



Annual Report

2014-2015



...creating successful futures

LYNNFIELD MELROSE NORTH READING READING SAUGUS
STONEHAM WAKEFIELD WILMINGTON WINCHESTER WOBURN

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I. MESSAGE FROM THE EXECUTIVE DIRECTOR

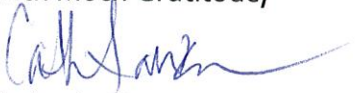
Dear Community Members,

I am pleased to share with you our efforts over the past year to advance our educational programs and services in order to maximize learning opportunities for all students. During the 2014-2015 school year the Collaborative engaged in a number of changes and initiatives: We continued to provide instructional and behavioral support to our programs to ensure that staff are well trained in current research based practices; we developed multiple measures of assessment in core academic areas that are used to assess student learning growth and inform instructional practice; and, we expanded our district based services by creating home tutoring services, ELE services and recreational and leisure services. All of these changes will allow the collaborative to better support the districts efforts to meet diverse learning needs and strengthen the educational experience of students attending the collaborative.

The following report illustrates the myriad of ways in which SEEM Collaborative works to provide cooperative services that helps districts maximize cost efficiency; support the growth and development of educational professionals; and provide students with unique learning needs a challenging and meaningful education.

Thank you for your contribution to our work at SEEM Collaborative. It is because of your commitment to children that SEEM Collaborative has evolved into the organization it is today. I look forward to continuing our partnership as we work together to improve educational outcomes for all students.

With Much Gratitude,



Catherine Lawson
Executive Director

II. COLLABORATIVE INFORMATION

Collaborative History

The SEEM Collaborative was established in 1968, six years before the Massachusetts Legislature passed and the governor signed into law, Chapter 40 Section 4e in 1974, the public statute that authorizes the creation of collaboratives in the Commonwealth. This statute allowed for local school districts to come together and work together, conducting, in concert, educational programs and services to supplement and strengthen existing school programs and services which would otherwise be neither affordable nor accessible.

2013-2014 Leadership at SEEM Collaborative

BOARD OF DIRECTORS

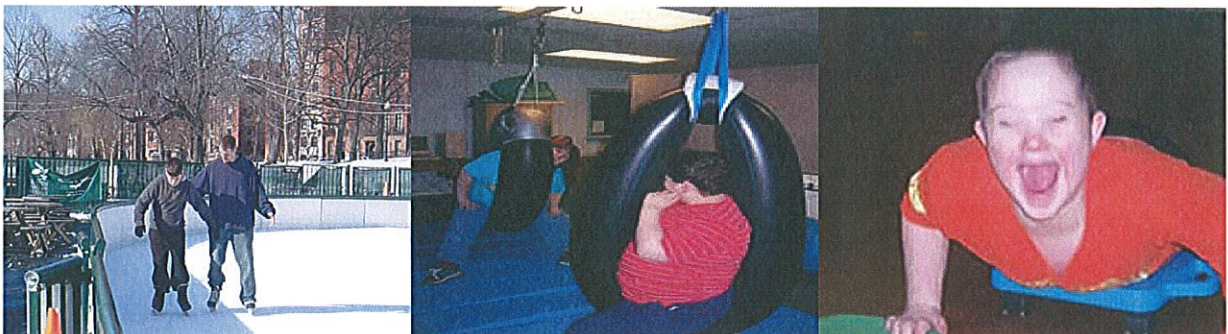
- Mr. Mark Donovan, Woburn, Chairperson
- Mr. Les Olson, Stoneham, Financial Representative
- Dr. John Doherty, Reading
- MS. Mary DeLai, Wilmington
- Mr. William McAlduff, Winchester
- Ms. Cyndy Taymore, Melrose
- MS. Jane Tremblay, Lynnfield
- Dr. Steven Zrike, Wakefield
- Mr. Jon Bernard, North Reading
- Mr. Michael Tempesta, Saugus

SPECIAL EDUCATION PLANNING AND ADVISORY COMMITTEE

- Ms. Pam Giraud, Winchester
- Ms. Kara Mauro, Lynnfield
- Ms. Lisa Howard, Saugus
- Ms. Lyn O'Neil, Wakefield
- Ms. Patty White-Lambright, Melrose
- Ms. Martha Bakken, Stoneham
- Ms. Carolyn Wilson, Reading
- Dr. Valerie Ardi-Flynn, North Reading
- Ms. Mary Houde, Wilmington
- Ms. Kimberly Lawrence, Woburn

SEEM ADMINISTRATIVE TEAM

- Ms. Cathy Lawson, Executive Director
- Mr. Ryan Snyder, Behavioral Services
- Ms. Stephanie Arzigian, Middle School
- Ms. Kristine Ducker, Beebe School
- Ms. Julie Goldberg, Deaf and Hard of Hearing Program
- Ms. Maureen Crowley, Campus Academy High School and Foundations for Life Program
- Mr. Greg Zammuto, Finance Director
- Ms. Aine Healy, Assessment Center
- Ms. Jennifer Thornton, Ripley Elementary School
- Mr. David Farwell, SEEM Prep



SEEM COLLABORATIVE MISSION AND VISION

◆ MISSION STATEMENT

The mission of the SEEM Collaborative is to provide low incidence populations with high quality, cost-efficient educational programs and services, in the least restrictive environment, that compliment and strengthen the school programs of the member districts.

◆ VISION STATEMENT

1. SEEM's programs and services enable member districts to extend their capacity to educate students in the least restrictive environment.
2. SEEM's programs and services provide access to the Massachusetts Curriculum Frameworks, and support students to learn the skills that allow them to be productive and successful adults.
3. All students enrolled recognize their strengths and experience success.
4. All students enrolled have access to typically developing peers in the least restrictive environment possible.
5. Integrated, specialized services are provided to low incidence populations.
6. Member districts, parents, students and other stakeholders involved in students' lives support respect, value and appreciate the consistent high quality of our programs and services.

◆ BELIEFS

We believe in:

1. The ability of all children to learn;
2. The importance of strong mutually supportive relationships among all members of the SEEM community, including students, parents, staff and district personnel, respecting individual differences and the value of collaboration and trust;
3. The development of the skills necessary for success in the least restrictive environment while ensuring access to the full range of the Massachusetts Curriculum Frameworks;
4. The value of high quality, cost effective programming for students which provides the best opportunity for them to achieve equality of opportunity, full participation, independent living, and economic self-sufficiency.

◆ OUR PURPOSE

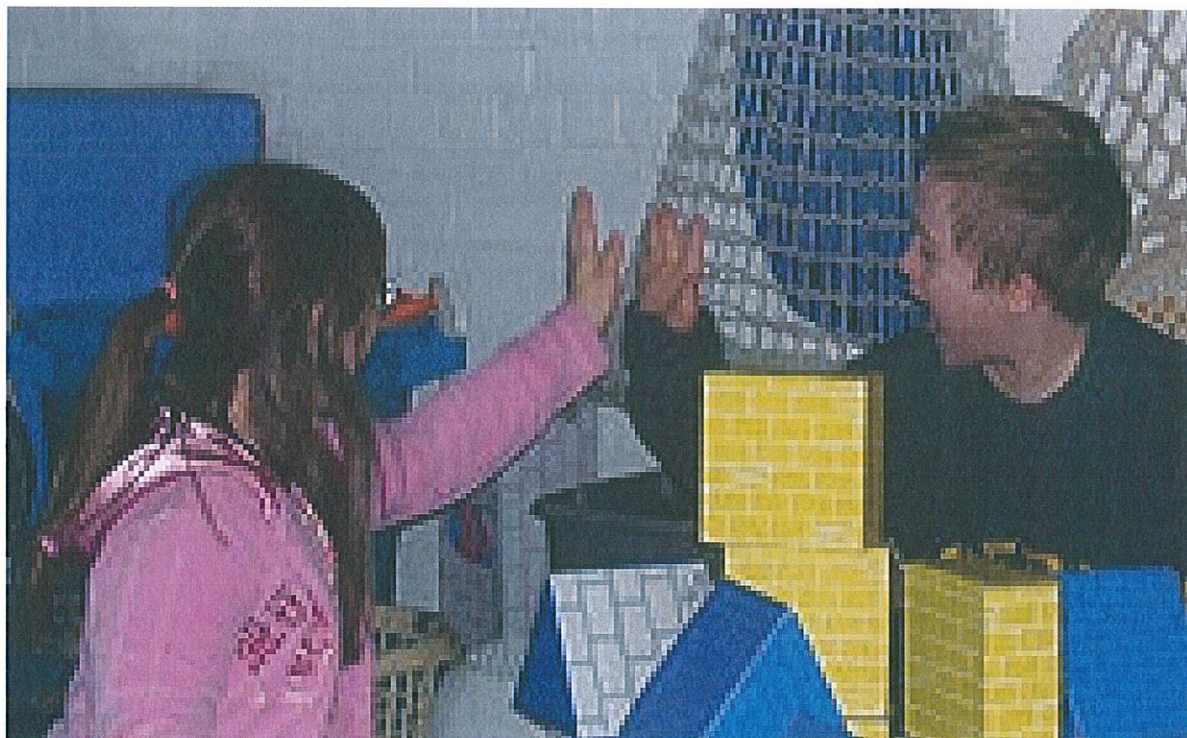
Founded in 1968, The Collaborative exists to conduct educational programs and services which shall compliment and strengthen the school programs of member school committees and increase educational opportunities for children when it is determined that such programs and services can most effectively and economically be provided on a collaborative basis. The foregoing purpose includes the authority of the Collaborative, acting through its Board of Directors, to contract with corporations, individuals, associations, agencies, and/or any other entities in order to obtain and provide services for a member district(s). In addition, the Collaborative will continue to increase and expand its level of service in general education, occupational-vocational education, staff development and training, and research and development of innovative programs. (SEEM Articles of Agreement, 2008, Article 1 -p.3)

Why We Exist...

- To educate, to collaborate, to train, to create.
- To accommodate school-aged students whose needs are so unique that local special education teams have determined that their needs cannot be met by the local school districts.
- To help each student achieve his/her personal, vocational, and/or educational goals.
- To assist students and families through their transitions from school to life.
- To educate practitioners and parents, through training programs and professional development activities that are in the forefront of research-based best practices.
- To provide on-site consultation, demonstration of best practices, and remain available to ensure transference to the local instructional team.
- To work toward a future where all students will be seen as equally valuable, where all students can learn, and where all students benefit when they are educated together.

III. COLLABORATIVE OBJECTIVES

1. Provision of day programs and other services for general education students and students with low-incidence disabilities in the least restrictive environment;
 2. Offering cooperative programs and/or services to help districts maximize cost efficiency and program effectiveness through a collaborative effort.
 3. Provision of cooperative and regional educational programs and services in a cost-effective manner;
 4. To offer a variety of quality professional development opportunities to general and special education teachers and administrators, and related service providers;
 5. Exploration and pursuit of grants and other funding to support identified needs of the Member Districts; and
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IV. PROGRAM INFORMATION

Collaborative Objective 1:

The provision of day programs and other services for general education students and students with low-incidence disabilities in the least restrictive environment.

Progress toward Program Objective:

Currently SEEM Collaborative operates eight programs: The Deaf and Hard of Hearing Program, The Therapeutic Learning Center, SEEM Prep, The Hurd Elementary Program, SEEM Middle School Program, Campus Academy Alternative High School, the Foundations for Life Program, and the Assessment and Intervention Center.

These programs support SEEM Collaborative districts and work toward meet our organization's goals and objectives by providing programming for students with low-incidence disabilities. Each of the programs offers opportunities for students to be included in both general education classes, and the community through experiential life and academic experiences, as well as transitional and vocational experiences; thus ensuring students are receiving their education in the least restrictive educational environment possible.

During the 2015-2015 school year the collaborative continued to develop common interim assessments that correspond to the Massachusetts Common Core Curriculum Frameworks. We piloted math and reading DDMS for students in grades K-12. We developed DDMs for all core academic classes and electives and began to plan for the development of SISP DDMs. Assessments for students participating in a life skills curriculum were developed locally using the Unique Curriculum and correspond to students' individualized educational goals, which are established in accordance with the Resource Guide to the 2011 Massachusetts Curriculum Frameworks for Students with Disabilities. The common core standards were incorporated into the guide in 2011. The collaborative also continued to work with a reading consultant who provided targeted reading support through consultation and professional development. We furthermore continued to invest in ipads, new computers and upgraded our infrastructure to better support technology based instruction in the classroom.

DESCRIPTION OF PROGRAMS:

THE DEAF AND HARD OF HEARING PROGRAM

The SEEM Collaborative Program for Deaf and Hard of Hearing students is a 180 day school program housed at a public school in North Reading. The program consists of three classrooms and educates students in grades PreK-2 and averages between 9-14 students. All students present with an educationally significant hearing loss that is moderate, severe, or profound. Students use a variety of amplification devices including hearing aids, FM systems and cochlear implants. In addition, staff and students use a combination of spoken English and Signing Exact English (SEEI) to communicate. The mission of this program is to prepare students to transition back to their sending district when they are ready to return successfully.

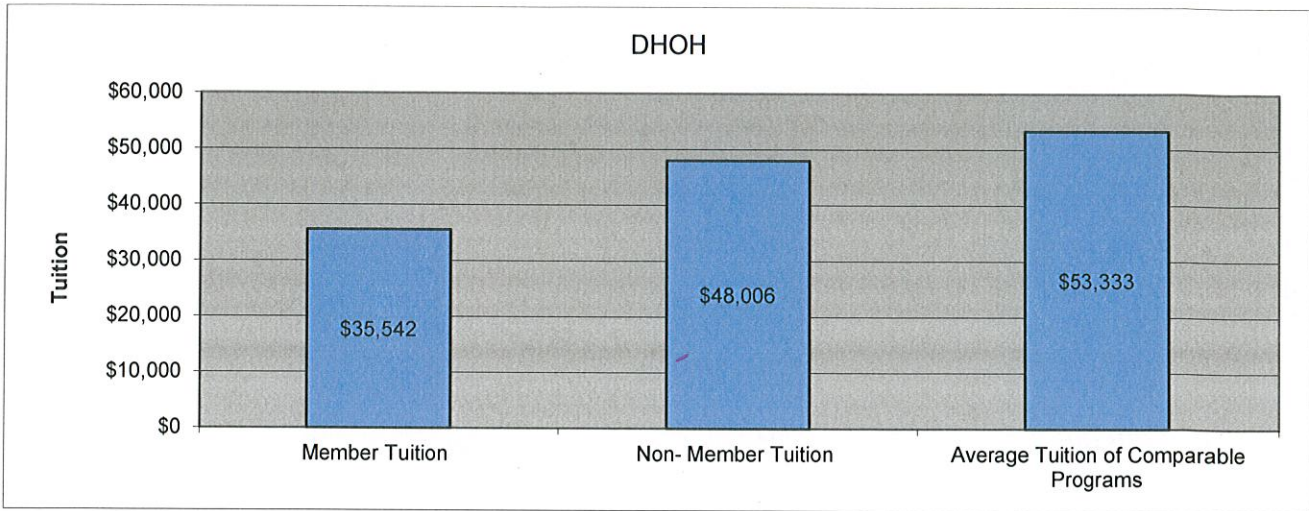
The program also offers an extended year program which runs four half days a week for 5 weeks for students who require additional academic services to prevent substantial regression.

