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About EDCO Collaborative

EDCO is a collaborative of 17 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, Boston Public Schools Titles I & II programs, and the EDCO Youth Alternative Program.

EDCO Collaborative – Contact Information

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School Committee, Newton Public Schools
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Please visit the EDCO Collaborative website: www.edcollab.org
From the Executive Director

During FY17 we continued toward our goal of greater efficiency in EDCO’s central office. Our leadership team, comprised of eight administrators in FY12, is now at five administrators. With the retirement of our Associate Executive Director in June 2017, we will eliminate that position and assess needs with regard to educational program leadership. Our leadership team for FY18 will be at four members, the Director of the McSwiney Center for Professional Learning, our Instructional Technology Director, Director of Business Management and Executive Director.

For FY17-FY21 the US Department of Education awarded EDCO Collaborative the High School Equivalency Program (HEP) grant. EDCO applied for this grant in collaboration with the Vermont, Maine and New Hampshire migrant education programs, World Ed, Inc., and the University of Vermont. The grant will provide $1.977M in funds over 5 years and will yield indirect fees in the amount of $158,195 for EDCO.

During FY17, services to our member districts were further expanded. EDCO provided special education program reviews, mentoring, coaching, and onsite professional learning opportunities. Feedback was positive and the services resulted in additional revenue for the organization. EDCO continues to explore opportunities to better serve our constituents.

EDCO hosted several distinguished speakers over the last year including Congresswoman Katherine Clark, of the 5th Congressional District, US Attorney Carmen Ortiz, and Representative Alice Peisch, Chair of the Joint Committee on Education.

Per the request of the Board, Director of Business Management, Thomas Markham proposed a two-year plan to reduce membership assessments by 50%. The plan was approved by the Board and will commence in FY18.

In FY18 we will welcome the Partners Program to Bedford. We have also reached an agreement to lease classroom and office space to CASE Collaborative. With these additions, along with our current tenants, NuPath and Van Pool, EDCO will realize the goal of utilizing the entire building, 40,000 square feet, at 36 Middlesex Turnpike.

Colleen Dolan
EDCO Collaborative’s Mission & Vision

Since 1969 EDCO’s mission has been to:

- Improve education through interdistrict 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’s vision is to:

- 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
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 inter-district and inter-agency 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, ECGB, 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 80’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 ECGB, 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**

- Glenn Brand, Superintendent, Acton-Boxborough Regional School District
- Kathleen Bodie, Superintendent, Arlington Public Schools
- Jon Sills, Superintendent, Bedford Public Schools
- Elyse Shuster, School Committee, Belmont Public Schools
- Helen Charlupski, School Committee, The Public Schools of Brookline
- James O’Shea, Superintendent, Carlisle Public Schools
- Diana Rigby, Superintendent, Concord Public Schools, Concord-Carlisle Regional School District
- Mary Czajkowski, Superintendent, Lexington Public Schools
- Rebecca McFall, Superintendent, Lincoln Public Schools
- Bella Wong, Superintendent, Lincoln-Sudbury Regional School District
- Diana Fisher Gomberg, School Committee, Newton Public Schools
- Anne Wilson, Superintendent, Sudbury Public Schools
- Drew Echelson, Superintendent, Waltham Public Schools
- John Brackett, Int. Superintendent, Watertown Public Schools
- Ed Heller, School Committee, Weston Public Schools
- Judith Evans, Superintendent, Winchester Public Schools

**Administrative Team**

- Colleen Dolan, Executive Director
- Judith Vaillancourt, Associate Executive Director
- Thomas Markham, Director of Business Management
- Andrew Kelley, Director, McSwiney Center for Professional Learning
- 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.

Information Technology at EDCO Collaborative

The Information Technology department has once again had a very busy year continuing to build our new network at 36 Middlesex Turnpike and improve services to all Programs. We have had several noteworthy projects and accomplishments this year.

First, we were excited to finally choose and go-live with a Student Information System. We conducted a thorough search and interviewed several vendors with an eye toward experience working with special populations and/or Collaborative organizations, and Massachusetts SIF compliant. After many presentations, question and answer sessions, and term and contract questions, we finally landed on SchoolBrains as a Student Information System. Ambitiously, we went live for the second half of the school year starting in January when we were enrolling students and training all staff on procedures and tips and tricks for ease of use. Through SchoolBrains, we have been able to develop a centrally located system of record for student data. This system has also given us the ability to implement an Alert Notification System and Family & Student portal to allow ease of communications from EDCO to our families.

Moreover, this year we began the task of researching and applying for E-Rate funding for Internet Service and Network Equipment for our ever-growing Bedford campus. Until this point, EDCO had not had the capacity to take on such a task and find a qualifying Internet Service and networking equipment that would allow us USAC funding. We conducted competitive bids with several vendors in the area and were able to apply for a new Dedicated Internet service that was eligible for a funding reimbursement for next fiscal year. For FY18 we will cut over to RCN as an Internet Service Provider and receive a better quality of service and, with the reimbursement applied, pay less than what we are paying this year for our cable internet service and network equipment. This will be an ongoing annual process and we plan to continue to file every year.

Finally, with the anticipation of the Partners Program moving to Bedford and additional tenants moving into our building, we are continuing to plan for a summer of build outs to ensure that each program and office space has adequate and state of the art technology to allow for teaching and learning including Interactive displays, wireless access, and back-end capacity. More exciting things to come!

Seefurth Room at the McSwiney Center for Professional Learning
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
Winchester Public Schools
EDCO Collaborative objective:

- 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
- Improve education through interdistrict and 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 districts’ 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 Assessment 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 thus ensuring students are placed in the least restrictive educational environment.
EDCO Program for the Deaf and Hard of Hearing

Dr. Courtney Dunne, Program Director

Located at F.A. Day Middle School, Newton, and Newton North HS

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 amplification systems, providing greater access for our students who use audition and spoken English. In SY 2016-2017, the Deaf and Hard of Hearing Program served 22 students.

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 educators
- 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
- 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

For FY17 the daily rate for members of EDCO Collaborative was $262.77; for non-members it was 315.32. Comparable programs in the area average $329.20 per day with a range of $246.95 to $413.21.

*None of the comparable schools for the deaf in the geographic area provide inclusive opportunities.
EDCO Partners Program

Meaghan Dwyer, Program Director
Located at Brookline High School

The mission of the EDCO Partners Program is to provide comprehensive academic instruction as well as intensive social and life skills instruction to academically capable adolescents diagnosed with High Functioning Autism (formerly diagnosed with Asperger’s Syndrome) or related challenges. Students participate in a rigorous academic program but also have opportunities for direct instruction in executive function skills, transition planning and internships as well as participation in college courses. In SY 2016 – 2017, eight students were served in the program with one student successfully participating in an optional fifth year of study to prepare for transition beyond high school. Four students were from member school districts and four students were from non-member school districts.

Program Highlights:

- Student to staff ratio is approximately 2:1
- Ongoing milieu counseling is provided on an as-needed basis.
- Staff members maintain consistent communication with families via phone or email.
- An online Google site is utilized to keep families informed and to provide access to schedule, curriculum, and homework.
- Individual Chromebooks are provided for each student.
- Students are assisted in meeting home-district eligibility requirements for graduation and earn diplomas from their home school districts.
- Students participate in social skills, transition skills, and life skills classes on a weekly basis and participate in community trips to practice learned skills in real life settings.
- Integration into Brookline High School general education classes is determined on an individual student basis.
- Students may participate in BHS activities and attend school assemblies and events.
- A five-week summer program is available that focuses on transition planning, social & life skills.
- Students choosing to attend for an optional 5th year of studies attended Mass Bay Community College for half their day.
- Students in the EDCO Partners Program are also included in Brookline High School classes and activities.

For FY17 the daily rate for members of EDCO Collaborative was $339.91; for non-members it was $407.89. Comparable programs in the area average $402.11 per day with a range of $307.93 to $459.65.
EDCO North Crossing Academy is located in Bedford with EDCO’s central office. Renovations to the building were designed to ensure students in all programs have access to current technology and welcoming and spacious school spaces. The programs described below constitute the range of services offered at the North Crossing Academy. This public day program is designed to serve students in grades 6 through 12 who are diagnosed with clinical mental health issues that adversely influence daily performance in the classroom.

