



ANNUAL REPORT FY 2023

EDADVANCE Head Start: Prenatal to Five

EdAdvance Head Start: Prenatal to Three

Provides home-based services for expectant families and children ages birth to three who meet eligibility requirements. Services include weekly home visits that focus on the areas of health, nutrition, education, social services, and parent involvement, as well as playgroups serving Torrington and Winsted areas.



EdAdvance Head Start: Three to Five

Provides an array of quality, comprehensive services, including health, nutrition, parent support, education, and mental health to children ages three to five and their families. Our vision is “each child and family leaves Head Start, healthy, eager to learn, and ready for success.” Program staff works closely with families to ensure that each child has the skills and knowledge necessary to be successful in kindergarten. Our job is to lay the foundation for children and their families to be life-long learners. We have classrooms in Torrington, New Milford, Plymouth, Watertown, and Winsted.



Program Goals/Year 3 of 5:

Goal #1: *The program will increase parent engagement through relationship building, accurately assessing family needs, and activating within families a sense of empowerment and agency.*

Goal #2: *The program will provide nurturing and responsive interactions and environments that foster the optimal social and emotional development of children and families.*

Goal #3: *The program will develop and implement innovative practices that support staff retention, professional growth, and improved staff morale.*

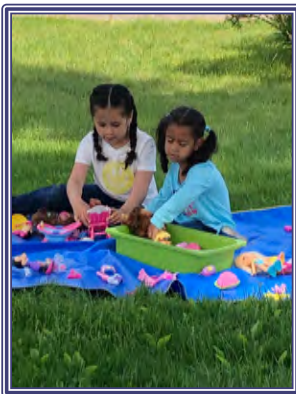
As we reflect on the school year 2022-2023, it is with great joy and gratitude that we present the annual report for the EdAdvance Head Start: Prenatal to Five program. This year has been a journey of growth, resilience, and unwavering commitment to providing high-quality early childhood education.

The 2022-2023 EdAdvance Head Start: Prenatal to Five school year enrollment: We began the year with a reduction of our overall funded slots in Head Start. We closed two classrooms due to lower enrollment and lack of space.

- Typical funded slots:
 - Head Start: 3 to 5-year-olds =172
 - Early Head Start = 32
 - State School Readiness =26
- For the 22-23 school year overall, we served **242** Head Start: Birth to Five and **28** School Readiness children and their families. The program had an average of 85% of the slots being filled throughout the year.
- The average daily attendance in our center-based program was **83%**.
- The American Community Survey reports approximately **753** children ages birth to 5 living at or below the poverty level in Litchfield County (our catchment area). We provided the full array of Head Start services to approximately 36% of these children and their families during our 2022-2023 year. For the town of Torrington, we served 48% and 100% in the town of Winsted of those children birth to five at or below the poverty level.
- **98%** of our children have secured a dental home, and **100%** of our children secured primary care physicians by the end of their enrollment period.
- Parents engaged with their children in creative, exciting, educational activities are essential to our mission: to provide safe, engaging opportunities that foster healthy family relationships, support school success, and a love of learning. We are thrilled to report increased parental involvement, as families actively participated in workshops, events, and collaborative activities.
 - **Outdoor activities included:**
 - Pumpkin Patch
 - PAL Summerfest
 - Special Olympics Torch run
 - Torrington site – numerous walking trips to local vendors and community organizations that support Classroom Studies- Warner Theater for the light study.
 - Gilbert the pig came for a visit.
 - Torrington Police Department and Fire Department came for a visit.
 - Winsted Students went to the Fire Department and Winsted Police Department’s “Officer Joy” visited and spoke with the children.



- The program also provided families with its researched-based curriculum for parents, “Your Journey Together,” both in-person and virtually. Parents and caregivers volunteered hundreds of hours at home, working on their child’s monthly academic goals, watching classroom videos, attending virtual and in-person parent committees, and as representatives on Policy Council. The Torrington School System utilized our Head Start site as a Kindergarten Registration hub as well as conducting in-house screenings and assessments for our children entering Kindergarten in September of 2023. We ended our school year with special events at local museums and activity centers.
- Family Service staff provided families with toilet training kits to deliver a team approach to successful potty training.
- Early Head Start Home Visitors were given the opportunity to share their experiences and expertise in services for children birth to three with early childhood representatives from Singapore. They presented information on their curriculum, gave testimonials on the success of the program from families, and shared data on how their services resulted in measurable outcomes from enrollment to the end of the year. In return, our home visitors were able to learn about the culture of Singapore and interact with people of diverse early childhood backgrounds.



- Our dedicated team of educators has worked tirelessly to create engaging and developmentally appropriate learning experiences for our young learners.
 - **Parents as Teachers (Prenatal to 3):** Our commitment to early intervention and family support is embodied in the Parents as Teachers curriculum. This evidence-based approach ensures that our Prenatal to 3 children and families receive comprehensive support tailored to their unique needs.

- **Creative Curriculum for Preschoolers:** For our preschoolers, we have seamlessly integrated Creative Curriculum, fostering a love for learning through hands-on experiences, exploration, and creativity. This curriculum lays the foundation for a smooth transition to kindergarten.
- **Second Step Curriculum (3 to 5-year-olds):** Recognizing the crucial role of social-emotional development, we have implemented the Second Step Curriculum for our 3 to 5-year-olds. This program equips our children with the essential skills to navigate the complexities of relationships and emotions.



- In response to the challenges posed by the COVID-19 pandemic, EdAdvance Head Start allocated a portion of the received funding to contract with a skilled and experienced BCBA. The primary focus was on improving social and emotional skills among specific children and collaborating with their teachers to create a supportive learning environment. Through targeted assessments and personalized strategies, the BCBA worked closely with both the children and their teachers to address social and emotional challenges. The outcomes of this initiative include:
 - **Improved Social Interaction:** The children who received individualized attention and support from the BCBA demonstrated noticeable improvements in their social interactions. This includes enhanced communication skills, better peer relationships, and increased participation in group activities.
 - **Enhanced Emotional Regulation:** The BCBA implemented evidence-based practices to assist children in developing effective emotional regulation skills. Teachers reported a reduction in instances of emotional distress and observed a more positive emotional climate in the classroom.
 - **Teacher Capacity Building:** In addition to direct interventions with children, the BCBA collaborated with teachers to build their capacity in supporting social and emotional development. This included training sessions, workshops, and ongoing guidance to ensure sustainable practices.
 - **Sustainability:** We recognized the importance of sustaining the positive momentum achieved through the BCBA's interventions and have budgeted time and resources for the upcoming school year to continue this very important work.

- The end-of-year School Readiness data for 2022-2023 showcased the remarkable dedication of our staff throughout the academic year. Their commitment, alongside the strong bonds forged with families, has significantly bolstered the home-school partnership. This collaboration has played a crucial role in equipping our children with the essential skills required for a smooth transition into kindergarten.



- Twelve out of the thirteen school districts that our children come from have signed a Memorandum of Understanding that assures coordination of services for children with disabilities and helps to ensure their readiness. We enrolled or identified 18 children with an IEP and 9 children with an IFSP.
- Transition booklets are given to all families whose child will be entering kindergarten in the fall. We also participate in transition activities held with the school districts our children will attend. We worked with district staff to support and assist with in-person K-screenings, assist our Dual Language families with the online enrollment process, and provide transition information for children with IEP's.
- We offered a summer take-home kit to all children transitioning to kindergarten. The kit included activities for reading, writing, and math skills development. We provided bi-weekly home visits to help prevent summer learning loss along with the kits.
- We renewed community partnerships and collaborations that were weakened because of the pandemic. Examples of these renewed partnerships are with Brooker Memorial, who came back into the program to do dental exams, and the CT Dental Health Partnership that came back to connect with staff and families. We also successfully applied for a grant with Fit Together to get new playground equipment at our St. Peter's site.
- Increased collaboration with CT Dental Health Partnership (CTDHP) and Brooker Memorial to increase oral health education amongst children, families and staff. Brooker Memorial has come to Head Start to talk about foods that are good for teeth and maintaining healthy brushing habits. They returned to the program in May to give children dental exams who were overdue for preventive dental care. CTDHP has educated staff on the importance of oral health in early childhood and prenatal care. Brooker was able to give oral health presentations not only to our St. Pete's site, but also joined Winsted families at their Celebration of Learning to bring attention to the importance of healthy mouths to both parents and children.
- Torrington Police Department is supported Head Start in its efforts to increase pedestrian safety by painting of new crosswalks in front of our St. Peter's building. They have also agreed to host car seat clinics for Head Start where parents can learn about car seat laws and have recalled car seats replaced as needed. Flyers for this event were distributed to families at our St. Pete's site and included families from Torrington and Winsted Early Head Start that wanted to have their car seats checked for safety by TPD.
- Implemented a new, effective, and flexible COVID Mitigation Policy in accordance to updated Head Start Performance Standards to addressing shifting COVID Community Levels at all

sites. This COVID policy was created in collaboration with managers from all sites with multidisciplinary backgrounds and with input from the Health Services Advisory Committee. It was designed to accommodate all program needs including addressing educational concerns of extended quarantines and the ability to continue providing social services despite distance.

- We had 69 new families register for the nationally known program “Ready for K,” which sends fun facts and activities that support child development via text to families.
- Through collaborative efforts and a shared commitment to the well-being of our community's youngest members, EdAdvance has successfully secured the necessary funding and space for an ambitious facilities project that will house our Head Start program. We are excited to announce that the building project is now officially underway. Construction teams are diligently working to bring our vision to life, ensuring that every aspect of the facility aligns with our mission to provide a safe, engaging, and developmentally rich environment for our Head Start program.

In closing, we extend our heartfelt thanks to the entire EdAdvance Head Start community – the educators, parents, supporters, and, most importantly, the children. Together, we are shaping a brighter future, one where every child has the opportunity to thrive and succeed.



Funding Sources:	
Federal Head Start Grant:	\$2,820,318
Head Start COLA & Enhancement	\$218,219
Child and Adult Care Food Program	\$174,904
CT State Head Start Enhancement	\$104,917
School Readiness	\$225,763
Parent Fees and Care 4 Kids	\$82,588

Our Focus Area Two, Monitoring and CLASS Reviews, took place Dec. 11 - 15, 2017. All areas complied with the Federal Regulations. See attached reports.

Our Focus Area One Review took place November 15-19, 2021. All areas complied with Federal Regulations. See attached report.



ADMINISTRATION FOR
CHILDREN & FAMILIES

Office of Head Start | 4th Floor – Switzer Memorial Building, 330 C Street SW, Washington DC 20024 eclkc.ohs.acf.hhs.gov

Program Performance Summary Report

To: Board Chairperson

Mr. Chris Sanders

Board Chairperson

EdAdvance

355 Goshen Rd

Litchfield, CT 06759-2404

From: Responsible HHS Official

Ms. Ann Linehan

Acting Director, Office of Head Start

Date *2-22-18*

- From December 11-15, 2017, the Administration for Children and Families (ACF) conducted a Focus Area Two Monitoring Review of the EdAdvance, Head Start and Early Head Start programs. This report contains information about the grantee's performance and compliance with the requirements of the Head Start Program Performance Standards or Public Law 110-134, *Improving Head Start for School Readiness Act of 2007*. We would like to thank your governing body, policy council, parents, and staff for their engagement in the review process.

Based on the information gathered during this review, your Head Start program was found to have met the requirements of all applicable Head Start Program Performance Standards, laws, regulations, and policy requirements.

Please contact your Regional Office for guidance should you have any questions or concerns. Your Regional Office will follow up on the content of this report and can work with you to identify resources to support your program's continuous improvement.

DISTRIBUTION OF THE REPORT

The following recipients will receive electronic copies of this report:

Ms. Marina Winkler, Regional Program Manager

Ms. Tracy Kelly, Policy Council Chairperson

Dr. Jeffery Kitching, CEO/Executive Director

Ms. Kathi Bleacher, Head Start Director

STRUCTURE OF THE REPORT

This report provides grantees with an overview of program performance based on information collected during the Focus Area Two Monitoring Review. The report contains the following three sections: Overall Performance Summary; Program Infrastructure, Oversight, and Improvement; and Service Delivery. The report also contains a Glossary of Terms, which can be found on page 3 of this report.

Section I: Overall Performance Summary provides a consolidated view of the status of your program's performance across the four components of Program Infrastructure, Oversight and Improvement areas and the three Service Delivery areas. This section includes a Summary of Findings table, where applicable, to indicate any areas of concern, areas of noncompliance or deficiencies identified during the review.

Section II: Program Infrastructure, Oversight, and Improvement provides information on the effectiveness of your program's management systems, practices and infrastructure. This section of the report focuses on four areas of performance, described as follows:

1. **Program Management** includes an assessment of the program's overall management structure, its system of ongoing compliance oversight and continuous improvement, and its system for hiring, supervising, and developing qualified staff.
2. **Program Governance** includes assessment of the governing body and policy council's active involvement in fulfilling their respective roles and responsibilities and effective oversight of the program.
3. **Financial Management** describes outcomes of the assessment of the grantee's internal controls, financial management systems, fiscal capacity, and practices.
4. **Enrollment, Recruitment, Selection, Eligibility, and Attendance (ERSEA)** indicates program performance in tracking and using attendance data to assist families and staff in supporting and managing attendance issues, and in monitoring compliance with eligibility requirements.

Section III: Service Delivery provides information on your program's performance in delivering quality services to children and families within the following three areas:

1. **Early Education and Child Development Childhood Program Services** include outcomes of the assessment of your program's teaching practices and learning environments, services for children with disabilities and their families, and, where applicable, the delivery of home-based services.
2. **Health Program Services** focus on the assessment of health, mental health, oral health, and nutritional services for children and families, services provided to enrolled pregnant women (where applicable), and the health and safety of the grantee's environments.
3. **Family and Community Engagement Program Services** describe the assessment outcomes of your program's family engagement and support strategies, including the integration of family engagement into all services to support family well-being and promote school readiness.

