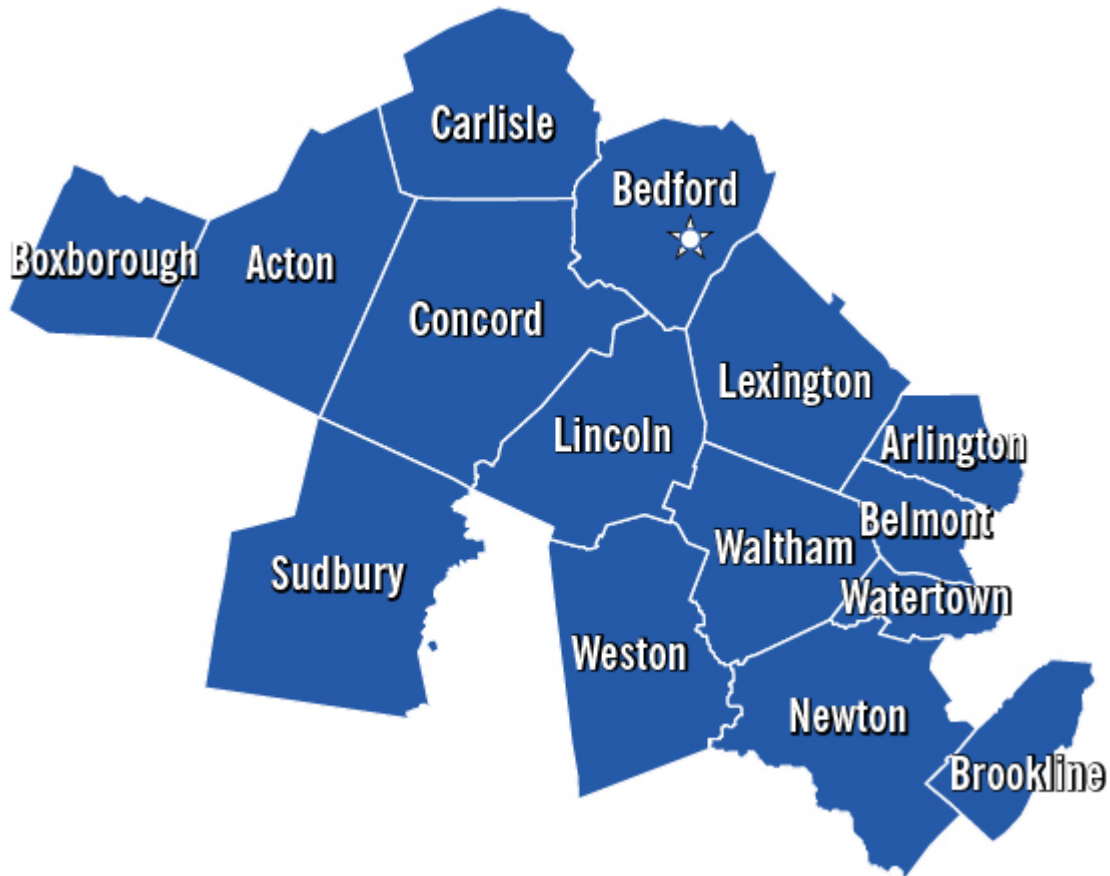
The Executive Finance Committee meets with the EDCO Leadership Team prior to each Board meeting to discuss matters that will be considered by the Board of Directors. The committee reviews finances, policies, and other relevant information in order to make recommendations to the Board. The Executive Finance Committee also prepares the Executive Director's annual evaluation for presentation to the Board and makes recommendations on salary and benefits.



***EDCO COLLABORATIVE ORGANIZATIONAL CHART – FY19***



## ***EDCO COLLABORATIVE DISTRICTS***



Acton-Boxborough Regional School District  
Arlington Public Schools  
Bedford Public Schools  
Belmont Public Schools  
Brookline Public Schools  
Carlisle Public Schools  
Concord Public Schools  
Concord-Carlisle Regional School District

Lexington Public Schools  
Lincoln Public Schools  
Lincoln-Sudbury Regional School District  
Newton Public Schools  
Sudbury Public Schools  
Waltham Public Schools  
Watertown Public Schools  
Weston Public Schools

## ***PROGRAMS AND SERVICES***

### **Special Education Programs**

#### **EDCO Collaborative Objective:**

- To provide day programs and other services for students with low-incidence disabilities
- Improve education through inter-district interagency collaboration
- Provide high quality education and related services to students at risk
- Enhance equity, intercultural understanding and equal opportunity in education

#### **Progress Toward Objective:**

EDCO Collaborative offers four special education programs to meet our district's needs for programming for students with low incidence disabilities. These programs are EDCO Program for the Deaf and Hard of Hearing, EDCO Partners Program, EDCO North Crossing Therapeutic Day School and EDCO 45-Day Therapeutic Program.

Both the EDCO Program for the Deaf and Hard of Hearing and EDCO Partners Program offer opportunities for students to be included in general education classes located within the public school district where the program is housed or in another member district, thus ensuring students are placed in the least restrictive educational environment.

## ***INFORMATION TECHNOLOGY AT EDCO COLLABORATIVE***

The goal of our department is always first priority, and has not changed. The goal of the Technology Department is to support the needs of teaching and learning and drive success towards EDCO's mission. In contribution to this mission we added a new position to the technology department by hiring an Instructional Technology Specialist. By adding this position we were able to increase our level of support provided to our school programs, and our districts. This has allowed us to not only provide a quality service by providing the right tool for the job, but now we can also work with teachers and program leaders to effectively integrate the technology into the classroom. Our instructional technology specialist will work with our school programs on a routine basis, but also serve in a consulting role through the McSwiney Center for Professional Learning. We have begun to do this through our Instructional Technology Specialist Roundtable but also plan to launch new course offerings and routine instruction for outside organizations. This new role provides an avenue for new course offerings and a consulting model. In addition, we also completed and upgrade to our infrastructure by adding the mobile device management solution, FileWave. FileWave will allow us to manage all of our devices (PCs, Macs, Tablets, etc) from one management console. This will help us to perform maintenance and routine tasks such as computer buildouts more efficiently and allow more time to spend solving problems and working on projects for our programs thereby allowing us to provide a better quality of service.



## ***EDCO PROGRAM FOR THE DEAF AND HARD OF HEARING***

***Dr. Courtney Dunne, Program Director***

***Located at F.A. Day Middle School and Newton North High School, Newton, MA***

The EDCO Program for the Deaf & Hard of Hearing serves students who are deaf or hard of hearing in grades 6 – 12. Located within Newton Public Schools, students are offered a full range of services with opportunities for small group (sub-separate) instruction and full inclusion in the general education setting. The program provides services designed to meet individual learning needs with a specific regard for language, communication modality and choice of amplification. Teachers of the Deaf provide specially designed instruction in the small-group setting. Educational Interpreters provide language access to students who use American Sign Language (ASL) as their primary mode of communication. All general education classrooms are equipped with infrared sound field amplification systems, providing greater access for our students who use audition and spoken English. In SY 2018-2019, the Deaf and Hard of Hearing Program served 17 students.

In 2018-2019, the EDCO Program for the Deaf and Hard of Hearing provided outreach services to member and non-member school districts. The program provided monthly language consultation to a Watertown student attending Beacon High School and professional observation and consultation for two elementary-age students in the Winchester Public Schools. The program also provided outreach interpreting services for two member districts, Belmont and Newton.

During the 2018-2019 school year, six high school students were the recipients of the Outstanding Young Advocate Award on the behalf of the Massachusetts Commission for the Deaf and Hard of Hearing. With support from their English teacher, Deborah Knisell, the students wrote to State Senator Cynthia Creem advocating for a change in terminology in the General Laws of Massachusetts. They wanted the term ***hearing impaired*** to be changed to ***deaf and hard of hearing***. Because of their lobbying efforts, the senator's office drafted a bill to make this change. Senate Bill 1824 was introduced last spring and referred to the Committee on State Administrative and Regulatory Oversight.

### **Program Highlights:**

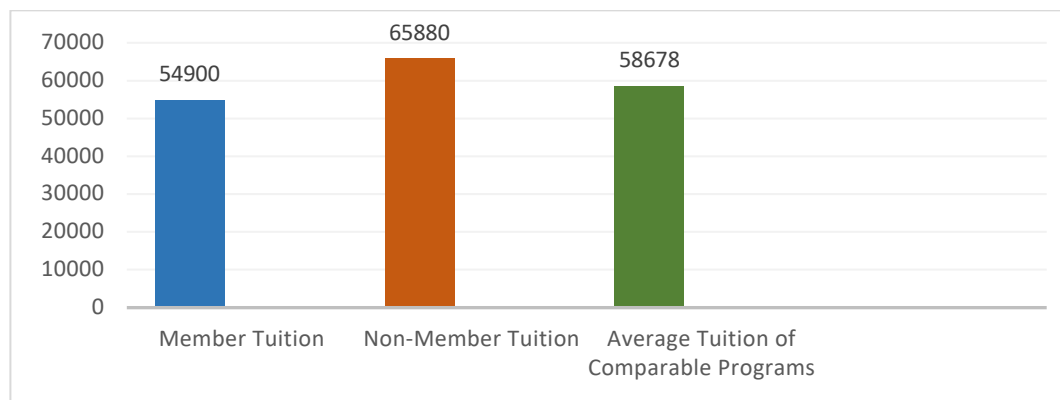
- Interdisciplinary staff: Teachers of the Deaf, Educational Interpreters, Counselor, Speech and Language Pathologist
- Participation in general education courses in Newton Public Schools
- Participation in self-contained class geared towards small group specially designed instruction
- Critical mass of age-appropriate peers and common language users
- Training and support for Newton general education teachers

### Program Highlights (cont'd)

- American Sign Language (ASL) classes offered at the High School level
- ASL Clubs at the Middle School and High School level
- Deaf History and Deaf and Hard of Hearing Identity Development
- RedCat Infrared Technology in all classrooms
- Weekly Academic Support
- Specialized Counseling and Speech and Language Services
- ASL and English Literacy
- Transition services
- Participation in Newton Public School's comprehensive Career and Vocational Technical Education (CVTE) program
- Full-range of extra-curricular offerings, including varsity athletics
- Social Events promoting involvement in the Deaf Community
- Academic Bowl for Deaf and Hard of Hearing Students, sponsored by Gallaudet University
- Outreach consultative services related to serving deaf and hard of hearing students in the public school system

#### Cost Effective:

For FY19, the daily rate for members of EDCO Collaborative was \$305.00; for non-members it was \$366.00. Comparable programs in the area average \$325.99 per day with a range of \$256.52 to 377.34.



Deaf and Hard of Hearing		
District	Attending	Referrals
Cambridge	1	
Everett		1
Fitchburg	1	1
Ipswich	1	
Lincoln-Sudbury *	1	
Lowell		1
Marshfield	1	
Melrose	1	
Newton *	1	
Norfolk	1	
Quincy	1	
Revere		1
Salem	2	1
Somerville	1	
Stoneham	2	
Tynsborough	1	
Wayland	1	
Woburn	1	1



## ***PARTNERS PROGRAM***

***Will Verbits, Program Director***

***Located at 36 Middlesex Turnpike, Bedford, MA 01730***

The EDCO Partners Program mission is to provide comprehensive academic instruction as well as intensive instruction in the 3 S's (social competency, self-awareness, and stress management) to academically capable students diagnosed with an Autism Spectrum Disorder (i.e. Asperger's Syndrome), Non-Verbal Learning Disability or similar profile. We are committed to fostering a sense of community and belonging among all students so they feel valued and honored for who they are. The program is dedicated to helping students better understand and accept themselves, while reaching their full potential.

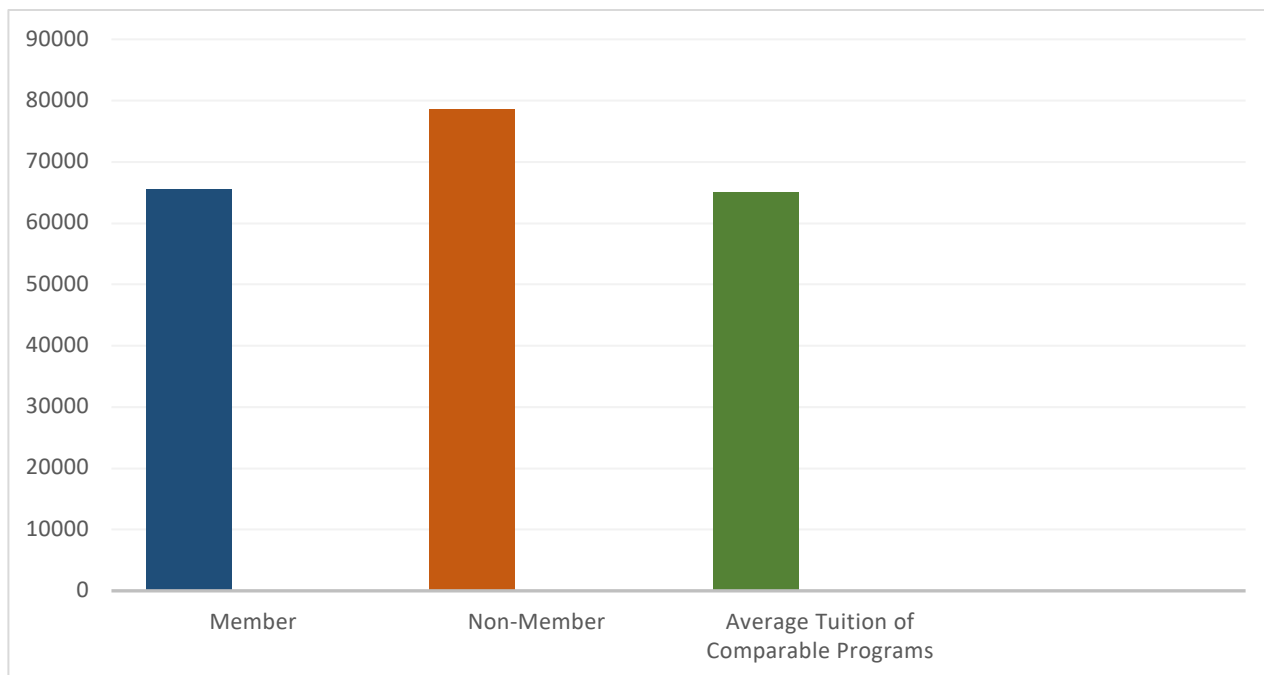
### **Program Highlights:**

- Small student teacher ratio 2:1, small group instruction and frequent 1:1 instruction
- Evidenced-based instruction including Empower, Social Thinking, Dialectical Behavior-Therapy/ Cognitive Behavior Therapy, Zones of Regulation, Heart Math/Biofeedback tools, Mindfulness and more
- Individual Chromebooks are provided for each student; students also utilize iPads and iMac Desktop computers
- Every classroom is equipped with a SmartBoard and teachers incorporate its usage into instruction
- Google classroom is utilized to keep students and families informed and to provide access to curriculum, homework and calendar/due dates
- Home-school communication is done by a variety of means: phone, email, in-person periodic meetings
- Ongoing milieu counseling, individual and group counseling is provided for every student by a licensed mental professional
- An Extended School Year (ESY) summer school program is available for students that focuses on the 3S's and may include transition planning, vocational experiences and community service
- A full time Transition Specialist provides transition related programming and linkage to adult agencies including MRC and DDS
- Students enrolled in the Partners Program participate in social pragmatics groups lead by an LICSW clinician, as well as direct services specified in a student's IEP
- An art therapist is shared with NCA
- Support services are also provided by a full time School Psychologist as well as through contracted support by a Speech & Language Pathologist.

### ***PARTNERS PROGRAM (cont'd)***

- Additional programming is offered for students 18-22 who require continued transitional support before leaving special education. This program is individualized and does not follow a “typical school calendar”. For instance, students may enroll in classes at Mass Bay Community College or Middlesex Community College, attend Partners for a half-day taking transition classes, vocational readiness, or financial literacy. Some may have an internship or be taking MCAS prep classes to meet this requirement.
- Partners students have the opportunity to participate in full inclusion classes at local high schools with EDCO staff providing support, as needed.

For FY19, the daily rate for members of EDCO Collaborative was \$364.00; for non-members, it was \$436.80. Comparable programs in the area average \$361.73 per day with a range of \$257.61 to 480.60.





Partners		
District	Attending	Referrals
Acton-Boxborough *		1
Amesbury		1
Barnstable		1
Bedford *		1
Belmont *	1	1
Billerica	2	
Cambridge	1	
Canton		1
Carlisle	1	
Dover-Sherborn		1
Dracut		1
Harvard		1
Lexington *	1	
Lincoln	1	
Lincoln-Sudbury		1
Melrose		1
Newton *		1
Reading	1	
Watertown *	1	3
Wellesley	1	1
Westwood	1	



## ***NORTH CROSSING ACADEMY THERAPEUTIC DAY PROGRAM***

***Will Verbits, Program Director***

***Located at 36 Middlesex Turnpike, Bedford, MA 01730***

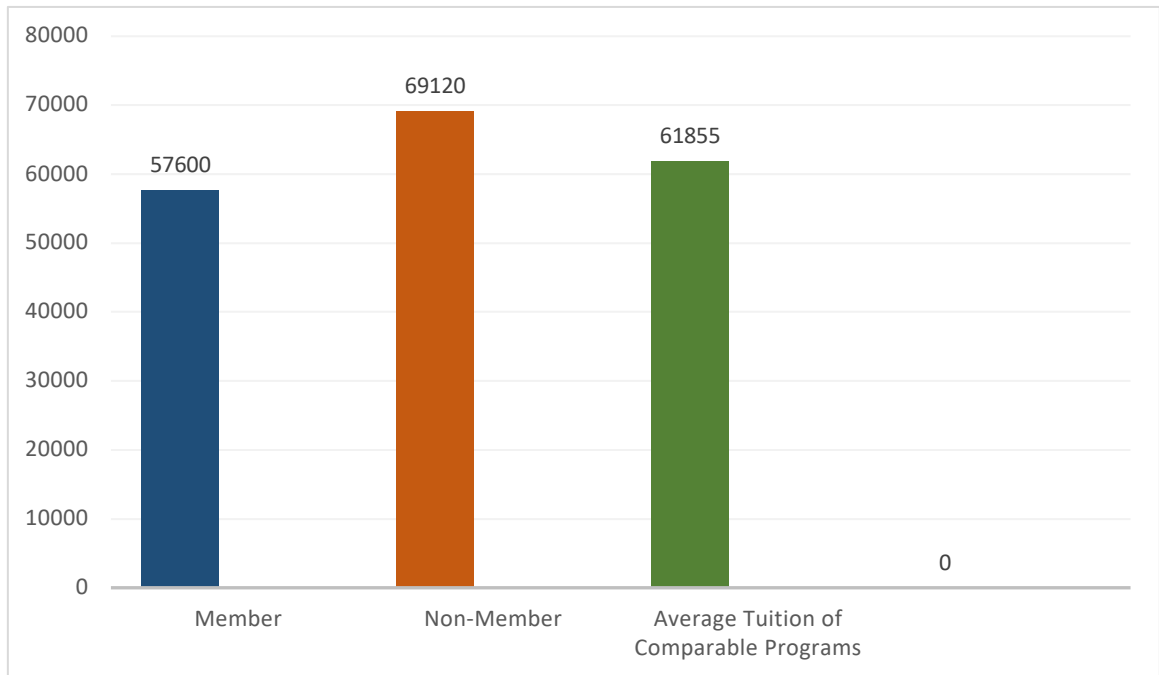
The North Crossing Academy Therapeutic Day program offers a range of services for students in grades 6-12 who are diagnosed with clinical mental health emotional issues that adversely impact their daily performance in the classroom both academically, socially and emotionally. NCA offers a comprehensive Therapeutic Day School Program that provides educational instruction to students with unique academic, emotional and social challenges by offering a highly structured therapeutic environment while maintaining academic integrity. The program is dedicated to helping students reach their full potential by fostering individuality and personal growth within a safe and supportive learning community. Students participate in individual and small group learning which is interactive and frequently 'hands on' to foster success that students have previously not found in larger environments. Members of our program clinical team provide individual and group counseling using successful evidence-based strategies. Treatment modalities may include but are not limited to: Dialectical Behavior Therapy (DBT), Cognitive Behavior Therapy (CBT) as well as therapies designed to help students deal with issues related to trauma, gender identity, emotional dysregulation and family issues. These counseling services are designed to support students in building skills of independence, problem solving, making positive choices and to prepare them for life beyond high school. The EDCO NCA Therapeutic Day School Program is committed to promoting diversity, acceptance and a sense of community for our students. In SY 2019-201-20 a total of 36 students were served in the program.

