

**SOUTH COAST EDUCATIONAL
COLLABORATIVE**

BASIC FINANCIAL STATEMENTS
AND
MANAGEMENT'S DISCUSSION AND ANALYSIS
TOGETHER WITH INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

SOUTH COAST EDUCATIONAL COLLABORATIVE

TABLE OF CONTENTS

JUNE 30, 2012

	Page No.
INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	2 - 4
FINANCIAL STATEMENTS:	
Statements of Net Assets	5
Statements of Activity and Changes in Net Assets	6
Statements of Cash Flows	7
Notes to Financial Statements	8 - 15
INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION	17
SUPPLEMENTARY INFORMATION	18 - 30
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	32



PAVENTO, RATCLIFFE,
RENZI & CO., LLC

Business Advisors
Certified Public Accountants

To the Board of Directors
South Coast Educational Collaborative
Swansea, Massachusetts

Independent Auditors' Report

We have audited the accompanying statements of net assets of South Coast Educational Collaborative (a quasi-governmental organization) as of June 30, 2012 and 2011, and the related statements of activity and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of South Coast Educational Collaborative as of June 30, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 14, 2012 on our consideration of South Coast Educational 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 2 through 4 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statement in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental 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 response 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.

September 14, 2012

Pavento, Ratcliffe, Renzi & Co. LLC

SOUTH COAST EDUCATIONAL COLLABORATIVE

MANAGEMENT'S DISCUSSION & ANALYSIS

YEAR ENDED JUNE 30, 2012

The following discussion and analysis of the South Coast Educational Collaborative's (the Collaborative) financial performance provides an overview of the Collaborative's financial activities for the fiscal year ended June 30, 2012 and summarized comparative information for 2011. Please read it in conjunction with the Collaborative's financial statements which begin on page 5.

The Collaborative as a Whole

The Collaborative provides educational programs and services, which primarily serve the low-incidence special needs of children and adults (aged three through twenty-two). In addition, the Collaborative provides professional development programs and services that enhance education improvement and leadership. Provision of services is confined to public school systems in the Southeastern Massachusetts and Rhode Island regions. The Collaborative is supported through tuitions and fees for clinical services from contracting municipalities. The Collaborative is governed by a six member Board of Directors consisting of one representative from each member district.

Using This Annual Report

This annual report consists of a series of financial statements. In accordance with *Governmental Accounting Standards Board Statement No. 34 Basic Financial Statement – Management's Discussion and Analysis - for State and Local Governments* (GASB 34), the Collaborative is considered a special purpose quasi-government entity that engages in only business type activities. All of the financial activity of the Collaborative is recorded in an enterprise fund within the proprietary fund group. In accordance with GASB No. 34 the School issues a *Statement of Net Assets, Statement of Revenues, Expenses and Changes in Net Assets* and a *Statement of Cash Flows*. These statements provide information about the financial activities of the Collaborative, as a whole. This annual report also contains notes to the financial statements which provide additional information that is essential to a full understanding of the information provided in the basic financial statements.

Overview of the Financial Statements

The *Statement of Net Assets* presents the assets, liabilities and net assets of the Collaborative as a whole, as of the end of the fiscal year. The *Statement of Net Assets* is a point-in-time financial statement. The purpose of this statement is to present a fiscal snapshot of the Collaborative to the readers of the financial statements. The *Statement of Net Assets* includes year-end information concerning current and non-current assets, current and non-current liabilities, and net assets. Net assets represent the difference between assets and liabilities. Net assets are displayed in three components, *invested in capital assets net of related debt*, *restricted net assets* and *unrestricted net assets*. *Net assets invested in capital assets net of related debt* consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, contributors, or government laws or regulations of other governments. Unrestricted net assets represent all other net assets that do not meet the definition of *restricted or invested in capital assets net of related debt*. Over time, readers of the financial statements will be able to evaluate the Collaborative's fiscal health (liquidity and solvency) or financial position by analyzing the increases and decreases in net assets to determine if the Collaborative's financial health is improving or deteriorating. The reader will also need to consider other non-financial factors such as changes in economic conditions and new or amended collaborative legislation when evaluating the overall financial health of the Collaborative.

SOUTH COAST EDUCATIONAL COLLABORATIVE

MANAGEMENT'S DISCUSSION & ANALYSIS

YEAR ENDED JUNE 30, 2012

Overview of the Financial Statements (continued)

This statement is also a good source for readers to determine how much the Collaborative owes to vendors and creditors and the available assets that can be used to satisfy those liabilities.

The *Statement of Activity and Changes in Net Assets* reports the financial (revenue and expense) activities of the Collaborative and divides it into two categories: *Operating activities* and *Non-operating activities*. Operating activities include all financial activities associated with the operation of the Collaborative and its related programs. Changes in total net assets as presented on the *Statement of Net Assets* are based on the activity presented in this statement. This statement helps to determine whether the Collaborative had sufficient revenues to cover expenses during the year and its net increase or decrease in net assets based on current year operations.

The *Statement of Cash Flows* provides information about the Collaborative's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from *operations, investing, and capital and noncapital financing activities* and provides answers to such questions as "from where did cash come?," "for what was cash used?," and "what was the change in the cash balance during the reporting period?" This statement also is an important tool in helping users assess 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.

Financial Highlights

The following financial highlights are for the fiscal year 2012 with comparative information from fiscal year 2011.

All net assets are unrestricted and may be used to meet the Collaborative's ongoing obligations to its participants and creditors.