Glossary of Terms	
Area of Concern	An area for which the agency needs to improve performance. These issues should be discussed with the grantee's Regional Office of Head Start for possible technical assistance.
Area of Noncompliance	An area for which the agency is out of compliance with Federal requirements (including but not limited to the Head Start Act or one or more of the regulations) in one or more area of performance. This status requires a written timeline of correction and possible technical assistance or guidance from the grantee's program specialist. If not corrected within the specified timeline, this status becomes a deficiency.
Deficiency	<p>As defined in the Head Start Act, the term "deficiency" means:</p> <p>(A) a systemic or substantial material failure of an agency in an area of performance that the Secretary determines involves:</p> <ul style="list-style-type: none"> (i) a threat to the health, safety, or civil rights of children or staff; (ii) a denial to parents of the exercise of their full roles and responsibilities related to program operations; (iii) a failure to comply with standards related to early childhood development and health services, family and community partnerships, or program design and management; (iv) the misuse of funds received under this subchapter; (v) loss of legal status (as determined by the Secretary) or financial viability, loss of permits, debarment from receiving Federal grants or contracts, or the improper use of Federal funds; or (vi) failure to meet any other Federal or State requirement that the agency has shown an unwillingness or inability to correct, after notice from the Secretary, within the period specified; <p>(B) systemic or material failure of the governing body of an agency to fully exercise its legal and fiduciary responsibilities; or</p> <p>(C) an unresolved area of noncompliance.</p>

Grantee Information

Head Start Enrollment: 191
 Early Head Start Enrollment: 32
 Number of Grants: 1
 Head Start Director: Ms. Kathi Bleacher
 Board Chairperson: Mr. Chris Sanders
 Policy Council Chairperson: Ms. Tracy Kelly
 Program Specialist: Mr. Matthew Kardonsky
 Fiscal Specialist: Mr. Jeffrey Arciero



Section I. Overall Performance Summary

EdAdvance, Forest Court

The summary table provides an overview of your program’s performance in each of the seven core areas of performance subsumed within Program Infrastructure, Oversight, and Improvement and the Service Delivery sections of the report. *Performance Status* is interpreted as follows:

- ☑ Your program has met all requirements assessed within this performance area.
- X Your program has an area of concern or an area of noncompliance in one or more requirements assessed within this performance area; your program has not met all requirements.
- Ⓜ Your program has a deficiency in one or more requirements assessed within this area.

**Program Performance:
 Program Infrastructure, Oversight, and Improvement**

Performance Area	Performance Status
Program Management	☑
Program Governance	☑
Financial Management	☑
ERSEA	☑

Program Performance: Service Delivery

Performance Area	Performance Status
Education and Child Development Program Services	☑
Health Program Services	☑
Family and Community Engagement Program Services	☑

Section II: Program Infrastructure, Oversight, and Improvement

This section of the report provides information on your program’s performance in four areas: (1) Program Management; (2) Program Governance; (3) Financial Management; and (4) ERSEA.

1. Program Management

This section describes your program’s performance in providing management, ongoing monitoring, and continuous improvement to achieve program goals and ensure child safety and the delivery of high-quality program services. This section indicates your program’s performance in each of the following areas: program management structure; ongoing oversight and continuous improvement; and staff hiring, supervision, and development.

Program Management Performance Summary

<i>Performance Area</i>	<i>Performance Status</i>
Program management structure	
Ongoing oversight and continuous program improvement	
Staff hiring, supervision, and development	

Performance Area Summary

Program management structure. The monitoring review found your program maintains a program and human resource management structure that provides effective management of all program areas.

Ongoing oversight and continuous program improvement. The monitoring review found your program has implemented a system for collecting, using, and sharing data for ongoing monitoring and continuous program improvement.

Staff hiring, supervision, and development. The monitoring review found your program has implemented a systematic approach to staff hiring, supervision, training, support, and professional development that supports high-quality service delivery.

2. Program Governance

This section indicates your program’s performance in each of the two Program Governance performance areas: governing body and policy council.

Program Governance Performance Summary

<i>Performance Area</i>	<i>Performance Status</i>
Governing body	
Policy council	

Performance Area Summary

Governing body. The monitoring review found your program’s governing body uses data (e.g., ongoing monitoring, fiscal, school readiness, and other data such as audits, self-assessment, and monthly reports) and leverages its subject matter expertise to participate fully in the program oversight, planning, and monitoring, including annual approval of the operating budget and the safeguarding of funds.

Policy council. The monitoring review found your program’s policy council uses data and leverages its knowledge of the community effectively for ongoing monitoring, continuous improvement, and program oversight, including involvement in budget planning, policies for reimbursement, and participation in policy council activities.

3. Financial Management

This section describes your program’s performance in each of the seven performance areas listed under the Financial Management performance area.

Financial Management Performance Summary

Performance Area	Performance Status
Internal controls	
Financial management system	
Identifying and mitigating risk	
Adequacy of budgeted resources	
Budget management	
Automated accounting and record keeping system	
Delegate agency oversight	Not Applicable

Performance Area Summary

Internal controls. The monitoring review found your program has internal controls that provide effective oversight of all fiduciary areas of responsibility to ensure accomplishment of program objectives.

Financial management system. The monitoring review found your program has a financial management system and accounting and reporting practices that support ongoing fiscal operations, provide supporting documentation necessary to facilitate effective audits, enable the grantee to remain in compliance with laws, regulations, grant terms and conditions, and ensure payment of allowable program expenses promptly and within the appropriate budget period.

Identifying and mitigating risk. The monitoring review found your program has a process to identify risks and obtain cost-effective insurance for those identified risks, including a system for ensuring the protection of Federal interest in real property purchased with Federal funds.

Adequacy of budgeted resources. The monitoring review found your program has sufficient staffing and resources to promote continuity of care for all children enrolled, allow for sufficient time needed for staff to participate in training and professional development, allow for provision of the full range of services, and ensure that facilities, equipment, and materials remain safe.

Budget management. The monitoring review found your program has a management system that effectively monitors its budget for personnel, compensation, benefits, shared cost, non-Federal share, and indirect and administrative costs.

Automated accounting and record keeping system. The monitoring review found your program maintains an automated accounting and record keeping system adequate for effective oversight.

Delegate agency oversight. Not Applicable

4. ERSEA

The final performance area in Section I, ERSEA, focuses on your program’s performance in eligibility and attendance.

ERSEA Performance Summary

Performance Area	Performance Status
Eligibility	●
Attendance	●

Performance Area Summary

Eligibility. The monitoring review found your program enrolls children who are categorically eligible or who fall within defined income-eligibility requirements based on Head Start requirements.

Attendance: The monitoring review found your program monitors and uses attendance data to support families in promoting individual child attendance and to inform program improvements where monthly attendance rates indicate systematic attendance issues.

Section III. Service Delivery







This section of the report provides the results of the assessment of your program’s service delivery, including your program’s: (1) Education and Child Development Program Services; (2) Health Program Services; and (3) Family and Community Engagement Program Services.

Each summary table includes information from Section II’s Program Management and Financial Management assessment to provide a comprehensive summary of the assessment of your program’s service delivery. The summary table includes information on how well your program is providing ongoing oversight and continuous improvement; hiring, supervising, and developing staff; and budgeting adequate resources within the respective education, health, and family and community engagement service areas.

1. Education and Child Development Program Services

This section describes your program’s performance in delivering the following services: teaching practices and learning environments, services for children with disabilities, and home-based program services (where applicable).

Education and Child Development Services Performance Summary

Performance Area	Performance Status
Education and Child Development Service Delivery	
Teaching practices and learning environments	
Services for children with disabilities	
Home-based services	
Program Management*	
Ongoing oversight and continuous improvement of education and child development services	
Hiring, supervision, and development of education and child development staff	
Financial Management*	
Adequacy of resources for education and child development services	

* *Program and Financial Management* data is only presented in this summary table; no narrative text is provided in the sections that follow. See Section II for narrative description of grantee *Program Management* and *Financial Management* performance.

Performance Area Summary

Teaching practices and learning environments. The monitoring review found your program uses a developmentally appropriate research-based curriculum that aligns with the Head Start Early Learning Outcomes Framework and has implemented effective teaching practices and well-organized learning environments that promote progress in children's development and growth.









Services for children with disabilities. The monitoring review found your program fully engages children with disabilities in all aspects of the program, engages families of children with disabilities in their children's learning and development, and supports families in becoming advocates for services that meet their children's needs.

Home-based services. The monitoring review found your home-based program provides home visits and group socialization activities that promote secure parent-child relationships and help parents provide high-quality early learning experiences for their children.

2. Health Program Services

This section indicates your program's performance in delivering the following Health Program services: addressing health status and health needs; oral health and nutrition services; mental health services; services for pregnant women; and maintaining healthy and safe environments.

Health Program Services Performance Summary

Performance Area	Performance Status
Health Program Service Delivery	
Addressing health status and health needs	
Oral health and nutrition services	
Mental health services	
Services for pregnant women	
Healthy and safe environments	
Program Management*	
Ongoing oversight and continuous improvement of health program services	
Hiring, supervising, and developing health program service staff	
Financial Management*	
Adequacy of resources for health program services	

* *Program and Financial Management* data is only presented in this summary table; no narrative text is provided in the sections that follow. See Section II for narrative description of grantee *Program Management* and *Financial Management* performance.

Performance Area Summary

Addressing health status and health needs. The monitoring review found your program effectively collects, tracks, addresses, and shares information regarding each child's health status and health needs, including health, mental health, oral health, and nutritional needs.

Oral health and nutrition services. The monitoring review found your program has a system for maintaining and monitoring for effective oral health practices and providing nutrition services that meet the nutritional needs of and accommodate the feeding requirements of each child.

Mental health services. The monitoring review found your program effectively utilizes mental health consultation to support staff, including home visitors, in identifying and meeting children's mental health and social and emotional needs.

Your program's staff shared multiple examples of your program's focus on mental health services for children and families. During the onsite review, staff explained that there is a growing need among families for mental health services in your area due to your program's proximity to Sandy Hook Elementary, and the growing abuse of opioids. As a result, your management team noted that you have implemented a systematic approach to deliver comprehensive mental health services by providing training, hiring qualified staff, and developing community partnerships. As an example, your program provides ongoing staff training on trauma indicators and strategies for teachers and family support staff to implement and address trauma. Trainings include information on the opioid addiction process, signs of substance abuse in households, the impact of parental substance abuse on children, and knowing when to provide referrals for additional intervention services.

In addition, your program utilizes various methods to support families such as a mental health assessment upon enrollment and therapy options (as appropriate) including in-home therapy, small group therapy, and classroom accommodations. Your staff highlighted that your program was awarded funds from a state grant titled "Link," to purchase classroom equipment and hire additional qualified staff with specialties in the areas of social services, mental health and counseling to support children. Staff also highlighted that there is a multi-disciplinary team that treats and supports each family experiencing mental health issues including a monthly review of each child's learning and behavior progress; this report is also shared with parents monthly. It is evident that through your partnerships with community agencies, your program provides a significant amount of mental health services to children and their families. This was also echoed by parents who shared their success stories related to mental health.







Services for pregnant women. The monitoring review found your program provides and monitors for quality services for enrolled pregnant women to facilitate enrolled pregnant women's access to health care and provide them with information to support prenatal post-partum maternal and infant health and emotional well-being.

Healthy and safe environments. The monitoring review found your program has implemented a process for monitoring and maintaining healthy and safe environments.

3. Family and Community Engagement Program Services

This section indicates your program's performance in the following Family and Community Engagement Services: integrating family engagement into all systems and services; creating responsive program environments; and identifying family needs and making progress toward individual family outcomes.

Family and Community Engagement Services Performance Summary

Performance Area	Performance Status
Family and Community Engagement Service Delivery	
Integrating family engagement into all systems and services	
Creating responsive program environments	
Identifying family needs and making progress toward individual family outcomes	
Program Management*	
Ongoing oversight and continuous improvement of family and community engagement services	
Hiring, supervising, and developing family and community engagement staff	
Financial Management*	
Adequacy of resources for family and community engagement services	

* Program and Financial Management data is only presented in this summary table; no narrative text is provided in the sections that follow. See Section II for narrative description of grantee Program Management and Financial Management performance.

Performance Area Summary

Integrating family engagement into all systems and services. The monitoring review found your program integrates family engagement and support strategies into all systems and demonstrates progress in providing quality program services to support family well-being and promote school readiness.

Creating responsive program environments. The monitoring review found your program creates welcoming, culturally, and linguistically responsive program environments.

Identifying family needs and making progress toward individual family outcomes. The monitoring review found your program collaborates with parents to identify strengths and needs and make progress toward individual family outcomes.

--- End of Report ---



ADMINISTRATION FOR
CHILDREN & FAMILIES

Office of Head Start | 4th floor Switzer Memorial Building, 330 C Street SW, Washington DC | eclkc.ohs.acf.hhs.gov

To: Board Chairperson

Mr. Chris Sanders
Board Chairperson
EDADVANCE
355 Goshen Road
Litchfield, CT 06759

From: Responsible HHS Official

Ms. Ann Linehan
Acting Director, Office of Head Start


12/29/2017

Results from CLASS® Observations

Thank you for your support during the recent Office of Head Start onsite CLASS® review conducted from 12/11/2017 to 12/15/2017 of your Head Start program. Grant 01CH010234.

Observations were conducted in preschool center-based classrooms using the Pre-K Classroom Assessment Scoring System (CLASS®). The CLASS® tool looks at three domains and ten dimensions of teacher-child interactions and measures those observed interactions on a seven point scale. Please share these results with the appropriate governing board, policy council, management, staff and stakeholders.

DOMAIN	Score	DOMAIN	Score	DOMAIN	Score
Emotional Support	6.1136	Classroom Organization	5.5000	Instructional Support	2.8788

DIMENSIONS					
Positive Climate	5.86	Behavior Management	5.77	Concept Development	2.59
Negative Climate*	1.00	Productivity	5.68	Quality of Feedback	2.91
Teacher Sensitivity	5.82	Instructional Learning Formats	5.05	Language Modeling	3.14
Regard for Student Perspectives	5.77				

*Note: To calculate the Emotional Support domain, subtract the Negative Climate score from 8, add the Positive Climate, Teacher Sensitivity, and Regard for Student Perspective scores, then divide by 4.

For more information on CLASS® domains and dimensions, please see the attached description and visit the Early Childhood Learning and Knowledge Center, National Center on Quality Teaching and Learning at <http://eclkc.ohs.acf.hhs.gov/hslc/tta-system/teaching>.

