

LOWER PIONEER VALLEY EDUCATIONAL COLLABORATIVE

WEST SPRINGFIELD, MASSACHUSETTS



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2025



**Lower Pioneer Valley
Educational Collaborative**

West Springfield, Massachusetts

**Annual Comprehensive
Financial Report**



For the Year
July 1, 2024 through June 30, 2025

Prepared by the Finance Department

LOWER PIONEER VALLEY EDUCATIONAL COLLABORATIVE

ANNUAL COMPREHENSIVE FINANCIAL REPORT

JUNE 30, 2025

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Introductory Section



Lower Pioneer Valley Educational Collaborative machine shop.

Introductory Section

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December 30, 2025

Letter of Transmittal

To the Citizens of our member Districts, and to the Members of the Board of Directors:

Massachusetts state law requires the Lower Pioneer Valley Educational Collaborative to publish at the close of each fiscal year a complete set of financial statements in conformity with accounting principles generally accepted in the United States of America, Generally Accepted Accounting Principles (“GAAP”), that are audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report (“ACFR”) of the Lower Pioneer Valley Educational Collaborative for the fiscal year ending June 30, 2025, for your review.

The report is designed for use by the Board of Directors of the Collaborative and others concerned with its management and progress, including bond analysts, banking institutions, credit assessors, and the citizens of the Collaborative’s member school districts.

This report consists of management’s representations about the finances of the Lower Pioneer Valley Educational Collaborative. Management, therefore, assumes full responsibility for the completeness and reliability of all of the information presented in this report. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects. Management of the Collaborative is responsible for establishing and maintaining an internal control structure to ensure that the Collaborative’s assets are protected from loss, theft, or misuse, and that adequate accounting data are compiled to prepare financial statements in conformity with generally accepted accounting principles. The Executive Director is responsible for evaluating the adequacy and effectiveness of the internal control structure and implementing improvements as needed. Because the cost of internal controls should not outweigh their benefits, the Lower Pioneer Valley Educational Collaborative’s comprehensive framework of internal controls is designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement.

LOWER PIONEER VALLEY EDUCATIONAL COLLABORATIVE
174 BRUSH HILL AVENUE, WEST SPRINGFIELD, MA 01089 PHONE 413-735-2200 FAX 413-735-2280

SERVING AGAWAM-EAST LONGMEADOW-HAMPDEN-WILBRAHAM-LONGMEADOW-LUDLOW-SOUTHWICK-TOLLAND-GRANVILLE-WEST SPRINGFIELD

The Lower Pioneer Valley Educational Collaborative's financial statements have been audited by CBIZ CPAs P.C., a firm of licensed, certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Lower Pioneer Valley Educational Collaborative for the fiscal year ending June 30, 2025, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Lower Pioneer Valley Educational Collaborative's financial statements for the year ended June 30, 2025, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

Generally Accepted Accounting Principles ("GAAP") require that management's discussion and analysis (MD&A) provide a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal accompanies the MD&A, which presents the financial analysis. The Collaborative's MD&A is located immediately following the independent auditors' report from CBIZ CPAs, P.C.

PROFILE OF THE COLLABORATIVE

The Collaborative is an educational service agency (ESA) in Western Massachusetts. Educational service agencies are organizations created by special state legislation or administrative rule to provide programs and services to local school districts, or to serve state interests in other ways. The Collaborative meets the descriptive criteria outlined in the Association of School Business Officials (ASBO) International's publication *Standards of Excellence in Budget Presentation* for a primary governmental entity.

These criteria include:

- Members of the governing board are selected from school committee members chosen in a general election.
- The organization functions as a separate legal entity, and
- The entity is fiscally independent.

The Lower Pioneer Valley Educational **Corporation** is a tax-exempt 501(c)(3) nonprofit corporation and a component unit of the **Collaborative**. To distinguish the two entities, the term "Collaborative" is used to describe the educational entity.

Seven school districts are members of the Collaborative: Agawam, East Longmeadow, Hampden-Wilbraham Regional, Longmeadow, Ludlow, Southwick-Tolland-Granville Regional, and West Springfield. In addition to serving its member districts, the Collaborative also provides services to school districts and municipalities throughout Massachusetts.

The Massachusetts legislature passed, and the governor signed into law Chapter 49, Section 4e in 1974. This act encouraged local school committees to conduct, in concert, educational programs and services to supplement or strengthen existing school programs and services. On March 2, 2012, Governor Patrick signed into law Chapter 43 of the Acts of 2012, *An Act Relative to Improving Accountability and*

Oversight of Education Collaboratives. Subsequently, the Massachusetts Board of Education adopted a policy on Educational Collaboratives. In the most recent policy statement, the Board of Education reiterated its belief “that educational collaboratives have a potential beyond special education to increase and expand the level of service in regular education, occupational education, staff development, research, and innovative programs.”

Every fall, our program administrators and the Collaborative's department heads develop a general fund budget for the coming school year, which is voted on annually by the Board. Throughout the winter months, the Executive Director and the Director of Finance and Operations meet regularly with the Board to review the proposed annual budget, solicit feedback, and revise it based on new information. Legally, budgetary control is provided by the Board, and the Board’s approval defines the organizational level at which expenditures and appropriations are budgeted. This level is at the department level, i.e., administration, special education, occupational education, supplemental services, professional development, and transportation. The Board must vote on transfers between departments.

LEVEL OF EDUCATION PROVIDED

The Collaborative serves a general population of 19,051 students in seven member communities. The Collaborative offers educational programs for a wide range of learners at the elementary and secondary levels. Educational programs at the Collaborative focus on Career and Technical Education and Special and Alternative Education. 629 students were enrolled in the Career and Technical Education (CTEC) programs at the secondary level in 2025. Enrollment in the special and alternative education programs for students in elementary, secondary, and transition programs varies; it was 52 in 2025.

The Career and Technical Education Center (CTEC) offers twelve Chapter 74-approved career and technical education programs, including a cooperative education program. The Special and Alternative Education department provides services to students aged 6 to 22 years who demonstrate a wide variety of exceptional learning needs, including students on the autism spectrum, students with multiple and significant disabilities, students with specific learning disabilities, students with developmental disabilities, and students with emotional and behavior disorders. The Special and Alternative Education department also provides nursing services and adaptive physical education services. CTEC programs and some Special and Alternative Education programs are located at LPVEC’s Brush Hill Avenue facility in West Springfield. Other special and alternative education programs are located in various school buildings across LPVEC member communities.

GEOGRAPHIC AREA SERVED

The Collaborative is located in the greater Springfield region of Western Massachusetts. Although the Collaborative is comprised of seven member districts, the Collaborative also serves students in other public school districts in Hampden and Hampshire Counties. The Collaborative provides business and professional development services to municipalities and local educational agencies throughout Massachusetts.

The map below delineates the geographic area of the Collaborative member districts:

MEMBER COMMUNITIES



Agawam: serving 3,461 students

East Longmeadow: serving 2,442 students

Hampden-Wilbraham Regional: serving 2,881 students

Longmeadow: serving 2,764 students

Ludlow: serving 2,210 students

Southwick-Tolland-Granville Regional: serving 1,295 students

West Springfield: district serving 3,998 students

COLLABORATIVE PROGRAMS

CAREER AND TECHNICAL EDUCATION PROGRAM – The Lower Pioneer Valley Educational Collaborative Career and Technical Education Center (CTEC), located at 174 Brush Hill Avenue in West Springfield, MA, provides career and technical education programs for high school students in our member districts and surrounding communities. CTEC programs are recognized career pathways defined by the Carl D. Perkins Vocational and Technical Education Act of 1984, which was reauthorized in 1990, 1998, 2006, and most recently in 2018.

Founded in 1974, CTEC has a long tradition of partnering with local businesses and industry to ensure that students receive rigorous and relevant training aligned with the Massachusetts Department of Elementary and Secondary Education’s Career and Technical Education Frameworks, industry standards, and regional employment needs. CTEC offers state-of-the-art equipment and technology that meets or exceeds industry and OSHA standards.

Students completing a career and technical education program have the opportunity to continue their formal studies at the post-secondary level, secure gainful employment, or pursue both.

ADVANCED MANUFACTURING

The Advanced Manufacturing program is a comprehensive, competency-based, Chapter 74-approved program aligned with the Massachusetts Department of Elementary and Secondary Education Career and Technical Education Frameworks – [Manufacturing, Engineering, and Technology Cluster](#). Advanced Manufacturing offers students the opportunity to develop the skills required of 21st-century machinists. Skilled machinists are in great demand everywhere, but especially here in Western Mass. Machinists design and manufacture precision parts, from simple pieces such as nuts and bolts to complex, high-tech components for the medical and aerospace industries—jobs in the industry range from operating, maintaining, and repairing to designing and programming computer numerical control machines.

AUTOMOTIVE TECHNICIAN

The Automotive Technician program is a comprehensive, competency-based, Chapter 74-approved program aligned with the Massachusetts Department of Elementary and Secondary Education Career and Technical Education Frameworks – [Transportation Cluster - Automotive Technology](#). This framework is designed to help students gain the insights, skills, and credentials necessary for success in the automotive field. The program is certified by the National Automotive Technicians Education Foundation (NATEF). The NATEF curriculum prepares students to meet national automotive industry standards. It requires proficiency in a multitude of automotive procedures and diagnostic techniques along with allowing students to acquire at least one of the essential National Institute for Automotive Services Excellence (ASE (Automotive Service Excellence)) entry-level credentials.

FACILITIES MAINTENANCE MANAGEMENT

The Facilities Maintenance Management program is a comprehensive, competency-based, Chapter 74-approved program aligned with the Massachusetts Department of Elementary and Secondary Education Career and Technical Education Frameworks – [Construction Cluster](#). The program introduces students to the many facets of Facilities Maintenance Management. Students are introduced to a cross-section of hands-on training: interior/exterior painting, carpentry, floor care, landscaping, seasonal grounds, lawn care, basic plumbing repairs such as faucets and toilets, and general maintenance with an emphasis on safe work practices, employability skills and safety. Safety within the curriculum includes the use of appropriate hand and power tools in conjunction with industry standards. Students learn preventative maintenance and repair techniques of small engines and power tools.

CARPENTRY

The Carpentry program is a comprehensive, competency-based, Chapter 74-approved program aligned with the Massachusetts Department of Elementary and Secondary Education Career and Technical Education Frameworks – [Construction Cluster](#). First-year students focus on developing foundational carpentry skills in the classroom and shop. Students will advance through the curriculum, learning modular layout techniques for residential concrete installation and wood framing. Hands-on practice is combined with related development of written and computational skills, such as cost estimating, blueprint reading, and materials takeoff calculations. Students combine this curriculum with the development of manipulative skills using shop tools through a series of on-campus projects, such as step stools, benches, and sawhorses.

COSMETOLOGY

The Cosmetology program is a comprehensive, competency-based, Chapter 74-approved program aligned with the Massachusetts Department of Elementary and Secondary Education Career and Technical Education Frameworks – [Business and Consumer Services Cluster](#). The program is designed to equip students with the skills required for a successful career in cosmetology. Students may enter the program at the conclusion of the exploratory phase during their freshman year. The Commonwealth of Massachusetts Board of Registration of Cosmetology and Barbering sets the program requirements. Upon successful completion of 1000 instructional hours, students are prepared to take the State Board licensure exam, in accordance with the Board's curriculum standards.

CRIMINAL JUSTICE / PUBLIC SAFETY

The Criminal Justice/Public Safety program is a comprehensive, competency-based, Chapter 74-approved program aligned with the Massachusetts Department of Elementary and Secondary Education Career and Technical Education Frameworks – [Legal and Protective Services Cluster](#). Public Safety programs provide career exposure to the range of agencies that work within the criminal justice system. Students also earn technical certifications relevant to careers in law enforcement, public safety, emergency response, animal welfare, child welfare, and the legal system. Topics covered include Community Policing, Crime Scene Investigation, Criminal and Constitutional Law, Environmental Safety, Court Stenography, Emergency Preparedness, Surveillance and Interviewing Techniques, and Cybersecurity, among others. Visiting instructors will be used frequently throughout the course, and numerous field trips will connect classroom lessons to real-world educational experiences. These guest lectures and interactive sessions will give students a unique opportunity to learn directly from those working in the field. Students will gain a practical understanding of the challenges, responsibilities, and ethical considerations that professionals in the criminal justice or public safety fields face daily.

CULINARY ARTS

The Culinary Arts program is a comprehensive, competency-based, Chapter 74-approved program aligned with the Massachusetts Department of Elementary and Secondary Education Career and Technical Education Frameworks – [Hospitality and Tourism Cluster](#). Culinary Arts prepares students for careers in hotels, restaurants, resorts, institutions, and corporations. The program builds on a foundation of basic knowledge, skills, attitudes, behaviors, and work habits needed to be successful in this demanding industry. Students operate a fully equipped commercial kitchen and dining room, including restaurant, banquet, and buffet services, through two student-run restaurants: the morning Java Café, serving breakfast, and the Brush Hill Bistro, serving lunch. Both are open to the general public one day a week. Students in the program receive instruction through demonstrations, lectures, interactive discussions, and hands-on experience. Students are assessed on industry-standard competencies developed by the American Culinary Federation and the Federation of Dining Room Professionals. While meeting these standards and accepting responsibility for time management, food quality, and customer service, students develop skills in baking, culinary techniques, menu planning, food costs, and hospitality management. Training in the proper use and maintenance of equipment, culinary tools, sanitation, and the storage and handling of food is part of the curriculum. Students prepare for the ServSafe® Certification and Allergen Training through the National Restaurant Association Educational Foundation's training program, led by a certified instructor/proctor.

EARLY CHILDHOOD AND CARE

The Early Childhood and Care program is a comprehensive, competency-based, Chapter 74-approved program aligned with the Massachusetts Department of Elementary and Secondary Education Career and Technical Education Frameworks – [Education Cluster](#). Early Childhood and Care is a growing, ever-changing field that encompasses the care and teaching of children from birth through age 7. Students in the program will receive a combination of classroom instruction and hands-on experience with children ages 6 weeks to 7 years. Students will understand and be familiar with many aspects of child development from infancy through elementary school years. They will be well-versed in health and safety topics pertaining to children and become knowledgeable about current events and developments in the early childhood field. Upon completion of the program, they will have a thorough understanding of early childhood math and science concepts, music, movement, art, and creativity, and will understand how children learn. Students will gain classroom experience by interacting with children and facilitating learning under the guidance of experienced teachers and classroom instructors.

GRAPHIC DESIGN AND VISUAL COMMUNICATION

The Graphic Design and Visual Communication program is a comprehensive, competency-based, Chapter 74-approved program aligned with the Massachusetts Department of Elementary and Secondary Education Career and Technical Education Frameworks – [Arts and Communications Services Cluster](#). Graphic Design and Visual Communication prepares students for the visual design field using state-of-the-art digital imaging, illustration, and page layout software and equipment. Students learn to apply their creativity to real-life or simulated projects. Print ED is a national accreditation program grounded in industry standards for graphic communications curricula at the secondary and postsecondary levels. It is a component of the Graphic Arts Education and Research Foundation (GAERF®). Students are assessed against industry-standard competencies developed by Print ED.

HEALTH ASSISTING

The Health Assisting program is a comprehensive, competency-based, Chapter 74-approved program aligned with the Massachusetts Department of Elementary and Secondary Education Career and Technical Education Frameworks – [Health Services Cluster](#). The program introduces students to career opportunities in healthcare and provides an opportunity to develop the clinical skills needed to work in healthcare settings. Emphasis is placed on specific Nursing Assistant duties and on concepts related to the psychosocial aspects of caregiving. Students receive a strong academic foundation and gain experience through externships, where they can practice their skills in a real-world setting under the supervision of experienced medical professionals.

Students become certified in First Aid, CPR, and AEDs before participating in on-site clinical rotations at nursing and rehabilitation centers and a local hospital. Students are exposed to a wide range of healthcare careers through clinical rotations across departments and numerous field trips to healthcare facilities and settings.

The Health Assisting program is certified by the Commonwealth of Massachusetts as a Certified Nursing Assistant (CNA) and Home Health Aide (HHA) testing site and by the Department of Public Health as a Feeding Assistant testing site. The program focuses on safe and effective performance of the student providing clinical care in a healthcare setting.

INFORMATION SUPPORT SERVICES AND NETWORKING

The Information Support Services and Networking program is a comprehensive, competency-based, Chapter 74-approved program aligned with the Massachusetts Department of Elementary and Secondary Education Career and Technical Education Frameworks – [Information Technology Services Cluster](#). The program is designed to provide students with entry-level skills in personal computer maintenance and repair, data communications, and networking. Students are taught the basic skills needed to install, troubleshoot, and repair computer system hardware and operating systems as it prepares students for the Comp-TIA A+ technician certification.

LANDSCAPING TECHNOLOGY/HORTICULTURE

The Horticulture program is a comprehensive, competency-based, Chapter 74-approved program aligned with the Massachusetts Department of Elementary and Secondary Education Career and Technical Education Frameworks – [Agriculture and Natural Resources Cluster](#). The program explores career areas in landscape maintenance, construction and design, greenhouse production, nursery production, floriculture, and retail garden center operation. In addition, it emphasizes knowledge of plant science as a foundation for all career areas. Students learn while using equipment and materials that represent industry standards. Project-based learning activities, residential landscaping projects, greenhouse sales, and floral projects provide opportunities for students to reinforce and practice skills and knowledge learned in the classroom.

The classroom environment is geared towards preparing students for the world of work, with a focus on a sound work ethic, attitude, professionalism, and teamwork. Leadership and personal development skills are promoted through involvement in the FFA (Future Farmers of America) Student Organization.

TECHNICAL CAREER EXPLORATORY

All newly enrolled students will participate in a half-year exploratory program. During this time, students will participate in a pre-exploratory (one-day shop visits) where they will see all 12 of our programs, each for one day, exposing them to career-technical options available at the Lower Pioneer Valley Educational Collaborative Career Technical Education Center. Students will continue exploring programs and will also participate in career interest and aptitude assessments facilitated by our counseling department. Each Career TEC program delivers an exploratory curriculum that provides students with basic safety instruction, an overview of the industry, and career information related to their occupational area. This program will be competency-based and will substantively integrate academics. **Technical Career Exploratory One Day One Shop-** Students will visit one shop every day for the first few weeks of school. One of these days is student orientation and classes that provide students with an introduction to Career TEC, its rules and expectations, basic safety, and an overview of the career and technical education programs (shops) available to them.

Three-Week/Five-Shop Rotations: Students select five programs for exploration. At least one program explored will be a non-traditional shop by gender. Shop selections are based on personal interest and knowledge gained during one-day shop visits.

Upon completion of the exploratory program, students will select a career and technical education program to complete the school year. Final placement is determined through an overall review of attendance, grades, and discipline across all shop explorations. Grades for all exploratory students are determined by classwork/graded assignments (20%), shop projects (30%), and a daily grade rubric

(50%). The daily grade rubric includes preparedness, participation, following directions, task completion, and conduct. Grades from each exploration are reviewed, and shop placement priority is based on specific shop attendance, grade, discipline, and overall performance. The number of available openings also determines final placement. Students must give their best effort in **all** shops they explore to maximize their chances of being placed in their preferred final shop.

COOPERATIVE EDUCATION PROGRAM

The Lower Pioneer Valley Educational Collaborative Career TEC is a proud member of an extensive statewide network of high schools that offer students opportunities for career preparation. The Cooperative Education program is a network led by the Commonwealth's Connecting Activities initiative, managed by the Massachusetts Department of Elementary and Secondary Education. The program enables our collaborative/school to connect with our regional workforce system and partner with many local businesses that support our education enterprise. Our partnership with the Connecting Activities initiative is one of the primary avenues offering career development opportunities for our students.

The Cooperative Education (Co-op) Program at Career TEC is designed to give third- and fourth-year students the opportunity to extend their learning experience into the workplace by placing them in a paid position with a reputable company. The Co-op program helps instill professionalism and reliability in participating students, ensuring they are college- or career-ready. Integrating practical skills in a career setting, while expanding content knowledge and reinforcing both Career and Technical Education standards and academic achievement, provides our students with a solid foundation for a successful future. This body of learning is a crucial part of our Program of Study.

Students are mentored and assessed by industry professionals. Many of these industry partners advise on and promote programs, ensuring we remain current and continue to deliver rigor and relevance in our programming. Most students who have completed 1.5 years in a single career area and are entering term 3 of their junior year are invited to participate in cooperative education, except for programs that may prevent participation due to hours, licensure, or certifications.

SPECIAL AND ALTERNATIVE EDUCATION PROGRAMS

LPVEC provides services to students ages 6 to 22 years who demonstrate a wide variety of exceptional learning needs, including social-emotional and behavioral needs, learning disabilities, Autism Spectrum Disorders, and developmental disabilities. Students are referred to LPVEC for services when they present needs for specially designed instruction that cannot be delivered effectively within their home districts. Fifty-seven (57) special needs students were enrolled in LPVEC special education programs. The Twain, Temporary Alternative, and Integrated Occupational Preparation programs are located at LPVEC's Brush Hill Avenue headquarters in West Springfield. All other LPVEC special education programs are located in classrooms within the member school districts' public schools.

LPVEC Special and Alternative Education Programs include the programs listed on the following pages.

