

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FISCAL YEAR ENDED
JUNE 30, 2012



Excellence in Education

**CAPITOL REGION EDUCATION COUNCIL
Hartford, Connecticut**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2012**



Capitol Region Education Council
111 Charter Oak Avenue
Hartford, CT 06106
860-247-CREC
fax 860-246-3304
www.crec.org
crec@crec.org

*Prepared by:
Business Services Department*

This page is intentionally left blank

**CAPITOL REGION EDUCATION COUNCIL
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

JUNE 30, 2012

TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

Organizational Chart	i
Mission Statement	ii
Council Members	iii
Certificate of Achievement for Excellence in Financial Reporting	iv
Letter of Transmittal	v-xiv

FINANCIAL SECTION

Independent Auditors' Report	1-2
Management's Discussion and Analysis	3-10

Exhibit

Basic Financial Statements:

Government-Wide Financial Statements:

I	Statement of Net Assets	11
II	Statement of Activities	12

Fund Financial Statements:

Governmental Funds:

III	Balance Sheet	13-14
IV	Statement of Revenues, Expenditures and Changes in Fund Balances	15-16

Proprietary Funds:

V	Statement of Net Assets	17
VI	Statement of Revenues, Expenses and Changes in Fund Net Assets	18
VII	Statement of Cash Flows	19

Fiduciary Funds:

VIII	Statement of Fiduciary Net Assets	20
------	-----------------------------------	----

Notes to Financial Statements	21-41
-------------------------------	-------

Required Supplementary Information:

General Fund and Major Special Revenue Fund:

RSI-1	Schedule of Revenues and Expenditures - Budget and Actual	42
-------	---	----

Combining and Individual Fund Statements and Schedules:

General Fund:

A-1	Balance Sheet - By Program	43-48
A-2	Schedule of Revenues, Expenditures and Changes in Fund Balances - By Program	49-54
A-3	Schedule of Revenues and Expenditures - Budget and Actual	55-56

Exhibit**Page**

Combining and Individual Fund Statements and Schedules (continued):

	Special Revenue Fund:	
B-1	Balance Sheet - By Program	57-59
B-2	Schedule of Revenues, Expenditures and Changes in Fund Balances - By Program	60-62
B-3	Schedules of Revenues and Expenditures - Budget and Actual	63-68
	Nonmajor Governmental Funds:	
C-1	Combining Balance Sheet	69-71
C-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	72-74
	Nonmajor Enterprise Funds:	
D-1	Combining Statement of Net Assets	75-76
D-2	Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	77-78
D-3	Combining Statement of Cash Flows	79-80
	Internal Service Funds:	
E-1	Combining Statement of Net Assets	81
E-2	Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	82
E-3	Combining Statement of Cash Flows	83
	Fiduciary Funds:	
	Agency Funds:	
F-1	Combining Balance Sheet	84-85
F-2	Combining Statement of Changes in Assets and Liabilities	86-87
	Capital Assets Used in the Operation of Governmental Funds:	
G-1	Comparative Schedule by Source	88
G-2	Schedule by Function and Activity	89
G-3	Schedule of Changes by Function and Activity	90

