

Valley Collaborative
Board of Directors Meeting
11 Executive Park Drive, North Billerica, Massachusetts
Thursday, January 8, 2026 ▪ 10:00 a.m.

Welcome by Dr. Jay Lang, Chairman, Valley Collaborative Board of Directors, Superintendent, Chelmsford Public Schools
Musical Performance by: Valley Collaborative Students

Action Required

- I. Approval of Minutes
 - a. Board of Directors Meeting, General Session Minutes: December 04, 2025
- II. Approval of FY'27 Budget
- III. Approval of 2026 – 2027 Tuition Rates
- IV. Financial Update
 - a. FY'26 Update
 - b. Final FY' 25 Summary of Financial Activity Graphs
 - c. Treasurer's Report(s)
 - d. PARS Statement(s)
 - e. Enrollment Update
- V. Approval of 2026 – 2027 Academic and Adult Services Program Calendars
- VI. Non-member District Requesting Signatory Confirmation Update

No Action Required

- VII. Making a Difference Awards
- VIII. Final FY'25 Audit completed by Fritz DeGuglielmo LLC
- IX. Final FY'25 Annual Report
- X. Communications

State Agencies – N/A

Valley Collaborative Program Updates

- a. Elementary School Update & Newsletter
- b. Middle School & High School Update - Alternative Programming
- c. Middle School & High School Update - Transitional Programming
- d. Adult Services Update
- e. Safety Committee Update

Community and Staff Feedback

- f. Quarterly Reports on Collaborative Business – FY'26 Second Quarter
- g. Valley Collaborative Winter Newsletter
- h. Thank You – Longevity Email & Memo

**Valley Collaborative Board of Directors
General Session Meeting Minutes
December 4, 2025
10:07 a.m. – 10:50 a.m.
11 Executive Park Drive, N. Billerica, Massachusetts**

Board Members Present: Dr. Jay Lang, Dr. Denise Pigeon, Dr. Christopher Chew, Dr. Geoff Bruno, Dr. Michael Flanagan, Mr. Brad Morgan, Mr. Steven Stone

Board Members Absent: Ms. Brenda Theriault-Regan, Dr. Kerry Clery,

Collaborative Representatives Present: Dr. Chris Scott, Executive Director; Ms. Heidi Kriger, Treasurer; James A. George, Business Manager/Accountant; Members of the Collaborative Senior Leadership Team

Also Present: Thomas Lent, Barrow Lent LLP

Call to Order: Dr. Jay Lang, Chairman, convened the Collaborative Board Meeting at 10:07 a.m.

Dr. Lang and Dr. Chris Scott welcomed all in attendance.

Making a Difference Awards

Dr. Scott and members of the Leadership Team presented the “Making A Difference Awards” to students, individual and staff.

Approval of Minutes

Dr. Jay Lang requested the Board to review the meeting minutes made available for review and asked for a motion relating to the minutes.

On a motion made by Mr. Steven Stone and seconded by Dr. Denise Pigeon, a quorum of voters being present, it was voted:

VOTED: To approve the General Session Meeting Minutes for the Board of Directors dated November 20, 2025.

The vote was 5-0-2. Yes: Dr. Jay Lang, Dr. Christopher Chew, Dr. Geoff Bruno, Mr. Brad Morgan, Mr. Steven Stone. Dr. Michael Flanagan and Dr. Denise Pigeon abstained.

On a motion made by Mr. Steven Stone and seconded by Dr. Michael Flanagan, a quorum of voters being present, it was voted:

VOTED: To approve the Executive Session Meeting Minutes for the Board of Directors dated October 23, 2025.

The vote was 7-0. Yes: Dr. Jay Lang, Dr. Christopher Chew, Dr. Geoff Bruno, Mr. Brad Morgan, Mr. Steven Stone, Dr. Michael Flanagan, Dr. Denise Pigeon.

Dr. Lang stated that the executive session meeting minutes also are released consistent with the Public Meeting Law and subject to the Public Records Law.

Financial Update

Executive Director's Report and Proposed Amendment to the Fiscal Year 2026 Budget

Dr. Scott directed the Board to the financial update memo contained within the Board meeting materials. Dr. Scott generally reviewed the financials, the 1st Quarter financials and historical comparisons. Dr. Scott reviewed the revenues, expenses, budget and enrollment. She further provided projection figures for revenue and expenses. She also reviewed the proposed budget amendment for Fiscal Year 2026. Dr. Scott also reviewed with the Board the current 2025-2026 enrollment numbers. The Board discussed.

On a motion made by Dr. Christopher Chew and seconded by Dr. Denise Pigeon, a quorum of voters being present, it was voted:

VOTED: That the Board of Directors approves the amendment of the Fiscal Year 2026 Operating Budget as presented and recommended by the Executive Director and certified by the Treasurer.

The vote was 7-0. Yes: Dr. Jay Lang, Dr. Christopher Chew, Dr. Geoff Bruno, Mr. Brad Morgan, Mr. Steven Stone, Dr. Michael Flanagan, Dr. Denise Pigeon.

Treasurer's Report

Ms. Heidi Kriger, the Collaborative Treasurer, indicated that there was no updated Treasurer's report to provide to the Board during this meeting. There was no further discussion.

Fiscal Year 2025 Annual Report

Dr. Chris Scott reviewed with the Board the Annual Report. Dr. Scott indicated that the Annual Report contained the statutory and regulatory required materials, as well as additional materials relating to the audits conducted during the fiscal year. Dr. Scott also indicated that the Annual Report contains additional information relating to the Collaborative programs and studies, which she reviewed with the Board. The Board discussed. Dr. Lang asked for a motion relating to the Collaborative's Annual Report for Fiscal Year ending June 30, 2025.

On a motion made by Mr. Brad Morgan and seconded by Dr. Geoff Bruno, a quorum being present, it was voted:

VOTED: That the Board of Directors approves and accepts the Annual Report for Fiscal Year ending June 30, 2025 as presented; and authorizes the Chairman and the Executive Director to execute necessary signatures and file the Annual Report and related documentation with the Massachusetts Department of Elementary and Secondary Education and to take any other necessary action with respect to the Annual Report on behalf of the Collaborative.

The vote was 7-0. Yes: Dr. Jay Lang, Dr. Christopher Chew, Dr. Geoff Bruno, Mr. Brad Morgan, Mr. Steven Stone, Dr. Michael Flanagan, Dr. Denise Pigeon.

Quarterly Reports on Collaborative Business for Member Districts

Dr. Scott directed the Board to the Quarterly Report on Collaborative Business for Member District School Committees for the Fiscal Year 2026 First Quarter, which were within the Board materials and indicated that these materials would be forwarded to each Member District to be provided to their respective School Committees. There was no further discussion.

Proposed Fiscal Year 2027 Budget and Tuition Rates

Dr. Chris Scott presented the proposed budget for fiscal year 2027, and explanatory written materials relating to the proposed budget were included within the Board materials. Dr. Scott identified relevant and substantive changes to operating expenses, salaries and capital expenditure requirements as well increases to healthcare costs and technology updates. She also reviewed the budget estimates related to DDS revenue and the Collaborative's small business program.

Dr. Scott also reviewed salary schedules and the Collaborative Capital Plan for fiscal years 2027-2028. Dr. Scott made a substantial presentation to the Board regarding the proposed tuition rates and fees-for-services for fiscal year 2027 (School Year 2026-2027). She explained that there was a proposed increase to the rates and fees for member districts and non-member districts due to increases expenses relating to health insurance costs, and other expenses. Dr. Scott also reviewed the salary costs and proposed cost of living adjustment. The Board and Dr. Scott discussed the proposed budget and expenses costs, and the tuition rates which will be presented to the districts and revisited for vote during the January 2026 Board meeting. The Board also discussed that there would be an Executive Committee meeting scheduled prior to the January 2026 Board meeting to further review the proposed Fiscal Year 2027 Budget, Tuition Rates and the "Budget Driver" memo contained within the Board materials.

Valley Program Updates

Dr. Scott introduced separately members of the Leadership Team, each of whom provided the Board with an update regarding their respective schools and/or programs.

On a motion made by Dr. Michael Flanagan and seconded by Mr. Steven Stone, a quorum of voters being present, it was voted:

VOTED: To adjourn the Board meeting.

The vote was 7-0. Yes: Dr. Jay Lang, Dr. Christopher Chew, Dr. Geoff Bruno, Mr. Brad Morgan, Mr. Steven Stone, Dr. Michael Flanagan, Dr. Denise Pigeon.

Dr. Jay Lang adjourned the Collaborative Board Meeting at 10:50 a.m.

LIST OF DOCUMENTS USED, DISTRIBUTED AND REVIEWED AT THIS MEETING:

- School Year 2025-2026 Electronic Board Binder Board Meeting, December 4, 2025

Respectfully Submitted,

Dr. Jay Lang, Chairman

Dated: _____



Central Administration

11 Executive Park Drive, N. Billerica MA 01821 | Tel: (978) 528-7826 | www.valleycollaborative.org

MEMORANDUM

To: Valley Collaborative Board of Directors
From: Dr. Chris A. Scott, Executive Director
Mr. James George, Accountant/Business Manager
Date: January 8, 2026
Re: FY'27 Budget Drivers

- Valley is currently fully staffed.
- 10% healthcare increase – historically, the largest budgeted increase for healthcare.
- Overall operating expenses increased 4.8%
- The capital reserve fund (990 accounts) includes:
 - Facilities & improvements: \$125K
 - Furniture – capital: \$50K
 - Technology – capital: \$250K
 - Vehicles capital: \$500K
- Total expenses are up 4.84% due in large part to increases in salaries and healthcare. The current budget includes the cost of the current salary schedule with a 3% COLA and a line item in the budget set aside for future consideration of the Executive Committee with ultimate recommendation to the full Board regarding salary and longevity scales reconfiguration more in line with member districts.
- 3% COLA for all staff not on the educator salary schedule.
- The overall revenue is conservatively forecasted to increase by 4.02%.
- K-12 programming revenue is forecasted to increase by 3.72%.
- Adult services revenues are projected to be slightly higher by \$300K.
- Revenues are conservatively forecasted based on current enrollment levels as of November of FY'26 which historically are lower than year end.
- FY'27 Valley's Average Non Member District Tuition (\$62,775), is less than FY'26 Average MA Collaborative Member Tuition (\$63,382).
- FY'27 Valley's Average Member District Tuition (\$49,320) is less than FY'26 Average MA Collaborative Member Tuition at (\$63,382).
- FY'27 Valley's Average Member District Tuition (\$49,320) is still below FY'26 Circuit Breaker Threshold (\$53,431).
- Market corrections are being applied to both the High School Alternative and Transitional programs' tuition rates as historically these programs tuition rates are considerably below market and we are changing the programmatic staffing model to include more professional staff with the hopes to eliminate the need for as many 1:1 aides for safe programming.

Required Action:

- Vote to approve the FY'27 Budget.

Attachments:

- FY'27 Budget Documents



VALLEY COLLABORATIVE

FY2027 BUDGET SUMMARY Proposed Budget Amendment

	FY2024		FY2025		FY2026	FY 2026 Amended	FY 2027		
	<u>Budget</u>	<u>Actual</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Original</u>	<u>Amended Budget</u>	<u>Approved</u>	<u>vs. 2026 Amended</u>	<u>% change</u>
REVENUES									
Services	19,600,000	20,646,468	22,045,706	22,197,833	22,399,500	23,012,981	23,903,370	\$ 890,389	
State contracts	4,500,000	4,590,023	4,500,000	4,483,224	5,100,000	5,800,000	6,100,000	300,000	
Other	700,000	663,525	649,609	692,920	750,000	750,000	800,000	50,000	
Interest	5,000	59,537	55,000	54,508	30,000	30,000	30,000	-	
Total Revenues	\$ 24,805,000	\$ 25,959,553	\$ 27,250,315	27,428,485	\$ 28,279,500	\$ 29,592,981	\$ 30,833,370	\$ 1,240,389	4.02%
EXPENSES									
Salaries	16,431,226	16,717,809	18,094,418	18,016,511	18,788,975	18,788,975	19,736,328	947,353	
Operating Expenses	6,644,655	7,223,818	7,385,074	7,747,034	8,368,040	8,768,040	9,221,044	453,004	
Total Expenses	\$ 23,075,881	\$ 23,941,627	\$ 25,479,492	25,763,545	\$ 27,157,015	\$ 27,557,015	\$ 28,957,372	\$ 1,400,357	4.84%
Revenues over/(under) Expenses	1,729,119	2,017,926	1,770,823	1,664,940	1,122,485	2,035,966	1,875,998	(159,968)	
NON-OPERATING									
Capital	1,015,000	-	1,000,000	-	1,075,000	1,275,000	925,000	(350,000)	
BUDGETED SURPLUS/(SHORTFALL)	\$ 714,119	\$ 2,017,926	\$ 770,823	\$ 1,664,940	\$ 47,485	\$ 760,966	\$ 950,998	190,032	

VALLEY COLLABORATIVE

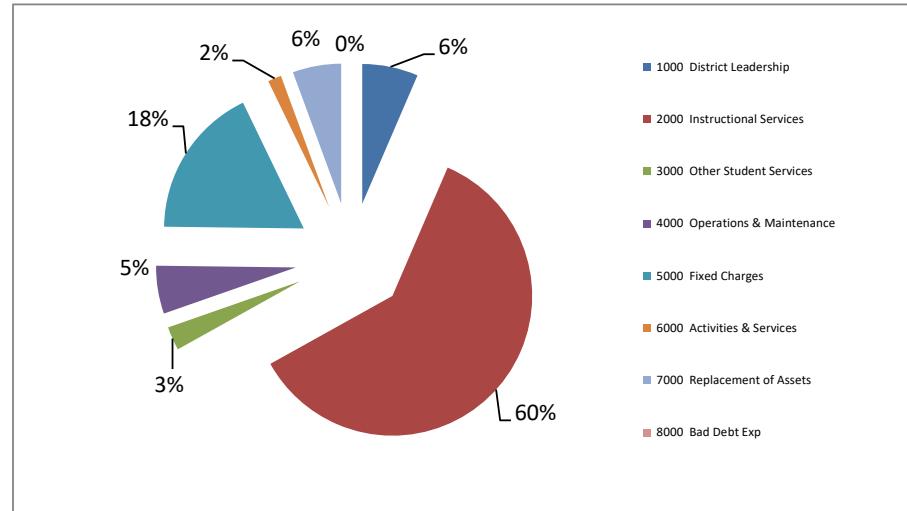
Fiscal Year 2027 Operating Budget, by Program

PROGRAM		PRELIMINARY BUDGET				Net Fav/(Unfav)
		SALARIES	EXPENSES	OTHER	REVENUE	
ADMINISTRATION:						
100	CENTRAL ACTIVITIES	2,014,569	2,969,380	(4,953,949)	30,000	-
POST-SECONDARY:						
101	MRC - EVALUATION & TRAINING	174,425	65,198	49,521	400,000	110,856
102	MRC - SUPPORTED WORK	99,387	38,710	28,539	250,000	83,363
500	DDS - OVER 22	2,106,238	992,670	640,422	5,950,000	2,210,669
HIGH SCHOOL:						
200	SCHOOL AND VOCATIONAL TRAINING	3,752,111	1,617,856	1,109,761	7,988,548	1,508,820
400	HIGH SCHOOL ALTERNATIVE	2,101,675	731,671	585,541	4,725,496	1,306,609
MIDDLE SCHOOL:						
712	MIDDLE SCHOOL EBS	1,304,234	433,327	359,085	2,285,121	188,474
711	MIDDLE SCHOOL ASD	786,145	298,819	224,219	1,508,707	199,523
ELEMENTARY SCHOOL:						
660	EBS & BEHAVIORAL	4,811,043	1,494,162	1,303,038	7,695,498	87,255
662	PDD & BEHAVIORAL	0	0	-	0	-
OTHER SERVICES:						
450	CTR FOR ASSESSMENTS & SERVICES	2,668,900	474,850	649,689	0	(3,793,439)
	CAPITAL PLAN			925,000		(925,000)
TOTALS		19,818,728	9,138,644	925,000	30,833,370	950,998

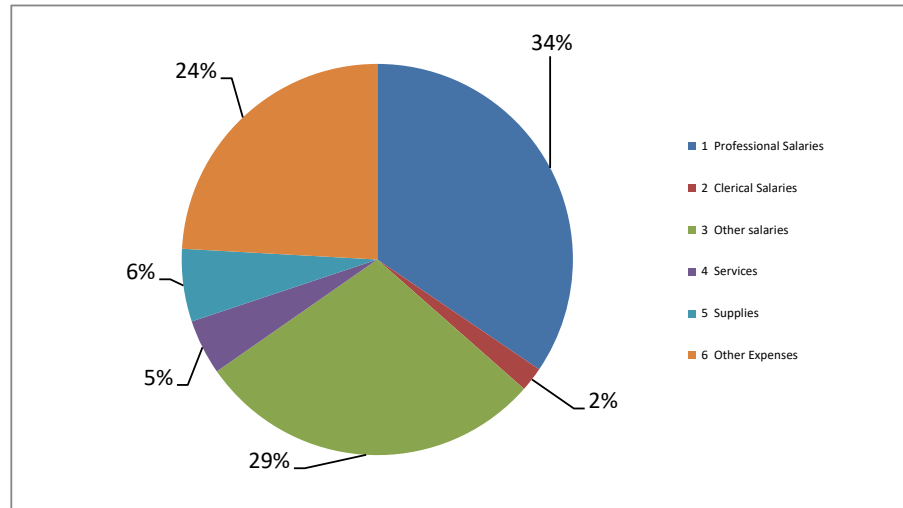
VALLEY COLLABORATIVE

Preliminary FY2027 Budget

DESE FUNCTION:		
1000 District Leadership		1,933,350
2000 Instructional Services		18,063,419
3000 Other Student Services		815,279
4000 Operations & Maintenance		1,659,660
5000 Fixed Charges		5,268,444
6000 Activities & Services		466,219
7000 Replacement of Assets		1,676,000
8000 Bad Debt Exp		0
		<hr/> 29,882,372



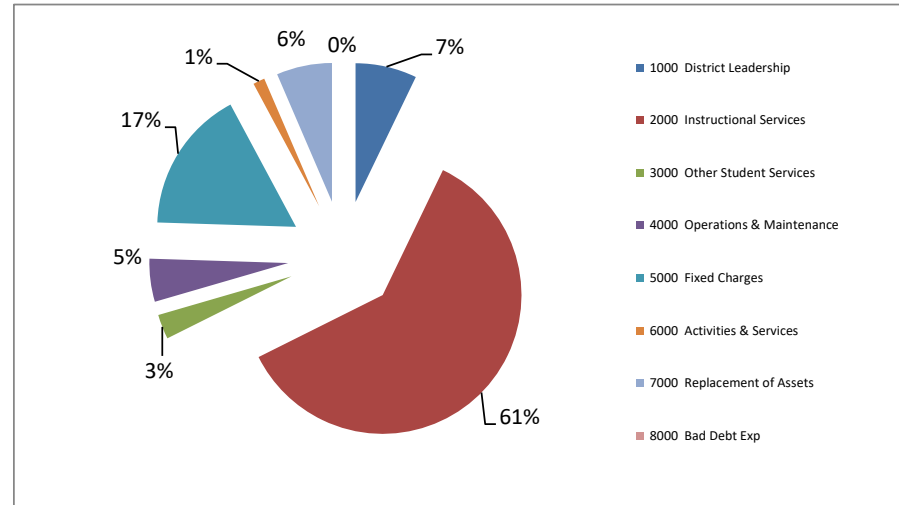
DESE OBJECT:		
1 Professional Salaries		10,307,553
2 Clerical Salaries		599,455
3 Other salaries		8,609,120
4 Services		1,364,100
5 Supplies		1,794,100
6 Other Expenses		7,208,044
		<hr/> 29,882,372



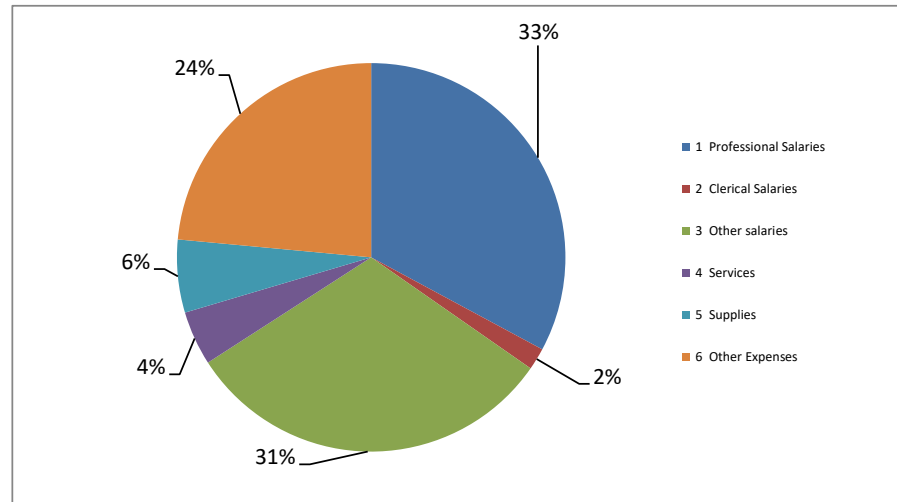
VALLEY COLLABORATIVE

Preliminary FY2026 Budget

DESE FUNCTION:		
1000 District Leadership		2,019,172
2000 Instructional Services		17,073,312
3000 Other Student Services		811,173
4000 Operations & Maintenance		1,412,557
5000 Fixed Charges		4,704,577
6000 Activities & Services		385,223
7000 Replacement of Assets		1,826,000
8000 Bad Debt Exp		0
		<hr/> 28,232,015



DESE OBJECT:		
1 Professional Salaries		9,275,435
2 Clerical Salaries		516,135
3 Other salaries		8,809,648
4 Services		1,276,500
5 Supplies		1,711,920
6 Other Expenses		6,642,377
		<hr/> 28,232,015





VALLEY COLLABORATIVE
Recommended Capital Plan
FY2027-2031

	FY2023 Actual	FY2024 Actual	FY2025 Actual	FY2026 Budget	Five-Year Plan					5-year TOTALS
					FY2027	FY2028	FY2029	FY2030	FY2031	
FACILITIES ACQUISITION										-
FACILITIES IMPROVEMENTS	199,865	157,812	96,249	125,000	125,000	125,000	125,000	125,000	125,000	625,000
SITE IMPROVEMENTS	-	-	-							-
LEASEHOLD IMPROVEMENTS	-	-	-							-
VEHICLES	224,880	393,197	565,871	750,000	500,000	500,000	500,000	500,000	500,000	2,500,000
TECHNOLOGY PLAN	200,671	228,582	292,810	300,000	250,000	250,000	250,000	250,000	250,000	1,250,000
FURNISHINGS & EQUIPMENT	29,007	96,483	62,528	100,000	50,000	50,000	50,000	50,000	50,000	250,000
TOTALS	\$ 654,423	\$ 876,074	\$ 1,017,458	\$ 1,275,000	\$ 925,000	\$ 925,000	\$ 925,000	\$ 925,000	\$ 925,000	\$ 4,625,000

*** DRAFT* Valley Collaborative 2026 - 2027 Tuition Rates * DRAFT***

Program	Grades	Member District Rates					Non-Member District Rates				
		School Year Per Diem	School Year (180 Days)	Summer Per Diem	Summer (30 Days)	Total Tuition (SY+Summer)	School Year Per Diem	School Year (180 Days)	Summer Per Diem	Summer (30 Days)	Total Tuition (SY+Summer)
Intensive Special Needs (ISN) Member and Non-Member Tuition Includes: SLP, OT, PT, BCBA, SW	K – Age 22	\$326	\$58,680	\$342	\$10,260	\$68,940	\$414	\$74,520	\$435	\$13,050	\$87,570
Elementary School Member and Non-Member Tuition Includes: SLP, OT, PT, BCBA, SW	K-6	\$266	\$47,880	\$280	\$8,400	\$56,280	\$339	\$61,020	\$356	\$10,680	\$71,700
Middle School Member and Non-Member Tuition Includes: SLP, OT, PT, BCBA, SW	6-8	\$266	\$47,880	\$280	\$8,400	\$56,280	\$339	\$61,020	\$356	\$10,680	\$71,700
High School Member and Non-Member Tuition Includes: SLP, OT, PT, BCBA, SW	9-12	\$238	\$42,840	\$250	\$7,500	\$50,340	\$303	\$54,540	\$319	\$9,570	\$64,110

*** DRAFT* Valley Collaborative 2026 -2027 Contract & Related Services Rates * DRAFT***

Hourly Services	Member District	Non-Member District
Speech, Occupational, Physical Therapy, BCBA, Social Work, Reading Specialist, and Cognitive/Intelligence Testing - Three Year Evaluations	\$112/hr.	\$145/hr.
Tutoring	\$56/hr.	\$74/hr.
1:1 District Paid Aide	\$261/day	\$338/day
Nurse	Contingent on qualifications	Contingent on qualifications
Interim Alternative Education Setting – Extended Evaluation	program tuition day rate + \$56/hr. related services	program tuition day rate + \$74/hr. related services
Initial/Reevaluation/ 3 year Evaluations	N/A	billed at the hourly rate for the appropriate service

Tuition Rate Comparisons

\$53,431	FY 26 Circuit Breaker Threshold
\$44,935	FY 26 Valley's Average Member District Tuition
\$57,224	FY 26 Valley's Average Non Member District Tuition
\$63,382	FY 26 Average MA Collaborative Member Tuition
\$99,067	FY 26 MAAPS (Private Schools) Average
\$49,320	FY 27 Valley's Average Member District Tuition
\$62,775	FY 27 Valley's Average Non Member District Tuition

FY27 Tuition Rate Drivers

- 3% Increase over last year on SY Tuition Per Diem - rounded up to the next whole dollar
- 5% Increase over SY on Summer Per Diem - rounded up to the next whole dollar
- 3% Increase on Contract and Related Services Rates

Market Correction

- 5% Increase over last year on HS Alternative Programming
- 13% Increase over last year on HS Transitional Programming



Central Administration

11 Executive Park Drive, N. Billerica MA 01821 | Tel: (978) 528-7826 | www.valleycollaborative.org

MEMORANDUM

To: Valley Collaborative Board of Directors
From: Dr. Chris A. Scott, Executive Director
Mr. James George, Accountant/Business Manager
Date: January 8, 2026
Re: Financial Update – FY'26

FY' 26 Budget Amendment

Valley has concluded a very strong first quarter and the second quarter is also very healthy. Typically, the first quarter of the year's expenses exceed the percentage of the year complete, as Valley does most of its capital purchasing for the school year in Q1. Valley's revenue is above expectation as we do not usually see revenues outpace expenses in the second quarter. Enrollment as of January 5, 2026 is 271 students, whereas last year at this time, enrollment totaled 262 students. Enrollment currently is comprised of approximately 50% member and 50% non-member students. A financially significant data point, as non-members pay approximately 25% more to attend. DDS/Adult Services will hit a January enrollment record of 141 individuals and its revenue is up approximately 15% over last year. The Board amended the FY'26 budget at the December 4, 2025 Board meeting to reflect the increase in revenue from the original \$28,279,500 to \$29,592,981 and expenses from \$27,517,015 to \$27,557,015. The increase in expenses is due primarily to healthcare costs associated with being fully staffed and support of the five-year technology plan.

As of November 30, 2025, Valley has completed 90 of 210 days (42.9%) for FY'26 and revenues are on target at 42.09% and expenses are significantly lower at 40.06% of the amended budget. Valley is on track to return upwards of \$2M to its member districts in FY'27 due to the 25% surplus regulation.

Required Action:

- Vote to amend FY' 26 budget

Attachments:

- Proposed FY' 26 Budget Amendment

Valley Collaborative
Interim Statement of Net Assets
For the Period Ended
November 30, 2025

UNAUDITED	
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 6,072,204
Restricted Investments - OPEB	8,329,655
Accounts Receivable, Net	5,483,646
Prepaid Expenses and Other Assets	28,947
Cash Held for Member Districts	48,951
Total Current Assets	<u>19,963,403</u>
Non-Current Assets	
Land & Building	4,039,474
Furniture, Equipment, and Leasehold Improvements,	
Net of Depreciation	2,272,111
Construction in Progress	-
Total Non-Current Assets	<u>6,311,585</u>
TOTAL ASSETS	<u><u>\$ 26,274,988</u></u>
LIABILITIES AND NET ASSETS	
Current Liabilities	
Accounts Payable and Accrued Liabilities	\$ 1,562,864
Other Liabilities	2,516,128
Member District Accounts (Settlement)	48,951
Total Current Liabilities	<u>4,127,943</u>
Total Liabilities	<u>4,127,943</u>
Net Assets	
Operating - Unrestricted	7,566,106
Restricted - Student Activities	44,038
Reserved - OPEB Trust	5,840,459
Reserved - Capital	1,500,000
Invested in Capital Assets, Net of Related Debt	7,196,442
Total Net Assets	<u>22,147,045</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 26,274,988</u></u>
	-

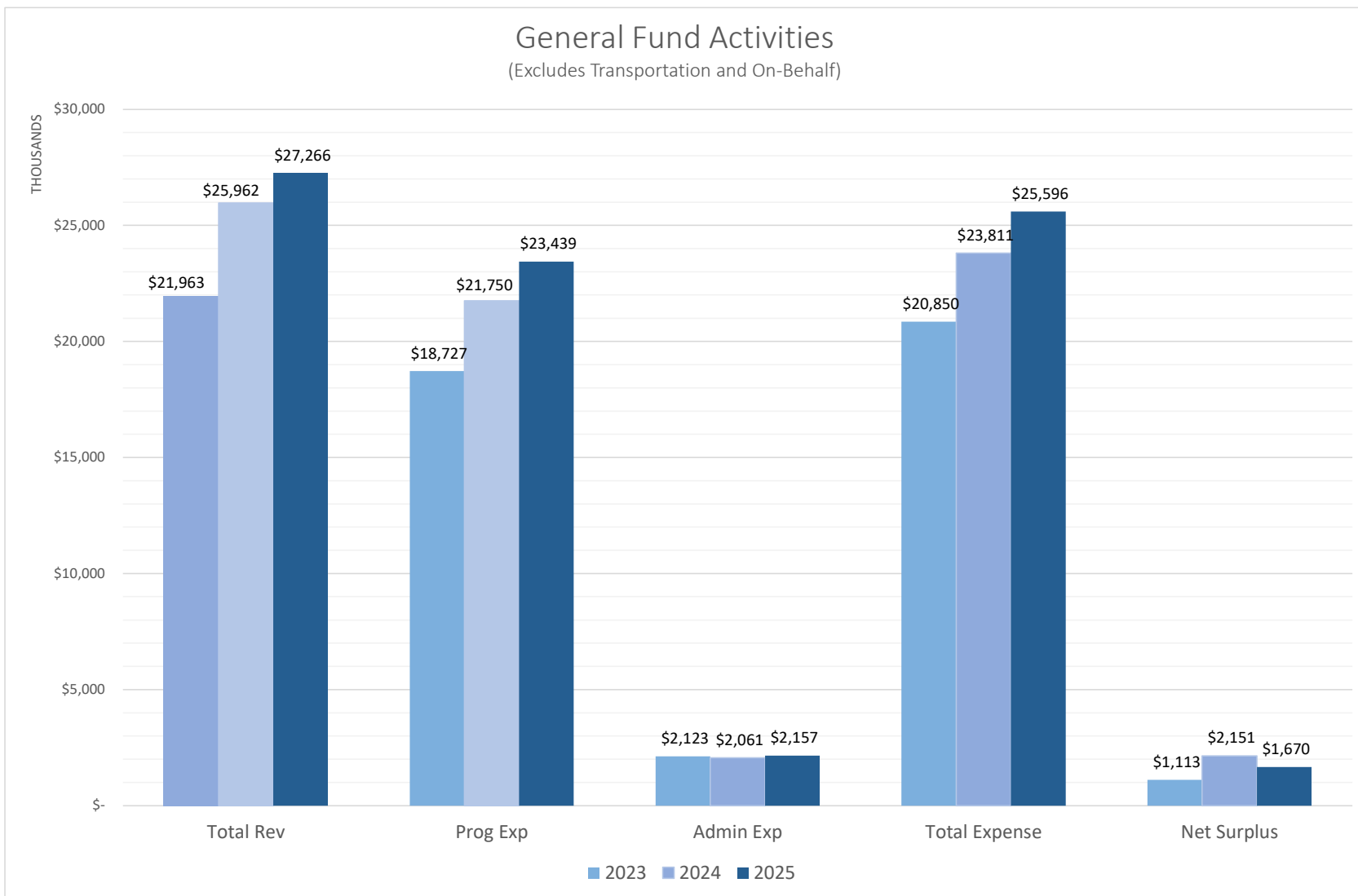
Substantially all disclosures and the Statement of Cash Flows required by GAAP are omitted.
No assurance is provided on these financial statements.

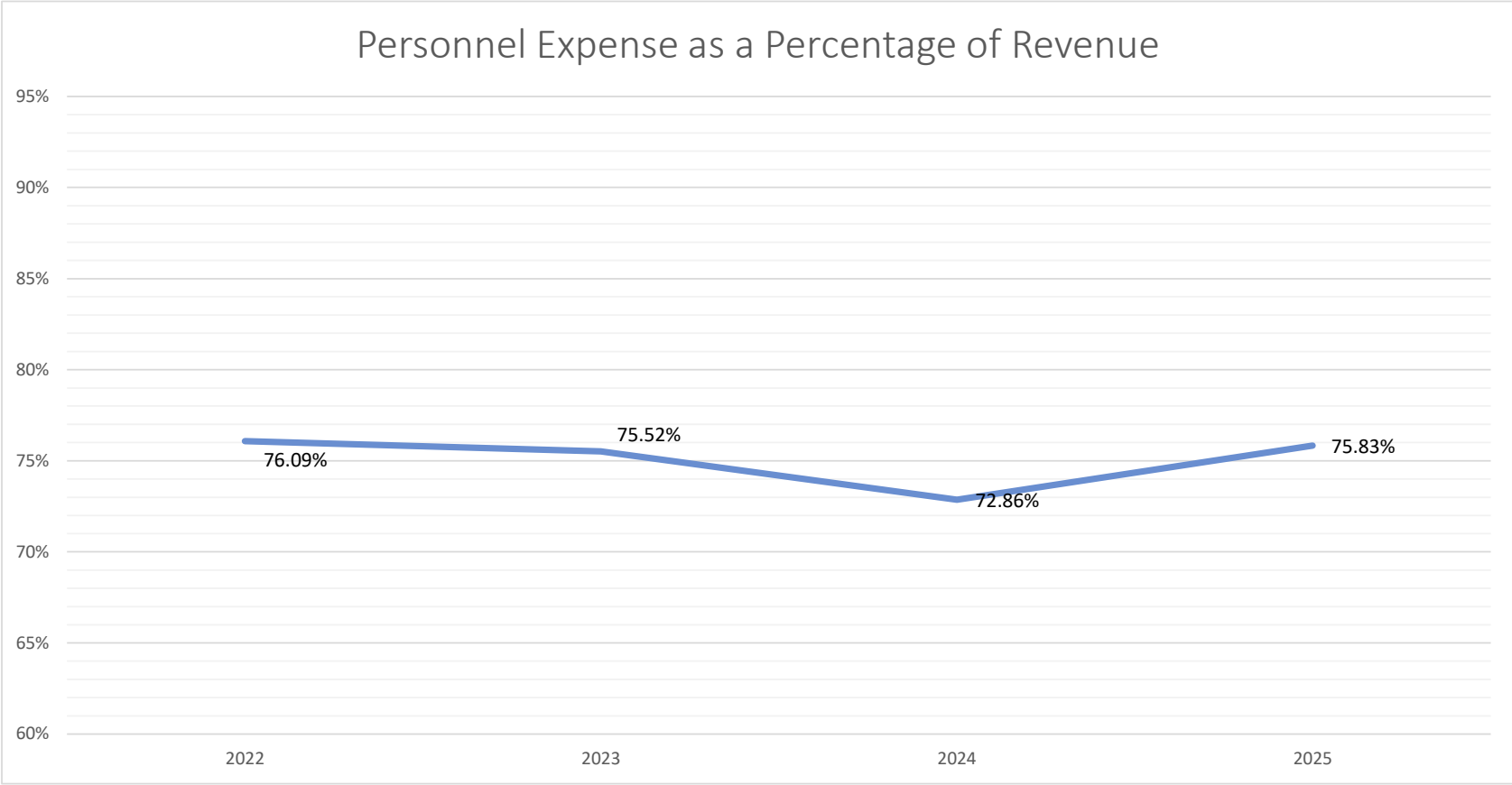
Valley Collaborative
Interim Statement of Revenues, Expenses and Changes in Net Assets
For the Period Ending November 30, 2025
90 of 210 (42.9%) School Days

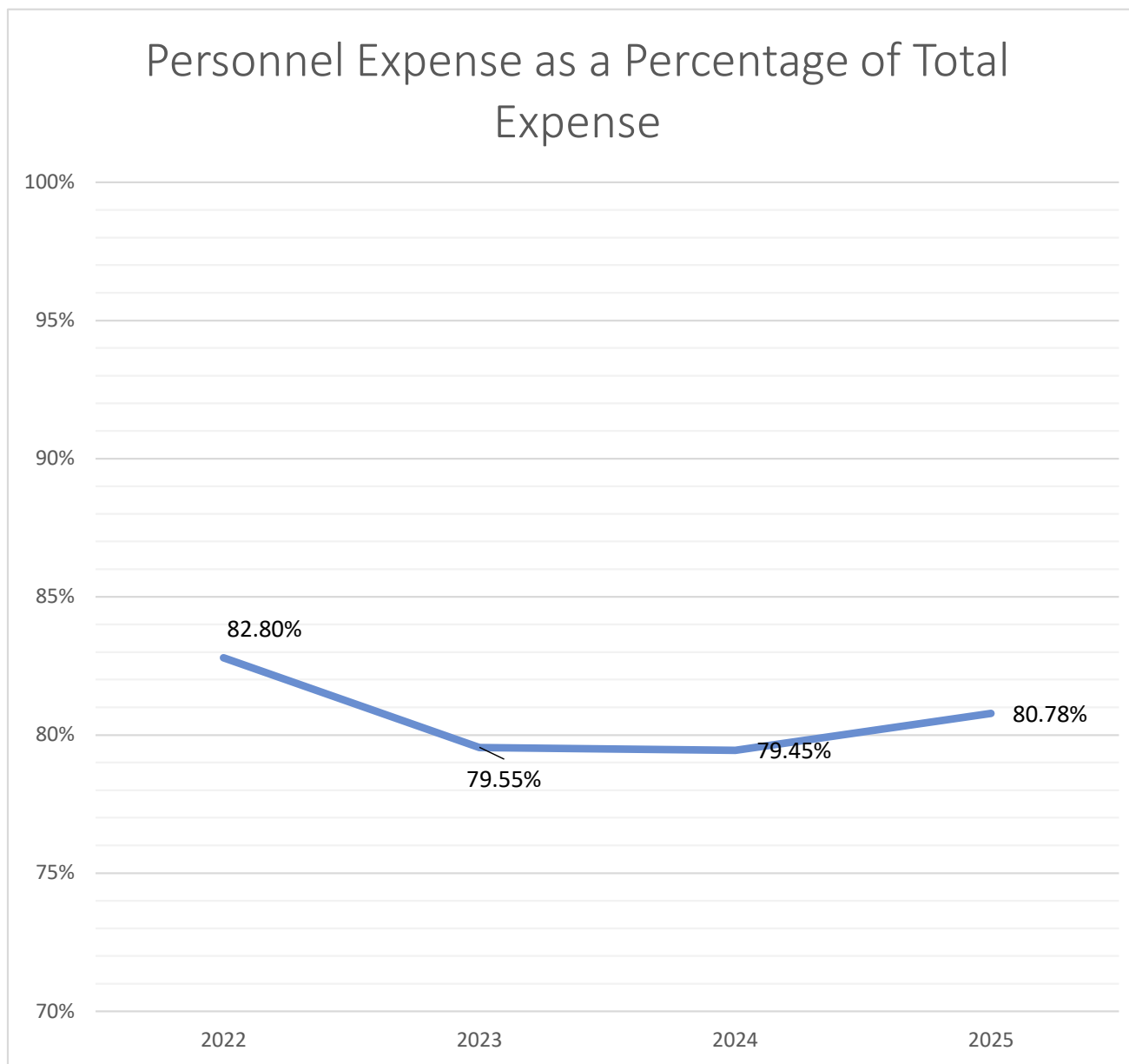
UNAUDITED			
	AMENDED BUDGET	ACTUAL	
REVENUES			
Services	\$ 23,012,981	\$ 9,642,462	
State Contracts	5,800,000	2,442,575	
Other	750,000	349,469	
Interest	30,000	21,249	
Total Revenues	29,592,981	12,455,755	42.09%
EXPENSES			
Salaries	18,788,975	7,734,357	
Employee Benefits	4,074,850	1,532,560	
Operating Expenses	3,347,463	1,234,861	
Leases & Rentals	594,727	225,266	
Depreciation	751,000	312,917	
Total Expenses	27,557,015	11,039,961	40.06%
Change in Net Assets - Operating	\$ 2,035,966	\$ 1,415,794	
Non Operating Activities			
Return to Member Districts	-		
Non-Operating Expenses (1)	(1,275,000)	(884,857)	
Change in Net Assets	\$ 760,966	\$ 530,937	

Substantially all disclosures and the Statement of Cash Flows required by GAAP are omitted. No assurance is provided on these financial statements.

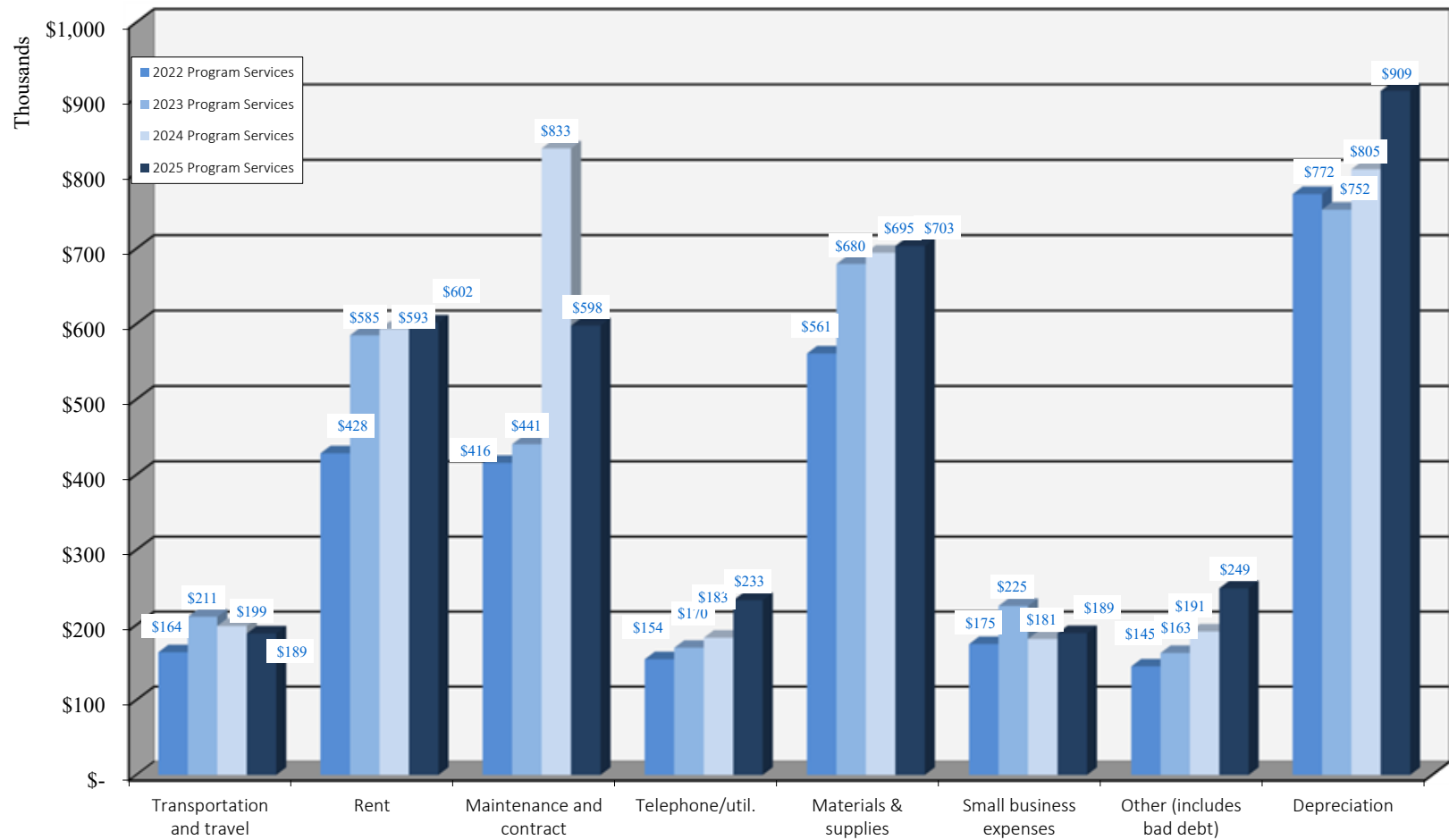
Valley Collaborative
Summary of Financial Activity
For the year ended June 30, 2025







Program Expense Comparison (Excludes Payroll)



Derived from audited financial statements for discussion purposes only.

**VALLEY COLLABORATIVE
TREASURER'S REPORT
NOVEMBER 30, 2025**

		<u>Beginning Balance</u>	<u>Receipts</u>	<u>Payroll</u>	<u>Accounts Payable</u>	<u>Earnings</u>	<u>Transfers</u>	<u>Ending Balance</u>
ROCKLAND TRUST ACCOUNTS								
Operating	a/c 493426	\$ 2,390,995.51	\$ 2,560,996.02		\$ (329,258.84)		\$ (1,325,000.00)	\$ 3,297,732.69
Payroll	a/c 795823	\$ 169,926.48		\$ (1,396,315.48)			\$ 1,325,000.00	\$ 98,611.00
Joe's Bistro	a/c 531401	\$ 1,900.04	\$ 1,393.38					\$ 3,293.42
ICS MMDA	a/c 856490	\$ 4,786.78				\$ 1.04		\$ 4,787.82
Capital Reserve	a/c 4063467	\$ 1,500,000.00						\$ 1,500,000.00
Independence Project	a/c 821315	\$ 114.36	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 114.36
TOTAL ROCKLAND TRUST ACCOUNTS		<u>\$ 4,067,723.17</u>	<u>\$ 2,562,389.40</u>	<u>\$ (1,396,315.48)</u>	<u>\$ (329,258.84)</u>	<u>\$ 1.04</u>	<u>\$ -</u>	<u>\$ 4,904,539.29</u>
 MMDT	a/c 0044263747	<u>\$ 1,174,223.21</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,999.92</u>	<u>\$ -</u>	<u>\$ 1,178,223.13</u>
 Total Unrestricted Cash		<u>\$ 5,241,946.38</u>	<u>\$ 2,562,389.40</u>	<u>\$ (1,396,315.48)</u>	<u>\$ (329,258.84)</u>	<u>\$ 4,000.96</u>	<u>\$ -</u>	<u>\$ 6,082,762.42</u>
 PARS OPEB Trust		<u>\$ 8,814,755.69</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,336.60)</u>	<u>\$ 47,200.72</u>	<u>\$ -</u>	<u>\$ 8,859,619.81</u>
 TOTAL CASH		<u>\$ 14,056,702.07</u>	<u>\$ 2,562,389.40</u>	<u>\$ (1,396,315.48)</u>	<u>\$ (331,595.44)</u>	<u>\$ 51,201.68</u>	<u>\$ -</u>	<u>\$ 14,942,382.23</u>

Monthly Market Review

Multi-Asset Class | December 2025

pfm asset
management

U.S. Equity

- Domestic equity markets, as represented by the S&P 500 Index (S&P) and the Russell 3000 Index, returned 0.25% and 0.27% respectively in November.¹
- Eight of the 11 sectors saw positive returns for the month. The Healthcare sector was the best performing sector, returning 9.31% for the month, followed by Communication Services at 6.35%. The Information Technology sector was the worst performing sector, returning -4.29% in November.
- Mid-caps (Russell Mid Cap Index) outperformed in November returning 1.27%, while small-caps (Russell 2000 Index) returned 0.96% and large caps (Russell 1000 Index) returned 0.24%. Value outperformed growth across all capitalizations during the month.
- According to FactSet Earnings Insight as of November 21, 2025, the blended earnings growth rate in the third quarter, for the S&P 500, was 13.4%. Breaking out the “Magnificent Seven,” the reported earnings growth rate was 18.4%, while the other 493 companies also saw double-digit growth of 11.9%. The blended revenue growth rate was 8.4%, marking the highest revenue growth rate since Q3 2022.

Non-U.S. Equity

- Non-U.S. equity markets, represented by the MSCI ACWI ex-U.S. Index returned -0.03% in November. Developed markets, represented by the MSCI EAFE Index returned 0.62% as Europe (MSCI Europe) returned 1.47% and Japan (MSCI Japan) returned -0.69%. Emerging markets (EM) (EM), as represented by the MSCI Emerging Markets Index, returned -2.39% due largely to a -2.50% return in Chinese equities (MSCI China Index) and a lackluster return of 0.87% in Indian equities (MSCI India).
- Within the ACWI ex-U.S. Index, five of the 11 sectors posted positive returns. Healthcare was the best performing sector for the month, returning 5.22%, while the Materials sector was the second-best performer, returning 3.93%. Information Technology was the worst performing sector, posting a return of -5.80%.

Fixed Income

- In November, Treasury yields fell slightly along the intermediate portion of the curve. The 2- and 5-year yields both fell approximately 9 basis points (bps). The yield on the 10-year fell 6 bps and the 30-year U.S. Treasury yield remained relatively flat with a 1 bp increase month-over-month.
- The Bloomberg U.S. Aggregate Index returned 0.62% in November. Investment-grade (IG) credit returned 0.62%, AAA-rated bonds returned 0.68%, AA-rated bonds returned 0.63%, A-rated bonds returned 0.67% and BBB-rated bonds returned

0.56%. High-yield corporates, as represented by ICE BofA U.S. High Yield Index returned 0.58% during the month, while the Broad Treasury Index returned 0.61%. Spreads narrowed for high yield corporates while widening slightly for investment grade bonds.

Listed Real Assets

- During November, real estate investment trusts (REITs), as represented by the MSCI U.S. The REIT Index and the FTSE NAREIT Index returned 2.21% and 2.43%, respectively. The Healthcare sector saw the strongest performance for the month while the Data Centers saw a reversal in returns and stood as the most challenged. Listed Infrastructure, represented by the MSCI World Core Infrastructure Index, returned 3.14% for the month.

Items to Watch

- The government shutdown ended in November, allowing government statistics to once again be calculated and distributed, though not all information will be published, with the October jobs report and the Consumer Price Index (CPI) report being cancelled due to data collection issues.
- The belated September jobs report saw unemployment edge up to 4.4%, the highest level since 2021. This coincided with an increased participation rate, pointing to more people entering the labor market that have not found jobs rather than workers facing job losses. The continued “low-hire, no fire” dynamic means the labor market remains relatively stable.
- Consumer worry over the labor market, as well as general affordability (of goods and services) prompted the Consumer Sentiment Index to drop again in November, marking the second lowest level since June 2022. This consumer fatigue translated into a slower-than-expected gain in retail sales as consumers were more selective about purchases.
- Manufacturing activity in the U.S. remains challenged, with the ISM U.S. Manufacturing PMI falling to 48.2 in November, the lowest reading in four months. The manufacturing sector contracted for the ninth consecutive month with a pullback in deliveries, new orders and hiring.

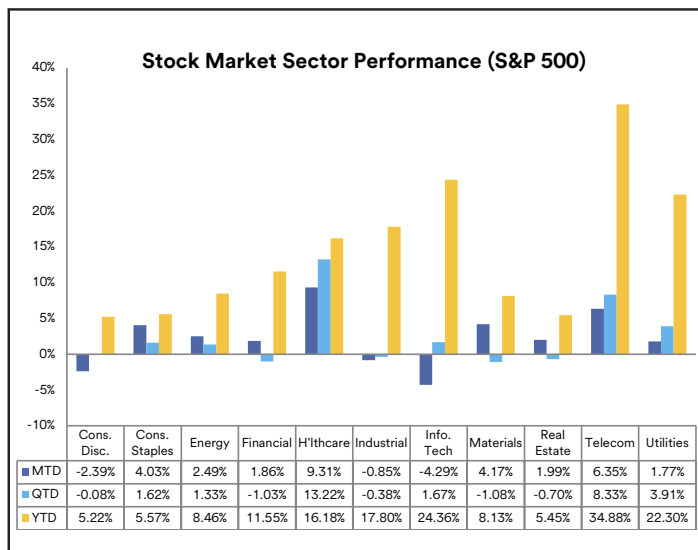
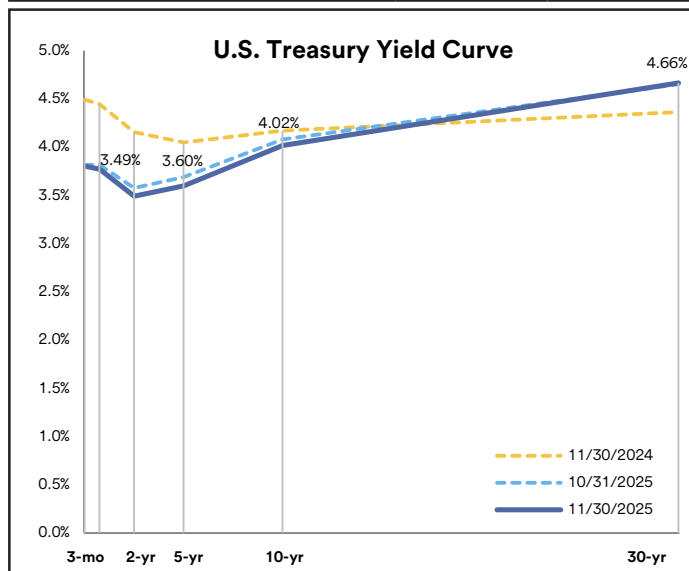
Sources

- Bloomberg
- FactSet

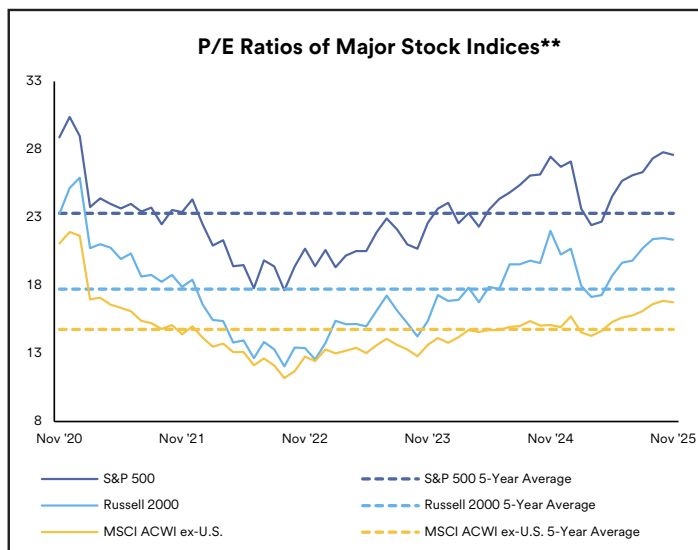
1 - All returns are expressed as total returns (price returns net of dividends).

Total Return of Major Indices				
Domestic Equity	MTD	QTD	YTD	1 YR
S&P 500	0.25%	2.59%	17.79%	14.97%
Russell 3000	0.27%	2.42%	17.15%	13.56%
Russell 2000	0.96%	2.78%	13.45%	4.08%
Russell 1000	0.24%	2.41%	17.34%	14.06%
International Equity	MTD	QTD	YTD	1 YR
MSCI ACWI ex-U.S.	-0.03%	1.99%	28.54%	26.04%
MSCI EAFE	0.62%	1.80%	27.40%	24.50%
MSCI Emerging Markets	-2.39%	1.69%	29.69%	29.51%
Fixed Income	MTD	QTD	YTD	1 YR
Bloomberg U.S. Agg	0.62%	1.25%	7.46%	5.70%
Bloomberg Global Agg	0.23%	-0.02%	7.89%	5.57%
ICE BofA U.S. HY	0.50%	0.69%	7.80%	7.34%
Listed Real Assets	MTD	QTD	YTD	1 YR
MSCI U.S. REIT	2.21%	0.57%	4.34%	-3.57%
FTSE NAREIT Index	2.43%	0.77%	5.31%	-2.46%
MSCI World Core Infrastructure	3.14%	1.52%	17.24%	9.27%

Economic Indicators		
Domestic	Current	Previous Month
Unemployment Rate (%)	4.4%	4.3%
Initial Jobless Claims (4 week avg)	223.8 K	224.8 K
CB Leading Economic Indicators	-0.5	0.1
Capacity Utilization	75.8%	76.0%
GDP (annual growth rate)	3.8%	-0.6%
University of Michigan Consumer Confidence	51.0	53.6
New Home Starts	800 K	664 K
Existing Home Sales	4.1 MM	4.1 MM
Retail Sales (YoY)	4.3%	5.0%
U.S. Durable Goods (MoM)	0.5%	3.0%
Consumer Price Index (YoY)	3.0%	2.9%
Producer Price Index (MoM)	1.2%	0.1%
Developed International*	9/30/2025	6/30/2025
Market GDP (ann'l rate)	1.4%	1.5%
Market Unemployment	4.9%	4.8%



Source: Bloomberg. Data as of November 30, 2025, unless otherwise noted.



*Developed market data is calculated with respect to the weightings in the MSCI World ex-U.S. Index. Most current data is as of September 30, 2025 due to release dates of numerous countries.

**P/E ratios are calculated based on one-year-forward estimates and adjusted to include only positive earning results for consistency.

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**PUBLIC AGENCIES POST-RETIREMENT
HEALTH CARE PLAN TRUST**

**SCHEDULE OF CHANGES IN FIDUCIARY
NET POSITION BY ACCOUNT**

TWELVE MONTHS ENDED JUNE 30, 2025



CPAs | CONSULTANTS | WEALTH ADVISORS

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**PUBLIC AGENCIES POST-RETIREMENT HEALTH CARE PLAN TRUST
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TWELVE MONTHS ENDED JUNE 30, 2025**

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CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Trust Administrator
Public Agencies Post-Retirement Health Care Plan Trust
Newport Beach, California

We have audited the financial statements of the Public Agencies Post-Retirement Health Care Plan Trust (the Trust) as of and for the twelve months ended June 30, 2025, and have issued our report thereon dated November 19, 2025, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Trust's basic financial statements. The schedule of changes in fiduciary net position by account is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information 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. The 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

This report is intended solely for the information and use of the Trust administrator, plan administrators, and the participating employers and their auditors and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

Irvine, California
November 19, 2025

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(1)

**PUBLIC AGENCIES POST-RETIREMENT HEALTH CARE PLAN TRUST
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY ACCOUNT
TWELVE MONTHS ENDED JUNE 30, 2025**

Employer Account Number	05-PRC18A	07-PRC18A	0K-PRC18A	0L-PRC18A	0U-PRC17A
ADDITIONS:					
Employer Contributions	\$ 10,000	\$ 10,000	\$ 5,000	\$ 50,000	\$ -
Net Investment Income (Loss)	11,190	11,401	8,138	25,918	30,612
Total Additions	21,190	21,401	13,138	75,918	30,612
DEDUCTIONS:					
Reimbursements to Employers for Plan-Directed Benefit Payments and Distributions	-	-	-	-	-
Transfer of Plan Assets to Other Trusts	-	-	-	-	-
Administrative Expenses	228	236	204	653	567
Total Deductions	228	236	204	653	567
NET INCREASE (DECREASE) IN NET POSITION	20,962	21,165	12,934	75,265	30,045
NET POSITION					
RESTRICTED FOR OPEB:					
July 1, 2024	85,984	86,597	73,255	221,553	214,338
June 30, 2025	\$ 106,946	\$ 107,762	\$ 86,189	\$ 296,818	\$ 244,383

See accompanying Notes to Schedule of Changes in Fiduciary Net Position by Account.

(2)

PUBLIC AGENCIES POST-RETIREMENT HEALTH CARE PLAN TRUST
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY ACCOUNT (CONTINUED)
TWELVE MONTHS ENDED JUNE 30, 2025

Employer Account Number	14-PRC18A	19-PRC18A	1P-PRC18A	1Y-PRC19A	27-PRC19A
ADDITIONS:					
Employer Contributions	\$ 150,000	\$ 2,179,116	\$ 40,000	\$ -	\$ -
Net Investment Income (Loss)	249,149	1,373,124	75,486	59,325	1,151,654
Total Additions	399,149	3,552,240	115,486	59,325	1,151,654
DEDUCTIONS:					
Reimbursements to Employers for Plan-Directed Benefit Payments and Distributions	-	-	-	-	-
Transfer of Plan Assets to Other Trusts	-	-	-	-	-
Administrative Expenses	3,942	37,939	1,387	1,241	26,681
Total Deductions	3,942	37,939	1,387	1,241	26,681
NET INCREASE (DECREASE) IN NET POSITION	395,207	3,514,301	114,099	58,084	1,124,973
NET POSITION					
RESTRICTED FOR OPEB:					
July 1, 2024	1,749,530	14,807,057	505,424	471,469	10,309,063
June 30, 2025	<u>\$ 2,144,737</u>	<u>\$ 18,321,358</u>	<u>\$ 619,523</u>	<u>\$ 529,553</u>	<u>\$ 11,434,036</u>

See accompanying Notes to Schedule of Changes in Fiduciary Net Position by Account.

PUBLIC AGENCIES POST-RETIREMENT HEALTH CARE PLAN TRUST
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY ACCOUNT (CONTINUED)
TWELVE MONTHS ENDED JUNE 30, 2025

Employer Account Number	2B-PRC19A	2F-PRC19A	2G-PRC19A	2H-PRC19A	2T-PRC20A
ADDITIONS:					
Employer Contributions	\$ 100,000	\$ 280,825	\$ 24,000	\$ 10,000	\$ 25,000
Net Investment Income (Loss)	110,558	229,739	12,373	52,734	43,626
Total Additions	210,558	510,564	36,373	62,734	68,626
DEDUCTIONS:					
Reimbursements to Employers for Plan-Directed Benefit Payments and Distributions	-	-	-	-	-
Transfer of Plan Assets to Other Trusts	-	-	-	-	-
Administrative Expenses	2,326	6,511	257	1,304	910
Total Deductions	2,326	6,511	257	1,304	910
NET INCREASE (DECREASE) IN NET POSITION	208,232	504,053	36,116	61,430	67,716
NET POSITION					
RESTRICTED FOR OPEB:					
July 1, 2024	819,619	2,366,816	87,138	493,387	345,826
June 30, 2025	<u>\$ 1,027,851</u>	<u>\$ 2,870,869</u>	<u>\$ 123,254</u>	<u>\$ 554,817</u>	<u>\$ 413,542</u>

See accompanying Notes to Schedule of Changes in Fiduciary Net Position by Account.

PUBLIC AGENCIES POST-RETIREMENT HEALTH CARE PLAN TRUST
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY ACCOUNT (CONTINUED)
TWELVE MONTHS ENDED JUNE 30, 2025

Employer Account Number	2W-PRC20A	36-PRC20A	3D-PRC20A	41-PRC21A	49-PRC19A
ADDITIONS:					
Employer Contributions	\$ 250,000	\$ 602,309	\$ 881,250	\$ -	\$ -
Net Investment Income (Loss)	243,943	138,836	766,208	16,383	40,180
Total Additions	493,943	741,145	1,647,458	16,383	40,180
DEDUCTIONS:					
Reimbursements to Employers for Plan-Directed Benefit Payments and Distributions	-	-	-	-	-
Transfer of Plan Assets to Other Trusts	-	-	-	-	-
Administrative Expenses	4,386	2,145	35,660	303	634
Total Deductions	4,386	2,145	35,660	303	634
NET INCREASE (DECREASE) IN NET POSITION	489,557	739,000	1,611,798	16,080	39,546
NET POSITION					
RESTRICTED FOR OPEB:					
July 1, 2024	1,638,712	1,018,504	14,732,048	114,709	301,107
June 30, 2025	<u>\$ 2,128,269</u>	<u>\$ 1,757,504</u>	<u>\$ 16,343,846</u>	<u>\$ 130,789</u>	<u>\$ 340,653</u>

See accompanying Notes to Schedule of Changes in Fiduciary Net Position by Account.

PUBLIC AGENCIES POST-RETIREMENT HEALTH CARE PLAN TRUST
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY ACCOUNT (CONTINUED)
TWELVE MONTHS ENDED JUNE 30, 2025

Employer Account Number	4F-PRC22A	4R-PRC22A	4T-PRC22A	4V-PRC22A	4Z-PRC22A
ADDITIONS:					
Employer Contributions	\$ 15,000	\$ 61,293	\$ -	\$ -	\$ -
Net Investment Income (Loss)	4,972	57,806	108,465	21,412	4,059
Total Additions	19,972	119,099	108,465	21,412	4,059
DEDUCTIONS:					
Reimbursements to Employers for Plan-Directed Benefit Payments and Distributions	-	-	73,088	-	-
Transfer of Plan Assets to Other Trusts	-	-	-	-	-
Administrative Expenses	100	1,095	7,200	372	85
Total Deductions	100	1,095	80,288	372	85
NET INCREASE (DECREASE) IN NET POSITION	19,872	118,004	28,177	21,040	3,974
NET POSITION					
RESTRICTED FOR OPEB:					
July 1, 2024	33,405	370,088	2,362,403	177,011	32,262
June 30, 2025	\$ 53,277	\$ 488,092	\$ 2,390,580	\$ 198,051	\$ 36,236

See accompanying Notes to Schedule of Changes in Fiduciary Net Position by Account.

PUBLIC AGENCIES POST-RETIREMENT HEALTH CARE PLAN TRUST
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY ACCOUNT (CONTINUED)
TWELVE MONTHS ENDED JUNE 30, 2025

Employer Account Number	50-PRC21A	53-PRC21A	5K-PRC23A	5O-PRC23A	5P-PRC23A
ADDITIONS:					
Employer Contributions	\$ -	\$ -	\$ -	\$ -	\$ -
Net Investment Income (Loss)	171,386	17,613	1,863,578	340,297	192,532
Total Additions	171,386	17,613	1,863,578	340,297	192,532
DEDUCTIONS:					
Reimbursements to Employers for Plan-Directed Benefit Payments and Distributions	-	-	436,578	-	-
Transfer of Plan Assets to Other Trusts	-	-	-	-	-
Administrative Expenses	2,704	436	35,875	7,234	3,038
Total Deductions	2,704	436	472,453	7,234	3,038
NET INCREASE (DECREASE) IN NET POSITION	168,682	17,177	1,391,125	333,063	189,494
NET POSITION					
RESTRICTED FOR OPEB:					
July 1, 2024	1,284,381	166,721	15,070,453	2,752,161	1,442,844
June 30, 2025	<u>\$ 1,453,063</u>	<u>\$ 183,898</u>	<u>\$ 16,461,578</u>	<u>\$ 3,085,224</u>	<u>\$ 1,632,338</u>

See accompanying Notes to Schedule of Changes in Fiduciary Net Position by Account.

(7)

PUBLIC AGENCIES POST-RETIREMENT HEALTH CARE PLAN TRUST
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY ACCOUNT (CONTINUED)
TWELVE MONTHS ENDED JUNE 30, 2025

Employer Account Number	5Q-PRC23A	5Z-PRC23A	60-PRC22A	6B-PRC24A	6F-PRC24A
ADDITIONS:					
Employer Contributions	\$ -	\$ 259,780	\$ 1,222,772	\$ 275,508	\$ 40,000
Net Investment Income (Loss)	120,943	25,761	563,666	16,156	1,585
Total Additions	120,943	285,541	1,786,438	291,664	41,585
DEDUCTIONS:					
Reimbursements to Employers for Plan-Directed Benefit Payments and Distributions	-	-	-	-	-
Transfer of Plan Assets to Other Trusts	-	-	-	-	-
Administrative Expenses	2,529	512	11,559	411	38
Total Deductions	2,529	512	11,559	411	38
NET INCREASE (DECREASE) IN NET POSITION	118,414	285,029	1,774,879	291,253	41,547
NET POSITION					
RESTRICTED FOR OPEB:					
July 1, 2024	961,163	-	3,899,415	-	-
June 30, 2025	\$ 1,079,577	\$ 285,029	\$ 5,674,294	\$ 291,253	\$ 41,547

See accompanying Notes to Schedule of Changes in Fiduciary Net Position by Account.

PUBLIC AGENCIES POST-RETIREMENT HEALTH CARE PLAN TRUST
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY ACCOUNT (CONTINUED)
TWELVE MONTHS ENDED JUNE 30, 2025

Employer Account Number	6H-PRC24A	6K-PRC24A	6O-PRC24A	B0-PRC15A	C0-PRC15A
ADDITIONS:					
Employer Contributions	\$ 286,288	\$ 874,317	\$ 1,266,209	\$ 350,000	\$ -
Net Investment Income (Loss)	7,186	39,679	97,780	108,813	182,816
Total Additions	293,474	913,996	1,363,989	458,813	182,816
DEDUCTIONS:					
Reimbursements to Employers for Plan-Directed Benefit Payments and Distributions	-	18,351	-	-	-
Transfer of Plan Assets to Other Trusts	-	-	-	-	-
Administrative Expenses	535	1,017	1,061	2,246	2,885
Total Deductions	535	19,368	1,061	2,246	2,885
NET INCREASE (DECREASE) IN NET POSITION	292,939	894,628	1,362,928	456,567	179,931
NET POSITION					
RESTRICTED FOR OPEB:					
July 1, 2024	-	-	-	807,887	1,370,030
June 30, 2025	<u>\$ 292,939</u>	<u>\$ 894,628</u>	<u>\$ 1,362,928</u>	<u>\$ 1,264,454</u>	<u>\$ 1,549,961</u>

See accompanying Notes to Schedule of Changes in Fiduciary Net Position by Account.

PUBLIC AGENCIES POST-RETIREMENT HEALTH CARE PLAN TRUST
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY ACCOUNT (CONTINUED)
TWELVE MONTHS ENDED JUNE 30, 2025

Employer Account Number	C4-PRC11A	C8-PRC12A	D9-PRC12A	E0-PRC16A	EZ-PRC08A
ADDITIONS:					
Employer Contributions	\$ -	\$ 2,648,064	\$ -	\$ -	\$ -
Net Investment Income (Loss)	205,761	2,198,840	872,824	551,288	1,254,531
Total Additions	205,761	4,846,904	872,824	551,288	1,254,531
DEDUCTIONS:					
Reimbursements to Employers for Plan-Directed Benefit Payments and Distributions	-	1,112,852	461,930	-	-
Transfer of Plan Assets to Other Trusts	-	-	-	-	-
Administrative Expenses	5,545	44,745	22,149	11,529	31,841
Total Deductions	5,545	1,157,597	484,079	11,529	31,841
NET INCREASE (DECREASE) IN NET POSITION	200,216	3,689,307	388,745	539,759	1,222,690
NET POSITION					
RESTRICTED FOR OPEB:					
July 1, 2024	2,128,200	19,986,804	8,668,925	4,381,205	12,871,884
June 30, 2025	<u>\$ 2,328,416</u>	<u>\$ 23,676,111</u>	<u>\$ 9,057,670</u>	<u>\$ 4,920,964</u>	<u>\$ 14,094,574</u>

See accompanying Notes to Schedule of Changes in Fiduciary Net Position by Account.

PUBLIC AGENCIES POST-RETIREMENT HEALTH CARE PLAN TRUST
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY ACCOUNT (CONTINUED)
TWELVE MONTHS ENDED JUNE 30, 2025

Employer Account Number	F0-PRC16A	F2-PRC13A	F6-PRC13A	FI-PRC12A	G0-PRC16A
ADDITIONS:					
Employer Contributions	\$ -	\$ -	\$ 8,806,865	\$ -	\$ 120,000
Net Investment Income (Loss)	592,761	428,535	13,807,203	195,181	102,287
Total Additions	592,761	428,535	22,614,068	195,181	222,287
DEDUCTIONS:					
Reimbursements to Employers for Plan-Directed Benefit Payments and Distributions	-	842,324	6,949,943	-	-
Transfer of Plan Assets to Other Trusts	-	-	-	-	-
Administrative Expenses	12,834	13,903	152,513	5,260	1,590
Total Deductions	12,834	856,227	7,102,456	5,260	1,590
NET INCREASE (DECREASE) IN NET POSITION	579,927	(427,692)	15,511,612	189,921	220,697
NET POSITION					
RESTRICTED FOR OPEB:					
July 1, 2024	4,863,702	6,033,752	123,030,883	2,018,771	707,106
June 30, 2025	<u>\$ 5,443,629</u>	<u>\$ 5,606,060</u>	<u>\$ 138,542,495</u>	<u>\$ 2,208,692</u>	<u>\$ 927,803</u>

See accompanying Notes to Schedule of Changes in Fiduciary Net Position by Account.

PUBLIC AGENCIES POST-RETIREMENT HEALTH CARE PLAN TRUST
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY ACCOUNT (CONTINUED)
TWELVE MONTHS ENDED JUNE 30, 2025

Employer Account Number	G3-PRC13A	G7-PRC13A	GZ-PRC10A	H7-PRC13A	HB-PRC09A
ADDITIONS:					
Employer Contributions	\$ -	\$ -	\$ 65,032	\$ -	\$ 181,000
Net Investment Income (Loss)	712,504	983,207	110,146	23,772	435,764
Total Additions	712,504	983,207	175,178	23,772	616,764
DEDUCTIONS:					
Reimbursements to Employers for Plan-Directed Benefit Payments and Distributions	-	-	-	-	206,529
Transfer of Plan Assets to Other Trusts	-	-	-	-	-
Administrative Expenses	-	26,084	-	599	11,653
Total Deductions	-	26,084	-	599	218,182
NET INCREASE (DECREASE) IN NET POSITION	712,504	957,123	175,178	23,173	398,582
NET POSITION					
RESTRICTED FOR OPEB:					
July 1, 2024	6,448,050	10,112,553	1,053,192	229,545	4,472,503
June 30, 2025	<u>\$ 7,160,554</u>	<u>\$ 11,069,676</u>	<u>\$ 1,228,370</u>	<u>\$ 252,718</u>	<u>\$ 4,871,085</u>

See accompanying Notes to Schedule of Changes in Fiduciary Net Position by Account.

PUBLIC AGENCIES POST-RETIREMENT HEALTH CARE PLAN TRUST
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY ACCOUNT (CONTINUED)
TWELVE MONTHS ENDED JUNE 30, 2025

Employer Account Number	HU-PRC08A	I0-PRC16A	I7-PRC14A	II-PRC08A	J6-PRC14A
ADDITIONS:					
Employer Contributions	\$ -	\$ 25,000	\$ 180,000	\$ -	\$ 233,000
Net Investment Income (Loss)	710,868	38,389	647,196	2,607	334,299
Total Additions	710,868	63,389	827,196	2,607	567,299
DEDUCTIONS:					
Reimbursements to Employers for Plan-Directed Benefit Payments and Distributions	-	-	-	-	-
Transfer of Plan Assets to Other Trusts	-	-	-	-	-
Administrative Expenses	17,886	609	13,490	145	9,860
Total Deductions	17,886	609	13,490	145	9,860
NET INCREASE (DECREASE) IN NET POSITION	692,982	62,780	813,706	2,462	557,439
NET POSITION					
RESTRICTED FOR OPEB:					
July 1, 2024	6,857,498	275,086	6,187,399	56,952	3,788,918
June 30, 2025	<u>\$ 7,550,480</u>	<u>\$ 337,866</u>	<u>\$ 7,001,105</u>	<u>\$ 59,414</u>	<u>\$ 4,346,357</u>

See accompanying Notes to Schedule of Changes in Fiduciary Net Position by Account.

PUBLIC AGENCIES POST-RETIREMENT HEALTH CARE PLAN TRUST
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY ACCOUNT (CONTINUED)
TWELVE MONTHS ENDED JUNE 30, 2025

Employer Account Number	K0-PRC16A	K5-PRC14A	K6-PRC14A	K8-PRC14A	KW-PRC10A
ADDITIONS:					
Employer Contributions	\$ 280,000	\$ -	\$ -	\$ 2,593,743	\$ -
Net Investment Income (Loss)	214,523	585,817	53,477	2,501,191	143,074
Total Additions	494,523	585,817	53,477	5,094,934	143,074
DEDUCTIONS:					
Reimbursements to Employers for Plan-Directed Benefit Payments and Distributions	-	-	45,760	-	-
Transfer of Plan Assets to Other Trusts	-	-	-	-	-
Administrative Expenses	3,352	14,718	1,445	48,936	3,652
Total Deductions	3,352	14,718	47,205	48,936	3,652
NET INCREASE (DECREASE) IN NET POSITION	491,171	571,099	6,272	5,045,998	139,422
NET POSITION					
RESTRICTED FOR OPEB:					
July 1, 2024	1,433,821	5,642,217	576,810	21,872,469	1,391,863
June 30, 2025	\$ 1,924,992	\$ 6,213,316	\$ 583,082	\$ 26,918,467	\$ 1,531,285

See accompanying Notes to Schedule of Changes in Fiduciary Net Position by Account.

PUBLIC AGENCIES POST-RETIREMENT HEALTH CARE PLAN TRUST
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY ACCOUNT (CONTINUED)
TWELVE MONTHS ENDED JUNE 30, 2025

Employer Account Number	L2-PRC14A	L5-PRC15A	L7-PRC15A	L8-PRC15A	LA-PRC08A
ADDITIONS:					
Employer Contributions	\$ -	\$ 75,000	\$ 1,175,000	\$ 300,000	\$ 2,123,851
Net Investment Income (Loss)	27,500	106,745	424,615	466,813	8,419,500
Total Additions	27,500	181,745	1,599,615	766,813	10,543,351
DEDUCTIONS:					
Reimbursements to Employers for Plan-Directed Benefit Payments and Distributions	-	-	-	-	-
Transfer of Plan Assets to Other Trusts	-	-	-	-	147,063,532
Administrative Expenses	1,362	2,002	6,149	7,296	59,677
Total Deductions	1,362	2,002	6,149	7,296	147,123,209
NET INCREASE (DECREASE) IN NET POSITION	26,138	179,743	1,593,466	759,517	(136,579,858)
NET POSITION					
RESTRICTED FOR OPEB:					
July 1, 2024	531,250	806,438	2,545,368	3,320,385	136,579,858
June 30, 2025	\$ 557,388	\$ 986,181	\$ 4,138,834	\$ 4,079,902	\$ -

See accompanying Notes to Schedule of Changes in Fiduciary Net Position by Account.

