NORTH RIVER COLLABORATIVE
BASIC FINANCIAL STATEMENTS AND
MANAGEMENT'S DISCUSSION AND ANALYSIS
WITH INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDING JUNE 30, 2022

NORTH RIVER COLLABORATIVE
Basic Financial Statements and Management's Discussion and Analysis
For the Year Ended June 30, 2022

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LM LYNCH MARINI & ASSOCIATES INC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
North River Collaborative
Rockland, Massachusetts

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the North River Collaborative, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the North River Collaborative's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the North River Collaborative, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards).* Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the North River Collaborative and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the North River Collaborative's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the North River Collaborative's ability to continue as a going concern for a reasonable period of time.

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

Emphasis of Matters

Implementation of GASB Statement #87, *Leases*

During fiscal year 2022, as required by the Government Accounting Standards Board, the North River Collaborative implemented the provisions of Statement #87, *Leases*. This pronouncement had a significant impact upon the Collaborative's statement of net position as of June 30, 2022, requiring a right to use asset and a lease obligation to be reported. The details associated with the implementation of this statement have been described in additional detail at Note 6. Our opinions are not modified with respect to this matter.

Reporting of Capital Reserve Fund

The Collaborative maintains and reports a capital reserve fund in accordance with Massachusetts General Laws and the implementing regulations of 603 CMR 50, to be used to support costs associated with the acquisition, maintenance and improvement of capital assets including real property. Due in part to the significance of the fund balance to the Collaborative as a whole, the Collaborative has chosen to report this fund as a major governmental fund in the fund basis statements. GASB pronouncements generally, require governmental funds that do not have ongoing, specific revenue sources (excluding transfers from the general fund), to be reported within the General fund for financial reporting purposes. Our opinions are not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages vi through x and the Schedule of the Collaborative's Proportionate Share of the Net Pension Liabilities and Pension Plan Contributions, the Schedule of Changes in the Collaborative's Net OPEB Liability and Related Ratios, the Schedule of the Collaborative's Contributions – Other Postemployment Benefits, the Schedule of Investment Returns – Other Postemployment Benefits Trust Fund, and the Budgetary Comparison Schedule – General Fund and related notes on pages 41-47 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises information required to be presented in accordance with Massachusetts General Laws Chapter 40, Section 4E and Regulations on Educational Collaboratives 603 CMR 50.00 on pages 48-49 but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2022, on our consideration of the North River Collaborative's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the North River Collaborative's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the North River Collaborative's internal control over financial reporting and compliance.

Lynch Marini + Associates Inc

Norwell, Massachusetts
December 7, 2022

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*

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
North River Collaborative
Rockland, 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 (*Government Auditing Standards)*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the North River Collaborative as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the North River Collaborative's basic financial statements, and have issued our report thereon dated December 7, 2022.

Report on Internal Control Over Financial Reporting

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Lynch Marini, + Associates Inc

Norwell, Massachusetts
December 7, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the North River Collaborative (the Collaborative), we offer readers of these financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2022. The Collaborative complies with financial reporting requirements issued by the Governmental Accounting Standards Board (GASB). Management's discussion and analysis is part of these requirements.

Overview of the Financial Statements:

This discussion and analysis is intended to serve as an introduction to the Collaborative's basic financial statements. These basic financial statements consist of the following components: 1.) government-wide financial statements, 2.) fund financial statements, and 3.) notes to the financial statements. Required supplementary information, as required by the Governmental Accounting Standards Board (GASB), accompanies the financial statements and notes to provide additional analysis.

Government-wide financial statements are designed to provide readers with a broad overview of finances, in a manner similar to private-sector business.

The *statement of net position* presents information on all assets plus deferred outflows of resources less liabilities and deferred inflows of resources, resulting in the aggregate *net position* of the Collaborative. Over time, increases or decreases in net position may serve as useful indicators of whether the financial position of the Collaborative is improving or deteriorating. The reader should also consider other non-financial factors, such as the condition of the Collaborative's capital assets, to assess the overall health of the Collaborative.

The *statement of activities* presents information showing how the Collaborative's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows.* Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., earned but unused vacation leave). This statement also presents a comparison between direct expenses and program revenues for each function of the Collaborative.

The government-wide financial statements distinguish functions that are principally supported by intergovernmental revenues (*governmental activities*) from other material functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Collaborative include administration, instruction, other school services, and fixed charges, among others. The Collaborative has not classified any activity as a business-type activity.

Fund financial statements present financial information using funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

Because the focus of the governmental fund financial statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

The Collaborative has several governmental funds. The general fund, the capital projects fund, and the capital reserve fund are considered major funds for presentation purposes. Each major fund is presented in a separate column in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances. The remaining governmental funds are aggregated and shown as other governmental funds.

Fiduciary funds are used to account for resources held for the benefit of parties outside of the Collaborative. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Collaborative's own programs. The reporting basis is on net position and changes in net position. The Collaborative's sole fiduciary fund consists of the Retiree Health Insurance Trust Fund. This fund accounts for resources legally held in trust for the purpose of funding health insurance benefits for retirees and are not subject to any creditors of the Collaborative.

Notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required supplementary information: In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Collaborative's budgetary comparisons and its pension and other postemployment benefit obligations. Furthermore, this report presents *other information* which is required by Massachusetts General Laws (M.G.L.) Chapter 43 of the Acts of 2012.

Government-wide Financial Analysis:

As noted earlier, net position may serve over time as a useful indicator of the Collaborative's financial position. As indicated in the following chart, governmental assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by approximately $5.4 million at the close of fiscal year 2022. The following table demonstrates the net position of the Collaborative as of June 30, 2022, and June 30, 2021.

	Primary Government Governmental Activities	
	June 30, 2022	**June 30, 2021**
Current assets	$ 4,723,915	$ 4,387,545
Noncurrent assets	3,177,697	3,305,770
Total assets	7,901,612	7,693,315
Deferred outflows of resources	714,822	382,563
Current liabilities	552,278	935,270
Noncurrent liabilities	2,231,176	1,428,383
Total liabilities	2,783,454	2,363,653
Deferred inflows of resources	449,848	1,055,564
Net position:		
Net investment in capital assets	2,699,214	2,429,929
Restricted	1,040,924	713,617
Unrestricted	1,642,994	1,513,115
Total net position	$ 5,383,132	$ 4,656,661

On June 30, 2022, a portion of the net position, approximately $1.0 million (19.3%), represents resources that are subject to external restrictions on how they may be used and approximately $2.7 million (50.1%) has been categorized as net investment in capital assets. The remaining net position, which may be used to meet the government's ongoing obligations to its creditors, was approximately $1.6 million (30.5%) at June 30, 2022.

As indicated in the following chart, governmental activities' net position increased by approximately $726,000 during the current fiscal year, which reflects the governmental activities' results of operations.

	Primary Government Governmental Activities FY2022	FY2021
Program Revenues:		
Charges for services	$ 111,962	$ 174,467
Operating grants and contributions	2,777,945	4,134,462
General Revenues:		
Tuition income	4,767,073	4,403,858
Charges for services	7,592,015	6,645,947
Intergovernmental	214,837	99,700
Departmental and other	334,742	77,646
Member assessments	30,000	30,000
Investment income (loss)	(52,976)	1,757
Total revenues	15,775,598	15,567,837
Expenses:		
Administration	1,440,089	1,388,416
Instruction	5,511,479	5,441,345
Other school services	3,681,568	2,766,928
Fixed charges	3,519,082	5,079,044
Operations and maintenance	406,879	398,499
Debt service	23,712	13,030
Depreciation/amortization	466,318	508,243
Total expenses	15,049,127	15,595,505
Change in net position	$ 726,471	$ (27,668)

The on-behalf payments related to the Massachusetts Teachers' Retirement System decreased by approximately $810,000 and the Massachusetts State Employees' Retirement System decreased by approximately $961,000 for fiscal year 2022, with the latest actuarial valuations. The Collaborative realized increases in tuitions, charges for services and other income during the year. This is due primarily to the return from restrictions related to the pandemic, including reinstatement of transportation for communities during fiscal year 2022. Based on the information above, overall, the total revenues increased approximately $208,000 (1.3%), and expenses decreased approximately $546,000 (3.5%) from the previous year.

Governmental Funds Financial Analysis:

As noted earlier, the Collaborative uses fund accounting to ensure and demonstrate its compliance with finance-related legal requirements.

The focus of *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of approximately $4.2 million; an increase of approximately $611,000 from the prior year.

The general fund is the Collaborative's chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was approximately $3.1 million. As a measure of the general fund's liquidity, it may be useful to compare the fund balance to total fund expenditures. Unassigned fund balance represents 22.7% of total general fund expenditures. This is compared to 23.1% the previous year.

General Fund Budgetary Highlights:

The Collaborative adopts an annual budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget. For fiscal year 2022, the Collaborative had actual revenues of approximately $12.9 million, compared to budgeted revenues of approximately $13.2 million. The Collaborative had actual expenditures of $12.4 million compared to total appropriations of $13.7 million, a savings of approximately $1.3 million. The Collaborative realized savings in instructional costs and capital outlay budgeted for the year.

Capital Asset and Debt Administration:

Capital Assets:

At the end of fiscal year 2022, the Collaborative had approximately $3.0 million in capital assets, which is net of accumulated depreciation of approximately $3.6 million. This is compared to $3.3 million in capital assets, which is net of accumulated depreciation of $3.2 million in the previous year.

The table below represents a summary of the Collaborative's capital assets, net of accumulated depreciation by category (in thousands):

Capital Assets	2022	2021
Land	$ 575	$ 575
Buildings and related improvements	1,563	1,626
Improvements other than buildings	28	38
Vehicles	796	1,066
	$ 2,962	$ 3,305

During fiscal year 2022, the Collaborative acquired vehicles costing approximately $92,000. Additionally, the Collaborative disposed of vehicles costing approximately $82,000 which were fully depreciated.

Debt Administration:

At the end of the current fiscal year, the Collaborative had total long-term outstanding debt of approximately $263,000. This is compared to approximately $876,000 last year. During the current fiscal year, the Collaborative borrowed approximately $92,000 to acquire new vehicles. Additionally, they paid down their outstanding loans by approximately $705,000.

Economic Factors and Next Year's Budget:

The Collaborative has approved a budget for fiscal year 2023 in which revenues and expenses amount to approximately $16.0 million.

Requests for Information:

This financial report is designed to provide a general overview of the North River 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 Marc Wright, North River Collaborative, 198 Spring Street, Rockland, Massachusetts 02370.

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BASIC FINANCIAL STATEMENTS

NORTH RIVER COLLABORATIVE
Statement of Net Position
June 30, 2022

		Primary Government Governmental Activities
ASSETS		
Current assets:		
Cash, cash equivalents, and investments	$	4,327,968
Receivables		392,691
Prepaid expenses		3,256
Total current assets		4,723,915
Noncurrent assets:		
Right to use asset		307,914
Accumulated amortization		(92,374)
Net right to use asset		215,540
Capital assets		6,528,309
Accumulated depreciation		(3,566,152)
Net right to use asset		2,962,157
Total noncurrent assets		3,177,697
Total assets		7,901,612
DEFERRED OUTFLOWS OF RESOURCES		
Associated with OPEB		714,822
Total deferred outflows of resources		714,822
LIABILITIES		
Current liabilities:		
Accounts and salaries payable and withholdings		408,170
Lease obligation - current portion		27,942
Long-term debt - current portion		116,166
Total current liabilities		552,278
Noncurrent liabilities:		
Lease obligation - due in more than one year		187,154
Long-term debt - due in more than one year		146,777
OPEB liability		1,897,245
Total noncurrent liabilities		2,231,176
Total liabilities		2,783,454
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue		161,027
Associated with OPEB		288,821
Total deferred inflows of resources		449,848
NET POSITION		
Net investment in capital assets		2,699,214
Restricted		1,040,924
Unrestricted		1,642,994
Total net position	$	5,383,132

See Independent Auditor's Report.
The accompanying notes are an integral part of these financial statements.

