

**ROSELLI, CLARK & ASSOCIATES**  
Certified Public Accountants

**BI-COUNTY EDUCATION  
COLLABORATIVE**

Basic Financial Statements and  
Additional Information

Year Ended June 30, 2024



# BI-COUNTY EDUCATION COLLABORATIVE

## TABLE OF CONTENTS YEAR ENDED JUNE 30, 2024

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	Page(s)
INDEPENDENT AUDITORS' REPORT	1 – 3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4 – 8
<b>BASIC FINANCIAL STATEMENTS:</b>	
Government-Wide Financial Statements:	
Statement of Net Position	9
Statement of Activities	10
Governmental Funds Financial Statements:	
Balance Sheet	11
Reconciliation of the Balance Sheet Total Fund Balances to the Statement of Net Position	12
Statement of Revenues, Expenditures and Changes in Fund Balances	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	14
Fiduciary Funds Financial Statements:	
Statement of Fiduciary Net Position	15
Statement of Changes in Fiduciary Net Position	16
Notes to the Financial Statements	17 – 30
<b>REQUIRED SUPPLEMENTARY INFORMATION – UNAUDITED:</b>	
Schedule of the Commonwealth's Proportionate Share of the Massachusetts State Employees' Retirement System Net Pension Liability	31
Schedule of the Collaborative's Contributions to the Massachusetts State Employees' Retirement System	31
Schedule of the Commonwealth's Proportionate Share of the Massachusetts Teachers' Retirement System Net Pension Liability	32
Schedule of Changes in Net OPEB Liability and Related Ratios	33
Schedule of Contributions to the OPEB Plan	34
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	35
Notes to Required Supplementary Information	36
<b>OTHER INFORMATION – UNAUDITED:</b>	
Disclosures Required Under Massachusetts General Law	37 – 39



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**INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Bi-County Education Collaborative  
Franklin, Massachusetts

**Opinions**

We have audited the accompanying financial statements of Bi-County Education Collaborative (the “Collaborative”) as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Collaborative’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Collaborative as of June 30, 2024, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Collaborative and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Responsibilities of Management for the Financial Statements**

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

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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules listed under the required supplementary information section in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Other Information**

Management is responsible for the disclosures required under Massachusetts General Law as listed under the other information section in the accompanying table of contents. This other information is required by the Massachusetts Department of Elementary and Secondary Education but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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



Roselli, Clark & Associates  
Certified Public Accountants  
Woburn, Massachusetts  
September 10, 2024

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As the management of Bi-County Education Collaborative (the "Collaborative"), we offer readers of the Collaborative's financial statements this narrative overview and analysis of the financial activities of the Collaborative for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with their review of the basic financial statements, notes to the basic financial statements and other information found in this report.

### **Financial Highlights**

- The liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources at June 30, 2024 by \$12,158,464 (*net position*).
- The Collaborative's total net position decreased by \$320,389 in fiscal year 2024. This decrease was due primarily to nearly \$0.8 million in noncash personnel benefits expenses associated with the Collaborative's other postemployment benefits, or OPEB, plan.
- As of June 30, 2024, the Collaborative's governmental funds balance sheet reported an ending fund balance of \$3,898,422, which is an increase of \$517,160 from the prior year.
- The Collaborative reported \$660,831 in its capital reserve fund at June 30, 2024, which is an increase of \$392,984 from the prior year.
- At June 30, 2024, the unassigned fund balance for the general fund was nearly 12% of the total fiscal year 2024 general fund expenditures.
- For financial reporting purposes, the Collaborative reports long-term debt in the form of lease liabilities for several facilities it leases over multiyear terms. These lease liabilities totaled \$9,016,304 at June 30, 2024.
- The Collaborative's net other postemployment benefits ("OPEB") liability decreased \$2,941,642 in fiscal year 2024 to \$8,525,874 at June 30, 2024.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Collaborative's basic financial statements. The Collaborative's basic financial statements comprise three components: 1) government-wide financial statements, 2) governmental fund financial statements and 3) notes to the basic financial statements. This report also contains required supplementary information and other information required by the Department of Elementary and Secondary Education of the Commonwealth ("DESE") in addition to the basic financial statements themselves.

**Government-Wide Financial Statements** – The government-wide financial statements are designed to provide readers with a broad overview of the Collaborative's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Collaborative's assets and deferred outflows of resources and its liabilities and deferred inflows of resources, with the difference between these figures reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Collaborative is improving or deteriorating.

The statement of activities presents information showing how the Collaborative's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

**Fund Accounting** – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Collaborative, like state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Collaborative's funds are reported in the governmental funds and the fiduciary funds; the Collaborative does not have any proprietary funds.

**Governmental Funds** – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

The Collaborative reports two governmental funds – the general fund and a capital reserve fund.

The Collaborative adopts an annual budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget. This schedule has been prepared as required supplementary information and can be found along with its corresponding notes in this report.

Accounting guidelines distinguish fund balance between amounts that are considered nonspendable, such as fund balance associated with prepaid items and inventories, and other amounts that are classified based on the relative strength of the constraints that control the purposes for which specific amounts can be spent. Beginning with the most binding constraints, fund balance amounts will be reported in the following classifications:

- Nonspendable – amounts that cannot be spent because they are either (a) not in spendable form (i.e., inventory or prepaid items) or (b) legally or contractually required to be maintained intact.
- Restricted – amounts constrained by external parties, constitutional provision, or enabling legislation.
- Committed – amounts constrained by a government using its highest level of decision-making authority.
- Assigned – amounts a government intends to use for a particular purpose.
- Unassigned – amounts that are not constrained at all will be reported in the general fund or in other major funds, if negative.

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Required Supplementary Information** – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Collaborative’s budget to actual results, pensions and other postemployment benefit liabilities.

**Other Information** – DESE requires that the basic financial statements be accompanied by additional disclosures, which are included in the Other Information section of these basic financial statements.

**Government-Wide Financial Analysis**

The condensed comparative statements of net position for the two most recent years are as follows:

	June 30, 2024	June 30, 2023	Dollar Change	Percent Change
<b>Assets:</b>				
Current and other assets	\$ 5,866,914	\$ 5,163,201	\$ 703,713	13.6%
Capital assets, net	<u>9,347,994</u>	<u>2,942,948</u>	<u>6,405,046</u>	217.6%
Total Assets	<u>15,214,908</u>	<u>8,106,149</u>	<u>7,108,759</u>	87.7%
Deferred Outflows of Resources	<u>8,660,607</u>	<u>9,438,503</u>	<u>7,108,759</u>	75.3%
<b>Liabilities:</b>				
Long-term liabilities	16,578,441	13,360,494	3,217,947	24.1%
Other liabilities	<u>2,932,229</u>	<u>2,455,103</u>	<u>477,126</u>	19.4%
Total Liabilities	<u>19,510,670</u>	<u>15,815,597</u>	<u>3,695,073</u>	23.4%
Deferred Inflows of Resources	<u>16,523,309</u>	<u>13,567,130</u>	<u>2,956,179</u>	21.8%
<b>Net Position:</b>				
Net investment in capital assets	331,690	376,806	(45,116)	-12.0%
Unrestricted	<u>(12,490,154)</u>	<u>(12,214,881)</u>	<u>(275,273)</u>	2.3%
Total Net Position	<u>\$ (12,158,464)</u>	<u>\$ (11,838,075)</u>	<u>\$ (320,389)</u>	2.7%

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. The Collaborative’s total net position decreased \$320,389 in fiscal year 2024. This decrease was due primarily to nearly \$0.8 million in noncash personnel benefits expenses associated with the Collaborative’s OPEB plan.