EDCO North Crossing Therapeutic Day Program provides comprehensive educational instruction to students with special academic, emotional, and social challenges, by offering a highly structured therapeutic environment while maintaining academic integrity. The program is dedicated to helping students reach full potential by fostering individuality and personal growth within a safe and supportive learning community. Students engage in purposeful learning that stimulates curiosity, enjoyment, and understanding. Program clinical staff provide individual counseling using evidence-based strategies. Treatment modalities include, but are not limited to: Dialectical Behavior Therapy, Cognitive Behavior Therapy and trauma-focused therapy. These counseling services are designed to support the student in building skills of independence, problem solving, positive choices and preparation for life beyond high school. The EDCO North Crossing Therapeutic Day Program is committed to promoting diversity, acceptance, and a sense of belonging. In SY 2016-2017, a total of 38 students were served in the program, with an average of 21 for the year.

Program highlights:

- Licensed special education teachers and/or general education teachers with content area expertise
- Small student-to-staff ratio with frequent 1:1 academic support
- Individualized and multi-modal approach to teaching
- Counseling, offered both 1:1 and small, clinical groups
- Instruction and commitment to engage reluctant learners
- Targeted instruction in college and career readiness skills
- Staff participates in daily “debriefing” sessions and weekly staff meetings collaborate about students.
- Students are taught to identify their emotional and social responses to stressors and learn new coping mechanisms
- Interventions emphasize self-monitoring, self-control, and self-management strategies
- Technology skills developed through targeted instruction in technology classes and the use of current applications in all academic classes
- Community trips to practice and reinforce skills and to engage in community service
- Frequent and ongoing communication with the school district, family and outside providers

For FY17 the daily rate for members of EDCO Collaborative was $290.78; for non-members it was $348.94. Comparable programs in the area average $356.01 per day with a range of $280.13 to $380.26. *
North Crossing 45-Day Assessment Program

Stephen Burnham, Director

Located at 36 Middlesex Turnpike in Bedford, MA

The EDCO 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/or behavioral needs. Our small student population enables the 45-Day Program staff to provide individualized instruction while maintaining the integrity of the curriculum. Curriculum guidelines are obtained from the students’ home schools and lessons are designed to keep the students current in academic subjects.

The 45-Day Assessment Program uses a positive behavioral support system and provides frequent behavioral feedback to the student. Students are guided to identify triggers, behaviors, and appropriate tools to manage negative behaviors. Our clinical staff provides individual counseling using evidence-based strategies. Treatment modalities include, but are not limited to: Dialectical Behavior Therapy, Cognitive Behavior Therapy and trauma-focused therapy. All staff are trained in evidence-based strategies to offer a therapeutic milieu that provides a supportive and safe environment in which students can meet academic and clinical goals.

Depending on the referral questions, assessment services include, but are not limited to: classroom observations, clinical observations, structured interviews with student and family, with collateral contacts and with school district personnel and a comprehensive review of student records. Additionally, our staff is able to conduct clinical inventories and cognitive and academic testing.

As a result of our work with the student and with attention toward school district referral questions, the EDCO 45-Day Assessment Program staff produce a thorough written assessment which offers the school district, students and families specific recommendations for maximizing and fostering student academic, emotional, behavioral, and social gains in an educational setting. In SY 2016-2017, a total of 31 students were served in the program, with a daily average of 6 for the year.

Program Highlights:

• Formal and informal assessment measures are matched to district referral questions and student needs
• Placement culminates with a thorough written academic and psychosocial report
• Instruction and commitment to engage reluctant learners
• Individualized lessons and collaboration with students to develop de-escalation tools
• Staff participates in daily “debriefing’ sessions and weekly staff meetings to collaborate about students
• Students are taught to identify their emotional and social responses to stressors and learn new coping mechanisms
• Promotion of student self-advocacy for use of de-escalation tools
• Clinical support as needed
• Frequent and ongoing communication with the school district, family and outside providers

For members, in FY 17, the daily rate of EDCO Collaborative’s 45-Day Assessment Program was $310.00, for non-members it was $371.00. A comparable program in the area costs $338.29 per day.* EDCO’s 45-Day Program is the only Assessment Program that runs during the summer.

*Operational Services Division, Authorized Prices Fiscal Year 2017, In-State Special Education Programs
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 toward objectives:

In support of our mission, to improve education through interdistrict and interagency collaboration, to provide high quality education and related services to students-at-risk and to enhance equity, intercultural understanding and equal opportunity in education EDCO has partnered with state and federal agencies. The partnerships allow us to serve diverse populations. Contracts have been awarded to EDCO as a result of the competitive grant process or inter-agency agreements.

EDCO enjoys a robust partnership with Boston Public Schools. First, EDCO manages the Youth Alternative Program in Kenmore Square. The City of Boston, the Boston Public Schools, the Department of Labor and other sponsoring agencies fund the program. The EDCO Youth Alternative has a 34-year track record of serving at-risk youth and returning high school dropouts, making it one of the longest-standing alternative education and school-to-career programs in the nation. EDCO Youth Alternative has the capacity to support and empower youth to achieve their educational and career goals.

EDCO Collaborative also works on behalf of Boston Public Schools as the provider of Title I and Title IIa services for private and parochial schools in Boston. In 2016-2017 these supplemental services contributed to the academic support for children in 35 schools in the city of Boston.

EDCO is the lead agency for a Title III consortium, comprised of five EDCO districts with fewer than 100 English language learners enrolled, Bedford, Concord, Lincoln, Sudbury and Weston. For 16-17, the grant amount was $59,159.

EDCO has been awarded the contract as a subgrantee of the Department of Elementary and Secondary Education for the Massachusetts Migrant Education Program. During FY17 the program served over 600 migratory children and youth.

For FY17, EDCO also received a federal High School Equivalency Grant to support migrant adults in earning a high school diploma. The grant amount is $1,977,442 over 5 years.

EDCO Collaborative’s Special Education Surrogate Parent Program works in partnership with the Massachusetts Federation for Children appointing volunteers to act as special education decision makers for children in Massachusetts who are in the custody of a state agency.

Lastly, the Department of Developmental Services has awarded EDCO Collaborative a grant to provide therapeutic services to residents of the Wrentham Habilitative Center. The partnership meets EDCO’s objective to provide adult services in partnership with DDS. In FY17, over 250 adults with developmental disabilities received related services through EDCO’s Wrentham Habilitative Program. Services including occupational therapy, physical therapy, adapted physical education and orientation and mobility provided residents with significant opportunities for improved health, safety, recreation, and leisure throughout the year.
EDCO Youth Alternative Program

Ajay Trivedi, Program Director

Located in Kenmore Square, Boston

EDCO Youth Alternative (EYA) provides a full academic program, along with counseling and related support services, for students who have dropped out, are significantly at risk of dropping out, or are several years delayed in earning a high school diploma. These students require a more supportive environment than a large, traditional high school can offer. The program is funded by the City of Boston and Department of Labor through the Mayor’s Office of Workforce Development, along with the Boston Public Schools. Students at EYA enjoy small, accredited classes in regular high school subjects with the goal of attaining a BPS high school diploma. An individualized case plan is developed for each student to set high, attainable, goals. At a minimum, these goals include the attainment of a high school diploma and a successful step beyond graduation. In SY 2016–2017, sixty-five students were served in the program. EDCO Youth Alternative Program, in Boston, has enjoyed a long and successful relationship with Boston Public Schools due to the excellence services and positive results it has achieved over its thirty plus years.

Program highlights and emphases:

- Respect for one’s self and others
- Honesty and open communication
- Personal responsibility for one’s own actions and progress
- Non-violent and thoughtful resolution of difficulties
- Tolerance of individual differences
- Value of academic skills
- Development of problem-solving and long-term planning skills

Boston Public Schools, Title I and Title IIa

Dr. James Amara, Director

Boston Schools, Boston MA

EDCO Collaborative serves as fiscal agent for the Boston Public Schools in providing Title I and Title IIa services to eligible students and staff at parochial and private schools in Boston. Services for Title I children take the form of tutoring, small group instruction, computer assisted instruction, and summer programming in reading, math and language arts. In FY17 thirty-five schools and over 1,000 children were provided supplemental Title I services.

Professional development opportunities aimed at enhancing teacher effectiveness were provided under Title IIa through enrollment in workshops and professional organization conferences and through direct services to schools. Under this effort, more than seventy-five consultants were contracted to provide research based professional learning workshops, coaching, curriculum development, planning, and evaluation services.

In FY17, for the first time, EDCO had the responsibility for completing and submitting evaluations for all Title I and Title IIa programs for the City of Boston. All schools that received funds were evaluated, with a 100% completion rate. In addition, EDCO was a strong presence and outreach to all schools; this included onsite visitations and assistance with self-evaluation and program implementation. EDCO maintained a high level of communication with Principals, Assistant Principals and grant managers of all schools.
EDCO’s Habilitative Services Program at Wrentham Developmental Center (WDC) is dedicated to providing therapeutic services to over 270 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, Diversity, Risk Management, Training, Alzheimer’s and Bereavement, the team demonstrates leadership by sharing their expertise in each respective focus area.