COMPASS PROGRAM

Level: Elementary, Grades 1-5; Middle, Grades 6-8; High, Grades 9- Age 22

Ludlow High School, 500 Chapin Street, Ludlow, MA 01056

Program Description: The Compass Program is designed for students with moderate-to-severe autism and related disabilities. The program focuses on encouraging appropriate independence in both school and community settings. The classroom is well structured with a high staff-to-student ratio. Opportunities for inclusion in non-academic and academic areas are available when appropriate. The program is designed to encourage the development of academic, social, daily living, and self-care skills. Program activities also support the development of positive relationships with peers and adults. Staff work diligently under the direction of a Board-Certified Behavior Analyst (BCBA) using principles of Applied Behavior Analysis (ABA) to identify and reduce maladaptive behaviors with replacement behaviors. A variety of functional behavior assessments are used to inform positive behavior intervention plans. Staff work closely with families and outside providers to aid in the generalization of skills and facilitate student growth. As age- and developmentally appropriate, students in this program participate in hands-on pre-vocational activities, while staff work with students and their community to facilitate a smooth transition to adult living.

STUDENTS TRANSITIONING, EXPLORING, AND PROGRESSING (STEP I)

Level: Grades 9-12

Ludlow High School, 500 Chapin Street, Ludlow, MA 01056

Program Description: The STEP Program is designed for adolescents with moderate delays in academics, language, and social skills. The program provides instruction in all academic areas at levels modified to students' learning abilities. Focus is also placed on developing pragmatic and life skills. Older students have the opportunity to participate in pre-vocational experiences both on-site and in the community. The STEP Program provides a small, structured setting that allows for individualized and small-group instruction. The program is located in a traditional high school setting, providing students with opportunities for inclusion through extracurricular activities, inclusion classes, and school assemblies. Students may transition from this program to the STEPS II program if determined appropriate by the Special Education Team.

STUDENTS TRANSITIONING, EXPLORING, AND PROGRESSING (STEP II)

Level: Grades 9-12 to Age 22

Ludlow High School, 500 Chapin Street, Ludlow, MA 01056

Program Description: The STEP II Program is designed for students who have completed their traditional educational requirements and require additional services before transitioning to adult living. This program provides instruction in daily living skills and vocational training, consisting of a half-day of functional academics and a half-day of vocational skills training in a community job placement. The program is located in a traditional high school setting and provides students with opportunities for inclusion, including extracurricular activities, inclusion classes, and school assemblies. Staff work closely with community providers and resources to ensure a smooth transition for the student upon graduation.

The following programs are located at the LPVEC Main Office Building, 174 Brush Hill Avenue in West Springfield.

INTEGRATED OCCUPATIONAL PREPARATION (IOP)

Level: Grades 9-12

Program Description: The IOP Program provides opportunities for students who demonstrate a wide range of learning differences that require individualized support to access the curriculum. This program combines academic instruction with career and technical education. Students are also exposed to employability coursework and social skills development. Students have access to the Career and Technical Education Center within the building as part of their academic day. For students for whom the CTEC component is not appropriate, there is a full-day IOP curriculum focusing on life and career readiness. Students in both options have access to counselors and a range of therapeutic interventions during their time in attendance, including individual and group counseling.

TRANSITIONAL ALTERNATIVE PROGRAM (TAP)

Level: Middle School and High School, Grades 6-12

Program Description: The TAP program is designed to provide temporary educational instruction while students transition between placements or are suspended from current programming. TAP is a highly supervised, structured placement that sets clear, consistent behavioral and academic expectations. Students may be placed in TAP for the duration of an external suspension, with academic work, including any required materials, provided by the sending district. Students have access to computers if needed at any time for educational purposes. Students in the TAP program may also participate in physical education classes.

TWAIN PROGRAM

Level: Elementary, Grades 1-5, Middle, Grades 6-8, High, Grades 9-12

Program Description: The TWAIN program is an approved public day program designed for students with moderate social, emotional, and behavioral needs. The self-contained program is highly supervised and focuses on stabilizing each student, with the goal of transitioning to a less restrictive environment once specific goals are met. The academic day is structured with limited transitions and an emphasis on emotional and behavioral regulation. This environment enables the methodology and delivery of instruction to be individualized to each student's current level through a multisensory approach to learning. Students have access to counselors and a variety of therapeutic interventions while in attendance, including individual and group counseling. Consultation and direct services are provided by a BCBA and LMHC programmatically. Staff work closely with families and outside providers to facilitate stabilization.

BUSINESS SERVICES

In addition to education programs, the Collaborative offers and coordinates a variety of money-saving services for school districts and municipalities, including:

AUGMENTATIVE AND ALTERNATIVE COMMUNICATION EVALUATION SERVICES: The LPVEC provides Augmentative and Alternative Communication (AAC) evaluations and grid consultation services by a licensed Speech and Language Pathologist (SLP). The AAC evaluations include an initial intake with school personnel and the student's parents, guardians, or caregivers; an

assessment; an evaluation write-up; and attendance at the student's Individualized Education Program (IEP) Meeting. For speech-generating devices, recommendations can be made for school-issued or insurance-issued devices based on the special education team's preferences.

SCHOOL TRANSPORTATION SERVICES: The LPVEC provides regular and special education transportation services to all of its member school districts. The LPVEC employs and manages 265 drivers and monitors and operates over 252 school transportation vehicles. Providing these transportation services through the LPVEC has resulted in cost savings for member districts. In addition, because of the LPVEC's relationship with its member school districts, it is highly responsive to their needs.

Also worth noting for FY25 in the Transportation Department is the successful submission of grant applications to the Environmental Protection Agency (E.P.A.) and Massachusetts Clean Energy Center, MassCEC, which secured approximately \$12M for the electrification of LPVEC's school bus fleet. LPVEC will replace twenty-five (25) diesel school buses with twenty-five (25) electric buses, which were received in FY25. The electrification of school buses aligns with the state's clean transportation initiatives.

MUNICIPAL MEDICAID REIMBURSEMENT: The LPVEC Medicaid Reimbursement Program currently provides electronic billing services to 65 school districts and municipalities. This project generated over \$10 million in federal reimbursement funds for the participating districts in 2025. Due to the level of non-member participation, the cost of these services is significantly lower for LPVEC member districts.

ENERGY MANAGEMENT SERVICES: Developed in 1998, this program facilitates cooperative purchasing of a variety of energy-related utilities, including electricity, natural gas, fuel oil, diesel fuel, and gasoline. In 2025, the LPVEC coordinated three annual cooperative energy bids. 44 participants for fuel oil, 23 for diesel, and 20 for unleaded gasoline. Energy bids totaled approximately \$12.5 million, with an estimated collective cost savings of \$850,000.

EDUCATOR SUPPORT SERVICES

LPVEC employs a Director of Curriculum, Instruction, and Assessment who works with district curriculum directors, LPVEC program administrators, and staff to ensure high-quality, culturally responsive curriculum and instruction. The following are included services:

Job-alike Groups - Professional Learning Communities for Member Districts' Curriculum Directors and Instructional Coaches; Engages in curriculum review, development, alignment, and recommendations that fulfill LPVEC programs and member districts' needs, as well as DESE requirements; Professional development: creation, implementation, and assessment for LPVEC programs and member districts; Identifies and facilitates grant funding opportunities and collaborates to submit successful applications for LPVEC and member districts; First-year induction and second and third year Mentoring Program development and oversight; Teacher Evaluation System oversight and Vector Solutions Management, and Statewide assessment oversight, e.g., MCAS and ACCESS testing.

FUNCTIONAL BEHAVIORAL ANALYSIS SERVICES: The LPVEC understood the difficulty many districts faced in trying to secure Functional Behavioral Analysis (FBA) services for their students, so it created a system to offer these needed FBA services. These evaluations and grid consultations are provided by the LPVEC Board Certified Behavior Analysts (BCBA). The FBA evaluations include an intake with school personnel and the student’s parents, guardians, or caregivers; several observations; rating scales; an assessment and a report; and attendance at the student’s Individualized Education Program (IEP) Meeting.

OCCUPATIONAL THERAPY: The LPVEC offers Occupational Therapy (OT) services to districts through its licensed Occupational Therapist. The Occupational Therapy services include an intake with school personnel and the student’s parents, guardians, or caregivers; an evaluation and a report; attendance at the student’s Individualized Education Program (IEP) Meeting; and grid consultation services.

SPECIAL EDUCATION AUDITS: The LPVEC conducts audits of special education and student services programs for districts. These audits identify areas for improvement, build on districts' strengths, and foster a culture of continuous improvement that benefits all students. Districts that prioritize regular audits demonstrate their commitment to providing high-quality education for all students, including those with disabilities. In the long run, this commitment not only enhances the success of students with disabilities but also strengthens the overall educational environment.

INFORMATION USEFUL IN ASSESSING

THE COLLABORATIVE’S ECONOMIC CONDITION

The mission of the Lower Pioneer Valley Educational Collaborative is to increase school districts' capacity and support the success of all students by providing high-quality, cost-effective shared programs and services. The Collaborative is an independent entity, governed by its members. While its primary responsibility is to its member districts, many of its offerings are also open to other districts and municipalities to help them save money and expand capacity.

Each year, the Collaborative adopts goals to guide decision-making and evaluate expenditures. The LPVEC allocates resources in alignment with its stated goals. The budget reflects the allocation of revenue and expenditures to support educational programs and services defined by the Collaborative’s mission and goals. The budget also reflects a careful analysis of LPVEC communities' needs and available financial support.

The fiscal year 2025 budget, adopted by the Board of Directors on August 21, 2024, is \$30,219,007. This amount represents a \$2,246,674 or 8.03% increase from the 2024 budget.

The following changes to the operating budget are worth noting.

Special and Alternative Education – The increase in Special Education is primarily due to negotiated contractual obligations and fringe benefit increases.

Career and Technical Education – The increase in Career and Technical Education funding is primarily driven by the addition of the Criminal Justice/Public Safety Program. The budget also reflects negotiated contractual obligations and associated fringe benefit costs. Additionally, higher student enrollment requires increases in materials, supplies, and equipment to ensure all students have access to hands-on learning opportunities. FY25 enrollment (as of October 1, 2023) exceeded FY24 enrollment (as of October 1, 2022) by 56 students. Together, these factors contributed to the overall increase in Career and Technical Education.

Transportation Services – The increase in Regular and Specialized Transportation Services is attributable to negotiated contractual obligations, fringe benefits, fuel, and vehicle repair and maintenance costs. In addition, the increase of one (1) full-time equivalent (FTE) Administrative Assistant was included in the budget cycle. The increase in transportation-assessed services was \$986,647, or 7.05%.

Municipal Medicaid Reimbursement – The increase in Municipal Medicaid Reimbursement Services is primarily attributable to increases in salary and fringe benefit costs.

Contracted Services – The \$40,477 or 2.47% increase in Contracted Services is primarily the result of contractual obligations and associated fringe benefit costs. The \$336,054, or 15.23%, increase in Transportation Contracted Services is also driven by contractual obligations, higher demand for field trips, and additional one-to-one monitoring requirements.

Apportioned Services – The increase/decrease in the apportioned services budget does not reflect an increase/decrease in expenses; rather, it reflects a reallocation of administrative costs.

Providing high-quality educational programs and services, as well as technical support and assistance to our member districts, requires a highly skilled labor force. The costs associated with recruiting and retaining qualified personnel are reflected in the budget. Personnel decisions reflect the staffing policies and guidelines set by the Board of Directors, based on state requirements, program reviews, student enrollment, and curriculum requirements. Salary costs and increases are based on the average salaries and increases in LPVEC member districts. The Executive Director collects information on projected increases throughout the year. Once member districts finalize salaries and increases, the LPVEC adjusts staff salaries as necessary, issues retroactive pay, and amends the budget.

For the 2024–2025 fiscal year, salaries and fringe benefits represented 73.53% of total budgeted expenditures. Overall personnel costs decreased from FY24 to FY25, primarily due to a reduction in employee benefit enrollments. The FY25 budget includes a projected 3.5% salary increase, while healthcare costs were budgeted using an average inflation factor of 7%. Despite rising healthcare expenses, the decline in overall employee benefit enrollments resulted in a net reduction in benefit costs.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Finance Reporting to the Lower Pioneer Valley Educational Collaborative for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. This was the 12th consecutive year the Collaborative achieved this prestigious award. To be

awarded this Certificate of Achievement, an entity must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for only one year. We believe our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it again to the GFOA to determine its eligibility for a 2025 certificate.

The preparation of this ACFR would not have been possible without the efficient and dedicated services of the Collaborative's entire financial and administrative team. We would like to express our appreciation to all who assisted in preparing this report.

Respectfully submitted,



Alvin W. Morton, I
Executive Director

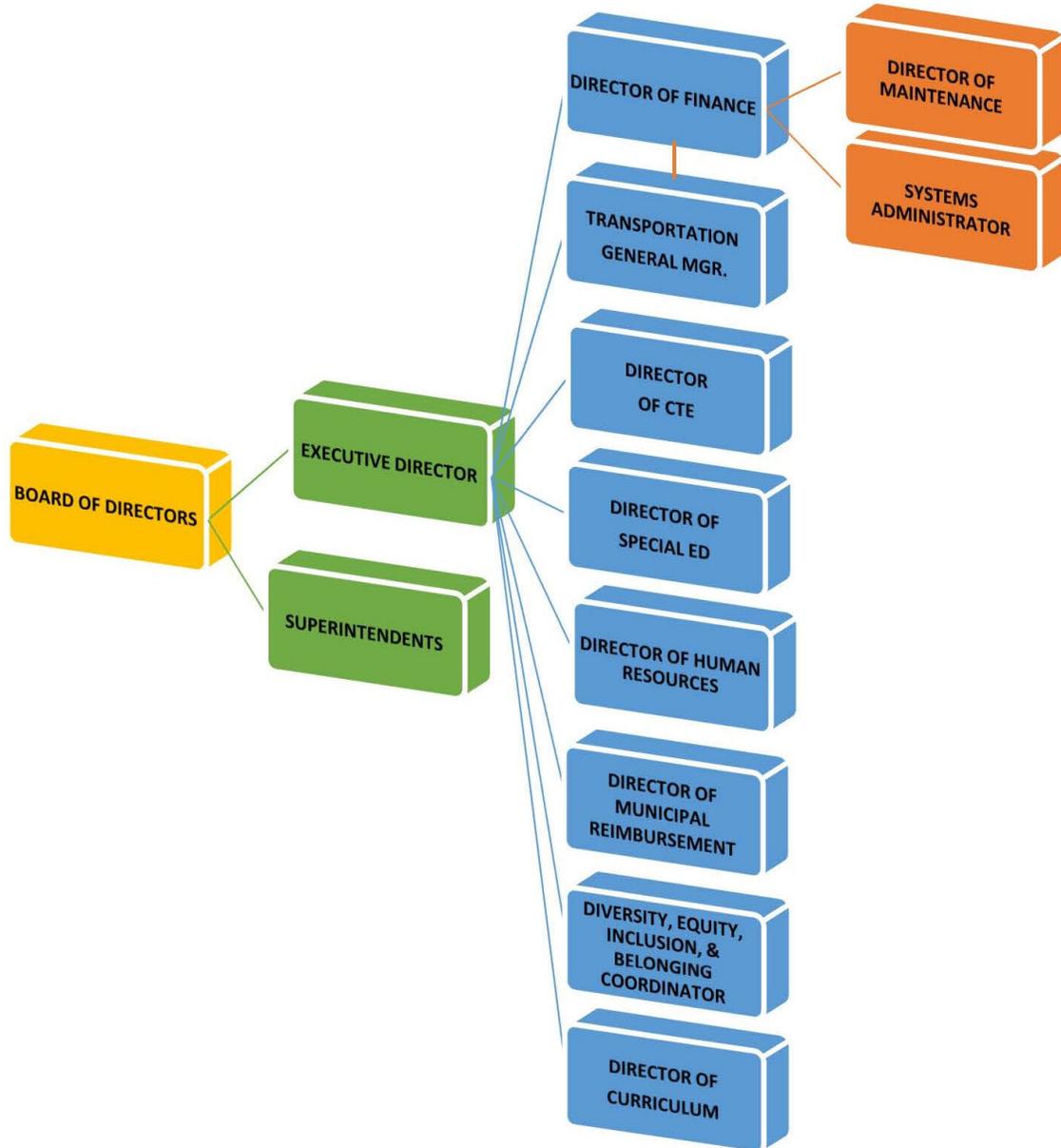


Anna M. Bishop
Director of Finance and Operations

Lower Pioneer Valley Educational Collaborative

Organizational Chart

2025



Lower Pioneer Valley Educational Collaborative
Principal Executive Officers and Board of Directors

As of June 30, 2025



Principal Executive Officers

Alvin W. Morton, Executive Director

Anna M. Bishop, Director of Finance and Operations

Donald Jarvis, Director of Occupational Education

Amy Drake, Director of Special and Alternative Education

Board of Directors

Agawam: Mr. A.J. Christopher

East Longmeadow: TBD

Hampden-Wilbraham Regional: Ms. Lisa Murray

Longmeadow: TBD

Ludlow: Mr. Jeffrey Laing

Southwick-Tolland-Granville Regional: Ms. Erika Emmelmann

West Springfield: Ms. Diana Coyne



Mission, Vision, and Values of the
Lower Pioneer Valley Educational Collaborative

Mission

LPVEC increases the capacity of school districts and supports the success of all students by providing high-quality programs and services in a cost-effective manner.

Vision

LPVEC serves as an extension of our seven founding districts to provide educational programs and services that are models of excellence, efficiency, and equity, and that evolve as needed to continue to meet school district needs.

Values

- *Quality* – provide high-quality programs and services
- *Efficiency* – help districts save money by working together
- *Equity* – help districts meet the different educational needs of their students
- *Responsiveness* – provide programs and services in response to evolving district needs

LPVEC’s operations fall into four main categories:

<p><i>Education Programs</i></p> <ul style="list-style-type: none"> ● Career/Technical Education ● Special/Alternative Education 	<p><i>Business Programs</i></p> <ul style="list-style-type: none"> ● School Transportation ● Municipal Medicaid Reimbursement ● Energy/Group Purchasing
<p><i>Educator Support</i></p> <ul style="list-style-type: none"> ● Job-Alike Groups ● Curriculum/Instruction/Assessment <ul style="list-style-type: none"> ○ Our educators ○ District educators ● Diversity, Equity, Inclusion and Belonging ● Research & Development/New Ideas 	<p><i>Organizational Operations</i></p> <ul style="list-style-type: none"> ● Finance ● Human Resources ● Information Technology ● Physical Plant ● Facilities



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Lower Pioneer Valley Educational Collaborative
Massachusetts**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

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Financial Section



Lower Pioneer Valley Educational Collaborative cafeteria for the Culinary Arts program.

Financial Section

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Independent Auditors' Report

To the Board of Directors
Lower Pioneer Valley Educational Collaborative
West Springfield, 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 Lower Pioneer Valley Educational Collaborative (the "Collaborative"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Collaborative's basic financial statements as listed in the table of contents.

In our opinion, the 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 Collaborative, as of June 30, 2025, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 16 to the financial statements, in 2025, the Collaborative adopted new accounting guidance, GASB Statement 101 *Compensated Absences*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Entity's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Collaborative's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary comparison schedule, and various Pension Plan and Other Post Employment Benefits Schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Collaborative's basic financial statements. The Combining Nonmajor Fund Financial Statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Combining Nonmajor Fund Financial Statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory, statistical sections, schedule of cumulative surplus and the required disclosures for Massachusetts Educational Collaboratives but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2025 on our consideration of the 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 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 Collaborative's internal control over financial reporting and compliance.

CBIZ CPAs P.C.

Merrimack, NH
December 30, 2025

Management's Discussion and Analysis

Lower Pioneer Valley Educational Collaborative

Management's Discussion and Analysis

Year Ended June 30, 2025

As management of the Lower Pioneer Valley Educational Collaborative ("Collaborative"), we offer readers of these financial statements this narrative overview and analysis of the financial activities for the year ended June 30, 2025. The Collaborative complies with financial reporting requirements issued by the Governmental Accounting Standards Board ("GASB"). Management's discussion and analysis are part of these requirements. All amounts, unless otherwise indicated, are expressed in whole dollars.

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 are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

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

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

The *statement of activities* presents information showing how the government's net position changed during the most recent 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., uncollected revenues and earned but unused sick leave).

The government-wide financial statements distinguish functions that are principally supported by assessments to member and non-member districts, intergovernmental revenues, and user fees and charges. The governmental activities include administration, special education, occupational education, supplemental services, transportation, unallocated depreciation, and interest expense. These services are funded primarily by assessments, user charges and intergovernmental revenues including federal and state grants and other shared revenues.

Also, blended within the governmental activities in the government-wide financial statements and within the governmental funds in the fund financial statements is the Lower Pioneer Valley Educational Corporation (the "Corporation"), a legally separate component unit. The component unit is blended with the primary government because it provides services almost entirely to the Collaborative and because almost all of the Corporation's debt is expected to be repaid with assets derived from the Collaborative.

Lower Pioneer Valley Educational Collaborative

Management's Discussion and Analysis

Year Ended June 30, 2025

Fund financial statements. 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 two categories: governmental funds and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. 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 adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund as required supplementary information after the notes to the financial statements to demonstrate compliance with this budget.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Collaborative's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Collaborative's budgetary basis of accounting as well as pension and other postemployment benefit obligations; *supplementary information* consisting of the combining schedules; other information as statistical tables; and additional state required disclosures.

Lower Pioneer Valley Educational Collaborative

Management's Discussion and Analysis

Year Ended June 30, 2025

Government-wide Financial Analysis

Governmental Activities

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Collaborative's governmental assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$18.6 million at the close of fiscal year 2025. This represents an overall increase in net position of \$11.5 million. This includes the activity of the Corporation, which is blended with the Collaborative in the Statements of Net Position and Activities.

The \$11.5 million increase in net position was the result of capital grant contributions totaling \$9.7 million, as well as a \$2.0 million decrease in the Collaborative's net other postemployment liability, net of related deferred outflows/(inflows) of resources.