### **Program highlights:**

- Licensed special education and/or regular education teachers with content area expertise
- Small student to staff ratio with frequent 1:1 academic support
- Individualized and multi-modal approaches to teaching
- Mental health services offered in 1:1 and small group settings
- Commitment to engaging reluctant and discouraged learners
- Targeted instruction in college and career readiness skills
- Staff meet daily to collaborate across the program about student and daily events
- Creative electives including Expressive Art, Music, Philosophy and Cultural Exploration
- Direct instruction to help students identify emotional and social responses to stressors and to learn new coping skills
- Interventions focused on self-monitoring and self-management of responses to daily stress
- Access to multiple types of technology throughout the day and throughout school settings
- Community trips designed to practice and reinforce skills learned
- NCA offers a summer program designed to minimize social and academic regression over summer months
- Consistent ongoing communication with the school district, family and outside providers.

### Cost Effective:

For FY19, the daily rate for members of EDCO Collaborative was \$320.00; for non-members it was \$384.00. Comparable programs in the area average \$343.64 per day with a range of \$278.47 to \$410.25.



North Crossing Academy		
District	Attending	Referrals
Acton-Boxborough *		3
Arlington *	3	12
Barnstable		1
Bedford *		3
Bellingham	1	1
Belmont *	1	2
Billerica	1	1
Boston	1	12
Brockton		1
Burlington	1	1
Cambridge		13
Canton		2
Carlisle		1
Clinton		1
Dover-Sherborn		1
Dracut		1
Framingham	1	3
Greenfield		1
Groton		1
Hamilton-Wenham		1
Hudson	1	1
Lawrence		2
Leominster	1	
Lexington *	2	9
Lynn	1	
Marblehead		1
Marshfield		1
Maynard	1	
Medford		1
Needham	1	2
Newton *	2	5
North Andover		2
Randolph	1	1
Reading		1
Seekonk		1
Stoneham	1	1
Stoughton		1
Waltham *	6	3
Watertown *	2	1
Wellesley	1	
Wenham		1
Wilmington		1
Winchester		1

\* Member District



**NORTH CROSSING**  
**45 DAY THERAPEUTIC PROGRAM**

***Will Verbits, Program Director***  
***Located at 36 Middlesex Turnpike, Bedford, MA 01730***

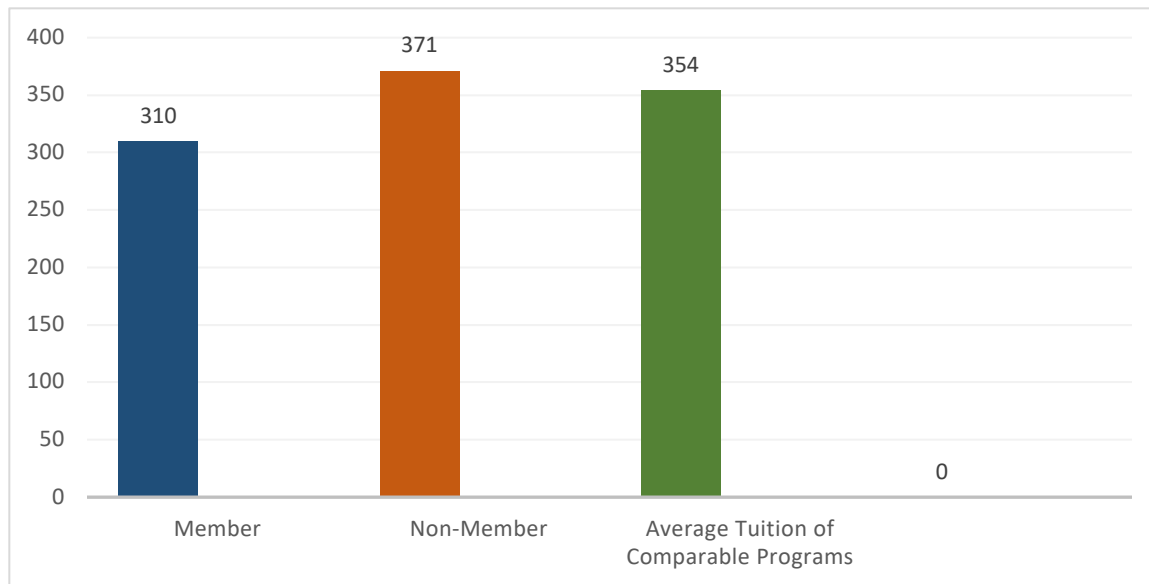
The 45-Day Assessment Program serves students in grades 6-12 who are referred by their school districts for an in-depth analysis of learning, social, emotional and behavioral needs. Our small student population enables for the 45-Day Assessment Program staff to provide individualized academic instruction as part of the evaluation, keeping the student on track with their school curriculum. Curriculum guidelines are obtained from the students' home district and lessons are designed to keep the students current in their academic schedules. The 45-Day Assessment Program utilizes EDCO clinical staff to support students while evaluating their psychological status. Our clinical staff provides individual and group counseling using evidence-based strategies. Treatment modalities may include but are not limited to: Dialectical Behavior Therapy (DBT), Cognitive Behavior Therapy (CBT) as well as therapies designed to help students deal with issues related to trauma, gender identity, emotional dysregulation and family issues. Students in the 45-Day Assessment program can participate in counseling groups within the milieu of North Crossing Academy. Participation in these groups allows staff to evaluate peer interactions and relationship skills as part of their comprehensive evaluation of social-emotional skills. Depending on the referral questions provided by the school district, assessment services include but are not limited to: classroom observations, clinical observations, structured interviews with student, their family or caregivers, school district staff and collateral agencies and outside providers. Staff can conduct clinical inventories and cognitive and academic testing if needed. At the end of the 45-Day Assessment, staff produce a thorough written assessment which offers the school district, student and their parent(s)/guardian specific recommendations for maximizing and fostering student academic, emotional, behavioral and social gains in a school setting. In SY 2018--2019 a total of 16 students were served in the program.

**Program Highlights:**

- Formal and informal assessment measures are matched to district referral questions and student needs
- Commitment to engaging reluctant and discouraged learners
- Placement culminates with a thorough written academic and psychosocial report
- Staff meet daily to collaborate across the program about student and daily events
- Students are encouraged to identify their emotional and social response to stressors and learn new coping strategies
- Opportunities to participate in larger group setting outside of the 45-Day Assessment Program to facilitate social interaction and to increase evaluation settings
- Interventions focused on self-monitoring and self-management of responses to daily stress
- Access to multiple types of technology throughout the day and throughout school settings
- Consistent ongoing communication with the school district, family and outside providers
- Enrollment in 45-Day Assessment Program also available during the summer months and can be done in conjunction with an extended school year (ESY) services/program.

### Cost Effective:

For FY19, the daily rate for members of EDCO Collaborative was \$310.00; for non-members it was \$371.00. Comparable programs in the area average \$354.21.



45 Day Therapeutic Program		
District	Attending	Referrals
Acton-Boxborough *	1	1
Arlington *	4	4
Billerica	2	3
Brookline *	1	2
Cambridge		4
Canton		1
Concord	1	2
Dover-Sherborn		1
Framingham		1
Greater-Lowell Tech.	1	1
Lexington *	1	4
Merrimac, NH		1
Needham		3
Newton *		2
North Andover		2
Peabody		1
Revere		1
Sharon		1
Somerville		1
Waltham *	1	4
Watertown *	1	2
Wellesley	1	2
Westwood		2
Wilmington	1	1
Winchester		1
Woburn		1

\* Member District

# ***DISTRICT BASED SERVICES***



## ***IDEAS***

***(Initiatives for Developing Equity and Achievement in Students)***

***KAREN THOMSEN, DIRECTOR***

### ***A. Courses Offered***

- Summer- 2 IDEAS 1, 1 Difficult Conversations about Race and Racism, 1 building Bridges, 1 Understanding Self Efficacy, 1 N-word 6 hour seminar, 1 Teaching About Native Americans 6 hour seminar
- Fall- 1 IDEAS 1 for Belmont Schools, 1 IDEAS 1 for Newton Schools, 1 IDEAS 2, 1 Cultural Proficiency for School Leaders, 1 Understanding the “Culture” in Culturally Responsive Teaching,
- Winter/Spring- 1 IDEAS1 , 1 IDEAS 1 for Dover-Sherborn Schools, 1 IDEAS 1 for Arlington district, 1 Transforming Curriculum

(Please note that IDEAS offered 3 new courses and one new seminar this year: IDEAS 2: Enacting Systemic Change, Understanding the “Culture” in Culturally Responsive Teaching”, Transforming Curriculum, The N-word)

### ***B. Workshops***

- Arlington-Inclusion Day
- Dover-Sherborn-Culturally Responsive Practices, Transforming Curriculum, Difficult Conversations
- Lexington PD Day- That Awkward Moment, The N-word, The Bluest Eye
- Lincoln-Sudbury Regional HS-Diversity Initiatives
- Needham- New Teacher Orientation -Cultural Competency, Pollard MS- Students Take Action Day, PD Day “But I am Not A Teacher”, Eliot School- Aspects of Identity, Unconscious Bias and Microaggressions, Difficult Conversations
- New Superintendents Institute- So You Want to Be an Ally
- Sudbury School Committee- What is Equity?
- Waltham- Waltham Elementary Schools- Aspects of Identity, Unconscious Bias, Difficult Conversations- Barriers and Strategies
- Wayland Parents- Talking to Your Children about Race and Racism
- Westwood- Elementary Schools, Middle Schools, High School-Aspects of Identity- Implications for practice, Difficult Conversations
- Winchester HS- Aspects of Identity, Difficult Conversations

- C. High School Conference- 11 schools
- Participants- Acton-Boxborough, Arlington, Bedford, Burlington, Concord-Carlisle, Lexington L-S, Medway, Needham, Wayland, Weston
- D. Middle School Conference- 13 schools
- Belmont, Burlington, Canton, Concord, Dover-Sherborn, Lexington, Medway, Needham, Sharon, Sudbury, Waltham, Weston, Wayland
- E. Coaching and Consultations
- Belmont, Concord, Dover-Sherborn, Needham Mitchell School, Wayland
- F. Book Group -8 sessions
- G. MALAANA (Support Group for Educators of Color) 8 Sessions
- H. Second annual IDEAS conference at Bentley with Zaretta Hammond as Keynote Speaker- 300 participants





# ***THE EDUCATOR LEADERSHIP INSTITUTE***

***Dr. David Castellini - Director***

The highlight of the year was the successful culmination of the DESE formal review in the spring of 2019. I am delighted that ELI has received a rating of “***FULL APPROVAL***.” This represents a tremendous amount of work that spanned 18 months. As part of the final report, ELI was cited as needing to create more effective practices to ensure that all candidates have a successful practicum experience. This finding is based mostly on feedback from a few ELI graduates, several of who felt that their Supervising Practitioner (on site/in school) supervisor was not providing effective time, energy and resources to help them develop essential skills. It should also be noted that ELI received a rating of “***COMMENDATION***” for the role the ELI Practicum Supervisors play in supporting the development of our candidates.

We have begun developing more effective practicum experiences in the following ways:

1. Conducted an exit survey of cohort 16 that was specifically targeted at the role of Supervising Practitioners. While I agree with the DESE finding on needing protocols that ensure greater success and effectiveness in the role of Supervising Practitioners, the survey results (which capture a broader sample size) indicate that most ELI candidates have a successful experience with their chosen Supervising Practitioner. A summary of the survey results is attached.
2. We have moved the time frame for candidates to select a Supervising Practitioner from the admitting process to the first weeks of the first class. This will give me a chance to discuss this issue in person with new cohort members and provide more accurate information about the role and availability of prospective Supervising Practitioners.
3. We have created a letter to the Supervising Practitioners that explains in detail their responsibilities. Candidates must share this letter in person with their prospective Supervising Practitioner so that expectations are clear and agreed upon in advance, this letter is attached.

## **ELI Practicum Experience**

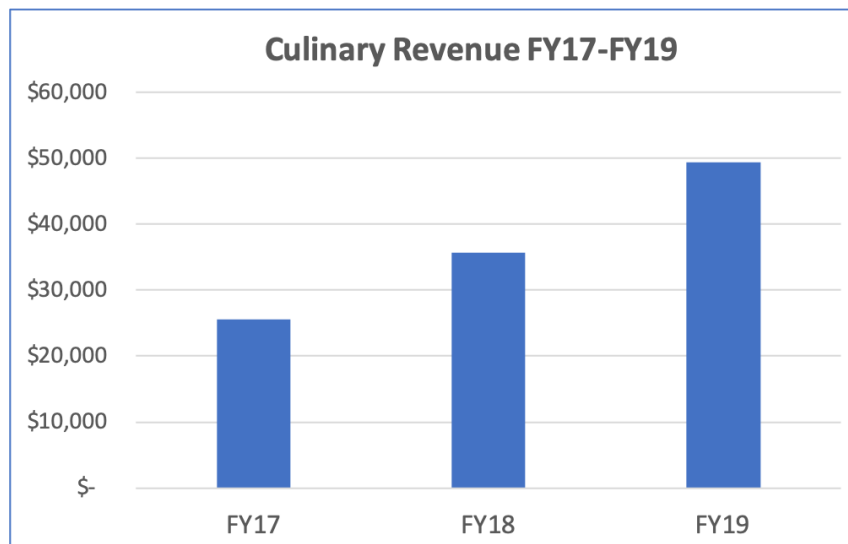
Candidates in the ELI program will have a very comprehensive and complete set of experiences as they satisfy the 500 hours required by the DESE practicum requirement. The ELI program is built on an experiential pedagogy, which requires candidates to delve deeply into all aspects of school leadership. As a result candidates are expected to thoroughly research and reflect on all areas of school leadership prior to writing papers that are assessed by their Practicum Supervisor. In addition candidates are required to lead a major second order change project, assume multiple leadership roles, make presentations, conduct observations of teachers, participate in supervision and evaluation, participate in hiring committees, attend a variety of meetings, shadow 2 principals, meet regularly with their Supervising Practitioner and be active participants in all areas of school leadership.

The list of activities below comprises the vast majority of the practicum experience. It is expected that candidates will complete the majority of these activities and a wide variety of additional experiences that are generated from working closely with their Supervising Practitioner. In all situations, ongoing conversations and reflection between the candidate and their Supervising Practitioner will deepen the learning and add richness to the development of each candidate’s leadership style. The total of all of the experiences and tasks listed below will satisfy the 500 hours required, but more importantly, these experiences will fully prepare candidates for a role as school leader.

## ***CULINARY DEPARTMENT***

EDCO's Bedford office provides culinary services to our students and those who rent from our facility. These services include breakfast, lunches, dinners, morning and afternoon snacks. The culinary department consists of a certified chef and two cooking assistants. In the FY18 school year, the organization's food services expanded to provide meals during training sessions that occurred on Saturday's throughout the school year. Over the course of the school year, the culinary department offered celebratory luncheons for holidays and invited all staff, students, and tenants of the Bedford facility.

In an effort to provide quality, efficient, affordable and nutritional food and culinary services to both the school's student & staff populations and the increasing number of special events, professional meetings, workshops, Roundtables and community activities being catered, EDCO opened a culinary arts department in FY15. Since that time, the culinary department has grown in scope and volume of daily food services providing 180 days of student breakfasts and lunches each year plus catering hundreds of EDCO events, trainings, and meetings. The Culinary Department, with a staff of 2.5, also serves dozens of community groups and education partners, including DESE, who utilize EDCO's McSwiney Center for Professional Learning for its own functions and trainings, often nights, weekends and summer. The community's interest in EDCO's facilities, hospitality and capacity to provide both state-of-the-art trainings and quality culinary services has grown dramatically, almost doubled, in the past three years from \$25,500 in revenue in FY17 to \$49,400 in FY19.



## ***Community Education and Building Use***

A notable, functional and attractive element to EDCO's move to the campus at 36 Middlesex Turnpike, Bedford were the many opportunities for educational afterschool and community use rentals programs that would come with the investment of quality space, furniture, and technology into the new facility. In the five years that EDCO has been in the Bedford facility the school programs and their classrooms have evolved as have the McSwiney professional learning rooms and their tech capacity and attractiveness to outside groups. These uses plus the afterschool programs are commonly known as Community Education. EDCO has seen a steady increase in the number of EDCO's internal programs, such as ELI, IDEAS, IT and McSwiney, member districts and outside groups and partners use of the facility. We have also hosted partner organizations, such as LABBB, CASE, MassCUE, NuPath, VanPool, and MASS on campus by providing, through lease agreements, permanent office and meeting space. Numerous community, non-profits, education and business groups have also often rented the McSwiney Center, with culinary services, for their trainings, workshops, small trade shows, board meetings, and other functions. These groups include Apple Computer, Commonwealth Learning, Wilson Reading, Bedford Chamber of Commerce, AET Engineering Labs, AAA Driving School, Pilates Fitness Courses, Spirit of Adventure Council BSA, the MA Dept of Elementary & Secondary Education, and regular trainings conducted by our in-house partners like ELI, MassCue, NuPath and MASS. Rental income from these and other groups, in FY19 alone, rose to over \$40,550 across 345 events.

## ***LABBB-EDCO Specialized Transportation Services Network***

The EDCO and LABBB Collaboratives jointly manage a specialized transportation network for students to and from school for six (6) of their districts (Arlington, Belmont, Burlington, Lexington, Waltham and Watertown). Outside vendor bus companies are contracted to provide the actual transportation services.

This regional service has been promoted by the Massachusetts Department of Elementary and Secondary Education. In addition, the EDCO-LABBB network provides transportation for students from member districts who attend our programs.

In 2008 LABBB, working with the business managers and special education staff from Arlington, Burlington and Lexington, developed regional routes for 21 students attending 5 different programs. One vendor was contracted to provide the service. In 2009 the contiguous communities of Waltham and Watertown joined this effort. At this juncture EDCO joined with LABBB to coordinate the transportation of 100 students. Belmont became part of this regional activity in FY10.

Transportation contracts have been awarded to six different transportation vendors to transport over 400 students to approximately 100 different special education programs in about 40 different communities. The Collaborative transportation staff continue to work closely with the parents, receiving program staff, vendors and school system staff to insure a high quality, cost effective transportation.

In FY2019 the transportation network provided special education transportation for approximately 500 students with special needs.

