

**EASTERN CONNECTICUT REGIONAL  
EDUCATIONAL SERVICE CENTER**

**STATE SINGLE AUDIT REPORT**

**YEAR ENDED JUNE 30, 2023**



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**EASTERN CONNECTICUT REGIONAL EDUCATIONAL SERVICE CENTER  
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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE REQUIRED BY THE STATE SINGLE AUDIT ACT**

Board of Directors  
Eastern Connecticut Regional Educational Service Center  
Hampton, Connecticut

**Report on Compliance for Each Major State Program**

***Opinion on Each Major State Program***

We have audited the Eastern Connecticut Regional Educational Service Center (EASTCONN)'s compliance with the types of compliance requirements identified as subject to audit in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of EASTCONN's major state programs for the year ended June 30, 2023. EASTCONN's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, EASTCONN complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2023.

***Basis for Opinion on Each Major State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S Sections 4-230 to 4-236). Our responsibilities under those standards and the State Single Audit Act are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of EASTCONN and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major state program. Our audit does not provide a legal determination of EASTCONN's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to EASTCONN's state programs.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on EASTCONN's compliance based on our audit. 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, *Government Auditing Standards*, and the State Single Audit will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about EASTCONN's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the State Single Audit Act, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 EASTCONN's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of EASTCONN's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of EASTCONN's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

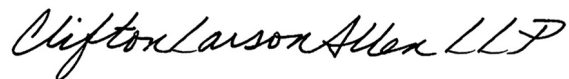
Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of EASTCONN, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise EASTCONN's basic financial statements. We have issued our report thereon dated May 23, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is 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 auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.



**CliftonLarsonAllen LLP**

West Hartford, Connecticut  
May 23, 2024

**EASTERN CONNECTICUT REGIONAL EDUCATIONAL SERVICE CENTER  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
YEAR ENDED JUNE 30, 2023**

State Grantor/Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Passed Through to Subrecipients	Expenditures
<b>Department of Education</b>			
Parents Trust Fund Program	11000-SDE64370-12506	\$ -	\$ 11,492
Talent Development	11000-SDE64370-12552	-	\$ 1,241
Talent Development	11000-SDE64515-12552	-	771,441
Subtotal			772,682
Child Nutrition State Match	11000-SDE64370-16211	-	10,619
Health Foods Initiative	11000-SDE64370-16212	-	20,171
Adult Education	11000-SDE64370-17030	-	34,211
Interdistrict Cooperation	11000-SDE64370-17045	-	99,982
School Breakfast Program	11000-SDE64370-17046	-	23,958
Non-Sheff Transportation (Magnet School – Transportation)	11000-SDE64370-12632	-	341,900
Magnet Schools Operating	11000-SDE64370-17057-82062	-	2,393,226
Magnet Schools	11000-SDE64370-17057-82010	-	8,503
Subtotal			2,743,629
After School Programs	11000-SDE64370-17084	-	141,285
Development of Mastery Exams Grades 4, 6, and 8	11000-SDE64490-12171	-	8,000
Total Department of Education		-	3,866,029
<b>Mental Health and Addiction Services</b>			
Managed Service System	11000-MHA53261-12157	-	299,205
Total Mental Health and Addiction Services		-	299,205
<b>Office of Early Childhood</b>			
Early Child Care Program Stabilization Funding	11000-OEC64806-12639	-	138,454
Head Start Services	11000-OEC64845-16101	246,890	351,808
Passed through the Department of Social Services:			
Birth to Three Program	11000-OEC64855-12192	-	728,493
Birth to Three Program - Passed through the Department of Social Services		-	829,594
Subtotal			1,558,087

See accompanying Note to Schedule of Expenditures of State Financial Assistance.

**EASTERN CONNECTICUT REGIONAL EDUCATIONAL SERVICE CENTER  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

State Grantor/Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Passed Through to Subrecipients	Expenditures
<b>Office of Early Childhood (Continued)</b>			
Infant and Toddlers - Disabilities	12060-OEC64855-20513	\$ -	\$ 87,000
Sparkler Developmental Screening and Promotion	OEC	-	18,000
Total Office of Early Childhood		246,890	2,153,349
<b>Department of Rehabilitation Services</b>			
Vocational Rehabilitation - Disabled	11000-SDR63620-16004	-	\$ 20,176
Vocational Rehabilitation - Disabled	11000-SDR63820-16004	-	1,781
Subtotal			21,957
National Deaf-Blind Equipment Distribution Program	12060-SDR63635-22536	-	3,274
Total Department of Rehabilitation Services		-	25,231
<b>Department of Labor</b>			
Passed Through the Eastern Connecticut Workforce Investment Board:			
Economic Assistance Bond Fund	12034-DOL400000-40221	-	43,745
Employment for Youth Involved with DCF	12060-DOL40000-90615	31,246	86,484
Connecticut's Youth Employment Program	11000-DOL40000-12205	209,472	490,394
Career Pathway Pipeline	11000-DOL40000-12597	25,120	133,059
Passed Through Thames Valley Council for Community Action:			
Job First Employment Services	11000-DOL40000-12212	-	256,876
Total Department of Labor		265,838	1,010,558
<b>Judicial Branch</b>			
Juvenile Pro-Social Programming	11000-JUD96114-12105	-	4,324
Total Judicial Branch		-	4,324
Total State Financial Assistance		\$ 512,728	\$ 7,358,696

See accompanying Note to Schedule of Expenditures of State Financial Assistance.

