

**STATE EDUCATION RESOURCE CENTER  
(A COMPONENT UNIT OF THE STATE OF CONNECTICUT)**

June 30, 2024 and 2023

- I. Independent Auditors' Report  
Financial Statements
- II. Supplementary Information
- III. Report in Accordance with  
*Government Auditing Standards*
- IV. Uniform Guidance Reports
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## **Financial Section**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the  
State Education Resource Center

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of the State Education Resource Center (“SERC”), a component unit of the State of Connecticut, as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise SERC’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SERC as of June 30, 2024 and 2023, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (“GAAS”) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of SERC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United State of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about SERC’s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, 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 the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of SERC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about SERC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about 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 do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2026 on our consideration of SERC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of SERC's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SERC's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Whittlesey PC". The signature is written in a cursive, flowing style.

Hartford, Connecticut  
January 30, 2026

# STATE EDUCATION RESOURCE CENTER

## Management's Discussion and Analysis

For the year ended June 30, 2024

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As management of the State Education Resource Center ("SERC"), we offer readers of SERC's financial statements this narrative overview and analysis of the financial activities of SERC for the year ended June 30, 2024.

### **Financial highlights**

- The assets of SERC exceeded its liabilities at the close of the most recent fiscal year by \$2,450,675.
- SERC's total net position increased by \$433,172 from the previous fiscal year.

### **Overview of the basic financial statements**

This discussion and analysis is intended to serve as an introduction to SERC's basic financial statements. SERC's basic financial statements comprise two components: 1) fund financial statements and 2) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Fund financial statements.** The *statement of net position* presents information on all of SERC's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between those accounts being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of SERC is improving or deteriorating.

The fund financial statements present the current year's revenues and expenses, which are accounted for in the statement of revenues, expenses and changes in net position. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. These statements measure the success of SERC's operations over the past year and can be used to determine whether SERC has successfully recovered its costs through its user fees and other charges, profitability and creditworthiness.

**Notes to financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the fund financial statements.

**Required supplementary information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information as follows:

- Schedules to demonstrate SERC's progress in funding its obligation to provide pension benefits.
- Schedules to demonstrate SERC's progress in funding its obligation to provide other postemployment benefits.

**Financial analysis**

Net position may serve over time as a useful indicator of SERC's financial position. In the case of SERC, assets exceeded liabilities by \$2,450,675 at the close of June 30, 2024.

**Summary Statement of Net Position  
June 30, 2024**

Current and other assets	\$ 10,074,470
Right-of-use asset	3,858,181
Capital assets (net)	<u>646,712</u>
Total assets	<u>14,579,363</u>
Other liabilities	7,800,624
Noncurrent liabilities	<u>4,328,064</u>
Total liabilities	<u>12,128,688</u>
Net position:	
Net investments in capital assets	154,936
Unrestricted	<u>2,295,739</u>
Total Net position	<u><u>\$ 2,450,675</u></u>

The largest portion of SERC's net position reflects its unrestricted net position of \$2,295,739. This balance is used to meet SERC's ongoing obligations to its employees and creditors.

The remaining balance is its investment in capital assets (e.g., furniture, equipment, and computer equipment). SERC uses these capital assets to provide services to customers; consequently, these assets are not available for future spending.

SERC's investment in capital assets amounted to \$646,712, net of accumulated depreciation. This investment in capital assets includes equipment, furniture, and leasehold improvements. Majority of the equipment balance consists of leasehold improvements. The breakdown of capital assets is as follows:

**Capital Assets**

	<u>2024</u>
Equipment	\$ 41,331
Furniture	5,062
Leasehold improvements	<u>677,384</u>
Total	<u><u>\$ 723,777</u></u>

Depreciation expense was \$53,552 for the year ended June 30, 2024. Additional information on SERC's capital assets can be found in Note II.B. of this report.

SERC's net position increased by \$433,172 during the current fiscal year.

**Statement of Changes in Net Position  
For the Year Ended June 30, 2024**

Revenues:	
Governmental	\$ 21,258,094
Charges for services	707,344
Total revenues	21,965,438
Expenses:	
Salaries and stipends	4,198,001
Programs and events	4,714,926
Other operating expenses	1,914,194
Private school stipends	10,653,043
Total operating expenses	21,480,164
Operating income	485,274
Nonoperating revenue:	(52,102)
Change in net position	433,172
Net position - July 1	2,017,503
Net position - June 30	\$ 2,450,675

This decrease in net position is primarily attributable to positive operating result of in-district contracts of \$485,274.

**Revenues**

Revenues totaled \$21,965,438 for the fiscal year, an increase of \$5,646,211 as compared to the prior year's total of \$16,319,227. Since SERC's mission is related to special education, \$10,658,043 of the operating grants are federal pass-through funds from the Emergency Assistance to Non-Public Schools ("EANS") grant. In addition, during the year SERC recognized revenue on the Individuals with Disabilities Education Act (IDEA) grant of \$7,488,483. Charges for services are from charges to local school districts and participants and are 3.22% of revenues. The most significant changes compared to the prior year are as follows:

- Pass-through income increased by \$6,806,508 due to the increase in EANS and ARP EANS grant funding from the prior year.
- Intergovernmental revenue decreased by \$1,158,099 from the prior year due to an increase of funding for the IDEA program of \$1,941,354, net against a decrease of funding from RESC Alliance of \$2,952,901.

**Expenses**

Expenses totaled \$21,480,164 for the fiscal year, which represents an increase of \$5,286,078. The most significant change was in private school stipends, which increased by \$6,801,508 from the prior year, reflecting the allocation of pass-through funds received in fiscal year 2023 to private schools during fiscal year 2024. In contrast, programs and events expenses decreased by \$1,388,360, primarily due to reductions of \$981,345 in stipends and \$407,015 in contracted educational services. This was due to fewer activities in fiscal year 2024.

**Economic factors**

At the beginning of fiscal year 2026, SERC anticipated a funding loss of approximately \$2 million. The anticipated loss resulted from the federal government's announcement of the freezing of programs and services related to DEI programs. Those funds were associated with the Coronavirus Response Relief and Supplemental Appropriations ("CRRSA") Act, 2021, and the American Rescue Plan ("ARP") Act, 2021, and Public Law 117-2, both of which authorized funding for Elementary and Secondary Emergency Relief. The agency also experienced the discontinuation of the State Performance Development Grant, effective October 1, 2025.

As a result of this anticipated funding loss, 7 positions were eliminated, and 6 positions had their hours reduced. Through natural attrition, 2 members whose positions were reduced made the decision to leave the agency.

In November 2025, SERC received additional funding through legislation to support programs and services related to Disconnected Youth in the state in the amount of \$500,000. This legislative allocation enabled our remaining staff members, whose hours had been reduced, to be reinstated to their full-time positions.

**Requests for information**

This financial report is designed to provide a general overview of SERC's finances and to demonstrate fiscal accountability. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director, 175 Union Street, Waterbury, CT 06706.