## EDCO COLLABORATIVE FY2019 Tuition Rates - Annual and Per Diem

Program	Type	Annual Rate	School Year Days	Per Diem Rate
Deaf & Hard of Hearing	Member District	54,900	180	305.00
	Non-Member District	65,880	180	366.00
Partners	Member District	65,520	180	364.00
	Non-Member District	78,624	180	436.80
North Crossing Academy (NCA)	Member District	57,600	180	320.00
	Non-Member District	69,120	180	384.00
NCA Summer	Member District, Daily Rate Only		27	308.22
	Non-Member District, Daily Rate Only		27	369.87
Partners Summer	Member District, Daily Rate Only		27	308.22
	Non-Member District, Daily Rate Only		27	369.87
45 Day Assessment	Member District, Daily Rate Only		45	310.00
	Non-Member District, Daily Rate Only		45	371.00

FY19 Tuition Rates - Approved by EDCO Board of Directors  
 24-May-18  
 TFM

## Appendix A – Cost Comparison

### EDCO Special Education Programs/ Comparable Private Separate Day Programs

Program	Daily Rate	Program	Daily Rate	Program	Daily Rate	Program	Daily Rate
EDCO Deaf & Hard of Hearing	\$305.00	Partners Program	\$364.00	North Crossing Therapeutic Program	\$320.00	North Crossing 45-Day Therapeutic Program	\$310.00
Private Day	\$365.93	Private Day	\$257.61	Private Day	\$410.25	Private Day	\$430.59
Private Day	\$377.34	Private Day	\$480.60	Private Day	\$394.87	Private Day	\$307.79
Private Day	\$256.52	Private Day	\$438.99	Private Day	\$290.98	Private Day	\$327.06
Private Day	\$304.18	Private Day	\$269.71	Private Day	\$278.47	Private Day	\$351.40
<b>Average</b>	<b>\$325.99</b>	<b>Average</b>	<b>\$361.73</b>	<b>Average</b>	<b>\$343.64</b>	<b>Average</b>	<b>\$354.21</b>

Source: Operational Services Division, Authorized Prices Fiscal Year 2018, In-State Special Education Programs



**EDCO  
COLLABORATIVE**

## ***CONTRACT SERVICES***

### ***EDCO OBJECTIVES:***

- To provide day programs and services for at-risk students
- To provide therapeutic services for adults with disabilities in collaboration with The Department of Developmental Services and/or other agencies
- To explore and pursue grants and other funding to support identified needs of the Member Districts and EDCO Collaborative community.

### ***PROGRESS TOWARDS OBJECTIVES:***

EDCO Collaborative partners with state and federal organizations as an effort in achieving these objectives, by organizing, administering, and facilitating programs across Massachusetts, Vermont, New Hampshire and Maine. These programs are EDCO Youth Alternative Program, Wrentham Habilitation Services, Special Education Surrogate Parent Program, Massachusetts Migrant Education Program and New England High School Equivalency Program.

All of these programs offer opportunities for a partnership with the Department of Elementary and Secondary Education, Department of Development Services, Department of Children and Family, and Regional and Statewide Migrant Parent Advisory Councils. These programs may support out of school youth, at-risk students, and adults with disabilities. We are honored to be viewed as an organization that can serve these populations in our communities and beyond.

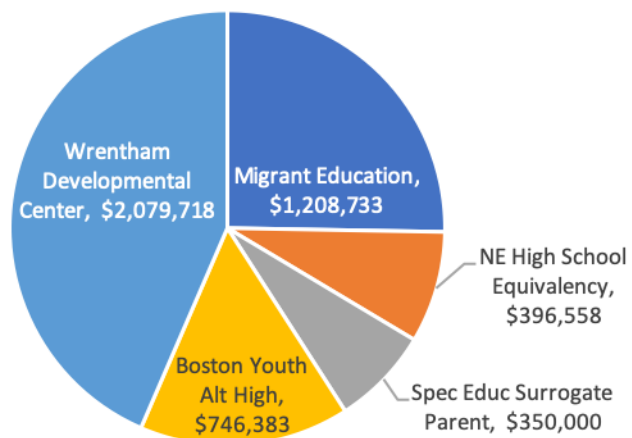
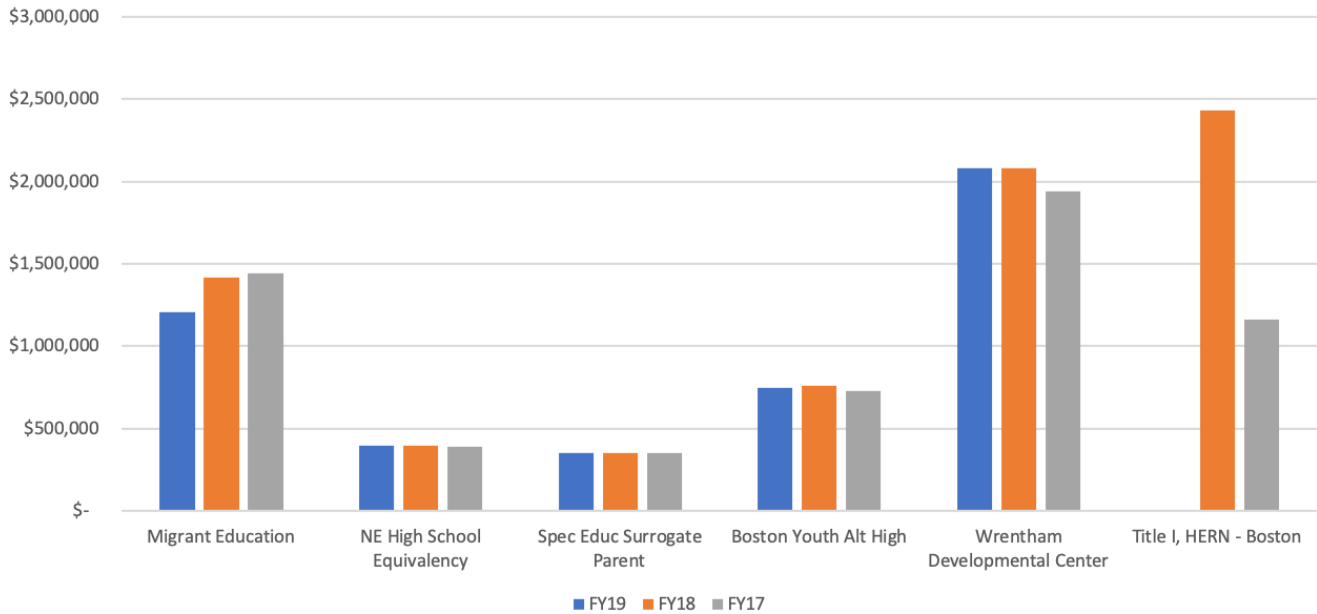
**Contracted Services and Grant Projects led by EDCO in service to the  
Commonwealth of Massachusetts, City of Boston and Member Districts**

<b>Contract/Grant</b>	<b>Award Amount</b>	<b>Funding Year</b>	<b>Purpose of Grant/Allocation of Funds</b>
Migrant Education Program (MEP)	\$1,208,733	FY2019	Working statewide in concert with the Mass Dept of Elementary & Secondary Education and employers in the farming, fishing and hospitality industries, EDCO serves children of migrant workers, ages 4-18, by providing direct supplemental education services not available through the local public school.
High School Equivalency Program (HEP), Northern New England	\$396,558	FY2019	Contracted with the US Dept of Education, EDCO partners with the Univ of Vermont to provide tutoring, counseling and academic support services to ELL students seeking to prepare for a take a high school diploma equivalency exam. EDCO serves students and families in the states of Maine, Massachusetts, New Hampshire and Vermont.
Special Education Surrogate Parent Program	\$350,000	FY2019	Working with public school districts statewide, EDCO recruits and trains volunteers to ensure that students with disengaged parents have fair and equal access to special education services
Wrentham Developmental Center	\$2,079,718	FY2019	Contracted by the Mass Dept of Developmental Services, EDCO provides PT, OT, vision and mobility habilitative services to the residential population living at the Center
Youth Alternative High School, Boston	\$746,383	FY2019	Contracted by the Boston Public Schools, EDCO provides a full, alternative high school academic and career counseling experience and workplace transitioning to Boston's at-risk high school students
In-SPIRED Fellows Grant, InService Professionals who are committed to Increasing Racial and Ethnic Diversity	\$120,500.	FY2019	EDCO was awarded the InSPIRED Fellows Grant by MA DESE to administer the inaugural year of this new program initiative to recruit and train racially and ethnically diverse individuals to enter the teaching workforce in twelve targeted communities across the state. This Fellowship is designed around two goals: 1) Increase the diversity of the teaching workforce in Massachusetts and 2) Increase the retention rates of current educators committed to a culturally responsive and diverse workforce.
SEI Endorsement Courses for CVTE Educators	\$50,000	FY19	EDCO was awarded a grant to administer the endorsement courses in Sheltered English Immersion (SEI) as required of teachers in the state's career vocational technical schools.
Title III Grant for EDCO District Consortia	\$36,014	FY19	EDCO developed a consortia of interested member districts (Bedford, Concord, Lincoln, Sudbury and Weston) to collaborate in applying for federal funding through MA DESE to provide supplemental resources to local school districts to help ensure that English learners (ELs) and immigrant children attain English proficiency and develop high levels of academic achievement in English, assist teachers and administrators to enhance their capacity to provide effective instructional programs.



## ***FY19 CONTRACTS & GRANTS***

Contracts & Grants Comparison FY17-FY19



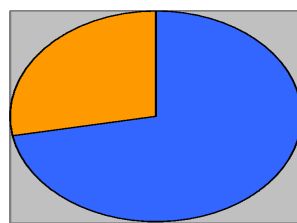


## **EDCO YOUTH ALTERNATIVE PROGRAM**

**AJAY TREVEDI, PROGRAM DIRECTOR**

**LOCATED AT 23 WALKER STREET, CHARLESTOWN, MA 02129**

*The mission of EDCO Youth Alternative (EYA) is to educate young people and guide them toward their goals of a high school diploma and a successful step beyond graduation. We seek to create a diverse community and supportive environment that empowers students to work through difficulties, learn academic and life skills, and become advocates for a promising future.*



■ SY1718 Graduating Seniors (18 = 72%)

■ SY1718 Seniors Not Completing Coursework for Graduation (7 = 22%)

■ SY2018-2019 Graduation & Retention Rate (72%)

■ SY2018-2019 Attrition Rate (28%)

### **Program Activities**

EDCO has moved to a new location after 35 years in Kenmore Square. We are now within the Edwards Middle School in Charlestown MA. The move was a long and involved process and dominated our summer work. The new space is the same number of rooms, but twice the square footage, which opens many possibilities for learning. - New location offers great partnership and dual-enrollment opportunities at Bunker Hill Community College (less than 1/4 mile away) - Classroom teachers using new technology following FY18 investment in Prowise smart boards - New staff and student relationship building during September school opening - Culture setting within 350 student middle school, introductions of EDCO and BPS staff within the building - Development of online graduation tracking documents by guidance counselor - Rollout of senior transition course within grade 12 ELA classes - Discussion circles and hands-on learning in classrooms - Collaboration within EDCO and BPS program networks - Strategizing with alternative education leaders to craft structural responses to city's Parthenon Report on Boston's off-track youth population

## ***WRENTHAM HABILITATIVE SERVICES***

***JENNIFER THOREN, DIRECTOR***

***Located at the Wrentham Developmental Center, Waltham, MA***

EDCO's Habilitative Services Program at Wrentham Developmental Center (WDC) is dedicated to providing therapeutic services to over 235 adult residents with intellectual disabilities, through a grant awarded by the Department of Developmental Services. The Habilitative Services provided by the team include adapted physical education, occupational therapy, physical therapy, and orientation and mobility. Through these services, the team provides residents significant opportunities for improved health, safety, recreation, and leisure throughout the year. Although the majority of the therapies are preventive and designed to maintain or improve a resident's current level of functioning, treatments are also provided to individuals with major short-term acute and rehabilitative needs as well as to individuals following surgeries, fractures and community hospital stays.

In addition to caring for the residents, EDCO team members provide ongoing training and orientation for WDC employees in their respective therapeutic areas, such as wheelchair safety and mechanical lifts, dysphagia, sensory integration/sensorimotor processing, fitness equipment, sensitivity to vision impairment and blindness, techniques of orientation and mobility and eyeglass maintenance. Similarly, team members provide ongoing consultation for the purchase of appropriate durable medical equipment, bathing/showering equipment, beds and mattresses, adaptive technology programs and other adaptive equipment required by the unique needs of the residents.

As active participants in a number of WDC committees, including Health Care, Risk Management, Training, Alzheimer's and Bereavement, the team demonstrates leadership by sharing their expertise in each respective focus area. The team also impacts the greater community by providing consultations and evaluations to residents in the community, volunteering at the annual Cracker Barrel Fair, providing student observations for aspiring therapists, as well as supervision and mentorship for the Urban Youth Collaborative Program.

Notable program highlights for FY19 in each therapeutic area follow:

- The Adapted Physical Education (APE) team provided movement and exercise opportunities to 120 residents (49% of the population), including direct services, ensuring safe and effective program implementation and group programs. Additional accomplishments by the APE team include:
  - "Let's Move!" This incentive-based walking program for both residents and staff program is offered in both the spring and fall to all Units at WDC. Prizes were awarded based on attendance, distance walked, and greatest Unit participation. A new indoor walking session is currently being offered to keep the progress residents have achieved, going.
  - "Drums Alive." This upbeat movement program continues to be offered weekly and is attended by an average of 25 residents and 20 staff. It is a collaborative effort, led by our APE team but provided with the assistance of recreation staff. This program was nominated and won the Wrentham Developmental Center's Calorio Award.
  - Organized a summer of wellness: to involve staff and residents in activities throughout the summer to educate WDC on the importance of health and wellness.

- The Occupational Therapy (OT) team provided direct and consultative services to an average of 226 residents (91% of the population) per month. Additional accomplishments by the OT team include:
  - Provided various groups including yoga, sensory and fine motor.
  - Weekly therapeutic facility dog group program to implement therapy goals. Group run by OT who is a certified handler.
  - Monitored and trained on daily meal programs and dining equipment.
  - Provided assistive technology evaluations
  - Completed six occupational therapy evaluations for consumers living in the community
  - Evaluated bathing and recommended equipment/environmental modifications to meet the safety needs of the complex individuals residing at WDC.
  
- The Physical Therapy (PT) team provided direct and consultative services to an average of 201 residents (79% of the population) per month. Additional accomplishments by the PT team include:
  - Worked with a Certified Pedorthic shoe fitter to meet complex and specialized foot issues.
  - Coordinated and attended Orthotic Clinics for a total of 163 resident visits
  - Worked collaboratively with Assistive Technology Resource Center, Nursing, Medicine, Unit staff and Facility Administration on bed positioning to reduce aspiration pneumonia risk.
  - Completed Two physical therapy evaluations for consumers living in the community
  
- The Orientation and Mobility (O&M) Assistants Team provided services direct services to 13 residents per month. Additional accomplishments by the O&M team include:
  - Provided volunteer coordination, pre-conference preparation, and on-site service for the 14<sup>th</sup> Annual "Focus" on Vision Impairment and Blindness Conference: Meeting the Needs of Individuals with Intellectual Disability and Vision Loss
  - Scheduled and ran eye glass clinics and ensured that every resident has two pairs of eyeglasses each.
  - Provided low vision blindness trainings for all new employees and ongoing retraining on individuals' objectives and plans of approach to direct care workers



## ***SPECIAL EDUCATION SURROGATE PARENT PROGRAM***

***Megan Ronzio, Director  
Working in conjunction with DESE***

EDCO Collaborative SPECIAL EDUCATION SURROGATE PARENT PROGRAM (SESPP)  
Federation for Children with Special Needs RECRUITMENT, TRAINING AND SUPPORT CENTER  
(RTSC) COLLABORATIVE YEAR END REPORT FY19

### **Program Highlights:**

- There are currently 24 school districts or Collaboratives participating in the Local Educational Agency Recruitment Program. During FY19, twelve new volunteers indicated their LEA as referral source.
- There were 688 active volunteers at the end of FY19 – an increase of approximately 4%. The number of active volunteers has been just shy of 700 over the past several years. \*See RTSC Chart 1 at end of report.
- RTSC held 10 SESP Networking meetings during FY19. These meetings included presentations and facilitated IEP Case Round discussions. Networking meetings with DCF Social Workers were established this year and will take place in the various DCF area offices with the goal of better understanding each role and fostering improved communications.
- The average rating for overall content of RTSC orientation and trauma trainings during FY19 was 97% and 98% respectively. A total of 174 individuals attended RTSC orientation trainings an increase of 16.5% from the previous year. Orientations were held at various locations throughout the state. \*See RTSC Chart 2 at end of report.
- During FY19, RTSC received 843 registrations for our monthly webinars: 53 asked to be contacted to learn more about the SESP program; 279 asked to be added to the mailing list. • The Federation's Project Leadership Team works to share information and promote collaboration among the various projects. This has resulted in SESP recruitment brochures and flyers being distributed by each Federation project any event they present or attend and maximizes our statewide outreach efforts.
- In response to the May 9th phone conference with Michelle Poulin, RTSC updated the SESP Application to gather demographic information on our volunteers. A fall Needs Assessment will also include a request for demographic information to help identify the diversity of the volunteers within the program.
- During FY19, 900 students were referred or re-referred to the SESP Program. SESP's were appointed to 492 students.
- The percentage of students appointed within 30 days of eligibility determination has been a steady 99% over the past three fiscal years. The percentage of students appointed within 14 days of eligibility determination rose to 95%.

- SESP Appointment and Mentor Program End Report Forms consistently show a 100% satisfaction rate with the SESP Program and the RTSC.
- The SESP Program developed an updated student referral form designed to more effectively guide providers into making valid referrals. Subsequent to its release, inappropriate initial referrals to the program decreased by 20% compared to the same time period in FY18.
- The SESPP has continued to focus on our outreach efforts, providing information on the SESP Program, the rights of the SESP, and the student referral process. This information has been distributed at the Massachusetts Association of School Committees (MASC) conference, Family Networks SESPP – RTSC Year End Report FY 2019 Page 2 regional and state-wide events, DCF regional office trainings, individual meetings with DCF education coordinators district leadership roundtables and new personnel training events, additional provider networking events, and via USPS upon request. We have also continue to partner with agencies such as the Mass Migrant Program and Ascentria (Unaccompanied Refugee Minor services) in providing services and resources to shared service populations.
- The SESP Program has continued to implement multiple database initiatives, including a DCF reconciliation project and a regular database-oriented student case management system, designed to promote an accurate representation of volunteer resources as well as provide appropriate student services. An average of 374 students per quarter had case management activities conducted around their case.



## ***MASSACHUSETTS MIGRANT EDUCATION PROGRAM***

***Emily Hoffman, Program Director***

***Located throughout Massachusetts***

The Massachusetts Migrant Education program (MMEP) is a federally funded program through Title 1, part C to provide supplemental educational support to the children and youth of migratory agricultural workers and fishers, as well as the workers themselves if under the age of 22. An estimated 582 migratory children and youth residing in 20 school districts throughout the Commonwealth were identified in the 2018-2019 program year.

The program's success in serving the migratory families relies on the relationships, partnership and ability to collaborate with school districts and community based organizations to identify and recruit all eligible students, to connect students and their families with resources and programs in their school district and community. In addition, funding is used for direct services that provide supplemental learning opportunities to ensure a successful pathway to high school graduation or equivalent. Service delivery include: site based and in home tutoring/homework assistance; English and Life Skills classes for Out of School Youth (OSY); preschool and family literacy programming; advocacy and referrals to programs such as WIC, legal services, MassHealth, school evaluations and follow-up; outreach and recruitment services; assistance in enrollment in summer camp and enrichment programming; and summer programming to provide English language development, ELA/Math enrichment and community based field trips.

In the 2018-2019 program year, MMEP had an increase of students identified, many enrolling in a US school system for the first time. The program also saw a shift in where migratory students were living, increasing the number of low-incident school districts serving them. There has been a significant increase in students who meet the criteria for Priority for Service (PFS), creating a need for academic interventions, especially for those considered SLIFE (Students with Limited or Interrupted Formal Education). In addition to academic supports for PFS students, the program continued support services for high school students, students who had a high risk of failure in core academic competencies, and those students (preschool and out of school youth) who would not receive services from the school district where they reside. Summer continued to be a busy time with an increase in recruitment and robust summer services throughout the Commonwealth.