Additional Program Features include:

- The curriculum is aligned with the Massachusetts Common Core Frameworks, but modified to incorporate language, speech and auditory development.
- Class sizes are small, ranging from 3 to 8 students with a teacher of the deaf and a paraprofessional.
- Students receive individual speech, language and auditory therapy four times per week as well as Audiological support.
- Other services such as occupational and physical therapy are available as needed.
- Starting at the kindergarten level, students participate in mainstream classes for both academic and non-academic subjects. Mainstream programming is based on individual readiness and students are always accompanied by SEEM staff.
- A Deaf mentorship component of the program includes Deaf and Hard of Hearing adults visiting the classrooms and sharing stories with students.

- Staff Include;
- DESE certified Teachers; Experienced Assistant Teaching Staff; Licensed Occupational Therapists; Licensed Speech and Language Pathologists; Certified Physical Education Teacher; access to full time registered nurse; audiologist;

Cost Effectiveness:



THE THERAPEUTIC LEARNING CENTER (TLC)

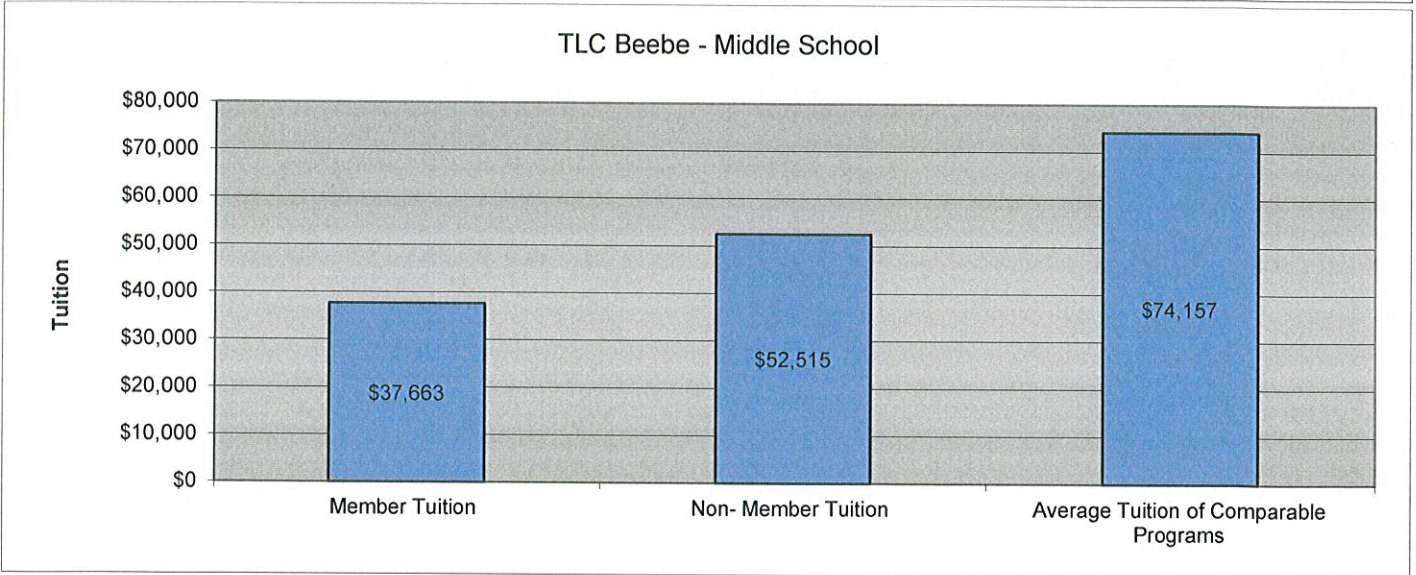
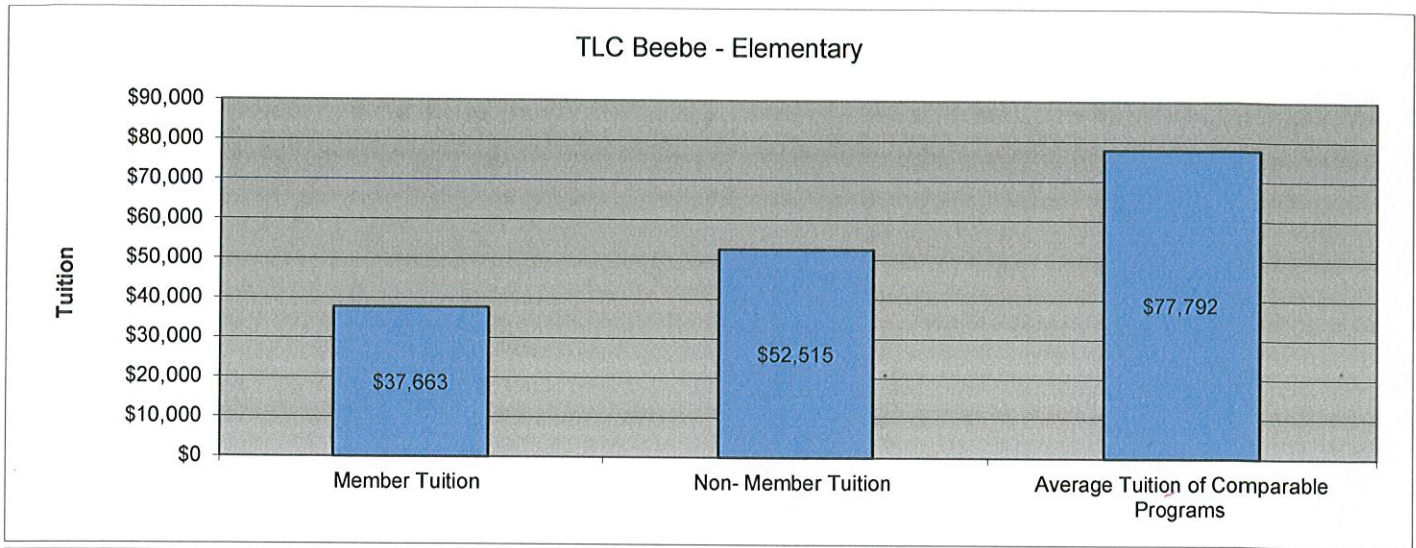
The SEEM Collaborative Therapeutic Learning Center (TLC) at the Beebe School is a Massachusetts Department of Elementary and Secondary Education approved, public day elementary and middle school (Pre-K through 9th grade) for students with intensive special needs. Located in the town of Melrose, the school’s enrollment fluctuates between 55 and 65 students depending on the needs of member and non-member districts at any given time. The main goal of TLC is to provide the necessary support to help students acquire the skills identified on their Individual Education Plans. Teachers receive intensive training and follow research-supported best practices, including Applied Behavior Analysis. The TLC program also offers a six-week, extended year program, from early July to mid-August for students who require additional academic services to prevent substantial regression.

Students attending the Therapeutic Learning Center are currently on an Individual Education Plan; present with significant levels of cognitive delay, communication and/or social deficits; require moderate to significant modifications to the MA Curriculum Frameworks to make effective academic progress; present with interfering challenging behaviors (e.g. aggression, self-injury) and have been diagnosed with: Autism Spectrum Disorder, Developmental Delay, Receptive/Expressive Language Delay, Down Syndrome, and other genetic disorders

Additional Program Features include:

- Individualized academic and behavioral programs
- Curriculum emphasis on communication, academic readiness, community, life skills and social skills
- 2:1 student to staff ratio
- Discrete Trial and Incidental Teaching
- Assistive technology, Mimeo® boards and educational technology in every classroom
- Augmentative and Alternative Communication Systems; Functional Behavior Assessment
- Behavior Intervention Plans
- Consulting Board Certified Behavior Analysts
- Related services: Speech, OT, PT, APE; Social skills groups; Parent consultation available
- Staff Include:
 - DESE certified Teachers; Board Certified Behavior Analysts; Licensed Social Workers; Licensed Occupational Therapists; Licensed Speech and Language Pathologists; Certified Physical Education Teacher; Behavior Support Assistant; Experienced Assistant Teaching Staff; Fulltime Registered Nurse; Music Therapist

Cost-Effectiveness:



THE SEEM PREP PROGRAM

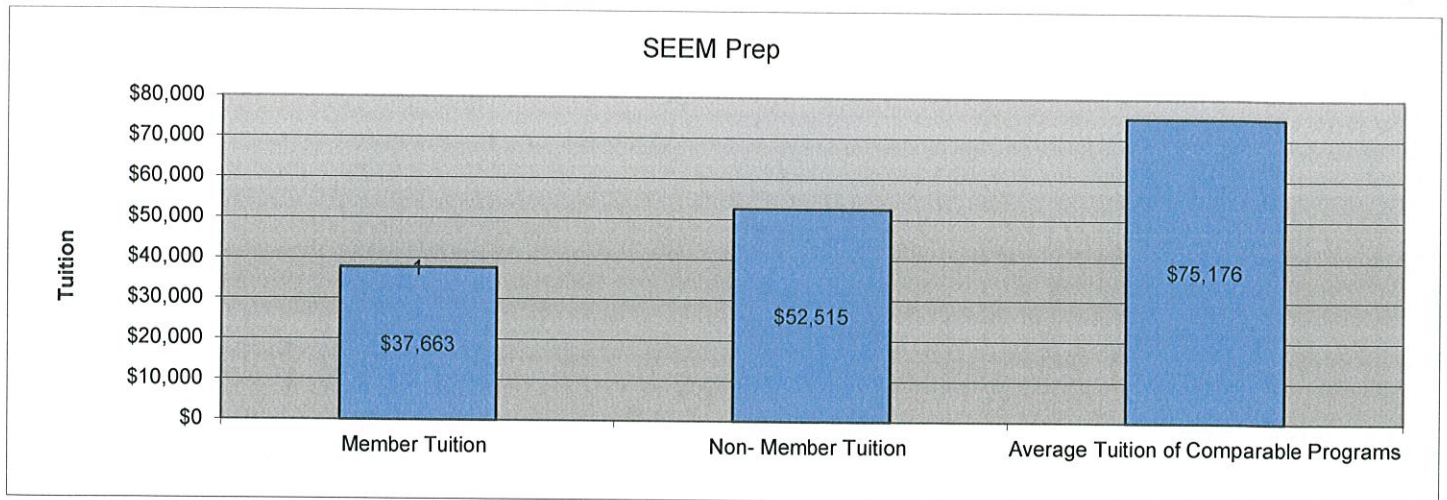
The SEEM Prep Program is a Massachusetts Department of Elementary and Secondary Education approved, public day high school (age 14-22) for students with moderate and intensive special needs. Located in Wakefield, the SEEM Prep Program services on average between 42- 53 students in a given school year. The primary goal of the program is to provide a functional academic curriculum along with vocational training in order to support students' development of the independent skills necessary to transition successfully into the adult world. Vocational Staff, counselors and teachers work collaboratively to provide both therapeutic and case management support to students and their families. The SEEM Prep program also offers a five-week, extended year program, from late June to end of July for students who require additional academic services to prevent substantial regression.

Students who attend SEEM Prep are between the ages of 14 and 22 who are currently on an Individual Education Plan. The students present with moderate to significant levels of cognitive delay, communication based delays, and/or social difficulties. All students require moderate to significant modifications to the MA Curriculum Frameworks to make effective academic progress. Diagnoses include, but are not limited to: Developmental Delay, Autism Spectrum Disorder, Prader-Willi Syndrome, LandauKleffner, and other genetic disorders. Many students are affected by secondary diagnoses including: Post Traumatic Stress Disorder, Mood Disorders (e.g. Bi-Polar, Depressive Disorders, Anxiety Disorders), and various medical need

Additional Features Include:

- Functional and Experiential Curriculum based upon the Massachusetts Curriculum Frameworks for Students with Significant Disabilities (2001).
- Picture Exchange Communications System
- Positive Behavior Support Plans
- Total communication approach
- Speech and Language Therapy (individual and/or group)
- Occupational Therapy (individual and/or group)
- Adaptive Physical Education (individual and/or group)
- Integrated Related Service Approach in order to enhance student learning
- Social Skills Groups Individual Counseling Vocational Program Individualized curriculum focusing on academic achievement, life skills development
- Staffing Ratio: 2:1 (student: staff)
- Intramural and Recreational sports
- Monthly School socials and dances for students
- Annual Participation in the Special Olympics
- Staff Include:
 - o DESE certified Teachers; Licensed Fulltime Counselors; Licensed Occupational Therapist; Licensed Speech and Language Pathologist; Certified Physical Education Teacher; Behavior Specialist; Experienced Assistant Teaching Staff; Fulltime Registered Nurse; Music Therapist

Cost-Effectiveness:



THE HURD ELEMENTARY SCHOOL PROGRAM

The Hurd Elementary Program at Ripley School is a Massachusetts DESE approved educational therapeutic day school located at the Ripley School in Melrose, MA. The program services an average range of 40-60 students in a given school year. The Ripley Elementary Program serves students in grades K-5 with a variety of social, emotional, behavioral and learning needs, who do not yet possess the skills necessary to meet the day-to-day demands of a traditional elementary school program. Despite years of significant local modifications to their schedule and curriculum and intense special education intervention and support, students who exhibit behaviors and challenge that, in the team's judgment, warrant out-placement in a therapeutic day school program.