	June 30, 2012	June 30, 2011
Current assets, i.e. cash, accounts receivable and prepaid expenses	\$4,278,541	\$4,489,462
Capital assets	<u>1,097,141</u>	<u>1,108,462</u>
Total assets	<u>\$5,375,682</u>	<u>\$5,597,924</u>
Current liabilities, i.e. accounts payable, accrued expenses, debt, and unearned income	\$2,108,799	\$2,066,716
Non-current liabilities	<u>9,270</u>	<u>-</u>
Total liabilities	<u>\$2,118,069</u>	<u>\$2,066,716</u>
Net assets:		
Invested in capital assets, net of related debt	\$1,080,871	\$1,108,462
Restricted	-	-
Unrestricted	<u>2,176,742</u>	<u>2,422,746</u>
Total net assets	<u>\$3,257,613</u>	<u>\$ 3,531,208</u>

SOUTH COAST EDUCATIONAL COLLABORATIVE

MANAGEMENT'S DISCUSSION & ANALYSIS

YEAR ENDED JUNE 30, 2012

Financial Highlights (Continued)

As indicated in the following chart, net assets decreased by \$273,595 during the current fiscal year.

	Year ended June 30, 2012	Year ended June 30, 2011	% Change
Total operating revenues	\$15,000,263	\$14,132,432	+6.1%
Total operating expenses	<u>15,273,858</u>	<u>14,454,813</u>	+5.7%
Change in net assets	<u>\$ (273,595)</u>	<u>\$ (322,381)</u>	

Requests for Information

This financial report is designed to provide a general overview of the Collaborative's finances for all those with an interest in the Collaborative's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Office of the Collaborative.

SOUTH COAST EDUCATIONAL COLLABORATIVE

STATEMENTS OF NET ASSETS - JUNE 30, 2012 AND 2011

	ASSETS	2012	2011
CURRENT ASSETS:			
Cash and cash equivalents		\$2,208,882	\$2,039,482
Accounts receivable		1,853,475	2,268,295
Prepaid expenses		<u>216,184</u>	<u>181,685</u>
Total current assets		<u>4,278,541</u>	<u>4,489,462</u>
CAPITAL ASSETS			
Total assets		<u>\$5,375,682</u>	<u>\$5,597,924</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES:			
Accounts payable and accrued expenses		\$ 888,739	\$ 827,555
Current portion of long-term debt		7,000	-
Unearned revenue		<u>1,213,060</u>	<u>1,239,161</u>
Total current liabilities		<u>2,108,799</u>	<u>2,066,716</u>
LONG-TERM DEBT			
		<u>9,270</u>	-
		2,118,069	2,066,716
NET ASSETS:			
Investment in capital assets, net of related debt		1,080,871	1,108,462
Unrestricted		<u>2,176,742</u>	<u>2,422,746</u>
Total net assets		<u>3,257,613</u>	<u>3,531,208</u>
Total liabilities and net assets		<u>\$5,375,682</u>	<u>\$5,597,924</u>

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

SOUTH COAST EDUCATIONAL COLLABORATIVE

STATEMENTS OF ACTIVITY AND CHANGES IN NET ASSETS

FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

	2012	2011
UNRESTRICTED NET ASSETS:		
Unrestricted support and revenue:		
Direct service and administrative	\$14,655,930	\$13,957,315
Intergovernmental revenue	340,114	169,220
Interest income	<u>4,219</u>	<u>5,897</u>
Total unrestricted support and revenue	<u>15,000,263</u>	<u>14,132,432</u>
OPERATING EXPENSES:		
Administrative expenses	1,917,082	1,956,741
Intergovernmental expense	340,114	169,220
Program expenses	<u>13,016,662</u>	<u>12,328,852</u>
Total expenses	<u>15,273,858</u>	<u>14,454,813</u>
Increase (decrease) in unrestricted net assets	<u>(273,595)</u>	<u>(322,381)</u>
Increase (decrease) in net assets	(273,595)	(322,381)
NET ASSETS, BEGINNING OF YEAR	<u>3,531,208</u>	<u>3,853,589</u>
NET ASSETS, END OF YEAR	<u>\$ 3,257,613</u>	<u>\$ 3,531,208</u>

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

SOUTH COAST EDUCATIONAL COLLABORATIVE

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ (273,595)	\$ (322,381)
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities-		
Depreciation	65,188	56,725
Amortization	2,759	27,329
(Increase) decrease in current assets-		
Accounts receivable	414,820	(643,138)
Prepaid expenses	(34,499)	(8,533)
Increase (decrease) in current liabilities-		
Accounts payable and accrued expenses	61,184	299,454
Unearned revenue	<u>(26,101)</u>	<u>416,203</u>
Net cash provided (used) by operating activities	<u>209,757</u>	<u>(174,341)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of land, equipment, and structures	<u>(35,394)</u>	<u>(62,068)</u>
Net cash used by investing activities	<u>(35,394)</u>	<u>(62,068)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on note payable	<u>(4,962)</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH	169,400	(236,409)
CASH AT BEGINNING OF YEAR	<u>2,039,482</u>	<u>2,275,891</u>
CASH AT END OF YEAR	<u>\$2,208,882</u>	<u>\$2,039,482</u>

SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING & FINANCING ACTIVITY:

During the fiscal year ended June 30, 2012, the Collaborative purchased a van financed by a note payable in the amount of \$21,232. The amount is included in fixed assets and liabilities as of June 30, 2012.

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

SOUTH COAST EDUCATIONAL COLLABORATIVE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

(1) NATURE OF ORGANIZATION

South Coast Educational Collaborative provides educational programs and services, which primarily serve the low-incidence special needs of children and adults (aged three through twenty-two). In addition, the Collaborative provides professional development programs and services that enhance education improvement and leadership. Provision of services is confined to public school systems in the Southeastern Massachusetts and Rhode Island regions.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) *Basis of Presentation*

The Collaborative, in accordance with *Governmental Accounting Standards Board (GASB) Statement No. 34 - Basic Financial Statement – and Management's Discussion and Analysis - for State and Local Governments*, is considered a special purpose quasi-governmental entity that engages in only business type activities and is not a component unit of another governmental entity. Therefore, the financial statements are prepared using the accrual basis of accounting and all of the activity is recorded in the enterprise fund. The accompanying financial statements have been prepared on the accrual basis of accounting. The accrual basis of accounting is used for all governmental entities that operate as business type entities. Accordingly, revenue is recognized when earned and capital assets and expenditures are recorded when received and incurred, respectively.

Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, the Collaborative has elected to apply the provisions of all relevant pronouncements of Financial Accounting Standards Board (FASB) that do not conflict with or contradict GASB pronouncements.

The Collaborative reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Under these provisions, net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Collaborative and changes therein may be classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Collaborative and/or the passage of time.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Collaborative.

SOUTH COAST EDUCATIONAL COLLABORATIVE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

(Continued)

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Contributions

The Collaborative recognizes all contributed support as revenue when it is received or unconditionally pledged. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

(c) Cash and Cash Equivalents

For purposes of the statement of cash flows, the Collaborative considers all unrestricted highly- liquid investments with an initial maturity of three months or less to be cash equivalents.

(d) Accounts Receivable

Trade accounts receivable consist of amounts due from municipalities for program services. As such, no allowance for doubtful accounts is deemed necessary.

(e) Capital Assets

Property and equipment are recorded at cost, if purchased or at fair market value at the date of donation. Capital assets with a cost or value greater than \$5,000 are capitalized. Depreciation is computed on the straight-line basis over the estimated useful life of the asset.

(f) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(g) Fair Value of Financial Instruments

The Collaborative's financial instruments, none of which are held for trading purposes, include cash and cash equivalents and accounts receivable. The Collaborative estimates that the fair value of all financial instruments at June 30, 2012 and 2011 does not differ materially from the aggregate carrying value of its financial instruments recorded in the accompanying financial statements.

SOUTH COAST EDUCATIONAL COLLABORATIVE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

(Continued)

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Budgets

Governmental Accounting Standards Board Statement No. 34 requires the presentation of actual results compared to legally adopted budgets. The Collaborative is not legally required to adopt a budget; therefore a budgetary presentation is not presented.

(3) TAX STATUS

South Coast Educational Collaborative is established as a quasi-governmental organization under Massachusetts General Law Chapter 40, Section 4E and is, therefore, generally exempt from income taxes under §115 of the Internal Revenue Code.

(4) CAPITAL ASSETS

Depreciation is computed on the straight-line basis using estimated useful lives as follows:

Computers	3 years
Office Equipment	5 years
Vehicles	5 years
Office Furniture	7 years
Leasehold Improvements	Useful life or life of lease, whichever is less
Building Improvements	20 years
Building	40 years

SOUTH COAST EDUCATIONAL COLLABORATIVE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

(Continued)

(4) CAPITAL ASSETS (continued)

Changes in capital assets during fiscal years 2012 and 2011 are as follows:

	Balance June 30, 2010	Additions	Balance June 30, 2011	Additions	Balance June 30, 2012
Capital assets:					
Land	\$ 437,400	\$ -	\$ 437,400	\$ -	\$ 437,400
Building & improvements	1,036,116	35,000	1,071,116	21,907	1,093,023
Leasehold improvements	446,297	27,068	473,365	-	473,365
Vans	-	-	-	34,719	34,719
Total capital assets	<u>1,919,813</u>	<u>62,068</u>	<u>1,981,881</u>	<u>56,626</u>	<u>2,038,507</u>
Less accumulated depreciation:					
Land	-	-	-	-	-
Building & improvements	380,160	56,725	436,885	60,165	497,050
Leasehold improvements	409,205	27,329	436,534	2,759	439,293
Vans	-	-	-	5,023	5,023
Total accumulated depreciation	<u>789,365</u>	<u>84,054</u>	<u>873,419</u>	<u>67,947</u>	<u>941,366</u>
Capital assets, net	<u>\$1,130,448</u>	<u>\$(21,986)</u>	<u>\$1,108,462</u>	<u>\$(11,321)</u>	<u>\$1,097,141</u>

Depreciation and amortization expense for the years ended June 30, 2012 and 2011 was \$67,947 and \$84,054, respectively.

(5) RETIREMENT BENEFIT PLAN

Most employees of the Collaborative are covered by either the Massachusetts Teachers' Retirement System (MTRS) or the Commonwealth of Massachusetts Employee's Retirement System (CMERS) depending on their employment position. The Commonwealth of Massachusetts made additional contributions to the Massachusetts Teachers Retirement Board on behalf of retired Collaborative employees of \$340,114 and \$169,220 for fiscal years ending June 30, 2012 and 2011, respectively.

Massachusetts Teachers' Retirement System (MTRS) -

MTRS is a cost sharing public teachers retirement system covering all persons employed in certified positions on at least a half-time basis. The Commonwealth is required to make actuarially determined contributions that maintain the financial integrity of the retirement system. Participants are required to contribute amounts ranging from 5% to 11% of their salary depending on plan entry date. Benefits vest after 10 years of qualified employment. Participants may receive retirement benefits at any age after 20 years of service, or at age 55 or over after 10 years of service.

Commonwealth of Massachusetts Employees' Retirement System (CMERS) -

CMERS is a cost sharing public employees retirement system covering all persons employed in public

SOUTH COAST EDUCATIONAL COLLABORATIVE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

(Continued)

(5) RETIREMENT BENEFIT PLAN (Continued)

positions (other than those participating in the MTRS above) on a full-time (37 ½ hours per week) basis. Participants are required to contribute amounts ranging from 5% to 11% of their gross earnings depending on plan entry date. The Collaborative is required to contribute 7.8% of eligible employee gross earnings. Benefits vest after 10 years of employment. Participants may receive retirement benefits at any age after 20 years of service, or at age 55 or over after 10 years of service. Contributions by the Collaborative to the retirement system for the years ended June 30, 2012 and 2011 totaled \$320,666 and \$279,049, respectively.