Beyond WDC, the team impacts the greater community by providing consultations to residents in the community, volunteering at the annual Cracker Barrel Fair, providing student observations for aspiring therapists from local community colleges as well as supervision and mentorship for the Urban Youth Collaborative Program.

Notable program highlights for FY17 in each therapeutic area follow:

The Adapted Physical Education (APE) team provided movement and exercise opportunities to 138 residents, including direct services to 75 residents and ensuring safe and effective program implementation for 63 residents. Additional accomplishments by the APE team include:

- Design and promotion of Functional Fitness Exercise Programs, including a Walking Club, providing 45-60 minutes of functional exercise three times per week as well as a circuit for individuals who require a low intensity exercise routine
- Implementation of a widely popular Drums Alive Program resulting in requests for additional sessions
- Weekly training sessions for 15 Special Olympics athletes
- Organizing the 35th Annual Health and Wellness Week

The Occupational Therapy (OT) team provided direct and consultative services to an average of 224 residents per month. Additional accomplishments by the OT team include:

- Onboarding of three new team members to fill existing vacancies
- Design and implementation of a Resource Center for residents which includes a relaxation room, technology center, pet shop and dress-up area
- Planned and implemented the 3rd Annual Resident Fashion Show
Wrentham Habilitative Services (continued)

The Physical Therapy (PT) team provided direct and consultative services to an average of 227 residents per month. Additional accomplishments by the PT team include:

- Organized 16 weeks of Hippotherapy sessions for eight residents during the spring and fall
- Coordinated and attended 23 Orthotic/Shoe Clinics for a total of 246 resident visits
- Planned and implemented the Annual Physical Therapy Day

The Orientation and Mobility (O&I) team provided services, both direct and indirect, to an average of 55 residents per month. Additional accomplishments by the O&I team include:

- Planned and implemented the 12th Annual “Focus” on Vision Impairment and Blindness Conference
- “Getting Ready for Eye Exam” packets, a new initiative on campus, was successfully implemented and utilized for 10 residents
- Scheduled and ran eye glass clinic for 32 residents

Massachusetts Migrant Education Program

Emily Hoffman, EDCO Director

Located throughout the EDCO Member District

The Massachusetts Migrant Education Program (MMEP) is a federally funded program through Title I, part c to provide supplemental educational supports to the children of migratory agricultural workers, migratory fisherman and in some situations, the migratory workers themselves. The program serves migratory children who reside in over 30 communities located throughout the Commonwealth. The program’s major components include working with the school districts and community based organizations to identify and recruit all eligible students, connect students and their families with resources and programs in their schools and communities and to provide supplemental learning opportunities when needed. These activities include: homework assistance and tutoring; English/Life skills and HSE programs for out of school youth; parent empowerment and family literacy services; student and family advocacy; outreach and recruitment services; and summer services that provide language development instruction, ELA, Math and Science enrichment through site-based summer programming.

In FY17 the MMEP completed a two-year initiative to revise the program’s comprehensive needs assessment (CNA) and service delivery plan (SDP). The process incorporated federal and state initiatives and the priorities of key stakeholders in the program including MMEP and EDCO staff, DESE/DEEC program staff and the parents and students of the program.

In FY17, the Massachusetts Migrant Education Program served more than 500 students. Services provided include:

- Support for preschoolers to enroll in structured Early Childhood Education programs in their community
- Site and home-based supplemental educational supports during the academic year
- Support for Out-of-School Youth: English classes Life Skills, Adult Basic Education,
- Academic interventions
- Academic summer programs (Pre K -12)
- High School Equivalency Test preparation
- Referral services to educational, health and other services in the community, including the New England HEP
- Programming aimed at family involvement
- College and Career Readiness activities for 7-12 graders and OSY

MA Migrant Summer Program

Strength in Diversity
High School Equivalency Program

Christine Damon, EDCO HEP Director

Located in Bedford, MA, 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. The program is aimed at helping migratory and seasonal farmworkers to earn the equivalent of a high school diploma by passing the HiSET or GED exam. The program then assists in the pursuit of employment or postsecondary education or training. The NE HEP works with students 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. NE HEP students are provided with technology and resources that enable them to independently study for the HiSET or GED exam. Each student is assigned a coordinator who works to develop an individual learning plan and timeline for test completion. The coordinator and student meet bi-weekly either in person or virtually.

As of June 30, 2017 twenty students were enrolled in the program. One student successfully completed the HiSET exams and began an EMT training program at the local community college.

Special Education Surrogate Parent Program

Megan Ronzio, Director

Working in conjunction with DESE

EDCO Collaborative’s Special Education Surrogate Parent (SESP) Program works to appoint trained special education decision-makers to students who are in state custody, whose parents are unknown or unable to be located, or who are classified as Unaccompanied Refugee Minors. In FY17, 521 eligible students were appointed to an SESP through the program, and provided subsequent case management services. In addition, the SESP Program conducts ongoing outreach initiatives to DCF offices and to school districts by offering trainings and distribution of information at meetings across the state.

The SESP Program works through a shared grant of the Department of Elementary and Secondary Education, in partnership with the Massachusetts Federation for Children with Special Needs.
EDCO objectives:

• 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

Progress toward objectives:

EDCO Collaborative aims to provide quality professional learning opportunities for teachers and administrators, related service providers, and school committees. This is accomplished through the work of McSwiney Center for Professional Learning, our Roundtables, programs geared toward promoting and supporting cultural diversity, and our Educator Leadership Institute.

Participation in EDCO Collaborative roundtable has increased over FY17. Roundtables are offered for school committee members, administrators, curriculum and instruction coordinators, special education administrators, and more. Our School Committee orientation program continued with eight new school committee members receiving training certification.

The Educator Leadership Institute recently received re-approval from the Department of Elementary and Secondary Education as a leadership licensure program. The program graduated and endorsed thirty-one candidates in June of 2017.

McSwiney Center for Professional Learning

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 2016 -2017 School Year:

- 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 18 teacher endorsement courses and 4 administrator courses with 547 educators receiving their SEI endorsement through EDCO-sponsored courses. Additionally, EDCO offered twenty-seven 15-hour courses assisting 495 educators to satisfy the 15 hour requirements. Many courses were tailored specifically to meet the needs of teachers in content areas such as Art, Music, P.E. and Library.

- 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.

- Registered over 1900 teachers and administrators in 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. A 1:1 mentoring program has also been initiated for the 2017 school year.

- 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 who would not otherwise have had access to the funds. The funds ($59,195) supported before and after school and summer tutoring for ELLs, and professional learning with experts, including Cami Conde of Salem State University. Through the funding for Science, EDCO worked with Curriculum leaders to create a course for teachers on the new Science Standards with 27 participants in attendance. A second follow-up session is in the works.

- 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.

- Created a Google Site Resource page for districts to share information.

- Partnered with local and national organizations and institutions to bring programs, research and information to districts, including: Boston Children’s Hospital, Boston University, Commonwealth Learning Center, deCordova Sculpture Park and Museum, Edward M. Kennedy Institute, Framingham State University, Fitchburg State University, Heinemann, Keys to Literacy, MA Audubon Society, Massachusetts College of Art and Design, MassCUE, MATSOL, MRA, MSLA, Primary Source, Salem State University, TERC, Thoreau Institute, Wilson-Language Institute, World War II Museum in Natick, and Worcester State University

- Contracted with highly sought after presenters such as Jon Saphier (Research for Better Teaching), Chris Lehman (Author and Consultant) and Jo Boaler (Stanford University)
Benefits for Member Districts:
• EDCO member educators are able to attend workshops led by distinguished national leaders in their fields such as Jo Boaler thanks to cost-sharing among the districts. A national leader such as Jo Boaler of Stanford University charges $10,000/day plus travel expenses. Through EDCO, 400 teachers were able to attend one of two full day sessions for $150.
• Through the job-alike groups, EDCO is able to identify member educators who have particular expertise to share across the collaborative. More than 20 teachers from EDCO districts taught/co-taught workshops in 2016-17.
• 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 $15 - $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.
• EDCO Collaborative Roundtables (job-alikes) are offered at no charge to member districts.

IDEAS

Initiatives for Developing Equity and Achievement for Students

IDEAS is committed to achievement and success for all students via culturally proficient classrooms and schools that honor the individuality of students and families of all racial, ethnic, and cultural backgrounds. IDEAS builds upon EDCO’s mission in supporting member and non-member districts as they focus on culturally proficient schools and classrooms. IDEAS will extend the professional learning opportunities available to school districts as they work to enhance the culturally proficient practices identified in Standards II and III of the MA DESE Model Teacher Rubric.