If you have any questions, please contact your Regional Office.

cc: *Ms. Marina Winkler*, Regional Program Manager
Ms. Tracy Kelly, Policy Council Chairperson
Dr. Jeffery Kitching, CEO/Executive Director
Ms. Kathi Bleacher, Head Start Director

About CLASS®

The Improving Head Start for School Readiness Act of 2007 requires that the Office of Head Start (OHS) include in the monitoring reviews of Head Start agencies a valid and reliable research-based observational instrument that assesses classroom quality, including the assessment of multiple dimensions of teacher-child interactions that are linked to positive child outcomes and later achievement.

CLASS® assesses interactions between children and teachers in three broad domains of classroom quality: Emotional Support, Classroom Organization, and Instructional Support. The Office of Head Start believes that the domains of quality measured by CLASS® remain central to its approach to child development and education and serve as important indicators of the future school readiness of all Head Start children.

For all dimensions*, the scoring principles are as follows¹:

Low range score

1—The low range description of the CLASS® dimension fits the classroom and/or teacher very well. All, or almost all, relevant indicators in the low range are present.

2—The low range description of the CLASS® dimension mostly fits the classroom and/or teacher, but there are one or two indicators that are in the middle range.

Middle range score

3—The middle range description of the CLASS® dimension mostly fits the classroom and/or teacher, but there are one or two indicators in the low range.

4—The middle range description of the CLASS® dimension fits the classroom and/or teacher very well. All, or almost all, relevant indicators in the middle range are present.

5—The middle range description of the CLASS® dimension mostly fits the classroom and/or teacher, but there are one or two indicators in the high range.

High range score

6—The high range description of the CLASS® dimension mostly fits the classroom and/or teacher, but there are one or two indicators in the middle range.

7—The high range description of the CLASS® dimension fits the classroom and/or teacher very well. All, or almost all, relevant indicators in the high range are present.

*Note: The Negative Climate dimension is inversely scored with a higher score indicating lower quality. For all other dimensions and domains, a higher score indicates higher quality.

The scores from each class observation are averaged across the grantee to result in **grantee-level** dimension scores. The grantee dimension scores are then used to calculate the grantee-level domain scores.

The scores from CLASS® observations can be used for a variety of purposes, including professional development, program improvement, policy, goal-setting and monitoring. The Office of Head Start began using the CLASS® for monitoring purposes in FY2010 to collect information on the experiences of children at each grantee.

In FY2012, OHS refined the use of the CLASS® in monitoring to include the use of a randomly selected sample of center-based preschool classes for observations, a clearly articulated methodology followed by CLASS® reviewers, and additional support for the CLASS® reviewer pool. For each preschool class selected in the sample, trained and certified CLASS reviewers conduct two 20 minute observations and score at the dimension level using a 7-point scale at the end of each observation cycle.

¹ Pianta R, La Paro K, Hamre, B. *Classroom Assessment Scoring System Manual—Pre-K*, Paul H. Brookes Publishing Co., 2008.



ADMINISTRATION FOR
CHILDREN & FAMILIES

Office of Head Start | 4th Floor – Switzer Memorial Building, 330 C Street SW, Washington DC 20024 eclkc.ohs.acf.hhs.gov

Program Performance Summary Report

To: Authorizing Official/Board Chairperson

Mr. John Kissko

EdAdvance

355 Goshen Rd

Litchfield, CT 06759 - 2404

From: Responsible HHS Official

Date: 01/06/2022

Dr. Bernadine Futrell

Director, Office of Head Start

From November 15, 2021 to November 19, 2021, the Administration for Children and Families (ACF) conducted a Focus Area One (FA1) monitoring review of the EdAdvance Head Start and Early Head Start programs. This report contains information about the recipient's performance and compliance with the requirements of the Head Start Program Performance Standards (HSPPS) or Public Law 110-134, *Improving Head Start for School Readiness Act of 2007*.

The Office of Head Start (OHS) would like to thank your governing body, policy council, parents, and staff for their engagement in the review process. The FA1 review allows the OHS to understand how programs are progressing in providing services in the 5-year grant cycle. The report includes the performance measures used to understand recipient progress towards program goals. You can use this report to identify where your program was able to describe progress toward implementing program services that promote quality outcomes for children and families. Please contact your Regional Office for guidance should you have any questions or concerns. Your Regional Office will follow up on the content of this report and can work with you to identify resources to support your program's continuous improvement.

DISTRIBUTION OF THE REPORT

Copies of this report will be distributed to the following:

Ms. Marina Winkler, Regional Program Manager

Dr. Jeffrey Kitching, Chief Executive Officer/Executive Director

Mrs. Carmella Galipault, Head Start Director

Ms. Carmella Galipault, Early Head Start Director

Glossary of Terms

Opportunity for Continuous Improvement (OCI)	An OCI is identified when the recipient is determined compliant in an area; however, through intentional, continuous improvement strategies, the agency has the opportunity to enhance overall program quality.
Area of Concern (AOC)	An area for which the agency needs to improve performance. These issues should be discussed with the recipient's Regional Office of Head Start for possible technical assistance.
Area of Noncompliance (ANC)	An area for which the agency is out of compliance with Federal requirements (including but not limited to the Head Start Act or one or more of the regulations) in one or more areas of performance. This status requires a written timeline of correction and possible technical assistance or guidance from the recipient's program specialist. If not corrected within the specified timeline, this status becomes a deficiency.
Deficiency	<p>As defined in the Head Start Act, the term "deficiency" means:</p> <p>(A) a systemic or substantial material failure of an agency in an area of performance that the Secretary determines involves:</p> <ul style="list-style-type: none"> (i) a threat to the health, safety, or civil rights of children or staff; (ii) a denial to parents of the exercise of their full roles and responsibilities related to program operations; (iii) a failure to comply with standards related to early childhood development and health services, family and community partnerships, or program design and management; (iv) the misuse of funds received under this subchapter; (v) loss of legal status (as determined by the Secretary) or financial viability, loss of permits, debarment from receiving Federal grants or contracts, or the improper use of Federal funds; or (vi) failure to meet any other Federal or State requirement that the agency has shown an unwillingness or inability to correct, after notice from the Secretary, within the period specified; <p>(B) systemic or material failure of the governing body of an agency to fully exercise its legal and fiduciary responsibilities; or</p> <p>(C) an unresolved area of noncompliance.</p>



Program Design and Management

Program Design

The recipient's program design and structure takes into account community strengths and needs.

Program Management

The recipient has an approach for providing effective management and oversight of all program areas and fiduciary responsibilities.

Program Governance

The recipient maintains a formal structure for program governance that includes a governing body, a policy council (or policy committee for delegates), and parent committees.

Program Design and Management Summary

EdAdvance is a regional educational service center located in the upper northwest corner of Connecticut, a rural area with limited transportation options. The recipient maintains six center-based Head Start locations and runs home-based Early Head Start services. As of the most recent community assessment, the area did not have enough income-eligible families to open an Early Head Start classroom, so the home-based model met the community's needs. Overall, center- and home-based services were provided for 191 Head Start and 32 Early Head Start children and families, respectively.

Approximately 4 years ago, under new executive leadership, the staff developed a mission to promote the success of local schools and communities and called it the Three Cs Project: Connection, Culture, and Customization. In the spirit of connection, the program engaged with constituents across the region to understand the needs of the communities. To meet cultural goals, EdAdvance strived to embrace everyone and achieve success through an internal climate of collaboration. Lastly, the program focused on customization by increasing its capacity to provide flexible solutions, services, and support tailored to the unique needs of the communities it served. The recipient has benefitted from this approach by expanding internal resources and partnerships and embracing a culture of diversity and inclusive cooperation.



Designing Quality Education and Child Development Program Services

Alignment with School Readiness

The recipient's approach to school readiness aligns with the expectations of receiving schools, the Head Start Early Learning Outcomes Framework (HSELOF), and state early learning standards.

Effective and Intentional Teaching Practices

The recipient has strategies to ensure teaching practices promote progress toward school readiness.

Supporting Teachers in Promoting School Readiness

The recipient has an approach for ensuring teachers are prepared to implement the curriculum and support children's progress toward school readiness.

Home-based Program Services

The recipient has strategies to ensure home-based program services help parents to provide high-quality learning experiences.

Education and Child Development Services Summary

EdAdvance individualized learning opportunities for children to ensure their readiness for kindergarten. The recipient participated in monthly meetings with local education agencies and town administrations to develop transition plans based on the same goals for all children from birth through age eight. Those meetings were followed by education advisory team meetings to discuss data trends and plan instructional changes. For example, in response to lackluster outcomes in writing skills and letter recognition, the program implemented a writing curriculum to improve children's writing abilities. Additionally, the recipient implemented a social-emotional curriculum to address children's behavioral issues before they entered kindergarten. EdAdvance worked with community programs and schools to ensure seamless transitions across all educational settings.



Designing Quality Health Program Services

Child Health Status and Care

The recipient has an approach for ensuring the delivery of high-quality health services.

Safety Practices

The recipient implements a process for monitoring and maintaining healthy and safe environments and ensuring all staff have complete background checks.

Health Services Highlight

EdAdvance's health team saw a rapidly growing demand for mental health services beginning in 2014, and the need increased during the pandemic in 2020. Additionally, the recipient saw a spike in the number of child abuse cases in parts of its catchment area between 2016 and 2018. In response to these challenges, the recipient contracted with three mental health consultants for the Head Start and Early Head Start programs. This in-house resource allowed EdAdvance to streamline the referral process and offer prompt support for families and staff. To further address mental health concerns, staff supplemented the program's social-emotional curriculum with a locally designed child protection lesson series that included a safe touch puppet show. Together, these tactics improved behavioral outcomes and increased personal safety awareness among children.

EdAdvance's emphasis on mental health continued with the practices it implemented to support teachers, home visitors, children, and families. The mental health consultants provided observations and feedback to Early Head Start home visitors and Head Start teachers. They also conducted reflective supervision interviews with home visitors, conducted classroom observations, and provided staff and families with strategies to support children's positive behavior. As the program returned to in-person services, EdAdvance increased the frequency of classroom observations to remain abreast of any issues caused by the pandemic closures. The recipient also accessed the agency's staff who helped provide classroom strategies and individual behavior plans. This approach to mental health services helped mitigate risks and improved the timeliness of services for children and families.



Designing Quality Family and Community Engagement Services

Family Well-being

The recipient has an approach for collaborating with families to support family well-being.

Strengthening Parenting and Parent-Child Supports

The recipient has an approach for providing services that strengthen parenting skills.

Family and Community Engagement Services Summary

EdAdvance collaborated with community partners to help families meet their goals and move toward greater self-sufficiency. The program developed a resource guide specific to the sites within each community so that families and staff members could access a variety of services. One partner provided grocery gift cards to help families experiencing food insecurity. Another provided free passes to the children's museum. These were used by the recipient to encourage family literacy and were distributed when families used the library twice per month. Additionally, the program offered adult education and driving classes when obtaining a license was a family goal. Further, when internal data identified a need for bedtime routines, the recipient responded by adding a curriculum focused on getting children healthy sleeping patterns. EdAdvance's ability to match resources with families' needs helped tailor systems to support their goals.



Developing Effective Eligibility, Recruitment, Selection, Enrollment, and Attendance (ERSEA) Strategies and Fiscal Infrastructure

Eligibility, Recruitment, Selection, Enrollment, and Attendance

The recipient enrolls children or expectant mothers who are categorically eligible or who meet defined income-eligibility requirements.

At least 10% of the recipient's total funded enrollment is filled by children eligible for services under IDEA or the recipient has received a waiver.

Enrollment Verification

The recipient maintains and tracks full enrollment for all enrolled participants.

Fiscal Infrastructure, Capacity, and Responsiveness

The recipient's fiscal staff have the qualifications needed to provide oversight of the grant.

The recipient has a budget development and revision process that includes stakeholders and appropriate approvals, and ensures continuous alignment with program design, goals, and objectives.

ERSEA and Fiscal Summary

EdAdvance developed strategies for recruiting and enrolling at-risk families. The recipient analyzed community assessment data and annually adapted the selection criteria to reflect the needs of families. During recruitment, the program targeted areas where high school graduation rates were low and where non-English-speaking families resided. Additionally, EdAdvance recruited families from the agency's adult education and drug and alcohol programs. The recipient worked toward the overarching goal of full enrollment by January 2022.

EdAdvance aligned budgetary practices with the needs and goals of the Head Start and Early Head Start programs. The Board and the policy council used program data to guide the budget development process, including the plan for Coronavirus Aid, Relief, and Economic Security Act funds. The funds were used to implement a summer socialization program and to provide individual tutoring. The recipient also kept three classrooms open for full-time working parents. Additional funds were used to extend the employment of Head Start teachers and family services workers for the summer months. Because of its practices, the recipient was able to pivot and continue services despite the pandemic.