(6) COMMITMENTS AND CONTINGENCIES

(a) *Operating Leases*

The Collaborative leases classroom and administrative space from various member and non-member school districts. Some of the arrangements are on a tenant-at-will basis and others are based on non-cancelable lease agreements with the district school committees ranging from 3 to 10 years. Included in these agreements are termination clauses providing for cancellation of the lease on the part of the school committee should the leased space become necessary for the school district's educational programs. The cancellation clauses include provisions for proper notice to the Collaborative. All lease agreements include annual renewal provisions.

Rent expense relating to all property leases totaled \$576,561 and \$487,249 for fiscal years ending June 30, 2012 and 2011, respectively.

The Collaborative also leases vehicles and office equipment under operating leases. Several of the vehicles under lease agreement were purchased during fiscal year 2010 through financing agreements with terms of 36 months and interest rates ranging from 5.71% to 6.31%. For consistency, the Collaborative continues to account for these lease-purchases as lease payments. The annual obligation is included in the minimum future rental payment schedule below.

Minimum future rental payments under all operating leases for each of the next five years and in the aggregate are:

Year Ending June 30,	Amount
2013	\$ 414,024
2014	420,842
2015	265,801
2016	250,574
2017	258,091
Thereafter	<u>821,666</u>
	<u>\$2,430,998</u>

SOUTH COAST EDUCATIONAL COLLABORATIVE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

(Continued)

(6) COMMITMENTS AND CONTINGENCIES (Continued)

(b) Employment Contract

The Collaborative has an employment contract with a key employee, which expires on June 30, 2016.

(7) ACCRUED SICK PAY BENEFITS

The Collaborative allows employees to accrue sick pay benefits from year to year. The maximum allowable accrued sick pay benefit is 130 days for eligible employees. In addition to illness, employees can use their accumulated sick time to receive a lump sum severance benefit, upon retirement or death. An employee who has worked 12 or more consecutive years for the Collaborative is eligible for the lump sum severance benefit. The benefit is equal to 35% of an employee's daily rate multiplied by the total sick days accumulated upon the day of retirement or death.

The maximum payment per employee is \$5,000 at June 30, 2012 and June 30, 2011. As of June 30, 2012 and 2011, the Collaborative had an estimated liability of \$146,730 and \$140,497, respectively, relating to the lump sum benefit. These amounts are included in accrued expenses in the financial statements.

(8) UNEARNED REVENUE

Unearned revenue consists of advance billings for tuition; i.e. billings for summer school are typically done prior to June 30 of any given fiscal year. When this occurs, an entry is made to accounts receivable and the offsetting entry is to deferred revenue rather than current revenue. A comparison of accounts receivable net of the deferred revenue portion as of June 30 is as follows:

	2012	2011
Accounts receivable	\$1,853,475	\$2,268,295
Less - unearned revenue included in receivables	1,213,060	1,239,161
Accounts receivable on services provided as of June 30	<u>\$ 640,415</u>	<u>\$1,029,134</u>

(9) LINE OF CREDIT

The Collaborative has a \$500,000 line of credit. The obligation is secured by the Collaborative's accounts receivable and fixtures. The loan agreement contains certain restrictive covenants. Interest is payable at the Bank's Prime Rate plus .75 percentage points. The line of credit can be terminated at the discretion of the lender. No balance was outstanding at June 30, 2012 or 2011.

SOUTH COAST EDUCATIONAL COLLABORATIVE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

(Continued)

(10) DEBT

Debt consists of a note payable secured by a van, due in monthly installments of principle and interest of \$644.95. The note matures on September 21, 2014. The interest rate is 5.9%. The debt is scheduled to mature as follows:

Year Ending June 30:

2013	\$ 7,000
2014	7,400
2015	<u>1,870</u>
	<u>\$16,270</u>

(11) CONCENTRATIONS

(a) Cash and Cash Equivalents

The Collaborative maintains its funds in a combination of federally insured banks and the Massachusetts Municipal Depository Trust, an investment fund offered by the State Treasurer's office to agencies, authorities, commissions, boards, cities and towns and other public units within the Commonwealth.

Amounts invested in the Massachusetts Municipal Depository Trust totaled \$9,286 and \$408,943 as of June 30, 2012 and 2011, respectively. According to published investment policies and restrictions, although uninsured, the Trust will invest in only high quality and primarily short-term investments.

The Collaborative maintains some cash in bank deposit accounts at a highly rated financial institution. Balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2012 and 2011, the Collaborative's uninsured cash balances totaled \$2,353,855 and \$1,718,358, respectively.

(b) Employees

Approximately 94% of the Collaborative's employees are members of a collective bargaining union. The Collaborative's contract with the union was renegotiated during 2011 and will be in place until 2014.

(12) RETIREE HEALTH INSURANCE

Effective July 1, 1999, the Collaborative adopted a policy to offer health benefits to eligible retirees. This policy is at the sole discretion of the Board of Directors and, therefore, encompasses no liability on the part of the Collaborative.

SOUTH COAST EDUCATIONAL COLLABORATIVE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

(Continued)

(13) DESIGNATED UNRESTRICTED NET ASSETS

In June of 2004 the Board of Directors of the Collaborative voted to designate \$600,000 of unrestricted net assets to a capital improvements fund.

(14) RELATED PARTY ACTIVITY

During fiscal year 2012, a relative of a board member was hired by the Collaborative. The board member recused himself from the vote.

(15) SUBSEQUENT EVENTS

The company evaluated subsequent events through September 14, 2012, which is the date the financial statements were available to be issued.

(16) RECLASSIFICATIONS

Certain amounts in the 2011 financial statements have been reclassified to conform to the 2012 presentation.