**STATE EDUCATION RESOURCE CENTER**  
**(A COMPONENT UNIT OF THE STATE OF CONNECTICUT)**

Statements of Net Position

June 30, 2024 and 2023

	2024	2023
<b>ASSETS</b>		
Current assets:		
Cash	\$ 9,495,480	\$ 11,440,520
Intergovernmental receivable	404,815	274,383
Accounts receivable	72,342	50,542
Due from SERC Foundation	39,960	135,775
Prepaid expenses	61,873	62,773
Total current assets	<u>10,074,470</u>	<u>11,963,993</u>
Noncurrent assets:		
Capital assets, net	646,712	700,264
Right-of-use asset	3,858,181	4,065,796
Total noncurrent assets	<u>4,504,893</u>	<u>4,766,060</u>
Total assets	<u>\$ 14,579,363</u>	<u>\$ 16,730,053</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	\$ 523,033	\$ 832,467
Accrued expenses	687,668	327,052
Due to funding source	1,617,373	3,489
Refundable advances	4,711,031	8,764,757
Compensated absences, current portion	66,604	69,982
Operating lease liability, current portion	142,421	139,550
Note payable, current portion	52,494	51,456
Total current liabilities	<u>7,800,624</u>	<u>10,188,753</u>
Noncurrent liabilities:		
Compensated absences, net	65,947	66,820
Operating lease liability, net	3,822,835	3,965,202
Note payable, net	439,282	491,775
Total noncurrent liabilities	<u>4,328,064</u>	<u>4,523,797</u>
Total liabilities	<u>\$ 12,128,688</u>	<u>\$ 14,712,550</u>
<b>NET POSITION</b>		
Net investment in capital assets	\$ 154,936	\$ 157,033
Unrestricted	2,295,739	1,860,470
Total net position	<u>\$ 2,450,675</u>	<u>\$ 2,017,503</u>

The accompanying notes are an integral part of the financial statements.

**STATE EDUCATION RESOURCE CENTER**  
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Statements of Revenues, Expenses and Changes in Net Position

For the years ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>Operating revenues:</b>		
Intergovernmental	\$ 21,258,094	\$ 15,614,685
Charges for services	707,344	704,542
Total operating revenues	<u>21,965,438</u>	<u>16,319,227</u>
<b>Operating expenses:</b>		
Salaries	4,198,001	4,199,450
Employee benefits	1,071,116	917,213
Program, stipends, and events	4,714,926	6,103,286
Occupancy	277,298	257,447
Technology	233,743	108,004
Professional services/insurance	167,202	315,679
Professional development	39,963	147,757
Office and administration	71,320	100,340
Private school stipends	10,653,043	3,851,535
Depreciation	53,552	46,207
Provision for bad debt	-	147,168
Total operating expenses	<u>21,480,164</u>	<u>16,194,086</u>
<b>Operating income</b>	485,274	125,141
<b>Nonoperating revenues/(expenses):</b>		
Interest income	26,514	18,632
Loss on disposal of capital assets	-	(176,125)
Interest expense	(78,616)	(38,168)
Total nonoperating revenues/(expenses)	<u>(52,102)</u>	<u>(195,661)</u>
<b>Change in net position</b>	433,172	(70,520)
Net position - beginning of year	<u>2,017,503</u>	<u>2,088,023</u>
<b>Net position - end of year</b>	<u><u>\$ 2,450,675</u></u>	<u><u>\$ 2,017,503</u></u>

The accompanying notes are an integral part of the financial statements.

**STATE EDUCATION RESOURCE CENTER  
(A COMPONENT UNIT OF THE STATE OF CONNECTICUT)**

Statements of Cash Flows

For the years ended June 30, 2024 and 2023

	2024	2023
<b>Cash flows from operating activities:</b>		
Cash receipts from intergovernmental revenues	\$ 18,687,820	\$ 20,996,025
Cash receipts from charges for services	685,544	756,788
Cash receipts from SERC Foundation	199,012	161,301
Payments to employees for salaries and benefits	(4,912,752)	(5,075,165)
Payments for programs and events	(4,818,123)	(6,394,053)
Payments for occupancy	(69,683)	(170,941)
Payments to suppliers	(820,762)	(692,986)
Payments for private school stipends	(10,653,043)	(3,851,535)
Net change in cash from operating activities	<u>(1,701,987)</u>	<u>5,729,434</u>
<b>Cash flows from capital and related financing activities:</b>		
Acquisition of capital assets	-	(723,778)
Proceeds from capital debt	-	560,155
Principal paid on capital debt	(51,455)	(16,925)
Interest paid on capital debt	(10,395)	(3,692)
Principal paid on lease liability	(139,496)	(47,549)
Interest paid on lease liability	(68,221)	(34,476)
Net change in cash from capital and related financing activities	<u>(269,567)</u>	<u>(266,265)</u>
<b>Cash flows from investing activities:</b>		
Income from investments	<u>26,514</u>	<u>18,632</u>
Net change in cash	(1,945,040)	5,481,801
Cash - beginning of year	<u>11,440,520</u>	<u>5,958,719</u>
Cash - end of year	<u>\$ 9,495,480</u>	<u>\$ 11,440,520</u>

The accompanying notes are an integral part of the financial statements.

**STATE EDUCATION RESOURCE CENTER**  
**(A COMPONENT UNIT OF THE STATE OF CONNECTICUT)**

Statements of Cash Flows *(Continued)*

For the years Ended June 30, 2024 and 2023

	2024	2023
<b>Reconciliation of operating income to net cash from operating activities:</b>		
Operating income	\$ 485,274	\$ 125,141
Adjustments to reconcile operating income to net cash from operating activities:		
Depreciation	53,552	46,207
Amortization of right-of-use asset	207,615	86,506
(Increase) decrease in:		
Intergovernmental receivable	(130,432)	2,119,772
Accounts receivable	(21,800)	52,246
Prepaid expenses	900	(33,748)
Due from SERC Foundation	95,815	(129,466)
Increase (decrease) in:		
Accounts payable	(309,434)	159,710
Accrued expenses	360,616	57,111
Due to funding source	1,613,884	-
Unearned revenue	(4,053,726)	3,261,568
Compensated absences	(4,251)	(15,613)
Net change in cash from operating activities	\$ (1,701,987)	\$ 5,729,434
<b>Noncash Financing Activities</b>		
Acquisition of right-of-use asset through lease agreement	\$ -	\$ 4,152,302

The accompanying notes are an integral part of the financial statements.

**STATE EDUCATION RESOURCE CENTER  
(A COMPONENT UNIT OF THE STATE OF CONNECTICUT)**

Notes to the Financial Statements

As of and for the years ended June 30, 2024 and 2023

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## History and organization

The State Education Resource Center (“SERC”) has been in operation since 1969 and was formally known as the Special Education Resource Center.

SERC was established as a separate quasi-public agency pursuant to Public Act 14-212 as of July 1, 2014 and began reporting as such as of July 1, 2015. SERC is a component unit of the State of Connecticut (“State”).

The purpose of SERC is to assist the State Department of Education in the provision of programs and activities that will promote educational equity and excellence. Such activities shall be limited to: training, technical assistance and professional development for local and regional boards of education, school leaders, teachers, families and community partners in the form of seminars, publications, site visits, online content and other appropriate means; maintaining a state education resource center library; publication of technical materials; research and evaluation; writing, managing, administering and coordinating grants for the purposes described in this subsection; and any other related activities directly related to the purposes described in this subsection. SERC also supports programs and activities concerning early childhood education, in collaboration with the Office of Early Childhood, improving school and district academic performance, and closing academic achievement gaps between socioeconomic subgroups, and other related programs and activities.