PUBLIC AGENCIES POST-RETIREMENT HEALTH CARE PLAN TRUST
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY ACCOUNT (CONTINUED)
TWELVE MONTHS ENDED JUNE 30, 2025

Employer Account Number	LM-PRC09A	M0-PRC16A	M3-PRC15A	M5-PRC15A	M8-PRC15A
ADDITIONS:					
Employer Contributions	\$ -	\$ 147,677	\$ 200,000	\$ 40,000	\$ 50,000
Net Investment Income (Loss)	159,036	139,505	459,871	78,665	39,515
Total Additions	159,036	287,182	659,871	118,665	89,515
DEDUCTIONS:					
Reimbursements to Employers for Plan-Directed Benefit Payments and Distributions	35,352	-	-	-	-
Transfer of Plan Assets to Other Trusts	-	-	-	-	-
Administrative Expenses	5,795	2,947	-	1,666	1,025
Total Deductions	41,147	2,947	-	1,666	1,025
NET INCREASE (DECREASE) IN NET POSITION	117,889	284,235	659,871	116,999	88,490
NET POSITION					
RESTRICTED FOR OPEB:					
July 1, 2024	2,254,804	1,026,317	3,424,654	616,065	351,368
June 30, 2025	<u>\$ 2,372,693</u>	<u>\$ 1,310,552</u>	<u>\$ 4,084,525</u>	<u>\$ 733,064</u>	<u>\$ 439,858</u>

See accompanying Notes to Schedule of Changes in Fiduciary Net Position by Account.

PUBLIC AGENCIES POST-RETIREMENT HEALTH CARE PLAN TRUST
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY ACCOUNT (CONTINUED)
TWELVE MONTHS ENDED JUNE 30, 2025

Employer Account Number	MO-PRC14A	MQ-PRC10A	N1-PRC15A	N2-PRC15A	N3-PRC15A
ADDITIONS:					
Employer Contributions	\$ -	\$ -	\$ -	\$ 50,000	\$ 245,000
Net Investment Income (Loss)	207,993	17,237	72,041	81,730	944,261
Total Additions	207,993	17,237	72,041	131,730	1,189,261
DEDUCTIONS:					
Reimbursements to Employers for Plan-Directed Benefit Payments and Distributions	-	-	-	16,102	-
Transfer of Plan Assets to Other Trusts	-	1,237,450	-	-	-
Administrative Expenses	4,905	-	1,137	2,186	17,450
Total Deductions	4,905	1,237,450	1,137	18,288	17,450
NET INCREASE (DECREASE) IN NET POSITION	203,088	(1,220,213)	70,904	113,442	1,171,811
NET POSITION					
RESTRICTED FOR OPEB:					
July 1, 2024	1,866,078	1,220,213	539,883	833,983	6,373,528
June 30, 2025	\$ 2,069,166	\$ -	\$ 610,787	\$ 947,425	\$ 7,545,339

See accompanying Notes to Schedule of Changes in Fiduciary Net Position by Account.

PUBLIC AGENCIES POST-RETIREMENT HEALTH CARE PLAN TRUST
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY ACCOUNT (CONTINUED)
TWELVE MONTHS ENDED JUNE 30, 2025

Employer Account Number	N5-PRC15A	N7-PRC15A	N8-PRC15A	N9-PRC15A	NX-PRC16A
ADDITIONS:					
Employer Contributions	\$ -	\$ 1,272,000	\$ 30,800	\$ 50,000	\$ -
Net Investment Income (Loss)	485,847	1,851,794	50,657	134,125	349,838
Total Additions	485,847	3,123,794	81,457	184,125	349,838
DEDUCTIONS:					
Reimbursements to Employers for Plan-Directed Benefit Payments and Distributions	-	-	-	-	-
Transfer of Plan Assets to Other Trusts	-	-	-	-	-
Administrative Expenses	7,666	35,818	1,237	2,088	7,575
Total Deductions	7,666	35,818	1,237	2,088	7,575
NET INCREASE (DECREASE) IN NET POSITION	478,181	3,087,976	80,220	182,037	342,263
NET POSITION					
RESTRICTED FOR OPEB:					
July 1, 2024	3,640,969	14,008,766	472,714	987,571	2,870,554
June 30, 2025	<u>\$ 4,119,150</u>	<u>\$ 17,096,742</u>	<u>\$ 552,934</u>	<u>\$ 1,169,608</u>	<u>\$ 3,212,817</u>

See accompanying Notes to Schedule of Changes in Fiduciary Net Position by Account.

PUBLIC AGENCIES POST-RETIREMENT HEALTH CARE PLAN TRUST
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY ACCOUNT (CONTINUED)
TWELVE MONTHS ENDED JUNE 30, 2025

Employer Account Number	O1-PRC15A	O2-PRC15A	O6-PRC15A	O7-PRC15A	O8-PRC15A
ADDITIONS:					
Employer Contributions	\$ -	\$ -	\$ -	\$ -	\$ -
Net Investment Income (Loss)	927,906	4,506,977	292,739	66,379	314,560
Total Additions	927,906	4,506,977	292,739	66,379	314,560
DEDUCTIONS:					
Reimbursements to Employers for Plan-Directed Benefit Payments and Distributions	-	-	-	-	-
Transfer of Plan Assets to Other Trusts	-	-	-	-	-
Administrative Expenses	19,405	62,573	6,338	1,047	4,964
Total Deductions	19,405	62,573	6,338	1,047	4,964
NET INCREASE (DECREASE) IN NET POSITION	908,501	4,444,404	286,401	65,332	309,596
NET POSITION					
RESTRICTED FOR OPEB:					
July 1, 2024	7,374,283	31,547,479	2,402,038	497,444	2,357,329
June 30, 2025	<u>\$ 8,282,784</u>	<u>\$ 35,991,883</u>	<u>\$ 2,688,439</u>	<u>\$ 562,776</u>	<u>\$ 2,666,925</u>

See accompanying Notes to Schedule of Changes in Fiduciary Net Position by Account.

PUBLIC AGENCIES POST-RETIREMENT HEALTH CARE PLAN TRUST
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY ACCOUNT (CONTINUED)
TWELVE MONTHS ENDED JUNE 30, 2025

Employer Account Number	O9-PRC15A	OH-PRC15A	P3-PRC15A	P4-PRC15A	P5-PRC15A
ADDITIONS:					
Employer Contributions	\$ 63,415	\$ 126,731	\$ -	\$ 100,000	\$ 75,000
Net Investment Income (Loss)	59,387	268,478	1,343,899	274,228	166,678
Total Additions	122,802	395,209	1,343,899	374,228	241,678
DEDUCTIONS:					
Reimbursements to Employers for Plan-Directed Benefit Payments and Distributions	-	-	294,164	37,674	-
Transfer of Plan Assets to Other Trusts	-	-	-	-	-
Administrative Expenses	917	5,851	-	5,017	3,009
Total Deductions	917	5,851	294,164	42,691	3,009
NET INCREASE (DECREASE) IN NET POSITION	121,885	389,358	1,049,735	331,537	238,669
NET POSITION					
RESTRICTED FOR OPEB:					
July 1, 2024	433,438	2,147,074	10,800,765	1,916,118	1,125,810
June 30, 2025	\$ 555,323	\$ 2,536,432	\$ 11,850,500	\$ 2,247,655	\$ 1,364,479

See accompanying Notes to Schedule of Changes in Fiduciary Net Position by Account.

PUBLIC AGENCIES POST-RETIREMENT HEALTH CARE PLAN TRUST
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY ACCOUNT (CONTINUED)
TWELVE MONTHS ENDED JUNE 30, 2025

Employer Account Number	P6-PRC15A	P8-PRC15A	PZ-PRC09A	Q0-PRC16A	Q2-PRC15A
ADDITIONS:					
Employer Contributions	\$ -	\$ 200,000	\$ 140,000	\$ 210,126	\$ 110,000
Net Investment Income (Loss)	640,763	3,157,251	239,831	316,246	260,614
Total Additions	640,763	3,357,251	379,831	526,372	370,614
DEDUCTIONS:					
Reimbursements to Employers for Plan-Directed Benefit Payments and Distributions	321,226	-	-	-	-
Transfer of Plan Assets to Other Trusts	-	-	-	-	-
Administrative Expenses	11,840	47,606	-	5,045	4,022
Total Deductions	333,066	47,606	-	5,045	4,022
NET INCREASE (DECREASE) IN NET POSITION	307,697	3,309,645	379,831	521,327	366,592
NET POSITION					
RESTRICTED FOR OPEB:					
July 1, 2024	4,628,209	21,939,442	2,828,979	2,226,215	1,892,182
June 30, 2025	<u>\$ 4,935,906</u>	<u>\$ 25,249,087</u>	<u>\$ 3,208,810</u>	<u>\$ 2,747,542</u>	<u>\$ 2,258,774</u>

See accompanying Notes to Schedule of Changes in Fiduciary Net Position by Account.

PUBLIC AGENCIES POST-RETIREMENT HEALTH CARE PLAN TRUST
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY ACCOUNT (CONTINUED)
TWELVE MONTHS ENDED JUNE 30, 2025

Employer Account Number	Q3-PRC15A	Q4-PRC15A	Q6-PRC15A	Q7-PRC15A	QB-PRC22A
ADDITIONS:					
Employer Contributions	\$ -	\$ -	\$ 400,000	\$ -	\$ 1,000,000
Net Investment Income (Loss)	61,839	420,721	1,857,903	166,059	75,210
Total Additions	61,839	420,721	2,257,903	166,059	1,075,210
DEDUCTIONS:					
Reimbursements to Employers for Plan-Directed Benefit Payments and Distributions	-	-	-	-	-
Transfer of Plan Assets to Other Trusts	-	-	-	-	-
Administrative Expenses	1,532	6,639	32,593	3,473	2,872
Total Deductions	1,532	6,639	32,593	3,473	2,872
NET INCREASE (DECREASE) IN NET POSITION	60,307	414,082	2,225,310	162,586	1,072,338
NET POSITION					
RESTRICTED FOR OPEB:					
July 1, 2024	585,326	3,152,910	12,680,927	1,319,709	536,422
June 30, 2025	\$ 645,633	\$ 3,566,992	\$ 14,906,237	\$ 1,482,295	\$ 1,608,760

See accompanying Notes to Schedule of Changes in Fiduciary Net Position by Account.

PUBLIC AGENCIES POST-RETIREMENT HEALTH CARE PLAN TRUST
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY ACCOUNT (CONTINUED)
TWELVE MONTHS ENDED JUNE 30, 2025

Employer Account Number	QY-PRC10A	R3-PRC15A	R6-PRC15A	R7-PRC15A	R8-PRC15A
ADDITIONS:					
Employer Contributions	\$ -	\$ -	\$ -	\$ 500,000	\$ 100,000
Net Investment Income (Loss)	304,166	196,219	41,557	500,808	131,479
Total Additions	304,166	196,219	41,557	1,000,808	231,479
DEDUCTIONS:					
Reimbursements to Employers for Plan-Directed Benefit Payments and Distributions	-	37,049	-	-	-
Transfer of Plan Assets to Other Trusts	-	-	-	-	-
Administrative Expenses	8,197	6,150	656	9,327	2,018
Total Deductions	8,197	43,199	656	9,327	2,018
NET INCREASE (DECREASE) IN NET POSITION	295,969	153,020	40,901	991,481	229,461
NET POSITION					
RESTRICTED FOR OPEB:					
July 1, 2024	3,146,002	2,399,920	311,432	3,117,901	950,245
June 30, 2025	<u>\$ 3,441,971</u>	<u>\$ 2,552,940</u>	<u>\$ 352,333</u>	<u>\$ 4,109,382</u>	<u>\$ 1,179,706</u>

See accompanying Notes to Schedule of Changes in Fiduciary Net Position by Account.

PUBLIC AGENCIES POST-RETIREMENT HEALTH CARE PLAN TRUST
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY ACCOUNT (CONTINUED)
TWELVE MONTHS ENDED JUNE 30, 2025

Employer Account Number	R9-PRC15A	RB-PRC06A	S4-PRC16A	S6-PRC16A	S7-PRC16A
ADDITIONS:					
Employer Contributions	\$ -	\$ 485,759	\$ 22,098	\$ -	\$ -
Net Investment Income (Loss)	115,177	532,532	308,862	70,684	34,789
Total Additions	115,177	1,018,291	330,960	70,684	34,789
DEDUCTIONS:					
Reimbursements to Employers for Plan-Directed Benefit Payments and Distributions	-	-	-	158,353	-
Transfer of Plan Assets to Other Trusts	-	22,530,687	-	-	-
Administrative Expenses	2,854	3,731	6,457	1,479	728
Total Deductions	2,854	22,534,418	6,457	159,832	728
NET INCREASE (DECREASE) IN NET POSITION	112,323	(21,516,127)	324,503	(89,148)	34,061
NET POSITION					
RESTRICTED FOR OPEB:					
July 1, 2024	1,090,186	21,516,127	2,453,607	584,892	276,474
June 30, 2025	<u>\$ 1,202,509</u>	<u>\$ -</u>	<u>\$ 2,778,110</u>	<u>\$ 495,744</u>	<u>\$ 310,535</u>

See accompanying Notes to Schedule of Changes in Fiduciary Net Position by Account.

PUBLIC AGENCIES POST-RETIREMENT HEALTH CARE PLAN TRUST
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY ACCOUNT (CONTINUED)
TWELVE MONTHS ENDED JUNE 30, 2025

Employer Account Number	SE-PRC07A	SI-PRC07A	T2-PRC16A	T5-PRC16A	TJ-PRC08A
ADDITIONS:					
Employer Contributions	\$ 249,696	\$ 1,000,000	\$ -	\$ 1,270	\$ 123,000
Net Investment Income (Loss)	900,868	3,191,615	25,565	3,222,461	1,172,999
Total Additions	1,150,564	4,191,615	25,565	3,223,731	1,295,999
DEDUCTIONS:					
Reimbursements to Employers for Plan-Directed Benefit Payments and Distributions	23,279	-	-	-	514,767
Transfer of Plan Assets to Other Trusts	20,983,166	-	-	-	-
Administrative Expenses	28,865	57,207	403	52,935	29,545
Total Deductions	21,035,310	57,207	403	52,935	544,312
NET INCREASE (DECREASE) IN NET POSITION	(19,884,746)	4,134,408	25,162	3,170,796	751,687
NET POSITION					
RESTRICTED FOR OPEB:					
July 1, 2024	19,884,746	27,587,972	191,581	25,603,190	11,876,669
June 30, 2025	\$ -	\$ 31,722,380	\$ 216,743	\$ 28,773,986	\$ 12,628,356

See accompanying Notes to Schedule of Changes in Fiduciary Net Position by Account.

PUBLIC AGENCIES POST-RETIREMENT HEALTH CARE PLAN TRUST
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY ACCOUNT (CONTINUED)
TWELVE MONTHS ENDED JUNE 30, 2025

Employer Account Number	TR-PRC08A	TV-PRC13A	TY-PRC08A	U4-PRC16A	UK-PRC09A
ADDITIONS:					
Employer Contributions	\$ 21,472,000	\$ -	\$ 3,632,508	\$ -	\$ -
Net Investment Income (Loss)	17,699,277	213,041	2,369,438	3,883,228	372,636
Total Additions	39,171,277	213,041	6,001,946	3,883,228	372,636
DEDUCTIONS:					
Reimbursements to Employers for Plan-Directed Benefit Payments and Distributions	-	-	1,681,163	-	230,898
Transfer of Plan Assets to Other Trusts	-	-	-	-	-
Administrative Expenses	203,323	4,134	49,354	61,881	10,021
Total Deductions	203,323	4,134	1,730,517	61,881	240,919
NET INCREASE (DECREASE) IN NET POSITION	38,967,954	208,907	4,271,429	3,821,347	131,717
NET POSITION					
RESTRICTED FOR OPEB:					
July 1, 2024	158,174,855	1,560,647	21,845,534	31,336,009	3,945,772
June 30, 2025	<u>\$ 197,142,809</u>	<u>\$ 1,769,554</u>	<u>\$ 26,116,963</u>	<u>\$ 35,157,356</u>	<u>\$ 4,077,489</u>

See accompanying Notes to Schedule of Changes in Fiduciary Net Position by Account.

PUBLIC AGENCIES POST-RETIREMENT HEALTH CARE PLAN TRUST
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY ACCOUNT (CONTINUED)
TWELVE MONTHS ENDED JUNE 30, 2025

Employer Account Number	UL-PRC09A	UR-PRC14A	V2-PRC16A	V5-PRC17A	V6-PRC17A
ADDITIONS:					
Employer Contributions	\$ 1,845,000	\$ -	\$ -	\$ -	\$ 310,000
Net Investment Income (Loss)	1,955,432	357,494	119,947	129,707	435,330
Total Additions	3,800,432	357,494	119,947	129,707	745,330
DEDUCTIONS:					
Reimbursements to Employers for Plan-Directed Benefit Payments and Distributions	-	-	-	-	-
Transfer of Plan Assets to Other Trusts	-	-	-	-	-
Administrative Expenses	43,755	10,077	1,893	2,713	6,835
Total Deductions	43,755	10,077	1,893	2,713	6,835
NET INCREASE (DECREASE) IN NET POSITION	3,756,677	347,417	118,054	126,994	738,495
NET POSITION					
RESTRICTED FOR OPEB:					
July 1, 2024	18,782,344	3,856,867	898,888	1,030,808	3,070,981
June 30, 2025	<u>\$ 22,539,021</u>	<u>\$ 4,204,284</u>	<u>\$ 1,016,942</u>	<u>\$ 1,157,802</u>	<u>\$ 3,809,476</u>

See accompanying Notes to Schedule of Changes in Fiduciary Net Position by Account.

PUBLIC AGENCIES POST-RETIREMENT HEALTH CARE PLAN TRUST
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY ACCOUNT (CONTINUED)
TWELVE MONTHS ENDED JUNE 30, 2025

Employer Account Number	V8-PRC17A	V9-PRC17A	VB-PRC09A	VF-PRC09A	VK-PRC09A
ADDITIONS:					
Employer Contributions	\$ 375,000	\$ 400,000	\$ 32,298	\$ 640,000	\$ -
Net Investment Income (Loss)	288,180	405,729	79,348	3,224,247	616,352
Total Additions	663,180	805,729	111,646	3,864,247	616,352
DEDUCTIONS:					
Reimbursements to Employers for Plan-Directed Benefit Payments and Distributions	-	-	-	1,123,916	-
Transfer of Plan Assets to Other Trusts	5,320,504	-	-	-	13,255,274
Administrative Expenses	9,423	8,138	-	44,286	28,774
Total Deductions	5,329,927	8,138	-	1,168,202	13,284,048
NET INCREASE (DECREASE) IN NET POSITION	(4,666,747)	797,591	111,646	2,696,045	(12,667,696)
NET POSITION					
RESTRICTED FOR OPEB:					
July 1, 2024	4,666,747	3,060,521	946,100	30,768,585	12,677,800
June 30, 2025	\$ -	\$ 3,858,112	\$ 1,057,746	\$ 33,464,630	\$ 10,104

See accompanying Notes to Schedule of Changes in Fiduciary Net Position by Account.

PUBLIC AGENCIES POST-RETIREMENT HEALTH CARE PLAN TRUST
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY ACCOUNT (CONTINUED)
TWELVE MONTHS ENDED JUNE 30, 2025

Employer Account Number	VM-PRC09A	VT-PRC09A	VW-PRC09A	VY-PRC09A	W4-PRC17A
ADDITIONS:					
Employer Contributions	\$ -	\$ 2,250,000	\$ -	\$ -	\$ 100,000
Net Investment Income (Loss)	483,743	2,674,373	568,971	819,579	202,839
Total Additions	483,743	4,924,373	568,971	819,579	302,839
DEDUCTIONS:					
Reimbursements to Employers for Plan-Directed Benefit Payments and Distributions	-	-	-	-	-
Transfer of Plan Assets to Other Trusts	-	-	-	-	-
Administrative Expenses	-	55,609	17,807	-	4,286
Total Deductions	-	55,609	17,807	-	4,286
NET INCREASE (DECREASE) IN NET POSITION	483,743	4,868,764	551,164	819,579	298,553
NET POSITION					
RESTRICTED FOR OPEB:					
July 1, 2024	4,665,335	25,491,016	6,860,319	7,874,506	1,565,362
June 30, 2025	\$ 5,149,078	\$ 30,359,780	\$ 7,411,483	\$ 8,694,085	\$ 1,863,915

See accompanying Notes to Schedule of Changes in Fiduciary Net Position by Account.

PUBLIC AGENCIES POST-RETIREMENT HEALTH CARE PLAN TRUST
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY ACCOUNT (CONTINUED)
TWELVE MONTHS ENDED JUNE 30, 2025

Employer Account Number	W6-PRC17A	W7-PRC17A	W8-PRC17A	WA-PRC09A	WC-PRC09A
ADDITIONS:					
Employer Contributions	\$ 50,000	\$ 250,000	\$ -	\$ -	\$ 737,550
Net Investment Income (Loss)	95,807	266,058	216,031	8,840,390	1,506,252
Total Additions	145,807	516,058	216,031	8,840,390	2,243,802
DEDUCTIONS:					
Reimbursements to Employers for Plan-Directed Benefit Payments and Distributions	-	-	-	-	-
Transfer of Plan Assets to Other Trusts	-	-	-	-	-
Administrative Expenses	1,507	4,159	4,518	116,218	-
Total Deductions	1,507	4,159	4,518	116,218	-
NET INCREASE (DECREASE) IN NET POSITION	144,300	511,899	211,513	8,724,172	2,243,802
NET POSITION					
RESTRICTED FOR OPEB:					
July 1, 2024	691,975	1,745,185	1,716,849	95,027,766	14,117,119
June 30, 2025	\$ 836,275	\$ 2,257,084	\$ 1,928,362	\$ 103,751,938	\$ 16,360,921

See accompanying Notes to Schedule of Changes in Fiduciary Net Position by Account.

PUBLIC AGENCIES POST-RETIREMENT HEALTH CARE PLAN TRUST
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY ACCOUNT (CONTINUED)
TWELVE MONTHS ENDED JUNE 30, 2025

Employer Account Number	WD-PRC09A	X0-PRC17A	X1-PRC17A	X2-PRC17A	X3-PRC17A
ADDITIONS:					
Employer Contributions	\$ -	\$ 250,000	\$ 62,810	\$ -	\$ -
Net Investment Income (Loss)	<u>731,082</u>	<u>968,579</u>	<u>70,709</u>	<u>36,820</u>	<u>357,923</u>
Total Additions	<u>731,082</u>	<u>1,218,579</u>	<u>133,519</u>	<u>36,820</u>	<u>357,923</u>
DEDUCTIONS:					
Reimbursements to Employers for Plan-Directed Benefit Payments and Distributions	-	50,000	-	-	-
Transfer of Plan Assets to Other Trusts	-	-	-	-	-
Administrative Expenses	<u>18,361</u>	<u>15,285</u>	<u>1,464</u>	<u>770</u>	<u>7,485</u>
Total Deductions	<u>18,361</u>	<u>65,285</u>	<u>1,464</u>	<u>770</u>	<u>7,485</u>
NET INCREASE (DECREASE) IN NET POSITION	712,721	1,153,294	132,055	36,050	350,438
NET POSITION					
RESTRICTED FOR OPEB:					
July 1, 2024	<u>7,038,273</u>	<u>7,072,559</u>	<u>543,069</u>	<u>292,611</u>	<u>2,844,499</u>
June 30, 2025	<u><u>\$ 7,750,994</u></u>	<u><u>\$ 8,225,853</u></u>	<u><u>\$ 675,124</u></u>	<u><u>\$ 328,661</u></u>	<u><u>\$ 3,194,937</u></u>

See accompanying Notes to Schedule of Changes in Fiduciary Net Position by Account.

PUBLIC AGENCIES POST-RETIREMENT HEALTH CARE PLAN TRUST
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY ACCOUNT (CONTINUED)
TWELVE MONTHS ENDED JUNE 30, 2025

Employer Account Number	X5-PRC17A	X6-PRC17A	Y2-PRC17A	Y4-PRC17A	Y6-PRC17A
ADDITIONS:					
Employer Contributions	\$ 523,310	\$ 200,000	\$ 325,000	\$ 335,628	\$ -
Net Investment Income (Loss)	1,208,438	515,587	346,357	376,006	791,015
Total Additions	1,731,748	715,587	671,357	711,634	791,015
DEDUCTIONS:					
Reimbursements to Employers for Plan-Directed Benefit Payments and Distributions	-	-	-	-	-
Transfer of Plan Assets to Other Trusts	-	-	-	-	-
Administrative Expenses	22,381	8,149	7,267	6,961	19,856
Total Deductions	22,381	8,149	7,267	6,961	19,856
NET INCREASE (DECREASE) IN NET POSITION	1,709,367	707,438	664,090	704,673	771,159
NET POSITION					
RESTRICTED FOR OPEB:					
July 1, 2024	8,099,878	3,775,561	2,552,257	2,445,171	7,611,129
June 30, 2025	<u>\$ 9,809,245</u>	<u>\$ 4,482,999</u>	<u>\$ 3,216,347</u>	<u>\$ 3,149,844</u>	<u>\$ 8,382,288</u>

See accompanying Notes to Schedule of Changes in Fiduciary Net Position by Account.

PUBLIC AGENCIES POST-RETIREMENT HEALTH CARE PLAN TRUST
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY ACCOUNT (CONTINUED)
TWELVE MONTHS ENDED JUNE 30, 2025

Employer Account Number	Y9-PRC17A	YO-PRC10A	YR-PRC11A	YS-PRC10A	YT-PRC11A
ADDITIONS:					
Employer Contributions	\$ 50,000	\$ 443,404	\$ -	\$ -	\$ -
Net Investment Income (Loss)	45,299	675,035	53,132,742	613,036	(300)
Total Additions	95,299	1,118,439	53,132,742	613,036	(300)
DEDUCTIONS:					
Reimbursements to Employers for Plan-Directed Benefit Payments and Distributions	-	288,079	-	-	-
Transfer of Plan Assets to Other Trusts	-	-	-	-	41,052
Administrative Expenses	706	-	213,753	22,893	-
Total Deductions	706	288,079	213,753	22,893	41,052
NET INCREASE (DECREASE) IN NET POSITION	94,593	830,360	52,918,989	590,143	(41,352)
NET POSITION					
RESTRICTED FOR OPEB:					
July 1, 2024	311,153	6,358,066	487,982,695	8,843,368	41,352
June 30, 2025	\$ 405,746	\$ 7,188,426	\$ 540,901,684	\$ 9,433,511	\$ -

See accompanying Notes to Schedule of Changes in Fiduciary Net Position by Account.

PUBLIC AGENCIES POST-RETIREMENT HEALTH CARE PLAN TRUST
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY ACCOUNT (CONTINUED)
TWELVE MONTHS ENDED JUNE 30, 2025

Employer Account Number	Z0-PRC17A	Z5-PRC17A	ZK-PRC11A	ZN-PRC11A	ZT-PRC11A
ADDITIONS:					
Employer Contributions	\$ -	\$ -	\$ -	\$ -	\$ 215,000
Net Investment Income (Loss)	104,901	1,081,013	29,588	62,534	453,626
Total Additions	104,901	1,081,013	29,588	62,534	668,626
DEDUCTIONS:					
Reimbursements to Employers for Plan-Directed Benefit Payments and Distributions	-	-	216,035	24,586	-
Transfer of Plan Assets to Other Trusts	-	-	-	-	-
Administrative Expenses	1,943	20,017	3,600	1,972	11,240
Total Deductions	1,943	20,017	219,635	26,558	11,240
NET INCREASE (DECREASE) IN NET POSITION	102,958	1,060,996	(190,047)	35,976	657,386
NET POSITION					
RESTRICTED FOR OPEB:					
July 1, 2024	734,509	7,569,138	491,244	766,918	4,291,993
June 30, 2025	<u>\$ 837,467</u>	<u>\$ 8,630,134</u>	<u>\$ 301,197</u>	<u>\$ 802,894</u>	<u>\$ 4,949,379</u>

See accompanying Notes to Schedule of Changes in Fiduciary Net Position by Account.

**PUBLIC AGENCIES POST-RETIREMENT HEALTH CARE PLAN TRUST
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY ACCOUNT (CONTINUED)
TWELVE MONTHS ENDED JUNE 30, 2025**

<u>Employer Account Number</u>	<u>ZV-PRC11A</u>	<u>Total</u>
ADDITIONS:		
Employer Contributions	\$ -	\$ 69,567,302
Net Investment Income (Loss)	925,341	187,336,624
Total Additions	<u>925,341</u>	<u>256,903,926</u>
DEDUCTIONS:		
Reimbursements to Employers for Plan-Directed Benefit Payments and Distributions	287,981	15,487,979
Transfer of Plan Assets to Other Trusts	-	210,431,665
Administrative Expenses	-	2,338,874
Total Deductions	<u>287,981</u>	<u>228,258,518</u>
NET INCREASE (DECREASE) IN NET POSITION	637,360	28,645,408
NET POSITION		
RESTRICTED FOR OPEB:		
July 1, 2024	<u>7,668,609</u>	<u>1,777,628,219</u>
June 30, 2025	<u>\$ 8,305,969</u>	<u>\$ 1,806,273,627</u>

See accompanying Notes to Schedule of Changes in Fiduciary Net Position by Account.

**PUBLIC AGENCIES POST-RETIREMENT HEALTH CARE PLAN TRUST
NOTES TO SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY ACCOUNT
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

Basis of Presentation

The accompanying schedule of changes in fiduciary net position by account (the Schedule) has been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) as applicable to governmental organizations. The Trust is reported as a fiduciary other post-employment benefits (OPEB) trust fund. The Trust has a December 31 year-end; however, these financial statements have been presented for the twelve months ended June 30, 2025, to assist member public agencies with their financial reporting requirements.

Measurement Focus and Basis of Accounting

The Trust is accounted for on the flow of economic resources measurement focus and the accrual basis of accounting in accordance with standards issued by the Governmental Accounting Standards Board. Employer contributions are voluntarily determined by each member public agency's funding schedule and therefore are elective and not required. Member public agency plan participants are not permitted to make contributions to the Trust. There are no long-term contracts for contributions to the plan. Public Agency Retirement Services (PARS) recognizes contributions to the Trust when received. The reported employer contributions do not include health insurance premiums paid outside of the Trust by member public agencies or amounts related to actuarially determined implied subsidies. Member public agencies may receive reimbursements from the Trust in an amount not to exceed plan-directed benefit payments. Reimbursements are recognized upon the receipt of a request from the member public agencies.

Net investment income (loss) represents realized and unrealized appreciation (depreciation) based on the fair value of investments, interest, and dividends, net of investment expenses. Investment income/loss is allocated to each member public agency based on the member public agencies' percentage of ownership in the respective investment strategies using the monthly investment gain/loss provided by the custodian bank. The recognition of investment income/loss is also affected by the timing of contributions and reimbursements. Investment expense consists of trustee fees that are recognized as incurred and are allocated based on the agency's trustee agreement and selection of investments held in the agency's account. Administrative expenses are recognized as incurred and consist of administrative fees, which are allocated to each member public agency based on each agency's administrative services agreement with PARS.

Estimates

The preparation of the Schedule in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amount of additions and deductions during the reporting period. Actual results could differ from those estimates.

**PUBLIC AGENCIES POST-RETIREMENT HEALTH CARE PLAN TRUST
NOTES TO SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY ACCOUNT
JUNE 30, 2025**

NOTE 2 TRUST DESCRIPTION

The Trust is a public agency agent multiple-employer post-retirement health care trust that was established on November 1, 2005, and amended and restated as of May 16, 2007, to provide member public agencies economies of scale and efficiency of administration in the funding of each agency's respective other post-employment benefit obligations. Contributions to the Trust are irrevocable. The assets are dedicated to providing benefits to plan members, and the assets are protected from creditors of the participating member public agencies.

Any public agency may join the Trust by establishing an OPEB plan, appointing an employee as its plan administrator, adopting a trust agreement between the Trustee and Phase II Systems (the Trust Administrator), a California corporation doing business as Public Agency Retirement Services, and adopting an administrative services agreement with the Trust Administrator. The basic duties of the Trust Administrator are receiving and tracking contributions based solely on data received from the member public agencies, accumulating, and transferring those contributions into investment accounts, and paying benefits under the direction of the plan administrators of the plans contained within the Trust.

The Trust held assets of 160 member public agency plans for June 30, 2025. Assets held in a member public agency's accounts are available only to fund the member public agency's OPEB obligation and defray reasonable expenses associated with the same. The assets of the Trust that are held in a member public agency's accounts are not available to pay the obligations incurred by any other member public agency.

The governing body of the PARS Trust is composed of a coalition of the member public agencies. Each member public agency appoints its individual plan administrator to serve as a member of the governing body. Certain provisions of the PARS Trust may be changed by a two-thirds vote of the members of the governing body.

The accounts of member public agencies in the Trust are qualified under Section 115 of the Internal Revenue Code (the Code) and are therefore exempt from federal income taxes under Section 501(a) of the Code and from applicable state income taxes. Each account in the Trust stands alone as an independent entity for tax and legal purposes and is subject to the pre-Employee Retirement Income Security Act of 1974 rules of the Code.

Each member public agency is responsible for maintaining and providing information regarding each member public agency plans' classes of employees covered, benefit provisions, contribution requirements, funded status, funding progress, and actuarial methods and assumptions, including required supplementary information associated with the assets held in the Trust. See each member public agency's annual financial report for further details.

In the event that a member public agency's plan is terminated, the assets held in Trust will be distributed directly to plan participants or transferred to a successor administrator or trust, as instructed by the plan administrator. If there are excess assets above those required, such assets are returned to the member public agency, while the member public agency is billed for any deficiency in assets.

**PUBLIC AGENCIES POST-RETIREMENT HEALTH CARE PLAN TRUST
NOTES TO SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY ACCOUNT
JUNE 30, 2025**

NOTE 3 TRANSFERS

Outgoing transfers of \$189,407,447 relate to plan assets transferred by member public agencies from the Trust to the Public Agencies Post-Employment Benefits Trust, which is a separate trust also administered by PARS and \$21,024,218 relate to plan assets transferred to other third-party trustees.



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAglobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

Valley Collaborative Programmatic Enrollment Data															
Program	1/7/2026			1/5/2025			12/1/2025			11/12/2025			9/30/2025		
	Member	Non-Member	Program Total	Member	Non-Member	Program Total	Member	Non-Member	Program Total	Member	Non-Member	Program Total	Member	Non-Member	Program Total
Elementary	49.5	50.5	100	48	40	88	50	49	99	48	49	97	47	51	98
Middle - ALT Programming	5	7	12	6	10	16	5	6	11	5	6	11	5	6	11
Middle - Transitional Programming	10	17	27	11	14	25	10	17	27	10	18	28	10	18	28
High - ALT Programming	35	23	58	30	21	51	33	23	56	33	23	56	31	22	53
High - Transitional Programming	40	34	74	48	34	82	41	35	76	41	35	76	43	35	78
Totals	139.5	131.5	271	143	119	262	139	130	269	137	131	268	136	132	268



Central Administration

11 Executive Park Drive, N. Billerica MA 01821 | Tel: (978) 528-7826 | www.valleycollaborative.org

MEMORANDUM

To: Valley Collaborative Board of Directors
From: Dr. Chris A. Scott, Executive Director
Date: January 8, 2026
Re: FY'27 Valley Calendars

Please find attached the FY' 27 Valley Academic Calendar, FY' 27 Valley Adult Services Calendar, and the FY' 27 Valley 260 Day Employee Calendar.

Please note, listed on both the Academic and Adult Services calendars are the proposed FY' 27 Valley Collaborative board meeting dates. Meeting time and location will remain the same - 10:00AM at 11 Executive Park Drive, N. Billerica. The meeting dates are as follows:

- September 17, 2026
- October 22, 2026
- November 19, 2026
- December 10, 2026
- January 7, 2027
- April 8, 2027
- June 10, 2027

Required Action:

- Vote to accept the FY' 27 Valley Academic Calendar, FY' 27 Valley Adult Services Calendar, and the FY' 27 Valley 260 Day Employee Calendar

Attachments:

- FY' 27 Valley Academic Calendar
- FY' 27 Adult Services Calendar
- FY' 27 260 Day Employee Calendar



2026 - 2027 Academic Calendar

July 2026						
Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

August 2026						
Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23/30	24/31	25	26	27	28	29

September 2026						
Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

October 2026						
Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

November 2026						
Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

December 2026						
Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

January 2027						
Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24/31	25	26	27	28	29	30

February 2027						
Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28						

March 2027						
Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

April 2027						
Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

May 2027						
Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

June 2027						
Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

	First/Last Day of Summer Program
	*Professional Development Day All Staff - No School for Students
	No School/Holiday/School Vacation
	Professional Development Day for Professional Staff - No School for Students
	Last Day of School Year (0 snow days used)

	First/Last Day of School Year (5 snow days used)
	Early Release - Professional Development for staff (specific number of PD days will vary by position)
	Board of Directors Meeting (Regular School Day for Staff and Students)
	Early Release
	Early Release - High School Graduation Day



2026 - 2027 Calendar Adult Program

July 2026						
Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

August 2026						
Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23/30	24/31	25	26	27	28	29

September 2026						
Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

October 2026						
Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

November 2026						
Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

December 2026						
Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

January 2027						
Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24/31	25	26	27	28	29	30

February 2027						
Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28						

March 2027						
Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

April 2027						
Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

May 2027						
Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
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16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

June 2027						
Su	Mo	Tu	We	Th	Fr	Sa
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6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

	Holiday(s) Observed
	Professional Development Day All Staff - No Programming
	Board of Directors Meeting (Regular Day for Staff and Adult Participants)
	Early Release - 11:00AM

240 Total Program Days



2026 - 2027 Calendar - 260 Day Employees

July 2026						
Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

August 2026						
Su	Mo	Tu	We	Th	Fr	Sa
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16	17	18	19	20	21	22
23/30	24/31	25	26	27	28	29

September 2026						
Su	Mo	Tu	We	Th	Fr	Sa
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6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

October 2026						
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4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

November 2026						
Su	Mo	Tu	We	Th	Fr	Sa
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8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

December 2026						
Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

January 2027						
Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24/31	25	26	27	28	29	30

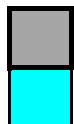
February 2027						
Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28						

March 2027						
Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

April 2027						
Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

May 2027						
Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

June 2027						
Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			



Holiday(s) Observed

Professional Development Day All Staff - No Programming



Central Administration

11 Executive Park Drive, N. Billerica MA 01821 | Tel: (978) 528-7826 | www.valleycollaborative.org

MEMORANDUM

To: Valley Collaborative Board of Directors
From: Dr. Chris A. Scott, Executive Director
Date: January 8, 2026
Re: Non-Member District Requesting Signatory Confirmation Update

Lowell Public Schools (LPS) has requested (via email) an updated authorization letter (the current letter they have on file is 14 years old), which would continue to allow Valley Collaborative's Executive Director to authorize and empower to execute contracts on behalf of Valley Collaborative. LPS legal department has provided a template for the Board of Directors to consider and accept.

Required Action:

- Vote to approve authorization letter

Attachments:

- Lowell Public Schools Authorization Letter

MEETING OF THE BOARD OF DIRECTORS

DATE: ____January 8, 2026____

At a meeting of the Directors of __Valley Collaborative__ duly called and held at 11 Executive Park Drive, North Billerica MA on the ____8th____ day of __January__ at which a quorum was present and acting, it was

VOTED: That __Dr. Chris A. Scott____ the __Executive Director____ of this Corporation, is hereby authorized and empowered to:

-EXECUTE CONTRACTS ON BEHALF OF THE COMPANY-

I do hereby certify that the above is a true and correct copy of the record, that said Vote has not been amended or repealed, and is in full force and effect as of this date, and that __ Dr. Jay Lang____ is duly elected __Chairman of the Board__ of this Corporation.

ATTEST:

Chairman of the Board

(Corporate Seal)



Central Administration

11 Executive Park Drive, N. Billerica MA 01821 | Tel: (978) 528-7826 | www.valleycollaborative.org

MEMORANDUM

To: Valley Collaborative Board of Directors
From: Dr. Chris A. Scott, Executive Director
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Required Action:

- Vote to approve authorization letter

Attachments:

- Lowell Public Schools Authorization Letter



Central Administration

11 Executive Park Drive, N. Billerica, MA 01862 | Tel: (978) 528-7826 | www.valleycollaborative.org

MEMORANDUM

To: Valley Collaborative Board of Directors
From: Dr. Chris A. Scott, Executive Director
Date: January 08, 2026
Re: Final FY'25 Audit completed by Fritz DeGuglielmo LLC

Please find enclosed the approved FY'25 Audit – finding free.

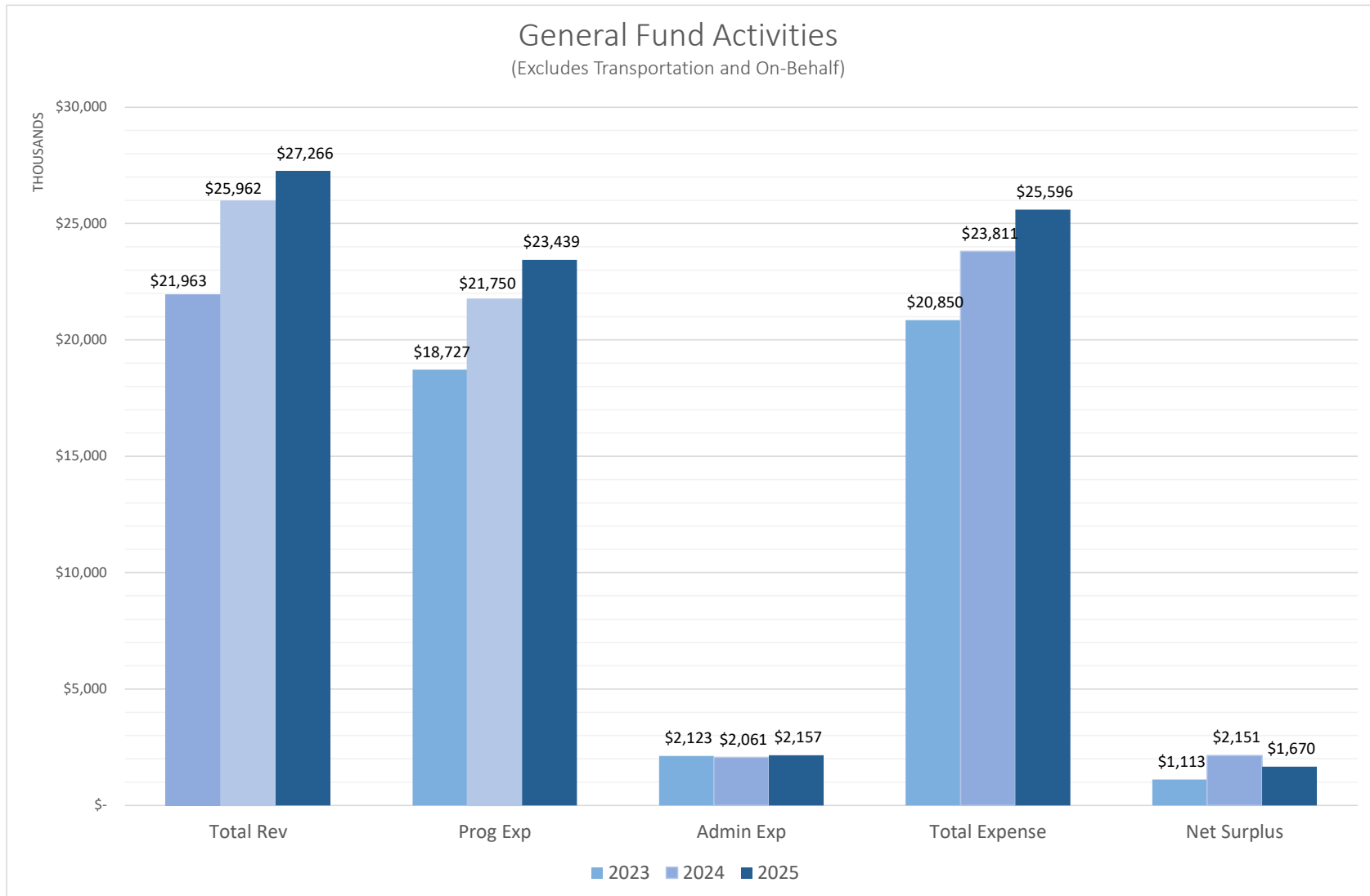
Required Action:

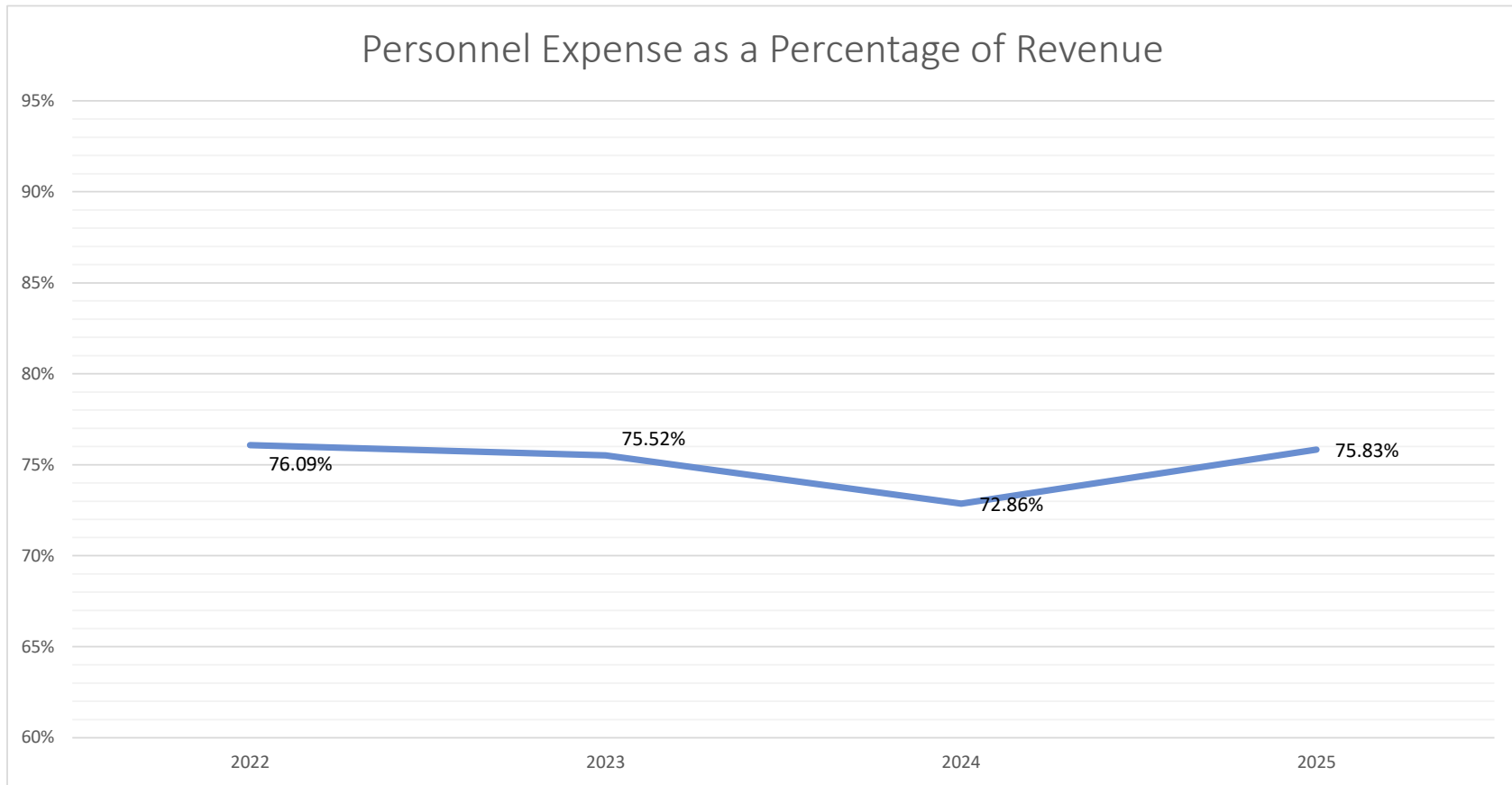
- None

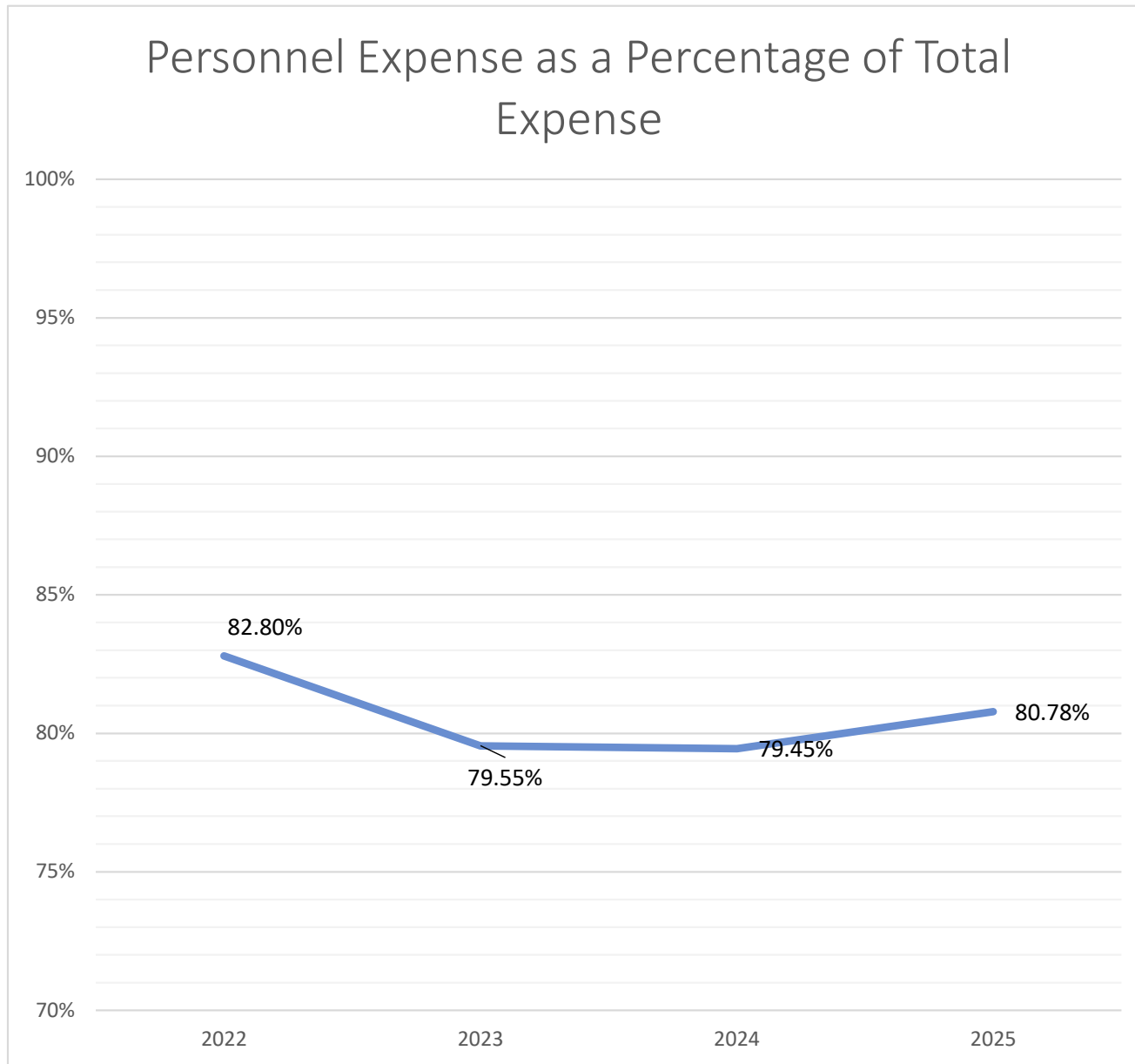
Attachments:

- Board of Directors Letter
- Financial Statements
- UFR

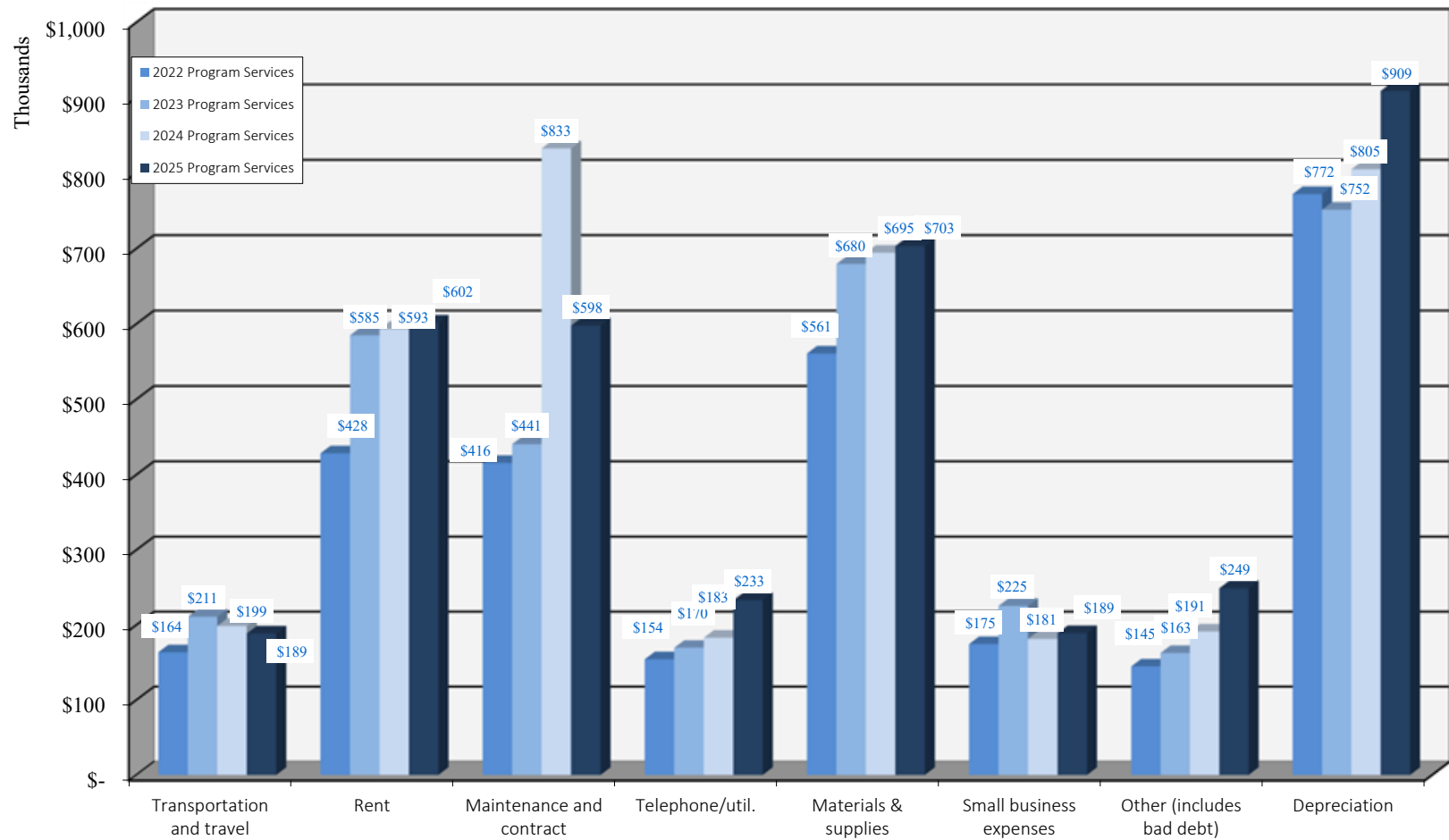
Valley Collaborative
Summary of Financial Activity
For the year ended June 30, 2025







Program Expense Comparison (Excludes Payroll)



Derived from audited financial statements for discussion purposes only.

Valley Collaborative

Financial Statements

For the Year Ended June 30, 2025

Valley Collaborative
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For the Year Ended June 30, 2025

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FRITZ DEGUGLIELMO LLC
CERTIFIED PUBLIC ACCOUNTANTS
& BUSINESS ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Valley Collaborative
North Billerica, Massachusetts

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Valley Collaborative, a collaborative organized under the Laws of the Commonwealth of Massachusetts, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Valley Collaborative's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Valley Collaborative, as of June 30, 2025, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Valley 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 Valley Collaborative's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Valley 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 Valley 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, budgetary comparison information, OPEB plan required supplementary information and pension schedules on pages 3-7 and 32-38 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2025, on our consideration of Valley Collaborative's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Valley Collaborative's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Valley Collaborative's internal control over financial reporting and compliance.



Certified Public Accountants

Newburyport, Massachusetts

November 20, 2025

Valley Collaborative
Management's Discussion and Analysis
(unaudited)
June 30, 2025

Our discussion and analysis of Valley Collaborative's ("The Collaborative") financial performance provides an overview of the Collaborative's financial activities for the fiscal year ended June 30, 2025 with comparative information from the fiscal years ended June 30, 2024 and 2023. 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 the Collaborative's financial statements. The Collaborative'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 the Collaborative as a whole using accounting methods similar to those used by private sector companies.

- The **Statement of Net Position** presents information on all of the Collaborative's assets and liabilities with the difference between the two reported as net position. It is one way of measuring the Collaborative's financial health or position.
- The **Statement of Activities** presents information showing how the Collaborative'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 the Collaborative'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 the Collaborative.

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, the Collaborative has only governmental and fiduciary funds.

- **Governmental funds** – The Collaborative'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 the Collaborative'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.
- **Fiduciary fund** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Collaborative's own programs.

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 the Collaborative's financial statements.

Valley Collaborative
Management's Discussion and Analysis
(unaudited)
June 30, 2025

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**Collaborative's Net Position:****ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Assets			
Current Assets	\$10,763,763	\$11,859,954	\$ 9,638,049
Non-current assets, net**	<u>9,107,606</u>	<u>9,718,962</u>	<u>10,385,960</u>
Total Assets	<u>19,871,369</u>	<u>21,578,916</u>	<u>20,024,009</u>
Deferred Outflows Related to OPEB	<u>947,666</u>	<u>1,090,530</u>	<u>1,943,312</u>
Total Assets and Deferred Outflows of Resources	<u>\$20,819,035</u>	<u>\$22,669,446</u>	<u>\$21,967,321</u>

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

Liabilities			
Current Liabilities	\$ 1,880,184	\$ 3,163,986	\$ 2,933,189
Long Term Liabilities**	<u>4,550,391</u>	<u>4,057,503</u>	<u>4,925,869</u>
Total Liabilities	<u>6,430,575</u>	<u>7,221,489</u>	<u>7,859,058</u>
Deferred Inflows Related to OPEB	<u>2,724,696</u>	<u>3,285,540</u>	<u>3,037,142</u>
Net Position			
Unrestricted	\$ 3,787,127	\$ 4,023,633	\$ 2,658,926
Restricted – grants and contributions	46,002	37,641	30,583
Restricted – renovation project/capital reserve	1,500,000	1,500,000	1,500,000
Invested in right-of-use assets, net of liabilities**	(282,600)	(147,684)	(58,449)
Invested in capital assets, net of related debt	<u>6,613,235</u>	<u>6,748,827</u>	<u>6,940,061</u>
Total Net Position	<u>\$11,663,764</u>	<u>\$12,162,147</u>	<u>\$11,071,121</u>

During the fiscal year ended June 30, 2025, the Collaborative's overall net position decreased by approximately \$499,000. Total assets decreased by approximately \$2,608,000 primarily as a result of payment of the prior year credit to the member districts as well as the continued depreciation of assets and amortization of the right-of-use leased assets. Total liabilities decreased by approximately \$791,000, which was primarily the result of the decrease in the year's pay down of lease liability of approximately \$341,000, timing of paying various accounts payable of approximately \$648,000, and a decrease in prepaid tuition of approximately \$510,000, net of an increase of approximately \$770,000 in net OPEB liability due to the updated actuarial calculations. The Collaborative realized a decrease in net position from operations of approximately \$499,000, including issuance of prior year member credits, depreciation on capital assets, right-of-use lease expense and other postemployment benefits expense.

During the fiscal year ended June 30, 2024, the Collaborative's overall net position increased by approximately \$1,091,000. Total assets increased by approximately \$1,555,000 primarily as a result of continued strong operations and oversight increasing the overall cash position of the Collaborative. Total liabilities decreased by approximately \$638,000 which was primarily the result of the decrease in the year's pay down of lease liability of approximately \$387,000 and the adjustment in the OPEB liability of approximately \$588,000 due to the updated actuarial study and \$758,000 as a result of the timing of the payback of credit to the member districts that occurred in fiscal year 2023 but not in fiscal year 2024. Liabilities also increased by \$510,000 in prepaid tuition paid by two of the member districts in comparison to fiscal year 2023. The remaining difference is a result of the timing of payments in

Valley Collaborative
Management's Discussion and Analysis
(unaudited)
June 30, 2025

comparison to the prior fiscal year relating to the various accrued expenses and payables. The Collaborative realized an increase in net position from operations, including depreciation on capital assets, right-of-use lease expense and other postemployment benefits expense, of approximately \$1,091,000.

SUMMARY OF ACTIVITIES

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Revenues/Gains*	\$27,413,028	\$26,075,648	\$21,984,406
Program Expenses/Losses*	23,691,319	22,030,507	19,048,642
Administrative Expenses/Losses*	<u>2,172,402</u>	<u>2,075,632</u>	<u>2,137,683</u>
Total Expense*	<u>25,863,721</u>	<u>24,106,139</u>	<u>21,186,325</u>
Change in net position, before increase in net retirement health benefit obligation and credits to member districts	1,549,307	1,969,509	798,081
Increase in net retirement health benefit obligation	<u>(352,138)</u>	<u>(573,661)</u>	<u>(643,839)</u>
Change in net position before credits to member districts	1,197,169	1,395,848	154,242
Credits to member districts	<u>(1,695,822)</u>	<u>(304,552)</u>	<u>(815,609)</u>
Change in Net Position	<u>(\$ 498,653)</u>	<u>\$1,091,296</u>	<u>\$ 380,887</u>

* Excludes Massachusetts Teachers' and State Employees' Retirement Systems "on-behalf" payments, credits to members, and other postemployment benefits funding and expense.

Revenues

In the fiscal year ended June 30, 2025, revenues, excluding Massachusetts Teachers' and State Employees' Retirement Systems "on-behalf" payments, increased by approximately \$1,337,000 (6%). In the fiscal year ended June 30, 2024, revenues, excluding Massachusetts Teachers' and State Employees' Retirement Systems "on-behalf" payments, increased by approximately \$4,091,000 (19%). The changes within fiscal years are due primarily to changes in student enrollment in the respective years. Changes in fiscal year 2025 enrollment are primarily a result of expanding of programs and offerings to the area districts.

Operating Expenses

In the fiscal year ended June 30, 2025, operating expenses, excluding Massachusetts Teachers' and State Employees' Retirement Systems "on-behalf" payments, increased by approximately \$1,758,000, or 8%, compared to the fiscal year ended June 30, 2024. Increases in expenses were primarily a result of increased employee and benefit costs. Personnel costs increased by approximately \$1,728,000 in the fiscal year ended June 30, 2025 as a result for the increase in staffing needs to support operations. There were various other small increases Collaborative wide to support the continued growth.

In the fiscal year ended June 30, 2024, operating expenses, excluding Massachusetts Teachers' and State Employees' Retirement Systems "on-behalf" payments, increased by approximately \$2,920,000, or 14%, compared to the fiscal year ended June 30, 2023. Increases in expenses were primarily a result of increased employee and benefit costs, as well as maintenance and occupancy costs. Personnel costs increased by approximately \$2,395,000 in the fiscal year ended June 30, 2024 as a result for the increase in staffing needs to support operations. Maintenance and occupancy costs increased by approximately \$480,000 and training expenses increased by approximately \$20,000. Maintenance and occupancy costs increased as a result of the repairs and updates made across the properties occupied by the Collaborative as well as general increases in utilities. Training expenses saw increases as a result of the increase in new staff employed by the Collaborative as well as the full integration of the SPEDfi program and getting all users acclimated to the system.

Valley Collaborative
Management's Discussion and Analysis
(unaudited)
June 30, 2025

Governmental Funds Financial Highlights

The Collaborative reported a total general fund balance of \$7,614,806, of which \$44,286 was nonspendable and the remaining \$7,570,520 was unassigned. The fund balance increased \$115,632 over the prior fiscal year, as the result of a net operating surplus of \$1,670,454, plus \$141,000 received as trade-in value for vehicles disposed of to be used against the purchase price of new vehicles and decreased by \$1,695,822 of credits issued to member districts. Prepaid expenses decreased by \$2,094, Accounts receivable decreased by \$997,436, primarily due to increased collection efforts. Cash decreased by \$96,661.

Due to strong management, since the year ended June 30, 2013, the Collaborative has returned more than \$13,815,000 from its general fund in the form of cash and tuition credits to its member districts.

CAPITAL ASSETS AND OTHER OBLIGATIONS

During the fiscal year ended June 30, 2025 the Collaborative purchased and capitalized eleven vehicles, leasehold improvements and other equipment for use in its program with a total cost of \$791,751. The Collaborative did trade in nine vehicles in fiscal year 2025 totaling a trade-in value of \$141,000.

During the fiscal year ended June 30, 2024, the Collaborative purchased and capitalized eight vehicles, leasehold improvements and other equipment for use in its program with a total cost of \$613,951. The Collaborative did trade in seven vehicles in fiscal year 2024 totaling a trade-in value of \$91,800.

As of June 30, 2025, the balance in the capital reserve fund was \$1,500,000, and fully funded. This fund is considered restricted until utilized for its intended purpose.

**SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENT (SBITA) &
LEASED ASSETS AND LIABILITIES**

During 2023, the Collaborative implemented GASB Statement No. 96 which requires recording right-of-use SBITA assets and related liabilities for all long-term SBITAs. The Collaborative evaluated its contracts effective July 1, 2024 and determined that the Collaborative had no agreements that exceeded a 12-month period. Therefore there is no value recognized in the financial statements as a result of this standard.

The Collaborative complies with GASB Statement No. 87 which requires right-of-use leased assets and related liabilities for all long-term leases. As of June 30, 2025, the Collaborative recognized right-of-use assets totaling \$4,011,146, net of accumulated amortization of \$1,516,777 and lease liabilities of \$2,776,971 for all leases. See Note D in the notes to the financial statements for additional information on the Collaborative's leases.

BUDGETARY HIGHLIGHTS

The Collaborative's annual budget for the fiscal year ended June 30, 2025 was approved by its Board of Directors and then amended on January 9, 2025. For the fiscal year ended June 30, 2025, the Collaborative received operating revenues, excluding on-behalf payments by the Massachusetts Teachers' and State Employees' Retirement Systems, of approximately \$27,266,000 compared to final budgeted revenues of approximately \$27,430,000. The difference between actual revenues received and budgeted revenues is primarily due to lower-than-expected revenues from state contracts. The Collaborative expended operating expenses, excluding on-behalf payments by the Massachusetts Teachers' and State Employees' Retirement Systems, of approximately \$24,804,000 compared to final budgeted expenses of approximately \$26,537,000. The difference between actual expenses incurred and budgeted expenses is primarily from increases relating to the hiring of additional staff that did not occur during the year as planned.

The Collaborative's annual budget for the fiscal year ended June 30, 2024 was approved by its Board of Directors and then amended on January 11, 2024. For the fiscal year ended June 30, 2024, the

Valley Collaborative
Management's Discussion and Analysis
(unaudited)
June 30, 2025

Collaborative received operating revenues, excluding on-behalf payments by the Massachusetts Teachers' and State Employees' Retirement Systems, of approximately \$25,963,000 compared to final budgeted revenues of approximately \$24,805,000. The difference between actual revenues received and budgeted revenues is primarily due to higher-than-expected revenues from services the organization provides as well as state contracts. The Collaborative expended operating expenses, excluding on-behalf payments by the Massachusetts Teachers' and State Employees' Retirement Systems, of approximately \$23,198,000 compared to final budgeted expenses of approximately \$23,076,000. The difference between actual expenses incurred and budgeted expenses is primarily from increases relating to the hiring of additional staff.

CONTACTING THE COLLABORATIVE

This financial report is designed to provide readers of the financial statement an overview of the Collaborative's financial activities. If you have questions in regard to this report, contact Chris A. Scott, Ph.D., 11 Executive Park Drive, North Billerica, MA 01862, or at 978-528-7800.

Valley Collaborative
Statement of Net Position
June 30, 2025

Assets

Current Assets	
Cash and cash equivalents	\$ 7,896,935
Accounts receivable, net	2,822,542
Prepaid expenses and other assets	44,286
Total Current Assets	<u>10,763,763</u>
Non-current Assets	
Right-of-use leased assets, net of accumulated amortization	2,494,371
Capitalized assets, net	6,613,235
Total Non-current Assets	<u>9,107,606</u>
Total Assets	<u>19,871,369</u>

Deferred Outflows of Resources

Deferred Outflows of Resources Related to OPEB	<u>947,666</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 20,819,035</u>

Liabilities, Deferred Inflows and Net Position

Current Liabilities	
Accounts payable and accrued liabilities	\$ 1,098,008
Deferred revenues	500,000
Credits due to member districts	4,947
Lease liability, current portion	277,229
Total Current Liabilities	<u>1,880,184</u>
Non-current Liabilities	
Lease liabilities, net of current portion	2,499,742
Net OPEB liability	2,050,649
Total Non-current Liabilities	<u>4,550,391</u>
Total Liabilities	<u>6,430,575</u>

Deferred Inflows of Resources

Deferred Inflows of Resources Related to OPEB	<u>2,724,696</u>
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Net Position

Net Position	
Unrestricted	3,787,127
Restricted - contributions and other	46,002
Restricted - capital reserve fund	1,500,000
Invested in right-of-use leased assets, net of related liabilities	(282,600)
Invested in capital assets, net of related debt	6,613,235
Total Net Position	<u>11,663,764</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 20,819,035</u>

See accompanying notes to financial statements and independent auditor's report.

Valley Collaborative
Statement of Activities
For the year ended June 30, 2025

Functions/ Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Adult Services and Operating Grants/Contrib- utions	
Governmental Activities:				
Administration	\$ 2,172,402	\$ -	\$ -	\$ (2,172,402)
Education	22,045,532	22,682,559	4,501,510	5,138,537
Intergovernmental revenue and expense	3,365,600	-	3,365,600	-
Other postemployment benefits	352,138	-	-	(352,138)
Interest expense	260,900	-	-	(260,900)
Capital asset depreciation and amortization	909,123	-	-	(909,123)
Right-of-use asset amortization	475,764	-	-	(475,764)
Total Governmental Activities	\$ 29,581,459	\$ 22,682,559	\$ 7,867,110	\$ 968,210
General Revenue and Other:				
Interest				54,508
Gain on disposal of assets				122,780
Other				51,671
Credits to member districts				(1,695,822)
Total General Revenue and Other				(1,466,863)
Change in Net Position				(498,653)
Net Position, Beginning of Year				12,162,417
Net Position, End of Year				\$ 11,663,764

See accompanying notes to financial statements and independent auditor's report.

Valley Collaborative
Balance Sheet
Governmental Funds
June 30, 2025

	General Fund	Capital Reserve Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 6,350,933	\$ 1,500,000	\$ 46,002	\$ 7,896,935
Accounts receivable, net	2,822,542	-	-	2,822,542
Prepaid expenses and other assets	44,286	-	-	44,286
Total Assets	\$ 9,217,761	\$ 1,500,000	\$ 46,002	\$ 10,763,763

LIABILITIES AND FUND BALANCES

Liabilities:

Accounts payable and accrued liabilities	\$ 1,098,008	\$ -	\$ -	\$ 1,098,008
Deferred revenues	500,000	-	-	500,000
Credits due to member districts	4,947	-	-	4,947
Total Liabilities	1,602,955	-	-	1,602,955

Fund Balances:

Nonspendable	44,286	-	-	44,286
Restricted	-	1,500,000	46,002	1,546,002
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	7,570,520	-	-	7,570,520
Total Fund Balances	7,614,806	1,500,000	46,002	9,160,808
Total Liabilities and Fund Balances	\$ 9,217,761	\$ 1,500,000	\$ 46,002	\$ 10,763,763

See accompanying notes to financial statements and independent auditor's report.

Valley Collaborative
 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
 June 30, 2025

Total fund balances, governmental funds	\$ 9,160,808
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Deferred inflows relating to the other postemployment benefit obligation is not a current obligation and therefore is not reported in this fund financial statement, but is reported in the government activities of the Statement of Net Position.	(2,724,696)
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Right-of-use leased assets, net of accumulated amortization, used in governmental activities are not financial resources and therefore are not reported in the funds.	2,494,371
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Other postemployment benefit (OPEB) liability is not a current obligation and therefore is not reported in this fund financial statement, but is reported in the governmental activities of the Statement of Net Position.	(2,050,649)
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Long-term lease liabilities related to the right-of-use leased assets is used in governmental activities and are not financial uses and therefore are not reported in the funds.	(2,776,971)
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Deferred outflows relating to the other postemployment benefit obligation is not a current financial resource and therefore is not reported in this fund financial statement, but is reported in the government activities of the Statement of Net Position.	947,666
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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.	6,613,235
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Net position of governmental activities	<u>\$ 11,663,764</u>
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See accompanying notes to financial statements and independent auditor's report.

Valley Collaborative
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	General Fund	Capital Reserve Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Tuition and service revenues	\$ 22,682,559	\$ -	\$ -	\$ 22,682,559
Adult services	4,477,614	-	-	4,477,614
Grants and contributions	-	-	23,896	23,896
Intergovernmental revenue	3,365,600	-	-	3,365,600
Interest	54,508	-	-	54,508
Other	51,671	-	-	51,671
Credits to member districts	(1,695,822)	-	-	(1,695,822)
Total Revenues	28,936,130	-	23,896	28,960,026
Expenditures:				
Administration	2,156,867	-	15,535	2,172,402
Program payroll	17,079,070	-	-	17,079,070
Program fringe benefits and payroll taxes	2,805,834	-	-	2,805,834
Professional and consulting fees	6,594	-	-	6,594
Transportation and travel	188,630	-	-	188,630
Maintenance and other occupancy	597,767	-	-	597,767
Telephone, communications and utilities	232,881	-	-	232,881
Materials, supplies and equipment	703,389	-	-	703,389
Small business expenses	189,063	-	-	189,063
Field trips	129,692	-	-	129,692
Training programs	76,522	-	-	76,522
Other	36,090	-	-	36,090
Intergovernmental expense	3,365,600	-	-	3,365,600
Capital outlay, net of debt incurred	791,751	-	-	791,751
Lease Service:				
Lease interest	260,900	-	-	260,900
Lease financing principal	340,848	-	-	340,848
Total Expenditures	28,961,498	-	15,535	28,977,033
Excess (Deficit) of Revenues over Expenditures	(25,368)	-	8,361	(17,007)
Other Financing Sources:				
Proceeds from capital asset sale	141,000	-	-	141,000
Net Change in Fund Balances	115,632	-	8,361	123,993
Fund Balances, Beginning of Year	7,499,174	1,500,000	37,641	9,036,815
Fund Balances, End of Year	\$ 7,614,806	\$ 1,500,000	\$ 46,002	\$ 9,160,808

See accompanying notes to financial statements and independent auditor's report.

Valley 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, 2025

Net change in fund balances of total governmental funds **\$ 123,993**

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

Governmental funds report outlays for capital assets and right-to-use leased 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 or amortization expense for the period. Governmental funds do not report inflows from assets held to purchase capital assets or finance leased assets because such assets are not considered current financial resources. In contrast, the Statement of Activities does report the inflows as revenue.

Capital outlay purchases, net of debt incurred	791,751
Depreciation	(909,123)
Amortization	(475,764)
Gain on disposal of assets	122,780

Governmental funds report lease financing 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 liability as expense.

Lease financing principal	340,848
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The change in accrual for other postemployment benefits reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds.

Net change in other postemployment benefits (OPEB) accrual	<u>(352,138)</u>
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Change in net position of governmental activities	<u><u>\$ (498,653)</u></u>
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See accompanying notes to financial statements and independent auditor's report.

Valley Collaborative
Statement of Fiduciary Net Position
Retirees' Health Insurance Trust Fund
June 30, 2025

Assets

Assets	
Investments	\$ 8,282,784
Total Assets	<u>\$ 8,282,784</u>

Net Position

Net Position	
Net position held in trust for retirees' health insurance	\$ 8,282,784
Total Net Position	<u>\$ 8,282,784</u>

See accompanying notes to financial statements and independent auditor's report.

Valley Collaborative
Statement of Changes in Fiduciary Net Position
Retirees' Health Insurance Trust Fund
For the year ended June 30, 2025

Additions:	
Contributions	\$ -
Investment gain	<u>933,532</u>
Total Additions	<u>933,532</u>
Deductions:	
Investment expenses	<u>25,031</u>
Total Deductions	<u>25,031</u>
Change in Net Position	<u>908,501</u>
Net Position – Beginning of Year	<u>7,374,283</u>
Net Position – End of Year	<u><u>\$ 8,282,784</u></u>

See accompanying notes to financial statements and independent auditor's report.

Valley Collaborative
Notes to Financial Statements
June 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Collaborative

Valley Collaborative (The “Collaborative”) is an educational collaborative of the school districts of Billerica, Chelmsford, Dracut, Groton-Dunstable Regional, Nashoba Valley Technical, North Middlesex Regional, Tewksbury, Tyngsborough, and Westford. The Collaborative is a public entity under the jurisdiction of its member school committees, whose appointees comprise its board of directors. The Collaborative provides high quality academic, therapeutic and vocational services to individuals referred by local school districts and social service agencies.

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 demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Collaborative does allocate indirect expenses to functions in the Statement of Activities if there is a reasonable basis for doing so. Depreciation is reported as one amount, in total, on the Statement of Activities, and is not 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 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.

Valley Collaborative
Notes to Financial Statements
June 30, 2025

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

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

Governmental Funds:

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

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

Capital reserve fund - used to account for and report financial resources that are restricted, committed, or assigned to be used for the acquisition, construction, or renovation of major capital facilities or equipment.

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.

Fiduciary Funds:

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Collaborative programs. The reporting focus is on net position and changes in net position presented in fiduciary fund financial statements. Since by definition these assets are being held for the benefit of a third party (retirees) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide 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, as are fiduciary fund financial statements. 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

The Collaborative considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Collaborative maintains its uncollateralized cash balances in two financial institutions. The balances in one of the financial institutions are insured by the Federal Deposit Insurance Company up to \$250,000. From time to time, the Collaborative maintains bank account balances in excess of the federally insured limits. The Collaborative also maintains cash and cash equivalents at the Massachusetts Municipal Depository Trust which is collateralized by its underlying assets. At June 30, 2025, the Collaborative's uninsured cash balances, including reconciling items, totaled \$7,646,935. The Collaborative monitors its exposure associated with cash and cash equivalents and has not experienced any losses in such accounts.

Valley Collaborative
Notes to Financial Statements
June 30, 2025

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

Fair Value Measurements and Investments

The Collaborative has contributed \$4,854,654 to a public employee retirement trust account with Public Agency Retirement Services as trustee, on behalf of its retirees' health insurance trust fund. The trustee invests the funds in Vanguard mutual funds. As of June 30, 2025, the balance in these investments consisted of the following:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain</u>
Mutual Funds	\$4,854,654	\$8,282,784	\$3,428,130

All investments of the Collaborative 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*.

Net increase in the fair value on investments for the year ended June 30, 2025 was \$908,501. There were no realized gains or losses during the year ended June 30, 2025. Investment fees for the year ended June 30, 2025 were \$25,031.

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. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Collaborative will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Collaborative's investments are uninsured, not registered in the name of the Collaborative, and held by the counterparty's trust department or agent but not in the Collaborative's name.

Operating Revenues and Expenses

Operating revenues consist primarily of billings to member municipalities or other cities and towns for providing programs and services. The Collaborative also receives approximately 17% of its revenues under social service contracts issued by agencies of the Commonwealth of Massachusetts, excluding Massachusetts Teachers' and State Employees' Retirement Systems "on-behalf" payments. Operating expenses include educational costs, administrative expenses and depreciation on capital assets.