Students attending the Ripley School Program have cognitive abilities that fall in the average range or above; however, many students have significant learning disabilities, organizational issues, social, emotional and/or behavioral issues that greatly

impact their performance in academic areas. All students are on an Individual Education Plan and most have cognitive skills in the average range (may have specific learning disabilities). Diagnoses include High Functioning Autism, PDD/NOS, or similar profile; Mood Disorders, including depression, Bipolar, or similar profile; Emotional Behavioral Disorders (EBD), including phobias, anxiety, conduct disorder, oppositional defiant disorder, or similar profiles; ADHD; Sensory Integration issues.

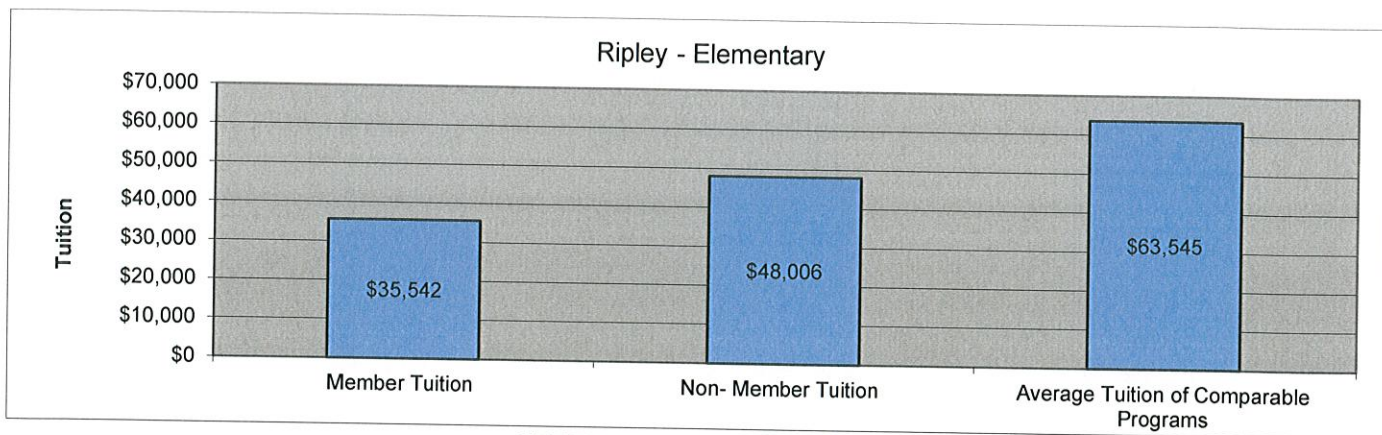
All curricula taught at the Ripley School follows the standards based on the Common Core Curriculum Frameworks while, at the same time, provides individual students with support, adaptations and accommodations they need in order to reach their learning potential, as well as, pass the MCAS. The program strives to assist students in developing the behavioral and academic skills needed to successfully return to their sending school.

The program also offers a five-week, extended year program, from late June to end of July for students who require additional academic services to prevent substantial regression

Additional Program Features

- Curriculum aligned to MA state Frameworks
- Small group instruction -3:1 Student to staff Ratio
- Multisensory learning approach
- Balanced Literacy Program
- Social Skills Group
- Sensory Education Program
- Keyboarding and computer instruction
- Mimeos in every classroom
- Adventure-based learning
- Weekly Social Skills group;
- Pragmatic Language and Occupational Therapy Groups
- Electives Program: Project Adventure, Cooking, Science, Arts and Crafts
- Parent Activity Group
- Yearly School Community Events: Thanksgiving brunch; Holiday Fair; Yard Sale; Socials
- Staff Include:
 - o DESE certified Teachers; Licensed Fulltime Counselors; Licensed Occupational Therapist; Licensed Speech and Language Pathologist; Certified Physical Education Teacher; Behavior Specialist; Experienced Assistant Teaching Staff; Fulltime Registered Nurse; Music Therapist

Cost-Effectiveness:



SEEM MIDDLE SCHOOL PROGRAM

SEEM Middle School is a Massachusetts Department of Education approved co-educational therapeutic day school. Located in Stoneham, the school is conveniently located minutes from both route 93 and route 95. SEEM Middle School services an average range of 46-70 students. The main goal of SEEM Middle is to provide the necessary therapeutic and educational supports to help students prepare for high school and attain the social/behavioral skills to be prepared to join the work force or continue on to higher education opportunities. Counselors provide both therapeutic and case management supports.

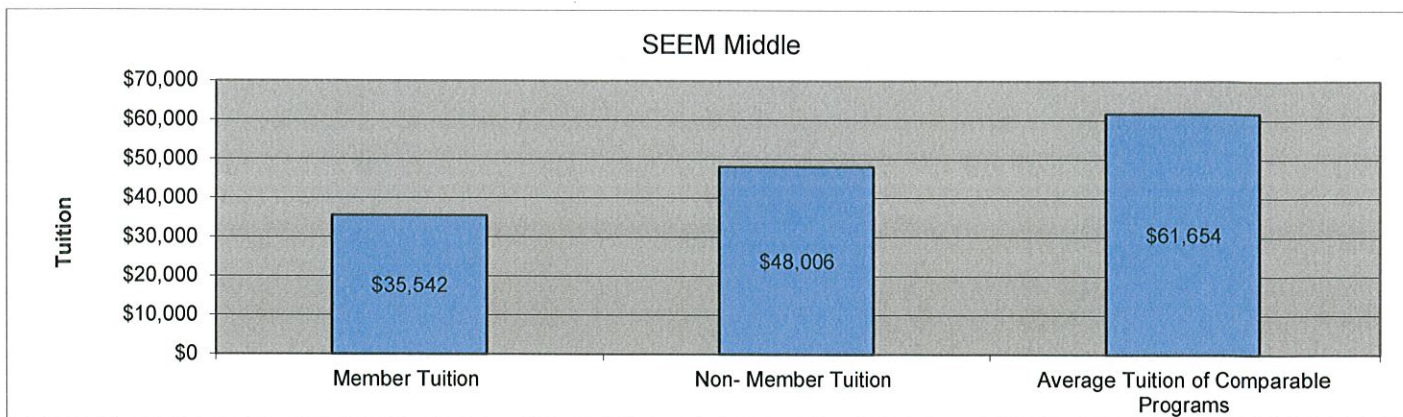
Students who attend the SEEM Middle School are in Grades 5-8, currently on an Individual Education Plan and typically present with the following characteristics: No significant level of global delay (may have specific learning disabilities); Able to contact at or near grade level for most academic material with support; May require some remedial supports for specific learning disabilities; High Functioning Autism, PDD-NOS, or similar profile; Mood Disorders, including depression and bipolar disorders, or similar profile; Emotional Behavioral Disorders (EBD), including conduct disorder, oppositional defiant disorder, or similar profiles; Psychiatrically involved.

The program also offers a five-week, extended year program, from late June to end of July for students who require additional academic services to prevent substantial regression

Additional Program Features

- Curriculum aligned with MA State Frameworks
- Small group instruction- Average of 3:1 Student to Staff ratio
- Multi-sensory learning approach
- Balanced Literacy Program
- Social Skills Group
- Sensory Education Program
- Direct and Consulting SLP, OT, PT Services
- Keyboarding and Computer instruction
- Project-based learning
- Mimeos in every classroom
- Student Recreational Room and Activities
- Creative Arts Program
- Theater, Photography and multimedia electives
- School Basketball Team
- In school vocational placements
- Prevocational skills training
- Staff include:
 - DESE certified Teachers; Licensed Fulltime Counselors; Licensed Occupational Therapist; Licensed Speech and Language Pathologist; Certified Physical Education Teacher; Behavior Specialist; Experienced Assistant Teaching Staff; Fulltime Registered Nurse on site; Consulting Board Certified Behavior Analyst.

Cost-Effectiveness:



CAMPUS ACADEMY ALTERNATIVE HIGH SCHOOL & FOUNDATIONS FOR LIFE PROGRAM

Campus academy is a DESE approved educational therapeutic day school. Located in Stoneham, Campus Academy's census fluctuates between 70 and 85. The main goal of Campus Academy is to provide the necessary therapeutic, transition, and academic supports to help students' graduate high school and/or attain the productive social/behavioral skills needed to return to the sending district, join the work force, or continue on to higher education opportunities. The Academic and Elective Programs at Campus Academy are aligned with State requirements and meets the credit requirements of each

sending districts; therefore, each student attending Campus Academy is eligible for a high school diploma from his or her sending district provided course requirements are met with a passing grade and MCAS is passed. In addition to academic support, the counselors on staff provide both therapeutic and case management supports to students and their families and interface with other medical, court appointed and/or community based supports as needed. Campus Academy also offers a vocational program in which students receive onsite employment opportunities and training, community based employment, and community based social pragmatics training.

Students enrolled at Campus Academy High School are currently on an Individual Education Plan and present with the following learning profile: have No significant level of global delay (may have specific learning disabilities); Able to contact at or near grade level for most academic material with support; May require some remedial supports for specific learning disabilities; High Functioning Autism, PDD NOS, or similar profile; Mood Disorders, including depression and bipolar disorders, or similar profile; Emotional Behavioral Disorders (EBD), including Conduct Disorder, Oppositional Defiant Disorder, or similar profiles; Psychiatrically involved.

The program also offers a five-week, extended year program, from late June to end of July for students who require additional academic services to prevent substantial regression

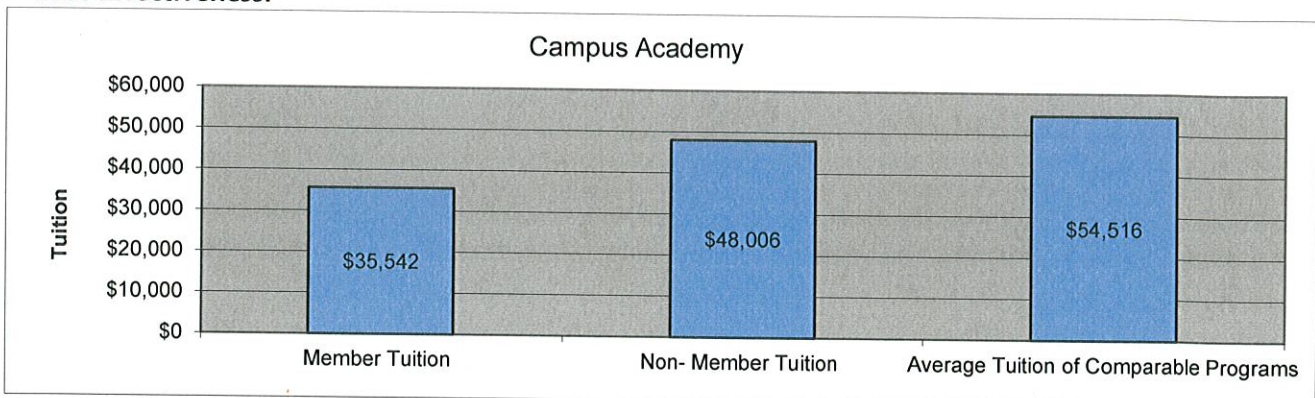
Additional Program Features:

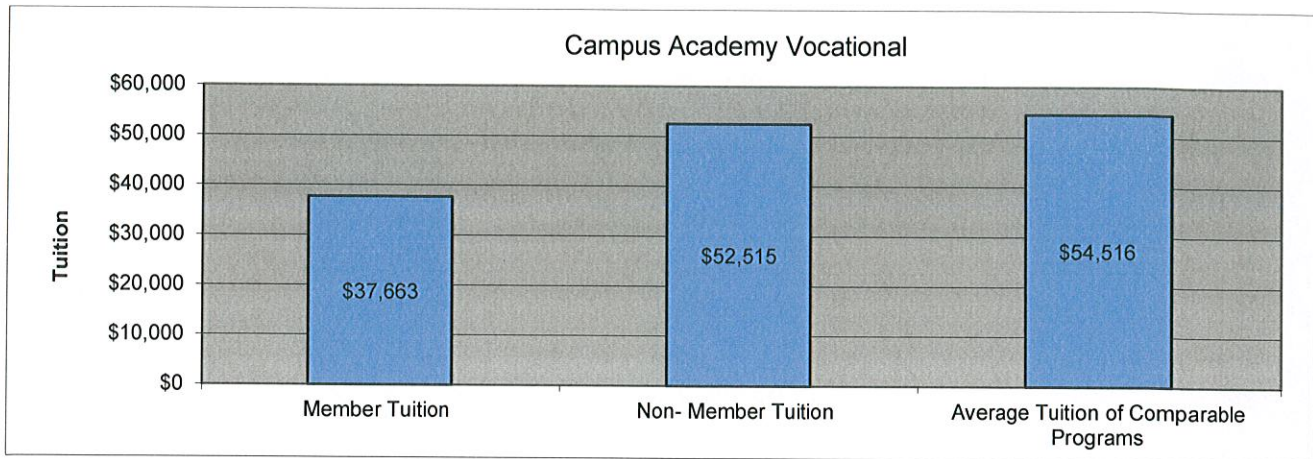
- Curriculum aligned with MA State Frameworks
- Small group instruction- Average of 6:1 Student to Staff ratio
- Multi-sensory learning approach
- Balanced Literacy Program
- Social Skills Group
- Dual Enrollment Program with local Community Colleges
- Sensory Education Program
- Direct and Consulting SLP, OT, PT Services
- Keyboarding and Computer instruction
- Project-based learning
- Mimeos in every classroom
- Student Recreational Activities – i.e. school basketball program
- Fine Art, Visual Art and Graphic Arts Program
- In school vocational placements
- Transition and vocational skills training
- Staff Include:

DESE certified Teachers; Licensed Fulltime Counselors; Licensed Occupational Therapist; Licensed Speech and Language Pathologist; Certified Physical Education Teacher; Behavior Specialist; Experienced Assistant Teaching Staff; Fulltime Registered Nurse on site; Consulting Board Certified Behavior Analyst

The Foundations for Life program is an extension of Campus Academy that delivers extended services to students 18 years and older. The program’s goal is to promote the greatest level of independence possible for each student by providing community-based transition skills for students who require such training after completing grade 12.

Cost-Effectiveness:





SEEM ASSESSMENT INTERVENTION CENTER (SAIC)

SAIC is an interim alternative educational setting, which provides stabilization and evaluation to aide in determining long-term educational placement solutions. Students attend the center for up to 9 school weeks. During this time parents/guardians and students can expect a highly structured, therapeutic educational setting in which each student is carefully evaluated. Classrooms are designed to provide a rich academic experience in which each student engages in curriculum as outlined by the Massachusetts Common Core Frameworks.