In FY19 the Massachusetts Migrant Education Program provided a range of services, including:

- Support for preschool aged children to enroll in structured Early Childhood Education programs in their community
- Site and home-based supplemental educational supports during the academic year
- English and life skills classes for Out of School Youth
- Academic interventions
- Support for parents/guardians in advocacy for academic services such as IEP/504 requests, tutoring, and counseling
- Academic summer programs (Pre K-12)
- Referral to the New England High School Equivalency Program for Migrant and Seasonal Farmworkers
- Referral services to educational, health and community services
- Programming aimed at family involvement
- Facilitating Regional and Statewide Migrant Parent Advisory Councils (PAC)



***NEW ENGLAND HIGH SCHOOL EQUIVALENCY PROGRAM***  
***Christine Damon, HEP Director***  
***Located in Bedford, MA, New Hampshire and Vermont***

New England High School Equivalency Program  
Located in Massachusetts, New Hampshire, Maine and Vermont

EDCO Collaborative is the successful grantee of the New England High School Equivalency Program (NE HEP), federally funded through the Office of Migrant Education, US Department of Education. The program is tasked with providing migrant and seasonal farmworkers the opportunity to earn the equivalent of a high school diploma via the HiSET or GED exam. Upon earning their diploma, the HEP program then assists students in the pursuit of improved employment, post-secondary education or training programs, or successful application to the US military. This program serves migrant and seasonal farmworkers and their families who reside in Massachusetts, Vermont, New Hampshire and Maine. The program is a joint collaboration of EDCO, The University of Vermont Extension and World Education, Inc. as well as the Migrant Education Programs in each of the four states. Students are provided with technology, resources, tutoring and coaching support that enable them to independently study for the exams. Each student is assigned a coordinator and tutor who works to develop an individual learning plan and timeline for test completion.

75 students were enrolled in the program from July, 2018 through June, 2019. Sixteen students successfully completed the battery of exams to receive their high school equivalency diploma with many beginning vocational training programs, enrolling in community college or improving their employment situation.





## **MC SWINEY CENTER FOR PROFESSIONAL LEARNING**

**DR. ANDREW KELLEY, DIRECTOR**

***Located at 36 Middlesex Turnpike in Bedford, MA***

### **Mission:**

The McSwiney Center for Professional Learning provides professional learning programs, networking opportunities, and special projects to assist member school districts in strengthening their curriculum and instruction. The McSwiney Center program goals are developed by district representatives on EDCO's Program Advisory Committee in concert with EDCO staff to address current issues and needs across the collaborative.

### **McSwiney Center Objectives:**

- Establish and support networks and forums for sharing information, resources, and state-of-the-art theory and practice about teaching and learning
- Design and manage high quality, cost effective professional learning programs that address members' interests and needs
- Provide technical assistance programs for member districts on new state regulations
- Extend member systems' access to programs, resources and materials of local institutions through collaborative projects and alliances

### **Program Highlights from the 2019 -2020 School Year:**

- Partnered with The Department of Secondary and Elementary Education's (DESE) office of Educator Effectiveness on the *InSPIRED Fellowship* which provided direct support to 35 Fellows who actively recruited young adults in high schools, community colleges and institutions of higher education who are interested in pursuing a career in education. This direct support included collecting and managing a contact list of over 450 inspiring teachers in Massachusetts. As part of this initiative, the staff at the McSwiney Center also worked with the Office of Educator Effectiveness with the planning and organizing of the *InSPIRED* kick off meeting, the statewide virtual meeting and the year-end wrap up meeting. The McSwiney Center supported the InSPIRED initiative with monthly virtual regional meetings and logistical support during college recruiting events.
- Provided support to districts around current ESE initiatives, including SEI Endorsement courses for teachers and administrators, and 15 hour workshops to meet the recertification requirements in working with ELL students and students with disabilities. EDCO offered 8 teacher endorsement courses and 2 administrator courses and 4 CVTE SEI Courses with 189 educators receiving their SEI endorsement through EDCO-sponsored courses. Additionally, EDCO offered 22 15-hour courses assisting 330 educators to satisfy the recertification requirement. Additionally, EDCO offered SEI MTEL Prep courses for the second year in a row which supported 9 educators in preparing for the SEI MTEL test.
- Developed specialized professional learning seminars, workshops and courses in the fields of art, early childhood education, foreign language, history/social studies, language arts, library research, mathematics, multicultural education, music, physical education, science, special education and technology.

- Overall, EDCO served over 3,500 teachers and administrators in 212 professional learning programs led by current and former EDCO teachers and administrators and by regional and national leaders in their field.
- Provided support to administrators through SEI endorsement courses, and a workshop for new administrators on the evaluation system.
- Secured grant funding through DESE in the areas of both science and English language learning. The Title III grant funding focused on English language learning for five EDCO districts that would not otherwise have had access to the funds. The funds (\$31,464) supported before and after school and summer tutoring for ELLs as well as professional learning at no cost to the districts.
- Convened and facilitated over 20 inter-district professional learning groups comprised of specialists, lead teachers, coordinators and administrators; in addition, arranged for groups in certain content areas to meet to plan for interdisciplinary alignment.
- Partnered with Keys to Literacy and Commonwealth Learning Center to successfully host EDCO's second annual Literacy Conference serving over 85 participants.
- Partnered with local and national organizations and institutions to bring programs, research and information to districts, including: Commonwealth Learning Center, deCordova Sculpture Park and Museum, Heinemann, Keys to Literacy, MA Audubon Society, MATSOL, MRA, MSLA, Salem State University, TERC, Thoreau Institute, Wilson-Language Institute, World War II Museum in Natick, Teacher's College and Worcester State University.
- Contracted with highly sought after presenters such as Robert Brooks, Nadine Gaab and Zaretta Hammond.

#### **Benefits for Member Districts:**

- Through the job-alike groups, EDCO is able to identify member educators who have particular expertise to share across the collaborative. More than 19 current and former teachers from EDCO districts taught/co-taught workshops in 2018-19.
- EDCO Collaborative's professional learning workshops and courses are offered at the lowest possible fee to cover the cost of the presenter and a modest overhead rate. Tuitions range from \$50 - \$450, depending upon course length and provider fees. These rates compare favorably to other institutions where fees may range from \$100 to \$1000.
- A one-credit course is offered through the McSwiney Center for \$195. Rates at colleges and universities in our geographical area range from \$328 per credit at a public university to \$1556 at a private university. Through a partnership with Worcester State University, EDCO was able to provide graduate level credit to over 340 educators.
- EDCO Collaborative Roundtables (job-alikes) are offered at no charge to member districts.

### **Leadership Roundtables:**

EDCO's membership fee supports unique opportunities for information exchange, collaborative project development, and shared professional learning experiences at no additional cost to the member districts. The professional learning groups are a key component of EDCO's professional learning. Frequently, we receive requests from educators in non-member districts to join our groups. Our leadership roundtables include:

- School Committee
- Superintendents
- Assistant Superintendents for Curriculum and Instruction
- High School Principals
- Special Education Administrators
- School Psychologists
- Team Chairpersons
- Early Childhood Directors
- K-8 ELA Coordinators
- K-8 Math Coordinators
- K-8 Science Coordinators
- K-8 Social Studies Coordinators
- Technology Leadership
- Data Specialists
- Network Managers
- Technology Integration Specialists
- Library Coordinators/Teachers
- Health and Wellness Coordinators
- English Language Learners Coordinators
- BCBA's
- ASD group
- Benefits/Cost Savings for Member Districts

### **Cost Effective:**

Comparable job-alikes in EDCO's geographic area are offered for \$600-\$1500 for the year. EDCO roundtables also offer the opportunity for professionals from like districts to brainstorm issues and challenges. Attendees express their gratitude for the opportunity to reach out to peers who have experienced similar challenges, thus promoting collaboration and saving on attorney fees.



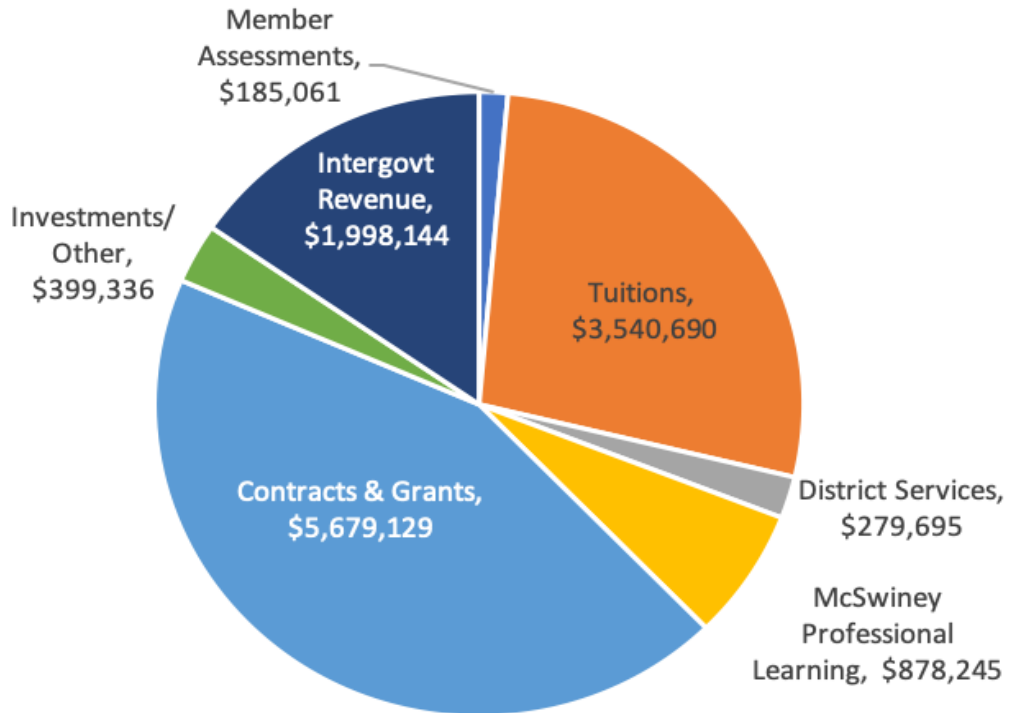
# **Addendum I**

## **FY19**

### **Revenue Charts**



## ***FY19 REVENUE BY SOURCE***

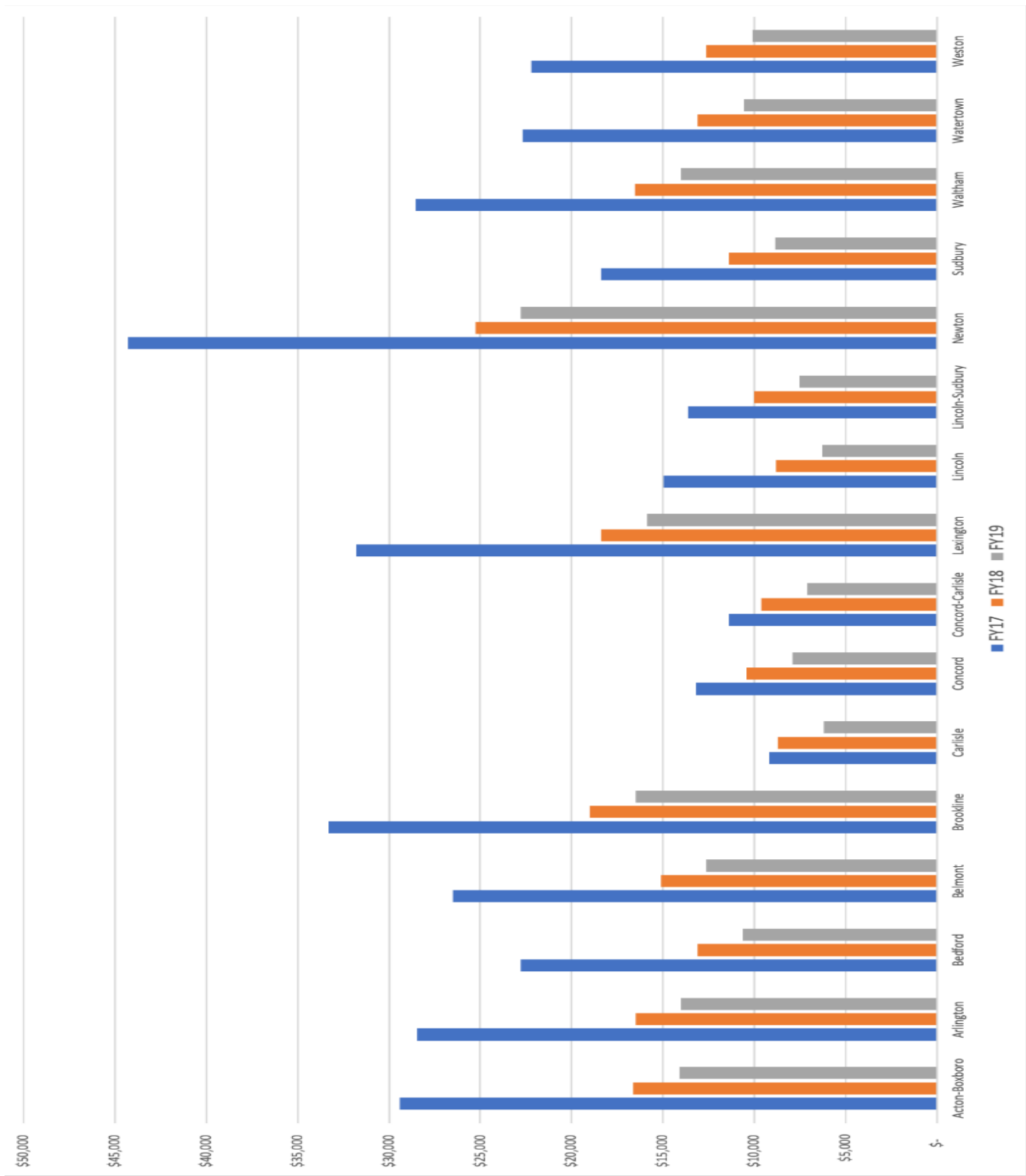


***EDCO MEMBERSHIP ASSESSMENT COMPARISON  
FY17 – FY19***

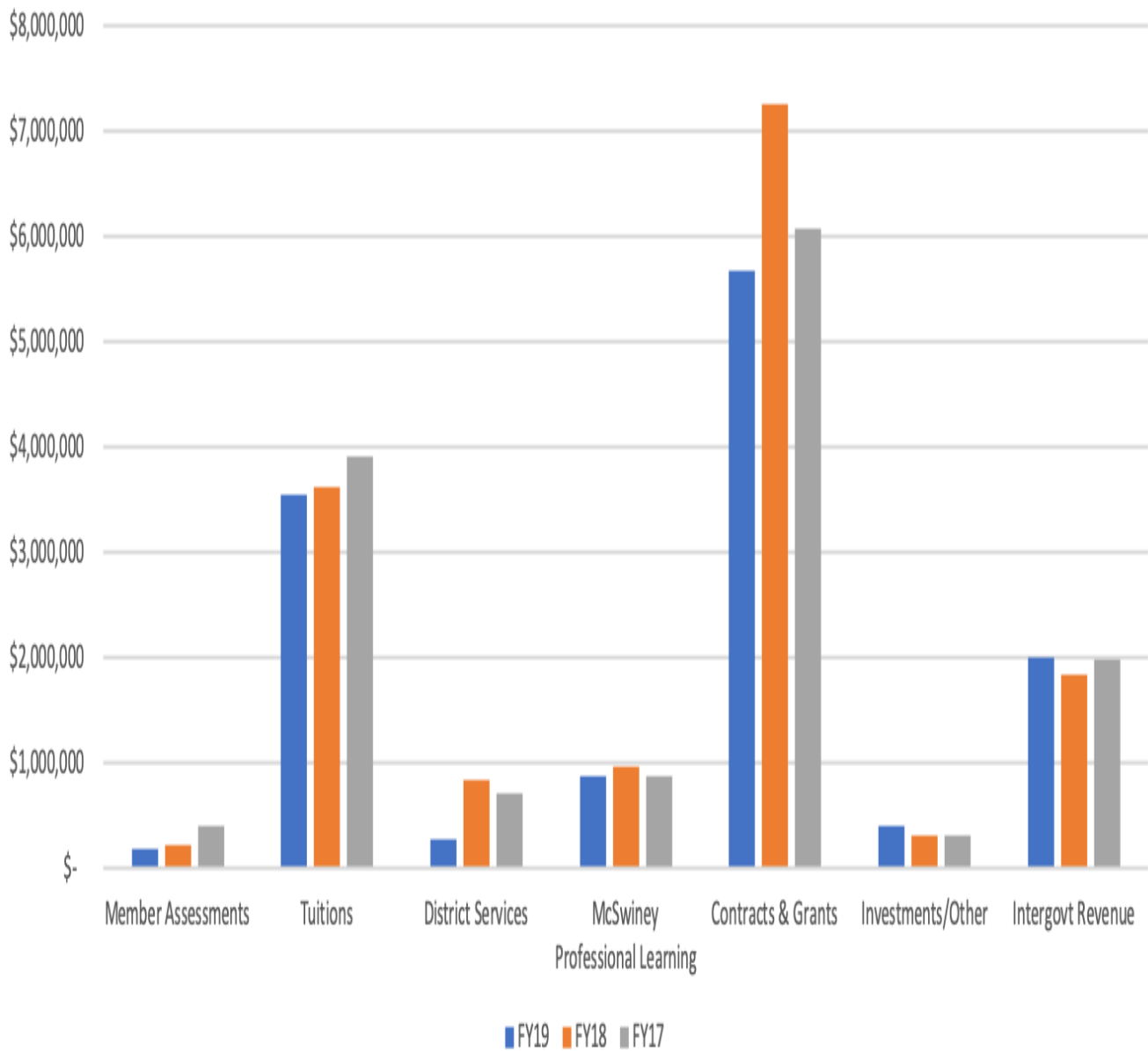
DISTRICT	FY17	FY18	FY19
Acton-Boxbororough	\$ 29,409	\$ 16,611	\$ 14,111
Arlington	\$ 28,455	\$ 16,482	\$ 13,982
Bedford	\$ 22,761	\$ 13,115	\$ 10,615
Belmont	\$ 26,494	\$ 15,108	\$ 12,608
Brookline	\$ 33,331	\$ 19,002	\$ 16,502
Carlisle	\$ 9,171	\$ 8,692	\$ 6,192
Concord	\$ 13,192	\$10,413	\$ 7,913
Concord-Carlisle	\$ 11,371	\$ 9,608	\$ 7,108
Lexington	\$ 31,798	\$18,374	\$ 15,874
Lincoln	\$ 14,953	\$ 8,797	\$ 6,297
Lincoln-Sudbury	\$ 13,628	\$ 10,000	\$ 7,500
Newton	\$ 44,283	\$ 25,276	\$ 22,776
Sudbury	\$ 18,415	\$ 11,364	\$ 8,864
Waltham	\$ 28,552	\$ 16,518	\$ 14,018
Watertown	\$ 22,680	\$ 13,084	\$ 10,584
Weston	\$ 22,190	\$ 12,617	\$ 10,117

TOTALS	\$370,683	\$225,061	\$595,744
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## ***REVENUE BY SOURCE FY17 – FY19 COMPARISON***



# **Addendum II**

## **FY19 Financial Statements**



**EDCO Collaborative**  
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For the Year Ended June 30, 2019

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**FRITZ DEGUGLIELMO LLC**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**& BUSINESS ADVISORS**

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
EDCO Collaborative  
Bedford, Massachusetts

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of EDCO Collaborative (a collaborative organized under the Laws of the Commonwealth of Massachusetts), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise EDCO 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 an opinion 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 opinion.

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of EDCO Collaborative, as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Substantial Doubt about EDCO Collaborative's Ability to Continue as a Going Concern***

The accompanying financial statements have been prepared assuming that EDCO Collaborative will continue as a going concern. As discussed in Note P to the financial statements, the Collaborative recognized a significant decrease in governmental funds during the year ended June 30, 2019, due to operating deficits, and a significantly reduced unassigned general fund balance as of June 30, 2019. These factors indicate that a substantial doubt that the Collaborative may not be able to continue as a going concern exists. Management's evaluation of the events and conditions and management's plans regarding those matters also are described in Note P. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension schedules on pages 3-7 and 28-34 be presented to supplement the basic financial statements. Such information, although not 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 for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the 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 an opinion on the financial statements that collectively comprise EDCO Collaborative's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

#### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2019, on our consideration of EDCO Collaborative's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of EDCO Collaborative's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering EDCO Collaborative's internal control over financial reporting and compliance.