Capital grant revenues received by the Collaborative relate to funding received from the Environmental Protection Agency (EPA) and the Massachusetts Clean Energy Center (MassCEC) for the electrification of the Collaborative's school bus fleet. The Collaborative was awarded funding for technical design and deployment of electric vehicle infrastructure in connection with the 25 electric buses the Collaborative received from the EPA under the 2022 Clean Bus Rebate program.

In 2025, the Collaborative took ownership of the 25 electric buses, valued at \$9,374,500. Shortly after receipt, 4 buses were destroyed by fire, resulting in an impairment loss of \$1,499,920; this loss was equal to insurance proceeds received. Therefore, on the entity-wide financial statements, there was no net impact on net position resulting from the impairment.

Net position of approximately \$23.1 million reflects the Collaborative's investment in capital assets (e.g., land, buildings, machinery and equipment); less any related debt used to acquire those assets that are still outstanding. The Collaborative uses these capital assets to provide services; consequently, these assets are *not* available for future spending. Although the investment in its capital assets is reported net of its related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Collaborative's net position, \$523,000, represents resources that are subject to external restrictions on how they may be used.

The remaining balance represents the unrestricted net position, which reports a year-end deficit balance of approximately \$5.1 million, which mainly relates to the recognition of the Collaborative's other postemployment benefit liability.

Lower Pioneer Valley Educational Collaborative

Management's Discussion and Analysis

Year Ended June 30, 2025

Key components of the Collaborative's governmental financial position are as follows:

	2025	(As Restated) 2024
Assets:		
Current assets.....	\$ 14,651,467	\$ 14,017,935
Capital assets, nondepreciable.....	3,032,923	3,032,923
Capital assets, net of accumulated depreciation.....	29,058,900	21,659,682
Total assets.....	46,743,290	38,710,540
Liabilities:		
Current liabilities (excluding debt).....	1,478,494	1,265,378
Noncurrent liabilities (excluding debt).....	13,786,649	15,303,177
Current debt.....	8,080,540	1,636,309
Noncurrent debt.....	887,942	8,968,481
Total liabilities.....	24,233,625	27,173,345
Deferred inflows of resources.....	3,913,866	4,421,313
Net position:		
Net investment in capital assets.....	23,123,341	14,087,815
Restricted.....	522,638	966,727
Unrestricted.....	(5,050,180)	(7,938,660)
Total net position.....	\$ 18,595,799	\$ 7,115,882

Lower Pioneer Valley Educational Collaborative

Management's Discussion and Analysis

Year Ended June 30, 2025

	2025	(As Restated) 2024
Program Revenues:		
Charges for services..... \$	21,517,300	\$ 19,910,139
Operating grants and contributions.....	4,120,611	5,016,326
Capital grants and contributions.....	9,713,555	1,720,000
General Revenues:		
Member district assessments.....	9,051,012	8,276,899
Unrestricted investment income.....	129,808	182,285
Gain (loss) on sale of capital assets.....	-	31,750
Miscellaneous.....	-	2,452
Total revenues.....	44,532,286	35,139,851
Expenses:		
Administration.....	1,785,255	2,417,042
Special Education.....	3,233,739	2,970,019
Occupational Education.....	6,548,526	6,178,099
Transportation.....	15,202,226	13,432,349
Supplemental Services.....	2,394,875	2,302,596
Unallocated Depreciation.....	2,958,271	2,354,248
Interest.....	377,940	421,135
Total expenses.....	32,500,832	30,075,488
Excess (Deficiency) before special item.....	12,031,454	5,064,363
Special item - Refunds to member districts.....	(551,537)	-
Change in net position.....	11,479,917	5,064,363
Net position, beginning of year, as presented.....	7,115,882	3,330,132
Restatement - Implementation of GASB Statement 101..	-	(1,278,613)
Net position, beginning of year, as restated.....	7,115,882	2,051,519
Net position, end of year..... \$	18,595,799	\$ 7,115,882

Lower Pioneer Valley Educational Collaborative

Management's Discussion and Analysis

Year Ended June 30, 2025

Capital grants increased significantly by \$9.0 million. This mainly relates to the recognition of the ownership of 25 electric buses received by the Collaborative under the Environmental Protection Agency (EPA) federal rebate program. The corresponding costs were capitalized.

Financial Analysis of the Governmental Funds

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

Governmental funds. 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, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the year.

At the end of the current year, governmental funds reported combined ended fund balances of \$13.7 million, a net increase of \$518,000 from the prior year. The general fund increased by \$1.3 million; the grants fund decreased by \$787,000; the Lower Pioneer Valley Educational Corporation major fund increased by \$109,000; and the nonmajor governmental funds decreased by \$84,000.

The *General Fund* is the Collaborative's chief operating fund and includes activities of the transportation program within the general fund. At year end, unassigned fund balance of the general fund totaled \$3.1 million while total fund balance equaled \$10.7 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 7.31% of total general fund expenditures, while total fund balance represents 25.27% of that same amount.

Assigned fund balance consists of amounts the Collaborative has assigned for capital projects, and restricted fund balance relates to the insurance proceeds received in response to the bus fire event that occurred in 2025 as previously described. These funds were restricted for the replacement of the bus fleet.

The general fund increased by approximately \$1.3 million in 2025, which was mainly related to the insurance proceeds received related to the bus fire event as previously described. These increases were offset by the Collaborative's use of surplus funds to refund back to member districts totaling \$552,000. General fund revenues of member assessments, nonmember assessments, and tuition services increased by \$2.4 million, or 8.68% over the prior year resulting from increases in rates charged.

The *Grant Fund* is used primarily for all federal, state, and local grant programs. Most of the state and federal grants are received on a reimbursement basis. The receivable balance represents funds that have been expended for which the grant proceeds will be received in the subsequent fiscal year. The fund had an ending balance totaling a deficit of approximately \$428,000, which represents costs incurred, but for which the corresponding grant conditions have not yet been achieved.

Lower Pioneer Valley Educational Collaborative

Management's Discussion and Analysis

Year Ended June 30, 2025

The *Lower Pioneer Valley Educational Corporation Fund* represents the balance of the operating fund of the blended component unit. The fund had an ending fund balance of \$2.9 million, an increase of \$108,000, which mainly represents the difference between \$1.02 million of rental payments received from the Collaborative, offset with debt service expenditures.

The *Nonmajor Funds* decreased by approximately \$84,000 in the current year.

General Fund Budgetary Highlights

The Collaborative's 2025 original operating budget consisted of approximately \$35.5 million in current appropriations and anticipated assessments, including a \$5.3 million carryover from the prior year for the use of fund balance. During the year, appropriations were increased through an additional \$1.7 million use of fund balance. The majority of this was for various capital project expenditures in the general fund. There is no net difference between the fund based and budgetary based change in fund balance for the year. Actual revenues came in less than budgeted by \$667,000 and expenditures were under budget by \$1.4 million, and \$890,000 was spent directly from amounts appropriated from fund balance. From the appropriated use of unreserved fund balance, \$6.1 million has been reserved for spending in fiscal year 2025.

Capital Asset and Debt Administration

The Collaborative's capital assets totaled \$32.1 million as of June 30, 2025, which includes \$19.2 million in assets of the Lower Pioneer Valley Educational Corporation blended component unit. Collectively the Collaborative acquired approximately \$11.8 million in capital assets in year 2025. This consisted primarily of vehicles acquired in the general fund, and buildings acquired from the Corporation blended component unit.

Of the \$10.4 million in vehicle acquisitions in 2025, \$9.4 million related to buses received as part of the EPA 2022 clean bus rebate program. Shortly after receiving the buses, the Collaborative experienced an impairment loss on a portion of the fleet, due to a fire totaling \$1.4 million, which is fully described in Note 4. Insurance proceeds were received equal to the impairment loss.

The Collaborative reported \$7.0 million in long-term bonds payable which all related to debt held by the blended Corporation component unit. Capital financing long-term debt was reported in the current year totaling \$1.9 million. Collectively, the Collaborative has outstanding long-term debt totaling \$8.9 million at June 30, 2025.

Please refer to Note 5, 6, and 7 in the basic financial statements for further discussion of the capital asset and debt activity.

Lower Pioneer Valley Educational Collaborative

Management's Discussion and Analysis

Year Ended June 30, 2025

Requests for Information

This financial report is designed to provide a general overview of the Lower Pioneer Valley Educational Collaborative's finances for all those with an interest in the Collaborative's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance and Operations, Lower Pioneer Valley Educational Collaborative, 174 Brush Hill Ave., West Springfield, Massachusetts 01089.

Basic Financial Statements

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Lower Pioneer Valley Educational Collaborative

Statement of Net Position

June 30, 2025

	<u>Primary Government</u>
	<u>Governmental Activities</u>
ASSETS	
CURRENT:	
Cash.....	\$ 163,198
Cash equivalents.....	11,090,175
Receivables, net of allowance for uncollectibles:	
Departmental and other.....	1,690
Intergovernmental.....	3,351,155
Other assets.....	<u>45,249</u>
Total current assets.....	<u>14,651,467</u>
NONCURRENT:	
Capital assets, nondepreciable.....	3,032,923
Capital assets, net of accumulated depreciation.....	<u>29,058,900</u>
Total noncurrent assets.....	<u>32,091,823</u>
TOTAL ASSETS	<u>46,743,290</u>
LIABILITIES	
CURRENT:	
Warrants payable.....	745,944
Accrued payroll.....	31,434
Other liabilities.....	138,649
Compensated absences.....	562,467
Long-term debt.....	<u>8,080,540</u>
Total current liabilities.....	<u>9,559,034</u>
NONCURRENT:	
Compensated absences.....	1,031,494
Net other postemployment benefits liability.....	12,755,155
Long-term debt.....	<u>887,942</u>
Total noncurrent liabilities.....	<u>14,674,591</u>
TOTAL LIABILITIES	<u>24,233,625</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to other postemployment benefits.....	<u>3,913,866</u>
NET POSITION	
Net investment in capital assets.....	23,123,341
Restricted for:	
Other purposes.....	522,638
Unrestricted.....	<u>(5,050,180)</u>
TOTAL NET POSITION	<u>\$ 18,595,799</u>

See notes to basic financial statements.

Lower Pioneer Valley Educational Collaborative

Statement of Activities

Year Ended June 30, 2025

<u>Functions/Programs</u>	<u>Expenses</u>	Program Revenues			<u>Net (Expense) Revenue</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Primary Government:					
<i>Governmental Activities:</i>					
Administration.....	\$ 1,785,255	\$ 290,050	\$ 2,100,586	\$ -	\$ 605,381
Special education.....	3,233,739	830,971	322,561	-	(2,080,207)
Occupational education.....	6,548,526	963,519	1,083,493	-	(4,501,514)
Supplemental services.....	2,394,875	1,652,925	613,971	339,055	211,076
Transportation.....	15,202,226	17,779,835	-	9,374,500	11,952,109
Unallocated depreciation.....	2,958,271	-	-	-	(2,958,271)
Interest.....	377,940	-	-	-	(377,940)
Total Governmental Activities.....	\$ 32,500,832	\$ 21,517,300	\$ 4,120,611	\$ 9,713,555	\$ 2,850,634

See notes to basic financial statements.

Lower Pioneer Valley Educational Collaborative

Statement of Activities (Continued)

Year Ended June 30, 2025

	Primary Government
	Governmental Activities
Changes in net position:	
Net (expense) revenue from previous page.....	\$ 2,850,634
<i>General revenues:</i>	
Member district assessments.....	9,051,012
Unrestricted investment income.....	129,808
<i>Special item - Refunds to member districts</i>	(551,537)
Total general revenues and special item.....	8,629,283
Change in net position.....	11,479,917
 <i>Net position:</i>	
Beginning of year, as previously presented.....	8,394,495
Restatement - Implementation of GASB Statement 101.....	(1,278,613)
Beginning of year, as restated.....	7,115,882
End of year.....	\$ 18,595,799

See notes to basic financial statements.

Lower Pioneer Valley Educational Collaborative

Governmental Funds Balance Sheet

June 30, 2025

	General	Grant Fund	Lower Pioneer Valley Educational Corporation	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash.....	\$ -	\$ -	\$ 24	\$ 163,174	\$ 163,198
Cash equivalents.....	7,893,621	-	2,837,871	358,683	11,090,175
Receivables, net of uncollectibles:					
Departmental and other.....	-	-	-	1,690	1,690
Intergovernmental.....	2,230,331	1,120,644	-	180	3,351,155
Due from other funds.....	1,437,436	-	111,120	-	1,548,556
Other assets.....	45,249	-	-	-	45,249
TOTAL ASSETS.....	\$ 11,606,637	\$ 1,120,644	\$ 2,949,015	\$ 523,727	\$ 16,200,023
LIABILITIES					
Warrants payable.....	\$ 634,275	\$ 110,780	\$ -	\$ 889	\$ 745,944
Accrued payroll.....	31,434	-	-	-	31,434
Due to other funds.....	111,120	1,437,436	-	-	1,548,556
Other liabilities.....	138,449	-	-	200	138,649
TOTAL LIABILITIES.....	915,278	1,548,216	-	1,089	2,464,583
FUND BALANCES					
Restricted.....	1,499,920	-	2,949,015	522,638	4,971,573
Assigned.....	6,098,078	-	-	-	6,098,078
Unassigned.....	3,093,361	(427,572)	-	-	2,665,789
TOTAL FUND BALANCES.....	10,691,359	(427,572)	2,949,015	522,638	13,735,440
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 11,606,637	\$ 1,120,644	\$ 2,949,015	\$ 523,727	\$ 16,200,023

See notes to basic financial statements.

Lower Pioneer Valley Educational Collaborative

**Reconciliation of the Governmental Funds Balance Sheet
Total Fund Balances to the Statement of Net Position**

June 30, 2025

Total governmental fund balances.....	\$	13,735,440
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		32,091,823
The statement of net position includes certain deferred inflows of resources and deferred outflows of resources that will be amortized over future periods. In governmental funds, these amounts are not reported.....		(3,913,866)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Long-term debt.....	(8,968,482)	
Net other postemployment benefits liability.....	(12,755,155)	
Compensated absences.....	<u>(1,593,961)</u>	
Net effect of reporting long-term liabilities.....		<u>(23,317,598)</u>
Net position of governmental activities.....	\$	<u>18,595,799</u>

See notes to basic financial statements.

Lower Pioneer Valley Educational Collaborative

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

Year Ended June 30, 2025

	General	Grant Fund	Lower Pioneer Valley Educational Corporation	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:					
Member district assessments.....	\$ 10,020,966	\$ -	\$ -	\$ -	\$ 10,020,966
Nonmember assessments.....	2,207,711	-	-	-	2,207,711
Transportation services.....	17,779,835	-	-	-	17,779,835
Intergovernmental - state funded pension benefits.....	3,159,083	-	-	-	3,159,083
Intergovernmental.....	-	1,300,583	-	-	1,300,583
Contributions - electric school buses.....	9,374,500	-	-	-	9,374,500
Departmental and other.....	22,608	-	1,027,000	247,192	1,296,800
Investment income.....	72,252	-	36,439	-	108,691
	TOTAL REVENUES.....	1,300,583	1,063,439	247,192	45,248,169
EXPENDITURES:					
Current:					
Administration.....	23,166	-	14,923	-	38,089
Special education.....	3,470,870	-	-	4,386	3,475,256
Occupational education.....	6,570,643	485,266	-	17,038	7,072,947
Supplemental services.....	1,507,653	495,179	-	310,154	2,312,986
Transportation services.....	16,915,263	-	-	-	16,915,263
State funded pension benefits.....	3,159,083	-	-	-	3,159,083
Capital outlay - contributed electric school buses.....	9,374,500	-	-	-	9,374,500
Capital outlay.....	159,738	1,107,413	-	-	1,267,151
Debt service:					
Principal.....	1,004,308	-	632,000	-	1,636,308
Interest.....	119,332	-	307,720	-	427,052
	TOTAL EXPENDITURES.....	2,087,858	954,643	331,578	45,678,635
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....					
	332,399	(787,275)	108,796	(84,386)	(430,466)
OTHER FINANCING SOURCES:					
Insurance recoveries.....	1,499,920	-	-	-	1,499,920
SPECIAL ITEM:					
Refunds to member districts.....	(551,537)	-	-	-	(551,537)
NET CHANGE IN FUND BALANCES.....	1,280,782	(787,275)	108,796	(84,386)	517,917
FUND BALANCES AT BEGINNING OF YEAR.....	9,410,577	359,703	2,840,219	607,024	13,217,523
FUND BALANCES AT END OF YEAR.....	\$ 10,691,359	\$ (427,572)	\$ 2,949,015	\$ 522,638	\$ 13,735,440

See notes to basic financial statements.

Lower Pioneer Valley Educational Collaborative

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

Year Ended June 30, 2025

Net change in fund balances - total governmental funds.....	\$	517,917
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay.....		11,857,409
Capital asset impairments.....		(1,499,920)
Depreciation expense.....		<u>(2,958,271)</u>
Net effect of reporting capital assets.....		7,399,218
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are unavailable and amortized in the Statement of Activities.</p>		
Debt service principal payments on capital financing.....		1,004,308
Debt service principal payments on the Massachusetts Development Bond.....		<u>632,000</u>
Net effect of reporting long-term debt.....		1,636,308
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Net change in compensated absences accrual.....		(93,089)
Net change in accrued interest on long-term debt.....		49,111
Net change in deferred outflow/(inflow) of resources related to other postemployment benefits.....		507,447
Net change in net other postemployment benefits liability.....		<u>1,463,005</u>
Net effect of recording long-term liabilities.....		<u>1,926,474</u>
Change in net position of governmental activities.....	\$	<u>11,479,917</u>

See notes to basic financial statements.

Lower Pioneer Valley Educational Collaborative

**Fiduciary Funds
Statement of Fiduciary Net Position**

June 30, 2025

	<u>Other Postemployment Benefit Trust Fund</u>
ASSETS	
Investments:	
Pension Reserve Investment Trust.....	\$ <u>544,980</u>
NET POSITION	
Restricted for other postemployment benefits.....	\$ <u><u>544,980</u></u>

See notes to basic financial statements.

Lower Pioneer Valley Educational Collaborative

**Fiduciary Funds
Statement of Changes in Fiduciary Net Position**

Year Ended June 30, 2025

	<u>Other Postemployment Benefit Trust Fund</u>
<u>ADDITIONS:</u>	
Contributions:	
Employer contributions for other postemployment benefit payments.....	\$ <u>414,636</u>
Net investment income:	
Investment income.....	50,337
Less: investment expense.....	<u>(2,467)</u>
Net investment income.....	<u>47,870</u>
TOTAL ADDITIONS.....	<u>462,506</u>
<u>DEDUCTIONS:</u>	
Other postemployment benefit payments.....	<u>414,636</u>
NET INCREASE IN NET POSITION.....	47,870
NET POSITION AT BEGINNING OF YEAR.....	<u>497,110</u>
NET POSITION AT END OF YEAR.....	<u>\$ <u>544,980</u></u>

See notes to basic financial statements.

Lower Pioneer Valley Educational Collaborative

Notes to Basic Financial Statements

Year Ended June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Lower Pioneer Valley Educational Collaborative (“Collaborative”) was formed in 1974 as authorized by Chapter 40 Section 4E and Chapter 797 of the Acts of 1979 of the Commonwealth of Massachusetts, by member school districts from the Towns of Agawam, East Longmeadow, Longmeadow, Ludlow, and West Springfield, and the Hampden-Wilbraham and Southwick-Tolland-Granville Regional School Districts. The primary purpose of the Collaborative is to expand the quality of educational services that can be provided more effectively and efficiently by pooling the resource and students of several school districts. Since inception, the Collaborative has been able to substantially broaden the quantity and quality of programs and services available to students in surrounding school districts. The Collaborative offers programs in occupational and special education areas, and in year 1992 began to provide transportation services to member school districts.

The Collaborative’s programs and services are primarily intended for its members; however, nonmembers may also participate on a space-available basis. Nonmembers pay a 16% charge to provide for administration costs incurred by the Collaborative.

The Collaborative operates under an “Agreement of Association” (“Agreement”). Governance of the Collaborative is vested in a seven member board of Directors (“Board”) composed of one representative from each member school committee. The Board appoints an Executive Director who is the chief operating official for the Collaborative and who reports directly to the Board. The superintendents from each of the member school districts compose an advisory board to the Executive Director and the Board of Directors.

The accompanying basic financial statements of the Lower Pioneer Valley Educational Collaborative have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”). The Governmental Accounting Standards Board (“GASB”) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles. The significant Collaborative accounting policies are described herein.

A. Reporting Entity

For financial reporting purposes, the Collaborative has included all funds, agencies, boards, commissions, and departments. The Collaborative has also considered all potential component units for which it is financially accountable as well as organizations for which the nature and significance of their relationship with the Collaborative are such that exclusion would cause the Collaborative’s basic financial statements to be misleading or incomplete. As required by GAAP, these basic financial statements present the Collaborative (primary government) and its component unit. The Lower Pioneer Valley Education Corporation (Corporation) meets the required criteria to be reported as a blended component unit.

The Corporation was organized in 1981 and is comprised of the same seven member school districts as the Collaborative. The Corporation’s primary activity is to act as the Collaborative’s financing entity that issues debt to acquire real property and other educational related resources used by the

Lower Pioneer Valley Educational Collaborative

Notes to Basic Financial Statements

Year Ended June 30, 2025

Collaborative. The Corporation and Collaborative have entered into several long-term rental agreements that provides for substantially all Corporation revenues which are then used to pay off all of the Corporation's debt. The Corporation issues separate audited financial statements. A copy of the complete financial statements can be obtained by contacting the Corporation at 174 Brush Hill Avenue, West Springfield, MA 01089.