Additional Features:

Curriculum:

- Sending district personnel have the option to forward curriculum to our teachers so that students can continue to focus upon their community district curriculum.

School-based individual counseling and groups:

- Our program clinician provides therapeutic support throughout each school day. Students are involved in groups, which target social skills, behavioral skills, cooperative play and leadership.

Person Centered Planning:

- In an effort to organize a framework for planning and making decisions, each student creates a power point to present to the TEAM at their final meetings. Each student's project is based on his or her strengths, capabilities, preferences, lifestyle and cultural background.

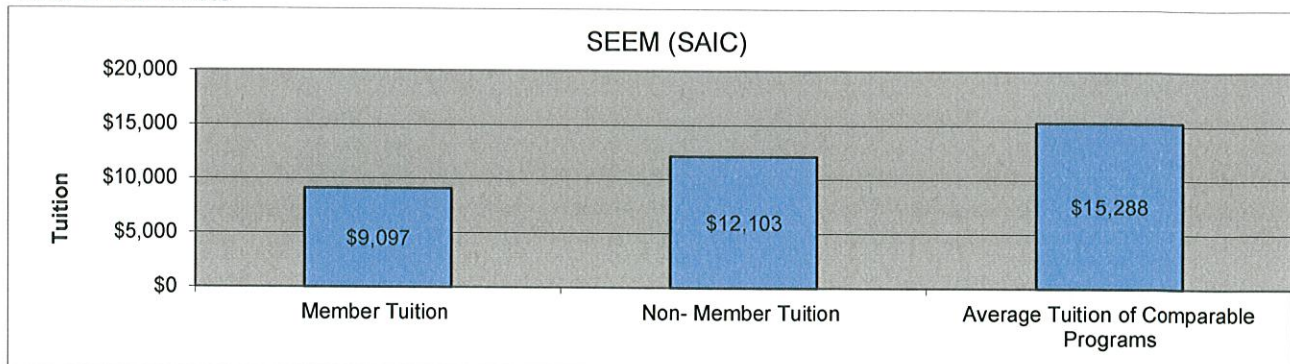
Occupational therapy and Speech therapy:

- Our teachers have weekly consultation with an occupational therapist and speech therapist. Students who have Occupational and/or Speech Therapy on their IEP grids engage in one 30 minute OT and/or Speech group per week (for elementary/middle classrooms).

Evaluation:

- Social-emotional, behavioral, academic, transition, and psycho-educational

Cost-Effectiveness



V. DISTRICT BASED SERVICES

Collaborative Objective #2:

Offering cooperative programs and/or services to help districts maximize cost efficiency and program effectiveness through a collaborative effort.

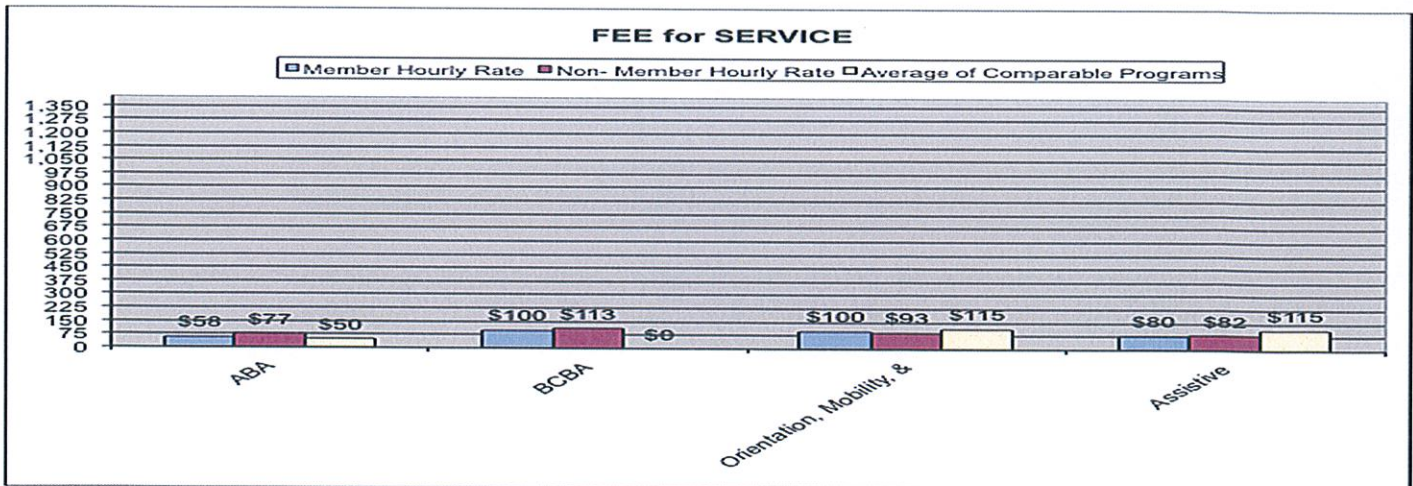
Progress toward Program Objective:

In addition to offering programs that directly educate students, the collaborative also provides district-based services that support teachers and specialists who service students who have low-incidence special needs. These services include evaluations, consultation, targeted professional development and direct service to staff and students in local public schools.

Efforts to make progress towards this objective included implementing the Venture program, which expanded our transition services to include the provision of job coaches to public school students' during after school hours. As of 2015-2016, the School to Work program will go into effect, which will allow for these services to be offered to districts during the school day. Additionally, the Collaborative Board also responded to districts' and the collaborative's evolving needs by approving three new services that will be available in FY16. The services include, (1) Home Tutoring Services, (2) English Language Education Services, and (3) Recreational Services.

Cost-Effectiveness:

The district based services helps districts maximize cost efficiency and effectiveness through a consortium approach. For example, vision services is a need in all ten member districts, however, because it is a low-incidence need, contracting on a per diem basis with the collaborative is more cost-effective than hiring staff and it can prevent an out of district placement. The district is therefore able to provide the specialized support required to properly educate certain students in their home school, support inclusion, and avoid the costs associated with hiring additional staff and out of district placements.



Description of District Based Services:

Assistive Technology

SEEM Collaborative provides Assistive Technology assessments and consultations to member & non-member districts. Utilizing the SETT Framework, students are assessed to determine what, if any, assistive technology supports are needed to support access to the Mass Curriculum Frameworks. Classroom support and training is available as needed. Assistive Technology and Universal Design for learning workshops are also offered. During the 2014-2015 school year, the Collaborative conducted evaluations for 35 students across 10 districts and provided A.T. trainings for 2 districts as well as all on-going training for all SEEM Programs. The Collaborative also offered an online UDL course, in which 9 people participated.

Audiology

Services include: ongoing consultation with classroom staff on a specific speech, language, audition, academic and social/emotional needs of the student, providing in-services on hearing equipment functioning and troubleshooting, providing instruction on environmental and educational accommodations, communicating with the student's audiologist when needed and when necessary providing direct assessment and instruction to the student in need. Audition services are provided to each student part of our SEEM Deaf and Hard of Hearing program. During the 2013-2014 school year these services were provided to 14 students in 2 districts, in order to support the districts effort to educate children in their local public school.

Behavior

Applied Behavior Analysis (ABA) is the science of systematically studying variables that influence behavior (Sulzer-Azaroff & Mayer, 1991) and is the teaching methodology, which has received the most effective outcomes for individuals with autism (Zager, 2005). SEEM Collaborative currently employs several Board Certified Behavior Analysts (BCBA), who provide and supervise ABA services, for students ages 3-22. Four main areas of service are provided: Consultation to SEEM Collaborative schools, Consultation to Member & Non-member public schools, Direct and Consultative Home services, as well as Behavior-based trainings. During the 2014-2015 school year, ABA services were provided to approximately 140 students across 14 districts.

Psycho-Educational Assessments

The primary goal of a psycho-educational assessment is to evaluate psychological and academic functioning to determine the needs for special education placement and services required for effective remediation. A school neuropsychological evaluation integrates neuropsychological and educational principles to the assessment and intervention process. During the 2014-2015 school year this service was provided for approximately 52 students who attended the Assessment and Intervention Center and Campus Academy Alternative High School.

Transition

SEEM Collaborative's Transition Services Department provides evaluation in the areas of vocation and transition skills. Each evaluation consists of a series of formal and informal tests, interviews and observations. Specific evaluation tools are used based on the individual's specific learning style. All assessments begin with a review of the student's most recent IEP and testing. During the 2014-2015 school year our transition service department conducted transition assessments for 30 students across 10 districts. The Venture program upon culmination of its first year in operation provided job coaching support to two districts; professional development and consultative support was provided to SEEM programs, and 10 member districts participated in the transition job alike, which occurs on a monthly basis with up to 20 people in attendance at meetings. Furthermore, the Board of Directors voted to expand the transition services to include the school to work program and recreational services for 2015-2016. These new services will provide vocational and recreational supports to students' receiving educational services in their home district.

Vision and Mobility

Vision services are provided through either direct instruction or consultative model. Direct services include teaching compensatory skills, Consultation to classroom staff includes classroom organization, materials modification and teaching strategies. Orientation and mobility instruction is age appropriate, individualized training which teaches students with visual impairments to move safely and independently in home, schools and Community. During the 2014-2015 school year, this service continued to be provided to 60 students across 9 member districts and 1 non-member district.

VI. Transportation Services

Collaborative Objective #3:

Provision of cooperative and regional educational programs and services in a cost-effective manner;

Progress Towards Meeting Objective

SEEM Collaborative provides cooperative and regional services to public school districts in the northeast by managing a special education transportation contract on with NRT Bus Co. on behalf of 10 local public school districts: Andover, Chelsea, Lynnfield, North Andover, North Reading, Stoneham, Swampscott, Wakefield, Winchester and Woburn. The cooperative service provides school districts the opportunity to partner with each other to transport their students to out-of-district

schools. Our carefully selected transportation provider is equipped to meet the special needs of our students; drivers receive training in student safety and behavior support strategies. Additionally, each van is equipped with a GPS, a video camera and a child checkmate system to ensure student safety from the time they are picked up at home until they arrive at their destinations.

Cost-Effectiveness:

This cooperative contract continues to be cost-effective because transportation of special education students to out-of-district schools can be shared within contiguous areas, thus reducing the cost to each district. The quality of service is improved by a contract with one transportation company delegating the vehicle routing of all students to NRT staff, avoiding route duplication, overlap and wait time. In addition to cost savings, the Collaborative supports participating districts in saving time and energy by following the procurement process, collecting the data, writing and initiating the bid process and by managing the contract.

VII. Professional Development

Collaborative Objective #4:

To offer a variety of quality professional development opportunities to general and special education teachers and administrators, and related service providers.

SEEM Collaborative believes that fostering continual professional growth is critical to the effective practice and successful student learning. Our professional development center's core mission is to provide support services to our districts in extending instructional excellence to students. We are committed to providing quality, cost-effective services and partnering with local school districts to develop high quality, authentic professional development services to improve student achievement. Our 2014-2015 offerings spanned Reading Strategies for Prek Teachers; Social Thinking; Adaptive Physical Education Training; the Behavior Code; How to Facilitate Team meetings; and strategies for counselors working with children who have anxiety.

Cost-Effectiveness:

The professional development center provides professional development in a myriad of ways that is engaging, promotes positive change in practice, and supports the growth of all staff. We hire trainers that are reputable and known for their high impact on instructional practice (i.e. Michelle Garcia Winner), but are too costly for a district to fund entirely on their own, particularly for low incidence positions. We also utilize Collaborative Staff (i.e. BCBAs, Safety Care Trainers) to provide customized workshops; this allows districts to access trainings that are necessary for select faculty across districts without incurring the burden of total cost. The financial cost of the cross district math initiatives, described above, over the course of three years was limited to the cost associated with each district's policy pertaining to the compensation of teachers for participating in summer professional development and the cost of substitute teachers on the days' teachers were released during the school year to complete the work. The job alike are cost-free for member districts, with exception of when a facilitator must be hired. During the 2015-2015 school year the collaborative provided professional development to approximately 650 people across 50 districts.

VIII. GRANT SERVICES

Collaborative Objective #5

Exploration and pursuit of grants and other funding to support identified needs of the Member Districts.

Progress Towards Objective:

SEEM Collaborative works to support district capacity by seeking and applying for grant funds that will support district initiatives.

In an effort to continue progress towards this objective, the Collaborative hired a grant writer in Fy2013. The grant writer is responsible for assessing member district needs and priorities and then researching and writing multi-district grants. The grant writer successfully applied for the following grants during the 2014-2015 school year. This services is another example of how the collaborative has worked to expand its services to support in-district general education initiatives.