SOUTH COAST EDUCATIONAL COLLABORATIVE

SUPPLEMENTARY INFORMATION
JUNE 30, 2012



**PAVENTO, RATCLIFFE,
RENZI & CO., LLC**

**Business Advisors
Certified Public Accountants**

To the Board of Directors
South Coast Educational Collaborative
Swansea, Massachusetts

Our report on our audit of the basic financial statements of South Coast Educational Collaborative for the years ended June 30, 2012 and 2011 appears on page one. That audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information contained in the Schedule of Most Highly Compensated Employees is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Pavento, Ratcliffe, Renzi + Co. LLC

September 14, 2012

SOUTH COAST EDUCATIONAL COLLABORATIVE

SCHEDULE OF MOST HIGHLY COMPENSATED EMPLOYEES

FOR THE YEAR ENDED JUNE 30, 2012

**Name: David R. Heimbecker, Ed.D., Ed.S, C.A.G.S., MA, M.Ed.
Executive Director**

MA DESE Licenses:

Superintendent/Assistant Superintendent, All Levels
Special Education Administrator, All Levels
Supervisor/Director – Pupil Personnel Services, All Levels
School Psychologist, All Levels
Principal/Assistant Principal, 5-9
Principal/Assistant Principal, PreK-6

Duties:

- Reports to the South Coast Collaborative Board of Directors and carries out policies and procedures as set forth by the Board
- Meets on a regular basis with the Board of Directors and Special Educational Administrators regarding the development and implementation of existing and potential programs
- Makes recommendations to the Board of Directors concerning administration, personnel and program development issues
- Provides periodic reports to the Board of Directors regarding the development, implementation and administration of policies, procedures, services and management
- Oversees referral process of potential students, development or individual behavior programs and IEP's; monitors and reviews progress reports and other student-centered reports
- Establishes, coordinates and administers all services and functions of the Collaborative.
- Plans programs for future expansion or elimination
- Oversees curriculum development, classroom management evaluation, testing, space utilization, technical assistance, and program management
- Oversees the selection, acquisition and evaluation of educational materials, supplies and equipment
- Conducts various needs assessments to determine needs and interests of participating districts as well as Collaborative staff
- Oversees the screening, interviewing, and selection of personnel to be recommended to the Board of Directors
- In conjunction with senior staff, establishes policies and procedures for evaluation of staff and programs, and encourages all staff in active participation in professional development

SOUTH COAST EDUCATIONAL COLLABORATIVE

SCHEDULE OF MOST HIGHLY COMPENSATED EMPLOYEES

FOR THE YEAR ENDED JUNE 30, 2012

(Continued)

**Name: David R. Heimbecker, Ed.D., Ed.S, C.A.G.S., MA, M.Ed.
Executive Director**

Duties (Continued):

- Ensures that a supportive and professional climate is developed and maintained to attain objectives of the Collaborative
- Participates in the development and dissemination of information on services to member and non-member districts, parents, and the community
- Represents the agency at various conferences and meetings
- Serve as advisor and consultant to participating school systems and other entities
- When requested, coaches individual members of the Board of Directors
- Responsible for budget preparation and administration, including cash flow management, billing, revenues and expenditures with proper submission to the Board of Directors
- Oversees additional sources of funding and development of grant applications for such funding
- Monitors all grants and contracts with outside agencies
- Oversees all fiscal operations and purchasing functions
- Supervises all administrative, business and legal functions of the Collaborative
- Oversees the maintenance of complete operational records for all Collaborative functions
- Prepares various statistical and special reports for the Board of Directors and State and Federal agencies as needed
- Oversees all maintenance operations of Collaborative facilities, including planning for ongoing space needs
- May perform other duties as directed by the Board of Directors

Contracted Compensation: \$148,029

SOUTH COAST EDUCATIONAL COLLABORATIVE

SCHEDULE OF MOST HIGHLY COMPENSATED EMPLOYEES

FOR THE YEAR ENDED JUNE 30, 2012

(Continued)

**Name: Michael Novick, Ed.S., MS, M.Ed.
Senior Leadership Team Member for Transition and Operational Services**

MA DESE Licenses:

Special Education Administrator, All Levels
Vocational/Technical Supervisor/Director, 9-14
Special Needs, N-9
Health and Physical Education, K-12

Duties:

- Reports directly to the Executive Director
- Coordinates age appropriate transition assessment for all South coast Students age 14 and above, as well as referred students from participating school districts
- Maintains up to date knowledge base on federal Law "IDEA" as it relates to educational services in Massachusetts and the students serviced at South Coast Collaborative
- Researches curriculum and instruction in transition related subjects and coordinates its implementation in South Coast Collaborative programs
- Develops community partnerships with area businesses and services
- Develops community based instruction opportunities and facilitates participation of South Coast Collaborative students
- Provides professional development in the "Massachusetts Work Based Learning Plan" and facilitates its incorporation into student employment training
- Ensures compliance with the federal Fair Labor Standards act as it relates to the inclusion of students in work-based settings
- Provides professional development in the Massachusetts Child protection act and ensures compliance with it as it relates to student placement in community settings
- Provides professional development and support in the implementation of federal Indicator 13 data collection mandates, including procedural elements in IEP development as well as curriculum and instructional elements
- Serves as liaison to area community colleges and post-secondary education institutions
- Serves as liaison to the area Workforce Investment Board
- Serves as liaison to local Chambers of commerce and civic organizations
- Provides professional development and alignment of the newly emerging Common Career State Standards into the curriculum alignment efforts relating to the State frameworks and the Common Core
- Provides professional development in OSHA requirements as they relate to vocational instruction for students at South Coast Collaborative

SOUTH COAST EDUCATIONAL COLLABORATIVE

SCHEDULE OF MOST HIGHLY COMPENSATED EMPLOYEES

FOR THE YEAR ENDED JUNE 30, 2012

(Continued)

**Name: Michael Novick, Ed.S., MS, M.Ed.
Senior Leadership Team Member for Transition and Operational Services**

Duties (Continued):

