

December 23, 2020

To the Board of Directors
Shore Educational Collaborative

We have audited the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Shore Educational Collaborative (the "Collaborative") for the year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 29, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Collaborative are described in Note A to the financial statements. During the fiscal year ended June 30, 2020, the Collaborative adopted the following Governmental Accounting Standards Board ("GASB") pronouncements:

- GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84 and A Supersession of GASB Statement No. 32*. This statement establishes requirements for determining a potential component unit. The adoption of GASB No. 97 does not have any impact on the Collaborative's financial statements.
- GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This statement postpones the effective date for twelve months for these pronouncements in their entirety - GASB No's 89, 90, and 91 and postpones the effective date for twelve months for certain provisions of these pronouncements - GASB No's 92 and 93. It also postpones the effective date for eighteen months for GASB No. 87.

No other new accounting policies were adopted and the application of other existing policies was not changed during fiscal 2020. We noted no transactions entered into by the Collaborative during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Collaborative's financial statements were:

Management's estimate of the depreciable lives and estimated residual value of the capital assets is based on historical usage of the capital assets and an analysis of their remaining usability.

Management's estimate of the liability of other postemployment benefits is based on an actuarial valuation of its obligation which included actuarial assumptions of a discount rate, healthcare trend rates, general inflation rate, annual compensation increases, and mortality rates.

Management's estimate of the fair value of the cash flow hedge related to the interest rate swap on a bond payable is based on a market-to-market valuation which estimates the net present value of the expected cash flows between the parties to the swap agreement, using relevant mid-market data inputs based on the assumption of no unusual market conditions or forced liquidation and does not include an assessment of nonperformance risk.

Management's allocation of costs to programs and general and administrative expenses.

Management's estimate of pension on-behalf payments is based on the audited pension plan financial statements issued by the retirement systems for the Massachusetts Teachers' Retirement Plan and the Massachusetts State Employees' Retirement Plan.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- The disclosure of the bonds payable in Note N to the financial statements due to the materiality of the bonds payable and in Note R the disclosure of the bond covenant violation
- The disclosure of the other postemployment benefits liability in Note O to the financial statements due to the materiality of the unfunded other postemployment benefits liability.
- The disclosure of the Collaborative's proportionate share of the net pension liability for the Massachusetts Teachers' Retirement Plan and the Massachusetts State Employees' Retirement Plan in Note L to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, the attached schedule labeled "Adjusting Journal Entries Report" shows all the material misstatements detected as a result of audit procedures and that were corrected by management. The net effect of these misstatements on the statement of revenues, expenditures and changes in fund balances - governmental funds is an increase in fund balances of \$1,426,024. The net effect of these misstatements on the statement of activities is an increase in net position of \$1,426,024. Furthermore, the attached schedule labeled "Reclassifying Journal Entries Report" shows the material reclassifications that needed to be made to convert the government-wide financial statements to the fund financial statements. The net effect of these reclassifications totaled \$418,977.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 23, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Collaborative's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Collaborative's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition to our retention.

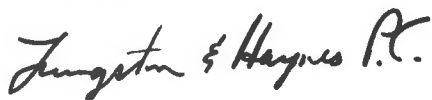
Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis, Massachusetts Department of Elementary and Secondary Education (DESE) required supplementary information, budgetary comparison information, schedule of the changes in the Collaborative's net OPEB liability and related ratios for the Retiree Health Insurance Plan, schedule of the Collaborative's contributions to the Retiree Health Insurance Plan, Schedule of investment returns for the Retiree Health Insurance Plan, schedules of the Collaborative's proportionate share of the net pension liability for the Massachusetts Teachers' Retirement System (MTRS) and the Massachusetts State Employees' Retirement System (MSERS) and schedules of the Collaborative's contributions to the MTRS and MSERS, which are required supplementary information ("RSI") that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of the Collaborative and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



Livingston & Haynes, P.C.