The primary government consists of all funds and departments which provide various services including special education, occupational education, supplemental services, professional development, administrative, transportation services, and the activities of the blended component unit. The Collaborative Board of Directors and Executive Director are directly responsible for the activities of the governmental activities with the exception of the Lower Pioneer Valley Educational Corporation blended component unit.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. *Governmental activities* are primarily supported by member assessments and user charges.

Fund Financial Statements

Separate financial statements are provided for governmental funds and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and displayed in a single column.

Major Fund Criteria

Major funds must be reported if the following criteria are met:

- If the total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of an individual governmental fund are at least 10 percent of the corresponding element (assets and deferred outflows, liabilities and deferred inflows, etc.) for all funds of that category or type (total governmental funds), *and*
- If the total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund are at least 5 percent of the corresponding element for all governmental funds combined.

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

Lower Pioneer Valley Educational Collaborative

Notes to Basic Financial Statements

Year Ended June 30, 2025

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

Government-Wide Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a particular function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include the following:

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment.
- Grants and contributions that are restricted to meeting the operational requirements of a particular function or segment.
- Grants and contributions that are restricted to meeting the capital requirements of a particular function or segment.

Assessments and other items not identifiable as program revenues are reported as general revenues.

The effect of certain interfund activity has been removed from the government-wide financial statements so that activity is recorded only once in the consolidated statements. Interfund services provided and used are not eliminated in the process of consolidation.

Fund Financial Statements

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

Member district assessments and non-member assessments are considered available if they are collected within 60 days after year end. Investment income is susceptible to accrual. Other receipts and revenues become measurable and available when the cash is received and are recognized as revenue at that time.

Lower Pioneer Valley Educational Collaborative

Notes to Basic Financial Statements

Year Ended June 30, 2025

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure driven grants recognize revenue when the qualifying expenditures are incurred and all other grant requirements are met. For certain grants, revenue is recognized when specific conditions outlined have been achieved.

The following major governmental funds are reported:

The *general fund* is the primary operating fund. It is used to account for all financial resources, except those that are required to be accounted for in another fund.

The *grant fund* is used to account for and report the activity of state and federal grants throughout the year.

The *Lower Pioneer Valley Educational Corporation* fund is used to account for the non-capital activity of the blended component unit, which is mainly funded from rental income.

The *nonmajor governmental funds* consist of other special revenue funds that are aggregated and presented in the nonmajor governmental funds column on the governmental funds financial statements. The following describes the general use of these fund types:

The *special revenue* fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes.

Fiduciary fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Fiduciary funds are used to account for assets held in a trustee capacity for others that cannot be used to support the governmental programs.

The following fiduciary fund type is reported:

The *other postemployment benefit trust fund* is used to accumulate resources to provide funding for future other postemployment benefits (OPEB) liabilities.

D. Cash and Investments

Government-Wide and Fund Financial Statements

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition. Investments are carried at fair value.

Lower Pioneer Valley Educational Collaborative

Notes to Basic Financial Statements

Year Ended June 30, 2025

E. Fair Value Measurements

The Collaborative reports required types of financial instruments in accordance with the fair value standards. These standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or valuation techniques) to determine fair value. Fair value standards also require the government to classify these financial instruments into a three-level hierarchy, based on the priority of inputs to the valuation technique or in accordance with net asset value practical expedient rules, which allow for either Level 2 or Level 3 depending on lock up and notice periods associated with the underlying funds.

Instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Quoted prices are available in active markets for identical instruments as of the reporting date. Instruments, which are generally included in this category, include actively traded equity and debt securities and mutual funds with quoted market prices in active markets.

Level 2 – Pricing inputs are other than quoted in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Certain fixed income securities, primarily corporate bonds, are classified as Level 2 because fair values are estimated using pricing models, matrix pricing, or discounted cash flows.

Level 3 – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation.

In some instances, the inputs used to measure fair value may fall into different levels of the fair value hierarchy and is based on the lowest level of input that is significant to the fair value measurement.

Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. It is reasonably possible that change in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in these financial statements. For more information on the fair value of the Collaborative's financial instruments, see Note 2 – Cash and Investments.

Lower Pioneer Valley Educational Collaborative

Notes to Basic Financial Statements

Year Ended June 30, 2025

F. Accounts Receivable

Government-Wide and Fund Financial Statements

The recognition of revenue related to accounts receivable reported in the government-wide financial statements and fiduciary funds financial statements are reported under the accrual basis of accounting. The recognition of revenue related to accounts receivable reported in the governmental funds financial statements are reported under the modified accrual basis of accounting.

Departmental and Other

Departmental and other receivables consist of various benefit payments which are under agreement with current and former employees to reimburse the Collaborative and tuition payments receivable from other Collaboratives for special education services provided.

Grants

Various federal and state grants for operating and capital purposes are applied for and received annually. For non-expenditure driven grants, receivables are recorded as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, receivables are recorded when the qualifying expenditures are incurred and all other grant requirements are met.

Intergovernmental

Amounts due from member and non-member school districts for services provided.

All receivables are considered 100% collectible and therefore do not report an allowance for uncollectibles.

G. Inventories

Government-Wide and Fund Financial Statements

Inventories are supplies and are valued at cost determined on a first-in, first-out basis.

H. Capital Assets

Government-Wide Financial Statements

Capital assets, which include land, buildings and improvements, and machinery and equipment are reported in the government-wide financial statements. Capital assets are recorded at historical cost, or at estimated historical cost, if actual historical cost could not be determined. Donated capital assets; donated works of art, historical treasures and similar assets; capital assets received in service concession arrangements are recorded at acquisition value.

Lower Pioneer Valley Educational Collaborative

Notes to Basic Financial Statements

Year Ended June 30, 2025

All purchases and construction costs in excess of \$5,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

Capital assets (excluding land) are depreciated on a straight-line basis. The estimated useful lives of capital assets are as follows:

<u>Capital Asset Type</u>	<u>Estimated Useful Life (in years)</u>
Buildings.....	20 - 40
Machinery and equipment.....	5 - 20
Vehicles.....	5 - 10

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized and are treated as expenses when incurred. Improvements are capitalized.

Capital asset costs are recorded as expenditures in the acquiring fund in the year of the purchase.

The Collaborative reviews the carrying value of its long-lived assets to ensure that any impairment issues are identified and appropriately reflected in the financial statements. Should the expected cash flows be less than the carrying value, an impairment loss would be recognized to reduce the carrying value. In 2025, the Collaborative experienced an impairment loss as fully described in Note 4.

I. Deferred Outflows/Inflows of Resources

Government-Wide and Fund Financial Statements

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Collaborative did not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Collaborative has reported deferred inflows related to other postemployment benefits.

Lower Pioneer Valley Educational Collaborative

Notes to Basic Financial Statements

Year Ended June 30, 2025

Governmental Fund Financial Statements

In addition to liabilities, the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents assets that have been recorded in the governmental fund financial statements but the revenue is not available and so will not be recognized as an inflow of resources (revenue) until it be available. The Collaborative did not have any items that qualify for reporting in this category.

J. Interfund Receivables and Payables

During the course of its operations, transactions occur between and within individual funds that may result in amounts owed between funds.

Fund Financial Statements

Transactions of a buyer/seller nature between and within funds are not eliminated from the individual fund statements. Receivables and payables resulting from these transactions are classified as “Due from other funds” or “Due to other funds” on the balance sheet.

Government-Wide Financial Statements

Transactions of a buyer/seller nature between and within governmental funds are eliminated from the governmental activities in the statement of net position.

K. Interfund Transfers

During the course of its operations, resources are permanently reallocated between and within funds. These transactions are reported as transfers in and transfers out.

Government-Wide Financial Statements

Transfers within governmental funds are eliminated from the governmental activities in the statement of net activities.

Fund Financial Statements

Transfers between and within funds are *not* eliminated from the individual fund statements and are reported as transfers in and transfers out.

Lower Pioneer Valley Educational Collaborative

Notes to Basic Financial Statements

Year Ended June 30, 2025

L. Net Position and Fund Balance

Government-Wide Financial Statements (Net Position)

Net position reported as “net investment in capital assets” includes capital assets, net of accumulated depreciation, less the principal balance of outstanding debt used to acquire capital assets. Unspent proceeds of capital related debt are not considered to be capital assets.

Net position is reported as restricted when amounts that are not available for appropriation or are legally restricted by outside parties for a specific future use.

Sometimes the Collaborative will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Collaborative’s policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Financial Statements (Fund Balances)

Governmental fund balances are classified as nonspendable, restricted, committed, assigned, or unassigned based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The governmental fund balance classifications are as follows:

“Nonspendable” fund balance includes amounts that cannot be spent because they are either not in spendable form or 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 externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or 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 (vote) of the Board of Directors who are the government’s highest level of decision-making authority. Once adopted, the limitation imposed by the vote remains in place until all the funds are spent or until a similar action is taken to revise or rescind the limitation.

“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. Fund balance can be assigned by a vote of the Board of Directors. Unlike commitments, assignments are carried over into the next year but any unspent amounts lapse at the end of the next year without any further action required.

Lower Pioneer Valley Educational Collaborative

Notes to Basic Financial Statements

Year Ended June 30, 2025

“Unassigned” fund balance includes the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

The Collaborative’s spending policy is to spend restricted fund balance first, followed by committed, assigned and unassigned fund balance. Most governmental funds are designated for one purpose at the time of their creation. Therefore, any expenditure from the fund will be allocated to the applicable fund balance classifications in the order of the aforementioned spending policy. The general fund and certain other funds may have more than one purpose.

M. 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 Employee Retirement System and the Massachusetts Teachers’ Retirement System and additions to/deductions from the Systems fiduciary net position 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 the benefit terms. Investments are reported at fair value.

N. Long-term Debt

Government-Wide Financial Statements

Long-term debt is reported as liabilities in the government-wide statement of net position. Material bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

Governmental Fund Financial Statements

Proceeds received regarding governmental funds long-term debt is reported as other financing sources. Bond premiums and discounts, as well as issuance costs, are recognized in the current period. Bond premiums are reported as other financing sources and bond discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual bond proceeds received, are reported as general government expenditures.

O. Investment Income

Investment income derived from major and nonmajor governmental funds is legally assigned to the general fund unless otherwise directed by Massachusetts General Law (MGL).

Lower Pioneer Valley Educational Collaborative

Notes to Basic Financial Statements

Year Ended June 30, 2025

P. Compensated Absences

Employees are granted vacation and sick leave in varying amounts based on collective bargaining agreements, state laws and executive policies.

Government-Wide Financial Statements

Vested or accumulated vacation and sick leave benefits are reported as liabilities and expensed as the benefits are earned by the employees.

Governmental Fund Financial Statements

Vested or accumulated vacation and sick leave, which will be liquidated with expendable available financial resources, are reported as expenditures and fund liabilities upon maturity of the liability.

Q. Use of Estimates

Government-Wide and Fund Financial Statements

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

R. Fund Deficit

The Collaborative had a fund deficit in the grants fund. These deficits will be funded with either future reimbursements or other available funding.

S. Total Column

Government-Wide Financial Statements

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

Fund Financial Statements

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

Lower Pioneer Valley Educational Collaborative

Notes to Basic Financial Statements

Year Ended June 30, 2025

NOTE 2 – CASH AND INVESTMENTS

The Collaborative maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the balance sheet as "Cash and Cash Equivalents".

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Collaborative's deposits may not be returned to it. The Collaborative's investment policy requires all deposits to be insured or collateralized. At year-end, the carrying amount of deposits totaled \$163,198 and the bank balance totaled \$861,764. Of the bank balance, \$250,000 was covered by Federal Depository Insurance, and \$611,764 was fully collateralized.

The Corporation maintains its cash deposits in one checking account. At June 30, 2025, the Corporation's carrying balance for deposits and bank balance both totaled \$24, all of which was covered by Federal Depositors Insurance.

Investments and Cash Equivalents

As of June 30, 2025, the Collaborative had cash equivalents with a fair value of \$8,252,304 in an overnight Repurchase Agreement (REPO). Under the terms of the REPO, the bank collects funds in excess of an agreed upon amount and invests the monies in a REPO. These are fully collateralized by U.S. Government securities. As of June 30, 2025, the carrying value of the REPO was \$8,252,304. The REPO is classified as an interest earning investment which is not subject to the fair value level disclosures.

As of June 30, 2025, the Collaborative had a balance of \$544,980 in an Other Postemployment Benefits Trust Fund, which was fully invested in the Pension Reserve Investment Trust (PRIT), which meets the criteria of an internal investment pool. PRIT is administered by the Pension Reserves Investment Management Board, which was established by the Treasurer of the Commonwealth of Massachusetts who serves as Trustee. The fair value of the position in PRIT is the same as the value of PRIT shares. The net asset value of the Collaborative's investment in PRIT is \$544,980. The Collaborative does not have the ability to control any of the investment decisions relative to its funds in PRIT. The effective weighted duration rate for PRIT investments ranged from 1.99 to 14.42 years.

As of June 30, 2025, the Corporation had cash equivalents of \$2,837,871 in an overnight Repurchase Agreement (REPO). Under the terms of the REPO, the bank collects funds in excess of an agreed upon amount and invests the monies in a REPO. These are fully collateralized by U.S. Government securities. As of June 30, 2025, the carrying value of the REPO is \$2,837,871. The REPO is classified as an interest earning investment which is not subject to the fair value level disclosures.

Lower Pioneer Valley Educational Collaborative

Notes to Basic Financial Statements

Year Ended June 30, 2025

NOTE 3 – RECEIVABLES

At June 30, 2025, receivables for the individual major and nonmajor governmental funds, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Departmental and other.....	\$ 1,690	\$ -	\$ 1,690
Intergovernmental.....	3,351,155	-	3,351,155
Total.....	\$ 3,352,845	\$ -	\$ 3,352,845

NOTE 4 – INTERFUND RECEIVABLES AND PAYABLES

The Collaborative had the following interfund receivables and payables at June 30, 2025.

Receivable Fund	Payable Fund	Amount
General fund.....	Grant fund.....	\$ 1,437,436 (1)
Lower Pioneer Valley Educational Corporation.....	General fund.....	111,120 (2)
Total.....		\$ 1,548,556

- 1) Represents a temporary cash borrowing.
- 2) Represents funds due to the Corporation component unit from the Collaborative.

Lower Pioneer Valley Educational Collaborative

Notes to Basic Financial Statements

Year Ended June 30, 2025

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the Collaborative for the year ended June 30, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Impairment (1)	Ending Balance
Governmental Activities:					
<i>Collaborative:</i>					
<u>Capital assets being depreciated:</u>					
Machinery and equipment.....	\$ 4,887,039	\$ 140,845	\$ -	\$ -	\$ 5,027,884
Vehicles.....	14,381,973	10,449,413	(1,259,706)	(1,499,920)	22,071,760
Total capital assets being depreciated.....	19,269,012	10,590,258	(1,259,706)	(1,499,920)	27,099,644
<u>Less accumulated depreciation for:</u>					
Machinery and equipment.....	(3,102,046)	(336,358)	-	-	(3,438,404)
Vehicles.....	(10,347,469)	(1,737,109)	1,259,706	-	(10,824,872)
Total accumulated depreciation.....	(13,449,515)	(2,073,467)	1,259,706	-	(14,263,276)
Total Collaborative governmental activities capital assets, net.....	5,819,497	8,516,791	-	(1,499,920)	12,836,368
<i>Corporation blended component unit:</i>					
<u>Capital assets not being depreciated:</u>					
Land.....	3,032,923	-	-	-	3,032,923
<u>Capital assets being depreciated:</u>					
Buildings.....	27,410,861	1,267,151	-	-	28,678,012
<u>Less accumulated depreciation for:</u>					
Buildings.....	(11,570,676)	(884,804)	-	-	(12,455,480)
Total capital assets being depreciated, net.....	15,840,185	382,347	-	-	16,222,532
Total Corporation capital assets, net.....	18,873,108	382,347	-	-	19,255,455
Total Governmental Activities capital assets, net.....	\$ 24,692,605	\$ 8,899,138	\$ -	\$ (1,499,920)	\$ 32,091,823

Depreciation expense for governmental activities totaled \$2,958,271 and was unallocated.

- (1) The Collaborative was selected to participate in the United States Environmental Protection Agency’s (EPA) Clean School Bus Rebate Program. This program, which was a part of the Infrastructure Law of 2021, authorizes the EPA to offer rebates to replace existing school buses with clean and zero-emission models to reduce harmful emissions that are produced from older buses. The Collaborative was approved for funding under this program and in 2025 received 25 electric buses totaling a value of \$9,374,500. Contributions totaling this value were recognized as well as an offsetting capital outlay expenditure in the Collaborative’s general fund. Shortly after receipt, four of these buses were destroyed by fire and determined to be impaired. The Collaborative recognized an impairment loss equal to the carrying value of the lost buses, totaling \$1,499,920. Insurance proceeds in the amount of \$1,499,920 were subsequently received and recognized. On the entity-wide financial statements, the impairment loss was fully offset by the insurance recovery, resulting in no net impact on the change in net position. The Collaborative is to use the insurance recoveries to purchase replacement buses, and therefore, the insurance proceeds have been reported as restricted fund balance in the Collaborative’s general fund.

Lower Pioneer Valley Educational Collaborative

Notes to Basic Financial Statements

Year Ended June 30, 2025

NOTE 6 – SHORT-TERM FINANCING

Short-term debt may be authorized and issued to fund the following:

- Current operating costs prior to the collection of revenues through issuance of revenue or tax anticipation notes (RANS or TANS).
- Capital project costs and other approved expenditures incurred prior to obtaining permanent financing through issuance of bond anticipation notes (BANS) or grant anticipation notes (GANS).

Short-term loans are general obligations and carry maturity dates that are limited by statute. Interest on short-term borrowings are accounted for in the general fund.

The Collaborative had no short-term financing for 2025.

NOTE 7 – LONG-TERM DEBT

Under the provisions of Chapter 43 of the Acts of 2012, the board of directors of an education collaborative may borrow money, enter into long-term or short-term loan agreements or mortgages and apply for state, federal or corporate grants or contracts to obtain funds necessary to carry out the purpose for which such collaborative is established; provided, however, that the board of directors has determined that any borrowing, loan or mortgage is cost-effective and in the best interest of the collaborative and its member cities or towns and charter schools. The borrowing, loans or mortgages shall be consistent with the written agreement and articles of incorporation of the education collaborative and shall be consistent with standard lending practices. The board of directors of an education collaborative shall notify each member school committee and charter school board within 30 calendar days of applying for real estate mortgages.

The Collaborative had the following long-term financing activity during fiscal year 2025:

<u>Project</u>	<u>Maturities Through</u>	<u>Original Loan Amount</u>	<u>Interest Rate (%)</u>	<u>Outstanding at June 30, 2025</u>
Purchases financed 2022.....	2026	\$ 1,574,992	6.01%	\$ 407,864
Purchases financed 2023.....	2027	2,154,214	4.89%	880,745
Purchases financed 2024.....	2028	1,071,110	4.40%	<u>641,873</u>
Total.....				<u>\$ 1,930,482</u>

Lower Pioneer Valley Educational Collaborative

Notes to Basic Financial Statements

Year Ended June 30, 2025

Debt service requirements for principal and interest for the Collaborative long-term financing payable in future years are as follows:

	Governmental Activities		
Years ending June 30:	Principal	Interest	Total
2026.....	\$ 1,042,540	\$ 81,281	\$ 1,123,821
2027.....	664,708	51,068	715,776
2028.....	223,234	9,822	233,056
Total.....	\$ 1,930,482	\$ 142,171	\$ 2,072,653

The Corporation had the following long-term financing activity during fiscal year 2025:

During fiscal year 2016, the Corporation borrowed \$12,075,000 through Massachusetts Development Finance Agency Revenue bonds (the bond). The bond has a fixed interest rate of 3.79%, with payments made monthly until September 2025, at which time there is a final balloon payment of \$6,940,000. At the end of 2025, the Corporation had \$7,038,000 of outstanding debt related to this issuance.

On September 23, 2025, the Corporation closed a refinancing agreement converting the remaining balance of the loan of \$6,940,000 into a long-term bond. See Note 15 for further information.

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2025
Massachusetts Development Bond.....	2026	\$ 12,075,000	3.79	\$ 7,038,000

Debt service requirements for principal and interest for the Corporation bond payable in future years are as follows:

Year	Principal	Interest	Total
2026.....	\$ 7,038,000	\$ 66,770	\$ 7,104,770

Lower Pioneer Valley Educational Collaborative

Notes to Basic Financial Statements

Year Ended June 30, 2025

Changes in Long-term Liabilities

Long-term liabilities of the Corporation blended component unit are paid from the Corporation using the revenue paid from the Collaborative per established rental agreements. Other long-term liabilities related to the governmental activities are normally paid from the General Fund.

During the year ended June 30, 2025, the following changes occurred in long-term liabilities:

	(As Restated) Beginning Balance (1)	Long-term Debt Issued	Long-term Debt Redeemed	Other Increases	Other Decreases	Ending Balance	Due Within One Year
Governmental Activities:							
Long-term bonds payable.....	\$ 7,670,000	\$ -	\$ (632,000)	\$ -	\$ -	\$ 7,038,000	\$ 7,038,000
Capital financing.....	2,934,790	-	(1,004,308)	-	-	1,930,482	1,042,540
Total long-term debt.....	10,604,790	-	(1,636,308)	-	-	8,968,482	8,080,540
Compensated absences.....	1,500,872	-	-	189,291	(96,202)	1,593,961	562,467
Net other postemployment benefits.....	14,218,160	-	-	1,586,767	(3,049,772)	12,755,155	-
Total governmental activity long-term liabilities.....	\$ 26,323,822	\$ -	\$ (1,636,308)	\$ 1,776,058	\$ (3,145,974)	\$ 23,317,598	\$ 8,643,007

(1) Only the beginning balance related to the Collaborative's Compensated Absences liability has been restated, which was the result of the implementation of GASB Statement 101 as fully described in Note 16.