Grant	Amount Awarded	Funding Year	Purpose of Grant/Allocation of Funds
Cummings Foundation	\$20,000	FY15	Money will be taken off of rent--\$20K over 5 years. Extra \$20K yearly for Project Adventure (all schools), new vans (Beebe, DHOH)
Lowe's Toolbox for Education	\$4,800	FY15	Classroom tables and chairs, indoor gym/exercise equipment for Campus Academy High School
MA Cultural Council STARS Residency	\$9000	FY15	8-12 Prep students created artwork at Follow Your Art that was displayed at the Melrose Arts Festival in April
Whole Foods Foundation	\$2,000	FY15	Purchased a Hydroponic Tower Garden to be used as part of the science curriculum at SEEM Middle School
CY (continuation of STEP)—part of a team that wrote this Federal grant for Melrose	\$1,000,000	Fy15	Assisted the district in writing a continuation grant to fund Child- and youth-centered prevention and intervention activities that maximize community-based efforts and evidence-informed practices to address domestic violence, dating violence, sexual assault, or stalking.
Teaching with Primary Sources (TPS) (Regional)	\$19,462	Fy15	Getting to the Core of Literacy Using Primary Source Documents (PD, resulting frameworks built using UBD principles, student projects using primary resources).
Title III	\$32,334	Fy15	Provided supplemental ELL supports for the towns of Wakefield, North Reading, Melrose, and Stoneham.
Title IID	\$19,093	FY15	Funded the data specialist position for the months of July and August

Cost-Effectiveness:

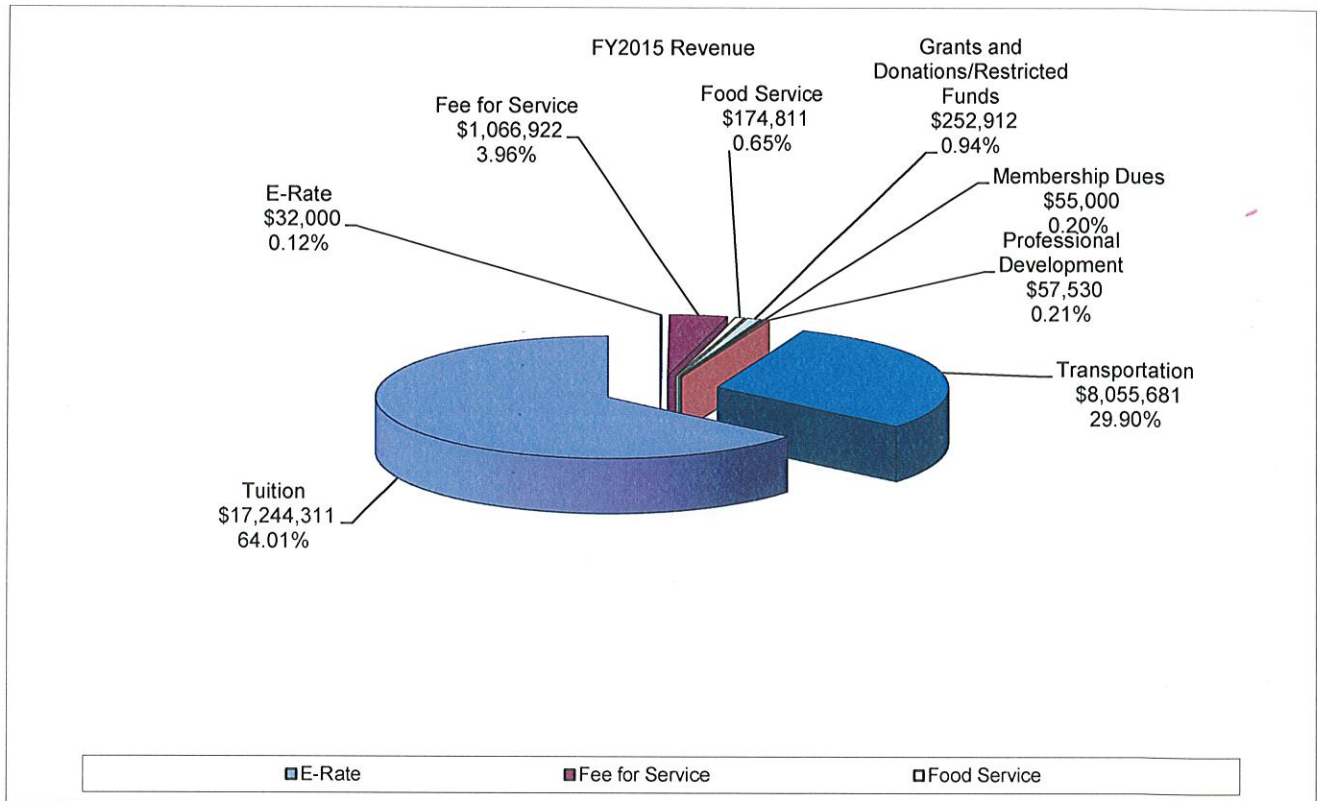
The total amount of grant funds and donations awarded to the Collaborative during the 2014-2015 school year was \$231,259. This number does not include the CY grant which was applied for by Melrose with our grant writer's assistance. Grant funding demonstrates a cost-savings, as it afforded us the opportunity to strengthen curriculum, provide art therapy to students at SEEM Prep, and we were able to provide professional development to our member district social studies teachers and ELL teachers at no cost to the districts or the collaborative.

IX. FINANCIAL INFORMATION

FY15 SOURCES OF REVENUE

SEEM Collaborative Revenue sources include...

Tuition, Fee for Service (Consultation, Direct Service to Districts and Assessments), Professional Development, Grants, Food Service, Transportation, and Membership Dues and Interest:



Program	Revenue	Percentage
E-Rate	\$ 32,000	0.12%
Fee for Service	\$ 1,066,922	3.96%
Food Service	\$ 174,811	0.65%
Grants and Donations/Restricted Funds	\$252,912	0.94%
Membership Dues	\$ 55,000	0.20%
Professional Development	\$ 57,530	0.21%
Transportation	\$ 8,055,681	29.90%
Tuition	\$17,244,311	64.01%
TOTAL	\$26,939,167	100.00%

APPENDIX A

FY15 Tuition and Rate Comparison with Comparable Programs

Member District Rates

	Program	Tuition	Days	Tuition Per day	Day Comparison Difference	180 Day Comparison Tuition Cost	180 Day Comparison Difference
Elementary School							
Elementary (Pre K-2) Global Impairments; Neurological; Autism Spectrum Disorder	DHOH	\$35,542.00	180	\$197.46		\$35,542.00	
	Clark School East	\$33,992.85	192	\$177.05	\$20.41	\$31,868.30	\$3,673.70
	Childrens Comm. Ctr.	\$84,770.62	204	\$415.54	-\$218.09	\$74,797.61	-\$39,255.61
Average Cost and Difference of Comparable Programs based on 180 Days						Average Cost	Average Difference
						\$53,332.95	-\$17,790.95
Elementary (Pre K-5) Global Impairments; Neurological; Autism Spectrum Disorder	TLC Beebe	\$37,663.00	180	\$209.24		\$37,663.00	
	Melmark	\$106,164.70	237	\$447.95	-\$238.71	\$80,631.42	-\$42,968.42
	May Institute	\$104,714.97	242	\$432.71	-\$223.47	\$77,887.17	-\$40,224.17
	NECC	\$99,810.80	226	\$441.64	-\$232.40	\$79,495.33	-\$41,832.33
	Milestones	\$88,380.36	216	\$409.17	-\$199.93	\$73,650.30	-\$35,987.30
	Nashoba	\$101,025.14	216	\$467.71	-\$258.47	\$84,187.62	-\$46,524.62
	Boston College Campus	\$75,520.10	198	\$381.41	-\$172.18	\$68,654.64	-\$30,991.64
Crossroads	\$100,490.60	226	\$444.65	-\$235.41	\$80,036.76	-\$42,373.76	
Average Cost and Difference of Comparable Programs based on 180 Days						Average Cost	Average Difference
						\$77,791.89	-\$40,128.89
Elementary (Pre K-5) Social-Emotional/Behavioral; Autism Spectrum Disorder - High Functioning; Asperger Syndrome	Ripley	\$35,542.00	180	\$197.46		\$35,542.00	
	Walker	\$83,254.49	216	\$385.44	-\$187.98	\$69,378.74	-\$33,836.74
	Dearborn Academy	\$63,205.26	180	\$351.14	-\$153.68	\$63,205.26	-\$27,663.26
	St. Ann's	\$48,709.37	180	\$270.61	-\$73.15	\$48,709.37	-\$13,167.37
	Manville	\$72,885.98	180	\$404.92	-\$207.47	\$72,885.98	-\$37,343.98
Average Cost and Difference of Comparable Programs based on 180 Days						Average Cost	Average Difference
						\$63,544.84	-\$28,002.84
Middle School							
Middle School (5-9th) Global Impairments; Neurological; Autism Spectrum Disorder	TLC Beebe	\$37,663.00	180	\$209.24		\$37,663.00	
	Melmark	\$106,164.70	237	\$447.95	-\$238.71	\$80,631.42	-\$42,968.42
	May Institute	\$104,714.97	242	\$432.71	-\$223.47	\$77,887.17	-\$40,224.17
	NECC	\$99,810.80	226	\$441.64	-\$232.40	\$79,495.33	-\$41,832.33
	Milestones	\$88,380.36	216	\$409.17	-\$199.93	\$73,650.30	-\$35,987.30
	Nashoba	\$101,025.14	216	\$467.71	-\$258.47	\$84,187.62	-\$46,524.62
	Boston College Campus	\$75,520.10	198	\$381.41	-\$172.18	\$68,654.64	-\$30,991.64
	St. Anne's	\$48,709.37	180	\$270.61	-\$61.37	\$48,709.37	-\$11,046.37
Crossroads	\$100,490.60	226	\$444.65	-\$235.41	\$80,036.76	-\$42,373.76	
Average Cost and Difference of Comparable Programs based on 180 Days						Average Cost	Average Difference
						\$74,156.57	-\$36,493.57
Middle School (5-9th) Social-Emotional/Behavioral; Autism Spectrum Disorder - High Functioning; Asperger Syndrome	SEEM Middle	\$35,542.00	180	\$197.46		\$35,542.00	
	Walker	\$83,254.49	216	\$385.44	-\$187.98	\$69,378.74	-\$33,836.74
	Dearborn Academy	\$63,205.26	180	\$351.14	-\$153.68	\$63,205.26	-\$27,663.26
	Germaine Lawrence	\$56,468.89	216	\$261.43	-\$63.97	\$47,057.41	-\$11,515.41
	Manville	\$72,885.98	180	\$404.92	-\$207.47	\$72,885.98	-\$37,343.98
	Bay Cove Schools	\$68,131.19	220	\$309.69	-\$112.23	\$55,743.70	-\$20,201.70
Average Cost and Difference of Comparable Programs based on 180 Days						Average Cost	Average Difference
						\$61,654.22	-\$26,112.22
High School							
High School (ages 14-22) Global Impairments; Neurological; Autism Spectrum Disorder	SEEM Prep	\$37,663.00	180	\$209.24		\$37,663.00	
	Melmark	\$106,164.70	237	\$447.95	-\$238.71	\$80,631.42	-\$42,968.42
	May Institute	\$104,714.97	242	\$432.71	-\$223.47	\$77,887.17	-\$40,224.17
	NECC	\$99,810.80	226	\$441.64	-\$232.40	\$79,495.33	-\$41,832.33
	Walker - Beacon	\$53,700.54	198	\$271.21	-\$61.98	\$48,818.67	-\$11,155.67
	Nashoba	\$101,025.14	216	\$467.71	-\$258.47	\$84,187.62	-\$46,524.62
	Crossroads	\$100,490.60	226	\$444.65	-\$235.41	\$80,036.76	-\$42,373.76
Average Cost and Difference of Comparable Programs based on 180 Days						Average Cost	Average Difference
						\$75,176.16	-\$37,513.16
High School (ages 14-22) Social-Emotional/Behavioral; Autism Spectrum Disorder - High Functioning; Asperger Syndrome	Campus	\$35,542.00	180	\$197.46		\$35,542.00	
	Campus Vocational	\$37,663.00	180	\$209.24		\$37,663.00	
	Walker - Beacon	\$53,700.54	198	\$271.21	-\$67.87	\$48,818.67	-\$12,216.17
	Dearborn Academy	\$63,205.26	180	\$351.14	-\$147.79	\$63,205.26	-\$26,602.76
	Bay Cove Schools	\$68,131.19	220	\$309.69	-\$106.34	\$55,743.70	-\$19,141.20
	Manville	\$72,885.98	180	\$404.92	-\$201.57	\$72,885.98	-\$36,283.48
	Germaine Lawrence	\$56,468.89	216	\$261.43	-\$58.08	\$47,057.41	-\$10,454.91
	Dearborn Seaport	\$55,491.31	198	\$280.26	-\$76.91	\$50,446.65	-\$13,844.15
	JRI Victor School	\$52,147.89	216	\$241.43	-\$38.08	\$43,456.58	-\$6,854.08
Average Cost and Difference of Comparable Programs based on 180 Days						Average Cost	Average Difference
						\$54,516.32	-\$17,913.82

Note: The average of Campus and Campus Vocational is used to calculate the comparison difference amounts.

1. Tuition data source of private schools utilized by member districts - MA OSD - Authorized prices and member district survey
2. Fee for service data source - member district survey

