



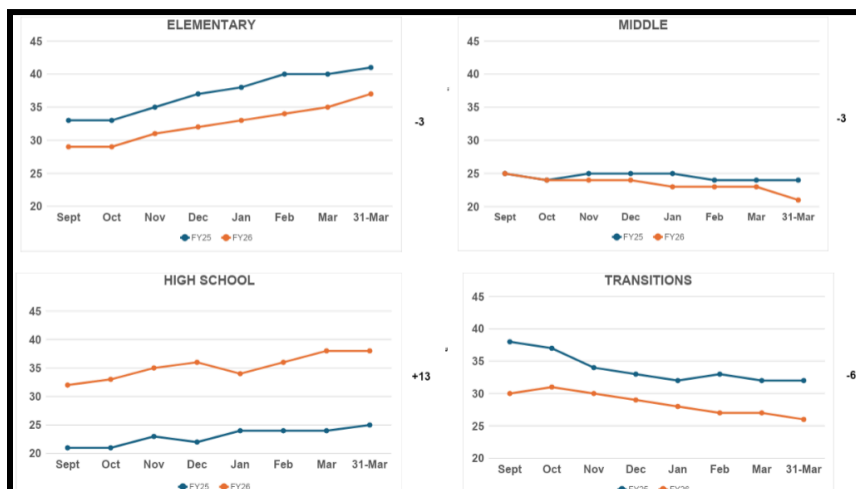
Center for Learning and Growth • 4 Tech Circle, Natick, MA 01760
 Main Office • 508.653.6776 • 508.653.0878 Fax • accept.org
 Transportation • 508.620.3875 • 508.655.5008 Fax

April 30th, 2026

To: ACCEPT Board of Directors
 From: Kathleen M. Bernklow, Ph.D., Interim Executive Director
 RE: Third Quarter Update from ACCEPT

In keeping with our collaborative agreement, I am providing a 3rd quarter program and financial update for our organization.

Enrollment for the 3rd quarter 2025-2026 school year across ACCEPT’s three special education campuses (ACCEPT Natick School, ACCEPT at Medway High School, and ACCEPT at Medway Middle School) have shown increases and decreases compared to 2nd quarter FY25. Elementary enrollment continues to lag FY 25. We recently opened another elementary classroom which is mitigating the lag in enrollment due to staffing difficulties we experienced in Q2. Additionally, the preponderance of 3rd grade referrals has filled all slots in the 3rd grade classroom and a waitlist has been established. A continued area of concern is the Transitions program. As previously discussed, the increased number of districts establishing their own 18-22 year old programming has resulted in a year’s long decline in enrollment, with aging out students not being replaced at the same rate by new, incoming students. We anticipate that 4 students will continue on in our Transitions program from our HS program so that beginning of the year numbers will be slightly higher for transitions and slightly lower for HS. Middle School enrollment in FY 26 (which includes gr. 6-7) is slightly below that of FY 25 (which included grades 6-8). FY 26 High School enrollment has increased by 13 students, 3 of whom were previously counted as MS students in FY25. This leaves a net increase of 10 *new* students at the HS versus FY 25. Enrollment as of 3/31/26 is 122 students, which is equal to FY 25, and 6.8% over our budgeted student count of 117.



Our transportation department continues to be plagued by turnover. We lost 13 drivers and 8 monitors this quarter and a dispatcher, director, and fleet manager. Interpersonal difficulties at the administrative level and driver anxiety are largely responsible for the impact. A formal investigation into department culture and communication prompted the resignation of the director, and the fleet manager resigned to take an opportunity in Wellesley soon afterwards. An interim stabilization plan was enacted and has allowed us to stabilize the department, reduce the number of outside subcontractors

to streamline Q4 billing, and freed up several drivers to cover open afternoon routes. Additionally, we have onboarded 6 drivers and 3 monitors this quarter, with another 6 drivers due to be onboarded in April of 2026. Operations are being coordinated by Eileen Christopher who has been reclassified as a Long Term Substitute Transportation Manager through June 30, 2026.

As you may recall, Q2 student ridership was frozen pending the successful adjustment, staffing, and stabilization of routes. March 31, 2026 ridership was 98 riders, with an overall loss of 9.3 % (10 riders) from the beginning to the end of the quarter.

Home-Based Services for the 2025-2026 school year are currently providing direct and/or consultative services to a total of 25 students across 10 different school districts. This represents a 47% increase over the end of the 2024-2025 school year, when we were providing services to 17 students. We are currently unable to take anymore Home-based students due staffing constraints, and a waitlist has been established..