The condensed comparative statements of activities for the two most recent years are as follows:

	Year Ended June 30,		Dollar Change	Percent Change
	2024	2023		
Revenues:				
Program revenues:				
Operating grants and contributions	\$ 2,652,805	\$ 2,082,061	\$ 570,744	27.4%
General revenues:				
Program tuitions	13,541,116	12,719,380	821,736	6.5%
Other	<u>2,250,574</u>	<u>1,725,202</u>	<u>525,372</u>	30.5%
Total Revenues	<u>18,444,495</u>	<u>16,526,643</u>	<u>1,917,852</u>	11.6%
Expenses:				
Personnel and related expenses	16,264,966	14,969,556	1,295,410	8.7%
Other operating expenses	1,513,644	1,468,389	45,255	3.1%
Depreciation and amortization	873,428	871,298	2,130	0.2%
Interest expense	<u>112,846</u>	<u>145,552</u>	<u>(32,706)</u>	-22.5%
Total Expenses	<u>18,764,884</u>	<u>17,454,795</u>	<u>1,310,089</u>	7.5%
Change in Net Position	<u>(320,389)</u>	<u>(928,152)</u>	<u>607,763</u>	-65.5%
Net Position:				
Beginning of year	<u>(11,838,075)</u>	<u>(10,909,923)</u>	<u>(928,152)</u>	8.5%
End of year	<u>\$ (12,158,464)</u>	<u>\$ (11,838,075)</u>	<u>\$ (320,389)</u>	2.7%

Total revenues increased over \$1.9 million in fiscal year 2023, while total expenses increased over \$1.3 million. The increase in revenues was due primarily to higher tuition revenues. The increase in expenses was due primarily to increased employee headcount.

### **Governmental Funds Financial Analysis**

As noted earlier, the Collaborative uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the Collaborative's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Collaborative's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the close of the current fiscal year, the Collaborative's governmental funds balance sheet reported an ending fund balance surplus of \$3,898,422, which is an increase of \$517,160 from the prior year.

The general fund is the chief operating fund of the Collaborative. At the end of the current fiscal year, unassigned fund balance of the general fund was \$2,921,984, while total general fund balance was \$3,237,591. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance at year end represented approximately 11.6% of total fiscal year 2024 general fund expenditures, while total fund balance was approximately 12.9% of that same amount.

Beginning in fiscal year 2024, the Collaborative began reporting its capital reserve fund as a major governmental fund. In fiscal year 2024, the capital reserve fund transferred \$137,016 to the general fund and received \$530,000 from the general fund. The capital reserve fund reported a committed fund balance of \$660,831 at June 30, 2024.

### **General Fund Budgetary Highlights**

A budget to actual schedule for the general fund has been provided as required supplementary information. During fiscal year 2024, the Board of Directors revised its original budget to increase revenues by nearly \$0.2 million and expenditure by over \$0.1 million.

### **Capital Asset and Long-Term Financing Administration**

**Capital Assets** – The Collaborative’s investment in capital assets (inclusive of its right to use leased facilities) as of June 30, 2024 totaled \$9,347,994, net of accumulated depreciation and amortization. Capital assets primarily include facilities under lease, leasehold improvements, equipment and vehicles. Net capital assets increased \$6,405,046 in fiscal year 2024. This increase was due primarily to the effect of significant new long-term facility leases executed in late fiscal year 2024. Additional information on the Collaborative’s capital assets can be found in the notes to the basic financial statements.

**Long-Term Debt** – All of the long-term debt reported by the Collaborative is in the form of lease liabilities for facilities. The Collaborative’s lease liabilities increased nearly \$6.5 million in fiscal year 2024, which was due to the effect of new long-term facility leases executed in late fiscal year 2024. The lease liabilities in place at June 30, 2024 are expected to mature at various intervals through fiscal year 2034.

The Collaborative maintains a \$500,000 line of credit with a commercial bank. At June 30, 2024, no amounts were advanced by the bank to the Collaborative under this line of credit.

Additional information on the Collaborative’s lease liabilities can be found in the notes to the basic financial statements.

### **Economic Factors and Next Year’s Budget**

- The fiscal year 2025 budget was established using a student population of 195 students.
- Tuition and services were projected to increase by 3%.
- Budgeted fiscal year 2025 revenues and expenses totaled over \$16.3 million. The fiscal year 2025 budget contemplates \$433,150 in leasehold improvements.
- Employee salaries were budgeted to increase approximately 2.5% from the prior fiscal year.

The above items were considered when the Board of Directors of the Collaborative accepted its budget for fiscal year 2025 in March 2024.

### **Requests for Information**

This financial report is designed to provide a general overview of the Collaborative’s finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Executive Director, Bi-County Education Collaborative, 111 Robbins Road, Walpole, Massachusetts 02081.

# BI-COUNTY EDUCATION COLLABORATIVE

## STATEMENT OF NET POSITION JUNE 30, 2024

	<u>Governmental Activities</u>
Assets:	
Cash and cash equivalents	\$ 434,474
Investments in MMDT	3,710,977
Receivables, net of allowances	1,405,856
Prepaid items	315,607
Right to use leased facilities, net	8,833,830
Depreciable capital assets, net	<u>514,164</u>
Total Assets	<u>15,214,908</u>
Deferred Outflows of Resources:	
Other postemployment benefits	<u>8,660,607</u>
Liabilities:	
Accounts payable and accrued expenses	77,607
Accrued payroll and related benefits	406,284
Other liabilities	5,665
Unearned revenues	1,454,226
Noncurrent liabilities:	
Due within one year	988,447
Due in more than one year	<u>16,578,441</u>
Total Liabilities	<u>19,510,670</u>
Deferred Inflows of Resources:	
Other postemployment benefits	<u>16,523,309</u>
Net Position:	
Net investment in capital assets	331,690
Unrestricted	<u>(12,490,154)</u>
Total Net Position	<u>\$ (12,158,464)</u>

See accompanying notes to basic financial statements.

**BI-COUNTY EDUCATION COLLABORATIVE**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024**

Functions/Programs	Expenses	Program Revenues			Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenues and Changes in Net Position
					Governmental Activities
Specialized Education Services:					
Salaries and wages	\$ 11,040,270	\$ -	\$ 100,000	\$ -	\$ (10,940,270)
Payroll taxes and personnel benefits	5,224,696	-	2,552,805	-	(2,671,891)
Program expenses	645,215	-	-	-	(645,215)
Facilities and maintenance	664,777	-	-	-	(664,777)
General and administrative	203,652	-	-	-	(203,652)
Depreciation and amortization	873,428	-	-	-	(873,428)
Interest expense	112,846	-	-	-	(112,846)
<b>Total Specialized Education Services</b>	<b>\$ 18,764,884</b>	<b>\$ -</b>	<b>\$ 2,652,805</b>	<b>\$ -</b>	<b>(16,112,079)</b>
		General Revenues:			
					Program tuitions 13,541,116
					Unrestricted investment income 126,512
					Other income 2,124,062
					<u>Total General Revenues 15,791,690</u>
					<u>Change in Net Position (320,389)</u>
		Net Position:			
					Beginning of year (11,838,075)
					<u>End of year \$ (12,158,464)</u>

See accompanying notes to basic financial statements.

**BI-COUNTY EDUCATION COLLABORATIVE**

**GOVERNMENTAL FUNDS**

**BALANCE SHEET**

**JUNE 30, 2024**

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	General Fund	Capital Reserve Fund	Total
Assets:			
Cash and cash equivalents	\$ 434,474	\$ -	\$ 434,474
Investments in MMDT	3,050,146	660,831	3,710,977
Receivables, net of allowances	1,405,856	-	1,405,856
Prepaid items	315,607	-	315,607
Total Assets	<u>\$ 5,206,083</u>	<u>\$ 660,831</u>	<u>\$ 5,866,914</u>
Liabilities:			
Accounts payable and accrued expenses	\$ 77,607	\$ -	\$ 77,607
Accrued payroll and withholdings	430,994	-	430,994
Other liabilities	5,665	-	5,665
Unearned revenues	1,454,226	-	1,454,226
Total Liabilities	<u>1,968,492</u>	<u>-</u>	<u>1,968,492</u>
Fund Balances:			
Nonspendable	315,607	-	315,607
Committed	-	660,831	660,831
Unassigned	2,921,984	-	2,921,984
Total Fund Balances	<u>3,237,591</u>	<u>660,831</u>	<u>3,898,422</u>
Total Liabilities and Fund Balances	<u>\$ 5,206,083</u>	<u>\$ 660,831</u>	<u>\$ 5,866,914</u>

See accompanying notes to basic financial statements.