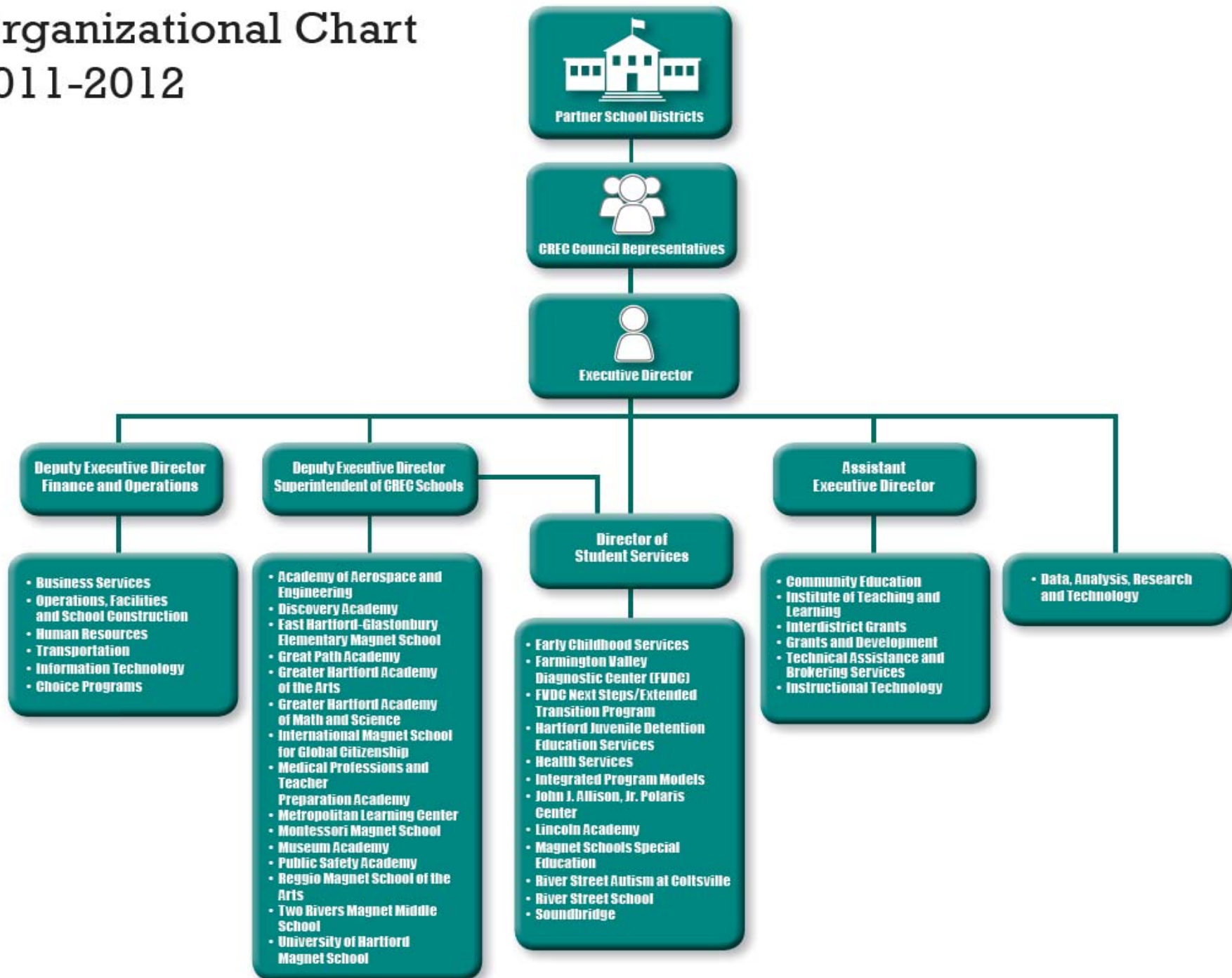
STATISTICAL SECTION**Table**

	Financial Trends:	
1	Net Assets by Component - Last Ten Fiscal Years	91
2	Changes in Net Assets - Last Ten Fiscal Years	92
3	Fund Balances, Governmental Funds - Last Ten Fiscal Years	93
4	Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years	94
	Revenue Capacity:	
5	Revenue by Source - All Fund Types	95
6	Principal Revenue Payers - Current Year and Nine Years Ago	96
7	Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	97
	Demographic and Economic Statistics:	
8	CREC Member Data	98
9	Total Population by Town - Fiscal Years 2002 to 2011	99
10	Per Pupil Expense	100
	Operating Information:	
11	CREC Member Towns Average Daily Membership (ADM) - Public School Pupils - Fiscal Years 2003 to 2012	101
12	Program Enrollment Summary	102-122
13	Tuition Rates Per Student	123
14	Workforce Analysis - Number of Employees Last Ten Years	124
15	Capital Assets Used in Operation of Governmental Funds	125

Introductory Section

Organizational Chart

2011-2012



CREC Mission, Vision, Goal, and Objectives

Mission

To work with boards of education of the Capitol Region to improve the quality of public education for all learners.

To achieve its mission, CREC will:

- Promote cooperation and collaboration with local school districts and other organizations committed to the improved quality of public education;
- Provide cost effective services to member districts and clients;
- Listen and respond to client needs for the improved quality of public education; and
- Provide leadership in the region through the quality of its services and its ability to identify and share quality services of its member districts and other organizations committed to public education.

Vision

Every student can and shall learn at high levels and therefore must have access to all educational resources of the region through the system of public schools served by CREC.

Goal

CREC staff and programs will work with local school systems to meet their needs and the needs of students.