### I. Summary of significant accounting policies

#### A. Financial statements

The financial statements (i.e., the statement of net position and the statements of revenues, expenses and changes in net position and cash flows) report information on all of SERC’s activities. SERC relies to a significant extent on intergovernmental revenues, fees and contributions for support.

The financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

#### B. Measurement focus, basis of accounting and financial statement presentation

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of SERC are intergovernmental revenues, charges for services, and contributions. Operating expenses for SERC include salaries and benefits, administrative expenses, and depreciation. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Activities not related to SERC’s primary purpose are considered nonoperating. Nonoperating activities consist of income from investments.

When both restricted and unrestricted resources are available for use, it is SERC’s policy to use restricted resources first, then unrestricted resources as they are needed.

**STATE EDUCATION RESOURCE CENTER  
(A COMPONENT UNIT OF THE STATE OF CONNECTICUT)**

Notes to the Financial Statements (*Continued*)

As of and for the years ended June 30, 2024 and 2023

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**I. Summary of significant accounting policies**

**C. Assets, liabilities, deferred outflows/inflows of resources and equity**

**1. Cash**

Cash consists of cash on hand and demand deposits. For cash flow purposes SERC considers cash equivalents money market accounts and short-term investments with original maturities of three months or less from the date of acquisition.

**2. Receivables**

Fee receivables are recorded for participant fees when they are billed.

**3. Prepaid items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements. The cost of prepaid items are recorded as expenses when consumed rather than when purchased.

**4. Capital assets**

Capital assets, which include property, plant and equipment, are reported in the financial statements. Capital assets are defined by SERC as assets with an initial, individual cost of more than \$1,000 for all assets. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Property, plant and equipment of SERC are depreciated using the straight-line method over the following estimated useful lives:

Assets	Life
Furniture	40
Equipment	15-25
Leasehold improvements	15
Computer equipment	7-10

**5. Compensated absences**

Employees of SERC earn sick leave, which can accumulate, and vacation leave based on the provisions of personnel policies. Vacation leave vests with the employee and is payable upon termination of employment.

**6. Long-term liabilities**

In the financial statements, long-term liabilities are reported as liabilities in the statement of net position.

**STATE EDUCATION RESOURCE CENTER  
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Notes to the Financial Statements *(Continued)*

As of and for the years ended June 30, 2024 and 2023

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**I. Summary of significant accounting policies**

**C. Assets, liabilities, deferred outflows/inflows of resources and equity**

**7. Net position**

Net position is classified into the following categories:

Net investment in capital assets	This category presents the net position that reflects capital assets net of depreciation and net of only the debt applicable to the acquisition or construction of these assets. Debt issued for noncapital purposes, and unspent bond proceeds, are excluded.
Unrestricted net position	This category presents the net position of SERC which is not classified in the preceding categories.

Sometimes SERC will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is SERC's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

**8. Use of estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, deferred outflows and inflows of resources including disclosures of contingent assets and liabilities and reported revenues and expenses during the year. Actual results could differ from those estimates.

**9. Subsequent Events**

In preparing these financial statements, management has evaluated subsequent events through January 30, 2026, which represents the date the financial statements were available to be issued, and has determined that there were no material events that would require disclosure in the financial statements, other than as noted in Note III.A.

**STATE EDUCATION RESOURCE CENTER**  
**(A COMPONENT UNIT OF THE STATE OF CONNECTICUT)**

Notes to the Financial Statements *(Continued)*

As of and for the years ended June 30, 2024 and 2023

**II. Detailed notes**

**A. Cash**

**Deposits – custodial credit risk**

Custodial credit risk is risk that, in the event of a bank failure, SERC’s deposits may not be returned to it. SERC does not have a deposit policy for custodial credit risk.

At June 30, 2024 and 2023, SERC’s bank balance was \$9,570,023 and \$11,716,744, respectively. Bank deposits are insured up to \$250,000 by the Federal Deposit Insurance Corporation (“FDIC”). Financial instruments that potentially subject SERC to significant concentrations of credit risk consist primarily of cash. From time to time, SERC’s cash account balances exceed the Federal Deposit Insurance Corporation limit. SERC reduces its credit risk by maintaining its cash deposits with major financial institutions and monitoring their credit ratings.

**B. Capital assets**

SERC’s capital asset activity for the year ending June 30, 2024 was as follows:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Capital assets				
Equipment	\$ 41,331	\$ -	\$ -	\$ 41,331
Furniture	5,062	-	-	5,062
Leasehold improvements	677,384	-	-	677,384
Total capital assets	<u>723,777</u>	<u>-</u>	<u>-</u>	<u>723,777</u>
Accumulated depreciation				
Equipment	3,100	8,266	-	11,366
Furniture	63	127	-	190
Leasehold improvements	20,350	45,159	-	65,509
Total accumulated depreciation	<u>23,513</u>	<u>53,552</u>	<u>-</u>	<u>77,065</u>
Capital assets, net	<u>\$ 700,264</u>	<u>\$ (53,552)</u>	<u>\$ -</u>	<u>\$ 646,712</u>

**STATE EDUCATION RESOURCE CENTER**  
**(A COMPONENT UNIT OF THE STATE OF CONNECTICUT)**

Notes to the Financial Statements *(Continued)*

As of and for the years ended June 30, 2024 and 2023

**II. Detailed notes**

**B. Capital assets**

SERC's capital asset activity for the year ending June 30, 2023 was as follows:

	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023
Capital assets				
Equipment	\$ 488,911	\$ 41,332	\$ (488,912)	\$ 41,331
Furniture	72,997	5,062	(72,997)	5,062
Leasehold improvements	-	677,384	-	677,384
	<u>561,908</u>	<u>723,778</u>	<u>(561,909)</u>	<u>723,777</u>
Total capital assets				
Accumulated depreciation				
Equipment	328,295	23,969	(349,164)	3,100
Furniture	34,795	1,888	(36,620)	63
Leasehold improvements	-	20,350	-	20,350
	<u>363,090</u>	<u>46,207</u>	<u>(385,784)</u>	<u>23,513</u>
Total accumulated depreciation				
Capital assets, net	<u>\$ 198,818</u>	<u>\$ 677,571</u>	<u>\$ (176,125)</u>	<u>\$ 700,264</u>

**C. Long-term obligations**

Operating Lease Liability

SERC entered into a long-term noncancelable lease agreement for their office building located in Waterbury, Connecticut. The initial lease term is ten years beginning on January 2, 2023 and ending on January 1, 2033, with two five-year options to extend. SERC used the discount rate of 2%, which is the interest rate stated in the lease agreement.

Required payments of principal and interest under the lease agreement are as follows for the years ending June 30:

	Principal	Interest	Total
2025	\$ 142,421	\$ 78,004	\$ 220,425
2026	145,240	75,130	220,370
2027	148,172	72,199	220,371
2028	160,375	69,177	229,552
2029	176,640	65,768	242,408
Thereafter	<u>3,192,408</u>	<u>476,024</u>	<u>3,668,432</u>
Total	<u>\$ 3,965,256</u>	<u>\$ 836,302</u>	<u>\$ 4,801,558</u>

**STATE EDUCATION RESOURCE CENTER  
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Notes to the Financial Statements *(Continued)*

As of and for the years ended June 30, 2024 and 2023

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**II. Detailed notes**

**C. Long-term obligations**

Note Payable

During the year ended June 30, 2023, SERC entered into an agreement with their landlord for leasehold improvement in the amount of \$560,155, at a fixed interest rate of 2%, annually. The note has a maturity date of February 1, 2033. Principal and interest payments of \$5,154 are made monthly. As of June 30, 2024 and 2023, there was \$491,776 and \$543,231 outstanding, respectively.