Client: **SHO6002 - Shore Educational Collaborative**
 Engagement: **AUD2020 - Shore Educational Collaborative**
 Trial Balance: **1001.01 - TB**
 Workpaper: **132.04 - Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit	P&L Effect
Adjusting Journal Entries JE # 1					
To adjust A/P and cash.					
1005-000000	CASH - CHECKING BN OPERATING		35.00		
1005-000000	CASH - CHECKING BN OPERATING		7,897.00		
1005-000000	CASH - CHECKING BN OPERATING		189,041.00		
2000-000000	ACCOUNTS PAYABLE			7,897.00	
2000-000000	ACCOUNTS PAYABLE			189,041.00	
4840-000636	CONTRACTED SERVICES			35.00	
Total			<u><u>196,973.00</u></u>	<u><u>196,973.00</u></u>	(35.00)
Adjusting Journal Entries JE # 2					
To record onbehalf payments.					
		6106.01			
4900-000636	TEACHER RETIRE ON BEHALF PAYMT		1,930,389.00		
4910-000636	STATE RETIRE ON BEHALF PAYMT		3,181,315.00		
3900-000900	ON BEHALF PAYMENTS			5,111,704.00	
Total			<u><u>5,111,704.00</u></u>	<u><u>5,111,704.00</u></u>	-
Adjusting Journal Entries JE # 4					
To adjust swap liability.					
1450-000000	ACC. FAIR VALUE INTEREST SWAP		501,263.00		
2195-000000	INTEREST RATE SWAP			501,263.00	
Total			<u><u>501,263.00</u></u>	<u><u>501,263.00</u></u>	-
Adjusting Journal Entries JE # 5					
To reclass Mass and State retirement.					
2153-000602	TEACHER'S RETIREMENT W/H		94,087.00		
2156-000603	MASS. RETIREMENT W/H		29,350.00		
2156-000605	MASS. RETIREMENT W/H		18,998.00		
2000-000000	ACCOUNTS PAYABLE			142,435.00	
Total			<u><u>142,435.00</u></u>	<u><u>142,435.00</u></u>	-
Adjusting Journal Entries JE # 6					
To record Medicaid Billing Receivable.					
		2606.01			
1103-000000	MEDICAID BILLING RECEIVABLE		20,120.00		
3000-000450	CITY			20,120.00	
Total			<u><u>20,120.00</u></u>	<u><u>20,120.00</u></u>	(20,120.00)
Adjusting Journal Entries JE # 7					
To accrue audit fee increase and cost to prepare UFR.					
4810-000636	ACCOUNTING/AUDITING		6,050.00		
2170-000000	ACCRUED LEGAL & ACCOUNTING			6,050.00	
Total			<u><u>6,050.00</u></u>	<u><u>6,050.00</u></u>	6,050.00
Adjusting Journal Entries JE # 8					
To reclass Medicaid billing software.					
1530-000000	FIXED ASSETS		25,950.00		
5054-000450	COMPUTER SUPPORT			7,600.00	
5054-000450	COMPUTER SUPPORT			9,175.00	
5450-000450	TECHNOLOGY SUPPLIES			9,175.00	
Total			<u><u>25,950.00</u></u>	<u><u>21,950.00</u></u>	(25,950.00)
Adjusting Journal Entries JE # 9					
To reclass furniture from CIP back to CIP.					
1522-000000	CONSTRUCTION IN PROCESS		484,745.00		
5560-000110	EQUIPMENT			18,335.00	
5560-000636	EQUIPMENT			466,410.00	
Total			<u><u>484,745.00</u></u>	<u><u>484,745.00</u></u>	(484,745.00) (A)
Adjusting Journal Entries JE # 10					
To reclass encumbrances.					
2900-000000	GENERAL FUND BALANCE		189,041.00		
2900-000050	ENCUMBRANCES - ADULT DAY			110,883.00	
2900-000075	ENCUMBRANCES - FRINGE BENEFITS			45,295.00	