Certified Public Accountants

Newburyport, Massachusetts  
December 19, 2019



**EDCO Collaborative**  
Management's Discussion and Analysis  
June 30, 2019

Our discussion and analysis of EDCO Collaborative's ("EDCO") financial performance provides an overview of EDCO's financial activities for the fiscal year ended June 30, 2019. Please read it in conjunction with the financial statements that begin on page 8.

**Overview of Financial Statements**

This discussion and analysis is intended to serve as an introduction to EDCO's financial statements. EDCO's financial statements comprise three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

***Government-wide Statements:***

The government-wide financial statements report information about EDCO as a whole using accounting methods similar to those used by private sector companies.

- The **Statement of Net Position** presents information on all of EDCO's assets and liabilities with the difference between the two reported as net position. It is one way of measuring EDCO's financial health or position.
- The **Statement of Activities** presents information showing how EDCO's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

Over time, increases or decreases in EDCO's net position is an indicator of whether its financial position is improving or deteriorating. The reader will also need to consider other non-financial factors such as changes in economic conditions when evaluating the overall financial health of EDCO.

***Fund Financial Statements:***

Funds are accounting devices used to keep track of specific sources of funding and spending in particular categories: governmental funds, proprietary funds, and fiduciary funds. Presently, EDCO has only governmental funds.

- **Governmental funds** – EDCO's basic services are included in governmental funds, which generally focus on: 1) how cash and other financial assets that can readily be converted to cash flow in and out, and 2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance EDCO's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information (reconciliation schedules) is provided following the governmental funds statements that explains the relationship (or differences) between these two types of financial statement presentations.

***Notes to the Financial Statements:***

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the information provided in EDCO's financial statements.

***Required Supplementary Information:***

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which is required to be disclosed by accounting principles generally accepted in the United States of America.

**EDCO Collaborative**  
Management's Discussion and Analysis  
June 30, 2019

**Government-wide Financial Highlights**

***Revenue and Other Support***

Revenue and other support for the fiscal year ended June 30, 2019 decreased \$2,221,311, or 17% from the prior fiscal year, excluding retirement systems on-behalf revenue. EDCO Collaborative (EDCO) recorded dividend and interest income, and realized and unrealized gains on investments of \$32,333 and \$124,902, respectively, in fiscal year 2019. The Collaborative's Federal and state grants experienced decreases in revenues as a result of declines for Title I services, while the remaining decreases are a result of declines in various programs collaborative-wide.

Service fee income decreased \$426,843 or 87% from the prior fiscal year. The decreased service fee for fiscal year 2019 as a result of the separation of shared accounting and human resources cost with LABBB Educational Collaborative (LABBB).

***Expenses***

Expenses for the fiscal year ended June 30, 2019 decreased \$1,801,227 or 13% from the prior fiscal year, including other postemployment benefits expense, investment fees and interest expense and excluding retirement systems on-behalf expense. While numerous programs experienced expense decreases, the Title I Services saw a large decrease in revenue and also saw a decrease in the amount of expenses associated with the program. With the removing of the shared accounting and human resource services with LABBB Collaborative, there was an increase in administrative expenditures over the previous year primarily due to payroll related expenses. The Special Education Tuition program saw a small decrease in revenues but there was an increase in expenses as a result of increases in program related expenses and supplies. There were several programs and grants that experienced small decreases in expenses. The program and grant that experienced the most significant decrease in expenses was the Title I program.

Service fee expenses increased \$408,799 or 100%. The decrease relates to no longer sharing costs for accounting and human resources payroll with LABBB Collaborative.

Management and general expenses increased \$388,348 or 25%, excluding depreciation expense. There was an approximately \$174,000 and \$96,000 increase in management and general payroll expenses and occupancy costs and an increase of approximately \$126,000 in other general expenses in fiscal year 2019.

***Change in Net Position***

EDCO Collaborative's net position decreased by approximately \$1,131,000 in fiscal 2019, excluding OPEB expense in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 75, compared to a decrease of \$83,000 in fiscal 2018. The deficit in fiscal 2019 was a result of expenses exceeding revenues during the year, primarily to large decreases to grants received for federal programs, as well as the ending of the shared services relationship with LABBB Collaborative. During fiscal 2019, EDCO Collaborative recorded increases in net retirement health benefit obligations required by GASB Statement No. 75 of \$539,176. Other changes in assets and liabilities are due primarily to operations in fiscal 2019.

***Total Assets***

Total assets as of June 30, 2019 decreased \$390,378 or 7% from June 30, 2018. Accounts receivable and unbilled revenue decreased by a combined \$200,717, primarily due to uncollected invoices being lower at June 30, 2019. Equipment and leasehold improvements decreased by \$185,920, primarily due to depreciation expenses in excess of leasehold improvements and equipment expense, while cash and investments increased \$23,755. The majority of the changes relate to the general operations of the Collaborative.

**EDCO Collaborative**  
Management's Discussion and Analysis  
June 30, 2019

**Government-wide Financial Highlights – (continued)**

EDCO maintains cash balances with Rockland Trust and the MMDT. Cash balances at Rockland Trust are maintained at levels that at times exceed FDIC protection. Cash balances at the MMDT are not FDIC insured. The MMDT is managed by the Massachusetts State Treasurer and Federated Investments and offers investors a stable investment option, competitive yields, low cost, liquidity, and professional management. The MMDT investment objectives are the preservation of capital, maintaining a high level of portfolio liquidity, and to attain the highest level of current income consistent with the objectives of preservation of capital and liquidity. To achieve the investment objectives, the MMDT limits investments to the highest quality U.S. dollar-denominated money market instruments of domestic and foreign issuers, U.S. government securities, and repurchase agreements. EDCO had a minimal amount invested with the MMDT during fiscal year 2019.

The Collaborative maintains its restricted funds for its professional development center in an investment account that is professionally managed by Boston Private Bank & Trust Company. As of June 30, 2019, the portfolio composition included 64% equity securities, 22% fixed income securities, 11% mutual funds, and 3% cash and cash equivalents. The Collaborative manages its investments in accordance with state public finance laws that require that all moneys held in the name of the Collaborative, which are not required to be kept liquid for purposes of distribution, shall be invested in such a manner as to require the payment of interest on the money at the highest possible rate reasonably available, taking account of safety, liquidity and yield. The Collaborative has directed Boston Private Bank & Trust Company to manage the funds in accordance with these laws. However, the investments are still subject to market risk of loss.

Net equipment and improvements decreased \$185,920 in fiscal year 2019. The decrease consists of equipment purchases of \$29,994 net of depreciation totaling \$215,914. Items with a minimum cost of \$5,000 are capitalized and depreciated over their useful lives, ranging from 3 to 15 years, using the straight-line method of depreciation with a half year convention.

***Liabilities and Net Position***

Total liabilities as of June 30, 2018 increased \$1,238,506 or 21% from June 30, 2018. During the year ended June 30, 2016, EDCO entered into a \$1,200,000 note payable agreement with the owner of 36 Middlesex Turnpike in Bedford, Massachusetts to finance leasehold improvements. The Collaborative has paid down the balance of the note by \$102,501 during the year ended June 30, 2019. There were large increases in accrued expenses in fiscal 2019 but there was a small decrease in deferred revenues. There was also an increase in liabilities as a result of there being a balance of \$399,933 on the line of credit as of June 30, 2019 compared to a balance of \$0 as of June 30, 2018. The remaining increase in liabilities is primarily due to the fiscal 2019 increase in the OPEB liability.

**Governmental Funds Financial Highlights**

The Collaborative reported a total governmental fund balance of \$1,374,973, of which \$323,899 is unassigned, \$9,107 is nonspendable, \$451,036 is assigned for use in the Collaborative's professional development program, and the remaining \$590,931 is restricted. The fund balance decreased \$1,032,010 over the prior fiscal year, primarily as a result of operations. Accounts receivable and unbilled revenue decreased by a combined \$200,717. Cash and investments increased \$23,755. Accounts payable and accrued expenses increased by \$448,232. In addition, deferred revenue decreased by \$11,488 and line of credit increased by \$399,933.

**EDCO Collaborative**  
Management's Discussion and Analysis  
June 30, 2019

**Budgetary Highlights**

EDCO's annual budget for fiscal 2019 was approved by its Board of Directors. For the fiscal year ended June 30, 2019, EDCO received revenues, excluding retirement systems on-behalf revenue, of approximately \$10,962,000 compared to amended budgeted revenues of approximately \$10,603,000. The difference between actual revenues received and budgeted revenues is approximately 3.4% of budgeted revenues.

For the fiscal year ended June 30, 2019, EDCO incurred expenses, excluding retirement systems on-behalf revenue, of approximately \$11,994,000 compared to amended budgeted expenses of approximately \$10,869,000. The difference between actual expenses incurred and budgeted expenses is approximately 10.4% of budgeted expenses. The primary differences between budgeted revenues and expenses was new, mid/late-year unplanned or unbudgeted expenses, a drop in tuition and service revenue, and a loss of existing grant and contract revenue and their related indirect contributions some of which was partially offset by an increase in new grants and contributions but an increase in special education services and instructional expenses.

**Known Facts, Decisions, or Conditions**

EDCO continues to invest in the quality of its educational programs through curriculum and technology enhancements, recruiting & retaining strong teachers and student support staff and improving rigor and relevancy of our professional development for our educators and administrators.

The McSwiney Center for Professional Learning continues to offer and enhance its high quality professional development programs for educators and administrators. Center staff members work closely with member districts to identify and develop course offerings that meet the needs of the districts. Since fiscal year 2013, the Center has sponsored institutes on The Art of Science, the Science of Art and Fostering Mathematical Practices with English Learners, initiated new roundtables for Guidance Counselors and Data Specialists and assisted districts in planning for implementation of district-determined measures. The Center staff continues to offer programs to support English Language Learners (ELL), and to sponsor math and literacy programs that address the Common Core standards for teaching and learning.

The LABBB/EDCO Transportation Network continued, under the joint management of LABBB and EDCO, and offered transportation services during the year. The Transportation Network transported students with disabilities from seven member school districts, namely Arlington, Belmont, Burlington, Lexington, Waltham, Watertown and Weston. The Transportation Network was developed to improve quality and planning for transportation services and substantially reduce costs for school districts through group purchasing and cost sharing. EDCO provided accounting, financial and procurement services for the Transportation Network and offset some administrative costs to its administration.

EDCO Collaborative moved to a new building in Bedford, MA in September 2014. The building renovations began in the late spring of 2014. The new facility provides more office space for administration, larger and improved conference and meeting space for the McSwiney Center for Professional Learning, and new academic, clinical, extracurricular and culinary space for three schools: EDCO Collaborative's North Crossing Academy and Partners Program and in fiscal 2017 through fiscal 2019 for CASE Collaborative's Rise Program. The space includes fourteen classrooms, a science lab, an art studio, a media library, five sensory rooms, a recreation gym and fitness center, a full kitchen and student cafeteria. The Academy and Partners have the capacity to serve over one hundred thirty students.

The Academy offers three unique programs:

1. A Therapeutic Day School (North Crossing) – This program serves students in grades 6 to 12 who have had mental health, social/emotional, or behavioral needs, the impact of which adversely affects daily school performance.

**EDCO Collaborative**  
Management's Discussion and Analysis  
June 30, 2019

**Known Facts, Decisions, or Conditions – (continued)**

2. 45-Day Assessment Program – This program serves students in grades 6 to 12 who are referred by their school districts for an in-depth analysis of learning, social, emotional and /or behavioral needs.
3. Youth Alternative Interim Program – A program for students who have been suspended from their school program for disciplinary code violation and/or school district personnel are unclear about the most effective educational options for students. This is an interim program for students in grades 9 to 12.

EDCO implemented GASB Statement No. 68 in fiscal year 2015. The standard relates to the accounting and financial reporting for pensions. EDCO's employees participate in the Massachusetts Teachers' (MTRS) or State Employees' Retirement System (MSERS), statewide cost-sharing multi-employer defined benefit plans public employee retirement systems (PERS) covering all employees of local school districts within the Commonwealth of Massachusetts ("the Commonwealth").

Educational collaboratives contribute amounts equal to the normal cost of employees' benefits participating in MSERS at a rate established by the Public Employees' Retirement Administration Commission (PERAC), currently 5.6% of covered payroll. The Commonwealth is a nonemployer contributor in MTRS and MSERS and is required by statute to make all actuarially determined employer contributions on behalf of the member employers participating in MTRS. Therefore, the Collaborative is considered to be in a 100% special funding situation as defined by GASB Statement No. 68. Since the employers do not contribute directly to each system beyond the MSERS annual normal cost, there is no net pension liability to recognize. However, the notes to the financial statements must disclose the portion of the nonemployer contributing entities' share of the collective net pension liability that is associated with the employer. In addition, EDCO must recognize its portion of the collective pension expense as both revenue and pension expense.

EDCO implemented GASB Statement No. 75 in fiscal 2018. The Collaborative historically recorded the cost of the postemployment health benefits on a "pay as you go" basis. Under GASB Statement No. 75, the Collaborative is required to report the effects of OPEB-related transactions and events on its financial statements and to provide information about the Collaborative's OPEB obligations and the assets available to satisfy the obligations. This change significantly increased and accelerated the recording of these costs and significantly impacted the Collaborative's government-wide financials in fiscal year 2018. The Collaborative recorded a charge for the estimated annual cost of the program for fiscal year 2019 of \$539,176.

***Requests for Information***

This financial report is designed to provide readers of the financial statements an overview of EDCO's financial activities. If you have questions in regard to this report, contact our Executive Director, Nadine Ekstrom, or our Director of Business Management and Human Resources, Thomas Markham, at (617) 738-5600.

**EDCO Collaborative**  
Statement of Net Position  
June 30, 2019

	<b>Governmental Activities</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and cash equivalents	\$ 276,755
Investments	1,170,823
Accounts receivable, net	1,273,349
Unbilled receivables	360,441
Prepaid expenses	9,107
<b>Total Current Assets</b>	<u>3,090,475</u>
<b>Non-current Assets</b>	
Equipment and improvements, net	1,738,808
Deposits	4,550
<b>Total Non-current Assets</b>	<u>1,743,358</u>
<b>Total Assets</b>	<u><u>\$ 4,833,833</u></u>
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>	
<b>Current Liabilities</b>	
Current portion of note payable	\$ 107,745
Line of Credit	399,933
Accounts payable	814,274
Accrued liabilities	438,291
Deferred revenue	63,004
<b>Total Current Liabilities</b>	<u>1,823,247</u>
<b>Non-current Liabilities:</b>	
Compensated absences	134,136
Note payable, net of current portion	627,271
Net OPEB liability	4,521,744
<b>Total Non-current Liabilities</b>	<u>5,283,151</u>
<b>Total Liabilities</b>	<u>7,106,398</u>
<b><u>Deferred Inflows of Resources</u></b>	
Deferred Inflows of Resources Related to OPEB	<u>148,949</u>
<b>Net Position</b>	
Invested in capital assets, net of related debt	1,003,792
Unrestricted	(4,016,237)
Restricted	590,931
<b>Total Net Position</b>	<u>(2,421,514)</u>
<b>Total Liabilities, Deferred Inflows and Net Position</b>	<u><u>\$ 4,833,833</u></u>

The accompanying notes are an integral part of these financial statements.

**EDCO Collaborative**  
Statement of Activities  
For the Year Ended June 30, 2019

Functions/ Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	
<b>Governmental Activities:</b>				
Administration	\$ 1,950,205	\$ -	\$ -	\$ (1,950,205)
Educational and instructional	8,958,563	4,022,214	5,679,129	742,780
Transportation	43,223	41,199	-	(2,024)
Professional development	891,193	572,239	-	(318,954)
Other Services	-	62,978	-	62,978
Intergovernmental revenue and expense	1,998,144	-	1,998,144	-
Other postemployment benefits	539,176	-	-	(539,176)
Interest expense	39,548	-	-	(39,548)
Depreciation and amortization	215,914	-	-	(215,914)
<b>Total Governmental Activities</b>	<u>\$ 14,635,966</u>	<u>\$ 4,698,630</u>	<u>\$ 7,677,273</u>	(2,260,063)
<b>General revenue:</b>				
Assessments to member districts				185,061
Interest and dividend income				32,333
Realized and unrealized gains on investments				124,902
Other				247,785
<b>Total General Revenue</b>				<u>590,081</u>
<b>Change in Net Position</b>				(1,669,982)
<b>Net Position, Beginning of Year</b>				<u>(751,532)</u>
<b>Net Position, End of Year</b>				<u>\$ (2,421,514)</u>

The accompanying notes are an integral part of these financial statements.

**EDCO Collaborative**  
Balance Sheet  
Governmental Funds  
June 30, 2019

	<u>General Fund</u>	<u>Professional Development Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 276,755	\$ -	\$ 276,755
Investments	579,892	590,931	1,170,823
Accounts receivable, net	1,273,349	-	1,273,349
Unbilled receivables	360,441	-	360,441
Prepaid expenses	9,107	-	9,107
	<hr/>	<hr/>	<hr/>
<b>Total Assets</b>	<b>\$ 2,499,544</b>	<b>\$ 590,931</b>	<b>\$ 3,090,475</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Line of credit	\$ 399,933	\$ -	\$ 399,933
Accounts payable	814,274	-	814,274
Accrued liabilities	438,291	-	438,291
Deferred revenue	63,004	-	63,004
	<hr/>	<hr/>	<hr/>
<b>Total Liabilities</b>	<b>1,715,502</b>	<b>-</b>	<b>1,715,502</b>
	<hr/>	<hr/>	<hr/>
<b>Fund Balances:</b>			
Nonspendable	9,107	-	9,107
Restricted	-	590,931	590,931
Committed	-	-	-
Assigned	451,036	-	451,036
Unassigned	323,899	-	323,899
	<hr/>	<hr/>	<hr/>
<b>Total Fund Balances</b>	<b>784,042</b>	<b>590,931</b>	<b>1,374,973</b>
	<hr/>	<hr/>	<hr/>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,499,544</b>	<b>\$ 590,931</b>	<b>\$ 3,090,475</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes are an integral part of these financial statements.



**EDCO Collaborative**  
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position  
June 30, 2018

<b>Total fund balances, governmental funds</b>	\$ 1,374,973
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets, net of related debt, used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	1,003,792
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The deposits asset is not a current financial resource and therefore is not reported in this fund financial statement, but is reported in the governmental activities of the Statement of Net Position.	4,550
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Other postemployment benefit (OPEB) liability is not a current obligation and therefore is not reported in this fund financial statement, but is reported in the governmental activities of the Statement of Net Position.	(4,521,744)
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Deferred inflows relating to the other postemployment benefit obligation is not a current obligation and therefore is not reported in this fund financial statement, but is reported in the government activities of the Statement of Net Position.	(148,949)
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The compensated absences liability is not a current obligation and therefore is not reported in this fund financial statement, but is reported in the governmental activities of the Statement of Net Position.	(134,136)
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<b>Net position of governmental activities</b>	<u><u>\$ (2,421,514)</u></u>
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**EDCO Collaborative**  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2019

	<b>General Fund</b>	<b>Professional Development Fund</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>			
Tuition and services revenue	\$ 4,698,630	\$ -	\$ 4,698,630
Member assessments	185,061	-	185,061
Grants and contributions	5,679,129	-	5,679,129
Intergovernmental revenue	1,998,144	-	1,998,144
Interest, investment and other income	399,336	-	399,336
<b>Total Revenues</b>	<b>12,960,300</b>	<b>-</b>	<b>12,960,300</b>
<b>Expenditures:</b>			
Administration	1,950,205	-	1,950,205
Program payroll	6,103,136	-	6,103,136
Program fringe benefits and payroll taxes	1,355,954	-	1,355,954
Contract services and professional fees	1,264,146	-	1,264,146
Transportation and travel	143,316	-	143,316
Rent and other occupancy	519,948	-	519,948
Building maintenance	974	-	974
Telephone and utilities	124,122	-	124,122
Supplies, equipment and technology	246,356	-	246,356
Education and training	30,806	-	30,806
Other	83,160	-	83,160
Intergovernmental expense	1,998,144	-	1,998,144
Capital outlay, net of debt incurred	29,994	-	29,994
Debt Service:			
Debt principal	102,501	-	102,501
Debt interest	39,548	-	39,548
<b>Total Expenditures</b>	<b>13,992,310</b>	<b>-</b>	<b>13,992,310</b>
Excess (deficit) of Revenues over Expenditures	(1,032,010)	-	(1,032,010)
<b>Other Financing Sources:</b>			
Transfer from professional development fund	93,712	(93,712)	-
<b>Net Change in Fund Balances</b>	<b>(938,298)</b>	<b>(93,712)</b>	<b>(1,032,010)</b>
<b>Fund Balances, Beginning of Year -</b>	<b>1,722,340</b>	<b>684,643</b>	<b>2,406,983</b>
<b>Fund Balances, End of Year</b>	<b>\$ 784,042</b>	<b>\$ 590,931</b>	<b>\$ 1,374,973</b>

The accompanying notes are an integral part of these financial statements.