## BI-COUNTY EDUCATION COLLABORATIVE

### RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO THE STATEMENT OF NET POSITION AS OF JUNE 30, 2024

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Total Governmental Fund Balances		\$ 3,898,422
Capital assets used in governmental activities in the statement of net position are not financial resources and therefore are not reported in the governmental funds		9,347,994
Deferred outflows and inflows of resources to be recognized in future expense are not available resources and, therefore, are not reported in the governmental funds:		
Deferred outflows of resources - OPEB	8,660,607	
Deferred inflows of resources - OPEB	<u>(16,523,309)</u>	
Net effect of reporting deferred outflows and inflows of resources		(7,862,702)
Long-term liabilities not currently due and payable are reported in the statement of net position and not in the governmental funds:		
Net other postemployment benefits liability	(8,525,874)	
Lease liabilities	<u>(9,016,304)</u>	
Net effect of reporting long-term liabilities		<u>(17,542,178)</u>
Net Position — Governmental Activities		<u>\$ (12,158,464)</u>

See accompanying notes to basic financial statements.

**BI-COUNTY EDUCATION COLLABORATIVE**

**GOVERNMENTAL FUNDS**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2024**

	General Fund	Capital Reserve Fund	Total
	<u>          </u>	<u>          </u>	<u>          </u>
Revenues:			
Special education tuition	\$ 13,541,116	\$ -	\$ 13,541,116
Aides	1,464,709	-	1,464,709
Other services	659,353	-	659,353
Intergovernmental	2,652,805	-	2,652,805
Investment income	126,512	-	126,512
	<u>18,444,495</u>	<u>-</u>	<u>18,444,495</u>
Total Revenues			
Expenditures:			
Salaries and wages	11,040,270	-	11,040,270
Payroll taxes and personnel benefits	4,432,263	-	4,432,263
Program expenses	645,214	-	645,214
Facilities and maintenance	1,468,920	-	1,468,920
General and administrative	203,652	-	203,652
Capital expenses	7,346,163	-	7,346,163
	<u>25,136,482</u>	<u>-</u>	<u>25,136,482</u>
Total Expenditures			
Excess of Revenues Over Expenditures	<u>(6,691,987)</u>	<u>-</u>	<u>(6,691,987)</u>
Other Financing Sources:			
Proceeds from issuance of facility lease obligations	7,209,147	-	7,209,147
Transfers in	137,016	530,000	-
Transfers out	(530,000)	(137,016)	-
	<u>6,816,163</u>	<u>392,984</u>	<u>7,209,147</u>
Total Other Financing Sources			
Change in Fund Balances	124,176	392,984	517,160
Fund Balances:			
Beginning of the year	<u>3,113,415</u>	<u>267,847</u>	<u>3,381,262</u>
End of the year	<u>\$ 3,237,591</u>	<u>\$ 660,831</u>	<u>\$ 3,898,422</u>

See accompanying notes to basic financial statements.

## BI-COUNTY EDUCATION 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, 2024

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Change in Fund Balances — Total Governmental Funds \$ 517,160

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is capitalized and depreciated/amortized over their estimated useful lives.

Capital asset activity in the current fiscal year included:

Capital asset additions	137,015	
Right to use facility lease additions	7,209,147	
Depreciation and amortization expense	<u>(873,428)</u>	
Net effect of reporting capital activity		6,472,734

The issuance of long-term liabilities provides current financial resources to the governmental funds, while the repayment of the principal of long-term liabilities consumes the financial resources of governmental funds. Neither has any effect on net position. Differences in the treatment of long-term liabilities in the current year included:

Issuance of facility lease obligations	(7,209,147)	
Repayments on lease liabilities	<u>691,297</u>	
Net effect of reporting long-term debt activity		(6,517,850)

Some revenues/expenses reported in the statement of activities do not provide/require the use of current financial resources and therefore are not reported as revenues/expenditures in the governmental funds:

Net other postemployment benefits liability	<u>(792,433)</u>	
Net effect of reporting long-term liabilities		<u>(792,433)</u>

Change in Net Position — Governmental Activities \$ (320,389)

See accompanying notes to basic financial statements.

**BI-COUNTY EDUCATION COLLABORATIVE**

**FIDUCIARY FUNDS  
STATEMENT OF NET POSITION  
JUNE 30, 2024**

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	<u>OPEB Trust</u>
Assets:	
Investments in SRBT	\$ <u>3,696,932</u>
Total Assets	<u>3,696,932</u>
Liabilities:	
Warrants and accounts payable	<u>-</u>
Total Liabilities	<u>-</u>
Net Position Restricted for Other Postemployment Benefits	<u>3,696,932</u>
Total Net Position	<u>\$ <u>3,696,932</u></u>

See accompanying notes to basic financial statements.

**BI-COUNTY EDUCATION COLLABORATIVE**  
**FIDUCIARY FUNDS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2024**

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	OPEB Trust
Additions:	
Employer contributions	\$ -
Investment income:	
Interest and dividends	99,196
Net increase in fair value of investments	259,764
Less investment management fees	(19,194)
Total net investment income	339,766
Total Additions	339,766
Deductions:	
Benefits to retirees	228,000
Total Deductions	228,000
Change in Net Position	111,766
Net Position:	
Beginning of the year	3,585,166
End of the year	\$ 3,696,932

See accompanying notes to basic financial statements.

# BI-COUNTY EDUCATION COLLABORATIVE

## NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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### I. Summary of Significant Accounting Policies

The accompanying basic financial statements of Bi- County Education Collaborative (the “Collaborative”) have been prepared in conformity with generally accepted accounting principles (“GAAP”) as applied to state and local governments. GAAP is prescribed by the Governmental Accounting Standards Board (“GASB”), which is the primary standard-setting body for state and local government entities. The following is a summary of the more significant policies and practices used by the Collaborative:

#### A. Reporting Entity

The Collaborative is an association of school committees formed for the purpose of conducting specialized education programs and services primarily of member school committees and increase educational opportunities for children. The Collaborative provides preschool, elementary and secondary education for students aged three to twenty-two with significant disabilities.

The Collaborative was formed by agreement in 1976, as amended. The Collaborative is governed by a Board of Directors comprised of superintendents of member school committees, which at June 30, 2024 consisted of the following:

Blackstone-Millville Regional School District	Town of Milford
King Phillip Regional School District	Town of Norfolk
Town of Attleborough	Town of North Attleborough
Town of Bellingham	Town of Norton
Town of Easton	Town of Plainville
Town of Foxborough	Town of Seekonk
Town of Franklin	Town of Swansea
Town of Hopedale	Town of Uxbridge
Town of Mansfield	Town of Walpole
Tri-County Regional Vocational Technical High School	Town of Wrentham

#### B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the Collaborative. The Collaborative has only governmental type activities; there are no business-type activities to report. Governmental activities are principally supported by charges for services and member assessments.

Separate financial statements are provided for governmental funds. Major individual government funds are reported as separate columns in the fund financial statements.

Major Fund Criteria – Major funds must be reported if both of the following criteria are met:

- 1) The total assets, liabilities, revenues, or expenditures/expenses of an individual governmental or enterprise fund are at least 10% of the corresponding element (assets, liabilities, etc.) for all funds of that category or type (total governmental or total enterprise funds), and
- 2) The total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5% of the corresponding element for all governmental and enterprise funds combined.