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Account	Description	W/P Ref	Debit	Credit	P&L Effect
2900-000076	ENCUMBRANCES - OTHER PURPOSES			32,863.00	
Total			189,041.00	189,041.00	-
Adjusting Journal Entries JE # 11					
To agree to py fund balance.					
4700-000880	STAFF TRAINING		6,600.00		
2900-000000	GENERAL FUND BALANCE			6,600.00	
Total			6,600.00	6,600.00	6,600.00
Adjusting Journal Entries JE # 12					
To record interest income on Project A/C.					
1045-000000	PROJECT FUND		79.00		
3700-000636	INTEREST INCOME			79.00	
Total			79.00	79.00	(79.00)
Adjusting Journal Entries JE # 15					
		4103.01			
To remove amount ordered after 6/30/20 for PPE (to be reversed on 7/1/20).					
2000-000000	ACCOUNTS PAYABLE		50,840.00		
6060-000636	MISC. EXPENSES			50,840.00	
Total			50,840.00	50,840.00	(50,840.00)
Adjusting Journal Entries JE # 16					
REPORT ONLY ENTRY - To reclass PPE to medical supplies.					
5410-000636	MED/PHARM SUPPLIES		39,113.00		
6060-000636	MISC. EXPENSES			39,113.00	
Total			39,113.00	39,113.00	-
Adjusting Journal Entries JE # 17					
To record accrued interest.					
6120-000637	INTEREST EXPENSE		63,697.00		
2100-000000	ACCRUED EXPENSES			63,697.00	
Total			63,697.00	63,697.00	63,697.00
Adjusting Journal Entries JE # 18					
To allocate interest expense to the programs.					
6120-000105	INTEREST EXPENSE		91,140.00		
6120-000110	INTEREST EXPENSE		52,080.00		
6120-000305	INTEREST EXPENSE		46,872.00		
6120-000315	INTEREST EXPENSE		46,872.00		
6120-000510	INTEREST EXPENSE		10,416.00		
6120-000636	INTEREST EXPENSE		26,040.00		
6120-000637	INTEREST EXPENSE			273,420.00	
Total			273,420.00	273,420.00	-
Adjusting Journal Entries JE # 19					
To record current portion of bonds payable.					
2142-000002	CURRENT PORTION - BONDS PAYABLE		289,556.00		
2142-000001	CURRENT PORTION - BONDS PAYABLE			289,556.00	
Total			289,556.00	289,556.00	-
Adjusting Journal Entries JE # 22					
To record additional retainer payment for FY20.					
1100-000000	ACCOUNTS RECEIVABLE		23,135.00		
3100-000110	DEPT OF MENTAL HEALTH			7,362.00	
3100-000120	DEPT OF MENTAL HEALTH			10,374.00	
3100-000140	DEPT OF MENTAL HEALTH			5,399.00	
Total			23,135.00	23,135.00	(23,135.00)
Adjusting Journal Entries JE # 23					
To reclass retiree health insurance.					
2182-000649	RETIREE INSURANCE		12,017.00		
4650-000636	RETIREE INSURANCE EXPENSE		25,644.00		
4600-000105	MEDICAL INSURANCE			4,708.00	
4600-000110	MEDICAL INSURANCE			4,708.00	
4600-000120	MEDICAL INSURANCE			4,708.00	
4600-000140	MEDICAL INSURANCE			4,708.00	
4600-000305	MEDICAL INSURANCE			4,708.00	
4600-000325	MEDICAL INSURANCE			4,708.00	
4600-000405	MEDICAL INSURANCE			4,708.00	
4600-000636	MEDICAL INSURANCE			4,705.00	
Total			37,661.00	37,661.00	(12,017.00)
Adjusting Journal Entries JE # 24					
To record real estate reconciliation credit for Chelsea building.					