**EDCO Collaborative**  
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of  
Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2019

**Net change in fund balances of total governmental funds** \$ (1,032,010)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.

Capital outlay purchases, net of debt incurred	29,994
Depreciation	(215,914)

Governmental funds report debt service payments as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only the current year interest accrued on the debt as expense.

Debt principal payments	102,501
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Governmental funds report certain changes in non-current assets when they require the use of current financial resources. In contrast, the Statement of Activities does not report such changes.

Deposits	(9,124)
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Governmental funds do not report certain revenues or expenses because they do not impact current financial resources. In contrast, the Statement of Activities reports such items.

Deposits	5,683
Compensated absences	(11,936)

Other postemployment benefits 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 Net OPEB Liability	<u>(539,176)</u>
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<b>Change in net position of governmental activities</b>	<u><u>\$ (1,669,982)</u></u>
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The accompanying notes are an integral part of these financial statements.

**EDCO Collaborative**  
Notes to the Financial Statements  
June 30, 2019

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Collaborative**

EDCO Collaborative (“The Collaborative”) was created by agreement pursuant to the provisions of Section 4E of Chapter 40, as amended by Chapter 43 of the Acts of 2012. EDCO provides educational programs and services for students within the Commonwealth. Services are predominantly funded by federal and state agencies and various municipalities of the Commonwealth. EDCO’s Board of Directors is comprised of the superintendent of schools or a school committee representative from each of the 16-member school districts with each member school district being entitled to one vote each.

EDCO is related to LABBB Collaborative (“LABBB”) through common board members. Four members of EDCO’s Board hold four of the five board seats of LABBB. EDCO obtained service fee income from LABBB for certain financial services. LABBB operates as a separate, independent, special education collaborative. Component units are included in the reporting entity if their operational and financial relationships with the Collaborative are significant. Pursuant to these criteria, the Collaborative did not identify LABBB as a component unit requiring inclusion in the accompanying financial statements.

**Basis of Presentation**

The Collaborative’s financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”). The Governmental Accounting Standards Board (“GASB”) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Collaborative are discussed below.

The Collaborative’s basic financial statements include both government-wide (reporting the Collaborative as a whole) and fund financial statements (reporting the Collaborative’s major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. Governmental activities are generally financed through intergovernmental assessments or other non-exchange transactions. The Collaborative does not have any activities classified as business type activities.

**Government-wide Statements**

In the government-wide Statement of Net Position, governmental columns are presented on a consolidated basis and are reported on a full accrual, economic resource basis, which recognizes all long-term assets, receivables and deferred outflows of resources, as well as long-term liabilities, deferred inflows of resources and other liabilities reported on a full accrual basis. The Collaborative’s net position is reported in three parts—net investment in capital assets; restricted; and unrestricted. The Collaborative first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the sources and uses of funds received by the Collaborative. Certain costs, such as employee fringe benefits, property and liability insurance, among others are not allocated among the Collaborative’s functions and are included in fixed charges expense in the Statement of Activities. Depreciation, if any, is reported as one amount, in total, on the Statement of Activities. None of these costs are allocated among the respective functions.

The government-wide focus is more on the sustainability of the Collaborative as an entity and the change in the Collaborative’s net position resulting from the current year’s activities.

**Fund Financial Statements**

The financial transactions of the Collaborative are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

**EDCO Collaborative**  
Notes to the Financial Statements  
June 30, 2019

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued***

The following governmental fund types are used by the Collaborative - the Collaborative does not use proprietary funds:

**Governmental Funds:**

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Collaborative:

*General fund* - is the general operating fund of the Collaborative. It is used to account for all financial resources not accounted for and reported in another fund.

*Professional development fund* – consists of funds restricted for use in professional development programs, and was established upon the dissolution of EDCO, Inc., as described in Note M.

*Non-major governmental funds* - consist of other special revenue and permanent funds that are aggregated and presented in the non-major governmental funds column on the government funds financial statements.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. GASB pronouncements set forth minimum criteria (percentage of the assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Collaborative may electively add funds, as major funds, which have specific community focus. The nonmajor funds are combined in a column in the fund financial statements.

**Measurement Focus and Basis of Accounting**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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.

**Cash and Cash Equivalents**

Cash equivalents include cash balances maintained in checking accounts and money market accounts. EDCO considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalent.

EDCO maintains cash and cash equivalent balances at three institutions located in Massachusetts. Bank accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. EDCO's cash balances, at times, may exceed federally insured limits. EDCO monitors its exposure associated with cash and cash equivalents and has not experienced any losses in such accounts. EDCO also maintains cash and cash equivalents at the Massachusetts Municipal Depository Trust and Boston Private Bank and Trust Company, which are collateralized by underlying assets.

**EDCO Collaborative**  
Notes to the Financial Statements  
June 30, 2019

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued***

**Accounts Receivable**

Accounts Receivable consist of all revenues earned at year-end and not yet received, net of an allowance for uncollectible amounts. Management estimates the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded as revenue when received. At June 30, 2019 management recorded an allowance for doubtful accounts of \$23,419.

**Capital Assets**

Equipment and improvements are recorded at cost. Donated assets are recorded at fair value determined at the date of donation. EDCO capitalizes purchases with a cost basis of \$5,000 or more. Depreciation on capital assets is provided for over the estimated useful lives of the respective assets on the straight-line basis. Equipment is depreciated over 3-5 years while the leasehold improvements are generally depreciated over the life of the lease, up to 15 years. Expenditures for repairs and maintenance are charged to expense as incurred.

**Deferred Revenue**

Deferred revenue consists primarily of amounts received from federal and state agencies and various municipalities for programs which have not yet been earned under the terms of the agreement.

**Equity Classifications**

**Government-wide Statements**

Equity is classified as net position and displayed in three components:

*Net investment in capital assets* - this component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

*Restricted* - this component of net position consists of restricted net assets reduced by liabilities and deferred inflows or resources related to those assets. These assets may be restricted by constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

*Unrestricted* - this component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

**Fund Financial Statements**

Governmental fund equity is classified as fund balance. Fund balance is further classified based on the extent to which the government is bound to honor constraints on specific purposes for which amounts in the funds can be spent. Fund balances can be classified in the following components:

*Nonspendable fund balance* – consists of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

*Restricted fund balance* – consists of amounts upon which constraints have been placed on their use whether (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; (b) imposed by law through constitutional provisions or enabling legislation.

*Committed fund balance* – consists of amounts which can only be used for specific purposes pursuant to constraints imposed by the Collaborative's highest level of decision making, the Board of Directors. Any modification or rescission must also be made by a vote of the Board of Directors.

**EDCO Collaborative**  
Notes to the Financial Statements  
June 30, 2019

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued***

*Assigned fund balance* – consists of amounts that are constrained by the Collaborative’s intent to be used for specific purposes. Intent is expressed by (a) the governing body itself, or (b) a Board of Directors, or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

*Unassigned fund balance* – consists of the residual classification for the remaining fund balance. It represents amounts that have not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes.

**Revenue Recognition**

Program revenue is earned under cost reimbursement and fee for service arrangements with various federal, state, municipal and local funding agencies. Revenue is recognized when costs are incurred or when services are rendered depending on the nature of the arrangement.

Contributions and unconditional promises to give are recorded as revenue in the period received or verifiably committed. Asset contributions are considered to be available for the general programs of EDCO unless restricted by the donor.

EDCO also receives a service fee from LABBB for providing accounting and other administrative services which are recorded as revenue over the contract period (see Note I).

**Federal and State Grants**

EDCO has expended resources in connection with federal and state grants and contracts that are subject to review and audit by the grantors or their representatives. Such audits could result in requests for reimbursement to the grantor agency if expenditures are disallowed. Management is not aware of any specific disallowances.

**Income Tax Status**

EDCO was established under Chapter 40 Section 4(e) under the general laws of Massachusetts and is therefore generally exempt from income taxes under Section 115 of the Internal Revenue Code. Accordingly, no provision for income taxes is made in the financial statements.

**Uncertain Tax Positions**

EDCO accounts for the effect of any uncertain tax positions based on a “more likely than not” threshold to the recognition of the tax positions being sustained on the technical merits of the position under scrutiny by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a “cumulative probability assessment” that aggregates the estimated tax liability for all uncertain tax positions. EDCO has identified its tax status as a tax-exempt entity as its only significant tax position; however, EDCO has determined that such tax positions do not result in an uncertainly requiring recognition. EDCO is not currently under examination by any taxing jurisdiction. As a Chapter 40 government entity, EDCO is exempt from filing certain non-profit filings and, accordingly, there are no returns currently open for examination.

**Compensated Absences**

It is EDCO’s policy to permit employees to accumulate earned but unused vacation pay benefits. Employees may use this time in addition to other vacation time earned each year. Unused time is paid to the employee upon termination or retirement. Compensated absences are recorded as a non-current liability in the statement of net position. The amount estimated to be paid during the next fiscal year is reported as current.

**Post-Retirement Healthcare Plan**

EDCO accrues all costs related to current and future benefits of current employees and retirees under a post-retirement healthcare plan. As of June 30, 2019, the Plan was 36% funded (see Note G).

**EDCO Collaborative**  
Notes to the Financial Statements  
June 30, 2019

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued***

**Investments and Fair Value Measurements**

All investments of the Collaborative (see Note C) are measured at fair value, generally based on quoted market prices in accordance with level 1 of the Fair Value Hierarchy established under GASB Statement No. 72, *Fair Value Measurement and Application*. The Collaborative manages its investments in accordance with state public finance laws that require that all moneys held in the name of the Collaborative, which are not required to be kept liquid for purposes of distribution, shall be invested in such a manner as to require the payment of interest on the money at the highest possible rate reasonably available, taking account of safety, liquidity and yield. The Collaborative has directed a local investment management service to manage the funds as conservatively as possible. However, the investments are still subject to market risk of loss.

**Use of Estimates**

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, and reported revenues and expenses. Actual results could vary from the estimates used.

**Subsequent Events**

The Collaborative has evaluated subsequent events through December 19, 2019, which is the date the financial statements were issued. There are no recognized subsequent events, events that provide additional evidence about conditions that existed at the statement of net position date, or non-recognized subsequent events, or events that provide evidence about conditions that did not exist at the statement of net position date, which are necessary to disclose to keep the financial statements from being misleading.

**NOTE B – CASH AND CASH EQUIVALENTS**

Cash and cash equivalents included the following at June 30, 2019:

Bank balance of cash and cash equivalents	\$ 525,574
Deposits held in a Massachusetts Municipal Depository Trust	560
Reconciling items (deposits in transit, outstanding checks, etc.), net	<u>(249,379)</u>
Total cash and cash equivalents as reported on the statement of net position	<u>\$ 276,755</u>
Bank deposits insured by the Federal Deposit Insurance Corporation	<u>\$ 250,000</u>

**NOTE C – INVESTMENTS**

Investments as of June 30, 2019 are as follows:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation</u>
Mutual Funds	\$ 125,000	\$ 127,863	\$ 2,863
Stocks	518,389	778,271	259,882
Bonds	<u>258,876</u>	<u>264,689</u>	<u>5,813</u>
Total Investments	<u>\$ 902,265</u>	<u>\$1,170,823</u>	<u>\$268,558</u>

**NOTE D – LINE OF CREDIT**

EDCO has entered into a \$500,000 line of credit agreement with an institution located in Massachusetts. The note requires interest-only payments and is payable on demand. The interest rate at June 30, 2019 was 6.00%. The line of credit is fully secured by a money market account. The balance at June 30, 2019 was \$399,933.



**EDCO Collaborative**  
Notes to the Financial Statements  
June 30, 2019

**NOTE E – EQUIPMENT AND IMPROVEMENTS**

Equipment and improvement activity for the year ended June 30, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Equipment and improvements:				
Equipment	\$ 710,350	\$ 29,994	\$ -	\$ 740,344
Improvements	<u>2,185,194</u>	<u>-</u>	<u>-</u>	<u>2,185,194</u>
Total at historic cost	2,895,544	29,994	-	2,925,538
Less: accumulated depreciation for:				
Equipment	502,920	66,293	-	569,213
Improvements	<u>467,896</u>	<u>149,621</u>	<u>-</u>	<u>617,517</u>
Total accumulated depreciation	<u>970,816</u>	<u>215,914</u>	<u>-</u>	<u>1,186,730</u>
Total equipment and improvements, net	<u>\$ 1,924,728</u>	<u>(\$ 185,920)</u>	<u>\$ -</u>	<u>\$1,738,808</u>

**NOTE F – GRANTS AND CONTRACTS REVENUE**

Grants and contracts revenues were provided by the following funding sources for the years ended June 30, 2019:

Federal government	25%
State government	20%
Private and city/local sources	<u>55%</u>
	<u>100%</u>

**NOTE G – POST-RETIREMENT HEALTHCARE BENEFITS**

EDCO follows the provisions of GASB Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits other than Pensions.”

Description

EDCO sponsors a post-retirement benefit plan (the “Plan”) which provides health and dental benefits to qualified retirees.

EDCO’s policy is to make contributions to a trust established for the Plan on an annual basis within six months after the fiscal year end. The amount contributed to the Plan is determined based on the unexpended fringe benefit revenues earned on EDCO’s grants and contracts. Since management plans only to provide benefits to the extent that resources are available, the funded status of these benefits has been limited to funds made available under grants and contracts. Benefits under this Plan are adjusted periodically based on the limitations of the funds that may become available for these purposes as EDCO does not intend to fund these benefits from its other resources. EDCO invests the funds of this Plan in a VEBA Trust. An employee becomes eligible to retire under this plan upon attainment of age 60 as an active member and completion of 10 years of continuous service. Early retirement is available for any participant who has attained benefit eligibility.

Funding Policy

The contribution requirements of plan members and EDCO are established and may be amended through EDCO ordinances. For the 2019 fiscal year, total EDCO premiums plus implicit costs for the retiree medical program are \$185,973.

Investment Policy

The long-term rate of return on assets developed based on the Collaborative Investment Policy is 6.23%. The rate is comprised of a 3.73% real rate of return and 2.75% inflation assumption, net of 0.25% investment expense.

**EDCO Collaborative**  
Notes to the Financial Statements  
June 30, 2019

**NOTE G – POST-RETIREMENT HEALTHCARE BENEFITS – *continued***

Actuarially Determined Contribution (ADC)

EDCO's Actuarially Determined Contribution (ADC) is an amount actuarially determined in accordance with the parameters of GASB Statement No. 74/75 which is composed of the service cost and an amortization of the unfunded liability. We have used a 30-year flat dollar amortization of the EDCO's unfunded liability for the purpose of calculating ADC. The following table shows the components of the EDCO's annual ADC as of the last valuation date:

<b>Actuarially Determined Contribution - Deficiency / (Excess)</b>		<b>June 30, 2018</b>
I.	Service Cost	\$ 499,951
II.	30-year level dollar amortization of NOL	184,064
III.	Actuarial Determined Contribution [I. + II.]	684,015
IV.	Contributions in relation to the actuarially determined contribution	174,454
V.	Contribution deficiency / (excess) [III. + IV.]	<u>\$ 858,469</u>
Covered employee payroll		\$ 6,471,158
Contribution as a % of covered employee payroll		-2.70%
Discount Rate		3.50%
Money Weighted Rate of Return		11.69%

OPEB Liability and OPEB Expense

	<b>Collaborative Employees and Retirees</b>
I. Total OPEB Liability	\$ 7,014,799
II. Fiduciary Net Position as of June 30, 2019	<u>2,493,055</u>
III. Net OPEB Liability (Asset) [I.-II.]	4,521,744
IV. Service Cost	531,701
V. Interest on Net OPEB Liability and Service Cost	205,792
VI. Plan design changes	-
VII. Changes in plan experience	-
VIII. Changes in assumptions	-
IX. Projected Earnings on OPEB plan investments	(148,667)
X. Changes in Earnings on Investment	(49,650)
XI. Net Employer Payments (Withdrawals) to/from OPEB Trust	(185,973)
XII. Employer Share of Costs	<u>185,973</u>
XIII. Net OPEB Expense	<u>\$ 539,176</u>

**EDCO Collaborative**  
Notes to the Financial Statements  
June 30, 2019

**NOTE G – POST-RETIREMENT HEALTHCARE BENEFITS – *continued***

Effect of 1% Change in Discount Rates

If the discount rate were 1% higher than what was used in this valuation, the Net OPEB Liability would decrease to \$2,694,023 or by 23.1% and the corresponding Service Cost would decrease to \$386,647 or by 22.7%. If the discount rate were 1% lower than was used in this valuation, the Net OPEB Liability would increase to \$4,523,308 or by 29.1% and the corresponding Service Cost would increase to \$654,851 or by 31.0%. The rates were based on the actuarial reports completed for measurement date June 30, 2017.

Effect of 1% Change in Healthcare Trend

In the event that healthcare trend rates were 1% higher than forecast and employee contributions were to increase at the forecast rates, the Net OPEB Liability would increase to \$5,736,716 or by 63.7% and the corresponding Service Cost would increase to 861,366 or by 72.3%. If such healthcare trend rates were 1% less than forecast and employee contributions were to increase at the forecast rate, the Total OPEB Liability would decrease to \$1,777,810 or by 49.3% and the corresponding Service Cost would decrease to \$247,366 or 50.5%. The rates were based on the actuarial reports completed for measurement date June 30, 2017.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefits 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.

Actuarial Cost Method:	Individual Entry Age Normal
Discount Rate:	3.50% per annum (previously 4.0%)
General Inflation Assumption:	2.75% per annum
Annual Compensation Increases:	3.00% per annum
Actuarial Value of Assets:	Market Value

Recognition of OPEB Trust Assets

The state of Massachusetts has passed legislation allowing municipal entities to establish a Trust for Other Postemployment Benefits (“OPEB”) under M.G.L. Chapter 32B, Section 20 for purposes of accumulating assets to pre-fund the liabilities under GASB 75. This legislation was amended effective November 9, 2016 to clarify who may adopt such a Trust and provide guidance on the ongoing operation of such a Trust. To the best of our knowledge, the EDCO has established an irrevocable trust for the purposes of prefunding liabilities under GASB 74/75.

Impact of Patient Protection and Affordable Care Act (“PPACA”) Excise Tax

The Patient Protection and Affordable Care Act (“PPACA”) excise tax is expected to take effect for tax years beginning after December 31, 2019. The projected 2020 threshold amounts are \$11,850 for single coverage and \$30,950 for family coverage. For qualified retirees and those engaged in high risk professions, a “kicker” amount of \$1,650 for single coverage and \$3,450 for family coverage is expected to be added to the above thresholds.