ACCEPT has partnered with outside Directors/Asst. Superintendents to implement the Leading Forward Academy for Student Services. This Academy combines leadership development, mentorship, and coaching with practical and authentic tasks such as writing a comprehensive entry plan and presenting the plan and its results; collaboration and project management/planning; the intersection of Bullying, Harassment and Title IX and how to support building leadership during investigations; understanding multilingual students and the impact of multi- language learning on assessment; managing out of district caseloads; budgeting; data analysis; and program evaluation. Additionally, the mandated full day workshops will be revised into half day workshops with more of the content being available through online platforms. We currently have 17 people signed up for the Academy.

The Treasurer's FY26 Q3 report indicates that the Collaborative continues to maintain excellent cash reserves, both in cash on-hand, CD's, and investment accounts. The two investment accounts continue to grow as expected. The Operating Cash, at just over \$2 million as of March 31, 2026 and the balance of the 3 CD's which total just over \$1 million puts our operating cash total at \$3.5 million. Bank reconciliation reports are up to date and are being signed and dated monthly by the Treasurer. Additionally, payments to MTRS and the state retirement system are up to date and Federal and State taxes are being paid timely with each payroll process. Please see APPENDIX A for more detailed financial revenue and expenses information for FY 2026 Q3.

APPENDIX A
FY 2026 Q3 FINANCIAL REVENUE AND EXPENSES

Summary:

Year over year there is positive revenue growth of \$171,655 (1.6%) but expenses have increased at a higher rate \$242,783 (2.17%)

Home Based and ELI have seen the most dramatic increase in revenue of \$87,606 (41%) and \$95,335 (41%) respectively. But expenses have also seen a marked uptick, 27% and 30% respectively.

Transportation is the biggest concern with a drop in revenue of almost \$480,584 (-17%) and a negligible drop in expenses of 27,365 (1%)

Personnel Expenses:

Collaborative-wide wages are up 3.5% (\$248,500) in FY26 compared to FY25. Health benefits rose 3.6% (\$20,995). Due to the lack of driver's, there has been an increased level of overtime.

FY26 v FY25 Revenue Comparison

Department	Revenue Q3 FY26	Revenue Q3 FY25	Change	%
Program Tuition	\$ 6,202,071	\$ 5,855,618	\$ 346,453	6%
Transportation	\$ 2,362,857	\$ 2,843,441	\$ (480,584)	-17%
ESY	\$ 1,218,858	\$ 1,090,007	\$ 128,851	12%
Home Based Services	\$ 330,292	\$ 234,957	\$ 95,335	41%
ELI	\$ 302,331	\$ 214,725	\$ 87,606	41%
PD / School Consult	\$ 165,008	\$ 203,017	\$ (38,009)	-19%
VHS	\$ 117,255	\$ 109,420	\$ 7,835	7%
Medicaid	\$ 92,067	\$ 77,463	\$ 14,604	19%
Administration	\$ 86,441	\$ 76,877	\$ 9,564	12%
Total	\$ 10,877,180	\$ 10,705,525	\$ 171,655	1.6%

FY26 v FY25 Expense Comparison

Department	Expense Q3 FY26	Expense Q3 FY25	Change	%
Program Tuition	\$ 6,200,150	\$ 6,015,412	\$ 184,738	3%
Transportation	\$ 3,440,554	\$ 3,467,923	\$ (27,369)	-1%
ESY	\$ 725,900	\$ 792,776	\$ (66,876)	-8%
Home Based Services	\$ 319,332	\$ 250,697	\$ 68,635	27%
ELI	\$ 235,168	\$ 181,319	\$ 53,849	30%
PD / School Consult	\$ 216,665	\$ 223,108	\$ (6,443)	-3%
VHS	\$ 110,741	\$ 92,746	\$ 17,995	19%
Medicaid	\$ 109,815	\$ 101,125	\$ 8,690	9%
Administration	\$ 86,441	\$ 76,877	\$ 9,564	12%
Total	\$ 11,444,766	\$ 11,201,983	\$ 242,783	2.17%

Going Concern Warning:

Transportation

The Transportation Department is facing significant operational and financial challenges. Historically, the fourth quarter is when Transportation along with most departments see revenue exceed expenses. Normally, Transportation has steady or increased ridership and capital and supply purchases have been completed. However, FY26 is showing the opposite trend at the end of Q3, with expenses continuing to outpace revenue and no indication that there will be a late surge in revenue.

See *month to month* performance chart below:

- Ridership has declined 17% but expenses have not dropped proportionally.
- Loss of 17 drivers has increased the need for overtime with the most recent pay period showing \$10,175 in overtime, double FY25 levels for the same period.
- A \$100,000 retention bonus and pay rate increase were implemented to stabilize staffing; however, these measures will keep expenses flat or rising even with the reduced staffing level.
- There will be a partial offset through turnover savings; with the Director of Transportation and Fleet Manager leaving the organization will result in \$40,000 in savings if those positions remain unfilled.
- Outsourcing of routes coupled with management leaving has led to billing delays and cost uncertainty. There are many variables to account for, and more time will be needed before a true cost impact for the remaining 3 months can be assessed.