----- End of Report -----

EDADVANCE

PRENATAL TO FIVE

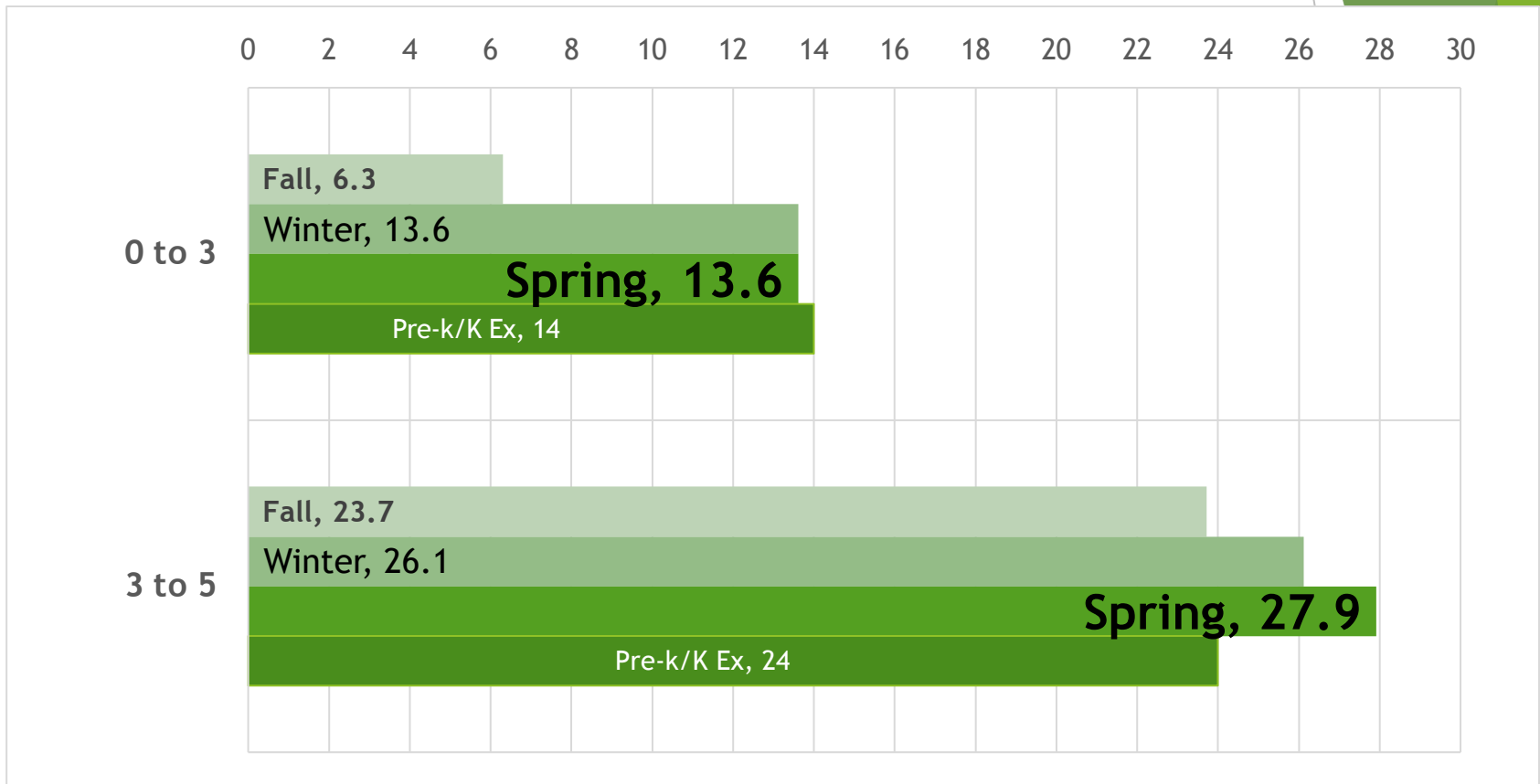
SCHOOL READINESS

DATA REPORT

SPRING 2022-2023

Goal 1

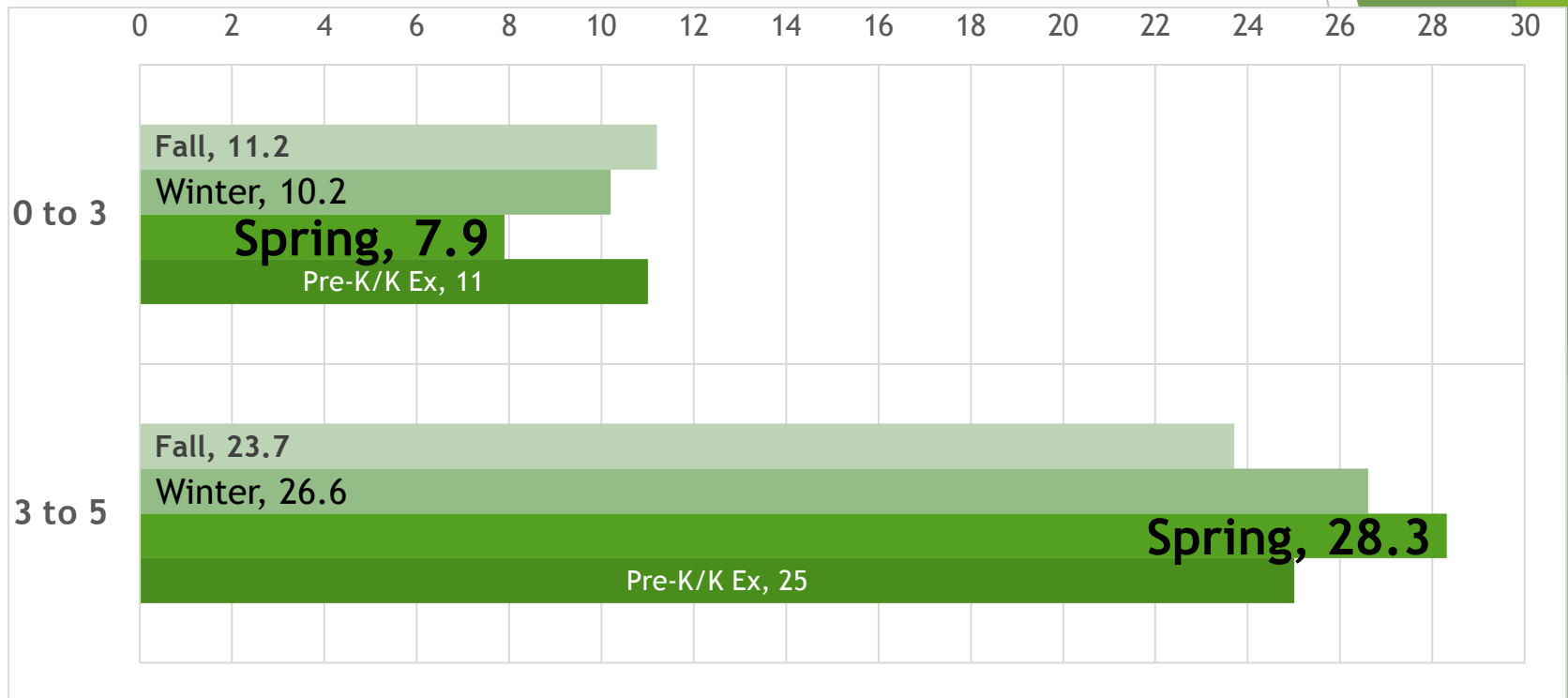
Children will meet or exceed their widely held expectations in demonstrating a positive approach to learning through curiosity, initiative, creativity, and persistence



Approach to Learning

Goal 2

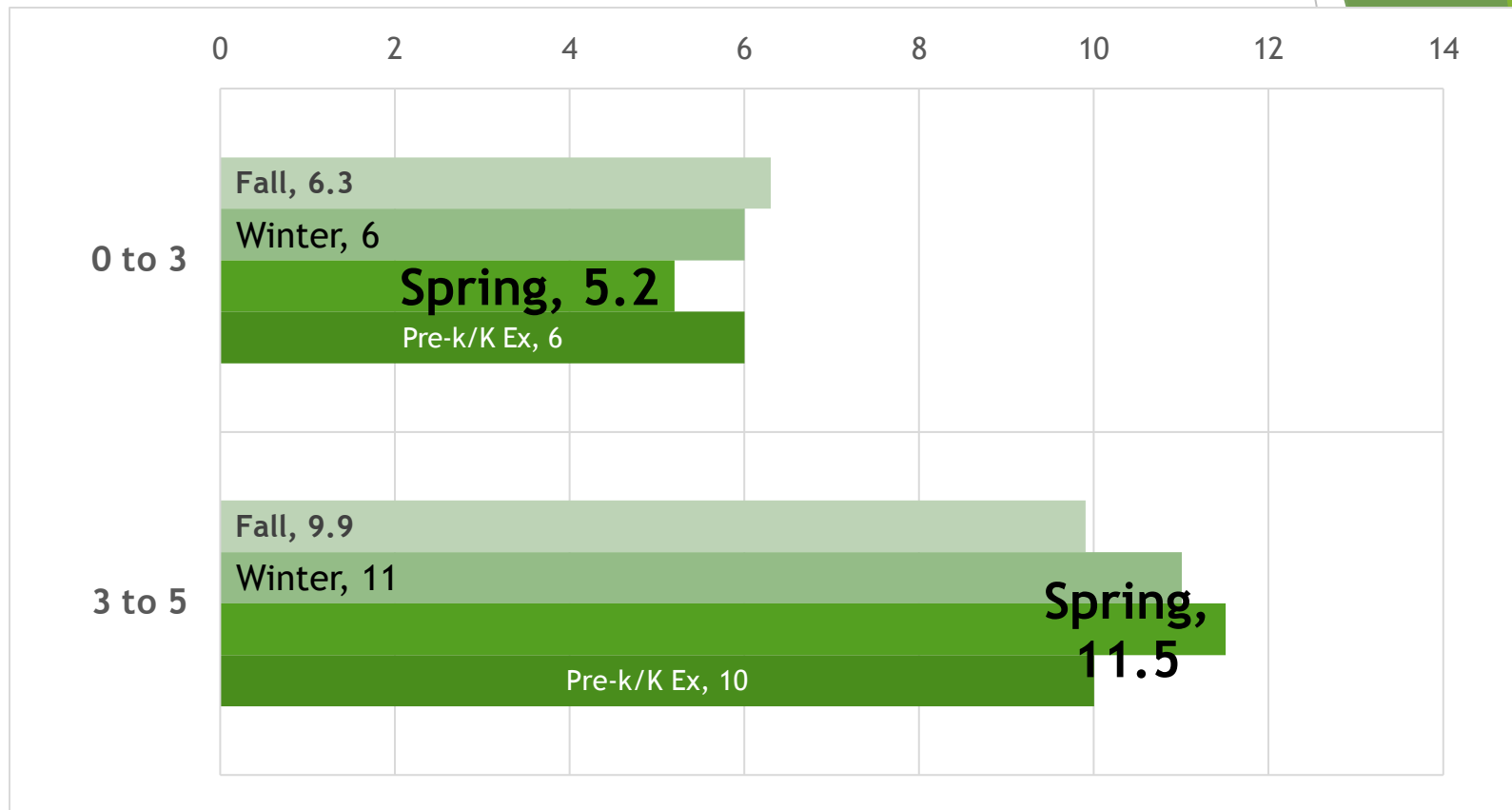
Children will meet or exceed their widely held expectations in demonstrating healthy relationships and interactions with adults and peers.



Social and Emotional Development

Goal 3

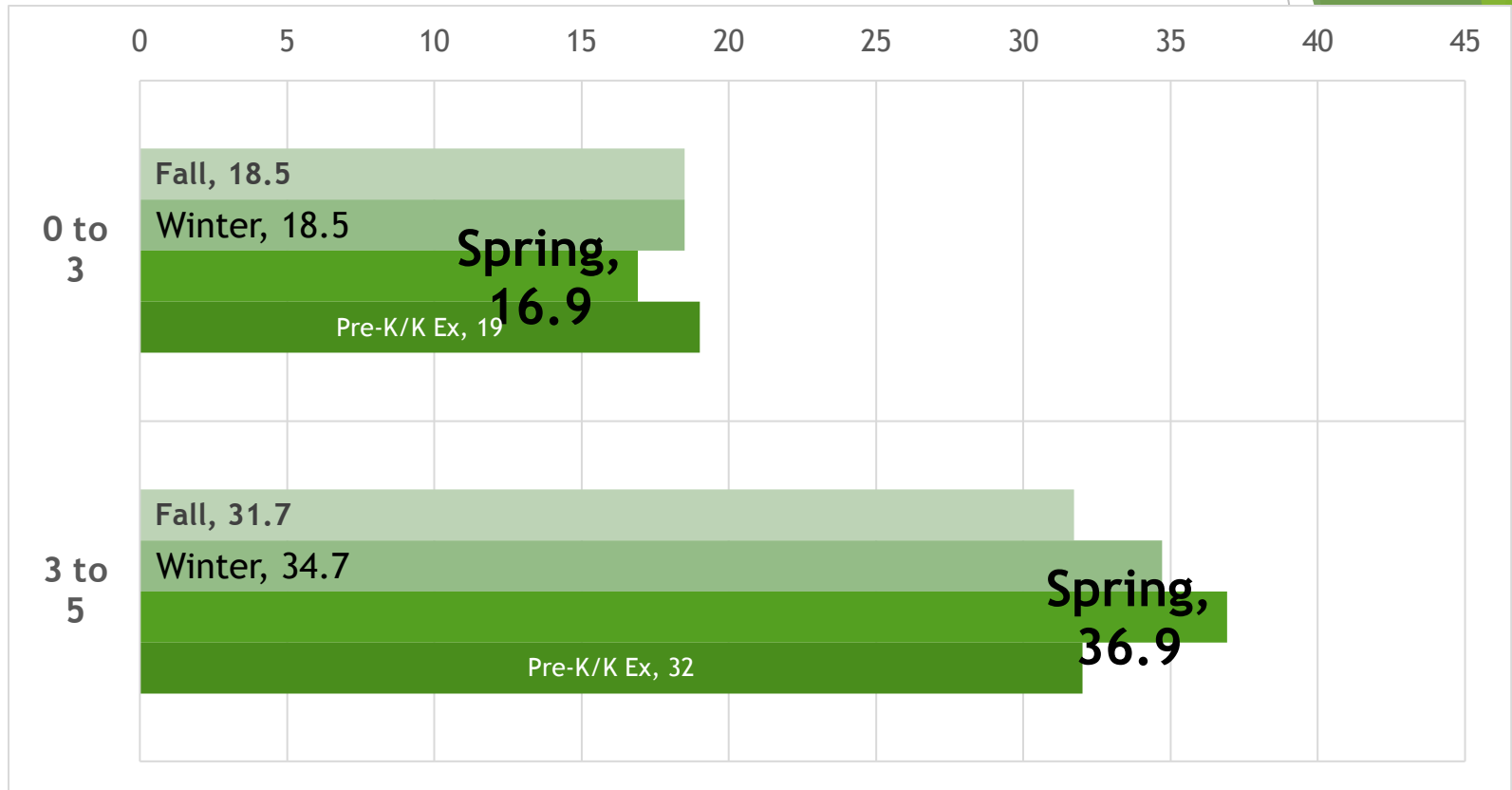
Children will meet or exceed their widely held expectations in recognizing and regulating emotions.