- Coordinates transportation services for students ;
 - A) Coordinates the maintenance for all collaborative vehicles
 - B) Develops procurement procedures for any new vehicle acquisitions
 - C) Serves as representative for South Coast Collaborative with the Massachusetts Pupil Transport Association
 - D) Coordinates professional development for South Coast employees in relation to 7-D requirements and related statutory requirements from the Department of Transportation
 - E) Manages and oversees of the collaborates use of the state fuel contract
- Coordinates energy purchasing for South Coast Collaborative as its representative in the Southeast Municipal Energy Purchasing Group
- Coordinates Telecommunication service within South Coast Collaborative including;
 - A) Facilitating the enrollment of South Coast Collaborative in the Massachusetts wireless phone contract and monitoring the executed contract
 - B) Coordinating wireless communication rollout within the Collaborative
 - C) Coordinating landline needs and working with appropriates servicers and vendors to maintain a robust telecom system
- Coordinates compliance with all relevant municipal authorities as it relates to fire department regulations, building department regulations, health department regulations
- Coordinates compliance with all relevant state authorities as it relates to Water quality, elevator inspections, AHERA (asbestos) inspections, IPM (integrated pest management) protocols and any related issues that may be directed to the Collaborative by relevant authorities
- Oversees the security contracts for fire alarm, burglar alarm and sprinkler services and coordinates relevant documentation for compliance with local authorities
- May perform other duties as directed by the Executive Director.

Contracted Compensation: \$108,904

SOUTH COAST EDUCATIONAL COLLABORATIVE

SCHEDULE OF MOST HIGHLY COMPENSATED EMPLOYEES

FOR THE YEAR ENDED JUNE 30, 2012

(Continued)

**Name: Donna Cranshaw-Gabriel, Ed.S., M.Ed.
Senior Leadership Team Member for Curriculum, Instruction,
Special Education Programming K-5, and for Internal and
External PBIS Consultation
Professional Elementary Teacher**

MA DESE Licenses:

Special Education Administrator, All Levels
Supervisor/Director, All Levels
Intensive Special Needs, All Levels
Special Needs, PreK-9

Duties:

- Reports directly to the Executive Director
- Has leadership responsibility for organizing, coordinating, implementing and evaluating the total curriculum and instructional program for SCEC programs Pre-K through 12 (age 22)
- Develops cooperative working relationship with level leaders and teachers as well as curriculum committees to establish a well-coordinated program of education Pre-K through 22
- Articulates the program between academic levels
- Works with Professional Development Team (PD) to develop and implement staff development programs
- Coordinates curriculum alignment efforts for all SCEC student-centered committees
- Works with the Leadership Team (LT) to articulate a clear philosophy and shared vision of learning
- Upholds DESE policies and procedures
- Assists in the development and implementation of the SCEC strategic plan
- Builds internal and external partnerships that support SCEC goals and enhance learning for students
- Advances SCEC's professional image
- Maintains open and effective communication both internally and externally
- Develops data collection, and analysis techniques and strategies to inform practice
- Serves as an information resource
- Develops enthusiasm and teaming amongst staff
- Implements strategies and time-frames to accomplish organizational objective

SOUTH COAST EDUCATIONAL COLLABORATIVE

SCHEDULE OF MOST HIGHLY COMPENSATED EMPLOYEES

FOR THE YEAR ENDED JUNE 30, 2012

(Continued)

**Name: Donna Cranshaw-Gabriel, Ed.S., M.Ed.
Senior Leadership Team Member for Curriculum, Instruction,
Special Education Programming K-5, and for Internal and
External PBIS Consultation**

Duties (Continued):

- Administers the board approved budget for assigned areas of responsibilities
- Has leadership responsibility for approving purchases for supplies and equipment
- Ensures that program resources are equitably apportioned
- Assists in developing, implementing, and evaluating curriculum for all SCEC academic levels
- Expresses high expectations and provides support to improve staff performance through observations, consultation, and meetings
- Participates in collaborative planning of effective staff development programs that improve teaching and student outcomes
- Monitors compliance with educational laws, rules, and indicators
- Interacts with parents with emphasis on goal development
- Helps staff resolve problems that impede student participation in appropriate learning activities
- Facilitates contacts for service providers
- Strives to develop rapport and serve as a positive role model for others
- Participates in joint supervision and coordination of an orientation program for new staff as well as develop continual PD for experience personnel
- Works with external consultants to ensure that curriculum development aligns with best practices in field
- Keeps abreast of changes and developments in the profession by attending professional meetings, reading professional journals and other publications, taking courses, reflecting, and discussing problems of mutual interest with others in the field to inform and change practice
- Directs and coordinates special education programming for students K-5
- Helps formulate policies and procedures for classrooms, staff, and educational activities
- Identifies, recommends, and implements PD for staff to ensure positive outcomes for all students
- Supervises and evaluates all educational staff in assigned areas
- Works with external consultants to develop and implement supports and strategies, ensuring that they are in place to guarantee positive outcomes for our intensely disabled student population

SOUTH COAST EDUCATIONAL COLLABORATIVE

SCHEDULE OF MOST HIGHLY COMPENSATED EMPLOYEES

FOR THE YEAR ENDED JUNE 30, 2012

(Continued)

**Name: Donna Cranshaw-Gabriel, Ed.S., M.Ed.
Senior Leadership Team Member for Curriculum, Instruction,
Special Education Programming K-5, and for Internal and
External PBIS Consultation**

Duties (Continued):