**EASTERN CONNECTICUT REGIONAL EDUCATIONAL SERVICE CENTER  
NOTE TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The accompanying schedule of expenditures of state financial assistance (the Schedule) includes the state grant activity of EASTCONN, under programs of the state of Connecticut for the year ended June 30, 2023. Various departments and agencies of the state of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the state of Connecticut. Because the Schedule presents only a selected portion of the operations of EASTCONN, it is not intended to, and does not, present the financial position, changes in fund balance, changes in net position or cash flows of EASTCONN.

**Basis of Accounting**

The accounting policies of EASTCONN, conform to accounting principles generally accepted in the United States of America as applicable to governmental organizations. The information in the Schedule is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

Expenditures reported on the Schedule are presented on the modified accrual basis of accounting. In accordance with Section 4-236-22 of the Regulations to the State Single Audit Act, certain grants are not dependent on expenditure activity and, accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the Schedule.





**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***

Board of Directors  
Eastern Connecticut Regional Educational Service Center  
Hampton, Connecticut

We have audited, in accordance with 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 the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Eastern Connecticut Regional Educational Service Center (EASTCONN), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise EASTCONN's basic financial statements, and have issued our report thereon dated May 23, 2024.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered EASTCONN's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of EASTCONN's internal control. Accordingly, we do not express an opinion on the effectiveness of EASTCONN's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001, that we consider to be material weakness.

***Report on Compliance and Other Matters***

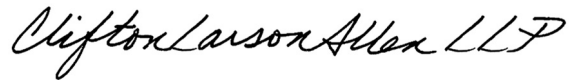
As part of obtaining reasonable assurance about whether EASTCONN's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2023-002.

***EASTCONN's Response to Findings***

*Government Auditing Standards* requires the auditor to perform limited procedures on EASTCONN's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. EASTCONN's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

West Hartford, Connecticut  
May 23, 2024

**EASTERN CONNECTICUT REGIONAL EDUCATIONAL SERVICE CENTER  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2023**

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**Section I – Summary of Auditors’ Results**

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**Financial Statements**

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified?     x     yes            no
  - Significant deficiency(ies) identified?            yes     x     none reported
3. Noncompliance material to financial statements noted?     x     yes            no

**State Financial Assistance**

1. Internal control over major programs:
- Material weakness(es) identified?            yes     x     no
  - Significant deficiency(ies) identified?            yes     x     none reported
2. Type of auditors’ report issued on compliance for major programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act?            yes     x     no

The following schedule reflects the major programs included in the audit:

<u>State Grantor and Program</u>	<u>State Core-CT Number</u>	<u>Expenditures</u>
Department of Education:		
Magnet Schools Operating	11000-SDE64370-17057-82062	\$ 2,393,226
Magnet Schools	11000-SDE64370-17057-82010	8,503
Non-Sheff Transportation (Magnet School)	11000-SDE64370-12632	341,900
Department of Labor:		
Connecticut’s Youth Employment Program	11000-DOL40000-12205	490,394
Office of Early Childhood:		
Birth to Three Program	11000-OEC64855-12192	1,558,087
Dollar threshold used to distinguish between Type A and Type B programs:	\$ <u>    200,000    </u>	

**EASTERN CONNECTICUT REGIONAL EDUCATIONAL SERVICE CENTER  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

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***Section II – Financial Statement Findings***

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**2023-001**

Audit Readiness and Financial Closing Deficiencies

**Type of Finding:**

- Material Weakness in Internal Controls over Financial Reporting

**Criteria:** EASTCONN management is responsible for financial reporting in the form of financial statements that present fairly, in all material respect, the respective financial position, changes in financial position and, where applicable cash flows for governmental activities, each major fund and the aggregate remaining fund information of EASTCONN. Procedures and controls in place should ensure that account balances and activity are recorded accurately in the financial statements in conformity with accounting principles generally accepted in the United States of America.

**Condition:** At the commencement of our audit, the year-end closing process was not completed. As a result, during our engagement, we proposed several audit adjustments to prepare the financial statements.

**Context:** Significant audit adjustments were required.

**Effect:** There is a risk that information necessary to make appropriate fiscal decisions may not be readily available or lead to misleading or misstated information. This could significantly affect EASTCONN's financial reporting processes.

**Cause:** There was a high turnover in finance department resulting in these errors.

**Repeat Finding:** The finding is a repeat of a finding in the immediately prior year. Prior year finding number was 2022-001.

**Recommendation:** We recommend appropriate corrective action be taken to strengthen formal closing procedures to help ensure that accounts are reconciled and properly reported at year-end.

**View of Responsible Officials:** Management concurs with the finding.

**EASTERN CONNECTICUT REGIONAL EDUCATIONAL SERVICE CENTER  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

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***Section II – Financial Statement Findings (Continued)***

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**2023-002**

Restrictive Covenants

**Type of Finding**

- Noncompliance

**Criteria:** Loan covenants require EASTCONN to furnish the Lender with financial statements no later than 150 days after the end of each fiscal year.

**Condition:** During fiscal year ended June 30, 2023, EASTCONN was unable to provide financial statements to the Lender within 150 days after year-end.

**Context:** EASTCONN did not comply with of certain loan covenants.

**Effect:** EASTCONN is in noncompliance with certain loan covenants.

**Cause:** There was a high turnover in finance department.

**Recommendation:** We recommend that EASTCONN has procedures and controls in place to ensure that the Lender is provided with financial statements in a timely manner.

**View of Responsible Officials:** Management concurs with the finding.

**EASTERN CONNECTICUT REGIONAL EDUCATIONAL SERVICE CENTER  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

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***Section III – Findings and Questioned Costs – State Financial Assistance***

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Our audit did not disclose any matters required to be reported in accordance with the State Single Audit Act.



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