

**EASTERN CONNECTICUT REGIONAL  
EDUCATIONAL SERVICE CENTER**

**FEDERAL 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 FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

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

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

***Opinion on Each Major Federal Program***

We have audited Eastern Connecticut Regional Education Service Center's (EASTCONN) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of EASTCONN's major federal programs for the year ended June 30, 2023. EASTCONN's major federal 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 types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

***Basis for Opinion on Each Major Federal 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 audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance 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 federal 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 federal 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 Uniform Guidance 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 federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, 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 Uniform Guidance, 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 federal 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 federal 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 federal 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

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 federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 federal awards 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 FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>United States Department of Agriculture</b>				
Passed Through the State of Connecticut Department of Education:				
Child Nutrition Cluster:				
National School Lunch Program (Noncash)	10.555	12060-SDE64370-20560	\$ -	\$ 39,339
National School Lunch Program	10.555	12060-SDE64370-20560	-	615,660
School Breakfast Program	10.553	12060-SDE64370-20508	-	217,251
Subtotal				\$ 872,250
Child and Adult Care Food Program	10.558	12060-SDE64370-20518	-	73,982
Child and Adult Care Food Program	10.558	12060-SDE64370-20544	-	3,501
Subtotal				77,483
State Administrative Expenses for Child Nutrition	10.560	12060-SDE64370-23126	-	80,970
State Pandemic Electronic Benefit Transfer Administrative Costs	10.649	12060-SDE64370-29802	-	6,280
Total United States Department of Agriculture			-	1,036,983
<b>United States Department of Education</b>				
Passed Through the State of Connecticut Department of Education:				
Education Stabilization Fund:				
COVID-19 ESSER K-12 Fund	84.425D	12060-SDE64370-29571-2021	-	16,350
COVID-19 American Rescue Plan - ESSER	84.425U	12060-SDE64370-29636-2021	-	296,316
COVID-19 ESSER - Homeless Children and Youth Program	84.425W	12060-SDE64370-29650-2021	-	15,121
Subtotal				327,787

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**EASTERN CONNECTICUT REGIONAL EDUCATIONAL SERVICE CENTER  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>United States Department of Education (Continued)</b>				
Passed Through the State of Connecticut Department of Education (Continued):				
Title I Grants to Local Educational Agencies	84.010	12060-SDE64370-20679-2022	\$ -	\$ 84,788
Title I Grants to Local Educational Agencies	84.010	12060-SDE64370-20679-2021	-	<u>6,495</u>
Subtotal				\$ 91,283
Career and Technical Education - Basic Grants to States	84.048	12060-SDE64370-20742-2023	-	79,312
Improving Teacher Quality State Grants	84.367	12060-SDE64201-20858-2023	-	74,915
Improving Teacher Quality State Grants	84.367	12060-SDE64370-20858-2022	-	<u>12,945</u>
Subtotal				87,860
Title IV - Student Support	84.424	12060-SDE64370-22854-2023	-	1,420
Title IV - Student Support	84.424	12060-SDE64370-22854-2022	-	<u>10,000</u>
Subtotal				11,420
English Language Acquisition State Grants	84.365	12060-SDE64370-20868-2023	-	16,522
English Language Acquisition State Grants	84.365	12060-SDE64370-20868-2022	-	<u>19,011</u>
Subtotal				35,533
Passed Through the State of Connecticut Office of Early Childhood: Special Education-Grants for Infants and Families	84.181	12060-OEC64855-29685	-	6,600
Passed Through the State of Connecticut Department of Education: Adult Education - Basic Grants to States	84.002	12060-SDE64370-20784-2022	-	330,000

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**EASTERN CONNECTICUT REGIONAL EDUCATIONAL SERVICE CENTER  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>United States Department of Education (Continued)</b>				
Passed Through the State of Connecticut Department of Rehabilitation Services:				
Rehabilitation Services_Vocational Rehabilitation Grants to States	84.126	12060-SDR63620-20921	\$ -	\$ 2,030
Passed Through the Eastern Connecticut Workforce Investment Board:				
State Vocational Rehabilitation Services - BRS	84.126A		10,052	50,472
Passed Through the State of Connecticut Office of Early Childhood:				
Personnel Development to Improve Services and Results for Children with Disabilities	84.325P	12060-OEC64855-23061	-	1,800
Direct:				
Rural Education Achievement Program	84.358A		-	15,502
Total United States Department of Education			10,052	1,039,599
<b>United States Department of Health and Human Services</b>				
Direct:				
Head Start Cluster:				
Head Start	93.600		1,961,115	\$ 5,609,300
COVID-19 Head Start	93.600		-	29,783
Subtotal				5,639,083

See accompanying Notes to Schedule of Expenditures of Federal Awards.