Program Highlights:
• Professional learning opportunities in cultural proficiency to support equity and success for all students
• Student Leadership Conferences for middle and high school students to help shape diversity initiatives
• Consultation about curriculum and developing culturally proficient classrooms and schools
• Customized professional development workshops
• Monthly Affinity Group meetings for educators of color
• Ongoing Book Group discussions on topics of equity, race and teaching practices
• Tenacity Challenge: Academic Scholarship Competition for Latino and African-American students

Progress Toward Objectives:
IDEAS supports member and non-member districts in promoting and sustaining culturally proficient classrooms. During FY17, twelve courses were offered through IDEAS with over 200 educators participating.

New School Committee Orientation Program
EDCO Collaborative provides training annually for new school committee members. The training is approved by The Department of Elementary and Secondary Schools and is free of charge. Topics covered include Board Roles and Responsibilities, Legal Aspects of School Committee membership, Special education Issues, and Working with the Superintendent.
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.

- School Committee
- Superintendents
- Assistant Superintendents for Curriculum and Instruction
- High School Principals
- Middle 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
- Board Certified Behavior Analysts
- English Language Learners Coordinators
- Foreign Language Coordinators
- Support Staff

Benefits / Cost Savings for Member Districts:

Job-aliases 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.

Other Services

EDCO Objective:

- To offer cooperative and regional programs and/or services to help Member Districts maximize cost efficiency and program effectiveness through a collaborative effort.

Progress toward objective:

EDCO Collaborative works to address the diverse needs of our member districts. Toward that end, EDCO works collaboratively with LABBB Collaborative to provide special education transportation for several EDCO districts. Cooperative transportation supports the districts in providing services cost-effectively.

In addition, EDCO Collaborative sponsors cooperative purchasing of electricity and natural gas. This collaborative venture supports member and non-member districts in procurement of heating and electricity services for school and municipal buildings.

EDCO provides financial services for LABBB Collaborative including accounts payable, accounts receivable, payroll, and human resources. In addition, LABBB leases office space from EDCO Collaborative. EDCO, LABBB, and CASE Collaboratives have joined forces to provide professional learning opportunities aimed at special education to member districts.
Special Education Transportation

EDCO has joined together with LABBB Collaborative to coordinate transportation for students with disabilities in seven of our member districts (Arlington, Belmont, Burlington, Lexington, Waltham, Watertown, and Weston.)

**EDCO objective:**

• To offer cooperative and regional programs and/or services to help Member Districts maximize cost efficiency and program effectiveness through a collaborative effort

**Progress toward objective:**

In FY17 the transportation network safely transported over 500 students; 195 within districts, over 300 to out of district placements, and 10 privately paid. Top priorities of the network are safety and communication. A survey distributed in spring 2017 to parents and receiving districts indicated 83% of the parents who responded rank the transportation either “good or excellent”, while 93% of the representatives from the receiving schools rated the service “good or excellent”. The cultivation of excellent relationships with both families and vendors has resulted in satisfaction of all stakeholders as well as tremendous savings on transportation costs.
Appendix A – Cost Comparison

Cost Comparison:

<table>
<thead>
<tr>
<th>Program</th>
<th>Daily Rate</th>
<th>Program</th>
<th>Daily Rate</th>
<th>Program</th>
<th>Daily Rate</th>
<th>Program</th>
<th>Daily Rate</th>
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</thead>
<tbody>
<tr>
<td>EDCO Deaf &amp; Hard of Hearing</td>
<td>$262.77</td>
<td>Partners Program</td>
<td>$339.91</td>
<td>North Crossing Therapeutic Day</td>
<td>$290.78</td>
<td>North Crossing 45-Day Assessment</td>
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<td>Private Day</td>
<td>$363.26</td>
<td>Private Day</td>
<td>$418.23</td>
<td>Private Day</td>
<td>$420.20</td>
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<td>Private Day</td>
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<td>Private Day</td>
<td>$307.93</td>
<td>Private Day</td>
<td>$365.16</td>
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<td>$296.31</td>
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<td>Private Day</td>
<td>$246.95</td>
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<td>Private Day</td>
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<td>459.65</td>
<td>Private Day</td>
<td>$380.26</td>
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<td>$280.13</td>
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<tr>
<td></td>
<td><strong>Average</strong></td>
<td><strong>$329.20</strong></td>
<td><strong>Average</strong></td>
<td><strong>$402.11</strong></td>
<td><strong>Average</strong></td>
<td><strong>$356.01</strong></td>
<td><strong>Average</strong></td>
</tr>
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Source: *Operational Services Division, Authorized Prices Fiscal Year 2017, In-State Special Education Programs*
Appendix B – FY16 Audit

By the Audit Firm

FRITZ DEGUILLIEMO LLC
Certified Public Accountants

To view the complete FY17 audit, please visit
http://www.edcollab.org
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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, 2017, 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, each major fund, and the aggregate remaining fund information of EDCO Collaborative, as of June 30, 2017, 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.
**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 26-28 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 (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare 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 November 14, 2017, 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 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 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.

\[Signature\]

Certified Public Accountants

Newburyport, Massachusetts

November 14, 2017
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, 2017. 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.
Government-wide Financial Highlights

Revenue and Other Support

Revenue and other support for the fiscal year ended June 30, 2017 increased $430,040 or 4% 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 $29,888 and $101,871, respectively, in fiscal year 2017. EDCO ceased operating its transportation network at the end of fiscal year 2016 resulting in a decrease in revenue of approximately $475,000. The Collaborative’s Federal and state grants experienced increases in revenues while the majority of the revenue increases are related to increased demand and rates for services.

Service fee income increased $4,627 or 1% from the prior fiscal year. The increased service fee for fiscal year 2017 was agreed to by the LABBB Educational Collaborative (LABBB). The majority of the increase relates to sharing higher costs related to human resource and accounting staff.

Expenses

Expenses for the fiscal year ended June 30, 2017 increased $63,819 or 1% from the prior fiscal year, including investment fees and interest expense and excluding retirement systems on-behalf expense. EDCO realized a reduction in expenses from the discontinued transportation network services of approximately $477,000. While numerous programs experienced expense increases, including tuition based programs, the professional development program and the New England High School Equivalency Program, other programs and grants decreased. Programs and grants that experienced significant decreases in expenses are the EDCO Youth Alternative and the Title I program.

Service fee expenses increased $10,930 or 3%. The majority of the increase relates to higher costs of human resource and accounting staff.

Management and general expenses increased $130,057 or 9%, excluding depreciation expense. EDCO incurred approximately $111,000 in direct buildout costs on its primary facility that are included in management and general expense that has been reimbursed by new tenants that are or intend to sub-let space. There was an approximately $39,000 decrease in management and general payroll expenses and an increase of approximately $58,000 in other general expenses in fiscal year 2017.

Change in Net Position

Net position for the fiscal year ended June 30, 2017 was $190,926 or 6% higher than the prior ending net position. The increase is primarily due to revenue increases in excess of expense decreases. Expense increases are primarily due to increased occupancy and other expenses. EDCO continues to develop and enhance the special education programs offered and it is anticipated these efforts will provide additional revenue, cost offsets, and increases in net position in future years.

Total Assets

Total assets as of June 30, 2017 increased $470,379 or 9% from June 30, 2016. Accounts receivable and unbilled revenue decreased by a combined $34,712, primarily due to uncollected invoices being slightly higher at June 30, 2017. Equipment and leasehold improvements decreased by $204,874 primarily due to depreciation, while cash and investments increased $646,892. The majority of the changes relate to the general operations of the Collaborative.
Total Assets – (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 2017.

During the year ended June 30, 2014, EDCO received and recorded investments and investment activity related to the contributions from EDCO, Inc. The investments are professionally managed by Boston Private Bank & Trust Company. As of June 30, 2017, the portfolio composition included 66% equity securities, 23% fixed income securities, 2% mutual funds, and 9% 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 as conservatively as possible. However, the investments are still subject to market risk of loss.

Net equipment and improvements decreased $204,874 in fiscal year 2017. The decrease consists entirely of depreciation. Capitalized items cost a minimum of $5,000 and are 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, 2017 increased $279,453 or 16% from June 30, 2016. 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 $92,766 during the year ended June 30, 2017. The remaining increase in liabilities is primarily due to a significant increase in deferred revenues received in fiscal year 2017 for fiscal year 2018 and additional payables not paid until after year end.