NON-MEMBER DISTRICT RATES

	Program	Tuition	Days	Tuition Per day	Day Comparison Difference	180 Day Comparison Tuition Cost	180 Day Comparison Difference
Elementary School							
Elementary (Pre K-2) Educationally Significant Hearing Loss Including Moderate, Severe, and Profound Losses	DHOH	\$48,006.00	180	\$266.70		\$48,006.00	
	Clark School East	\$33,992.85	192	\$177.05	\$89.65	\$31,868.30	\$16,137.70
	Childrens Comm. Ctr.	\$84,770.62	204	\$415.54	-\$148.84	\$74,797.61	-\$26,791.61
	Average Cost and Difference of Comparable Programs based on 180 Days						Average Cost
						\$53,332.95	-\$5,326.95
Elementary (Pre K-5) Global Impairments; Neurological; Autism Spectrum Disorder	TLC Beebe	\$52,515.00	180	\$291.75		\$52,515.00	
	Melmark	\$106,164.70	237	\$447.95	-\$156.20	\$80,631.42	-\$28,116.42
	May Institute	\$104,714.97	242	\$432.71	-\$140.96	\$77,887.17	-\$25,372.17
	NECC	\$99,810.80	226	\$441.64	-\$149.89	\$79,495.33	-\$26,980.33
	Milestones	\$88,380.36	216	\$409.17	-\$117.42	\$73,650.30	-\$21,135.30
	Nashoba	\$101,025.14	216	\$467.71	-\$175.96	\$84,187.62	-\$31,672.62
	Boston College Campus	\$75,520.10	198	\$381.41	-\$89.66	\$68,654.64	-\$16,139.64
	Crossroads	\$100,490.60	226	\$444.65	-\$152.90	\$80,036.76	-\$27,521.76
Average Cost and Difference of Comparable Programs based on 180 Days						Average Cost	Average Difference
						\$77,791.89	-\$25,276.89
Elementary (Pre K-5) Social-Emotional/Behavioral; Autism Spectrum Disorder - High Functioning; Asperger Syndrome	Ripley	\$48,006.00	180	\$266.70		\$48,006.00	
	Walker	\$83,254.49	216	\$385.44	-\$118.74	\$69,378.74	-\$21,372.74
	Dearborn Academy	\$63,205.26	180	\$351.14	-\$84.44	\$63,205.26	-\$15,199.26
	St. Ann's	\$48,709.37	180	\$270.61	-\$3.91	\$48,709.37	-\$703.37
	Manville	\$72,885.98	180	\$404.92	-\$138.22	\$72,885.98	-\$24,879.98
Average Cost and Difference of Comparable Programs based on 180 Days						Average Cost	Average Difference
						\$63,544.84	-\$15,538.84
Middle School							
Middle School (5-9th) Global Impairments; Neurological; Autism Spectrum Disorder	TLC Beebe	\$52,515.00	180	\$291.75		\$52,515.00	
	Melmark	\$106,164.70	237	\$447.95	-\$156.20	\$80,631.42	-\$28,116.42
	May Institute	\$104,714.97	242	\$432.71	-\$140.96	\$77,887.17	-\$25,372.17
	NECC	\$99,810.80	226	\$441.64	-\$149.89	\$79,495.33	-\$26,980.33
	Milestones	\$88,380.36	216	\$409.17	-\$117.42	\$73,650.30	-\$21,135.30
	Nashoba	\$101,025.14	216	\$467.71	-\$175.96	\$84,187.62	-\$31,672.62
	Boston College Campus	\$75,520.10	198	\$381.41	-\$89.66	\$68,654.64	-\$16,139.64
	St. Anne's	\$48,709.37	180	\$270.61	\$21.14	\$48,709.37	\$3,805.63
Crossroads	\$100,490.60	226	\$444.65	-\$152.90	\$80,036.76	-\$27,521.76	
Average Cost and Difference of Comparable Programs based on 180 Days						Average Cost	Average Difference
						\$74,156.57	-\$21,641.57
Middle School (5-9th) Social-Emotional/Behavioral; Autism Spectrum Disorder- High Functioning; Asperger Syndrome	SEEM Middle	\$48,006.00	180	\$266.70		\$48,006.00	
	Walker	\$83,254.49	216	\$385.44	-\$118.74	\$69,378.74	-\$21,372.74
	Dearborn Academy	\$63,205.26	180	\$351.14	-\$84.44	\$63,205.26	-\$15,199.26
	Germaine Lawrence	\$56,468.89	216	\$261.43	\$5.27	\$47,057.41	\$948.59
	Manville	\$72,885.98	180	\$404.92	-\$138.22	\$72,885.98	-\$24,879.98
	Bay Cove Schools	\$68,131.19	220	\$309.69	-\$42.99	\$55,743.70	-\$7,737.70
	Average Cost and Difference of Comparable Programs based on 180 Days						Average Cost
						\$61,654.22	-\$13,648.22
High School							
High School (ages 14-22) Global Impairments; Neurological; Autism Spectrum Disorder	SEEM Prep	\$52,515.00	180	\$291.75		\$52,515.00	
	Melmark	\$106,164.70	237	\$447.95	-\$156.20	\$80,631.42	-\$28,116.42
	May Institute	\$104,714.97	242	\$432.71	-\$140.96	\$77,887.17	-\$25,372.17
	NECC	\$99,810.80	226	\$441.64	-\$149.89	\$79,495.33	-\$26,980.33
	Walker - Beacon	\$53,700.54	198	\$271.21	\$20.54	\$48,818.67	\$3,693.33
	Nashoba	\$101,025.14	216	\$467.71	-\$175.96	\$84,187.62	-\$31,672.62
	Crossroads	\$100,490.60	226	\$444.65	-\$152.90	\$80,036.76	-\$27,521.76
Average Cost and Difference of Comparable Programs based on 180 Days						Average Cost	Average Difference
						\$75,176.16	-\$22,661.16
High School (ages 14-22) Social-Emotional/Behavioral; Autism Spectrum Disorder - High Functioning; Asperger Syndrome	Campus	\$48,006.00	180	\$266.70		\$48,006.00	
	Campus Vocational	\$52,515.00	180	\$291.75		\$52,515.00	
	Walker - Beacon	\$53,700.54	198	\$271.21	\$8.01	\$48,818.67	\$1,441.83
	Dearborn Academy	\$63,205.26	180	\$351.14	-\$71.92	\$63,205.26	-\$12,944.76
	Bay Cove Schools	\$68,131.19	220	\$309.69	-\$30.46	\$55,743.70	-\$5,483.20
	Manville	\$72,885.98	180	\$404.92	-\$125.70	\$72,885.98	-\$22,625.48
	Germaine Lawrence	\$56,468.89	216	\$261.43	\$17.79	\$47,057.41	\$3,203.09
	Dearborn Seaport	\$55,491.31	198	\$280.26	-\$1.03	\$50,446.65	-\$186.15
	JRI Victor School	\$52,147.89	216	\$241.43	\$37.80	\$43,456.58	\$6,803.93
	Average Cost and Difference of Comparable Programs based on 180 Days						Average Cost
						\$54,516.32	-\$4,255.82

Note: The average of Campus and Campus Vocational is used to calculate the comparison difference amounts.

1. Tuition source for private schools used by member districts - MA OSD Authorized prices and member district survey
2. Fee for service data source - survey of member districts

APPENDIX B

FY15 Financial Audit



FRITZ DEGUGLIELMO LLC
CERTIFIED PUBLIC ACCOUNTANTS
& BUSINESS ADVISORS

September 1, 2015

To the Board of Directors and Management of

SEEM Collaborative
92 Montvale Avenue, Suite 3500
Stoneham, Massachusetts 02180

We are pleased to confirm our understanding of the services we are to provide SEEM Collaborative for the year ended June 30, 2015. We will audit the financial statements of the business-type activities, including the related notes to the financial statements, which collectively comprise the basic financial statements, of SEEM Collaborative as of and for the year ended June 30, 2015. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement SEEM Collaborative's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to SEEM Collaborative's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist 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 will 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. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Schedule of Funding Progress – Other Post-Employment Healthcare Benefits

Audit Objectives

The objective of our audit is the expression of an opinion as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. The objective also includes reporting on—

- Internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that the purpose of the report is solely to (1) describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the

Comptroller General of the United States, and will include tests of accounting records, and other procedures we consider necessary to enable us to express such an opinion. We will issue written reports upon completion of our audit. Our reports will be addressed to the Board of Directors of SEEM Collaborative. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add emphasis-of-matter or other-matter paragraphs. If our opinion on the financial statements is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report, or may withdraw from this engagement.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. In addition, we will assist with preparation of your financial statements and related notes. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the written representation letter our assistance with preparation of the financial statements and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Management is responsible for (1) establishing and maintaining effective internal controls, including internal controls over compliance, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; and (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities also include identifying significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provision of laws, regulations, contracts, and grant agreements, or abuse that we report.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance

internal control related matters that are required to be communicated under AICPA professional standards and Government Auditing Standards.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of SEEM Collaborative's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Engagement Administration, Fees, and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to SEEM Collaborative; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Fritz DeGuglielmo LLC and constitutes confidential information. The audit documentation for this engagement will be retained for a minimum of five years after the report release date.

We expect to begin our audit on approximately September 1, 2015 and to issue our reports no later than November 15, 2015. Stephen DeGuglielmo is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

We will bill our fees at our standard hourly rates.

We appreciate the opportunity to be of service to SEEM Collaborative and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,


Fritz DeGuglielmo LLC

RESPONSE:

This letter correctly sets forth the understanding of SEEM Collaborative

Management signature: 

Title: Executive Director

Date: 9/8/15

Governance signature: 

Title: Chairman - Board of Directors

Date: 9/8/15

SEEM Collaborative

Financial Statements
and Supplementary Information

June 30, 2015

SEEM Collaborative

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June 30, 2015

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FRITZ DEGUGLIELMO LLC
CERTIFIED PUBLIC ACCOUNTANTS
& *BUSINESS ADVISORS*

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
SEEM Collaborative
Stoneham, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of SEEM Collaborative (a collaborative organized under the Laws of the Commonwealth of Massachusetts), which comprise the statement of net position as of June 30, 2015, and the related statements of revenues, expenses, and changes in net position, revenues and functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SEEM Collaborative, as of June 30, 2015, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited SEEM Collaborative's 2014 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated November 13, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information


Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and Schedule of Funding Progress – Other Postemployment Benefits on pages 3–5 and 21 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise SEEM Collaborative's basic financial statements. The accompanying budgetary comparison information on page 22 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The budgetary comparison information on page 22 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2015, on our consideration of SEEM Collaborative's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SEEM Collaborative's internal control over financial reporting and compliance.



Certified Public Accountants

Newburyport, Massachusetts

November 16, 2015

SEEM Collaborative

Management's Discussion and Analysis

June 30, 2015

Our discussion and analysis of SEEM Collaborative's ("The Collaborative") financial performance provides an overview of the Collaborative's financial activities for the fiscal year ended June 30, 2015 with comparative information from the fiscal years ended June 30, 2014 and 2013. Please read it in conjunction with the financial statements that begin on page 6.

This financial report consists of several financial statements:

Statement of Net Position – The Statement of Net Position provides a presentation of the Collaborative's assets and liabilities, as well as remaining net position, as of the date of the financial statements. The purpose of the Statement of Net Position is to present a fiscal snapshot of the Collaborative to the readers of the financial statements and includes year-end information concerning current and noncurrent assets, current and noncurrent liabilities, and net position and deferred inflows and outflows, if any.

Statement of Revenues, Expenses and Changes in Net Position – The Statement of Revenues, Expenses and Changes in Net Position presents the results of the operations of the Collaborative, providing information of the revenue sources and related expenses during the year. This statement helps users to determine whether the Collaborative had sufficient revenues to cover expenses during the year and its net increase or decrease in net position based on current year operations.

Statement of Revenues and Functional Expenses – The Statement of Revenues and Functional Expenses identifies revenues and expenses incurred during the year by functional classification and provides additional detail of expenses. This statement helps users to determine what the Collaborative is spending its resources on.

Statement of Cash Flows – The Statement of Cash Flows provides information on the cash receipts and cash disbursements during the year and the changes in working capital components. This statement is an important tool in assisting users in assessing the Collaborative's cash flow sources and uses. This statement also assists users in assessing the Collaborative's ability to generate future net cash flows, its ability to meet its obligations as they come due, and its need for external financing.

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.

FINANCIAL HIGHLIGHTS

	2015	2014	2013
ASSETS			
Total Current Assets	\$10,007,165	\$8,039,676	\$7,992,956
Total Non-current Assets	<u>178,778</u>	<u>226,874</u>	<u>241,481</u>
Total Assets	<u>\$10,185,943</u>	<u>\$8,266,550</u>	<u>\$8,234,437</u>
LIABILITIES			
Total Current Liabilities	\$ 4,263,039	\$2,857,449	\$3,285,661
Total Non-current Liabilities	<u>4,832,309</u>	<u>3,910,683</u>	<u>3,092,146</u>
Total Liabilities	<u>\$ 9,095,348</u>	<u>\$6,768,132</u>	<u>\$6,377,807</u>
NET POSITION			
Board designated – unrestricted	\$ 518,026	\$ 466,100	\$ 444,475
Net position – unrestricted	344,604	805,444	1,170,674
Net position – restricted	49,187	-	-
Invested in capital assets, net of related debt	<u>178,778</u>	<u>226,874</u>	<u>241,481</u>
Total Net Position	<u>\$ 1,090,595</u>	<u>\$1,498,418</u>	<u>\$1,856,630</u>

SEEM Collaborative

Management's Discussion and Analysis

June 30, 2015

FINANCIAL HIGHLIGHTS – *Continued*

SEEM Collaborative's net position decreased by approximately \$408,000 and \$358,000 in fiscal 2015 and 2014, respectively. During fiscal 2015 and 2014, SEEM Collaborative recorded increases in net retirement health benefit obligations required by GASB Statement No. 45 of \$921,626 and \$818,537, respectively. Changes in net position before these increases were approximately \$514,000 and \$460,000 in fiscal 2015 and 2014, respectively. The surplus in fiscal 2015 was a result of revenues exceeding expenses during the year. The Collaborative recorded deferred revenues in the amount of \$49,187 as of June 30, 2015.

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Operating Revenues*	\$26,949,820	\$25,365,630	\$24,189,715
Program Operating Expenses*	25,121,645	1,179,717	1,279,445
Administrative Operating Expenses*	<u>1,316,181</u>	<u>23,728,031</u>	<u>22,725,657</u>
Total Operating Expenses*	<u>26,437,826</u>	<u>24,907,748</u>	<u>24,005,102</u>
Change in operating net position	511,994	457,882	184,613
Non-operating Revenues	<u>1,809</u>	<u>2,443</u>	<u>2,846</u>
Change in net position, before increase in net retirement health benefit obligation	513,803	460,325	187,459
Increase in net retirement health benefit obligation	(921,626)	(818,537)	(758,103)
Total net position – beginning	<u>1,498,418</u>	<u>1,856,630</u>	<u>2,427,274</u>
Total net position – ending	<u>\$ 1,090,595</u>	<u>\$ 1,498,418</u>	<u>\$ 1,856,630</u>

* Excludes Massachusetts Teachers' and State Employees' Retirement Systems "on-behalf" payments.

During the years ended June 30, 2015 and 2014, operating revenues, excluding Massachusetts Teachers' and State Employees' Retirement Systems "on-behalf" payments, increased by approximately \$1,584,000 and \$1,176,000, respectively. The increase in fiscal 2015 revenues was primarily from additional tuition and program services revenues of approximately \$770,000, additional other services revenue of approximately \$224,000, and additional transportation services of approximately \$518,000. The increase in fiscal 2014 revenues was primarily from additional tuition and program services revenues of approximately \$960,000, additional other services revenue of approximately \$50,000, and additional transportation services of approximately \$165,000. During the years ended June 30, 2015 and 2014, operating expenses, excluding Massachusetts Teachers' and State Employees' Retirement Systems "on-behalf" payments, increased approximately \$1,530,000 and \$903,000 respectively. The increases in expenses for the years ended June 30, 2015 and 2014 were primarily due to increases in personnel and transportation costs that correspond to increases in program and other service revenues.

Non-operating revenue decreased by approximately \$630 and \$400 for the years ended June 30, 2015 and 2014, respectively. The decrease in fiscal 2015 and 2014 was primarily due to less average funds held in interest bearing accounts.

BUDGETARY HIGHLIGHTS

The Collaborative's annual budget for fiscal 2015 was approved by its Board of Directors. For the fiscal year ended June 30, 2015, the Collaborative received revenues, excluding Massachusetts Teachers' and State Employees' Retirement Systems "on-behalf" payments and transportation, of approximately \$18,893,000 compared to budgeted revenues of approximately \$17,930,000. The difference between actual revenues received and budgeted revenues is primarily due to significantly higher than expected student enrollments and increased tuitions and fees.

SEEM Collaborative

Management's Discussion and Analysis

June 30, 2015

BUDGETARY HIGHLIGHTS – *Continued*

For the fiscal year ended June 30, 2015, the Collaborative incurred actual expenditures, excluding Massachusetts Teachers' and State Employees' Retirement Systems "on-behalf" payments and transportation, of approximately \$18,624,000 compared to budgeted expenditures of approximately \$18,109,000. The difference between actual expenditures incurred and budgeted expenditures is primarily due to higher than expected supplies, maintenance, and professional services costs.