Social and Emotional Development

Goal 4

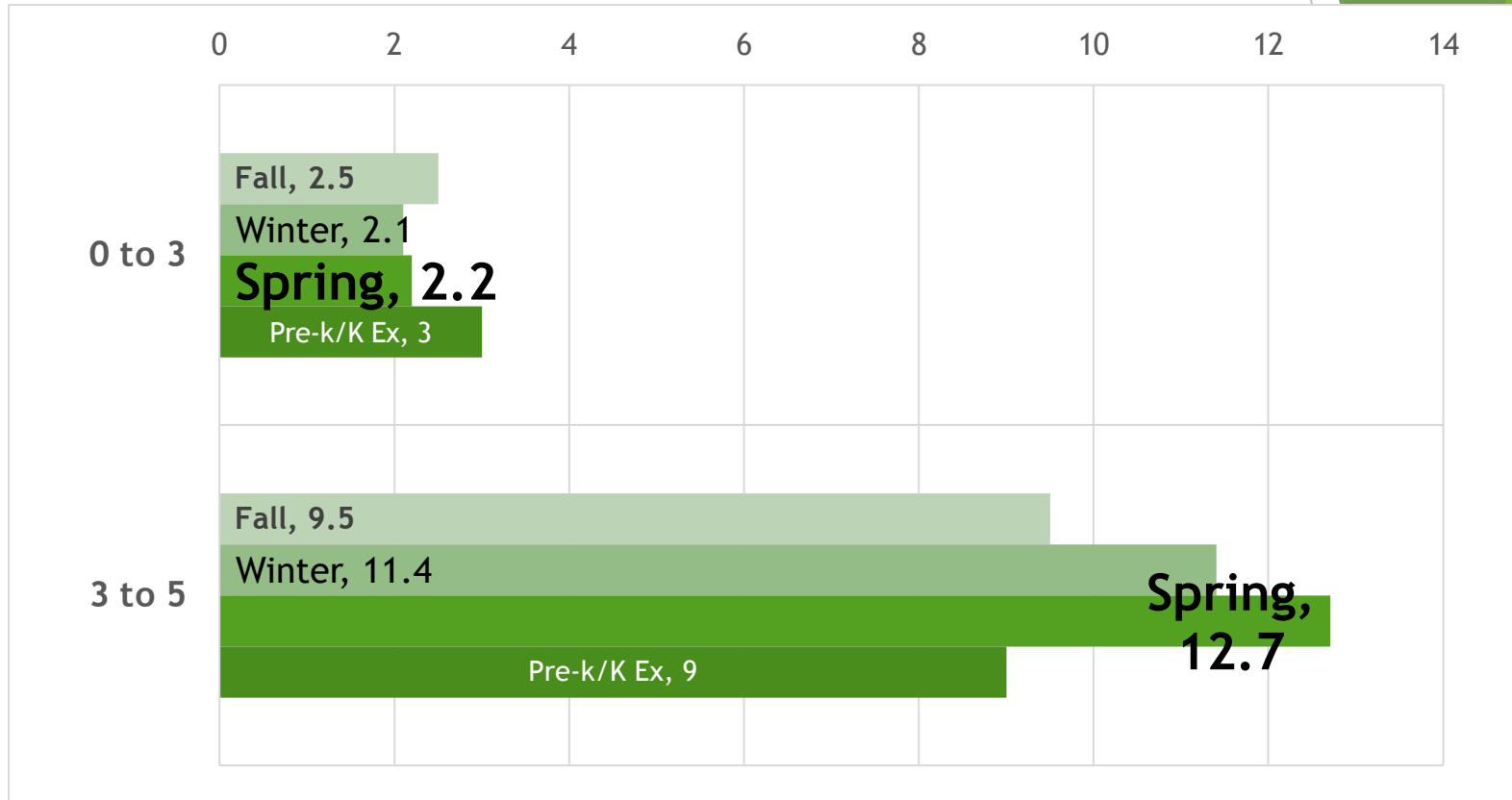
Children will meet or exceed their widely held expectations in demonstrating the ability to use and understand language.



Language and Literacy

Goal 5

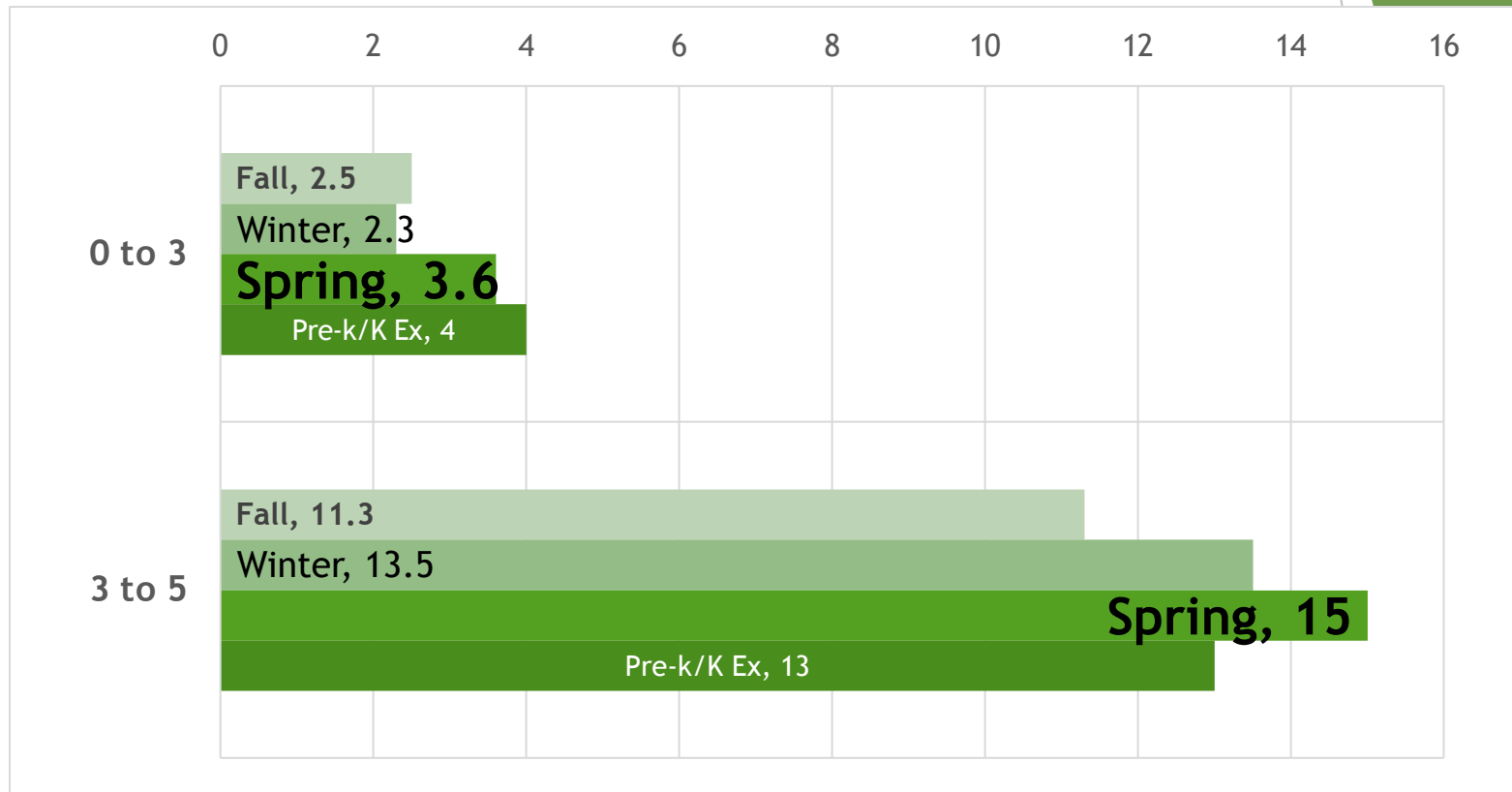
Children will meet or exceed their widely held expectations in appreciating books and using them to gain knowledge.



Language and Literacy

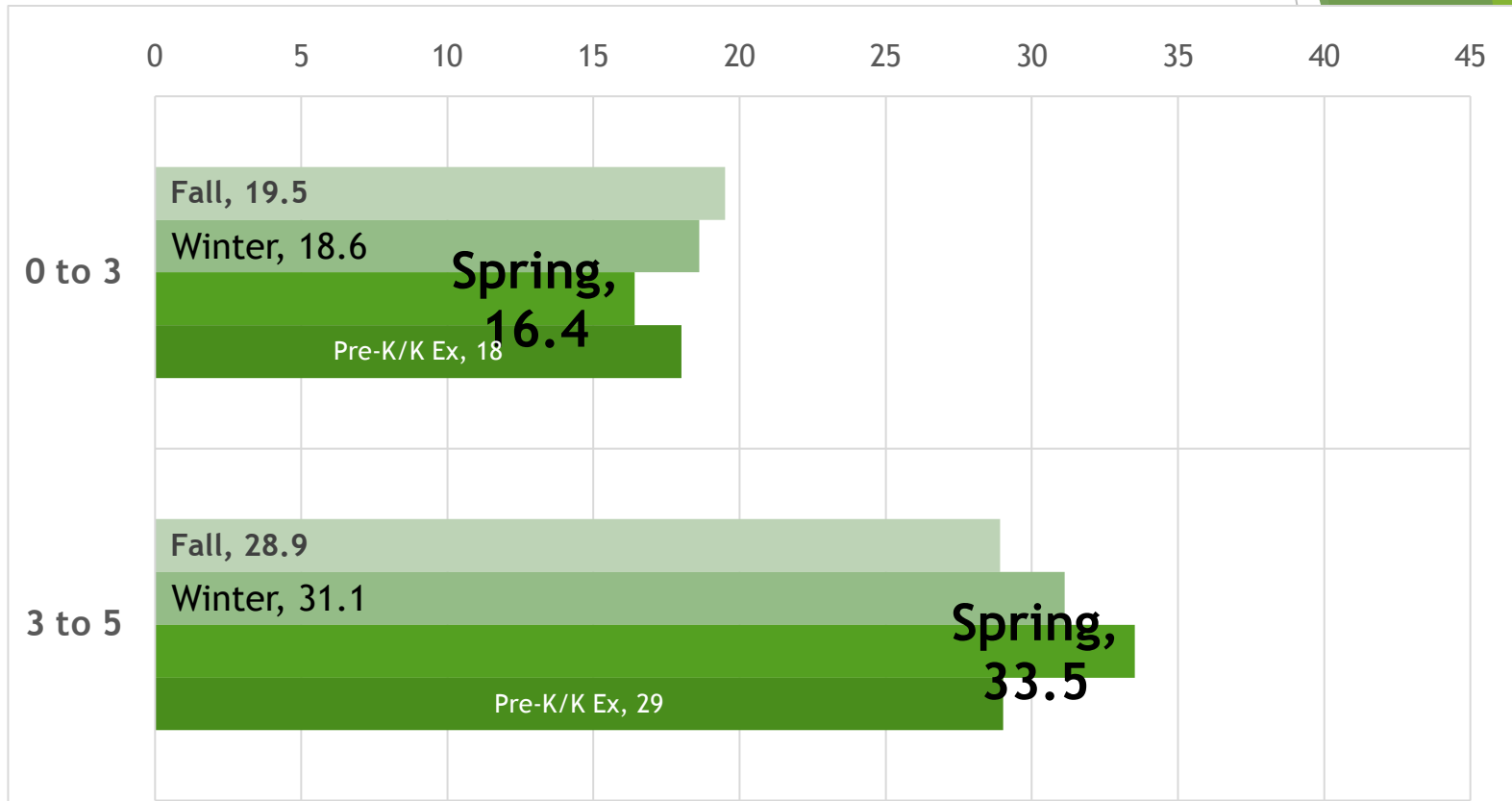
Goal 6

Children will meet or exceed their widely held expectations in understanding that numbers are used for counting and to represent quantities.



Cognition and General Knowledge

Goal 7
Children will meet or exceed their widely held expectations in controlling large and small muscles



Perceptual Motor and Physical Development

DLL
Children who are dual language learners will meet or exceed program expectations in demonstrating competency in their home language while acquiring beginning proficiency to comprehend and to speak English.

TSG	3 - 5	Not Yet	Beginning	Progressing	Increasing	Advancing
37	Fall			10	17	7
	Winter		1	6	14	14
	Spring		1	3	12	19
38	Fall		3	11	15	5
	Winter		2	8	14	11
	Spring		1	4	12	18

EDADVANCE

Federal Single Audit

For the Year Ended June 30, 2023

EDADVANCE
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For the Year Ended June 30, 2023

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**INDEPENDENT AUDITOR'S 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
EdAdvance

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of EdAdvance, which comprise the statement of financial position as of June 30, 2023 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 23, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered EdAdvance'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 EdAdvance's internal control. Accordingly, we do not express an opinion on the effectiveness of EdAdvance's internal control.

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

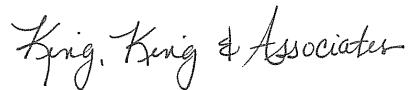
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether EdAdvance's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 EdAdvance's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering EdAdvance's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



King, King & Associates, CPAs
Winsted, CT
February 23, 2024



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY UNIFORM GUIDANCE

To the Board of the
EdAdvance
Litchfield, Connecticut

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited EdAdvance'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 EdAdvance's major federal programs for the year ended June 30, 2023. EdAdvance's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with the 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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of EdAdvance 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 EdAdvance'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 EdAdvance's federal programs.

Auditor's 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 EdAdvance's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on the compliance about EdAdvance'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 EdAdvance'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 EdAdvance'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 EdAdvance's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

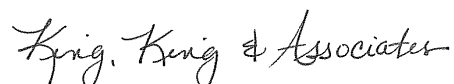
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant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

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

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

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

We have audited the financial statements of EdAdvance as of and for the year ended June 30, 2023, and have issued our report thereon dated February 23, 2024, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



King, King & Associates, CPAs
Winsted, CT
February 23, 2024

EDADVANCE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

FEDERAL GRANTOR/PASS-THROUGH GRANTOR PROGRAM TITLE OR CLUSTER TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY'S IDENTIFYING NUMBER	AMOUNTS PROVIDED TO SUBRECIPIENTS	TOTAL EXPENDED
United States Department of Agriculture				
<i>Passed Through the State of Connecticut Department of Education:</i>				
Child Nutrition Cluster:				
School Breakfast Program	10.553	12060-SDE64370-20508	\$ -	\$ 90,195
National School Lunch Program	10.555	12060-SDE64370-20560	-	504,008
Summer Food Service Program for Children	10.559	12060-SDE64370-20540	-	93,329
Summer Food Sponsor Program	10.559	12060-SDE64370-20548	-	10,370
			<u>-</u>	<u>697,902</u>
Child and Adult Care Food Program	10.558	12060-SDE64370-20518	-	176,300
Cash-In-Lieu/Commodities-CCFP	10.558	12060-SDE64370-20544	-	8,395
State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs	10.649	12060-SDE64370-29802	-	6,908
State Administrative Expense for School Nutrition	10.560	12060-SDE64370-23126	-	78,638
Total United States Department of Agriculture			<u>-</u>	<u>968,143</u>
United States Department of Commerce				
<i>Direct:</i>				
Congressionally Identified Awards and Projects	11.469	N/A	-	86,938
Total United States Department of Commerce			<u>-</u>	<u>86,938</u>
United States Department of the Treasury				
<i>Passed Through the State of Connecticut Office of Early Childhood:</i>				
COVID - 19 - Coronavirus Relief Fund	21.019	12060-OEC64806-29647	-	134,907
B-3 ARPA Funds	21.027	12060-OEC64855-29685	-	7,200
<i>Passed Through the State of Connecticut Mental Health and Addiction Services:</i>				
ARPA - DMHAS Private Providers	21.027	12060-MHA53969-29797	-	5,747
<i>Passed Through the State Department of Developmental Services</i>				
ARPA - Residential	21.027	12060-DDS50148-90678	-	16,395
Total United States Department of the Treasury			<u>-</u>	<u>164,249</u>
United States National Endowment for the Humanities				
<i>Direct:</i>				
Education and Human Resources	47.076	N/A	-	536,333
Total United States National Endowment for the Humanities			<u>-</u>	<u>536,333</u>

See notes to schedule.