Future minimum payments of principal are as follows for the years ending June 30,:

2025	\$	52,494
2026		53,554
2027		54,635
2028		55,737
2029		56,862
Thereafter		<u>218,494</u>
Total	\$	<u><u>491,776</u></u>

**III. Other Information**

**A. Risk management**

SERC is exposed to various risks of loss including torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; natural disaster; and officer and director liability. SERC generally obtains commercial insurance for these risks. Settled claims have not exceeded commercial coverage during the year. There were no significant reductions in insurance coverage from amounts held in the prior year.

In January 2025, the Trump Administration announced an immediate freeze on federal grants, loans, and other financial assistance funds tied to recent executive orders. Federal agencies were directed to temporarily halt the obligation or disbursement of federal financial assistance and related activities. Although the directive that temporarily halted all federal grants and loans was rescinded, there are ongoing reviews of federal funding in place, and some programs have already experienced disruptions. SERC's operating activities, liquidity, and cash flows have been and may continue to be adversely affected by these executive orders. There is uncertainty as to the extent of the executive orders and impact to SERC's federal grants.

**STATE EDUCATION RESOURCE CENTER  
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Notes to the Financial Statements *(Continued)*

As of and for the years ended June 30, 2024 and 2023

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**IV. Other Information****B. Concentration of risk/related party transactions**

During the years ending June 30, 2024 and 2023, approximately 92% and 89%, respectively, of SERC's funding is received from the Connecticut State Department of Education. The majority of the funding received from the Connecticut State Department of Education is for the IDEA special education grant and the Emergency Assistance for Non-Public Schools (EANS program), which are federal pass-through grants.

SERC Foundation (the "Foundation") is a non-profit entity which exists, in part, to support the mission and vision of SERC. The Foundation was established May 27, 2015, under section 501(c)3 of the Internal Revenue Code. SERC provides management and general services to the Foundation which is provided to the Foundation as a contribution in the amount of \$-0- and \$45,000 as of June 30, 2024 and 2023, respectively.

For the years ended June 30, 2024 and 2023, the Foundation paid SERC management fees of \$198,617 and \$211,470, respectively under the management agreement between the Foundation and SERC to facilitate programs and events. As of June 30, 2024 and 2023, \$39,960 and \$135,775, respectively, is due from the Foundation for management fees.

**C. Annuity plan**

SERC maintains a 403(b) tax sheltered annuity plan for qualified full-time employees. In general, employees are eligible to participate in the plan following the completion of 6 months of continuous service. Employees also must be at least 18 years of age and complete 1,000 hours of service per year to be eligible to participate.

**V. Pension and other post-employment benefit ("OPEB") plans****A. Connecticut state teachers' retirement system****1. Plan description**

Teachers, principals, superintendents or supervisors engaged in service of public schools are provided with pensions through the Connecticut State Teachers' Retirement System ("TRS"), a cost sharing multiple-employer defined benefit pension plan administered by the Teachers' Retirement Board ("TRB"). Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS issues a publicly available financial report that can be obtained at [www.ct.gov/trb](http://www.ct.gov/trb).

**STATE EDUCATION RESOURCE CENTER  
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Notes to the Financial Statements (*Continued*)

As of and for the years ended June 30, 2024 and 2023

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**A. Connecticut state teachers' retirement system**

**2. Benefit provisions**

Normal retirement	Age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut
Benefit calculation	2.00% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary)
Early retirement	25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service
Early retirement amount	Benefit amounts are reduced by 6.00% per year for the first 5 years preceding normal retirement age and 4.00% per year for the next 5 years preceding the normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3.00% per year by which retirement precedes normal retirement date.
Service connected disability amount	2.00% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary. In addition, disability benefits under this plan (without regard to cost-of-living adjustments) plus any initial award of social security benefits and workers' compensation cannot exceed 75% of annual average salary.
Non-service connected disability service requirement	Five years of credited service
Vesting – service	10 years of service
Vesting – amount	100%
Pre-retirement death benefit amount	Lump-sum return of contributions with interest or surviving spouse benefit depending on length of service

**3. Contributions**

**State of Connecticut**

Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The contributions are actuarially determined as an amount that, when combined with employee contributions and investment earnings, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

**Employer (school districts)**

School district employers are not required to make contributions to the plan.

**Employees**

Each teacher is required to contribute 7.00% of their salary for the pension benefit.

**STATE EDUCATION RESOURCE CENTER  
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Notes to the Financial Statements *(Continued)*

As of and for the years ended June 30, 2024 and 2023

**A. Connecticut state teachers' retirement system**

**4. Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions**

SERC reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amounts recognized by SERC as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with SERC were as follows:

	2024	2023
SERC's proportionate share of the net pension liability	\$ -	\$ -
State's proportionate share of the net pension liability associated with SERC	1,705,832	1,285,218
Total	\$ 1,705,832	\$ 1,285,218

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023. SERC has no proportionate share of the net pension liability.

During the years ended June 30, 2024 and 2023, SERC recognized pension expense and revenue of \$163,324 and \$124,218, respectively, for on-behalf amounts for contributions to the plan by the State.

**5. Actuarial assumptions**

The total pension liability was determined by an actuarial valuation as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	6.90%
Inflation	2.50%
Salary increases	3.00-6.50%, including inflation
Mortality rates	Mortality rates were based on the PubT-2010 Table, projected generationally with MP-2019

**Future cost-of-living increases**

For teachers who retired prior to September 1, 1992, pension benefit adjustments are made in accordance with increases in the Consumer Price Index, with a minimum of 3.00% and a maximum of 5.00% per annum.

For teachers who were members of the Teachers' Retirement System before July 1, 2007, and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for social security benefits on January 1 of the year granted, with a maximum of 6.00% per annum. If the return on assets in the previous year was less than 8.50%, the maximum increase is 1.50%.

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Notes to the Financial Statements *(Continued)*

As of and for the years ended June 30, 2024 and 2023

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**A. Connecticut state teachers' retirement system**

For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for social security benefits on January 1 of the year granted, with a maximum of 5.00% per annum. If the return on assets in the previous year was less than 11.50%, the maximum increase is 3.00%, and if the return on the assets in the previous year was less than 8.50%, the maximum increase is 1.00%.

**Changes in assumptions and inputs**

- No changes to assumptions and inputs

**Long-term expected rate of return**

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The current capital market assumptions and the target asset allocation as provided by the State's Treasurer's Office are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global equity	37.0%	6.8%
Public credit	2.0%	2.9%
Core fixed income	13.0%	0.4%
Liquidity fund	1.0%	-0.4%
Risk mitigation	5.0%	0.1%
Private equity	15.0%	11.2%
Private credit	10.0%	6.1%
Real estate	10.0%	6.2%
Infrastructure and natural resources	7.0%	7.7%
	100%	

**STATE EDUCATION RESOURCE CENTER  
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Notes to the Financial Statements *(Continued)*

As of and for the years ended June 30, 2024 and 2023

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**A. Connecticut state teachers’ retirement system**

**5. Discount rate**

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**6. Sensitivity of the net pension liability to changes in the discount rate**

SERC’s proportionate share of the net pension liability is \$-0- and, therefore, the change in the discount rate would only impact the amount recorded by the State.