Governmental Funds Financial Highlights

The Collaborative reported a total general fund balance of $2,725,744, of which $1,906,813 is unassigned. The fund balance increased $309,990 over the prior fiscal year, primarily as a result of operations. Accounts receivable and unbilled revenue increased by a combined $34,712. Cash and investments increased $646,892. Accounts payable and accrued expenses increased by $58,588. In addition, deferred revenue increased by $305,725.
EDCO Collaborative
Management’s Discussion and Analysis
June 30, 2017

Budgetary Highlights

EDCO’s annual budget for fiscal 2017 was approved by its Board of Directors. For the fiscal year ended June 30, 2017, EDCO received operating revenues, excluding retirement systems on-behalf revenue, of approximately $12,306,000 compared to amended budgeted revenues of approximately $11,620,000. The difference between actual revenues received and budgeted revenues is approximately 6% of budgeted revenues.

For the fiscal year ended June 30, 2017, EDCO incurred operating expenses, excluding retirement systems on-behalf revenue, of approximately $11,926,000 compared to amended budgeted expenses of approximately $11,602,000. The difference between actual expenses incurred and budgeted expenses is approximately 3% of budgeted expenses. The primary differences between budgeted revenues and expenses is higher than expected tuition and service revenue and a corresponding increase in 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 continues, under the joint management of LABBB and EDCO, and offers transportation services every month of the year. The Transportation Network transports 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 provides accounting, financial and procurement services for the Transportation Network and offsets 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 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.
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.

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

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.

**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, Colleen Dolan, or our Director of Business Management and Human Resources, Thomas Markham, at (617) 738-5600.
EDCO Collaborative  
Statement of Net Position  
June 30, 2017

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Governmental Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$1,107,560</td>
</tr>
<tr>
<td>Investments</td>
<td>1,051,992</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>858,565</td>
</tr>
<tr>
<td>Unbilled receivables</td>
<td>671,325</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>14,564</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>3,704,006</td>
</tr>
<tr>
<td><strong>Non-current Assets</strong></td>
<td></td>
</tr>
<tr>
<td>Equipment and improvements, net</td>
<td>1,754,447</td>
</tr>
<tr>
<td>Deposits</td>
<td>15,876</td>
</tr>
<tr>
<td><strong>Total Non-current Assets</strong></td>
<td>1,770,323</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$5,474,329</td>
</tr>
</tbody>
</table>

| LIABILITIES AND NET POSITION | |
| Current Liabilities | |
| Current portion of note payable | $97,512 |
| Accounts payable | 282,499 |
| Accrued liabilities | 305,474 |
| Deferred revenue | 390,289 |
| **Total Current Liabilities** | 1,075,774 |
| Non-current Liabilities: | |
| Compensated absences | 98,047 |
| Note payable, net of current portion | 837,516 |
| **Total Non-current Liabilities** | 935,563 |
| **Total Liabilities** | 2,011,337 |
| **Net Position** | |
| Invested in capital assets, net of related debt | 819,419 |
| Unrestricted | 1,824,642 |
| Restricted | 818,931 |
| **Total Net Position** | 3,462,992 |
| **Total Liabilities and Net Position** | $5,474,329 |
### EDCO Collaborative
### Statement of Activities
### For the Year Ended June 30, 2017

<table>
<thead>
<tr>
<th>Functions/ Programs</th>
<th>Expenses</th>
<th>Charges for Services</th>
<th>Operating Grants and Contributions</th>
<th>Net (Expense) Revenue and Changes in Net Position</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Governmental Activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration</td>
<td>$1,619,813</td>
<td>$</td>
<td>$</td>
<td>$ (1,619,813)</td>
</tr>
<tr>
<td>Educational and instructional</td>
<td>8,873,424</td>
<td>4,148,892</td>
<td>6,066,075</td>
<td>1,341,543</td>
</tr>
<tr>
<td>Transportation</td>
<td>37,548</td>
<td>49,607</td>
<td>$</td>
<td>12,059</td>
</tr>
<tr>
<td>Professional development</td>
<td>862,466</td>
<td>779,692</td>
<td>$</td>
<td>(82,774)</td>
</tr>
<tr>
<td>Other Services</td>
<td>388,352</td>
<td>492,577</td>
<td>$</td>
<td>104,225</td>
</tr>
<tr>
<td>Intergovernmental revenue and expense</td>
<td>1,984,992</td>
<td>-</td>
<td>1,984,992</td>
<td>$</td>
</tr>
<tr>
<td>Interest expense</td>
<td>58,775</td>
<td>-</td>
<td>-</td>
<td>(58,775)</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>204,874</td>
<td>-</td>
<td>-</td>
<td>(204,874)</td>
</tr>
<tr>
<td><strong>Total Governmental Activities</strong></td>
<td>$14,030,244</td>
<td>$5,470,768</td>
<td>$8,051,067</td>
<td>(508,409)</td>
</tr>
</tbody>
</table>

| **General revenue:**                       |                |                      |                                    |                                                  |
| Assessments to member districts            |                |                      |                                    | 400,648                                          |
| Interest and dividend income               |                |                      |                                    | 29,888                                           |
| Realized and unrealized gains on investments|                |                      |                                    | 101,871                                          |
| Other                                      |                |                      |                                    | 166,928                                          |
| **Total General Revenue**                  |                |                      |                                    | 699,335                                          |

| **Change in Net Position**                 |                |                      |                                    | 190,926                                          |

| **Net Position, Beginning of Year**        |                |                      |                                    | 3,272,066                                        |

| **Net Position, End of Year**              |                |                      |                                    | $3,462,992                                       |
EDCO Collaborative  
Balance Sheet  
Governmental Funds  
June 30, 2017

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>Professional Development Fund</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$1,107,560</td>
<td>$ -</td>
<td>$1,107,560</td>
</tr>
<tr>
<td>Investments</td>
<td>233,061</td>
<td>818,931</td>
<td>1,051,992</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>858,565</td>
<td>-</td>
<td>858,565</td>
</tr>
<tr>
<td>Unbilled receivables</td>
<td>671,325</td>
<td>-</td>
<td>671,325</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>14,564</td>
<td>-</td>
<td>14,564</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$2,885,075</td>
<td>$818,931</td>
<td>$3,704,006</td>
</tr>
</tbody>
</table>

| **Liabilities and Fund Balances** | | |
| Liabilities:               |              | |
| Accounts payable           | $282,499     | $ -                           | $282,499                 |
| Accrued liabilities        | 305,474      | -                            | 305,474                  |
| Deferred revenue           | 390,289      | -                            | 390,289                  |
| **Total Liabilities**      | 978,262      | -                            | 978,262                  |

| Fund Balances:             |              | |
| Nonspendable               | -            | -                            | -                        |
| Restricted                 | -            | 818,931                      | 818,931                  |
| Committed                  | -            | -                            | -                        |
| Assigned                   | -            | -                            | -                        |
| Unassigned                 | 1,906,813    | -                            | 1,906,813                |
| **Total Fund Balances**    | 1,906,813    | 818,931                      | 2,725,744                |
| **Total Liabilities and Fund Balances** | $2,885,075 | $818,931 | $3,704,006 |

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, 2017

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total fund balances, governmental funds</strong></td>
<td><strong>$ 2,725,744</strong></td>
</tr>
<tr>
<td>Amounts reported for governmental activities in the Statement of Net Position are different because:</td>
<td></td>
</tr>
<tr>
<td>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.</td>
<td><strong>819,419</strong></td>
</tr>
<tr>
<td>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.</td>
<td><strong>15,876</strong></td>
</tr>
<tr>
<td>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.</td>
<td><strong>(98,047)</strong></td>
</tr>
<tr>
<td><strong>Net position of governmental activities</strong></td>
<td><strong>$ 3,462,992</strong></td>
</tr>
</tbody>
</table>
EDCO Collaborative  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2017