Accounts Receivable

Accounts receivable consists of all revenues earned at year end and not yet collected. Major receivable balances include tuitions and certain related charges. The Collaborative records its bad debts using the allowance method. As of June 30, 2025, there was an allowance for doubtful accounts of \$27,574.

Credits Due to Member Districts

"Credits due to member districts" represent member district credits issued during the fiscal year but not utilized by the district during the fiscal year. The credits are to be applied against future Collaborative invoices or disbursed to the member district and are not considered an agency fund of the Collaborative.

Property and Equipment

Property and equipment are capitalized at historical cost. Depreciation is computed on the straight-line method using estimated useful lives of two to five years for websites, computer equipment, furniture, fixtures, vehicles and program equipment and five to ten years for leasehold improvements. The Collaborative has purchased and renovated a building. The building and renovations are depreciated using estimated useful lives of 40 and 20 years, respectively.

Valley Collaborative
Notes to Financial Statements
June 30, 2025

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

Equity Classifications

Government-wide Statements

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

Invested in capital assets, net of related debt - 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.

Invested in right-of-use assets, net of liabilities – this component of net position consists of right-of-use assets, net of accumulated amortization, reduced by the outstanding balances of liabilities that are attributable to the leased assets.

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.

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.

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

Subsequent events have been evaluated through November 20, 2025, which is the date the financial statements were available to be issued.

Valley Collaborative
Notes to Financial Statements
June 30, 2025

NOTE B – ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following as of June 30, 2025:

Tuition and services to districts	\$ 2,331,944
State contracts	<u>518,172</u>
	2,850,116
Allowance for doubtful accounts	<u>(27,574)</u>
	<u>\$ 2,822,542</u>

The Collaborative has established an allowance for doubtful accounts in the amount of \$27,574. The allowance is based on specific identification of probable losses and an estimate of additional losses based on historical experience. Account balances are charged off against the allowance when it is probable the receivable will not be recovered. For the year ended June 30, 2025, the Collaborative recorded no bad debt expense.

NOTE C – CAPITAL ASSETS

A summary of depreciable capital assets follows:

	<u>Buildings & Improvements</u>	<u>Furniture, Equipment & Software</u>	<u>Vehicles</u>	<u>Total</u>
<u>COST</u>				
Balance, July 1, 2024	\$9,318,041	\$ 1,462,400	\$1,858,476	\$12,638,917
Additions	-	84,880	706,871	791,751
Disposals	<u>-</u>	<u>-</u>	<u>(279,117)</u>	<u>(279,117)</u>
	9,318,041	1,547,280	2,286,230	13,151,551
<u>ACCUMULATED DEPRECIATION</u>				
Balance, July 1, 2024	(4,095,631)	(1,275,022)	(1,196,937)	(6,567,590)
Additions	(509,318)	(84,869)	(314,936)	(909,123)
Disposals	<u>-</u>	<u>-</u>	<u>260,897</u>	<u>260,897</u>
	(4,604,949)	(1,359,891)	(1,250,976)	(7,215,816)
Net, June 30, 2025	<u>\$ 4,713,092</u>	<u>\$ 187,389</u>	<u>\$1,035,254</u>	<u>\$ 5,935,735</u>

Land in the amount of \$677,500 is not being depreciated. In fiscal 2025, the Collaborative capitalized \$706,871 for vehicles, and \$84,880 for office furniture and equipment. The Collaborative traded in various fully depreciated vehicles during the year ended June 30, 2025, and received \$141,000 of trade-in value toward the purchase of the new vehicles. Depreciation expense of \$909,123 was not allocated to governmental functions. It appears unallocated on the Statement of Activities. The capital reserve for future capital purchases is fully funded.

NOTE D –LEASE OBLIGATIONS

The Collaborative leases various classroom and office spaces and office equipment under operating leases. All of its leases qualifying as long-term leases are recorded in accordance with GASB Statement No. 87.

Valley Collaborative
Notes to Financial Statements
June 30, 2025

NOTE D –LEASE OBLIGATIONS – *continued*

During fiscal 2017, the Collaborative entered into a building lease for program use at 135 Coburn Road in Tyngsborough, Massachusetts, commencing July 1, 2016 through June 30, 2033 including extensions. The lease requires quarterly rent payments of \$63,988 through June 2028, then it is adjusted to \$31,250 through June 2030, and finally adjusted to \$94,181 through June 2033. During fiscal 2019, the Collaborative entered into a building lease for program and administrative use at 25 Linnell Circle in Billerica, Massachusetts, commencing July 1, 2018 through June 30, 2025 including extension. The lease requires monthly payments of \$13,187 through June 2023, then it is adjusted to \$13,583 through June 2024, and finally adjusted to \$13,991 through June 2025. The lease was not renewed when it expired. During fiscal 2022, the Collaborative entered into a building lease for program use at 11 Executive Park Drive in Billerica, Massachusetts, commencing June 1, 2022 through August 31, 2032. The monthly payments are increased annually by approximately 2% of the prior year. The Coburn Road, Linnell Circle and Executive Park Drive leases represent the total of the right-of-use lease assets and liabilities. Right-of-use assets and initial liabilities are valued using a rate of 6% which represents the Collaborative's incremental borrowing rates at the time the leases and extension were entered into, respectively.

Lease agreements, including modifications, are summarized as follows:

Description	Date	Payment Terms	Payment Amount	Interest Rate	Total Lease Asset/Liability	Accum. Amort. 6/30/2025	Net Asset 6/30/2025	Liability Balance 6/30/2025
135 Coburn Road**	7/1/2016	17 years	\$255,950 (FY25)	6.00%	\$2,133,409	\$ 638,464	\$1,494,945	\$1,654,281
25 Linnell Circle	7/1/2022	3 years	\$167,887 (FY25)	6.00%	448,324	448,324	-	-
11 Executive Park Drive	6/1/2022	9.25 years	\$177,910 (FY25)	6.00%	1,429,413	429,987	999,426	1,122,690
Total Lease Agreements					\$4,011,146	\$1,516,777	\$2,494,371	\$2,776,971

**Lease was modified during FY2022.

Annual requirements to amortize long-term obligations and related interest are as follows:

Year Ending 30-Jun	Principal	Interest	Total
2026	\$277,229	\$160,361	\$437,590
2027	298,285	143,155	441,440
2028	320,764	124,646	445,410
2029	210,811	107,739	318,550
2030	228,140	94,620	322,760
Thereafter	1,441,742	132,180	1,573,922
	<u>\$2,776,971</u>	<u>\$762,701</u>	<u>\$3,539,672</u>

For the year ended June 30, 2025, total amortization expense of leased assets was \$475,764 and total interest expense on lease liabilities was \$260,900.

NOTE E – MASSACHUSETTS TEACHERS' AND STATE EMPLOYEES' RETIREE SYSTEMSPlan Descriptions:

The Collaborative's employees participate in the Massachusetts Teachers' (MTRS) or State Employee' 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.

Valley Collaborative
Notes to Financial Statements
June 30, 2025

**NOTE E – MASSACHUSETTS TEACHERS’ AND STATE EMPLOYEES’ RETIREE SYSTEMS –
*continued***

Benefits Provided:

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

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

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

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

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

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

Contributions:

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

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

Valley Collaborative
Notes to Financial Statements
June 30, 2025

**NOTE E – MASSACHUSETTS TEACHERS’ AND STATE EMPLOYEES’ RETIREE SYSTEMS –
*continued***

Educational collaboratives contribute amounts equal to the normal cost of employees’ benefits participating in MSERS at a rate established by the Public Employees’ Retirement Administration Commission (PERAC), currently 6.1% of covered payroll. Legally, the collaboratives are only responsible for contributing the annual normal cost of their employees’ benefits (i.e., the present value of the benefits earned by those employees in any given year) and are not legally responsible for the past service cost attributable to those employees or previously retired employees of the collaboratives. During fiscal year 2025, the Collaborative’s contributions on behalf of employees totaled \$533,714.

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

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

The Commonwealth is a nonemployer contributor in MTRS and is required by statute to make all actuarially determined employer contributions on behalf of the member employers participating in MTRS. Therefore, the Collaborative is considered to be in a 100% special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributing entity in 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, 2024 and was \$15,733,379 and \$21,098,472 under MSERS and MTRS, respectively. In fiscal 2025, the Collaborative recognized revenue and related expense of \$1,624,098 (under GASB Statement No. 68) for its portion of the collective pension expense under MSERS. In fiscal 2025, the Collaborative recognized revenue and related expense of \$1,741,502 (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 F – COMPENSATED ABSENCES

The Collaborative allows eligible employees to carryover unused vacation time up to 10 days per year and to accrue a maximum of 20 days total. At the end of the fiscal year, any unused vacation time in excess of the above amounts is forfeited. The Collaborative’s vacation accrual for the year ended June 30, 2025 was \$122,982.

NOTE G – RISK MANAGEMENT

The Collaborative is exposed to various risks of loss relating to torts, theft or damage of, and destruction of assets; error and omissions; injuries to employees; and natural disasters. The Collaborative has obtained a variety of commercial liability insurance policies that pass the risk of loss listed above to independent third parties. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Collaborative. Settled claims have not exceeded the insurance coverage in any of the past three fiscal years.

Valley Collaborative
Notes to Financial Statements
June 30, 2025

NOTE G – RISK MANAGEMENT – *continued*

The Collaborative offers eligible participants access to various health and life insurance. Payment, in the form of premiums, is generally made monthly. The payments are funded in part from the Collaborative and payroll withholdings from active employee participants or direct payments from certain other eligible participants. In general, the Collaborative pays 75-80% of the cost of health insurance and 100% of the cost of life insurance for those participants that qualify.

NOTE H – COMMITMENTS AND CONTINGENCIES

The Collaborative participates in state and federal contracts, which are governed by various rules and regulations of the agencies. Costs charged to the respective programs are subject to audit and adjustment by agencies; therefore, to the extent that the Collaborative has not complied with the rules and regulations governing the refunds of any money received may be required and the collectability of any related receivable at June 30, 2025 may be impaired. In the opinion of the Collaborative, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective contracts; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

NOTE I – POSTEMPLOYMENT HEALTHCARE PLAN

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

Description

At the board meeting on June 18, 2015, the Collaborative’s board members implemented a postemployment health care plan and voted to create a trust fund for related retiree health benefits to take effect July 1, 2015. The trust fund is held for the benefit of a third party (retiree health insurance participants) and cannot be used to address activities or obligations of the Collaborative, therefore these funds are not incorporated into the government-wide financial statements. All funds of the trust are held at Public Agency Retirement Services and are held in mutual funds. The trust is irrevocable and is exempt from federal and state income taxes under Internal Revenue Code Section 115. The sole purpose of the trust is to provide funds to pay postemployment healthcare benefits to qualified retirees. The plan has the retirees pay for 20% of the premiums for the medical insurance. As a result of establishing the trust, the Collaborative’s board members voted to initially transfer \$3,150,000 to fund the trust. During the fiscal year ended June 30, 2025 the Collaborative did not transfer any additional funds to the trust. The Collaborative has transferred \$4,854,654 to date to the trust account.

An employee hired before April 2, 2012 shall become eligible to retire under these programs upon meeting the following conditions:

- i. Completion of 10 years of creditable service at the Collaborative
- ii. And attainment of age 55 as an active member
- iii. Or completion of 20 years of service at the Collaborative, regardless of age

An employee hired after April 2, 2012 shall become eligible to retire under these programs upon meeting the following conditions:

- i. Completion of 10 years of creditable service at the Collaborative
- ii. And attainment of age 60 as an active member

Funding Policy

The contribution requirements of plan members and the Collaborative are established and may be amended through Collaborative ordinances. For the period ending on the June 30, 2025 Measurement Date, total Collaborative premiums plus implicit costs for the retiree medical program were \$109,715. The Collaborative also contributed \$0 to the OPEB Trust for a total contribution during the measurement period of \$109,715 to be reported in the financial statements for the fiscal year ending June 30, 2025.

Valley Collaborative
Notes to Financial Statements
June 30, 2025

NOTE I – POSTEMPLOYMENT HEALTHCARE PLAN – *continued*Investment Policy

The long-term rate of return on assets developed based on the Collaborative Investment Policy is 5.86%. The rate is comprised of a 3.73% real rate of return and 2.50% inflation assumption, net of 0.37% investment expense.

Actuarially Determined Contribution (ADC)

The Collaborative's Actuarially Determined Contribution (ADC) is an amount actuarially determined in accordance with the parameters of GASB Statement No. 74/75 which is composed of the service cost and an amortization of the unfunded liability. For FY2025 and future years a 30-year amortization increasing by 3.00% per year of the Collaborative's unfunded liability for the purpose of calculating ADC. The following table shows the components of the Collaborative's annual ADC for the fiscal year and the amount actually contributed to the plan:

Actuarially Determined Contribution - Deficiency / (Excess)		June 30, 2025
I. Service Cost		\$ 802,329
II. 30-year level dollar amortization of NOL		91,555
III. Actuarial Determined Contribution [I. + II.]		893,884
IV. Contributions in relation to the actuarially determined contribution		(109,715)
V. Contribution deficiency / (excess) [III. + IV.]		<u>\$ 784,169</u>
Covered employee payroll		\$17,432,244
Contribution as a % of covered employee payroll		0.63%
Discount Rate		5.22%
Money Weighted Rate of Return		12.32%

OPEB Liability and OPEB Expense

	Fiscal Year Ended June 30, 2025	
	Collaborative Employees and Retirees	Total
I. Total OPEB Liability as of June 30, 2023	\$10,333,433	\$10,333,433
II. Fiduciary Net Position as of June 30, 2023	8,282,784	8,282,784
III. Net OPEB Liability (Asset) as of June 30, 2023 [I.-II.]	2,050,649	2,050,649
IV. Service Cost	802,329	802,329
V. Interest on Total OPEB Liability (Asset), Service Cost, and Benefit Payments	512,464	512,464
VI. Projected Earnings on OPEB Plan Investments	(456,799)	(456,799)
VII. Net Recognition of Deferred (Inflows)/Outflows	(396,141)	(396,141)
VIII. Financial Statement Expense [IV.+V.+VI.+VII.]	461,853	461,853
IX. Employer Share of Costs	(109,715)	(109,715)
X. Employer (Payments) Withdrawals to/from OPEB Trust	-	-
XI. Total Employer Contribution [IX.+X.]	(109,715)	(109,715)
XII. Net OPEB Expense [VIII.+XI.]	\$ 352,138	\$ 352,138

Effect of 1% Change in Healthcare Trend

In the event that healthcare trend rates were 1% higher than forecast and employee contributions were to increase at the forecast rates, the Total OPEB Liability as of the June 30, 2025 Measurement Date would increase to \$15,259,430 and Net OPEB Liability would increase to \$4,925,997. If such healthcare trend rates were 1% less than forecast and employee contributions were to increase at the forecast rate, the Total OPEB Liability would decrease to \$10,281,060 and the Net OPEB Liability would decrease to (\$52,373).

Valley Collaborative
Notes to Financial Statements
June 30, 2025

NOTE I – POSTEMPLOYMENT HEALTHCARE PLAN – *continued*

Effect of 1% Change in Discount Rates

As of the June 30, 2025 Measurement Date, if the discount rate were 1% higher than what was used in this valuation, the Total OPEB Liability would decrease to \$10,053,613 and the Net OPEB Liability would decrease to \$279,820. If the discount rate were 1% lower than was used in this valuation, the Total OPEB Liability would increase to \$14,680,045 and the Net OPEB Liability would increase to \$4,346,612.

Actuarial Methods and Assumptions

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

Actuarial Cost Method:	Individual Entry Age Normal
Discount Rate:	5.22% per annum (previously 5.45%)
General Inflation Assumption:	2.50% per annum
Annual Compensation Increases:	3.00% per annum
Actuarial Value of Assets:	Market Value

Recognition of OPEB Trust Assets

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

Valley Collaborative
Notes to Financial Statements
June 30, 2025

NOTE I – POSTEMPLOYMENT HEALTHCARE PLAN – *continued*Changes in Net OPEB Liability

Changes in Net OPEB Liability			
	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
I. Balances at June 30, 2024	\$ 8,654,814	\$ 7,374,283	\$ 1,280,531
II. Prior Period Adjustment	-	-	-
III. Balances for June 30, 2024 with Adjustment [I.+II.]	8,654,814	7,374,283	1,280,531
Changes for the year:			
IV. Service Cost	802,329	-	802,329
V. Interest on Total OPEB Liability, Service Cost, and Benefit Payments	512,464	-	512,464
VI. Changes in Benefit Terms*	-	-	-
VII. Changes in assumptions**	90,322	-	90,322
VIII. Differences between actual and expected experience**	383,219	-	383,219
IX. Net Investment Income	-	908,501	(908,501)
X. Employer Contributions (Withdrawals) to/from Trust	-	109,715	(109,715)
XI. Benefit payments withdrawn from Trust	-	(109,715)	109,715
XII. Benefit payments excluding Implicit Cost	(85,145)	-	(85,145)
XIII. Implicit Cost Amount	(24,570)	-	(24,570)
XIV. Total Benefit payments including Implicit Cost [XII.+XIII.]	(109,715)	-	(109,715)
XV. Administrative and Other Charges	-	-	-
XVI. Other Charges	-	-	-
XVII. Net Changes			
[IV.+V.+VI.+VII.+VIII.+IX.+X.+XI.+XIV.+XV.+XVI.]	\$ 1,678,619	\$ 908,501	\$ 770,118
XVI. Balances at June 30, 2025 [III.+XVII.]	\$ 10,333,433	\$ 8,282,784	\$ 2,050,649

* Recognized immediately

Deferred Inflows/Outflows

Deferred (Inflows)/Outflows in OPEB Expense arising from the recognition of the effects of differences between expected & actual experience										
Fiscal	Differences between actual & expected experience	Recognition Period (years)	Remaining Balance	2025	2026	2027	2028	2029	2030	There- after
2019	(1,703,175)	7.00	-	(243,309)	-	-	-	-	-	-
2020	(469)	7.00	(67)	(67)	(67)	-	-	-	-	-
2021	(1,125,612)	7.00	(321,602)	(160,802)	(160,802)	(160,800)	-	-	-	-
2022	-	7.00	-	-	-	-	-	-	-	-
2023	(1,278,180)	7.00	(730,389)	(182,597)	(182,597)	(182,597)	(182,597)	(182,598)	-	-
2024	-	7.00	-	-	-	-	-	-	-	-
2025	383,219	7.00	328,474	54,745	54,745	54,745	54,745	54,745	54,745	54,749
Total Remaining Balance			(723,584)							
Net increase (decrease) in OPEB Expense				(532,030)	(288,721)	(288,652)	(127,852)	(127,853)	54,745	54,749

Valley Collaborative
Notes to Financial Statements
June 30, 2025

NOTE I – POSTEMPLOYMENT HEALTHCARE PLAN – continued

Deferred (Inflows)/Outflows in OPEB Expense arising from the recognition of the effects of changes in assumptions										
Fiscal	Differences between actual & expected experience	Recognition Period (years)	Remaining Balance	2025	2026	2027	2028	2029	2030	There-after
2019	2,659,477	7.00	-	379,927	-	-	-	-	-	-
2020	-	7.00	-	-	-	-	-	-	-	-
2021	467,416	7.00	133,546	66,774	66,774	66,772	-	-	-	-
2022	(1,136,144)	7.00	(486,920)	(162,306)	(162,306)	(162,306)	(162,308)	-	-	-
2023	714,395	7.00	408,227	102,056	102,056	102,056	102,056	102,059	-	-
2024	(1,045,075)	7.00	(746,483)	(149,296)	(149,296)	(149,296)	(149,296)	(149,296)	(149,299)	-
2025	90,322	7.00	77,419	12,903	12,903	12,903	12,903	12,903	12,903	12,904
Total Remaining Balance			(614,211)							
Net increase (decrease) in OPEB Expense				250,058	(129,869)	(129,871)	(196,645)	(34,334)	(136,396)	12,904

Deferred (Inflows)/Outflows in OPEB Expense arising from the recognition of differences between projected & actual earnings on OPEB plan investments										
Fiscal	Differences between actual & expected experience	Recognition Period (years)	Remaining Balance	2025	2026	2027	2028	2029	2030	There-after
2019	(30,347)	5.00	-	-	-	-	-	-	-	-
2020	18,043	5.00	-	-	-	-	-	-	-	-
2021	(755,533)	5.00	-	(151,105)	-	-	-	-	-	-
2022	1,236,152	5.00	247,232	247,230	247,232	-	-	-	-	-
2023	(173,824)	5.00	(69,532)	(34,764)	(34,764)	(34,768)	-	-	-	-
2024	(425,953)	5.00	(255,573)	(85,190)	(85,190)	(85,190)	(85,193)	-	-	-
2025	(451,702)	5.00	(361,362)	(90,340)	(90,340)	(90,340)	(90,340)	(90,342)	-	-
Total Remaining Balance			(439,235)							
Net increase (decrease) in OPEB Expense				(114,169)	36,938	(210,298)	(175,533)	(90,342)	-	-

NOTE J – TAX POSITION

The primary tax positions made by the Collaborative are the existence of Unrelated Business Income Tax and the Collaborative's status as an exempt organization under the Internal Revenue Code. The Collaborative currently evaluates all tax positions, and makes determinations regarding the likelihood of those positions being upheld under review. For the years presented, and as a result of adoption, the Collaborative has not recognized any tax benefits or loss contingencies for uncertain tax positions based on its evaluations. The Collaborative is not currently under examination by any taxing jurisdiction. As a Chapter 40 governmental entity, the Collaborative is exempt from filing certain non-profit filings and, accordingly, there are no returns currently open for examination.

NOTE K – 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. For the year ended June 30, 2025, the Collaborative had no surplus revenue from contracts with state departments.

Valley Collaborative
Notes to Financial Statements
June 30, 2025

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

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

The five highest compensated employees of the Collaborative during fiscal year 2025 were as follows:

<u>Name</u>	<u>Title</u>	<u>Total Compensation</u>
Chris A. Scott, PhD	Executive Director	\$247,526
Joia Mercurio	Deputy Director	\$149,915
Nicole Noska	Principal	\$145,196
Kari Ann Morrin	Director of Human Resources	\$140,964
Matthew Gentile	Director of DDS Services	\$135,806

Executive Director:

Responsible for the proper fiscal management of Collaborative Programs. Administer and coordinate all programs and services offered by the Collaborative. Develop and propose an annual budget to the Board of Directors. Ensure Collaborative is operating within and in compliance with federal and state laws.

Deputy Director:

Responsible for supervising the effective and efficient implementation of programs and the payroll department. Assist in the creation of required state reports, records and other documentation. Keep the executive director informed about what is happening at the program level.

Director Human Resources:

Responsible for administering personnel programs and policies for the Collaborative and ensuring that proper practices are being followed. Handle all aspects with the hiring process. Manage the day-to-day human resource functions.

Principal:

Responsible to ensure program curriculum is aligned with Massachusetts Curriculum Frameworks. Other responsibilities include, ensure safety and structure of program, coordination and review all IEPs, schedule and participate in IEP meetings, communicate with parents, LEAs and outside agencies, and interview student referrals.

Director of DDS Services:

Responsible for coordinating services and activities relating to vocational preparedness and program enhancement while being the liaison between the Collaborative and local business partners. Other responsibilities include supervising direct support and job development staff and overseeing state agency contracts.

Amounts expended on services for individuals aged 22 years and older

Total direct costs incurred by the Collaborative in its over 21 programs, funded in part by contracts with agencies of the Commonwealth of Massachusetts, totaled \$3,902,632 for the year ended June 30, 2025, excluding Massachusetts Teachers' and State Employees' Retirement Systems "on-behalf" payments.

Amounts expended on administration and overhead

Administrative expenses of \$2,172,402 for the year ended June 30, 2025, include all costs that cannot be directly or reasonably applied to a program of the Collaborative. Administrative expenses include salaries, related benefits and payroll taxes, associated with the Collaborative'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.). The Collaborative 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

The Collaborative does not hold any accounts that may be spent at the discretion of another person or entity.

Valley Collaborative
Notes to Financial Statements
June 30, 2025

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

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

Other than the leases described below, the Collaborative had no transactions between the Collaborative and any related for-profit or non-profit organization.

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 C and D to the financial statements. The Collaborative leases classroom and other program space within Tyngsborough, a member district. For the year ended June 30, 2025, rent expense under this lease was \$255,950. During the year ended June 30, 2020, the Collaborative paid \$1,000,000 for improvements to the leased space within Tyngsborough. The improvements are depreciated in the government wide financial statements over the lease term.

Annual determination and disclosure of cumulative surplus

Cumulative Surplus Calculation – FY24				Page(s) in financial statements
(A)	Surplus as of June 30, 2024	\$	7,499,174	(A) p. 12
	<i>(Breakdown of use of 2024 surplus)</i>			
	B(1) used to support the FY25 budget	\$	-	
	B(2) issued as credits to member districts	\$	1,695,822	
	B(3) issued as a check(s) to member district(s)	\$	-	
	B(4) deposited to a restricted account(s)	\$	-	
(B)	Board voted uses of surplus funds during FY25	<i>(total from B1:B4)</i>	\$ 1,695,822	(B) p. 12
(C)	Unexpended FY25 General Funds		\$ 1,811,454	(C) p. 12
(D)	Cumulative Surplus as of June 30, 2025	(A) - (B) + (C) = (D)	\$ 7,614,806	(D) p. 12
(E)	FY25 Total General Fund Expenditures*		\$ 25,707,009	(E) p. 12
(F)	Cumulative Surplus Percentage	(D) ÷ (E)	29.62%	(F)
CUMULATIVE SURPLUS REDUCTION				
Allowable uses of surplus - in excess of the 25% limit				
(G)	Cumulative surplus as of June 30, 2025		\$ 7,614,806	
		25% limit (allowed)	\$ 6,426,752	
(H)	Cumulative Surplus REDUCTIONS			
	(H)1 Credited to member districts for tuition, services, etc.	\$	1,200,000	***
	(H)2 Deposited to an established trust and/or reserve fund	\$	-	
	(H)3 Returned (check) to school districts/towns	\$	-	
	Total Reductions	\$	1,200,000	
	FY25 Cumulative Surplus Percentage after Reductions		24.95%	

Valley Collaborative
Notes to Financial Statements
June 30, 2025

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

*Reconciliation of Total General Fund Expenditures to the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds on page 12:

Total Expenditures:	\$28,961,498
OPEB Obligation Funding:	-
Intergovernmental Expense:	<u>(3,365,600)</u>
	25,595,898
FY25 depreciation on leasehold improvements:	<u>111,111</u> **
Total General Fund Expenditures per calculation above:	<u>\$25,707,009</u>

**During the year ended June 30, 2020, the Collaborative paid for \$1,000,000 of improvements to a leased facility. The payment was approved and budgeted by the Collaborative's board of directors. However, because this was a special one-time payment, the Collaborative requested clarification from the Department of Elementary and Secondary Education ("DESE") regarding treatment of the expenditure. DESE requested that the \$1,000,000 capital expenditure be treated as an expenditure over the remaining lease term of 9 years for purposes of determining the cumulative surplus funds in excess of 25% of general fund expenditures. The annual amount to be reported as an expenditure is \$111,111.

***Prior to June 30, 2025, the Collaborative's board of directors voted to return \$1,000,000 of cumulative general fund surplus to member districts. During the November 20, 2025 board meeting, the Collaborative elected to return an additional \$200,000 to the member districts to comply with the 25% cumulative surplus allowance.

Valley Collaborative
Statement of Revenues, Expenditures and Changes in Fund Balance
of the General Fund - Budget to Actual
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues:				
Tuition and services	\$ 19,200,000	\$ 21,800,000	\$ 22,682,559	\$ 882,559
Adult services	4,900,000	4,900,000	4,477,614	(422,386)
Other	700,000	700,000	51,671	(648,329)
Interest	30,000	30,000	54,508	24,508
Intergovernmental revenue	-	-	3,365,600	3,365,600
Total revenue and other support	<u>24,830,000</u>	<u>27,430,000</u>	<u>30,631,952</u>	<u>3,201,952</u>
Expenses:				
Salaries	17,173,652	18,973,652	18,033,851	939,801
Employee benefits and taxes	2,918,119	3,431,619	3,199,375	232,244
Operating expenses	3,527,700	3,539,200	2,945,280	593,920
Leases and rentals	618,247	593,247	625,641	(32,394)
On-behalf retirement payment expense	-	-	3,365,600	(3,365,600)
Total expenses	<u>24,237,718</u>	<u>26,537,718</u>	<u>28,169,747</u>	<u>(1,632,029)</u>
Excess of revenues over expenses	<u>\$ 592,282</u>	<u>\$ 892,282</u>	<u>\$ 2,462,205</u>	<u>\$ 1,569,923</u>
Other Budget Items:				
Credits to member districts	\$ -	\$ -	\$ 1,695,822	\$ (1,695,822)
Capital budget items, net of gain	575,000	875,000	650,751	224,249
OPEB obligation funding	-	-	-	-
	<u>\$ 575,000</u>	<u>\$ 875,000</u>	<u>\$ 2,346,573</u>	<u>\$ (1,471,573)</u>

Note: The schedule above is presented on the same basis used by the Collaborative to present its internal budget to actual comparison and account groupings are not necessarily consistent with the Statement of Revenue, Expenditures and Changes in Fund Balances presented on page 12. Also, capital budget items presented above include actual capital outlays and transfers made to or from the Capital Reserve Fund.

See independent auditor's report.

Valley Collaborative
OPEB Plan - Required Supplementary Information
June 30, 2025

Year	Actuarial Determined Contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
June 30, 2019	\$ 880,811	\$ (61,922)	\$ 818,889	\$ 11,092,407	0.56%
June 30, 2020	\$ 951,385	\$ (45,883)	\$ 905,502	\$ 11,425,179	0.40%
June 30, 2021	\$ 903,135	\$ (51,730)	\$ 851,405	\$ 10,818,546	0.48%
June 30, 2022	\$ 996,816	\$ (1,694,497)	\$ (697,681)	\$ 11,143,102	15.21%
June 30, 2023	\$ 822,753	\$ (128,142)	\$ 694,611	\$ 14,197,170	0.90%
June 30, 2024	\$ 1,007,032	\$ (91,727)	\$ 915,305	\$ 14,623,085	0.63%
June 30, 2025	\$ 893,884	\$ (109,715)	\$ 784,169	\$ 17,432,244	0.63%

Schedule Presentation

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

See independent auditor's report.

Valley Collaborative
OPEB Plan - Required Supplementary Information
As of the June 30, 2025 Measurement Date

Schedule of Changes in the Collaborative's Net OPEB Liability and Related Ratios									
Valuation Date: For the Measurement Period ending on the Measurement Date of:	July 1, 2024 June 30, 2025	July 1, 2023 June 30, 2024	July 1, 2022 June 30, 2023	July 1, 2021 June 30, 2022	July 1, 2020 June 30, 2021	July 1, 2019 June 30, 2020	July 1, 2018 June 30, 2019	July 1, 2017 June 30, 2018	
For the Reporting Period & Fiscal Year ending on:	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	
Total OPEB Liability									
I. Service Cost	10,333,433	8,654,814	8,406,758	7,855,437	7,760,675	7,321,481	6,291,640	4,270,784	
II. Interest on Total OPEB Liability, Service Cost, and Benefit Payments	802,329	948,235	747,196	917,149	804,839	776,751	752,044	608,129	
III. Changes in Benefit terms	512,464	436,623	431,978	367,674	344,281	299,442	374,432	18,642	
IV. Difference between Expected & Actual Plan Experience	-	-	-	-	-	-	-	-	
V. Changes of Assumption	383,219	-	(1,278,180)	-	(1,125,612)	(469)	(1,703,175)	-	
VI. Benefit Payments Excluding Implicit Cost	90,322	(1,045,075)	714,395	(1,136,144)	467,416	-	2,659,477	43,514	
VII. Implicit Cost Amount	(85,145)	(77,701)	(54,947)	(53,917)	(50,682)	(44,753)	(48,295)	(30,590)	
VIII. Total Benefit payments including Implicit Cost [VI.+VII.]	(24,570)	(14,026)	(9,121)	-	(1,048)	(1,130)	(13,627)	-	
IX. Net Change in OPEB liability [I.+II.+III.+IV.+V.+VIII.]	(109,715)	(91,727)	(64,068)	(53,917)	(51,730)	(45,883)	(61,922)	(30,590)	
X. Total OPEB liability - beginning of period	1,678,619	248,056	551,321	94,762	439,194	1,029,841	2,020,856	639,695	
XI. Prior Period Adjustment for Retirees not Previously Reflected	8,654,814	8,406,758	7,855,437	7,760,675	7,321,481	6,291,640	4,270,784	(148,019)	
	-	-	-	-	-	-	-	-	
XII. Total OPEB Liability - end of period [IX.+X.+XI.]	10,333,433	8,654,814	8,406,758	7,855,437	7,760,675	7,321,481	6,291,640	491,676	
Plan Fiduciary Net Position									
XIII. Earning from Plan Investments	8,282,784	7,374,283	6,598,707	6,030,973	5,271,479	4,266,767	4,039,225	3,779,108	
XIV. Employer Contribution to trust	908,501	775,576	503,660	(881,086)	1,004,712	227,542	260,117	236,892	
XV. Benefit payments from trust, including refunds of member contributions	109,715	91,727	128,142	1,694,497	51,730	45,883	61,922	30,590	
XVI. Administrative expense	(109,715)	(91,727)	(64,068)	(53,917)	(51,730)	(45,883)	(61,922)	(30,590)	
XVII. Other	-	-	-	-	-	-	-	-	
XVIII. Net change in plan fiduciary net position [XIII.+XIV.+XV.+XVI.+XVII.]	908,501	775,576	567,734	759,494	1,004,712	227,542	260,117	236,892	
XIX. Plan fiduciary net position - beginning of period	7,374,283	6,598,707	6,030,973	5,271,479	4,266,767	4,039,225	3,779,108	3,542,216	
XX. Plan fiduciary net position - end of period [XVIII.+XIX.]	8,282,784	7,374,283	6,598,707	6,030,973	5,271,479	4,266,767	4,039,225	3,779,108	
XXI. Net OPEB Liability [XII.-XX.]	2,050,649	1,280,531	1,808,051	1,824,464	2,489,196	3,054,714	2,252,415	491,676	
XXII. Plan fiduciary net position as a % of total OPEB liability [XX./XII.]	80.16%	85.20%	78.49%	76.77%	67.93%	58.28%	64.20%	768.62%	
XXIII. Covered employee payroll	17,432,244	14,623,085	14,197,170	11,143,102	10,818,546	11,425,179	11,092,407	11,775,259	
XXIV. Plan NOL as % of covered employee payroll [XXI./XXIII]	11.76%	8.76%	12.74%	16.37%	23.01%	26.74%	20.31%	4.18%	
Single Discount Rate to calculate Plan Liabilities	5.22%	5.45%	4.69%	5.04%	4.25%	4.25%	4.25%	7.50%	

Schedule Presentation

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

See independent auditor's report.

Valley Collaborative
OPEB Plan - Required Supplementary Information
As of the June 30, 2025 Measurement Date

Notes to Required Supplementary Information:

Valuation Date: Actuarially Determined Contribution was calculated as of July 1, 2024.

Actuarial Cost Method: Individual Entry Age Normal

Asset-Valuation Method: Market Value of Assets as of the Measurement Date, June 30, 2025.

Actuarial Assumptions:

Investment Rate of Return: 5.86%, net of OPEB plan investment expense, including inflation.

Municipal Bond Rate: 4.81% as of June 30, 2025 (source: S&P Municipal Bond 20-Year High Grade Index - SAPIHG)

Single Equivalent Discount Rate: 5.22%, net of OPEB plan investment expense, including inflation.

Inflation: 2.50% as of June 30, 2025 and for future periods

Salary Increases: 3.00% annually as of June 30, 2025 and for future periods

Cost of Living Adjustment: Not Applicable

Pre-Retirement Mortality: General: RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2021, set forward 1 year for females
 Teachers: PubT-2010 Mortality Table (Headcount-weighted) for Employees projected generationally with scale MP-2021

Post-Retirement Mortality: General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2021, set forward 1 year for females
 Teachers: PubT-2010 Mortality Table (Headcount-weighted) for Healthy Annuitants projected generationally with scale MP-2021

Disabled Mortality: General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2021, set forward 1 year for males and 2 years for females
 Teachers: PubT-2010 Mortality Table (Headcount-weighted) for Healthy Annuitants projected generationally with scale MP-2021

See independent auditor's report.

Valley Collaborative
OPEB Plan - Required Supplementary Information
As of the June 30, 2025 Measurement Date

Notes to Required Supplementary Information (Continued):

Plan Membership

Plan Membership: At July 1, 2024, the OPEB plan membership consisted for the following

Inactive employees or beneficiaries currently receiving benefits:	15
Active Employees:	<u>267</u>
Total:	282

Events Subsequent to the Measurement Date

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

Changes in Assumptions:

From June 30, 2024 to June 30, 2025:

Due to the GASB 75 standards the discount rate has been changed from 5.45% to 5.22%.

Based on recommendations by PERAC, the mortality table has been updated to the RP-2014 Mortality Table projected generationally with scale MP-2021 for non-teachers and PubT-2010 Mortality Table projected generationally with scale MP-2021 for teachers.

Contributions/Withdrawals:

The contribution requirements of plan members and the Collaborative are established and may be amended through Collaborative ordinances. The Collaborative contributed \$0 for the period ending on the June 30, 2025 Measurement Date. For the year ending on the June 30, 2025 Measurement Date total Collaborative premiums plus implicit costs for the retiree medical program were \$109,715. \$24,570 of the \$109,715 represents implicit cost.

Census Data Manipulation:

In the absence of data, the following was assumed:

Spouse Sex:	Male participants had female spouses and vice versa.
Spouse Age:	Male spouses were three years older than female spouses and same sex spouses were the same age.
Hire Age:	Participants who were not on the previous valuation were hired halfway between last valuation and the current valuation. If we did not have census data related to the last valuation, the participants were assumed to have been hired at age forty.
Retiree Age:	Retirees had the same birth date as they had the prior valuation. If we did not have census data related to the last valuation, retirees who were enrolled in Active plans were assumed to be age sixty-two and retirees who were enrolled in Medicare Supplement plans were assumed to be age seventy-two. Those not enrolled in a medical plan were assumed to be sixty-seven.
School Demographics:	Two thirds of school participants were teachers.
Other Material Changes:	No other data changes were deemed to be material.

See independent auditor's report.

Valley Collaborative
Schedule of the Collaborative's Proportionate Share of Net Pension Liability
For the Year Ended June 30, 2025

		MTRS	MSERS
Collaborative's proportion of net pension liability	FY2015	0.07985%	0.02466%
	FY2016	0.08405%	0.07637%
	FY2017	0.08453%	0.08118%
	FY2018	0.09167%	0.08646%
	FY2019	0.08325%	0.10137%
	FY2020	0.08129%	0.08658%
	FY2021	0.07984%	0.07671%
	FY2022	0.08333%	0.09316%
	FY2023	0.08290%	0.09784%
	FY2024	0.08321%	0.11139%
Collaborative's proportionate share of net pension liability	FY2015	\$ 16,360,313	\$ 2,806,546
	FY2016	\$ 18,790,793	\$ 10,530,873
	FY2017	\$ 19,344,064	\$ 10,410,850
	FY2018	\$ 21,737,193	\$ 11,438,238
	FY2019	\$ 20,989,574	\$ 14,834,931
	FY2020	\$ 23,205,036	\$ 14,855,001
	FY2021	\$ 18,129,788	\$ 8,006,281
	FY2022	\$ 21,572,960	\$ 12,958,656
	FY2023	\$ 21,794,595	\$ 14,331,557
	FY2024	\$ 21,098,472	\$ 15,733,379
Collaborative's covered-employee payroll	FY2015	\$ 5,347,143	\$ 4,285,929
	FY2016	\$ 5,527,894	\$ 4,254,279
	FY2017	\$ 5,762,613	\$ 4,635,195
	FY2018	\$ 6,333,668	\$ 6,028,713
	FY2019	\$ 6,087,231	\$ 6,039,995
	FY2020	\$ 6,181,687	\$ 5,305,358
	FY2021	\$ 6,202,814	\$ 4,668,914
	FY2022	\$ 6,274,492	\$ 5,856,826
	FY2023	\$ 7,162,705	\$ 6,145,191
	FY2024	\$ 7,488,098	\$ 7,832,325
Collaborative's proportionate share of net pension liability as a percentage of its covered-employee payroll	FY2015	305.96%	65.48%
	FY2016	339.93%	247.54%
	FY2017	335.68%	224.60%
	FY2018	343.20%	189.73%
	FY2019	344.81%	245.61%
	FY2020	375.38%	280.00%
	FY2021	292.28%	171.48%
	FY2022	343.82%	221.26%
	FY2023	304.28%	233.22%
	FY2024	281.76%	200.88%
Plan fiduciary net position as a percentage of total pension liability	FY2015	55.38%	67.87%
	FY2016	52.73%	63.48%
	FY2017	54.25%	67.21%
	FY2018	54.84%	67.91%
	FY2019	53.95%	66.28%
	FY2020	50.67%	62.48%
	FY2021	62.03%	77.54%
	FY2022	57.75%	71.05%
	FY2023	58.48%	70.71%
	FY2024	61.45%	72.90%

Notes to Required Supplementary Information

MTRS is the Massachusetts Teachers' Retirement System. MSERS is the Massachusetts State Employees' Retirement System. Also, see Note E to financial statements.

Measurement Date

The amounts presented in this schedule were determined as of June 30, 2024.

Schedule Presentation

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

See independent auditor's report.

Valley Collaborative
Schedule of Pension Contributions
For the Year Ended June 30, 2025

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
<u>MTRS</u>										
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the										
contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Collaborative's covered-employee payroll	\$ 5,347,143	\$ 5,527,894	\$ 5,762,613	\$ 6,333,668	\$ 6,087,231	\$ 6,181,687	\$ 6,202,814	\$ 6,274,492	\$ 7,162,705	\$ 7,488,098
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<u>MSERS</u>										
Contractually required contribution	\$ 240,012	\$ 238,217	\$ 259,571	\$ 337,608	\$ 338,240	\$ 323,627	\$ 284,804	\$ 357,266	\$ 374,857	\$ 477,772
Contributions in relation to the										
contractually required contribution	\$ 240,012	\$ 238,217	\$ 259,571	\$ 337,608	\$ 338,240	\$ 323,627	\$ 284,804	\$ 357,266	\$ 374,857	\$ 477,772
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Collaborative's covered-employee payroll	\$ 4,285,929	\$ 4,254,279	\$ 4,635,195	\$ 6,028,713	\$ 6,039,995	\$ 5,305,358	\$ 4,668,914	\$ 5,856,826	\$ 6,145,191	\$ 7,832,325
Contributions as a percentage of covered-employee payroll	5.60%	5.60%	5.60%	5.60%	5.60%	6.10%	6.10%	6.10%	6.10%	6.10%

Notes to Required Supplementary Information

MTRS is the Massachusetts Teachers' Retirement System. MSERS is the Massachusetts State Employees' Retirement System. Also, see Note E to financial statements.

Measurement Date

The amounts presented in this schedule were determined as of June 30, 2024.

Schedule Presentation

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

Contributions

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

See independent auditor's report.



FRITZ DEGUGLIELMO LLC
CERTIFIED PUBLIC ACCOUNTANTS
& BUSINESS ADVISORS

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

To the Board of Directors of
Valley Collaborative
North Billerica, Massachusetts

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Valley Collaborative (a collaborative organized under the Laws of the Commonwealth of Massachusetts), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Valley Collaborative's basic financial statements, and have issued our report thereon dated November 20, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Fritz DeGuglielmo LLC

Certified Public Accountants

Newburyport, Massachusetts

November 20, 2025



Central Administration

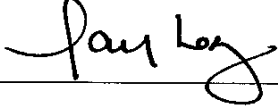
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DETERMINATION OF CUMULATIVE SURPLUS (BOARD VOTE) For the Year Ended June 30, 2025

We, the Board of Directors of Valley Collaborative, have determined the fiscal year cumulative general fund surplus to be \$7,614,806 and have voted to accept said surplus as presented in the Cumulative Surplus worksheet in Note L to the financial statements.

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, 2025.

Board Chair



Date of Board Vote

11-20-2025



Central Administration

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ACCEPTANCE OF THE BOARD OF DIRECTORS

We, the Board of Directors of the Valley 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, 2025.

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, 2025.



Board Chair

11-20-2025

Date



FRITZ DEGUGLIELMO LLC
CERTIFIED PUBLIC ACCOUNTANTS
& BUSINESS ADVISORS

November 20, 2025

To the Board of Directors of
Valley Collaborative
11 Executive Park Drive
North Billerica, Massachusetts 01862

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Valley Collaborative for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 5, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Valley Collaborative are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2025. We noted no transactions entered into by the Collaborative during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Collaborative's financial statements were:

Management's estimate of depreciation expense is based on guidelines established by the Commonwealth of Massachusetts for contracting purposes. Management's estimate of the post-employment health benefit obligation is based on an actuarial valuation, which included actuarial assumptions of returns on investments, inflation, and annual compensation increase rates. Management's estimate of pension on-behalf payments is based on audited plan financial statements issued by the retirement systems. Management's calculation of lease assets, liabilities, amortization and interest based on actual lease payments and a discount rate of the Collaborative's implicit borrowing rate. We evaluated the method, assumptions, and data used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 20, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Valley Collaborative's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Valley Collaborative's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis, budgetary comparison information, OPEB Plan – Required Supplementary Information and pension schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Other Information in Documents Containing Audited Financial Statements

The Collaborative is required to file a Uniform Financial Report (UFR) annually with the Commonwealth of Massachusetts. The UFR includes the audited financial statements. We were requested to assist in completing and reconciling the supplementary schedules to the underlying accounting records used to prepare the financial statements. We also reviewed the supplementary schedules after completion, which was part of our original engagement with the Collaborative.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of Valley Collaborative and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,


Fritz DeGuglielmo LLC

Valley Collaborative 2025 Annual Report

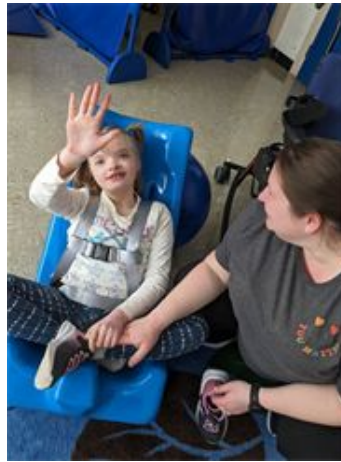


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General Information

Name of the collaborative: Valley Collaborative

Contact Information

Executive Director: Dr. Chris A. Scott

Email: cscott@valleycollaborative.org

Address:

11 Executive Park Drive
N. Billerica, MA 01862

Phone:

978-528-7800

Website: www.valleycollaborative.org

Academic and fiscal year: 2024-2025 – FY '25

Valley Collaborative Mission

Mission Statement:

To work collaboratively in order to create a diverse, equitable, inclusive, and responsive learning environment that recognizes individuals and empowers them to navigate confidently with optimal independence in their community and fosters lifelong learning.

Vision Statement:

Valley Collaborative partners with families, districts, and the community to provide innovative programming that empowers all students and adults to discover their diverse individual strengths, interests, and abilities. In doing so, those we serve become self-actualized members of society who contribute in a responsible manner.

Summary of Successes and Challenges

It has been an honor to work with Valley's committed staff to offer high quality special education services in the most fiscally responsible manner. Our collective work and dedication to Valley's mission has resulted in positive outcomes for students in our K-12 programs as well as participants in our DDS & MRC programs. I would like to thank Valley's Board Chair, Dr. Jay Lang, and the Board of Directors for their effective oversight, governance and generous support of this most important work. Valley is proudly owned and operated by nine member school districts. The Board of Directors and the school districts they represent are comprised of:

- **Dr. Jay Lang**, Chairman of the Board, Executive Committee Member, Superintendent - Chelmsford Public Schools
- **Dr. Kerry Clery**, Superintendent - Billerica Public Schools
- **Mr. Steven Stone**, Superintendent - Dracut Public Schools
- **Dr. Geoff Bruno**, Superintendent - Groton Dunstable Regional School District
- **Dr. Denise Pigeon**, Executive Committee Member, Superintendent - Nashoba Valley Technical School District
- **Mr. Brad Morgan**, Superintendent - North Middlesex Regional School District
- **Ms. Brenda Theriault-Regan**, Executive Committee Member, Superintendent - Tewksbury Public Schools
- **Dr. Michael Flanagan**, Executive Committee Member, Superintendent - Tyngsborough Public Schools
- **Dr. Christopher Chew**, Superintendent - Westford Public Schools

Valley's Tuition Rates continue to be extremely competitive and the lowest in the region. The table below offers comparisons between Valley's tuition rates and the averages across the state for two fiscal years. Valley's low tuition rates are the result of over a decade and a half of financial decisions that have resulted in an extremely strong balance sheet – the healthiest of all collaboratives in the state. Valley's OPEB trust is fully funded (\$9M), capital reserve fund is fully funded (\$1.5M), consistently invests \$1M annually in infrastructure updates, is fully staffed, 50% of its enrollment comes from non-member districts who pay a 25% premium to attend Valley's exemplary programming at a tuition rate that is still lower than most member district tuition rates at other Collaboratives (see table below). The financial stewardship on behalf of the Board of Directors and Valley administration results in Valley being able to offer tuition rates consistently below the circuit breaker threshold. Many of Valley's member districts are able to pay or receive a significant reduction in tuition rates each year because of Valley's surplus that is required to be returned to its member districts. This year the return was a total of \$1.2M, which again will offset already low tuition rates in FY26.

Tuition Rate Comparisons	
\$53,431	FY 26 Circuit Breaker Threshold
\$44,935	FY 26 Valley's Average Member District Tuition
\$57,224	FY 26 Valley's Average Non Member District Tuition
\$63,382	FY 26 Average MA Collaborative Member Tuition
\$99,067	FY 26 MAAPS (Private Schools) Average
\$49,320	FY 27 Valley's Average Member District Tuition
\$62,775	FY 27 Valley's Average Non Member District Tuition

Valley was inundated with audits this past year. Our small but mighty team excels under pressure and tight timelines. Here's an overview:

- DESE Coordinated Program Review – Mid-Cycle Review: Valley has concluded its Mid-Cycle Review and the feedback from the DESE Office of Approved Special Education Schools (OASES) included, below.

Results: A+ / Exemplary

- Administrative teams had an impressively long tenure. (This is significant because we are in a field where it is typical for key positions to be vacant and/or hard to fill. Fortunately, when people come to Valley, they fall in love with our mission and vision and stay for a very long time.)
- Students were engaged in rigorous curriculum/programming.
- They observed Valley's staff interacting with students in a caring and compassionate manner.
- Our systems throughout the Collaborative were consistent and followed with fidelity.
- Staff were well trained including but not limited to top tier therapeutic teams, educators who deliver high quality programs consistent with the state standards, and highly trained Special Education Assistants. (Valley's successful efforts to put into place the Academy for Special Education Assistants is noteworthy.)
- DESE protocols and procedures were followed with fidelity.
- Staff were committed and devoted to the mission of Valley.
- They wished that Valley could train other Collaboratives on how to do the exceptional work they witnessed.

- DESE Collaborative Financial Review:

Valley Collaborative received the results from the DESE Collaborative Financial Review performed by MARCUM Accounting for DESE in June 2025. I am pleased to report that Valley received an 'exemplary' score. MARCUM presented at MOEC's general membership meeting on October 7, 2024 and Valley was the case study/exemplar.

The Department of Elementary and Secondary Education continues to work through some technical matters regarding how certain DESE guidance and regulations are being interpreted by both Collaboratives across the Commonwealth and DESE with regards to the 25% Surplus Calculation. Valley has been instructed not to change how it has calculated the 25% surplus. Valley was proud to be a thought partner and one of the pilot sites for this new financial/governance review process that all Collaboratives will undergo every six years.

Results: A+ / Exemplary

- FY'25 Independent Financial Audit: Valley's FY'25 Independent Financial Audit, performed by Fritz DeGuglielmo, LLC, has been completed. Daniel Schaffner, CPA, and his team. Valley is proud to say that the audit was again this year finding-free and demonstrates Valley's commitment to sound, competent, financial management/oversight. The Board of Directors and Valley's Administration team take very seriously its responsibility to be good stewards of public funds. Valley had another financially successful year in FY'25, ending the year with \$1.2M being returned to Member School Districts. Our systems and processes have never been more effective. Daniel Schaffner, CPA reported out to the Board at the November 20, 2025 Board of Directors meeting.

Results: A+ / Exemplary

- DDS CORI Audit: for the first time, on September 24, 2024 DDS performed a CORI audit to ensure Valley Collaborative was in full-compliance with all procedures and protocols.

Results: A+/Exemplary

- DDS DPPC Audit: to ensure compliance with Nicky's Law, the Disabled Persons Protection Commission (DPPC) is authorized to conduct periodic compliance reviews of DDS and agencies defined as Employers (Valley Collaborative). Valley completed its first compliance review on September 6, 2024. This review included DDS staff hired after July 1, 2023, along with their signed DPPC Consent Form and Valley's internal policies and procedures to adhere to M.G.L. c. 19C § 15.

Results: A+/Exemplary

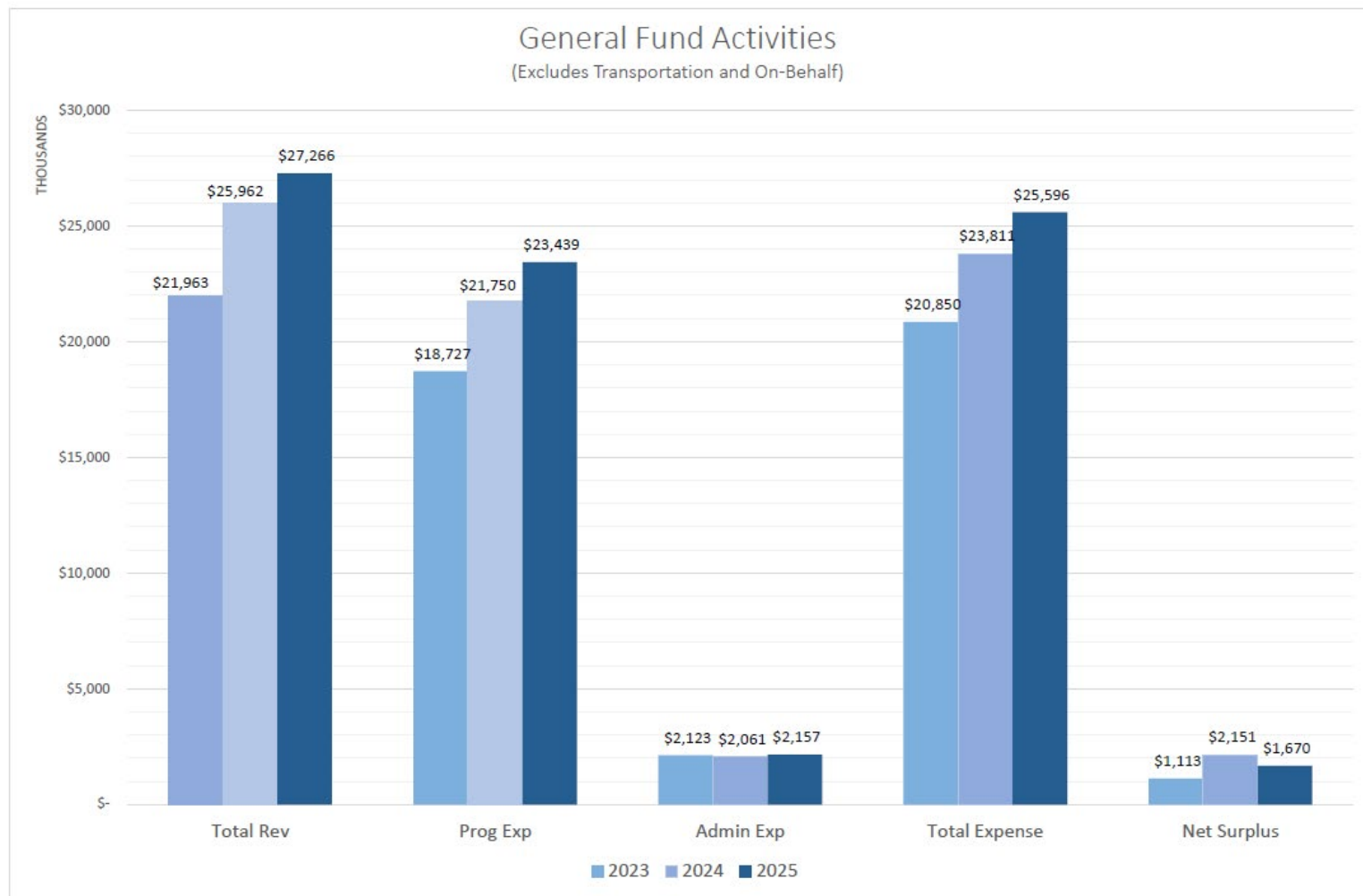
Please reach out if I can ever be of assistance. We are here to serve. My door is always open.

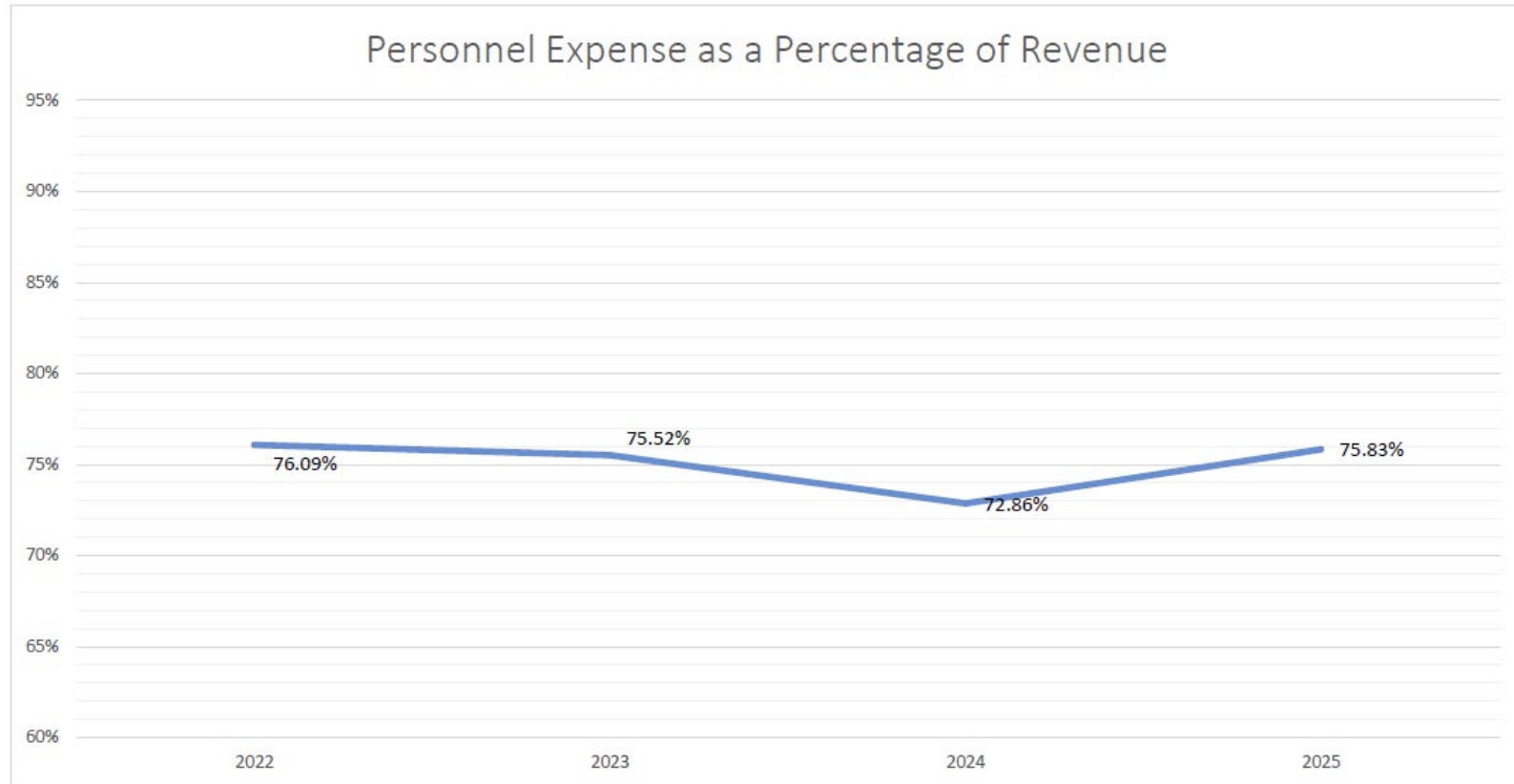
My best to you always,

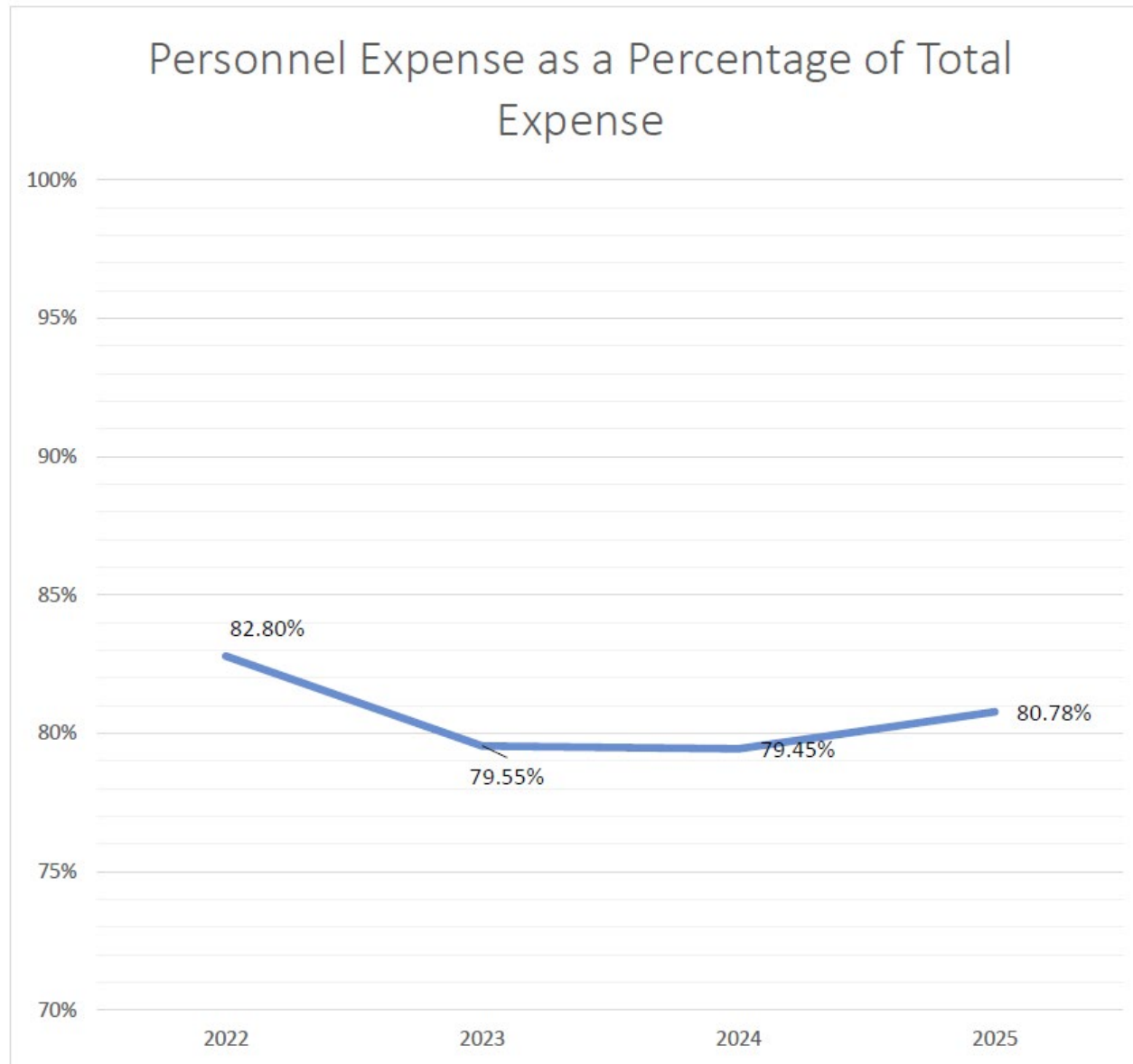
A handwritten signature in black ink, appearing to read "Chris A. Scott".

Chris A. Scott
Executive Director
Valley Collaborative

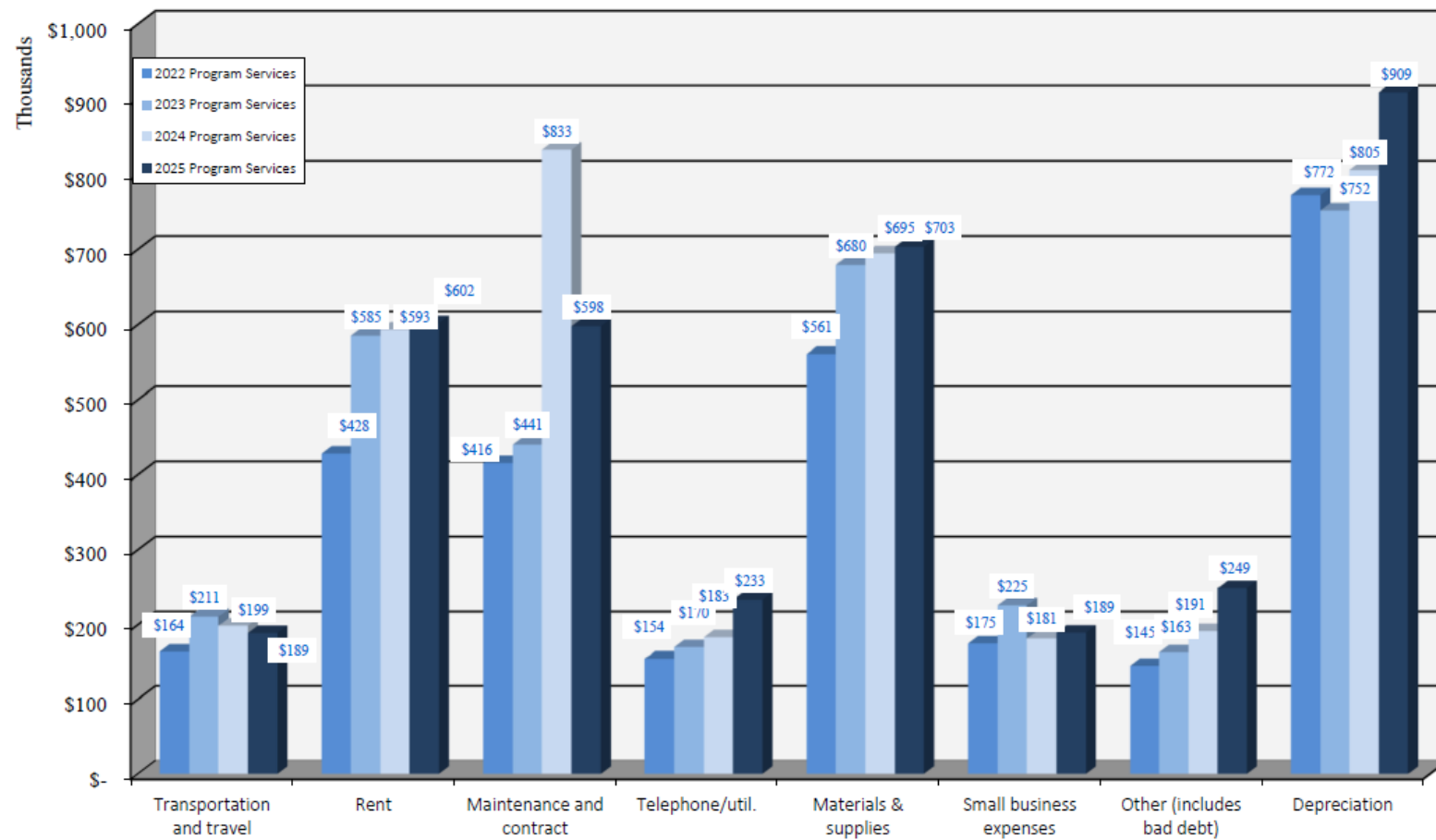
Valley Collaborative
Summary of Financial Activity
For the year ended June 30, 2025







Program Expense Comparison (Excludes Payroll)



Derived from audited financial statements for discussion purposes only.

Change(s) in Membership, Services, or Programs

None

The Number of Years the Collaborative has been in Existence

Valley Collaborative was founded in 1976. It has been in existence for 49 years.

Revenue and Expenditure Information for the Subject Year

Please see full financial audit, posted on the website and page 31 of this document, for further details.

Governance and Leadership

Board of Directors and Member Districts

The Valley Collaborative is governed by a Board of Directors comprising representatives from its nine member districts. The members of the Board of Directors in FY' 25 were:

Chairperson Dr. Jay Lang, Superintendent of the Chelmsford Public Schools
Dr. Kerry Clery, Superintendent of the Billerica Public Schools
Dr. Michael Flanagan, Superintendent of the Tyngsborough Public Schools
Mr. Steven Stone, Superintendent of the Dracut Public Schools
Dr. Laura Chesson, Superintendent of the Groton-Dunstable Regional School District
Dr. Denise Pigeon, Superintendent of Nashoba Valley Technical School District
Mr. Brad Morgan, Superintendent of the North Middlesex Regional School District
Ms. Brenda Theriault-Regan, Superintendent of the Tewksbury Public Schools
Dr. Christopher Chew, Superintendent of the Westford Public Schools

Advisory Committee

Valley Collaborative's Board of Directors and District Planning Team currently act in an advisory committee role.

Staffing Information

Valley Collaborative employs Department of Elementary and Secondary Education licensed teachers. The Collaborative's other professional staff includes licensed speech and language pathologists, occupational therapists, physical therapists, social workers, guidance counselors, board certified behavior analysts, music therapists, and nurses. In addition, the Collaborative contracts the services of a physician.

Key Management and Program Staff

District Staff:

Dr. Chris A. Scott, Executive Director
Mr. James George, Business Manager/Accountant
Ms. Joia Mercurio, Deputy Director
Ms. Kari Morrin, Director of Human Resources

Mr. Matthew Gentile, Director of DDS & MassAbility Services

Ms. Jessica Scalzi, Lead Nurse

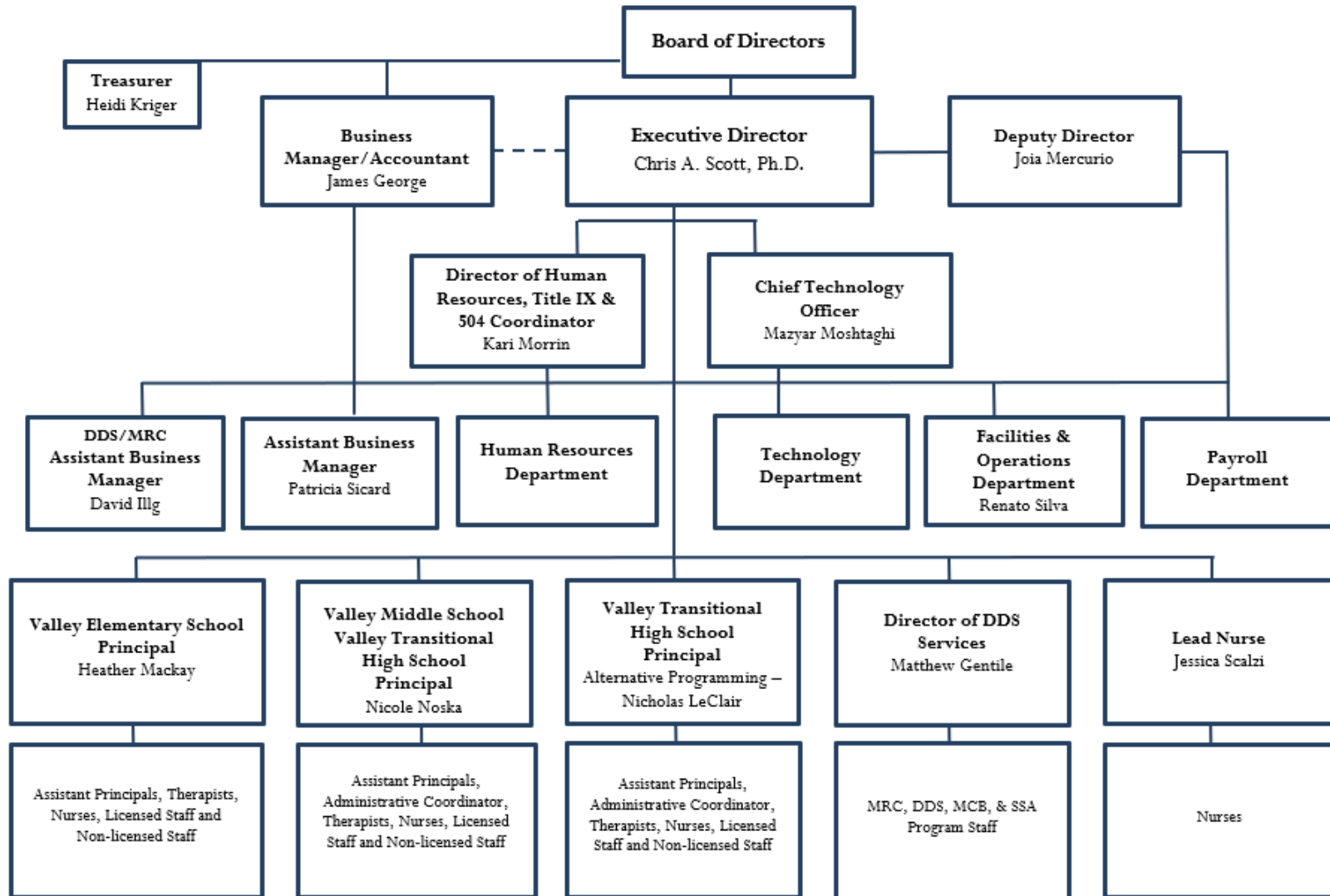
DESE Program Staff:

Ms. Heather MacKay, Principal, Valley Elementary School

Ms. Nicole Noska, Principal, Valley Middle School and Valley Transitional High School - Transitional

Mr. Nicholas LeClair, Principal, Valley Transitional High School - Alternative

Valley Collaborative Organizational Chart



Programs and Services Provided

The Collaborative offers the following types of programs and services, which complement and augment the educational programs and services of the member districts in a cost-effective manner.

- Day school placements and other programs and services, including educational, therapeutic, transitional, and occupational programs and services for students and individuals with disabilities.
- Professional Development programs for general and special educators.
- Other appropriate services and programs as may be established and approved by the Board of Directors of the Collaborative.

The programs offered to students continue to support their academic, transitional, emotional, and behavioral progress. Our K-Age 22 programs run September through June and offer additional summer programming. Valley's adult programs operate year-round. In addition, the Collaborative feels it is important for our students to have state-of-the-art adaptive technology that enables them to fully engage in the curriculum. To support the mission, the Collaborative continues to upgrade its technology in all schools. The Collaborative is committed to offering high quality programs in a fiscally responsible manner. A student-focused budget with a mission to improve student outcomes is always more cost-effective than a budget disconnected from the mission.

2024-2025 Average Number of Students

Valley Collaborative served 328 students (K-Age22) during the 2024-2025 school year. Valley's Adult Services served 137 individuals in our DDS program and 162 individuals in our MRC program.

Program Offerings Overview

K-12 Programs:

Valley Elementary School
Valley Middle School
Valley Transitional High School

Adult Programs:

Valley's Today-and-Tomorrow Program
Valley's Massachusetts Rehabilitation Commission Funded Programs
Job Development

Valley Elementary School

Location of the Programs

135 Coburn Road, Tyngsborough, MA

Arrangements with Member Districts to Maximize Integration Opportunities for Students

Detailed Description of the Program

Valley Elementary School

Valley Elementary School's goal is to provide a school experience for every child.

The Elementary program prides itself on providing an enriched school experience while supporting our students with the tailored therapeutic environment they require. All students have access to writing, reading, language arts, math, science and social studies instruction along with social and life skills

programming. Students access this curriculum throughout the school day via multi-modal approach. Our program is rich in trained professionals, supports, and technology specific to our population. Students participate in Physical Education, Art Education, and **Music Therapy** throughout the school week.

Our community engages in school-wide events according to monthly themes. Students help to plan and participate in our annual Science Fair, Thanksgiving Dinner, Halloween Dance, Holiday Fair, etc. One student is awarded "Student of the Month" each month. Community outings are common for all programs and allow students to generalize their skills to other settings. Our classrooms are equipped with technology such as smart boards, iPads, and chrome books to engage and enhance our curricula. The elementary school supports a greenhouse where students learn about gardening, the compost and can sampling herbs and vegetables after growing. In addition, we have a STEM lab that gives students a virtual reality learning experience using our zSpace desktops and V-R goggles along with educational content using our LEGO kits, Dash and Dot Robots and 3D printer.

Social Pragmatic classrooms take an ABA approach designed to meet the needs of students diagnosed with Autism, as well as students with pragmatic, sensory or behavioral needs. We use a team approach to provide each student with individualized behavior and academic supports.

Emotional Behavior classrooms provide a therapeutic environment for students who have emotional, behavioral or social adjustment difficulties that may limit their ability to make progress in a traditional school setting. Through a trauma informed lens, the classrooms use positive behavior support and collaborative problem solving to help students focus on school, develop relationships and build self-esteem. Our tailored approach and expert team ensure that every student has an individualized behavior and academic plan.

Our program has a wealth of therapists to assist our students and train our staff in the most current research-based intervention strategies. Our integrated therapy approach provides Board Certified Behavior Analysts, Speech/Language Pathologists, Occupational Therapists, Physical Therapists and Social Workers that work with the classroom staff to ensure the child's range of needs are met. We also encourage families to participate in the school experience. Family events, volunteer opportunities and our Parent Advisory Group all provide a much-needed connection.

Valley Middle School

Location of the Program

40 Linnell Circle, Billerica, MA

Arrangements with Member Districts to Maximize Integration Opportunities for Students

Detailed Description of the Program

Our Goal

Valley Middle School's goal is to prepare students for successful adult living.

The Valley Middle School provides a supportive, therapeutic environment, tailored to meet students' individual learning needs. Our school is staffed by trained professionals who help students discover their strengths, interests and abilities. Small class sizes, individual instruction and classroom technology keep

students motivated and engaged. In addition to a rich curriculum, students also have access to programs, including:

- social skills group
- life skills training
- art education
- music therapy
- electives, including band, cooking, school spirit, creative arts, health and wellness
- community based activities
- field trips
- experiential physical education

Emotional Behavioral (EB) classrooms provide a therapeutic setting for students who have emotional, behavioral or social adjustment difficulties that may have kept them from making progress in a traditional school setting. EB classrooms are appropriate for students with a range of cognitive abilities or learning disabilities, as well as those with executive functioning or behavior challenges. Pragmatic Social Behavior (PSB) classrooms provide services designed to meet the needs of students diagnosed with autism, as well as students with pragmatic, sensory or behavioral needs. The classrooms provide consistency, positive reinforcement and individual behavior support plans, as needed. The Interim Alternative Education Setting (IAES)/ Extended Evaluations allow our skilled professionals to assess what kinds of supports and therapeutic approaches will best help students meet their educational goals.

Valley Transitional High School

Location of the Program

40 Linnell Circle, Billerica, MA

Arrangements with Member Districts to Maximize Integration Opportunities for Students

Detailed Description of the Programs

Our Goal

Valley Transitional High School's goal is to prepare students to become successful members of their communities.