**7. Plan fiduciary net position**

Detailed information about the Connecticut State Teachers’ Retirement Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2024.

**B. Connecticut state teachers’ retirement board retiree health insurance plan**

**1. Plan description**

Teachers, principals, superintendents, or supervisors engaged in service of public schools that are currently receiving a retirement or disability benefit through the Connecticut Teachers’ Retirement System are eligible to participate in the Connecticut State Teachers’ Retirement System Retiree Health Insurance Plan (“TRS-RHIP”) - a cost sharing multiple-employer defined benefit other post-employment benefit plan administered by the Teachers’ Retirement Board (“TRB”). Chapter 167a Section 10-183t of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS-RHIP issues a publicly available financial report that can be obtained at [www.ct.gov/trb](http://www.ct.gov/trb).

**2. Benefit provisions**

The Plan provides for retiree health insurance benefits. Eligibility is as follows:

Normal retirement	Age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut
Early retirement	25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service

**STATE EDUCATION RESOURCE CENTER  
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Notes to the Financial Statements *(Continued)*

As of and for the years ended June 30, 2024 and 2023

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**B. Connecticut state teachers’ retirement board retiree health insurance plan**

**2. Benefit provisions**

Service connected disability service requirement	No service requirement
Non-service connected disability service requirement	Five years of credited service
Vesting – service	10 years of service

**Retiree health care coverage**

Any member that is currently receiving a retirement or disability benefit is eligible to participate in the Plan. There are two types of the health care benefits offered. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the CTRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School District Coverage.

Any member that is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$220 per month for a retired member plus an additional \$220 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree’s share of the cost of coverage, any remaining portion is used to offset the district’s cost.

The subsidy amount is set by statute. A subsidy amount of \$440 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$400 per month towards coverage under a local school district plan.

Any member that is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage.

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees, and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits) under the Medicare Advantage plan. Retired members who choose to enroll in the Medicare Supplement Plan are responsible for the full difference in the premium cost between the two plans. Additionally, retired members who cancel their health care coverage(s) or elect not enroll in a CTRB sponsored health care coverage option must wait two years to re-enroll.

Effective January 1, 2022, vision and hearing coverage is included with all plans. Additionally, prescription drug coverage is included with the Medicare Advantage plan. All plans except Dental are now fully insured. Those participants electing dental are required by the System’s funding policy to pay the full cost of coverage for this benefit, and no liability is assumed by the Plan for this benefit.

**STATE EDUCATION RESOURCE CENTER  
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Notes to the Financial Statements *(Continued)*

As of and for the years ended June 30, 2024 and 2023

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**B. Connecticut state teachers' retirement board retiree health insurance plan**

**Survivor health care coverage**

Survivors of former employees or retirees remain eligible to participate in the Plan and continue to be eligible to receive either the \$220 monthly subsidy or participate in the CTRB-Sponsored Medicare Supplemental or Medicare Advantage Plan options, as long as they do not remarry.

**3. Contributions**

**State of Connecticut**

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the State of Connecticut are amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The State contributions are not currently actuarially funded. The State pays for one third of plan costs through an annual appropriation in the General Fund.

**Employer (school districts)**

School district employers are not required to make contributions to the plan.

**Employees**

Each member is required to contribute 1.25% of their annual salary.

**4. OPEB liabilities, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB**

SERC reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amounts recognized by SERC as its proportionate share of the net OPEB liability, the related state support, and the total portion of the net OPEB liability that was associated with SERC were as follows:

	2024	2023
SERC's proportionate share of the net OPEB liability	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with SERC	159,813	112,556
Total	\$ 159,813	\$ 112,556

The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022. SERC has no proportionate share of the net OPEB liability.

SERC recognized OPEB expense and revenue of \$18,827 and \$6,785, respectively, for on-behalf amounts for contributions to the plan by the State for the years ended June 30, 2024 and 2023.

**STATE EDUCATION RESOURCE CENTER  
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Notes to the Financial Statements (*Continued*)

As of and for the years ended June 30, 2024 and 2023

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**B. Connecticut state teachers' retirement board retiree health insurance plan**

**5. Actuarial assumptions**

The total OPEB liability was determined by an actuarial valuation as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	3.00%
Inflation	2.50%
Healthcare cost trend rate (Medicare)	6.75% for 2024 decreasing to an ultimate Rate of 4.50% by 2031
Salary increases	3.00-6.50%, including inflation
Mortality rates	Mortality rates were based on the PubT-2010 Table, projected generationally with MP-2019
Year fund net position will be depleted	2028

**Long-term expected rate of return**

The long-term expected rate of return on Plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in the evaluation of the long-term rate of return assumption, including the Plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) for each major asset class.

The long-term expected rate of return was determined by weighing the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

All the plan assets are assumed to be invested in cash equivalents due to the need for liquidity. The expected rate of return is 3.00%. Since there have not been any changes to the asset allocation and the recent economic downturn is expected to be temporary, the funding rate of 3.00% continues to be used for the long-term investment rate of return as of June 30, 2023.

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Notes to the Financial Statements *(Continued)*

As of and for the years ended June 30, 2024 and 2023

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**B. Connecticut state teachers' retirement board retiree health insurance plan**

**6. Discount rate**

The discount rate used to measure the total OPEB liability was 3.64%. The Municipal Bond Index Rate was used in the determination in the discount rate. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that annual State contributions will equal the most recent 5-year average of state contributions. In addition, the projection assumed total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date.

**7. Sensitivity of the OPEB liability to changes in the discount rate and the health care cost trend rate**

SERC's proportionate share of the net OPEB liability is \$-0- and, therefore, the change in the discount rate would only impact the amount recorded by the State.

**8. Plan fiduciary net position**

Detailed information about the Connecticut State Teachers' OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2023.

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**Required Supplementary  
Information**

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**STATE EDUCATION RESOURCE CENTER**  
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Schedule of Proportionate Share of the Net Pension Liability

Last Ten Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
SERC's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
SERC's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with SERC	\$ 1,705,832	\$ 1,285,218	\$ 873,634	\$ 1,103,062	\$ 429,126	\$ 330,881	\$ 693,337	\$ 731,476	\$ 2,207,301	\$ 2,040,258
SERC's covered payroll	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
SERC's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	58.39%	54.06%	60.77%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.50%

**NOTES TO SCHEDULE**

SERC's proportionate share of the net pension liability is measured as of June 30, 2023.

(1) Not applicable since 0% proportional share of the net pension liability.

Change of Benefit Terms: None

Assumption changes since prior valuation: None

**STATE EDUCATION RESOURCE CENTER**  
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Schedule of Contributions to the State Teachers' Retirement System

Last Ten Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution (1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SERC's covered payroll	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**NOTES TO SCHEDULE**

Valuation Date: June 30, 2023

Measurement Date: June 30, 2023

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

(1) SERC is not required by the State to contribute to the plan.