NORTH RIVER COLLABORATIVE
Statement of Activities
For the Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Total Governmental Activities
Primary government					
Governmental activities:					
Administration	$ 1,440,089	$	$	$	$ (1,440,089)
Instruction	5,511,479	111,962	989,407		(4,410,110)
Other school services	3,681,568				(3,681,568)
Fixed charges	3,519,082		1,788,538		(1,730,544)
Operations and maintenance	406,879				(406,879)
Debt service	23,712				(23,712)
Depreciation	466,318				(466,318)
Total governmental activities	$ 15,049,127	$ 111,962	$ 2,777,945	$	(12,159,220)
			General revenues:		
			Tuition income		4,767,073
			Charges for services		7,592,015
			Intergovernmental		214,837
			Departmental and other		334,742
			Member assessments		30,000
			Investment income		(52,976)
			Total general revenues		12,885,691
			Change in net position		726,471
			Net position - beginning of year		4,656,661
			Net position - end of year		$ 5,383,132

See Independent Auditor's Report.
The accompanying notes are an integral part of these financial statements.

NORTH RIVER COLLABORATVIE
Balance Sheet - Governmental Funds
June 30, 2022

	General Fund	Capital Projects Fund	Capital Reserve Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash, cash equivalents, and investments	$ 3,308,140	$	$ 1,019,828	$	$ 4,327,968
Program/intergovernmental receivables	261,703			130,988	392,691
Interfund receivables	88,968				88,968
Prepaid expenses	3,256				3,256
Total assets	$ 3,662,067	$	$ 1,019,828	$ 130,988	$ 4,812,883
LIABILITIES					
Accounts and salaries payable and withholdings	$ 387,246	$	$	$ 20,924	$ 408,170
Interfund payables				88,968	88,968
Total liabilities	387,246			109,892	497,138
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	161,027				161,027
Total deferred inflows of resources	161,027				161,027
FUND BALANCES					
Restricted			1,019,828	21,096	1,040,924
Unassigned	3,113,794				3,113,794
Total fund balances	3,113,794		1,019,828	21,096	4,154,718
Total liabilities, deferred inflows of resources, and fund balances	$ 3,662,067	$	$ 1,019,828	$ 130,988	$ 4,812,883

See Independent Auditor's Report.
The accompanying notes are an integral part of these financial statements.

NORTH RIVER COLLABORATIVE

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

For the Year Ended June 30, 2022

	General Fund	Capital Projects Fund	Capital Reserve Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Tuition income	$ 4,767,073	$	$	$ 111,962	$ 4,879,035
Charges for services	7,592,015				7,592,015
Intergovernmental	1,633,589			983,446	2,617,035
Departmental and other	334,741			5,961	340,702
Member assessments	30,000				30,000
Interest and investment income (includes $88,106 in unrealized losses)	(52,976)				(52,976)
Total revenues	14,304,442			1,101,369	15,405,811
EXPENDITURES					
Administration	1,437,240			2,849	1,440,089
Instruction	4,738,440			773,039	5,511,479
Other school services	3,597,127			84,441	3,681,568
Fixed charges	2,804,721			189,595	2,994,316
Operations and maintenance	428,799			6,860	435,659
Debt service	731,887				731,887
Capital outlay		91,914			91,914
Total expenditures	13,738,214	91,914		1,056,784	14,886,912
Revenues over (under) expenditures	566,228	(91,914)		44,585	518,899
OTHER FINANCING SOURCES (USES)					
Proceeds from long-term debt		91,914			91,914
Transfers in/(out)	(282,720)		320,000	(37,280)	
Total other financing sources (uses)	(282,720)	91,914	320,000	(37,280)	91,914
Revenues and other financing sources over (under) expenditures and other financing uses	283,508		320,000	7,305	610,813
Fund balances - beginning	2,830,286		699,828	13,791	3,543,905
Fund balances - ending	$ 3,113,794	$	$ 1,019,828	$ 21,096	$ 4,154,718

See Independent Auditor's Report.

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

NORTH RIVER COLLABORATIVE

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position

June 30, 2022

Total governmental fund balances	$	4,154,718
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets, net of accumulated depreciation, used in governmental activities are not current financial resources and, therefore, are not reported in the fund financial statements, but are reported as governmental activities in the Statement of Net Position.		
Capital asset, net accumulated depreciation		2,962,157
Right to use asset, net of accumulated amortization		215,540
Certain deferred outflows of resources and deferred inflows of resources are reported in the government-wide financial statements to be amortized over future periods:		
Deferred outflows associated with OPEB		714,822
Deferred inflows associated with OPEB		(288,821)
Certain liabilities are not due and payable in the current period and are not included in the fund financial statements, but are included in the governmental activities in the Statement of Net Position:		
Long-term financing/borrowings		(262,943)
Lease liability		(215,096)
Net other postemployment benefits (OPEB) liability		(1,897,245)
Accrued interest		
Net position of governmental activities in the Statement of Net Position	$	5,383,132

See Independent Auditor's Report.

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

NORTH RIVER COLLABORATIVE

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities

For the Year Ended June 30, 2022

Net change in fund balances - total governmental funds:	$	610,813
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures because such outlays use current financial resources. However, in the Statement of Activities the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense:		
Capital asset additions during the fiscal year		91,914
Depreciation expense recorded for the fiscal year		(435,527)
Amortization expense recorded for the fiscal year		(30,791)
Certain deferred outflows of resources and deferred inflows of resources are reported in the government-wide financial statements to be amortized over future periods:		
Net change in deferred outflows associated with OPEB		332,259
Net change in deferred inflows associated with OPEB		423,353
Governmental funds report bond proceeds as current financial resources whereas the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities:		
Principal payments on long-term debt		704,811
Proceeds from issuance of long-term debt		(91,914)
The fund financial statements record interest on long-term debt when due. The government-wide financial statements report interest on long-term debt as an expense when incurred:		
Net change in accrued interest expense		910
Certain liabilities are not funded through the use of current financial resources and, therefore, are not reported in the fund financial statements; however, these liabilities are reported in the government-wide financial statements. The net change in these liabilities is reflected as an expense in the Statement of Activities:		
Net change in OPEB liability		(910,593)
Net change in lease liability		31,236
Change in net position of governmental activities	$	726,471

See Independent Auditor's Report.

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

NORTH RIVER COLLABORATIVE
Statement of Fiduciary Net Position - Fiduciary Funds
June 30, 2022

	OPEB Trust Fund
ASSETS	
Investments:	
Money market funds	$ 27,738
Common stock	1,231,547
U.S. government and agencies	213,409
Corporate bonds	185,014
International equities	298,598
Fixed income and other funds	846,308
Total investments	2,802,614
Total assets	2,802,614
NET POSITION	
Restricted for postemployment benefits other than pensions	2,802,614
Total net position	$ 2,802,614

See Independent Auditor's Report.
The accompanying notes are an integral part of these financial statements.

NORTH RIVER COLLABORATIVE
Statement of Changes in Fiduciary Net Position - Fiduciary Funds
For the Year Ended June 30, 2022

		OPEB Trust Fund
ADDITIONS		
Contributions:		
Employer contributions	$	150,000
Employee contributions		72,607
Total contributions		222,607
Investment income:		
Interest and dividends		376,992
Unrealized (loss)		(547,638)
Less: investment expense		(12,640)
Net investment income		(183,286)
Total additions		39,321
DEDUCTIONS		
Benefit payments		151,346
Administrative expense		5,675
Total deductions		157,021
Net decrease in net position		(117,700)
NET POSITION RESTRICTED FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS		
Beginning of year		2,920,314
End of year	$	2,802,614

See Independent Auditor's Report.
The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. ORGANIZATION AND REPORTING ENTITY

A. Organization

The North River Collaborative (the Collaborative), located in Rockland, Massachusetts, was formed in 1976 as authorized under Massachusetts General Laws (M.G.L.) Chapter 40 Section 4E. The Collaborative is a public entity formed as an educational organization by the Collaborative Agreement between the school committees of Abington, Avon, Bridgewater-Raynham Regional School District, East Bridgewater, Hanover, Holbrook, Rockland, Stoughton, West Bridgewater, and Whitman-Hanson Regional School District. The mission of the Collaborative is to serve as an extension of the member school districts to cooperatively develop and deliver high-quality and cost-effective programs and services for students, school districts, partner organizations as permitted by law, and communities.

The Collaborative is a municipal entity, and as such, is exempt from income taxation.

B. Reporting Entity

As required by accounting principles generally accepted in the United States of America (GAAP) and in accordance with the *Governmental Accounting Standards Board* (GASB), the accompanying financial statements present the North River Collaborative (the primary government) and its component units.

Primary Government – The Collaborative is governed by a ten (10) member Board of Directors (the Board) composed of the superintendents of schools of each member district. Additionally, the Commissioner of Elementary and Secondary Education appoints an individual to serve as a voting, appointed representative of the Board.

Component Units – Component units are included in the Collaborative's reporting entity if their operational and financial relationships with the Collaborative are significant. Refer to Note 16 regarding the North River Collaborative Retirees' Health Insurance Trust, a fiduciary component unit. Pursuant to these criteria, the Collaborative did not identify any additional component units requiring inclusion in the accompanying financial statements for the year ended June 30, 2022.

Joint Ventures – Municipal joint ventures pool resources to share the costs, risks, and rewards of providing services to its participants, the public, or others. For fiscal year 2022, the Collaborative did not participate in any significant joint ventures, except for a cost-sharing group that provides health insurance benefits. Additional disclosures are presented in these notes.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The Collaborative's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The *Governmental Accounting Standards Board* (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP and used by the Collaborative are discussed below.

The Collaborative's basic financial statements include both government-wide (reporting the Collaborative as a whole) and fund financial statements (reporting the Collaborative's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. Governmental activities are generally financed through intergovernmental assessments or other non-exchange transactions. The Collaborative does not have any activities classified as business-type activities.

Government-wide Financial Statements

In the government-wide Statement of Net Position, the governmental columns are presented on a consolidated basis and are reported on a full accrual, economic resource basis, which recognizes all long-term assets, receivables, and deferred outflows of resources, as well as long-term liabilities, deferred inflows of resources, and other liabilities reported on a full accrual basis. The Collaborative's net position is reported in three components: net investment in capital assets, restricted net position, and unrestricted net position. The Collaborative first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the sources and uses of funds received by the Collaborative. Certain costs, such as employee fringe benefits and property and liability insurance, among others, are not allocated among the Collaborative's functions and are included in fixed charges expenses in the Statement of Activities. Depreciation is reported as one unallocated amount in the Statement of Activities. None of these costs are allocated among the respective functions.

The government-wide focus is more on the sustainability of the Collaborative as an entity and the change in the Collaborative's net position resulting from the current year's activities.

Fund Financial Statements

The financial transactions of the Collaborative are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows of resources, liabilities, deferred inflows of resources, reserves, fund equity, revenues, and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. GASB pronouncements set forth minimum criteria (percentage of the assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. Additionally, the Collaborative may electively report any other governmental fund which has specific community focus as a major fund. Non-major funds are combined in a column in the fund financial statements titled other governmental funds.

The Collaborative's fiduciary funds are presented in the fiduciary fund financial statements by type (private purpose trust funds). Since, by definition, these assets are being held for the benefit of a third party (retirees) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide financial statements.

The following describes fund types which may be used by the Collaborative; the Collaborative does not use proprietary funds:

Governmental Funds:

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

Major Funds:

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

- Capital Projects Fund – The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition and construction of capital facilities and other capital assets.
- Capital Reserve Fund – The capital reserve fund is used to support costs associated with the acquisition, maintenance, and improvement of capital assets, including real property established in accordance with Massachusetts General Laws and the implementing regulations of 603 CMR 50.00; accordingly, the Collaborative has decided to report the capital reserve fund as a major fund for financial statement presentation purposes.

Other governmental funds consist of other special revenue, permanent, and other funds that are aggregated and presented in the other governmental funds' column in the governmental fund financial statements. The following describes the general use of these funds:

- Special revenue funds – Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. These funds include the Collaborative's grant programs.
- Debt service funds – Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest. Currently, the Collaborative does not utilize a debt service fund.
- Permanent funds – Permanent funds are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the Collaborative's programs. Currently, the Collaborative does not utilize any permanent funds.

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Collaborative programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds. The following is a description of the fiduciary funds of the Collaborative:

- Other Postemployment Benefit Trust Fund – This fund is a fiduciary fund that is used to report resources required to be held in trust for the members and beneficiaries of the Collaborative's other postemployment benefits plan, other than pensions. See Note 16.