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

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

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. The Collaborative has a single function/program – the delivery of specialized education programs and services. The Collaborative reports the major expense components of its specialized education programs and services in these basic financial statements as direct expenses. Accordingly, program revenues are primarily limited to grants and contributions that are restricted to meeting the operational and/or capital requirements of the direct expenses. Member assessments, investment income and other pupil services revenues are reported as general revenues.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e., measurable and available). Revenues are considered to be available when they are 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, certain compensated absences, claims and judgments which are recognized when the obligations are expected to be liquidated with current expendable available resources.

The Collaborative applies the susceptible to accrual criteria to intergovernmental revenues. In applying the susceptible to accrual concept, there are two types of revenues. In the first, monies must be expended for a specific purpose or project before any amounts will be paid; therefore, revenues are recognized as expenditures are incurred. In the second, monies are virtually unrestricted and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues when cash is received, or earlier if the susceptible to accrual criteria are met.

The Collaborative reports the following major governmental funds:

The general fund is the Collaborative's primary operating fund. It accounts for all financial resources of the Collaborative except those required to be accounted for in another fund.

The capital reserve fund is used to support costs associated with the acquisition, maintenance and improvement of capital assets pursuant to a capital plan. The capital reserve fund was established as a reportable major governmental fund in fiscal year 2024. As a result, \$267,847 in previously reported committed fund balances in the general fund were reclassified from the general fund to the capital reserve fund on July 1, 2023 in these basic financial statements.

The Collaborative does not report any proprietary funds.

Fiduciary fund financial statements are reported using the economic resources measurement focus and use the accrual basis of accounting. Fiduciary funds are used to account for assets held in a trustee capacity for others that may not be used for government programs. The Collaborative reports its Other Postemployment Benefits Trust Fund as a fiduciary fund. This fund is used to account for funds accumulated by the Collaborative to assist it in its future payments of other postemployment benefits, or OPEB, to retirees, such as medical and life insurance.

#### **D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Equity**

*Deposits and Investments* – The Collaborative's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The Collaborative reports its investments at fair value. When actively quoted observable prices are not available, the Collaborative generally uses either implied pricing from similar investments or valuation models based on net present values of estimated future cash flows (adjusted as appropriate for liquidity, credit, market and/or other risk factors).

The Collaborative categorizes its fair value measurements within the fair value hierarchy established by GAAP. This hierarchy is based on valuation inputs used to measure the fair value of the asset or liability. The three levels of the hierarchy are as follows:

- *Level 1* – Inputs are quoted prices in active markets for identical investments at the measurement date.
- *Level 2* – Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the investment through correlation with market data at the measurement date and for the duration of the instrument's anticipated life.
- *Level 3* – Inputs reflect the Collaborative's best estimate of what market participants would use in pricing the investment at the measurement date.

The remaining investments not categorized under the fair value hierarchy above are valued at either amortized cost or at net asset value ("NAV"). These are investments in nongovernmental entities for which readily determinable fair value is not available, such as member units or an ownership interest in partners' capital to which a proportionate share of net assets is attributed. Investments at NAV are commonly calculated by subtracting the fair value of liabilities from the fair value of assets.

Receivables – Receivables generally represent unpaid amounts due to the Collaborative for services. At June 30, 2024, there were no amounts reported as allowances for uncollectible accounts.

Prepaid Items – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and governmental fund financial statements.

Capital Assets – Capital assets, which include the right to use leased facilities, leasehold improvements, machinery and equipment and leased vehicles are reported in the government-wide financial statements. Capital assets are recorded at historical cost. Donated capital assets are recorded at the estimated fair market value at the date of donation. All individual capital asset purchases in excess of \$5,000 are capitalized at the date of acquisition if expected lives are deemed greater than two years. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are depreciated or amortized by the Collaborative on a straight-line basis over the following estimated useful lives:

Right to use facility leases	Remaining term of lease
Leasehold improvements	Remaining term of lease
Furniture and equipment	3 to 10 years
Vehicles	5 years

Right-To-Use Assets – Certain long-term facility leases have been capitalized for financial reporting purposes and are subject to periodic amortization expense on a straight-line basis over the expected live(s) of the lease arrangement(s). Right-to-use assets may be reported in the Collaborative’s statement of net position together with capital assets. Amortization expense may be combined with depreciation expense in these basic financial statements.

Interfund Balances – Activity between funds that are representative of lending arrangements outstanding at the end of the fiscal year are referred to as advances to/from other funds. All other outstanding balances between funds are reported as due to/from other funds.

Compensated Absences – It is the Collaborative’s policy to grant sick and vacation leave to its Executive Director and certain other administrators, which may be paid out are retirement or termination of employment. Amounts related to these benefits are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured.

Unearned Revenues – Tuition and other amounts collected in advance are reported as unearned revenues.

Long-Term Debt – Long-term debt, which is primarily in the form of lease liabilities, is reported as liabilities in the government-wide financial statements.

Fund Equity – In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent in which the Collaborative is required to honor constraints on the specific purpose for which amounts in the funds can be spent.

Fund balance is reported in five components – nonspendable, restricted, committed, assigned, and unassigned as described below:

*Nonspendable* represents amounts that cannot be spent because they are either (a) not in spendable form (i.e., inventory or prepaid items) or (b) legally or contractually required to be maintained intact such as the corpus of an endowment.

*Restricted* represents amounts that have constraints placed either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation.

*Committed* represents amounts that can only be used for specific purposes pursuant to formal action of the Collaborative’s Board of Directors, which represents the most binding constraint that gives rise to committed fund balance. Those committed amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action it employed previously to commit those amounts.

*Assigned* represents amounts that are constrained by the Collaborative’s intent to be used for specific purposes but are neither restricted nor committed.

*Unassigned* represents amounts that have not been restricted, committed or assigned to specific purposes within the general fund.

At June 30, 2024, the Collaborative reported \$315,607 as nonspendable in its general fund, which represented the value of the Collaborative’s prepaid items. The Collaborative reported \$660,831 as committed in its capital reserve fund. The remaining fund balance of \$2,921,984 is reported as unassigned in the general fund at June 30, 2024.

When both restricted and unrestricted resources are available for use, it is the Collaborative’s policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. The Collaborative does not report any amounts as encumbrances from normal purchasing activity at June 30, 2024 as assigned in the governmental funds financial statements.

*Net Position* – In the government-wide financial statements, net position reported as net investment in capital assets includes capital and right-to-use assets, net of accumulated depreciation and amortization, less the principal balance of outstanding liabilities used to acquire capital assets. Unspent proceeds of capital related debt are not considered to be capital related debt.

The Collaborative does not report any amounts as restricted net position in these basic financial statements.

## **E. Use of Estimates**

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

## II. Detailed Notes to All Funds

### A. Deposits and Investments

State laws and regulations require the Collaborative to invest funds only in preapproved investment instruments which include, but are not necessarily limited to, bank deposits, money markets, certificates of deposit, U.S. obligations, repurchase agreements, and State Treasurer's investment pool, which is administered by the Massachusetts Municipal Depository Trust ("MMDT"). In addition, the statutes impose various limitations on the amount and length of investments and deposits. Repurchase agreements cannot be for a period of over ninety days, and the underlying security must be a United States obligation. During the fiscal year, the Collaborative did not enter into any repurchase agreements.

*Custodial Credit Risk: Deposits* – In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Collaborative relies on depository insurance at each financial institution to mitigate this risk. At June 30, 2024, \$309,779 in Collaborative bank deposits were exposed to custodial credit risk as these amounts were uninsured and uncollateralized.

*Custodial Credit Risk: Investments* – In the case of investments, this is the risk that in the event of an invested party not being able to provide required payments to investors, ceasing to exist, or filing of bankruptcy, the Collaborative may not be able to recover the full amount of its principal investment and/or investment earnings. All the Collaborative's investments are registered in its name and cannot be pledged or assigned. As a result, the Collaborative does not believe it is exposed to custodial credit risk on its investments.

*Fair Value Measurements: Investments* – None of the Collaborative's investments were valued using Levels 1, 2 or 3 inputs. The Collaborative maintained an investment of \$3,710,977 in the MMDT at June 30, 2024. Short-term investments in the MMDT are measured at amortized cost, which approximates fair value.