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Account	Description	W/P Ref	Debit	Credit	P&L Effect
1102-000000	OTHER ACCOUNTS RECEIVABLE		4,395.00		
5000-000140	RENT			4,395.00	
Total			4,395.00	4,395.00	(4,395.00)
Adjusting Journal Entries JE # 25					
To record depreciation.					
5610-000000	DEPRECIATION FIXED ASSETS		77,657.00		
5611-000000	DEPRECIATION LEASE IMPROVEMENT		57,059.00		
5614-000000	DEPRECIATION ON BUILDING		150,151.00		
5615-000000	DEPRECIATION ON BUILD IMPROVEM		139,990.00		
5618-000000	DEPRECIATION ON LAND IMPROVEM		21,809.00		
1521-000000	ACC. DEPREC. - LEASEHOLD IMPR.			57,059.00	
1531-000000	ACC. DEPR. ON FIXED ASSETS			77,657.00	
1601-000000	ACC. DEPREC. - BUILDING			150,151.00	
1611-000000	ACC. DEPREC. - BUILDING IMPROV			139,990.00	
1631-000000	ACC. DEPREC. - LAND IMPROVEMENT			21,809.00	
Total			446,666.00	446,666.00	446,666.00 (A)
Adjusting Journal Entries JE # 26					
		4406.01			
To record current year OPEB entries.					
2182-000649	RETIREE INSURANCE		11,372.00		
2182-000649	RETIREE INSURANCE		40,070.00		
2197-000000	DEFERRED INFLOW-OPEB LIABILITY		115,421.00		
4650-000105	RETIREE INSURANCE EXPENSE		4,025.00		
4650-000110	RETIREE INSURANCE EXPENSE		4,025.00		
4650-000120	RETIREE INSURANCE EXPENSE		4,025.00		
4650-000140	RETIREE INSURANCE EXPENSE		4,025.00		
4650-000305	RETIREE INSURANCE EXPENSE		4,025.00		
4650-000315	RETIREE INSURANCE EXPENSE		4,025.00		
4650-000325	RETIREE INSURANCE EXPENSE		4,025.00		
4650-000636	RETIREE INSURANCE EXPENSE		4,028.00		
1452-000000	DEFERRED OUTFLOW - OPEB			28,587.00	
2182-000649	RETIREE INSURANCE			3,616.00	
4650-000105	RETIREE INSURANCE EXPENSE			1,421.00	
4650-000105	RETIREE INSURANCE EXPENSE			19,436.00	
4650-000110	RETIREE INSURANCE EXPENSE			1,421.00	
4650-000110	RETIREE INSURANCE EXPENSE			19,436.00	
4650-000120	RETIREE INSURANCE EXPENSE			1,421.00	
4650-000120	RETIREE INSURANCE EXPENSE			19,436.00	
4650-000140	RETIREE INSURANCE EXPENSE			1,421.00	
4650-000140	RETIREE INSURANCE EXPENSE			19,436.00	
4650-000305	RETIREE INSURANCE EXPENSE			1,421.00	
4650-000305	RETIREE INSURANCE EXPENSE			19,436.00	
4650-000315	RETIREE INSURANCE EXPENSE			1,421.00	
4650-000315	RETIREE INSURANCE EXPENSE			19,436.00	
4650-000325	RETIREE INSURANCE EXPENSE			1,421.00	
4650-000325	RETIREE INSURANCE EXPENSE			19,436.00	
4650-000636	RETIREE INSURANCE EXPENSE			1,425.00	
4650-000636	RETIREE INSURANCE EXPENSE			19,439.00	
Total			199,066.00	199,066.00	(134,660.00) (A)
Adjusting Journal Entries JE # 30					
To remove outstanding checks that will not be cleared.					
1005-000000	CASH - CHECKING BN OPERATING		998.00		
1005-000000	CASH - CHECKING BN OPERATING		5,300.00		
1005-000000	CASH - CHECKING BN OPERATING		12,579.00		
4850-000105	CUSTODIAL SERVICES			1,339.00	
4850-000110	CUSTODIAL SERVICES			1,271.00	
4850-000120	CUSTODIAL SERVICES			1,587.00	
4850-000140	CUSTODIAL SERVICES			5,078.00	
4850-000305	CUSTODIAL SERVICES			1,339.00	
4850-000315	CUSTODIAL SERVICES			1,339.00	
4850-000636	CUSTODIAL SERVICES			626.00	
5056-000105	SNOWPLOWING			883.00	
5056-000120	SNOWPLOWING			2,650.00	
5056-000305	SNOWPLOWING			884.00	
5056-000315	SNOWPLOWING			883.00	
6000-000120	TELEPHONE			998.00	
Total			18,877.00	18,877.00	(18,877.00)
Adjusting Journal Entries JE # 31					
To close out fund balance for 834.					
2900-000000	GENERAL FUND BALANCE		1,306.00		
2900-000834	GENERAL FUND BALANCE			1,306.00	
Total			1,306.00	1,306.00	-
Adjusting Journal Entries JE # 32					
To reverse allocation of 323.					
5560-000323	EQUIPMENT		41,017.00		
5560-000105	EQUIPMENT			8,819.00	
5560-000110	EQUIPMENT			3,527.00	

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Account	Description	W/P Ref	Debit	Credit	P&L Effect
5560-000120	EQUIPMENT			6,358.00	
5560-000140	EQUIPMENT			4,881.00	
5560-000243	EQUIPMENT			697.00	
5560-000305	EQUIPMENT			3,404.00	
5560-000308	EQUIPMENT			615.00	
5560-000315	EQUIPMENT			3,405.00	
5560-000325	EQUIPMENT			3,076.00	
5560-000405	EQUIPMENT			1,231.00	
5560-000450	EQUIPMENT			902.00	
5560-000510	EQUIPMENT			1,395.00	
5560-000636	EQUIPMENT			2,707.00	
Total			41,017.00	41,017.00	

Adjusting Journal Entries JE # 33

To reclass non-capital items.