- Each student in the public schools of the Capitol Region will demonstrate learning at ever higher levels.
- Each student in the public schools of the Capitol Region will demonstrate, by the end of grade 3, high levels of literacy.
- Each student in the public schools of the Capitol Region will participate in learning environments that more nearly reflect the diversity of the region's population.

Objectives

- To identify the educational needs of CREC member school systems.
- To bring together resources to help local school districts.
- To solve common problems.
- To stimulate local educational activities and develop new CREC programs which address the student goals of the CT Board of Education.
- To assist Local Boards of Education in providing a continuum of student services and settings that facilitates the education of all children.
- To provide quality direct services to identified students using an array of specialized cooperative, integrated and stand alone settings.
- To improve the quality of staff in CREC and its member districts for the purpose of improving learner achievement.
- To inform CREC membership, governmental bodies and the community at large about the contribution of CREC to the "Educational Enterprise".
- To achieve continued improvement in the conduct of all CREC internal and external services.

Member Districts

Avon, Berlin, Bloomfield, Bolton, Bristol, Canton, CREC, Cromwell, East Granby, East Hartford, East Windsor, Ellington, Enfield, Farmington, Glastonbury, Granby, Hartford, Hartland, Manchester, New Britain, New Hartford, Newington, Plainville, Portland, Region 10 (Burlington and Harwinton), Rocky Hill, Simsbury, Somers, Southington, South Windsor, Suffield, Vernon, West Hartford, Wethersfield, Windsor, and Windsor Locks

2011 - 2012 Governance

<p>Board of Directors Avon - Barbara Zuras Bristol - Christopher C. Wilson Bolton- Dr. John Hambrook, Chair Hartford - Elizabeth Brad Noel Newington - Sharon Braverman Plainville - Becky Tyrrell Southington - Jill Notar-Francesco, Vice Chair West Hartford - Terry Schmitt, Sec/Treasurer Wethersfield -Tristan Stanziale Windsor Locks - TBD</p> <p>Council Representatives Avon - Barbara Zuras Berlin - John M. Richards Bloomfield - Shirley Thompson Bolton- Dr. John Hambrook Bristol- Christopher C. Wilson Canton- Leslee Hill Cromwell- Shirley Banic East Granby - Jeff Clark East Hartford- Mary Alice Dwyer Hughes East Windsor - John Pica-Sneeden Ellington - Kristen Picard-Wambolt Enfield - Joyce P. Hall Farmington - Mary Grace Reed Glastonbury- Jeremy Grieveson Granby - Cal Heminway Hartford - Elizabeth Brad Noel Hartland- Amy Bourque Manchester - Mary Jane Pazda New Britain - Sharon Beloin-Saavedra New Hartford - TBD Newington - Sharon Braverman Plainville - Becky Tyrrell Portland - Chris Phelps Region 10- Beth Duffy Rocky Hill - Dilip Desai Simsbury- Lydia Tedone Somers - Joan Formeister Southington - Jill Notar-Francesco South Windsor - Sheila Appleton Suffield - Mary Lou Sanborn Vernon- TBD West Hartford - Terry Schmitt Wethersfield- Tristan Stanziale Windsor Locks - TBD Windsor - Paul Panos</p>	<p>CREC Administration Bruce E. Douglas, Ph.D., <i>Executive Director</i></p> <p>Sarah J. Barzee, Ph.D., <i>Assistant Executive Director</i></p> <p>Donald P. Walsh, <i>Deputy Executive Director Finance & Operations</i></p> <p>Denise Gallucci, <i>Deputy Executive Director and Superintendent of Magnet Schools</i></p> <p>Regina Terrell, <i>Director of Human Resources</i></p> <p>Sandy Cruz-Serrano, <i>Director, Operations</i></p> <p>Deborah Richards, <i>Director, Student Services</i></p> <p>Dina Crowl, <i>Director of Teaching & Learning</i></p> <p>Douglas Casey, <i>Director of Technology Services</i></p> <p>Margaret MacDonald, Ph.D., <i>Director, Technical Assistance & Brokering Services</i></p> <p>Andrew Tyskiewicz, <i>Director, Community Education, Training and Employment Services</i></p> <p>Aura Alvarado, <i>Director, Communications and Community Relations</i></p> <p>John Mena, <i>Director, School Construction</i></p>
--	--

This page is intentionally left blank

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Capitol Region Education
Council, Connecticut

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Sanison

President

Jeffrey R. Emer

Executive Director

This page is intentionally left blank.