- Observes as well as models “best practice strategies” within the classroom setting
- Directs staff meetings with the focus on student outcomes
- Develops relationships with the host school and surrounding community to ensure inclusive opportunities for students that are meaningful and relevant
- Chairs IEP meetings
- Confers with parents assuring they are active members of their child’s team
- Develops and implements programming for parent involvement that ensures transparency
- Helps prepare budget to obtain the resources necessary to education an ever changing student population
- Develops outreach programs with agencies that can support parents and their children within their own communities
- Directs program evaluation to determine successes and areas of growth
- Ensures that program practices correlate with SCEC mission, vision, and core values
- Teams with staff to align current curriculum with common core
- Participates in all meetings both internal and external that are necessary to support positive student outcomes as well as add to professional growth
- Develops and processes all related educational paperwork, policies, and procedures
- Administers the board approved budget for assigned areas of responsibilities
- Facilitates program evaluation
 - Designs and executes systems to review the programming offered in educational settings developing feedback methods such as surveys, conducting interviews with individuals or focus groups, observations, record review and record results of evaluation in report form identifying strengths and growth areas
 - Creates a plan to increase program quality within a time-line framework
 - Acts as an ongoing consultant to provide embedded professional development as well as model expert approaches for student support and instruction

SOUTH COAST EDUCATIONAL COLLABORATIVE

SCHEDULE OF MOST HIGHLY COMPENSATED EMPLOYEES

FOR THE YEAR ENDED JUNE 30, 2012

(Continued)

**Name: Donna Cranshaw-Gabriel, Ed.S., M.Ed.
Senior Leadership Team Member for Curriculum, Instruction,
Special Education Programming K-5, and for Internal and
External PBIS Consultation**

Duties (Continued):

- As an Autism Specialist:
 - Assesses student functioning and behavioral skills for the purpose of program development
 - Collaborates with school personnel, educational staff, and parents with the purpose of improving the quality of student outcomes, meeting the goals and objectives of individual educational plans, developing supports and strategies, and planning curriculum
 - Assists in developing documentation plans
 - Helps develop supports for inclusive opportunities that are meaningful and relevant
 - Helps prepare teaching and support materials for the purpose of implementing lessons and enhance student growth
 - Assists in the development of PD that informs and enhances instruction with the focus on student outcomes
 - Develops program practices that enhances learning for all students
 - Trains, coaches, and supports educational staff
 - Provides on-going consultation to monitor and adjust student/classroom programming
 - Develops internal and district programs to meet the needs of the increasing ASD population
- Provides External and Internal PBIS Coaching
 - Works with schools and SCEC programs to implement PBIS framework
 - Expands and sustains implementation of PBIS within assigned district schools as well as SCEC programs
 - Assesses training needs and develop internal teams and experts
 - Identifies and supports research for PBIS and provides technical assistance to established PBIS teams
 - Connects district and SCEC programs with PBIS Network, students, families, service organizations to meet the needs of PBIS programming
 - Participates in building level team meetings
 - Identifies district schools and SCEC programs that need initial training
 - Becomes familiar with school policies and procedures
 - Oversees progress of teams
 - Develops school wide data collection systems

SOUTH COAST EDUCATIONAL COLLABORATIVE

SCHEDULE OF MOST HIGHLY COMPENSATED EMPLOYEES

FOR THE YEAR ENDED JUNE 30, 2012

(Continued)

Name: Donna Cranshaw-Gabriel, Ed.S., M.Ed.
Senior Leadership Team Member for Curriculum, Instruction,
Special Education Programming K-5, and for Internal and
External PBIS Consultation

Duties (Continued):

- Provides External and Internal PBIS Coaching (Continued)
 - Helps analyze data to identify strengths and areas of growth
 - Assists with sustaining PBIS initiatives
 - Continues participation in statewide and regional trainings
- As an Early Adopter/Education Evaluation Team Member:
 - Attends all trainings and informational meetings
 - Develops process and procedures for evaluation of all education, therapeutic, and medical staff
 - Pilots evaluation of diverse staff populations
 - Works with union members to establish processes for evaluators
- As a Union Negotiation Team Member utilizes collective bargaining procedures
- As a Professional Development Team Member:
 - Helps identify and coordinate professional development practices
 - Maintains membership in *Learning Forward*
 - Coordinates professional development and curriculum initiatives
- While attending Bi-weekly Collaborative Leadership Meetings:
 - Assists in making certain the the Collaborative's actions comply with its vision, mission, and core values
 - Updates and reviews business plan
 - Assists in providing mentoring and professional development for Leadership Team members
- Participating in Monthly Middle Management Meetings:
 - Works collaboratively with Middle Managers to develop, redesign, and sustain best practice initiatives for both Collaborative and District students and programs
 - Identifies professional development initiatives for both district and collaborative educational staff
- May perform other duties as directed by the Executive Director

Contracted Compensation: \$103,529

SOUTH COAST EDUCATIONAL COLLABORATIVE

SCHEDULE OF MOST HIGHLY COMPENSATED EMPLOYEES

FOR THE YEAR ENDED JUNE 30, 2012

(Continued)

Name: Patricia L. Steele, Ed.S., M.Ed.
**Senior Leadership Team Member for Instructional Technology and
CPI Training and DESE Compliance**

MA DESE Licenses:

Special Education Administrator, All Levels
Supervisor/Director, All Levels
Health and Physical Education, K-12
Special Needs, PreK-9

Duties:

- Reports directly to the Executive Director
- Monitors and leads the use of web-based educational software
- Assists in maintaining student information systems
- Provides staff access and security to student IEP web-based software programs
- Designs and develops ongoing Physical Education and life-long recreational activities
- Assists in leading the physical Education Program within collaborative and district adapted physical education programs
- Acts as a liaison between member and participating districts to assurance quality programming
- Focuses SCEC efforts on care, welfare, safety, security
- Assists in-depth evaluations, including annual and 3-year evaluations
- Develops goals and objectives for individual education plans and recommends service delivery
- Attends IEP and team meetings as requested
- Supervises and mentors physical education teachers
- Acts as a liaison between member and participating districts to assure quality programming and training
- Prepares and submits confidential behavioral data for collaborative review
- Structures and maintains therapeutic and educational environments conducive to effective and quality learning
- Provides and supports parent concerns
- Serves as a liaison to school districts regarding student/staff needs in area of Prevention Intervention training
- Conducts in-service training for collaborative, member and participating districts