(2) Not applicable since 0% proportional share of the net pension liability.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method: Entry Age

Amortization Method: Level percent of pay closed, grading to a level dollar

Amortization Period: 27.8 years

Asset Valuation Method: 4-year smoothed market

Inflation: 2.50%

Salary Increases: 3.00% to 6.00%, including inflation

Investment Rate of Return: 6.90%, net of investment related expense

Mortality: PubT-2010 Table projected generationally with MP-2019

**STATE EDUCATION RESOURCE CENTER**  
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Schedule of Proportionate Share of the Net OPEB Liability

Last Ten Years (1)

	2023	2022	2021	2020	2019	2018	2017
SERC's proportion of the net OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
SERC's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with SERC	\$ 159,813	\$ 112,556	\$ 95,181	\$ 164,522	\$ 66,924	\$ 66,126	\$ 178,459
SERC's covered payroll	(2)	(2)	(2)	(2)	(2)	(2)	(2)
SERC's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	11.92%	9.46%	6.11%	2.50%	2.08%	1.49%	1.79%

**NOTES TO SCHEDULE**

SERC's proportionate share of the net OPEB liability is measured as of June 30, 2023.

(1) This schedule is presented as required by GAAP; however, until a full 10-year trend is compiled, information is presented for those years available.

(2) Not applicable since 0% proportional share of the net OPEB liability.

Change of Benefit Terms: None

Assumption changes since prior valuation: The discount rate was updated to equal the SEIR of 3.64% as of June 30, 2023.

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Schedule of Contributions to the State's Teachers' Retirement Board Retiree Health Insurance Plan

Last Ten Years (1)

	2024	2023	2022	2021	2020	2019	2018
Contractually required contribution (2)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SERC's covered payroll	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**NOTES TO SCHEDULE**

Valuation Date: June 30, 2023

Measurement Date: June 30, 2023

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

(1) This schedule is presented as required by GAAP; however, until a full 10-year trend is compiled, information is presented for those years available.

(2) Local employers are not required to contribute to the plan

(3) Not applicable since 0% proportional share of the net OPEB liability.

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method: Entry Age

Amortization Method: Level percent of salary, closed

Amortization Period: 30.0 years

Asset Valuation Method: Fair Value

Inflation: 2.50%

Real Wage Growth: 0.50%

Wage Inflation: 3.00%

Salary Increases: 3.00% to 6.50%, including inflation

Investment Rate of Return: 3.00%, net of investment related expense

Healthcare Cost Trend Rates: Initial 6.75% decreasing to 4.50% (ultimate) by 2031

Mortality: PubT-2010 Table projected generationally with MP-2019

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## **Compliance**

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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

To the Board of Directors of the  
State Education Resource Center

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 consolidated financial statements of the State Education Resource Center, which comprise the statement of net position as of June 30, 2024, and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 30, 2026.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered State Education Resource Center'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 State Education Resource Center's internal control. Accordingly, we do not express an opinion on the effectiveness of State Education Resource Center'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 State Education Resource Center 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 preceding paragraph 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 certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be a material weakness.

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

As part of obtaining reasonable assurance about whether State Education Resource Center'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 consolidated 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 2024-001.

## **The State Education Resource Center's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on State Education Resource Center's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. State Education Resource Center'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 State Education Resource Center's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering State Education Resource Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Whittlesey PC".

Hartford, Connecticut  
January 30, 2026

INDEPENDENT AUDITORS' REPORT  
ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of the  
State Education Resource Center

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

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

We have audited State Education Resource Center's 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 State Education Resource Center's major federal programs for the year ended June 30, 2024. State Education Resource Center's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of federal findings and questioned costs.

In our opinion, State Education Resource Center 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, 2024.

***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 the State Education Resource Center 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 the State Education Resource Center 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 State Education Resource Center'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 State Education Resource Center'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 generally accepted auditing standards, *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 State Education Resource Center'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 State Education Resource Center, Inc.'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 State Education Resource Center'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 State Education Resource Center'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.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2024-001 and 2024-002. Our opinion on each major federal program is not modified with respect to these matters.

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

### **Report on Internal Control over Compliance**

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-001 to be a material weakness.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-002 to be a significant deficiency.

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.

*Government Auditing Standards* requires the auditor to perform limited procedures on State Education Resource Center's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. State Education Resource Center's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response

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.

A handwritten signature in cursive script that reads "Whittlesey PC".

Hartford, Connecticut  
January 30, 2026

**STATE EDUCATION RESOURCE CENTER  
(A COMPONENT UNIT OF THE STATE OF CONNECTICUT)**

Schedule of Expenditures of Federal Awards

For the year ended June 30, 2024

Federal Grantor/ Pass-through Grantor Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed- Through to Subrecipients	Federal Expenditures
<b>U.S. Department of Agriculture</b>				
Passed-through the Connecticut State Department of Education:				
State Administrative Expenses for Child Nutrition	10.560	12060-SDE64165-30634	\$ -	\$ 19,096
State Administrative Expenses for Child Nutrition	10.560	12060-SDE64165-20524	-	7,453
Total U.S. Department of Agriculture			-	26,549
<b>U.S. Department of Education:</b>				
Passed-through the Connecticut State Department of Education:				
Special Education - State Personnel Development	84.323A	N/A	-	475,023
Special Education (IDEA) Cluster:				
Special Education - Grants to States (IDEA, Part B)	84.027A	12060-SDE64215-20977	-	7,888,483
Special Education - Preschool Grants (IDEA Preschool)	84.173A	N/A	-	274,656
Total Special Education (IDEA) Cluster			-	8,163,139
Education Stabilization Fund (ESF) Cluster:				
Coronavirus Response and Relief Supplemental Appropriations Act, 2021 - Emergency Assistance for Non-Public Schools (CRRSA EANS) Program	84.425R	12060-SDE64000-29635	-	20,982
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	N/A	-	295,034
American Rescue Plan - Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	N/A	-	601,352
American Rescue Plan - Emergency Assistance to Non-Public Schools (ARP EANS)	84.425V	N/A	-	10,693,896
Total Education Stabilization Fund (ESF) Cluster			-	11,611,264
Passed-through the Capitol Region Education Council:				
Statewide Family Engagement Centers	84.310A	N/A	-	114,654
Total U.S. Department of Education			-	20,364,080
<b>U.S. Department of Health and Human Services:</b>				
Passed-through the Connecticut Department of Mental Health and Addiction Service:				
Opioid STR	93.788	12060-MHA51290	-	140
Developmental Disabilities Basic Support and Advocacy	93.63	N/A	-	770
Block Grants for Community Mental Health Services	93.958	N/A	-	183,107
Block Grant for Substance Use Prevention, Treatment and Recovery Services	93.959	N/A	-	160,806
Total U.S. Department of Health and Human Services			-	344,823
Total Expenditures of Federal Awards			\$ -	\$ 20,735,452

See the accompanying notes to the Schedule of Expenditures of Federal Awards.

**STATE EDUCATION RESOURCE CENTER  
(A COMPONENT UNIT OF THE STATE OF CONNECTICUT)**

Notes to Schedule of Expenditures of Federal Awards

For the year ended June 30, 2024

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**NOTE 1 – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of State Education Resource Center (“SERC”) under programs of the federal government for the year ended June 30, 2024. The information in this 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 SERC, it is not intended to and does not present the net position, changes in net position, or cash flows of SERC.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

Under agreement with the State of Connecticut Department of Education, SERC applies a restricted indirect cost rate of 29.00% to restricted programs and 25.14% unrestricted indirect cost rate to other programs. cost rate.