The Collaborative's OPEB trust fund invests all its funds, which totaled \$3,696,932 at June 30, 2024, with the State Retirees Benefit Trust Fund ("SRBT"). The SRBT is administered by the Commonwealth of Massachusetts' Pension Reserve Investment Management Board, or PRIM. The SRBT holds a diverse set of investments that include private equity, distressed debt, derivatives, venture and real estate investments. The determination of the fair value of these investments is subjective and the period-end values are reported to the System as NAV. Investments in the SRBT are generally more liquid than investments in private equity and real estate holdings, but generally cannot be resold to third parties. The Collaborative may liquidate its investments in the SRBT funds at any time with less than thirty days' notice. Distributions from the SRBT funds are received regularly and deposited into an accompanying short-term cash investment account.

*Credit Risk: Investments* – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. None of the Collaborative's investments were subject to credit ratings.

## B. Receivables

Receivables at June 30, 2024 consisted of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Due from member communities	\$ 1,147,479	\$ -	\$ 1,147,479
Due from others	<u>258,377</u>	<u>-</u>	<u>258,377</u>
Totals	<u>\$ 1,405,856</u>	<u>\$ -</u>	<u>\$ 1,405,856</u>

## C. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets being depreciated or amortized:				
Right to use facilities under lease	\$ 3,788,825	\$ 7,209,147	\$ (270,755)	\$ 10,727,217
Leasehold improvements	273,188	-	-	273,188
Furniture and equipment	915,678	137,015	-	1,052,693
Vehicles	<u>181,251</u>	<u>-</u>	<u>-</u>	<u>181,251</u>
Total capital assets being depreciated/amortized	<u>5,158,942</u>	<u>7,346,162</u>	<u>(270,755)</u>	<u>12,234,349</u>
Less accumulated depreciation and amortization for:				
Right to use facilities under lease	(1,397,636)	(698,818)	203,067	(1,893,387)
Leasehold improvements	(133,346)	(31,043)	-	(164,389)
Furniture and equipment	(503,761)	(143,567)	-	(647,328)
Vehicles	<u>(181,251)</u>	<u>-</u>	<u>-</u>	<u>(181,251)</u>
Total accumulated depreciation and amortization	<u>(2,215,994)</u>	<u>(873,428)</u>	<u>203,067</u>	<u>(2,886,355)</u>
Total capital assets, net	<u>\$ 2,942,948</u>	<u>\$ 6,472,734</u>	<u>\$ (67,688)</u>	<u>\$ 9,347,994</u>

Depreciation and amortization expense for fiscal year 2024 totaled \$174,610 and \$698,818, respectively, are are charged entirely to specialied education services and programs.

## D. Line of Credit

The Collaborative executed a \$500,000 line of credit with a commercial bank. The line of credit is secured by all Collaborative assets and is payable on demand by the commercial bank. The line of credit bears interest at a fluctuating rate equal to the bank's corporate base rate with a floor of 5.00% per annum. No amounts were borrowed on the line of credit during the fiscal year ended June 30, 2024.

## E. Long-Term Liabilities

The Collaborative is party to several multi-year facility lease obligations, which for financial reporting purposes have been capitalized. Additionally, the Collaborative incurs various other long-term obligations relative to personnel costs. The following reflects the fiscal year 2024 activity in the Collaborative's long-term liability accounts:

Description	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Compensated absences	\$ 14,702	\$ 10,008	\$ -	\$ 24,710	\$ 6,178
Lease liabilities - facilities	2,566,142	7,209,147	(758,985)	9,016,304	982,269
Net OPEB liability	<u>11,467,516</u>	<u>23,276,012</u>	<u>(26,217,654)</u>	<u>8,525,874</u>	<u>-</u>
Total long-term liabilities	<u>\$ 14,048,360</u>	<u>\$ 30,495,167</u>	<u>\$ (26,976,639)</u>	<u>\$ 17,566,888</u>	<u>\$ 988,447</u>

## F. Lease Liabilities

The Collaborative is party to several noncancellable leases for facilities. For financial reporting purposes, multi-year lease obligations have been capitalized. Principal and interest requirements to maturity for liabilities in which the lease term is greater than one year are as follows at June 30, 2024:

Year Ended June 30,	Principal	Interest	Total
2025	\$ 982,269	\$ 407,408	\$ 1,389,677
2026	1,040,945	359,186	1,400,131
2027	1,137,946	308,459	1,446,405
2028	843,126	259,017	1,102,143
2029	678,395	227,640	906,035
2030	736,387	196,829	933,216
2031	797,829	163,383	961,212
2032	862,902	127,146	990,048
2033	931,796	87,954	1,019,750
2034	<u>1,004,709</u>	<u>45,633</u>	<u>1,050,342</u>
	<u>\$ 9,016,304</u>	<u>\$ 2,182,655</u>	<u>\$ 11,198,959</u>

In fiscal year 2024, the Collaborative paid \$1,213,185 for leased facilities, which included \$409,042 in rental payments on leases with rental terms of twelve months or less.

### **III. Other Information**

#### **A. Massachusetts Teachers' Retirement System**

Teachers and certain other instructional employees of the Collaborative participate in the Massachusetts Teachers' Retirement System ("MTRS"), a cost-sharing, multiple employer defined benefit pension plan. MTRS is managed by the Commonwealth on behalf of municipal teachers and municipal teacher retirees. The MTRS was established under Chapter 32 of Massachusetts General Laws ("MGL"). The Commonwealth's legislature has the authority to amend or modify the MTRS's funding policies. MTRS is a component unit of the Commonwealth and does not issue stand-alone audited financial statements.

The Commonwealth is a nonemployer contributor to the MTRS and is legally responsible by statute for all actuarially determined employer contributions and future benefit requirements of the MTRS. Therefore, the Collaborative is in a special funding situation as defined under GAAP.

For the year ended June 30, 2023 (the latest period for which MTRS has provided financial data), the Commonwealth contributed \$1,331,306 to the MTRS on behalf of the Collaborative. The Collaborative's proportionate share of the collective MTRS net pension liability at this reporting date was approximately 0.061959%, which was based on the actual, actuarially determined contribution made by the Commonwealth on behalf of the Collaborative as a percentage of the total annual contribution made by the Commonwealth on behalf of all employers.

The net pension liability assumed by the Commonwealth on behalf of the Collaborative was \$16,289,289 at June 30, 2023 (the latest period for which MTRS has provided financial data).

The pension expense incurred by the Commonwealth on behalf of the Collaborative was \$1,520,933 for the year ended June 30, 2023 (the latest period for which MTRS has provided financial data). This amount has been recognized by the Collaborative as intergovernmental revenue and pension expense in the statement of activities for the year ended June 30, 2024.

Additional information on MTRS can be found on its website.

#### **B. Massachusetts State Employees' Retirement System**

Full-time employees of the Collaborative that do not participate in the MTRS participate in the Massachusetts State Employees' Retirement System ("MERS"), a cost-sharing, multiple employer defined benefit pension plan established under Chapter 32 of MGL. MERS is administered by the Massachusetts State Retirement Board, which consists of five members. MERS is a component unit of the Commonwealth and does not issue stand-alone audited financial statements.

Educational collaboratives contribute amounts equal to the normal cost of employees' benefits at a rate established by the Massachusetts Public Employees' Retirement Administration Commission, which is currently 6.1% of covered payroll. Legally, educational 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 educational collaboratives. The Commonwealth, as a nonemployer contributor to MERS, is legally responsible for the entire past service costs related to the educational collaboratives and has a 100% special funding situation as defined under GAAP.

The Collaborative contributed \$255,762 to MERS during the fiscal year ended June 30, 2024.

For the year ended June 30, 2023 (the latest period for which MERS has provided financial data), the Commonwealth contributed \$644,679 to MERS on behalf of the Collaborative. The Collaborative's proportionate share of the collective MERS net pension liability at this reporting date was approximately 0.05933%, which was based on the actual, actuarially determined contribution made by the Commonwealth on behalf of the Collaborative as a percentage of the total annual contribution made by the Commonwealth on behalf of all employers.