B. Measurement Focus and Basis of Accounting

The government-wide financial statements and the fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Amounts reported as program revenues in the government-wide financial statements include: (1) tuition charges to districts for the Independence Academy; (2) operating grants and contributions; and (3) capital grants and contributions.

The governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., measurable, and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt which is recognized when due, and certain compensated absences, claims and judgments, and postemployment health care benefits, which are recognized when the obligations are expected to be liquidated with current expendable available resources.

Entitlements and shared revenues are recorded at the time of receipt, or earlier, if the susceptible to accrual criteria is met. Expenditure driven grants recognize revenue when the qualifying expenditures are incurred, and all other grant requirements are met.

C. Fair Value Measurements

The Collaborative measures assets, with the exception of certain investments and capital assets, and liabilities according to the hierarchy established by GAAP. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The hierarchy is based upon valuation inputs, which are the assumptions that market participants would use when pricing an asset or a liability, including assumptions about risk. The following levels are considered:

- Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets or liabilities that a government can access at the measurement date.
- Level 2 inputs – pricing inputs that are directly observable for an asset or a liability (including quoted prices for similar assets or liabilities), as well as inputs that are not directly observable for an asset or a liability.
- Level 3 inputs – unobservable pricing inputs for an asset or a liability that should only be used if relevant Level 1 and Level 2 inputs are not available.

The Collaborative considers most assets and liabilities to be reported as Level 1 inputs; however, see accompanying notes for additional information regarding investments, capital assets, and net OPEB liabilities.

D. Cash, Cash Equivalents, and Investments

The Collaborative considers cash and cash equivalents to be cash on hand, certificates of deposit, demand deposits, and other short-term investments with an original maturity of three months or less from the date of acquisition.

Investments are defined as securities or other assets that (a) a government holds primarily for the purpose of income or profit and (b) have a present service capacity based solely on their ability to generate cash or be sold to generate cash. Generally, investments are reported according to the fair value hierarchy established by GAAP. Certain investments, such as money market investments and 2a7-like external investment pools, are reported at amortized cost. 2a7-like pools are external investment pools that operate in conformity with the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended, and should be measured at the net asset value per share provided by the pool.

The Collaborative maintains deposits and investments in accordance with Massachusetts General Laws and adopted policies. Additional cash and investment disclosures are presented in these Notes.

E. Inventories

The Collaborative currently does not report any inventories for financial reporting purposes. The Collaborative reports food and supplies purchased in the food service program as expenditures when purchased, rather than when the food and supplies are consumed. The Collaborative has determined any amounts not consumed at year-end to be immaterial to the Collaborative's financial statements.

F. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and due from other funds." Short-term interfund loans are reported as "interfund receivables and interfund payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and advances to other funds." Interfund receivables and interfund payables between funds within governmental activities are eliminated in the Statement of Net Position.

G. Receivables

Receivables consist of all revenues earned at year-end and not yet received, net of an allowance for uncollectible amounts. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. The Collaborative considers all of its receivables to be collectible and does not report an allowance for uncollectible accounts.

H. Right to Use Asset/Lease Obligation

GASB Statement #87, *Leases*, requires the reporting of a lease liability and a lease asset for contractual arrangements for the use of certain underlying assets. Generally, the lease liability and lease asset (right to use) are required to be recognized at the commencement of the lease term. The lease liability is generally measured at the present value of payments expected to be received during the lease term. The lease asset is amortized in a systematic method over the shorter of the lease term or the useful life of the underlying asset. Additional details are disclosed in the accompanying notes. See Note 8.

I. Capital Assets

The accounting treatment over property, plant, and equipment (capital assets) depends on whether they are reported in the government-wide or fund financial statements.

Government-wide Financial Statements

All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets, donated works of art, historical treasurers, and similar assets, which are recorded at their acquisition value (entry price) at the date of donation. The Collaborative defines capital assets, which include land, buildings and improvements, and furniture and equipment, as assets with a per unit cost of $10,000 or more and an estimated useful life of one year or more. The cost of normal maintenance and repairs that do not add to the value or materially extend the useful life of the asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects as constructed.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of assets is as follows:

➢ Buildings	40 years
➢ Building improvements	20 years
➢ Infrastructure	20 years
➢ Machinery, equipment, and vehicles	5-10 years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

J. Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources, as applicable, represent a consumption of assets by the government that is applicable to a future reporting period. These *deferred outflows of resources* have a positive effect on net position and are reported after assets when applicable. Deferred inflows of resources, as applicable, represent the acquisition of assets by the government that is applicable to a future reporting period. These *deferred inflows of resources* have a negative effect on net position and are reported after liabilities when applicable. These amounts are reported in the government-wide and fund financial statements based upon the nature of the items.

K. Liabilities

Liabilities represent present obligations to sacrifice resources for which the government has little or no discretion to avoid. The primary focus is on the obligation for the government to perform. The accounting treatment for these obligations depends on whether they are reported in the government-wide or fund financial statements.

Current liabilities are reported in both the fund and government-wide financial statements. Current liabilities represent obligations incurred in the operating cycle from the acquisition of goods, services, accruals for salaries/wages, vacation accruals, and other obligations due or generally expected to be liquidated within one year from the balance sheet date. Government-wide financial statements also report other current liabilities, such as accrued interest, which is reported on a full accrual basis.

Generally, all noncurrent (long-term) obligations are not reported as liabilities in the fund financial statements but are reported in the government-wide statements. Such obligations consist primarily of bonds payable, capital leases, and other postemployment benefits.

L. Compensated Absences

The Collaborative's policies and provisions regarding vacation and sick time permit certain employees to accumulate earned but unused vacation and sick leave. Upon termination, employees will be paid for earned, unused vacation time under the Collaborative's vacation time policy. There is no reimbursement for earned, unused sick time. The liability for these compensated absences (vacation time) is recorded as a liability in these financial statements.

M. Equity Classifications

Government-wide Financial Statements

Equity is classified as net position in the government-wide financial statements and is displayed in three components:

- Net investment in capital assets: This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.
- Restricted: This component of net position consists of restricted net assets reduced by liabilities and deferred inflows of resources related to those assets. These assets may be restricted by constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) laws through constitutional provisions or enabling legislation.
- Unrestricted: This component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

Fund Financial Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified based on the extent to which the government is bound to honor constraints on specific purposes for which amounts in the funds can be spent. The Collaborative's spending policy is to spend restricted fund balance first, followed by committed, assigned, and then unassigned fund balance. Most governmental funds were designated for one purpose at the time of their creation. Therefore, any expenditure made from the fund will be allocated to the applicable fund balance classifications in accordance with the aforementioned spending policy. The general fund and certain other funds may have more than one purpose.

Fund balances can be classified in the following components:

- Nonspendable fund balance includes amounts that cannot be spent because they are either (a) not in spendable form; or (b) they are legally or contractually required to be maintained intact.
- Restricted fund balance includes amounts subject to constraints placed on the use of resources that are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) that are imposed by law through constitutional provisions or enabling legislation.
- Committed fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Collaborative's highest level of decision-making authority (the Board of Directors). Any modification or rescission must also be made by a vote of the Board of Directors.
- Assigned fund balance includes amounts that are constrained by the Collaborative's intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by either (a) the governing body itself; or (b) a body or an official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. Amounts are assigned based upon approval by the Executive Director and Director of Business Services through the Collaborative's procurement and budgetary processes.
- Unassigned fund balance includes the residual classification for the remaining fund balance. This classification represents amounts that have not been assigned to other funds and have not been restricted, committed, or assigned to specific purposes.

  The Collaborative's general fund balance is limited to 25% of the expenditures referred to as (cumulative surplus).

N. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 expenditures during the reporting period. Actual results may differ from those estimates.

O. Total Columns

The total column presented on the government-wide financial statements represents consolidated financial information.

The total column presented on the fund financial statements is presented only to facilitate financial analysis. Data in this column is not the equivalent of consolidated financial information.

P. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of both the Massachusetts State Employees' Retirement System and the Massachusetts Teachers' Retirement System and additions to/deductions from the Systems' fiduciary net positions have been determined on the same basis as they are reported by the Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

Q. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the North River Collaborative Other Postemployment Benefits Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for MMDT and money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at amortized cost.

NOTE 3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budget Process

Generally accepted accounting principles require the presentation of actual results compared to legally adopted budgets. Under M.G.L., the Collaborative is required to adopt an annual operating budget for its general fund in accordance with the provisions of 603 CMR 50.07.

Under the terms of the Collaborative agreement, costs are apportioned and charged to each member in the form of tuition. The calculation of the apportionment to each member is based on the number of enrollments from each member in relation to total enrollments. These tuition charges may be reduced by budgeted credits from other sources or by a portion of any surplus as determined by the Board of Directors.

A comparison of actual results to budgeted amounts for the general fund is included as required supplementary information in the accompanying pages of these financial statements.

Budgets for various special revenue funds utilized to account for specific grant programs are established in accordance with the requirements of the Commonwealth or other grantor agencies, and therefore, are not considered legally adopted budgets required to be presented as required supplementary information.

B. Fund Equities

Operations of the various Collaborative funds for fiscal year 2022 were funded in accordance with the General Laws of Massachusetts. The Collaborative classifies fund equity in the fund financial statements as either nonspendable, restricted, committed, or assigned for specific purposes; the residual amounts are classified as unassigned fund balance.

As of June 30, 2022, the classification of the Collaborative's fund balances can be detailed as follows:

	General Fund	Capital Reserve Fund	Other Governmental Funds	Total
Restricted:				
Grants/donations	$	$	$ 21,096	$ 21,096
Capital improvements		1,019,828		1,019,828
Total restricted		1,019,828	21,096	1,040,924
Unassigned:	3,113,794			3,113,794
Total fund balances	$ 3,113,794	$ 1,019,828	$ 21,096	$ 4,154,718

C. Restricted Net Position

The following table illustrates the Collaborative's restricted net position as reported on the government-wide financial statements as of June 30, 2022:

Capital reserve	$ 1,019,828
Grants and other	21,096
Total restricted net position	$ 1,040,924

NOTE 4. CASH, CASH EQUIVALENTS, AND INVESTMENTS

Massachusetts General Laws (M.G.L.), Chapter 44, Sections 54 and 55, place certain limitations on cash deposits and investments available to the Collaborative. The OPEB trust fund (Retiree Health Insurance Trust Fund - fiduciary fund) is invested in accordance with M.G.L. Chapter 203C. Authorized deposits include demand deposits, term deposits, and certificates of deposit in trust companies, national banks, savings banks, and certain other financial institutions. The Collaborative may also invest in the Massachusetts Municipal Depository Trust (MMDT) – an external investment pool managed by the Treasurer of the Commonwealth of Massachusetts.

Cash deposits are reported at carrying amount, which reasonably approximates fair value. The Collaborative has adopted formal deposit and investment policies.

The Collaborative maintains its deposits at authorized financial institutions. In the case of deposits, custodial credit risk is the risk that in the event of a bank failure, the Collaborative's deposits may not be returned. On June 30, 2022, bank deposits totaled approximately $535,000 and had a carrying amount of $504,000. Of the deposit amounts, approximately $67,000 was exposed to custodial credit risk on June 30, 2022, because it was uninsured and uncollateralized. The difference between deposit amounts and carrying amounts generally represents outstanding checks and deposits in transit.

The Collaborative's investments, including those of the Other Postemployment Benefits (OPEB) (fiduciary fund), as of June 30, 2022 consisted of the following:

Investment Type	Measurement	Value
Governmental Funds:		
MMDT	amortized cost	$ 2,732,575
Money Market Funds	amortized cost	31,939
Fixed Income Mutual Funds	Level 1	95,728
U.S. Governments & Agencies	Level 1	963,373
Total governmental		$ 3,823,615

Investment Type	Measurement	Value
Fiduciary Funds:		
Money Market Funds	amortized cost	$ 27,738
Common stock	not applicable	1,231,547
Diversifying funds	exempt	552,724
U.S. Governments & Agencies	Level 1	213,409
Corporate Bonds	Level 2	185,014
International equity	Level 1	298,598
Fixed income	Level 1	237,309
International fixed income and other	Level 1	56,275
Total fiduciary		$ 2,802,614

- *Custodial credit risk* for investments is the risk that, in the event of the failure of the counter party to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in the possession of another party. The Collaborative has investment policies covering custodial credit risk.