EDADVANCE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

FEDERAL GRANTOR/PASS-THROUGH GRANTOR PROGRAM TITLE OR CLUSTER TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY'S IDENTIFYING NUMBER	AMOUNTS PROVIDED TO SUBRECIPIENTS	TOTAL EXPENDED
United States Department of Education				
<i>Passed Through the State of Connecticut Department of Education:</i>				
Title II - Improving Teacher Quality Grants	84.367	12060-SDE64370-20858	-	2,618
Twenty-First Century Community Learning Centers	84.287	12060-SDE64370-20863	-	103,541
Career and Technical Education	84.048a	12060-SDE64370-20742	-	102,968
Title III - English Language Acquisition	84.365	12060-SDE64370-20868	-	30,923
Adult Education - Basic Grants to States	84.002	12060-SDE64370-20784	-	203,693
Education for Homeless Children and Youth	84.196	12060-SDE64370-20770	-	75,236
ARPA - Education for Homeless Children and Youth	84.425w	12060-SDE64370-29650	-	15,962
Education Stabilization Fund Cluster:				
COVID-19 - ARP - Elementary & Secondary School Emergency Relief Fund (HCY)	84.425W	12060-SDE64370-29650	-	39,067
COVID-19 - ARP - Elementary & Secondary School Emergency Relief Fund (ARP ESSER)	84.425U	12060-SDE64370-29636	-	414,582
			-	453,649
ARPA - Summer Enrichment	84.425	12060-SDE64370-29636	-	92,970
ARPA - Enhancement	84.425	12060-SDE64370-29636	-	57,594
<i>Passed Through the State of Connecticut Office of Early Childhood:</i>				
Personnel Development to Improve Services and Results for Children with Disabilities	84.325p	12060-OEC64855-23061	-	600
<i>Direct:</i>				
Rural Education Achievement Program	84.358	N/A	-	20,205
Total United States Department of Education			-	1,159,959
United States Department of Justice				
<i>Direct:</i>				
Juvenile Mentoring Program	16.726	N/A	-	32,769
Total United States Department of Justice			-	32,769
United States Social Security Administration				
<i>Passed Through the State of Connecticut Department of Rehabilitation Services:</i>				
Disability Insurance/SSI Cluster:				
Social Security Disability Insurance	96.001	12060-SDR63710-20821	-	620
Total United States National Endowment for the Humanities			-	620

See notes to schedule.

EDADVANCE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

FEDERAL GRANTOR/PASS-THROUGH GRANTOR PROGRAM TITLE OR CLUSTER TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY'S IDENTIFYING NUMBER	AMOUNTS PROVIDED TO SUBRECIPIENTS	TOTAL EXPENDED
United States Department of Health and Human Services				
<i>Passed Through the State of Connecticut Office of Early Childhood:</i>				
Child Care and Development Fund Cluster:				
Discretionary - Project Outreach	93.575	12060-OEC64845-22975	-	129,375
Maternal, Infant, and Early Childhood Home Visiting Program	93.870	12060-OEC64860-22683	1,208,377	2,360,328
<i>Direct:</i>				
Head Start Cluster:				
Head Start	93.600	N/A	-	2,957,449
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	N/A	-	133,787
Total United States Department of Health and Human Services			<u>1,208,377</u>	<u>5,451,564</u>
Total Expenditures of Federal Awards			<u>\$ 1,208,377</u>	<u>\$ 8,529,950</u>

See notes to schedule.

EDADVANCE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of EdAdvance under programs of the federal government for the fiscal year ended June 30, 2023. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of EdAdvance, it is not intended to and does not present the financial position, changes in net assets, or cash flows of EdAdvance

Basis of Accounting

Expenditures reported on the Schedule of Expenditures of Federal Awards are presented on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements included in EdAdvance's annual audit report.

EdAdvance did not elect to use the 10% de minimis indirect cost rate.

EDADVANCE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

We audited the basic financial statements of EdAdvance (EdAdvance) as of and for the year ended June 30, 2023 and issued our unmodified report.

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X 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? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None Reported

We have issued an unmodified opinion relating to compliance for major Federal programs.

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Uniform Guidance? _____ Yes X No

Identification of Major Programs

U.S. Department of Health & Human Services:
93.870 – Maternal, Infant, Early Childhood Home Visitation

U.S. Department of Education:
84.002 – Adult Education – Basic Grants to States

Dollar Threshold

Dollar threshold used to distinguish between type A and type B programs: \$750,000.

Low-Risk Auditee

EdAdvance did qualify as a low-risk auditee.

II. FINANCIAL STATEMENT FINDINGS

- No matters were reported.

III. FEDERAL AWARD - FINDINGS AND QUESTIONED COSTS

- No findings or questioned costs are reported relating to federal award programs.

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
EDADVANCE
FISCAL YEAR ENDED JUNE 30, 2023**

Federal Program Findings:

Finding No. 2022-001

Condition: There was no documentation maintained to show that verification was performed before EdAdvance entered into a transaction with subrecipients.

Current Status: This finding has been corrected.

Finding No. 2022-002

Condition: The following award information was not communicated to the subrecipients: assistance listing title and number; award name and number; and name of federal awarding agency.

Current Status: This finding has been corrected.

EDADVANCE

Financial Statements

June 30, 2023 and 2022

EDADVANCE
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
EdAdvance
Litchfield, Connecticut

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of EdAdvance (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of EdAdvance and to meet our other ethical responsibilities, in accordance with the 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 audit opinions.

Prior Period Financial Statements

The financial statements of EdAdvance as of June 30, 2022, were audited by other auditors whose report dated January 25, 2023, expressed an unmodified opinion on those statements.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2023, EdAdvance adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-of-use asset and corresponding liability for all operating and finance leases with lease terms greater than one year. Our opinion is not modified with respect to this matter.

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 States 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 EdAdvance's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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 generally accepted auditing standards 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 generally accepted auditing standards 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 consolidated financial statements.
- Obtain an understanding of internal control related 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 EdAdvance'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about EdAdvance'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.

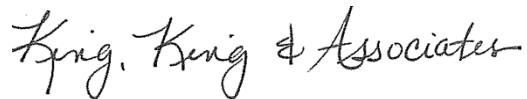
Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary combining schedules of financial position and activities are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to

prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2024, on our consideration of EdAdvance'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 EdAdvance'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 EdAdvance's internal control over financial reporting and compliance.



King, King & Associates CPAs
Winsted, CT
February 23, 2024

EDADVANCE
Statements of Financial Position
June 30, 2023 and 2022

	2023	2022
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 9,424,914	\$ 10,623,477
Accounts and Grants Receivable	4,120,236	3,437,919
Prepaid Expenses and Other Assets	77,300	43,570
Total Current Assets	13,622,450	14,104,966
Noncurrent Assets		
Property and Equipment, net	11,640,244	6,917,622
Total Assets	\$ 25,262,693	\$ 21,022,588
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable and Accrued Expenses	\$ 3,886,271	\$ 2,614,460
Deferred Revenue	1,607,065	1,336,139
Current Portion of Long-Term Debt	337,881	216,437
Total Current Liabilities	5,831,217	4,167,036
Long-Term Debt, Net of Current Portion	4,417,714	6,245,661
Total Liabilities	10,248,932	10,412,697
Net Assets		
Net Assets Without Donor Restrictions	14,980,505	10,576,634
Net Assets With Donor Restrictions	33,257	33,257
Total Net Assets	15,013,762	10,609,891
Total Liabilities and Net Assets	\$ 25,262,693	\$ 21,022,588

The accompanying notes are an integral part of the financial statements

EDADVANCE
 Statements of Activities
 For the Years Ended June 30, 2023 and 2022

	2023	2022
Change in Net Assets Without Donor Restrictions		
Support and Revenue		
Program Income	\$ 16,517,820	\$ 11,254,138
Tuition	10,744,727	11,055,974
Governmental Grants and Contracts	12,037,822	14,646,936
PPP Forgiveness	3,513,740	-
Interest	20,145	16,066
Contributions	6,550	5,000
Gain/(Loss) on Sale of Fixed Assets	11,700	-
Miscellaneous	63,281	-
Total Support and Revenue	42,915,785	36,978,114
Expenses		
Learning Services Division:		
Early Childhood	11,535,472	10,817,747
Professional Learning Services	13,630,937	13,448,617
Adult Services	1,597,017	1,429,905
Operations Division:		
Program Activity	6,098,866	5,350,428
Special Services	751,658	638,729
Operations	3,952,544	3,354,086
Administration Division	945,420	744,519
Total Expenses	38,511,914	35,784,031
Change in Net Assets Without Donor Restrictions	4,403,871	1,194,083
Net Assets - Beginning of Year	10,609,891	9,415,808
Net Assets - End of Year	\$ 15,013,762	\$ 10,609,891

The accompanying notes are an integral part of the financial statements

EDADVANCE
Statement of Functional Expenses
For the Year Ended June 30, 2023

	Program Services							Administration Divison	Total Expense 2023
	Early Childhood	Professional Learning Services	Adult Services	Program Activity	Special Services	Operations	Total		
Salaries and Wages	\$ 6,090,896	\$ 8,515,801	\$ 915,348	\$ 3,236,548	\$ 508,436	\$ 1,878,222	\$ 21,145,252	\$ 574,372	\$ 21,719,624
Employee Benefits	981,170	1,280,104	87,012	331,906	86,317	329,518	3,096,027	59,996	3,156,023
Payroll Taxes	417,168	373,068	47,557	245,261	37,873	100,282	1,221,210	27,823	1,249,033
Staff Development	55,678	45,718	3,854	15,104	2,253	24,494	147,102	2,455	149,557
Professional Services	2,965,768	1,787,687	154,934	108,270	12,000	337,240	5,365,899	95,488	5,461,387
Direct Program Costs	150,339	104,139	32,277	683,816	5,948	38,378	1,014,898	44,070	1,058,968
Depreciation	83,417	92,445	44,270	317,406	38,074	54,124	629,737	141,272	771,009
Repairs and Maintenance	39,762	99,560	-	28,048	1,416	297,641	466,426	-	466,426
Equipment	2,966	103,515	34,295	0	1,935	-	142,710	(37,696)	105,014
Food	197,442	81,390	506	822,924	-	17,818	1,120,080	10,854	1,130,934
Information Technology	-	105,185	-	10,534	-	34,127	149,846	-	149,846
Miscellaneous	100,889	46,776	26,905	15,065	27,767	43,797	261,200	14,360	275,561
Insurance	3,297	4,488	-	134,802	1,097	233,134	376,818	-	376,818
Occupancy	34,194	242,770	-	2,065	-	207,576	486,606	-	486,606
Rent	54,500	250,000	-	-	-	-	304,500	-	304,500
Travel	106,347	71,314	5,276	14,374	23,526	5,762	226,600	530	227,129
Outside Services	-	5,000	150,000	-	-	-	155,000	-	155,000
Telephone	32,418	34,620	1,262	7,343	1,675	16,019	93,336	2,314	95,650
Interest	-	54,130	-	-	-	64,791	118,922	-	118,922
Supplies	160,406	176,278	25,593	108,003	53	21,436	491,770	1,246	493,016
Legal Services	-	-	-	-	-	30,548	30,548	-	30,548
Office Expense	4,035	236	33,151	-	-	50	37,472	3,229	40,701
Dues and Fees	48,689	134,710	987	13,913	3,287	137,406	338,991	4,694	343,685
Accounting	-	-	-	-	-	68,636	68,636	-	68,636
Postage	735	607	25,545	23	-	6,368	33,279	-	33,279
Conferences	2,705	18,902	8,243	-	-	5,177	35,027	414	35,441
Advertising	2,651	2,493	-	3,460	-	-	8,604	-	8,604
Total	\$ 11,535,472	\$ 13,630,937	\$ 1,597,017	\$ 6,098,866	\$ 751,658	\$ 3,952,544	\$ 37,566,494	\$ 945,420	\$ 38,511,914