The net pension liability assumed by the Commonwealth on behalf of the Collaborative was \$8,690,839 at June 30, 2023 (the latest period for which MERS provided financial data).

The pension expense incurred by the Commonwealth on behalf of the Collaborative was \$1,031,872 for the year ended June 30, 2023 (the latest period for which MERS has provided financial data). This amount has been recognized by the Collaborative as intergovernmental revenue and pension expense in the statement of activities for the year ended June 30, 2024.

Additional information on MERS can be found on its website.

**C. Other Postemployment Benefits**

The Collaborative administers a single-employer defined benefit healthcare plan (the "OPEB Plan"). The OPEB Plan provides medical insurance benefits (other postemployment benefits) to current and future retirees, their dependents and beneficiaries in accordance with Section 20 of Chapter 32B of MGL.

Specific benefit provisions and contribution rates are established by the Board of Directors. All benefits are provided through the Collaborative's premium-based insurance program through the Group Insurance Commission, or GIC. The OPEB Plan does not issue a stand-alone financial report and is presented as a fiduciary fund in the Collaborative's financial statements. OPEB Plan disclosures can be found in this footnote disclosure.

Employees Covered by Benefit Terms – The following employees were covered by the benefit terms as of June 30, 2024:

Inactive employees or beneficiaries receiving benefits	48
Active employees	<u>172</u>
	<u>220</u>

Contributions – Retiree contributions to the OPEB Plan vary depending on the timeframe a retiree retired from the Collaborative and/or the timeframe an active employee was hired into the Collaborative. Retiree contribution rates range from 15% to 25% of the medical insurance premium; the Collaborative pays the remainder. The costs of administering the OPEB Plan are paid by the Collaborative. For the year ended June 30, 2024, the Collaborative's average contribution rate was approximately 0.3% of covered payroll.

*Net OPEB Liability* – The Collaborative’s net OPEB liability was determined using an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024 (the measurement date). The components of the net OPEB liability at June 30, 2024 were as follows:

Total OPEB liability	\$ 12,222,806
Less OPEB Plan fiduciary net position	<u>3,696,932</u>
Net OPEB liability	<u>\$ 8,525,874</u>

Plan fiduciary net position as a  
percentage of the total OPEB liability 30.2%

The total OPEB liability in the most recent actuarial valuation was determined using the following key actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry age actuarial cost method
Asset Valuation Method	Market value of assets as of reporting date
Healthcare Cost Trends	9.00% per year (previously 6.50%) graded down by the Getzen Model to an ultimate rate of 3.63% per year (previously 4.14%)
Investment Rate of Return	6.97%
Municipal Bond Rate	4.21% (previously 3.86%)
Single Equivalent Discount Rate	6.75% (previously 3.92%)
Health Mortality	RP-2014 Mortality Table for Blue Collar Employees project generationally with scale MP-2016 for males and females, set forward 1 year for females

The long-term expected rate of return on OPEB Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity - Large Cap	14.50%	4.91%
Domestic Equity - Small/Mid Cap	3.50%	5.29%
International Equity - Developed Markets	16.00%	5.32%
International Equity - Emerging Markets	6.00%	6.13%
Domestic Fixed Income	20.00%	2.30%
International Fixed Income	3.00%	2.02%
Alternatives	23.00%	6.35%
Real Estate	14.00%	6.25%

Discount Rate – The discount rate used to measure the total OPEB liability was 6.75% versus a discount rate of 3.92% in the previous actuarial report.

Changes in the Net OPEB Liability – The following table summarizes the changes in the net OPEB liability for the year ended June 30, 2024:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances at June 30, 2023	\$ 15,052,682	\$ 3,585,166	\$ 11,467,516
Changes for the year:			
Service cost	1,341,403	-	1,341,403
Interest	637,682	-	637,682
Differences in experience	(1,167,658)	-	(1,167,658)
Changes in assumptions	(3,385,461)	-	(3,385,461)
Employer contributions	-	27,842	(27,842)
Net investment income	-	339,766	(339,766)
Benefit payments	(255,842)	(255,842)	-
Net changes	<u>(2,829,876)</u>	<u>111,766</u>	<u>(2,941,642)</u>
Balances at June 30, 2024	<u>\$ 12,222,806</u>	<u>\$ 3,696,932</u>	<u>\$ 8,525,874</u>

Sensitivity Analyses – The following presents the Collaborative’s net OPEB liability at June 30, 2024 as well as what the Collaborative’s net OPEB liability would be if it were calculated using a discount rate that is 1% lower or higher than the current discount rate:

Current Rate	Net OPEB Liability At		
	1% Decrease	Current	1% Increase
6.75%	\$ 6,660,279	\$ 8,525,874	\$ 10,916,969

The following presents the Collaborative’s net OPEB liability as well as what the Collaborative’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or higher than the current healthcare cost trend rates:

Current Rate	Net OPEB Liability At		
	1% Decrease	Current	1% Increase
9.00%	\$ 10,571,523	\$ 8,525,874	\$ 6,885,876

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB – For the year ended June 30, 2024, the Collaborative recognized OPEB expense of \$820,275. Deferred outflows of resources and deferred inflows of resources related to OPEB at June 30, 2024 were reported as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 118,679
Changes of assumptions	8,660,607	10,489,842
Net difference between projected and actual earnings on OPEB Plan investments	<u>-</u>	<u>5,914,788</u>
	<u>\$ 8,660,607</u>	<u>\$ 16,523,309</u>

Amounts reported as net deferred outflows of resources related to OPEB will be recognized in OPEB expense (benefit) as follows:

<u>Year Ended June 30,</u>	
2025	\$ (969,730)
2026	(834,754)
2027	(900,015)
2028	(896,980)
2029	(870,700)
Thereafter	<u>(3,390,523)</u>
	<u>\$ (7,862,702)</u>

Investment Custody – In accordance with MGL, the Collaborative’s Treasurer is the custodian of the OPEB Plan. OPEB Plan assets may be invested and reinvested by the custodian consistent with the prudent investor rule and may. OPEB Plan assets must be segregated from other funds and not be subject to the claims of any general creditor of the Collaborative. The Collaborative invests all its OPEB Plan assets with the SRBT.

Investment Policy – The OPEB Plan does not currently have a formal investment policy. The OPEB Plan invests its funds in permissible investments as stipulated by the Commonwealth. As all OPEB Plan investments are with the SRBT, the Collaborative has effectively adopted the investment policy of the SRBT.

Investment Rate of Return – For the year ended June 30, 2024, the annual money-weighted rate of return on investments, net of investment expense, was approximately 9.48%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

## **D. Contingencies**

During its day-to-day operations, the Collaborative is party to certain legal claims, which are subject to many uncertainties. The outcome of individual litigation matters in these situations cannot be reasonably estimated. Although the amount of liability, if any, in these situations at June 30, 2024 cannot be determined, management believes that the resulting liability, if any, should not materially affect the basic financial statements of the Collaborative at June 30, 2024.

## **IV. Implementation of GASB Pronouncements**

### **A. Current Year Implementations**

In June 2022, the GASB issued GASB Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No 62*. The objective of this Statement was to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for decision making or assessing accountability. The provisions of this Statement became effective in fiscal year 2024. The adoption of this accounting standard did not have a material effect on the Collaborative’s financial statements.

### **B. Future Year Implementations**

In June 2022, the GASB issued GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to update the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The provisions of this Statement are effective for financial reporting periods beginning after December 15, 2023 (fiscal year 2025). The Collaborative is currently evaluating whether adoption will have a material impact on its financial statements.

In December 2023, the GASB issued GASB Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2024 (fiscal year 2025). The Collaborative is currently evaluating whether adoption will have a material impact on its financial statements.