  Governmental Funds: The Collaborative may deposit or invest funds as allowed by Massachusetts General Laws, Chapter 44, Sections 54 and 55. The Collaborative may also invest in securities issued by or unconditionally guaranteed by the U.S. Government or an agency thereof having a maturity from the date of purchase of one year or less. The Collaborative may also invest in repurchase agreements guaranteed by such government securities with maturity dates of not more than ninety days from the date of purchase. The Collaborative may also invest in units of the Massachusetts Municipal Depository Trust (MMDT), an external investment pool managed by the Treasurer of the Commonwealth of Massachusetts.

  Fiduciary Funds: The Collaborative will engage only those institutions with proven financial strength, capital adequacy, and overall affirmative reputation in the municipal industry.

- *Interest rate risk* is the risk that changes in market interest rates will adversely affect the fair market value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair market value to changes in market interest rates. The Collaborative has formal investment policies which address interest rate risk. The approximate maturities of the Collaborative investments, including those of the OPEB Trust (fiduciary fund), as of June 30, 2022, consisted of the following:

  Governmental Funds: Interest rate risk for governmental funds is minimized by investing funds not required for operations or invested in approved fixed income securities or MMDT, or instruments not exceeding four years.

Investment Type	Value	Not Applicable	Maturity Less Than 1 Year	Maturity 1-5 Years	Maturity 6-10 Years
Governmental Funds:					
MMDT	$ 2,732,575	$ 2,732,575	$	$	$
Money Market Funds	31,939	31,939			
Fixed Income Mutual Funds	95,728	95,728			
U.S. Governments & Agencies	963,373			701,648	261,725
Total Governmental Funds	$ 3,823,615	$ 2,860,242	$	$ 701,648	$ 261,725

Fiduciary Funds: The investment manager will manage interest rate risk by managing duration in the account.

Investment Type	Value	Not Applicable	Maturity Less Than 1 Year	Maturity 1-5 Years	Maturity 6-10 Years
Fiduciary Funds:					
Common stock	$ 1,231,547	$ 1,231,547	$	$	$
Money Market Funds	27,738	27,738			
Diversifying funds	552,724	552,724			
International equities	298,598	298,598			
Fixed income funds	237,309	237,309			
U.S. Governments & Agencies	213,409		9,994	114,419	88,996
Corporate Bonds	185,014	185,014			
International fixed income and other funds	56,275	56,275			
Total Fiduciary Funds	$ 2,802,614	$ 2,589,205	$ 9,994	$ 114,419	$ 88,996

- *Credit risk* is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. Credit risk is measured by the assignment of a rating by a nationally recognized statistical rating organization. Obligations of the U.S. Government and certain of its agencies are not considered to have credit risk and are not required to be rated. Equity securities and equity mutual funds are not rated as to credit risk. The Collaborative has formal investment policies which address credit risk. The credit risk of the Collaborative investments, including those of the OPEB Trust (fiduciary fund), as of June 30, 2022, consisted of the following:

  Governmental Funds: The Collaborative will minimize credit risk by depositing funds, not required for current operations or required to meet average daily balance requirements or covered by depository insurance and investor protection in obligations of or guaranteed by the U.S. government or those approved under Massachusetts General Laws Chapter 44, Sections 54 and 55.

Investment Type	Value	Rating
Governmental Funds:		
MMDT	$ 2,732,575	unrated
Money Market Funds	31,939	unrated
Fixed Income Mutual Funds	95,728	unrated
U.S. Governments & Agencies	963,373	exempt
Total governmental funds	$ 3,823,615	

Fiduciary Funds: The investment manager will purchase investment grade securities with a high concentration in securities rated A or better at the time of purchase. Lower-quality investments may only be held through diversified vehicles, such as mutual funds or exchange traded funds. There will be no limit to the amount of United States Treasury and United States Agency obligations.

Investment Type	Value	Rating
Fiduciary Funds:		
Money Market Funds	$ 27,738	unrated
Common stock	1,231,547	not applicable
Diversifying funds	552,724	exempt
U.S. Governments & Agencies	213,409	exempt
Corporate Bonds	185,014	A- to AA+
International equity	298,598	not applicable
Fixed income funds	237,309	exempt
International fixed income and other	56,275	exempt
Total fiduciary funds	$ 2,802,614	

The credit ratings associated with the corporate bonds reported in the fiduciary activities (based upon Moody's ratings) are as follows:

Corporate bond	Rating	Value	Maturity
Apple Inc 2.4%	Aaa	$ 29,827	May-23
Chevron Corp 2.954%	Aa2	19,514	May-26
Deere & Co 2.75%	A2	19,580	Apr-25
JPMorgan Chase & Co 3.625%	A2	25,060	May-24
NIKE Inc 2.75%	A1	14,456	Mar-27
Target Corp 2.5%	A2	28,762	Apr-26
Toyota Motor Credit Corp 3.0%	A1	14,726	Apr-25
Amazon.com Inc 1.65%	A1	13,291	May-28
Bank of NY Mellon Corp 2.2%	A1	19,798	Aug-23
Total		$ 185,014	

- *Concentration of credit risk* is the risk that the Collaborative's potential losses from credit risk are heightened if a significant portion of the Collaborative's funds are invested with a single issuer or institution. As mentioned above in credit risk, obligations of or guaranteed by the U.S. government are not considered to be exposed to credit risk. The Collaborative has formal investment policies which address concentration of credit risk. The Collaborative's investment in MMDT exceeds 5% of the governmental funds' total investments.

Governmental Funds: The Collaborative will minimize this risk by depositing funds, not required for current operations or required to meet average daily balance requirements, not in excess of: (a) $1,000,000 in Rockland Trust Investment Management Group (invested in obligations of or guaranteed by the U.S. government or those approved under Massachusetts General Laws Chapter 44, Sections 54 and 55) or (b) $2,000,000 in MMDT (an external investment pool managed by the Treasurer of the Commonwealth). Additionally, the Collaborative will annually obtain credit ratings on its banks as a measure of due diligence. On June 30, 2022, the Collaborative's investment in MMDT exceeded the established threshold.

Fiduciary Funds: The investment manager will diversify the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. Securities of a single corporate issuer (with the exception of the United States Government and its Agencies) will not exceed 5% of the portfolio value.

NOTE 5. RECEIVABLES

The Collaborative reports the total amount of receivables in the accompanying Statement of Net Position and Balance Sheet. The Collaborative considers these receivables to be fully collectible and has accrued revenue accordingly. As of June 30, 2022, the Collaborative had the following receivables:

Member & non-member receivables	$	261,703
Intergovernmental/grant receivables		130,988
Total	$	392,691

NOTE 6. DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES

On June 30, 2022, the Collaborative reported the following deferred outflows of resources and deferred inflows of resources:

Deferred Outflows of Resources		**June 30, 2022**
Associated with net OPEB liability:		
Differences between actual & expected experience	$	13,927
Changes of assumptions		618,362
Net difference between projected & actual earnings on OPEB plan investments		82,533
Total deferred outflows of resources	$	714,822

Deferred Inflows of Resources		**June 30, 2022**
Deferred revenues:		
Advanced member payments	$	161,027
Subtotal:		161,027
Associated with net OPEB liability:		
Differences between actual & expected experience		194,551
Changes of assumptions		94,270
Subtotal:		288,821
Total deferred inflows of resources	$	449,848

The deferred revenues are reported on both Government-wide and Governmental Funds Financial Statements and consist of advance member payments, tuition credits and transportation credits. Advance member payments represent payments to the Collaborative in the current fiscal year for services to be rendered in a later period. The tuition and transportation credits represent overpayments in amounts billed. The Collaborative utilizes these credits in lieu of payments until the credit balance is exhausted.

NOTE 7. INTERFUND BALANCES AND ACTIVITY

As of June 30, 2022, the Collaborative's general fund was owed $88,968 from various governmental funds. During fiscal year 2022, interfund transfers consisted of the following:

Purpose		**General Fund**		**Capital Reserve Fund**		**Other Governmental Funds**
Appropriation of transfers between the following funds:						
Capital reserve fund	$	(320,000)	$	320,000	$	
Other governmental funds		37,280				(37,280)
Net transfers	$	(282,720)	$	320,000	$	(37,280)

NOTE 8. RIGHT TO USE ASSET/LEASE LIABILITY

Terms and conditions

The Collaborative's primary lease of space for administrative office space at the Almshouse pursuant to an original twenty-five-year agreement with Rockland Public Schools, expiring June 30, 2029.

Pursuant to the requirements of GASB Statement #87, *Leases*, the Collaborative has estimated the present value of the future rental payments based upon the effective dates of the lease agreement and best available information as of the date of these financial statements. Accordingly, the Collaborative utilized the estimate rate of 3.0% over the approximately ten years of future rental periods, inclusive of extensions. Details of the right to use asset and lease liability associated with implementation are detailed below. The cumulative effect on beginning net position has been determined to be immaterial (less than $3,000) to the Collaborative's net position and has not been restated accordingly.

Additionally, the Collaborative rents classroom various classroom spaces from several other locations, including space for the Independence Academy in Brockton. The Collaborative has determined these arrangements to be annual (short-term) arrangements until, multi-year agreements have been formalized. Monthly rent for the Independence Academy for fiscal year 2022 was $10,000 a month. The Collaborative expects to revisit all rental agreements and calculations on an annual basis pursuant to the requirements of the pronouncement.

Right to use asset

The Collaborative has recognized a right to use asset (use of building space) in the amount of $307,914 for the use of Almshouse. Annual amortization of this amount is to be recorded on an annual basis of the approximate remaining ten-year term utilized. Annual amortization for fiscal year 2022, was $30,791. Accumulated amortization as of June 30, 2022, was approximately $92,000. On June 30, 2022, the right to use asset reported net of accumulated amortization was approximately $216,000.

Lease liability

The Collaborative recognized a lease liability in the amount of $307,914 associated with the remaining rental agreement for the Almshouse. The Collaborative's payment for fiscal year 2022 associated with this liability was approximately $36,000, of which, $29,000 was principal and $7,000 was interest. On June 30, 2022, the outstanding balance of the lease liability was $215,096, of which $27,942 was current and $187,154 was noncurrent.

NOTE 9. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022, was as follows:

	Balance July 1, 2021	Additions	Disposals	Balance June 30, 2022
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 575,000	$	$	$ 575,000
Capital assets being depreciated:				
Buildings and related improvements	2,500,623			2,500,623
Improvements other than buildings	202,470			202,470
Equipment and machinery	32,200			32,200
Vehicles	3,208,376	91,914	(82,274)	3,218,016
Subtotal	5,943,669	91,914	(82,274)	5,953,309

Less accumulated depreciation:				
Buildings and related improvements	$ 875,223	$ 62,516	$	$ 937,739
Improvements other than buildings	163,901	10,123		174,024
Equipment and machinery	32,200			32,200
Vehicles	2,141,575	362,888	(82,274)	2,422,189
Subtotal	3,212,899	435,527	(82,274)	3,566,152
Governmental capital assets, net	$ 3,305,770	$ (343,613)	$	$ 2,962,157

Depreciation expense of $435,527 was not allocated to governmental functions. It appears unallocated in the Statement of Activities.

NOTE 10. LONG-TERM OBLIGATIONS

Long-term Obligations Related to Debt

Changes in long-term obligations for the year ended June 30, 2022, are as follows:

	Balance at July 1, 2021	Increases	Decreases	Balance at June 30, 2022	Due Within One Year
Governmental activities:					
Industrial development bond	$ 295,537	$	$ (291,194)	$ 4,343	$ 4,343
Notes from direct financing/ capital acquisitions	580,303	91,914	(413,617)	$ 258,600	111,823
Total	$ 875,840	$ 91,914	$ (704,811)	$ 262,943	$ 116,166

The Collaborative's outstanding industrial development bond related to governmental activities of $4,343 is secured with collateral of (1) a first mortgage on the land and improvements located at the property together with the assignment of all leases and rents of the property and (2) a first security interest in all of the Collaborative's personal property located on that property. Additionally, the industrial development bond agreement contains the following significant provisions: (1) the loan is subject to a 1.1 times debt service coverage covenant, measured annually; and (2) in the event of a default, all outstanding amounts become immediately due if the Collaborative is unable to make payment.