Deferred Inflows/Outflows

Deferred (Inflows)/Outflows in OPEB Expense arising from the recognition of differences between projected & actual earnings on OPEB plan investments									
Fiscal	Differences between actual & expected experience	Recognition Period (years)	2019 Amortization	6/30/2019 Remaining Balance	2020	2021	2022	2023	2024
2019	(198,599)	4.00	(49,650)	(148,949)	(49,650)	(49,650)	(49,649)	-	-
Total Remaining Balance				(148,949)					
Net increase (decrease) in OPEB Expense			(49,650)		(49,650)	(49,650)	(49,649)	-	-

**EDCO Collaborative**  
Notes to the Financial Statements  
June 30, 2019

**NOTE H – LEASE COMMITMENTS**

EDCO has entered into operating leases for the use of certain facilities and office equipment which expire at various dates through 2029. Rent expense charged to operations was approximately \$507,568 for the year ended June 30, 2019, which includes leases for certain facilities where EDCO is a tenant-at-will.

Approximate future minimum rental payments under non-cancellable leases are as follows:

2020	\$ 480,797
2021	478,913
2022	489,281
2023	487,296
2024	497,664
2025-2029	<u>2,769,152</u>
	<u>\$5,203,103</u>

During the year ended June 30, 2017, EDCO entered into a sublease agreement to sub-let space in its Bedford location to an unrelated entity. EDCO also entered into a sublease agreement to sub-let space in its Bedford location as well as provide reimbursable services to an unrelated organization during the year ended June 30, 2018. Additionally, EDCO entered into a tentative agreement to sub-let additional space to another unrelated entity. However, this agreement has not been formally agreed to. EDCO agreed to coordinate the build-out of the space for both parties and then was reimbursed for the costs incurred. During the year ended June 30, 2019, EDCO collected \$219,356 of rent revenue. Future minimum rental receipts under non-cancellable leases are as follows:

2020	\$ 74,534
2021	<u>36,970</u>
	<u>\$111,504</u>

**NOTE I – RELATED PARTY TRANSACTIONS**

LABBB – Accounting and Administrative Services

EDCO provided accounting and other administrative services for LABBB. Service fee income received from LABBB totaled \$29,912 for the year ended June 30, 2019. LABBB acquired their own space as well as used their own personnel during fiscal 2019 and the management fee for the accounting and other administrative services provided by EDCO on behalf of LABBB will no longer continue.

LABBB – Transportation Network

EDCO entered into a joint venture in fiscal 2009 with LABBB to establish the LABBB-EDCO Transportation Network. During fiscal 2018, EDCO provided accounting and financial services for the Transportation Network in the amount of \$41,199 which represents direct costs for these services. This joint venture is no longer expected to continue after fiscal 2019.

**NOTE J – MASSACHUSETTS TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEMS**

Plan Descriptions:

The Collaborative's employees participate in the Massachusetts Teachers' (MTRS) or State Employees' Retirement System (MSERS), statewide cost-sharing multi-employer defined benefit plans public employee retirement systems (PERS) covering all employees of local school districts within the Commonwealth of Massachusetts. The retirement systems issue publicly available annual reports that includes financial statements and required supplementary information, which may be obtained by writing to Public Employee Retirement Administration Commission (PERAC), 5 Middlesex Avenue, Suite 304, Somerville, Massachusetts, 02145.

**EDCO Collaborative**  
Notes to the Financial Statements  
June 30, 2019

**NOTE J – MASSACHUSETTS TEACHERS’ AND STATE EMPLOYEES’ RETIREMENT SYSTEMS –  
*continued***

Benefits Provided:

MSERS provides retirement, disability, survivor and death benefits to members and their beneficiaries. Massachusetts General Laws (MGL) establishes uniform benefit and contribution requirements for all contributory PERS. These requirements provide for superannuation retirement allowance benefits up to a maximum of 80% of a member’s highest three-year average annual rate of regular compensation. For employees hired after April 1, 2012, retirement allowances are calculated on the basis of the last five years or any five consecutive years, whichever is greater in terms of compensation. Benefit payments are based upon a member’s age, length of creditable service, and group creditable service, and group classification. The authority for amending these provisions rests with the Legislature.

Members become vested after ten years of creditable service. A superannuation retirement allowance may be received upon the completion of twenty years of creditable service or upon reaching the age of 55 with ten years of service. Normal retirement for most employees occurs at age 65; for certain hazardous duty and public safety positions, normal retirement is at age 55. Most employees who joined the system after April 1, 2012 cannot retire prior to age 60.

The MSERS’ funding policies have been established by Chapter 32 of the MGL. The Legislature has the authority to amend these policies. The annuity portion of the MSERS retirement allowance is funded by employees, who contribute a percentage of their regular compensation. Costs of administering the plan are funded out of plan assets.

MTRS provides retirement, disability, survivor and death benefits to members and their beneficiaries. Massachusetts General Laws (MGL) establishes uniform benefit and contribution requirements for all contributory PERS. These requirements provide for superannuation retirement allowance benefits up to a maximum of 80% of a member’s highest three-year average annual rate of regular compensation. For employees hired after April 1, 2012, retirement allowances are calculated on the basis of the last five years or any five consecutive years, whichever is greater in terms of compensation. Benefit payments are based upon a member’s age, length of creditable service, and group creditable service, and group classification. The authority for amending these provisions rests with the Legislature.

Members become vested after ten years of creditable service. A superannuation retirement allowance may be received upon the completion of twenty years of creditable service or upon reaching the age of 55 with ten years of service. Normal retirement for most employees occurs at age 65. Most employees who joined the system after April 1, 2012 cannot retire prior to age 60.

The MTRS’ funding policies have been established by Chapter 32 of the MGL. The Legislature has the authority to amend these policies. The annuity portion of the MTRS retirement allowance is funded by employees, who contribute a percentage of their regular compensation. Costs of administering the plan are funded out of plan assets.

Contributions:

Member contributions for MSERS vary depending on the most recent date of membership:

<u>Hire Date</u>	<u>% of Compensation</u>
Prior to 1975.....	5% of regular compensation
1975 - 1983.....	7% of regular compensation
1984 to 6/30/1996.....	8% of regular compensation
7/1/1996 to present.....	9% of regular compensation
1979 to present.....	An additional 2% of regular compensation in excess of \$30,000

**EDCO Collaborative**  
Notes to the Financial Statements  
June 30, 2019

**NOTE J – MASSACHUSETTS TEACHERS’ AND STATE EMPLOYEES’ RETIREMENT SYSTEMS –  
*continued***

Educational collaboratives contribute amounts equal to the normal cost of employees’ benefits participating in MSERS at a rate established by the Public Employees’ Retirement Administration Commission (PERAC), currently 6.1% of covered payroll. Legally, the collaboratives are only responsible for contributing the annual normal cost of their employees’ benefits (i.e., the present value of the benefits earned by those employees in any given year) and are not legally responsible for the past service cost attributable to those employees or previously retired employees of the collaboratives. During fiscal year 2018, the Collaborative’s contributions on behalf of employees totaled \$250,907.

Member contributions for MTRS vary depending on the most recent date of membership:

<u>Hire Date</u>	<u>% of Compensation</u>
Prior to 1975.....	5% of regular compensation
1975 - 1983.....	7% of regular compensation
1984 to 6/30/1996.....	8% of regular compensation
7/1/1996 to present.....	9% of regular compensation
7/1/2001 to present.....	11% of regular compensation (for teachers hired after 7/1/01 and those accepting provisions of Chapter 114 of the Acts of 2000)
1979 to present.....	An additional 2% of regular compensation in excess of \$30,000

The Commonwealth is a nonemployer contributor in MTRS and is required by statute to make all actuarially determined employer contributions on behalf of the member employers participating in MTRS. Therefore, the Collaborative is considered to be in a 100% special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributing entity under both MSERS and MTRS. Since the employers do not contribute directly to each system beyond the MSERS annual normal cost, there is no net pension liability to recognize. However, the notes to the financial statements must disclose the portion of the nonemployer contributing entities’ share of the collective net pension liability that is associated with the employer. In addition, the Collaborative must recognize its portion of the collective pension expense as both a revenue and pension expense.

The nonemployer contributing entities’ share of the collective net pension liability that is associated with the Collaborative was measured as of June 30, 2018 and was \$9,055,614 and \$7,945,197 under MSERS and MTRS, respectively. In fiscal 2018, the Collaborative recognized revenue and related expense of \$1,193,013 (under GASB Statement No. 68) for its portion of the collective pension expense under MSERS. In fiscal 2019, the Collaborative recognized revenue and related expense of \$805,131 (under GASB Statement No. 68), for its portion of the collective pension expense under MTRS. These amounts are recorded as Intergovernmental revenue and expense in the financial statements.

**NOTE K – FISCAL 2020 BUDGET**

EDCO has authorized a fiscal 2020 operating budget which anticipates an approximate \$160,000 deficit on \$12,373,000 of expenses.

**EDCO Collaborative**  
Notes to the Financial Statements  
June 30, 2019

**NOTE L – DISCLOSURES REQUIRED UNDER MASSACHUSETTS GENERAL LAW C.40 § 4E**

Names, duties and total compensation for the five most highly compensated employees

The Commonwealth of Massachusetts requires education collaboratives to disclose the name, duties and total compensation of the 5 most highly compensated employees.

Name and Title	Salary	Employer Portion of Benefits	Total Compensation
Executive Director – Nadine Ekstrom	\$169,938	\$18,208	\$188,146
Director of Business Management & HR – Thomas Markham	\$139,898	\$18,208	\$158,106
Program Director, EDCO Youth Alternatives – Ajay Trivedi	\$104,575	\$15,644	\$120,219
Director of Professional Learning and Community Education – Andrew Kelley	\$103,740	\$18,208	\$121,948
Program Director, Deaf Education – Courtney Dunne	\$103,000	\$745	\$103,745

Executive Director – Responsible for the management and growth of EDCO Collaborative. Responsibilities include ensuring the collaborative is operating within and in compliance with applicable federal and state laws and ensuring adherence to the collaborative agreement and policies. Other responsibilities include the preparation and presentation of important management and financial information to the Board of Directors, the Executive Committee, and the Finance & Administration Committee.

Director of Business Management and Human Resources – Responsible for the Department of Accounting and Finance and Department of Human Resources. Responsible for contract management including negotiations and review, insurance coverage for medical, dental, life, disability, and liability insurance. Other responsibilities include budget preparation, payroll and employee benefits, oversight of financial reporting, UFR reporting, and preparing for the annual financial audit.

Program Director - Responsible for the operation, maintenance, and general administration of their program.

Director of Professional Learning and Community Education – Responsible for assisting member districts in improving student outcomes by designing, promoting and implementing collaborative approaches to the development and delivery of educational services by providing programs in educator training, technology, roundtables and special courses.

Amounts expended on services for individuals aged 22 years and older

Total direct costs incurred by EDCO in its over 22 program totaled \$1,980,624 for the year ended June 30, 2019.

Amounts expended on administration and overhead

Total administrative costs, including non-operating investment fees, incurred by EDCO totaled \$1,950,205 for the year ended June 30, 2019. Administrative expenses include all costs that cannot be directly or reasonably applied to a program of EDCO. Administrative expenses include salaries, related benefits and payroll taxes, associated with EDCO's administrative office (i.e., Executive Director, finance staff, human resources, etc.), as well as other costs associated with maintaining that office (i.e. occupancy, supplies, etc.). EDCO directly applies salaries, where appropriate, to its programs and allocates related employee benefits and taxes to those programs. Occupancy, supplies, maintenance and any other cost that can be directly applied, or reasonably allocated, are reported under program expense.

Accounts held by the collaborative that may be spent at the discretion of another person or entity

As of June 30, 2019, EDCO did not hold any accounts that may be spent at the discretion of another person or entity.

Transactions between the collaborative and any related for-profit or non-profit organization

Related party transactions are described in Note I to the financial statements.

**EDCO Collaborative**  
Notes to the Financial Statements  
June 30, 2019

**NOTE L – DISCLOSURES REQUIRED UNDER MASSACHUSETTS GENERAL LAW C.40 § 4E – continued**

Transactions or contracts related to purchase, sale, rental or lease of real property

Transactions or contracts related to the purchase, sale, rental, or lease of real property are described in Notes H and N to the financial statements.

Annual determination and disclosure of cumulative surplus

Cumulative Surplus Calculation - FY19				Page(s) in financial statements
(A)	Voted Cumulative Surplus as of 6/30/18		\$ 1,722,340	(A) p. 12
(B)	1 Amount of (A) used to support the FY19 Budget	(B)1	\$ -	
	2 Amount of (A) returned to member districts	(B)2	\$ -	
	(B)1 + (B)2 = (B)		\$ -	(B)
(C)	Unexpended FY19 General Funds		(\$ 938,298)	(C) p. 12
(D)	Cumulative Surplus as of 6/30/19	(A) - (B) + (C) = (D)	\$ 784,042	(D)
(E)	FY19 Total General Fund Expenditures*		\$ 11,994,166	(E) p. 12
(F)	Cumulative Surplus Percentage	(D) ÷ (E)	6.5%	(F)
	Estimated Amount of Excess Cumulative Surplus as of 6/30/19		\$ -	

\* Excludes Intergovernmental expense

**NOTE M – RESTRICTED AND ASSIGNED FUNDS**

On May 10, 2012, the Board of Directors of EDCO, Inc. voted to approve the dissolution of EDCO, Inc. and all remaining assets and liabilities of EDCO, Inc. were transferred to the Collaborative upon final dissolution of that organization in fiscal year 2014. Included in the transfer of assets were restricted funds for use in the Collaborative's professional development program. During the year ended June 30, 2019, the Collaborative used \$93,712 of restricted funds received after EDCO, Inc.'s dissolution toward expenses of the professional development center, thereby releasing the funds from restriction. As of June 30, 2019, remaining unused restricted funds were \$590,931.

Earnings on the investments related to the restricted funds described above are assigned by the board of directors to be utilized for the Collaborative's professional development center. The board utilizes the assigned funds via board vote or the budget process. As of June 30, 2019, remaining unused assigned funds were \$451,036. Total restricted and assigned funds related to the professional development center as of June 30, 2019 were \$1,041,967.

**NOTE N – NOTE PAYABLE**

During fiscal year 2015, EDCO entered into a lease agreement for office and program facilities in Bedford, Massachusetts. In connection with the lease, EDCO entered into a note payable agreement with the landlord to finance leasehold improvements in the amount of \$1,200,000. The loan is payable over 11 years with monthly payments of principal and 5.00% interest of \$11,837. The balance of the note payable at June 30, 2019 was \$735,016.



**EDCO Collaborative**  
Notes to the Financial Statements  
June 30, 2019

**NOTE N – NOTE PAYABLE – *continued***

Future maturities of the note payable are as follows:

2020	\$ 107,745
2021	113,257
2022	119,052
2023	125,142
2024	131,545
Thereafter	<u>138,275</u>
	<u>\$ 735,016</u>

**NOTE O – COMMONWEALTH OF MASSACHUSETTS SURPLUS REVENUE RETENTION (OSD)**

The excess (deficiency) of revenue received from departments of the Commonwealth of Massachusetts is the amount in accordance with the Commonwealth of Massachusetts Not-For-Profit Provider Surplus Revenue Retention Policy, pursuant to 808CMR 1.19(3) of the Pricing, Reporting, and Auditing for Social Programs, which allows a provider to retain, for future use, a portion of annual net surplus. Net surplus from the revenues and expenses with services provided to purchasing agencies, which are subject to 808CMR 1.00, may not exceed 20% of the provider's revenues derived from contracts with state departments annually. For fiscal 2016 and beyond, there is no limit on the cumulative amount of the provider's net surplus. EDCO had no surplus revenue for the year ended June 30, 2019.

**NOTE P – SUBSTANTIAL DOUBT TO CONTINUE AS A GOING CONCERN**

As indicated in the accompanying financial statements, the Collaborative realized a significant deficit in governmental activities for the year ended June 30, 2019. This significant deficit has reduced the cumulative unassigned general fund balance to \$323,899. Those factors have created an uncertainty about the Collaborative's ability to continue as a going concern. Management of the Collaborative has developed a plan to limit its deficit in fiscal year 2020 and beyond by decreasing its operating expenditures and increasing its revenues.

Each member of the management team understands the importance of creating financial stability for the Collaborative. Management will continue to review strategies and practices to ensure that the Collaborative's students are able to receive the services they need in a financially sustainable manner.

The ability of the Collaborative to continue as a going concern is dependent on management's success in executing the plan eliminate deficits and increase the general fund balance. The financial statements do not include any adjustments that might be necessary if the Collaborative is unable to continue as a going concern.

**EDCO Collaborative**  
Statement of Revenues, Expenditures and Changes in Fund Balances  
of the General Fund - Budget to Actual  
For the Year Ended June 30, 2019

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Favorable (Unfavorable)</b>
Revenues:				
Tuition & services revenue	\$ 5,638,078	\$ 5,229,193	\$ 4,698,630	\$ (530,563)
Member assessments	185,063	185,063	185,061	(2)
Grants & contributions	8,710,738	4,875,712	5,679,129	803,417
Intergovernmental revenue	-	-	1,998,144	1,998,144
Interest, investment and other income	312,642	312,642	399,336	86,694
Total Revenues	<u>14,846,521</u>	<u>10,602,610</u>	<u>12,960,300</u>	<u>2,357,690</u>
Expenditures:				
Administration	1,852,905	1,844,609	1,950,205	(105,596)
Educational and instructional	11,636,398	7,685,033	8,937,502	(1,252,469)
Transportation	96,512	41,198	43,223	(2,025)
Professional development	1,299,183	1,298,357	891,193	407,164
Other Services	-	-	-	-
Intergovernmental revenue and expense	-	-	1,998,144	(1,998,144)
Capital outlay, net of debt incurred	-	-	29,994	(29,994)
Debt Service:				
Debt principal	-	-	102,501	(102,501)
Debt interest	-	-	39,548	(39,548)
Total Expenditures	<u>14,884,998</u>	<u>10,869,197</u>	<u>13,992,310</u>	<u>(3,123,113)</u>
Revenues Net of Expenditures	<u>(38,477)</u>	<u>(266,587)</u>	<u>(1,032,010)</u>	<u>(765,423)</u>
Transfers in from other funds	<u>80,000</u>	<u>80,000</u>	<u>93,712</u>	<u>13,712</u>
Net Change in Fund Balances	<u>\$ 41,523</u>	<u>\$ (186,587)</u>	<u>\$ (938,298)</u>	<u>\$ (751,711)</u>

Notes to schedule:

The Board of Directors annually determines the budget to maintain and operate the Collaborative during the next fiscal year and then, based upon enrollment data, assesses the member and non-member districts in accordance with the terms of the agreement. An annual budget is adopted for the general fund and may be revised by board approval during the year. During fiscal 2019, the board did revise its originally approved budget, primarily to adjust for decreases in expected grants revenue and related expenditures. The above schedule presents a comparison of budgetary data to actual results.

The Collaborative prepares its annual budget on a basis (budget basis) that differs from generally accepted accounting principles (GAAP basis). The budget and all transactions are presented in accordance with the Collaborative's method (budget basis) in the above schedule to provide meaningful comparison of actual results with budget. There are no reconciling items between GAAP and budget basis in this statement. Intergovernmental revenue and expense is not budgeted by the Collaborative because it is actuarially determined annually and does not require actual expenditure by the Collaborative. Certain expenses may be grouped differently than the actual amounts presented.

See independent auditor's report.

**EDCO Collaborative**  
OPEB Plan - Required Supplementary Information  
June 30, 2019

<b>Year</b>	<b>Actuarially Determined Contribution</b>	<b>Contributions in relation to the actuarially determined contribution</b>	<b>Contribution deficiency (excess)</b>	<b>Covered employee payroll</b>	<b>Contributions as a percentage of covered employee payroll</b>
June 30, 2018	\$ 684,015	\$ 174,454	\$ 858,469	\$ 6,471,158	-2.70%

Schedule Presentation

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.