In April 2024, the GASB issued GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2025 (fiscal year 2026). The Collaborative is currently evaluating whether adoption will have a material impact on its financial statements.

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**BI-COUNTY EDUCATION COLLABORATIVE**

**REQUIRED SUPPLEMENTARY INFORMATION  
MASSACHUSETTS STATE EMPLOYEES' RETIREMENT SYSTEM**

**SCHEDULE OF THE COMMONWEALTH'S PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY**

*(dollar amounts are in thousands)*

For the Year Ended June 30, *	Commonwealth's Proportion of the Net Pension Liability	Collaborative's Proportion of the Net Pension Liability	Commonwealth's Proportionate Share of the Net Pension Liability	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	100%	0%	\$ 8,691	70.7%
2023	100%	0%	7,508	71.1%
2022	100%	0%	6,286	77.5%
2021	100%	0%	10,352	62.5%
2020	100%	0%	8,227	66.3%
2019	100%	0%	7,296	67.9%
2018	100%	0%	6,811	67.2%
2017	100%	0%	7,120	63.5%
2016	100%	0%	5,291	67.9%
2015	100%	0%	4,788	76.3%

**SCHEDULE OF THE COLLABORATIVE'S CONTRIBUTIONS TO THE  
MASSACHUSETTS STATE EMPLOYEES' RETIREMENT SYSTEM**

*(dollar amounts are in thousands)*

For the Year Ended June 30,	Contractually Required Contributions	Contributions in Relation to Contractually Required Contributions	Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 256	\$ 256	\$ 4,197	6.1%
2023	212	212	3,475	6.1%
2022	207	207	3,393	6.1%
2021	224	224	3,672	6.1%
2020	226	226	3,705	6.1%
2019	186	186	3,049	6.1%
2018	182	182	2,984	6.1%
2017	170	170	2,787	6.1%
2016	161	161	2,639	6.1%
2015	144	144	2,361	6.1%

\* Amounts are based on measurement date as of the previous June 30th.

See accompanying independent auditors' report.

**BI-COUNTY EDUCATION COLLABORATIVE**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**MASSACHUSETTS TEACHERS' RETIREMENT SYSTEM**

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**SCHEDULE OF THE COMMONWEALTH'S PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY**

*(dollar amounts are in thousands)*

For the Year Ended June 30, *	Commonwealth's Proportion of the Net Pension Liability	Collaborative's Proportion of the Net Pension Liability	Commonwealth's Proportionate Share of the Net Pension Liability	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	100%	0%	\$ 16,289	58.5%
2023	100%	0%	18,137	57.8%
2022	100%	0%	15,441	62.0%
2021	100%	0%	19,149	50.7%
2020	100%	0%	18,287	54.0%
2019	100%	0%	17,011	54.8%
2018	100%	0%	15,832	54.3%
2017	100%	0%	14,317	52.7%
2016	100%	0%	13,319	55.4%
2015	100%	0%	10,851	61.6%

\* Amounts are based on measurement date as of the previous June 30th.

Contributions to the MTRS are the responsibility of the Commonwealth of Massachusetts. Accordingly, the Collaborative has not recognized any portion of the net pension liability relative to Collaborative employees covered under the MTRS pension plan.

See accompanying independent auditors' report.

**BI-COUNTY EDUCATION COLLABORATIVE**

**REQUIRED SUPPLEMENTARY INFORMATION  
OTHER POSTEMPLOYMENT BENEFITS PLAN**

**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**  
*(dollar amounts are in thousands)*

	Year Ended June 30,							
	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability:								
Service cost	\$ 1,341	\$ 1,358	\$ 2,323	\$ 1,807	\$ 903	\$ 386	\$ 438	\$ 140
Interest	638	679	502	523	429	259	258	125
Changes in benefit terms	-	-	-	-	3,639	-	-	756
Differences in experience	(1,168)	(4,152)	(57)	(191)	(1,159)	(18)	(575)	1,321
Changes in assumptions	(3,385)	(900)	(8,299)	2,114	8,126	2,331	(128)	632
Benefit payments	(256)	(239)	(216)	(204)	(178)	(87)	(68)	(77)
Net Change in Total OPEB Liability	(2,830)	(3,254)	(5,747)	4,049	11,760	2,871	(75)	2,897
Total OPEB Liability:								
Beginning of year	15,053	18,307	24,054	20,005	8,245	5,374	5,449	2,552
End of year (a)	\$ 12,223	\$ 15,053	\$ 18,307	\$ 24,054	\$ 20,005	\$ 8,245	\$ 5,374	\$ 5,449
Plan Fiduciary Net Position:								
Contributions	\$ -	\$ 231	\$ 2	\$ 250	\$ 262	\$ 355	\$ 289	\$ 488
Net investment income (loss)	340	194	(111)	847	68	153	209	179
Benefit payments	(228)	(235)	(238)	(221)	(192)	(206)	(165)	(171)
Net Change in Plan Fiduciary Net Position	112	190	(347)	876	138	302	333	496
Plan Fiduciary Net Position:								
Beginning of year	3,585	3,395	3,742	2,866	2,728	2,426	2,093	1,597
End of year (b)	\$ 3,697	\$ 3,585	\$ 3,395	\$ 3,742	\$ 2,866	\$ 2,728	\$ 2,426	\$ 2,093
Net OPEB Liability — End of Year (a) - (b)	\$ 8,526	\$ 11,468	\$ 14,912	\$ 20,312	\$ 17,139	\$ 5,517	\$ 2,948	\$ 3,356
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.2%	23.8%	18.5%	15.6%	14.3%	33.1%	45.1%	38.4%
Covered payroll	\$ 10,405	\$ 9,516	\$ 9,981	\$ 9,516	\$ 9,662	\$ 8,748	\$ 8,408	\$ 8,408
Net OPEB Liability as a Percentage of Covered Payroll	81.9%	120.5%	149.4%	213.5%	177.4%	63.1%	35.1%	39.9%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is completed, information is presented for those years in which information is available.

See accompanying independent auditors' report.

**BI-COUNTY EDUCATION COLLABORATIVE**

**REQUIRED SUPPLEMENTARY INFORMATION  
OTHER POSTEMPLOYMENT BENEFITS PLAN**

**SCHEDULE OF CONTRIBUTIONS**

*(dollar amounts are in thousands)*

Year Ended June 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially- Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll
2024	\$ 1,797	\$ 28	\$ 1,769	\$ 10,405	0.3%
2023	1,384	235	1,149	9,516	2.5%
2022	1,280	238	1,042	9,981	2.4%
2021	1,257	471	786	9,516	4.9%
2020	1,128	442	686	9,662	4.6%
2019	469	456	13	8,748	5.2%
2018	469	369	100	8,408	4.4%
2017	469	574	(105)	8,408	6.8%

**SCHEDULE OF INVESTMENT RETURNS**

Year Ended June 30,	Annual Money- Weighted Rate of Return *
2024	9.48%
2023	5.65%
2022	-3.05%
2021	29.42%
2020	2.48%
2019	6.10%
2018	9.72%
2017	9.20%

\* Net of investment expenses.

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is completed, information is presented for those years in which information is available.

See accompanying independent auditors' report.