<table>
<thead>
<tr>
<th>Revenues:</th>
<th>General Fund</th>
<th>Professional Development Fund</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition and services revenue</td>
<td>$ 5,470,768</td>
<td>$</td>
<td>$ 5,470,768</td>
</tr>
<tr>
<td>Member assessments</td>
<td>400,648</td>
<td>-</td>
<td>400,648</td>
</tr>
<tr>
<td>Grants and contributions</td>
<td>6,066,075</td>
<td>-</td>
<td>6,066,075</td>
</tr>
<tr>
<td>Intergovernmental revenue</td>
<td>1,984,992</td>
<td>-</td>
<td>1,984,992</td>
</tr>
<tr>
<td>Interest, investment and other income</td>
<td>298,687</td>
<td>-</td>
<td>298,687</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>14,221,170</td>
<td>-</td>
<td>14,221,170</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures:</th>
<th>General Fund</th>
<th>Professional Development Fund</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>1,619,813</td>
<td>-</td>
<td>1,619,813</td>
</tr>
<tr>
<td>Program payroll</td>
<td>6,097,706</td>
<td>-</td>
<td>6,097,706</td>
</tr>
<tr>
<td>Program fringe benefits and payroll taxes</td>
<td>1,288,953</td>
<td>-</td>
<td>1,288,953</td>
</tr>
<tr>
<td>Contract services and professional fees</td>
<td>1,245,545</td>
<td>-</td>
<td>1,245,545</td>
</tr>
<tr>
<td>Transportation and travel</td>
<td>142,538</td>
<td>-</td>
<td>142,538</td>
</tr>
<tr>
<td>Rent and other occupancy</td>
<td>571,226</td>
<td>-</td>
<td>571,226</td>
</tr>
<tr>
<td>Building maintenance</td>
<td>7,870</td>
<td>-</td>
<td>7,870</td>
</tr>
<tr>
<td>Telephone and utilities</td>
<td>139,108</td>
<td>-</td>
<td>139,108</td>
</tr>
<tr>
<td>Supplies, equipment and technology</td>
<td>351,934</td>
<td>-</td>
<td>351,934</td>
</tr>
<tr>
<td>Education and training</td>
<td>191,997</td>
<td>-</td>
<td>191,997</td>
</tr>
<tr>
<td>Other</td>
<td>117,957</td>
<td>-</td>
<td>117,957</td>
</tr>
<tr>
<td>Intergovernmental expense</td>
<td>1,984,992</td>
<td>-</td>
<td>1,984,992</td>
</tr>
<tr>
<td>Capital outlay, net of debt incurred</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Debt Service:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt principal</td>
<td>92,766</td>
<td>-</td>
<td>92,766</td>
</tr>
<tr>
<td>Debt interest</td>
<td>58,775</td>
<td>-</td>
<td>58,775</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>13,911,180</td>
<td>-</td>
<td>13,911,180</td>
</tr>
</tbody>
</table>

Excess (deficit) of Revenues over Expenditures  
- 309,990

<table>
<thead>
<tr>
<th>Other Financing Sources:</th>
<th>General Fund</th>
<th>Professional Development Fund</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer from professional development fund</td>
<td>80,000</td>
<td>(80,000)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Change in Fund Balances</strong></td>
<td>389,990</td>
<td>(80,000)</td>
<td>309,990</td>
</tr>
</tbody>
</table>

Fund Balances, Beginning of Year -  
- 1,516,823  
Fund Balances, End of Year  
- $ 1,906,813  
- $ 818,931  
- $ 2,725,744

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, 2017

Net change in fund balances of total governmental funds $ 309,990

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 -
Depreciation (204,874)

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 92,766

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 950

Governmental funds do not report certain expenses because they do not require the use of current financial resources. In contrast, the Statement of Activities reports such expenses.

Compensated absences (7,906)

Change in net position of governmental activities $ 190,926

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

The following governmental fund types are used by the Collaborative - the Collaborative does not use proprietary funds:
NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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.
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, 2017 management recorded an allowance for doubtful accounts of $30,818.

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.
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 ratably 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.
NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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 July 1, 2014, the date of the last actuarial report, the Plan was fully funded (see 
Note G).

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 November 14, 2017, 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 positions date, or non-recognized subsequent events, or events that 
provide evidence about conditions that did not exist at the statement of net positions 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, 2017:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank balance of cash and cash equivalents</td>
<td>$1,330,613</td>
</tr>
<tr>
<td>Deposits held in a Massachusetts Municipal Depository Trust</td>
<td>538</td>
</tr>
<tr>
<td>Reconciling items (deposits in transit, outstanding checks, etc.), net</td>
<td>(223,591)</td>
</tr>
<tr>
<td><strong>Total cash and cash equivalents as reported on the statement of net position</strong></td>
<td><strong>$1,107,560</strong></td>
</tr>
<tr>
<td>Bank deposits insured by the Federal Deposit Insurance Corporation</td>
<td>$353,288</td>
</tr>
</tbody>
</table>

NOTE C – INVESTMENTS
Investments as of June 30, 2017 are as follows:

<table>
<thead>
<tr>
<th>Investments</th>
<th>Cost</th>
<th>Fair Value</th>
<th>Unrealized Appreciation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments</td>
<td>$893,101</td>
<td>$1,051,992</td>
<td>$158,891</td>
</tr>
</tbody>
</table>

As of June 30, 2017, investments consisted of mutual funds and equities held with an investment company totaling $1,051,992.
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, 2017 was 4.75%. The line of credit is fully secured by a money market account. The balance at June 30, 2017 was $0.

NOTE E – EQUIPMENT AND IMPROVEMENTS
Equipment and improvement activity for the year ended June 30, 2017 was as follows:

<table>
<thead>
<tr>
<th></th>
<th>Beginning Balance</th>
<th>Increases</th>
<th>Decreases</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment</td>
<td>$609,485</td>
<td>-</td>
<td>-</td>
<td>$609,485</td>
</tr>
<tr>
<td>Improvements</td>
<td>1,920,832</td>
<td>-</td>
<td>-</td>
<td>1,920,832</td>
</tr>
<tr>
<td>Total at historic cost</td>
<td>2,530,317</td>
<td>-</td>
<td>-</td>
<td>2,530,317</td>
</tr>
</tbody>
</table>

Less: accumulated depreciation for:

<table>
<thead>
<tr>
<th></th>
<th>Beginning Balance</th>
<th>Increases</th>
<th>Decreases</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment</td>
<td>367,483</td>
<td>76,238</td>
<td>-</td>
<td>443,721</td>
</tr>
<tr>
<td>Improvements</td>
<td>203,513</td>
<td>128,636</td>
<td>-</td>
<td>332,149</td>
</tr>
<tr>
<td>Total accumulated depreciation</td>
<td>570,996</td>
<td>204,874</td>
<td>-</td>
<td>775,870</td>
</tr>
</tbody>
</table>

Total equipment and improvements, net $1,959,321 $(204,874) $- $1,754,447

NOTE F – GRANTS AND CONTRACTS REVENUE
Grants and contracts revenue was provided by the following funding sources for the years ended June 30, 2017:

- Federal government 28%
- State government 17%
- Private and city/local sources 55%

100%

NOTE G – POST-RETIREMENT HEALTHCARE BENEFITS
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. As of July 1, 2014, the date of the last actuarial report, the Trust held $2,408,462 and the Plan was fully funded.

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 $489,686 for the year ended June 30, 2017, which includes leases for certain facilities where EDCO is a tenant-at-will.
NOTE H – LEASE COMMITMENTS – continued

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$400,874</td>
</tr>
<tr>
<td>2019</td>
<td>515,978</td>
</tr>
<tr>
<td>2020</td>
<td>475,975</td>
</tr>
<tr>
<td>2021</td>
<td>474,076</td>
</tr>
<tr>
<td>2022</td>
<td>476,928</td>
</tr>
<tr>
<td>2023-2027</td>
<td>2,664,576</td>
</tr>
<tr>
<td>2028-2029</td>
<td>1,088,640</td>
</tr>
<tr>
<td></td>
<td>$6,097,047</td>
</tr>
</tbody>
</table>

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 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, 2017, EDCO collected $31,916 of rent revenue and $132,013 of build-out reimbursement. Future minimum rental receipts under non-cancelable leases are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$34,413</td>
</tr>
<tr>
<td>2019</td>
<td>35,283</td>
</tr>
<tr>
<td>2020</td>
<td>35,066</td>
</tr>
<tr>
<td>2021</td>
<td>36,970</td>
</tr>
<tr>
<td>2022 and thereafter</td>
<td>$141,732</td>
</tr>
</tbody>
</table>

NOTE I – RELATED PARTY TRANSACTIONS

LABBB – Accounting and Administrative Services
EDCO provides accounting and other administrative services for LABBB through a signed agreement. Each year after, if both parties wish to continue, an increase of a mutually agreed percentage or amount will be added to the annual fee. In the event that LABBB requires additional office space, a separate agreement will be negotiated. In December 2016, EDCO entered into a management services and rent/use of space agreement with LABBB. The agreement covers the period of July 1, 2016 to June 30, 2017 for management services and July 1, 2014 to June 30, 2019 for rent/use of space. The fee for the rent/use of space is determined on an annual basis by the EDCO Board of Directors upon approval of the annual budget. Service fee income received from LABBB totaled $432,465 for the year ended June 30, 2017.