The Collaborative's outstanding notes from direct financing arrangements of $258,600 are secured with collateral of first priority interest in vehicles purchased with loan proceeds. Additionally, each of the notes contain a provision that in the event of a default, outstanding amounts become immediately due if the Collaborative is unable to make payment.

Additional detail of the Collaborative's long-term debt is as follows:

Purpose	Issue Amount	Maturity Date	Interest Rate	Year-End Balance
Industrial Development Bond:				
North River School building	$ 2,100,000	2/14/2027	Adjustable	$ 4,343
Notes from Direct Financings:				
Transportation vehicles	$ 441,674	5/28/2028	3.59%	10,168
Transportation vehicles	$ 78,946	11/28/2022	3.99%	8,793
Transportation vehicles	$ 281,265	9/9/2024	3.34%	162,362
Transportation vehicles	$ 91,914	10/23/2025	3.66%	77,277
			Total:	$ 262,943

Debt services requirements on long-term debt on June 30, 2022, are as follows:

	Governmental Activities							
	Bonds				Notes from Direct Borrowings			
Year Ending June 30	Principal		Interest		Principal		Interest	
2023	$	4,343	$	210	$	111,823	$	6,894
2024						96,085		3,583
2025						42,535		879
2026						8,157		62
Total	$	4,343	$	210	$	258,600	$	11,418

Fiscal year 2022 debt service expenditures consisted of approximately $705,000 of principal and $26,000 of interest.

Other Long-term Obligations

Additional long-term obligations of the Collaborative for the year-ended June 30, 2022, are as follows. Refer to Note 14 – Employee Benefits.

	Balance July 1, 2021		Additions		Decreases		Balance June 30, 2022	
Governmental Activities								
Net other postemployment benefits liability	$	986,652	$	1,120,589	$	(209,996)	$	1,897,245

NOTE 11. LINES OF CREDIT

The Collaborative has a working capital line of credit agreement of $500,000 and a guidance line of credit of $150,000 with Rockland Trust Bank that expired December 31, 2021 and were subsequently extended to December 30, 2023. The $500,000 working capital line of credit bears interest at an annual rate of the aggregate rate of the prime rate plus 0% per annum. However, under no circumstance shall the interest rate payable on the loan be less than 0% per annum. The $150,000 guidance line of credit bears interest at the FHLBB rate plus 2.65% fixed rate on notes advanced under the line or prevailing promotional rates in effect at the time of advance, if applicable. However, under no circumstance shall the interest rate payable on the loan be less than 3.50% per annum. Both lines are reviewed annually and are due on demand. Both of the lines of credit are subject to a 1.1 times debt service covenant, measured annually. The approval of the Board of Directors is required prior to borrowing against the lines of credit. As of June 30, 2022, and for the year then ended, there were no borrowings against either of the lines of credit.

NOTE 12. DUE TO MEMBER SCHOOL DISTRICTS

In accordance with Massachusetts General Laws, unexpended general (surplus) funds may either be carried forward and used in the Collaborative's subsequent budget cycles or refunded to the member districts. On an annual basis, the Board of Directors votes to retain the cumulative surplus funds for the Collaborative's use or return all, or some portion, of the funds to the member districts. The amounts owed to the members are either returned or credited to the member's account to offset billings for future programs and services. The Board did not authorize any surplus funds to be returned to members for fiscal year 2022.

NOTE 13. COMMITMENTS AND CONTINGENCIES

Litigation

Management of the Collaborative is unaware of any actual or contemplated litigation against the School that would have a material financial impact to the Collaborative's financial statements.

Grants

The Collaborative receives significant financial assistance from Federal and State governmental agencies in the form of grants. The disbursement of funds received under these programs requires compliance with terms and conditions specified in the grant agreements and are subject to audit by grantor agencies, principally the Federal and State governments. Any disallowed claims, including amounts already collected, may constitute a liability of the general fund or other applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor agencies cannot be determined at this time.

Coronavirus pandemic

Management of the Collaborative believes activities will continue under current guidelines. Any additional impacts to the Collaborative in relation to the coronavirus pandemic cannot be determined.

NOTE 14. EMPLOYEE BENEFITS

A. Compensated Absences

Employees are granted vacation leave under the terms of their employment contracts or Collaborative policy up to a maximum of six (6) weeks. Five to ten days of vacation time may be carried forward to the next fiscal year with prior approval of the Executive Director. Employees are entitled to accumulate sick leave up to a maximum of one hundred (100) days. Collaborative policy does not allow for compensation for unused sick leave, if any, when an employee's service is terminated by resignation, death, or retirement. On June 30, 2022, the accrued liability for vacation time was approximately $20,000 and is reflected in accounts and salaries payable and withholdings in the accompanying financial statements.

B. Pension Plans

Special Funding Situation – Massachusetts Teachers' Retirement System (MTRS)

Plan Description

The Massachusetts Teachers' Retirement System (MTRS) is a public employee retirement system (PERS) that administers a cost-sharing multiple employers defined benefit plan, as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans.* MTRS is managed by the Commonwealth of Massachusetts (the Commonwealth) on behalf of municipal teachers and municipal teacher retirees. The Commonwealth is a nonemployer contributing entity and is responsible for all contributions and future benefit requirements of the MTRS. The MTRS covers certified teachers in cities (except Boston), towns, regional school districts, charter schools, educational collaboratives, and Quincy College. The MTRS is part of the Commonwealth's reporting entity and does not issue a stand-alone audited financial report. The Commonwealth's Annual Comprehensive Financial Report (ACFR) may be obtained by visiting https://www.mass comptroller.org/annual-comprehensive-financial-reports. Additional information related to the MTRS can be found by visiting: https://mtrs.state.ma.us.

Management of the MTRS is vested in the Massachusetts Teachers' Retirement Board (MTRB), which consists of seven members – two elected by the MTRS members, the State Treasurer (or their designee), the State Auditor (or their designee), a member appointed by the Governor, the Commissioner of Education (or their designee) who serves ex-officio as the Chairman of the MTRB, and one who is chosen by the six other MTRB members.

The Commonwealth is a nonemployer contributing entity and is required by statute to make all actuarially determined employer contributions on behalf of the member employers. Therefore, these employers, including the Collaborative, are considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributing entity in MTRS. Since the Collaborative does not contribute directly to MTRS, there is no net pension liability for the Collaborative to recognize. However, the Collaborative must disclose the portion of the nonemployer contributing entity's share of the collective net pension liability that is associated with the Collaborative. In addition, the Collaborative must recognize its portion of the collective pension expense as both a revenue and a pension expense.

Benefits Provided

MTRS provides retirement, disability, survivor, and death benefits to members and their beneficiaries. Massachusetts General Laws (M.G.L.) 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 credible service, 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 M.G.L. 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 as indicated below. Costs of administering the plan are funded out of plan assets.

Contributions

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

Hire Date	% of Compensation
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

In addition, members who join the system on or after April 2, 2012, will have their withholding rates reduced to 8% for those participating in Retirementplus, otherwise the withholdings are reduced to 6% plus 2% on earnings over $30,000 a year after achieving 30 years of credible service.

The total of Commonwealth provided contributions has been allocated based on the ratio of each employer's covered payroll to the total covered payroll (approximately $7,755,988,000) of employers in MTRS as of the measurement date of June 30, 2020. In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions,* the Collaborative is required to recognize its proportional share of pension revenue and expenses, as reported by MTRS, as on-behalf payments in its financial statements. As of June 30, 2022, the Collaborative recognized $916,502 of on-behalf revenues and expenses in its Statement of Activities and $879,457 of on-behalf revenues and expenditures in its Statement of Revenues, Expenditures, and Changes in Fund Balances.

Pension Liabilities and Expenses Related to Pensions

The collective net pension liability of the MTRS was determined by an actuarial valuation as of January 1, 2021, rolled forward to June 30, 2021 (measurement date). The following table illustrates the Plan's net pension liability and the Commonwealth's proportionate share associated with the Collaborative:

	2021
Total pension liability	$ 59,795,000,000
Less: Plan fiduciary net position	37,088,124,000
Net pension liability	$ 22,706,876,000

Plan fiduciary net position as a percentage of total pension liability	62.03%
Commonwealth's proportionate share of the collective net pension liability associated with the Collaborative	$ 11,421,173
Commonwealth's proportionate share of the collective pension expense associated with the Collaborative	$ 916,502
Commonwealth's contributions related to the Collaborative	$ 879,457
Commonwealth's proportionate share of the collective net pension liability as a percentage of the total associated with the Collaborative	0.050%

The Commonwealth's proportionate share of pension expense has been included in the Collaborative's Statement of Revenues, Expenditures, and Changes in Fund Balances as intergovernmental revenues and as fixed charges expenditures. In the Statement of Activity, these amounts are reported as program revenues from operating grants and contributions and as fixed charges expenses. Since the Collaborative is considered to be in a special funding situation and does not contribute directly to MTRS, the Collaborative does not record a net pension liability in the Statement of Net Position.

Actuarial Assumptions

The total pension liability for the June 30, 2021, measurement date was determined by an actuarial valuation as of January 1, 2021, rolled forward to June 30, 2021. This valuation used the following assumptions:

(1) (a) 7.00% investment rate of return (b) 3.50% interest rate credited to the annuity savings fund, and (c) 3.00% cost of living increase on the first $13,000 of allowance per year.

(2) Salary increases are based on analyses of past experience but range from 4.0% to 7.5% depending on length of service.

(3) Mortality rates were as follows:

- Pre-retirement – reflects Pub-2010 Teachers Employees mortality table (headcount weighted) projected generationally with Scale MP-2020 (gender distinct).
- Post-retirement – reflects Pub-2010 Teachers Retirees mortality table (headcount weighted) projected generationally with Scale MP-2020 (gender distinct).
- Disability – assumed to be in accordance with the Pub-2010 Teachers Retirees mortality table (headcount weighted) projected generationally with Scale MP-2020 (gender distinct).

(4) Experience study was performed as follows:

- Dated July 21, 2014, and encompasses the period January 1, 2006, to December 31, 2011, updated to reflect post-retirement mortality through January 1, 2017.

Investment assets of the MTRS are with the Pension Reserves Investment Trust (PRIT) Fund. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage. Best estimates of geometric rates of return for each major asset class included in the PRIT Fund's target asset allocation as of June 30, 2021, are summarized in the following table:

Asset Class	**Target Allocation**	**Long-Term Expected Real Rate of Return**
Global Equity	39.0%	4.8%
Core Fixed Income	15.0%	0.3%
Private Equity	13.0%	7.8%
Portfolio Completion Strategies	11.0%	2.9%
Real Estate	10.0%	3.7%
Value Added Fixed Income	8.0%	3.9%
Timberland/Natural Resources	4.0%	4.3%
Total	100.0%	

Discount Rate

The discount rate used to measure the total pension liability was 7.00% (previously 7.15%). The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the Commonwealth's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity Analysis

The following illustrates the sensitivity of the collective net pension liability to changes in the discount rate as of June 30, 2021. In particular, the table presents the MTRS collective net pension liability assuming it was calculated using a single discount rate that is one-percentage-point lower or one-percentage-point higher than the current discount rate (amounts in thousands):

	1% Decrease to 6.00%	Current Discount Rate 7.00%	1% Increase to 8.00%
MTRS - Total Plan	$ 29,687,706	$ 22,707,876	$ 16,882,184
Proportionate share associated with the Collaborative	$ 14,932	$ 11,421	$ 8,491

Special Funding Situation – Massachusetts State Employees' Retirement System (MSERS)

Plan Description

The Massachusetts State Employees' Retirement System (MSERS) is a public employee retirement system (PERS), that administers a cost-sharing multiple employers defined benefit pension plan as defined by Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans,* covering substantially all employees of the Commonwealth and certain employees of independent authorities and agencies. The former Massachusetts Turnpike Authority (MTA) employees and retirees became members of MSERS upon the creation of the Massachusetts Department of Transportation (MassDOT). Other employees who transferred to MassDOT have been, and remain, members of MSERS. The assets and liabilities of the former MTA have been transferred to MSERS. MSERS is part of the Commonwealth's reporting entity and does not issue a stand-alone audited financial report. The Commonwealth's Annual Comprehensive Financial Report (ACFR) may be obtained by visiting https://www.mass comptroller.org/annual-comprehensive-financial-reports. Additional information related to the MTRS can be found by visiting: https://msers.state.ma.us.