NOTE 8 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

The Collaborative has adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The intention of the GASB is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the Collaborative's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources.

GASB 54 provides for two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund.

In addition to the nonspendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- **Restricted:** fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- **Committed:** fund balances that contain self-imposed constraints of the government from its highest level of decision making authority.

Lower Pioneer Valley Educational Collaborative

Notes to Basic Financial Statements

Year Ended June 30, 2025

- Assigned: fund balances that contain self-imposed constraints of the government to be used for a particular purpose.
- Unassigned: fund balance of the general fund that is not constrained for any particular purpose.

The Collaborative’s spending policy is to spend restricted fund balance first, followed by committed, assigned, and unassigned fund balance. Most governmental funds are designated for one purpose at the time of their creation. Therefore, any expenditure from the fund will be allocated to the applicable fund balance classifications in the order of the aforementioned spending policy. The general fund and certain other funds may have more than one purpose.

The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in the governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to other purposes, it may be necessary to report a negative unassigned fund balance in that fund.

As of June 30, 2025, the governmental fund balances consisted of the following:

	General	Grants Fund	Lower Pioneer Valley Educational Corporation	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:					
Restricted for:					
Electric bus replacement.....	\$ 1,499,920	\$ -	\$ -	\$ -	\$ 1,499,920
Corporation Activities.....	-	-	2,949,015	-	2,949,015
Brush Hill Bistro.....	-	-	-	33,910	33,910
Early Education and Care.....	-	-	-	42,799	42,799
Landscaping.....	-	-	-	15,968	15,968
School Lunch.....	-	-	-	26,775	26,775
Building Rental.....	-	-	-	202,406	202,406
Graphic Communications.....	-	-	-	6,481	6,481
Professional Development.....	-	-	-	104,854	104,854
Advanced Manufacturing Program.....	-	-	-	18,623	18,623
Curriculum Instruction and Assessment.....	-	-	-	6,392	6,392
Student Activities.....	-	-	-	64,430	64,430
Assigned to:					
Encumbrances:					
Capital Projects.....	6,098,078	-	-	-	6,098,078
Unassigned.....	3,093,361	(427,572)	-	-	2,665,789
Total Fund Balances.....	\$ 10,691,359	\$ (427,572)	\$ 2,949,015	\$ 522,638	\$ 13,735,440

NOTE 9 – RISK FINANCING

Scantic Valley Regional Health Trust

The Collaborative is a member of the Scantic Valley Regional Health Trust (Trust), a public entity risk pool, consisting of four other towns from neighboring geographic area, with whom the Collaborative

Lower Pioneer Valley Educational Collaborative

Notes to Basic Financial Statements

Year Ended June 30, 2025

shares the risk of providing health care to eligible active and former employees. The Trust is governed by a board comprised of representatives from each of the participating governmental units.

The Collaborative pays monthly premiums to the Trust. These payments are funded in part from the Collaborative, and payroll withholdings from active employees, or direct payments from retired employees. In general, the Collaborative pays 70% of the cost of insurance for active employees and 50% of the cost of insurance for retired and other past employees who may be eligible to participate in the plan.

In accordance with the agreement between the Collaborative and the Trust, the Collaborative makes payments to the Trust in the form of monthly premiums based upon actual employee enrollment. The Trust makes payment, through a third-party administrator for actual health claims incurred for the entire Trust. At the end of the Trust's year, the Trust's insurance consultant will determine if assets are sufficient to meet the liabilities of the Trust on an accrual and premium rates adjusted to meet the anticipated needs of the ensuing year. It is anticipated that if claim liabilities exceed assets, premium rates will be adjusted prospectively to recover the necessary assets to meet claims. Assets of the Trust, which are in excess of claims computed on an actuarial basis, can be used to reduce prospective premium rates assessed to members.

The Trust reported an accumulated surplus of \$10,404,919 as of June 30, 2024, (its most recently issued report).

Commercial Liability Insurance

The Collaborative is exposed to various risks of loss relating to torts; theft or damage of, and destruction of assets, errors or omissions; injuries to employees; and natural disasters. The Collaborative has obtained a variety of commercial liability insurance policies which passes the risk of loss listed above to independent third parties. Settlement claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

NOTE 10 – PENSION PLAN

Plan Descriptions

The Collaborative is a member of the Massachusetts State Employees' Retirement System (MSERS), a public employee retirement system that administers a cost-sharing multi-employer defined benefit plan covering substantially all employees of the Commonwealth and certain employees of the independent authorities and agencies. The MSERS is part of the Commonwealth's reporting entity and the audited financial report may be obtained by visiting <https://www.macomptroller.org/gasb-68-reports/>.

The Collaborative is also a member of the Massachusetts Teachers' Retirement System (MTRS), a cost-sharing multi-employer defined benefit plan. MTRS is managed by the Commonwealth of Massachusetts (Commonwealth) on behalf of municipal teachers and municipal teacher retirees. The

Lower Pioneer Valley Educational Collaborative

Notes to Basic Financial Statements

Year Ended June 30, 2025

Commonwealth is a nonemployer contributor and is responsible for 100% of the 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 the audited financial report may be obtained by visiting <https://mtrs.state.ma.us/service/financial-reports/>.

Special Funding Situations

The Commonwealth is a nonemployer contributor and is required by statute to make 100% of all actuarially determined employer contributions on behalf of the Collaborative's teachers and retired teachers to the MTRS. Therefore, the Collaborative is 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 contributor in MTRS. Since the Collaborative does not contribute directly to MTRS, the Collaborative does not have a net pension liability. The total of the Commonwealth provided contributions have been allocated based on each employer's covered payroll to the total covered payroll of employers in MTRS as of the measurement date of June 30, 2024. The Collaborative's portion of the collective pension expense, contributed by the Commonwealth, of \$1,058,497 is reported in the general fund as intergovernmental revenue and pension expense in the current fiscal year. The portion of the Commonwealth's collective net pension liability associated with the Collaborative is \$12,823,803 as of the measurement date.

A special funding situation was created by Massachusetts General Laws for all educational collaboratives in the Commonwealth. Collaboratives contribute amounts equal to the normal cost of non-teaching 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. Therefore, the Collaborative does not have a net pension liability. The Collaborative's required contribution to MSERS equaled its actual contribution for the year ended December 31, 2024, was \$606,250, and 6.1% of covered payroll.

The Commonwealth as a nonemployer is legally responsible for the entire past service cost related to the non-teaching employees' of the Collaboratives and therefore has a 100% special funding situation. The total of the Commonwealth provided contributions are allocated based on each employer's covered payroll to the total covered payroll of employers in MSERS as of the measurement date of June 30, 2024. The Collaborative's portion of the collective pension expense, contributed by the Commonwealth, of \$2,100,586 is reported as intergovernmental revenue and pension expense in the current fiscal year. The portion of the Commonwealth's collective net pension liability associated with the Collaborative is \$20,349,346 as of the measurement date.

Lower Pioneer Valley Educational Collaborative

Notes to Basic Financial Statements

Year Ended June 30, 2025

Benefits Provided

Both Systems provide retirement, disability, survivor and death benefits to plan members and beneficiaries. Massachusetts Contributory Retirement System benefits are, with certain minor exceptions, uniform from system to system. The System provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For persons who became members on or after April 2, 2012, average salary is the average annual rate of regular compensation received during the five consecutive years that produce the highest average, or, if greater, during the last five years (whether or not consecutive) preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification. Members become vested after ten years of creditable service.

Employees who resign from service and who are not eligible to receive a retirement allowance or are under the age of 55 are entitled to request a refund of their accumulated total deductions. Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

Cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth's state law during those years are borne by the Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the Board and are borne by the System.

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The Collaborative administers a single-employer defined benefit healthcare plan (“The Retiree Health Plan”) that is governed by the Board of Directors. The plan provides health, dental and life insurance for eligible retirees and their spouses through a single-employer defined Other Postemployment Benefit (OPEB) plan. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions of the plan by the Board of Directors. Plan provisions are negotiated between the Collaborative and plan members. The Retiree Health Plan does not issue a publicly available financial report.

Funding Policy

The required contribution is based on a pay-as-you-go financing requirement. The Collaborative contributes 50 percent of the cost of current-year premiums for eligible retired plan members and their spouses. Plan members receiving benefits contribute the remaining 50 percent of their premium costs. For 2025, the Collaborative contributed \$414,636 to the plan which consisted of the pay-as-you-go financing requirement for plan benefits.

Lower Pioneer Valley Educational Collaborative

Notes to Basic Financial Statements

Year Ended June 30, 2025

The Commonwealth of Massachusetts passed special legislation that has allowed the Collaborative to establish the other postemployment benefit trust fund to begin pre-funding its OPEB liabilities. During 2025, the Collaborative did not contribute additional funds to the OPEB trust fund in excess of the pay-as-you-go required contribution. As of June 30, 2025, the net position of the OPEB trust fund totaled \$544,980.

Investment Policy

The OPEB plan's assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for benefits provided through the OPEB plan. The long-term real rate of return on OPEB investments was determined using the Collaborative's investment policy.

Employees Covered by Benefit Terms

The following table represents the Plan's membership at July 1, 2023:

Active members.....	161
Retirees.....	<u>98</u>
Total.....	<u><u>259</u></u>

Components of OPEB Liability

The following table represents the components of the Plan's OPEB liability as of June 30, 2025:

Total OPEB liability.....	\$ 13,300,135
Less: OPEB plan's fiduciary net position.....	<u>(544,980)</u>
Net OPEB liability.....	<u><u>\$ 12,755,155</u></u>
The OPEB plan's fiduciary net position as a percentage of the total OPEB liability.....	4.10%

Discount Rate

The discount rate used to measure the total OPEB liability was 5.20% as of June 30, 2025, and 3.95% as of June 30, 2024. The discount rate is a blend of the long-term expected rate of return on the OPEB Trust assets and a yield or index for 20 year, tax-exempt general obligation municipal bonds with an average rate of AA/Aa or higher shown on Bond Buyer's 20 Bond Index as of June 30, 2025. The blending is based on the sufficiency of projected assets to make projected benefit payments. The assets in the trust are currently not sufficient to make projected benefit payments therefore the risk free rate of 5.20% was used.

Lower Pioneer Valley Educational Collaborative

Notes to Basic Financial Statements

Year Ended June 30, 2025

Significant Actuarial Methods and Assumptions

The total OPEB liability in the July 1, 2023, actuarial valuation was determined by using the following actuarial assumptions, applied to all periods including the measurement date that was updated to June 30, 2025, to be in accordance with GASB Statement #74 and #75:

Valuation date.....	7/1/2023; updated to June 30, 2025.
Actuarial cost method.....	Entry Age Actuarial Cost Method
Health care trend rates.....	5.00%
Actuarial value of assets.....	Fair Value
Discount rate.....	5.20%
Inflation rate.....	2.00% annually
Projected salary increases.....	3.00% annually
Payroll growth.....	2.50% annually
Mortality rates.....	RPH-2014 Total Dataset mortality table with mortality improvements projected by Scale MP-2021 on a generational basis.

Rate of Return

For the year ended June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 9.63%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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) that 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 along with a risk factor.

Lower Pioneer Valley Educational Collaborative

Notes to Basic Financial Statements

Year Ended June 30, 2025

Best estimates of geometric real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2025, are summarized in the table below:

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Global equity.....	39.30%	7.02%
Core fixed income.....	13.30%	0.65%
Value added fixed income.....	7.10%	2.69%
Private equity.....	17.40%	18.35%
Real estate.....	10.90%	7.81%
Timberland.....	3.10%	4.27%
Portfolio completion strategies.....	8.40%	1.77%
Overlay.....	0.50%	1.74%
Total.....	100.00%	

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB	Plan	Net OPEB
	Liability	Fiduciary	Liability
	(a)	(b)	(a) - (b)
Balances at June 30, 2024.....	\$ 14,715,270	\$ 497,110	\$ 14,218,160
Changes for the year:			
Service cost.....	975,107	-	975,107
Interest.....	611,660	-	611,660
Net investment income.....	-	47,870	(47,870)
Changes in assumptions.....	(2,587,266)	-	(2,587,266)
Employer contributions.....	-	414,636	(414,636)
Benefit payments.....	(414,636)	(414,636)	-
Net change.....	(1,415,135)	47,870	(1,463,005)
Balances at June 30, 2025.....	\$ 13,300,135	\$ 544,980	\$ 12,755,155

Lower Pioneer Valley Educational Collaborative

Notes to Basic Financial Statements

Year Ended June 30, 2025

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

The following table presents the net other postemployment benefit liability and service cost, calculated using the discount rate of 5.20%, as well as what the net other postemployment benefit liability and service cost would be if it were calculated using a discount rate that is 1-percentage-point lower (4.20%) or 1-percentage-point higher (6.20%) than the current rate.

	<u>1% Decrease (4.20%)</u>	<u>Current Discount Rate (5.20%)</u>	<u>1% Increase (6.20%)</u>
Net OPEB liability.....	\$ 14,769,110	\$ 12,755,155	\$ 11,113,318

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

The following table presents the net other postemployment benefit liability and service cost, calculated using the current healthcare trend rate, as well as what the net other postemployment benefit liability and service cost would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher.

	<u>1% Decrease</u>	<u>Current Trend</u>	<u>1% Increase</u>
Net OPEB liability.....	\$ 10,816,873	\$ 12,755,155	\$ 15,199,469

OPEB Expense and Deferred Outflows/(Inflows) of Resources Related to OPEB

For the year ended June 30, 2025, the GASB Statement #75 measurement date, the Collaborative recognized OPEB benefit of \$1,555,816. At June 30, 2025, the Collaborative reported deferred inflows of resources related to OPEB from the following sources:

<u>Deferred Category</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience.....	\$ (1,698,775)
Difference between projected and actual earnings, net.....	(36,944)
Changes in assumptions.....	<u>(2,178,147)</u>
Total deferred inflows of resources.....	<u>\$ (3,913,866)</u>

Lower Pioneer Valley Educational Collaborative

Notes to Basic Financial Statements

Year Ended June 30, 2025

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the year ended June 30:

2026.....	\$ (1,777,980)
2027.....	(1,694,067)
2028.....	(436,173)
2029.....	<u>(5,646)</u>
Total.....	\$ <u>(3,913,866)</u>

Changes of Assumptions

The discount rate changed from 3.95% as of June 30, 2024, to 5.20% as of June 30, 2025.

Changes in Plan Provisions

None.

NOTE 12 – CONTINGENCIES

The Collaborative participates in a number of federal award programs. Although the grant programs have not been audited in accordance with the provisions of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* through June 30, 2025, these programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although it is expected such amounts, if any, to be immaterial.

NOTE 13 – COMMITMENTS

The Collaborative's board voted to approve the use of fund balance in the amount of \$6.1 million for various capital projects, which are earmarked for capital project costs to be incurred directly by the Collaborative or reimbursed to the Corporation for costs incurred by the Corporation.

NOTE 14 – BLENDED COMPONENT UNIT TRANSACTIONS

The Collaborative entered into rental agreements with the Corporation for the use of various facilities in their programs. Payments made to the Corporation during 2025 totaled \$1,027,000, and these agreements are through June 30, 2026, with annual payments totaling \$1,027,000. In accordance with

Lower Pioneer Valley Educational Collaborative

Notes to Basic Financial Statements

Year Ended June 30, 2025

GASB Statement #87, *Leases* paragraph 88, when a lessee or lessor is included as a blended component unit of the primary government, the reporting requirements of this Statement do not apply.

During 2025, the Collaborative contributed for expenditures related to various capital project improvements for building improvements for the Corporation totaling \$1.3 million, which has been included within capital outlay.

The effects of all transactions between the governmental activities of the Collaborative and the Corporation have been eliminated through the blending of the component unit with the governmental funds in the fund based financial statements and with the governmental activities in the government-wide financial statements.

NOTE 15 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 30, 2025, which is the date the financial statements were available to be issued.

On September 23, 2025, the Corporation refinanced its balloon payment due in September 2025. Under the new agreement with TD Bank, N.A., the principal amount was set at \$6,940,000 with a maturity date extended to September 30, 2035. The interest rate was amended to 4.75% (tax-exempt) and 5.48% (taxable), with monthly principal payments of \$57,833 and a final payment due at maturity.

NOTE 16 – RESTATEMENT OF BEGINNING NET POSITION

During fiscal year 2025, the Collaborative adopted GASB Statement, No. 101, *Compensated Absences*, which provides new guidance for the recognition, measurement, and disclosure of compensated absences liabilities. As a result, the beginning net position was restated to reflect the cumulative effect of applying GASB 101. This restatement increased the Collaborative’s compensated absences liability line item and adjusted the beginning net position as follows:

	<u>Reporting Units Affected by the Implementation of GASB Statement 101</u>
	<u>Governmental Activities</u>
Net Position beginning of the year, as previously presented..... \$	8,394,495
Restatement - Implementation of GASB Statement 101..... \$	<u>(1,278,613)</u>
Net Position beginning of the year, as restated..... \$	<u><u>7,115,882</u></u>

Lower Pioneer Valley Educational Collaborative

Notes to Basic Financial Statements

Year Ended June 30, 2025

NOTE 17 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2025, the following GASB pronouncements were implemented:

- GASB Statement #101, *Compensated Absences*. The Collaborative implemented GASB Statement 101 in 2025. As more fully described in Note 16, the implementation of this pronouncement required a restatement of beginning net position.
- GASB Statement #102, *Certain Risk Disclosures*. This pronouncement did not impact the basic financial statements *or* annual comprehensive financial report.

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #103, *Financial Reporting Model Improvements*, which is required to be implemented for fiscal years beginning after June 15, 2025.
- The GASB issued Statement #104, *Disclosure of Certain Capital Assets*, which is required to be implemented for fiscal years beginning after June 15, 2025.
- The GASB issued Statement #105, *Subsequent Events*, which is required to be implemented for fiscal years beginning after June 15, 2026.

Management is currently assessing the impact the implementation of these pronouncements will have on the annual comprehensive financial report.

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Required Supplementary Information

Lower Pioneer Valley Educational Collaborative

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

Year Ended June 30, 2025

	Revenues and Other Financing Sources				
	Budgeted Amounts				
	Original Budget	Budget Adjustments	Final Budget	Actual Budgetary Amounts	Variance to Final Budget
Administration:					
General Administration:					
Use of Unreserved Fund Balance.....	\$ 5,306,476	\$ 1,682,009	\$ 6,988,485	\$ -	\$ (6,988,485)
Interest and other miscellaneous.....	-	-	-	72,302	72,302
Insurance proceeds.....	-	-	-	1,499,920	1,499,920
Administration Coordination.....	-	-	-	-	-
Fringe Benefits.....	-	-	-	-	-
Administration Costs Applied to Other Programs.....	-	-	-	-	-
Total Administration, Net.....	5,306,476	1,682,009	6,988,485	1,572,222	(5,416,263)
Special Education:					
Programs:					
Steps Program.....	178,981	-	178,981	283,216	104,235
Twain Program.....	776,279	-	776,279	1,143,243	366,964
Compass Program.....	593,345	-	593,345	1,223,252	629,907
Integrated Occupational Preparation.....	530,597	-	530,597	838,392	307,795
Transitional Alternative.....	135,001	-	135,001	124,500	(10,501)
Total Programs.....	2,214,203	-	2,214,203	3,612,603	1,398,400
Shared Services:					
Coordination.....	1,396,606	-	1,396,606	-	(1,396,606)
Nurses.....	76,033	-	76,033	-	(76,033)
Adaptive Physical Education.....	125,604	-	125,604	-	(125,604)
Total Shared Services.....	1,598,243	-	1,598,243	-	(1,598,243)
Total Special Education.....	3,812,446	-	3,812,446	3,612,603	(199,843)
Occupational Education:					
Tuition Allocated to Occupational Education Programs.....	7,210,942	-	7,210,942	6,776,468	(434,474)
Coordination.....	-	-	-	-	-
Nursing.....	-	-	-	-	-
Allied Health.....	-	-	-	-	-
Automotive.....	-	-	-	-	-
Building Trades.....	-	-	-	-	-
Information Services Systems.....	-	-	-	-	-
Design and Visual Communications.....	-	-	-	-	-
Early Education.....	-	-	-	-	-
Criminal Justice Program.....	-	-	-	-	-
Food Services.....	-	-	-	-	-
Landscaping and Horticultural.....	-	-	-	-	-
Building and Grounds Maintenance.....	-	-	-	-	-
Technical Exploratory.....	-	-	-	-	-
Cosmetology.....	-	-	-	-	-
Cooperative Education/Student Support Services.....	-	-	-	-	-
Machine Technology Program Certified Personnel.....	-	-	-	-	-
Total Occupational Education.....	7,210,942	-	7,210,942	6,776,468	(434,474)

See notes to required supplementary information.