Pass-through entity identifying numbers are presented where available.

**STATE EDUCATION RESOURCE CENTER  
(A COMPONENT UNIT OF THE STATE OF CONNECTICUT)**

Schedule of Federal Findings and Questioned Costs

For the year ended June 30, 2024

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**I. SUMMARY OF AUDITORS' RESULTS**

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP: *Unmodified*

Internal control over financial reporting:  
 Material weakness(es) identified?   X   yes        no  
 Significant deficiency(ies) identified?        yes   X   none reported

Noncompliance material to financial statements noted?        yes   X   no

Federal Awards

Internal control over major programs:  
 Material weakness(es) identified?   X   yes        no  
 Significant deficiency(ies) identified?   X   yes        none reported

Type of auditors' report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a) of Uniform Guidance?   X   yes        no

Identification of Major Programs

Federal Assistance Listing Number	Name of Federal Program or Cluster Title
	Special Education (IDEA) Cluster:
84.027A	Special Education - Grants to States (IDEA, Part B)
84.173A	Special Education - Preschool Grants (IDEA Preschool)
	Education Stabilization Fund (ESF) Cluster:
84.425R	Coronavirus Response and Relief Supplemental Appropriations Act, 2021 - Emergency Assistance for Non-Public Schools (CRRSA EANS) Program
84.425U	American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)
84.425D	American Rescue Plan - Elementary and Secondary School Emergency Relief (ESSER) Fund
84.425V	American Rescue Plan - Emergency Assistance to Non-Public Schools (ARP EANS)

Dollar threshold used to distinguish between Type A and Type B programs was   \$750,000  

Auditee qualified as low risk auditee?        yes   X   no

**STATE EDUCATION RESOURCE CENTER  
(A COMPONENT UNIT OF THE STATE OF CONNECTICUT)**

Schedule of Federal Findings and Questioned Costs (*Continued*)

For the year ended June 30, 2024

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**II. FINANCIAL STATEMENT FINDINGS**

***Finding No. 2024-001: Financial Reporting – Material Weakness***

**Criteria**

An accounting system and effective internal control environment should support the preparation of the financial statements in accordance with Generally Accepted Accounting Principles (“GAAP”) and grant reports in accordance with federal compliance requirements, including a robust financial close process at year end.

**Condition**

In fiscal year 2024, SERC’s accounting processes and internal controls over financial reporting were not functioning timely to support generating complete and accurate financial information. The books and records were not closed and finalized timely. Numerous adjustments to the trial balances were made, necessitating revisions to account reconciliations, and grant schedules.

**Cause**

SERC experienced staffing shortages and related difficulties during the fiscal year.

**Effect**

The books and records were not closed and finalized until several months after year end.

**Context**

SERC’s accounting processes and internal controls over financial reporting were not functioning properly.

**Recommendation**

We recommend that SERC maintain appropriately trained and experienced personnel. This will help ensure that the accounting processes and internal controls over financial reporting will function properly, and that the financial close process will be complete, accurate, and timely.

**Management’s Response/View of Responsible Officials**

Management agrees with this finding, see the Corrective Action Plan.

**STATE EDUCATION RESOURCE CENTER  
(A COMPONENT UNIT OF THE STATE OF CONNECTICUT)**

Schedule of Federal Findings and Questioned Costs (*Continued*)

For the year ended June 30, 2024

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**III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

***Finding No. 2024-001: Financial Reporting – Material Weakness***, is also considered a finding under Federal Award Findings and Questioned Costs. This finding is applicable to all federal programs.

***Finding No. 2024-002: Annual Audit Submission – Significant Deficiency***

*Assistance Listing Program Title and Number:* All

*Federal Agency:* All

**Criteria**

As per the Code of Federal Regulations, Section 200.512 - Report Submission, the audit must be completed and the Data Collection Form and reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditors' report, or nine months after the end of the audit period. The due date for the audit and reporting package submission was March 31, 2025.

**Condition**

The audit, Data Collection Form and reporting package were not submitted by the due date March 31, 2025.

**Cause**

SERC experienced staffing shortages and related difficulties during the fiscal year. As such, SERC was not able to timely prepare for the audit in order for the Uniform Guidance, Data Collection Form and reporting package to be filed by the due date.

**Effect**

The audit, Data Collection Form and federal reporting package were not filed on time.

**Questioned Costs**

Unknown

**Context**

SERC was unable to complete the financial statements and Federal Single Audit by the due date.

**Recommendation**

We recommend that all necessary efforts be taken to ensure timely submission of the audit, Data Collection Form and reporting package.

**Management's Response/View of Responsible Officials**

Management agrees with this finding, see the Corrective Action Plan.

**STATE EDUCATION RESOURCE CENTER  
(A COMPONENT UNIT OF THE STATE OF CONNECTICUT)**

Summary Schedule of Prior Audit Findings

For the year ended June 30, 2024

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**I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS**

***Finding No. 2023-001: Financial Reporting – Material Weakness***

**Condition**

In fiscal year 2023, SERC’s accounting processes and internal controls over financial reporting were not functioning timely to support generating complete and accurate financial information. The books and records were not closed and finalized timely. Numerous adjustments to the trial balances were made, necessitating revisions to account reconciliations, and grant schedules.

**Current Status**

The finding was repeated as a current year finding 2024-001.

**II. PRIOR YEAR FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

***Finding No. 2023-001: Financial Reporting – Material Weakness***

**Condition**

In fiscal year 2023, SERC’s accounting processes and internal controls over financial reporting were not functioning timely to support generating complete and accurate financial information. The books and records were not closed and finalized timely. Numerous adjustments to the trial balances were made, necessitating revisions to account reconciliations, and grant schedules.

**Current Status**

The finding was repeated as a current year finding 2024-001.

***Finding No. 2023-002: Annual Audit Submission – Significant Deficiency***

**Condition**

The audit, Data Collection Form and reporting package were not submitted by the due date March 31, 2024.

**Current Status**

The finding was repeated as current year finding 2024-002.

INDEPENDENT AUDITORS' REPORT ON  
COMPLIANCE FOR THE MAJOR STATE PROGRAM  
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE STATE SINGLE AUDIT ACT

To the Board of Directors of  
State Education Resource Center

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

***Opinion on the Major State Program***

We have audited State Education Resource Center'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 State Education Resource Center's major state program for the year ended June 30, 2024. State Education Resource Center's major state program is identified in the summary of auditors' results section of the accompanying schedule of state findings and questioned costs.

In our opinion, State Education Resource Center 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 state program for the year ended June 30, 2024.

***Basis for Opinion on the 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 audit requirements of the State Single Audit Act (C.G.S. Section 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 State Education Resource Center 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 State Education Resource Center'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 State Education Resource Center's state program.

### ***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 State Education Resource Center'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 Act 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 State Education Resource Center'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 State Education Resource Center'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 State Education Resource Center'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 State Education Resource Center'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**

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

*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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-001 to be a material weakness.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-002 to be a significant deficiency.

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.

*Government Auditing Standards* requires the auditor to perform limited procedures on State Education Resource Center's response to internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. State Education Resource Center's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

A handwritten signature in black ink that reads "Whittlesey PC". The signature is written in a cursive, flowing style.