Valley Transitional High School provides a supportive, therapeutic environment that assists students with their social, emotional, behavioral and academic needs. We seek to instill our students with the confidence and ability to successfully earn a high school diploma, transition into the workplace or a post-graduate program.

Valley Transitional High School classrooms provide a therapeutic setting for students who have social, emotional, behavioral or academic needs. Students develop transitional skills so that they are prepared to successfully enter college and the working world after graduating from high school. We offer a trusting, structured and safe environment that allows students to give and receive productive feedback from their peers, and encourages them to make positive choices. Students attend small classes taught by trained educators who use individualized instruction, state-of-the-art technology and innovative instructional strategies to engage and motivate them.

The Intensive Special Needs classroom provides comprehensive services to students with moderate to intensive physical, developmental and intellectual impairments. Our specialized instruction and expert staff is able to meet the needs of individual students. The curriculum focuses on academics, vocational, social and life skills.

Vocational Opportunities

Students have a variety of opportunities to develop vocational skills, including: culinary, [multimedia](#), restoration, and landscaping. We collaborate with local businesses and community groups to offer students the knowledge and work experience they will need for employment. [Seniors](#) can also participate in internships in the surrounding community. Community service opportunities allow students to develop a positive self-identity through volunteering.

Additional Programming

The Experiential Physical Education program gives students the opportunity to take positive risks and challenge themselves in order to develop leadership and problem-solving abilities, along with communication skills. Community service opportunities allow students to develop a positive self-identity through volunteering. Eligible students who are on track to graduate and in solid academic standing may also participate in dual enrollment and work study programs.

Dual enrollment

We provide distinctive dual enrollment options, empowering students to explore academic and vocational potential. Through strategic partnerships with local colleges, vocational training institutions, and educational agencies, students can enroll in courses aligning with their interests and career goals. This program enables them to earn college and trade school credits during high school, gaining hands-on experience in diverse vocational fields. If desired, students may also enroll in virtual high school classes not offered in our program.

Valley currently partners with the following organizations for dual enrollment:

- Middlesex Community College
- The Peterson School
- TEC Connections Academy

Adult Services

11 Executive Park Drive, North Billerica MA 01862

Our Goal

Valley Collaborative's Adult Services goal is to support our adult community in reaching lifelong goals and maximum independence by promoting self-determination. Self-Determination is having control in your life to make choices that influence your future based on preferences, beliefs and abilities.

Our Adult Services Department focuses on building a community that promotes individuality, independence and community inclusion. Valley Collaborative believes in a person-centered approach that

provides supports that help our community of adults realize maximum independence, rewarding experiences, diverse vocational opportunities and continual growth. Our programs are funded by the Executive Office of Health and Human Services (EOHHS) and the Social Security Administration (SSA) with oversight from The Department of Developmental Services (DDS), The Massachusetts Rehabilitation Commission (MRC) and The Massachusetts Commission for the Blind (MCB).

Today and Tomorrow

Valley's Today & Tomorrow program provides full-time programming for individuals to support them in identifying and attaining their specific life goals. This is done through community integration and a robust curriculum that focuses on independent living, social skills, and vocational exploration and training. Individuals choose their own schedules and participate in a wide variety of activities at more than 30 community locations, as well as on-site at Valley. Individuals are the drivers of their programming and continually suggest new activities and locations for services which are incorporated into the service delivery model.

Valley's Massachusetts Rehabilitation Commission Funded Programs

Valley's Evaluation & Training and Supported Employment Programs

Valley's Evaluation & Training and Supported Employment Programs assist individuals in preparing for and obtaining competitive employment. Services can be short or long-term, and are provided based on the needs and availability of each person. Valley Collaborative's job development team has over 100 years combined experience in building community business partnerships and working to assist people with a wide range of disabilities prepare for, find and secure competitive employment.

Job Development

Independent Employment Support Services

Valley's Independent Employment Support Services provide individuals support in seeking out and maintaining competitive, independent employment. Services are specifically shaped and delivered to support individuals to reach their independent employment goals, with a Valley Collaborative Job Developer supporting the individual in all facets of gaining competitive, independent employment including but not limited to; interest inventorying, job exploration, matching of interests and specific employment fields, job searching, resume building, job application, interviewing, on-boarding and orientation, and continued support throughout employment with the individual and any potential supervisors on the job.

Home and Work Transportation

Valley's Today and Tomorrow Program also provides transportation to and from the individuals residence. This service is essential to the individuals' success as it assures they will be able to access the program on a daily basis and in a timely manner. In addition, Valley provides transportation to individuals working independently in the community. Providing individuals transportation to and from independent employment breaks down a barrier that has long hindered their ability to access these specific types of opportunities in their community.

Additional Services

The DESE/DDS Program - Designed to provide in-home services/wrap-around supports to school-age participants to help prevent a more restrictive educational or out-of-home residential placement. The parent/guardian of the participant becomes an active participant in the program. This includes collaborating

on the development of the participant's DESE/DDS Support Plan (DDSP) to help establish the current set of goals for the participant based on his/her needs. Families also help to determine how best to reach these goals with the help of the Valley in-home and community staff. The parent/guardian also plays a significant role in helping Valley determine how best to utilize the funds within the allowable guidelines.

Therapeutic Services

Most of Valley's students receive one or more therapeutic services.

Occupational Therapy, Speech Language Therapy, Physical Therapy, Behavioral Intervention Counseling and Social Work

The therapist(s) role in the Collaborative is to provide services to students through an integrated therapy model, which research supports as the most effective manner to provide services. Team collaboration is at the heart of the integrated therapy model. The team works together for the functional independence and success of the students. The team arrives at a shared set of goals for the students and implementation occurs across the routines of the day.

Using this model, therapists work with students within the classroom environment and during naturally occurring routines and activities. This helps reduce the student's need to generalize skills from a clinical or "pull out" model to realistic situations that occur with the classroom and school environments. It also increases opportunities for peer modeling and frequent practice of targeted objectives. Various therapists may also be in the classroom for the same block of time to "co- treat" or implement strategies that draw on their combined expertise.

This model also includes consultation, program monitoring, and staff training. Therapists train teaching staff to extend therapeutic interventions into classroom activities and other ongoing activities that occur throughout the student's day. The therapists determine recommendations for service delivery, develop IEP goals and benchmarks specific to discipline, actively engage members of the multidisciplinary team to best meet student's needs, consult with staff and other professionals to ensure generalization of newly learned skills, and implement staff training and parent education.

Areas of Assessment and Treatment

Occupational Therapy:

- Handwriting skills and keyboarding
- Fine motor skills
- Executive Functioning
- Activities of daily living(ADLs)
- Visual motor skills
- Visual perceptual skills
- Motor planning skills
- Sensory processing skills
- Upper extremity function
- Environmental modification
 - Upper extremity coordination
 - Sensory integration assessments

- Life skills

Speech Language Pathology:

- Pragmatics
- Speech sound production
- Resonance
- Phonology
- AAC
- Swallowing/feeding
- Voice
- Fluency
- Expressive and receptive language
- Cognition and executive functions
- Syntax and grammar
- Pro-social skills

Physical Therapy:

- Functional mobility
- Positioning to promote optimal participation
- Gross motor skills and motor planning
- Equipment assessment (wheelchairs, walkers, seating)
- Tonal inhibition and facilitation
- Posture
- Range of motion and strengthening
- Vendor consultation
- Orthotics management
- Core stability and strengthening

Board Certified Behavioral Analysis:

- Behavior support plans
- Functions of behavior
- Staff training
- Reinforce and motivation assessment
- Representation of graphs for data
- Data collection systems
- Discrete trial planning
- Parent training
- Skills assessments

Counseling and Social Work

A supportive therapeutic environment is an essential component of the student's overall experience at Valley. Valley's clinical component addresses student's social, emotional, developmental, and behavioral

needs. The clinical team, in conjunction with the teaching staff, BCBA's, speech and language therapists, occupational therapists, and physical therapists, identifies student's individual needs and addresses them through various approaches. Such approaches facilitate the development of self-awareness with the main objective to promote overall wellness and assist each student in reaching their full potential. The clinical team provides individual, group, and milieu counseling as well as crisis intervention and consultation to staff. They also provide a variety of assessments and participate in IEP meetings. Regular communication with family and outside providers and specialists is essential to maximizing a student's complete educational and therapeutic experience. Valley's clinical team is comprised of Massachusetts DESE certified school social workers/school adjustment counselors and guidance counselors. Social workers or school adjustment counselors also hold a Massachusetts state board license as either an LICSW, LCSW or LMHC as appropriate for their field.

Medical Services

The nursing staff at Valley functions as part of the multidisciplinary team. It is our goal to promote the health, safety, and well-being of our students, as well as intervene with actual and potential health and behavioral health issues. In addition, when necessary, we manage complex medical issues and provide case management services. Our nurses' network with others to build student and family capacity for adaptation, optimal independence and self-advocacy. We are a multifaceted group that provides professional nursing services to students to enhance their well-being, academic success, and lifelong achievement. Along with the educational advancement of our students, the nurses at Valley are active in their own professional growth and are actively engaged with other professional organizations. All Collaborative students benefit from medical assistance, health promotion, disease surveillance and intervention of acute and chronic conditions. The Collaborative is in compliance with Massachusetts DESE and Massachusetts Department of Public Health regulation. We employ two full-time Registered Nurses, one at our Valley Elementary School and one at our Transitional Middle/High School. We are staffed with an LPN at each of our schools as well. The Adult Services program is staffed with an LPN to assist with acute and chronic medical conditions for our over 22 individuals.

Assessment Services

Interim-Alternative Education Setting/ Extended Evaluations

Valley's Interim-Alternative Education Setting/ Extended Evaluations assist in determining interventions that will aid students with increasing his/her ability to perform successfully within an educational setting. The program also addresses the therapeutic needs of each student. Psychosocial needs are accessed via formal and informal assessments, while utilizing a holistic approach.

At, or before, the end of 45 days, a written report is presented at a team meeting where intervention strategies are discussed, as well as descriptions of the type of educational setting that will best meet the student's needs.

Augmented and Alternative Communication Services and Evaluations

Valley Collaborative provides expert AAC evaluation and support for students, parents and staff in order to facilitate student communication. Augmentative and alternative communication (AAC) includes all forms of communication (other than oral speech) that are used to express thoughts, needs, wants, and ideas. Valley Collaborative offers speech- language pathology services specializing in augmentative and alternative

communication (AAC) and language development for AAC users.

Valley Collaborative provides comprehensive AAC evaluations at competitive rates. Our expert team can determine student needs and determine a plan of action, while providing ongoing support for students and staff beyond the evaluation period. AAC evaluations, direct therapy and consultative services are provided by certified speech-language pathologists. Valley offers:

- 30-day evaluation period
- Skilled observation, assessment and recommendations
- Implementation
- AAC device trials
- Technology assistance
- Ongoing support and consultation

Transition Services and Assessments

Valley's goal with transition services is to help students make successful transitions to life beyond school. Students who are transitioning from school to employment and community benefit from a variety of resources and support. Valley Collaborative provides a comprehensive approach to helping students, families, and school districts navigate the transition process. Valley's transition services are age appropriate and highly individualized. Our transition specialist is a DESE licensed special educator who specializes in transition services and has an extensive background in vocational services, serving both students and adults. Valley has developed transition tools, assessments, and individualized programming for students with a wide range of strengths and needs.

Transitioning to Employment and Life after School

Valley's expert transition specialist helps students transition to the fullest life possible after school, including appropriate employment and/or independent living. Our transition assessment process begins by assessing student readiness for the workplace and/or pre-vocational training including interests, skills, intellectual functioning, sensory and motor abilities, coping/adaptive behavior, employability and "soft skills." Valley also offers planning assistance for students transitioning to post-secondary education. Valley's transition specialist assesses the attributes and "soft skills" associated with self-determination including personal strengths, work preferences, self-advocacy, self-regulation, autonomy and psychological empowerment. For students moving towards independent living, Valley provides assessments of transition skills, adaptive living skills, social skills and leisure skills.

Assisting Districts

Valley's expert staff and extensive resources enable us to provide districts with an ongoing, tiered set of transition services. Valley's transition services streamline the transition process and assist districts in meeting the guidelines set forth in IDEA indicator 13 of the U.S. Department of Education, Office of Special Education programs State Performance Plan Indicators. In addition to assessments, Valley offers consultation, professional development, job coaching, and job development to districts.

Vocational Services

Valley's expert transition specialist helps students transition to the fullest life possible after school, including appropriate employment and/or independent living. Our transition assessment process begins by assessing student readiness for the workplace and/or pre-vocational training including interests, skills,

intellectual functioning, sensory and motor abilities, coping/adaptive behavior, employability and “soft skills.” Valley also offers planning assistance for students transitioning to post-secondary education. Valley’s transition specialist assesses the attributes and “soft skills” associated with self-determination including personal strengths, work preferences, self-advocacy, self-regulation, autonomy and psychological empowerment. For students moving towards independent living, Valley provides assessments of transition skills, adaptive living skills, social skills and leisure skills.

Contract Services

Valley Collaborative provides contract services to those districts in need. A contract service is a service that a district requires in their own district and is not provided to a student enrolled in a Valley Collaborative program and can include but is not limited to:

- Therapy (Speech, Occupational & Physical)
- Transition Specialist
- Counseling
- ABA Therapist
- Board Certified Behavior Analyst
- Tutoring
- One-on-one Aide
- One-on-one Nurse
- Restraint Training

A Valley Collaborative Member or Non-Member District may also contract with Valley Collaborative for an assessment for a non-Valley student. The contract services assessments available to districts include:

- Speech Language Evaluation
- Augmentative and Alternative Communication (AAC) Evaluation
- Occupational Therapy Evaluation
- Physical Therapy Evaluation
- Functional Behavioral Assessment
- Transition Assessments
 - Sensory-motor
 - Gross & Fine Motor
 - Coping/Adaptive Behavior
 - Strengths, Preferences and Interests
 - Work Adjustment, Job Readiness
 - Autonomous Living
 - Learning Style
 - Student Observation
 - Adaptive Living
 - Transition
 - Self-Determination
 - Social
 - Employability
 - Person-Centered Planning

- Observational Assessment

Throughout the 2022-2023 school year, Valley provided 7 contracted services to its member districts for students/individuals in their own districts.

Professional Development

The Valley Collaborative offers a limited array of professional development. The professional development is primarily directed to our staff and in some instances includes staff from its member districts.

Cooperative Purchasing

The Collaborative does not offer cooperative purchasing.

Joint Transportation

The Collaborative does not offer joint transportation but participates in it.

Medicaid Billing

The Collaborative does not offer Medicaid billing services but participates in it.

Outreach and Partnerships

Member School Districts

Communication and outreach are key to our success. An annual member district meeting is held in January to review the Annual Report and the Collaborative financials. Member district Superintendents, School Committee Members, Business Directors, Special Education Directors, and members of the public are invited to attend. In addition, the Collaborative hosts periodically a meeting for all its member districts' Special Education Directors. Each meeting has a working agenda of issues we need to collaborate on to better serve our students. Furthermore, the Executive Director meets with member districts and School Committee members to inform them of the progress we are making at the Collaborative, to present financial updates and to obtain various approvals when necessary.

Community-at-large Outreach

The Collaborative also publishes a quarterly Newsletter which is sent to more than 500 families and state officials, agencies, and businesses. In addition, each school publishes its own Newsletter. If you would like to be on the distribution list, please contact us.

The Collaborative has a newly developed website: www.valleycollaborative.org

The Valley Collaborative participates in the Massachusetts Dual Enrollment Program and enrolls students with disabilities at the Middlesex Community College. The Dual Enrollment Program at the Collaborative serves students with moderate and severe disabilities, and supports college and career success through the provision of a free and appropriate public education in the least restrictive environment. The program:

- Promotes and enhances academic, social, functional, integrated competitive employment skills, and other transition-related goals;
- Provides opportunities for the inclusion of students with moderate and severe disabilities in credit

- and non-credit courses alongside their non-disabled peers;
- Promotes participation in the student life of the college community.

Cost Effectiveness of Programs and Services

Please note, Valley Collaborative prides itself in providing its member districts with superb special education programming for its out-of-district students as well as limited contracted services support. Tuition rates have been compared based on program descriptions. Given the differences among programs and services, a proper cost-effective analysis is almost impossible without requiring full disclosure of student to staff ratio per program and transparency on the therapies included in the cost of a tuition rate. I would be happy to discuss how a cost-effective analysis could be more meaningful and accurate if the proper data points were made public.

Service Fees Comparisons

FY '25 VALLEY COLLABORTATIVE VS. PRIVATE SCHOOLS TUITION RATES											
Valley Collaborative Program	Boston Higashi School	Cotting School, Inc.	Franciscan Children's Hospital	Landmark Foundation	Lighthouse School	May Institute	Nashoba Learning Group, Inc.	New England Center for Children	Seven Hills Foundation, Inc.	League School of Boston	Private Schools Average
Intensive Special Needs (ISN)			\$645.26					\$694.49			\$669.88
Elementary School - Emotional Behavioral	\$466.42	\$640.40			\$732.19	\$651.30	\$638.37		\$256.62	\$609.99	\$570.76
Elementary School - Pragmatic, Sensory, and Behavior	\$466.42	\$640.40			\$732.19	\$651.30	\$638.37		\$256.62	\$609.99	\$570.76
Middle School - Emotional Behavioral	\$466.42	\$640.40				\$651.30	\$638.37		\$256.62		\$530.62
Middle School – Pragmatic, Sensory, and Behavior	\$466.42	\$640.40				\$651.30	\$638.37		\$256.62		\$530.62
High School & Middle School - School & Life Skills Training ISN	\$466.42	\$640.40	\$645.26		\$732.19		\$638.37		\$256.62	\$609.99	\$569.89
High School - School & Vocational Training		\$640.40	\$645.26		\$732.19		\$638.37		\$256.62		\$582.37
High School - School & Life Skills Training	\$466.42	\$640.40	\$645.26		\$732.19	\$651.30	\$638.37		\$256.62	\$609.99	\$580.07
High School - School to Work Program											N/A
High School - Alternative Program				400.43	\$732.19					\$609.99	\$580.87
High School - Alternative Vocational Program											N/A

Quantitative Comparisons to Private Schools

FY '25 VALLEY MEMBER & NON-MEMBER TUITION RATES VS. PRIVATE SCHOOLS*							
Valley Collaborative Program	Private Schools Average	Member District Per Diem Tuition	Member District Per Diem Savings	Member District Percent Cost Savings	Non- Member District Per Diem Tuition	Non- Member District Per Diem Savings	Non- Member District Percent Cost Savings
Intensive Special Needs (ISN)	\$669.88	\$306.00	\$363.88	54%	\$390.00	\$279.88	42%
Elementary School - Emotional Behavioral	\$570.76	\$250.00	\$206.16	36%	\$319.00	\$251.76	44%
Elementary School - Pragmatic, Sensory, and Behavior	\$570.76	\$250.00	\$206.16	36%	\$319.00	\$251.76	44%
Middle School - Emotional Behavioral	\$530.62	\$250.00	\$188.23	35%	\$319.00	\$211.62	40%
Middle School – Pragmatic, Sensory, and Behavior	\$530.62	\$250.00	\$188.23	35%	\$319.00	\$211.62	40%
High School & Middle School - School & Life Skills Training ISN	\$569.89	\$306.00	\$146.40	26%	\$390.00	\$179.89	32%
High School - School & Vocational Training	\$582.57	\$203.00	\$265.53	46%	\$259.00	\$323.57	56%
High School - School & Life Skills Training	\$580.07	\$203.00	\$271.41	47%	\$259.00	\$321.07	55%
High School - School to Work Program		\$203.00	N/A	N/A	\$259.00	N/A	N/A
High School - Alternative Program	\$580.87	\$219.00	\$223.97	39%	\$279.00	\$301.87	52%
High School - Alternative Vocational Program		\$219.00	N/A	N/A	\$279.00	N/A	N/A

FY'25 Financial Audit Summary & Cumulative Surplus Calculation Worksheet

Valley Collaborative

Financial Statements

For the Year Ended June 30, 2025

Valley Collaborative
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FRITZ DEGUGLIELMO LLC
CERTIFIED PUBLIC ACCOUNTANTS
& BUSINESS ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Valley Collaborative
North Billerica, Massachusetts

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Valley Collaborative, a collaborative organized under the Laws of the Commonwealth of Massachusetts, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Valley Collaborative's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Valley Collaborative, as of June 30, 2025, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Valley 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 Valley Collaborative's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Valley 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 Valley 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, budgetary comparison information, OPEB plan required supplementary information and pension schedules on pages 3-7 and 32-38 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2025, on our consideration of Valley Collaborative's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Valley Collaborative's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Valley Collaborative's internal control over financial reporting and compliance.



Certified Public Accountants

Newburyport, Massachusetts

November 20, 2025

Valley Collaborative
 Management's Discussion and Analysis
 (unaudited)
 June 30, 2025

Our discussion and analysis of Valley Collaborative's ("The Collaborative") financial performance provides an overview of the Collaborative's financial activities for the fiscal year ended June 30, 2025 with comparative information from the fiscal years ended June 30, 2024 and 2023. 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 the Collaborative's financial statements. The Collaborative'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 the Collaborative as a whole using accounting methods similar to those used by private sector companies.

- The **Statement of Net Position** presents information on all of the Collaborative's assets and liabilities with the difference between the two reported as net position. It is one way of measuring the Collaborative's financial health or position.
- The **Statement of Activities** presents information showing how the Collaborative'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 the Collaborative'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 the Collaborative.

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, the Collaborative has only governmental and fiduciary funds.

- **Governmental funds** – The Collaborative'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 the Collaborative'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.
- **Fiduciary fund** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Collaborative's own programs.

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 the Collaborative's financial statements.

Valley Collaborative
Management's Discussion and Analysis
(unaudited)
June 30, 2025

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**Collaborative's Net Position:****ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Assets			
Current Assets	\$10,763,763	\$11,859,954	\$ 9,638,049
Non-current assets, net**	<u>9,107,606</u>	<u>9,718,962</u>	<u>10,385,960</u>
Total Assets	<u>19,871,369</u>	<u>21,578,916</u>	<u>20,024,009</u>
Deferred Outflows Related to OPEB	<u>947,666</u>	<u>1,090,530</u>	<u>1,943,312</u>
Total Assets and Deferred Outflows of Resources	<u>\$20,819,035</u>	<u>\$22,669,446</u>	<u>\$21,967,321</u>

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

Liabilities			
Current Liabilities	\$ 1,880,184	\$ 3,163,986	\$ 2,933,189
Long Term Liabilities**	<u>4,550,391</u>	<u>4,057,503</u>	<u>4,925,869</u>
Total Liabilities	<u>6,430,575</u>	<u>7,221,489</u>	<u>7,859,058</u>
Deferred Inflows Related to OPEB	<u>2,724,696</u>	<u>3,285,540</u>	<u>3,037,142</u>
Net Position			
Unrestricted	\$ 3,787,127	\$ 4,023,633	\$ 2,658,926
Restricted – grants and contributions	46,002	37,641	30,583
Restricted – renovation project/capital reserve	1,500,000	1,500,000	1,500,000
Invested in right-of-use assets, net of liabilities**	(282,600)	(147,684)	(58,449)
Invested in capital assets, net of related debt	<u>6,613,235</u>	<u>6,748,827</u>	<u>6,940,061</u>
Total Net Position	<u>\$11,663,764</u>	<u>\$12,162,147</u>	<u>\$11,071,121</u>

During the fiscal year ended June 30, 2025, the Collaborative's overall net position decreased by approximately \$499,000. Total assets decreased by approximately \$2,608,000 primarily as a result of payment of the prior year credit to the member districts as well as the continued depreciation of assets and amortization of the right-of-use leased assets. Total liabilities decreased by approximately \$791,000, which was primarily the result of the decrease in the year's pay down of lease liability of approximately \$341,000, timing of paying various accounts payable of approximately \$648,000, and a decrease in prepaid tuition of approximately \$510,000, net of an increase of approximately \$770,000 in net OPEB liability due to the updated actuarial calculations. The Collaborative realized a decrease in net position from operations of approximately \$499,000, including issuance of prior year member credits, depreciation on capital assets, right-of-use lease expense and other postemployment benefits expense.

During the fiscal year ended June 30, 2024, the Collaborative's overall net position increased by approximately \$1,091,000. Total assets increased by approximately \$1,555,000 primarily as a result of continued strong operations and oversight increasing the overall cash position of the Collaborative. Total liabilities decreased by approximately \$638,000 which was primarily the result of the decrease in the year's pay down of lease liability of approximately \$387,000 and the adjustment in the OPEB liability of approximately \$588,000 due to the updated actuarial study and \$758,000 as a result of the timing of the payback of credit to the member districts that occurred in fiscal year 2023 but not in fiscal year 2024. Liabilities also increased by \$510,000 in prepaid tuition paid by two of the member districts in comparison to fiscal year 2023. The remaining difference is a result of the timing of payments in

Valley Collaborative
Management's Discussion and Analysis
(unaudited)
June 30, 2025

comparison to the prior fiscal year relating to the various accrued expenses and payables. The Collaborative realized an increase in net position from operations, including depreciation on capital assets, right-of-use lease expense and other postemployment benefits expense, of approximately \$1,091,000.

SUMMARY OF ACTIVITIES

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Revenues/Gains*	\$27,413,028	\$26,075,648	\$21,984,406
Program Expenses/Losses*	23,691,319	22,030,507	19,048,642
Administrative Expenses/Losses*	<u>2,172,402</u>	<u>2,075,632</u>	<u>2,137,683</u>
Total Expense*	<u>25,863,721</u>	<u>24,106,139</u>	<u>21,186,325</u>
Change in net position, before increase in net retirement health benefit obligation and credits to member districts			
	1,549,307	1,969,509	798,081
Increase in net retirement health benefit obligation	<u>(352,138)</u>	<u>(573,661)</u>	<u>(643,839)</u>
Change in net position before credits to member districts	1,197,169	1,395,848	154,242
Credits to member districts	<u>(1,695,822)</u>	<u>(304,552)</u>	<u>(815,609)</u>
Change in Net Position	<u>(\$ 498,653)</u>	<u>\$1,091,296</u>	<u>\$ 380,887</u>

* Excludes Massachusetts Teachers' and State Employees' Retirement Systems "on-behalf" payments, credits to members, and other postemployment benefits funding and expense.

Revenues

In the fiscal year ended June 30, 2025, revenues, excluding Massachusetts Teachers' and State Employees' Retirement Systems "on-behalf" payments, increased by approximately \$1,337,000 (6%). In the fiscal year ended June 30, 2024, revenues, excluding Massachusetts Teachers' and State Employees' Retirement Systems "on-behalf" payments, increased by approximately \$4,091,000 (19%). The changes within fiscal years are due primarily to changes in student enrollment in the respective years. Changes in fiscal year 2025 enrollment are primarily a result of expanding of programs and offerings to the area districts.

Operating Expenses

In the fiscal year ended June 30, 2025, operating expenses, excluding Massachusetts Teachers' and State Employees' Retirement Systems "on-behalf" payments, increased by approximately \$1,758,000, or 8%, compared to the fiscal year ended June 30, 2024. Increases in expenses were primarily a result of increased employee and benefit costs. Personnel costs increased by approximately \$1,728,000 in the fiscal year ended June 30, 2025 as a result for the increase in staffing needs to support operations. There were various other small increases Collaborative wide to support the continued growth.

In the fiscal year ended June 30, 2024, operating expenses, excluding Massachusetts Teachers' and State Employees' Retirement Systems "on-behalf" payments, increased by approximately \$2,920,000, or 14%, compared to the fiscal year ended June 30, 2023. Increases in expenses were primarily a result of increased employee and benefit costs, as well as maintenance and occupancy costs. Personnel costs increased by approximately \$2,395,000 in the fiscal year ended June 30, 2024 as a result for the increase in staffing needs to support operations. Maintenance and occupancy costs increased by approximately \$480,000 and training expenses increased by approximately \$20,000. Maintenance and occupancy costs increased as a result of the repairs and updates made across the properties occupied by the Collaborative as well as general increases in utilities. Training expenses saw increases as a result of the increase in new staff employed by the Collaborative as well as the full integration of the SPEDfi program and getting all users acclimated to the system.

Valley Collaborative
 Management's Discussion and Analysis
 (unaudited)
 June 30, 2025

Governmental Funds Financial Highlights

The Collaborative reported a total general fund balance of \$7,614,806, of which \$44,286 was nonspendable and the remaining \$7,570,520 was unassigned. The fund balance increased \$115,632 over the prior fiscal year, as the result of a net operating surplus of \$1,670,454, plus \$141,000 received as trade-in value for vehicles disposed of to be used against the purchase price of new vehicles and decreased by \$1,695,822 of credits issued to member districts. Prepaid expenses decreased by \$2,094, Accounts receivable decreased by \$997,436, primarily due to increased collection efforts. Cash decreased by \$96,661.

Due to strong management, since the year ended June 30, 2013, the Collaborative has returned more than \$13,815,000 from its general fund in the form of cash and tuition credits to its member districts.

CAPITAL ASSETS AND OTHER OBLIGATIONS

During the fiscal year ended June 30, 2025 the Collaborative purchased and capitalized eleven vehicles, leasehold improvements and other equipment for use in its program with a total cost of \$791,751. The Collaborative did trade in nine vehicles in fiscal year 2025 totaling a trade-in value of \$141,000.

During the fiscal year ended June 30, 2024, the Collaborative purchased and capitalized eight vehicles, leasehold improvements and other equipment for use in its program with a total cost of \$613,951. The Collaborative did trade in seven vehicles in fiscal year 2024 totaling a trade-in value of \$91,800.

As of June 30, 2025, the balance in the capital reserve fund was \$1,500,000, and fully funded. This fund is considered restricted until utilized for its intended purpose.

SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENT (SBITA) & LEASED ASSETS AND LIABILITIES

During 2023, the Collaborative implemented GASB Statement No. 96 which requires recording right-of-use SBITA assets and related liabilities for all long-term SBITAs. The Collaborative evaluated its contracts effective July 1, 2024 and determined that the Collaborative had no agreements that exceeded a 12-month period. Therefore there is no value recognized in the financial statements as a result of this standard.

The Collaborative complies with GASB Statement No. 87 which requires right-of-use leased assets and related liabilities for all long-term leases. As of June 30, 2025, the Collaborative recognized right-of-use assets totaling \$4,011,146, net of accumulated amortization of \$1,516,777 and lease liabilities of \$2,776,971 for all leases. See Note D in the notes to the financial statements for additional information on the Collaborative's leases.

BUDGETARY HIGHLIGHTS

The Collaborative's annual budget for the fiscal year ended June 30, 2025 was approved by its Board of Directors and then amended on January 9, 2025. For the fiscal year ended June 30, 2025, the Collaborative received operating revenues, excluding on-behalf payments by the Massachusetts Teachers' and State Employees' Retirement Systems, of approximately \$27,266,000 compared to final budgeted revenues of approximately \$27,430,000. The difference between actual revenues received and budgeted revenues is primarily due to lower-than-expected revenues from state contracts. The Collaborative expended operating expenses, excluding on-behalf payments by the Massachusetts Teachers' and State Employees' Retirement Systems, of approximately \$24,804,000 compared to final budgeted expenses of approximately \$26,537,000. The difference between actual expenses incurred and budgeted expenses is primarily from increases relating to the hiring of additional staff that did not occur during the year as planned.

The Collaborative's annual budget for the fiscal year ended June 30, 2024 was approved by its Board of Directors and then amended on January 11, 2024. For the fiscal year ended June 30, 2024, the

Valley Collaborative
Management's Discussion and Analysis
(unaudited)
June 30, 2025

Collaborative received operating revenues, excluding on-behalf payments by the Massachusetts Teachers' and State Employees' Retirement Systems, of approximately \$25,963,000 compared to final budgeted revenues of approximately \$24,805,000. The difference between actual revenues received and budgeted revenues is primarily due to higher-than-expected revenues from services the organization provides as well as state contracts. The Collaborative expended operating expenses, excluding on-behalf payments by the Massachusetts Teachers' and State Employees' Retirement Systems, of approximately \$23,198,000 compared to final budgeted expenses of approximately \$23,076,000. The difference between actual expenses incurred and budgeted expenses is primarily from increases relating to the hiring of additional staff.

CONTACTING THE COLLABORATIVE

This financial report is designed to provide readers of the financial statement an overview of the Collaborative's financial activities. If you have questions in regard to this report, contact Chris A. Scott, Ph.D., 11 Executive Park Drive, North Billerica, MA 01862, or at 978-528-7800.

Valley Collaborative
Statement of Net Position
June 30, 2025

Assets

Current Assets	
Cash and cash equivalents	\$ 7,896,935
Accounts receivable, net	2,822,542
Prepaid expenses and other assets	44,286
Total Current Assets	<u>10,763,763</u>
Non-current Assets	
Right-of-use leased assets, net of accumulated amortization	2,494,371
Capitalized assets, net	6,613,235
Total Non-current Assets	<u>9,107,606</u>
Total Assets	<u>19,871,369</u>

Deferred Outflows of Resources

Deferred Outflows of Resources Related to OPEB	947,666
Total Assets and Deferred Outflows of Resources	<u>\$ 20,819,035</u>

Liabilities, Deferred Inflows and Net Position

Current Liabilities	
Accounts payable and accrued liabilities	\$ 1,098,008
Deferred revenues	500,000
Credits due to member districts	4,947
Lease liability, current portion	277,229
Total Current Liabilities	<u>1,880,184</u>
Non-current Liabilities	
Lease liabilities, net of current portion	2,499,742
Net OPEB liability	2,050,649
Total Non-current Liabilities	<u>4,550,391</u>
Total Liabilities	<u>6,430,575</u>

Deferred Inflows of Resources

Deferred Inflows of Resources Related to OPEB	<u>2,724,696</u>
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Net Position

Net Position	
Unrestricted	3,787,127
Restricted - contributions and other	46,002
Restricted - capital reserve fund	1,500,000
Invested in right-of-use leased assets, net of related liabilities	(282,600)
Invested in capital assets, net of related debt	6,613,235
Total Net Position	<u>11,663,764</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 20,819,035</u>

See accompanying notes to financial statements and independent auditor's report.

Valley Collaborative
Statement of Activities
For the year ended June 30, 2025

Functions/ Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Adult Services and Operating Grants/Contrib- utions	
Governmental Activities:				
Administration	\$ 2,172,402	\$ -	\$ -	\$ (2,172,402)
Education	22,045,532	22,682,559	4,501,510	5,138,537
Intergovernmental revenue and expense	3,365,600	-	3,365,600	-
Other postemployment benefits	352,138	-	-	(352,138)
Interest expense	260,900	-	-	(260,900)
Capital asset depreciation and amortization	909,123	-	-	(909,123)
Right-of-use asset amortization	475,764	-	-	(475,764)
Total Governmental Activities	\$ 29,581,459	\$ 22,682,559	\$ 7,867,110	\$ 968,210
General Revenue and Other:				
Interest				54,508
Gain on disposal of assets				122,780
Other				51,671
Credits to member districts				(1,695,822)
Total General Revenue and Other				(1,466,863)
Change in Net Position				(498,653)
Net Position, Beginning of Year				12,162,417
Net Position, End of Year				\$ 11,663,764

See accompanying notes to financial statements and independent auditor's report.

Valley Collaborative
Balance Sheet
Governmental Funds
June 30, 2025

	General Fund	Capital Reserve Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 6,350,933	\$ 1,500,000	\$ 46,002	\$ 7,896,935
Accounts receivable, net	2,822,542	-	-	2,822,542
Prepaid expenses and other assets	44,286	-	-	44,286
Total Assets	\$ 9,217,761	\$ 1,500,000	\$ 46,002	\$ 10,763,763
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,098,008	\$ -	\$ -	\$ 1,098,008
Deferred revenues	500,000	-	-	500,000
Credits due to member districts	4,947	-	-	4,947
Total Liabilities	1,602,955	-	-	1,602,955
Fund Balances:				
Nonspendable	44,286	-	-	44,286
Restricted	-	1,500,000	46,002	1,546,002
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	7,570,520	-	-	7,570,520
Total Fund Balances	7,614,806	1,500,000	46,002	9,160,808
Total Liabilities and Fund Balances	\$ 9,217,761	\$ 1,500,000	\$ 46,002	\$ 10,763,763

See accompanying notes to financial statements and independent auditor's report.

Valley Collaborative**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position**

June 30, 2025

Total fund balances, governmental funds	\$ 9,160,808
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Deferred inflows relating to the other postemployment benefit obligation is not a current obligation and therefore is not reported in this fund financial statement, but is reported in the government activities of the Statement of Net Position.	(2,724,696)
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Right-of-use leased assets, net of accumulated amortization, used in governmental activities are not financial resources and therefore are not reported in the funds.	2,494,371
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Other postemployment benefit (OPEB) liability is not a current obligation and therefore is not reported in this fund financial statement, but is reported in the governmental activities of the Statement of Net Position.	(2,050,649)
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Long-term lease liabilities related to the right-of-use leased assets is used in governmental activities and are not financial uses and therefore are not reported in the funds.	(2,776,971)
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Deferred outflows relating to the other postemployment benefit obligation is not a current financial resource and therefore is not reported in this fund financial statement, but is reported in the government activities of the Statement of Net Position.	947,666
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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.	6,613,235
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Net position of governmental activities	<u>\$ 11,663,764</u>
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Valley Collaborative
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	General Fund	Capital Reserve Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Tuition and service revenues	\$ 22,682,559	\$ -	\$ -	\$ 22,682,559
Adult services	4,477,614	-	-	4,477,614
Grants and contributions	-	-	23,896	23,896
Intergovernmental revenue	3,365,600	-	-	3,365,600
Interest	54,508	-	-	54,508
Other	51,671	-	-	51,671
Credits to member districts	(1,695,822)	-	-	(1,695,822)
Total Revenues	28,936,130	-	23,896	28,960,026
Expenditures:				
Administration	2,156,867	-	15,535	2,172,402
Program payroll	17,079,070	-	-	17,079,070
Program fringe benefits and payroll taxes	2,805,834	-	-	2,805,834
Professional and consulting fees	6,594	-	-	6,594
Transportation and travel	188,630	-	-	188,630
Maintenance and other occupancy	597,767	-	-	597,767
Telephone, communications and utilities	232,881	-	-	232,881
Materials, supplies and equipment	703,389	-	-	703,389
Small business expenses	189,063	-	-	189,063
Field trips	129,692	-	-	129,692
Training programs	76,522	-	-	76,522
Other	36,090	-	-	36,090
Intergovernmental expense	3,365,600	-	-	3,365,600
Capital outlay, net of debt incurred	791,751	-	-	791,751
Lease Service:				
Lease interest	260,900	-	-	260,900
Lease financing principal	340,848	-	-	340,848
Total Expenditures	28,961,498	-	15,535	28,977,033
Excess (Deficit) of Revenues over Expenditures	(25,368)	-	8,361	(17,007)
Other Financing Sources:				
Proceeds from capital asset sale	141,000	-	-	141,000
Net Change in Fund Balances	115,632	-	8,361	123,993
Fund Balances, Beginning of Year	7,499,174	1,500,000	37,641	9,036,815
Fund Balances, End of Year	\$ 7,614,806	\$ 1,500,000	\$ 46,002	\$ 9,160,808

See accompanying notes to financial statements and independent auditor's report.

Valley 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, 2025

Net change in fund balances of total governmental funds **\$ 123,993**

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

Governmental funds report outlays for capital assets and right-to-use leased 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 or amortization expense for the period. Governmental funds do not report inflows from assets held to purchase capital assets or finance leased assets because such assets are not considered current financial resources. In contrast, the Statement of Activities does report the inflows as revenue.

Capital outlay purchases, net of debt incurred	791,751
Depreciation	(909,123)
Amortization	(475,764)
Gain on disposal of assets	122,780

Governmental funds report lease financing 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 liability as expense.

Lease financing principal	340,848
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The change in accrual for other postemployment benefits reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds.

Net change in other postemployment benefits (OPEB) accrual	<u>(352,138)</u>
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Change in net position of governmental activities	<u><u>\$ (498,653)</u></u>
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Valley Collaborative
Statement of Fiduciary Net Position
Retirees' Health Insurance Trust Fund
June 30, 2025

Assets

Assets	
Investments	\$ 8,282,784
Total Assets	<u>\$ 8,282,784</u>

Net Position

Net Position	
Net position held in trust for retirees' health insurance	\$ 8,282,784
Total Net Position	<u>\$ 8,282,784</u>

Valley Collaborative
Statement of Changes in Fiduciary Net Position
Retirees' Health Insurance Trust Fund
For the year ended June 30, 2025

Additions:	
Contributions	\$ -
Investment gain	<u>933,532</u>
Total Additions	<u>933,532</u>
Deductions:	
Investment expenses	<u>25,031</u>
Total Deductions	<u>25,031</u>
Change in Net Position	<u>908,501</u>
Net Position – Beginning of Year	<u>7,374,283</u>
Net Position – End of Year	<u><u>\$ 8,282,784</u></u>

See accompanying notes to financial statements and independent auditor's report.

Valley Collaborative
Notes to Financial Statements
June 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Collaborative

Valley Collaborative (The “Collaborative”) is an educational collaborative of the school districts of Billerica, Chelmsford, Dracut, Groton-Dunstable Regional, Nashoba Valley Technical, North Middlesex Regional, Tewksbury, Tyngsborough, and Westford. The Collaborative is a public entity under the jurisdiction of its member school committees, whose appointees comprise its board of directors. The Collaborative provides high quality academic, therapeutic and vocational services to individuals referred by local school districts and social service agencies.

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 demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Collaborative does allocate indirect expenses to functions in the Statement of Activities if there is a reasonable basis for doing so. Depreciation is reported as one amount, in total, on the Statement of Activities, and is not 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 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.

Valley Collaborative
Notes to Financial Statements
June 30, 2025

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

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

Governmental Funds:

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

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

Capital reserve fund - used to account for and report financial resources that are restricted, committed, or assigned to be used for the acquisition, construction, or renovation of major capital facilities or equipment.

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.

Fiduciary Funds:

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Collaborative programs. The reporting focus is on net position and changes in net position presented in fiduciary fund financial statements. Since by definition these assets are being held for the benefit of a third party (retirees) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide 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, as are fiduciary fund financial statements. 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

The Collaborative considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Collaborative maintains its uncollateralized cash balances in two financial institutions. The balances in one of the financial institutions are insured by the Federal Deposit Insurance Company up to \$250,000. From time to time, the Collaborative maintains bank account balances in excess of the federally insured limits. The Collaborative also maintains cash and cash equivalents at the Massachusetts Municipal Depository Trust which is collateralized by its underlying assets. At June 30, 2025, the Collaborative's uninsured cash balances, including reconciling items, totaled \$7,646,935. The Collaborative monitors its exposure associated with cash and cash equivalents and has not experienced any losses in such accounts.

Valley Collaborative
Notes to Financial Statements
June 30, 2025

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

Fair Value Measurements and Investments

The Collaborative has contributed \$4,854,654 to a public employee retirement trust account with Public Agency Retirement Services as trustee, on behalf of its retirees' health insurance trust fund. The trustee invests the funds in Vanguard mutual funds. As of June 30, 2025, the balance in these investments consisted of the following:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain</u>
Mutual Funds	\$4,854,654	\$8,282,784	\$3,428,130

All investments of the Collaborative 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*.

Net increase in the fair value on investments for the year ended June 30, 2025 was \$908,501. There were no realized gains or losses during the year ended June 30, 2025. Investment fees for the year ended June 30, 2025 were \$25,031.

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. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Collaborative will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Collaborative's investments are uninsured, not registered in the name of the Collaborative, and held by the counterparty's trust department or agent but not in the Collaborative's name.

Operating Revenues and Expenses

Operating revenues consist primarily of billings to member municipalities or other cities and towns for providing programs and services. The Collaborative also receives approximately 17% of its revenues under social service contracts issued by agencies of the Commonwealth of Massachusetts, excluding Massachusetts Teachers' and State Employees' Retirement Systems "on-behalf" payments. Operating expenses include educational costs, administrative expenses and depreciation on capital assets.

Accounts Receivable

Accounts receivable consists of all revenues earned at year end and not yet collected. Major receivable balances include tuitions and certain related charges. The Collaborative records its bad debts using the allowance method. As of June 30, 2025, there was an allowance for doubtful accounts of \$27,574.

Credits Due to Member Districts

"Credits due to member districts" represent member district credits issued during the fiscal year but not utilized by the district during the fiscal year. The credits are to be applied against future Collaborative invoices or disbursed to the member district and are not considered an agency fund of the Collaborative.

Property and Equipment

Property and equipment are capitalized at historical cost. Depreciation is computed on the straight-line method using estimated useful lives of two to five years for websites, computer equipment, furniture, fixtures, vehicles and program equipment and five to ten years for leasehold improvements. The Collaborative has purchased and renovated a building. The building and renovations are depreciated using estimated useful lives of 40 and 20 years, respectively.

Valley Collaborative
Notes to Financial Statements
June 30, 2025

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

Equity Classifications

Government-wide Statements

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

Invested in capital assets, net of related debt - 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.

Invested in right-of-use assets, net of liabilities – this component of net position consists of right-of-use assets, net of accumulated amortization, reduced by the outstanding balances of liabilities that are attributable to the leased assets.

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.

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.

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

Subsequent events have been evaluated through November 20, 2025, which is the date the financial statements were available to be issued.

Valley Collaborative
Notes to Financial Statements
June 30, 2025

NOTE B – ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following as of June 30, 2025:

Tuition and services to districts	\$ 2,331,944
State contracts	<u>518,172</u>
	2,850,116
Allowance for doubtful accounts	<u>(27,574)</u>
	<u>\$ 2,822,542</u>

The Collaborative has established an allowance for doubtful accounts in the amount of \$27,574. The allowance is based on specific identification of probable losses and an estimate of additional losses based on historical experience. Account balances are charged off against the allowance when it is probable the receivable will not be recovered. For the year ended June 30, 2025, the Collaborative recorded no bad debt expense.

NOTE C – CAPITAL ASSETS

A summary of depreciable capital assets follows:

	<u>Buildings & Improvements</u>	<u>Furniture, Equipment & Software</u>	<u>Vehicles</u>	<u>Total</u>
<u>COST</u>				
Balance, July 1, 2024	\$9,318,041	\$ 1,462,400	\$1,858,476	\$12,638,917
Additions	-	84,880	706,871	791,751
Disposals	<u>-</u>	<u>-</u>	<u>(279,117)</u>	<u>(279,117)</u>
	9,318,041	1,547,280	2,286,230	13,151,551
<u>ACCUMULATED DEPRECIATION</u>				
Balance, July 1, 202	(4,095,631)	(1,275,022)	(1,196,937)	(6,567,590)
Additions	(509,318)	(84,869)	(314,936)	(909,123)
Disposals	<u>-</u>	<u>-</u>	<u>260,897</u>	<u>260,897</u>
	(4,604,949)	(1,359,891)	(1,250,976)	(7,215,816)
Net, June 30, 2025	<u>\$ 4,713,092</u>	<u>\$ 187,389</u>	<u>\$1,035,254</u>	<u>\$ 5,935,735</u>

Land in the amount of \$677,500 is not being depreciated. In fiscal 2025, the Collaborative capitalized \$706,871 for vehicles, and \$84,880 for office furniture and equipment. The Collaborative traded in various fully depreciated vehicles during the year ended June 30, 2025, and received \$141,000 of trade-in value toward the purchase of the new vehicles. Depreciation expense of \$909,123 was not allocated to governmental functions. It appears unallocated on the Statement of Activities. The capital reserve for future capital purchases is fully funded.

NOTE D –LEASE OBLIGATIONS

The Collaborative leases various classroom and office spaces and office equipment under operating leases. All of its leases qualifying as long-term leases are recorded in accordance with GASB Statement No. 87.

Valley Collaborative
Notes to Financial Statements
June 30, 2025

NOTE D –LEASE OBLIGATIONS – *continued*

During fiscal 2017, the Collaborative entered into a building lease for program use at 135 Coburn Road in Tyngsborough, Massachusetts, commencing July 1, 2016 through June 30, 2033 including extensions. The lease requires quarterly rent payments of \$63,988 through June 2028, then it is adjusted to \$31,250 through June 2030, and finally adjusted to \$94,181 through June 2033. During fiscal 2019, the Collaborative entered into a building lease for program and administrative use at 25 Linnell Circle in Billerica, Massachusetts, commencing July 1, 2018 through June 30, 2025 including extension. The lease requires monthly payments of \$13,187 through June 2023, then it is adjusted to \$13,583 through June 2024, and finally adjusted to \$13,991 through June 2025. The lease was not renewed when it expired. During fiscal 2022, the Collaborative entered into a building lease for program use at 11 Executive Park Drive in Billerica, Massachusetts, commencing June 1, 2022 through August 31, 2032. The monthly payments are increased annually by approximately 2% of the prior year. The Coburn Road, Linnell Circle and Executive Park Drive leases represent the total of the right-of-use lease assets and liabilities. Right-of-use assets and initial liabilities are valued using a rate of 6% which represents the Collaborative's incremental borrowing rates at the time the leases and extension were entered into, respectively.

Lease agreements, including modifications, are summarized as follows:

Description	Date	Payment Terms	Payment Amount	Interest Rate	Total Lease Asset/Liability	Accum. Amort. 6/30/2025	Net Asset 6/30/2025	Liability Balance 6/30/2025
135 Coburn Road**	7/1/2016	17 years	\$255,950 (FY25)	6.00%	\$2,133,409	\$ 638,464	\$1,494,945	\$1,654,281
25 Linnell Circle	7/1/2022	3 years	\$167,887 (FY25)	6.00%	448,324	448,324	-	-
11 Executive Park Drive	6/1/2022	9.25 years	\$177,910 (FY25)	6.00%	1,429,413	429,987	999,426	1,122,690
Total Lease Agreements					\$4,011,146	\$1,516,777	\$2,494,371	\$2,776,971

**Lease was modified during FY2022.

Annual requirements to amortize long-term obligations and related interest are as follows:

Year Ending 30-Jun	Principal	Interest	Total
2026	\$277,229	\$160,361	\$437,590
2027	298,285	143,155	441,440
2028	320,764	124,646	445,410
2029	210,811	107,739	318,550
2030	228,140	94,620	322,760
Thereafter	1,441,742	132,180	1,573,922
	<u>\$2,776,971</u>	<u>\$762,701</u>	<u>\$3,539,672</u>

For the year ended June 30, 2025, total amortization expense of leased assets was \$475,764 and total interest expense on lease liabilities was \$260,900.

NOTE E – MASSACHUSETTS TEACHERS' AND STATE EMPLOYEES' RETIREE SYSTEMSPlan Descriptions:

The Collaborative's employees participate in the Massachusetts Teachers' (MTRS) or State Employee' 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.

Valley Collaborative
Notes to Financial Statements
June 30, 2025

**NOTE E – MASSACHUSETTS TEACHERS’ AND STATE EMPLOYEES’ RETIREE SYSTEMS –
*continued***

Benefits Provided:

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

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

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

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

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

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

Contributions:

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

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

Valley Collaborative
Notes to Financial Statements
June 30, 2025

**NOTE E – MASSACHUSETTS TEACHERS’ AND STATE EMPLOYEES’ RETIREE SYSTEMS –
*continued***

Educational collaboratives contribute amounts equal to the normal cost of employees’ benefits participating in MSERS at a rate established by the Public Employees’ Retirement Administration Commission (PERAC), currently 6.1% of covered payroll. Legally, the collaboratives are only responsible for contributing the annual normal cost of their employees’ benefits (i.e., the present value of the benefits earned by those employees in any given year) and are not legally responsible for the past service cost attributable to those employees or previously retired employees of the collaboratives. During fiscal year 2025, the Collaborative’s contributions on behalf of employees totaled \$533,714.

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

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

The Commonwealth is a nonemployer contributor in MTRS and is required by statute to make all actuarially determined employer contributions on behalf of the member employers participating in MTRS. Therefore, the Collaborative is considered to be in a 100% special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributing entity in 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, 2024 and was \$15,733,379 and \$21,098,472 under MSERS and MTRS, respectively. In fiscal 2025, the Collaborative recognized revenue and related expense of \$1,624,098 (under GASB Statement No. 68) for its portion of the collective pension expense under MSERS. In fiscal 2025, the Collaborative recognized revenue and related expense of \$1,741,502 (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 F – COMPENSATED ABSENCES

The Collaborative allows eligible employees to carryover unused vacation time up to 10 days per year and to accrue a maximum of 20 days total. At the end of the fiscal year, any unused vacation time in excess of the above amounts is forfeited. The Collaborative’s vacation accrual for the year ended June 30, 2025 was \$122,982.

NOTE G – RISK MANAGEMENT

The Collaborative is exposed to various risks of loss relating to torts, theft or damage of, and destruction of assets; error and omissions; injuries to employees; and natural disasters. The Collaborative has obtained a variety of commercial liability insurance policies that pass the risk of loss listed above to independent third parties. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Collaborative. Settled claims have not exceeded the insurance coverage in any of the past three fiscal years.

Valley Collaborative
Notes to Financial Statements
June 30, 2025

NOTE G – RISK MANAGEMENT – *continued*

The Collaborative offers eligible participants access to various health and life insurance. Payment, in the form of premiums, is generally made monthly. The payments are funded in part from the Collaborative and payroll withholdings from active employee participants or direct payments from certain other eligible participants. In general, the Collaborative pays 75-80% of the cost of health insurance and 100% of the cost of life insurance for those participants that qualify.

NOTE H – COMMITMENTS AND CONTINGENCIES

The Collaborative participates in state and federal contracts, which are governed by various rules and regulations of the agencies. Costs charged to the respective programs are subject to audit and adjustment by agencies; therefore, to the extent that the Collaborative has not complied with the rules and regulations governing the refunds of any money received may be required and the collectability of any related receivable at June 30, 2025 may be impaired. In the opinion of the Collaborative, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective contracts; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

NOTE I – POSTEMPLOYMENT HEALTHCARE PLAN

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

Description

At the board meeting on June 18, 2015, the Collaborative’s board members implemented a postemployment health care plan and voted to create a trust fund for related retiree health benefits to take effect July 1, 2015. The trust fund is held for the benefit of a third party (retiree health insurance participants) and cannot be used to address activities or obligations of the Collaborative, therefore these funds are not incorporated into the government-wide financial statements. All funds of the trust are held at Public Agency Retirement Services and are held in mutual funds. The trust is irrevocable and is exempt from federal and state income taxes under Internal Revenue Code Section 115. The sole purpose of the trust is to provide funds to pay postemployment healthcare benefits to qualified retirees. The plan has the retirees pay for 20% of the premiums for the medical insurance. As a result of establishing the trust, the Collaborative’s board members voted to initially transfer \$3,150,000 to fund the trust. During the fiscal year ended June 30, 2025 the Collaborative did not transfer any additional funds to the trust. The Collaborative has transferred \$4,854,654 to date to the trust account.

An employee hired before April 2, 2012 shall become eligible to retire under these programs upon meeting the following conditions:

- i. Completion of 10 years of creditable service at the Collaborative
- ii. And attainment of age 55 as an active member
- iii. Or completion of 20 years of service at the Collaborative, regardless of age

An employee hired after April 2, 2012 shall become eligible to retire under these programs upon meeting the following conditions:

- i. Completion of 10 years of creditable service at the Collaborative
- ii. And attainment of age 60 as an active member

Funding Policy

The contribution requirements of plan members and the Collaborative are established and may be amended through Collaborative ordinances. For the period ending on the June 30, 2025 Measurement Date, total Collaborative premiums plus implicit costs for the retiree medical program were \$109,715. The Collaborative also contributed \$0 to the OPEB Trust for a total contribution during the measurement period of \$109,715 to be reported in the financial statements for the fiscal year ending June 30, 2025.

Valley Collaborative
Notes to Financial Statements
June 30, 2025

NOTE I – POSTEMPLOYMENT HEALTHCARE PLAN – *continued*Investment Policy

The long-term rate of return on assets developed based on the Collaborative Investment Policy is 5.86%. The rate is comprised of a 3.73% real rate of return and 2.50% inflation assumption, net of 0.37% investment expense.

Actuarially Determined Contribution (ADC)

The Collaborative's Actuarially Determined Contribution (ADC) is an amount actuarially determined in accordance with the parameters of GASB Statement No. 74/75 which is composed of the service cost and an amortization of the unfunded liability. For FY2025 and future years a 30-year amortization increasing by 3.00% per year of the Collaborative's unfunded liability for the purpose of calculating ADC. The following table shows the components of the Collaborative's annual ADC for the fiscal year and the amount actually contributed to the plan:

Actuarially Determined Contribution - Deficiency / (Excess)		June 30, 2025
I. Service Cost		\$ 802,329
II. 30-year level dollar amortization of NOL		91,555
III. Actuarial Determined Contribution [I. + II.]		893,884
IV. Contributions in relation to the actuarially determined contribution		(109,715)
V. Contribution deficiency / (excess) [III. + IV.]		<u>\$ 784,169</u>
Covered employee payroll		\$17,432,244
Contribution as a % of covered employee payroll		0.63%
Discount Rate		5.22%
Money Weighted Rate of Return		12.32%

OPEB Liability and OPEB Expense

	Fiscal Year Ended June 30, 2025	
	Collaborative Employees and Retirees	Total
I. Total OPEB Liability as of June 30, 2023	\$10,333,433	\$10,333,433
II. Fiduciary Net Position as of June 30, 2023	8,282,784	8,282,784
III. Net OPEB Liability (Asset) as of June 30, 2023 [I.-II.]	2,050,649	2,050,649
IV. Service Cost	802,329	802,329
V. Interest on Total OPEB Liability (Asset), Service Cost, and Benefit Payments	512,464	512,464
VI. Projected Earnings on OPEB Plan Investments	(456,799)	(456,799)
VII. Net Recognition of Deferred (Inflows)/Outflows	(396,141)	(396,141)
VIII. Financial Statement Expense [IV.+V.+VI.+VII.]	461,853	461,853
IX. Employer Share of Costs	(109,715)	(109,715)
X. Employer (Payments) Withdrawals to/from OPEB Trust	-	-
XI. Total Employer Contribution [IX.+X.]	(109,715)	(109,715)
XII. Net OPEB Expense [VIII.+XI.]	<u>\$ 352,138</u>	<u>\$ 352,138</u>

Effect of 1% Change in Healthcare Trend

In the event that healthcare trend rates were 1% higher than forecast and employee contributions were to increase at the forecast rates, the Total OPEB Liability as of the June 30, 2025 Measurement Date would increase to \$15,259,430 and Net OPEB Liability would increase to \$4,925,997. If such healthcare trend rates were 1% less than forecast and employee contributions were to increase at the forecast rate, the Total OPEB Liability would decrease to \$10,281,060 and the Net OPEB Liability would decrease to (\$52,373).

Valley Collaborative
Notes to Financial Statements
June 30, 2025

NOTE I – POSTEMPLOYMENT HEALTHCARE PLAN – *continued*

Effect of 1% Change in Discount Rates

As of the June 30, 2025 Measurement Date, if the discount rate were 1% higher than what was used in this valuation, the Total OPEB Liability would decrease to \$10,053,613 and the Net OPEB Liability would decrease to \$279,820. If the discount rate were 1% lower than was used in this valuation, the Total OPEB Liability would increase to \$14,680,045 and the Net OPEB Liability would increase to \$4,346,612.

Actuarial Methods and Assumptions

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

Actuarial Cost Method:	Individual Entry Age Normal
Discount Rate:	5.22% per annum (previously 5.45%)
General Inflation Assumption:	2.50% per annum
Annual Compensation Increases:	3.00% per annum
Actuarial Value of Assets:	Market Value

Recognition of OPEB Trust Assets

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

Valley Collaborative
Notes to Financial Statements
June 30, 2025

NOTE I – POSTEMPLOYMENT HEALTHCARE PLAN – *continued*Changes in Net OPEB Liability

Changes in Net OPEB Liability			
	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
I. Balances at June 30, 2024	\$ 8,654,814	\$ 7,374,283	\$ 1,280,531
II. Prior Period Adjustment	-	-	-
III. Balances for June 30, 2024 with Adjustment [I.+II.]	8,654,814	7,374,283	1,280,531
Changes for the year:			
IV. Service Cost	802,329	-	802,329
V. Interest on Total OPEB Liability, Service Cost, and Benefit Payments	512,464	-	512,464
VI. Changes in Benefit Terms*	-	-	-
VII. Changes in assumptions**	90,322	-	90,322
VIII. Differences between actual and expected experience**	383,219	-	383,219
IX. Net Investment Income	-	908,501	(908,501)
X. Employer Contributions (Withdrawals) to/from Trust	-	109,715	(109,715)
XI. Benefit payments withdrawn from Trust	-	(109,715)	109,715
XII. Benefit payments excluding Implicit Cost	(85,145)	-	(85,145)
XIII. Implicit Cost Amount	(24,570)	-	(24,570)
XIV. Total Benefit payments including Implicit Cost [XII.+XIII.]	(109,715)	-	(109,715)
XV. Administrative and Other Charges	-	-	-
XVI. Other Charges	-	-	-
XVII. Net Changes			
[IV.+V.+VI.+VII.+VIII.+IX.+X.+XI.+XIV.+XV.+XVI.]	\$ 1,678,619	\$ 908,501	\$ 770,118
XVI. Balances at June 30, 2025 [III.+XVII.]	\$ 10,333,433	\$ 8,282,784	\$ 2,050,649

* Recognized immediately

Deferred Inflows/Outflows

Deferred (Inflows)/Outflows in OPEB Expense arising from the recognition of the effects of differences between expected & actual experience										
Fiscal	Differences between actual & expected experience	Recognition Period (years)	Remaining Balance	2025	2026	2027	2028	2029	2030	There- after
2019	(1,703,175)	7.00	-	(243,309)	-	-	-	-	-	-
2020	(469)	7.00	(67)	(67)	(67)	-	-	-	-	-
2021	(1,125,612)	7.00	(321,602)	(160,802)	(160,802)	(160,800)	-	-	-	-
2022	-	7.00	-	-	-	-	-	-	-	-
2023	(1,278,180)	7.00	(730,389)	(182,597)	(182,597)	(182,597)	(182,597)	(182,598)	-	-
2024	-	7.00	-	-	-	-	-	-	-	-
2025	383,219	7.00	328,474	54,745	54,745	54,745	54,745	54,745	54,745	54,749
Total Remaining Balance			(723,584)							
Net increase (decrease) in OPEB Expense				(532,030)	(288,721)	(288,652)	(127,852)	(127,853)	54,745	54,749

Valley Collaborative
Notes to Financial Statements
June 30, 2025

NOTE I – POSTEMPLOYMENT HEALTHCARE PLAN – continued

Deferred (Inflows)/Outflows in OPEB Expense arising from the recognition of the effects of changes in assumptions										
Fiscal	Differences between actual & expected experience	Recognition Period (years)	Remaining Balance	2025	2026	2027	2028	2029	2030	There-after
2019	2,659,477	7.00	-	379,927	-	-	-	-	-	-
2020	-	7.00	-	-	-	-	-	-	-	-
2021	467,416	7.00	133,546	66,774	66,774	66,772	-	-	-	-
2022	(1,136,144)	7.00	(486,920)	(162,306)	(162,306)	(162,306)	(162,308)	-	-	-
2023	714,395	7.00	408,227	102,056	102,056	102,056	102,056	102,059	-	-
2024	(1,045,075)	7.00	(746,483)	(149,296)	(149,296)	(149,296)	(149,296)	(149,296)	(149,299)	-
2025	90,322	7.00	77,419	12,903	12,903	12,903	12,903	12,903	12,903	12,904
Total Remaining Balance			(614,211)							
Net increase (decrease) in OPEB Expense				250,058	(129,869)	(129,871)	(196,645)	(34,334)	(136,396)	12,904

Deferred (Inflows)/Outflows in OPEB Expense arising from the recognition of differences between projected & actual earnings on OPEB plan investments										
Fiscal	Differences between actual & expected experience	Recognition Period (years)	Remaining Balance	2025	2026	2027	2028	2029	2030	There-after
2019	(30,347)	5.00	-	-	-	-	-	-	-	-
2020	18,043	5.00	-	-	-	-	-	-	-	-
2021	(755,533)	5.00	-	(151,105)	-	-	-	-	-	-
2022	1,236,152	5.00	247,232	247,230	247,232	-	-	-	-	-
2023	(173,824)	5.00	(69,532)	(34,764)	(34,764)	(34,768)	-	-	-	-
2024	(425,953)	5.00	(255,573)	(85,190)	(85,190)	(85,190)	(85,193)	-	-	-
2025	(451,702)	5.00	(361,362)	(90,340)	(90,340)	(90,340)	(90,340)	(90,342)	-	-
Total Remaining Balance			(439,235)							
Net increase (decrease) in OPEB Expense				(114,169)	36,938	(210,298)	(175,533)	(90,342)	-	-

NOTE J – TAX POSITION

The primary tax positions made by the Collaborative are the existence of Unrelated Business Income Tax and the Collaborative's status as an exempt organization under the Internal Revenue Code. The Collaborative currently evaluates all tax positions, and makes determinations regarding the likelihood of those positions being upheld under review. For the years presented, and as a result of adoption, the Collaborative has not recognized any tax benefits or loss contingencies for uncertain tax positions based on its evaluations. The Collaborative is not currently under examination by any taxing jurisdiction. As a Chapter 40 governmental entity, the Collaborative is exempt from filing certain non-profit filings and, accordingly, there are no returns currently open for examination.

NOTE K – 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. For the year ended June 30, 2025, the Collaborative had no surplus revenue from contracts with state departments.

Valley Collaborative
Notes to Financial Statements
June 30, 2025

NOTE L – DISCLOSURES REQUIRED UNDER MASSACHUSETTS GENERAL LAW C.40 § 4ENames, duties and total compensation of the five most highly compensated employees

The five highest compensated employees of the Collaborative during fiscal year 2025 were as follows:

<u>Name</u>	<u>Title</u>	<u>Total Compensation</u>
Chris A. Scott, PhD	Executive Director	\$247,526
Joia Mercurio	Deputy Director	\$149,915
Nicole Noska	Principal	\$145,196
Kari Ann Morrin	Director of Human Resources	\$140,964
Matthew Gentile	Director of DDS Services	\$135,806

Executive Director:

Responsible for the proper fiscal management of Collaborative Programs. Administer and coordinate all programs and services offered by the Collaborative. Develop and propose an annual budget to the Board of Directors. Ensure Collaborative is operating within and in compliance with federal and state laws.

Deputy Director:

Responsible for supervising the effective and efficient implementation of programs and the payroll department. Assist in the creation of required state reports, records and other documentation. Keep the executive director informed about what is happening at the program level.

Director Human Resources:

Responsible for administering personnel programs and policies for the Collaborative and ensuring that proper practices are being followed. Handle all aspects with the hiring process. Manage the day-to-day human resource functions.

Principal:

Responsible to ensure program curriculum is aligned with Massachusetts Curriculum Frameworks. Other responsibilities include, ensure safety and structure of program, coordination and review all IEPs, schedule and participate in IEP meetings, communicate with parents, LEAs and outside agencies, and interview student referrals.

Director of DDS Services:

Responsible for coordinating services and activities relating to vocational preparedness and program enhancement while being the liaison between the Collaborative and local business partners. Other responsibilities include supervising direct support and job development staff and overseeing state agency contracts.

Amounts expended on services for individuals aged 22 years and older

Total direct costs incurred by the Collaborative in its over 21 programs, funded in part by contracts with agencies of the Commonwealth of Massachusetts, totaled \$3,902,632 for the year ended June 30, 2025, excluding Massachusetts Teachers' and State Employees' Retirement Systems "on-behalf" payments.

Amounts expended on administration and overhead

Administrative expenses of \$2,172,402 for the year ended June 30, 2025, include all costs that cannot be directly or reasonably applied to a program of the Collaborative. Administrative expenses include salaries, related benefits and payroll taxes, associated with the Collaborative'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.). The Collaborative 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

The Collaborative does not hold any accounts that may be spent at the discretion of another person or entity.

Valley Collaborative
Notes to Financial Statements
June 30, 2025

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

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

Other than the leases described below, the Collaborative had no transactions between the Collaborative and any related for-profit or non-profit organization.

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 C and D to the financial statements. The Collaborative leases classroom and other program space within Tyngsborough, a member district. For the year ended June 30, 2025, rent expense under this lease was \$255,950. During the year ended June 30, 2020, the Collaborative paid \$1,000,000 for improvements to the leased space within Tyngsborough. The improvements are depreciated in the government wide financial statements over the lease term.

Annual determination and disclosure of cumulative surplus

Cumulative Surplus Calculation – FY24			Page(s) in financial statements
(A) Surplus as of June 30, 2024		\$ 7,499,174	(A) p. 12
<i>(Breakdown of use of 2024 surplus)</i>			
B(1) used to support the FY25 budget	\$	-	
B(2) issued as credits to member districts	\$	1,695,822	
B(3) issued as a check(s) to member district(s)	\$	-	
B(4) deposited to a restricted account(s)	\$	-	
(B) Board voted uses of surplus funds during FY25	<i>(total from B1:B4)</i>	\$ 1,695,822	(B) p. 12
(C) Unexpended FY25 General Funds		\$ 1,811,454	(C) p. 12
(D) Cumulative Surplus as of June 30, 2025	(A) - (B) + (C) = (D)	\$ 7,614,806	(D) p. 12
(E) FY25 Total General Fund Expenditures*		\$ 25,707,009	(E) p. 12
(F) Cumulative Surplus Percentage	(D) ÷ (E)	29.62%	(F)
CUMULATIVE SURPLUS REDUCTION			
Allowable uses of surplus - in excess of the 25% limit			
(G) Cumulative surplus as of June 30, 2025		\$ 7,614,806	
	25% limit (allowed)	\$ 6,426,752	
(H) Cumulative Surplus REDUCTIONS			
(H)1 Credited to member districts for tuition, services, etc.	\$	1,200,000	***
(H)2 Deposited to an established trust and/or reserve fund	\$	-	
(H)3 Returned (check) to school districts/towns	\$	-	
	Total Reductions	\$ 1,200,000	
	FY25 Cumulative Surplus Percentage after Reductions	24.95%	

Valley Collaborative
Notes to Financial Statements
June 30, 2025

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

*Reconciliation of Total General Fund Expenditures to the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds on page 12:

Total Expenditures:	\$28,961,498
OPEB Obligation Funding:	-
Intergovernmental Expense:	<u>(3,365,600)</u>
	25,595,898
FY25 depreciation on leasehold improvements:	<u>111,111</u> **
Total General Fund Expenditures per calculation above:	<u>\$25,707,009</u>

**During the year ended June 30, 2020, the Collaborative paid for \$1,000,000 of improvements to a leased facility. The payment was approved and budgeted by the Collaborative's board of directors. However, because this was a special one-time payment, the Collaborative requested clarification from the Department of Elementary and Secondary Education ("DESE") regarding treatment of the expenditure. DESE requested that the \$1,000,000 capital expenditure be treated as an expenditure over the remaining lease term of 9 years for purposes of determining the cumulative surplus funds in excess of 25% of general fund expenditures. The annual amount to be reported as an expenditure is \$111,111.

***Prior to June 30, 2025, the Collaborative's board of directors voted to return \$1,000,000 of cumulative general fund surplus to member districts. During the November 20, 2025 board meeting, the Collaborative elected to return an additional \$200,000 to the member districts to comply with the 25% cumulative surplus allowance.

Valley Collaborative
Statement of Revenues, Expenditures and Changes in Fund Balance
of the General Fund - Budget to Actual
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues:				
Tuition and services	\$ 19,200,000	\$ 21,800,000	\$ 22,682,559	\$ 882,559
Adult services	4,900,000	4,900,000	4,477,614	(422,386)
Other	700,000	700,000	51,671	(648,329)
Interest	30,000	30,000	54,508	24,508
Intergovernmental revenue	-	-	3,365,600	3,365,600
Total revenue and other support	24,830,000	27,430,000	30,631,952	3,201,952
Expenses:				
Salaries	17,173,652	18,973,652	18,033,851	939,801
Employee benefits and taxes	2,918,119	3,431,619	3,199,375	232,244
Operating expenses	3,527,700	3,539,200	2,945,280	593,920
Leases and rentals	618,247	593,247	625,641	(32,394)
On-behalf retirement payment expense	-	-	3,365,600	(3,365,600)
Total expenses	24,237,718	26,537,718	28,169,747	(1,632,029)
Excess of revenues over expenses	\$ 592,282	\$ 892,282	\$ 2,462,205	\$ 1,569,923
Other Budget Items:				
Credits to member districts	\$ -	\$ -	\$ 1,695,822	\$ (1,695,822)
Capital budget items, net of gain	575,000	875,000	650,751	224,249
OPEB obligation funding	-	-	-	-
	\$ 575,000	\$ 875,000	\$ 2,346,573	\$ (1,471,573)

Note: The schedule above is presented on the same basis used by the Collaborative to present its internal budget to actual comparison and account groupings are not necessarily consistent with the Statement of Revenue, Expenditures and Changes in Fund Balances presented on page 12. Also, capital budget items presented above include actual capital outlays and transfers made to or from the Capital Reserve Fund.

Valley Collaborative
OPEB Plan - Required Supplementary Information
June 30, 2025

Year	Actuarial Determined Contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
June 30, 2019	\$ 880,811	\$ (61,922)	\$ 818,889	\$ 11,092,407	0.56%
June 30, 2020	\$ 951,385	\$ (45,883)	\$ 905,502	\$ 11,425,179	0.40%
June 30, 2021	\$ 903,135	\$ (51,730)	\$ 851,405	\$ 10,818,546	0.48%
June 30, 2022	\$ 996,816	\$ (1,694,497)	\$ (697,681)	\$ 11,143,102	15.21%
June 30, 2023	\$ 822,753	\$ (128,142)	\$ 694,611	\$ 14,197,170	0.90%
June 30, 2024	\$ 1,007,032	\$ (91,727)	\$ 915,305	\$ 14,623,085	0.63%
June 30, 2025	\$ 893,884	\$ (109,715)	\$ 784,169	\$ 17,432,244	0.63%

Schedule Presentation

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

See independent auditor's report.

Valley Collaborative
OPEB Plan - Required Supplementary Information
As of the June 30, 2025 Measurement Date

Schedule of Changes in the Collaborative's Net OPEB Liability and Related Ratios								
Valuation Date:	July 1, 2024	July 1, 2023	July 1, 2022	July 1, 2021	July 1, 2020	July 1, 2019	July 1, 2018	July 1, 2017
For the Measurement Period ending on the Measurement Date of:	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
For the Reporting Period & Fiscal Year ending on:	June 30, 202	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability	10,333,433	8,654,814	8,406,758	7,855,437	7,760,675	7,321,481	6,291,640	4,270,784
I. Service Cost	802,329	948,235	747,196	917,149	804,839	776,751	752,044	608,129
II. Interest on Total OPEB Liability, Service Cost, and Benefit Payments	512,464	436,623	431,978	367,674	344,281	299,442	374,432	18,642
III. Changes in Benefit terms	-	-	-	-	-	-	-	-
IV. Difference between Expected & Actual Plan Experience	383,219	-	(1,278,180)	-	(1,125,612)	(469)	(1,703,175)	-
V. Changes of Assumption	90,322	(1,045,075)	714,395	(1,136,144)	467,416	-	2,659,477	43,514
VI. Benefit Payments Excluding Implicit Cost	(85,145)	(77,701)	(54,947)	(53,917)	(50,682)	(44,753)	(48,295)	(30,590)
VII. Implicit Cost Amount	(24,570)	(14,026)	(9,121)	-	(1,048)	(1,130)	(13,627)	-
VIII. Total Benefit payments including Implicit Cost [VI.+VII.]	(109,715)	(91,727)	(64,068)	(53,917)	(51,730)	(45,883)	(61,922)	(30,590)
IX. Net Change in OPEB liability [I.+II.+III.+IV.+V.+VIII.]	1,678,619	248,056	551,321	94,762	439,194	1,029,841	2,020,856	639,695
X. Total OPEB liability - beginning of period	8,654,814	8,406,758	7,855,437	7,760,675	7,321,481	6,291,640	4,270,784	(148,019)
XI. Prior Period Adjustment for Retirees not Previously Reflected	-	-	-	-	-	-	-	-
XII. Total OPEB Liability - end of period [IX.+X.+XI.]	10,333,433	8,654,814	8,406,758	7,855,437	7,760,675	7,321,481	6,291,640	491,676
Plan Fiduciary Net Position	8,282,784	7,374,283	6,598,707	6,030,973	5,271,479	4,266,767	4,039,225	3,779,108
XIII. Earning from Plan Investments	908,501	775,576	503,660	(881,086)	1,004,712	227,542	260,117	236,892
XIV. Employer Contribution to trust	109,715	91,727	128,142	1,694,497	51,730	45,883	61,922	30,590
XV. Benefit payments from trust, including refunds of member contributions	(109,715)	(91,727)	(64,068)	(53,917)	(51,730)	(45,883)	(61,922)	(30,590)
XVI. Administrative expense	-	-	-	-	-	-	-	-
XVII. Other	-	-	-	-	-	-	-	-
XVIII. Net change in plan fiduciary net position [XIII.+XIV.+XV.+XVI.+XVII.]	908,501	775,576	567,734	759,494	1,004,712	227,542	260,117	236,892
XIX. Plan fiduciary net position - beginning of period	7,374,283	6,598,707	6,030,973	5,271,479	4,266,767	4,039,225	3,779,108	3,542,216
XX. Plan fiduciary net position - end of period [XVIII.+XIX.]	8,282,784	7,374,283	6,598,707	6,030,973	5,271,479	4,266,767	4,039,225	3,779,108
XXI. Net OPEB Liability [XII.-XX.]	2,050,649	1,280,531	1,808,051	1,824,464	2,489,196	3,054,714	2,252,415	491,676
XXII. Plan fiduciary net position as a % of total OPEB liability [XX./XII.]	80.16%	85.20%	78.49%	76.77%	67.93%	58.28%	64.20%	768.62%
XXIII. Covered employee payroll	17,432,244	14,623,085	14,197,170	11,143,102	10,818,546	11,425,179	11,092,407	11,775,259
XXIV. Plan NOL as % of covered employee payroll [XXI./XXIII]	11.76%	8.76%	12.74%	16.37%	23.01%	26.74%	20.31%	4.18%
Single Discount Rate to calculate Plan Liabilities	5.22%	5.45%	4.69%	5.04%	4.25%	4.25%	4.25%	7.50%

Schedule Presentation

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

See independent auditor's report.

Valley Collaborative
OPEB Plan - Required Supplementary Information
As of the June 30, 2025 Measurement Date

Notes to Required Supplementary Information:

Valuation Date: Actuarially Determined Contribution was calculated as of July 1, 2024.

Actuarial Cost Method: Individual Entry Age Normal

Asset-Valuation Method: Market Value of Assets as of the Measurement Date, June 30, 2025.

Actuarial Assumptions:

Investment Rate of Return: 5.86%, net of OPEB plan investment expense, including inflation.

Municipal Bond Rate: 4.81% as of June 30, 2025 (source: S&P Municipal Bond 20-Year High Grade Index - SAPIHG)

Single Equivalent Discount Rate: 5.22%, net of OPEB plan investment expense, including inflation.