4840-000636	CONTRACTED SERVICES		4,953.00		
5540-000120	EQUIPMENT MAINT.		976.00		
5540-000120	EQUIPMENT MAINT.		2,314.00		
5540-000140	EQUIPMENT MAINT.		5,945.00		
5544-000110	SECURITY ALARM MONITORING		1,642.00		
5550-000110	NON-CAPITAL EQUIPMENT		3,406.00		
5550-000110	NON-CAPITAL EQUIPMENT		7,150.00		
5550-000110	NON-CAPITAL EQUIPMENT		7,371.00		
5550-000120	NON-CAPITAL EQUIPMENT		380.00		
5550-000140	NON-CAPITAL EQUIPMENT		379.00		
5550-000305	NON-CAPITAL EQUIPMENT		34.00		
5550-000636	NON-CAPITAL EQUIPMENT		2,666.00		
5550-000636	NON-CAPITAL EQUIPMENT		4,759.00		
5560-000105	EQUIPMENT			516.00	
5560-000110	EQUIPMENT			788.00	
5560-000110	EQUIPMENT			7,150.00	
5560-000110	EQUIPMENT			12,419.00	
5560-000120	EQUIPMENT			380.00	
5560-000120	EQUIPMENT			876.00	
5560-000120	EQUIPMENT			976.00	
5560-000120	EQUIPMENT			2,314.00	
5560-000140	EQUIPMENT			379.00	
5560-000140	EQUIPMENT			873.00	
5560-000140	EQUIPMENT			5,945.00	
5560-000305	EQUIPMENT			516.00	
5560-000315	EQUIPMENT			515.00	
5560-000323	EQUIPMENT			29.00	
5560-000323	EQUIPMENT			34.00	
5560-000323	EQUIPMENT			4,759.00	
5560-000325	EQUIPMENT			516.00	
5560-000636	EQUIPMENT			324.00	
5560-000636	EQUIPMENT			2,666.00	
Total			41,975.00	41,975.00	

Adjusting Journal Entries JE # 34

To reclass fixed assets.

1520-000000	LEASEHOLD IMPROVEMENTS		2,312.00		
1520-000000	LEASEHOLD IMPROVEMENTS		2,312.00		
1520-000000	LEASEHOLD IMPROVEMENTS		903,940.00		
1530-000000	FIXED ASSETS		3,325.00		
1530-000000	FIXED ASSETS		3,325.00		
1530-000000	FIXED ASSETS		3,325.00		
1530-000000	FIXED ASSETS		8,562.00		
1530-000000	FIXED ASSETS		8,562.00		
1530-000000	FIXED ASSETS		36,195.00		
1530-000000	FIXED ASSETS		48,011.00		
1530-000000	FIXED ASSETS		127,955.00		
1610-000000	BUILDING IMPROVEMENTS		2,312.00		
1610-000000	BUILDING IMPROVEMENTS		3,850.00		
1610-000000	BUILDING IMPROVEMENTS		4,121.00		
1610-000000	BUILDING IMPROVEMENTS		5,359.00		
1610-000000	BUILDING IMPROVEMENTS		5,359.00		
1610-000000	BUILDING IMPROVEMENTS		5,359.00		
5560-000105	EQUIPMENT			8,684.00	
5560-000110	EQUIPMENT			50,323.00	
5560-000120	EQUIPMENT			10,874.00	
5560-000140	EQUIPMENT			10,874.00	
5560-000305	EQUIPMENT			8,684.00	
5560-000315	EQUIPMENT			8,684.00	
5560-000323	EQUIPMENT			36,195.00	
5560-000450	EQUIPMENT			4,121.00	
5560-000636	EQUIPMENT			1,035,745.00	
Total			1,174,184.00	1,174,184.00	(1,174,184.00) (A)

Adjusting Journal Entries JE # 35

To reclass CIP.