SOUTH COAST EDUCATIONAL COLLABORATIVE

SCHEDULE OF MOST HIGHLY COMPENSATED EMPLOYEES

FOR THE YEAR ENDED JUNE 30, 2012

(Continued)

**Name: Patricia L. Steele, Ed.S., M.Ed.
Senior Leadership Team Member for Instructional Technology and
CPI Training and DESE Compliance**

Duties (Continued):

- Monitors, maintains and accounts for purchases regarding physical education, web-based software and intervention training
- Complies and maintains current licensure as required by DESE and CPI
- Submits billing for a wide range of consultative services provided
- Assists the Business Office Team and the Executive Director with event planning
- Supports Collaborative enterprises by assisting in a wide-range of outreach endeavors
- Maintains a current professional development plan
- Tracks and submits personal educational experience
- Monitors and maintains electronics and technology equipment
- Attends leadership meetings and participates in professional development
- Attends periodic supervision with executive director
- Consults with colleagues, peers and district administrators
- May perform other duties as directed by the Executive Director

Contracted Compensation: \$103,529

SOUTH COAST EDUCATIONAL COLLABORATIVE

SCHEDULE OF MOST HIGHLY COMPENSATED EMPLOYEES

FOR THE YEAR ENDED JUNE 30, 2012

(Continued)

**Name: Carolyn McKearney, Ed.D., M.A.
Senior Leadership Team Member for Supervision and Direction of
Elementary Education and CPI Team Member**

MA DESE Licenses:

Special Education Administrator, All Levels
Intensive Special Needs, All Levels
Health and Physical Education, K-9

Duties:

- Reports directly to the Executive Director
- Supervises the 30 employees in the assigned area
- Remains current in the “best educational practices” associated with a variety of disabilities
- Assists in collaborating for student and/or classroom vision/ goal setting
- Evaluates all employees in assigned area
- Monitors and supervises staff on correction plans
- Confers with expert consultants to ensure follow through of their recommendations
- Facilitates daily staff meetings (every morning 8:00- 9:00)
- Provides embedded professional development opportunities that align with Smart goals, SCEC mission statement, strategic plan and DESE mandated topics
- Provides creative problem solving around student/ staff issues
- Processes referrals- attends district meeting, observes child, facilitates parent observation of SCEC classroom, intake meetings, and intake paper- trail
- Disseminates referral packet information
- Attends bi-weekly Leadership meetings
- Attends monthly Middle Management meetings
- Interviews potential hires
- Attends progress/ IEP meetings
- Communicates (via e-mail, text, phone) to parents, staff and stakeholders
- Maintains Compliance of Staff with Time sheets/ ADP processes and procedures
- Evaluates, reviews, and processes reimbursement requests.
- Evaluates, reviews, and processes webtool tool requests for personal days and purchase requisitions
- Authors and distributes Parent letters (Fall/ Summer)
- Updates enrollment via termination/ change in status/ admissions paperwork

SOUTH COAST EDUCATIONAL COLLABORATIVE

SCHEDULE OF MOST HIGHLY COMPENSATED EMPLOYEES

FOR THE YEAR ENDED JUNE 30, 2012

(Continued)

**Name: Carolyn McKearney, Ed.D., M.A.
Senior Leadership Team Member for Supervision and Direction of
Elementary Education and CPI Team Member**

Duties (Continued):

- Updates staff status paperwork
- Facilitates the use of tuition reimbursement forms
- Supervises student teachers (Simmons and BSC)
- Attends yearly Massachusetts Curriculum Framework Alternate portfolio workshops
- Assists SCEC Elementary teachers with portfolio development
- Assists district Elementary teachers with portfolio development upon request
- Assists in planning integrated opportunities for our SCEC Elementary students
- Consults and problem solves with regular and special education staff to ensure successful integration experiences
- Builds partnerships within the buildings that host our classrooms and meets regularly with principals
- Conducts disability awareness talks to district Elementary students
- Provides inclusion/ integration consultation and training to districts upon request
- Provides training for selected veteran SCEC staff members to become mentors to new SCEC staff
- Assigns mentors to protégées
- Provides mentor training workshops to district and out of district members upon request
- Ensures that all SCEC employees are CPI certified within 30 days of hire
- Provides yearly refresher trainings for all SCEC employees
- Provides CPI trainings to district and out of district members
- Facilitates bi-weekly planning team meetings
- Attends MSSAA training on effectively implementing the supervision and evaluation framework
- Provides Smart-goal trainings to SCEC employees and SCEC districts
- Presents at MOEC and MASC/Mass conference sessions
- May perform other duties as directed by the Executive Director

Contracted Compensation: \$88,226

SOUTH COAST EDUCATIONAL COLLABORATIVE

AUDITORS' REPORT PURSUANT TO GOVERNMENTAL

AUDITING STANDARDS

FOR THE YEAR ENDED JUNE 30, 2012



**Business Advisors
Certified Public Accountants**

**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
South Coast Educational Collaborative
Swansea, Massachusetts

We have audited the financial statements of South Coast Educational Collaborative (a quasi-governmental organization) as of and for the year ended June 30, 2012 and have issued our report thereon dated September 14, 2012. We conducted our audit in accordance with auditing standards generally accepted in the U.S. and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

Management of South Coast Educational Collaborative is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered South Coast Educational Collaborative's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the South Coast Educational Collaborative's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

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 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether South Coast Educational Collaborative's financial statements are free of 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*.

This report is intended solely for the information and use of the board of directors, management, others within the Organization and the Department of Elementary and Secondary Education and is not intended to be and should not be used by anyone other than these specified parties.

Pavento, Ratcliffe, Renzi & Co., LLC

September 14, 2012