LABBB – Transportation Network
EDCO entered into a joint venture in fiscal 2009 with LABBB to establish the LABBB-EDCO Transportation Network. During fiscal 2017, EDCO provided accounting and financial services for the Transportation Network and received $49,607 which represents direct costs for these services. This joint venture is expected to continue through fiscal 2018 and the service fees are expected to be similar to fiscal 2017.

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.
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:

<table>
<thead>
<tr>
<th>Hire Date</th>
<th>% of Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prior to 1975</td>
<td>5% of regular compensation</td>
</tr>
<tr>
<td>1975 - 1983</td>
<td>7% of regular compensation</td>
</tr>
<tr>
<td>1984 to 6/30/1996</td>
<td>8% of regular compensation</td>
</tr>
<tr>
<td>7/1/1996 to present</td>
<td>9% of regular compensation</td>
</tr>
<tr>
<td>1979 to present</td>
<td>An additional 2% of regular compensation in excess of $30,000</td>
</tr>
</tbody>
</table>
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 5.6% of covered payroll. Legally, the collaboratives are only responsible for contributing the annual normal cost of their employees’ benefits (i.e., the present value of the benefits earned by those employees in any given year) and are not legally responsible for the past service cost attributable to those employees or previously retired employees of the collaboratives. During fiscal year 2017, the Collaborative’s contributions on behalf of employees totaled $232,903.

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

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

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, 2016 and was $9,077,617 and $7,100,616 under MSERS and MTRS, respectively. In fiscal 2017, the Collaborative recognized revenue and related expense of $1,260,683 (under GASB Statement No. 68) for its portion of the collective pension expense under MSERS. In fiscal 2017, the Collaborative recognized revenue and related expense of $724,309 (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 2017 BUDGET

EDCO has authorized a fiscal 2018 operating budget which anticipates an approximate $107,366 surplus on $12,360,130 of expenses.

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

<table>
<thead>
<tr>
<th>Name and Title</th>
<th>Salary</th>
<th>Employer Portion of Benefits</th>
<th>Total Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Director – Colleen Dolan</td>
<td>$180,081</td>
<td>$16,240</td>
<td>$196,321</td>
</tr>
<tr>
<td>Associate Executive Director – Judith Vaillancourt</td>
<td>$138,644</td>
<td>$16,240</td>
<td>$154,884</td>
</tr>
<tr>
<td>Director of Business Management &amp; HR – Thomas Markham</td>
<td>$128,111</td>
<td>$16,240</td>
<td>$144,351</td>
</tr>
<tr>
<td>Program Director, North Crossing – Debra McElroy</td>
<td>$99,809</td>
<td>$6,625</td>
<td>$106,434</td>
</tr>
<tr>
<td>Program Director, Deaf Education – Courtney Dunne</td>
<td>$92,250</td>
<td>$685</td>
<td>$92,935</td>
</tr>
</tbody>
</table>

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.

Associate Executive Director – Responsible for the maintenance and growth of special education programs and other federal and state funded programs. Other responsibilities include administration, management, and oversight of educational programs.

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.

Amounts expended on services for individuals aged 22 years and older
Total direct costs incurred by EDCO in its over 22 program totaled $1,941,084 for the year ended June 30, 2017.

Amounts expended on administration and overhead
Total administrative costs, including non-operating investment fees, incurred by EDCO totaled $1,619,813 for the year ended June 30, 2017. 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, 2017, 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.

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

Annual determination and disclosure of cumulative surplus

Cumulative Surplus Calculation - FY17

(A) Voted Cumulative Surplus as of 6/30/16 $ 1,516,823 (A) p. 12
(B) 1 Amount of (A) used to support the FY17 Budget (B)1 $ -
2 Amount of (A) returned to member districts (B)2 $ -
(B)1 + (B)2 = (B)$ - (B)
(C) Unexpended FY17 General Funds $ 389,990 (C) p. 12
(D) Cumulative Surplus as of 6/30/17 (A) - (B) + (C) = (D) $ 1,906,813 (D)
(E) FY17 Total General Fund Expenditures* $ 11,926,188 (E) p. 12
(F) Cumulative Surplus Percentage (D) ÷ (E) 16.0% (F)
Estimated Amount of Excess Cumulative Surplus as of 6/30/17 $ -

* Excludes Intergovernmental expense

NOTE M – DISSOLUTION OF EDCO, INC.

On May 10, 2012, the Board of Directors of EDCO, Inc. voted to approve the dissolution of EDCO, Inc. EDCO, Inc.’s final day of operating activity was June 30, 2012 with all ongoing activities being taken over by EDCO effective July 1, 2012. All contracts and operating activities have been transferred to EDCO. Remaining assets and liabilities of EDCO, Inc. were transferred upon final dissolution of that organization in fiscal year 2014.

The Collaborative’s board had designated and used the entire unrestricted contribution received after EDCO, Inc.’s dissolution totaling $1,133,073 to fund facilities and other costs related to its move to its new location in fiscal year 2015. During the year ended June 30, 2017, the Collaborative used $80,000 of restricted funds received after EDCO, Inc.’s dissolution toward operating expenses of the professional development center, thereby releasing the funds from restriction. As of June 30, 2017, remaining unused restricted funds were $818,931.

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, 2017 was $935,028.
NOTE N – NOTE PAYABLE – continued

Future maturities of the note payable are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$97,512</td>
</tr>
<tr>
<td>2019</td>
<td>102,501</td>
</tr>
<tr>
<td>2020</td>
<td>107,745</td>
</tr>
<tr>
<td>2021</td>
<td>113,254</td>
</tr>
<tr>
<td>2022</td>
<td>119,052</td>
</tr>
<tr>
<td>Thereafter</td>
<td>394,964</td>
</tr>
<tr>
<td>Totals</td>
<td>$935,028</td>
</tr>
</tbody>
</table>

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. However, EDCO had no accumulated surplus as of June 30, 2017.
EDCO Collaborative
Statement of Revenues, Expenditures and Changes in Fund Balances
of the General Fund - Budget to Actual
For the Year Ended June 30, 2017

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Favorable (Unfavorable)</td>
</tr>
<tr>
<td>Revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition &amp; services revenue</td>
<td>$5,407,392</td>
<td>$4,905,893</td>
<td>$5,470,768</td>
<td>$564,875</td>
</tr>
<tr>
<td>Member assessments</td>
<td>400,648</td>
<td>400,648</td>
<td>400,648</td>
<td>-</td>
</tr>
<tr>
<td>Grants &amp; contributions</td>
<td>5,837,656</td>
<td>6,153,058</td>
<td>6,066,075</td>
<td>(86,983)</td>
</tr>
<tr>
<td>Intergovernmental revenue</td>
<td>-</td>
<td>-</td>
<td>1,984,992</td>
<td>1,984,992</td>
</tr>
<tr>
<td>Interest and other investment income</td>
<td>80,000</td>
<td>80,000</td>
<td>298,687</td>
<td>218,687</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>11,725,696</td>
<td>11,539,599</td>
<td>14,221,170</td>
<td>2,681,571</td>
</tr>
<tr>
<td>Expenditures:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration</td>
<td>1,561,754</td>
<td>1,490,940</td>
<td>1,619,813</td>
<td>(128,873)</td>
</tr>
<tr>
<td>Educational and instructional</td>
<td>8,581,365</td>
<td>8,429,997</td>
<td>8,865,518</td>
<td>(435,521)</td>
</tr>
<tr>
<td>Transportation</td>
<td>39,446</td>
<td>38,994</td>
<td>37,548</td>
<td>1,446</td>
</tr>
<tr>
<td>Professional development</td>
<td>1,040,441</td>
<td>1,108,072</td>
<td>862,466</td>
<td>245,606</td>
</tr>
<tr>
<td>Other Services</td>
<td>389,072</td>
<td>392,129</td>
<td>389,302</td>
<td>2,827</td>
</tr>
<tr>
<td>Intergovernmental revenue and expense</td>
<td>-</td>
<td>-</td>
<td>1,984,992</td>
<td>(1,984,992)</td>
</tr>
<tr>
<td>Debt Service:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt principal</td>
<td>92,766</td>
<td>92,766</td>
<td>92,766</td>
<td>-</td>
</tr>
<tr>
<td>Debt interest</td>
<td>49,283</td>
<td>49,283</td>
<td>58,775</td>
<td>(9,492)</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>11,754,127</td>
<td>11,602,181</td>
<td>13,911,180</td>
<td>(2,308,999)</td>
</tr>
<tr>
<td>Revenues Net of Expenditures</td>
<td>(28,431)</td>
<td>(62,582)</td>
<td>309,990</td>
<td>372,572</td>
</tr>
<tr>
<td>Transfers in from other funds</td>
<td>80,000</td>
<td>80,000</td>
<td>80,000</td>
<td>-</td>
</tr>
<tr>
<td>Net Change in Fund Balances</td>
<td>$51,569</td>
<td>$17,418</td>
<td>$389,990</td>
<td>$372,572</td>
</tr>
</tbody>
</table>

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 2017, the board did revise its originally approved budget, primarily to remove transportation network revenue and expense from a service it no longer planned on providing. The above schedule presents a comparison of budgetary data to actual results.