Inflation: 2.50% as of June 30, 2025 and for future periods

Salary Increases: 3.00% annually as of June 30, 2025 and for future periods

Cost of Living Adjustment: Not Applicable

Pre-Retirement Mortality: General: RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2021, set forward 1 year for females
 Teachers: PubT-2010 Mortality Table (Headcount-weighted) for Employees projected generationally with scale MP-2021

Post-Retirement Mortality: General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2021, set forward 1 year for females
 Teachers: PubT-2010 Mortality Table (Headcount-weighted) for Healthy Annuitants projected generationally with scale MP-2021

Disabled Mortality: General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2021, set forward 1 year for males and 2 years for females
 Teachers: PubT-2010 Mortality Table (Headcount-weighted) for Healthy Annuitants projected generationally with scale MP-2021

See independent auditor's report.

Valley Collaborative
OPEB Plan - Required Supplementary Information
As of the June 30, 2025 Measurement Date

Notes to Required Supplementary Information (Continued):

Plan Membership

Plan Membership: At July 1, 2024, the OPEB plan membership consisted for the following

Inactive employees or beneficiaries currently receiving benefits:	15
Active Employees:	<u>267</u>
Total:	282

Events Subsequent to the Measurement Date

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

Changes in Assumptions:

From June 30, 2024 to June 30, 2025:

Due to the GASB 75 standards the discount rate has been changed from 5.45% to 5.22%.

Based on recommendations by PERAC, the mortality table has been updated to the RP-2014 Mortality Table projected generationally with scale MP-2021 for non-teachers and PubT-2010 Mortality Table projected generationally with scale MP-2021 for teachers.

Contributions/Withdrawals:

The contribution requirements of plan members and the Collaborative are established and may be amended through Collaborative ordinances. The Collaborative contributed \$0 for the period ending on the June 30, 2025 Measurement Date. For the year ending on the June 30, 2025 Measurement Date total Collaborative premiums plus implicit costs for the retiree medical program were \$109,715. \$24,570 of the \$109,715 represents implicit cost.

Census Data Manipulation:

In the absence of data, the following was assumed:

Spouse Sex: Male participants had female spouses and vice versa.

Spouse Age: Male spouses were three years older than female spouses and same sex spouses were the same age.

Hire Age: Participants who were not on the previous valuation were hired halfway between last valuation and the current valuation. If we did not have census data related to the last valuation, the participants were assumed to have been hired at age forty.

Retiree Age: Retirees had the same birth date as they had the prior valuation. If we did not have census data related to the last valuation, retirees who were enrolled in Active plans were assumed to be age sixty-two and retirees who were enrolled in Medicare Supplement plans were assumed to be age seventy-two. Those not enrolled in a medical plan were assumed to be sixty-seven.

School Demographics: Two thirds of school participants were teachers.

Other Material Changes: No other data changes were deemed to be material.

See independent auditor's report.

Valley Collaborative
Schedule of the Collaborative's Proportionate Share of Net Pension Liability
For the Year Ended June 30, 2025

		MTRS	MSERS
Collaborative's proportion of net pension liability	FY2015	0.07985%	0.02466%
	FY2016	0.08405%	0.07637%
	FY2017	0.08453%	0.08118%
	FY2018	0.09167%	0.08646%
	FY2019	0.08325%	0.10137%
	FY2020	0.08129%	0.08658%
	FY2021	0.07984%	0.07671%
	FY2022	0.08333%	0.09316%
	FY2023	0.08290%	0.09784%
	FY2024	0.08321%	0.11139%
Collaborative's proportionate share of net pension liability	FY2015	\$ 16,360,313	\$ 2,806,546
	FY2016	\$ 18,790,793	\$ 10,530,873
	FY2017	\$ 19,344,064	\$ 10,410,850
	FY2018	\$ 21,737,193	\$ 11,438,238
	FY2019	\$ 20,989,574	\$ 14,834,931
	FY2020	\$ 23,205,036	\$ 14,855,001
	FY2021	\$ 18,129,788	\$ 8,006,281
	FY2022	\$ 21,572,960	\$ 12,958,656
	FY2023	\$ 21,794,595	\$ 14,331,557
	FY2024	\$ 21,098,472	\$ 15,733,379
Collaborative's covered-employee payroll	FY2015	\$ 5,347,143	\$ 4,285,929
	FY2016	\$ 5,527,894	\$ 4,254,279
	FY2017	\$ 5,762,613	\$ 4,635,195
	FY2018	\$ 6,333,668	\$ 6,028,713
	FY2019	\$ 6,087,231	\$ 6,039,995
	FY2020	\$ 6,181,687	\$ 5,305,358
	FY2021	\$ 6,202,814	\$ 4,668,914
	FY2022	\$ 6,274,492	\$ 5,856,826
	FY2023	\$ 7,162,705	\$ 6,145,191
	FY2024	\$ 7,488,098	\$ 7,832,325
Collaborative's proportionate share of net pension liability as a percentage of its covered-employee payroll	FY2015	305.96%	65.48%
	FY2016	339.93%	247.54%
	FY2017	335.68%	224.60%
	FY2018	343.20%	189.73%
	FY2019	344.81%	245.61%
	FY2020	375.38%	280.00%
	FY2021	292.28%	171.48%
	FY2022	343.82%	221.26%
	FY2023	304.28%	233.22%
	FY2024	281.76%	200.88%
Plan fiduciary net position as a percentage of total pension liability	FY2015	55.38%	67.87%
	FY2016	52.73%	63.48%
	FY2017	54.25%	67.21%
	FY2018	54.84%	67.91%
	FY2019	53.95%	66.28%
	FY2020	50.67%	62.48%
	FY2021	62.03%	77.54%
	FY2022	57.75%	71.05%
	FY2023	58.48%	70.71%
	FY2024	61.45%	72.90%

Notes to Required Supplementary Information

MTRS is the Massachusetts Teachers' Retirement System. MSERS is the Massachusetts State Employees' Retirement System. Also, see Note E to financial statements.

Measurement Date

The amounts presented in this schedule were determined as of June 30, 2024.

Schedule Presentation

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

See independent auditor's report.

Valley Collaborative
Schedule of Pension Contributions
For the Year Ended June 30, 2025

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
MTRS										
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Collaborative's covered-employee payroll	\$ 5,347,143	\$ 5,527,894	\$ 5,762,613	\$ 6,333,668	\$ 6,087,231	\$ 6,181,687	\$ 6,202,814	\$ 6,274,492	\$ 7,162,705	\$ 7,488,098
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
MSERS										
Contractually required contribution	\$ 240,012	\$ 238,217	\$ 259,571	\$ 337,608	\$ 338,240	\$ 323,627	\$ 284,804	\$ 357,266	\$ 374,857	\$ 477,772
Contributions in relation to the contractually required contribution	\$ 240,012	\$ 238,217	\$ 259,571	\$ 337,608	\$ 338,240	\$ 323,627	\$ 284,804	\$ 357,266	\$ 374,857	\$ 477,772
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Collaborative's covered-employee payroll	\$ 4,285,929	\$ 4,254,279	\$ 4,635,195	\$ 6,028,713	\$ 6,039,995	\$ 5,305,358	\$ 4,668,914	\$ 5,856,826	\$ 6,145,191	\$ 7,832,325
Contributions as a percentage of covered-employee payroll	5.60%	5.60%	5.60%	5.60%	5.60%	6.10%	6.10%	6.10%	6.10%	6.10%

Notes to Required Supplementary Information

MTRS is the Massachusetts Teachers' Retirement System. MSERS is the Massachusetts State Employees' Retirement System. Also, see Note E to financial statements.

Measurement Date

The amounts presented in this schedule were determined as of June 30, 2024.

Schedule Presentation

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

Contributions

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

See independent auditor's report.



FRITZ DEGUGLIELMO LLC
CERTIFIED PUBLIC ACCOUNTANTS
& BUSINESS ADVISORS

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

To the Board of Directors of
Valley Collaborative
North Billerica, Massachusetts

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Valley Collaborative (a collaborative organized under the Laws of the Commonwealth of Massachusetts), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Valley Collaborative's basic financial statements, and have issued our report thereon dated November 20, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



Certified Public Accountants

Newburyport, Massachusetts

November 20, 2025



Central Administration

11 Executive Park Dr, Billerica MA 01862 | Tel: (978)528-7800 | www.valleycollaborative.org

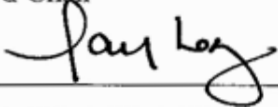
DETERMINATION OF CUMULATIVE SURPLUS (BOARD VOTE)

For the Year Ended June 30, 2025

We, the Board of Directors of Valley Collaborative, have determined the fiscal year cumulative general fund surplus to be \$7,614,806 and have voted to accept said surplus as presented in the Cumulative Surplus worksheet in Note L to the financial statements.

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, 2025.

Board Chair



Date of Board Vote

11-20-2025



Central Administration

11 Executive Park Dr, Billerica MA 01862 | Tel: (978)528-7800 | www.valleycollaborative.org

ACCEPTANCE OF THE BOARD OF DIRECTORS

We, the Board of Directors of the Valley 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, 2025.

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, 2025.



Board Chair

11-20-2025

Date

Progress Made Toward Achieving the Purpose and Objectives Set Forth in the Collaborative Agreement

District Improvement Planning

The Valley Collaborative district planning process continued in the 2024-25 school year, as the team completed Valley's five-year district plan and began the process of action planning strategic initiatives they selected for implementation next year.

The Leadership Team launched its planning work in the fall with extensive community outreach, presenting the draft district plan and gathering feedback from parents, students and adults, staff, and some community partners across all schools and the adult program. Using shared materials designed to support consistency in messaging and process, team members presented the plan and posed the following questions for discussion and feedback:

- Do you think the current set of initiatives represents the work required for that objective?
- What questions, if any, do you have?
- What, if anything, do you believe is missing?

In December, the leaders who had facilitated these feedback sessions presented results to the entire Leadership Team. After discussing these community responses in depth and developing a new collaborative-wide perspective of the plan, the team then revised and finalized the plan's strategic initiatives.

The final element of the district plan that remained for development were the outcome measures—what success will look like and how Valley will know if it has achieved the plan's objectives. The Executive Team met in February to begin outcome development, proposing an initial set of measures for consideration by the Leadership Team in early April. At that meeting, the team reviewed and revised the proposed outcomes, completing the district plan—and also began the work of prioritizing strategic initiatives to action plan for implementation in 2025-26.

The team then identified five leaders to serve as district plan project leaders, one responsible for each of the five initiatives selected for implementation. These leaders strategically selected individuals across the collaborative for their teams, ensuring that people with the necessary expertise and a collaborative-wide perspective were at the table. The leaders participated in training to prepare them for facilitating development and oversight of action plans and facilitated the first round of action planning in May. Action plan teams will continue development of these plans in the fall.

The five initiatives selected for implementation are as follows:

1. Continue to develop and implement new programming to meet Individual Education Plan, Individual Support Plan, and Life Plan goals and objectives of Valley's K-12 students and adult services participants through: community life skills opportunities; expanded academic opportunities through technology; transitional opportunities; and community-based day supports activities.
2. Implement a professional learning and evaluation management system that will assist Valley in leveraging data to plan, manage, track, and evaluate employees and their training and professional learning activities.
3. Strengthen outreach and communication between staff, students/DDS and MRC individuals, and families in order to foster a sense of belonging.
4. Redevelop Valley's informational materials to reflect the mission & vision and assist in educating community members about Valley's program offerings, through updated materials including Valley's website.
5. Work with stakeholders—including families, districts, DDS and MRC individuals, and community partners—to expand vocational placements for students in order to support their development as contributing members of their communities.

Valley Collaborative's District Improvement Plan

Designed to achieve the Purpose and Objectives set forth in the Collaborative Agreement

2026-2031

Plan Overview

Valley Collaborative's Articles of Agreement
ARTICLE II
Mission, Objectives, Focus, and Purpose
<p>The mission of the Collaborative is to conduct educational programs and/or services for member districts in a cost-effective manner and to increase educational opportunities and to improve educational outcomes for its students. The purpose of the Collaborative is to provide high quality intensive educational, therapeutic and transitional programs and related services to individuals with disabilities referred by member districts, non-member districts and social service agencies, including both children and adults, and to provide professional development to educators. The focus of the Collaborative is the provision of special education, transitional, occupational, and therapeutic programs and services in the least restrictive environment and comprehensive professional development within the local communities of the member districts. The overall objectives of the Collaborative include improving the academic achievement and/or occupational skills of students and individuals with disabilities in the least restrictive environment through high quality programs and services; offering a variety of high quality professional development opportunities to general and special education teachers and related service providers; and offering its programs and services in a cost-effective manner.</p>
<i>Mission</i>
<p>To work collaboratively in order to create a diverse, equitable, inclusive, and responsive learning environment that recognizes individuals and empowers them to navigate confidently with optimal independence in their community and fosters lifelong learning.</p>
<i>Vision</i>
<p>Valley Collaborative partners with families, districts, and the community to provide innovative programming that empowers all students and adults to discover their diverse individual strengths, interests, and abilities. In doing so, those we serve become self-actualized members of society who contribute in a responsible manner.</p>
<i>Theory of Action</i>
<p><i>If we...</i></p> <ul style="list-style-type: none"> ● Identify students' immediate and long-term individualized goals, strengths, and needs and provide support to meet them, and... ● Build the capacity of, and invest in, our staff, and... ● Invest in community building across the Collaborative, with all stakeholder groups, <p><i>Then we will...</i></p> <ul style="list-style-type: none"> ● Increase student independence and prepare students for successful post-secondary placement and adult living ● Increase staff professional capacity and the retention of high quality and appropriately certified staff ● Improve the engagement of all stakeholders in the Collaborative community

<i>Strategic Objectives</i>		
<i>1. All students and adults will be provided with high quality programming in a diverse, equitable, and inclusive environment in order to prepare them for successful adult living.</i>	<i>2. Valley Collaborative will provide professional learning in order to build capacity and retain high quality staff, while fostering and promoting a diverse, equitable, and inclusive environment.</i>	<i>3. Valley Collaborative will foster diversity, equity, and inclusivity in order to promote a sense of belonging and engagement for all stakeholders (students, adults, families, staff, districts, community partners).</i>
<i>Strategic Initiatives</i>		
a.) Continue to develop and implement new programming to meet Individual Education Plan, Individual Support Plan, and Life Plan goals and objectives of Valley's K-12 students and adult services participants through: community life skills opportunities; expanded academic opportunities through technology; transitional opportunities; and community-based day supports activities.	a.) Create and implement a robust professional learning program in order to train all professional staff, including Special Education Assistants, for their unique roles at Valley Collaborative, through various learning modules spanning special education topics, therapies, school safety, etc.	a.) Strengthen outreach and communication between staff, students/DDS and MRC individuals, and families in order to foster a sense of belonging.
b.) Develop and maintain the outdoor learning program so that students and individuals will be exposed to more wellness opportunities to support individual growth.	b.) Implement a professional learning and evaluation management system that will assist Valley in leveraging data to plan, manage, track, and evaluate employees and their training and professional learning activities.	b.) Redevelop Valley's informational materials to reflect the mission & vision and assist in educating community members about Valley's program offerings, through updated materials including Valley's website.
c.) Complete the Department of Elementary and Secondary Education (DESE) Mid-Cycle Review Self-Assessment of Valley's practices and policies by August of 2024 and complete the review in its entirety by the Spring of 2025, to ensure high quality programming.	c.) Implement a professional learning management system that expands professional learning offerings aligned with Valley's District goals and ensures Individual Professional Development Plan (IPDP) compliance.	c.) Work with stakeholders—including families, districts, DDS and MRC individuals, and community partners—to expand vocational placements for students in order to support their development as contributing members of their communities.
d.) Complete the new DESE Collaborative Financial Review by the Spring of 2025 to ensure financial stability and health, so that Valley maintains sustainable and successful programming.	d.) Improve evaluation tracking and organization, and goal alignment to Valley's district goals.	d.) Develop and administer a survey for member district Special Education Directors to gather their feedback on student experiences within their districts and student trends in order to anticipate programmatic needs and maintain responsive programming.
e.) Complete the DESE Coordinated Program Review Self-Assessment of Valley's practices and policies by August of 2027 and complete the review in its entirety by the Spring of		e.) Analyze student referral data by implementing a new admissions module, to ensure Valley continues to offer diverse, equitable and inclusive programming to promote a sense of belonging.

2028, to ensure high quality programming.		
f.) Complete the Department of Developmental Services (DDS) Adult Services Licensure and Certification Audit – Full Audit by the Spring of 2025, to ensure high quality programming.		
<i>Outcomes</i>		
1.1 Department of Elementary and Secondary Education finds Valley in compliance on 85% or more of its Coordinated Program Review (CPR) and Mid Cycle Review (MCR) criteria	2.1 By 2030, Valley will increase staff retention by 10% as evidenced by longevity data for both certified staff and support staff	3.1 Valley will set and meet a Year 5 improvement target for sense of belonging and student engagement, using the 2023-24 DEI (sense of belonging) student, staff, and adult services survey results and the 2024-25 Special Education Directors' survey results to determine baseline
1.2 Department of Developmental Services (DDS) finds Valley in compliance on 80% or more of its Adult Services Licensure and Certification Audit criteria	2.2 Professional development opportunities will receive an overall rating of “very good” or higher on feedback evaluation forms 75% of the time by Year 5	3.2 Valley will conduct a minimum of one family/community at large engagement initiative, such as an open house, at each school annually
1.3 Department of Elementary and Secondary Education finds Valley in compliance on 85% or more of its Financial Review criteria		3.3 Valley will develop and implement promotional materials by end of Year 5 (website, brochures, videos)
1.4 Valley will conduct a minimum of 3 new outdoor learning opportunities annually		3.4 Valley will continue to develop financial budgets in response to changing enrollment trends



Central Administration

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MEMORANDUM

To: Valley Collaborative Board of Directors
From: Dr. Chris A. Scott, Executive Director
Date: January 8, 2026
Re: Monthly Update – Heather Mackay, Principal of Valley Elementary School

Staff and Student of the month

Olivia Buonamano is our January student of the month! She is a 6th grade student from Chelmsford, who loves to dance and play. She has made so much progress in her readiness to learn and engaging in activities in school. We are so proud of Olivia and can't wait to watch her shine in Middle School!

Erin Frazier is the January staff of the month recipient! Erin is our veteran BCBA who has worn many hats during her tenure including being a strong, supportive advocate for students. Her behavior plans are creative and individualized to each student's needs while fostering independence and confidence from each student.

Adaptive Swimming Field Trips: Building Skills and Confidence in the Water

Safety and inclusion are at the heart of everything we do. This year, School Nurse Kathryn Richard and Classroom Teacher Becca Valcanas launched a special initiative to provide adaptive swim lessons for students with autism and developmental disabilities. The decision was driven by a sobering statistic: children with these diagnoses are up to 160% more likely to die from drowning than the general population. As such, over the past 12 weeks, our students have participated in Swim Angelfish lessons, and the progress has been nothing short of amazing! Students have learned essential water safety skills, including:

- Safely entering and exiting the pool
- Floating on their backs and bellies
- Practicing different swim techniques
- Holding onto a rescue tube

Beyond safety, the water provides valuable sensory input, helping students regulate and remain calm—even after leaving the pool. Staff have noticed that swim days often lead to improved emotional regulation, with many students feeling more relaxed for the rest of the week.

Holiday Giving Project

Crystal Chan and Gabriella LeMay have organized our Annual Holiday Giving Project for students, with a mission for every student in the school purchasing and receiving a gift from a peer during the holiday season, focusing on the meaning of selflessness & perspective-taking. Students review the Five Below website/gift pages and write down 3-5 potential gifts they would like to receive from a peer. Then, they pick a peer's name out of a box to surprise. Each classroom goes to Five Below to complete their shopping. Once they return to school, they wrap the presents. Lastly, we get together as a whole school for the gift giving ceremony. It is a wonderful experience for all!

Required Action:

None

Attachments:

None



Valley Collaborative Elementary School Newsletter

December 2025



Last Month in Review

In November, the Acton Discovery Center Traveling Science Workshops returned for Earth Science Workshops. At the end of the month, our school community came together for our annual Thanksgiving Breakfast. Families, students and staff gathered together to share delicious food and friendly conversation.



December Events

December 17th: Cocoa & Cookie Event

The Cookie Monstah truck will bring cookies and hot cocoa on the 17th for a festive school social.

December 18th: Holiday Events & Giving Project

On December 18th students will decorate cookies and enjoy a cozy seasonal event complete with popcorn, hot cocoa, pajamas, and a community movie. We will also hold our Annual Giving Project where students will give each other gifts and practice perspective-taking and selflessness.

Picture Retakes

Picture Retake Day will be:

Thursday, December 4th

If you would like to order portraits, please use your original order form, or pick up a new form in the office. If you are having your portrait retaken, return your original package to the photographer on retake day. No order form is necessary. Please note that retakes are only offered for students who paid for a portrait package, or who were absent that day.

If you have any questions, please contact Karen Blackburn:

(978) 528-7843



December Calendar

Monday	Tuesday	Wednesday	Thursday	Friday
1	2	3	4 <i>Picture Retakes</i>	5
8	9	10	11	12
15	16 <i>Cocoa & Cookies</i>	17	18 <i>Holiday Events & Giving Project</i>	19 <i>Early Release for Students</i>
22 <i>Winter Break No School</i>	23 <i>Winter Break No School</i>	24 <i>Winter Break No School</i>	25 <i>Winter Break No School</i>	26 <i>Winter Break No School</i>
29 <i>Winter Break No School</i>	30 <i>Winter Break No School</i>	31 <i>Winter Break No School</i>		



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MEMORANDUM

To: Valley Collaborative Board of Directors
From: Dr. Chris A. Scott, Executive Director
Date: January 8, 2026
Re: Monthly Update - Nick LeClair, Principal Valley Alternative Programs

This season has been an exciting and productive time across all four cohorts at the Alternative Program. Students in the Alternative Middle School have embraced the holidays with creativity and enthusiasm, participating in activities that blend cultural learning, collaboration, and hands-on fun. Highlights include cooking traditional Hanukkah latkes, decorating gingerbread creations, and competing in the annual door-decorating contest. These projects not only filled the halls with warmth and seasonal cheer but also provided opportunities for teamwork, culinary exploration, and artistic expression.

The Vocational Program has also had an outstanding stretch, with each vocational track demonstrating growth, energy, and applied learning. Multimedia students continue to thrive, producing entertaining news segments that showcase their technical and storytelling skills. The Landscaping Program wrapped up a busy fall season with extensive cleanup projects. In the Culinary Program, students have served impressive dishes and successfully launched the Lunch Voucher Program, gaining authentic experience in food service operations. The Restoration Program has shown equally impressive craftsmanship across its projects. Students also enjoyed engaging field trips to Level 99 and the Immersive Game Box, with much anticipation building for upcoming visits to Metro Rock and Roller Kingdom.

The Delta Cohort continues to make strong academic and social progress. Five students recently completed an overnight winter ascent of Mount Avalon. Engagement has been high on recent community learning trips, including visits to the Museum of Fine Arts and Metro Rock, where students explored art, culture, and physical challenge. Academically, Delta celebrated nine students who earned Honor Roll or High Honor Roll for the first quarter. The cohort now looks forward to its Winter Holiday potluck and Yankee Swap traditions.

The Psi Cohort has also experienced a positive and uplifting season of learning, creativity, and connection. Students participated in a wide range of hands-on STEAM challenges, bringing science concepts to life through friendly competition. In the classroom, students conducted labs on density, atomic modeling, and displacement. Beyond academics, the cohort enjoyed a pottery-painting trip to You're Fired, where many students crafted holiday gifts.

Across all four cohorts, students have shown enthusiasm, growth, and resilience, making this a rewarding and spirited season for the entire school community.

Required Action:

None

Attachments:

None



Central Administration

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MEMORANDUM

To: Valley Collaborative Board of Directors
From: Dr. Chris A. Scott, Executive Director
Date: January 8, 2026
Re: Monthly Update - Nicole Noska, Principal of Transitional Programs, Valley Middle School and Valley Transitional High School

Middle School Update:

In the Middle School, students in the Transitional Program had a unique challenge in their cooking classes: to prepare something to bring to a party. During this real-world scenario students utilized a budget, researched recipes and shopped for ingredients. The results were picture perfect and delicious too with students enjoying popular snacks throughout the month such as Buffalo Chicken Dip, Taco Dip, sliders, chicken quesadillas, and cupcakes. Students are eagerly waiting for the annual Holiday Sing-Along, where students can show off their karaoke skills and talents in a holiday themed performance.

Outside of the classroom students enjoyed community-based field trips to places such as Tuscan Village, for holiday shopping and community lunch, as well as Time to Clay for pottery making. Closing out the field trip fun this month was an outdoor education hike to hunt for decorated Christmas Trees in Littleton. Monthly swimming trips continue to the Beede Center in Concord where students work on physical fitness in the pool, as well as good sportsmanship with pool games and swimming competitions.

High School Update:

During the month of December, the Transitional High School has been bustling with the sights and sounds of the holiday season. In the culinary arts classes, students prepared familiar hearty dishes such as Shephard's Pie, pizza sticks, and hamburgers. They also got the opportunity to step out of their comfort zones when they experimented with a new recipe for Shrimp Scampi. Part of the challenge and excitement of cooking class is reviewing the local sales flyer to see what items are on special or sale. This practice helps the students to break from routine and challenge their culinary skills and taste buds too!

In class, students continued to work on core academic and functional living skills. Students in the School & Vocational Training Program worked on expanding their transition skills by learning about their strengths and needs and the foundations of transition planning.

One of the most favorite events of the Transitional High School year is the annual trip to see the performance of "A Christmas Carol" at the North Shore Music Theater. Students arrived for school dressed to impress with festive flair. Christmas carols joyfully echoed from the buses as they made their way to Beverly. Students did a great job showing off their social skills and expected behavior while in the community. A fantastic time was had by all.

Required Action:

None

Attachments:

None



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MEMORANDUM

To: Valley Collaborative Board of Directors
From: Dr. Chris A. Scott, Executive Director
Date: January 8, 2026
Re: Monthly Update - Matthew Gentile, Director of DDS and MassAbility Services

As we approach the holiday season, the adults served by Valley Collaborative enthusiastically embrace the opportunity to give back to the community that shows them so much support throughout the year. The individuals eagerly participate in both a toy and food drive as a way to provide fellow community members with much needed support during the holidays. Every year the holiday season acts as a reminder of how lucky we all are to be part of the Valley Community, and how powerful we can be when we come together for a worthy cause.

We are once again partnering with the Billerica Fire Department to run our toy drive as part of the Toys for Tots charity. It is truly amazing to see the participation from our individuals and their families. Our toy donation box always fills up multiple times over, and it takes a full crew to deliver all the gifts to the Fire Station. This year was no different and served as a reminder of the thoughtfulness of the Valley community.

Our food drive is run in accordance with the Merrimack Valley Food Bank and generates hundreds of pounds of food to be donated and dispersed to people in need. With the rising cost of groceries and general financial uncertainty, this food drive is essential for many community members in need. As always, our individuals and their families step up time and time again to ensure their community is supported. The adults collect so many donations that it requires multiple trips to the food bank to drop it all off. Our partnership with the Merrimack Valley Food Bank is an essential aspect of programming, and the positive connection is highlighted during the holiday season.

In addition to the charitable donations collected during the holiday season, the Adult Program also hosts the individuals for a holiday brunch the Wednesday before Thanksgiving. This is the one day of the year that we close all of our work and volunteer sites and come together to share a meal. Staff bring in homemade dishes that have meaning within their own cultures and families, and we use this opportunity to express our gratitude to one another while feasting as a giant family. Our Thanksgiving Brunch is one of the best days of the year as everyone involved cherishes the time spent, and the relationships made, through their connection to Valley.

The Valley Collaborative Adult Program operates all year round. It is so important that we take time to pause and step back to be able to recognize how important the connections are that we make with one another. The holiday season continues to provide the perfect opportunity to do just that, and the relationships we share with each other are stronger because of it. Never does the positive culture of the Valley Collaborative Adult Program shine as bright as it does during the holiday season.

Required Action:

None

Attachments:

None



Central Administration

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MEMORANDUM

To: Valley Collaborative Board of Directors
From: Dr. Chris Scott, Executive Director
Renato Silva, School Safety and Facilities Manager
Date: January 8, 2026
Re: Valley Collaborative School Safety Update

Valley Collaborative continues its enduring commitment to safety with an upcoming hostile intruder training facilitated and held in cooperation with members of the Billerica Police Department.

Led by former Valley School Resource Officer Phil O’Laughlin and Billerica Police Sgt. Cory Bandouveres, the training will focus on the CRASE protocol (Civilian Response to Active Shooter Events). Training for staff will be held on January 14th with a soft drill to include students the following morning of January 15th.

A new classroom numbering and signage project is currently underway at 40 Linnell Circle. The safety evacuation site maps are being updated to reflect any changes made to room numbers. In addition, new classroom number signage is being affixed to the exterior of classroom doors which will allow first-responders the ability to quickly identify classrooms from greater distances. This system will mirror the numbering project successfully completed at the Elementary School in Tyngsborough last year.

In addition, Valley has taken preliminary steps to streamline and simplify the key and lock systems in place throughout all sites in the collaborative. When complete, all classroom and office door locks will utilize a one-key system whereby all internal locks will be accessible by the same key. These keys will be assigned and electronically logged to each staff member with Facilities and top-administration holding master keys which will work on exterior and highly sensitive interior doors as well.

Required Action:

None

Attachments:

None



Central Administration

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MEMORANDUM

To: Valley Collaborative Board of Directors
From: Dr. Chris A. Scott, Ph.D., Executive Director
Date: January 8, 2026
Re: Quarterly Reports on Collaborative Business – FY26 Second Quarter

As per 603CMR 50.00: Educational Collaboratives – Education Laws and Regulations and in accordance with the provisions of M.G.L. c. 40, § 4E, please find below Valley Collaborative Quarterly Reports on Collaborative Business:

1. quarterly information and updates to the programs and services provided by the collaborative and any regional collaborative efforts;
 - Please find Valley Collaborative's Newsletter attached
 - Please find Valley Collaborative's Treasurer Report attached
2. a report on significant changes in programs, services, budgets, and property as they arise;
 - Please find attached the Interim Statement of Revenues, Expenses, and Changes in Net Assets
3. a copy of the annual budget and tuition rate;
 - Please find Valley Collaborative's approved budget and tuition rates attached
4. a copy of the annual report and financial audit & a copy of any capital plan approved by the board of directors;
 - Please find attached Valley Collaborative Annual Report, Annual Independent Audit, and Capital Plan



Making a Splash

■ Page 2: Valley Elementary students are developing skills and confidence in the water.



A Culture of Reading

■ Page 3: Thanks to a new book club and an extra emphasis on literacy, reading is all the rage in the Transitional Programming at Valley Middle/ High School.



Giving Back

■ Page 5: The holidays are a chance for the adults served by Valley Collaborative to give back to the community.

VALLEY COLLABORATIVE

Volume 14, Issue 2 News for the extended Valley Collaborative community Winter 2026

A Positive Year, A Promising Future



VALLEY ELEMENTARY ASSISTANT PRINCIPAL BRYAN THOMAS AND FIFTH GRADER BRIAN BOLCOMBE BRINGING PUMPKINS AND CIDER DONUTS TO THE DISTRICT STAFF: KARI MORRIN, DIRECTOR OF HR TITLE IX AND 504 COORDINATOR; EXECUTIVE DIRECTOR CHRIS SCOTT; AND DEPUTY DIRECTOR JOIA MERCURIO.

Hello Valley families:

It has been an honor to work with Valley's committed staff to offer high quality special education services in the most fiscally responsible manner. Our collective work and dedication to Valley's mission has resulted in positive outcomes for students in our K-12 programs as well as participants in our DDS & MRC programs. I would like to thank Valley's Board Chair, Dr. Jay Lang, and the Board of Directors for their effective oversight, governance and generous support of this most important work. Valley is proudly owned and

operated by nine member school districts. The Board of Directors and the school districts they represent are comprised of:

- **Dr. Jay Lang**, Chairman of the Board, Executive Committee Member, Superintendent - Chelmsford Public Schools
- **Dr. Kerry Clery**, Superintendent - Billerica Public Schools
- **Mr. Steven Stone**, Superintendent - Dracut Public Schools
- **Dr. Geoff Bruno**, Superintendent - Groton Dunstable Regional School District

*continued on pag 7

VALLEY COLLABORATIVE

Elementary School: Making a Splash

Safety and inclusion are at the heart of everything we do at Valley Elementary School. School nurse Kathryn Richard and classroom teacher Becca Valcanas launched a special initiative this year to provide adaptive swim lessons for students with autism and developmental disabilities. The decision was driven by a sobering statistic: children with these diagnoses are up to 160 percent more likely to die from drowning than the general population.

Over the past 12 weeks, our students have participated in Swim Angelfish lessons, and the progress has been nothing short of amazing! Students have learned essential water safety skills, including:

- Safely entering and exiting the pool
- Floating on their backs and bellies
- Practicing different swim techniques
- Holding onto a rescue tube

Beyond safety, the water provides valuable sensory input, helping students regulate and remain calm—even after leaving the pool. Staff have noticed that swim days often lead to improved emotional regulation, with many students feeling more relaxed for the rest of the week. Here's what several staff members had to say about the swimming field trips:

"It has been amazing to see the progress these students have made week by week. Students who once feared water are now comfortable in it. Those with no safety awareness are learning to ask permission before entering. These transformations are possible thanks to the dedication of Valley staff, who join students in the water and guide them every step of the way."

— Crystal Chan, M.S.

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CCC-SLP, Speech-Language Pathologist



BECCA VALCANAS' ADAPTIVE SWIM CLASS IN ACTION. EACH WEEK, STUDENTS LEARN ESSENTIAL WATER SKILLS THROUGH THE ANGEL SWIM PROGRAM.

"This has been a great experience for students and staff alike. Watching students overcome fear and hesitation to fully participate has been inspiring. One student who wouldn't step foot in the water on the first day now lifts his feet off the ground and engages in lessons with confidence!"

— Kathryn Richard, RN, BSN,
Elementary School Nurse

"My Classroom staff wanted it to highlight the students who have overcome fear and hesitation and are now fully participating in the lesson! One student for instance would not even step foot in the water the first time, and is now fully in the water, lifting his feet up off the ground, and letting staff teach him."

— Becca Valcanas, Classroom Teacher

We are proud of our students' courage and growth, and grateful to our staff for their unwavering support. These lessons are more than just swimming—they are life-saving skills and confidence-building experiences that will stay with our students for years to come. ■

The Giving Spirit

Valley Elementary's annual Thanksgiving event was another great success. Dozens of families came and shared a meal with our whole school community. Families, students, and staff all came together to talk, eat, share stories, and connect. "It's a great event that really captures the spirit of the school," says Bryan Thomas, assistant principal and special education administrator.

This year, for the first time Valley Elementary also opened a small food pantry. The idea came from the Parent Advisory Group, and it has been a great way to support our community. Staff and parents have generously contributed to keep the pantry stocked, while social workers have worked with families to identify needs and facilitate distribution. ■

VALLEY COLLABORATIVE

In the Transitional Programming at Valley Middle/High School, Reading is all the Rage

At a recent meeting of Valley's new book club, students were abuzz about reading. Started this fall, the new program at Valley's Transitional Middle and High School has serious academic goals, including building confidence in readers. For club members, the attraction of the group might be summed up with a simple motto: 'reading is fun.'

The book club was started by reading specialist Shana Cheevers. Shana, who started in that position this year after spending ten years as a classroom teacher at Valley, wanted to tap into the enthusiasm that some students have about reading and channel it throughout the school. "We have some kids who love to read, so this year I thought we could get everyone together and all share books that we like," says Shana.

The inaugural meeting of the new group featured a 'book tasting' in which each student brought a book they loved or were simply interested in reading. Members assessed the books and their genre—fiction turns out to be the most popular. Since

then, book club has been a weekly event. Around Halloween, students read a scary book—*The Nightmare Before Christmas*—taking turns reading aloud. Other recent highlights include an AI book generated by a middle school student. Whatever students choose to read, their excitement about the group is palpable, says Shana. "Students look forward to it all week, and turnout has been really good."

The new book group is just one element of a larger focus on reading at the Transitional Middle and High School this year. Notable changes this year include a new program for diagnostic assessments as well as a structured literacy program designed to help build foundational reading skills. Students are provided with reading lessons that develop literacy essentials including phonics, vocabulary, and fluency, while teachers are provided with data so that they know how each student is doing. Writing is also a major focus this year, says Shana. A new curriculum is aimed at helping students become stronger



TEACHER KALI ROWE WITH STUDENT IVY LEFEBVRE AND READING SPECIALIST SHANA CHEEVERS.

writers. "The goal is to help close some gaps and add to the students' toolbox of strategies for reading and writing."

Meanwhile, students say they are counting the days till the next book club. Here's what a few of them had to say.

Jack M: "I used to love listening to audio books. When Shana hung up fliers for her book club, I couldn't say no to it. Books are a favorite thing of mine. GO READING!!!!!" Jack M.

Rose: "I enjoy book club because it makes me happy!"

Leah: "I'm looking forward to reading about Helen Keller! I like to read with everyone about my interests."

Jack G: "I enjoy our stories and how we get together and spend time reading as a group" ■



JACK MURPHY AND JACK GREGOIRE READ DURING BOOK CLUB. THE WEEKLY GROUP, STARTED BY READING SPECIALIST SHANA CHEEVERS, HAS BEEN A HIT WITH STUDENTS.

VALLEY COLLABORATIVE

In the Alternative Programming at Valley Middle/High School, A Recipe for Success

Something especially delicious is being cooked up in Valley's kitchen these days. A sampling of some recent lunch specials include chicken marsala, creamy chorizo pasta, and handmade chicken sandwiches with a school favorite, hot honey sauce.

The new emphasis on scratch cooking comes courtesy of culinary vocational instructor Craig Ouellet, who started in the position at the start of the school year, and quickly set about overhauling the culinary program. Craig and an alternating team of three students approach each day much like a professional restaurant staff would, coming up with a dish, shopping for the necessary ingredients, then working their magic in the kitchen. These alternative lunches, offered in addition to the traditional Valley lunch, can be requested by staff. Students, who've earned points for academic progress and good behavior, can use a culinary voucher for one of the special meals.

"You learn an incredible amount working in a kitchen," says Craig. "Our students are learning how to make meals for themselves at home, how to work as a team, how to work alongside the other staff, and how to manage time. These are all skills that they'll be able to use in the future."

Like many of the students he engages with today, Craig once had little concept of homemade healthy meals. Then his mom got sick and he became her caregiver. "That's how I grew my passion for cooking," recalls Craig. As his skills improved, he realized that he could make a living doing something he enjoyed. Over

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the years, Craig has cooked in all kinds of kitchens, working for restaurants and as an in-



CULINARY VOCATIONAL INSTRUCTOR CRAIG OUELLET PREPARING A LUNCH SPECIAL.

dependent contractor. When an old friend told him that Valley needed help in its kitchen, Craig leaped at the opportunity. "My good friend is the kitchen manager. I'd heard so many great things about Valley, I had to come and see for myself," says Craig.

Craig's obvious rapport with students soon led to other opportunities. When a teaching position opened up last fall, Craig was asked to step in. Spending half of the day in the kitchen, the other half in the classroom, he had a realization: he loved teaching as much as cooking.



CHICKEN MARSALA, A RECENT SPECIAL PREPARED BY VALLEY'S CULINARY TEAM.

He is currently working towards earning his vocational teaching credential.

Feedback from students and staff who've been enjoying the new menu items has been incredibly positive, says Craig. "The students are excited about trying new ideas and seeing what's possible with food creation."

"It has been fun and educational learning a variety of meals that are different from what I usually eat at home," says James Straffin. "Craig lets us experiment with our out-of-the-box ideas like the eggnog cheesecake that turned out to be topshelf delicious," says Nate Goodwin.

Overall, Valley is happy to be offering this culinary experience that can jump start career paths for motivated students. It has been very rewarding for teachers and staff to see the smiles on the students' faces as they proudly serve the meals they've taken pride in creating. With a goal of creating better people with learned job skills, the Alternative High School Culinary Program is on the right track. ■

VALLEY COLLABORATIVE

Adult Services: Positive Culture, Shining Bright

As we approach the holiday season, the adults served by Valley Collaborative enthusiastically embrace the opportunity to give back to the community that shows them so much support throughout the year. The individuals eagerly participate in both a toy and food drive as a way to provide fellow community members with much needed support during the holidays. Every year the holiday season acts as a reminder of how lucky we all are to be part of the Valley Community, and how powerful we can be when we come together for a worthy cause. We are once again partnering with the Billerica Fire Department to run our toy drive as part of the Toys for Tots charity. It is truly amazing to see the participation from our individuals and their families. Our toy donation box always fills up multiple times over, and it takes a full crew to



THE ADULT PROGRAM ONCE AGAIN PARTNERED WITH THE BILLERICA FIRE DEPARTMENT TO RUN OUR TOY DRIVE AS PART OF THE TOYS FOR TOTS CHARITY. FROM LEFT: ADAM GUILD, ERIK REGO, MATT BOOTH, MARK FITTS, JASON DOYLE, JACK SABA, MARYALICE JACKSON AND JUSTIN SUTHERLAND.

deliver all the gifts to the Fire Station. This year was no different and served as a reminder of how thoughtful the Valley community is. Our food drive is run in accordance with the Merrimack Valley Food Bank and generates hundreds of pounds of food to be donated and dispersed to people in need. With the rising cost of groceries and general financial uncertainty, this food drive is essential for many community members in need. As always, our individuals and their families step up time and time again to ensure their community is supported. The adults collect so many donations that it requires multiple trips to the food bank to drop it all off. Our partnership with the Merrimack Valley Food Bank is an essential aspect of programming, and the positive connection is never as clear as during the holiday season.

In addition to the charitable donations collected during the holiday season, the Adult Program also hosts the individuals for a holiday brunch the Wednesday before Thanksgiving.

This is the one day of the year that we close all of our work and volunteer sites and come together to share a meal. Staff bring in homemade dishes that have meaning within their own cultures and families, and we use this opportunity to express our gratitude to one another while feasting as a giant family. Our Thanksgiving Brunch is one of the best days of the year as everyone involved cherishes the time spent, and the relationships made, through their connection to Valley.

The Valley Collaborative Adult Program operates all year round. It is so important that we take time to pause and step back to be able to recognize how important the connections we make with one another really are. The holiday season continues to provide the perfect opportunity to do just that, and the relationships we share with each other are stronger because of it. Never does the positive culture of the Valley Collaborative Adult Program shine as bright as it does during the holiday season. ■



THIS YEAR'S THANKSGIVING BRUNCH RECEIVED A BIG 'THUMBS UP' FROM ADAM AND BRIAN IN THE ADULT PROGRAM.

VALLEY COLLABORATIVE

Celebrating the Incredible Dedication of Valley Collaborative's Staff

Valley Collaborative is fortunate to have incredibly dedicated staff who are devoted to helping those we serve realize the best possible outcomes. This season, we are pleased to recognize our outstanding staff who've been part of the Valley community for five, ten, and fifteen or more years. Thank you for all you do to make Valley such a special place.

Fifteen or more years of service

Blackburn, Karen
Bond, Joanna
Casey, Janette
Cronin, Joseph
Davidson, Kristen
Donato, Susan
Gamache, Sandra
Glow Tessier, Jennifer
Gounaris, Nikki
Mercurio, Joia
Metrakas, Chrystalia
Mihalek, Brian
Morin, Scott
Morrin, Kari
Murphy, Amy
Noska, Nicole
Rowe, Karen
Stuart, Denise
Thomas, Bryan
Tryder-Carbone, Cristen
Venskus, Joseph
Winch, Katlyn

Ten to fourteen years of service

Aprile, Amanda
Carrabba, Tina
Chamberlin, Angela
Clauson, Victoria
Collins, James
Curran, Maggie
Davis, Stephanie
Ebert, Libby
Fisette, Angela
Gentile, Matthew

Hynes, Brittany
Kenney, Brenda
Landry, Robert
LeClair, Nicholas
MacKay, Heather
Marcotte, Jessica
Nutile, Kathryn
Ouellet, David
Quirbach, Chanelle
Scott, Chris
Stoicescu, Vlad
Tanguay, Elizabeth
Waters, Meghan
Watford, Dana

Five to nine years of service

Ahern, Ashley
Ayers, Leslie
Bazzinotti, Joanna
Belouafi, Wafaa
Borsh, Harrison
Bragan, Dale
Cain, April
Campbell, April
Carlson, Melissa
Chapman, Kristen
Clegg, Richard
Cymbura, Deneen
DeMauro, Rosa
Diaz, Kathleen
Driscoll, Donna
Escolas, Lori
Fitts, Kelly
Flynn, Jacob
Frazier, Erin
Gervais, Meghan

Gioumbakis, Elias
Goulakos, Stephen
Gray, Zachary
Horn, Sokkhunna
Hynes, Scott
Illg, David
Joslin, Christine
Kim, Shawn
Koles, Nicole
Lacroix, Mackenzie
Lavoie, Brian
Loring, Peter
MacAulay, Ian
McCarthy, Matthew
McGaunn, Paul
McNulty, Pamela
Morency, Sandra
Newman, Ryan
O'Brien, Susan
Pedreira, William
Perkins, Robert
Pincott, Rebecca
Plunkett, Joshua
Ramos, Elis
Richard, Kathryn
Sicard, Patricia
Silva, Renato
Smith, Jake
Spampinato, Nicole
Squeglia, Jaclyn
Taylor, Jonathan
Tourabi, Mayra
Waldron, Mariah
Wendler, Jillian
Workman, Michael
Yutkins, Richard

VALLEY COLLABORATIVE

A Positive Year, A Promising Future

*continued from cover

- **Dr. Denise Pigeon**, Executive Committee Member, Superintendent - Nashoba Valley Technical School District
- **Mr. Brad Morgan**, Superintendent - North Middlesex Regional School District
- **Ms. Brenda Theriault-Regan**, Executive Committee Member, Superintendent - Tewksbury Public Schools
- **Dr. Michael Flanagan**, Executive Committee Member, Superintendent - Tyngsborough Public Schools
- **Dr. Christopher Chew**, Superintendent - Westford Public Schools

Valley's Tuition Rates continue to be extremely competitive and the lowest in the region. The table below offers comparisons between Valley's tuition rates and the averages across the state for two fiscal years. Valley's low tuition rates are the result of over a decade and a half of financial decisions that have resulted in an extremely strong balance sheet – the healthiest of all collaboratives in the state. Valley's OPEB trust is fully funded (\$9M),

capital reserve fund is fully funded (\$1.5M), consistently invests \$1M annually in infrastructure updates, is fully staffed, 50% of its enrollment comes from non-member districts who pay a 25% premium to attend Valley's exemplary programming at a tuition rate that is still lower than most member district tuition rates at other Collaboratives (see table below). The financial stewardship on behalf of the Board of Directors and Valley administration results in Valley being able to offer tuition rates consistently below the circuit breaker threshold. Many of Valley's member districts are able to pay or receive a significant reduction in tuition rates each year because of Valley's surplus that is required to be returned to its member districts. This year the return was a total of \$1.2M, which again will offset already low tuition rates in FY26.

Valley was inundated with audits this past year. Our small but mighty team excels under pressure and tight timelines. Here's an overview:

DESE Coordinated Program Review – Mid-Cycle Review:

Valley has concluded its Mid-Cycle Review and the feedback from the DESE Office of Approved Special Education Schools (OASES) included, below.

Results: A+/Exemplary

- Administrative teams had an impressively long tenure. (This is significant because we are in a field where it is typical for key positions to be vacant and/or hard to fill. Fortunately, when people come to Valley, they fall in love with our mission and vision and stay for a very long time.)
- Students were engaged in rigorous curriculum/programming.
- They observed Valley's staff interacting with students in a caring and compassionate manner.
- Our systems throughout the Collaborative were consistent and followed with fidelity.
- Staff were well trained including but not limited to top tier therapeutic teams, educators who deliver high quality programs consistent with the state standards, and highly trained Special Education Assistants. (Valley's successful efforts to put into place the Academy for Special Education Assistants is noteworthy.)
- DESE protocols and procedures were followed with fidelity.
- Staff were committed and devoted to the mission of Valley.
- They wished that Valley could train other Collaboratives on how to do the exceptional work they witnessed.

DESE Collaborative Financial Review:

Valley Collaborative received the results from the DESE Collaborative Financial Review performed by MARCUM Accounting for DESE in June 2025.

*continued on next page

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Tuition Rate Comparisons

\$53,431	FY 26 Circuit Breaker Threshold
\$44,935	FY 26 Valley's Average Member District Tuition
\$57,224	FY 26 Valley's Average Non Member District Tuition
\$63,382	FY 26 Average MA Collaborative Member Tuition
\$99,067	FY 26 MAAPS (Private Schools) Average
\$49,320	FY 27 Valley's Average Member District Tuition
\$62,775	FY 27 Valley's Average Non Member District Tuition

A Positive Year, A Promising Future

**continued from previous page*

I am pleased to report that Valley received an ‘exemplary’ score. MARCUM presented at MOEC’s general membership meeting on October 7, 2024 and Valley was the case study/exemplar.

The Department of Elementary and Secondary Education continues to work through some technical matters regarding how certain DESE guidance and regulations are being interpreted by both Collaboratives across the Commonwealth and DESE with regards to the 25% Surplus Calculation. Valley has been instructed not to change how it has calculated the 25% surplus. Valley was proud to be a thought partner and one of the pilot sites for this new financial/governance review process that all Collaboratives will undergo every six years.

Results: A+/Exemplary

FY’25 Independent Financial Audit: Valley’s FY’25 Independent Financial Audit, performed by Fritz DeGuglielmo, LLC, has been completed. Daniel Schaffner, CPA, and his team. Valley is proud to say that the audit was again this year finding-free and demonstrates Valley’s commitment to sound, competent, financial management/oversight. The Board of Directors and Valley’s Administration team take very seriously its responsibility to be good stewards of public funds. Valley had another financially successful year in FY’25, ending the year with \$1.2M being returned to Member School Districts. Our systems and processes have never been more effective. Daniel Schaffner, CPA reported out to the Board at the November 20, 2025 Board of Directors meeting.

Results: A+/Exemplary

DDS CORI Audit:

For the first time, on September 24, 2024 DDS performed a CORI audit to ensure Valley Collaborative was in full compliance with all procedures and protocols.

Results: A+/Exemplary

DDS DPPC Audit:

To ensure compliance with Nicky’s Law, the Disabled Persons Protection Commission (DPPC) is authorized to conduct periodic compliance reviews of DDS and agencies defined as Employers (Valley Collaborative). Valley completed its first compliance review on September 6, 2024. This review included DDS staff hired after July 1, 2023, along with their signed DPPC Consent Form and Valley’s internal policies and procedures to adhere to M.G.L. c. 19C § 15.

Results: A+/Exemplary

District Improvement Planning

The Valley Collaborative district planning process continued in the 2024-25 school year, as the team completed Valley’s five-year district plan and began the process of action planning strategic initiatives they selected for implementation next year.

The Leadership Team launched its planning work in the fall with extensive community outreach, presenting the draft district plan and gathering feedback from parents, students and adults, staff, and some community partners across all schools and the adult program. Using shared materials designed to support consistency in messaging and process, team members presented the plan and posed the following questions for discussion and feedback:

- Do you think the current set of initiatives represents the work required for that objective?
- What questions, if any, do you have?
- What, if anything, do you believe is missing?

In December, the leaders who had facilitated these feedback sessions presented results to the entire Leadership Team. After discussing these community responses in depth and developing a new collaborative-wide perspective of the plan, the team then revised and finalized the plan’s strategic initiatives.

The final element of the district plan that remained for development were the outcome measures—what success will look like and how Valley will know if it has achieved the plan’s objectives. The Executive Team met in February to begin outcome development, proposing an initial set of measures for consideration by the Leadership Team in early April. At that meeting, the team reviewed and revised the proposed outcomes, completing the district plan—and also began the work of prioritizing strategic initiatives to action plan for implementation in 2025-26.

The team then identified five leaders to serve as district plan project leaders, one responsible for each of the five initiatives selected for implementation. These leaders strategically selected individuals across the collaborative for their teams, ensuring that people with the necessary expertise and a collaborative-wide perspective were at the table. The leaders participated in training to prepare them for facilitating development and oversight of action plans and facilitated the first round of action planning in May. Action plan teams will continue development of these plans in the fall. The five initiatives selected for implementation are listed on the next page.

**continued on next s page*

A Positive Year, A Promising Future

**continued from previous page*

1. Continue to develop and implement new programming to meet Individual Education Plan, Individual Support Plan, and Life Plan goals and objectives of Valley's K-12 students and adult services participants through: community life skills opportunities; expanded academic opportunities through technology; transitional opportunities; and community-based day supports activities.
2. Implement a professional learning and evaluation management system that will assist Valley in leveraging data to plan, manage, track, and evaluate employees and their training and professional learning activities.
3. Strengthen outreach and communication between staff, students/ DDS and MRC individuals, and families in order to foster a sense of belonging.
4. Redevelop Valley's informational materials to reflect the mission & vision and assist in educating community members about Valley's program offerings, through updated materials including Valley's website.
5. Work with stakeholders—including families, districts, DDS and MRC individuals, and community partners—to expand vocational placements for students in order to support their development as contributing members of their communities

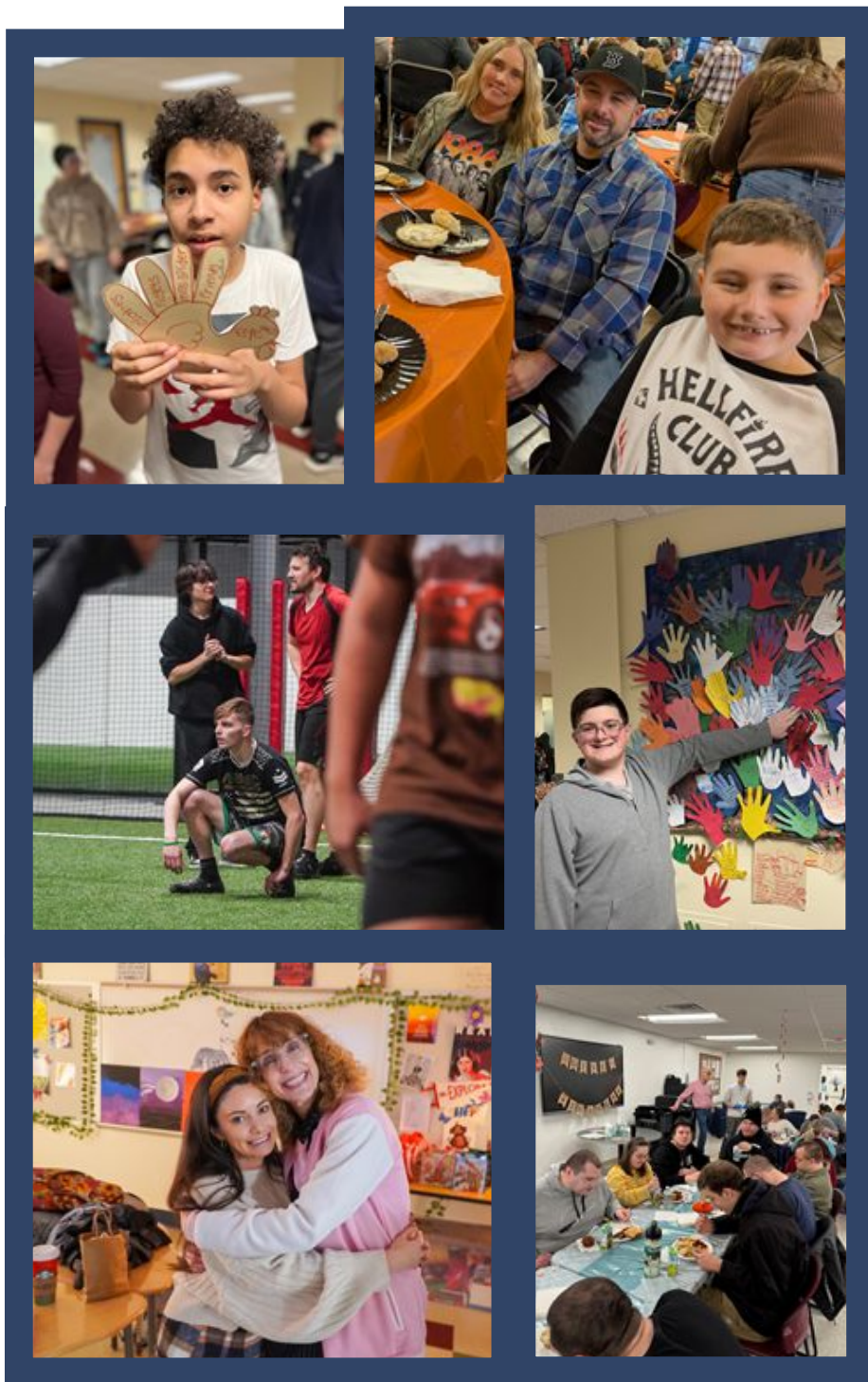
Please reach out if I can ever be of assistance. We are here to serve. My door is always open.

My best to you always,



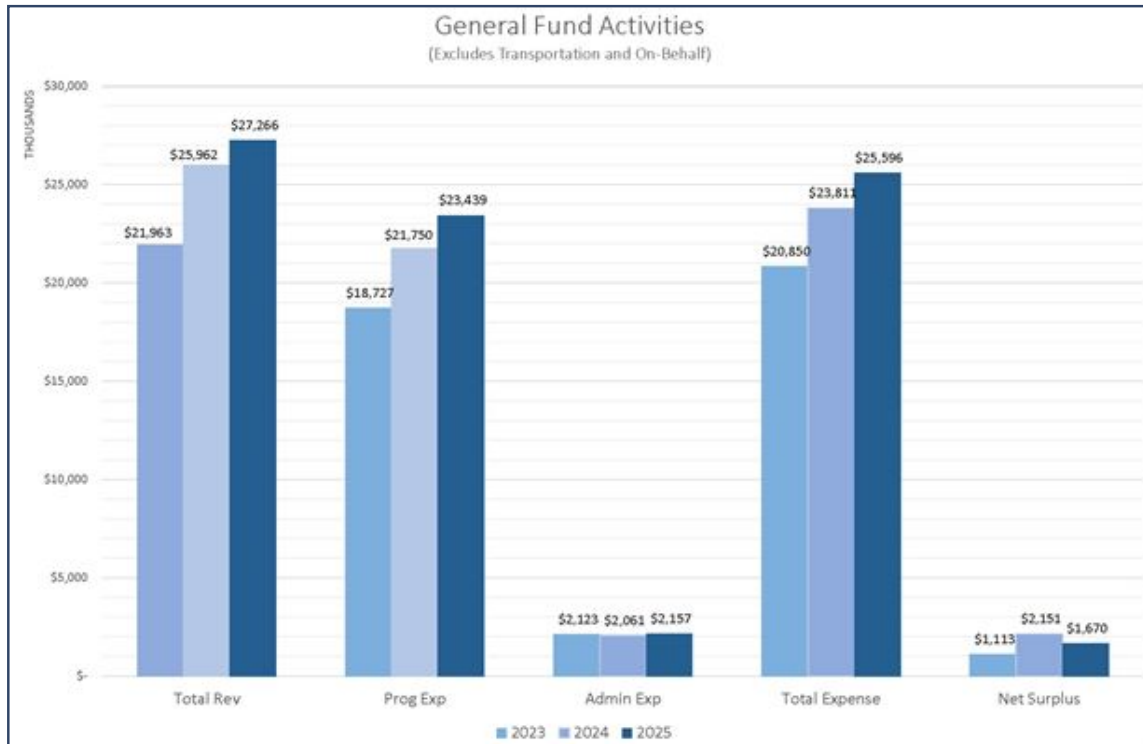
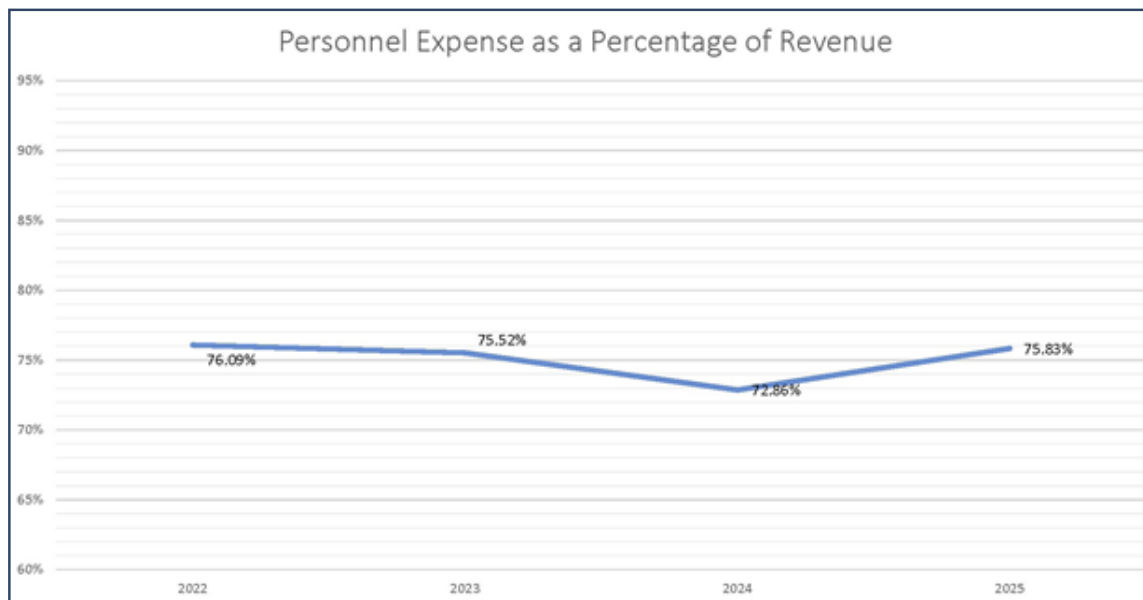
Chris A. Scott
Executive Director
Valley Collaborative

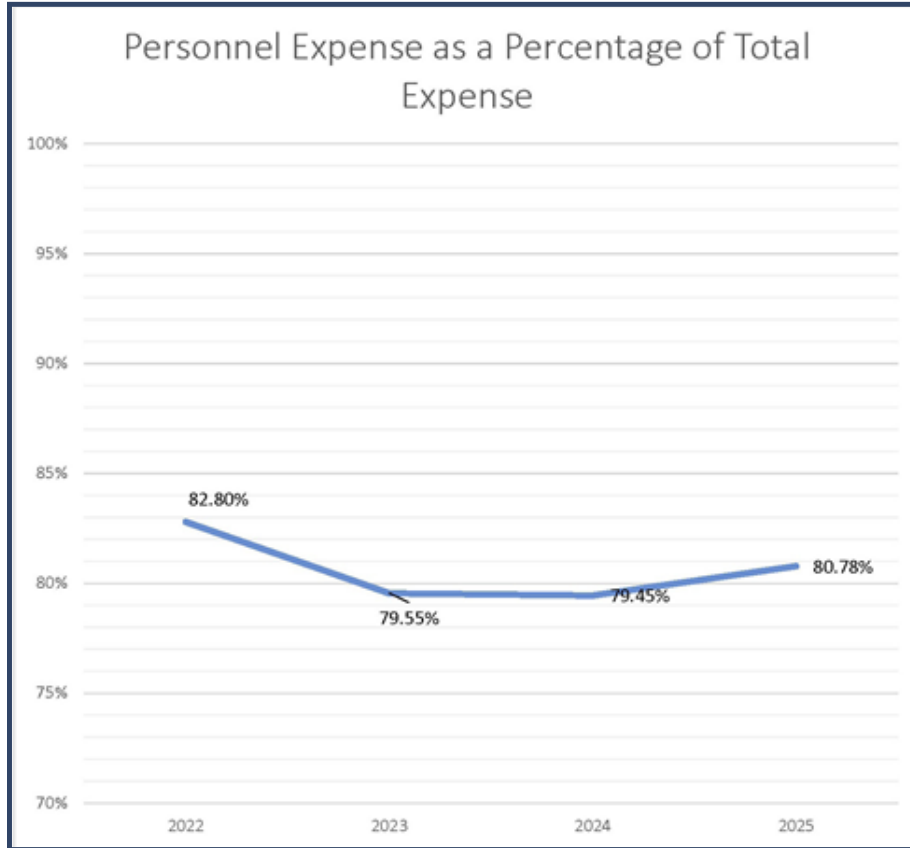
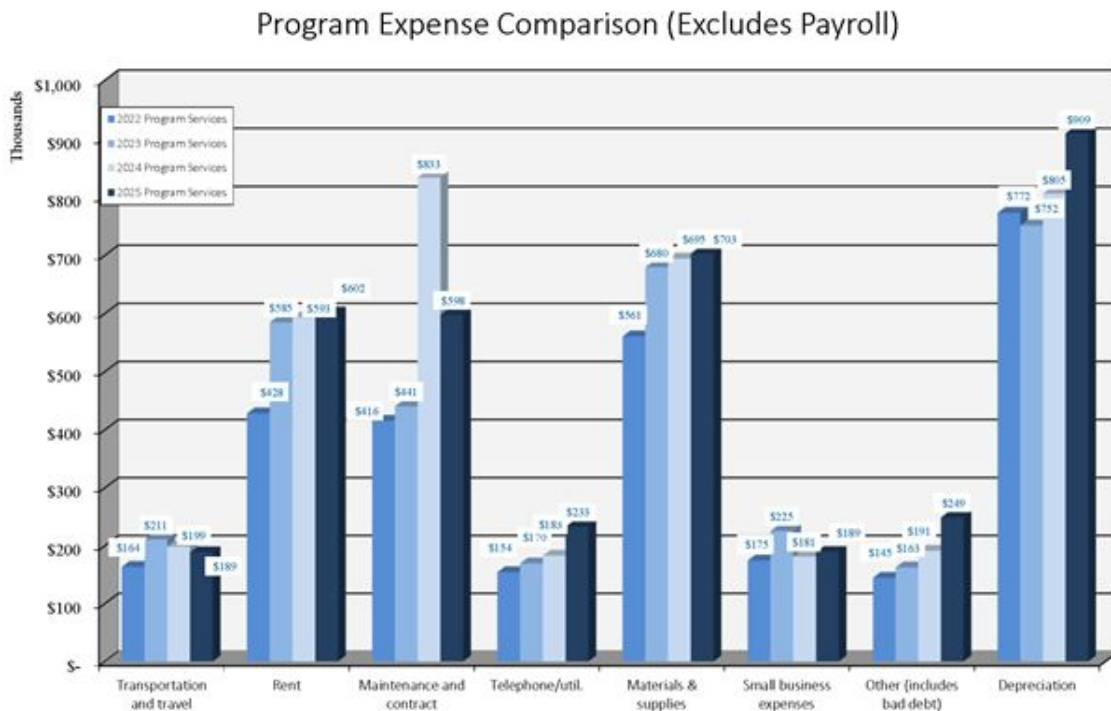
Giving Thanks at Valley Collaborative



TOP LEFT: FREDDY ABREU SHARING HIS THANKFUL TURKEY; TOP RIGHT: SIXTH GRADER EVAN CIACCIO AND FAMILY AT VALLEY ELEMENTARY'S ANNUAL THANKSGIVING GATHERING; MIDDLE LEFT: STUDENTS JOEL RATHBUN AND DJ REARDON TALK TO TEACHER JOSH PLUNKETT AFTER THE STAFF VS. STUDENTS CAPTURE THE FOOTBALL GAME; MIDDLE RIGHT: CADEN BERTHET SHARING ON THE THANKFUL TREE; BOTTOM LEFT: TEACHER TAMARA MELNICK AND IEP COORDINATOR LISA HAYES ON THANKSGIVING; BOTTOM RIGHT: INDIVIDUALS IN VALLEY'S ADULT PROGRAMS ENJOY A THANKSGIVING BRUNCH.

An Impressive Summary of Financial Activity for the year ended June 30, 2025





Valley Collaborative Leadership Team



Chris A. Scott, PhD

Executive Director,
Finance and Operations
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Ability
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& Transitional High School:
Alternative Programming
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Renato Silva

School Safety & Facilities
Manager
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Kari Morrin

Director of HR, Title IX and
504 Coordinator
kmorrin@valleycollaborative.org



Nicole Noska

Principal, Valley Middle School
& Transitional High School:
Transitional Programming
nnoska@valleycollaborative.org

Valley Collaborative Board of Directors



Dr. Jay Lang, Chair

Chairman of the Board,
Executive Committee
Member

Superintendent
Chelmsford Public Schools



Dr. Kerry Clery

Superintendent
Billerica Public Schools



Mr. Steven Stone

Superintendent
Dracut Public Schools



Dr. Geoff Bruno

Superintendent
Groton-Dunstable
Regional School District



Dr. Denise Pigeon

Executive Committee
Member

Superintendent
Nashoba Valley
Technical School District



Mr. Brad Morgan

Superintendent
North Middlesex
Regional School District



**Ms. Brenda
Theriault-Regan**

Executive Committee
Member

Superintendent
Tewksbury Public Schools



**Dr. Michael
Flanagan**

Executive Committee
Member

Superintendent
Tyngsborough Public
Schools



**Dr. Christopher
Chew**

Superintendent
Westford Public Schools

**VALLEY COLLABORATIVE
TREASURER'S REPORT
NOVEMBER 30, 2025**

		<u>Beginning Balance</u>	<u>Receipts</u>	<u>Payroll</u>	<u>Accounts Payable</u>	<u>Earnings</u>	<u>Transfers</u>	<u>Ending Balance</u>
ROCKLAND TRUST ACCOUNTS								
Operating	a/c 493426	\$ 2,390,995.51	\$ 2,560,996.02		\$ (329,258.84)		\$ (1,325,000.00)	\$ 3,297,732.69
Payroll	a/c 795823	\$ 169,926.48		\$ (1,396,315.48)			\$ 1,325,000.00	\$ 98,611.00
Joe's Bistro	a/c 531401	\$ 1,900.04	\$ 1,393.38					\$ 3,293.42
ICS MMDA	a/c 856490	\$ 4,786.78				\$ 1.04		\$ 4,787.82
Capital Reserve	a/c 4063467	\$ 1,500,000.00						\$ 1,500,000.00
Independence Project	a/c 821315	\$ 114.36	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 114.36
TOTAL ROCKLAND TRUST ACCOUNTS		<u>\$ 4,067,723.17</u>	<u>\$ 2,562,389.40</u>	<u>\$ (1,396,315.48)</u>	<u>\$ (329,258.84)</u>	<u>\$ 1.04</u>	<u>\$ -</u>	<u>\$ 4,904,539.29</u>
 MMDT	a/c 0044263747	<u>\$ 1,174,223.21</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,999.92</u>	<u>\$ -</u>	<u>\$ 1,178,223.13</u>
 Total Unrestricted Cash		<u>\$ 5,241,946.38</u>	<u>\$ 2,562,389.40</u>	<u>\$ (1,396,315.48)</u>	<u>\$ (329,258.84)</u>	<u>\$ 4,000.96</u>	<u>\$ -</u>	<u>\$ 6,082,762.42</u>
 PARS OPEB Trust		<u>\$ 8,814,755.69</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,336.60)</u>	<u>\$ 47,200.72</u>	<u>\$ -</u>	<u>\$ 8,859,619.81</u>
 TOTAL CASH		<u>\$ 14,056,702.07</u>	<u>\$ 2,562,389.40</u>	<u>\$ (1,396,315.48)</u>	<u>\$ (331,595.44)</u>	<u>\$ 51,201.68</u>	<u>\$ -</u>	<u>\$ 14,942,382.23</u>

Valley Collaborative
Interim Statement of Revenues, Expenses and Changes in Net Assets
For the Period Ending November 30, 2025
90 of 210 (42.9%) School Days

UNAUDITED			
	AMENDED BUDGET	ACTUAL	
REVENUES			
Services	\$ 23,012,981	\$ 9,642,462	
State Contracts	5,800,000	2,442,575	
Other	750,000	349,469	
Interest	30,000	21,249	
Total Revenues	29,592,981	12,455,755	42.09%
EXPENSES			
Salaries	18,788,975	7,734,357	
Employee Benefits	4,074,850	1,532,560	
Operating Expenses	3,347,463	1,234,861	
Leases & Rentals	594,727	225,266	
Depreciation	751,000	312,917	
Total Expenses	27,557,015	11,039,961	40.06%
Change in Net Assets - Operating	\$ 2,035,966	\$ 1,415,794	
Non Operating Activities			
Return to Member Districts	-		
Non-Operating Expenses (1)	(1,275,000)	(884,857)	
Change in Net Assets	\$ 760,966	\$ 530,937	

Substantially all disclosures and the Statement of Cash Flows required by GAAP are omitted. No assurance is provided on these financial statements.



VALLEY COLLABORATIVE

FY2027 BUDGET SUMMARY Proposed Budget Amendment

	FY2024		FY2025		FY2026	FY 2026 Amended	FY 2027		
	<u>Budget</u>	<u>Actual</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Original</u>	<u>Amended Budget</u>	<u>Approved</u>	<u>vs. 2026 Amended</u>	<u>% change</u>
REVENUES									
Services	19,600,000	20,646,468	22,045,706	22,197,833	22,399,500	23,012,981	23,903,370	\$ 890,389	
State contracts	4,500,000	4,590,023	4,500,000	4,483,224	5,100,000	5,800,000	6,100,000	300,000	
Other	700,000	663,525	649,609	692,920	750,000	750,000	800,000	50,000	
Interest	5,000	59,537	55,000	54,508	30,000	30,000	30,000	-	
Total Revenues	\$ 24,805,000	\$ 25,959,553	\$ 27,250,315	27,428,485	\$ 28,279,500	\$ 29,592,981	\$ 30,833,370	\$ 1,240,389	4.02%
EXPENSES									
Salaries	16,431,226	16,717,809	18,094,418	18,016,511	18,788,975	18,788,975	19,736,328	947,353	
Operating Expenses	6,644,655	7,223,818	7,385,074	7,747,034	8,368,040	8,768,040	9,221,044	453,004	
Total Expenses	\$ 23,075,881	\$ 23,941,627	\$ 25,479,492	25,763,545	\$ 27,157,015	\$ 27,557,015	\$ 28,957,372	\$ 1,400,357	4.84%
Revenues over/(under) Expenses	1,729,119	2,017,926	1,770,823	1,664,940	1,122,485	2,035,966	1,875,998	(159,968)	
NON-OPERATING									
Capital	1,015,000	-	1,000,000	-	1,075,000	1,275,000	925,000	(350,000)	
BUDGETED SURPLUS/(SHORTFALL)	\$ 714,119	\$ 2,017,926	\$ 770,823	\$ 1,664,940	\$ 47,485	\$ 760,966	\$ 950,998	190,032	



*** DRAFT* Valley Collaborative 2026 - 2027 Tuition Rates * DRAFT***

Program	Grades	Member District Rates					Non-Member District Rates				
		School Year Per Diem	School Year (180 Days)	Summer Per Diem	Summer (30 Days)	Total Tuition (SY+Summer)	School Year Per Diem	School Year (180 Days)	Summer Per Diem	Summer (30 Days)	Total Tuition (SY+Summer)
Intensive Special Needs (ISN) Member and Non-Member Tuition Includes: SLP, OT, PT, BCBA, SW	K – Age 22	\$326	\$58,680	\$342	\$10,260	\$68,940	\$414	\$74,520	\$435	\$13,050	\$87,570
Elementary School Member and Non-Member Tuition Includes: SLP, OT, PT, BCBA, SW	K-6	\$266	\$47,880	\$280	\$8,400	\$56,280	\$339	\$61,020	\$356	\$10,680	\$71,700
Middle School Member and Non-Member Tuition Includes: SLP, OT, PT, BCBA, SW	6-8	\$266	\$47,880	\$280	\$8,400	\$56,280	\$339	\$61,020	\$356	\$10,680	\$71,700
High School Member and Non-Member Tuition Includes: SLP, OT, PT, BCBA, SW	9-12	\$238	\$42,840	\$250	\$7,500	\$50,340	\$303	\$54,540	\$319	\$9,570	\$64,110

*** DRAFT* Valley Collaborative 2026 -2027 Contract & Related Services Rates * DRAFT***

Hourly Services	Member District	Non-Member District
Speech, Occupational, Physical Therapy, BCBA, Social Work, Reading Specialist, and Cognitive/Intelligence Testing - Three Year Evaluations	\$112/hr.	\$145/hr.
Tutoring	\$56/hr.	\$74/hr.
1:1 District Paid Aide	\$261/day	\$338/day
Nurse	Contingent on qualifications	Contingent on qualifications
Interim Alternative Education Setting – Extended Evaluation	program tuition day rate + \$56/hr. related services	program tuition day rate + \$74/hr. related services
Initial/Reevaluation/ 3 year Evaluations	N/A	billed at the hourly rate for the appropriate service

Valley Collaborative

Financial Statements

For the Year Ended June 30, 2025

Valley Collaborative
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For the Year Ended June 30, 2025

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FRITZ DEGUGLIELMO LLC
CERTIFIED PUBLIC ACCOUNTANTS
& BUSINESS ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Valley Collaborative
North Billerica, Massachusetts

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Valley Collaborative, a collaborative organized under the Laws of the Commonwealth of Massachusetts, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Valley Collaborative's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Valley Collaborative, as of June 30, 2025, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Valley 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 Valley Collaborative's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Valley 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 Valley 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, budgetary comparison information, OPEB plan required supplementary information and pension schedules on pages 3-7 and 32-38 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2025, on our consideration of Valley Collaborative's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Valley Collaborative's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Valley Collaborative's internal control over financial reporting and compliance.



Certified Public Accountants

Newburyport, Massachusetts

November 20, 2025

Valley Collaborative
 Management's Discussion and Analysis
 (unaudited)
 June 30, 2025

Our discussion and analysis of Valley Collaborative's ("The Collaborative") financial performance provides an overview of the Collaborative's financial activities for the fiscal year ended June 30, 2025 with comparative information from the fiscal years ended June 30, 2024 and 2023. 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 the Collaborative's financial statements. The Collaborative'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 the Collaborative as a whole using accounting methods similar to those used by private sector companies.

- The **Statement of Net Position** presents information on all of the Collaborative's assets and liabilities with the difference between the two reported as net position. It is one way of measuring the Collaborative's financial health or position.
- The **Statement of Activities** presents information showing how the Collaborative'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 the Collaborative'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 the Collaborative.

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, the Collaborative has only governmental and fiduciary funds.

- **Governmental funds** – The Collaborative'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 the Collaborative'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.
- **Fiduciary fund** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Collaborative's own programs.

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 the Collaborative's financial statements.

Valley Collaborative
Management's Discussion and Analysis
(unaudited)
June 30, 2025

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**Collaborative's Net Position:**

	<u>2025</u>	<u>2024</u>	<u>2023</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Assets			
Current Assets	\$10,763,763	\$11,859,954	\$ 9,638,049
Non-current assets, net**	<u>9,107,606</u>	<u>9,718,962</u>	<u>10,385,960</u>
Total Assets	<u>19,871,369</u>	<u>21,578,916</u>	<u>20,024,009</u>
Deferred Outflows Related to OPEB	<u>947,666</u>	<u>1,090,530</u>	<u>1,943,312</u>
Total Assets and Deferred Outflows of Resources	<u>\$20,819,035</u>	<u>\$22,669,446</u>	<u>\$21,967,321</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION			
Liabilities			
Current Liabilities	\$ 1,880,184	\$ 3,163,986	\$ 2,933,189
Long Term Liabilities**	<u>4,550,391</u>	<u>4,057,503</u>	<u>4,925,869</u>
Total Liabilities	<u>6,430,575</u>	<u>7,221,489</u>	<u>7,859,058</u>
Deferred Inflows Related to OPEB	<u>2,724,696</u>	<u>3,285,540</u>	<u>3,037,142</u>
Net Position			
Unrestricted	\$ 3,787,127	\$ 4,023,633	\$ 2,658,926
Restricted – grants and contributions	46,002	37,641	30,583
Restricted – renovation project/capital reserve	1,500,000	1,500,000	1,500,000
Invested in right-of-use assets, net of liabilities**	(282,600)	(147,684)	(58,449)
Invested in capital assets, net of related debt	<u>6,613,235</u>	<u>6,748,827</u>	<u>6,940,061</u>
Total Net Position	<u>\$11,663,764</u>	<u>\$12,162,147</u>	<u>\$11,071,121</u>

During the fiscal year ended June 30, 2025, the Collaborative's overall net position decreased by approximately \$499,000. Total assets decreased by approximately \$2,608,000 primarily as a result of payment of the prior year credit to the member districts as well as the continued depreciation of assets and amortization of the right-of-use leased assets. Total liabilities decreased by approximately \$791,000, which was primarily the result of the decrease in the year's pay down of lease liability of approximately \$341,000, timing of paying various accounts payable of approximately \$648,000, and a decrease in prepaid tuition of approximately \$510,000, net of an increase of approximately \$770,000 in net OPEB liability due to the updated actuarial calculations. The Collaborative realized a decrease in net position from operations of approximately \$499,000, including issuance of prior year member credits, depreciation on capital assets, right-of-use lease expense and other postemployment benefits expense.