Based on current conditions and variables, the Transportation Department is projected to incur a loss of approximately \$800,000 in FY26.

FY26 Transportation Revenue and Expense by Month

Month	Revenue FY26	Expense FY26
Jul	\$ 303,504.00	\$ 306,184.00
Aug	\$ 146,605.65	\$ 340,363.66
Sep	\$ 386,527.93	\$ 323,684.43
Oct	\$ 423,238.86	\$ 443,577.00
Nov	\$ 332,910.91	\$ 424,464.00
Dec	\$ 309,301.86	\$ 456,462.10
Jan	\$ 325,583.60	\$ 427,051.39
Feb	\$ 228,563.69	\$ 360,238.59
Mar	\$ 290,000.00	\$ 358,529.28
Total	\$ 2,746,236.50	\$ 3,440,554.45

Estimated due to billing still being calculated by the Transportation Dept.

Other Program Highlights

ELI:

- Compared to FY25 enrollment increased by 6 students
- Revenue increased 41% (\$87,606).
- With increased enrollment, expenses are up 30% at end of Q3.
- FY25 ended with a \$20,000 loss; FY26 is projected to break even if no major changes occur.
- Fitchburg State invoice is the final large expense remaining.

Home Based:

- Enrollment increased by 7 students over FY25.
- Revenue increased 41% (\$95,335) at the end of Q3.
- High-cost staffing (therapists, supervisors, evaluators) and travel reimbursement substantially reduce profit margins.
- Projection for end of year is a marginal profit

PD/School Consult:

- Spring enrollment did not materialize to initial projections. Course enrollment is lower than FY25;
- School consultation hours have also decreased.
- Competition with online, asynchronous, and lower cost PD has had a strong negative impact on the Department.
- Expected FY26 loss is approximately \$50,000.
- A small portion of the shortfall is tied to the loss of the DESE SPED Leadership Grant.

Program Enrollment Trend:



This will be my final quarterly report. I'd like to thank you for the support you've shown me over the past 2.5 years. It has meant a great deal.

Where necessary I will bring updated numbers to the May Board of Directors meeting. If you need clarification or additional financial information in the meantime, I'd be happy to help.

Thank You,

George McCormack
Director of Finance and Operations



Center for Learning and Growth • 4 Tech Circle, Natick, MA 01760
Main Office • 508.653.6776 • 508.653.0878 Fax • accept.org
Transportation • 508.620.3875 • 508.655.5008 Fax

To: ACCEPT Board of Directors
From: Barbara Durand, Treasurer
Date: April 9, 2026
RE: Quarterly Treasurer's report-January 1 to March 31, 2026

CASH ACCOUNT:

Balance on Hand 3.31.26	\$2,047,992.14
9 Month CD (Oct 2026-#1198)	\$ 340,253.66
6 Month CD (Sept 2026-#1205)	\$ 340,721.88
9 Month CD (June 2026-#1213)	\$ 340,561.59
Aging Receivables 3.31.26	<u>\$ 450,819.94</u>
	\$3,520,349.21

STATEMENT 18 MONTH CD: \$ 173,176.73 (Required as part of Building Lease)

DONATION ACCOUNTS: \$ 97,075.40

CAPITAL INVESTMENT ACCOUNT:

Beginning Balance 12.31.25	\$1,254,494.13
Fees	\$ -1896.21
Realized/Unrealized	\$ -9827.28
Int/Div/Investments	<u>\$ 282,314.26</u>
Balance of Account 3.31.26	\$1,525,084.91

OPEB INVESTMENT ACCOUNT:

Beginning Balance 12.31.25	\$1,540,261.52
Internal Funding	\$ 81,724.00
Int/Div/Investments	\$ 8,920.10
Realized/Unrealized	\$ -31,009.90
Fees	<u>\$ -1541.11</u>
Balance of Account 3.31.26	\$1,598,354.61

The Collaborative continues to maintain excellent cash reserves, in cash on hand, CD's and investment accounts. Brian Jamros from Bartholomew and Co. will be at the Board of Directors meetings on May 6th to present the annual performance portfolio report for both the OPEB investment account and the Capital investment account. The Operating Cash, at just over \$2 million as of March 31, 2026 and the balance of the 3 CD's which total just over \$1 million puts our operating cash total at \$3.5 million.

CD'S

Our CD's are scheduled to mature in June, September and October 2026. As of 3.31.26 the three CD's have earned \$21,537.13 in interest.

Reconciliation Items:

The Director of Finance and Treasurer are reviewing the Task Checklist every other week to ensure all tasks are being done timely. The Interim Executive Director also has access to this checklist for her review.

Bank reconciliation reports are up to date as of March 31, 2026 and have been reviewed, signed and dated monthly by the Treasurer.

Payments to MTRS and the state retirement system are up to date.

Federal and State taxes are being paid timely with each payroll process.