**EDCO Collaborative**  
OPEB Plan - Required Supplementary Information  
As of the June 30, 2017 Measurement Date

<b>Schedule of Changes in the Collaborative's Net OPEB Liability and Related Ratios</b>		
<b>Valuation Date</b>	<b>June 30, 2016</b>	<b>June 30, 2016</b>
<b>For the Reporting Period &amp; Fiscal Year ending on:</b>	<b>June 30, 2019</b>	<b>June 30, 2018</b>
<b>Total OPEB Liability</b>		
I. Service Cost	531,701	499,951
II. Interest on Total OPEB Liability, Service Cost, and Benefit Payments	205,792	143,159
III. Changes in Benefit terms	-	-
IV. Difference between Expected & Actual Plan Experience	(133,761)	-
V. Changes of Assumption	-	-
VI. Benefit Payments Excluding Implicit Cost	(185,973)	(174,454)
VII. Implicit Cost Amount	133,538	10,192
VIII. Total Benefit payments including Implicit Cost [VI.+VII.]	(52,435)	(164,262)
IX. Net Change in OPEB liability [I.+II.+III.+IV.+V.+VIII.]	551,297	478,848
X. Total OPEB liability - beginning of period	6,463,502	5,984,654
XI. Prior Period Adjustment for Retirees not Previously Reflected	-	-
XII. Total OPEB Liability - end of period [IX.+X.+XI.]	7,014,799	6,463,502
<b>Plan Fiduciary Net Position</b>		
XIII. Earning from Plan Investments	215,677	250,641
XIV. Employer Contribution to trust	280,681	-
XV. Benefit payments from trust, including refunds of member contributions	(335,287)	(399,510)
XVI. Administrative expense	-	-
XVII. Other	-	-
XVIII. Net change in plan fiduciary net position [XIII.+XIV.+XV.+XVI.+XVII.]	161,071	(148,869)
XIX. Plan fiduciary net position - beginning of period	2,331,984	2,480,853
XX. Plan fiduciary net position - end of period [XVIII.+XIX.]	2,493,055	2,331,984
XXI. Net OPEB Liability [XII.-XX.]	4,521,744	4,131,518
XXII. Plan fiduciary net position as a % of total OPEB liability [XX./XII.]	35.54%	36.08%
XXIII. Covered employee payroll	6,665,293	6,471,158
XXIV. Plan NOL as % of covered employee payroll [XXI./XXIII]	67.84%	63.85%
Single Discount Rate to calculate Plan Liabilities	3.50%	3.50%

**Schedule Presentation**

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 independent auditor's report.

**EDCO Collaborative**  
OPEB Plan - Required Supplementary Information  
As of the June 30, 2017 Measurement Date

Notes to Required Supplementary Information:

Valuation Date: Actuarially Determined Contribution was calculated as of June 30, 2016.

Actuarial Cost Method: Individual Entry Age Normal

Asset-Valuation Method: Market Value of Assets as of the Measurement Date, June 30, 2017.

Actuarial Assumptions:

Investment Rate of Return: 6.23%, net of OPEB plan investment expense, including inflation.

Municipal Bond Rate: 3.13% as of June 30, 2017 (source: S&P Municipal Bond 20-Year High Grade Index - SAPIHG)

Single Equivalent Discount Rate: 3.50%, net of OPEB plan investment expense, including inflation.

Inflation: 2.75% as of June 30, 2017 and for future periods

Salary Increases: 3.00% annually as of June 30, 2017 and for future periods

Cost of Living Adjustment: Not Applicable

Pre-Retirement Mortality: RP-2000 Employees Mortality Table projected generationally with scale BB and a base year 2009 for males and females

Post-Retirement Mortality: RP-2000 Healthy Annuitant Mortality Table projected generationally with scale BB and a base year 2009 for males and females

Disabled Mortality: RP-2000 Healthy Annuitant Mortality Table projected generationally with Scale BB and a base year 2012 for males and females

**EDCO Collaborative**  
OPEB Plan - Required Supplementary Information  
As of the June 30, 2017 Measurement Date

Notes to Required Supplementary Information (Continued):

Actuarial Assumptions:

Plan Membership

Plan Membership: At June 30, 2016, the OPEB plan membership consisted for the following

Inactive employees or beneficiaries currently receiving benefits:	46
Active Employees:	<u>94</u>
Total:	140

Events Subsequent to the Measurement Date

To the best of our knowledge there were no material events subsequent to the Measurement Date that would impact the figures shown in this report.

Changes in Assumptions:                      Effective June 30, 2017

\* Discount rate is 3.50% previously 4.00%

Contributions:

The contribution requirements of plan members and the Collaborative are established and may be amended through Collaborative ordinances. The Collaborative expects to contribute \$119,218 to the OPEB trust and it expects to withdraw \$293,672 from the OPEB trust, for a net withdrawal of \$174,454 for the 2018 fiscal year. Total Collaborative premiums plus implicit costs for the retiree medical program are \$174,454 for the 2018 fiscal year.

**EDCO Collaborative**  
Schedule of the Collaborative's Proportionate Share of Net Pension Liability  
For the Year Ended June 30, 2019

		<u><b>MTRS</b></u>	<u><b>MSERS</b></u>
Collaborative's proportion of net pension liability	FY2014	0.03758%	0.06983%
	FY2015	0.04463%	0.06923%
	FY2016	0.03176%	0.06583%
	FY2017	0.03115%	0.06550%
	FY2018	0.03351%	0.06845%
Collaborative's proportionate share of net pension liability	FY2014	\$ 5,974,116	\$ 5,735,474
	FY2015	\$ 9,145,184	\$ 7,879,793
	FY2016	\$ 7,100,616	\$ 9,077,617
	FY2017	\$ 7,128,425	\$ 8,400,716
	FY2018	\$ 7,945,197	\$ 9,055,614
Collaborative's covered-employee payroll	FY2014	\$ 2,304,322	\$ 3,699,589
	FY2015	\$ 2,829,250	\$ 4,187,518
	FY2016	\$ 2,112,302	\$ 4,099,893
	FY2017	\$ 2,147,252	\$ 4,158,982
	FY2018	\$ 2,383,625	\$ 4,662,339
Collaborative's proportionate share of net pension liability as a percentage of its covered-employee payroll	FY2014	259.26%	155.03%
	FY2015	323.24%	188.17%
	FY2016	336.16%	221.41%
	FY2017	331.98%	201.99%
	FY2018	333.32%	194.23%
Plan fiduciary net position as a percentage of total pension liability	FY2014	61.64%	76.32%
	FY2015	55.38%	67.87%
	FY2016	52.73%	63.48%
	FY2017	54.25%	67.21%
	FY2018	54.84%	67.91%

Notes to Required Supplementary Information

MTRS is the Massachusetts Teachers' Retirement System

MSERS is the Massachusetts State Employees' Retirement System

Also, see Note G to financial statements

Measurement Date

The amounts presented in this schedule were determined as of June 30, 2018.

Schedule Presentation

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 independent auditor's report.

**EDCO Collaborative**  
Schedule of Pension Contributions  
For the Year Ended June 30, 2019

	<b>FY2014</b>	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>
<b><u>MTRS</u></b>					
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Collaborative's covered-employee payroll	\$ 2,304,322	\$ 2,829,250	\$ 2,112,302	\$ 2,147,252	\$ 2,383,625
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%

<b><u>MSERS</u></b>					
Contractually required contribution	\$ 207,177	\$ 234,501	\$ 229,594	\$ 232,903	\$ 261,091
Contributions in relation to the contractually required contribution	\$ 207,177	\$ 234,501	\$ 229,594	\$ 232,903	\$ 261,091
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Collaborative's covered-employee payroll	\$ 3,699,589	\$ 4,187,518	\$ 4,099,893	\$ 4,158,982	\$ 4,662,339
Contributions as a percentage of covered-employee payroll	5.60%	5.60%	5.60%	5.60%	5.60%

**Notes to Required Supplementary Information**

MTRS is the Massachusetts Teachers' Retirement System

MSERS is the Massachusetts State Employees' Retirement System

Also, see Note G to financial statements

**Measurement Date**

The amounts presented in this schedule were determined as of June 30, 2018.

**Schedule Presentation**

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.

**Contributions**

The Collaborative is required to pay an annual appropriation as established by the Public Employees' Retirement Administration Commission (PERAC) for MSERS. No contribution is required for MTRS. The Commonwealth of Massachusetts as a nonemployer is legally responsible for the entire past service cost related to the Collaborative and therefore has a 100% special funding situation.

See independent auditor's report.



**EDCO Collaborative**  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2019

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
<u>U.S. Department of Education, Office of Elementary &amp; Secondary Education:</u>			
Direct from U.S. Department of Education			
New England HEP	84.141		\$ 420,582
Total New England HEP			<u>420,582</u>
Pass through Commonwealth of Massachusetts			
Migrant Education State Grant Program	84.011	308-211064-2019-0523	799,823
		308-144303-2018-0523	394,286
		137-144302-2018-0523	25,725
Total Migrant Education State Grant Program			<u>1,219,834</u>
Migrant Education Coordination Program	84.144	136-278812-2019-0523	29,175
		136-144300-2018-0523	7,866
Total Migrant Education Coordination Program			<u>37,041</u>
English Language Acquisition Grants	84.365	180-154106-2018-0523-2.0	36,014
Total English Language Acquisition Grants			<u>36,014</u>
Pass through Boston Public Schools			
Archdiocesan Schools - Title I	84.010	40669	407,187
Total Archdiocesan Schools - Title I			<u>407,187</u>
Archdiocesan Schools - Title IIA	84.367	44897	151,107
Total Archdiocesan Schools - Title IIA			<u>151,107</u>
Archdiocesan Schools - Title IV	84.424	44897	61,856
Total Archdiocesan Schools - Title IV			<u>61,856</u>
<b>Total U.S. Department of Education</b>			<u><b>2,333,621</b></u>
<u>U.S. Department of Labor, Employment Training Administration:</u>			
WIA Cluster			
Pass through Economic Development & Industrial Corporation of Boston			
Workforce Investment Act Youth Activities	17.259	46483-19	81,289
		AA-32055-18-55-A-25	195,094
<b>Total WIA Cluster and U.S. Department of Labor</b>			<u><b>276,383</b></u>
<b>Total Expenditures of Federal Awards</b>			<u><b>\$ 2,610,004</b></u>

See accompanying Notes to Schedule of Expenditures of Federal Awards and Independent Auditor's Report.

**EDCO Collaborative**  
Notes to Schedule of Expenditures of Federal Awards  
For the year ended June 30, 2019

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal grant activity of EDCO Collaborative under programs of the federal government for the year ended June 30, 2019. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of EDCO Collaborative, it is not intended to and does not present the financial position, changes in net position or cash flows of EDCO Collaborative.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments* wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

EDCO Collaborative has not elected to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance. The Collaborative uses its annually calculated indirect cost rate when possible.



**FRITZ DEGUGLIELMO LLC**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**& BUSINESS ADVISORS**

**INDEPENDENT AUDITOR'S 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***

To the Board of Directors of  
EDCO Collaborative  
Bedford, 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, the major fund, and the aggregate remaining fund information of EDCO Collaborative (a collaborative organized under the Laws of the Commonwealth of Massachusetts), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise EDCO Collaborative's basic financial statements, and have issued our report thereon dated December 19, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered EDCO 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of EDCO Collaborative's internal control. Accordingly, we do not express an opinion on the effectiveness of EDCO 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2019-1 and 2019-2 that we consider to be significant deficiencies.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether EDCO 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2019-1 and 2019-2.

### **EDCO Collaborative's Response to Findings**

EDCO Collaborative's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. EDCO Collaborative's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **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.

*Fritz Engelbrecht LLC*

Certified Public Accountants

Newburyport, Massachusetts

December 19, 2019



**FRITZ DEGUGLIELMO LLC**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**& BUSINESS ADVISORS**

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of  
EDCO Collaborative  
Bedford, Massachusetts

**Report on Compliance for Each Major Federal Program**

We have audited EDCO Collaborative's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of EDCO Collaborative's major federal programs for the year ended June 30, 2019. EDCO Collaborative's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of EDCO Collaborative's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about EDCO Collaborative's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of EDCO Collaborative's compliance.

***Opinion on Each Major Federal Program***

In our opinion, EDCO Collaborative complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

**Report on Internal Control Over Compliance**

Management of EDCO Collaborative is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered EDCO Collaborative's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of EDCO Collaborative's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Fritz J. Guglielmo LLC*

Certified Public Accountants

Newburyport, Massachusetts

December 19, 2019

**EDCO Collaborative**  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2019

**Section 1**

**Summary of Auditor's Results**

**Financial Statements**

- |  |            |
|--|------------|
| 1. Type of auditor's report issued:                          | Unmodified |
| 2. Internal control over financial reporting:                |            |
| a. Material weaknesses identified?                           | No         |
| b. Significant deficiencies identified?                      | Yes        |
| 3. Noncompliance material to the financial statements noted? | Yes        |

**Federal Awards**

- |  |               |
|--|---------------|
| 1. Internal control over major program:  |               |
| a. Material weaknesses identified?   | No            |
| b. Significant deficiencies identified?  | None Reported |
| 2. Type of auditor's report issued on compliance for major program:  | Unmodified    |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a) | No            |

4. Identification of major programs:

CFDA Number

Name of Federal Program or Cluster

17.259

Workforce Investment Act Youth Activities

81.141

New England HEP

- |   |           |
|---|-----------|
| 5. Dollar threshold used to distinguish between Type A and Type B programs: | \$750,000 |
| 6. Auditee qualified as a low-risk auditee?                                 | Yes       |

**EDCO Collaborative**  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2019

**Section 2**

**Financial Statement Findings**

**Item 2019-1 - Budget Preparation**

Condition - The Collaborative's amended fiscal 2019 budget and its fiscal 2020 budget were prepared for board approval and included a formula error which overstated the budgeted revenue sources.

Criteria - Massachusetts General Law c. 40 § 4E, and the accompanying regulations, 603 CMR 50.00, address cumulative surplus and collaborative budgeting practices. Further guidance by the Massachusetts Department of Elementary and Secondary Education states all planned expenditures in a collaborative budget must have sufficient revenues to support the expenditures. If cumulative surplus is used to support planned expenditures in the collaborative budget or the amended budget, this information must be provided to the collaborative board and the member districts as part of the supplemental budget information.

Cause - A formula error in the Collaborative's worksheets used to prepare the budget effectively duplicated surplus amounts.

Potential effect - Budgeted revenues in both budgets were overstated by significant amounts. The overstatement resulted in a presentation for board approval that presented small surpluses within each budget period. Had the formula error not occurred, the budgets would have presented significant deficits in the budget, for which the board would have had to request a further reduction in budgeted expenditures or vote to use prior year cumulative surplus funds.

Recommendation - All budgets and related worksheets should be reviewed thoroughly by another individual within the Collaborative's financial staff, including recalculating amounts to ensure proper formulas and budgeting bases are utilized. In addition, the Collaborative should utilize the budgeted to actual results comparative function within its accounting software for ongoing monitoring of the budget.

Management's response - The unintentional formula error in the budget document Excel spreadsheet effectively duplicated surpluses from Collaborative-wide program lines. It was not the intent of Management to present a deficit budget nor recommend use of prior year cumulative surplus funds. The Business Manager has already corrected the formula in all working Excel spreadsheets. A heightened attention was appropriately brought to this simple error in that it lessened our short-term ability last spring to detect the beginnings of a deficit.

Effective immediately, and already in place for monitoring the FY20 budget and for the upcoming FY20 budget amendments, all budgets and related worksheets will be reviewed thoroughly by at least two members of the EDCO business office staff, including recalculating amounts to ensure proper formulas and budgeting bases are utilized. Use and sharing of multiple (more than one) Excel documents shall be stopped and sharing shall be through a centralized drive.



**EDCO Collaborative**  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2019

Secondly, EDCO will utilize more of its financial software's functionality related to comparing budget to actual results for regular, ongoing monitoring and reporting of the budget. The Business Office has already created a new budget monitoring spreadsheet, that is directly derived from the financial system, thereby limiting the possibility of human error in transcription/data inputting from system generated reports to spreadsheets used for presentation purposes. This new budget management Excel document was created by the Collaborative's IT staff in conjunction with the business office staff. The budget tracking and reporting documents are created for use by the accounting staff and senior leadership for bi-weekly reviewing of the budget in preparation of reporting to the Executive Director and the Board.

**Item 2019-2 - Budgeted to Actual Results Comparison**

Condition - The Collaborative was not preparing proper budgeted to actual results comparisons throughout the fiscal year.

Criteria - GASB requires a governmental entity to prepare budgetary comparison information as required supplementary information to its financial statements. In addition, Massachusetts General Law c. 40 § 4E, and the accompanying regulations, 603 CMR 50.00, address cumulative surplus and collaborative budgeting practices. Further guidance by the Massachusetts Department of Elementary and Secondary Education states all planned expenditures in a collaborative budget must have sufficient revenues to support the expenditures. If cumulative surplus is used to support planned expenditures in the collaborative budget or the amended budget, this information must be provided to the collaborative board and the member districts as part of the supplemental budget information.

Cause - The Collaborative was not preparing proper budgetary comparison information in the same format as its accounting system.

Potential effect - Senior management and the Collaborative board were not receiving proper budgetary comparison information to make proper decisions related to the Collaborative's realized deficit in the fiscal year. In addition, the board was unable to take action in approving an amended budget that properly addressed the projected deficit prior to the fiscal year end.

Recommendation - The Collaborative should utilize the budgeted to actual results comparative function within its accounting software for ongoing monitoring of the budget once the budget is reviewed and approved. This comparative function should generate adequate reports for management and the board to make proper budgeting decisions throughout the year.

Management's response - The Collaborative was not using the budget column and related functions within our financial management system, Infinite Visions (I.V.) as our regular budget management and reporting, which was driven by cash management/cash flow, was prepared externally from I.V. EDCO fully implemented I.V. in FY16, which also included our first use of the DESE Chart of Accounts, and centralized the budget development and management as a whole organization instead of "independently" functioning budgets by department. This practice was both historical and practical for the time as EDCO would evolve with greater use of I.V., improved budget development and reporting practices, tech savvy program directors and business office staff. During these years, no one was using these functions until the Collaborative could impose greater discipline around both training and regular use of I.V. to ensure proper use of the budget module.

**EDCO Collaborative**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2019**

In FY20, and going forward, the Collaborative will utilize the budgeted to actual results comparative function within I.V. for ongoing monitoring and reporting of the budget throughout the year. This expanded use of I.V. should generate adequate reports for management and the Board to make proper budgeting decisions throughout the year.

In FY19, the Collaborative experienced new executive leadership, new program directors, emerging programs and other reorganization. A new budget development process was implemented as the Collaborative's new executive director worked with program leaders and the business office, while IT staff held I.V. trainings for both program leaders and administrative assistants. Once the new year (FY20) opened and with leadership transitions having occurred, the business office accessed the budget module within I.V. and loaded all program budgets, except for the state grants. The grants budgets, as awarded, will be loaded into I.V. at the time of the mid-year amendment. In FY20, EDCO will have fully implemented use of the budget to actual comparison functions in the financial system and, in turn, in the new budget management worksheet created for reporting purposes to the executive director and the board.

**Section 3**

**Federal Award Findings and Questioned Costs**

None.

**Section 4**

**Summary Schedule of Prior Year Findings**

None.



### ACCEPTANCE OF THE BOARD OF DIRECTORS

We, the Board of Directors of EDCO Collaborative, have voted to accept the representations of management and the expression of the opinions made by Fritz DeGuglielmo LLC as embodied in the financial statements, supplemental schedules and independent auditor's reports for the year ended June 30, 2019.

We also certify that the representations made by management and the disclosures in the financial statements are accurate and have been correctly and completely disclosed as required by accounting principles generally accepted in the United States of America and under Commonwealth of Massachusetts laws for the year ended June 30, 2019.

Board Chair

Date

*Strength in Diversity • Quality through Collaboration*