Lower Pioneer Valley Educational Collaborative

General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Continued)

Year Ended June 30, 2025

	Expenditures and Other Financing Uses					
	Budgeted Amounts			Actual Budgetary Amounts	Variance to Final Budget	Actual Net Changes in Fund Balance
	Original Budget	Budget Adjustments	Final Budget			
Administration:						
General Administration:						
Use of Unreserved Fund Balance.....	\$ 5,306,476	\$ 1,682,009	\$ 6,988,485	\$ 890,407	\$ 6,098,078	\$ (890,407)
Interest and other miscellaneous.....	-	-	-	-	-	72,302
Insurance proceeds.....	-	-	-	-	-	1,499,920
Administration Coordination.....	1,409,287	-	1,409,287	1,284,065	125,222	(1,284,065)
Fringe Benefits.....	4,376,715	-	4,376,715	4,168,097	208,618	(4,168,097)
Administration Costs Applied to Other Programs.....	(5,786,002)	-	(5,786,002)	(5,452,162)	(333,840)	5,452,162
Total Administration, Net.....	<u>5,306,476</u>	<u>1,682,009</u>	<u>6,988,485</u>	<u>890,407</u>	<u>6,098,078</u>	<u>681,815</u>
Special Education:						
Programs:						
Steps Program.....	178,981	-	178,981	173,416	5,565	109,800
Twain Program.....	776,279	-	776,279	702,076	74,203	441,167
Compass Program.....	593,345	-	593,345	561,993	31,352	661,259
Integrated Occupational Preparation.....	530,597	-	530,597	443,811	86,786	394,581
Transitional Alternative.....	135,001	-	135,001	107,849	27,152	16,651
Total Programs.....	<u>2,214,203</u>	<u>-</u>	<u>2,214,203</u>	<u>1,989,145</u>	<u>225,058</u>	<u>1,623,458</u>
Shared Services:						
Coordination.....	1,396,606	-	1,396,606	1,353,606	43,000	(1,353,606)
Nurses.....	76,033	-	76,033	70,123	5,910	(70,123)
Adaptive Physical Education.....	125,604	-	125,604	57,996	67,608	(57,996)
Total Shared Services.....	<u>1,598,243</u>	<u>-</u>	<u>1,598,243</u>	<u>1,481,725</u>	<u>116,518</u>	<u>(1,481,725)</u>
Total Special Education.....	<u>3,812,446</u>	<u>-</u>	<u>3,812,446</u>	<u>3,470,870</u>	<u>341,576</u>	<u>141,733</u>
Occupational Education:						
Tuition Allocated to Occupational Education Programs.....	-	-	-	-	-	6,776,468
Coordination.....	3,346,361	-	3,346,361	3,138,326	208,035	(3,138,326)
Nursing.....	99,759	-	99,759	98,937	822	(98,937)
Allied Health.....	216,291	-	216,291	182,534	33,757	(182,534)
Automotive.....	297,173	-	297,173	347,112	(49,939)	(347,112)
Building Trades.....	248,297	-	248,297	229,984	18,313	(229,984)
Information Services Systems.....	205,348	-	205,348	149,218	56,130	(149,218)
Design and Visual Communications.....	244,586	-	244,586	238,994	5,592	(238,994)
Early Education.....	298,836	-	298,836	273,316	25,520	(273,316)
Criminal Justice Program.....	296,437	-	296,437	27,156	269,281	(27,156)
Food Services.....	244,382	-	244,382	233,275	11,107	(233,275)
Landscaping and Horticultural.....	174,379	-	174,379	173,378	1,001	(173,378)
Building and Grounds Maintenance.....	237,940	-	237,940	158,056	79,884	(158,056)
Technical Exploratory.....	33,635	-	33,635	24,752	8,883	(24,752)
Cosmetology.....	406,433	-	406,433	436,640	(30,207)	(436,640)
Cooperative Education/Student Support Services.....	558,862	-	558,862	537,596	21,266	(537,596)
Machine Technology Program Certified Personnel.....	302,223	-	302,223	321,369	(19,146)	(321,369)
Total Occupational Education.....	<u>7,210,942</u>	<u>-</u>	<u>7,210,942</u>	<u>6,570,643</u>	<u>640,299</u>	<u>205,825</u>

See notes to required supplementary information.

Lower Pioneer Valley Educational Collaborative

General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Continued)

Year Ended June 30, 2025

	Revenues and Other Financing Sources				
	Budgeted Amounts			Actual Budgetary Amounts	Variance to Final Budget
	Original Budget	Budget Adjustments	Final Budget		
Supplemental Services:					
Individual Aides.....	597,844	-	597,844	777,697	179,853
Massachusetts Association of School Business Officials (MASBO).....	6,000	-	6,000	-	(6,000)
Medicaid.....	486,575	-	486,575	570,396	83,821
Summer Developmental.....	119,913	-	119,913	95,368	(24,545)
Maintenance.....	-	-	-	-	-
Maintenance Applied to Other Programs.....	-	-	-	-	-
Technical Support.....	-	-	-	-	-
Technical Support Applied to Other Programs.....	-	-	-	-	-
Contracted Therapy Services.....	286,000	-	286,000	242,684	(43,316)
Supplemental Services.....	40,000	-	40,000	3,225	(36,775)
Diversity.....	115,370	-	115,370	109,214	(6,156)
Energy Management.....	28,285	-	28,285	16,800	(11,485)
Innovative Research in Education.....	-	-	-	1,195	1,195
Total Supplemental Services.....	1,679,987	-	1,679,987	1,816,579	136,592
Transportation.....	17,515,632	-	17,515,632	17,273,883	(241,749)
Professional Development:					
General Operations.....	-	-	-	-	-
Professional Development Applied to Other Programs.....	-	-	-	-	-
Total Professional Development, Net.....	-	-	-	-	-
NET CHANGE IN FUND BALANCE.....	\$ 35,525,483	\$ 1,682,009	\$ 37,207,492	\$ 31,051,755	\$ (6,155,737)
BUDGETARY FUND BALANCE, Beginning of year.....					

See notes to required supplementary information.

Lower Pioneer Valley Educational Collaborative

General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Continued)

Year Ended June 30, 2025

	Expenditures and Other Financing Uses					
	Budgeted Amounts			Actual Budgetary Amounts	Variance to Final Budget	Actual Net Changes in Fund Balance
	Original Budget	Budget Adjustments	Final Budget			
Supplemental Services:						
Individual Aides.....	597,844	-	597,844	683,233	(85,389)	94,464
Massachusetts Association of School Business Officials (MASBO).....	6,000	-	6,000	-	6,000	-
Medicaid.....	486,575	-	486,575	397,718	88,857	172,678
Summer Developmental.....	119,913	-	119,913	78,599	41,314	16,769
Maintenance.....	308,317	-	308,317	316,690	(8,373)	(316,690)
Maintenance Applied to Other Programs.....	(308,317)	-	(308,317)	(303,063)	(5,254)	303,063
Technical Support.....	247,901	-	247,901	211,690	36,211	(211,690)
Technical Support Applied to Other Programs.....	(247,901)	-	(247,901)	(211,690)	(36,211)	211,690
Contracted Therapy Services.....	286,000	-	286,000	206,429	79,571	36,255
Supplemental Services.....	40,000	-	40,000	3,245	36,755	(20)
Diversity.....	115,370	-	115,370	109,217	6,153	(3)
Energy Management.....	28,285	-	28,285	15,585	12,700	1,215
Innovative Research in Education.....	-	-	-	-	-	1,195
Total Supplemental Services.....	<u>1,679,987</u>	<u>-</u>	<u>1,679,987</u>	<u>1,507,653</u>	<u>172,334</u>	<u>308,926</u>
Transportation.....	<u>17,515,632</u>	<u>-</u>	<u>17,515,632</u>	<u>17,331,400</u>	<u>184,232</u>	<u>(57,517)</u>
Professional Development:						
General Operations.....	164,365	-	164,365	153,530	10,835	(153,530)
Professional Development Applied to Other Programs.....	(164,365)	-	(164,365)	(153,530)	(10,835)	153,530
Total Professional Development, Net.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE.....	<u>\$ 35,525,483</u>	<u>\$ 1,682,009</u>	<u>\$ 37,207,492</u>	<u>\$ 29,770,973</u>	<u>\$ 7,436,519</u>	<u>1,280,782</u>
BUDGETARY FUND BALANCE, Beginning of year.....						<u>9,410,577</u>
BUDGETARY FUND BALANCE, End of year.....						<u>\$ 10,691,359</u>

See notes to required supplementary information.

Pension Plan Schedules

The Schedule of Collaborative's Contributions presents multi-year trend information on the Collaborative's required and actual contributions to the pension plan and related ratios.

The Schedule of the Special Funding Amounts of the Net Pension Liability for the Massachusetts State Employees Retirement System presents multi-year trend information on the liability and expense assumed by the Commonwealth of Massachusetts on behalf of the Collaborative along with related ratios.

The Schedule of the Special Funding Amounts of the Net Pension Liability for the Massachusetts Teachers Retirement System presents multi-year trend information on the liability and expense assumed by the Commonwealth of Massachusetts on behalf of the Collaborative along with related ratios.

Lower Pioneer Valley Educational Collaborative

Schedule of Collaborative's Contributions

Massachusetts State Employees' Retirement System

A special funding situation was created by Massachusetts General Laws for all educational collaboratives in the Commonwealth. Collaboratives contribute amounts equal to the normal cost of employees' benefits at a rate established by 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. Since the collaborative does not contribute directly to MSERS for the past service cost, there is no net pension liability to recognize. This schedule discloses the collaborative's required and actual contribution for the normal cost; covered payroll; and contributions recognized by the pension plan in relation to the covered payroll.

Year	LPVEC's Statutory Required and Actual Contribution for Normal Cost	LPVEC's Covered Payroll	The Amount of Contributions Recognized by the Pension Plan in Relation to the Covered Payroll
2025.....	\$ 606,250	\$ 9,938,525	6.10%
2024.....	579,908	9,506,689	6.10%
2023.....	632,753	10,373,000	6.10%
2022.....	484,580	7,943,934	6.10%
2021.....	519,714	8,519,902	6.10%
2020.....	558,249	9,151,623	6.10%
2019.....	562,066	9,214,197	6.10%
2018.....	416,428	7,436,214	5.60%
2017.....	447,767	7,995,839	5.60%
2016.....	412,554	7,367,036	5.60%

See notes to required supplementary information.

Lower Pioneer Valley Educational Collaborative

Schedule of the Special Funding Amounts of the Net Pension Liability

Massachusetts State Employees' Retirement System

The Collaborative's teachers and retired teachers pensions are covered under the Massachusetts Teachers Retirement System while all other employees and retirees are covered under the Massachusetts State Employees Retirement System. This schedule only reports on the non teacher employees and retirees covered under the Massachusetts State Employees Retirement System.

A special funding situation was created by Massachusetts General Laws for all educational collaboratives in the Commonwealth. Collaboratives contribute amounts equal to the normal cost of employees' benefits at a rate established by 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. Since the collaborative does not contribute directly to MSERS for the past service cost, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the collective net pension liability that is associated with the collaborative; the portion of the collective pension expense as both a revenue and pension expense recognized by the collaborative; and the Plan's fiduciary net position as a percentage of the total liability.

Year	Commonwealth's 100% Share of the Associated Net Pension Liability	Expense and Revenue Recognized for the Commonwealth's Support	Plan Fiduciary Net Position as a Percentage of the Total Liability
2025.....	\$ 20,349,346	\$ 2,100,586	72.90%
2024.....	22,409,588	2,660,713	70.71%
2023.....	21,429,377	1,684,407	71.05%
2022.....	14,278,290	814,053	77.54%
2021.....	22,379,503	3,340,901	62.48%
2020.....	21,911,281	3,639,790	66.28%
2019.....	18,655,482	2,457,728	67.91%
2018.....	17,468,300	2,260,276	67.21%
2017.....	19,794,449	2,749,016	63.48%
2016.....	15,322,045	1,710,376	67.87%

See notes to required supplementary information.

Lower Pioneer Valley Educational Collaborative

Schedule of the Special Funding Amounts of the Net Pension Liability

Massachusetts Teachers' Retirement System

The Collaborative's teachers and retired teachers pensions are covered under the Massachusetts Teachers Retirement System while all other employees and retirees are covered under the Massachusetts State Employees Retirement System. This schedule only reports on the teacher and retired teachers covered under the Massachusetts Teachers' Retirement System.

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding situation. Therefore, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the associated collective net pension liability; the portion of the collective pension expense as both a revenue and pension expense recognized; and the Plan's fiduciary net position as a percentage of the total liability.

Year	Commonwealth's 100% Share of the Associated Net Pension Liability	Expense and Revenue Recognized for the Commonwealth's Support	Plan Fiduciary Net Position as a Percentage of the Total Liability
2025.....	\$ 12,823,803	\$ 1,058,497	61.45%
2024.....	14,283,232	1,333,627	58.48%
2023.....	12,301,279	1,011,900	57.75%
2022.....	10,178,288	816,764	62.03%
2021.....	13,563,929	1,675,339	50.67%
2020.....	13,769,562	1,669,798	53.95%
2019.....	13,884,750	1,407,018	54.84%
2018.....	14,540,587	1,517,643	54.25%
2017.....	14,518,498	1,480,982	52.73%
2016.....	12,931,812	1,048,885	55.38%

See notes to required supplementary information.

Other Postemployment Benefits Plan Schedules

The Schedule of Changes in the Collaborative's Net Other Postemployment Benefit Liability and Related Ratios presents multi-year trend information on changes in the Plan's total OPEB liability, changes in the Plan's net position, and ending net OPEB liability. It also demonstrates the Plan's net position as a percentage of the total liability and the Plan's net other postemployment benefit liability as a percentage of covered-employee payroll.

The Schedule of the Collaborative's Contributions presents multi-year trend information on the Collaborative's actual contributions to the other postemployment benefit plan and related ratios.

The Schedule of Investment Returns presents multi-year trend information on the money-weighted investment return on the Plan's other postemployment assets, net of investment expense.

These schedules are intended to present information for ten years. Until a ten-year trend is compiled, information is presented for those years for which information is available.

Lower Pioneer Valley Educational Collaborative

Schedule of Changes in the Collaborative's Net OPEB liability and Related Ratios

Other Postemployment Benefit Plan

	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025
Total OPEB Liability									
Service Cost.....	\$ 1,133,379	\$ 1,299,777	\$ 1,091,780	\$ 1,286,828	\$ 1,872,283	\$ 1,431,175	\$ 1,031,274	\$ 1,022,649	\$ 975,107
Interest.....	609,448	605,526	712,494	575,453	504,971	449,020	617,977	548,381	611,660
Differences between expected and actual experience.....	-	(118,623)	-	(4,780,685)	-	(3,809,295)	-	(3,459,165)	
Changes of assumptions.....	-	(2,374,871)	1,224,643	4,033,098	(41,521)	(4,378,726)	(299,401)	(599,933)	(2,587,266)
Benefit payments.....	(238,707)	(217,446)	(298,971)	(196,343)	(277,927)	(298,247)	(384,300)	(329,216)	(414,636)
Net change in total OPEB liability.....	1,504,120	(805,637)	2,729,946	918,351	2,057,806	(6,606,073)	965,550	(2,817,284)	(1,415,135)
Total OPEB liability - beginning.....	16,768,491	18,272,611	17,466,974	20,196,920	21,115,271	23,173,077	16,567,004	17,532,554	14,715,270
Total OPEB liability - ending (a).....	\$ 18,272,611	\$ 17,466,974	\$ 20,196,920	\$ 21,115,271	\$ 23,173,077	\$ 16,567,004	\$ 17,532,554	\$ 14,715,270	\$ 13,300,135
Plan fiduciary net position									
Employer contributions for OPEB payments.....	\$ 238,707	\$ 217,446	\$ 298,971	\$ 196,343	\$ 277,927	\$ 298,247	\$ 384,300	\$ 329,216	\$ 414,636
Net investment income (loss).....	33,136	27,832	18,100	6,651	101,361	(16,770)	24,551	43,225	47,870
Benefit payments.....	(238,707)	(217,446)	(298,971)	(196,343)	(277,927)	(298,247)	(384,300)	(329,216)	(414,636)
Net change in plan fiduciary net position.....	33,136	27,832	18,100	6,651	101,361	(16,770)	24,551	43,225	47,870
Plan fiduciary net position - beginning of year.....	259,024	292,160	319,992	338,092	344,743	446,104	429,334	453,885	497,110
Plan fiduciary net position - end of year (b).....	\$ 292,160	\$ 319,992	\$ 338,092	\$ 344,743	\$ 446,104	\$ 429,334	\$ 453,885	\$ 497,110	\$ 544,980
Net OPEB liability - ending (a)-(b).....	\$ 17,980,451	\$ 17,146,982	\$ 19,858,828	\$ 20,770,528	\$ 22,726,973	\$ 16,137,670	\$ 17,078,669	\$ 14,218,160	\$ 12,755,155
Plan fiduciary net position as a percentage of the total OPEB liability.....	1.60%	1.83%	1.67%	1.63%	1.93%	2.59%	2.59%	3.38%	4.10%
Covered-employee payroll.....	\$ 9,845,037	\$ 10,045,956	\$ 10,250,975	\$ 10,460,179	\$ 10,721,683	\$ 8,723,495	\$ 8,941,582	\$ 9,370,938	\$ 9,605,211
Net OPEB liability as a percentage of covered-employee payroll.....	182.63%	170.69%	193.73%	198.57%	211.97%	184.99%	191.00%	151.73%	132.79%

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

See notes to required supplementary information.

Lower Pioneer Valley Educational Collaborative

Schedule of the Collaborative's Contributions

Other Postemployment Benefit Plan

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered employee- payroll	Contributions as a percentage of covered- employee payroll
June 30, 2025.....	\$ 1,176,167	\$ (414,636)	\$ 761,531	\$ 9,605,211	4.32%
June 30, 2024.....	1,084,426	(329,216)	755,210	9,370,938	3.51%
June 30, 2023.....	1,228,963	(384,300)	844,663	8,941,582	4.30%
June 30, 2022.....	1,880,195	(298,247)	1,581,948	8,723,495	3.42%
June 30, 2021.....	2,377,254	(277,927)	2,099,327	10,721,683	2.59%
June 30, 2020.....	1,862,281	(196,343)	1,665,938	10,460,179	1.88%
June 30, 2019.....	1,804,274	(298,971)	1,505,303	10,250,975	2.92%
June 30, 2018.....	1,905,303	(217,446)	1,687,857	10,045,956	2.16%
June 30, 2017.....	1,742,827	(238,707)	1,504,120	9,845,037	2.42%

Note: this schedule is intended to present information for 10 years.

Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

Lower Pioneer Valley Educational Collaborative

Schedule of Investment Returns

Other Postemployment Benefit Plan

<u>Year</u>	<u>Annual money-weighted rate of return, net of investment expense</u>
June 30, 2025.....	9.63%
June 30, 2024.....	9.52%
June 30, 2023.....	5.72%
June 30, 2022.....	-3.76%
June 30, 2021.....	29.40%
June 30, 2020.....	1.97%
June 30, 2019.....	5.66%
June 30, 2018.....	9.53%
June 30, 2017.....	12.79%

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

See notes to required supplementary information.

Lower Pioneer Valley Educational Collaborative

Notes to Required Supplementary Information

Year Ended June 30, 2025

NOTE A – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The Collaborative adopts a balanced budget that is approved by the District Board. The Director of Finance presents an annual budget to the Board, which includes estimates of revenues and other financing sources and recommendations of expenditures and other financing uses. The Board, which has the full authority to amend and/or reject the budget or any line item, adopts the expenditure budget by majority vote. Increases to the budget subsequent to the approval of the annual budget require majority Board approval.

The majority of appropriations are non-continuing which lapse at the end of each year. Others are continuing appropriations for which the governing body has authorized that an unspent balance from a prior year be carried forward and made available for spending in the current year. These carry forwards are included as part of the subsequent year's original budget.

The Collaborative adopts an annual budget for the General Fund in conformity with the guidelines described above. The original year 2025 operating budget consisted of approximately \$35.5 million in current appropriations and anticipated assessments, including a \$5.3 million carryover from the prior year for the use of fund balance. During the year, appropriations were increased through an additional \$1.7 million use of fund balance. The majority of this was for various capital project expenditures in the general fund, as well as reimbursements to the Corporation for capital project expenditures. There is no net difference between the fund based and budgetary based change in fund balance for the year. Actual revenues came in less than budgeted by \$667,000 when excluding insurance proceeds reported, and expenditures, were under budget by a total of \$1.3 million, not including the unspent voted use of unreserved fund balance.

The Collaborative's accounting office has the responsibility to ensure that budgetary control is maintained. Budgetary control is exercised through the Collaborative's accounting system.

Lower Pioneer Valley Educational Collaborative

Notes to Required Supplementary Information

Year Ended June 30, 2025

B. Budgetary - GAAP Reconciliation

For budgetary financial reporting purposes, a budgetary basis of accounting is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the general fund for the year ended June 30, 2025, is presented below:

Net change in fund balance - budgetary basis.....	\$	1,280,782
<u>Basis of accounting differences:</u>		
Recognition of noncash electric bus contribution.....		9,374,500
Recognition of noncash electric bus expenditure.....		(9,374,500)
Recognition of revenue for on-behalf payments.....		3,159,083
Recognition of expenditures for on-behalf payments.....		<u>(3,159,083)</u>
Net change in fund balance - GAAP basis.....	\$	<u>1,280,782</u>

NOTE B – PENSION PLAN

Pension Plan Schedules

A. Schedule of Collaborative's Contributions

A special funding situation was created by Massachusetts General Laws for all Educational Collaboratives in the Commonwealth. Collaboratives contribute amounts equal to the normal cost of non-teaching 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.

B. Schedules of the Special Funding Amounts of the Net Pension Liabilities

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the Collaborative which create two special funding situations:

- The MSERS schedule discloses the Commonwealth's 100% share of the collective net pension liability that is associated with the Collaborative; the portion of the collective pension expense as both revenue and pension expense recognized by the Collaborative; and the Plan's fiduciary net position as a percentage of the total liability.

