



December 23, 2021

To the Board of Directors
Shore Educational Collaborative
Chelsea, Massachusetts

In planning and performing our audit of the financial statements of Shore Educational Collaborative ("the Collaborative") as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the Collaborative's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Collaborative's internal control. Accordingly, we do not express an opinion on the effectiveness of the Collaborative's internal control.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. (We previously communicated to you about the Collaborative's internal control in our letter dated December 23, 2021.) This letter does not affect our report dated December 23, 2021, on the financial statements of the Collaborative.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Collaborative personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

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

Very truly yours,

Livingston & Haynes, P.C.

Outstanding Checks

During our testing, we noted in the operating and payroll checking accounts that there are a number of outstanding checks from 2017 that need to be reviewed. We recommend that outstanding checks be reviewed on an on-going basis to make sure that checks are being cashed in a timely fashion. Those checks should either be reissued or turned over to the Commonwealth of Massachusetts as abandoned property.

Billing and Attendance in the Adult Day Program

During our testing, we noted two clients in the adult day program that were incorrectly billed. After examining their attendance for a particular month, it was determined that billing was done for two units for each client that they had not attended.

Overall, there were other clients in the adult day program that had not been billed for certain units since they had run out of their allotted billable units. Therefore, these client's units could have been used by those clients and, consequently, there was no overbilling that occurred in the adult day program.

We recommend that better controls be instituted to make sure that overbilling does not occur and that the billing is calculated appropriately based on the actual number of units attended by clients.