Management of MSERS is vested in the Massachusetts State Retirement Board (the MSRB) which consists of five members – two elected by current and active MSERS members, one who is appointed by the State Treasurer, the State Treasurer who serves as ex-officio and is the Chair of the MSRB, and one by the remaining members of the MSRB.

Benefits Provided

MSERS provides retirement, disability, survivor, and death benefits to members and their beneficiaries. Massachusetts General Laws (M.G.L.) 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 credible service, 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 M.G.L. 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.

Contributions

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

Hire Date	% of Compensation
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 except for State Police which is 12% of regular compensation
1979 to present	An additional 2% of regular compensation in excess of $30,000

In addition, members of Group 1 who join the system on or after April 2, 2012, will have their withholding rate reduced to 6% after achieving 30 years of creditable service.

Educational Collaboratives

A special funding situation was created by M.G.L. for all educational collaboratives in the Commonwealth. Collaboratives contribute amounts equal to the normal cost of employees' benefits 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. The Commonwealth as a nonemployer is legally responsible for the entire past service cost related to the collaboratives and therefore has a 100% special funding situation. Therefore, the Collaborative does not have a net pension liability.

The total of the Commonwealth provided contributions has been allocated based on the ratio of each employer's covered payroll to the total covered payroll of employers in MSERS as of the measurement date of June 30, 2021. The Collaborative's required contribution to MSERS equaled its actual contribution for 2021, which was $241,634 and 5.6% of covered payroll.

As of June 30, 2021, the Commonwealth's proportionate share of the collective net pension liability associated with the North River Collaborative was .06565% or $6,851,195. As this is a special funding situation, a liability is not recorded on the Collaborative's Statement of Net Position.

In the Statement of Activities, the Collaborative recognized its proportionate share of the Commonwealth's pension expense in the amount of $872,036 as program revenues from operating grants and contributions and as fixed charges expenses. In the Statement of Revenues, Expenditures, and Changes in Fund Balances, the Collaborative recognized the Commonwealth's actual contributions in the amount of $539,295 as intergovernmental revenues and fixed charges expenditures.

The following table illustrates the Plan's collective net position liability and contributions at June 30, 2021:

	2021
Total pension liability	$ 46,476,000,000
Less: Plan fiduciary net position	36,039,471,000
Net pension liability	$ 10,436,529,000

Plan fiduciary net position as a percentage of total pension liability		77.54%
Commonwealth's proportionate share of the collective net pension liability associated with the Collaborative	$	6,851,195
Commonwealth's proportionate share of the collective pension expense associated with the Collaborative	$	418,431
Collaborative's contributions (employer)	$	241,634
Commonwealth's contributions related to the Collaborative (nonemployer)	$	539,295
Commonwealth's proportionate share of the collective net pension liability as a percentage of the total associated with the Collaborative		0.0656%

Actuarial Assumptions

The total pension liability for the June 30, 2021, measurement date was determined by an actuarial valuation as of January 1, 2021, rolled forward to June 30, 2021. This valuation used the following assumptions:

(1) (a) 7.00% investment rate of return, (b) 3.50% interest rate credited to the annuity savings fund, and (c) 3.00% cost of living increase on the first $13,000 of allowance each year.

(2) Salary increases are based on analyses of past experience but range from 4.00% to 9.00% depending on group and length of service.

(3) Mortality rates were as follows:

- Pre-retirement – reflects RP-2014 Blue Collar Employees Table projected generationally with Scale MP-2020, set forward 1 year for females.
- Post-retirement – reflects RP-2014 Blue Collar Healthy Annuitant Table projected generationally with Scale MP-2020, set forward 1 year for females.
- Disability – the mortality rate reflects RP-2014 Blue Collar Healthy Annuitant Table projected generationally with Scale MP-2020, set forward 1 year.

(4) Experience studies were performed as follows:

- Dated February 27, 2014, and encompass the period January 1, 2006, to December 31, 2011, updated to reflect actual experience from 2012 through 2016 for post-retirement mortality.

Investment assets of MSERS are with the Pension Reserves Investment Trust (PRIT) Fund. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage. Best estimates of geometric rates of return for each major asset class included in the PRIT Fund's target asset allocation as of June 30, 2021, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	39.0%	4.8%
Core Fixed Income	15.0%	0.3%
Private Equity	13.0%	7.8%
Portfolio Completion Strategies	11.0%	2.9%
Real Estate	10.0%	3.7%
Value Added Fixed Income	8.0%	3.9%
Timberland/Natural Resources	4.0%	4.3%
Total	100.0%	

Discount Rate

The discount rate used to measure the total pension liability was 7.00% (previously 7.15%). The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the Commonwealth's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity Analysis

The following illustrates the sensitivity of the collective net pension liability to changes in the discount rate as of June 30, 2021. In particular, the table presents the MSERS collective net pension liability assuming it was calculated using a single discount rate that is one-percentage-point lower or one-percentage-point higher than the current discount rate (amounts in thousands):

	1% Decrease to 6.00%	Current Discount Rate 7.00%	1% Increase to 8.00%
MSERS - Total Plan	$ 15,974,650	$ 10,436,529	$ 5,884,626
Proportionate share associated with the Collaborative	$ 10,487	$ 6,851	$ 3,863

C. Other Postemployment Benefits (OPEB)

General Information about the OPEB Plan

Plan Description

The North River Collaborative administers the North River Collaborative Other Postemployment Benefits Plan (the Plan) – a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) to retirees, their dependents, and beneficiaries. Contributions for the funding of these benefits are provided through the North River Collaborative OPEB Trust Fund (the Trust), See Note 16.

Benefits Provided

The Plan provides health and dental benefits to retirees, their dependents, and beneficiaries. Benefits are provided through the Mayflower Municipal Health Group, a third-party insurer, which administers, assumes, and pays all claims of the Plan.

The following provides descriptions of the retiree medical insurance program and the dental insurance program:

Retiree Medical Insurance Program:

Plan Type:	Comprehensive medical insurance offered through Blue Cross Blue Shield of Massachusetts and Harvard Pilgrim Healthcare.
Administrator:	North River Collaborative
Eligibility:	An employee hired before April 2, 2012, shall become eligible to retire under this plan upon attainment of age 55 as an active member and completion of 10 years of service or an employee shall be able to retire with 20 years of service regardless of age. Those hired on or after April 2, 2012, shall be eligible to retire upon attainment of age 60 with 10 years of creditable service.
Cost Sharing:	The employer shall pay 55% of the premiums for an individual medical policy. If a retiree chooses family coverage, there will be no employer subsidy beyond that 55% paid for the individual policy. As such, the retiree shall pay 45% for an individual policy and the difference between the family premium amount and the 55% of the individual premium amount if they elect dependent coverage.

Retiree Dental Insurance Program:

Plan Type:	Comprehensive dental.
Administrator:	North River Collaborative
Eligibility:	Same as above.
Cost Sharing:	Retirees shall pay 100% of stated premiums.

Employees Covered by Benefit Terms

As of the actuarial valuation date, July 1, 2020, with a measurement date of June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits:	20
Active employees:	192
Total:	212

Contributions

The contribution requirements of plan members and the Collaborative are established and may be amended through Collaborative ordinances. For the period ending on the June 30, 2022, measurement date, total Collaborative premiums plus implicit costs for the retiree medical program were $144,140. The Collaborative also made a contribution to the Trust of $150,000 for a total contribution during the measurement period of $222,607 to be reported on the financial statement for the fiscal year ending June 30, 2022.

Net OPEB Liability

In accordance with GASB No. 75, the Collaborative recognizes a net OPEB liability which is measured as the portion of the actuarial present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of employee service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position. The Collaborative's net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2020.

Actuarial Methods & 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.

The following assumptions were utilized in the actuarial valuation as of June 30, 2022 (measurement date):

Actuarial Cost Method:	Individual Entry Age Normal
Investment Rate of Return:	6.17%, net of OPEB plan investment expense, including inflation (previously 6.76%).
Discount Rate:	5.92% per annum (previously 6.76%)
Municipal Bond Rate:	4.09% as of June 30, 2022 (source S&P Municipal Bond 20-Year High Grade Index-SAPIHG)
Healthcare Trend Rates:	Rates were developed using the SOA Getzen Model of Long-Run Medical Cost Trends
General Inflation Assumption:	2.50% per annum
Annual Compensation Increase:	3.00% per annum
Asset-Valuation Method:	Market Value of assets as of the measurement date, June 30, 2021
Pre-Retirement Mortality:	General: RP-2014 Mortality Table for Blue Collar Employees projected generationally with Scale MP-2016 for males and females, set forward 1 year for females Teachers: RP-2014 Mortality Tale for White Collar Employees projected generationally with scale MP-2016 for males and females
Post-Retirement Mortality:	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with Scale MP-2016 for males and females, set forward 1 year for females Teachers: RP-2014 Mortality Tale for White Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females

Disabled Mortality:	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with Scale MP-2016 for males and females, set forward 1 year for females Teachers: RP-2014 Mortality Tale for White Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females

Investment Policy

The Collaborative pursues an investment strategy that provides the maximum investment return with minimal risk. Funds not required for current operations should be invested according to an investment policy approved by the Board of Directors and the preservation of capital always takes priority over maximizing returns.

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

Asset Class	**Target Allocation**	**Long-Term Expected Real Rate of Return**
Domestic Equity - Large Cap	46.25%	4.42%
Domestic Equity - Small/Mid Cap	5.75%	4.81%
International Equity - Developed Market	5.50%	4.91%
International Equity - Emerging Market	2.75%	5.58%
Domestic Fixed Income	19.50%	1.00%
International Fixed Income	3.75%	1.04%
Alternatives	10.50%	5.98%
Real Estate	5.00%	6.25%
Cash & Cash Equivalents	1.00%	0.00%
Total	**100.00%**	

Discount Rate

The discount rate used to measure the total OPEB liability was 6.75%, (previously 6.75%). The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the Collaborative's funding policy. Based on these assumptions, the OPEB plan's fiduciary net position is projected to be sufficient to make all projected benefit payments to current plan members. Therefore, the long-term expected rate of return on the OPEB plan assets was applied to all projected future benefit payments.

Rate of Return

As of the June 30, 2022, measurement date, the annual money-weighted rate of return on investments, net of investment expense, was (6.28%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Changes in the Net OPEB Liability

The following table illustrates the changes in the net OPEB liability on June 30, 2022 (measurement date and reporting date).

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances for June 30, 2021	$ 3,906,966	$ 2,920,314	$ 986,652
Changes for the year:			
Service cost	208,862		208,862
Interest on total OPEB liability, service cost, and benefit payments	273,033		273,033
Changes in assumptions	455,138		455,138
Differences between expected and actual experience			
Net investment income		(183,556)	183,556
Employer contributions to Trust		209,996	(209,996)
Benefit payments withdrawn from Trust		(144,140)	144,140
Total benefit payments including implicit costs	(144,140)		(144,140)
Net changes	792,893	(117,700)	910,593
Balances on June 30, 2022	**$ 4,699,859**	**$ 2,802,614**	**$ 1,897,245**

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability and corresponding service cost of the Collaborative, as well as what the Collaborative's net OPEB liability and corresponding service cost would be if they were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease 4.92%	Current Discount Rate 5.92%	1% Increase 6.92%
Net OPEB liability	$ 2,625,313	$ 1,897,245	$ 1,312,964

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability and corresponding service cost of the Collaborative, as well as what the Collaborative's net OPEB liability and corresponding service cost would be if they were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rate	1% Increase
Net OPEB liability	$ 1,250,525	$ 1,897,245	$ 2,698,215

OPEB Expense & Deferred Outflows of Resources & Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2022 (measurement date and reporting date), the Collaborative recognized net OPEB expense of $364,977. Additionally, the Collaborative reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources as of June 30, 2022 (measurement date and reporting date):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 13,927	$ (194,551)
Changes of assumptions	618,362	(94,270)
Net difference between projected and actual earnings on OPEB plan investments	82,533	
Total	**$ 714,822**	**$ (288,821)**

Net amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30	Net
2023	$ 74,205
2024	70,388
2025	6,557
2026	135,957
2027	73,870
Thereafter	65,024
Total, net	$ 426,001

GASB Statement #74

GASB Statement #74 is associated with reporting of the OPEB plan as of its reporting date June 30, 2022. The OPEB plan reported net position of $2,802,614 as of June 30, 2022.