CAPITAL ASSET AND OBLIGATIONS

The Collaborative purchased approximately \$23,000 of capital assets for programs during fiscal 2015.

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 any questions in regard to this report, please contact our finance department at (781) 279-1361.

SEEM Collaborative
Statement of Net Position
June 30, 2015
(with summarized financial information as of June 30, 2014)

	<u>2015</u>	<u>2014</u>
ASSETS		
Current Assets		
Cash and cash equivalents - unrestricted	\$ 6,881,370	\$ 4,945,359
Cash and cash equivalents - designated	518,026	466,100
Accounts receivable, net	2,557,146	2,588,288
Prepaid expenses and other assets	<u>50,623</u>	<u>39,929</u>
Total Current Assets	<u>10,007,165</u>	<u>8,039,676</u>
Non-current Assets		
Furniture, equipment and leasehold improvements, net	<u>178,778</u>	<u>226,874</u>
Total Non-current Assets	<u>178,778</u>	<u>226,874</u>
Total Assets	<u>\$ 10,185,943</u>	<u>\$ 8,266,550</u>
LIABILITIES AND NET POSITION		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 4,216,949	\$ 2,857,449
Deferred revenues	<u>46,090</u>	<u>-</u>
Total Current Liabilities	<u>4,263,039</u>	<u>2,857,449</u>
Long Term Liabilities:		
Net retirement health benefit obligation	<u>4,832,309</u>	<u>3,910,683</u>
Total Liabilities	<u>9,095,348</u>	<u>6,768,132</u>
Net Position		
Unrestricted	862,630	1,271,544
Restricted - grants and contributions	49,187	-
Invested in capital assets, net of related debt	<u>178,778</u>	<u>226,874</u>
Total Net Position	<u>1,090,595</u>	<u>1,498,418</u>
Total Liabilities and Net Position	<u>\$ 10,185,943</u>	<u>\$ 8,266,550</u>

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

SEEM Collaborative
Statement of Revenues, Expenses and Changes in Net Position
For the year ended June 30, 2015
(with summarized financial information for the year ended June 30, 2014)

	2015			2014
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>	<u>Total</u>
OPERATING REVENUES				
Retirement systems' on-behalf payments	\$ 1,660,949	\$ -	\$ 1,660,949	\$ 299,240
Services and other program revenues	26,775,267	-	26,775,267	25,235,432
Member fees	55,000	-	55,000	55,000
Contributions and other	<u>70,366</u>	<u>49,187</u>	<u>119,553</u>	<u>75,198</u>
Total Operating Revenues	<u>28,561,582</u>	<u>49,187</u>	<u>28,610,769</u>	<u>25,664,870</u>
OPERATING EXPENSES				
Program	26,742,174	-	26,742,174	24,027,271
Administrative	<u>1,356,601</u>	<u>-</u>	<u>1,356,601</u>	<u>1,179,717</u>
Total Operating Expenses	<u>28,098,775</u>	<u>-</u>	<u>28,098,775</u>	<u>25,206,988</u>
Change in Operating Net Position	<u>462,807</u>	<u>49,187</u>	<u>511,994</u>	<u>457,882</u>
NON-OPERATING REVENUES				
Interest	<u>1,809</u>	<u>-</u>	<u>1,809</u>	<u>2,443</u>
Total Non-operating Revenues	<u>1,809</u>	<u>-</u>	<u>1,809</u>	<u>2,443</u>
Change in Net Position, before increase in net retirement health benefit obligation	464,616	49,187	513,803	460,325
Increase in net retirement health benefit obligation	<u>(921,626)</u>	<u>-</u>	<u>(921,626)</u>	<u>(818,537)</u>
Change in Net Position	(457,010)	49,187	(407,823)	(358,212)
Net Position – Beginning of Year	<u>1,498,418</u>	<u>-</u>	<u>1,498,418</u>	<u>1,856,630</u>
Net Position – End of Year	<u>\$ 1,041,408</u>	<u>\$ 49,187</u>	<u>\$ 1,090,595</u>	<u>\$ 1,498,418</u>

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

SEEM Collaborative
Statement of Revenues and Functional Expenses
For the year ended June 30, 2015
(with summarized financial information for the year ended June 30, 2014)

	SEEM Programs	Trans- portation	Other Services	Admin- istrative	2015 Total	2014 Total
Revenues						
Retirement systems' on- behalf payments	\$ 1,632,564	\$ -	\$ -	\$ 28,385	\$ 1,660,949	\$ 299,240
Services and other program revenues	17,697,148	8,058,997	1,019,122	-	26,775,267	25,235,432
Membership fees	-	-	-	55,000	55,000	55,000
Contributions and other	47,386	-	-	72,167	119,553	75,198
Interest	-	-	-	1,809	1,809	2,443
	<u>\$19,377,098</u>	<u>\$ 8,058,997</u>	<u>\$ 1,019,122</u>	<u>\$ 157,361</u>	<u>\$28,612,578</u>	<u>\$25,667,313</u>
Expenses						
Payroll and related benefits	\$15,325,973	\$ -	\$ 929,241	\$ 992,465	\$17,247,679	\$15,234,709
Professional services	166,528	-	74,533	127,234	368,295	206,718
Rent and utilities	1,040,246	-	18,033	91,173	1,149,452	1,161,553
Maintenance	380,340	-	-	-	380,340	321,938
Supplies	515,058	-	107,473	34,332	656,863	495,431
Insurance	64,715	-	9,476	71,049	145,240	133,955
Transportation	-	7,814,010	-	-	7,814,010	7,307,402
Travel, field trips, and conferences	114,819	-	17,277	3,701	135,797	116,145
Telephone and internet	22,892	-	7,014	8,469	38,375	52,976
Training	25,236	-	4,989	7,854	38,079	74,619
Miscellaneous	35,753	-	1,135	16,984	53,872	31,164
Depreciation	67,433	-	-	3,340	70,773	70,378
	<u>\$17,758,993</u>	<u>\$ 7,814,010</u>	<u>\$ 1,169,171</u>	<u>\$ 1,356,601</u>	<u>\$28,098,775</u>	<u>\$25,206,988</u>

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

SEEM Collaborative
Statement of Cash Flows
For the year ended June 30, 2015

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from members and others	\$ 27,027,052
Payments to suppliers and others	(11,759,501)
Payments to employees	<u>(13,258,746)</u>
Cash provided by operating activities	<u>2,008,805</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Receipts from interest	1,809
Purchase of capital assets	<u>(22,677)</u>
Cash used in investing activities	<u>(20,868)</u>

Net increase in cash and cash equivalents	1,987,937
Cash and cash equivalents at beginning of year	<u>5,411,459</u>

Cash and cash equivalents at end of year	<u>\$ 7,399,396</u>
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Supplemental Data:

Interest paid	<u>\$ -</u>
Taxes paid	<u>\$ -</u>

Reconciliation of change in operating net position to net cash provided by operating activities:

Operating Activities

Change in operating net position	\$ 511,994
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Adjustments to reconcile change in operating net position to net cash provided by operating activities:

Depreciation	70,773
Change in working capital	
Accounts receivable	31,142
Prepaid expenses and other assets	(10,694)
Accounts payable and accrued liabilities	1,359,500
Deferred revenues	<u>46,090</u>
Cash provided by operating activities	<u>\$ 2,008,805</u>

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

SEEM Collaborative

Notes to Financial Statements

June 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

SEEM Collaborative (“the Collaborative”) was created by agreement pursuant to the provisions of Section 4E of Chapter 40, as Amended by Chapter 797 of the Acts of 1974 and by Chapter 43 of the Acts of 2012 by the following school committees: Lynnfield, Melrose, North Reading, Reading, Saugus, Stoneham, Wakefield, Wilmington, Woburn, and Winchester. The purpose of the agreement is to provide special programs and services for school children under the members’ jurisdiction. The Collaborative also provides services to non-member districts as services are requested.

The Collaborative’s financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments and governmental entities through its pronouncements (Statements and Interpretations). Governments and governmental entities are also required to follow pronouncements of the Financial Accounting Standards Board (FASB), when applicable, that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the Collaborative are discussed below.

The Collaborative, in accordance with GASB Statement No. 34, is considered a special purpose governmental entity engaged only in business type activities and is not a component unit of another governmental entity. As such, the basic financial statements of the Collaborative are reported on the same basis as an enterprise fund, which is a proprietary fund in fund financial statements. The Collaborative is not a proprietary fund that is part of a government wide financial statement. As such, the notations “enterprise fund” and “proprietary fund” do not appear on the Collaborative’s financial statements.

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Collaborative’s financial statements for the year ended June 30, 2014, from which the summarized information was derived. Certain reclassifications have been made to the summarized information to be consistent with the presentation in the audited financial statements as of June 30, 2015.

Measurement Focus and Basis of Accounting

These financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Cash and Cash Equivalents

For financial statement purposes, the Collaborative considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents.

Operating Revenues and Expenses

Operating revenues consist primarily of billings to member municipalities or other cities and towns for providing programs and services. Operating expenses include educational costs, administrative expenses and depreciation on capital assets.

SEEM Collaborative
Notes to Financial Statements
June 30, 2015

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

Accounts Receivable

Accounts receivable consist of tuition and other services billed but not received as of June 30, 2015. At June 30, 2015, accounts receivable consisted of:

Services – SEEM programs	\$ 1,254,176
Services - transportation	<u>1,302,970</u>
	<u>\$ 2,557,146</u>

Deferred Revenue

Revenue is recognized when earned, however funds received that are not earned as of year-end are recorded as deferred revenue in the financial statements.

Property and Equipment

Furniture and equipment are capitalized where the Collaborative maintains possession of the assets and expects future benefits to exceed one year. The assets are stated at cost less accumulated depreciation computed on the straight-line method. The useful lives are estimated to be five to ten years for equipment and five years for leasehold improvements. The Collaborative capitalizes assets purchased in excess of \$5,000.

Property and equipment is as follows:

	<u>2015</u>	<u>2014</u>
Office furniture and equipment	\$ 265,314	\$ 242,637
Vehicles	182,310	182,310
Leasehold improvements	<u>396,161</u>	<u>396,161</u>
	843,785	821,108
Accumulated depreciation	<u>(665,007)</u>	<u>(594,234)</u>
Property and equipment, net	<u>\$ 178,778</u>	<u>\$ 226,874</u>

Depreciation expense for the year ended June 30, 2015 was \$70,773.

Net Position

Net position is displayed in three components:

- 1) Invested in Capital Assets – This account consists of capital assets, including restricted capital assets, net of accumulated depreciation that are attributable to the acquisition, construction, or improvement of those assets.
- 2) Restricted – This account consists of assets with 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.
- 3) Unrestricted – This account consists of all other net assets that do not meet the definition of “invested in capital assets” or “restricted”. Revenues are reported as increases in unrestricted unless use of the related assets is limited by donor-imposed restrictions and/or time restrictions. Revenues are reported as unrestricted if the donor-imposed restrictions are met in the same reporting period. Expenses are reported as decreases in unrestricted.

SEEM Collaborative
Notes to Financial Statements
June 30, 2015

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

Use of Estimates

Management used 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, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Contributions

The Collaborative reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net position is reclassified to unrestricted net position and reported in the statement of activities as net position released from restrictions. Restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Subsequent Events

Subsequent events have been evaluated through November 16, 2015, which is the date the financial statements were available to be issued.

NOTE B – LEASE OBLIGATIONS

Operating Leases

The Collaborative has leases for office space and classroom space in various locations. With the exception of the Collaborative's administrative office, all space is leased from certain member districts' cities and towns. The leases have varying expiration dates through fiscal 2019.

The minimum future rental commitments under the above operating leases are as follows:

<u>Year Ending June 30</u>	
2016	\$ 885,258
2017	118,032
2018	88,472
2019	<u>44,236</u>
	<u>\$1,135,998</u>

Leases with member districts include:

- Town of Wakefield, School Facility – Yeuell School, 7/1/14-6/30/15, renewed for 1 additional year as of 7/1/15.
- Town of Stoneham, School Facility – Central School, 7/1/11-6/30/16.
- Town of Melrose, School Facilities – Ripley School and Beebe School, 8/1/11-7/31/15, renewed for 1 additional year as of 7/1/15.
- Town of North Reading, Classroom Space – North Reading Middle, 9/1/13-8/31/15, renewed for 1 additional year as of 7/1/15.

The Collaborative also leases equipment, which consists principally of the leasing of copiers under operating leases that expire over the next two years.

SEEM Collaborative
Notes to Financial Statements
June 30, 2015

NOTE B – LEASE OBLIGATIONS *(continued)*

The following is a schedule by year of future minimum rental payments required under operating leases for equipment that have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2015.

	<u>Year Ending June 30</u>
2016	\$ 59,352
2017	59,352
2018 & thereafter	<u>24,730</u>
	<u>\$143,434</u>

NOTE C – CONCENTRATION OF CREDIT RISK

From time to time the Collaborative maintained bank account balances in a bank in excess of the federally insured limits. However, the bank has additional insurance provided by the Share Insurance Fund in the event of a loss in excess of the FDIC insured limit of \$250,000.

NOTE D – MASSACHUSETTS TEACHERS’ AND STATE EMPLOYEES’ RETIREMENT SYSTEMS

Plan Descriptions:

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

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.

SEEM Collaborative
Notes to Financial Statements
June 30, 2015

NOTE D – MASSACHUSETTS TEACHERS’ AND STATE EMPLOYEES’ RETIREE SYSTEMS
(continued)

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

Educational collaboratives contribute amounts equal to the normal cost of employees’ benefits participating in MSERS at a rate established by the Public Employees’ Retirement Administration Commission (PERAC), currently 5.6% of covered payroll. Legally, the collaboratives are only responsible for contributing the annual normal cost of their employees’ benefits (i.e., the present value of the benefits earned by those employees in any given year) and are not legally responsible for the past service cost attributable to those employees or previously retired employees of the collaboratives. During fiscal year 2015, the Collaborative’s contributions on behalf of employees totaled \$303,508.