The accompanying notes are an integral part of the financial statements

EDADVANCE
Statement of Functional Expenses
For the Year Ended June 30, 2022

	Program Services						Administration Divison	Total Expense 2022	
	Early Childhood	Professional Learning Services	Adult Services	Program Activity	Special Services	Operations			Total
Salaries and Wages	\$ 5,383,155	\$ 7,916,651	\$ 868,248	\$ 2,902,086	\$ 428,343	\$ 1,615,866	\$ 19,114,349	\$ 545,597	\$ 19,659,946
Employee Benefits	971,158	1,525,888	87,036	334,592	83,034	356,676	3,358,384	75,201	3,433,585
Payroll Taxes	481,979	333,038	46,967	219,094	32,030	90,082	1,203,190	25,977	1,229,167
Staff Development	23,181	-	-	-	-	-	23,181	-	23,181
Professional Services	3,059,343	2,042,180	92,689	47,027	2,339	125,248	5,368,826	41,290	5,410,116
Direct Program Costs	211,843	354,431	175,164	436,125	4,046	24,146	1,205,755	3,659	1,209,414
Depreciation	87,581	94,501	48,343	291,299	42,680	51,682	616,086	30,146	646,232
Repairs and Maintenance	14,279	85,080	-	308,975	6,087	110,832	525,253	-	525,253
Equipment	24,533	53,818	16,062	43,535	308	103,924	242,180	(13,534)	228,646
Food	162,235	46,172	-	522,476	55	9,588	740,526	2,901	743,427
Information Technology	3,678	110,621	3,000	8,329	-	78,330	203,958	74	204,032
Miscellaneous	94,671	74,241	25,782	1,371	4,491	67,142	267,698	22,817	290,515
Insurance	3,216	2,157	-	139,101	1,066	155,863	301,403	-	301,403
Occupancy	34,867	330,252	-	2,082	153	155,424	522,778	-	522,778
Rent	50,300	250,000	-	-	14,589	79,346	394,235	-	394,235
Travel	65,471	82,090	639	6,033	17,687	4,718	176,638	552	177,190
Outside Services	-	-	-	-	-	-	-	-	-
Telephone	22,785	34,765	1,761	2,973	1,552	89,301	153,137	3,160	156,297
Interest	-	57,059	-	-	-	76,229	133,288	-	133,288
Supplies	85,134	40,647	6,035	80,405	110	32,002	244,333	1,076	245,409
Legal Services	-	-	-	-	-	22,849	22,849	-	22,849
Office Expense	5,528	2,708	24,942	-	-	9,833	43,011	4,214	47,225
Dues and Fees	26,828	530	2,055	4,373	-	34,176	67,962	92	68,054
Accounting	-	-	-	-	-	45,000	45,000	-	45,000
Postage	534	357	26,182	-	5	10,418	37,496	-	37,496
Conferences	5,258	11,431	4,300	-	-	4,520	25,509	1,282	26,791
Advertising	190	-	700	552	154	891	2,487	15	2,502
Total	\$ 10,817,747	\$ 13,448,617	\$ 1,429,905	\$ 5,350,428	\$ 638,729	\$ 3,354,086	\$ 35,039,512	\$ 744,519	\$ 35,784,031

The accompanying notes are an integral part of the financial statements

EDADVANCE
Statements of Cash Flows
For the Years Ended June 30, 2023 and 2022

	2023	2022
Cash Flows from Operating Activities		
Change in Net Assets	\$ 4,403,871	\$ 1,194,083
Adjustments to reconcile change in net assets to net cash provided/(used) by operating activities:		
Depreciation	771,009	646,232
Loss on Disposal of Property and Equipment	-	95,135
(Increase)/Decrease in Operating Assets:		
Accounts and Grants Receivable	(682,317)	(266,687)
Other Assets	(33,730)	7,389
Increase/(Decrease) in Operating Liabilities:		
Accounts Payable and Accrued Expenses	1,271,811	(122,783)
Deferred Revenue	270,926	545,314
Cash Advances from DDS	-	(54,577)
Net Cash (Used in) Provided by Operating Activities	6,001,569	2,044,106
Cash Flows from Investing Activities		
Purchase of Property and Equipment	(5,505,331)	(522,355)
Proceeds from Sale of Property Equipment	11,700	-
Net Cash (Used in) Provided by Investing Activities	(5,493,631)	(522,355)
Cash Flows from Financing Activities		
Proceeds of Long-Term Debt	2,135,405	-
Principal Payments on Long-Term Debt	(3,841,907)	(1,045,709)
Net Cash (Used in) Provided by Financing Activities	(1,706,502)	(1,045,709)
Net Increase in Cash and Cash Equivalents	(1,198,564)	476,042
Cash and Cash Equivalents - Beginning of Year	10,623,477	10,147,435
Cash and Cash Equivalents - End of Year	\$ 9,424,913	\$ 10,623,477
Cash Paid During the Year for Interest	\$ 118,922	\$ 133,288

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

EDADVANCE
Notes to the Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

EdAdvance (the Organization), a Connecticut Regional Educational Service Center (RESC), was organized under the provisions of the Connecticut General Statutes, Section 10-66a, as amended. The Organization is serving western Connecticut and collaborates with area school districts and communities to provide educational and related services. Most of the Organization's revenue is derived from contracts and grant agreements with federal and state governmental agencies, along with local agencies and school districts.

Basis of Accounting and Presentation

The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America. Accordingly, the accounts of the Organization are reported in the following net asset categories:

Net Assets without Donor Restrictions

Net assets without donor restrictions represent available resources other than donor-restricted contributions. These resources may be expended at the discretion of the Board of Directors.

Net Assets with Donor Restrictions

Net assets with donor restrictions represent 1) contributions that are restricted by the donor as to purpose or time of expenditure, 2) contributions that require that the principal be maintained in perpetuity but permit the Organization to expend the income earned thereon, and 3) the accumulated investment income and gains on donor-restricted endowment assets that have not been appropriated for expenditure.

Adoption of New Accounting Standards:

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-02, Leases (ASC 842). The new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent of the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the requirements of the guidance effective July 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption, through a cumulative effect adjustment, with certain practical expedients available. Lease disclosure for the year ended June 30, 2022 are made under prior lease guidance in FASB ASC 840.

The Organization has elected to adopt the package of practical expedients available in the year of adoption. The Organization has not elected to adopt the available practical expedient to use hindsight in determining the lease term and in assessing impairment of the Organization's ROU assets.

The Organization elected the available practical expedients to account for existing capital leases and operating leases as finance leases and operating leases, respectively, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

As a result of the adoption of the new lease accounting guidance, the Organization recognized on July 1, 2022, beginning of the year of adoption a lease liability of \$785,905, which represents the present

EDADVANCE

Notes to the Financial Statements

value of the remaining operating lease payments of \$738,798, discounted using the Organization's risk free rate of return of 1.63%, and a right-of-use asset of \$785,905.

The standard had a material impact on the statements of financial position but did not have an impact on the statements of activities, nor statements of cash flows. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases.

Classification of Activities

Internally, the Organization classifies all activities in two categories as follows:

General Operations

Activities available to support general operations, and acquisition and disposition of fixed assets, not specifically identified with grant programs.

Grant Programs

Activities of programs supported by the federal and state governments and some private organizations for education, vocational and Head Start programs that are subject to the restrictions of grant awards and related federal and state regulations. These programs are reported as break even since unexpended funds are usually returnable to the grantor and over expenditures are absorbed by General Operations.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

Classification of Programs

The Organization is divided into three divisions: Operations, Learning Services and Administration. For financial reporting purposes the divisions are reported separately. The following is a discussion of the divisions and their functions:

Operations Division - The division is responsible for organizing and implementing all of the internal operations that serve the agency and includes the following teams:

Operations Team – This team is responsible for all the internal operations of the agency, including fiscal, personnel, facilities, and computer services.

Special Services Team – This team provides a variety of services to adults who are mentally handicapped. Services include employment assistance and housing related issues.

Program Activity Team – This team provides unique services to schools that are not directly related to education. This includes transportation and food services.

Learning Services Division

Focused on providing services to children and those professionals that serve them, the Learning Services Division provides technical aid and training components. It services districts as a provider of numerous student or school-based programs. Generally, these programs have originated in direct response to requests for services. This division includes the following teams:

Professional Learning Services Team – This team is responsible for providing professional development services to districts. Services include teacher and administrator training,

EDADVANCE

Notes to the Financial Statements

facilitation of meetings, curriculum development, and providing information on future educational trends.

Early Childhood Team – This team is comprised of a Head Start program, which serves Litchfield County, an early intervention program for children birth to three, a school-age child care program, and related programs for young children.

Adult Services Team – This team includes the Adult Education programs and all workshops and convention services provided in support of agency activities.

Administration Division

The division consists primarily of the Executive Director's Office. It also includes programs which provide services to area school Superintendents.

Cash and Cash Equivalents

Cash equivalents are defined as highly liquid investments with original maturities of 90 days or less. The Organization maintains deposits in financial institutions that may, at times, exceed federal depository insurance limits. Management believes that the Organization's deposits are not subject to significant credit risk.

Accounts and Grants Receivable

Accounts receivable include amounts due for program and contracted services as well as grants. Based on historical experience, grants are considered fully collectible and an allowance for doubtful accounts is not made. The Organization maintains other receivables that are considered delinquent and written off when all attempts to collect from individuals or other payer sources have been exhausted. When appropriate, management maintains an allowance for doubtful accounts, which is based on a review of significant balances and past collection experience. As of June 30, 2023 and 2022, there was no allowance for uncollectible accounts.

Property and Equipment

Property and equipment acquisition and improvements are recorded at cost when acquired or, if donated, at fair market value when received. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the life of the improvement or the remaining lease term, whichever is shorter. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in the current period. It is the Organization's policy to capitalize assets with an estimated economic life of more than one year and cost greater than \$5,000. The cost of maintenance and repairs is charged to expense as incurred. Estimated useful lives used are as follows:

Buildings and Improvements	15 - 40 Years
Vehicles	3 - 5 Years
Furniture and Fixtures	5 - 10 Years
Technological Equipment	5 Years
Other Equipment	6 Years

Right of Use Assets and Lease Liabilities

Right of Use Lease Assets (ROU) and lease liabilities are recorded as a result of implementing ASC 842, Leases. The right to use assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term. The Organization does not report ROU assets and lease liabilities for its short-term lease (leases with a term of 12 months or less), and has elected to

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Notes to the Financial Statements

account for short-term leases by recognizing the payments on a straight-line basis over the term of the lease.

Revenue Recognition

The Organization recognizes revenue at an amount that reflects the consideration to which the Organization expects to be entitled in exchange for transferring goods or services to its customers using the following five-step process:

1. Identify the contract(s) with the customer
2. Identify the performance obligation(s) in the contract
3. Determine the transaction price
4. Allocate the transaction price to performance obligations in the contract
5. Recognize revenue when (or as) the Organization satisfies a performance obligation

See Note 4 for details on how the above five-step process is applied to the Organization's contracts with customers.

Deferred Revenue

Deferred revenue consists of government grants and contracts received before barriers are overcome and contract liabilities for amounts received as program activities and tuition prior to satisfying a performance obligation. The following table provides a reconciliation of contract liabilities reported within Note 4.

	<u>2023</u>	<u>2022</u>
Other grants revenue committed to subsequent years	\$ 914,610	\$ 896,222
Program fees, professional and parent group payments, registration and tuition received in advance for subsequent year	<u>692,455</u>	<u>439,917</u>
	<u>\$ 1,607,065</u>	<u>\$ 1,336,139</u>

Contributions, Including Government Grants and Contracts

In accordance with ASU 2018-08, certain governmental grants and contracts received by a not-for-profit are generally considered to be contributions rather than exchange transactions since there is not commensurate value transferred between the resource provider and the Organization. Promises to give that are subject to donor-imposed conditions (i.e., a donor stipulation that includes a barrier that must be overcome and a right of release from obligation) are recognized when the conditions on which they depend are substantially met, that is, when the conditional promise becomes unconditional. Unconditional contributions are recognized when promised or received, as applicable, and are considered to be available for unrestricted use unless specifically restricted by the donor. The Organization reports contributions as donor-restricted support if they are received with donor stipulations that limit their use. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statements of activities as net assets released from restrictions. Contributions received whose restrictions are met in the same period are presented as net assets without donor restrictions. Transfers of assets from a resource provider received before the barriers are overcome are reported as deferred revenue on the accompanying statements of financial position.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been reported on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis among the program and supporting services benefited. Telephone, postage and

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Notes to the Financial Statements

office expenses are allocated based on usage. Occupancy and rent are based on square footage. All other expenses are based on time and effort.

Income Tax Status

The Organization is exempt from federal and state income taxes as a public charity under Section 501(c)(3) of the Internal Revenue Code and is classified as an organization other than a private foundation.

Review for Subsequent Events

In connection with the preparation of the consolidated financial statements of the Organization as of and for the year ended June 30, 2023, events and transactions subsequent to June 30, 2023, through February 23, 2024, the date the financial statements were available to be issued, have been evaluated by the Association's management for possible adjustment and/or disclosure.

NOTE 2 – DETAIL NOTES ON ASSETS

Cash and Cash Equivalents

At June 30, 2023, the carrying amount of the Organization's cash was \$9,424,913 and the bank balance was \$10,681,407. Of that amount \$750,000 was insured by FDIC, leaving \$10,264,265 uninsured.

Property, Plant, and Equipment

The following is a breakdown of property and equipment as of June 30, 2023 and 2022:

	2023	2022
Land	\$ 791,691	\$ 622,465
Building in Progress	2,789,742	-
Buildings and Improvements	12,723,818	11,362,313
Leasehold Improvements	123,651	88,831
Vehicles	2,577,410	2,536,698
Furniture and Fixtures	192,462	192,462
Technological Equipment	1,288,895	1,288,895
Other Equipment	311,162	311,162
Right of Use Assets	785,905	-
	<u>21,584,736</u>	<u>16,402,826</u>
Less Accumulated Depreciation	<u>(9,944,492)</u>	<u>(9,485,204)</u>
Property and Equipment, Net	<u>\$ 11,640,244</u>	<u>\$ 6,917,622</u>

Depreciation expense was \$771,009 and \$646,232 for the years ended June 30, 2023 and 2022, respectively.

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Notes to the Financial Statements

NOTE 3 – LONG-TERM DEBT

Mortgage and Notes Payable

Mortgages and notes payable at June 30, 2023 and 2022 consisted of the following:

	2023	2022
Paycheck Protection Program loan with Thomaston Savings Bank. Payable in equal monthly installments including principal and interest at a rate of 1.00%. The loan was forgiven by the Small Business Administration during the Fiscal Year Ended June 30, 2023.	\$ -	\$ 3,513,740
Commercial loan with Thomaston Savings Bank to refinance Union Savings Bank debt, collateralized with funds on deposit. Payable in monthly installments, including principal and interest at a fixed rate of 2.05%. Note matures in July 2030.	364,743	412,047
Mortgage with Thomaston Savings Bank, collateralized with a mortgage lien on real property (355 Goshen Road). Payable in monthly installments, including principal and interest at a fixed rate of 5.00%. Note matures in July 2031.	1,213,113	1,331,557
Mortgage with Thomaston Savings Bank to finance the acquisition of an educational facility plus costs to get the building ready for use, collateralized with the building. The mortgage is secured by a mortgage lien on real property (77 Main St.) in addition to the two CDs. Payable in monthly installments, including principal and interest at a variable rate which was 3.84% as of June 30, 2023 and 2022, respectively. Note matures in July 2039.	1,154,078	1,204,754
Commercial Construction Mortgage Loan with Thomaston Savings Bank to provide funds for building improvements on property located at 215 Hogan Dr., Torrington, CT 06790. The interest rate will be fixed at 6.25% for the first five years, including the eighteen month construction period, then repricing to the Federal Home Loan Bank 5 Year Classic Advance Rate plus a margin of 2.00% in effect forty-five days prior to the change date, adjusting every five years thereafter.	1,349,500	-
	\$ 4,081,434	\$ 6,462,098

As of June 30, 2023, the annual maturities of mortgages and notes payable are as follows:

2024	\$	224,103
2025		233,300
2026		242,905
2027		252,937
2028		263,417

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Notes to the Financial Statements

The Organization recognized interest expense of \$118,922 and \$133,288 for the years ended June 30, 2023 and 2022, respectively, on the above noted long-term debt transactions.