Lower Pioneer Valley Educational Collaborative

Notes to Required Supplementary Information

Year Ended June 30, 2025

- The MTRS schedule discloses the Commonwealth's 100% share of the collective net pension liability that is associated with the Collaborative; the portion of the collective pension expense as both revenue and pension expense recognized by the Collaborative; and the Plan's fiduciary net position as a percentage of the total liability.

NOTE C – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

The Collaborative administers a single-employer defined benefit healthcare plan (“the Retiree Health Plan”). The Plan provides lifetime healthcare, dental and life insurance for eligible retirees and their spouses through the Collaborative’s health insurance plan, which covers both active and retired members, including teachers.

The Other Postemployment Benefit Plan

A. The Schedule of Changes in the Collaborative’s Net Other Postemployment Benefit Liability and Related Ratios

The Schedule of Changes in the Collaborative’s Net Other Postemployment Benefit Liability and Related Ratios presents multi-year trend information on changes in the Plan’s total OPEB liability, changes in the Plan’s net position, and ending net OPEB liability. It also demonstrates the Plan’s net position as a percentage of the total liability and the Plan’s net other postemployment benefit liability as a percentage of covered-employee payroll.

B. Schedule of the Collaborative’s Contributions

The Schedule of the Collaborative’s Contributions includes the Collaborative’s annual required contributions to the Plan, along with the contribution made in relation to the actuarially determined contribution and the covered-employee payroll. The Collaborative is not required to fully fund this contribution. It also demonstrates the contributions as a percentage of covered-employee payroll. Actuarially contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

C. Schedule of Investment Returns

The Schedule of Investment Returns includes the money-weighted investment return on the Plan’s other postemployment assets, net of investment expense.

Lower Pioneer Valley Educational Collaborative

Notes to Required Supplementary Information

Year Ended June 30, 2025

D. Significant Actuarial Methods and Assumptions

Valuation date.....	7/1/2023; updated to June 30, 2025.
Actuarial cost method.....	Entry Age Actuarial Cost Method
Health care trend rates.....	5.00%
Actuarial value of assets.....	Fair Value
Discount rate.....	5.20%
Inflation rate.....	2.00% annually
Projected salary increases.....	3.00% annually
Payroll growth.....	2.50% annually
Mortality rates.....	RPH-2014 Total Dataset mortality table with mortality improvements projected by Scale MP-2021 on a generational basis.

E. Changes of Assumptions:

The discount rate changed from 3.95% for June 30, 2024 to 5.20% to June 30, 2025.

F. Changes in Provisions

None.

Supplementary Information

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Combining Statements

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Brush Hill Bistro – This culinary arts program prepares students for careers in hotels, restaurants, resorts, institutions and corporations. Students operate a fully equipped commercial kitchen and dining room encompassing restaurant, banquet, and buffet services through the two student run restaurants: the morning Java Café, serving breakfast, and the Brush Hill Bistro, serving lunch, which are open to the general public two days a week. This fund is used to account for sales generated through these restaurants.

Early Education and Care Program – Students in this program will experience a combination of classroom instruction and hands on experience with children from ages 6 weeks through 6 years of age. Students will also understand and be familiar with many aspects of child development from infancy through elementary school years. The students who are in the EEC program use the Early Learning Center as their work-related experience to receive licensure as an Early Education and Care provider. The Early Learning Center is a part of the Collaborative and is licensed by the Massachusetts Department of Early Education and Care.

Landscaping – This program offers a comprehensive competency based course that explores career areas in landscape maintenance, construction and design, greenhouse production, nursery production, floriculture, and retail garden center operation. This fund is used to account for sales generated through residential landscaping projects, greenhouse sales, and floral projects.

School Lunch – This fund is used to account for all cafeteria activities and is funded by user charges.

Building Rental – This fund is used to account for school space leased to the Preschool Enrichment Team. Rental income is used to offset rental fees paid to the Corporation and associated utility costs.

Graphic Communication – This program prepares students for a wide range of career opportunities in the graphic arts and communications industry. This fund is used to account for shop sales generated from this program.

Professional Development – This fund is used to account for professional development programs offered through the Collaborative.

Advanced Manufacturing Program – The Advanced Manufacturing program features a state-of-the-art facility that includes the latest in technology including Computer Numeric Control (CNC) milling machines and lathes as well as a computer lab for CAD/CAM instruction. The program offers students the opportunity to experience the latest technology in the machine tool industry. Machine tool technology students receive training through hands-on experience that replicates operations used in industry. Metal parts are produced through the use of lathes, millers, surface grinders, and Computerized Numerical Control (C.N.C.) machines. The program provides students the opportunity to learn all the skills demanded of the 21st Century machinist. Students follow a course sequence that starts with the basics of manual machining and progresses to advanced multi-axis CNC programming, setup, and operation. Qualified and skilled machinists are presently in high demand and students completing our program are ready to immediately enter the workforce or continue their education in college.

Curriculum Instruction and Assessment Program – The Curriculum Instruction and Assessment program is established to finance professional development and its delivery within the Lower Pioneer Valley Educational Collaborative. This is funded through out-of-district professional development offerings, and member district-tailored specific professional development offerings.

Student Activities – This fund is used to account for all student activity programs.

Lower Pioneer Valley Educational Collaborative

Nonmajor Governmental Funds Combining Balance Sheet

June 30, 2025

	Special Revenue Funds					Special Revenue Funds					Total Nonmajor Governmental Funds
	Brush Hill Bistro	Early Education and Care	Landscaping	School Lunch	Building Rental	Graphic Communication	Professional Development	Advanced Manufacturing Program	Curriculum Instruction and Assessment	Student Activities	
ASSETS											
Cash and cash equivalents.....	\$ 10,636	\$ 13,486	\$ 4,500	\$ 8,403	\$ 63,484	\$ 2,033	\$ 32,887	\$ 5,841	\$ 1,501	\$ 20,403	\$ 163,174
Investments.....	23,274	29,513	9,848	18,390	138,922	4,448	71,967	12,782	4,891	44,648	358,683
Receivables, net of uncollectibles:											
Departmental and other.....	-	-	1,620	-	-	-	-	-	-	70	1,690
Intergovernmental - other.....	-	-	-	-	-	-	-	-	-	180	180
TOTAL ASSETS.....	\$ 33,910	\$ 42,999	\$ 15,968	\$ 26,793	\$ 202,406	\$ 6,481	\$ 104,854	\$ 18,623	\$ 6,392	\$ 65,301	\$ 523,727
LIABILITIES											
Warrants payable.....	-	-	-	18	-	-	-	-	-	871	889
Other liabilities.....	-	200	-	-	-	-	-	-	-	-	200
TOTAL LIABILITIES.....	-	200	-	18	-	-	-	-	-	871	1,089
FUND BALANCES											
Restricted.....	33,910	42,799	15,968	26,775	202,406	6,481	104,854	18,623	6,392	64,430	522,638
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 33,910	\$ 42,999	\$ 15,968	\$ 26,793	\$ 202,406	\$ 6,481	\$ 104,854	\$ 18,623	\$ 6,392	\$ 65,301	\$ 523,727

Lower Pioneer Valley Educational Collaborative

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

Year Ended June 30, 2025

	Special Revenue Funds					Special Revenue Funds					Total Nonmajor Governmental Funds
	Brush Hill Bistro	Early Education and Care	Landscaping	School Lunch	Building Rental	Graphic Communication	Professional Development	Advanced Manufacturing Program	Curriculum Instruction and Assessment	Student Activities	
REVENUES:											
Departmental and other.....	\$ 5,332	\$ 111,602	\$ 19,646	\$ 84,641	\$ -	\$ 401	\$ 709	\$ -	\$ 2,275	\$ 22,586	\$ 247,192
EXPENDITURES:											
Current:											
Special education.....	-	-	-	-	-	-	4,386	-	-	-	4,386
Occupational education.....	-	-	-	-	-	-	-	-	-	17,038	17,038
Supplemental services.....	6,649	172,781	32,919	91,183	-	362	650	2,477	3,133	-	310,154
TOTAL EXPENDITURES.....	6,649	172,781	32,919	91,183	-	362	5,036	2,477	3,133	17,038	331,578
NET CHANGE IN FUND BALANCES.....	(1,317)	(61,179)	(13,273)	(6,542)	-	39	(4,327)	(2,477)	(858)	5,548	(84,386)
FUND BALANCES AT BEGINNING OF YEAR.....	35,227	103,978	29,241	33,317	202,406	6,442	109,181	21,100	7,250	58,882	607,024
FUND BALANCES AT END OF YEAR.....	\$ 33,910	\$ 42,799	\$ 15,968	\$ 26,775	\$ 202,406	\$ 6,481	\$ 104,854	\$ 18,623	\$ 6,392	\$ 64,430	\$ 522,638

Statistical Section



Lower Pioneer Valley Educational Collaborative Early Education and Care program.

Statistical Section

This part of the annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Collaborative's overall financial health.

Financial Trends

- These schedules contain trend information to help the reader understand how the Collaborative's financial performance and well-being have changed over time.

Revenue Capacity

- These schedules contain information to help the reader assess the Collaborative's most significant local revenue source.

Debt Capacity

- These schedules present information to help the reader assess the affordability of the Collaborative's current levels of outstanding debt and the Collaborative's ability to issue additional debt in the future.

Demographic and Economic Information

- These schedules offer demographic and economic indicators to help the reader understand the environment within which the Collaborative's financial activities take place.

Operating Information

- These schedules contain service and infrastructure data to help the reader understand how the information in the Collaborative's financial report relates to the services the Collaborative provides and the activities it performs.

SOURCES: Unless otherwise noted, the information in these schedules is derived from the Collaborative's annual financial statements and budget reports for the relevant year.

Lower Pioneer Valley Educational Collaborative

Net Position by Component

Last Ten Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Net investment in capital assets..... \$	9,922,738	10,266,033	9,811,946	9,837,892	10,336,458	10,199,944	9,911,388	10,060,141	14,087,815	23,123,341
Restricted.....	-	-	-	-	-	-	-	38,062	966,727	522,638
Unrestricted.....	(10,416,100)	(10,850,962)	(11,306,423)	(12,523,924)	(13,946,542)	(13,848,358)	(10,381,285)	(6,768,071)	(7,938,660)	(5,050,180)
Total governmental activities net position..... \$	(493,362)	(584,929)	(1,494,477)	(2,686,032)	(3,610,084)	(3,648,414)	(469,897)	3,330,132	7,115,882	18,595,799

Note 1: GASB Statement No. 75 was implemented in 2018 and this required the net OPEB liability to be recorded for the first time. This required the revision of the ending net position in 2017.

Note 2: GASB Statement No. 84 was implemented in 2021. This also required the revision of the ending net position in 2020.

Note 3: Effective for fiscal year 2022, the Collaborative considers the transportation program as general fund operations, prior years have been restated.

Note 4: GASB Statement No. 101 was implemented in 2025. This also required the revision of the ending net position in 2024.

Lower Pioneer Valley Educational Collaborative

Changes in Net Position

Last Ten Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities:										
Administration.....	\$ 2,032,196	\$ 2,799,683	\$ 2,749,989	\$ 2,818,180	\$ 3,962,145	\$ 3,018,868	\$ 778,362	\$ 1,607,531	\$ 2,417,042	\$ 1,785,255
Special education.....	3,958,311	4,309,738	4,302,842	4,009,584	3,761,635	3,676,112	2,926,289	3,116,089	2,970,019	3,233,739
Occupational education.....	5,414,634	5,342,299	5,444,300	6,001,332	5,855,240	6,082,325	5,455,981	5,650,256	6,178,099	6,548,526
Supplemental services.....	2,935,937	2,816,339	2,845,307	2,548,280	3,107,404	3,002,932	2,603,609	2,363,230	2,302,596	2,394,875
Transportation.....	11,938,868	12,600,467	12,221,102	13,636,936	12,973,639	12,409,392	12,062,915	12,864,628	13,432,349	15,202,226
Professional development.....	18,312	-	2,842	-	-	-	-	-	-	-
Unallocated depreciation.....	924,437	900,217	893,821	910,555	1,042,751	1,070,306	1,824,481	1,989,315	2,354,248	2,958,271
Interest expense.....	453,084	441,185	423,164	404,537	386,406	365,625	370,276	376,104	421,135	377,940
Total government activities expenses.....	<u>\$ 27,675,779</u>	<u>\$ 29,209,928</u>	<u>\$ 28,883,367</u>	<u>\$ 30,329,404</u>	<u>\$ 31,089,220</u>	<u>\$ 29,625,560</u>	<u>\$ 26,021,913</u>	<u>\$ 27,967,153</u>	<u>\$ 30,075,488</u>	<u>\$ 32,500,832</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Occupational education.....	\$ 824,084	\$ 904,014	\$ 798,334	\$ 915,512	\$ 964,557	\$ 952,981	\$ 1,153,028	\$ 1,066,037	\$ 1,084,557	\$ 963,519
Supplemental services.....	856,094	1,260,896	1,251,675	1,191,109	879,559	818,047	1,330,314	1,525,400	1,542,563	1,652,925
Transportation services.....	11,987,052	12,164,006	11,590,185	12,758,825	13,248,160	14,099,050	15,255,574	16,102,124	16,292,209	17,779,835
Other charges for services.....	984,203	1,438,182	1,444,939	1,290,558	1,194,499	1,049,180	818,672	1,106,769	990,810	1,121,021
Operating grants and contributions.....	4,196,149	5,517,284	4,982,096	5,215,156	7,180,236	6,600,914	3,061,986	3,718,237	5,016,326	4,120,611
Capital grants and contributions.....	-	-	-	-	-	-	-	-	1,720,000	9,713,555
Total government activities program revenues.....	<u>\$ 18,847,582</u>	<u>\$ 21,284,382</u>	<u>\$ 20,067,229</u>	<u>\$ 21,371,160</u>	<u>\$ 23,467,011</u>	<u>\$ 23,520,172</u>	<u>\$ 21,619,574</u>	<u>\$ 23,518,567</u>	<u>\$ 26,646,465</u>	<u>\$ 35,351,466</u>
Net (Expense)/Program Revenue	<u>\$ (8,828,197)</u>	<u>\$ (7,925,546)</u>	<u>\$ (8,816,138)</u>	<u>\$ (8,958,244)</u>	<u>\$ (7,622,209)</u>	<u>\$ (6,105,388)</u>	<u>\$ (4,402,339)</u>	<u>\$ (4,448,586)</u>	<u>\$ (3,429,023)</u>	<u>\$ 2,850,634</u>
General Revenues and other Changes in Net Position										
Governmental activities:										
Member district assessments.....	\$ 8,739,328	\$ 7,526,039	\$ 7,885,799	\$ 7,747,853	\$ 7,332,825	\$ 7,228,255	\$ 8,061,502	\$ 8,150,572	\$ 8,276,899	\$ 9,051,012
Unrestricted investment income.....	1,759	2,585	3,634	13,373	11,622	4,986	2,965	79,243	182,285	129,808
Gain on sale of capital asset.....	393,761	-	-	-	-	-	-	-	31,750	-
Miscellaneous.....	171,245	1,725	17,157	5,463	7,006	12,753	116,389	18,800	2,452	-
Total primary government general revenues and other changes in net position.....	<u>\$ 9,306,093</u>	<u>\$ 7,530,349</u>	<u>\$ 7,906,590</u>	<u>\$ 7,766,689</u>	<u>\$ 7,351,453</u>	<u>\$ 7,245,994</u>	<u>\$ 8,180,856</u>	<u>\$ 8,248,615</u>	<u>\$ 8,493,386</u>	<u>\$ 9,180,820</u>
Special Item - Refunds to member district	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (700,000)</u>	<u>\$ (1,178,936)</u>	<u>\$ (600,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (551,537)</u>
Changes in Net Position	<u>\$ 477,896</u>	<u>\$ (395,197)</u>	<u>\$ (909,548)</u>	<u>\$ (1,191,555)</u>	<u>\$ (970,756)</u>	<u>\$ (38,330)</u>	<u>\$ 3,178,517</u>	<u>\$ 3,800,029</u>	<u>\$ 5,064,363</u>	<u>\$ 11,479,917</u>

Note 1: Effective for fiscal year 2022, the Collaborative considers the transportation program as general fund operations, prior years have been restated.

Lower Pioneer Valley Educational Collaborative

Fund Balances, Governmental Funds

Last Ten Years

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
General Fund										
Restricted.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,499,920
Assigned.....	1,309,020	1,309,433	1,186,551	1,371,427	314,704	1,240,782	4,235,343	6,015,733	5,306,476	6,098,078
Unassigned.....	2,982,904	2,794,898	4,253,832	3,924,139	4,671,852	5,324,559	4,798,121	5,115,331	4,104,101	3,093,361
Total general fund.....	<u>\$ 4,291,924</u>	<u>\$ 4,104,331</u>	<u>\$ 5,440,383</u>	<u>\$ 5,295,566</u>	<u>\$ 4,986,556</u>	<u>\$ 6,565,341</u>	<u>\$ 9,033,464</u>	<u>\$ 11,131,064</u>	<u>\$ 9,410,577</u>	<u>\$ 10,691,359</u>
All Other Governmental Funds										
Restricted.....	\$ 350,992	\$ 2,558,362	\$ 2,628,125	\$ 2,936,098	\$ 3,030,357	\$ 3,199,665	\$ 3,117,106	\$ 3,304,001	\$ 3,806,946	\$ 3,471,653
Unassigned.....	<u>(1,900)</u>	<u>-</u>	<u>(28,411)</u>	<u>(159)</u>	<u>(159)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(427,572)</u>
Total all other governmental funds....	<u>\$ 349,092</u>	<u>\$ 2,558,362</u>	<u>\$ 2,599,714</u>	<u>\$ 2,935,939</u>	<u>\$ 3,030,198</u>	<u>\$ 3,199,665</u>	<u>\$ 3,117,106</u>	<u>\$ 3,304,001</u>	<u>\$ 3,806,946</u>	<u>\$ 3,044,081</u>

Lower Pioneer Valley Educational Collaborative

Changes in Fund Balances, Governmental Funds

Last Ten Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues:										
Member district assessments.....	\$ 9,656,387	\$ 9,245,954	\$ 9,575,848	\$ 9,177,729	\$ 8,575,751	\$ 8,145,467	\$ 8,965,657	\$ 9,219,676	\$ 9,242,878	\$ 10,020,966
Nonmember assessments.....	1,524,261	1,471,182	1,332,833	1,407,279	1,305,445	1,399,786	1,833,242	2,055,551	2,075,992	2,207,711
Transportation services.....	11,987,052	12,164,006	11,590,185	12,758,825	13,248,160	14,099,050	15,255,574	16,102,124	16,292,209	17,779,835
Intergovernmental.....	4,351,267	5,577,969	4,982,096	5,197,156	7,180,236	6,600,914	3,061,986	3,718,237	6,736,326	4,459,666
Investment income.....	1,088	2,585	3,634	13,373	11,622	4,986	2,965	79,243	182,285	108,691
Departmental and other.....	228,462	1,273,166	1,228,042	1,284,526	1,227,250	1,245,963	1,411,006	1,329,351	1,315,471	1,296,800
Contributions - electric school buses.....	-	-	-	-	-	-	-	-	-	9,374,500
Total Revenue.....	27,748,517	29,734,862	28,712,638	29,838,888	31,548,464	31,496,166	30,530,430	32,504,182	35,845,161	45,248,169
Expenditures:										
Administration.....	2,340,727	766,962	1,054,817	967,310	1,013,356	236,631	42,114	23,301	15,240	38,089
Special education.....	3,390,573	3,494,006	3,599,449	3,287,940	2,968,447	2,778,533	3,070,892	3,239,320	3,219,184	3,475,256
Occupational education.....	5,328,892	4,762,146	4,523,984	5,159,710	5,000,074	5,065,392	5,763,862	6,024,820	6,527,529	7,072,947
Supplemental services.....	2,795,230	2,564,055	2,656,915	2,307,154	2,877,986	2,809,808	2,540,514	2,328,050	3,608,485	2,312,986
Transportation services.....	11,108,195	11,172,745	11,332,475	12,421,181	12,468,974	12,537,367	14,284,558	15,696,013	15,297,652	16,915,263
Professional development.....	20,000	-	-	-	-	-	-	-	-	-
State funded pension benefits.....	2,759,261	4,229,998	3,777,919	3,864,746	5,315,129	5,016,240	1,630,817	2,696,307	3,994,339	3,159,083
Capital outlay - contributed electric school buses.....	-	-	-	-	-	-	-	-	-	9,374,500
Capital outlay.....	-	1,028,421	233,609	816,935	996,854	417,679	423,677	201,167	3,233,757	1,267,151
Debt service:										
Principal.....	-	465,000	477,000	450,000	547,500	519,000	1,061,456	1,787,080	1,871,484	1,636,308
Interest.....	-	442,654	424,662	372,345	421,758	367,264	371,960	377,843	397,893	427,052
Total Expenditures.....	27,742,878	28,925,987	28,080,830	29,647,321	31,610,078	29,747,914	29,189,850	32,373,901	38,165,563	45,678,635
Excess of revenues over (under) expenditures.....	5,639	808,875	631,808	191,567	(61,614)	1,748,252	1,340,580	130,281	(2,320,402)	(430,466)
Other Financing Sources (Uses)										
Insurance recoveries.....	-	-	-	-	-	-	-	-	-	1,499,920
Sale of capital assets.....	-	-	-	-	-	-	-	-	31,750	-
Capital purchase financing.....	-	-	-	-	-	-	1,574,992	2,154,214	1,071,110	-
Total other financing sources (uses).....	-	-	-	-	-	-	1,574,992	2,154,214	1,102,860	1,499,920
Special item - refunds to member districts	-	-	-	-	(700,000)	(1,178,396)	(600,000)	-	-	(551,537)
Net change in fund balance.....	\$ 5,639	\$ 808,875	\$ 631,808	\$ 191,567	\$ (761,614)	\$ 569,856	\$ 2,315,572	\$ 2,284,495	\$ (1,217,542)	\$ 517,917
Debt service as a percentage of noncapital expenditures.....	-	3.45%	3.36%	2.88%	3.38%	3.12%	5.28%	7.25%	8.63%	6.10%

Note: Prior to fiscal year 2017, the Corporation was not blended with the Governmental Funds.