During the fiscal year ended June 30, 2024, the Collaborative's overall net position increased by approximately \$1,091,000. Total assets increased by approximately \$1,555,000 primarily as a result of continued strong operations and oversight increasing the overall cash position of the Collaborative. Total liabilities decreased by approximately \$638,000 which was primarily the result of the decrease in the year's pay down of lease liability of approximately \$387,000 and the adjustment in the OPEB liability of approximately \$588,000 due to the updated actuarial study and \$758,000 as a result of the timing of the payback of credit to the member districts that occurred in fiscal year 2023 but not in fiscal year 2024. Liabilities also increased by \$510,000 in prepaid tuition paid by two of the member districts in comparison to fiscal year 2023. The remaining difference is a result of the timing of payments in

Valley Collaborative
Management's Discussion and Analysis
(unaudited)
June 30, 2025

comparison to the prior fiscal year relating to the various accrued expenses and payables. The Collaborative realized an increase in net position from operations, including depreciation on capital assets, right-of-use lease expense and other postemployment benefits expense, of approximately \$1,091,000.

SUMMARY OF ACTIVITIES

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Revenues/Gains*	\$27,413,028	\$26,075,648	\$21,984,406
Program Expenses/Losses*	23,691,319	22,030,507	19,048,642
Administrative Expenses/Losses*	<u>2,172,402</u>	<u>2,075,632</u>	<u>2,137,683</u>
Total Expense*	<u>25,863,721</u>	<u>24,106,139</u>	<u>21,186,325</u>
Change in net position, before increase in net retirement health benefit obligation and credits to member districts			
	1,549,307	1,969,509	798,081
Increase in net retirement health benefit obligation	<u>(352,138)</u>	<u>(573,661)</u>	<u>(643,839)</u>
Change in net position before credits to member districts	1,197,169	1,395,848	154,242
Credits to member districts	<u>(1,695,822)</u>	<u>(304,552)</u>	<u>(815,609)</u>
Change in Net Position	<u>(\$ 498,653)</u>	<u>\$1,091,296</u>	<u>\$ 380,887</u>

* Excludes Massachusetts Teachers' and State Employees' Retirement Systems "on-behalf" payments, credits to members, and other postemployment benefits funding and expense.

Revenues

In the fiscal year ended June 30, 2025, revenues, excluding Massachusetts Teachers' and State Employees' Retirement Systems "on-behalf" payments, increased by approximately \$1,337,000 (6%). In the fiscal year ended June 30, 2024, revenues, excluding Massachusetts Teachers' and State Employees' Retirement Systems "on-behalf" payments, increased by approximately \$4,091,000 (19%). The changes within fiscal years are due primarily to changes in student enrollment in the respective years. Changes in fiscal year 2025 enrollment are primarily a result of expanding of programs and offerings to the area districts.

Operating Expenses

In the fiscal year ended June 30, 2025, operating expenses, excluding Massachusetts Teachers' and State Employees' Retirement Systems "on-behalf" payments, increased by approximately \$1,758,000, or 8%, compared to the fiscal year ended June 30, 2024. Increases in expenses were primarily a result of increased employee and benefit costs. Personnel costs increased by approximately \$1,728,000 in the fiscal year ended June 30, 2025 as a result for the increase in staffing needs to support operations. There were various other small increases Collaborative wide to support the continued growth.

In the fiscal year ended June 30, 2024, operating expenses, excluding Massachusetts Teachers' and State Employees' Retirement Systems "on-behalf" payments, increased by approximately \$2,920,000, or 14%, compared to the fiscal year ended June 30, 2023. Increases in expenses were primarily a result of increased employee and benefit costs, as well as maintenance and occupancy costs. Personnel costs increased by approximately \$2,395,000 in the fiscal year ended June 30, 2024 as a result for the increase in staffing needs to support operations. Maintenance and occupancy costs increased by approximately \$480,000 and training expenses increased by approximately \$20,000. Maintenance and occupancy costs increased as a result of the repairs and updates made across the properties occupied by the Collaborative as well as general increases in utilities. Training expenses saw increases as a result of the increase in new staff employed by the Collaborative as well as the full integration of the SPEDfi program and getting all users acclimated to the system.

Valley Collaborative
 Management's Discussion and Analysis
 (unaudited)
 June 30, 2025

Governmental Funds Financial Highlights

The Collaborative reported a total general fund balance of \$7,614,806, of which \$44,286 was nonspendable and the remaining \$7,570,520 was unassigned. The fund balance increased \$115,632 over the prior fiscal year, as the result of a net operating surplus of \$1,670,454, plus \$141,000 received as trade-in value for vehicles disposed of to be used against the purchase price of new vehicles and decreased by \$1,695,822 of credits issued to member districts. Prepaid expenses decreased by \$2,094, Accounts receivable decreased by \$997,436, primarily due to increased collection efforts. Cash decreased by \$96,661.

Due to strong management, since the year ended June 30, 2013, the Collaborative has returned more than \$13,815,000 from its general fund in the form of cash and tuition credits to its member districts.

CAPITAL ASSETS AND OTHER OBLIGATIONS

During the fiscal year ended June 30, 2025 the Collaborative purchased and capitalized eleven vehicles, leasehold improvements and other equipment for use in its program with a total cost of \$791,751. The Collaborative did trade in nine vehicles in fiscal year 2025 totaling a trade-in value of \$141,000.

During the fiscal year ended June 30, 2024, the Collaborative purchased and capitalized eight vehicles, leasehold improvements and other equipment for use in its program with a total cost of \$613,951. The Collaborative did trade in seven vehicles in fiscal year 2024 totaling a trade-in value of \$91,800.

As of June 30, 2025, the balance in the capital reserve fund was \$1,500,000, and fully funded. This fund is considered restricted until utilized for its intended purpose.

SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENT (SBITA) & LEASED ASSETS AND LIABILITIES

During 2023, the Collaborative implemented GASB Statement No. 96 which requires recording right-of-use SBITA assets and related liabilities for all long-term SBITAs. The Collaborative evaluated its contracts effective July 1, 2024 and determined that the Collaborative had no agreements that exceeded a 12-month period. Therefore there is no value recognized in the financial statements as a result of this standard.

The Collaborative complies with GASB Statement No. 87 which requires right-of-use leased assets and related liabilities for all long-term leases. As of June 30, 2025, the Collaborative recognized right-of-use assets totaling \$4,011,146, net of accumulated amortization of \$1,516,777 and lease liabilities of \$2,776,971 for all leases. See Note D in the notes to the financial statements for additional information on the Collaborative's leases.

BUDGETARY HIGHLIGHTS

The Collaborative's annual budget for the fiscal year ended June 30, 2025 was approved by its Board of Directors and then amended on January 9, 2025. For the fiscal year ended June 30, 2025, the Collaborative received operating revenues, excluding on-behalf payments by the Massachusetts Teachers' and State Employees' Retirement Systems, of approximately \$27,266,000 compared to final budgeted revenues of approximately \$27,430,000. The difference between actual revenues received and budgeted revenues is primarily due to lower-than-expected revenues from state contracts. The Collaborative expended operating expenses, excluding on-behalf payments by the Massachusetts Teachers' and State Employees' Retirement Systems, of approximately \$24,804,000 compared to final budgeted expenses of approximately \$26,537,000. The difference between actual expenses incurred and budgeted expenses is primarily from increases relating to the hiring of additional staff that did not occur during the year as planned.

The Collaborative's annual budget for the fiscal year ended June 30, 2024 was approved by its Board of Directors and then amended on January 11, 2024. For the fiscal year ended June 30, 2024, the

Valley Collaborative
Management's Discussion and Analysis
(unaudited)
June 30, 2025

Collaborative received operating revenues, excluding on-behalf payments by the Massachusetts Teachers' and State Employees' Retirement Systems, of approximately \$25,963,000 compared to final budgeted revenues of approximately \$24,805,000. The difference between actual revenues received and budgeted revenues is primarily due to higher-than-expected revenues from services the organization provides as well as state contracts. The Collaborative expended operating expenses, excluding on-behalf payments by the Massachusetts Teachers' and State Employees' Retirement Systems, of approximately \$23,198,000 compared to final budgeted expenses of approximately \$23,076,000. The difference between actual expenses incurred and budgeted expenses is primarily from increases relating to the hiring of additional staff.

CONTACTING THE COLLABORATIVE

This financial report is designed to provide readers of the financial statement an overview of the Collaborative's financial activities. If you have questions in regard to this report, contact Chris A. Scott, Ph.D., 11 Executive Park Drive, North Billerica, MA 01862, or at 978-528-7800.

Valley Collaborative
Statement of Net Position
June 30, 2025

Assets

Current Assets	
Cash and cash equivalents	\$ 7,896,935
Accounts receivable, net	2,822,542
Prepaid expenses and other assets	44,286
Total Current Assets	<u>10,763,763</u>
Non-current Assets	
Right-of-use leased assets, net of accumulated amortization	2,494,371
Capitalized assets, net	6,613,235
Total Non-current Assets	<u>9,107,606</u>
Total Assets	<u>19,871,369</u>

Deferred Outflows of Resources

Deferred Outflows of Resources Related to OPEB	947,666
Total Assets and Deferred Outflows of Resources	<u>\$ 20,819,035</u>

Liabilities, Deferred Inflows and Net Position

Current Liabilities	
Accounts payable and accrued liabilities	\$ 1,098,008
Deferred revenues	500,000
Credits due to member districts	4,947
Lease liability, current portion	277,229
Total Current Liabilities	<u>1,880,184</u>
Non-current Liabilities	
Lease liabilities, net of current portion	2,499,742
Net OPEB liability	2,050,649
Total Non-current Liabilities	<u>4,550,391</u>
Total Liabilities	<u>6,430,575</u>

Deferred Inflows of Resources

Deferred Inflows of Resources Related to OPEB	<u>2,724,696</u>
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Net Position

Net Position	
Unrestricted	3,787,127
Restricted - contributions and other	46,002
Restricted - capital reserve fund	1,500,000
Invested in right-of-use leased assets, net of related liabilities	(282,600)
Invested in capital assets, net of related debt	6,613,235
Total Net Position	<u>11,663,764</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 20,819,035</u>

See accompanying notes to financial statements and independent auditor's report.

Valley Collaborative
Statement of Activities
For the year ended June 30, 2025

Functions/ Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Adult Services and Operating Grants/Contrib- utions	
Governmental Activities:				
Administration	\$ 2,172,402	\$ -	\$ -	\$ (2,172,402)
Education	22,045,532	22,682,559	4,501,510	5,138,537
Intergovernmental revenue and expense	3,365,600	-	3,365,600	-
Other postemployment benefits	352,138	-	-	(352,138)
Interest expense	260,900	-	-	(260,900)
Capital asset depreciation and amortization	909,123	-	-	(909,123)
Right-of-use asset amortization	475,764	-	-	(475,764)
Total Governmental Activities	\$ 29,581,459	\$ 22,682,559	\$ 7,867,110	\$ 968,210
General Revenue and Other:				
Interest				54,508
Gain on disposal of assets				122,780
Other				51,671
Credits to member districts				(1,695,822)
Total General Revenue and Other				(1,466,863)
Change in Net Position				(498,653)
Net Position, Beginning of Year				12,162,417
Net Position, End of Year				\$ 11,663,764

See accompanying notes to financial statements and independent auditor's report.

Valley Collaborative
Balance Sheet
Governmental Funds
June 30, 2025

	General Fund	Capital Reserve Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 6,350,933	\$ 1,500,000	\$ 46,002	\$ 7,896,935
Accounts receivable, net	2,822,542	-	-	2,822,542
Prepaid expenses and other assets	44,286	-	-	44,286
Total Assets	\$ 9,217,761	\$ 1,500,000	\$ 46,002	\$ 10,763,763
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,098,008	\$ -	\$ -	\$ 1,098,008
Deferred revenues	500,000	-	-	500,000
Credits due to member districts	4,947	-	-	4,947
Total Liabilities	1,602,955	-	-	1,602,955
Fund Balances:				
Nonspendable	44,286	-	-	44,286
Restricted	-	1,500,000	46,002	1,546,002
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	7,570,520	-	-	7,570,520
Total Fund Balances	7,614,806	1,500,000	46,002	9,160,808
Total Liabilities and Fund Balances	\$ 9,217,761	\$ 1,500,000	\$ 46,002	\$ 10,763,763

See accompanying notes to financial statements and independent auditor's report.

Valley Collaborative
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2025

Total fund balances, governmental funds \$ 9,160,808

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

Deferred inflows relating to the other postemployment benefit obligation is not a current obligation and therefore is not reported in this fund financial statement, but is reported in the government activities of the Statement of Net Position. (2,724,696)

Right-of-use leased assets, net of accumulated amortization, used in governmental activities are not financial resources and therefore are not reported in the funds. 2,494,371

Other postemployment benefit (OPEB) liability is not a current obligation and therefore is not reported in this fund financial statement, but is reported in the governmental activities of the Statement of Net Position. (2,050,649)

Long-term lease liabilities related to the right-of-use leased assets is used in governmental activities and are not financial uses and therefore are not reported in the funds. (2,776,971)

Deferred outflows relating to the other postemployment benefit obligation is not a current financial resource and therefore is not reported in this fund financial statement, but is reported in the government activities of the Statement of Net Position. 947,666

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. 6,613,235

Net position of governmental activities \$ 11,663,764

See accompanying notes to financial statements and independent auditor's report.

Valley Collaborative
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	General Fund	Capital Reserve Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Tuition and service revenues	\$ 22,682,559	\$ -	\$ -	\$ 22,682,559
Adult services	4,477,614	-	-	4,477,614
Grants and contributions	-	-	23,896	23,896
Intergovernmental revenue	3,365,600	-	-	3,365,600
Interest	54,508	-	-	54,508
Other	51,671	-	-	51,671
Credits to member districts	(1,695,822)	-	-	(1,695,822)
Total Revenues	28,936,130	-	23,896	28,960,026
Expenditures:				
Administration	2,156,867	-	15,535	2,172,402
Program payroll	17,079,070	-	-	17,079,070
Program fringe benefits and payroll taxes	2,805,834	-	-	2,805,834
Professional and consulting fees	6,594	-	-	6,594
Transportation and travel	188,630	-	-	188,630
Maintenance and other occupancy	597,767	-	-	597,767
Telephone, communications and utilities	232,881	-	-	232,881
Materials, supplies and equipment	703,389	-	-	703,389
Small business expenses	189,063	-	-	189,063
Field trips	129,692	-	-	129,692
Training programs	76,522	-	-	76,522
Other	36,090	-	-	36,090
Intergovernmental expense	3,365,600	-	-	3,365,600
Capital outlay, net of debt incurred	791,751	-	-	791,751
Lease Service:				
Lease interest	260,900	-	-	260,900
Lease financing principal	340,848	-	-	340,848
Total Expenditures	28,961,498	-	15,535	28,977,033
Excess (Deficit) of Revenues over Expenditures	(25,368)	-	8,361	(17,007)
Other Financing Sources:				
Proceeds from capital asset sale	141,000	-	-	141,000
Net Change in Fund Balances	115,632	-	8,361	123,993
Fund Balances, Beginning of Year	7,499,174	1,500,000	37,641	9,036,815
Fund Balances, End of Year	\$ 7,614,806	\$ 1,500,000	\$ 46,002	\$ 9,160,808

See accompanying notes to financial statements and independent auditor's report.

Valley 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, 2025

Net change in fund balances of total governmental funds **\$ 123,993**

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

Governmental funds report outlays for capital assets and right-to-use leased 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 or amortization expense for the period. Governmental funds do not report inflows from assets held to purchase capital assets or finance leased assets because such assets are not considered current financial resources. In contrast, the Statement of Activities does report the inflows as revenue.

Capital outlay purchases, net of debt incurred	791,751
Depreciation	(909,123)
Amortization	(475,764)
Gain on disposal of assets	122,780

Governmental funds report lease financing 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 liability as expense.

Lease financing principal	340,848
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The change in accrual for other postemployment benefits reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds.

Net change in other postemployment benefits (OPEB) accrual	<u>(352,138)</u>
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Change in net position of governmental activities	<u><u>\$ (498,653)</u></u>
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See accompanying notes to financial statements and independent auditor's report.

Valley Collaborative
Statement of Fiduciary Net Position
Retirees' Health Insurance Trust Fund
June 30, 2025

Assets

Assets	
Investments	\$ 8,282,784
Total Assets	<u>\$ 8,282,784</u>

Net Position

Net Position	
Net position held in trust for retirees' health insurance	\$ 8,282,784
Total Net Position	<u>\$ 8,282,784</u>

See accompanying notes to financial statements and independent auditor's report.

Valley Collaborative
 Statement of Changes in Fiduciary Net Position
 Retirees' Health Insurance Trust Fund
 For the year ended June 30, 2025

Additions:	
Contributions	\$ -
Investment gain	<u>933,532</u>
Total Additions	<u>933,532</u>
Deductions:	
Investment expenses	<u>25,031</u>
Total Deductions	<u>25,031</u>
Change in Net Position	<u>908,501</u>
Net Position – Beginning of Year	<u>7,374,283</u>
Net Position – End of Year	<u><u>\$ 8,282,784</u></u>

See accompanying notes to financial statements and independent auditor's report.

Valley Collaborative
Notes to Financial Statements
June 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Collaborative

Valley Collaborative (The “Collaborative”) is an educational collaborative of the school districts of Billerica, Chelmsford, Dracut, Groton-Dunstable Regional, Nashoba Valley Technical, North Middlesex Regional, Tewksbury, Tyngsborough, and Westford. The Collaborative is a public entity under the jurisdiction of its member school committees, whose appointees comprise its board of directors. The Collaborative provides high quality academic, therapeutic and vocational services to individuals referred by local school districts and social service agencies.

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 demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Collaborative does allocate indirect expenses to functions in the Statement of Activities if there is a reasonable basis for doing so. Depreciation is reported as one amount, in total, on the Statement of Activities, and is not 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 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.

Valley Collaborative
Notes to Financial Statements
June 30, 2025

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

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

Governmental Funds:

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

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

Capital reserve fund - used to account for and report financial resources that are restricted, committed, or assigned to be used for the acquisition, construction, or renovation of major capital facilities or equipment.

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.

Fiduciary Funds:

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Collaborative programs. The reporting focus is on net position and changes in net position presented in fiduciary fund financial statements. Since by definition these assets are being held for the benefit of a third party (retirees) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide 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, as are fiduciary fund financial statements. 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

The Collaborative considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Collaborative maintains its uncollateralized cash balances in two financial institutions. The balances in one of the financial institutions are insured by the Federal Deposit Insurance Company up to \$250,000. From time to time, the Collaborative maintains bank account balances in excess of the federally insured limits. The Collaborative also maintains cash and cash equivalents at the Massachusetts Municipal Depository Trust which is collateralized by its underlying assets. At June 30, 2025, the Collaborative's uninsured cash balances, including reconciling items, totaled \$7,646,935. The Collaborative monitors its exposure associated with cash and cash equivalents and has not experienced any losses in such accounts.

Valley Collaborative
Notes to Financial Statements
June 30, 2025

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

Fair Value Measurements and Investments

The Collaborative has contributed \$4,854,654 to a public employee retirement trust account with Public Agency Retirement Services as trustee, on behalf of its retirees' health insurance trust fund. The trustee invests the funds in Vanguard mutual funds. As of June 30, 2025, the balance in these investments consisted of the following:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain</u>
Mutual Funds	\$4,854,654	\$8,282,784	\$3,428,130

All investments of the Collaborative 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*.

Net increase in the fair value on investments for the year ended June 30, 2025 was \$908,501. There were no realized gains or losses during the year ended June 30, 2025. Investment fees for the year ended June 30, 2025 were \$25,031.

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. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Collaborative will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Collaborative's investments are uninsured, not registered in the name of the Collaborative, and held by the counterparty's trust department or agent but not in the Collaborative's name.

Operating Revenues and Expenses

Operating revenues consist primarily of billings to member municipalities or other cities and towns for providing programs and services. The Collaborative also receives approximately 17% of its revenues under social service contracts issued by agencies of the Commonwealth of Massachusetts, excluding Massachusetts Teachers' and State Employees' Retirement Systems "on-behalf" payments. Operating expenses include educational costs, administrative expenses and depreciation on capital assets.

Accounts Receivable

Accounts receivable consists of all revenues earned at year end and not yet collected. Major receivable balances include tuitions and certain related charges. The Collaborative records its bad debts using the allowance method. As of June 30, 2025, there was an allowance for doubtful accounts of \$27,574.

Credits Due to Member Districts

"Credits due to member districts" represent member district credits issued during the fiscal year but not utilized by the district during the fiscal year. The credits are to be applied against future Collaborative invoices or disbursed to the member district and are not considered an agency fund of the Collaborative.

Property and Equipment

Property and equipment are capitalized at historical cost. Depreciation is computed on the straight-line method using estimated useful lives of two to five years for websites, computer equipment, furniture, fixtures, vehicles and program equipment and five to ten years for leasehold improvements. The Collaborative has purchased and renovated a building. The building and renovations are depreciated using estimated useful lives of 40 and 20 years, respectively.

Valley Collaborative
Notes to Financial Statements
June 30, 2025

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

Equity Classifications

Government-wide Statements

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

Invested in capital assets, net of related debt - 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.

Invested in right-of-use assets, net of liabilities – this component of net position consists of right-of-use assets, net of accumulated amortization, reduced by the outstanding balances of liabilities that are attributable to the leased assets.

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.

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.

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

Subsequent events have been evaluated through November 20, 2025, which is the date the financial statements were available to be issued.

Valley Collaborative
Notes to Financial Statements
June 30, 2025

NOTE B – ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following as of June 30, 2025:

Tuition and services to districts	\$ 2,331,944
State contracts	<u>518,172</u>
	2,850,116
Allowance for doubtful accounts	<u>(27,574)</u>
	<u>\$ 2,822,542</u>

The Collaborative has established an allowance for doubtful accounts in the amount of \$27,574. The allowance is based on specific identification of probable losses and an estimate of additional losses based on historical experience. Account balances are charged off against the allowance when it is probable the receivable will not be recovered. For the year ended June 30, 2025, the Collaborative recorded no bad debt expense.

NOTE C – CAPITAL ASSETS

A summary of depreciable capital assets follows:

	<u>Buildings & Improvements</u>	<u>Furniture, Equipment & Software</u>	<u>Vehicles</u>	<u>Total</u>
<u>COST</u>				
Balance, July 1, 2024	\$9,318,041	\$ 1,462,400	\$1,858,476	\$12,638,917
Additions	-	84,880	706,871	791,751
Disposals	<u>-</u>	<u>-</u>	<u>(279,117)</u>	<u>(279,117)</u>
	9,318,041	1,547,280	2,286,230	13,151,551
<u>ACCUMULATED DEPRECIATION</u>				
Balance, July 1, 2024	(4,095,631)	(1,275,022)	(1,196,937)	(6,567,590)
Additions	(509,318)	(84,869)	(314,936)	(909,123)
Disposals	<u>-</u>	<u>-</u>	<u>260,897</u>	<u>260,897</u>
	(4,604,949)	(1,359,891)	(1,250,976)	(7,215,816)
Net, June 30, 2025	<u>\$ 4,713,092</u>	<u>\$ 187,389</u>	<u>\$1,035,254</u>	<u>\$ 5,935,735</u>

Land in the amount of \$677,500 is not being depreciated. In fiscal 2025, the Collaborative capitalized \$706,871 for vehicles, and \$84,880 for office furniture and equipment. The Collaborative traded in various fully depreciated vehicles during the year ended June 30, 2025, and received \$141,000 of trade-in value toward the purchase of the new vehicles. Depreciation expense of \$909,123 was not allocated to governmental functions. It appears unallocated on the Statement of Activities. The capital reserve for future capital purchases is fully funded.

NOTE D –LEASE OBLIGATIONS

The Collaborative leases various classroom and office spaces and office equipment under operating leases. All of its leases qualifying as long-term leases are recorded in accordance with GASB Statement No. 87.

Valley Collaborative
Notes to Financial Statements
June 30, 2025

NOTE D –LEASE OBLIGATIONS – *continued*

During fiscal 2017, the Collaborative entered into a building lease for program use at 135 Coburn Road in Tyngsborough, Massachusetts, commencing July 1, 2016 through June 30, 2033 including extensions. The lease requires quarterly rent payments of \$63,988 through June 2028, then it is adjusted to \$31,250 through June 2030, and finally adjusted to \$94,181 through June 2033. During fiscal 2019, the Collaborative entered into a building lease for program and administrative use at 25 Linnell Circle in Billerica, Massachusetts, commencing July 1, 2018 through June 30, 2025 including extension. The lease requires monthly payments of \$13,187 through June 2023, then it is adjusted to \$13,583 through June 2024, and finally adjusted to \$13,991 through June 2025. The lease was not renewed when it expired. During fiscal 2022, the Collaborative entered into a building lease for program use at 11 Executive Park Drive in Billerica, Massachusetts, commencing June 1, 2022 through August 31, 2032. The monthly payments are increased annually by approximately 2% of the prior year. The Coburn Road, Linnell Circle and Executive Park Drive leases represent the total of the right-of-use lease assets and liabilities. Right-of-use assets and initial liabilities are valued using a rate of 6% which represents the Collaborative's incremental borrowing rates at the time the leases and extension were entered into, respectively.

Lease agreements, including modifications, are summarized as follows:

Description	Date	Payment Terms	Payment Amount	Interest Rate	Total Lease Asset/Liability	Accum. Amort. 6/30/2025	Net Asset 6/30/2025	Liability Balance 6/30/2025
135 Coburn Road**	7/1/2016	17 years	\$255,950 (FY25)	6.00%	\$2,133,409	\$ 638,464	\$1,494,945	\$1,654,281
25 Linnell Circle	7/1/2022	3 years	\$167,887 (FY25)	6.00%	448,324	448,324	-	-
11 Executive Park Drive	6/1/2022	9.25 years	\$177,910 (FY25)	6.00%	1,429,413	429,987	999,426	1,122,690
Total Lease Agreements					\$4,011,146	\$1,516,777	\$2,494,371	\$2,776,971

**Lease was modified during FY2022.

Annual requirements to amortize long-term obligations and related interest are as follows:

Year Ending 30-Jun	Principal	Interest	Total
2026	\$277,229	\$160,361	\$437,590
2027	298,285	143,155	441,440
2028	320,764	124,646	445,410
2029	210,811	107,739	318,550
2030	228,140	94,620	322,760
Thereafter	1,441,742	132,180	1,573,922
	<u>\$2,776,971</u>	<u>\$762,701</u>	<u>\$3,539,672</u>

For the year ended June 30, 2025, total amortization expense of leased assets was \$475,764 and total interest expense on lease liabilities was \$260,900.

NOTE E – MASSACHUSETTS TEACHERS' AND STATE EMPLOYEES' RETIREE SYSTEMSPlan Descriptions:

The Collaborative's employees participate in the Massachusetts Teachers' (MTRS) or State Employee' 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.

Valley Collaborative
Notes to Financial Statements
June 30, 2025

**NOTE E – MASSACHUSETTS TEACHERS’ AND STATE EMPLOYEES’ RETIREE SYSTEMS –
*continued***

Benefits Provided:

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

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

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

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

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

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

Contributions:

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

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

Valley Collaborative
Notes to Financial Statements
June 30, 2025

**NOTE E – MASSACHUSETTS TEACHERS’ AND STATE EMPLOYEES’ RETIREE SYSTEMS –
*continued***

Educational collaboratives contribute amounts equal to the normal cost of employees’ benefits participating in MSERS at a rate established by the Public Employees’ Retirement Administration Commission (PERAC), currently 6.1% of covered payroll. Legally, the collaboratives are only responsible for contributing the annual normal cost of their employees’ benefits (i.e., the present value of the benefits earned by those employees in any given year) and are not legally responsible for the past service cost attributable to those employees or previously retired employees of the collaboratives. During fiscal year 2025, the Collaborative’s contributions on behalf of employees totaled \$533,714.

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

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

The Commonwealth is a nonemployer contributor in MTRS and is required by statute to make all actuarially determined employer contributions on behalf of the member employers participating in MTRS. Therefore, the Collaborative is considered to be in a 100% special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributing entity in 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, 2024 and was \$15,733,379 and \$21,098,472 under MSERS and MTRS, respectively. In fiscal 2025, the Collaborative recognized revenue and related expense of \$1,624,098 (under GASB Statement No. 68) for its portion of the collective pension expense under MSERS. In fiscal 2025, the Collaborative recognized revenue and related expense of \$1,741,502 (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 F – COMPENSATED ABSENCES

The Collaborative allows eligible employees to carryover unused vacation time up to 10 days per year and to accrue a maximum of 20 days total. At the end of the fiscal year, any unused vacation time in excess of the above amounts is forfeited. The Collaborative’s vacation accrual for the year ended June 30, 2025 was \$122,982.

NOTE G – RISK MANAGEMENT

The Collaborative is exposed to various risks of loss relating to torts, theft or damage of, and destruction of assets; error and omissions; injuries to employees; and natural disasters. The Collaborative has obtained a variety of commercial liability insurance policies that pass the risk of loss listed above to independent third parties. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Collaborative. Settled claims have not exceeded the insurance coverage in any of the past three fiscal years.

Valley Collaborative
Notes to Financial Statements
June 30, 2025

NOTE G – RISK MANAGEMENT – *continued*

The Collaborative offers eligible participants access to various health and life insurance. Payment, in the form of premiums, is generally made monthly. The payments are funded in part from the Collaborative and payroll withholdings from active employee participants or direct payments from certain other eligible participants. In general, the Collaborative pays 75-80% of the cost of health insurance and 100% of the cost of life insurance for those participants that qualify.

NOTE H – COMMITMENTS AND CONTINGENCIES

The Collaborative participates in state and federal contracts, which are governed by various rules and regulations of the agencies. Costs charged to the respective programs are subject to audit and adjustment by agencies; therefore, to the extent that the Collaborative has not complied with the rules and regulations governing the refunds of any money received may be required and the collectability of any related receivable at June 30, 2025 may be impaired. In the opinion of the Collaborative, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective contracts; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

NOTE I – POSTEMPLOYMENT HEALTHCARE PLAN

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

Description

At the board meeting on June 18, 2015, the Collaborative’s board members implemented a postemployment health care plan and voted to create a trust fund for related retiree health benefits to take effect July 1, 2015. The trust fund is held for the benefit of a third party (retiree health insurance participants) and cannot be used to address activities or obligations of the Collaborative, therefore these funds are not incorporated into the government-wide financial statements. All funds of the trust are held at Public Agency Retirement Services and are held in mutual funds. The trust is irrevocable and is exempt from federal and state income taxes under Internal Revenue Code Section 115. The sole purpose of the trust is to provide funds to pay postemployment healthcare benefits to qualified retirees. The plan has the retirees pay for 20% of the premiums for the medical insurance. As a result of establishing the trust, the Collaborative’s board members voted to initially transfer \$3,150,000 to fund the trust. During the fiscal year ended June 30, 2025 the Collaborative did not transfer any additional funds to the trust. The Collaborative has transferred \$4,854,654 to date to the trust account.

An employee hired before April 2, 2012 shall become eligible to retire under these programs upon meeting the following conditions:

- i. Completion of 10 years of creditable service at the Collaborative
- ii. And attainment of age 55 as an active member
- iii. Or completion of 20 years of service at the Collaborative, regardless of age

An employee hired after April 2, 2012 shall become eligible to retire under these programs upon meeting the following conditions:

- i. Completion of 10 years of creditable service at the Collaborative
- ii. And attainment of age 60 as an active member

Funding Policy

The contribution requirements of plan members and the Collaborative are established and may be amended through Collaborative ordinances. For the period ending on the June 30, 2025 Measurement Date, total Collaborative premiums plus implicit costs for the retiree medical program were \$109,715. The Collaborative also contributed \$0 to the OPEB Trust for a total contribution during the measurement period of \$109,715 to be reported in the financial statements for the fiscal year ending June 30, 2025.

Valley Collaborative
Notes to Financial Statements
June 30, 2025

NOTE I – POSTEMPLOYMENT HEALTHCARE PLAN – *continued*Investment Policy

The long-term rate of return on assets developed based on the Collaborative Investment Policy is 5.86%. The rate is comprised of a 3.73% real rate of return and 2.50% inflation assumption, net of 0.37% investment expense.

Actuarially Determined Contribution (ADC)

The Collaborative's Actuarially Determined Contribution (ADC) is an amount actuarially determined in accordance with the parameters of GASB Statement No. 74/75 which is composed of the service cost and an amortization of the unfunded liability. For FY2025 and future years a 30-year amortization increasing by 3.00% per year of the Collaborative's unfunded liability for the purpose of calculating ADC. The following table shows the components of the Collaborative's annual ADC for the fiscal year and the amount actually contributed to the plan:

Actuarially Determined Contribution - Deficiency / (Excess)		June 30, 2025
I. Service Cost		\$ 802,329
II. 30-year level dollar amortization of NOL		91,555
III. Actuarial Determined Contribution [I. + II.]		893,884
IV. Contributions in relation to the actuarially determined contribution		(109,715)
V. Contribution deficiency / (excess) [III. + IV.]		<u>\$ 784,169</u>
Covered employee payroll		\$17,432,244
Contribution as a % of covered employee payroll		0.63%
Discount Rate		5.22%
Money Weighted Rate of Return		12.32%

OPEB Liability and OPEB Expense

	Fiscal Year Ended June 30, 2025	
	Collaborative Employees and Retirees	Total
I. Total OPEB Liability as of June 30, 2023	\$10,333,433	\$10,333,433
II. Fiduciary Net Position as of June 30, 2023	<u>8,282,784</u>	<u>8,282,784</u>
III. Net OPEB Liability (Asset) as of June 30, 2023 [I.-II.]	2,050,649	2,050,649
IV. Service Cost	802,329	802,329
V. Interest on Total OPEB Liability (Asset), Service Cost, and Benefit Payments	512,464	512,464
VI. Projected Earnings on OPEB Plan Investments	(456,799)	(456,799)
VII. Net Recognition of Deferred (Inflows)/Outflows	<u>(396,141)</u>	<u>(396,141)</u>
VIII. Financial Statement Expense [IV.+V.+VI.+VII.]	461,853	461,853
IX. Employer Share of Costs	(109,715)	(109,715)
X. Employer (Payments) Withdrawals to/from OPEB Trust	-	-
XI. Total Employer Contribution [IX.+X.]	<u>(109,715)</u>	<u>(109,715)</u>
XII. Net OPEB Expense [VIII.+XI.]	<u>\$ 352,138</u>	<u>\$ 352,138</u>

Effect of 1% Change in Healthcare Trend

In the event that healthcare trend rates were 1% higher than forecast and employee contributions were to increase at the forecast rates, the Total OPEB Liability as of the June 30, 2025 Measurement Date would increase to \$15,259,430 and Net OPEB Liability would increase to \$4,925,997. If such healthcare trend rates were 1% less than forecast and employee contributions were to increase at the forecast rate, the Total OPEB Liability would decrease to \$10,281,060 and the Net OPEB Liability would decrease to (\$52,373).

Valley Collaborative
Notes to Financial Statements
June 30, 2025

NOTE I – POSTEMPLOYMENT HEALTHCARE PLAN – *continued*

Effect of 1% Change in Discount Rates

As of the June 30, 2025 Measurement Date, if the discount rate were 1% higher than what was used in this valuation, the Total OPEB Liability would decrease to \$10,053,613 and the Net OPEB Liability would decrease to \$279,820. If the discount rate were 1% lower than was used in this valuation, the Total OPEB Liability would increase to \$14,680,045 and the Net OPEB Liability would increase to \$4,346,612.

Actuarial Methods and Assumptions

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

Actuarial Cost Method:	Individual Entry Age Normal
Discount Rate:	5.22% per annum (previously 5.45%)
General Inflation Assumption:	2.50% per annum
Annual Compensation Increases:	3.00% per annum
Actuarial Value of Assets:	Market Value

Recognition of OPEB Trust Assets

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

Valley Collaborative
Notes to Financial Statements
June 30, 2025

NOTE I – POSTEMPLOYMENT HEALTHCARE PLAN – *continued*Changes in Net OPEB Liability

Changes in Net OPEB Liability			
	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
I. Balances at June 30, 2024	\$ 8,654,814	\$ 7,374,283	\$ 1,280,531
II. Prior Period Adjustment	-	-	-
III. Balances for June 30, 2024 with Adjustment [I.+II.]	8,654,814	7,374,283	1,280,531
Changes for the year:			
IV. Service Cost	802,329	-	802,329
V. Interest on Total OPEB Liability, Service Cost, and Benefit Payments	512,464	-	512,464
VI. Changes in Benefit Terms*	-	-	-
VII. Changes in assumptions**	90,322	-	90,322
VIII. Differences between actual and expected experience**	383,219	-	383,219
IX. Net Investment Income	-	908,501	(908,501)
X. Employer Contributions (Withdrawals) to/from Trust	-	109,715	(109,715)
XI. Benefit payments withdrawn from Trust	-	(109,715)	109,715
XII. Benefit payments excluding Implicit Cost	(85,145)	-	(85,145)
XIII. Implicit Cost Amount	(24,570)	-	(24,570)
XIV. Total Benefit payments including Implicit Cost [XII.+XIII.]	(109,715)	-	(109,715)
XV. Administrative and Other Charges	-	-	-
XVI. Other Charges	-	-	-
XVII. Net Changes			
[IV.+V.+VI.+VII.+VIII.+IX.+X.+XI.+XIV.+XV.+XVI.]	\$ 1,678,619	\$ 908,501	\$ 770,118
XVI. Balances at June 30, 2025 [III.+XVII.]	\$ 10,333,433	\$ 8,282,784	\$ 2,050,649

* Recognized immediately

Deferred Inflows/Outflows

Deferred (Inflows)/Outflows in OPEB Expense arising from the recognition of the effects of differences between expected & actual experience										
Fiscal	Differences between actual & expected experience	Recognition Period (years)	Remaining Balance	2025	2026	2027	2028	2029	2030	There- after
2019	(1,703,175)	7.00	-	(243,309)	-	-	-	-	-	-
2020	(469)	7.00	(67)	(67)	(67)	-	-	-	-	-
2021	(1,125,612)	7.00	(321,602)	(160,802)	(160,802)	(160,800)	-	-	-	-
2022	-	7.00	-	-	-	-	-	-	-	-
2023	(1,278,180)	7.00	(730,389)	(182,597)	(182,597)	(182,597)	(182,597)	(182,598)	-	-
2024	-	7.00	-	-	-	-	-	-	-	-
2025	383,219	7.00	328,474	54,745	54,745	54,745	54,745	54,745	54,745	54,749
Total Remaining Balance			(723,584)							
Net increase (decrease) in OPEB Expense				(532,030)	(288,721)	(288,652)	(127,852)	(127,853)	54,745	54,749

Valley Collaborative
Notes to Financial Statements
June 30, 2025

NOTE I – POSTEMPLOYMENT HEALTHCARE PLAN – continued

Deferred (Inflows)/Outflows in OPEB Expense arising from the recognition of the effects of changes in assumptions										
Fiscal	Differences between actual & expected experience	Recognition Period (years)	Remaining Balance	2025	2026	2027	2028	2029	2030	There-after
2019	2,659,477	7.00	-	379,927	-	-	-	-	-	-
2020	-	7.00	-	-	-	-	-	-	-	-
2021	467,416	7.00	133,546	66,774	66,774	66,772	-	-	-	-
2022	(1,136,144)	7.00	(486,920)	(162,306)	(162,306)	(162,306)	(162,308)	-	-	-
2023	714,395	7.00	408,227	102,056	102,056	102,056	102,056	102,059	-	-
2024	(1,045,075)	7.00	(746,483)	(149,296)	(149,296)	(149,296)	(149,296)	(149,296)	(149,299)	-
2025	90,322	7.00	77,419	12,903	12,903	12,903	12,903	12,903	12,903	12,904
Total Remaining Balance			(614,211)							
Net increase (decrease) in OPEB Expense				250,058	(129,869)	(129,871)	(196,645)	(34,334)	(136,396)	12,904

Deferred (Inflows)/Outflows in OPEB Expense arising from the recognition of differences between projected & actual earnings on OPEB plan investments										
Fiscal	Differences between actual & expected experience	Recognition Period (years)	Remaining Balance	2025	2026	2027	2028	2029	2030	There-after
2019	(30,347)	5.00	-	-	-	-	-	-	-	-
2020	18,043	5.00	-	-	-	-	-	-	-	-
2021	(755,533)	5.00	-	(151,105)	-	-	-	-	-	-
2022	1,236,152	5.00	247,232	247,230	247,232	-	-	-	-	-
2023	(173,824)	5.00	(69,532)	(34,764)	(34,764)	(34,768)	-	-	-	-
2024	(425,953)	5.00	(255,573)	(85,190)	(85,190)	(85,190)	(85,193)	-	-	-
2025	(451,702)	5.00	(361,362)	(90,340)	(90,340)	(90,340)	(90,340)	(90,342)	-	-
Total Remaining Balance			(439,235)							
Net increase (decrease) in OPEB Expense				(114,169)	36,938	(210,298)	(175,533)	(90,342)	-	-

NOTE J – TAX POSITION

The primary tax positions made by the Collaborative are the existence of Unrelated Business Income Tax and the Collaborative's status as an exempt organization under the Internal Revenue Code. The Collaborative currently evaluates all tax positions, and makes determinations regarding the likelihood of those positions being upheld under review. For the years presented, and as a result of adoption, the Collaborative has not recognized any tax benefits or loss contingencies for uncertain tax positions based on its evaluations. The Collaborative is not currently under examination by any taxing jurisdiction. As a Chapter 40 governmental entity, the Collaborative is exempt from filing certain non-profit filings and, accordingly, there are no returns currently open for examination.

NOTE K – 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. For the year ended June 30, 2025, the Collaborative had no surplus revenue from contracts with state departments.

Valley Collaborative
Notes to Financial Statements
June 30, 2025

NOTE L – DISCLOSURES REQUIRED UNDER MASSACHUSETTS GENERAL LAW C.40 § 4ENames, duties and total compensation of the five most highly compensated employees

The five highest compensated employees of the Collaborative during fiscal year 2025 were as follows:

<u>Name</u>	<u>Title</u>	<u>Total Compensation</u>
Chris A. Scott, PhD	Executive Director	\$247,526
Joia Mercurio	Deputy Director	\$149,915
Nicole Noska	Principal	\$145,196
Kari Ann Morrin	Director of Human Resources	\$140,964
Matthew Gentile	Director of DDS Services	\$135,806

Executive Director:

Responsible for the proper fiscal management of Collaborative Programs. Administer and coordinate all programs and services offered by the Collaborative. Develop and propose an annual budget to the Board of Directors. Ensure Collaborative is operating within and in compliance with federal and state laws.

Deputy Director:

Responsible for supervising the effective and efficient implementation of programs and the payroll department. Assist in the creation of required state reports, records and other documentation. Keep the executive director informed about what is happening at the program level.

Director Human Resources:

Responsible for administering personnel programs and policies for the Collaborative and ensuring that proper practices are being followed. Handle all aspects with the hiring process. Manage the day-to-day human resource functions.

Principal:

Responsible to ensure program curriculum is aligned with Massachusetts Curriculum Frameworks. Other responsibilities include, ensure safety and structure of program, coordination and review all IEPs, schedule and participate in IEP meetings, communicate with parents, LEAs and outside agencies, and interview student referrals.

Director of DDS Services:

Responsible for coordinating services and activities relating to vocational preparedness and program enhancement while being the liaison between the Collaborative and local business partners. Other responsibilities include supervising direct support and job development staff and overseeing state agency contracts.

Amounts expended on services for individuals aged 22 years and older

Total direct costs incurred by the Collaborative in its over 21 programs, funded in part by contracts with agencies of the Commonwealth of Massachusetts, totaled \$3,902,632 for the year ended June 30, 2025, excluding Massachusetts Teachers' and State Employees' Retirement Systems "on-behalf" payments.

Amounts expended on administration and overhead

Administrative expenses of \$2,172,402 for the year ended June 30, 2025, include all costs that cannot be directly or reasonably applied to a program of the Collaborative. Administrative expenses include salaries, related benefits and payroll taxes, associated with the Collaborative'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.). The Collaborative 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

The Collaborative does not hold any accounts that may be spent at the discretion of another person or entity.

Valley Collaborative
Notes to Financial Statements
June 30, 2025

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

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

Other than the leases described below, the Collaborative had no transactions between the Collaborative and any related for-profit or non-profit organization.

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 C and D to the financial statements. The Collaborative leases classroom and other program space within Tyngsborough, a member district. For the year ended June 30, 2025, rent expense under this lease was \$255,950. During the year ended June 30, 2020, the Collaborative paid \$1,000,000 for improvements to the leased space within Tyngsborough. The improvements are depreciated in the government wide financial statements over the lease term.

Annual determination and disclosure of cumulative surplus

Cumulative Surplus Calculation – FY24				Page(s) in financial statements
(A)	Surplus as of June 30, 2024	\$	7,499,174	(A) p. 12
	<i>(Breakdown of use of 2024 surplus)</i>			
	B(1) used to support the FY25 budget	\$	-	
	B(2) issued as credits to member districts	\$	1,695,822	
	B(3) issued as a check(s) to member district(s)	\$	-	
	B(4) deposited to a restricted account(s)	\$	-	
(B)	Board voted uses of surplus funds during FY25	<i>(total from B1:B4)</i>	\$ 1,695,822	(B) p. 12
(C)	Unexpended FY25 General Funds		\$ 1,811,454	(C) p. 12
(D)	Cumulative Surplus as of June 30, 2025	(A) - (B) + (C) = (D)	\$ 7,614,806	(D) p. 12
(E)	FY25 Total General Fund Expenditures*		\$ 25,707,009	(E) p. 12
(F)	Cumulative Surplus Percentage	(D) ÷ (E)	29.62%	(F)
CUMULATIVE SURPLUS REDUCTION				
Allowable uses of surplus - in excess of the 25% limit				
(G)	Cumulative surplus as of June 30, 2025		\$ 7,614,806	
		25% limit (allowed)	\$ 6,426,752	
(H)	Cumulative Surplus REDUCTIONS			
	(H)1 Credited to member districts for tuition, services, etc.	\$	1,200,000	***
	(H)2 Deposited to an established trust and/or reserve fund	\$	-	
	(H)3 Returned (check) to school districts/towns	\$	-	
	Total Reductions	\$	1,200,000	
	FY25 Cumulative Surplus Percentage after Reductions		24.95%	

Valley Collaborative
Notes to Financial Statements
June 30, 2025

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

*Reconciliation of Total General Fund Expenditures to the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds on page 12:

Total Expenditures:	\$28,961,498
OPEB Obligation Funding:	-
Intergovernmental Expense:	<u>(3,365,600)</u>
	25,595,898
FY25 depreciation on leasehold improvements:	<u>111,111</u> **
Total General Fund Expenditures per calculation above:	<u>\$25,707,009</u>

**During the year ended June 30, 2020, the Collaborative paid for \$1,000,000 of improvements to a leased facility. The payment was approved and budgeted by the Collaborative's board of directors. However, because this was a special one-time payment, the Collaborative requested clarification from the Department of Elementary and Secondary Education ("DESE") regarding treatment of the expenditure. DESE requested that the \$1,000,000 capital expenditure be treated as an expenditure over the remaining lease term of 9 years for purposes of determining the cumulative surplus funds in excess of 25% of general fund expenditures. The annual amount to be reported as an expenditure is \$111,111.

***Prior to June 30, 2025, the Collaborative's board of directors voted to return \$1,000,000 of cumulative general fund surplus to member districts. During the November 20, 2025 board meeting, the Collaborative elected to return an additional \$200,000 to the member districts to comply with the 25% cumulative surplus allowance.

Valley Collaborative
Statement of Revenues, Expenditures and Changes in Fund Balance
of the General Fund - Budget to Actual
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues:				
Tuition and services	\$ 19,200,000	\$ 21,800,000	\$ 22,682,559	\$ 882,559
Adult services	4,900,000	4,900,000	4,477,614	(422,386)
Other	700,000	700,000	51,671	(648,329)
Interest	30,000	30,000	54,508	24,508
Intergovernmental revenue	-	-	3,365,600	3,365,600
Total revenue and other support	24,830,000	27,430,000	30,631,952	3,201,952
Expenses:				
Salaries	17,173,652	18,973,652	18,033,851	939,801
Employee benefits and taxes	2,918,119	3,431,619	3,199,375	232,244
Operating expenses	3,527,700	3,539,200	2,945,280	593,920
Leases and rentals	618,247	593,247	625,641	(32,394)
On-behalf retirement payment expense	-	-	3,365,600	(3,365,600)
Total expenses	24,237,718	26,537,718	28,169,747	(1,632,029)
Excess of revenues over expenses	<u>\$ 592,282</u>	<u>\$ 892,282</u>	<u>\$ 2,462,205</u>	<u>\$ 1,569,923</u>
Other Budget Items:				
Credits to member districts	\$ -	\$ -	\$ 1,695,822	\$ (1,695,822)
Capital budget items, net of gain	575,000	875,000	650,751	224,249
OPEB obligation funding	-	-	-	-
	<u>\$ 575,000</u>	<u>\$ 875,000</u>	<u>\$ 2,346,573</u>	<u>\$ (1,471,573)</u>

Note: The schedule above is presented on the same basis used by the Collaborative to present its internal budget to actual comparison and account groupings are not necessarily consistent with the Statement of Revenue, Expenditures and Changes in Fund Balances presented on page 12. Also, capital budget items presented above include actual capital outlays and transfers made to or from the Capital Reserve Fund.

See independent auditor's report.

Valley Collaborative
OPEB Plan - Required Supplementary Information
June 30, 2025

Year	Actuarial Determined Contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
June 30, 2019	\$ 880,811	\$ (61,922)	\$ 818,889	\$ 11,092,407	0.56%
June 30, 2020	\$ 951,385	\$ (45,883)	\$ 905,502	\$ 11,425,179	0.40%
June 30, 2021	\$ 903,135	\$ (51,730)	\$ 851,405	\$ 10,818,546	0.48%
June 30, 2022	\$ 996,816	\$ (1,694,497)	\$ (697,681)	\$ 11,143,102	15.21%
June 30, 2023	\$ 822,753	\$ (128,142)	\$ 694,611	\$ 14,197,170	0.90%
June 30, 2024	\$ 1,007,032	\$ (91,727)	\$ 915,305	\$ 14,623,085	0.63%
June 30, 2025	\$ 893,884	\$ (109,715)	\$ 784,169	\$ 17,432,244	0.63%

Schedule Presentation

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

See independent auditor's report.

Valley Collaborative
OPEB Plan - Required Supplementary Information
As of the June 30, 2025 Measurement Date

Schedule of Changes in the Collaborative's Net OPEB Liability and Related Ratios												
Valuation Date: For the Measurement Period ending on the Measurement Date of:	July 1, 2024 June 30, 2025	July 1, 2023 June 30, 2024	July 1, 2022 June 30, 2023	July 1, 2021 June 30, 2022	July 1, 2020 June 30, 2021	July 1, 2019 June 30, 2020	July 1, 2018 June 30, 2019	July 1, 2017 June 30, 2018				
For the Reporting Period & Fiscal Year ending on:	June 30, 202	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018				
Total OPEB Liability	10,333,433	8,654,814	8,406,758	7,855,437	7,760,675	7,321,481	6,291,640	4,270,784				
I. Service Cost	802,329	948,235	747,196	917,149	804,839	776,751	752,044	608,129				
II. Interest on Total OPEB Liability, Service Cost, and Benefit Payments	512,464	436,623	431,978	367,674	344,281	299,442	374,432	18,642				
III. Changes in Benefit terms	-	-	-	-	-	-	-	-				
IV. Difference between Expected & Actual Plan Experience	383,219	-	(1,278,180)	-	(1,125,612)	(469)	(1,703,175)	-				
V. Changes of Assumption	90,322	(1,045,075)	714,395	(1,136,144)	467,416	-	2,659,477	43,514				
VI. Benefit Payments Excluding Implicit Cost	(85,145)	(77,701)	(54,947)	(53,917)	(50,682)	(44,753)	(48,295)	(30,590)				
VII. Implicit Cost Amount	(24,570)	(14,026)	(9,121)	-	(1,048)	(1,130)	(13,627)	-				
VIII. Total Benefit payments including Implicit Cost [VI.+VII.]	(109,715)	(91,727)	(64,068)	(53,917)	(51,730)	(45,883)	(61,922)	(30,590)				
IX. Net Change in OPEB liability [I.+II.+III.+IV.+V.+VIII.]	1,678,619	248,056	551,321	94,762	439,194	1,029,841	2,020,856	639,695				
X. Total OPEB liability - beginning of period	8,654,814	8,406,758	7,855,437	7,760,675	7,321,481	6,291,640	4,270,784	(148,019)				
XI. Prior Period Adjustment for Retirees not Previously Reflected	-	-	-	-	-	-	-	-				
XII. Total OPEB Liability - end of period [IX.+X.+XI.]	10,333,433	8,654,814	8,406,758	7,855,437	7,760,675	7,321,481	6,291,640	491,676				
Plan Fiduciary Net Position	8,282,784	7,374,283	6,598,707	6,030,973	5,271,479	4,266,767	4,039,225	3,779,108				
XIII. Earning from Plan Investments	908,501	775,576	503,660	(881,086)	1,004,712	227,542	260,117	236,892				
XIV. Employer Contribution to trust	109,715	91,727	128,142	1,694,497	51,730	45,883	61,922	30,590				
XV. Benefit payments from trust, including refunds of member contributions	(109,715)	(91,727)	(64,068)	(53,917)	(51,730)	(45,883)	(61,922)	(30,590)				
XVI. Administrative expense	-	-	-	-	-	-	-	-				
XVII. Other	-	-	-	-	-	-	-	-				
XVIII. Net change in plan fiduciary net position [XIII.+XIV.+XV.+XVI.+XVII.]	908,501	775,576	567,734	759,494	1,004,712	227,542	260,117	236,892				
XIX. Plan fiduciary net position - beginning of period	7,374,283	6,598,707	6,030,973	5,271,479	4,266,767	4,039,225	3,779,108	3,542,216				
XX. Plan fiduciary net position - end of period [XVIII.+XIX.]	8,282,784	7,374,283	6,598,707	6,030,973	5,271,479	4,266,767	4,039,225	3,779,108				
XXI. Net OPEB Liability [XII.-XX.]	2,050,649	1,280,531	1,808,051	1,824,464	2,489,196	3,054,714	2,252,415	491,676				
XXII. Plan fiduciary net position as a % of total OPEB liability [XX./XII.]	80.16%	85.20%	78.49%	76.77%	67.93%	58.28%	64.20%	768.62%				
XXIII. Covered employee payroll	17,432,244	14,623,085	14,197,170	11,143,102	10,818,546	11,425,179	11,092,407	11,775,259				
XXIV. Plan NOL as % of covered employee payroll [XXI./XXIII]	11.76%	8.76%	12.74%	16.37%	23.01%	26.74%	20.31%	4.18%				
Single Discount Rate to calculate Plan Liabilities	5.22%	5.45%	4.69%	5.04%	4.25%	4.25%	4.25%	7.50%				

Schedule Presentation

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

See independent auditor's report.

Valley Collaborative
OPEB Plan - Required Supplementary Information
As of the June 30, 2025 Measurement Date

Notes to Required Supplementary Information:

Valuation Date: Actuarially Determined Contribution was calculated as of July 1, 2024.

Actuarial Cost Method: Individual Entry Age Normal

Asset-Valuation Method: Market Value of Assets as of the Measurement Date, June 30, 2025.

Actuarial Assumptions:

Investment Rate of Return: 5.86%, net of OPEB plan investment expense, including inflation.

Municipal Bond Rate: 4.81% as of June 30, 2025 (source: S&P Municipal Bond 20-Year High Grade Index - SAPIHG)

Single Equivalent Discount Rate: 5.22%, net of OPEB plan investment expense, including inflation.

Inflation: 2.50% as of June 30, 2025 and for future periods

Salary Increases: 3.00% annually as of June 30, 2025 and for future periods

Cost of Living Adjustment: Not Applicable

Pre-Retirement Mortality: General: RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2021, set forward 1 year for females
 Teachers: PubT-2010 Mortality Table (Headcount-weighted) for Employees projected generationally with scale MP-2021

Post-Retirement Mortality: General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2021, set forward 1 year for females
 Teachers: PubT-2010 Mortality Table (Headcount-weighted) for Healthy Annuitants projected generationally with scale MP-2021

Disabled Mortality: General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2021, set forward 1 year for males and 2 years for females
 Teachers: PubT-2010 Mortality Table (Headcount-weighted) for Healthy Annuitants projected generationally with scale MP-2021

See independent auditor's report.

Valley Collaborative
OPEB Plan - Required Supplementary Information
As of the June 30, 2025 Measurement Date

Notes to Required Supplementary Information (Continued):

Plan Membership

Plan Membership: At July 1, 2024, the OPEB plan membership consisted for the following

Inactive employees or beneficiaries currently receiving benefits:	15
Active Employees:	<u>267</u>
Total:	282

Events Subsequent to the Measurement Date

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

Changes in Assumptions:

From June 30, 2024 to June 30, 2025:

Due to the GASB 75 standards the discount rate has been changed from 5.45% to 5.22%.

Based on recommendations by PERAC, the mortality table has been updated to the RP-2014 Mortality Table projected generationally with scale MP-2021 for non-teachers and PubT-2010 Mortality Table projected generationally with scale MP-2021 for teachers.

Contributions/Withdrawals:

The contribution requirements of plan members and the Collaborative are established and may be amended through Collaborative ordinances. The Collaborative contributed \$0 for the period ending on the June 30, 2025 Measurement Date. For the year ending on the June 30, 2025 Measurement Date total Collaborative premiums plus implicit costs for the retiree medical program were \$109,715. \$24,570 of the \$109,715 represents implicit cost.

Census Data Manipulation:

In the absence of data, the following was assumed:

Spouse Sex:	Male participants had female spouses and vice versa.
Spouse Age:	Male spouses were three years older than female spouses and same sex spouses were the same age.
Hire Age:	Participants who were not on the previous valuation were hired halfway between last valuation and the current valuation. If we did not have census data related to the last valuation, the participants were assumed to have been hired at age forty.
Retiree Age:	Retirees had the same birth date as they had the prior valuation. If we did not have census data related to the last valuation, retirees who were enrolled in Active plans were assumed to be age sixty-two and retirees who were enrolled in Medicare Supplement plans were assumed to be age seventy-two. Those not enrolled in a medical plan were assumed to be sixty-seven.
School Demographics:	Two thirds of school participants were teachers.
Other Material Changes:	No other data changes were deemed to be material.

See independent auditor's report.

Valley Collaborative
Schedule of the Collaborative's Proportionate Share of Net Pension Liability
For the Year Ended June 30, 2025

		MTRS	MSERS
Collaborative's proportion of net pension liability	FY2015	0.07985%	0.02466%
	FY2016	0.08405%	0.07637%
	FY2017	0.08453%	0.08118%
	FY2018	0.09167%	0.08646%
	FY2019	0.08325%	0.10137%
	FY2020	0.08129%	0.08658%
	FY2021	0.07984%	0.07671%
	FY2022	0.08333%	0.09316%
	FY2023	0.08290%	0.09784%
	FY2024	0.08321%	0.11139%
Collaborative's proportionate share of net pension liability	FY2015	\$ 16,360,313	\$ 2,806,546
	FY2016	\$ 18,790,793	\$ 10,530,873
	FY2017	\$ 19,344,064	\$ 10,410,850
	FY2018	\$ 21,737,193	\$ 11,438,238
	FY2019	\$ 20,989,574	\$ 14,834,931
	FY2020	\$ 23,205,036	\$ 14,855,001
	FY2021	\$ 18,129,788	\$ 8,006,281
	FY2022	\$ 21,572,960	\$ 12,958,656
	FY2023	\$ 21,794,595	\$ 14,331,557
	FY2024	\$ 21,098,472	\$ 15,733,379
Collaborative's covered-employee payroll	FY2015	\$ 5,347,143	\$ 4,285,929
	FY2016	\$ 5,527,894	\$ 4,254,279
	FY2017	\$ 5,762,613	\$ 4,635,195
	FY2018	\$ 6,333,668	\$ 6,028,713
	FY2019	\$ 6,087,231	\$ 6,039,995
	FY2020	\$ 6,181,687	\$ 5,305,358
	FY2021	\$ 6,202,814	\$ 4,668,914
	FY2022	\$ 6,274,492	\$ 5,856,826
	FY2023	\$ 7,162,705	\$ 6,145,191
	FY2024	\$ 7,488,098	\$ 7,832,325
Collaborative's proportionate share of net pension liability as a percentage of its covered-employee payroll	FY2015	305.96%	65.48%
	FY2016	339.93%	247.54%
	FY2017	335.68%	224.60%
	FY2018	343.20%	189.73%
	FY2019	344.81%	245.61%
	FY2020	375.38%	280.00%
	FY2021	292.28%	171.48%
	FY2022	343.82%	221.26%
	FY2023	304.28%	233.22%
	FY2024	281.76%	200.88%
Plan fiduciary net position as a percentage of total pension liability	FY2015	55.38%	67.87%
	FY2016	52.73%	63.48%
	FY2017	54.25%	67.21%
	FY2018	54.84%	67.91%
	FY2019	53.95%	66.28%
	FY2020	50.67%	62.48%
	FY2021	62.03%	77.54%
	FY2022	57.75%	71.05%
	FY2023	58.48%	70.71%
	FY2024	61.45%	72.90%

Notes to Required Supplementary Information

MTRS is the Massachusetts Teachers' Retirement System. MSERS is the Massachusetts State Employees' Retirement System. Also, see Note E to financial statements.

Measurement Date

The amounts presented in this schedule were determined as of June 30, 2024.

Schedule Presentation

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

See independent auditor's report.

Valley Collaborative
Schedule of Pension Contributions
For the Year Ended June 30, 2025

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
<u>MTRS</u>										
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the										
contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Collaborative's covered-employee payroll	\$ 5,347,143	\$ 5,527,894	\$ 5,762,613	\$ 6,333,668	\$ 6,087,231	\$ 6,181,687	\$ 6,202,814	\$ 6,274,492	\$ 7,162,705	\$ 7,488,098
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<u>MSERS</u>										
Contractually required contribution	\$ 240,012	\$ 238,217	\$ 259,571	\$ 337,608	\$ 338,240	\$ 323,627	\$ 284,804	\$ 357,266	\$ 374,857	\$ 477,772
Contributions in relation to the										
contractually required contribution	\$ 240,012	\$ 238,217	\$ 259,571	\$ 337,608	\$ 338,240	\$ 323,627	\$ 284,804	\$ 357,266	\$ 374,857	\$ 477,772
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Collaborative's covered-employee payroll	\$ 4,285,929	\$ 4,254,279	\$ 4,635,195	\$ 6,028,713	\$ 6,039,995	\$ 5,305,358	\$ 4,668,914	\$ 5,856,826	\$ 6,145,191	\$ 7,832,325
Contributions as a percentage of covered-employee payroll	5.60%	5.60%	5.60%	5.60%	5.60%	6.10%	6.10%	6.10%	6.10%	6.10%

Notes to Required Supplementary Information

MTRS is the Massachusetts Teachers' Retirement System. MSERS is the Massachusetts State Employees' Retirement System. Also, see Note E to financial statements.

Measurement Date

The amounts presented in this schedule were determined as of June 30, 2024.

Schedule Presentation

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

Contributions

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

See independent auditor's report.



FRITZ DEGUGLIELMO LLC
CERTIFIED PUBLIC ACCOUNTANTS
& BUSINESS ADVISORS

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

To the Board of Directors of
Valley Collaborative
North Billerica, Massachusetts

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Valley Collaborative (a collaborative organized under the Laws of the Commonwealth of Massachusetts), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Valley Collaborative's basic financial statements, and have issued our report thereon dated November 20, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



Certified Public Accountants

Newburyport, Massachusetts

November 20, 2025



Central Administration

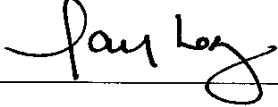
11 Executive Park Dr, Billerica MA 01862 | Tel: (978)528-7800 | www.valleycollaborative.org

DETERMINATION OF CUMULATIVE SURPLUS (BOARD VOTE) For the Year Ended June 30, 2025

We, the Board of Directors of Valley Collaborative, have determined the fiscal year cumulative general fund surplus to be \$7,614,806 and have voted to accept said surplus as presented in the Cumulative Surplus worksheet in Note L to the financial statements.

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, 2025.

Board Chair



Date of Board Vote

11-20-2025



Central Administration

11 Executive Park Dr, Billerica MA 01862 | Tel: (978)528-7800 | www.valleycollaborative.org

ACCEPTANCE OF THE BOARD OF DIRECTORS

We, the Board of Directors of the Valley 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, 2025.

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, 2025.



Board Chair

11-20-2025

Date

Valley Collaborative 2025 Annual Report

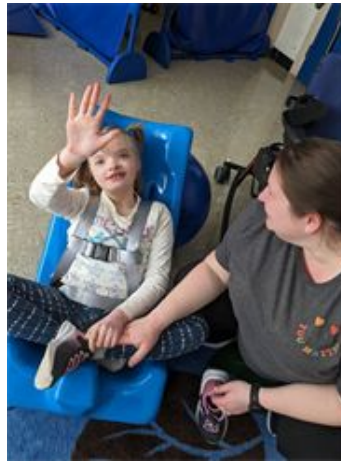


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General Information

Name of the collaborative: Valley Collaborative

Contact Information

Executive Director: Dr. Chris A. Scott

Email: cscott@valleycollaborative.org

Address:

11 Executive Park Drive
N. Billerica, MA 01862

Phone:

978-528-7800

Website: www.valleycollaborative.org

Academic and fiscal year: 2024-2025 – FY ‘25

Valley Collaborative Mission

Mission Statement:

To work collaboratively in order to create a diverse, equitable, inclusive, and responsive learning environment that recognizes individuals and empowers them to navigate confidently with optimal independence in their community and fosters lifelong learning.

Vision Statement:

Valley Collaborative partners with families, districts, and the community to provide innovative programming that empowers all students and adults to discover their diverse individual strengths, interests, and abilities. In doing so, those we serve become self-actualized members of society who contribute in a responsible manner.

Summary of Successes and Challenges

It has been an honor to work with Valley’s committed staff to offer high quality special education services in the most fiscally responsible manner. Our collective work and dedication to Valley’s mission has resulted in positive outcomes for students in our K-12 programs as well as participants in our DDS & MRC programs. I would like to thank Valley’s Board Chair, Dr. Jay Lang, and the Board of Directors for their effective oversight, governance and generous support of this most important work. Valley is proudly owned and operated by nine member school districts. The Board of Directors and the school districts they represent are comprised of:

- **Dr. Jay Lang**, Chairman of the Board, Executive Committee Member, Superintendent - Chelmsford Public Schools
- **Dr. Kerry Clery**, Superintendent - Billerica Public Schools
- **Mr. Steven Stone**, Superintendent - Dracut Public Schools
- **Dr. Geoff Bruno**, Superintendent - Groton Dunstable Regional School District
- **Dr. Denise Pigeon**, Executive Committee Member, Superintendent - Nashoba Valley Technical School District
- **Mr. Brad Morgan**, Superintendent - North Middlesex Regional School District
- **Ms. Brenda Theriault-Regan**, Executive Committee Member, Superintendent - Tewksbury Public Schools
- **Dr. Michael Flanagan**, Executive Committee Member, Superintendent - Tyngsborough Public Schools
- **Dr. Christopher Chew**, Superintendent - Westford Public Schools

Valley's Tuition Rates continue to be extremely competitive and the lowest in the region. The table below offers comparisons between Valley's tuition rates and the averages across the state for two fiscal years. Valley's low tuition rates are the result of over a decade and a half of financial decisions that have resulted in an extremely strong balance sheet – the healthiest of all collaboratives in the state. Valley's OPEB trust is fully funded (\$9M), capital reserve fund is fully funded (\$1.5M), consistently invests \$1M annually in infrastructure updates, is fully staffed, 50% of its enrollment comes from non-member districts who pay a 25% premium to attend Valley's exemplary programming at a tuition rate that is still lower than most member district tuition rates at other Collaboratives (see table below). The financial stewardship on behalf of the Board of Directors and Valley administration results in Valley being able to offer tuition rates consistently below the circuit breaker threshold. Many of Valley's member districts are able to pay or receive a significant reduction in tuition rates each year because of Valley's surplus that is required to be returned to its member districts. This year the return was a total of \$1.2M, which again will offset already low tuition rates in FY26.

Tuition Rate Comparisons	
\$53,431	FY 26 Circuit Breaker Threshold
\$44,935	FY 26 Valley's Average Member District Tuition
\$57,224	FY 26 Valley's Average Non Member District Tuition
\$63,382	FY 26 Average MA Collaborative Member Tuition
\$99,067	FY 26 MAAPS (Private Schools) Average
\$49,320	FY 27 Valley's Average Member District Tuition
\$62,775	FY 27 Valley's Average Non Member District Tuition

Valley was inundated with audits this past year. Our small but mighty team excels under pressure and tight timelines. Here's an overview:

- DESE Coordinated Program Review – Mid-Cycle Review: Valley has concluded its Mid-Cycle Review and the feedback from the DESE Office of Approved Special Education Schools (OASES) included, below.

Results: A+ / Exemplary

- Administrative teams had an impressively long tenure. (This is significant because we are in a field where it is typical for key positions to be vacant and/or hard to fill. Fortunately, when people come to Valley, they fall in love with our mission and vision and stay for a very long time.)
- Students were engaged in rigorous curriculum/programming.
- They observed Valley's staff interacting with students in a caring and compassionate manner.
- Our systems throughout the Collaborative were consistent and followed with fidelity.
- Staff were well trained including but not limited to top tier therapeutic teams, educators who deliver high quality programs consistent with the state standards, and highly trained Special Education Assistants. (Valley's successful efforts to put into place the Academy for Special Education Assistants is noteworthy.)
- DESE protocols and procedures were followed with fidelity.
- Staff were committed and devoted to the mission of Valley.
- They wished that Valley could train other Collaboratives on how to do the exceptional work they witnessed.

- DESE Collaborative Financial Review:

Valley Collaborative received the results from the DESE Collaborative Financial Review performed by MARCUM Accounting for DESE in June 2025. I am pleased to report that Valley received an 'exemplary' score. MARCUM presented at MOEC's general membership meeting on October 7, 2024 and Valley was the case study/exemplar.

The Department of Elementary and Secondary Education continues to work through some technical matters regarding how certain DESE guidance and regulations are being interpreted by both Collaboratives across the Commonwealth and DESE with regards to the 25% Surplus Calculation. Valley has been instructed not to change how it has calculated the 25% surplus. Valley was proud to be a thought partner and one of the pilot sites for this new financial/governance review process that all Collaboratives will undergo every six years.

Results: A+ / Exemplary

- FY'25 Independent Financial Audit: Valley's FY'25 Independent Financial Audit, performed by Fritz DeGuglielmo, LLC, has been completed. Daniel Schaffner, CPA, and his team. Valley is proud to say that the audit was again this year finding-free and demonstrates Valley's commitment to sound, competent, financial management/oversight. The Board of Directors and Valley's Administration team take very seriously its responsibility to be good stewards of public funds. Valley had another financially successful year in FY'25, ending the year with \$1.2M being returned to Member School Districts. Our systems and processes have never been more effective. Daniel Schaffner, CPA reported out to the Board at the November 20, 2025 Board of Directors meeting.

Results: A+ / Exemplary

- DDS CORI Audit: for the first time, on September 24, 2024 DDS performed a CORI audit to ensure Valley Collaborative was in full-compliance with all procedures and protocols.

Results: A+/Exemplary

- DDS DPPC Audit: to ensure compliance with Nicky's Law, the Disabled Persons Protection Commission (DPPC) is authorized to conduct periodic compliance reviews of DDS and agencies defined as Employers (Valley Collaborative). Valley completed its first compliance review on September 6, 2024. This review included DDS staff hired after July 1, 2023, along with their signed DPPC Consent Form and Valley's internal policies and procedures to adhere to M.G.L. c. 19C § 15.

Results: A+/Exemplary

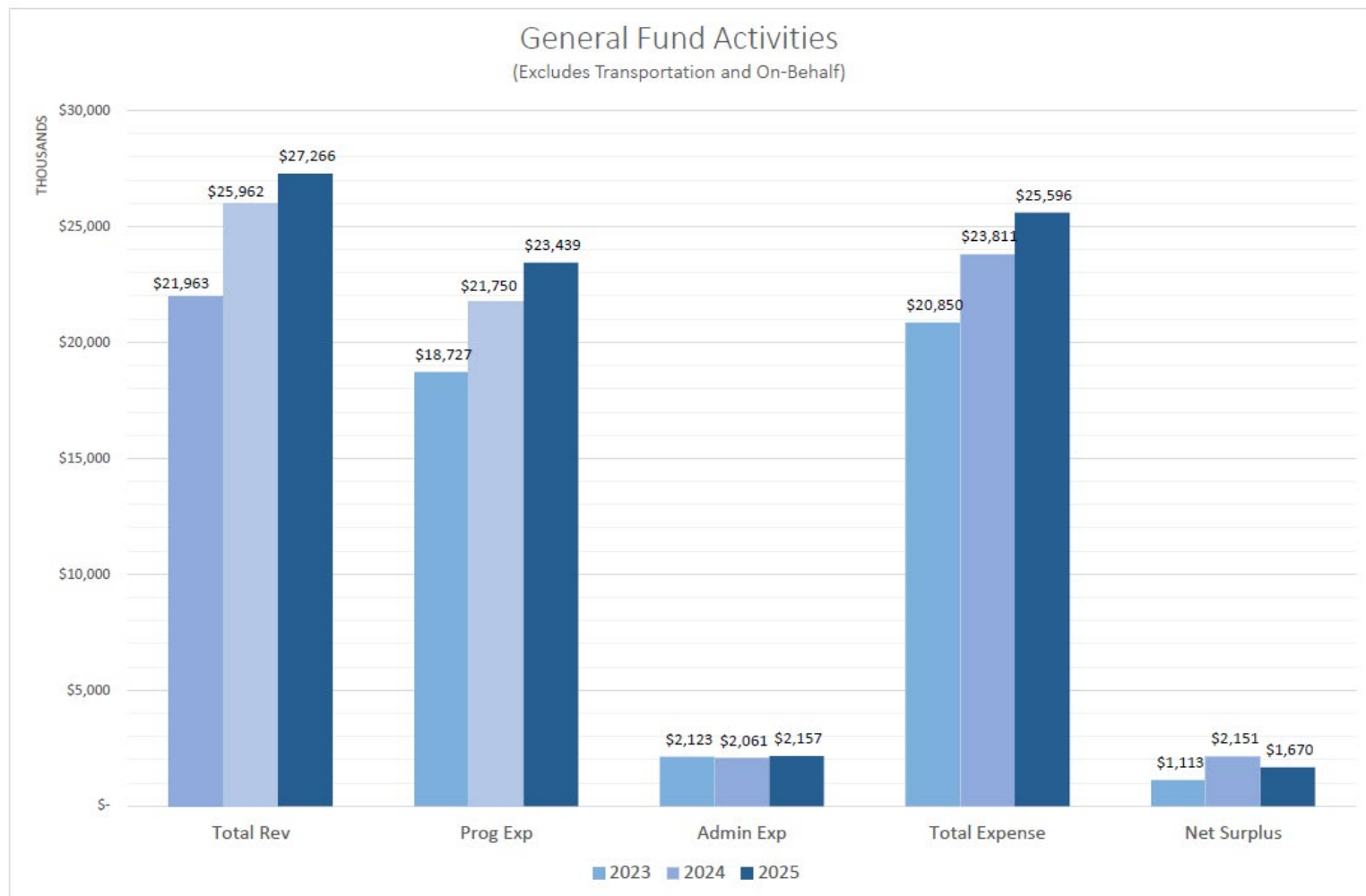
Please reach out if I can ever be of assistance. We are here to serve. My door is always open.