**BI-COUNTY EDUCATION COLLABORATIVE**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Positive</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Budgetary Amounts</u>	<u>(Negative) Variance</u>
Revenues:				
Special education tuition	\$ 13,820,141	\$ 13,494,439	\$ 13,541,116	\$ 46,677
Aides	940,027	1,446,895	1,464,709	17,814
Other services	789,159	552,111	659,353	107,242
Intergovernmental	100,000	248,996	100,000	(148,996)
Investment income	12,000	112,066	126,512	14,446
Total Revenues	<u>15,661,327</u>	<u>15,854,507</u>	<u>15,891,690</u>	<u>37,183</u>
Expenditures:				
Salaries and wages	10,329,314	11,095,059	11,040,270	54,789
Payroll taxes and benefits	2,080,675	1,870,071	1,879,458	(9,387)
Program expenses	761,500	738,506	645,215	93,291
Facilities and maintenance	1,555,726	1,440,619	1,468,918	(28,299)
General and administrative	153,450	207,429	203,653	3,776
Capital expenses and expansion	350,000	-	137,016	(137,016)
Total Expenditures	<u>15,230,665</u>	<u>15,351,684</u>	<u>15,374,530</u>	<u>(22,846)</u>
Other Financing Sources (Uses):				
Transfers in	-	-	137,016	137,016
Transfer out to capital reserve	(430,000)	(430,000)	(530,000)	(100,000)
Total Other Financing Sources (Uses)	<u>(430,000)</u>	<u>(430,000)</u>	<u>(392,984)</u>	<u>37,016</u>
Net Budget	<u>\$ 662</u>	<u>\$ 72,823</u>	<u>\$ 124,176</u>	<u>\$ 51,353</u>

See notes to required supplementary information.

See accompanying independent auditors' report.

**BI-COUNTY EDUCATION COLLABORATIVE**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024**

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An annual budget for the general fund is prepared under the direction of the Executive Director and approved by majority vote of the Board of Directors.

The Collaborative’s annual budget is prepared on a basis of accounting other than GAAP. The “actual budgetary amounts” column of the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual is presented on a budgetary basis to provide meaningful comparison to the adopted budget. A complete reconciliation is provided below:

	Basis of Accounting Differences	Fund Perspective Differences	Total
Revenues — budgetary basis			\$ 15,891,690
On-behalf pension payments	\$ 2,552,805	\$ -	<u>2,552,805</u>
Revenues — GAAP basis	<u>\$ 2,552,805</u>	<u>\$ -</u>	<u>\$ 18,444,495</u>
Expenses — budgetary basis			\$ 15,374,530
On-behalf pension payments	\$ 2,552,805	\$ -	2,552,805
Accounting for facility leases	<u>7,209,147</u>	<u>-</u>	<u>7,209,147</u>
Expenses — GAAP basis	<u>\$ 9,761,952</u>	<u>\$ -</u>	<u>\$ 25,136,482</u>
Other Financing Sources/Uses — budgetary basis			\$ (392,984)
Accounting for facility leases	\$ 7,209,147	\$ -	<u>7,209,147</u>
Other Financing Sources/Uses — GAAP basis	<u>\$ 7,209,147</u>	<u>\$ -</u>	<u>\$ 6,816,163</u>

**BI-COUNTY EDUCATION COLLABORATIVE**

**OTHER INFORMATION – UNAUDITED  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024**

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The following other information is provided to comply with the requirements of Chapter 40 of Massachusetts General Law.

**Note 1 – Names, Duties and Total Compensation of the Five Most Highly Compensated Employees**

<b>Employee Name</b>	<b>Duties</b>	<b>Total Compensation</b>
Jeanne Sullivan	Executive Director	\$ 175,711
Craig Murphy	Clinical Director	135,000
Julie O’Connor	Director of Student Services	130,334
Ann Buckley	Professional Development and Curriculum	130,000
Benjamin Giuffrida	Principal	128,790

**Note 2 – Transactions Between the Collaborative and any Related For-Profit or Non-Profit Organization**

None.

**Note 3 – Amounts Expenses on Services for Individuals with Disabilities, Aged 22 and Older**

None.

**Note 4 – Amounts Expenses on Administration and Overhead**

The Collaborative expended \$203,652 and \$1,468,920 for administration and overhead, respectively, for the year ended June 30, 2024.

**Note 5 – Accounts Held by the Collaborative That May be Spent at the Discretion of Another Person/Entity**

None.

**Note 6 – Transactions or Contracts Related to the Purchase, Sale, Rental or Lease of Real Property**

The Collaborative is party to several lease arrangements for classrooms and administrative office space under noncancellable leases, several of which are with member school systems. The Collaborative made the following payments in fiscal year 2024:

<u>Lessor</u>	<u>Lease Type</u>	<u>Lease Start</u>	<u>Lease End</u>	<u>FY 2024 Rental Payment(s)</u>	
2140 Providence Highway LLC, Walpole	Classroom space	8/1/2018	12/31/2027	\$ 591,461	**
TEC, Walpole	Classroom space	5/1/2014	8/31/2024	191,126	
397 East Central Street, Franklin	Office space	7/1/2020	6/30/2024	69,329	
Annie Sullivan Middle School	Classroom space	*	*	25,637	
Bellingham DiPietro School	Classroom space	*	*	70,225	
Bellingham Memorial School	Classroom space	*	*	16,187	
Blackstone-Millville Regional High School	Classroom space	*	*	42,039	
Foxboro Ahern Middle School	Classroom space	*	*	34,020	
Mansfield Jordan Jackson School	Classroom space	*	*	36,288	
Plainville Schools	Classroom space	*	*	112,334	
Wrentham Delaney School	Classroom space	*	*	24,503	
				<u>\$ 1,213,149</u>	

\* Year to year lease.

\*\* Excludes the \$60,000 amortization of a \$600,000 prepaid rental payment made in 2018.

**Note 7 – Annual Determination and Disclosure of Cumulative Surplus**

Cumulative surplus is defined as the amount of general fund surplus in the Collaborative’s accounts, as reported through an independent audit. Cumulative surplus is derived from a collaborative’s unexpended general funds over a number of fiscal years. Cumulative surplus cannot exceed 25% of the previous year’s general fund expenditures.

Certified cumulative surplus is the total amount of general fund surplus as certified through an independent audit. The certified cumulative surplus at June 30, 2024 is \$2,921,984. The following table illustrates the Collaborative’s compliance with the 25% limitation rule:

## Cumulative Surplus Worksheet Bi-County Collaborative

### Surplus Calculation

Fiscal Year 2024

Enter values below

Page in  
FY24 FS

(A) <b>Surplus as of June 30, 2023</b>	\$ 2,707,445	(A) <b>p. 13 *</b>
<i>(Breakdown of use of 2023 surplus)</i>		
B(1) used to support the FY24 budget	\$ -	
B(2) issued as credits to member districts	\$ -	
B(3) issued as a check(s) to member district(s)	\$ -	
B(4) deposited to a restricted account(s)	\$ -	
(B) <b>Board voted uses of surplus funds during FY24</b>	(total from B1:B4) \$ -	(B) <b>p. N/A</b>
(C) <b>Unexpended FY24 General Funds</b>	\$ 214,539	(C) <b>p. 13 **</b>
(D) Cumulative Surplus as of June 30, 2024	(A) - (B) + (C) = (D) \$ 2,921,984	(D) <b>p. 11</b>
(E) <b>FY24 Total General Fund Expenditures</b>	\$ 15,374,531	(E) <b>p. 35</b>
(F) Cumulative Surplus Percentage	(D) ÷ (E) <b>19.01%</b>	(F) <b>p. N/A</b>

\* Amount consists of the prior year's unassigned fund balance in the general fund, as adjusted. The total fund balance reported in the general fund at June 30, 2023 was \$3,113,416 (as revised). Excluded from this amount are nonspendable fund balances, which totaled \$405,971 at June 30, 2023 (as revised). Note that the nonspendable and committed fund balances are GAAP measurements.

\*\* Amount consists of the following:

Increase in fund balance in the general fund - FY 2024	\$ 124,176	
Decrease in nonspendable fund balances in general fund	90,363	<b>p. 13</b>
	\$ 214,539	

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

(G) Cumulative surplus as of June 30, 2024	\$ 2,921,984	
	25% limit (allowed) \$ 3,843,633	
(H) Cumulative Surplus <b>REDUCTIONS</b>		
(H)1 Credited to member districts for tuition, services, etc.	\$ -	
(H)2 Deposit to an established trust and/or reserve fund	\$ -	
(H)3 Returned (check) to school districts/towns	\$ -	
	<b>Total Reductions</b> \$ -	
<b>FY24 Cumulative Surplus Percentage after Reductions</b>	<b>19.01%</b>	