Note: Effective for fiscal year 2022, the Collaborative considers the transportation program as general fund operations, prior years have been restated.

Lower Pioneer Valley Educational Collaborative

Revenue by Member Communities

Current Year and Nine Years Ago

Name	2025		2016	
	Revenue	Percentage of Total Revenue	Revenue	Percentage of Total Revenue
Special Education				
Agawam	\$ 225,654	6%	\$ 850,651	22%
East Longmeadow	170,969	5%	341,023	9%
Hampden-Wilbraham Regional	319,100	9%	986,063	25%
Longmeadow	470,414	13%	390,747	10%
Ludlow	234,224	6%	340,621	9%
Southwick-Tolland-Granville Regional	397,454	11%	10,960	0%
West Springfield	392,166	11%	573,487	15%
Out of District	1,402,620	39%	454,696	12%
Total Special Education	\$ 3,612,602	100%	\$ 3,948,248	100%
Occupational Education				
Agawam	\$ 1,740,332	26%	\$ 1,246,675	24%
East Longmeadow	524,100	8%	247,054	5%
Hampden-Wilbraham Regional	512,097	8%	245,054	5%
Longmeadow	256,049	4%	167,237	3%
Ludlow	964,184	14%	505,512	10%
Southwick-Tolland-Granville Regional	672,128	10%	741,164	15%
West Springfield	1,212,230	18%	1,102,243	22%
Out of District	942,128	14%	839,530	16%
Total Occupational Education	\$ 6,823,248	100%	\$ 5,094,469	100%
Supplemental Services				
Agawam	\$ 49,652	3%	\$ 170,864	9%
East Longmeadow	39,462	2%	21,115	1%
Hampden-Wilbraham Regional	101,398	6%	125,089	6%
Longmeadow	287,817	16%	28,838	1%
Ludlow	51,387	3%	102,493	5%
Southwick-Tolland-Granville Regional	29,820	2%	23,963	1%
West Springfield	248,694	14%	76,106	4%
Out of District	1,007,152	55%	1,378,193	72%
Total Supplemental Services	\$ 1,815,381	100%	\$ 1,926,661	100%
Transportation Services				
Agawam	\$ 2,721,712	14%	\$ 2,232,259	19%
East Longmeadow	1,974,560	10%	457,721	4%
Hampden-Wilbraham Regional	3,709,917	20%	3,261,043	27%
Longmeadow	1,223,165	6%	1,067,133	9%
Ludlow	2,112,543	11%	1,738,291	15%
Southwick-Tolland-Granville Regional	2,150,358	11%	-	0%
West Springfield	3,597,671	19%	2,925,186	25%
LPVEC & Misc	1,416,499	7%	-	0%
Out of District	-	0%	193,600	2%
Total Transportation Services	\$ 18,906,425	100%	\$ 11,875,233	100%

Lower Pioneer Valley Educational Collaborative

Hampden County Principal Employers

Current Year and Nine Years Ago

Name	Nature of Business	City/Town	2025	2015
			Rank	Rank
Baystate Health	Healthcare	Springfield	1	1
University of Massachusetts	Universities & Colleges	Amherst	2	2
Mass Mutual Financial Group	Financial Services	Springfield	3	3
Bank of America	Financial Services	Springfield	4	
Mercy Medical Center and Sisters of Providence Health System	Health Care	Springfield	5	7
Big Y Foods, Inc.	Supermarkets & Grocery Stores	Springfield	6	4
C & S Wholesale Grocers, Inc.	Grocery Merchant Wholesale	Hatfield	7	
Cooley Dickinson Hospital	Healthcare	Northampton	8	
Yankee Candle	Candle Manufacturer	S Deerfield	9	
Hasbro Games	Game & Toy Manufacturer	E. South Deerfield	10	

Note: Each of the Collaborative 10 member communities are located in Hampden County, MA.

Source: Collaborative finance department

2016 data was not available

Lower Pioneer Valley Educational Collaborative

Ratios of Outstanding Debt and General Bonded Debt

Last Ten Years

Year	Total Primary Government				
	Long-term and short-term Debt	Leases	Total Debt Outstanding	Major Program Enrollment	Debt per Enrollment
2016	\$ 11,733,000	\$ 695,732	\$ 12,428,732	619	\$ 20,079
2017	\$ 11,268,000	\$ 1,382,227	\$ 12,650,227	596	\$ 21,225
2018	\$ 10,791,000	\$ 1,304,325	\$ 12,095,325	599	\$ 20,193
2019	\$ 10,341,000	\$ 749,585	\$ 11,090,585	539	\$ 20,576
2020	\$ 9,793,500	\$ 1,467,952	\$ 11,261,452	527	\$ 21,369
2021	\$ 9,274,500	\$ 1,249,994	\$ 10,524,494	495	\$ 21,262
2022	\$ 11,038,030	*	\$ 11,038,030	502	\$ 21,988
2023	\$ 11,405,164	*	\$ 11,405,164	541	\$ 21,082
2024	\$ 10,604,790	*	\$ 10,604,790	647	\$ 16,391
2025	\$ 8,968,482	*	\$ 8,968,482	700	\$ 12,812

Source: Audited Financial Statements, Collaborative finance department

* = In 2022, the Collaborative implemented GASB Statement #87 - *Leases*. Previously reported leases have now been reclassified as capital financing long-term debt.

Lower Pioneer Valley Educational Collaborative

Demographic and Economic Statistics

Last Ten Calendar Years

	Calendar Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Demographic and Economic Statistics										
Agawam:										
Population.....	28,438	28,438	28,438	28,438	28,438	28,373	28,253	28,393	28,406	28,749
Labor force.....	15,745	16,107	16,404	16,922	16,504	15,811	16,259	15,972	16,155	15,729
Unemployed.....	712	665	658	555	591	976	661	531	564	757
Unemployment rate.....	4.5%	4.1%	4.0%	3.3%	3.6%	6.2%	4.1%	3.3%	3.5%	4.8%
West Springfield:										
Population.....	28,137	28,391	28,391	28,391	28,391	28,273	28,151	28,501	28,424	29,028
Labor force.....	14,406	14,789	14,973	15,480	15,105	14,568	14,932	14,657	14,892	15,719
Unemployed.....	702	692	633	552	571	1,014	667	536	635	805
Unemployment rate.....	4.9%	4.7%	4.2%	3.6%	3.8%	7.0%	4.5%	3.7%	4.3%	5.1%
Hampden-Wilbraham Regional:										
Enrollment.....	3,138	3,107	3,061	3,057	3,005	2,865	2,890	2,859	2,881	2,881
Labor force.....	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unemployed.....	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unemployment rate.....	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ludlow:										
Population.....	21,103	21,348	21,352	21,331	21,336	21,119	20,900	20,871	21,118	21,118
Labor force.....	10,837	11,064	11,283	11,622	11,422	10,838	11,153	10,914	11,374	11,374
Unemployed.....	684	644	635	563	684	859	672	538	596	596
Unemployment rate.....	6.3%	5.8%	5.6%	4.8%	6.0%	7.9%	6.0%	4.9%	5.2%	5.2%
East Longmeadow:										
Population.....	15,720	15,839	15,839	16,156	16,200	16,006	16,370	16,343	16,378	16,515
Labor force.....	8,564	8,786	8,984	9,300	9,069	8,650	8,933	8,798	8,921	8,549
Unemployed.....	331	314	303	251	270	431	299	251	291	375
Unemployment rate.....	3.9%	3.6%	3.4%	2.7%	3.0%	5.0%	3.3%	2.9%	3.3%	4.4%
Southwick-Tolland-Granville Regional:										
Enrollment.....	N/A	1,549	1,519	1,511	1,486	1,393	1,393	1,322	1,295	1,295
Labor force.....	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unemployed.....	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unemployment rate.....	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Longmeadow:										
Population.....	15,633	15,784	15,784	15,784	15,784	15,791	15,791	15,632	15,621	15,712
Labor force.....	7,995	8,186	8,337	8,614	8,353	7,985	8,214	8,125	7,300	7,300
Unemployed.....	267	261	236	202	194	374	211	204	318	318
Unemployment rate.....	3.3%	3.2%	2.8%	2.3%	2.3%	4.7%	2.6%	2.5%	4.3%	4.3%

Note: Information provided for member communities.

Source: Massachusetts Labor and Workforce Development, New England School Development Council

N/A: Regional school district information not available

Lower Pioneer Valley Educational Collaborative

Full-Time Equivalent Employees by Function

Last Ten Years

	Year									
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<u>Full-Time Equivalents</u>										
Administration.....	21	11	11	13	12	12	12	11	12	12
Special Education.....	67	44	41	38	33	33	30	30	32	35
Occupational Education.....	44	46	46	46	44	42	43	46	46	48
Supplemental Services.....	7	25	24	24	28	25	23	34	26	25
Transportation.....	<u>239</u>	<u>259</u>	<u>228</u>	<u>251</u>	<u>249</u>	<u>266</u>	<u>244</u>	<u>252</u>	<u>252</u>	<u>248</u>
Total	<u>378</u>	<u>385</u>	<u>350</u>	<u>372</u>	<u>366</u>	<u>378</u>	<u>352</u>	<u>373</u>	<u>368</u>	<u>368</u>

Source: Collaborative finance department

Lower Pioneer Valley Educational Collaborative

Operating Indicators by Function/Program

Last Ten Years

<u>Enrollment</u>	Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Occupational Education Enrollment by District:										
Agawam.....	113	114	107	91	78	73	93	114	163	158
East Longmeadow.....	28	23	24	26	21	23	27	29	43	59
Hampden-Wilbraham Regional.....	18	32	27	21	23	25	26	33	38	57
Longmeadow.....	15	15	17	16	16	17	18	19	21	24
Ludlow.....	42	52	54	45	55	58	60	56	91	94
Southwick-Tolland-Granville Regional.....	65	63	77	72	75	71	61	60	52	56
West Springfield.....	93	74	93	99	104	90	77	81	102	120
Non Member Communities.....	98	92	88	74	83	79	77	86	76	74
Total Occupational Educational Enrollment.....	472	465	487	444	455	436	439	478	586	642
Special Education Enrollment by Program:										
Alternative High School.....	*	*	*	*	*	*	*	*	*	*
Alternative High School "Brush Hill Academy".....	33	28	21	7	*	*	*	*	*	*
Compass Elementary Program.....	4	6	9	5	5	4	4			
Compass School Program.....	10	8	10	7	4	6	6	19	17	15
Compass High Program.....	5	5	6	8	6	3	2			
Asperger Compass Middle School.....	10	4	3	5	4	*	*	*	*	*
Asperger Compass High School.....	5	12	6	7	*	*	*	*	*	*
Career Prep Program.....	9	10	10	6	10	4	4	5	*	*
Career Skills Program.....	10	7	8	10	7	4	4	1	*	*
Elementary and Secondary Transitional I.....	*	*	*	*	*	*	*	*	*	*
Elementary and Secondary Transitional II.....	*	*	*	*	*	*	*	*	*	*
Integrated Occupational Preparation.....	27	29	22	22	16	14	18	17	20	18
Prevocational Preparation.....	*	*	*	*	*	*	*	*	*	*
Secondary Developmental.....	6	*	*	*	*	*	*	*	*	*
Twain Elementary School.....	**	**	**	**	**	7	7	6		
Twain High School.....	14	13	12	11	14	11	12	12	18	21
Steps Program I.....	10	9	5	7	6	6	6	3	6	4
Steps Program II.....	*	*	*	*	*	*	*	*	*	*
Transitions Program.....	4	*	*	*	*	*	*	*	*	*
Total Special Education Enrollment.....	147	131	112	95	72	59	63	63	61	58
Total Enrollment.....	619	596	599	539	527	495	502	541	647	700
Staffing Levels										
Teachers and Instructional Staff.....	110	108	104	80	77	75	77	89	83	86
Administration.....	24	24	30	36	34	30	24	25	26	26
Classified Employees:										
Clerical Staff.....	8	3	3	3	3	3	3	3	3	3
Maintenance.....	2	2	2	2	2	3	3	3	3	3
IT Staff.....	5	2	3	1	1	1	1	1	1	2
Transportation Services.....	238	239	243	228	249	266	244	252	252	248
Total Regular Staff.....	387	378	385	350	366	378	352	373	368	368

NA - Information not available

* - Program closed

** - Program was not offered in previous years

Source: Finance Department

Lower Pioneer Valley Educational Collaborative

Capital Asset Statistics

	<u>Town/Location</u>	<u>Year Acquired</u>	<u>Square Footage</u>	<u>% Occupied</u>	<u>Acreage</u>
Buildings (1):					
Career and Technical Education Center and Administration Building.....	West Springfield	2005	106,029	100%	26.36
Municipal Medicaid Reimbursement building.	West Springfield	1992	3,348	100%	0.52
Modular Buildings (1):					
Glenbrook Modular in Longmeadow.....	Longmeadow	2006	2,134	100%	N/A
Transportation Facilities (2):					
Denslow Road Garage.....	East Longmeadow	2004	5,184	100%	4.57
Shoemaker Lane Garage.....	Agawam	2012	13,100	100%	4.57
Boston Road Garage.....	Wilbraham	2016	24,871	100%	8.50

NA - Information not applicable

(1) The Collaborative leases these buildings from the Lower Pioneer Valley Educational Corporation.

(2) The Collaborative also owns and operates approximately 250 vehicles through the Transportation Program.

Source: Finance Department

*Schedule of Cumulative Surplus and Required
Disclosures for Massachusetts Educational
Collaboratives*

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Lower Pioneer Valley Educational Collaborative

Schedule of Cumulative Surplus

Year Ended June 30, 2025

Lower Pioneer Valley Educational Collaborative

Surplus Calculation Fiscal Year 2025	Enter values below	Calculated Column	Page in FY25 ACFR
(A) Surplus as of June 30, 2024	\$ 4,104,101		(A) <u>p. 44</u>
(B) Board voted uses of surplus funds during FY25		\$ 1,739,985	(B) <u>p. 44</u>
<i>(Uses of FY24 surplus used during FY25)</i>			
B(1) used to support the FY25 budget	\$ -		
B(2) issued as credits to member districts	\$ (551,537)		p. 44
B(3) issued as a check(s) to member district(s)	\$ -		
B(4) deposited to a restricted account(s) - capital reserve	\$ 1,682,009		<u>p. 42</u>
B(5) deposited to a restricted account(s) - insurance proceeds for capital	\$ 1,499,920		<u>p. 42</u>
B(6) used from restricted account(s) - capital reserve	\$ (890,407)		<u>p. 79</u>
(C) FY25 Total General Fund Expenditures *	\$ 29,770,973		(C) <u>p. 44</u>
(D) FY25 Unexpended General Funds	\$ 729,245		(D) <u>p. 44</u>
(E) Cumulative Surplus as of June 30, 2025	A) - (B) + (D) = (F)	\$ 3,093,361	
(F) Cumulative Surplus Percentage	(F) ÷ (C)	10.39%	
	Allowable Cumulative Surplus based upon Expenditures	\$ 7,442,743	
CUMULATIVE SURPLUS REDUCTION (if necessary)			
Allowable uses of surplus to reduce excess to or below the 25% limit			
(E)	Cumulative surplus as of June 30, 2025 before Reductions	\$ 3,093,361	
(F)	Cumulative Surplus Percentage before Reductions	10.39%	
	25% limit (allowed)	\$ 7,442,743	
(G) Cumulative Surplus REDUCTIONS			
(G)1 Credited to member districts for tuition, services, etc.	\$ -		
(G)2 Deposit to an established trust and/or reserve fund	\$ 100,000		
(G)3 Returned (check) to school districts/towns	\$ -		
	Total Reductions	\$ 100,000	
	Cumulative Surplus after Reductions	\$ 2,993,361	
	FY25 Cumulative Surplus Percentage after Reductions	10.05%	

* Net of gross up for on-healf payments for MTRS and MSERS, and net of gross up to recognize the rebate program buses.

Lower Pioneer Valley Educational Collaborative

Required Disclosures for Massachusetts Educational Collaboratives

Year Ended June 30, 2025

The following supplementary information is provided to conform with the requirements of the Massachusetts Session Law, Chapter 43 of the Acts of 2012: An Act Relative to Improving Accountability and Oversight of Education Collaboratives. This law was adopted in March of 2012 and constitutes a comprehensive amendment Massachusetts General Law, Chapter 40, Section 4E which establishes the requirements for the formation and administration of Education Collaboratives in Massachusetts.

NOTE 1 – TRANSACTIONS BETWEEN RELATED ORGANIZATIONS

The Collaborative entered into rental agreements with the Corporation for the use of various facilities in their programs. Payments made to the Corporation during 2025 totaled \$1,027,000, and these agreements are through June 30, 2026, with annual payments totaling \$1,027,000.

During 2025, the Collaborative contributed for expenditures related to various capital projects for building improvements for the Corporation totaling \$1.3 million, which has been included within capital outlay.

NOTE 2 – PURCHASE, SALE, RENTAL OR LEASE OF REAL PROPERTY

The Collaborative entered into rental agreements with the Corporation for the use of various facilities in their programs. In accordance with GASB Statement #87, *Leases* paragraph 88, when a lessee or lessor is included as a blended component unit of the primary government, the reporting requirements of this Statement do not apply.

The Collaborative has entered into several agreements to finance the acquisition of vehicles and are recorded as capital financing long-term debt. At the end of 2025, the Collaborative had \$1,930,482 of outstanding debt related to these purchases.

<u>Project</u>	<u>Maturities Through</u>	<u>Original Loan Amount</u>	<u>Interest Rate (%)</u>	<u>Outstanding at June 30, 2025</u>
Purchases financed 2022.....	2026	\$ 1,574,992	6.01%	\$ 407,864
Purchases financed 2023.....	2027	2,154,214	4.89%	880,745
Purchases financed 2024.....	2028	1,071,110	4.40%	<u>641,873</u>
Total.....				<u>\$ 1,930,482</u>

Lower Pioneer Valley Educational Collaborative

Required Disclosures for Massachusetts Educational Collaboratives

Year Ended June 30, 2025

Debt service requirements for principal and interest for the Collaborative long-term financing payable in future years are as follows:

Years Ending June 30	Principal	Interest	Total
2026.....	\$ 1,042,540	\$ 81,281	\$ 1,123,821
2027.....	664,708	51,068	715,776
2028.....	<u>223,234</u>	<u>9,822</u>	<u>233,056</u>
Total.....	<u>\$ 1,930,482</u>	<u>\$ 142,171</u>	<u>\$ 2,072,653</u>

NOTE 3 – MOST HIGHLY COMPENSATED EMPLOYEES

The following table presents the total compensation for the Collaborative’s five most highly compensated employees for the year ended December 31, 2024, as reported on IRS form W-2, Wage and Tax Statement:

Name	General Duties	Compensation
Alvin Morton.....	Executive Director.....	\$ 161,982
Connor Timothy.....	Data Specialist.....	154,463
Anna Bishop.....	Director of Finance.....	147,555
Donald Jarvis.....	Director of Occupational Education.....	131,075
Martha Wiley.....	Data Specialist.....	<u>126,711</u>
	Total.....	<u>\$ 721,786</u>

NOTE 4 – ADMINISTRATION AND OVERHEAD

For year ended June 30, 2025, the Collaborative expended approximately \$1,284,066 for amounts related to administration and \$1,493,594 for amounts related to overhead.

Lower Pioneer Valley Educational Collaborative

Required Disclosures for Massachusetts Educational Collaboratives

Year Ended June 30, 2025

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

At June 30, 2025, there are no accounts held by the Collaborative that may be spent at the discretion of another person or entity. The Collaborative does maintain one student activity account from which all expenditures are paid through the Collaborative's warrant process.

NOTE 6 – SERVICES FOR PUPILS AGE 22 AND OLDER

During year 2025, the Collaborative did not provide services for individuals age 22 years and older.

NOTE 7 – SCHEDULE OF CUMULATIVE SURPLUS

State regulations limit the amount of cumulative surplus that may be retained by collaboratives at the end of a fiscal year to no more than 25% of the prior year's general fund expenditures.

***Report on Internal Control over Financial
Reporting and on Compliance***

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**Independent Auditors' Report on Internal Control Over Financial Reporting and On Compliance
and Other Matters Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards**

To the Honorable Board of Directors
Lower Pioneer Valley Educational Collaborative

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 Lower Pioneer Valley Educational Collaborative, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Lower Pioneer Valley Educational Collaboratives' basic financial statements, and have issued our report thereon dated December 30, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Lower Pioneer Valley Educational Collaboratives' 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 Lower Pioneer Valley Educational Collaboratives' internal control. Accordingly, we do not express an opinion on the effectiveness of the Lower Pioneer Valley Educational Collaboratives' 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 Lower Pioneer Valley Educational Collaboratives' 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 Lower Pioneer Valley Educational Collaboratives' 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 Lower Pioneer Valley Educational Collaboratives' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Lower Pioneer Valley Educational Collaboratives' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CBIZ CPAs P.C.

Merrimack, NH
December 30, 2025