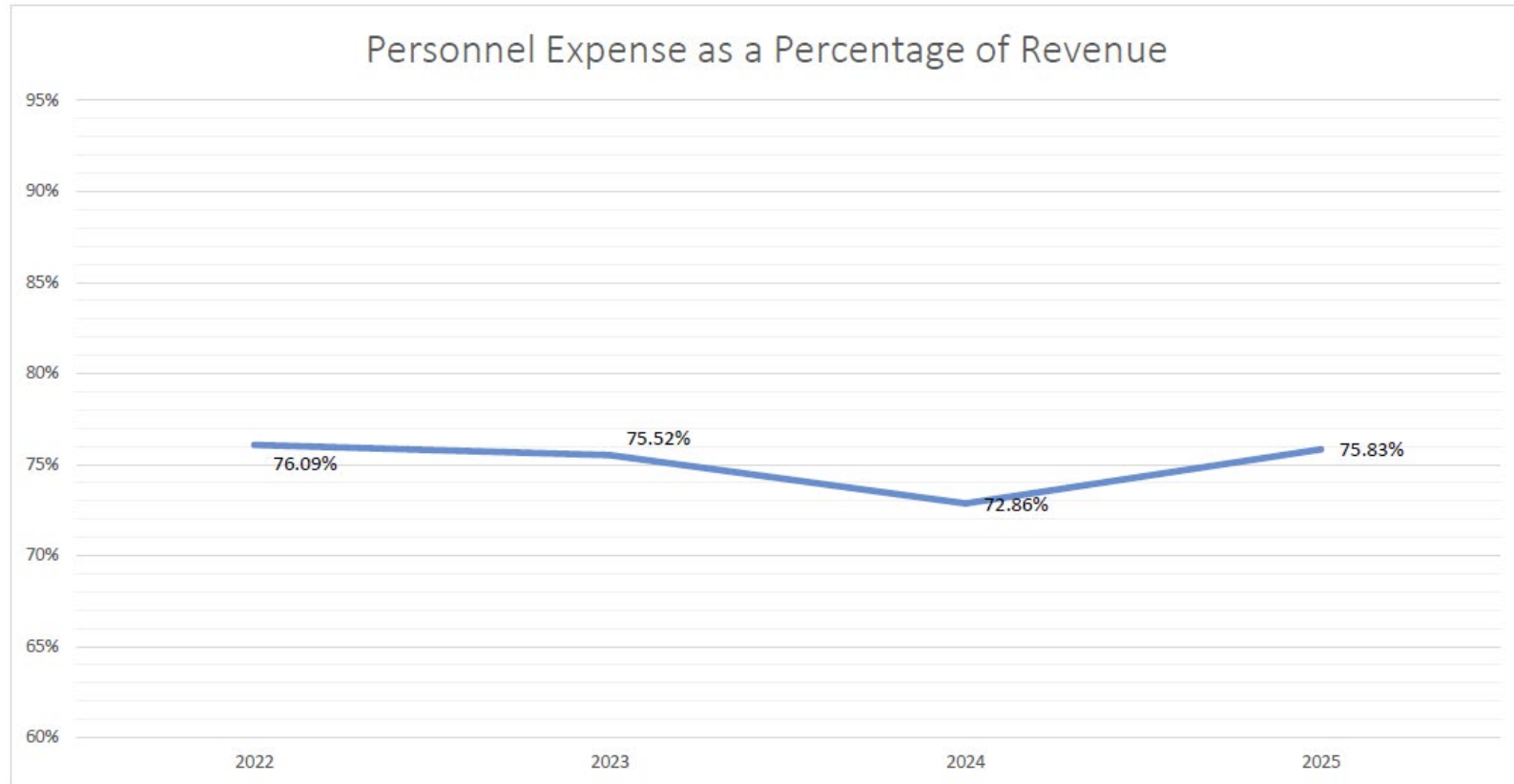
My best to you always,

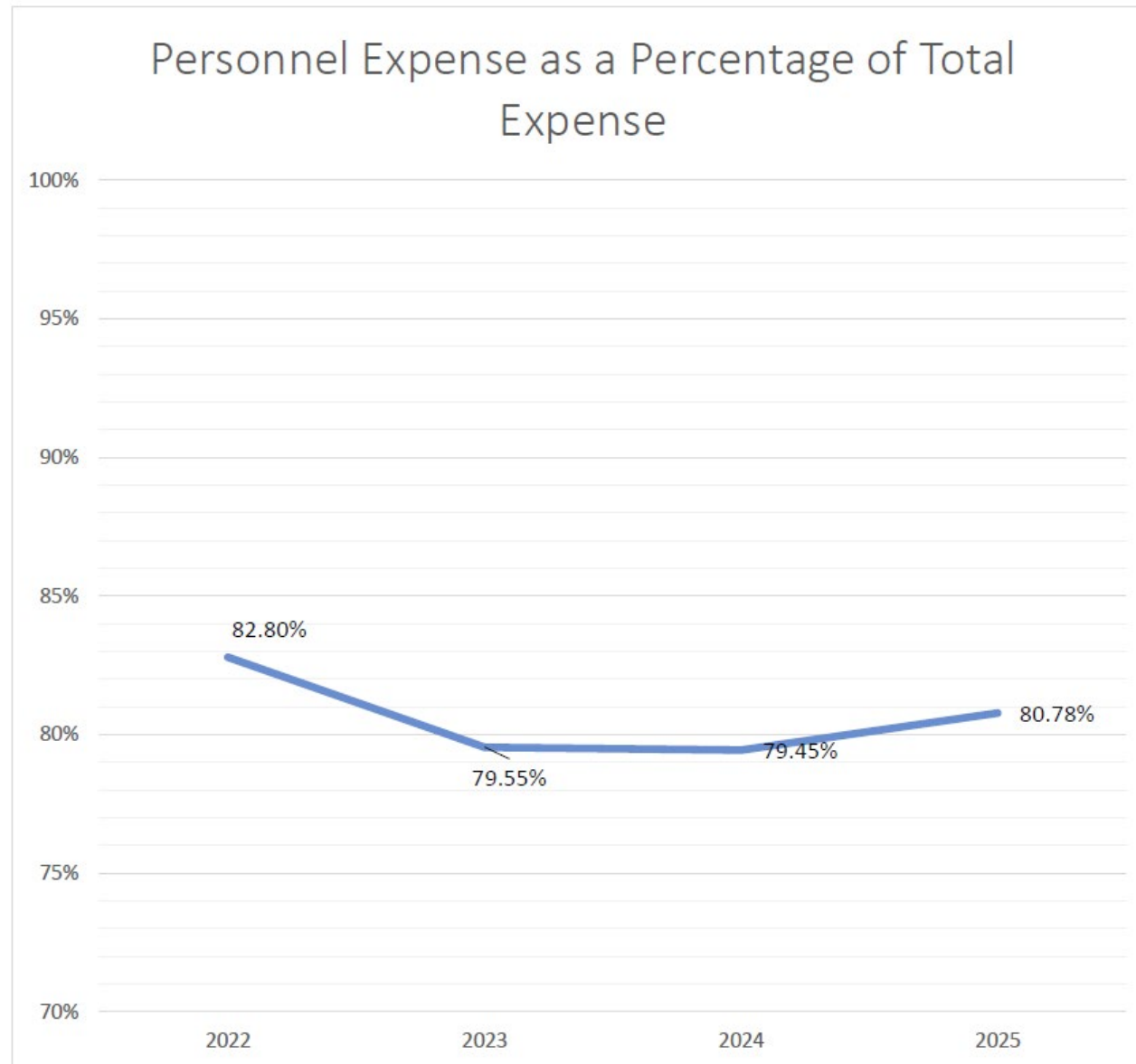
A handwritten signature in black ink, appearing to read "Chris A. Scott".

Chris A. Scott
Executive Director
Valley Collaborative

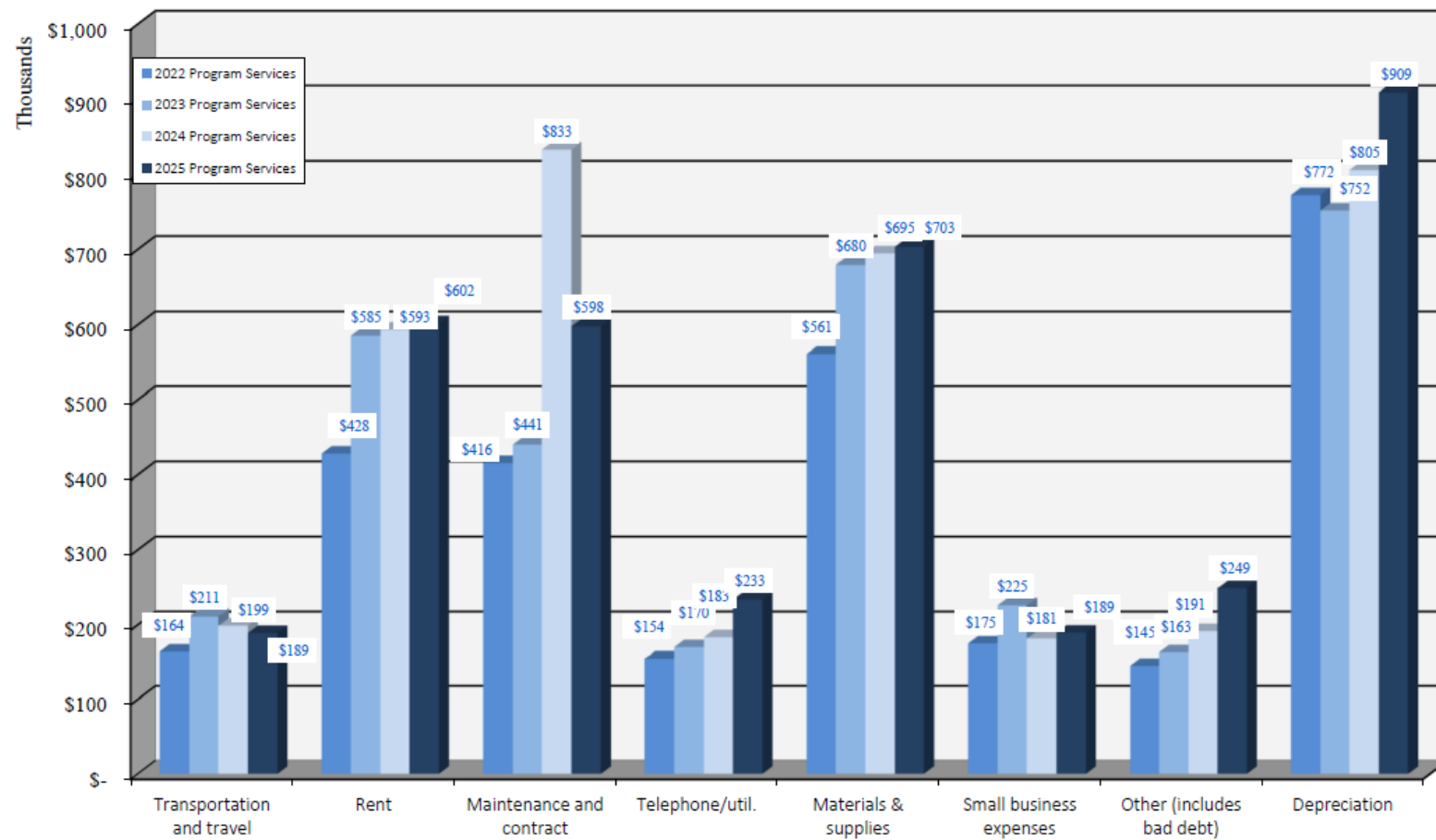
Valley Collaborative
Summary of Financial Activity
For the year ended June 30, 2025







Program Expense Comparison (Excludes Payroll)



Derived from audited financial statements for discussion purposes only.

Change(s) in Membership, Services, or Programs

None

The Number of Years the Collaborative has been in Existence

Valley Collaborative was founded in 1976. It has been in existence for 49 years.

Revenue and Expenditure Information for the Subject Year

Please see full financial audit, posted on the website and page 31 of this document, for further details.

Governance and Leadership

Board of Directors and Member Districts

The Valley Collaborative is governed by a Board of Directors comprising representatives from its nine member districts. The members of the Board of Directors in FY' 25 were:

Chairperson Dr. Jay Lang, Superintendent of the Chelmsford Public Schools
Dr. Kerry Clery, Superintendent of the Billerica Public Schools
Dr. Michael Flanagan, Superintendent of the Tyngsborough Public Schools
Mr. Steven Stone, Superintendent of the Dracut Public Schools
Dr. Laura Chesson, Superintendent of the Groton-Dunstable Regional School District
Dr. Denise Pigeon, Superintendent of Nashoba Valley Technical School District
Mr. Brad Morgan, Superintendent of the North Middlesex Regional School District
Ms. Brenda Theriault-Regan, Superintendent of the Tewksbury Public Schools
Dr. Christopher Chew, Superintendent of the Westford Public Schools

Advisory Committee

Valley Collaborative's Board of Directors and District Planning Team currently act in an advisory committee role.

Staffing Information

Valley Collaborative employs Department of Elementary and Secondary Education licensed teachers. The Collaborative's other professional staff includes licensed speech and language pathologists, occupational therapists, physical therapists, social workers, guidance counselors, board certified behavior analysts, music therapists, and nurses. In addition, the Collaborative contracts the services of a physician.

Key Management and Program Staff

District Staff:

Dr. Chris A. Scott, Executive Director
Mr. James George, Business Manager/Accountant
Ms. Joia Mercurio, Deputy Director
Ms. Kari Morrin, Director of Human Resources

Mr. Matthew Gentile, Director of DDS & MassAbility Services

Ms. Jessica Scalzi, Lead Nurse

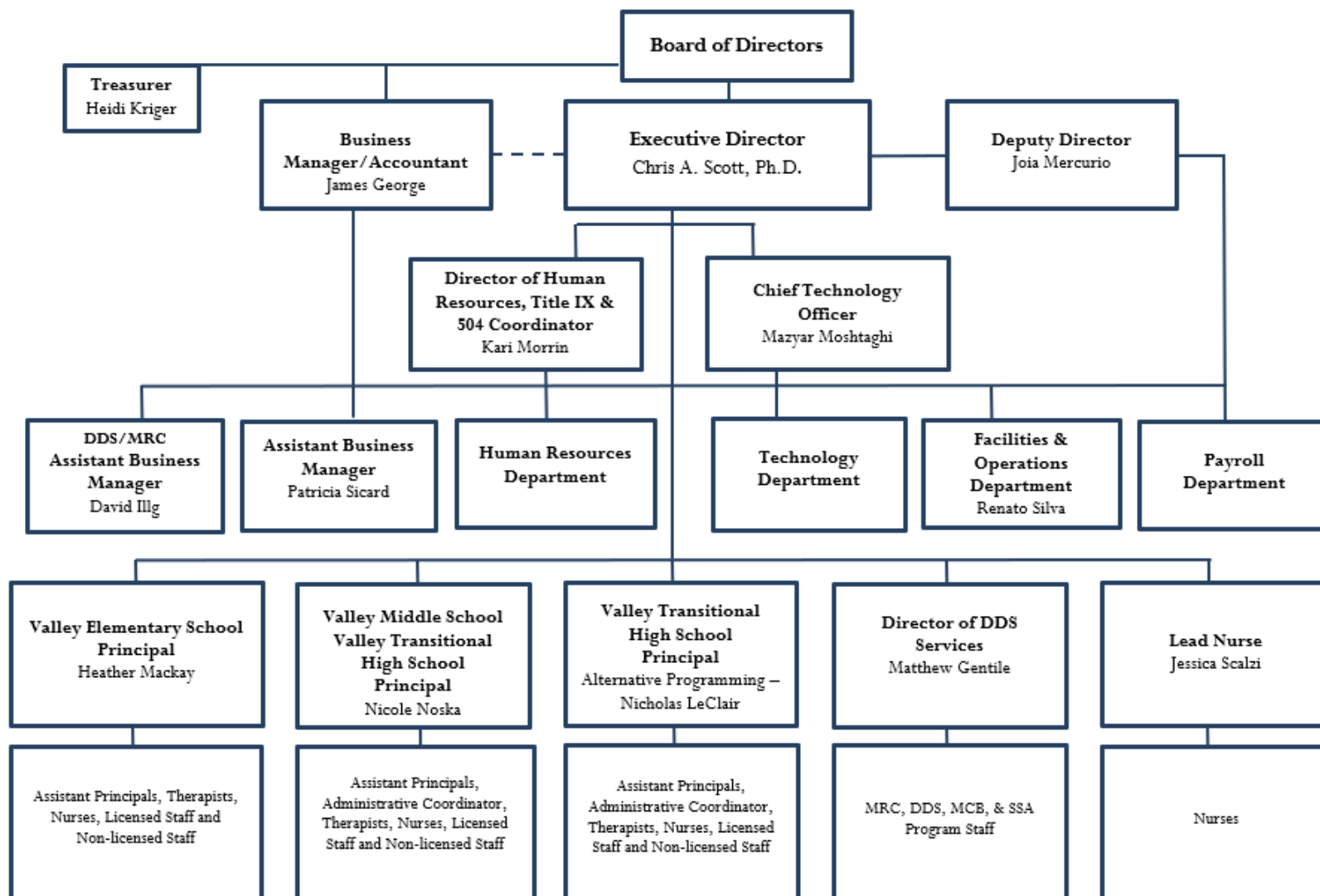
DESE Program Staff:

Ms. Heather MacKay, Principal, Valley Elementary School

Ms. Nicole Noska, Principal, Valley Middle School and Valley Transitional High School - Transitional

Mr. Nicholas LeClair, Principal, Valley Transitional High School - Alternative

Valley Collaborative Organizational Chart



Programs and Services Provided

The Collaborative offers the following types of programs and services, which complement and augment the educational programs and services of the member districts in a cost-effective manner.

- Day school placements and other programs and services, including educational, therapeutic, transitional, and occupational programs and services for students and individuals with disabilities.
- Professional Development programs for general and special educators.
- Other appropriate services and programs as may be established and approved by the Board of Directors of the Collaborative.

The programs offered to students continue to support their academic, transitional, emotional, and behavioral progress. Our K-Age 22 programs run September through June and offer additional summer programming. Valley's adult programs operate year-round. In addition, the Collaborative feels it is important for our students to have state-of-the-art adaptive technology that enables them to fully engage in the curriculum. To support the mission, the Collaborative continues to upgrade its technology in all schools. The Collaborative is committed to offering high quality programs in a fiscally responsible manner. A student-focused budget with a mission to improve student outcomes is always more cost-effective than a budget disconnected from the mission.

2024-2025 Average Number of Students

Valley Collaborative served 328 students (K-Age22) during the 2024-2025 school year. Valley's Adult Services served 137 individuals in our DDS program and 162 individuals in our MRC program.

Program Offerings Overview

K-12 Programs:

Valley Elementary School
Valley Middle School
Valley Transitional High School

Adult Programs:

Valley's Today-and-Tomorrow Program
Valley's Massachusetts Rehabilitation Commission Funded Programs
Job Development

Valley Elementary School

Location of the Programs

135 Coburn Road, Tyngsborough, MA

Arrangements with Member Districts to Maximize Integration Opportunities for Students

Detailed Description of the Program

Valley Elementary School

Valley Elementary School's goal is to provide a school experience for every child.

The Elementary program prides itself on providing an enriched school experience while supporting our students with the tailored therapeutic environment they require. All students have access to writing, reading, language arts, math, science and social studies instruction along with social and life skills

programming. Students access this curriculum throughout the school day via multi-modal approach. Our program is rich in trained professionals, supports, and technology specific to our population. Students participate in Physical Education, Art Education, and **Music Therapy** throughout the school week.

Our community engages in school-wide events according to monthly themes. Students help to plan and participate in our annual Science Fair, Thanksgiving Dinner, Halloween Dance, Holiday Fair, etc. One student is awarded “Student of the Month” each month. Community outings are common for all programs and allow students to generalize their skills to other settings. Our classrooms are equipped with technology such as smart boards, iPads, and chrome books to engage and enhance our curricula. The elementary school supports a greenhouse where students learn about gardening, the compost and can sampling herbs and vegetables after growing. In addition, we have a STEM lab that gives students a virtual reality learning experience using our zSpace desktops and V-R goggles along with educational content using our LEGO kits, Dash and Dot Robots and 3D printer.

Social Pragmatic classrooms take an ABA approach designed to meet the needs of students diagnosed with Autism, as well as students with pragmatic, sensory or behavioral needs. We use a team approach to provide each student with individualized behavior and academic supports.

Emotional Behavior classrooms provide a therapeutic environment for students who have emotional, behavioral or social adjustment difficulties that may limit their ability to make progress in a traditional school setting. Through a trauma informed lens, the classrooms use positive behavior support and collaborative problem solving to help students focus on school, develop relationships and build self-esteem. Our tailored approach and expert team ensure that every student has an individualized behavior and academic plan.

Our program has a wealth of therapists to assist our students and train our staff in the most current research-based intervention strategies. Our integrated therapy approach provides Board Certified Behavior Analysts, Speech/Language Pathologists, Occupational Therapists, Physical Therapists and Social Workers that work with the classroom staff to ensure the child’s range of needs are met. We also encourage families to participate in the school experience. Family events, volunteer opportunities and our Parent Advisory Group all provide a much-needed connection.

Valley Middle School

Location of the Program

40 Linnell Circle, Billerica, MA

Arrangements with Member Districts to Maximize Integration Opportunities for Students

Detailed Description of the Program

Our Goal

Valley Middle School’s goal is to prepare students for successful adult living.

The Valley Middle School provides a supportive, therapeutic environment, tailored to meet students’ individual learning needs. Our school is staffed by trained professionals who help students discover their strengths, interests and abilities. Small class sizes, individual instruction and classroom technology keep

students motivated and engaged. In addition to a rich curriculum, students also have access to programs, including:

- social skills group
- life skills training
- art education
- music therapy
- electives, including band, cooking, school spirit, creative arts, health and wellness
- community based activities
- field trips
- experiential physical education

Emotional Behavioral (EB) classrooms provide a therapeutic setting for students who have emotional, behavioral or social adjustment difficulties that may have kept them from making progress in a traditional school setting. EB classrooms are appropriate for students with a range of cognitive abilities or learning disabilities, as well as those with executive functioning or behavior challenges. Pragmatic Social Behavior (PSB) classrooms provide services designed to meet the needs of students diagnosed with autism, as well as students with pragmatic, sensory or behavioral needs. The classrooms provide consistency, positive reinforcement and individual behavior support plans, as needed. The Interim Alternative Education Setting (IAES)/ Extended Evaluations allow our skilled professionals to assess what kinds of supports and therapeutic approaches will best help students meet their educational goals.

Valley Transitional High School

Location of the Program

40 Linnell Circle, Billerica, MA

Arrangements with Member Districts to Maximize Integration Opportunities for Students

Detailed Description of the Programs

Our Goal

Valley Transitional High School's goal is to prepare students to become successful members of their communities.

Valley Transitional High School provides a supportive, therapeutic environment that assists students with their social, emotional, behavioral and academic needs. We seek to instill our students with the confidence and ability to successfully earn a high school diploma, transition into the workplace or a post-graduate program.

Valley Transitional High School classrooms provide a therapeutic setting for students who have social, emotional, behavioral or academic needs. Students develop transitional skills so that they are prepared to successfully enter college and the working world after graduating from high school. We offer a trusting, structured and safe environment that allows students to give and receive productive feedback from their peers, and encourages them to make positive choices. Students attend small classes taught by trained educators who use individualized instruction, state-of-the-art technology and innovative instructional strategies to engage and motivate them.

The Intensive Special Needs classroom provides comprehensive services to students with moderate to intensive physical, developmental and intellectual impairments. Our specialized instruction and expert staff is able to meet the needs of individual students. The curriculum focuses on academics, vocational, social and life skills.

Vocational Opportunities

Students have a variety of opportunities to develop vocational skills, including: culinary, multimedia, restoration, and landscaping. We collaborate with local businesses and community groups to offer students the knowledge and work experience they will need for employment. Seniors can also participate in internships in the surrounding community. Community service opportunities allow students to develop a positive self-identity through volunteering.

Additional Programming

The Experiential Physical Education program gives students the opportunity to take positive risks and challenge themselves in order to develop leadership and problem-solving abilities, along with communication skills. Community service opportunities allow students to develop a positive self-identity through volunteering. Eligible students who are on track to graduate and in solid academic standing may also participate in dual enrollment and work study programs.

Dual enrollment

We provide distinctive dual enrollment options, empowering students to explore academic and vocational potential. Through strategic partnerships with local colleges, vocational training institutions, and educational agencies, students can enroll in courses aligning with their interests and career goals. This program enables them to earn college and trade school credits during high school, gaining hands-on experience in diverse vocational fields. If desired, students may also enroll in virtual high school classes not offered in our program.

Valley currently partners with the following organizations for dual enrollment:

- Middlesex Community College
- The Peterson School
- TEC Connections Academy

Adult Services

11 Executive Park Drive, North Billerica MA 01862

Our Goal

Valley Collaborative's Adult Services goal is to support our adult community in reaching lifelong goals and maximum independence by promoting self-determination. Self-Determination is having control in your life to make choices that influence your future based on preferences, beliefs and abilities.

Our Adult Services Department focuses on building a community that promotes individuality, independence and community inclusion. Valley Collaborative believes in a person-centered approach that

provides supports that help our community of adults realize maximum independence, rewarding experiences, diverse vocational opportunities and continual growth. Our programs are funded by the Executive Office of Health and Human Services (EOHHS) and the Social Security Administration (SSA) with oversight from The Department of Developmental Services (DDS), The Massachusetts Rehabilitation Commission (MRC) and The Massachusetts Commission for the Blind (MCB).

Today and Tomorrow

Valley's Today & Tomorrow program provides full-time programming for individuals to support them in identifying and attaining their specific life goals. This is done through community integration and a robust curriculum that focuses on independent living, social skills, and vocational exploration and training. Individuals choose their own schedules and participate in a wide variety of activities at more than 30 community locations, as well as on-site at Valley. Individuals are the drivers of their programming and continually suggest new activities and locations for services which are incorporated into the service delivery model.

Valley's Massachusetts Rehabilitation Commission Funded Programs

Valley's Evaluation & Training and Supported Employment Programs

Valley's Evaluation & Training and Supported Employment Programs assist individuals in preparing for and obtaining competitive employment. Services can be short or long-term, and are provided based on the needs and availability of each person. Valley Collaborative's job development team has over 100 years combined experience in building community business partnerships and working to assist people with a wide range of disabilities prepare for, find and secure competitive employment.

Job Development

Independent Employment Support Services

Valley's Independent Employment Support Services provide individuals support in seeking out and maintaining competitive, independent employment. Services are specifically shaped and delivered to support individuals to reach their independent employment goals, with a Valley Collaborative Job Developer supporting the individual in all facets of gaining competitive, independent employment including but not limited to; interest inventorying, job exploration, matching of interests and specific employment fields, job searching, resume building, job application, interviewing, on-boarding and orientation, and continued support throughout employment with the individual and any potential supervisors on the job.

Home and Work Transportation

Valley's Today and Tomorrow Program also provides transportation to and from the individuals residence. This service is essential to the individuals' success as it assures they will be able to access the program on a daily basis and in a timely manner. In addition, Valley provides transportation to individuals working independently in the community. Providing individuals transportation to and from independent employment breaks down a barrier that has long hindered their ability to access these specific types of opportunities in their community.

Additional Services

The DESE/DDS Program - Designed to provide in-home services/wrap-around supports to school-age participants to help prevent a more restrictive educational or out-of-home residential placement. The parent/guardian of the participant becomes an active participant in the program. This includes collaborating

on the development of the participant's DESE/DDS Support Plan (DDSP) to help establish the current set of goals for the participant based on his/her needs. Families also help to determine how best to reach these goals with the help of the Valley in-home and community staff. The parent/guardian also plays a significant role in helping Valley determine how best to utilize the funds within the allowable guidelines.

Therapeutic Services

Most of Valley's students receive one or more therapeutic services.

Occupational Therapy, Speech Language Therapy, Physical Therapy, Behavioral Intervention Counseling and Social Work

The therapist(s) role in the Collaborative is to provide services to students through an integrated therapy model, which research supports as the most effective manner to provide services. Team collaboration is at the heart of the integrated therapy model. The team works together for the functional independence and success of the students. The team arrives at a shared set of goals for the students and implementation occurs across the routines of the day.

Using this model, therapists work with students within the classroom environment and during naturally occurring routines and activities. This helps reduce the student's need to generalize skills from a clinical or "pull out" model to realistic situations that occur with the classroom and school environments. It also increases opportunities for peer modeling and frequent practice of targeted objectives. Various therapists may also be in the classroom for the same block of time to "co- treat" or implement strategies that draw on their combined expertise.

This model also includes consultation, program monitoring, and staff training. Therapists train teaching staff to extend therapeutic interventions into classroom activities and other ongoing activities that occur throughout the student's day. The therapists determine recommendations for service delivery, develop IEP goals and benchmarks specific to discipline, actively engage members of the multidisciplinary team to best meet student's needs, consult with staff and other professionals to ensure generalization of newly learned skills, and implement staff training and parent education.

Areas of Assessment and Treatment

Occupational Therapy:

- Handwriting skills and keyboarding
- Fine motor skills
- Executive Functioning
- Activities of daily living(ADLs)
- Visual motor skills
- Visual perceptual skills
- Motor planning skills
- Sensory processing skills
- Upper extremity function
- Environmental modification
 - Upper extremity coordination
 - Sensory integration assessments

- Life skills

Speech Language Pathology:

- Pragmatics
- Speech sound production
- Resonance
- Phonology
- AAC
- Swallowing/feeding
- Voice
- Fluency
- Expressive and receptive language
- Cognition and executive functions
- Syntax and grammar
- Pro-social skills

Physical Therapy:

- Functional mobility
- Positioning to promote optimal participation
- Gross motor skills and motor planning
- Equipment assessment (wheelchairs, walkers, seating)
- Tonal inhibition and facilitation
- Posture
- Range of motion and strengthening
- Vendor consultation
- Orthotics management
- Core stability and strengthening

Board Certified Behavioral Analysis:

- Behavior support plans
- Functions of behavior
- Staff training
- Reinforce and motivation assessment
- Representation of graphs for data
- Data collection systems
- Discrete trial planning
- Parent training
- Skills assessments

Counseling and Social Work

A supportive therapeutic environment is an essential component of the student's overall experience at Valley. Valley's clinical component addresses student's social, emotional, developmental, and behavioral

needs. The clinical team, in conjunction with the teaching staff, BCBA's, speech and language therapists, occupational therapists, and physical therapists, identifies student's individual needs and addresses them through various approaches. Such approaches facilitate the development of self-awareness with the main objective to promote overall wellness and assist each student in reaching their full potential. The clinical team provides individual, group, and milieu counseling as well as crisis intervention and consultation to staff. They also provide a variety of assessments and participate in IEP meetings. Regular communication with family and outside providers and specialists is essential to maximizing a student's complete educational and therapeutic experience. Valley's clinical team is comprised of Massachusetts DESE certified school social workers/school adjustment counselors and guidance counselors. Social workers or school adjustment counselors also hold a Massachusetts state board license as either an LICSW, LCSW or LMHC as appropriate for their field.

Medical Services

The nursing staff at Valley functions as part of the multidisciplinary team. It is our goal to promote the health, safety, and well-being of our students, as well as intervene with actual and potential health and behavioral health issues. In addition, when necessary, we manage complex medical issues and provide case management services. Our nurses' network with others to build student and family capacity for adaptation, optimal independence and self-advocacy. We are a multifaceted group that provides professional nursing services to students to enhance their well-being, academic success, and lifelong achievement. Along with the educational advancement of our students, the nurses at Valley are active in their own professional growth and are actively engaged with other professional organizations. All Collaborative students benefit from medical assistance, health promotion, disease surveillance and intervention of acute and chronic conditions. The Collaborative is in compliance with Massachusetts DESE and Massachusetts Department of Public Health regulation. We employ two full-time Registered Nurses, one at our Valley Elementary School and one at our Transitional Middle/High School. We are staffed with an LPN at each of our schools as well. The Adult Services program is staffed with an LPN to assist with acute and chronic medical conditions for our over 22 individuals.

Assessment Services

Interim-Alternative Education Setting/ Extended Evaluations

Valley's Interim-Alternative Education Setting/ Extended Evaluations assist in determining interventions that will aid students with increasing his/her ability to perform successfully within an educational setting. The program also addresses the therapeutic needs of each student. Psychosocial needs are accessed via formal and informal assessments, while utilizing a holistic approach.

At, or before, the end of 45 days, a written report is presented at a team meeting where intervention strategies are discussed, as well as descriptions of the type of educational setting that will best meet the student's needs.

Augmented and Alternative Communication Services and Evaluations

Valley Collaborative provides expert AAC evaluation and support for students, parents and staff in order to facilitate student communication. Augmentative and alternative communication (AAC) includes all forms of communication (other than oral speech) that are used to express thoughts, needs, wants, and ideas. Valley Collaborative offers speech- language pathology services specializing in augmentative and alternative

communication (AAC) and language development for AAC users.

Valley Collaborative provides comprehensive AAC evaluations at competitive rates. Our expert team can determine student needs and determine a plan of action, while providing ongoing support for students and staff beyond the evaluation period. AAC evaluations, direct therapy and consultative services are provided by certified speech-language pathologists. Valley offers:

- 30-day evaluation period
- Skilled observation, assessment and recommendations
- Implementation
- AAC device trials
- Technology assistance
- Ongoing support and consultation

Transition Services and Assessments

Valley's goal with transition services is to help students make successful transitions to life beyond school. Students who are transitioning from school to employment and community benefit from a variety of resources and support. Valley Collaborative provides a comprehensive approach to helping students, families, and school districts navigate the transition process. Valley's transition services are age appropriate and highly individualized. Our transition specialist is a DESE licensed special educator who specializes in transition services and has an extensive background in vocational services, serving both students and adults. Valley has developed transition tools, assessments, and individualized programming for students with a wide range of strengths and needs.

Transitioning to Employment and Life after School

Valley's expert transition specialist helps students transition to the fullest life possible after school, including appropriate employment and/or independent living. Our transition assessment process begins by assessing student readiness for the workplace and/or pre-vocational training including interests, skills, intellectual functioning, sensory and motor abilities, coping/adaptive behavior, employability and "soft skills." Valley also offers planning assistance for students transitioning to post-secondary education. Valley's transition specialist assesses the attributes and "soft skills" associated with self-determination including personal strengths, work preferences, self-advocacy, self-regulation, autonomy and psychological empowerment. For students moving towards independent living, Valley provides assessments of transition skills, adaptive living skills, social skills and leisure skills.

Assisting Districts

Valley's expert staff and extensive resources enable us to provide districts with an ongoing, tiered set of transition services. Valley's transition services streamline the transition process and assist districts in meeting the guidelines set forth in IDEA indicator 13 of the U.S. Department of Education, Office of Special Education programs State Performance Plan Indicators. In addition to assessments, Valley offers consultation, professional development, job coaching, and job development to districts.

Vocational Services

Valley's expert transition specialist helps students transition to the fullest life possible after school, including appropriate employment and/or independent living. Our transition assessment process begins by assessing student readiness for the workplace and/or pre-vocational training including interests, skills,

intellectual functioning, sensory and motor abilities, coping/adaptive behavior, employability and “soft skills.” Valley also offers planning assistance for students transitioning to post-secondary education. Valley’s transition specialist assesses the attributes and “soft skills” associated with self-determination including personal strengths, work preferences, self-advocacy, self-regulation, autonomy and psychological empowerment. For students moving towards independent living, Valley provides assessments of transition skills, adaptive living skills, social skills and leisure skills.

Contract Services

Valley Collaborative provides contract services to those districts in need. A contract service is a service that a district requires in their own district and is not provided to a student enrolled in a Valley Collaborative program and can include but is not limited to:

- Therapy (Speech, Occupational & Physical)
- Transition Specialist
- Counseling
- ABA Therapist
- Board Certified Behavior Analyst
- Tutoring
- One-on-one Aide
- One-on-one Nurse
- Restraint Training

A Valley Collaborative Member or Non-Member District may also contract with Valley Collaborative for an assessment for a non-Valley student. The contract services assessments available to districts include:

- Speech Language Evaluation
- Augmentative and Alternative Communication (AAC) Evaluation
- Occupational Therapy Evaluation
- Physical Therapy Evaluation
- Functional Behavioral Assessment
- Transition Assessments
 - Sensory-motor
 - Gross & Fine Motor
 - Coping/Adaptive Behavior
 - Strengths, Preferences and Interests
 - Work Adjustment, Job Readiness
 - Autonomous Living
 - Learning Style
 - Student Observation
 - Adaptive Living
 - Transition
 - Self-Determination
 - Social
 - Employability
 - Person-Centered Planning

- Observational Assessment

Throughout the 2022-2023 school year, Valley provided 7 contracted services to its member districts for students/individuals in their own districts.

Professional Development

The Valley Collaborative offers a limited array of professional development. The professional development is primarily directed to our staff and in some instances includes staff from its member districts.

Cooperative Purchasing

The Collaborative does not offer cooperative purchasing.

Joint Transportation

The Collaborative does not offer joint transportation but participates in it.

Medicaid Billing

The Collaborative does not offer Medicaid billing services but participates in it.

Outreach and Partnerships

Member School Districts

Communication and outreach are key to our success. An annual member district meeting is held in January to review the Annual Report and the Collaborative financials. Member district Superintendents, School Committee Members, Business Directors, Special Education Directors, and members of the public are invited to attend. In addition, the Collaborative hosts periodically a meeting for all its member districts' Special Education Directors. Each meeting has a working agenda of issues we need to collaborate on to better serve our students. Furthermore, the Executive Director meets with member districts and School Committee members to inform them of the progress we are making at the Collaborative, to present financial updates and to obtain various approvals when necessary.

Community-at-large Outreach

The Collaborative also publishes a quarterly Newsletter which is sent to more than 500 families and state officials, agencies, and businesses. In addition, each school publishes its own Newsletter. If you would like to be on the distribution list, please contact us.

The Collaborative has a newly developed website: www.valleycollaborative.org

The Valley Collaborative participates in the Massachusetts Dual Enrollment Program and enrolls students with disabilities at the Middlesex Community College. The Dual Enrollment Program at the Collaborative serves students with moderate and severe disabilities, and supports college and career success through the provision of a free and appropriate public education in the least restrictive environment. The program:

- Promotes and enhances academic, social, functional, integrated competitive employment skills, and other transition-related goals;
- Provides opportunities for the inclusion of students with moderate and severe disabilities in credit

- and non-credit courses alongside their non-disabled peers;
- Promotes participation in the student life of the college community.

Cost Effectiveness of Programs and Services

Please note, Valley Collaborative prides itself in providing its member districts with superb special education programming for its out-of-district students as well as limited contracted services support. Tuition rates have been compared based on program descriptions. Given the differences among programs and services, a proper cost-effective analysis is almost impossible without requiring full disclosure of student to staff ratio per program and transparency on the therapies included in the cost of a tuition rate. I would be happy to discuss how a cost-effective analysis could be more meaningful and accurate if the proper data points were made public.

Service Fees Comparisons

FY '25 VALLEY COLLABORTATIVE VS. PRIVATE SCHOOLS TUITION RATES											
Valley Collaborative Program	Boston Higashi School	Cotting School, Inc.	Franciscan Children's Hospital	Landmark Foundation	Lighthouse School	May Institute	Nashoba Learning Group, Inc.	New England Center for Children	Seven Hills Foundation, Inc.	League School of Boston	Private Schools Average
Intensive Special Needs (ISN)			\$645.26					\$694.49			\$669.88
Elementary School - Emotional Behavioral	\$466.42	\$640.40			\$732.19	\$651.30	\$638.37		\$256.62	\$609.99	\$570.76
Elementary School - Pragmatic, Sensory, and Behavior	\$466.42	\$640.40			\$732.19	\$651.30	\$638.37		\$256.62	\$609.99	\$570.76
Middle School - Emotional Behavioral	\$466.42	\$640.40				\$651.30	\$638.37		\$256.62		\$530.62
Middle School – Pragmatic, Sensory, and Behavior	\$466.42	\$640.40				\$651.30	\$638.37		\$256.62		\$530.62
High School & Middle School - School & Life Skills Training ISN	\$466.42	\$640.40	\$645.26		\$732.19		\$638.37		\$256.62	\$609.99	\$569.89
High School - School & Vocational Training		\$640.40	\$645.26		\$732.19		\$638.37		\$256.62		\$582.37
High School - School & Life Skills Training	\$466.42	\$640.40	\$645.26		\$732.19	\$651.30	\$638.37		\$256.62	\$609.99	\$580.07
High School - School to Work Program											N/A
High School - Alternative Program				400.43	\$732.19					\$609.99	\$580.87
High School - Alternative Vocational Program											N/A

Quantitative Comparisons to Private Schools

FY '25 VALLEY MEMBER & NON-MEMBER TUITION RATES VS. PRIVATE SCHOOLS*							
Valley Collaborative Program	Private Schools Average	Member District Per Diem Tuition	Member District Per Diem Savings	Member District Percent Cost Savings	Non-Member District Per Diem Tuition	Non-Member District Per Diem Savings	Non-Member District Percent Cost Savings
Intensive Special Needs (ISN)	\$669.88	\$306.00	\$363.88	54%	\$390.00	\$279.88	42%
Elementary School - Emotional Behavioral	\$570.76	\$250.00	\$206.16	36%	\$319.00	\$251.76	44%
Elementary School - Pragmatic, Sensory, and Behavior	\$570.76	\$250.00	\$206.16	36%	\$319.00	\$251.76	44%
Middle School - Emotional Behavioral	\$530.62	\$250.00	\$188.23	35%	\$319.00	\$211.62	40%
Middle School – Pragmatic, Sensory, and Behavior	\$530.62	\$250.00	\$188.23	35%	\$319.00	\$211.62	40%
High School & Middle School - School & Life Skills Training ISN	\$569.89	\$306.00	\$146.40	26%	\$390.00	\$179.89	32%
High School - School & Vocational Training	\$582.57	\$203.00	\$265.53	46%	\$259.00	\$323.57	56%
High School - School & Life Skills Training	\$580.07	\$203.00	\$271.41	47%	\$259.00	\$321.07	55%
High School - School to Work Program		\$203.00	N/A	N/A	\$259.00	N/A	N/A
High School - Alternative Program	\$580.87	\$219.00	\$223.97	39%	\$279.00	\$301.87	52%
High School - Alternative Vocational Program		\$219.00	N/A	N/A	\$279.00	N/A	N/A

FY'25 Financial Audit Summary & Cumulative Surplus Calculation Worksheet

Valley Collaborative

Financial Statements

For the Year Ended June 30, 2025

Valley Collaborative
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For the Year Ended June 30, 2025

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FRITZ DEGUGLIELMO LLC
CERTIFIED PUBLIC ACCOUNTANTS
& BUSINESS ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Valley Collaborative
North Billerica, Massachusetts

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Valley Collaborative, a collaborative organized under the Laws of the Commonwealth of Massachusetts, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Valley Collaborative's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Valley Collaborative, as of June 30, 2025, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Valley 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 Valley Collaborative's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Valley 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 Valley 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, budgetary comparison information, OPEB plan required supplementary information and pension schedules on pages 3-7 and 32-38 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2025, on our consideration of Valley Collaborative's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Valley Collaborative's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Valley Collaborative's internal control over financial reporting and compliance.



Certified Public Accountants

Newburyport, Massachusetts

November 20, 2025

Valley Collaborative
 Management's Discussion and Analysis
 (unaudited)
 June 30, 2025

Our discussion and analysis of Valley Collaborative's ("The Collaborative") financial performance provides an overview of the Collaborative's financial activities for the fiscal year ended June 30, 2025 with comparative information from the fiscal years ended June 30, 2024 and 2023. 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 the Collaborative's financial statements. The Collaborative'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 the Collaborative as a whole using accounting methods similar to those used by private sector companies.

- The **Statement of Net Position** presents information on all of the Collaborative's assets and liabilities with the difference between the two reported as net position. It is one way of measuring the Collaborative's financial health or position.
- The **Statement of Activities** presents information showing how the Collaborative'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 the Collaborative'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 the Collaborative.

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, the Collaborative has only governmental and fiduciary funds.

- **Governmental funds** – The Collaborative'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 the Collaborative'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.
- **Fiduciary fund** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Collaborative's own programs.

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 the Collaborative's financial statements.

Valley Collaborative
Management's Discussion and Analysis
(unaudited)
June 30, 2025

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**Collaborative's Net Position:****ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Assets			
Current Assets	\$10,763,763	\$11,859,954	\$ 9,638,049
Non-current assets, net**	<u>9,107,606</u>	<u>9,718,962</u>	<u>10,385,960</u>
Total Assets	<u>19,871,369</u>	<u>21,578,916</u>	<u>20,024,009</u>
Deferred Outflows Related to OPEB	<u>947,666</u>	<u>1,090,530</u>	<u>1,943,312</u>
Total Assets and Deferred Outflows of Resources	<u>\$20,819,035</u>	<u>\$22,669,446</u>	<u>\$21,967,321</u>

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

Liabilities			
Current Liabilities	\$ 1,880,184	\$ 3,163,986	\$ 2,933,189
Long Term Liabilities**	<u>4,550,391</u>	<u>4,057,503</u>	<u>4,925,869</u>
Total Liabilities	<u>6,430,575</u>	<u>7,221,489</u>	<u>7,859,058</u>
Deferred Inflows Related to OPEB	<u>2,724,696</u>	<u>3,285,540</u>	<u>3,037,142</u>
Net Position			
Unrestricted	\$ 3,787,127	\$ 4,023,633	\$ 2,658,926
Restricted – grants and contributions	46,002	37,641	30,583
Restricted – renovation project/capital reserve	1,500,000	1,500,000	1,500,000
Invested in right-of-use assets, net of liabilities**	(282,600)	(147,684)	(58,449)
Invested in capital assets, net of related debt	<u>6,613,235</u>	<u>6,748,827</u>	<u>6,940,061</u>
Total Net Position	<u>\$11,663,764</u>	<u>\$12,162,147</u>	<u>\$11,071,121</u>

During the fiscal year ended June 30, 2025, the Collaborative's overall net position decreased by approximately \$499,000. Total assets decreased by approximately \$2,608,000 primarily as a result of payment of the prior year credit to the member districts as well as the continued depreciation of assets and amortization of the right-of-use leased assets. Total liabilities decreased by approximately \$791,000, which was primarily the result of the decrease in the year's pay down of lease liability of approximately \$341,000, timing of paying various accounts payable of approximately \$648,000, and a decrease in prepaid tuition of approximately \$510,000, net of an increase of approximately \$770,000 in net OPEB liability due to the updated actuarial calculations. The Collaborative realized a decrease in net position from operations of approximately \$499,000, including issuance of prior year member credits, depreciation on capital assets, right-of-use lease expense and other postemployment benefits expense.

During the fiscal year ended June 30, 2024, the Collaborative's overall net position increased by approximately \$1,091,000. Total assets increased by approximately \$1,555,000 primarily as a result of continued strong operations and oversight increasing the overall cash position of the Collaborative. Total liabilities decreased by approximately \$638,000 which was primarily the result of the decrease in the year's pay down of lease liability of approximately \$387,000 and the adjustment in the OPEB liability of approximately \$588,000 due to the updated actuarial study and \$758,000 as a result of the timing of the payback of credit to the member districts that occurred in fiscal year 2023 but not in fiscal year 2024. Liabilities also increased by \$510,000 in prepaid tuition paid by two of the member districts in comparison to fiscal year 2023. The remaining difference is a result of the timing of payments in

Valley Collaborative
Management's Discussion and Analysis
(unaudited)
June 30, 2025

comparison to the prior fiscal year relating to the various accrued expenses and payables. The Collaborative realized an increase in net position from operations, including depreciation on capital assets, right-of-use lease expense and other postemployment benefits expense, of approximately \$1,091,000.

SUMMARY OF ACTIVITIES

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Revenues/Gains*	\$27,413,028	\$26,075,648	\$21,984,406
Program Expenses/Losses*	23,691,319	22,030,507	19,048,642
Administrative Expenses/Losses*	<u>2,172,402</u>	<u>2,075,632</u>	<u>2,137,683</u>
Total Expense*	<u>25,863,721</u>	<u>24,106,139</u>	<u>21,186,325</u>
Change in net position, before increase in net retirement health benefit obligation and credits to member districts			
	1,549,307	1,969,509	798,081
Increase in net retirement health benefit obligation	<u>(352,138)</u>	<u>(573,661)</u>	<u>(643,839)</u>
Change in net position before credits to member districts	1,197,169	1,395,848	154,242
Credits to member districts	<u>(1,695,822)</u>	<u>(304,552)</u>	<u>(815,609)</u>
Change in Net Position	<u>(\$ 498,653)</u>	<u>\$1,091,296</u>	<u>\$ 380,887</u>

* Excludes Massachusetts Teachers' and State Employees' Retirement Systems "on-behalf" payments, credits to members, and other postemployment benefits funding and expense.

Revenues

In the fiscal year ended June 30, 2025, revenues, excluding Massachusetts Teachers' and State Employees' Retirement Systems "on-behalf" payments, increased by approximately \$1,337,000 (6%). In the fiscal year ended June 30, 2024, revenues, excluding Massachusetts Teachers' and State Employees' Retirement Systems "on-behalf" payments, increased by approximately \$4,091,000 (19%). The changes within fiscal years are due primarily to changes in student enrollment in the respective years. Changes in fiscal year 2025 enrollment are primarily a result of expanding of programs and offerings to the area districts.

Operating Expenses

In the fiscal year ended June 30, 2025, operating expenses, excluding Massachusetts Teachers' and State Employees' Retirement Systems "on-behalf" payments, increased by approximately \$1,758,000, or 8%, compared to the fiscal year ended June 30, 2024. Increases in expenses were primarily a result of increased employee and benefit costs. Personnel costs increased by approximately \$1,728,000 in the fiscal year ended June 30, 2025 as a result for the increase in staffing needs to support operations. There were various other small increases Collaborative wide to support the continued growth.

In the fiscal year ended June 30, 2024, operating expenses, excluding Massachusetts Teachers' and State Employees' Retirement Systems "on-behalf" payments, increased by approximately \$2,920,000, or 14%, compared to the fiscal year ended June 30, 2023. Increases in expenses were primarily a result of increased employee and benefit costs, as well as maintenance and occupancy costs. Personnel costs increased by approximately \$2,395,000 in the fiscal year ended June 30, 2024 as a result for the increase in staffing needs to support operations. Maintenance and occupancy costs increased by approximately \$480,000 and training expenses increased by approximately \$20,000. Maintenance and occupancy costs increased as a result of the repairs and updates made across the properties occupied by the Collaborative as well as general increases in utilities. Training expenses saw increases as a result of the increase in new staff employed by the Collaborative as well as the full integration of the SPEDfi program and getting all users acclimated to the system.

Valley Collaborative
 Management's Discussion and Analysis
 (unaudited)
 June 30, 2025

Governmental Funds Financial Highlights

The Collaborative reported a total general fund balance of \$7,614,806, of which \$44,286 was nonspendable and the remaining \$7,570,520 was unassigned. The fund balance increased \$115,632 over the prior fiscal year, as the result of a net operating surplus of \$1,670,454, plus \$141,000 received as trade-in value for vehicles disposed of to be used against the purchase price of new vehicles and decreased by \$1,695,822 of credits issued to member districts. Prepaid expenses decreased by \$2,094, Accounts receivable decreased by \$997,436, primarily due to increased collection efforts. Cash decreased by \$96,661.

Due to strong management, since the year ended June 30, 2013, the Collaborative has returned more than \$13,815,000 from its general fund in the form of cash and tuition credits to its member districts.

CAPITAL ASSETS AND OTHER OBLIGATIONS

During the fiscal year ended June 30, 2025 the Collaborative purchased and capitalized eleven vehicles, leasehold improvements and other equipment for use in its program with a total cost of \$791,751. The Collaborative did trade in nine vehicles in fiscal year 2025 totaling a trade-in value of \$141,000.

During the fiscal year ended June 30, 2024, the Collaborative purchased and capitalized eight vehicles, leasehold improvements and other equipment for use in its program with a total cost of \$613,951. The Collaborative did trade in seven vehicles in fiscal year 2024 totaling a trade-in value of \$91,800.

As of June 30, 2025, the balance in the capital reserve fund was \$1,500,000, and fully funded. This fund is considered restricted until utilized for its intended purpose.

**SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENT (SBITA) &
 LEASED ASSETS AND LIABILITIES**

During 2023, the Collaborative implemented GASB Statement No. 96 which requires recording right-of-use SBITA assets and related liabilities for all long-term SBITAs. The Collaborative evaluated its contracts effective July 1, 2024 and determined that the Collaborative had no agreements that exceeded a 12-month period. Therefore there is no value recognized in the financial statements as a result of this standard.

The Collaborative complies with GASB Statement No. 87 which requires right-of-use leased assets and related liabilities for all long-term leases. As of June 30, 2025, the Collaborative recognized right-of-use assets totaling \$4,011,146, net of accumulated amortization of \$1,516,777 and lease liabilities of \$2,776,971 for all leases. See Note D in the notes to the financial statements for additional information on the Collaborative's leases.

BUDGETARY HIGHLIGHTS

The Collaborative's annual budget for the fiscal year ended June 30, 2025 was approved by its Board of Directors and then amended on January 9, 2025. For the fiscal year ended June 30, 2025, the Collaborative received operating revenues, excluding on-behalf payments by the Massachusetts Teachers' and State Employees' Retirement Systems, of approximately \$27,266,000 compared to final budgeted revenues of approximately \$27,430,000. The difference between actual revenues received and budgeted revenues is primarily due to lower-than-expected revenues from state contracts. The Collaborative expended operating expenses, excluding on-behalf payments by the Massachusetts Teachers' and State Employees' Retirement Systems, of approximately \$24,804,000 compared to final budgeted expenses of approximately \$26,537,000. The difference between actual expenses incurred and budgeted expenses is primarily from increases relating to the hiring of additional staff that did not occur during the year as planned.

The Collaborative's annual budget for the fiscal year ended June 30, 2024 was approved by its Board of Directors and then amended on January 11, 2024. For the fiscal year ended June 30, 2024, the

Valley Collaborative
Management's Discussion and Analysis
(unaudited)
June 30, 2025

Collaborative received operating revenues, excluding on-behalf payments by the Massachusetts Teachers' and State Employees' Retirement Systems, of approximately \$25,963,000 compared to final budgeted revenues of approximately \$24,805,000. The difference between actual revenues received and budgeted revenues is primarily due to higher-than-expected revenues from services the organization provides as well as state contracts. The Collaborative expended operating expenses, excluding on-behalf payments by the Massachusetts Teachers' and State Employees' Retirement Systems, of approximately \$23,198,000 compared to final budgeted expenses of approximately \$23,076,000. The difference between actual expenses incurred and budgeted expenses is primarily from increases relating to the hiring of additional staff.

CONTACTING THE COLLABORATIVE

This financial report is designed to provide readers of the financial statement an overview of the Collaborative's financial activities. If you have questions in regard to this report, contact Chris A. Scott, Ph.D., 11 Executive Park Drive, North Billerica, MA 01862, or at 978-528-7800.

Valley Collaborative
Statement of Net Position
June 30, 2025

Assets

Current Assets	
Cash and cash equivalents	\$ 7,896,935
Accounts receivable, net	2,822,542
Prepaid expenses and other assets	44,286
Total Current Assets	<u>10,763,763</u>
Non-current Assets	
Right-of-use leased assets, net of accumulated amortization	2,494,371
Capitalized assets, net	6,613,235
Total Non-current Assets	<u>9,107,606</u>
Total Assets	<u>19,871,369</u>

Deferred Outflows of Resources

Deferred Outflows of Resources Related to OPEB	947,666
Total Assets and Deferred Outflows of Resources	<u>\$ 20,819,035</u>

Liabilities, Deferred Inflows and Net Position

Current Liabilities	
Accounts payable and accrued liabilities	\$ 1,098,008
Deferred revenues	500,000
Credits due to member districts	4,947
Lease liability, current portion	277,229
Total Current Liabilities	<u>1,880,184</u>
Non-current Liabilities	
Lease liabilities, net of current portion	2,499,742
Net OPEB liability	2,050,649
Total Non-current Liabilities	<u>4,550,391</u>
Total Liabilities	<u>6,430,575</u>

Deferred Inflows of Resources

Deferred Inflows of Resources Related to OPEB	<u>2,724,696</u>
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Net Position

Net Position	
Unrestricted	3,787,127
Restricted - contributions and other	46,002
Restricted - capital reserve fund	1,500,000
Invested in right-of-use leased assets, net of related liabilities	(282,600)
Invested in capital assets, net of related debt	6,613,235
Total Net Position	<u>11,663,764</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 20,819,035</u>

See accompanying notes to financial statements and independent auditor's report.

Valley Collaborative
Statement of Activities
For the year ended June 30, 2025

Functions/ Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Adult Services and Operating Grants/Contrib- utions	
Governmental Activities:				
Administration	\$ 2,172,402	\$ -	\$ -	\$ (2,172,402)
Education	22,045,532	22,682,559	4,501,510	5,138,537
Intergovernmental revenue and expense	3,365,600	-	3,365,600	-
Other postemployment benefits	352,138	-	-	(352,138)
Interest expense	260,900	-	-	(260,900)
Capital asset depreciation and amortization	909,123	-	-	(909,123)
Right-of-use asset amortization	475,764	-	-	(475,764)
Total Governmental Activities	\$ 29,581,459	\$ 22,682,559	\$ 7,867,110	\$ 968,210
General Revenue and Other:				
Interest				54,508
Gain on disposal of assets				122,780
Other				51,671
Credits to member districts				(1,695,822)
Total General Revenue and Other				(1,466,863)
Change in Net Position				(498,653)
Net Position, Beginning of Year				12,162,417
Net Position, End of Year				\$ 11,663,764

See accompanying notes to financial statements and independent auditor's report.

Valley Collaborative
Balance Sheet
Governmental Funds
June 30, 2025

	General Fund	Capital Reserve Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 6,350,933	\$ 1,500,000	\$ 46,002	\$ 7,896,935
Accounts receivable, net	2,822,542	-	-	2,822,542
Prepaid expenses and other assets	44,286	-	-	44,286
Total Assets	\$ 9,217,761	\$ 1,500,000	\$ 46,002	\$ 10,763,763
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,098,008	\$ -	\$ -	\$ 1,098,008
Deferred revenues	500,000	-	-	500,000
Credits due to member districts	4,947	-	-	4,947
Total Liabilities	1,602,955	-	-	1,602,955
Fund Balances:				
Nonspendable	44,286	-	-	44,286
Restricted	-	1,500,000	46,002	1,546,002
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	7,570,520	-	-	7,570,520
Total Fund Balances	7,614,806	1,500,000	46,002	9,160,808
Total Liabilities and Fund Balances	\$ 9,217,761	\$ 1,500,000	\$ 46,002	\$ 10,763,763

See accompanying notes to financial statements and independent auditor's report.

Valley Collaborative
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2025

Total fund balances, governmental funds \$ 9,160,808

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

Deferred inflows relating to the other postemployment benefit obligation is not a current obligation and therefore is not reported in this fund financial statement, but is reported in the government activities of the Statement of Net Position. (2,724,696)

Right-of-use leased assets, net of accumulated amortization, used in governmental activities are not financial resources and therefore are not reported in the funds. 2,494,371

Other postemployment benefit (OPEB) liability is not a current obligation and therefore is not reported in this fund financial statement, but is reported in the governmental activities of the Statement of Net Position. (2,050,649)

Long-term lease liabilities related to the right-of-use leased assets is used in governmental activities and are not financial uses and therefore are not reported in the funds. (2,776,971)

Deferred outflows relating to the other postemployment benefit obligation is not a current financial resource and therefore is not reported in this fund financial statement, but is reported in the government activities of the Statement of Net Position. 947,666

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. 6,613,235

Net position of governmental activities \$ 11,663,764

Valley Collaborative
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	General Fund	Capital Reserve Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Tuition and service revenues	\$ 22,682,559	\$ -	\$ -	\$ 22,682,559
Adult services	4,477,614	-	-	4,477,614
Grants and contributions	-	-	23,896	23,896
Intergovernmental revenue	3,365,600	-	-	3,365,600
Interest	54,508	-	-	54,508
Other	51,671	-	-	51,671
Credits to member districts	(1,695,822)	-	-	(1,695,822)
Total Revenues	28,936,130	-	23,896	28,960,026
Expenditures:				
Administration	2,156,867	-	15,535	2,172,402
Program payroll	17,079,070	-	-	17,079,070
Program fringe benefits and payroll taxes	2,805,834	-	-	2,805,834
Professional and consulting fees	6,594	-	-	6,594
Transportation and travel	188,630	-	-	188,630
Maintenance and other occupancy	597,767	-	-	597,767
Telephone, communications and utilities	232,881	-	-	232,881
Materials, supplies and equipment	703,389	-	-	703,389
Small business expenses	189,063	-	-	189,063
Field trips	129,692	-	-	129,692
Training programs	76,522	-	-	76,522
Other	36,090	-	-	36,090
Intergovernmental expense	3,365,600	-	-	3,365,600
Capital outlay, net of debt incurred	791,751	-	-	791,751
Lease Service:				
Lease interest	260,900	-	-	260,900
Lease financing principal	340,848	-	-	340,848
Total Expenditures	28,961,498	-	15,535	28,977,033
Excess (Deficit) of Revenues over Expenditures	(25,368)	-	8,361	(17,007)
Other Financing Sources:				
Proceeds from capital asset sale	141,000	-	-	141,000
Net Change in Fund Balances	115,632	-	8,361	123,993
Fund Balances, Beginning of Year	7,499,174	1,500,000	37,641	9,036,815
Fund Balances, End of Year	\$ 7,614,806	\$ 1,500,000	\$ 46,002	\$ 9,160,808

See accompanying notes to financial statements and independent auditor's report.

Valley 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, 2025

Net change in fund balances of total governmental funds **\$ 123,993**

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

Governmental funds report outlays for capital assets and right-to-use leased 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 or amortization expense for the period. Governmental funds do not report inflows from assets held to purchase capital assets or finance leased assets because such assets are not considered current financial resources. In contrast, the Statement of Activities does report the inflows as revenue.

Capital outlay purchases, net of debt incurred	791,751
Depreciation	(909,123)
Amortization	(475,764)
Gain on disposal of assets	122,780

Governmental funds report lease financing 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 liability as expense.

Lease financing principal	340,848
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The change in accrual for other postemployment benefits reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds.

Net change in other postemployment benefits (OPEB) accrual	<u>(352,138)</u>
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Change in net position of governmental activities	<u><u>\$ (498,653)</u></u>
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Valley Collaborative
 Statement of Fiduciary Net Position
 Retirees' Health Insurance Trust Fund
 June 30, 2025

Assets

Assets	
Investments	\$ 8,282,784
Total Assets	<u>\$ 8,282,784</u>

Net Position

Net Position	
Net position held in trust for retirees' health insurance	\$ 8,282,784
Total Net Position	<u>\$ 8,282,784</u>

Valley Collaborative
Statement of Changes in Fiduciary Net Position
Retirees' Health Insurance Trust Fund
For the year ended June 30, 2025

Additions:	
Contributions	\$ -
Investment gain	933,532
Total Additions	<u>933,532</u>
Deductions:	
Investment expenses	<u>25,031</u>
Total Deductions	<u>25,031</u>
Change in Net Position	<u>908,501</u>
Net Position – Beginning of Year	<u>7,374,283</u>
Net Position – End of Year	<u><u>\$ 8,282,784</u></u>

See accompanying notes to financial statements and independent auditor's report.

Valley Collaborative
Notes to Financial Statements
June 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Collaborative

Valley Collaborative (The “Collaborative”) is an educational collaborative of the school districts of Billerica, Chelmsford, Dracut, Groton-Dunstable Regional, Nashoba Valley Technical, North Middlesex Regional, Tewksbury, Tyngsborough, and Westford. The Collaborative is a public entity under the jurisdiction of its member school committees, whose appointees comprise its board of directors. The Collaborative provides high quality academic, therapeutic and vocational services to individuals referred by local school districts and social service agencies.

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 demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Collaborative does allocate indirect expenses to functions in the Statement of Activities if there is a reasonable basis for doing so. Depreciation is reported as one amount, in total, on the Statement of Activities, and is not 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 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.

Valley Collaborative
Notes to Financial Statements
June 30, 2025

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

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

Governmental Funds:

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

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

Capital reserve fund - used to account for and report financial resources that are restricted, committed, or assigned to be used for the acquisition, construction, or renovation of major capital facilities or equipment.

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.

Fiduciary Funds:

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Collaborative programs. The reporting focus is on net position and changes in net position presented in fiduciary fund financial statements. Since by definition these assets are being held for the benefit of a third party (retirees) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide 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, as are fiduciary fund financial statements. 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

The Collaborative considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Collaborative maintains its uncollateralized cash balances in two financial institutions. The balances in one of the financial institutions are insured by the Federal Deposit Insurance Company up to \$250,000. From time to time, the Collaborative maintains bank account balances in excess of the federally insured limits. The Collaborative also maintains cash and cash equivalents at the Massachusetts Municipal Depository Trust which is collateralized by its underlying assets. At June 30, 2025, the Collaborative's uninsured cash balances, including reconciling items, totaled \$7,646,935. The Collaborative monitors its exposure associated with cash and cash equivalents and has not experienced any losses in such accounts.

Valley Collaborative
Notes to Financial Statements
June 30, 2025

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

Fair Value Measurements and Investments

The Collaborative has contributed \$4,854,654 to a public employee retirement trust account with Public Agency Retirement Services as trustee, on behalf of its retirees' health insurance trust fund. The trustee invests the funds in Vanguard mutual funds. As of June 30, 2025, the balance in these investments consisted of the following:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain</u>
Mutual Funds	\$4,854,654	\$8,282,784	\$3,428,130

All investments of the Collaborative 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*.

Net increase in the fair value on investments for the year ended June 30, 2025 was \$908,501. There were no realized gains or losses during the year ended June 30, 2025. Investment fees for the year ended June 30, 2025 were \$25,031.

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. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Collaborative will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Collaborative's investments are uninsured, not registered in the name of the Collaborative, and held by the counterparty's trust department or agent but not in the Collaborative's name.

Operating Revenues and Expenses

Operating revenues consist primarily of billings to member municipalities or other cities and towns for providing programs and services. The Collaborative also receives approximately 17% of its revenues under social service contracts issued by agencies of the Commonwealth of Massachusetts, excluding Massachusetts Teachers' and State Employees' Retirement Systems "on-behalf" payments. Operating expenses include educational costs, administrative expenses and depreciation on capital assets.

Accounts Receivable

Accounts receivable consists of all revenues earned at year end and not yet collected. Major receivable balances include tuitions and certain related charges. The Collaborative records its bad debts using the allowance method. As of June 30, 2025, there was an allowance for doubtful accounts of \$27,574.

Credits Due to Member Districts

"Credits due to member districts" represent member district credits issued during the fiscal year but not utilized by the district during the fiscal year. The credits are to be applied against future Collaborative invoices or disbursed to the member district and are not considered an agency fund of the Collaborative.

Property and Equipment

Property and equipment are capitalized at historical cost. Depreciation is computed on the straight-line method using estimated useful lives of two to five years for websites, computer equipment, furniture, fixtures, vehicles and program equipment and five to ten years for leasehold improvements. The Collaborative has purchased and renovated a building. The building and renovations are depreciated using estimated useful lives of 40 and 20 years, respectively.

Valley Collaborative
Notes to Financial Statements
June 30, 2025

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

Equity Classifications

Government-wide Statements

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

Invested in capital assets, net of related debt - 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.

Invested in right-of-use assets, net of liabilities – this component of net position consists of right-of-use assets, net of accumulated amortization, reduced by the outstanding balances of liabilities that are attributable to the leased assets.

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.

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.

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

Subsequent events have been evaluated through November 20, 2025, which is the date the financial statements were available to be issued.

Valley Collaborative
Notes to Financial Statements
June 30, 2025

NOTE B – ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following as of June 30, 2025:

Tuition and services to districts	\$ 2,331,944
State contracts	<u>518,172</u>
	2,850,116
Allowance for doubtful accounts	<u>(27,574)</u>
	<u>\$ 2,822,542</u>

The Collaborative has established an allowance for doubtful accounts in the amount of \$27,574. The allowance is based on specific identification of probable losses and an estimate of additional losses based on historical experience. Account balances are charged off against the allowance when it is probable the receivable will not be recovered. For the year ended June 30, 2025, the Collaborative recorded no bad debt expense.

NOTE C – CAPITAL ASSETS

A summary of depreciable capital assets follows:

	<u>Buildings & Improvements</u>	<u>Furniture, Equipment & Software</u>	<u>Vehicles</u>	<u>Total</u>
<u>COST</u>				
Balance, July 1, 2024	\$9,318,041	\$ 1,462,400	\$1,858,476	\$12,638,917
Additions	-	84,880	706,871	791,751
Disposals	-	-	(279,117)	(279,117)
	<u>9,318,041</u>	<u>1,547,280</u>	<u>2,286,230</u>	<u>13,151,551</u>
<u>ACCUMULATED DEPRECIATION</u>				
Balance, July 1, 202	(4,095,631)	(1,275,022)	(1,196,937)	(6,567,590)
Additions	(509,318)	(84,869)	(314,936)	(909,123)
Disposals	-	-	260,897	260,897
	<u>(4,604,949)</u>	<u>(1,359,891)</u>	<u>(1,250,976)</u>	<u>(7,215,816)</u>
Net, June 30, 2025	<u>\$ 4,713,092</u>	<u>\$ 187,389</u>	<u>\$1,035,254</u>	<u>\$ 5,935,735</u>

Land in the amount of \$677,500 is not being depreciated. In fiscal 2025, the Collaborative capitalized \$706,871 for vehicles, and \$84,880 for office furniture and equipment. The Collaborative traded in various fully depreciated vehicles during the year ended June 30, 2025, and received \$141,000 of trade-in value toward the purchase of the new vehicles. Depreciation expense of \$909,123 was not allocated to governmental functions. It appears unallocated on the Statement of Activities. The capital reserve for future capital purchases is fully funded.

NOTE D –LEASE OBLIGATIONS

The Collaborative leases various classroom and office spaces and office equipment under operating leases. All of its leases qualifying as long-term leases are recorded in accordance with GASB Statement No. 87.

Valley Collaborative
Notes to Financial Statements
June 30, 2025

NOTE D –LEASE OBLIGATIONS – *continued*

During fiscal 2017, the Collaborative entered into a building lease for program use at 135 Coburn Road in Tyngsborough, Massachusetts, commencing July 1, 2016 through June 30, 2033 including extensions. The lease requires quarterly rent payments of \$63,988 through June 2028, then it is adjusted to \$31,250 through June 2030, and finally adjusted to \$94,181 through June 2033. During fiscal 2019, the Collaborative entered into a building lease for program and administrative use at 25 Linnell Circle in Billerica, Massachusetts, commencing July 1, 2018 through June 30, 2025 including extension. The lease requires monthly payments of \$13,187 through June 2023, then it is adjusted to \$13,583 through June 2024, and finally adjusted to \$13,991 through June 2025. The lease was not renewed when it expired. During fiscal 2022, the Collaborative entered into a building lease for program use at 11 Executive Park Drive in Billerica, Massachusetts, commencing June 1, 2022 through August 31, 2032. The monthly payments are increased annually by approximately 2% of the prior year. The Coburn Road, Linnell Circle and Executive Park Drive leases represent the total of the right-of-use lease assets and liabilities. Right-of-use assets and initial liabilities are valued using a rate of 6% which represents the Collaborative's incremental borrowing rates at the time the leases and extension were entered into, respectively.

Lease agreements, including modifications, are summarized as follows:

Description	Date	Payment Terms	Payment Amount	Interest Rate	Total Lease Asset/Liability	Accum. Amort. 6/30/2025	Net Asset 6/30/2025	Liability Balance 6/30/2025
135 Coburn Road**	7/1/2016	17 years	\$255,950 (FY25)	6.00%	\$2,133,409	\$ 638,464	\$1,494,945	\$1,654,281
25 Linnell Circle	7/1/2022	3 years	\$167,887 (FY25)	6.00%	448,324	448,324	-	-
11 Executive Park Drive	6/1/2022	9.25 years	\$177,910 (FY25)	6.00%	1,429,413	429,987	999,426	1,122,690
Total Lease Agreements					\$4,011,146	\$1,516,777	\$2,494,371	\$2,776,971

**Lease was modified during FY2022.

Annual requirements to amortize long-term obligations and related interest are as follows:

Year Ending 30-Jun	Principal	Interest	Total
2026	\$277,229	\$160,361	\$437,590
2027	298,285	143,155	441,440
2028	320,764	124,646	445,410
2029	210,811	107,739	318,550
2030	228,140	94,620	322,760
Thereafter	1,441,742	132,180	1,573,922
	<u>\$2,776,971</u>	<u>\$762,701</u>	<u>\$3,539,672</u>

For the year ended June 30, 2025, total amortization expense of leased assets was \$475,764 and total interest expense on lease liabilities was \$260,900.

NOTE E – MASSACHUSETTS TEACHERS' AND STATE EMPLOYEES' RETIREE SYSTEMSPlan Descriptions:

The Collaborative's employees participate in the Massachusetts Teachers' (MTRS) or State Employee' 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.

Valley Collaborative
Notes to Financial Statements
June 30, 2025

**NOTE E – MASSACHUSETTS TEACHERS’ AND STATE EMPLOYEES’ RETIREE SYSTEMS –
*continued***

Benefits Provided:

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

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

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

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

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

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

Contributions:

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

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

Valley Collaborative
Notes to Financial Statements
June 30, 2025

**NOTE E – MASSACHUSETTS TEACHERS’ AND STATE EMPLOYEES’ RETIREE SYSTEMS –
*continued***

Educational collaboratives contribute amounts equal to the normal cost of employees’ benefits participating in MSERS at a rate established by the Public Employees’ Retirement Administration Commission (PERAC), currently 6.1% of covered payroll. Legally, the collaboratives are only responsible for contributing the annual normal cost of their employees’ benefits (i.e., the present value of the benefits earned by those employees in any given year) and are not legally responsible for the past service cost attributable to those employees or previously retired employees of the collaboratives. During fiscal year 2025, the Collaborative’s contributions on behalf of employees totaled \$533,714.

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

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

The Commonwealth is a nonemployer contributor in MTRS and is required by statute to make all actuarially determined employer contributions on behalf of the member employers participating in MTRS. Therefore, the Collaborative is considered to be in a 100% special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributing entity in 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, 2024 and was \$15,733,379 and \$21,098,472 under MSERS and MTRS, respectively. In fiscal 2025, the Collaborative recognized revenue and related expense of \$1,624,098 (under GASB Statement No. 68) for its portion of the collective pension expense under MSERS. In fiscal 2025, the Collaborative recognized revenue and related expense of \$1,741,502 (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 F – COMPENSATED ABSENCES

The Collaborative allows eligible employees to carryover unused vacation time up to 10 days per year and to accrue a maximum of 20 days total. At the end of the fiscal year, any unused vacation time in excess of the above amounts is forfeited. The Collaborative’s vacation accrual for the year ended June 30, 2025 was \$122,982.

NOTE G – RISK MANAGEMENT

The Collaborative is exposed to various risks of loss relating to torts, theft or damage of, and destruction of assets; error and omissions; injuries to employees; and natural disasters. The Collaborative has obtained a variety of commercial liability insurance policies that pass the risk of loss listed above to independent third parties. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Collaborative. Settled claims have not exceeded the insurance coverage in any of the past three fiscal years.

Valley Collaborative
Notes to Financial Statements
June 30, 2025

NOTE G – RISK MANAGEMENT – *continued*

The Collaborative offers eligible participants access to various health and life insurance. Payment, in the form of premiums, is generally made monthly. The payments are funded in part from the Collaborative and payroll withholdings from active employee participants or direct payments from certain other eligible participants. In general, the Collaborative pays 75-80% of the cost of health insurance and 100% of the cost of life insurance for those participants that qualify.

NOTE H – COMMITMENTS AND CONTINGENCIES

The Collaborative participates in state and federal contracts, which are governed by various rules and regulations of the agencies. Costs charged to the respective programs are subject to audit and adjustment by agencies; therefore, to the extent that the Collaborative has not complied with the rules and regulations governing the refunds of any money received may be required and the collectability of any related receivable at June 30, 2025 may be impaired. In the opinion of the Collaborative, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective contracts; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

NOTE I – POSTEMPLOYMENT HEALTHCARE PLAN

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

Description

At the board meeting on June 18, 2015, the Collaborative’s board members implemented a postemployment health care plan and voted to create a trust fund for related retiree health benefits to take effect July 1, 2015. The trust fund is held for the benefit of a third party (retiree health insurance participants) and cannot be used to address activities or obligations of the Collaborative, therefore these funds are not incorporated into the government-wide financial statements. All funds of the trust are held at Public Agency Retirement Services and are held in mutual funds. The trust is irrevocable and is exempt from federal and state income taxes under Internal Revenue Code Section 115. The sole purpose of the trust is to provide funds to pay postemployment healthcare benefits to qualified retirees. The plan has the retirees pay for 20% of the premiums for the medical insurance. As a result of establishing the trust, the Collaborative’s board members voted to initially transfer \$3,150,000 to fund the trust. During the fiscal year ended June 30, 2025 the Collaborative did not transfer any additional funds to the trust. The Collaborative has transferred \$4,854,654 to date to the trust account.

An employee hired before April 2, 2012 shall become eligible to retire under these programs upon meeting the following conditions:

- i. Completion of 10 years of creditable service at the Collaborative
- ii. And attainment of age 55 as an active member
- iii. Or completion of 20 years of service at the Collaborative, regardless of age

An employee hired after April 2, 2012 shall become eligible to retire under these programs upon meeting the following conditions:

- i. Completion of 10 years of creditable service at the Collaborative
- ii. And attainment of age 60 as an active member

Funding Policy

The contribution requirements of plan members and the Collaborative are established and may be amended through Collaborative ordinances. For the period ending on the June 30, 2025 Measurement Date, total Collaborative premiums plus implicit costs for the retiree medical program were \$109,715. The Collaborative also contributed \$0 to the OPEB Trust for a total contribution during the measurement period of \$109,715 to be reported in the financial statements for the fiscal year ending June 30, 2025.

Valley Collaborative
Notes to Financial Statements
June 30, 2025

NOTE I – POSTEMPLOYMENT HEALTHCARE PLAN – *continued*Investment Policy

The long-term rate of return on assets developed based on the Collaborative Investment Policy is 5.86%. The rate is comprised of a 3.73% real rate of return and 2.50% inflation assumption, net of 0.37% investment expense.

Actuarially Determined Contribution (ADC)

The Collaborative's Actuarially Determined Contribution (ADC) is an amount actuarially determined in accordance with the parameters of GASB Statement No. 74/75 which is composed of the service cost and an amortization of the unfunded liability. For FY2025 and future years a 30-year amortization increasing by 3.00% per year of the Collaborative's unfunded liability for the purpose of calculating ADC. The following table shows the components of the Collaborative's annual ADC for the fiscal year and the amount actually contributed to the plan:

Actuarially Determined Contribution - Deficiency / (Excess)		June 30, 2025
I. Service Cost		\$ 802,329
II. 30-year level dollar amortization of NOL		91,555
III. Actuarial Determined Contribution [I. + II.]		893,884
IV. Contributions in relation to the actuarially determined contribution		(109,715)
V. Contribution deficiency / (excess) [III. + IV.]		<u>\$ 784,169</u>
Covered employee payroll		\$17,432,244
Contribution as a % of covered employee payroll		0.63%
Discount Rate		5.22%
Money Weighted Rate of Return		12.32%

OPEB Liability and OPEB Expense

	Fiscal Year Ended June 30, 2025	
	Collaborative Employees and Retirees	Total
I. Total OPEB Liability as of June 30, 2023	\$10,333,433	\$10,333,433
II. Fiduciary Net Position as of June 30, 2023	<u>8,282,784</u>	<u>8,282,784</u>
III. Net OPEB Liability (Asset) as of June 30, 2023 [I.-II.]	2,050,649	2,050,649
IV. Service Cost	802,329	802,329
V. Interest on Total OPEB Liability (Asset), Service Cost, and Benefit Payments	512,464	512,464
VI. Projected Earnings on OPEB Plan Investments	(456,799)	(456,799)
VII. Net Recognition of Deferred (Inflows)/Outflows	<u>(396,141)</u>	<u>(396,141)</u>
VIII. Financial Statement Expense [IV.+V.+VI.+VII.]	461,853	461,853
IX. Employer Share of Costs	(109,715)	(109,715)
X. Employer (Payments) Withdrawals to/from OPEB Trust	-	-
XI. Total Employer Contribution [IX.+X.]	<u>(109,715)</u>	<u>(109,715)</u>
XII. Net OPEB Expense [VIII.+XI.]	<u>\$ 352,138</u>	<u>\$ 352,138</u>

Effect of 1% Change in Healthcare Trend

In the event that healthcare trend rates were 1% higher than forecast and employee contributions were to increase at the forecast rates, the Total OPEB Liability as of the June 30, 2025 Measurement Date would increase to \$15,259,430 and Net OPEB Liability would increase to \$4,925,997. If such healthcare trend rates were 1% less than forecast and employee contributions were to increase at the forecast rate, the Total OPEB Liability would decrease to \$10,281,060 and the Net OPEB Liability would decrease to (\$52,373).

Valley Collaborative
Notes to Financial Statements
June 30, 2025

NOTE I – POSTEMPLOYMENT HEALTHCARE PLAN – *continued*

Effect of 1% Change in Discount Rates

As of the June 30, 2025 Measurement Date, if the discount rate were 1% higher than what was used in this valuation, the Total OPEB Liability would decrease to \$10,053,613 and the Net OPEB Liability would decrease to \$279,820. If the discount rate were 1% lower than was used in this valuation, the Total OPEB Liability would increase to \$14,680,045 and the Net OPEB Liability would increase to \$4,346,612.