Net OPEB Liability

The components of the net OPEB liability of the Collaborative at June 30, 2022 (measurement date and reporting date) were as follows:

Total OPEB liability	$ 4,699,859
Plan fiduciary net position	(2,802,614)
Collaborative's net OPEB liability	$ 1,897,245
Plan fiduciary net position as a percentage of the total OPEB liability	59.63%

Actuarial Determined Contribution (ADC)

The Collaborative's Actuarial Determined Contribution (ADC) is an amount actuarially determined in accordance with the parameters of GASB Statement #74/75 which is composed of the service cost and an amortization of the unfunded liability. A 30-year flat dollar amortization of the Collaborative's unfunded liability has been used for the purpose of calculating ADC. The following table shows the components of the Collaborative's annual ADC and the amount actually contributed to the Plan:

		FY2022
Service cost	$	208,862
30-year level dollar amortization of NOL		92,131
Actuarial determined contribution		300,993
Contributions in relation to actuarially determined contribution		(209,996)
Contribution deficiency/(excess)	$	90,997
Covered employee payroll	$	8,538,308
Contributions as a percentage of covered employee payroll		2.46%

Note: Contributions and benefits are reported in the financial statements on actual amounts. Actuarial calculation and amounts reported for contributions and benefits also account for implicit costs. There is no overall difference in the net change when funding net position of the Plan.

NOTE 15. RISK MANAGEMENT

The Collaborative is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Collaborative carries commercial insurance for all risks except health insurance.

The Collaborative participates in the Mayflower Municipal Health Group (the Group), a municipal joint-purchase group consisting of 31 governmental units, formed pursuant to Massachusetts General Law Chapter 32B to provide employee insurance benefits. Employees and the Collaborative both contribute to the Group. On an annual basis, the Collaborative budgets in the general fund for its estimated share of premiums. The Group reported net position on June 30, 2021, of $38.4 million (audited). Payments to the Group for premiums for fiscal year 2022 were approximately $1.4 million. Additional financial information related to the Group can be obtained by contacting the Group directly at: 65 Cordage Park Circle, Suite 110, Plymouth, MA 02360.

NOTE 16. NORTH RIVER COLLABORATIVE OPEB TRUST FUND

On March 20, 2000, the Board of Directors authorized the creation of the North River Collaborative Retirees' Health Insurance Trust (The Trust). The Trust is a separate legal entity, which has received a determination letter from the Internal Revenue Service indicating that it has tax-exempt status under 501(c)(9) of the Internal Revenue Code. The purpose of the Trust is to provide a funding mechanism to pay the on-going liability associated with providing health insurance premiums of eligible retirees, their dependents, and beneficiaries of the Collaborative under M.G.L. Chapter 32. In effect, the Trust is a single employer defined benefit OPEB plan. The Trust is governed by a Board of Trustees comprised of the Board of Directors of North River Collaborative.

Effective August 3, 2021, the Collaborative voted to amend and restate the North River Collaborative Retirees Health Insurance Trust Fund into the OPEB Declaration of Trust for the North River Collaborative Other Post-Employment Benefits Liability Trust Fund (OPEB Trust).

Because of the governance and fiscal responsibility of the Collaborative to the Trust, the Trust, a component unit, is reported as a fiduciary fund of the Collaborative. The Trust does not issue separate financial statements.

Additional funding of the Collaborative's OPEB liability is funded on a discretionary basis by contributions from the unrestricted fund balance of the Collaborative. The Board has the authority to decide when such contributions if any are to be made. During fiscal year 2022, the Board authorized contributions of $150,000 to the Trust.

NOTE 17. SUBSEQUENT EVENTS

The Collaborative has evaluated subsequent events through December 7, 2022, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

NOTE 18. IMPLEMENTATION OF GASB PRONOUNCEMENTS

The following are pronouncements issued by the Governmental Accounting Standards Board (GASB), which are applicable to the Collaborative's financial statements:

Current Pronouncements:

- The GASB issued Statement No. 87, *Leases,* which was required to be implemented in fiscal year 2022. This pronouncement increases the usefulness of governments' financial statements by establishing a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The Collaborative implemented this pronouncement as applicable.
- The GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period,* which was required to be implemented in fiscal year 2022. This pronouncement improves financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. This pronouncement was not applicable to the Collaborative in the current year.

Future Pronouncements:

- The GASB issued Statement No. 91, *Conduit Debt Obligations*, which is required to be implemented in fiscal year 2023. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and to eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The Collaborative will evaluate the implementation of this pronouncement but does not expect the pronouncement to be applicable.
- The GASB issued Statement No. 92, *Omnibus 2020,* which is generally required to be implemented in fiscal year 2023, as amended by GASB Statement No. 95. This pronouncement addresses a variety of topics and includes specific provisions of previously issued pronouncements. The Collaborative will evaluate the applicability of this pronouncement upon implementation.
- The GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which is generally required to be implemented in fiscal year 2023. This pronouncement addresses the accounting and reporting of arrangements in which a government contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset for a period of time in an exchange or an exchange-like transaction. The Collaborative will evaluate the applicability of this pronouncement upon implementation.

- The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements,* which is generally required to be implemented in fiscal year 2023. This pronouncement addresses the accounting and financial reporting for subscription-based information technology arrangements for government end users. The Collaborative expects to implement the pronouncement as applicable.
- The GASB issued Statement No. 99, *Omnibus 2022,* which is generally required to be implemented in fiscal year 2023 and thereafter. This pronouncement addresses a variety of topics and includes specific provisions of previously issued pronouncements. The Collaborative will evaluate the applicability of this pronouncement upon implementation.
- The GASB issued Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB62,* which is generally required to be implemented in fiscal year 2024. This pronouncement addresses enhancements to the accounting and reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information. The Collaborative expects to implement the pronouncement as applicable.
- The GASB issued Statement No. 101, *Compensated Absences,* which is generally required to be implemented in fiscal year 2025. This pronouncement updates the recognition and measurement guidance for compensated absences. The Collaborative will evaluate the applicability of the pronouncement for implementation.

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REQUIRED SUPPLEMENTARY INFORMATION

NORTH RIVER COLLABORATIVE

Required Supplementary Information

Schedule of the Collaborative's Proportionate Share of the Net Pension Liabilities and Pension Plan Contributions

Last 10 Fiscal Years*

(unaudited)

A. Special Funding Situation - Massachusetts Teachers' Retirement System

The Commonwealth of Massachusetts is a nonemployee contributing entity and is required by statute to make all actuarially determined employer contributions on behalf of the member employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB and the Commonwealth is a nonemployee contributing entity in the Massachusetts Teachers' Retirement System (MTRS) (the Plan). Since the Collaborative does not contribute directly to the MTRS, there is no net pension liability to recognize. Based upon the actuarial valuations of the Plan for the year ended June 30, 20XX, the following is presented:

	2021	2020	2019	2018	2017	2016	2015	2014
Collaborative's proportion of the net pension liability	0.05%	0.05%	0.05%	0.06%	0.06%	0.06%	0.06%	0.06%
Commonwealth's proportionate share of the net pension liability associated with the Collaborative	$ 11,421,173	$ 13,984,506	$ 13,481,684	$ 13,485,406	$ 12,897,939	$ 13,681,515	$ 13,271,835	$ 10,213,579
Collaborative's covered payroll (approximate)	$ 3,900,000	$ 3,710,000	$ 3,890,000	$ 3,990,000	$ 3,820,000	$ 4,030,000	$ 4,100,000	$ 3,940,000
Collaborative's proportionate share of the net pension liability as a percentage of its covered payroll	292.85%	376.94%	346.57%	337.98%	337.64%	339.49%	323.70%	259.23%
Plan fiduciary net position as a percentage of the total pension liability	62.03%	50.67%	53.95%	54.84%	54.25%	52.73%	55.38%	61.64%
Actuarially determined contribution	$ 879,457	$ 761,048	$ 771,937	$ 747,761	$ 696,322	$ 688,167	$ 661,939	$ 602,276
Contributions in relation to the actuarial determined contribution	(879,457)	(761,048)	(771,937)	(747,761)	(696,322)	(688,167)	(661,939)	(602,276)
Contribution deficiency (excess)	$	$	$	$	$	$	$	$
Contributions as a percentage of covered payroll	22.55%	20.51%	19.84%	18.74%	18.23%	17.08%	16.14%	15.29%
Discount Rate	7.00%	7.15%	7.25%	7.35%	7.50%	7.50%	7.50%	8.00%

Notes to Schedule:

Changes of Assumptions:

Effective June 30, 2021:

- Discount rate is 7.00%; previously 7.15%
- Mortality schedules updated scale.

*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Collaborative will present information for those years which information is available.

NORTH RIVER COLLABORATIVE

Required Supplementary Information

Schedule of the Collaborative's Proportionate Share of the Net Pension Liabilities and Pension Plan Contributions

Last 10 Fiscal Years*

(unaudited)

B. *Special Funding Situation - Massachusetts State Employees' Retirement System*

Collaboratives contribute amounts equal to the normal cost of employees' benefits at a rate established by the Public Employees' Retirement Administration Commission (PERAC), currently 6.1% of covered payroll. Legally, the collaboratives are only responsible for contributing the annual normal cost of their employees' benefits (i.e. the present value of the benefits earned by those employees in any given year) and are not legally responsible for the past service cost attributable to those employees or previously retired employees of the collaboratives. The Commonwealth as a nonemployer is legally responsible for the entire past service cost related to the collaboratives and therefore has a 100% special funding situation. Based upon the actuarial valuation of the Plan for the year ended June 30, 20XX, the following is presented:

	2021	2020	2019	2018	2017	2016	2015	2014
Commonwealth's proportionate share of the net pension liability associated with the Collaborative	0.07%	0.07%	0.08%	0.08%	0.09%	0.09%	0.07%	0.07%
Commonwealth's proportionate share of the net pension liability associated with the Collaborative	$ 6,851,193	$ 12,278,450	$ 11,788,994	$ 10,670,101	$ 11,063,118	$ 12,151,223	$ 8,260,585	$ 5,200,485
Collaborative's covered payroll (approximate)	$ 3,961,000	$ 5,310,000	$ 3,780,000	$ 4,580,000	$ 3,710,000	$ 4,500,000	$ 3,840,000	$ 3,710,000
Collaborative's proportionate share of the net pension liability as a percentage of its covered payroll	172.97%	231.23%	311.88%	232.97%	298.20%	270.03%	215.12%	140.17%
Plan fiduciary net position as a percentage of the total pension liability	77.54%	62.48%	66.28%	67.91%	67.21%	63.48%	67.87%	76.32%
Actuarially determined contribution	$ 780,929	$ 773,339	$ 802,210	$ 737,522	$ 674,420	$ 632,787	$ 454,330	$ 412,043
Contributions in relation to the actuarial determined contribution	(780,929)	(773,339)	(802,210)	(737,522)	(674,420)	(632,787)	(454,330)	(412,043)
Contribution deficiency (excess)	$	$	$	$	$	$	$	$
Employer contributions	$ 241,634	$ 297,149	$ 211,579	$ 256,523	$ 207,644	$ 252,000	$ 214,900	$ 207,812
Nonemployer (Commonwealth) contributions	539,295	476,190	590,631	480,999	466,776	380,787	239,430	204,231
Total contributions	$ 780,929	$ 773,339	$ 802,210	$ 737,522	$ 674,420	$ 632,787	$ 454,330	$ 412,043
Contributions as a percentage of covered payroll	19.72%	14.56%	21.22%	16.10%	18.18%	14.06%	11.83%	11.11%
Employer contributions as a percentage of covered payroll	6.10%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%
Discount rate	7.00%	7.15%	7.25%	7.35%	7.35%	7.35%	7.50%	8.00%

Notes to Schedule:

Changes of Assumptions:

- Effective June 30, 2021:
  Discount rate is 7.00%; previously 7.15%
  Mortality schedules updated.

*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Collaborative will present information for those years which information is available.