**EASTERN CONNECTICUT REGIONAL EDUCATIONAL SERVICE CENTER  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>United States Department of Health and Human Services (Continued)</b>				
Passed Through the State of Connecticut Office of Early Childhood:				
CCDF Cluster:				
Child Care and Development Block Grant	93.575	12060-OEC64806-29628	\$ -	\$ 1,040,647
Child Care and Development Block Grant	93.575	12060-OEC64850-22975	-	92,733
Child Care and Development Block Grant	93.575	12060-OEC64850-22975	534,422	<u>797,501</u>
Subtotal				\$ 1,930,881
Passed Through the Eastern Connecticut Workforce Investment Board:				
Chafee Foster Care Independence Program	93.674		-	83,516
Passed Through the State of Connecticut Department of Public Health:				
CTGM State Physical Activity and Nutrition Program	93.439	12060-DPH48873-22923	-	42,169
Passed Through the State of Connecticut Department of Rehabilitation Services:				
ACL Assistive Technology	93.464	12060-SDR63635-22724	<u>-</u>	<u>103,260</u>
Total United States Department of Health and Human Services			534,422	7,798,909
<b>United States Department of the Treasury</b>				
Direct:				
COVID-19 ARPA State and Local Fiscal Recovery Fund	21.027		-	296,637

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**EASTERN CONNECTICUT REGIONAL EDUCATIONAL SERVICE CENTER  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>United States Department of the Treasury (Continued)</b>				
Passed Through the Eastern Connecticut Workforce Investment Board:				
COVID-19 ARPA State and Local Fiscal Recovery Fund - New London	21.027		\$ -	\$ 18,993
COVID-19 ARPA State and Local Fiscal Recovery Fund - Norwich	21.027		-	85,205
COVID-19 ARPA State and Local Fiscal Recovery Fund - New London	21.027		-	120,600
COVID-19 ARPA State and Local Fiscal Recovery Fund - State Youth	21.027		-	4,291
Subtotal				\$ 229,089
Passed Through the State of Connecticut Department of Education: ARPA-Free Meals for Students	21.027	12060-SDE64370-28105	-	341,566
Passed Through the State of Connecticut Office of Early Childhood: ARPA - Stabilization	21.027	12060-OEC64850-29647	-	115,714
Total United States Department of the Treasury			-	983,006
<b>United States Department of Labor</b>				
Passed Through the Eastern Connecticut Workforce Investment Board:				
WIOA Cluster:				
WIA/WIOA Youth Activities	17.259		231,128	834,640
WIA/WIOA Youth Activities	17.259		-	132,873
WIA/WIOA Adult Program	17.258		459,399	479,268
WIA/WIOA Dislocated Worker Formula Grants	17.278		-	479,265
Subtotal				1,926,046
Total United States Department of Labor			690,527	1,926,046

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**EASTERN CONNECTICUT REGIONAL EDUCATIONAL SERVICE CENTER  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>United States Social Security Administration</b>				
Passed Through the State of Connecticut Department of Rehabilitation Services:				
Disability Insurance/SSI Cluster:				
Social Security_Disability Insurance	96.001	12060-SDR63710-20821	\$ -	\$ 200
Total United States Social Security Administration			-	200
Total Expenditures of Federal Awards			<u>\$ 1,235,001</u>	<u>\$ 12,784,743</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**EASTERN CONNECTICUT REGIONAL EDUCATIONAL SERVICE CENTER  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of EASTCONN, under programs of the federal government for the year ended June 30, 2023. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

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**

Expenditures reported on the Schedule are reported using the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance. Under these principles certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 2 INDIRECT COST RECOVERY**

EASTCONN, has elected not to use the 10% de minimis indirect cost rate provided under Section 200.414 of the Uniform Guidance

**NOTE 3 NONCASH AWARDS**

Donated commodities in the amount of \$39,339 are included in the Department of Agriculture's National School Lunch Program, Assistance Listing #10.555. The amount represents the market value of commodities received.



**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 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of 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 opinions 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 a 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 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 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**

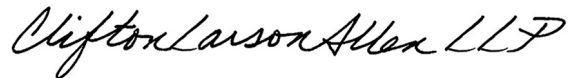
As part of obtaining reasonable assurance about whether EASTCONN’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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 the 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

**Federal Awards**

1. Internal control over major federal 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 federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?            yes     x     no

**Identification of Major Federal Programs**

**Assistance Listing Number(s)**

**Name of Federal Program or Cluster**

84.425D, 84.425U, 84.425W

COVID 19 - Education Stabilization Cluster

21.027

COVID 19 – Coronavirus State and Local Fiscal Recovery Funds

93.600

Head Start Cluster

Dollar threshold used to distinguish between Type A and Type B programs:

\$     750,000    

Auditee qualified as low-risk auditee?

           yes     X     no

**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 and maintain the required minimum debt coverage ratio.

**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 – Major Federal Programs***

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Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).



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