Actuarial Methods and Assumptions

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

Actuarial Cost Method:	Individual Entry Age Normal
Discount Rate:	5.22% per annum (previously 5.45%)
General Inflation Assumption:	2.50% per annum
Annual Compensation Increases:	3.00% per annum
Actuarial Value of Assets:	Market Value

Recognition of OPEB Trust Assets

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

Valley Collaborative
Notes to Financial Statements
June 30, 2025

NOTE I – POSTEMPLOYMENT HEALTHCARE PLAN – *continued*Changes in Net OPEB Liability

Changes in Net OPEB Liability			
	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
I. Balances at June 30, 2024	\$ 8,654,814	\$ 7,374,283	\$ 1,280,531
II. Prior Period Adjustment	-	-	-
III. Balances for June 30, 2024 with Adjustment [I.+II.]	8,654,814	7,374,283	1,280,531
Changes for the year:			
IV. Service Cost	802,329	-	802,329
V. Interest on Total OPEB Liability, Service Cost, and Benefit Payments	512,464	-	512,464
VI. Changes in Benefit Terms*	-	-	-
VII. Changes in assumptions**	90,322	-	90,322
VIII. Differences between actual and expected experience**	383,219	-	383,219
IX. Net Investment Income	-	908,501	(908,501)
X. Employer Contributions (Withdrawals) to/from Trust	-	109,715	(109,715)
XI. Benefit payments withdrawn from Trust	-	(109,715)	109,715
XII. Benefit payments excluding Implicit Cost	(85,145)	-	(85,145)
XIII. Implicit Cost Amount	(24,570)	-	(24,570)
XIV. Total Benefit payments including Implicit Cost [XII.+XIII.]	(109,715)	-	(109,715)
XV. Administrative and Other Charges	-	-	-
XVI. Other Charges	-	-	-
XVII. Net Changes			
[IV.+V.+VI.+VII.+VIII.+IX.+X.+XI.+XIV.+XV.+XVI.]	\$ 1,678,619	\$ 908,501	\$ 770,118
XVI. Balances at June 30, 2025 [III.+XVII.]	\$ 10,333,433	\$ 8,282,784	\$ 2,050,649

* Recognized immediately

Deferred Inflows/Outflows

Deferred (Inflows)/Outflows in OPEB Expense arising from the recognition of the effects of differences between expected & actual experience										
Fiscal	Differences between actual & expected experience	Recognition Period (years)	Remaining Balance	2025	2026	2027	2028	2029	2030	There- after
2019	(1,703,175)	7.00	-	(243,309)	-	-	-	-	-	-
2020	(469)	7.00	(67)	(67)	(67)	-	-	-	-	-
2021	(1,125,612)	7.00	(321,602)	(160,802)	(160,802)	(160,800)	-	-	-	-
2022	-	7.00	-	-	-	-	-	-	-	-
2023	(1,278,180)	7.00	(730,389)	(182,597)	(182,597)	(182,597)	(182,597)	(182,598)	-	-
2024	-	7.00	-	-	-	-	-	-	-	-
2025	383,219	7.00	328,474	54,745	54,745	54,745	54,745	54,745	54,745	54,749
Total Remaining Balance			(723,584)							
Net increase (decrease) in OPEB Expense				(532,030)	(288,721)	(288,652)	(127,852)	(127,853)	54,745	54,749

Valley Collaborative
Notes to Financial Statements
June 30, 2025

NOTE I – POSTEMPLOYMENT HEALTHCARE PLAN – *continued*

Deferred (Inflows)/Outflows in OPEB Expense arising from the recognition of the effects of changes in assumptions										
Fiscal	Differences between actual & expected experience	Recognition Period (years)	Remaining Balance	2025	2026	2027	2028	2029	2030	There-after
2019	2,659,477	7.00	-	379,927	-	-	-	-	-	-
2020	-	7.00	-	-	-	-	-	-	-	-
2021	467,416	7.00	133,546	66,774	66,774	66,772	-	-	-	-
2022	(1,136,144)	7.00	(486,920)	(162,306)	(162,306)	(162,306)	(162,308)	-	-	-
2023	714,395	7.00	408,227	102,056	102,056	102,056	102,056	102,059	-	-
2024	(1,045,075)	7.00	(746,483)	(149,296)	(149,296)	(149,296)	(149,296)	(149,296)	(149,299)	-
2025	90,322	7.00	77,419	12,903	12,903	12,903	12,903	12,903	12,903	12,904
Total Remaining Balance			(614,211)							
Net increase (decrease) in OPEB Expense				250,058	(129,869)	(129,871)	(196,645)	(34,334)	(136,396)	12,904

Deferred (Inflows)/Outflows in OPEB Expense arising from the recognition of differences between projected & actual earnings on OPEB plan investments										
Fiscal	Differences between actual & expected experience	Recognition Period (years)	Remaining Balance	2025	2026	2027	2028	2029	2030	There-after
2019	(30,347)	5.00	-	-	-	-	-	-	-	-
2020	18,043	5.00	-	-	-	-	-	-	-	-
2021	(755,533)	5.00	-	(151,105)	-	-	-	-	-	-
2022	1,236,152	5.00	247,232	247,230	247,232	-	-	-	-	-
2023	(173,824)	5.00	(69,532)	(34,764)	(34,764)	(34,768)	-	-	-	-
2024	(425,953)	5.00	(255,573)	(85,190)	(85,190)	(85,190)	(85,193)	-	-	-
2025	(451,702)	5.00	(361,362)	(90,340)	(90,340)	(90,340)	(90,340)	(90,342)	-	-
Total Remaining Balance			(439,235)							
Net increase (decrease) in OPEB Expense				(114,169)	36,938	(210,298)	(175,533)	(90,342)	-	-

NOTE J – TAX POSITION

The primary tax positions made by the Collaborative are the existence of Unrelated Business Income Tax and the Collaborative's status as an exempt organization under the Internal Revenue Code. The Collaborative currently evaluates all tax positions, and makes determinations regarding the likelihood of those positions being upheld under review. For the years presented, and as a result of adoption, the Collaborative has not recognized any tax benefits or loss contingencies for uncertain tax positions based on its evaluations. The Collaborative is not currently under examination by any taxing jurisdiction. As a Chapter 40 governmental entity, the Collaborative is exempt from filing certain non-profit filings and, accordingly, there are no returns currently open for examination.

NOTE K – 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. For the year ended June 30, 2025, the Collaborative had no surplus revenue from contracts with state departments.

Valley Collaborative
Notes to Financial Statements
June 30, 2025

NOTE L – DISCLOSURES REQUIRED UNDER MASSACHUSETTS GENERAL LAW C.40 § 4ENames, duties and total compensation of the five most highly compensated employees

The five highest compensated employees of the Collaborative during fiscal year 2025 were as follows:

<u>Name</u>	<u>Title</u>	<u>Total Compensation</u>
Chris A. Scott, PhD	Executive Director	\$247,526
Joia Mercurio	Deputy Director	\$149,915
Nicole Noska	Principal	\$145,196
Kari Ann Morrin	Director of Human Resources	\$140,964
Matthew Gentile	Director of DDS Services	\$135,806

Executive Director:

Responsible for the proper fiscal management of Collaborative Programs. Administer and coordinate all programs and services offered by the Collaborative. Develop and propose an annual budget to the Board of Directors. Ensure Collaborative is operating within and in compliance with federal and state laws.

Deputy Director:

Responsible for supervising the effective and efficient implementation of programs and the payroll department. Assist in the creation of required state reports, records and other documentation. Keep the executive director informed about what is happening at the program level.

Director Human Resources:

Responsible for administering personnel programs and policies for the Collaborative and ensuring that proper practices are being followed. Handle all aspects with the hiring process. Manage the day-to-day human resource functions.

Principal:

Responsible to ensure program curriculum is aligned with Massachusetts Curriculum Frameworks. Other responsibilities include, ensure safety and structure of program, coordination and review all IEPs, schedule and participate in IEP meetings, communicate with parents, LEAs and outside agencies, and interview student referrals.

Director of DDS Services:

Responsible for coordinating services and activities relating to vocational preparedness and program enhancement while being the liaison between the Collaborative and local business partners. Other responsibilities include supervising direct support and job development staff and overseeing state agency contracts.

Amounts expended on services for individuals aged 22 years and older

Total direct costs incurred by the Collaborative in its over 21 programs, funded in part by contracts with agencies of the Commonwealth of Massachusetts, totaled \$3,902,632 for the year ended June 30, 2025, excluding Massachusetts Teachers' and State Employees' Retirement Systems "on-behalf" payments.

Amounts expended on administration and overhead

Administrative expenses of \$2,172,402 for the year ended June 30, 2025, include all costs that cannot be directly or reasonably applied to a program of the Collaborative. Administrative expenses include salaries, related benefits and payroll taxes, associated with the Collaborative'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.). The Collaborative 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

The Collaborative does not hold any accounts that may be spent at the discretion of another person or entity.

Valley Collaborative
Notes to Financial Statements
June 30, 2025

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

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

Other than the leases described below, the Collaborative had no transactions between the Collaborative and any related for-profit or non-profit organization.

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 C and D to the financial statements. The Collaborative leases classroom and other program space within Tyngsborough, a member district. For the year ended June 30, 2025, rent expense under this lease was \$255,950. During the year ended June 30, 2020, the Collaborative paid \$1,000,000 for improvements to the leased space within Tyngsborough. The improvements are depreciated in the government wide financial statements over the lease term.

Annual determination and disclosure of cumulative surplus

Cumulative Surplus Calculation – FY24				Page(s) in financial statements
(A)	Surplus as of June 30, 2024	\$	7,499,174	(A) p. 12
	<i>(Breakdown of use of 2024 surplus)</i>			
	B(1) used to support the FY25 budget	\$	-	
	B(2) issued as credits to member districts	\$	1,695,822	
	B(3) issued as a check(s) to member district(s)	\$	-	
	B(4) deposited to a restricted account(s)	\$	-	
(B)	Board voted uses of surplus funds during FY25	<i>(total from B1:B4)</i>	\$ 1,695,822	(B) p. 12
(C)	Unexpended FY25 General Funds		\$ 1,811,454	(C) p. 12
(D)	Cumulative Surplus as of June 30, 2025	(A) - (B) + (C) = (D)	\$ 7,614,806	(D) p. 12
(E)	FY25 Total General Fund Expenditures*		\$ 25,707,009	(E) p. 12
(F)	Cumulative Surplus Percentage	(D) ÷ (E)	29.62%	(F)
CUMULATIVE SURPLUS REDUCTION				
Allowable uses of surplus - in excess of the 25% limit				
(G)	Cumulative surplus as of June 30, 2025		\$ 7,614,806	
		25% limit (allowed)	\$ 6,426,752	
(H)	Cumulative Surplus REDUCTIONS			
	(H)1 Credited to member districts for tuition, services, etc.	\$	1,200,000	***
	(H)2 Deposited to an established trust and/or reserve fund	\$	-	
	(H)3 Returned (check) to school districts/towns	\$	-	
	Total Reductions	\$	1,200,000	
	FY25 Cumulative Surplus Percentage after Reductions		24.95%	

Valley Collaborative
Notes to Financial Statements
June 30, 2025

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

*Reconciliation of Total General Fund Expenditures to the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds on page 12:

Total Expenditures:	\$28,961,498
OPEB Obligation Funding:	-
Intergovernmental Expense:	<u>(3,365,600)</u>
	25,595,898
FY25 depreciation on leasehold improvements:	<u>111,111</u> **
Total General Fund Expenditures per calculation above:	<u>\$25,707,009</u>

**During the year ended June 30, 2020, the Collaborative paid for \$1,000,000 of improvements to a leased facility. The payment was approved and budgeted by the Collaborative's board of directors. However, because this was a special one-time payment, the Collaborative requested clarification from the Department of Elementary and Secondary Education ("DESE") regarding treatment of the expenditure. DESE requested that the \$1,000,000 capital expenditure be treated as an expenditure over the remaining lease term of 9 years for purposes of determining the cumulative surplus funds in excess of 25% of general fund expenditures. The annual amount to be reported as an expenditure is \$111,111.

***Prior to June 30, 2025, the Collaborative's board of directors voted to return \$1,000,000 of cumulative general fund surplus to member districts. During the November 20, 2025 board meeting, the Collaborative elected to return an additional \$200,000 to the member districts to comply with the 25% cumulative surplus allowance.

Valley Collaborative
Statement of Revenues, Expenditures and Changes in Fund Balance
of the General Fund - Budget to Actual
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues:				
Tuition and services	\$ 19,200,000	\$ 21,800,000	\$ 22,682,559	\$ 882,559
Adult services	4,900,000	4,900,000	4,477,614	(422,386)
Other	700,000	700,000	51,671	(648,329)
Interest	30,000	30,000	54,508	24,508
Intergovernmental revenue	-	-	3,365,600	3,365,600
Total revenue and other support	24,830,000	27,430,000	30,631,952	3,201,952
Expenses:				
Salaries	17,173,652	18,973,652	18,033,851	939,801
Employee benefits and taxes	2,918,119	3,431,619	3,199,375	232,244
Operating expenses	3,527,700	3,539,200	2,945,280	593,920
Leases and rentals	618,247	593,247	625,641	(32,394)
On-behalf retirement payment expense	-	-	3,365,600	(3,365,600)
Total expenses	24,237,718	26,537,718	28,169,747	(1,632,029)
Excess of revenues over expenses	<u>\$ 592,282</u>	<u>\$ 892,282</u>	<u>\$ 2,462,205</u>	<u>\$ 1,569,923</u>
Other Budget Items:				
Credits to member districts	\$ -	\$ -	\$ 1,695,822	\$ (1,695,822)
Capital budget items, net of gain	575,000	875,000	650,751	224,249
OPEB obligation funding	-	-	-	-
	<u>\$ 575,000</u>	<u>\$ 875,000</u>	<u>\$ 2,346,573</u>	<u>\$ (1,471,573)</u>

Note: The schedule above is presented on the same basis used by the Collaborative to present its internal budget to actual comparison and account groupings are not necessarily consistent with the Statement of Revenue, Expenditures and Changes in Fund Balances presented on page 12. Also, capital budget items presented above include actual capital outlays and transfers made to or from the Capital Reserve Fund.

Valley Collaborative
OPEB Plan - Required Supplementary Information
June 30, 2025

Year	Actuarial Determined Contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
June 30, 2019	\$ 880,811	\$ (61,922)	\$ 818,889	\$ 11,092,407	0.56%
June 30, 2020	\$ 951,385	\$ (45,883)	\$ 905,502	\$ 11,425,179	0.40%
June 30, 2021	\$ 903,135	\$ (51,730)	\$ 851,405	\$ 10,818,546	0.48%
June 30, 2022	\$ 996,816	\$ (1,694,497)	\$ (697,681)	\$ 11,143,102	15.21%
June 30, 2023	\$ 822,753	\$ (128,142)	\$ 694,611	\$ 14,197,170	0.90%
June 30, 2024	\$ 1,007,032	\$ (91,727)	\$ 915,305	\$ 14,623,085	0.63%
June 30, 2025	\$ 893,884	\$ (109,715)	\$ 784,169	\$ 17,432,244	0.63%

Schedule Presentation

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

See independent auditor's report.

Valley Collaborative
OPEB Plan - Required Supplementary Information
As of the June 30, 2025 Measurement Date

Schedule of Changes in the Collaborative's Net OPEB Liability and Related Ratios								
Valuation Date:	July 1, 2024	July 1, 2023	July 1, 2022	July 1, 2021	July 1, 2020	July 1, 2019	July 1, 2018	July 1, 2017
For the Measurement Period ending on the Measurement Date of:	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
For the Reporting Period & Fiscal Year ending on:	June 30, 202	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability	10,333,433	8,654,814	8,406,758	7,855,437	7,760,675	7,321,481	6,291,640	4,270,784
I. Service Cost	802,329	948,235	747,196	917,149	804,839	776,751	752,044	608,129
II. Interest on Total OPEB Liability, Service Cost, and Benefit Payments	512,464	436,623	431,978	367,674	344,281	299,442	374,432	18,642
III. Changes in Benefit terms	-	-	-	-	-	-	-	-
IV. Difference between Expected & Actual Plan Experience	383,219	-	(1,278,180)	-	(1,125,612)	(469)	(1,703,175)	-
V. Changes of Assumption	90,322	(1,045,075)	714,395	(1,136,144)	467,416	-	2,659,477	43,514
VI. Benefit Payments Excluding Implicit Cost	(85,145)	(77,701)	(54,947)	(53,917)	(50,682)	(44,753)	(48,295)	(30,590)
VII. Implicit Cost Amount	(24,570)	(14,026)	(9,121)	-	(1,048)	(1,130)	(13,627)	-
VIII. Total Benefit payments including Implicit Cost [VI.+VII.]	(109,715)	(91,727)	(64,068)	(53,917)	(51,730)	(45,883)	(61,922)	(30,590)
IX. Net Change in OPEB liability [I.+II.+III.+IV.+V.+VIII.]	1,678,619	248,056	551,321	94,762	439,194	1,029,841	2,020,856	639,695
X. Total OPEB liability - beginning of period	8,654,814	8,406,758	7,855,437	7,760,675	7,321,481	6,291,640	4,270,784	(148,019)
XI. Prior Period Adjustment for Retirees not Previously Reflected	-	-	-	-	-	-	-	-
XII. Total OPEB Liability - end of period [IX.+X.+XI.]	10,333,433	8,654,814	8,406,758	7,855,437	7,760,675	7,321,481	6,291,640	491,676
Plan Fiduciary Net Position	8,282,784	7,374,283	6,598,707	6,030,973	5,271,479	4,266,767	4,039,225	3,779,108
XIII. Earning from Plan Investments	908,501	775,576	503,660	(881,086)	1,004,712	227,542	260,117	236,892
XIV. Employer Contribution to trust	109,715	91,727	128,142	1,694,497	51,730	45,883	61,922	30,590
XV. Benefit payments from trust, including refunds of member contributions	(109,715)	(91,727)	(64,068)	(53,917)	(51,730)	(45,883)	(61,922)	(30,590)
XVI. Administrative expense	-	-	-	-	-	-	-	-
XVII. Other	-	-	-	-	-	-	-	-
XVIII. Net change in plan fiduciary net position [XIII.+XIV.+XV.+XVI.+XVII.]	908,501	775,576	567,734	759,494	1,004,712	227,542	260,117	236,892
XIX. Plan fiduciary net position - beginning of period	7,374,283	6,598,707	6,030,973	5,271,479	4,266,767	4,039,225	3,779,108	3,542,216
XX. Plan fiduciary net position - end of period [XVIII.+XIX.]	8,282,784	7,374,283	6,598,707	6,030,973	5,271,479	4,266,767	4,039,225	3,779,108
XXI. Net OPEB Liability [XII.-XX.]	2,050,649	1,280,531	1,808,051	1,824,464	2,489,196	3,054,714	2,252,415	491,676
XXII. Plan fiduciary net position as a % of total OPEB liability [XX./XII.]	80.16%	85.20%	78.49%	76.77%	67.93%	58.28%	64.20%	768.62%
XXIII. Covered employee payroll	17,432,244	14,623,085	14,197,170	11,143,102	10,818,546	11,425,179	11,092,407	11,775,259
XXIV. Plan NOL as % of covered employee payroll [XXI./XXIII]	11.76%	8.76%	12.74%	16.37%	23.01%	26.74%	20.31%	4.18%
Single Discount Rate to calculate Plan Liabilities	5.22%	5.45%	4.69%	5.04%	4.25%	4.25%	4.25%	7.50%

Schedule Presentation

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

See independent auditor's report.

Valley Collaborative
OPEB Plan - Required Supplementary Information
As of the June 30, 2025 Measurement Date

Notes to Required Supplementary Information:

Valuation Date: Actuarially Determined Contribution was calculated as of July 1, 2024.

Actuarial Cost Method: Individual Entry Age Normal

Asset-Valuation Method: Market Value of Assets as of the Measurement Date, June 30, 2025.

Actuarial Assumptions:

Investment Rate of Return: 5.86%, net of OPEB plan investment expense, including inflation.

Municipal Bond Rate: 4.81% as of June 30, 2025 (source: S&P Municipal Bond 20-Year High Grade Index - SAPIHG)

Single Equivalent Discount Rate: 5.22%, net of OPEB plan investment expense, including inflation.

Inflation: 2.50% as of June 30, 2025 and for future periods

Salary Increases: 3.00% annually as of June 30, 2025 and for future periods

Cost of Living Adjustment: Not Applicable

Pre-Retirement Mortality: General: RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2021, set forward 1 year for females
 Teachers: PubT-2010 Mortality Table (Headcount-weighted) for Employees projected generationally with scale MP-2021

Post-Retirement Mortality: General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2021, set forward 1 year for females
 Teachers: PubT-2010 Mortality Table (Headcount-weighted) for Healthy Annuitants projected generationally with scale MP-2021

Disabled Mortality: General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2021, set forward 1 year for males and 2 years for females
 Teachers: PubT-2010 Mortality Table (Headcount-weighted) for Healthy Annuitants projected generationally with scale MP-2021

See independent auditor's report.

Valley Collaborative
OPEB Plan - Required Supplementary Information
As of the June 30, 2025 Measurement Date

Notes to Required Supplementary Information (Continued):

Plan Membership

Plan Membership: At July 1, 2024, the OPEB plan membership consisted for the following

Inactive employees or beneficiaries currently receiving benefits:	15
Active Employees:	<u>267</u>
Total:	282

Events Subsequent to the Measurement Date

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

Changes in Assumptions:

From June 30, 2024 to June 30, 2025:

Due to the GASB 75 standards the discount rate has been changed from 5.45% to 5.22%.

Based on recommendations by PERAC, the mortality table has been updated to the RP-2014 Mortality Table projected generationally with scale MP-2021 for non-teachers and PubT-2010 Mortality Table projected generationally with scale MP-2021 for teachers.

Contributions/Withdrawals:

The contribution requirements of plan members and the Collaborative are established and may be amended through Collaborative ordinances. The Collaborative contributed \$0 for the period ending on the June 30, 2025 Measurement Date. For the year ending on the June 30, 2025 Measurement Date total Collaborative premiums plus implicit costs for the retiree medical program were \$109,715. \$24,570 of the \$109,715 represents implicit cost.

Census Data Manipulation:

In the absence of data, the following was assumed:

Spouse Sex:	Male participants had female spouses and vice versa.
Spouse Age:	Male spouses were three years older than female spouses and same sex spouses were the same age.
Hire Age:	Participants who were not on the previous valuation were hired halfway between last valuation and the current valuation. If we did not have census data related to the last valuation, the participants were assumed to have been hired at age forty.
Retiree Age:	Retirees had the same birth date as they had the prior valuation. If we did not have census data related to the last valuation, retirees who were enrolled in Active plans were assumed to be age sixty-two and retirees who were enrolled in Medicare Supplement plans were assumed to be age seventy-two. Those not enrolled in a medical plan were assumed to be sixty-seven.
School Demographics:	Two thirds of school participants were teachers.
Other Material Changes:	No other data changes were deemed to be material.

See independent auditor's report.

Valley Collaborative
Schedule of the Collaborative's Proportionate Share of Net Pension Liability
For the Year Ended June 30, 2025

		MTRS	MSERS
Collaborative's proportion of net pension liability	FY2015	0.07985%	0.02466%
	FY2016	0.08405%	0.07637%
	FY2017	0.08453%	0.08118%
	FY2018	0.09167%	0.08646%
	FY2019	0.08325%	0.10137%
	FY2020	0.08129%	0.08658%
	FY2021	0.07984%	0.07671%
	FY2022	0.08333%	0.09316%
	FY2023	0.08290%	0.09784%
	FY2024	0.08321%	0.11139%
Collaborative's proportionate share of net pension liability	FY2015	\$ 16,360,313	\$ 2,806,546
	FY2016	\$ 18,790,793	\$ 10,530,873
	FY2017	\$ 19,344,064	\$ 10,410,850
	FY2018	\$ 21,737,193	\$ 11,438,238
	FY2019	\$ 20,989,574	\$ 14,834,931
	FY2020	\$ 23,205,036	\$ 14,855,001
	FY2021	\$ 18,129,788	\$ 8,006,281
	FY2022	\$ 21,572,960	\$ 12,958,656
	FY2023	\$ 21,794,595	\$ 14,331,557
	FY2024	\$ 21,098,472	\$ 15,733,379
Collaborative's covered-employee payroll	FY2015	\$ 5,347,143	\$ 4,285,929
	FY2016	\$ 5,527,894	\$ 4,254,279
	FY2017	\$ 5,762,613	\$ 4,635,195
	FY2018	\$ 6,333,668	\$ 6,028,713
	FY2019	\$ 6,087,231	\$ 6,039,995
	FY2020	\$ 6,181,687	\$ 5,305,358
	FY2021	\$ 6,202,814	\$ 4,668,914
	FY2022	\$ 6,274,492	\$ 5,856,826
	FY2023	\$ 7,162,705	\$ 6,145,191
	FY2024	\$ 7,488,098	\$ 7,832,325
Collaborative's proportionate share of net pension liability as a percentage of its covered-employee payroll	FY2015	305.96%	65.48%
	FY2016	339.93%	247.54%
	FY2017	335.68%	224.60%
	FY2018	343.20%	189.73%
	FY2019	344.81%	245.61%
	FY2020	375.38%	280.00%
	FY2021	292.28%	171.48%
	FY2022	343.82%	221.26%
	FY2023	304.28%	233.22%
	FY2024	281.76%	200.88%
Plan fiduciary net position as a percentage of total pension liability	FY2015	55.38%	67.87%
	FY2016	52.73%	63.48%
	FY2017	54.25%	67.21%
	FY2018	54.84%	67.91%
	FY2019	53.95%	66.28%
	FY2020	50.67%	62.48%
	FY2021	62.03%	77.54%
	FY2022	57.75%	71.05%
	FY2023	58.48%	70.71%
	FY2024	61.45%	72.90%

Notes to Required Supplementary Information

MTRS is the Massachusetts Teachers' Retirement System. MSERS is the Massachusetts State Employees' Retirement System. Also, see Note E to financial statements.

Measurement Date

The amounts presented in this schedule were determined as of June 30, 2024.

Schedule Presentation

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

See independent auditor's report.

Valley Collaborative
Schedule of Pension Contributions
For the Year Ended June 30, 2025

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
MTRS										
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Collaborative's covered-employee payroll	\$ 5,347,143	\$ 5,527,894	\$ 5,762,613	\$ 6,333,668	\$ 6,087,231	\$ 6,181,687	\$ 6,202,814	\$ 6,274,492	\$ 7,162,705	\$ 7,488,098
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
MSERS										
Contractually required contribution	\$ 240,012	\$ 238,217	\$ 259,571	\$ 337,608	\$ 338,240	\$ 323,627	\$ 284,804	\$ 357,266	\$ 374,857	\$ 477,772
Contributions in relation to the contractually required contribution	\$ 240,012	\$ 238,217	\$ 259,571	\$ 337,608	\$ 338,240	\$ 323,627	\$ 284,804	\$ 357,266	\$ 374,857	\$ 477,772
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Collaborative's covered-employee payroll	\$ 4,285,929	\$ 4,254,279	\$ 4,635,195	\$ 6,028,713	\$ 6,039,995	\$ 5,305,358	\$ 4,668,914	\$ 5,856,826	\$ 6,145,191	\$ 7,832,325
Contributions as a percentage of covered-employee payroll	5.60%	5.60%	5.60%	5.60%	5.60%	6.10%	6.10%	6.10%	6.10%	6.10%

Notes to Required Supplementary Information

MTRS is the Massachusetts Teachers' Retirement System. MSERS is the Massachusetts State Employees' Retirement System. Also, see Note E to financial statements.

Measurement Date

The amounts presented in this schedule were determined as of June 30, 2024.

Schedule Presentation

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

Contributions

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

See independent auditor's report.



FRITZ DEGUGLIELMO LLC
CERTIFIED PUBLIC ACCOUNTANTS
& BUSINESS ADVISORS

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

To the Board of Directors of
Valley Collaborative
North Billerica, Massachusetts

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Valley Collaborative (a collaborative organized under the Laws of the Commonwealth of Massachusetts), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Valley Collaborative's basic financial statements, and have issued our report thereon dated November 20, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



Certified Public Accountants

Newburyport, Massachusetts

November 20, 2025



Central Administration

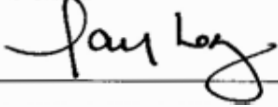
11 Executive Park Dr, Billerica MA 01862 | Tel: (978)528-7800 | www.valleycollaborative.org

DETERMINATION OF CUMULATIVE SURPLUS (BOARD VOTE) For the Year Ended June 30, 2025

We, the Board of Directors of Valley Collaborative, have determined the fiscal year cumulative general fund surplus to be \$7,614,806 and have voted to accept said surplus as presented in the Cumulative Surplus worksheet in Note L to the financial statements.

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, 2025.

Board Chair



Date of Board Vote

11-20-2025



Central Administration

11 Executive Park Dr, Billerica MA 01862 | Tel: (978)528-7800 | www.valleycollaborative.org

ACCEPTANCE OF THE BOARD OF DIRECTORS

We, the Board of Directors of the Valley 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, 2025.

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, 2025.



Board Chair

11-20-2025

Date

Progress Made Toward Achieving the Purpose and Objectives Set Forth in the Collaborative Agreement

District Improvement Planning

The Valley Collaborative district planning process continued in the 2024-25 school year, as the team completed Valley's five-year district plan and began the process of action planning strategic initiatives they selected for implementation next year.

The Leadership Team launched its planning work in the fall with extensive community outreach, presenting the draft district plan and gathering feedback from parents, students and adults, staff, and some community partners across all schools and the adult program. Using shared materials designed to support consistency in messaging and process, team members presented the plan and posed the following questions for discussion and feedback:

- Do you think the current set of initiatives represents the work required for that objective?
- What questions, if any, do you have?
- What, if anything, do you believe is missing?

In December, the leaders who had facilitated these feedback sessions presented results to the entire Leadership Team. After discussing these community responses in depth and developing a new collaborative-wide perspective of the plan, the team then revised and finalized the plan's strategic initiatives.

The final element of the district plan that remained for development were the outcome measures—what success will look like and how Valley will know if it has achieved the plan's objectives. The Executive Team met in February to begin outcome development, proposing an initial set of measures for consideration by the Leadership Team in early April. At that meeting, the team reviewed and revised the proposed outcomes, completing the district plan—and also began the work of prioritizing strategic initiatives to action plan for implementation in 2025-26.

The team then identified five leaders to serve as district plan project leaders, one responsible for each of the five initiatives selected for implementation. These leaders strategically selected individuals across the collaborative for their teams, ensuring that people with the necessary expertise and a collaborative-wide perspective were at the table. The leaders participated in training to prepare them for facilitating development and oversight of action plans and facilitated the first round of action planning in May. Action plan teams will continue development of these plans in the fall.

The five initiatives selected for implementation are as follows:

1. Continue to develop and implement new programming to meet Individual Education Plan, Individual Support Plan, and Life Plan goals and objectives of Valley's K-12 students and adult services participants through: community life skills opportunities; expanded academic opportunities through technology; transitional opportunities; and community-based day supports activities.
2. Implement a professional learning and evaluation management system that will assist Valley in leveraging data to plan, manage, track, and evaluate employees and their training and professional learning activities.
3. Strengthen outreach and communication between staff, students/DDS and MRC individuals, and families in order to foster a sense of belonging.
4. Redevelop Valley's informational materials to reflect the mission & vision and assist in educating community members about Valley's program offerings, through updated materials including Valley's website.
5. Work with stakeholders—including families, districts, DDS and MRC individuals, and community partners—to expand vocational placements for students in order to support their development as contributing members of their communities.

Valley Collaborative's District Improvement Plan

Designed to achieve the Purpose and Objectives set forth in the Collaborative Agreement

2026-2031

Plan Overview

Valley Collaborative's Articles of Agreement
ARTICLE II
Mission, Objectives, Focus, and Purpose
<p>The mission of the Collaborative is to conduct educational programs and/or services for member districts in a cost-effective manner and to increase educational opportunities and to improve educational outcomes for its students. The purpose of the Collaborative is to provide high quality intensive educational, therapeutic and transitional programs and related services to individuals with disabilities referred by member districts, non-member districts and social service agencies, including both children and adults, and to provide professional development to educators. The focus of the Collaborative is the provision of special education, transitional, occupational, and therapeutic programs and services in the least restrictive environment and comprehensive professional development within the local communities of the member districts. The overall objectives of the Collaborative include improving the academic achievement and/or occupational skills of students and individuals with disabilities in the least restrictive environment through high quality programs and services; offering a variety of high quality professional development opportunities to general and special education teachers and related service providers; and offering its programs and services in a cost-effective manner.</p>
<i>Mission</i>
<p>To work collaboratively in order to create a diverse, equitable, inclusive, and responsive learning environment that recognizes individuals and empowers them to navigate confidently with optimal independence in their community and fosters lifelong learning.</p>
<i>Vision</i>
<p>Valley Collaborative partners with families, districts, and the community to provide innovative programming that empowers all students and adults to discover their diverse individual strengths, interests, and abilities. In doing so, those we serve become self-actualized members of society who contribute in a responsible manner.</p>
<i>Theory of Action</i>
<p><i>If we...</i></p> <ul style="list-style-type: none"> ● Identify students' immediate and long-term individualized goals, strengths, and needs and provide support to meet them, and... ● Build the capacity of, and invest in, our staff, and... ● Invest in community building across the Collaborative, with all stakeholder groups, <p><i>Then we will...</i></p> <ul style="list-style-type: none"> ● Increase student independence and prepare students for successful post-secondary placement and adult living ● Increase staff professional capacity and the retention of high quality and appropriately certified staff ● Improve the engagement of all stakeholders in the Collaborative community

<i>Strategic Objectives</i>		
<i>1. All students and adults will be provided with high quality programming in a diverse, equitable, and inclusive environment in order to prepare them for successful adult living.</i>	<i>2. Valley Collaborative will provide professional learning in order to build capacity and retain high quality staff, while fostering and promoting a diverse, equitable, and inclusive environment.</i>	<i>3. Valley Collaborative will foster diversity, equity, and inclusivity in order to promote a sense of belonging and engagement for all stakeholders (students, adults, families, staff, districts, community partners).</i>
<i>Strategic Initiatives</i>		
a.) Continue to develop and implement new programming to meet Individual Education Plan, Individual Support Plan, and Life Plan goals and objectives of Valley's K-12 students and adult services participants through: community life skills opportunities; expanded academic opportunities through technology; transitional opportunities; and community-based day supports activities.	a.) Create and implement a robust professional learning program in order to train all professional staff, including Special Education Assistants, for their unique roles at Valley Collaborative, through various learning modules spanning special education topics, therapies, school safety, etc.	a.) Strengthen outreach and communication between staff, students/DDS and MRC individuals, and families in order to foster a sense of belonging.
b.) Develop and maintain the outdoor learning program so that students and individuals will be exposed to more wellness opportunities to support individual growth.	b.) Implement a professional learning and evaluation management system that will assist Valley in leveraging data to plan, manage, track, and evaluate employees and their training and professional learning activities.	b.) Redevelop Valley's informational materials to reflect the mission & vision and assist in educating community members about Valley's program offerings, through updated materials including Valley's website.
c.) Complete the Department of Elementary and Secondary Education (DESE) Mid-Cycle Review Self-Assessment of Valley's practices and policies by August of 2024 and complete the review in its entirety by the Spring of 2025, to ensure high quality programming.	c.) Implement a professional learning management system that expands professional learning offerings aligned with Valley's District goals and ensures Individual Professional Development Plan (IPDP) compliance.	c.) Work with stakeholders—including families, districts, DDS and MRC individuals, and community partners—to expand vocational placements for students in order to support their development as contributing members of their communities.
d.) Complete the new DESE Collaborative Financial Review by the Spring of 2025 to ensure financial stability and health, so that Valley maintains sustainable and successful programming.	d.) Improve evaluation tracking and organization, and goal alignment to Valley's district goals.	d.) Develop and administer a survey for member district Special Education Directors to gather their feedback on student experiences within their districts and student trends in order to anticipate programmatic needs and maintain responsive programming.
e.) Complete the DESE Coordinated Program Review Self-Assessment of Valley's practices and policies by August of 2027 and complete the review in its entirety by the Spring of		e.) Analyze student referral data by implementing a new admissions module, to ensure Valley continues to offer diverse, equitable and inclusive programming to promote a sense of belonging.

2028, to ensure high quality programming.		
f.) Complete the Department of Developmental Services (DDS) Adult Services Licensure and Certification Audit – Full Audit by the Spring of 2025, to ensure high quality programming.		
<i>Outcomes</i>		
1.1 Department of Elementary and Secondary Education finds Valley in compliance on 85% or more of its Coordinated Program Review (CPR) and Mid Cycle Review (MCR) criteria	2.1 By 2030, Valley will increase staff retention by 10% as evidenced by longevity data for both certified staff and support staff	3.1 Valley will set and meet a Year 5 improvement target for sense of belonging and student engagement, using the 2023-24 DEI (sense of belonging) student, staff, and adult services survey results and the 2024-25 Special Education Directors' survey results to determine baseline
1.2 Department of Developmental Services (DDS) finds Valley in compliance on 80% or more of its Adult Services Licensure and Certification Audit criteria	2.2 Professional development opportunities will receive an overall rating of “very good” or higher on feedback evaluation forms 75% of the time by Year 5	3.2 Valley will conduct a minimum of one family/community at large engagement initiative, such as an open house, at each school annually
1.3 Department of Elementary and Secondary Education finds Valley in compliance on 85% or more of its Financial Review criteria		3.3 Valley will develop and implement promotional materials by end of Year 5 (website, brochures, videos)
1.4 Valley will conduct a minimum of 3 new outdoor learning opportunities annually		3.4 Valley will continue to develop financial budgets in response to changing enrollment trends



VALLEY COLLABORATIVE
Recommended Capital Plan
FY2027-2031

	FY2023 Actual	FY2024 Actual	FY2025 Actual	FY2026 Budget	Five-Year Plan					5-year TOTALS
					FY2027	FY2028	FY2029	FY2030	FY2031	
FACILITIES ACQUISITION										-
FACILITIES IMPROVEMENTS	199,865	157,812	96,249	125,000	125,000	125,000	125,000	125,000	125,000	625,000
SITE IMPROVEMENTS	-	-	-							-
LEASEHOLD IMPROVEMENTS	-	-	-							-
VEHICLES	224,880	393,197	565,871	750,000	500,000	500,000	500,000	500,000	500,000	2,500,000
TECHNOLOGY PLAN	200,671	228,582	292,810	300,000	250,000	250,000	250,000	250,000	250,000	1,250,000
FURNISHINGS & EQUIPMENT	29,007	96,483	62,528	100,000	50,000	50,000	50,000	50,000	50,000	250,000
TOTALS	\$ 654,423	\$ 876,074	\$ 1,017,458	\$ 1,275,000	\$ 925,000	\$ 925,000	\$ 925,000	\$ 925,000	\$ 925,000	\$ 4,625,000



Making a Splash

■ Page 2: Valley Elementary students are developing skills and confidence in the water.



A Culture of Reading

■ Page 3: Thanks to a new book club and an extra emphasis on literacy, reading is all the rage in the Transitional Programming at Valley Middle/ High School.



Giving Back

■ Page 5: The holidays are a chance for the adults served by Valley Collaborative to give back to the community.

VALLEY COLLABORATIVE

Volume 14, Issue 2 News for the extended Valley Collaborative community Winter 2026

A Positive Year, A Promising Future



VALLEY ELEMENTARY ASSISTANT PRINCIPAL BRYAN THOMAS AND FIFTH GRADER BRIAN BOLCOMBE BRINGING PUMPKINS AND CIDER DONUTS TO THE DISTRICT STAFF: KARI MORRIN, DIRECTOR OF HR TITLE IX AND 504 COORDINATOR; EXECUTIVE DIRECTOR CHRIS SCOTT; AND DEPUTY DIRECTOR JOIA MERCURIO.

Hello Valley families:

It has been an honor to work with Valley's committed staff to offer high quality special education services in the most fiscally responsible manner. Our collective work and dedication to Valley's mission has resulted in positive outcomes for students in our K-12 programs as well as participants in our DDS & MRC programs. I would like to thank Valley's Board Chair, Dr. Jay Lang, and the Board of Directors for their effective oversight, governance and generous support of this most important work. Valley is proudly owned and

operated by nine member school districts. The Board of Directors and the school districts they represent are comprised of:

- **Dr. Jay Lang**, Chairman of the Board, Executive Committee Member, Superintendent - Chelmsford Public Schools
- **Dr. Kerry Clery**, Superintendent - Billerica Public Schools
- **Mr. Steven Stone**, Superintendent - Dracut Public Schools
- **Dr. Geoff Bruno**, Superintendent - Groton Dunstable Regional School District

*continued on pag 7

VALLEY COLLABORATIVE

Elementary School: Making a Splash

Safety and inclusion are at the heart of everything we do at Valley Elementary School. School nurse Kathryn Richard and classroom teacher Becca Valcanas launched a special initiative this year to provide adaptive swim lessons for students with autism and developmental disabilities. The decision was driven by a sobering statistic: children with these diagnoses are up to 160 percent more likely to die from drowning than the general population.

Over the past 12 weeks, our students have participated in Swim Angelfish lessons, and the progress has been nothing short of amazing! Students have learned essential water safety skills, including:

- Safely entering and exiting the pool
- Floating on their backs and bellies
- Practicing different swim techniques
- Holding onto a rescue tube

Beyond safety, the water provides valuable sensory input, helping students regulate and remain calm—even after leaving the pool. Staff have noticed that swim days often lead to improved emotional regulation, with many students feeling more relaxed for the rest of the week. Here's what several staff members had to say about the swimming field trips:

"It has been amazing to see the progress these students have made week by week. Students who once feared water are now comfortable in it. Those with no safety awareness are learning to ask permission before entering. These transformations are possible thanks to the dedication of Valley staff, who join students in the water and guide them every step of the way."

— Crystal Chan, M.S.

2

CCC-SLP, Speech-Language Pathologist



BECCA VALCANAS' ADAPTIVE SWIM CLASS IN ACTION. EACH WEEK, STUDENTS LEARN ESSENTIAL WATER SKILLS THROUGH THE ANGEL SWIM PROGRAM.

"This has been a great experience for students and staff alike. Watching students overcome fear and hesitation to fully participate has been inspiring. One student who wouldn't step foot in the water on the first day now lifts his feet off the ground and engages in lessons with confidence!"

— Kathryn Richard, RN, BSN,
Elementary School Nurse

"My Classroom staff wanted it to highlight the students who have overcome fear and hesitation and are now fully participating in the lesson! One student for instance would not even step foot in the water the first time, and is now fully in the water, lifting his feet up off the ground, and letting staff teach him."

— Becca Valcanas, Classroom Teacher

We are proud of our students' courage and growth, and grateful to our staff for their unwavering support. These lessons are more than just swimming—they are life-saving skills and confidence-building experiences that will stay with our students for years to come. ■

The Giving Spirit

Valley Elementary's annual Thanksgiving event was another great success. Dozens of families came and shared a meal with our whole school community. Families, students, and staff all came together to talk, eat, share stories, and connect. "It's a great event that really captures the spirit of the school," says Bryan Thomas, assistant principal and special education administrator.

This year, for the first time Valley Elementary also opened a small food pantry. The idea came from the Parent Advisory Group, and it has been a great way to support our community. Staff and parents have generously contributed to keep the pantry stocked, while social workers have worked with families to identify needs and facilitate distribution. ■

VALLEY COLLABORATIVE

In the Transitional Programming at Valley Middle/High School, Reading is all the Rage

At a recent meeting of Valley's new book club, students were abuzz about reading. Started this fall, the new program at Valley's Transitional Middle and High School has serious academic goals, including building confidence in readers. For club members, the attraction of the group might be summed up with a simple motto: 'reading is fun.'

The book club was started by reading specialist Shana Cheevers. Shana, who started in that position this year after spending ten years as a classroom teacher at Valley, wanted to tap into the enthusiasm that some students have about reading and channel it throughout the school. "We have some kids who love to read, so this year I thought we could get everyone together and all share books that we like," says Shana.

The inaugural meeting of the new group featured a 'book tasting' in which each student brought a book they loved or were simply interested in reading. Members assessed the books and their genre—fiction turns out to be the most popular. Since

then, book club has been a weekly event. Around Halloween, students read a scary book—*The Nightmare Before Christmas*—taking turns reading aloud. Other recent highlights include an AI book generated by a middle school student. Whatever students choose to read, their excitement about the group is palpable, says Shana. "Students look forward to it all week, and turnout has been really good."

The new book group is just one element of a larger focus on reading at the Transitional Middle and High School this year. Notable changes this year include a new program for diagnostic assessments as well as a structured literacy program designed to help build foundational reading skills. Students are provided with reading lessons that develop literacy essentials including phonics, vocabulary, and fluency, while teachers are provided with data so that they know how each student is doing. Writing is also a major focus this year, says Shana. A new curriculum is aimed at helping students become stronger



TEACHER KALI ROWE WITH STUDENT IVY LEFEBVRE AND READING SPECIALIST SHANA CHEEVERS.

writers. "The goal is to help close some gaps and add to the students' toolbox of strategies for reading and writing."

Meanwhile, students say they are counting the days till the next book club. Here's what a few of them had to say.

Jack M: "I used to love listening to audio books. When Shana hung up fliers for her book club, I couldn't say no to it. Books are a favorite thing of mine. GO READING!!!!!!" Jack M.

Rose: "I enjoy book club because it makes me happy!"

Leah: "I'm looking forward to reading about Helen Keller! I like to read with everyone about my interests."

Jack G: "I enjoy our stories and how we get together and spend time reading as a group" ■



JACK MURPHY AND JACK GREGOIRE READ DURING BOOK CLUB. THE WEEKLY GROUP, STARTED BY READING SPECIALIST SHANA CHEEVERS, HAS BEEN A HIT WITH STUDENTS.

VALLEY COLLABORATIVE

In the Alternative Programming at Valley Middle/High School, A Recipe for Success

Something especially delicious is being cooked up in Valley's kitchen these days. A sampling of some recent lunch specials include chicken marsala, creamy chorizo pasta, and handmade chicken sandwiches with a school favorite, hot honey sauce.

The new emphasis on scratch cooking comes courtesy of culinary vocational instructor Craig Ouellet, who started in the position at the start of the school year, and quickly set about overhauling the culinary program. Craig and an alternating team of three students approach each day much like a professional restaurant staff would, coming up with a dish, shopping for the necessary ingredients, then working their magic in the kitchen. These alternative lunches, offered in addition to the traditional Valley lunch, can be requested by staff. Students, who've earned points for academic progress and good behavior, can use a culinary voucher for one of the special meals.

"You learn an incredible amount working in a kitchen," says Craig. "Our students are learning how to make meals for themselves at home, how to work as a team, how to work alongside the other staff, and how to manage time. These are all skills that they'll be able to use in the future."

Like many of the students he engages with today, Craig once had little concept of homemade healthy meals. Then his mom got sick and he became her caregiver. "That's how I grew my passion for cooking," recalls Craig. As his skills improved, he realized that he could make a living doing something he enjoyed. Over

4

the years, Craig has cooked in all kinds of kitchens, working for restaurants and as an in-



CULINARY VOCATIONAL INSTRUCTOR CRAIG OUELLET PREPARING A LUNCH SPECIAL.

dependent contractor. When an old friend told him that Valley needed help in its kitchen, Craig leaped at the opportunity. "My good friend is the kitchen manager. I'd heard so many great things about Valley, I had to come and see for myself," says Craig.

Craig's obvious rapport with students soon led to other opportunities. When a teaching position opened up last fall, Craig was asked to step in. Spending half of the day in the kitchen, the other half in the classroom, he had a realization: he loved teaching as much as cooking.



CHICKEN MARSALA, A RECENT SPECIAL PREPARED BY VALLEY'S CULINARY TEAM.

He is currently working towards earning his vocational teaching credential.

Feedback from students and staff who've been enjoying the new menu items has been incredibly positive, says Craig. "The students are excited about trying new ideas and seeing what's possible with food creation."

"It has been fun and educational learning a variety of meals that are different from what I usually eat at home," says James Straffin. "Craig lets us experiment with our out-of-the-box ideas like the eggnog cheesecake that turned out to be topshelf delicious," says Nate Goodwin.

Overall, Valley is happy to be offering this culinary experience that can jump start career paths for motivated students. It has been very rewarding for teachers and staff to see the smiles on the students' faces as they proudly serve the meals they've taken pride in creating. With a goal of creating better people with learned job skills, the Alternative High School Culinary Program is on the right track. ■

VALLEY COLLABORATIVE

Adult Services: Positive Culture, Shining Bright

As we approach the holiday season, the adults served by Valley Collaborative enthusiastically embrace the opportunity to give back to the community that shows them so much support throughout the year. The individuals eagerly participate in both a toy and food drive as a way to provide fellow community members with much needed support during the holidays. Every year the holiday season acts as a reminder of how lucky we all are to be part of the Valley Community, and how powerful we can be when we come together for a worthy cause. We are once again partnering with the Billerica Fire Department to run our toy drive as part of the Toys for Tots charity. It is truly amazing to see the participation from our individuals and their families. Our toy donation box always fills up multiple times over, and it takes a full crew to



THE ADULT PROGRAM ONCE AGAIN PARTNERED WITH THE BILLERICA FIRE DEPARTMENT TO RUN OUR TOY DRIVE AS PART OF THE TOYS FOR TOTS CHARITY. FROM LEFT: ADAM GUILD, ERIK REGO, MATT BOOTH, MARK FITTS, JASON DOYLE, JACK SABA, MARYALICE JACKSON AND JUSTIN SUTHERLAND.

deliver all the gifts to the Fire Station. This year was no different and served as a reminder of how thoughtful the Valley community is. Our food drive is run in accordance with the Merrimack Valley Food Bank and generates hundreds of pounds of food to be donated and dispersed to people in need. With the rising cost of groceries and general financial uncertainty, this food drive is essential for many community members in need. As always, our individuals and their families step up time and time again to ensure their community is supported. The adults collect so many donations that it requires multiple trips to the food bank to drop it all off. Our partnership with the Merrimack Valley Food Bank is an essential aspect of programming, and the positive connection is never as clear as during the holiday season.

In addition to the charitable donations collected during the holiday season, the Adult Program also hosts the individuals for a holiday brunch the Wednesday before Thanksgiving.

This is the one day of the year that we close all of our work and volunteer sites and come together to share a meal. Staff bring in homemade dishes that have meaning within their own cultures and families, and we use this opportunity to express our gratitude to one another while feasting as a giant family. Our Thanksgiving Brunch is one of the best days of the year as everyone involved cherishes the time spent, and the relationships made, through their connection to Valley.

The Valley Collaborative Adult Program operates all year round. It is so important that we take time to pause and step back to be able to recognize how important the connections we make with one another really are. The holiday season continues to provide the perfect opportunity to do just that, and the relationships we share with each other are stronger because of it. Never does the positive culture of the Valley Collaborative Adult Program shine as bright as it does during the holiday season. ■



THIS YEAR'S THANKSGIVING BRUNCH RECEIVED A BIG 'THUMBS UP' FROM ADAM AND BRIAN IN THE ADULT PROGRAM.

VALLEY COLLABORATIVE

Celebrating the Incredible Dedication of Valley Collaborative's Staff

Valley Collaborative is fortunate to have incredibly dedicated staff who are devoted to helping those we serve realize the best possible outcomes. This season, we are pleased to recognize our outstanding staff who've been part of the Valley community for five, ten, and fifteen or more years. Thank you for all you do to make Valley such a special place.

Fifteen or more years of service

Blackburn, Karen
Bond, Joanna
Casey, Janette
Cronin, Joseph
Davidson, Kristen
Donato, Susan
Gamache, Sandra
Glow Tessier, Jennifer
Gounaris, Nikki
Mercurio, Joia
Metrakas, Chrystalia
Mihalek, Brian
Morin, Scott
Morrin, Kari
Murphy, Amy
Noska, Nicole
Rowe, Karen
Stuart, Denise
Thomas, Bryan
Tryder-Carbone, Cristen
Venskus, Joseph
Winch, Katlyn

Ten to fourteen years of service

Aprile, Amanda
Carrabba, Tina
Chamberlin, Angela
Clauson, Victoria
Collins, James
Curran, Maggie
Davis, Stephanie
Ebert, Libby
Fisette, Angela
Gentile, Matthew

Hynes, Brittany
Kenney, Brenda
Landry, Robert
LeClair, Nicholas
MacKay, Heather
Marcotte, Jessica
Nutile, Kathryn
Ouellet, David
Quirbach, Chanelle
Scott, Chris
Stoicescu, Vlad
Tanguay, Elizabeth
Waters, Meghan
Watford, Dana

Five to nine years of service

Ahern, Ashley
Ayers, Leslie
Bazzinotti, Joanna
Belouafi, Wafaa
Borsh, Harrison
Bragan, Dale
Cain, April
Campbell, April
Carlson, Melissa
Chapman, Kristen
Clegg, Richard
Cymbura, Deneen
DeMauro, Rosa
Diaz, Kathleen
Driscoll, Donna
Escolas, Lori
Fitts, Kelly
Flynn, Jacob
Frazier, Erin
Gervais, Meghan

Gioumbakis, Elias
Goulakos, Stephen
Gray, Zachary
Horn, Sokkhunna
Hynes, Scott
Illg, David
Joslin, Christine
Kim, Shawn
Koles, Nicole
Lacroix, Mackenzie
Lavoie, Brian
Loring, Peter
MacAulay, Ian
McCarthy, Matthew
McGaunn, Paul
McNulty, Pamela
Morency, Sandra
Newman, Ryan
O'Brien, Susan
Pedreira, William
Perkins, Robert
Pincott, Rebecca
Plunkett, Joshua
Ramos, Elis
Richard, Kathryn
Sicard, Patricia
Silva, Renato
Smith, Jake
Spampinato, Nicole
Squeglia, Jaclyn
Taylor, Jonathan
Tourabi, Mayra
Waldron, Mariah
Wendler, Jillian
Workman, Michael
Yutkins, Richard

VALLEY COLLABORATIVE

A Positive Year, A Promising Future

*continued from cover

- **Dr. Denise Pigeon**, Executive Committee Member, Superintendent - Nashoba Valley Technical School District
- **Mr. Brad Morgan**, Superintendent - North Middlesex Regional School District
- **Ms. Brenda Theriault-Regan**, Executive Committee Member, Superintendent - Tewksbury Public Schools
- **Dr. Michael Flanagan**, Executive Committee Member, Superintendent - Tyngsborough Public Schools
- **Dr. Christopher Chew**, Superintendent - Westford Public Schools

Valley's Tuition Rates continue to be extremely competitive and the lowest in the region. The table below offers comparisons between Valley's tuition rates and the averages across the state for two fiscal years. Valley's low tuition rates are the result of over a decade and a half of financial decisions that have resulted in an extremely strong balance sheet – the healthiest of all collaboratives in the state. Valley's OPEB trust is fully funded (\$9M),

capital reserve fund is fully funded (\$1.5M), consistently invests \$1M annually in infrastructure updates, is fully staffed, 50% of its enrollment comes from non-member districts who pay a 25% premium to attend Valley's exemplary programming at a tuition rate that is still lower than most member district tuition rates at other Collaboratives (see table below). The financial stewardship on behalf of the Board of Directors and Valley administration results in Valley being able to offer tuition rates consistently below the circuit breaker threshold. Many of Valley's member districts are able to pay or receive a significant reduction in tuition rates each year because of Valley's surplus that is required to be returned to its member districts. This year the return was a total of \$1.2M, which again will offset already low tuition rates in FY26.

Valley was inundated with audits this past year. Our small but mighty team excels under pressure and tight timelines. Here's an overview:

DESE Coordinated Program Review – Mid-Cycle Review:

Valley has concluded its Mid-Cycle Review and the feedback from the DESE Office of Approved Special Education Schools (OASES) included, below.

Results: A+/Exemplary

- Administrative teams had an impressively long tenure. (This is significant because we are in a field where it is typical for key positions to be vacant and/or hard to fill. Fortunately, when people come to Valley, they fall in love with our mission and vision and stay for a very long time.)
- Students were engaged in rigorous curriculum/programming.
- They observed Valley's staff interacting with students in a caring and compassionate manner.
- Our systems throughout the Collaborative were consistent and followed with fidelity.
- Staff were well trained including but not limited to top tier therapeutic teams, educators who deliver high quality programs consistent with the state standards, and highly trained Special Education Assistants. (Valley's successful efforts to put into place the Academy for Special Education Assistants is noteworthy.)
- DESE protocols and procedures were followed with fidelity.
- Staff were committed and devoted to the mission of Valley.
- They wished that Valley could train other Collaboratives on how to do the exceptional work they witnessed.

DESE Collaborative Financial Review:

Valley Collaborative received the results from the DESE Collaborative Financial Review performed by MARCUM Accounting for DESE in June 2025.

*continued on next page

Tuition Rate Comparisons

\$53,431	FY 26 Circuit Breaker Threshold
\$44,935	FY 26 Valley's Average Member District Tuition
\$57,224	FY 26 Valley's Average Non Member District Tuition
\$63,382	FY 26 Average MA Collaborative Member Tuition
\$99,067	FY 26 MAAPS (Private Schools) Average
\$49,320	FY 27 Valley's Average Member District Tuition
\$62,775	FY 27 Valley's Average Non Member District Tuition

A Positive Year, A Promising Future

**continued from previous page*

I am pleased to report that Valley received an ‘exemplary’ score. MARCUM presented at MOEC’s general membership meeting on October 7, 2024 and Valley was the case study/exemplar.

The Department of Elementary and Secondary Education continues to work through some technical matters regarding how certain DESE guidance and regulations are being interpreted by both Collaboratives across the Commonwealth and DESE with regards to the 25% Surplus Calculation. Valley has been instructed not to change how it has calculated the 25% surplus. Valley was proud to be a thought partner and one of the pilot sites for this new financial/governance review process that all Collaboratives will undergo every six years.

Results: A+/Exemplary

FY’25 Independent Financial Audit: Valley’s FY’25 Independent Financial Audit, performed by Fritz DeGuglielmo, LLC, has been completed. Daniel Schaffner, CPA, and his team. Valley is proud to say that the audit was again this year finding-free and demonstrates Valley’s commitment to sound, competent, financial management/oversight. The Board of Directors and Valley’s Administration team take very seriously its responsibility to be good stewards of public funds. Valley had another financially successful year in FY’25, ending the year with \$1.2M being returned to Member School Districts. Our systems and processes have never been more effective. Daniel Schaffner, CPA reported out to the Board at the November 20, 2025 Board of Directors meeting.

Results: A+/Exemplary

DDS CORI Audit:

For the first time, on September 24, 2024 DDS performed a CORI audit to ensure Valley Collaborative was in full compliance with all procedures and protocols.

Results: A+/Exemplary

DDS DPPC Audit:

To ensure compliance with Nicky’s Law, the Disabled Persons Protection Commission (DPPC) is authorized to conduct periodic compliance reviews of DDS and agencies defined as Employers (Valley Collaborative). Valley completed its first compliance review on September 6, 2024. This review included DDS staff hired after July 1, 2023, along with their signed DPPC Consent Form and Valley’s internal policies and procedures to adhere to M.G.L. c. 19C § 15.

Results: A+/Exemplary

District Improvement Planning

The Valley Collaborative district planning process continued in the 2024-25 school year, as the team completed Valley’s five-year district plan and began the process of action planning strategic initiatives they selected for implementation next year.

The Leadership Team launched its planning work in the fall with extensive community outreach, presenting the draft district plan and gathering feedback from parents, students and adults, staff, and some community partners across all schools and the adult program. Using shared materials designed to support consistency in messaging and process, team members presented the plan and posed the following questions for discussion and feedback:

- Do you think the current set of initiatives represents the work required for that objective?
- What questions, if any, do you have?
- What, if anything, do you believe is missing?

In December, the leaders who had facilitated these feedback sessions presented results to the entire Leadership Team. After discussing these community responses in depth and developing a new collaborative-wide perspective of the plan, the team then revised and finalized the plan’s strategic initiatives.

The final element of the district plan that remained for development were the outcome measures—what success will look like and how Valley will know if it has achieved the plan’s objectives. The Executive Team met in February to begin outcome development, proposing an initial set of measures for consideration by the Leadership Team in early April. At that meeting, the team reviewed and revised the proposed outcomes, completing the district plan—and also began the work of prioritizing strategic initiatives to action plan for implementation in 2025-26.

The team then identified five leaders to serve as district plan project leaders, one responsible for each of the five initiatives selected for implementation. These leaders strategically selected individuals across the collaborative for their teams, ensuring that people with the necessary expertise and a collaborative-wide perspective were at the table. The leaders participated in training to prepare them for facilitating development and oversight of action plans and facilitated the first round of action planning in May. Action plan teams will continue development of these plans in the fall. The five initiatives selected for implementation are listed on the next page.

**continued on next page*

A Positive Year, A Promising Future

**continued from previous page*

1. Continue to develop and implement new programming to meet Individual Education Plan, Individual Support Plan, and Life Plan goals and objectives of Valley's K-12 students and adult services participants through: community life skills opportunities; expanded academic opportunities through technology; transitional opportunities; and community-based day supports activities.
2. Implement a professional learning and evaluation management system that will assist Valley in leveraging data to plan, manage, track, and evaluate employees and their training and professional learning activities.
3. Strengthen outreach and communication between staff, students/ DDS and MRC individuals, and families in order to foster a sense of belonging.
4. Redevelop Valley's informational materials to reflect the mission & vision and assist in educating community members about Valley's program offerings, through updated materials including Valley's website.
5. Work with stakeholders—including families, districts, DDS and MRC individuals, and community partners—to expand vocational placements for students in order to support their development as contributing members of their communities

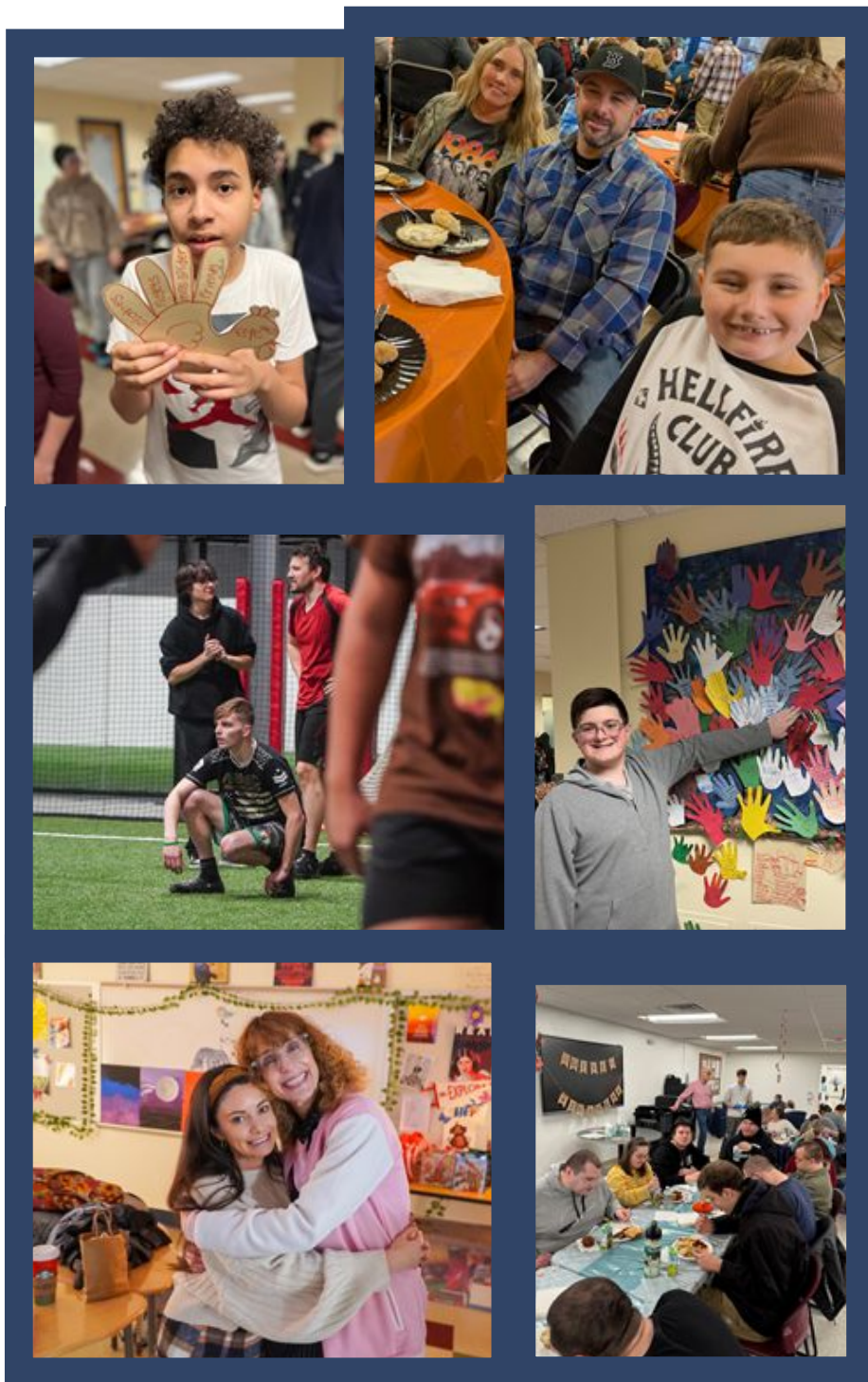
Please reach out if I can ever be of assistance. We are here to serve. My door is always open.

My best to you always,



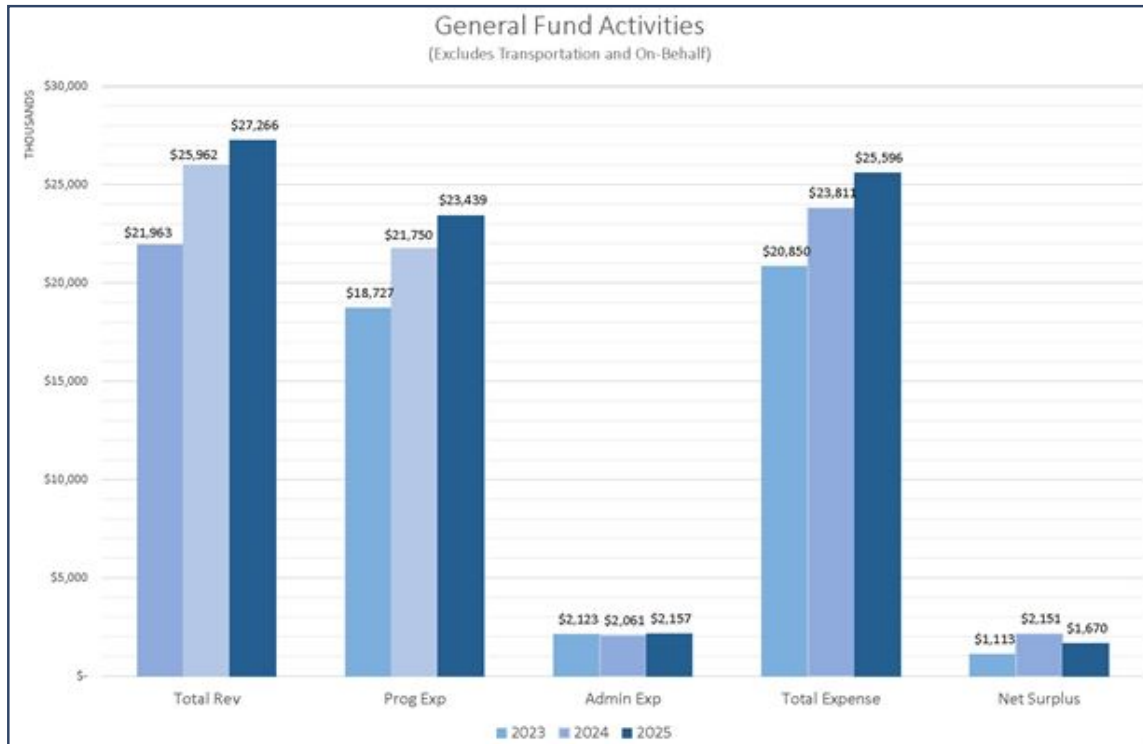
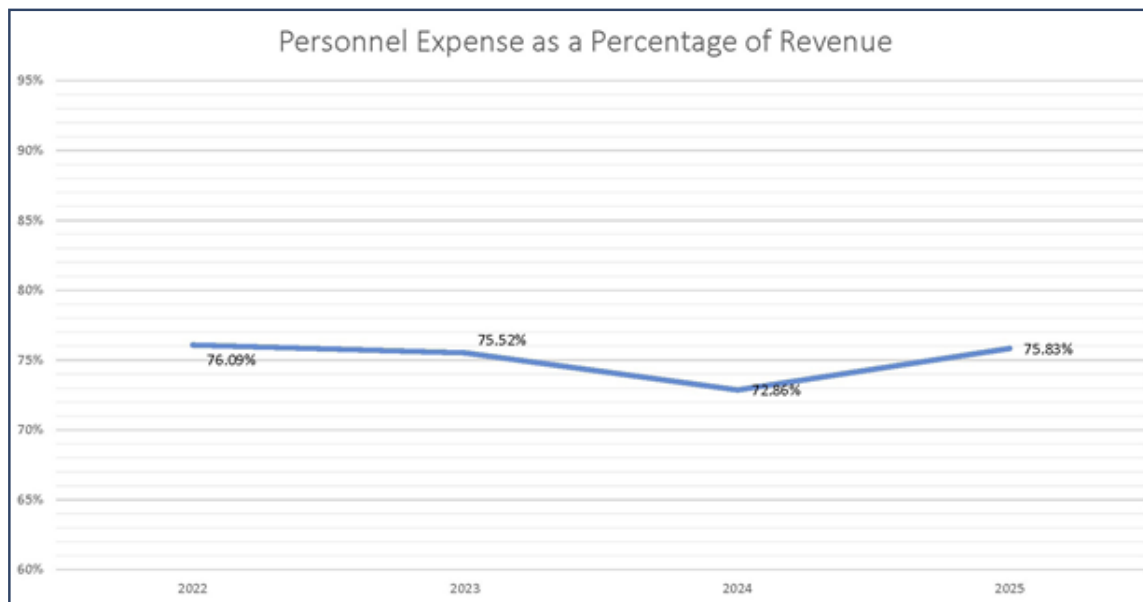
Chris A. Scott
Executive Director
Valley Collaborative

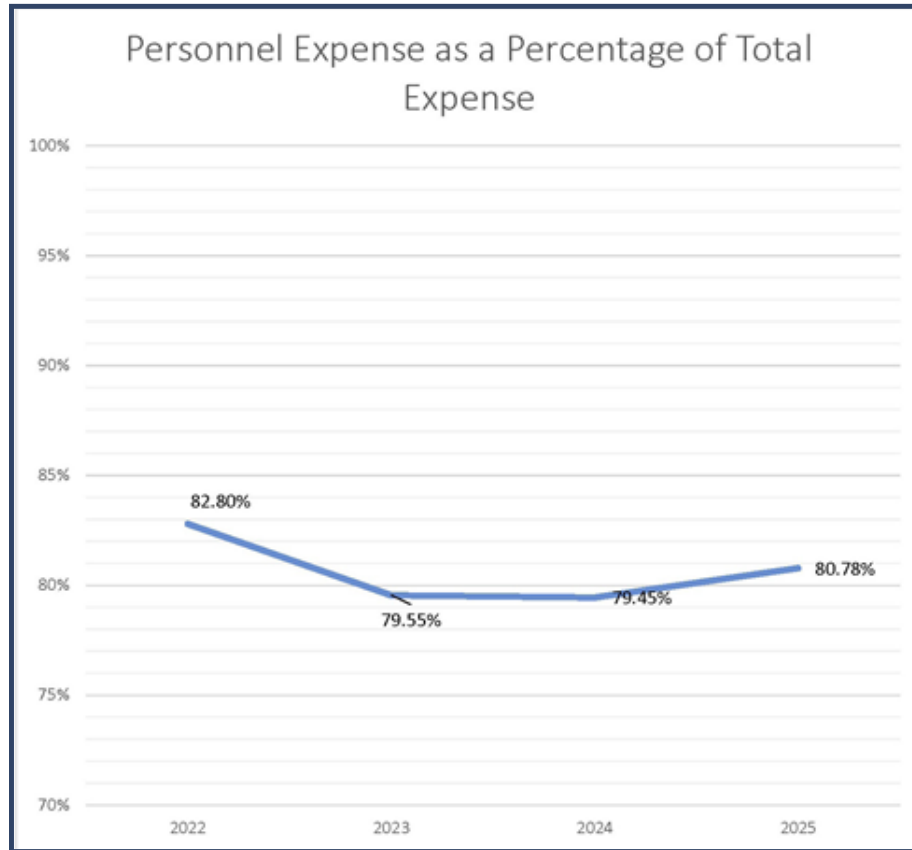
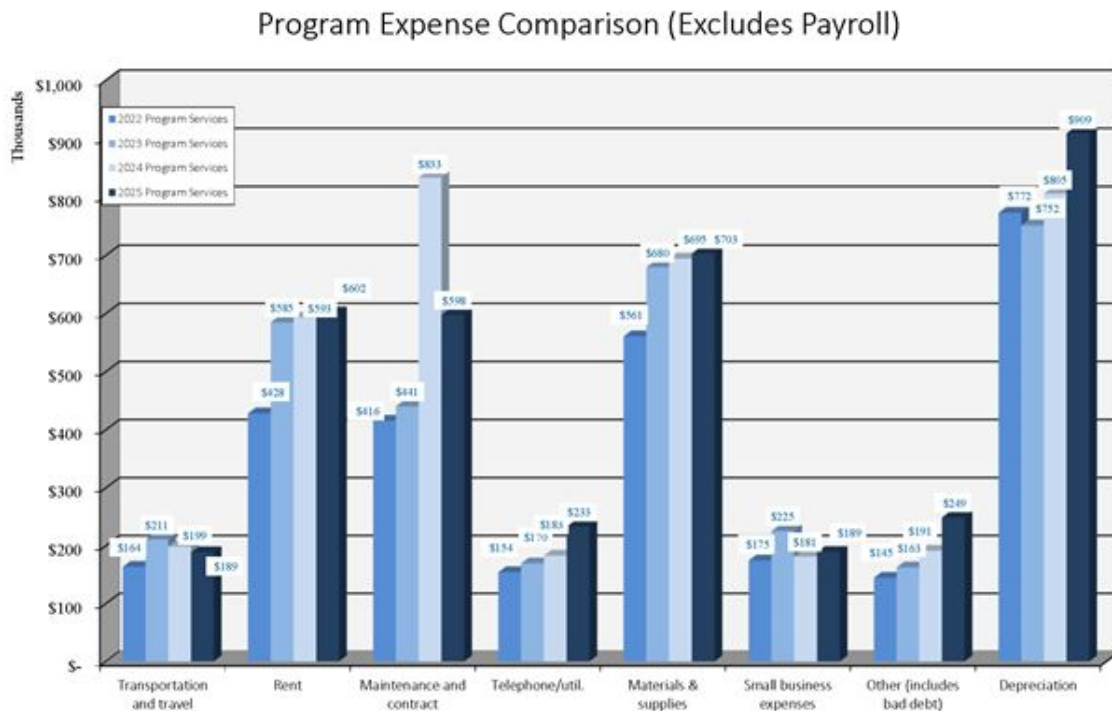
Giving Thanks at Valley Collaborative



TOP LEFT: FREDDY ABREU SHARING HIS THANKFUL TURKEY; TOP RIGHT: SIXTH GRADER EVAN CIACCIO AND FAMILY AT VALLEY ELEMENTARY'S ANNUAL THANKSGIVING GATHERING; MIDDLE LEFT: STUDENTS JOEL RATHBUN AND DJ REARDON TALK TO TEACHER JOSH PLUNKETT AFTER THE STAFF VS. STUDENTS CAPTURE THE FOOTBALL GAME; MIDDLE RIGHT: CADEN BERTHET SHARING ON THE THANKFUL TREE; BOTTOM LEFT: TEACHER TAMARA MELNICK AND IEP COORDINATOR LISA HAYES ON THANKSGIVING; BOTTOM RIGHT: INDIVIDUALS IN VALLEY'S ADULT PROGRAMS ENJOY A THANKSGIVING BRUNCH.

An Impressive Summary of Financial Activity for the year ended June 30, 2025





Valley Collaborative Leadership Team



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& Transitional High School:
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Renato Silva

School Safety & Facilities
Manager
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Kari Morrin

Director of HR, Title IX and
504 Coordinator
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Nicole Noska

Principal, Valley Middle School
& Transitional High School:
Transitional Programming
nnoska@valleycollaborative.org

Valley Collaborative Board of Directors



Dr. Jay Lang, Chair

Chairman of the Board,
Executive Committee
Member

Superintendent
Chelmsford Public Schools



Dr. Kerry Clery

Superintendent
Billerica Public Schools



Mr. Steven Stone

Superintendent
Dracut Public Schools



Dr. Geoff Bruno

Superintendent
Groton-Dunstable
Regional School District



Dr. Denise Pigeon

Executive Committee
Member

Superintendent
Nashoba Valley
Technical School District



Mr. Brad Morgan

Superintendent
North Middlesex
Regional School District



**Ms. Brenda
Theriault-Regan**

Executive Committee
Member

Superintendent
Tewksbury Public Schools



**Dr. Michael
Flanagan**

Executive Committee
Member

Superintendent
Tyngsborough Public
Schools



**Dr. Christopher
Chew**

Superintendent
Westford Public Schools

From: [Chris Scott](#)
To: [All Valley Collaborative Staff](#)
Subject: Thank You - Longevity Memo
Date: Wednesday, December 3, 2025 2:14:00 PM
Attachments: [Memo - Longevity Payment.pdf](#)

Dear Valley Family,

During this holiday season, the Valley Board of Directors and our Leadership Team want to express our gratitude for your consistent efforts to ensure that our Collaborative executes excellence on a daily basis. We wish good health and fortune for you and your families in the year ahead.

In recognition of your hard work and dedication to the most vulnerable among us, I am happy to remind everyone that a longevity stipend for all staff who have been working at Valley for at least one year will be issued the first pay in December. Please see the original memo attached for more details regarding the distribution of our longevity payments.

I'm eternally grateful for your effort and commitment to our students, DDS/MRC participants, and our Valley family. I would like to thank you for all your care and the extra effort you go to ensure our Valley students receive a stellar education. I am happy to be on a team that puts students first and where we all believe that every relationship matters.

Wishing you and your loved ones a happy holiday season.

My door is always open,

-Chris

Chris A. Scott, Ph.D.
Executive Director



11 Executive Park Drive
N. Billerica, MA 01862
978-528-7826

From: Elizabeth Tanguay <etanguay@valleycollaborative.org>
Date: December 10, 2025 at 9:32:18 AM EST
To: Chris Scott <cscott@valleycollaborative.org>
Subject: Re: Thank You - Longevity Memo

Thank you this is always so appreciated, wishing you and yours a happy and healthy holiday season

From: Chris Scott <cscott@valleycollaborative.org>
Sent: Wednesday, December 3, 2025 2:13 PM
To: All Valley Collaborative Staff <staff@valleycollaborative.org>
Subject: Thank You - Longevity Memo

Dear Valley Family,

During this holiday season, the Valley Board of Directors and our Leadership Team want to express our gratitude for your consistent efforts to ensure that our Collaborative executes excellence on a daily basis. We wish good health and fortune for you and your families in the year ahead.

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Wishing you and your loved ones a happy holiday season.

My door is always open,

-Chris