The Collaborative prepares its annual budget on a basis (budget basis), which 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.

26
EDCO Collaborative
Schedule of the Collaborative's Proportionate Share of Net Pension Liability
For the Year Ended June 30, 2017

<table>
<thead>
<tr>
<th></th>
<th>FY2015</th>
<th>FY2016</th>
<th>MTRS</th>
<th>MSERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collaborative's proportion of net pension liability</td>
<td>0.04463%</td>
<td>0.06923%</td>
<td>0.03176%</td>
<td>0.06583%</td>
</tr>
<tr>
<td>Collaborative's proportionate share of net pension liability</td>
<td>$9,145,184</td>
<td>$7,879,793</td>
<td>$7,100,616</td>
<td>$9,077,617</td>
</tr>
<tr>
<td>Collaborative's covered-employee payroll</td>
<td>$2,829,250</td>
<td>$4,187,518</td>
<td>$2,112,302</td>
<td>$4,099,893</td>
</tr>
<tr>
<td>Collaborative's proportionate share of net pension liability as a percentage of its covered-employee payroll</td>
<td>323.24%</td>
<td>188.17%</td>
<td>336.16%</td>
<td>221.41%</td>
</tr>
<tr>
<td>Plan fiduciary net position as a percentage of total pension liability</td>
<td>55.38%</td>
<td>67.87%</td>
<td>52.73%</td>
<td>63.48%</td>
</tr>
</tbody>
</table>

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, 2016.

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
Schedule of Pension Contributions
For the Year Ended June 30, 2017

<table>
<thead>
<tr>
<th>Fiscal 2015</th>
<th>MTRS</th>
<th>MSERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contractually required contribution</td>
<td>$ -</td>
<td>$ 234,501</td>
</tr>
<tr>
<td>Contributions in relation to the contractually required contribution</td>
<td>$ -</td>
<td>$ 234,501</td>
</tr>
<tr>
<td>Contribution deficiency (excess)</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Collaborative's covered-employee payroll</td>
<td>$ 2,829,250</td>
<td>$ 4,187,518</td>
</tr>
<tr>
<td>Contributions as a percentage of covered-employee payroll</td>
<td>0.00%</td>
<td>5.60%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fiscal 2016</th>
<th>MTRS</th>
<th>MSERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contractually required contribution</td>
<td>$ -</td>
<td>$ 229,594</td>
</tr>
<tr>
<td>Contributions in relation to the contractually required contribution</td>
<td>$ -</td>
<td>$ 229,594</td>
</tr>
<tr>
<td>Contribution deficiency (excess)</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Collaborative's covered-employee payroll</td>
<td>$ 2,112,302</td>
<td>$ 4,099,893</td>
</tr>
<tr>
<td>Contributions as a percentage of covered-employee payroll</td>
<td>0.00%</td>
<td>5.60%</td>
</tr>
</tbody>
</table>

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, 2016.

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.
<table>
<thead>
<tr>
<th>Federal Grantor/Pass-Through Grantor/Program Title</th>
<th>Federal CFDA Number</th>
<th>Pass-Through Entity Identifying Number</th>
<th>Federal Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Department of Education, Office of Elementary &amp; Secondary Education:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct from U.S. Department of Education</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New England HEP</td>
<td>84.141</td>
<td>S141A160024</td>
<td>$351,311</td>
</tr>
<tr>
<td>Total New England HEP</td>
<td></td>
<td></td>
<td>351,311</td>
</tr>
<tr>
<td>Pass through Commonwealth of Massachusetts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Migrant Education State Grant Program</td>
<td>84.011</td>
<td>308-001-7-0523-R</td>
<td>945,022</td>
</tr>
<tr>
<td></td>
<td></td>
<td>308-001-6-1065-Q</td>
<td>410,228</td>
</tr>
<tr>
<td></td>
<td></td>
<td>308-002-6-1065-Q</td>
<td>39,618</td>
</tr>
<tr>
<td></td>
<td></td>
<td>135-001-7-0523</td>
<td>38,011</td>
</tr>
<tr>
<td>Total Migrant Education State Grant Program</td>
<td></td>
<td></td>
<td>1,432,879</td>
</tr>
<tr>
<td>Migrant Education Coordination Program</td>
<td>84.144</td>
<td>136-001-7-0523-R</td>
<td>46,500</td>
</tr>
<tr>
<td></td>
<td></td>
<td>136-001-6-1065-Q</td>
<td>7,134</td>
</tr>
<tr>
<td>Total Migrant Education Coordination Program</td>
<td></td>
<td></td>
<td>53,634</td>
</tr>
<tr>
<td>English Language Acquisition Grants</td>
<td>84.365</td>
<td>180-133912-2017-0523</td>
<td>28,338</td>
</tr>
<tr>
<td></td>
<td></td>
<td>180-001-7-0523-R</td>
<td>4,437</td>
</tr>
<tr>
<td></td>
<td></td>
<td>180-106-6-1065-Q</td>
<td>35,458</td>
</tr>
<tr>
<td>Total English Language Acquisition Grants</td>
<td></td>
<td></td>
<td>68,233</td>
</tr>
<tr>
<td>Special Education Grants to States</td>
<td>84.027</td>
<td>274-174-7-0523-R</td>
<td>2,194</td>
</tr>
<tr>
<td>Total Special Education Grants to States</td>
<td></td>
<td></td>
<td>2,194</td>
</tr>
<tr>
<td>Pass through Boston Public Schools</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Archdiocesan Schools - Title I</td>
<td>84.010</td>
<td>40669</td>
<td>560,658</td>
</tr>
<tr>
<td>Total Archdiocesan Schools - Title I</td>
<td></td>
<td></td>
<td>560,658</td>
</tr>
<tr>
<td>Archdiocesan Schools - Title IIA</td>
<td>84.367</td>
<td>40669</td>
<td>488,765</td>
</tr>
<tr>
<td>Total Archdiocesan Schools - Title IIA</td>
<td></td>
<td></td>
<td>488,765</td>
</tr>
<tr>
<td><strong>Total U.S. Department of Education</strong></td>
<td></td>
<td></td>
<td><strong>2,957,674</strong></td>
</tr>
<tr>
<td>U.S. Department of Labor, Employment Training Administration:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WIA Cluster</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pass through Economic Development &amp; Industrial Corporation of Boston</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Workforce Investment Act Youth Activities</td>
<td>17.259</td>
<td>122-019-117</td>
<td>164,030</td>
</tr>
<tr>
<td></td>
<td></td>
<td>122-019-116</td>
<td>2,227</td>
</tr>
<tr>
<td></td>
<td></td>
<td>42833-17</td>
<td>81,290</td>
</tr>
<tr>
<td><strong>Total WIA Cluster and U.S. Department of Labor</strong></td>
<td></td>
<td></td>
<td><strong>247,547</strong></td>
</tr>
<tr>
<td><strong>Total Expenditures of Federal Awards</strong></td>
<td></td>
<td></td>
<td><strong>$3,205,221</strong></td>
</tr>
</tbody>
</table>

See accompanying Notes to Schedule of Expenditures of Federal Awards and Independent Auditor's Report.
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, 2017. 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.
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, 2017, and the related notes to the financial statements, which collectively comprise EDCO Collaborative’s basic financial statements, and have issued our report thereon dated November 14, 2017.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.
Purpose of this Report

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

[Signature]
Certified Public Accountants

Newburyport, Massachusetts
November 14, 2017
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, 2017. 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 the requirements of laws, regulations, contracts, and grants
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, 2017.

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.

Certified Public Accountants
Newburyport, Massachusetts
November 14, 2017
Section 1

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? None Reported

3. Noncompliance material to the financial statements noted? No

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
   --------------|----------------------------------
   84.011 | Migrant Education State Grant Program

5. Dollar threshold used to distinguish between Type A and Type B programs: $750,000

6. Auditee qualified as a low-risk auditee? Yes
Section 2

*Financial Statement Findings*

None.

Section 3

*Federal Award Findings and Questioned Costs*

None.

Section 4

*Summary Schedule of Prior Year Findings*

None.
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, 2017.

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, 2017.

Kari Bade
Board Chair
11/16/17
Date