Vehicle Loans

Vehicle purchase loans are payable in equal monthly installments, including principal and interest, and are collateralized with the vehicles being purchased. As of June 30, 2023, all vehicle loans were fully repaid.

Leases

Operating Leases

They entered into an acquisition agreement for multiple pieces of equipment in October 2021. The agreement requires a monthly payment of \$2,535 for 39-months ending March 2025.

Operating Lease Right-of-Use Assets	\$ 52,014
Operating Lease Liabilities	52,437
Operating Lease Cost	29,300

Approximate future minimum annual lease payments payable are as follows:

	<u>Principal</u>	<u>Interest</u>
2024	\$ 29,781	\$ 633
2025	<u>22,656</u>	<u>154</u>
Total	<u>\$ 52,437</u>	<u>\$ 787</u>

Capital Leases

EdAdvance entered into a lease agreement on 50 Miry Brook Road in March 2020. The lease is a 62-month lease ending in May 2025, with one option to renew until May 2030, and it requires monthly payments ranging from \$3,219 to \$8,040.

Capital Lease Right-of-Use Assets	\$ 574,064
Capital Lease Liabilities	585,911
Capital Lease Cost	82,997

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Notes to the Financial Statements

Annual Debt Service Payments on the leases are as follows:

	<u>Principal</u>	<u>Interest</u>
2024	\$ 74,365	\$ 8,998
2025	77,686	7,761
2026	81,114	6,469
2027	84,652	5,121
2028	88,304	3,713
Thereafter	<u>179,790</u>	<u>2,963</u>
Total	<u>\$ 585,911</u>	<u>\$ 35,025</u>

These leases qualify as other than short-term leases under ASC 842, and therefore, have been recorded at the present value of the future minimum lease payments. The lease liabilities are measured at a discount rate of 1.63%, which is the rate determined by EdAdvance if they were to finance these leases.

NOTE 4 – REVENUE

Program Activities

The Organization enters into contracts to provide programs to participants. Program fees include Transportation Services, School Professional Services, and various other programs. Transportation Program specializes in transporting special needs students utilizing a fleet of 99 vehicles equipped to provide safe, reliable, and cost-effective services for our member districts and their communities, and the School Professional Program offers a range of professional learning opportunities and services to assist district staff in their share pursuit of improved student learning.

At contract inception, the Organization assesses the goods and services promised in its contracts with customers and identifies a performance obligation for each promise to transfer to the customer a good or service (or bundle of goods or services). To identify the performance obligations, the Organization considers all the goods or services promised in the contract regardless of whether they are explicitly stated or implied by customary business practices.

The Organization satisfies its performance obligations for programs at the point in time when the individual program is held. The Transportation Services and School Professional Services programs do not require a deposit. The program service fees are due upon completion of monthly service. Other programs like Foothill Adult & Continuing Education offer enriched classes requiring payment upon registration.

A full refund will be issued for withdrawals received in writing before the start of the program subject to certain restrictions or charges.

Tuition

The Organization enters into contracts to provide programs to participants. Tuition programs include Special Education Service, designed to meet the needs of students with social-emotional challenges who have difficulty learning in a traditional public-school setting. The program serves students in grades K-12 by providing a specialized educational setting so that they can eventually transition back to their home school district.

Before and After School Extended Program offers licensed, year-round before and after school programming for students (K-8) as well as professional development and consultation services for

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Notes to the Financial Statements

districts and organizations supporting students during out of school time. Certain programs require a deposit to secure participation in the program. Before and After School Extended Program requires payment at registration but no later than the start date of the program. At contract inception, the Organization assesses the goods and services promised in its contracts with customers and identifies a performance obligation for each promise to transfer to the customer a good or service (or bundle of goods or services). To identify the performance obligations, the Organization considers all of the goods or services promised in the contract regardless of whether they are explicitly stated or implied by customary business practices.

The Organization satisfies its performance obligations for programs at the point in time when the individual program is held. Before and After School Extended Services Program requires a nonrefundable \$35 registration fee and \$100 refundable deposit. The remaining program service fees are due upon the start of the program. The Special Education Program and other various programs held by the Organization do not require deposits.

A full refund will be issued for withdrawals received in writing before the start of the program subject to certain restrictions or charges.

Contract Balances

The opening and closing balances of the Organization's receivable and contract liabilities related to program activities and tuition are as follows:

	<u>Receivables</u>	<u>Contract Liabilities</u>
Opening (July 1, 2021)	\$ 2,628,625	\$ 351,927
Closing (June 30, 2022)	<u>2,690,648</u>	<u>439,917</u>
Increase (Decrease)	<u>\$ 62,023</u>	<u>\$ 87,990</u>
Opening (July 1, 2022)	2,690,648	351,927
Closing (June 30, 2023)	<u>2,790,424</u>	<u>692,455</u>
Increase (Decrease)	<u>\$ 99,776</u>	<u>\$ 340,528</u>

The balance of deferred revenue at June 30, 2023 and 2022 will be recognized as revenue over the period services are rendered. The Organization applies the practical expedient 606-10-50-14 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

Leases as Lessor

EdAdvance has an agreement where it is the lessor of office space beginning September 1, 2024 ending June 30, 2028 with monthly payments ranging from \$2,640 to \$2,858. EdAdvance also has an agreement where it is a sub-lessor of office space at 50 Miry Brook Road with monthly payments ranging from \$6,000 to \$7,000 ending May 2025. Lease income for the year ended June 30, 2023 was \$72,200. Future payments to be collected are as follows:

2024	\$103,904
2025	108,819
2026	32,965
2027	33,624
2028	34,297

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Notes to the Financial Statements

NOTE 5 – LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organizations financial assets available within one year of the statement of financial position date for general expenditure are as follows:

Cash and Cash Equivalents	\$ 9,424,914
Accounts and Grants Receivable	4,120,236
Less: Net Assets with Donor Restrictions	<u>(33,257)</u>
Total Financial Assets Available to Management for General Expenditures Within One Year	<u>\$ 13,511,893</u>

Liquidity Management

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization operates with a budget and anticipates collecting sufficient revenue to cover general expenditures over the next 12 months.

NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets in the amount of \$33,257 are restricted for educational purposes related to an education learning center in Danbury, Connecticut, as of June 30, 2023 and 2022.

NOTE 7 – CONCENTRATIONS

Based on historical experience, management believes grant and contract receivables represent negligible credit risk. The Organization receives a significant portion of its total support from federal and state grants and contracts. As with all government funding, these grants and contracts are subject to reduction or termination in future years. Any significant reduction in these grants and contracts could have an adverse effect on the Organization's program services.

NOTE 8 – RETIREMENT PLAN

The Organization sponsors a tax deferred annuity plan under Internal Revenue Code 403(b). Employees may elect to participate in the plan, but there are no employer contributions or management of the plan.

NOTE 9 – SUBSEQUENT EVENTS

EdAdvance is working on finalizing the new construction in Torrington for the Early Childhood Center and plan on being fully operational in August 2024.

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Combining Schedule of Financial Position
June 30, 2023

	<u>General Operations</u>	<u>Grant Programs</u>	<u>Total</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 9,424,914	\$ -	\$ 9,424,914
Accounts and Grants Receivable	2,854,372	1,265,864	4,120,236
Prepaid Expenses and Other Assets	54,763	22,536	77,300
Internal Allocation of Assets	<u>(133,564)</u>	<u>133,564</u>	<u>-</u>
Total Current Assets	12,200,485	1,421,965	13,622,450
Noncurrent Assets			
Property and Equipment, net	<u>11,534,077</u>	<u>106,167</u>	<u>11,640,244</u>
Total Assets	<u>\$ 23,734,562</u>	<u>\$ 1,528,132</u>	<u>\$ 25,262,693</u>
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts Payable and Accrued Expenses	\$ 3,200,957	\$ 685,315	\$ 3,886,271
Deferred Revenue	764,248	842,817	1,607,065
Current Portion of Long-Term Debt	<u>337,881</u>	<u>-</u>	<u>337,881</u>
Total Current Liabilities	4,303,086	1,528,131	5,831,217
Long-Term Debt, Net of Current Portion	<u>4,417,714</u>	<u>-</u>	<u>4,417,714</u>
Total Liabilities	<u>8,720,800</u>	<u>1,528,131</u>	<u>10,248,932</u>
Net Assets			
Net Assets Without Donor Restrictions	14,980,505	-	14,980,505
Net Assets With Donor Restrictions	<u>33,257</u>	<u>-</u>	<u>33,257</u>
Total Net Assets	<u>15,013,762</u>	<u>-</u>	<u>15,013,762</u>
Total Liabilities and Net Assets	<u>\$ 23,734,562</u>	<u>\$ 1,528,131</u>	<u>\$ 25,262,693</u>

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Combining Schedule of Financial Position
June 30, 2022

	General Operations	Grant Programs	Total
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 10,532,202	\$ 91,275	\$ 10,623,477
Accounts and Grants Receivable	2,881,096	556,823	3,437,919
Prepaid Expenses and Other Assets	41,697	1,873	43,570
Internal Allocation of Assets	(309,152)	309,152	-
Total Current Assets	13,145,843	959,123	14,104,966
Noncurrent Assets			
Property and Equipment, net	6,807,837	109,785	6,917,622
Total Assets	\$ 19,953,680	\$ 1,068,908	\$ 21,022,588
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts Payable and Accrued Expenses	\$ 2,154,598	\$ 459,862	\$ 2,614,460
Deferred Revenue	727,093	609,046	1,336,139
Current Portion of Long-Term Debt	216,437	-	216,437
Total Current Liabilities	3,098,128	1,068,908	4,167,036
Long-Term Debt, Net of Current Portion	6,245,661	-	6,245,661
Total Liabilities	9,343,789	1,068,908	10,412,697
Net Assets			
Net Assets Without Donor Restrictions	10,576,634	-	10,576,634
Net Assets With Donor Restrictions	33,257	-	33,257
Total Net Assets	10,609,891	-	10,609,891
Total Liabilities and Net Assets	\$ 19,953,680	\$ 1,068,908	\$ 21,022,588

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Combining Schedule of Activities
For the Year Ended June 30, 2023

	General Operations	Grant Programs	Total
Change in Net Assets Without Donor Restrictions			
Support and Revenue			
Program Income	\$ 15,773,582	\$ 744,238	\$ 16,517,820
Tuition	10,744,727	-	10,744,727
Governmental Grants and Contracts	2,666,035	9,371,787	12,037,822
PPP Forgiveness	3,513,740	-	3,513,740
Interest	20,145	-	20,145
Contributions	6,550	-	6,550
Gain/(Loss) on Sale of Fixed Assets	11,700	-	11,700
Miscellaneous	63,281	-	63,281
Total Support and Revenue	<u>32,799,760</u>	<u>10,116,025</u>	<u>42,915,785</u>
Transfers - Interfund Charges	<u>738,800</u>	<u>(738,800)</u>	<u>-</u>
Total Support, Revenue, and Transfers	<u>33,538,560</u>	<u>9,377,225</u>	<u>42,915,785</u>
Expenses			
Learning Services Division:			
Early Childhood	5,106,351	6,429,121	11,535,472
Professional Learning Services	12,479,809	1,151,128	13,630,937
Adult Services	746,017	851,000	1,597,017
Operations Division:			
Program Activity	5,834,422	264,444	6,098,866
Special Services	70,126	681,532	751,658
Operations	3,952,544	-	3,952,544
Administration Division	<u>945,420</u>	<u>-</u>	<u>945,420</u>
Total Expenses	<u>29,134,689</u>	<u>9,377,225</u>	<u>38,511,914</u>
Change in Net Assets Without Donor Restrictions	<u>4,403,871</u>	<u>-</u>	<u>4,403,871</u>
Net Assets - Beginning of Year	<u>10,609,891</u>	<u>-</u>	<u>10,609,891</u>
Net Assets - End of Year	<u>\$ 15,013,762</u>	<u>\$ -</u>	<u>\$ 15,013,762</u>

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Combining Schedule of Activities
For the Year Ended June 30, 2022

	General Operations	Grant Programs	Total
Change in Net Assets Without Donor Restrictions			
Support and Revenue			
Program Income	\$ 21,977,294	\$ 332,818	\$ 22,310,112
Governmental Grants and Contracts	5,519,706	9,127,230	14,646,936
Interest	16,066	-	16,066
Contributions	5,000	-	5,000
Total Support and Revenue	<u>27,518,066</u>	<u>9,460,048</u>	<u>36,978,114</u>
Transfers - Interfund Charges	<u>773,491</u>	<u>(773,491)</u>	<u>-</u>
Total Support, Revenue, and Transfers	<u>28,291,557</u>	<u>8,686,557</u>	<u>36,978,114</u>
Expenses			
Learning Services Division:			
Early Childhood	5,100,284	5,717,463	10,817,747
Professional Learning Services	12,168,963	1,279,654	13,448,617
Adult Services	608,122	821,783	1,429,905
Operations Division:			
Program Activity	5,052,923	297,505	5,350,428
Special Services	77,701	561,028	638,729
Operations	3,344,962	9,124	3,354,086
Administration Division	744,519	-	744,519
Total Expenses	<u>27,097,474</u>	<u>8,686,557</u>	<u>35,784,031</u>
Change in Net Assets Without Donor Restrictions	<u>1,194,083</u>	<u>-</u>	<u>1,194,083</u>
Net Assets - Beginning of Year	<u>9,415,808</u>	<u>-</u>	<u>9,415,808</u>
Net Assets - End of Year	<u>\$ 10,609,891</u>	<u>\$ -</u>	<u>\$ 10,609,891</u>