1520-000000	LEASEHOLD IMPROVEMENTS		324,301.00		
1530-000000	FIXED ASSETS		156,610.00		

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Account	Description	W/P Ref	Debit	Credit	P&L Effect
1522-000000	CONSTRUCTION IN PROCESS			480,911.00	
Total			<u>480,911.00</u>	<u>480,911.00</u>	-
Adjusting Journal Entries JE # 42					
CLIENT DO NOT MAKE - To close out P&L.					
2999-999999	NET INCOME OFFSET		2,199,348.00		
2999-000000	P&L Summary			2,199,348.00	
Total			<u>2,199,348.00</u>	<u>2,199,348.00</u>	-
Adjusting Journal Entries JE # 43					
To reclass restricted cash to restricted fund.					
2900-000000	GENERAL FUND BALANCE		1,795,253.00		
2238-000000	RESERVE FOR RESTRICTED CASH			1,795,253.00	
Total			<u>1,795,253.00</u>	<u>1,795,253.00</u>	-
					(1,426,024.00)

Ⓐ - These entries are considered material.

Client: **SHO6002 - Shore Educational Collaborative**
 Engagement: **AUD2020 - Shore Educational Collaborative**
 Trial Balance: **1001.01 - TB**
 Workpaper: **132.03 - Reclassifying Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit	P&L Effect
Reclassifying Journal Entries JE # 14					
To adjust prepaid expenses reserve.					
2601-000000	RESERVE FOR PREPAID EXP & OTHE		6,580.00		
2900-000000	GENERAL FUND BALANCE			6,580.00	
Total			<u>6,580.00</u>	<u>6,580.00</u>	-
Reclassifying Journal Entries JE # 20					
To record correct amount of LTD.					
2900-000000	GENERAL FUND BALANCE		212,091.00		
1700-000000	AMOUNT PROVIDED FOR LTD			212,091.00	
Total			<u>212,091.00</u>	<u>212,091.00</u>	-
Reclassifying Journal Entries JE # 21					
To record debt service through interest expense and payments on bonds.					
9500-000000	DEBT SERVICE		485,511.00		
2900-000000	GENERAL FUND BALANCE			212,091.00	
6120-000105	INTEREST EXPENSE			91,140.00	
6120-000110	INTEREST EXPENSE			52,080.00	
6120-000305	INTEREST EXPENSE			46,872.00	
6120-000315	INTEREST EXPENSE			46,872.00	
6120-000510	INTEREST EXPENSE			10,416.00	
6120-000636	INTEREST EXPENSE			26,040.00	
Total			<u>485,511.00</u>	<u>485,511.00</u>	212,091.00 (A)
Reclassifying Journal Entries JE # 27					
To eliminate long-term liability					
1701-000000	AMOUNT PROVIDED FOR OPEB		633,416.00		
2602-000000	INVESTMENT IN OPEB		28,587.00		
1702-000000	AMT. PROVD FOR OPEB DEF INFLOW			115,421.00	
4650-000000	RETIREE INSURANCE EXPENSE			546,582.00	
Total			<u>662,003.00</u>	<u>662,003.00</u>	(546,582.00) (A)
Reclassifying Journal Entries JE # 36					
To reclass general fixed assets.					
2900-000000	GENERAL FUND BALANCE		753,468.00		
2600-000000	INVESTMENT IN GEN FIXED ASSETS			753,468.00	
Total			<u>753,468.00</u>	<u>753,468.00</u>	-
Reclassifying Journal Entries JE # 37					
To eliminate depreciation per GASB.					
2900-000000	GENERAL FUND BALANCE		446,666.00		
5610-000000	DEPRECIATION FIXED ASSETS			77,657.00	
5611-000000	DEPRECIATION LEASE IMPROVEMENT			57,059.00	
5614-000000	DEPRECIATION ON BUILDING			150,151.00	
5615-000000	DEPRECIATION ON BUILD IMPROVEM			139,990.00	
5618-000000	DEPRECIATION ON LAND IMPROVEM			21,809.00	
Total			<u>446,666.00</u>	<u>446,666.00</u>	(446,666.00) (A)
Reclassifying Journal Entries JE # 38					
To record capital assets.					
9600-000000	CAPITAL ADDITIONS		1,200,134.00		
2900-000000	GENERAL FUND BALANCE			1,200,134.00	
Total			<u>1,200,134.00</u>	<u>1,200,134.00</u>	1,200,134.00 (A)

418,977.00

(A) - These entries are considered material.