Hartford, Connecticut  
January 30, 2026

**STATE EDUCATION RESOURCE CENTER  
(A COMPONENT UNIT OF THE STATE OF CONNECTICUT)**

Schedule of Expenditures of State Financial Assistance

For the year ended June 30, 2024

State Grantor Pass-through Grantor/State Grantor Program Title	State Grant Program Core-CT Number	Passed Through to Subrecipients	Expenditures
<b>Department of Education:</b>			
Open Choice	11000-SDE64000-17053-82060	\$ -	\$ 522,642
Total State Financial Assistance		<u>\$ -</u>	<u>\$ 522,642</u>

See the accompanying notes to the Schedule of Expenditures of State Financial Assistance.

**STATE EDUCATION RESOURCE CENTER  
(A COMPONENT UNIT OF THE STATE OF CONNECTICUT)**

Notes to the Schedule of Expenditures of State Financial Assistance

For the year ended June 30, 2024

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**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 State Education Resource Center (“SERC”) under programs of the State of Connecticut for the year ended June 30, 2024. Because the Schedule presents only a selected portion of the operations of SERC, it is not intended to and does not present the net position, changes in net position, or cash flows of SERC.

The accounting policies of SERC conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations.

The information in the Schedule is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

***Basis of Accounting***

Expenditures reported on the Schedule are reported on the 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 of Expenditures of State Financial Assistance.

**STATE EDUCATION RESOURCE CENTER  
(A COMPONENT UNIT OF THE STATE OF CONNECTICUT)**

Schedule of State Findings and Questioned Costs

For the year ended June 30, 2024

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**I. SUMMARY OF AUDITORS' RESULTS**

Financial Statements

Type of auditors' opinion issued:	<i>Unmodified</i>	
Internal control over financial reporting:		
• Material weakness(es) identified?	<u>  X  </u> yes	<u>      </u> no
• Significant deficiency(ies) identified?	<u>      </u> yes	<u>  X  </u> none reported
Noncompliance material to financial statements noted?	<u>      </u> yes	<u>  X  </u> no

State Financial Assistance

Internal control over major programs:		
• Material weakness(es) identified?	<u>  X  </u> yes	<u>      </u> no
• Significant deficiency(ies) identified?	<u>  X  </u> yes	<u>      </u> none reported

Type of auditors' opinion issued on compliance for major programs:	<i>Unmodified</i>
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Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of Regulations to the State Single Audit Act?	<u>  X  </u> yes	<u>      </u> no
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The following schedule reflects the major program included in the audit:

State Grantor and Program	State Core-CT Number	Expenditures
<b>Department of Education:</b>		
Open Choice	11000-SDE64000-17053-82060	\$ 522,642
Dollar threshold used to distinguish between Type A and Type B programs		\$ 100,000

**STATE EDUCATION RESOURCE CENTER  
(A COMPONENT UNIT OF THE STATE OF CONNECTICUT)**

Schedule of State Findings and Questioned Costs *(Continued)*

For the year ended June 30, 2024

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**II. FINANCIAL STATEMENT FINDINGS**

***Finding No. 2024-001: Financial Reporting – Material Weakness***

**Criteria**

An accounting system and effective internal control environment should support the preparation of the financial statements in accordance with Generally Accepted Accounting Principles (“GAAP”) and grant reports in accordance with Federal and State compliance requirements, including a robust financial close process at year end.

**Condition**

In fiscal year 2024, SERC’s accounting processes and internal controls over financial reporting were not functioning timely to support generating complete and accurate financial information. The books and records were not closed and finalized timely. Numerous adjustments to the trial balances were made, necessitating revisions to the grant schedules.

**Context**

SERC’s accounting processes and internal controls over financial reporting were not functioning properly.

**Effect**

The books and records were not closed and finalized until several months after year end.

**Cause**

SERC experienced staffing shortages and related difficulties during the fiscal year.

**Repeat Finding**

Yes.

**Recommendation**

We recommend that SERC maintain appropriately trained and experienced personnel. This will help ensure that the accounting processes and internal controls over financial reporting will function properly, and that the financial close process will be complete, accurate, and timely.

**Management’s Response/View of Responsible Officials**

Management agrees with this finding, see the Corrective Action Plan

**STATE EDUCATION RESOURCE CENTER  
(A COMPONENT UNIT OF THE STATE OF CONNECTICUT)**

Schedule of State Findings and Questioned Costs *(Continued)*

For the year ended June 30, 2024

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**III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS**

***Finding No. 2024-001: Financial Reporting – Material Weakness***, is also considered a finding under State Findings and Questioned Costs. This finding is applicable to all state programs.

***Finding No. 2024-002: Annual Audit Submission – Significant Deficiency***

*State Grantor:* CT State Department of Education

*State Program Name:* Open Choice

*State Grant Program Core-CT Number:* 11000-SDE64000-17053-82060

**Criteria**

As per the OPM Compliance Supplement to the State Single Audit Act, the State Single Audit reports must be submitted within six months after the end of the audit period, unless an extension of time has been granted by the cognizant agency to file the State Single Audit report. Extension grants for submitting the audit report cannot exceed six months in total from when the report was first due.

**Condition**

SERC was not able to timely prepare for the audit in order for the reporting package to be filed by the due date.

**Questioned Cost**

None

**Context**

SERC was unable to complete the financial statements and State Single Audit by the due date.

**Effect**

The audit and the state reporting package were not filed on time.

**Cause**

SERC experienced staffing shortages and related difficulties during the fiscal year. As such, SERC was not able to timely prepare for the audit in order for the State Single Audit Act and reporting package to be filed by the due date.

**Repeat Finding**

Yes

**Recommendation**

We recommend that all necessary efforts be taken to ensure timely submission of the audit and reporting package.

**Management's Response/View of Responsible Officials**

Management agrees with this finding, see the Corrective Action Plan.

**STATE EDUCATION RESOURCE CENTER  
(A COMPONENT UNIT OF THE STATE OF CONNECTICUT)**

Summary Schedule of Prior Audit Findings

For the year ended June 30, 2024

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**I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS**

***Finding No. 2023-001: Financial Reporting – Material Weakness***

**Condition**

In fiscal year 2023, SERC’s accounting processes and internal controls over financial reporting were not functioning timely to support generating complete and accurate financial information. The books and records were not closed and finalized timely. Numerous adjustments to the trial balances were made, necessitating revisions to account reconciliations, and grant schedules.

**Current Status**

The finding was repeated as a current year finding 2024-001.

**Planned Corrective Action**

See response included in the current year Corrective Action Plan.

**II. PRIOR YEAR STATE PROGRAM FINDINGS**

***Finding No. 2023-001: Financial Reporting – Material Weakness***

**Condition**

In fiscal year 2023, SERC’s accounting processes and internal controls over financial reporting were not functioning timely to support generating complete and accurate financial information. The books and records were not closed and finalized timely. Numerous adjustments to the trial balances were made, necessitating revisions to account reconciliations, and grant schedules.

**Current Status**

The finding was repeated as a current year finding 2024-001.

**Planned Corrective Action**

See response included in the current year Corrective Action Plan.

***Finding No. 2023-002: Annual Audit Submission – Significant Deficiency***

**Condition**

The audit, Data Collection Form and reporting package were not submitted by the due date March 31, 2024.

**Current Status**

The finding was repeated as current year finding 2024-002.

**Planned Corrective Action**

See response included in the current year Corrective Action Plan.

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