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

SEEM Collaborative

Notes to Financial Statements

June 30, 2015

NOTE D – MASSACHUSETTS TEACHERS’ AND STATE EMPLOYEES’ RETIREE SYSTEMS (continued)

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

The nonemployer contributing entities’ share of the collective net pension liability that is associated with the Collaborative was measured as of June 30, 2014 and was \$7,038,602 and \$16,702,908 under MSERS and MTRS, respectively. In fiscal 2015, the Collaborative recognized revenue and related expense of \$500,518 for its portion of the collective pension expense under MSERS. In fiscal 2015, the Collaborative recognized revenue and related expense of \$1,160,431, for its portion of the collective pension expense under MTRS.

The Collaborative implemented the requirements of GASB Statement No. 68 in fiscal 2015. Prior year financial statements were not adjusted for revenues or expenses applicable to those years as calculated under GASB Statement No. 68 since the information was not available. However, the overall net position of the Collaborative would not have been adjusted in prior years had an adjustment been made.

NOTE E – RETIREMENT HEALTH BENEFITS

The Collaborative follows the provisions of GASB Statement No. 45, “Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.”

Description

The Collaborative offers various medical insurance offerings through Tufts Health Plan to eligible employees. An employee shall become eligible to retire under this plan upon meeting the following conditions:

- i. Completion of 10 years of continuous service at the Collaborative
- ii. Attainment of age 55 as an active member.
- iii. Enrollment in health insurance for the year prior to termination

The plan is administered by the Collaborative and the Collaborative shares in 70% of premiums for Medical insurance.

Funding Policy

The contribution requirements of plan members and the Collaborative are established and may be amended through policy changes enacted by the Collaborative’s board of directors. The required contribution is based on the projected pay-as-you-go financing requirements. For the 2015 fiscal year, total expected Collaborative premiums plus implicit costs for the retiree medical program are \$112,789.

SEEM Collaborative
Notes to Financial Statements
June 30, 2015

NOTE E – RETIREMENT HEALTH BENEFITS *(continued)*

Annual OPEB Cost and Net OPEB Obligation

The Collaborative’s annual other postemployment benefit (“OPEB”) cost (expense) is calculated based on the annual required contribution of the employer (“ARC”), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty (30) years. The following table shows the components of the Collaborative’s annual OPEB costs for the fiscal year, the amount actually contributed to the plan and changes in the Collaborative’s net OPEB obligation to the plan:

Annual Required Contribution	\$ 953,692
Interest on net OPEB obligation	156,427
Adjustment to annual required contribution	(217,457)
Amortization of Actuarial (Gains)/Losses	193,305
Annual OPEB cost (expense)	1,085,967
Contributions Made (expected)	164,341
Increase in net OPEB obligation	921,626
Net OPEB Obligation-beginning of year	3,910,683
Net OPEB Obligation-end of year	<u>\$4,832,309</u>

The Collaborative’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the 2015 fiscal year and two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Expected Employer Payments	Net OPEB Obligation
6/30/13	\$863,977	\$105,874	\$758,103
6/30/14	\$945,210	\$126,673	\$818,537
6/30/15	\$1,085,967	\$164,341	\$921,626
6/30/16 (est.)	\$1,228,349	\$116,940	\$1,111,409
6/30/17 (est.)	\$1,363,697	\$141,630	\$1,222,067

Funding Status and Funding Progress

As of July 1, 2014, the most recent valuation date, the plan was 6.44% funded. The actuarial liability for benefits as of June 30, 2015 was \$7,235,436, and the actuarial value of assets was \$466,060, resulting in an estimated unfunded actuarial accrued liability (UAAL) of \$6,769,376. The covered payroll (annual payroll of active employees covered by the plan) for the year ended June 30, 2015 was \$12,127,698, and the ratio of the UAAL to the covered payroll was 55.8%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented in the required supplementary information following the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

SEEM Collaborative

Notes to Financial Statements

June 30, 2015

NOTE E – RETIREMENT HEALTH BENEFITS *(continued)*

Effect of 1% Change in Healthcare Trend Rates

In the event that healthcare trend rates were 1% higher than forecast and employee contributions were to increase at the forecast rates, the Actuarial Accrued Liability would increase to \$9,881,512 or by 36.6% and the corresponding Normal Cost would increase to \$1,177,799 or by 57.9%. If such healthcare trend rates were 1% less than forecast and employee contributions were to increase at the forecast rate, the Actuarial Accrued Liability would decrease to \$5,188,919 or by 28.3% and the corresponding Normal Cost would decrease to \$500,448 or by 32.9%.

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 benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Actuarial Cost Method:
Investment Rate of Return:
Healthcare Trend Rates:

Projected Unit Credit
4.00% per annum

Year	Medical	Dental
FY 2008	11.0%	8.0%
FY 2009	10.0%	7.5%
FY 2010	9.0%	7.0%
FY 2011	8.0%	6.5%
FY 2012	7.0%	6.0%
FY 2013	6.0%	5.5%
FY 2014	5.0%	5.0%
FY 2015 +	5.0%	5.0%

General Inflation Assumption: 2.50% per annum
Annual Compensation Increases: 3.00% per annum
Actuarial Value of Assets: Market Value
Amortization of UAAL: Level dollar amortization over 30 years at the last valuation
Remaining Amortization Period: 24 years at July 1, 2014

Impact of Section 9A1/2 of M.G.L. Section 32B

For employees who retire on or after January 1, 2011, whenever a retired employee or beneficiary receives a healthcare premium contribution from a government unit in a case where a portion of the retiree's creditable service is attributable to service in 1 or more other governmental units, the first governmental unit shall be reimbursed in full, in accordance with this paragraph, by the other governmental units for the portion of the premium contributions that corresponds to the percentage of the retiree's creditable service that is attributable to each governmental unit. The other governmental units shall be charged based on their own contribution rate or the contribution rate of the first employer, whichever is lower.

SEEM Collaborative

Notes to Financial Statements

June 30, 2015

NOTE E – RETIREMENT HEALTH BENEFITS *(continued)*

For purposes of the valuation the Collaborative has not attempted to value the impact of prior governmental service at other entities in the State of Massachusetts for current employees of the SEEM Collaborative nor has the Collaborative attempted to value the impact of prior SEEM Collaborative employees currently working at other governmental entities in the State of Massachusetts.

Recognition of OPEB trust assets

The State of Massachusetts has recently passed legislation allowing municipal entities to establish a trust for Other Than Postemployment Benefits (“OPEB”) under M.G.L. Chapter 32B, Section 20 for purposes of accumulating assets to prefund the liabilities under GASB Statement No. 45. The Collaborative has not established an irrevocable trust for the purposes of prefunding liabilities under GASB Statement No. 45.

Remaining Amortization Bases

The initial Actuarial Accrued Liability as of the date GASB Statement No. 45 was adopted is amortized as a component of the Annual Required Contribution (“ARC”). The Unfunded Actuarial Accrued Liability at transition was amortized over a 30 year period and a flat dollar amortization of the Unfunded Actuarial Accrued Liability at transition. For years subsequent to the initial adoption of GASB Statement No. 45, cumulative gains/losses are amortized on a level dollar basis over a 30 year period. Gains and losses arise from experience and contribution deficiencies and excess contributions in relation to each year’s ARC under GASB Statement No. 45.

As described in Note F, the Board of Directors has designated \$518,026 as of June 30, 2015, for future retiree health benefits.

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

Under the Patient Protection and Affordable Care Act (“PPACA”), an excise tax will be imposed for tax years beginning after December 31, 2017 for high cost employer sponsored health coverage. The law specified a 40% excise tax to be paid by the provider of such coverage of the excess value beyond a basic dollar amount plus an additional “kicker” for qualified retirees or those engaged in a high risk profession. The basic dollar amount for 2018 is \$10,200 for single coverage and \$27,500 for family coverage and the “kicker” amount for 2018 is \$1,650 for single coverage and \$3,450 for family coverage.

The excise tax liability will vary significantly over time as it is highly leveraged with the basic amount increased with general CPI and medical costs increasing with medical trend (generally higher). For purposes of the fiscal year ending June 30, 2015, the APBO for the excise tax is \$991 and the increase in annual OPEB Cost is \$425. As more regulatory guidance becomes available, the calculation of the excise tax liability will evolve.

NOTE F – BOARD DESIGNATED FUNDS

As of June 30, 2015, the Board of Directors of the Collaborative has designated \$518,026 for retiree health benefits described in Note E.

SEEM Collaborative
Notes to Financial Statements
June 30, 2015

NOTE G – DISCLOSURES REQUIRED UNDER MASSACHUSETTS GENERAL LAW c.40 § 4E

The five highest paid employees of the Collaborative during fiscal 2015 were as follows:

Name	Title	Fiscal 2015 Salary
Catherine Lawson	Executive Director	\$148,071
Gregory Zammuto	Director of Finance and Operations	\$120,813
Ryan Snyder	Supervisor of Behavioral Services	\$103,892
Margery Lerner	Applied Behavior Analyst	\$101,751
David Farwell	Program Director	\$ 98,718
Jennifer Thornton	Principal	\$ 98,718

The first four employees listed above were employed by the Collaborative under 12 month contracts and the last two employees listed above were employed by the Collaborative under 11 month contracts.

The duties of the individuals listed above include:

Executive Director - The executive director is the professional leader of the Collaborative and as such shall be responsible for all matters of decision and administration which come within the scope as executive officer.

Director of Finance and Operations - Ensures the Collaborative's overall financial integrity, stability and best practices in all financial management operations.

Supervisor of Behavioral Services - Provides leadership, supervision and oversight of the consultative BCBA department and the Program based BCBA staff

Applied Behavior Analyst - Provides services for students who present with a wide range of intellectual and emotional disabilities as part of the consultative BCBA department.

Program Principal/Director - Assumes full administrative responsibilities for the operation, maintenance, and climate of their school or program.

Over 21 Program

The Collaborative does not provide services to individuals over age 21.

Administrative Costs

Total administrative costs incurred by the Collaborative totaled \$1,356,601 for the year ended June 30, 2015. Administrative expenses 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.

SEEM Collaborative
Notes to Financial Statements
June 30, 2015

NOTE G – DISCLOSURES REQUIRED UNDER MASSACHUSETTS GENERAL LAW c.40 § 4E
(continued)

Accounts Held on Behalf of Others

As of June 30, 2015, the Collaborative does not hold any accounts on behalf of others.

Related Party Transactions

Leases of space from member districts are described in Note B to the financial statements.

Real Property Transactions

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

SEEM Collaborative
 Required Supplementary Information
 June 30, 2015

Schedule of Funding Progress - Other Postemployment Benefits

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
7/1/2011	\$0	\$5,551,610	\$5,551,610	0.0%	\$9,017,000	61.6%
7/1/2012	\$444,475	\$5,794,670	\$5,350,195	7.7%	\$10,911,104	53.1%
7/1/2013	\$462,254	\$6,772,485	\$6,310,231	6.8%	\$11,238,437	60.3%
7/1/2014	\$466,060	\$7,235,436	\$6,769,376	6.4%	\$12,127,698	55.8%
7/1/2015 (est.)	\$536,254	\$8,322,182	\$7,785,928	6.4%	\$12,491,529	62.3%
7/1/2016 (est.)	\$557,704	\$9,556,357	\$8,998,532	5.8%	\$12,866,275	69.9%

See independent auditor's report.

SEEM Collaborative
Statement of Revenues and Expenses
Budget and Actual
For the year ended June 30, 2015

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Revenues and Other Support:			
Services and other program revenues - SEEM Programs	\$ 17,869,573	\$ 18,835,823	\$ 966,250
Services and other program revenues -Transportation	7,200,000	8,058,997	858,997
Member fees	55,000	55,000	-
Interest	5,000	1,809	(3,191)
Retirement systems' on-behalf payments	-	1,660,949	1,660,949
	<u>25,129,573</u>	<u>28,612,578</u>	<u>3,483,005</u>
Expenses:			
Payroll and related expenses	15,608,645	15,586,730	21,915
Administration	403,363	364,136	39,227
Transportation	6,984,000	7,814,010	(830,010)
All other expenses	2,096,762	2,672,950	(576,188)
Increase in net retirement health benefit obligation	-	921,626	(921,626)
Retirement systems' on-behalf payments	-	1,660,949	(1,660,949)
	<u>25,092,770</u>	<u>29,020,401</u>	<u>(3,927,631)</u>
Excess (deficit) of revenue over expenses	<u>\$ 36,803</u>	<u>\$ (407,823)</u>	<u>\$ (444,626)</u>

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
SEEM Collaborative
Stoneham, 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 SEEM Collaborative (a collaborative organized under the Laws of the Commonwealth of Massachusetts), which comprise the statement of net position as of June 30, 2015, and the related statements of revenues, expenses, and changes in net position, revenues and functional expense, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 16, 2015.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Certified Public Accountants

Newburyport, Massachusetts

November 16, 2015

November 16, 2015

Fritz DeGuglielmo LLC
8 Essex Street
Newburyport, Massachusetts 01950

This representation letter is provided in connection with your audit of the financial statements of SEEM Collaborative, which comprise the statement of net position as of June 30, 2015, and the related statements of revenues, expenses, and changes in net position, revenues and functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of November 16, 2015, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated September 1, 2015, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter.

- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the Collaborative is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

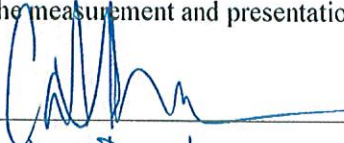
- 11) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters, and all audit or relevant monitoring reports, if any, received from funding sources.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 18) We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

Government—Specific

- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 21) The Collaborative has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 22) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.
- 23) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.

- 24) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 25) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 26) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 27) As part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
- 28) The Collaborative has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 29) The Collaborative has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 30) We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
- 31) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 32) The financial statements properly classify all funds and activities, in accordance with [GASB Statement No. 34](#).
- 33) All funds that meet the quantitative criteria in [GASB Statement Nos. 34](#) and [37](#) for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 34) Components of net position (net investment in capital assets; restricted; and unrestricted) and components of fund balance (nonspendable and restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 35) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- 36) Provisions for uncollectible receivables have been properly identified and recorded.
- 37) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 38) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 39) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 40) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 41) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 42) We have appropriately disclosed the SEEM Collaborative's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 43) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.

44) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

Signature: 

Title: Executive Director

Signature: 

Title: Director of Finance and Operations

SEEM

COLLABORATIVE

Creating Successful Futures...

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ACCEPTANCE OF THE BOARD OF DIRECTORS

We, the Board of Directors of the SEEM 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, 2015.

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, 2015.



Board President

12/18/15

Date