NORTH RIVER COLLABORATIVE
Required Supplementary Information
Schedule of Changes in the Collaborative's Net OPEB Liability and Related Ratios
Last 10 Fiscal Years*
(unaudited)

Valuation Date: **For the Reporting Period & Fiscal Year Ending On:**	**July 1, 2021** **June 30, 2022**	**July 1, 2020** **June 30, 2021**	**July 1, 2019** **June 30, 2020**	**July 1, 2018** **June 30, 2019**	**July 1, 2017** **June 30, 2018**	**July 1, 2016** **June 30, 2017**
Total OPEB liability						
Service cost	$ 208,862	$ 208,849	$ 201,886	$ 213,858	$ 208,529	$ 188,351
Interest	273,033	256,425	231,215	227,643	198,953	179,175
Differences between expected and actual experience		(137,188)	(9,055)	(511,918)		
Changes of assumptions	455,138	199,145	(188,854)	258,852		
Benefits payments, including implicit costs	(144,140)	(146,780)	(125,915)	(117,221)	(71,272)	(71,237)
Net change in total OPEB liability	792,893	380,451	109,277	71,214	336,210	296,289
Total OPEB liability - beginning	3,906,966	3,526,515	3,417,238	3,346,024	3,009,814	2,713,525
Total OPEB liability - ending (a)	$ 4,699,859	$ 3,906,966	$ 3,526,515	$ 3,417,238	$ 3,346,024	$ 3,009,814
Plan fiduciary net position						
Earnings from plan investments, net expenses	$ (183,556)	$ 580,759	$ 73,465	$ 130,510	$ 116,886	$ 90,378
Employer contributions	209,996	255,673	221,795	186,833	149,547	137,153
Benefit payments, including implicit costs	(144,140)	(146,780)	(125,915)	(117,221)	(71,272)	(71,237)
Net change in fiduciary net position	(117,700)	689,652	169,345	200,122	195,161	156,294
Plan fiduciary net position - beginning	2,920,314	2,230,662	2,061,317	1,861,195	1,666,034	1,509,740
Plan fiduciary net position - ending (b)	$ 2,802,614	$ 2,920,314	$ 2,230,662	$ 2,061,317	$ 1,861,195	$ 1,666,034
Collaborative's net OPEB liability - ending (a-b)	$ 1,897,245	$ 986,652	$ 1,295,853	$ 1,355,921	$ 1,484,829	$ 1,343,780
Plan fiduciary net position as a percentage of the total OPEB liability	59.63%	74.75%	63.25%	60.32%	55.62%	55.35%
Covered-employee payroll	$ 8,289,619	$ 8,289,619	$ 9,682,000	$ 9,400,000	$ 9,594,363	$ 9,314,916
Collaborative's net OPEB liability as a percentage of covered-employee payroll	22.89%	11.90%	13.38%	14.42%	15.48%	14.43%
Discount rate	5.92%	6.75%	7.00%	6.50%	6.25%	6.25%

Notes to Schedule:

Changes of Assumptions:

- Effective June 30, 2022:
  Discount rate changed to %.92% from 6.75%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Collaborative will present information for those years which information is available.

See Independent Auditor's Report.

NORTH RIVER COLLABORATIVE

Required Supplementary Information
Schedule of Collaborative Contributions - Other Postemployment Benefits
Last 10 Fiscal Years*
(unaudited)

For the Fiscal Year Ending:	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Actuarially determined contribution	$ 300,993	$ 261,527	$ 299,482	$ 311,354	$ 302,882	$ 273,732
Contributions in relation to the actuarially determined contribution	$ 209,996	$ 255,673	$ 221,795	$ 186,833	$ 149,547	$ 137,153
Contribution deficiency (excess)	$ 90,997	$ 5,854	$ 77,687	$ 124,521	$ 153,335	$ 136,579
Covered-employee payroll	$ 8,538,308	$ 8,289,619	$ 9,682,000	$ 9,400,000	$ 9,594,363	$ 9,314,916
Contributions as a percentage of covered-employee payroll	2.46%	3.08%	2.29%	1.99%	1.56%	1.47%

Notes to Schedule:

Valuation date:	July 1, 2020

Methods and assumptions used to determine the contribution rates:

Actuarial cost method:	Individual entry age normal
Plan membership:	212
Asset valuation method:	Market value
Discount rate:	5.92%, net of OPEB plan investment expense, including inflation
Investment rate of return:	6.17%, net of OPEB plan investment expense, including inflation
Inflation:	2.50% as of June 30, 2022 and for future periods
Municipal bond rate::	4.09% as of June 30, 2022 (source: S&P Municipal Bond 20-Year High Grade Index - SAPIHG)
Healthcare cost trend rates:	
Medicare supplement plans:	4.50%
Dental plans:	N/A
Salary increases:	3.00% annually as of June 30, 2021 and for future periods
Investment rate of return:	6.75%, net of OPEB plan investment expense, including inflation
Retirement age:	Varies based on age and length of service
Mortality:	
Pre-retirement:	General: RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2016 for males and females, set forward 1 year for females Teachers: RP-2014 Mortality Table for White Collar Employees projected generationally with scale MP-2016 for males and females
Post-retirement:	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year for females Teachers: RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females
Disabled:	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year Teachers: RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Collaborative will present information for those years which information is available.

NORTH RIVER COLLABORATIVE

Required Supplementary Information

Schedule of Investment Returns - Other Postemployment Benefits Trust Fund

Last 10 Fiscal Years*

(unaudited)

For the fiscal year ending:	**June 30, 2022**	**June 30, 2021**	**June 30, 2020**	**June 30, 2019**	**June 30, 2018**	**June 30, 2017**
Annual money-weighted rate of return, net of investment expense	(6.28%)	26.01%	3.57%	7.03%	7.09%	5.80%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Collaborative will present information for those years which information is available.

NORTH RIVER COLLABORATIVE
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2022
(unaudited)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Tuition income	$ 4,471,170	$ 4,471,170	$ 4,767,073	$ 295,903
Charges for services	8,479,614	8,479,614	7,592,015	(887,599)
Intergovernmental	117,500	117,500	214,837	97,337
Departmental and other	40,000	40,000	334,741	294,741
Member assessments	30,000	30,000	30,000	
Interest and investment income	25,000	25,000	(52,976)	(77,976)
Total revenues	13,163,284	13,163,284	12,885,690	(277,594)
EXPENDITURES				
Administration	1,382,848	1,382,848	1,434,645	(51,797)
Instruction	5,371,980	5,371,980	4,738,046	633,934
Other school services	3,892,986	3,892,986	3,592,840	300,146
Fixed charges	1,542,995	1,542,995	1,385,969	157,026
Operations and maintenance	303,695	303,695	428,799	(125,104)
Debt service	648,780	648,780	731,887	(83,107)
Capital outlay	600,000	600,000	91,914	508,086
Total expenditures	13,743,284	13,743,284	12,404,100	1,339,184
Revenue over (under) expenditures	(580,000)	(580,000)	481,590	1,061,590
OTHER FINANCING SOURCES (USES)				
Proceeds from long-term debt	600,000	600,000	91,914	(508,086)
Transfers in (out), net	(20,000)	(320,000)	(282,720)	37,280
Total other financing sources (uses)	580,000	280,000	(190,806)	(470,806)
OTHER BUDGETARY ITEM				
Use of surplus fund balance		300,000		
Total other budgetary items		300,000		
Net budget	$	$	$ 290,784	$ 590,784

See Independent Auditor's Report.
See accompanying notes to budgetary comparison schedule.

NOTE 1. BUDGET PROCESS

The Collaborative annually determines the amount necessary to maintain and operate the Collaborative for the next fiscal year in accordance with 603 CMR 50.00. Budgets for grants and certain revenues from revolving funds accounted for in special revenue funds are not required to be prepared under the General Laws of Massachusetts. Accordingly, a comparison of actual to budgeted results of operations for the special revenue funds and other governmental funds is not presented in the accompanying financial statements. Budgets for various special revenue funds utilized to account for specific grant programs are established in accordance with the requirements of the Commonwealth or other grantor agencies.

NOTE 2. BUDGETARY BASIS OF ACCOUNTING

Often, budgets are prepared on a basis other than accounting principles generally accepted in the United States of America (GAAP). Although the Collaborative included estimated amounts for on-behalf payments made by the Commonwealth of Massachusetts, these amounts have not been included in the budgeted amounts presented in the Budgetary Comparison Schedule. In addition, the Collaborative includes capital outlay as part of the annual budget process; however, capital outlay has been reported in the capital projects fund in accordance with accounting principles generally accepted in the United States of America.

A comparison of the budget to actual amounts on a "budgetary basis" is provided as required supplementary information to provide a meaningful comparison with the budget. A reconciliation of the budgetary basis to GAAP basis results for the general fund for the year ended June 30, 2022, is presented in the following schedule:

	Revenues	Expenditures	Other Financing Sources (Uses) Net
As reported on a budgetary basis	$ 12,885,690	$ 12,404,100	$ (190,806)
State funded pensions	1,418,752	1,418,752	
Timing expenditures		7,276	
Activity in capital projects fund		(91,914)	(91,914)
As reported on a GAAP basis	$ 14,304,442	$ 13,738,214	$ (282,720)

OTHER INFORMATION

In accordance with Massachusetts General Law Chapter 40, Section 4E and Regulations on Educational Collaboratives, 603 CMR 50.00, educational collaboratives are required to disclose certain other information as indicated below.

1. NAMES, DUTIES, AND TOTAL COMPENSATION OF THE FIVE MOST HIGHLY COMPENSATED EMPLOYEES:

Name & Position	General Duties		FY22 Compensation
Stephen Donovan,			
Executive Director	Manages the Collaborative on a day-to-day basis	$	169,958
Clarice Doliber			
Acting, Executive Director	Assists in managing the Collaborative on a day-to-day basis	$	151,998
Marc Wright,			
Director of Business Services	Responsible for financial accounting & reporting	$	124,975
Ryan Morgan,			
Program Director, Independence Academy	Facilitates the Independence Academy program	$	123,837
Catherine Stevens,			
Multi-Disabilities Program Coordinator	Facilitates learning centers for students with disabilities	$	113,660

2. TRANSACTIONS BETWEEN THE COLLABORATIVE AND ANY RELATED FOR-PROFIT OR NON-PROFIT ORGANIZATION, AS DEFINED IN M.G.L. CHAPTER 40, SECTION 4E:

As described in the notes to the financial statements, North River Collaborative contributes to the North River Collaborative OPEB Trust Fund – an entity operated exclusively to provide funding for the Collaborative's other postemployment benefit obligations. In accordance with generally accepted accounting principles, the financial position and activity of this entity is included in the Collaborative's financial statements as a fiduciary fund.

3. AMOUNTS EXPENDED ON SERVICES FOR INDIVIDUALS AGED 22 AND OLDER:

The Collaborative did not expend any funds on services for individuals aged 22 years and older during fiscal year 2022.

4. AMOUNTS EXPENDED ON ADMINISTRATION AND OVERHEAD:

Expenses classified as administrative and overhead totaled $1,434,645, in accordance with the Massachusetts Department of Elementary and Secondary Education functional classification system.

5. ACCOUNTS HELD BY THE COLLABORATIVE THAT MAY BE SPENT AT THE DISCRETION OF ANOTHER PERSON OR ENTITY:

The Collaborative had no such accounts during fiscal year 2022.

6. TRANSACTIONS OR CONTRACTS RELATED TO THE PURCHASE, SALE, RENTAL, OR LEASE OF REAL PROPERTY:

The Collaborative has entered into several leases for the use of real property, as follows:

Property	Use	Lessor
Alms House	Administrative offices	Town of Rockland, MA
Independence Academy	School facility	Massachusetts Greyhound Association
Easton classrooms	Instructional classrooms	Town of Easton, MA
East Bridgewater classrooms	Instructional classrooms	Town of East Bridgewater, MA
Pembroke classrooms	Instructional classrooms	Town of Pembroke, MA
West Bridgewater classrooms	Instructional classrooms	Town of West Bridgewater, MA
Whitman classrooms	Instructional classrooms	Whitman-Hanson Regional School District

7. ANNUAL DERMINATION AND DISCLOSURE OF CUMULATIVE SURPLUS:

The Collaborative's cumulative surplus for the current and prior fiscal year is as follows:

	June 30, 2022	June 30, 2021
General Fund:		
Unassigned Fund Balance	$ 3,121,069	$ 2,830,286

During fiscal year 2022, the Collaborative expended $12,404,100 in actual general fund budgetary expenditures. The unassigned fund balance represents 25.16% of these expenditures.