December 10, 2012

111 Charter Oak Avenue
Hartford, Connecticut 06106
(860) 524-4062
Fax (860) 247-1949
www.crec.org

**To the Board of Directors and Council,
Capitol Region Education Council:**

This is the Comprehensive Annual Financial Report (CAFR) of the Capitol Region Education Council (CREC) for the fiscal year ended June 30, 2012. The purpose of this report is to provide citizens, member boards of education, funders, grantor agencies and other interested parties with reliable financial information about CREC.

CREC's Business Services Division is responsible for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures. We believe that the data presented in this annual report is accurate in all material aspects; it is presented in a manner designed to fairly set forth the financial position and results of operations of CREC, as measured by the financial activity of its funds. The report contains all disclosures necessary to enable the reader to gain an understanding of CREC's financial affairs.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

REPORTING ENTITY

CREC is the oldest and largest of Connecticut's six regional educational service centers (RESCs). CREC is governed by, and serves, its members - 35 public school districts of North Central Connecticut. CREC's mission is to improve the quality of public education through cooperative programs. CREC was established in 1966 as a cooperative effort of local school districts, organized under the provisions of the Connecticut General Statutes, Section 10-66 a-n.

Pursuant to C.G.S. 10-66c, CREC, as a regional educational service center, is a public educational authority acting on behalf of the State of Connecticut. The Internal Revenue Service has determined CREC to be an organization described in Section 170 (c) (1) of the Code. The Connecticut State Department of Education (SDE) is CREC's primary regulatory agency. Publicly elected board of education members appointed by each member school district serve on CREC's Council. The term of office of Council directors may not exceed three years. The Council appoints an executive director to serve as the executive agent of CREC.

CREC provides a diverse range of services in education, health and human services. Major services provided to member districts include regional programs providing education and related health services for children with disabilities in the least restrictive environment, magnet schools promoting integrated and quality education, early childhood intervention initiatives, staff development programs and technical assistance services. The financial information provided in the CAFR includes all CREC funds.

ECONOMIC CONDITION AND OUTLOOK

The agency's economic condition is dependent upon the extent to which its primary customers (local boards of education and the State) continue their utilization of CREC services. CREC responds to, and tries to anticipate, the needs of its member districts. CREC's challenge is to identify and meet the changing and expanding requirements of its region.

Through their purchase of CREC's services, both the State and the local school districts recognize the benefits of delivering educational services on a regional, cooperative basis. CREC's services remain in demand, even as the State and member school districts continue to address budgetary challenges. CREC's tradition of providing essential services with the flexibility to develop and modify program offerings based on market factors will continue, and CREC's consistent and significant growth over the past ten years suggests that growth may continue.

FUTURE PLANS

Quality and Integrated Education:

Public Act 97-290, An Act Enhancing Educational Choices and Opportunities, sets forth the basis for much of the continued growth expected in quality and integrated education program activities. Specifically, this act requires each school district to immediately provide educational opportunities for students to interact with students and teachers from varied racial, ethnic and economic backgrounds and from other communities.

CREC has long held quality, integrated education as its primary focus. As a leader in promoting diversity, the application of CREC's core beliefs, mission, goals and objectives has resulted in tangible progress toward achieving this goal in our region. We expect that our magnet school program, the Choice program, Interdistrict grants and other funding will continue to increase through 2013 and beyond, as the State responds to racial and ethnic isolation in the Capitol Region through the 2008 Settlement Agreement in *Sheff v. O'Neill*.

CREC's Magnet Schools Division enrollment continues to grow. In 2012-2013, we are operating the Metropolitan Learning Center Magnet School in Bloomfield; the Glastonbury/East Hartford Elementary Magnet School in Glastonbury; the Greater Hartford Academy of the Arts in Hartford; the Greater Hartford Academy of Math and Science in Hartford; the Academy of Aerospace & Engineering in Hartford and Bloomfield; the Montessori Magnet School in Hartford; Two Rivers Magnet Middle School in East Hartford; the University of Hartford Magnet School in Hartford; the Museum Academy (formerly Charter School for Young Children) in Bloomfield; the International Magnet School for Global Citizenship in East Hartford; the Reggio Magnet School of the Arts in Avon; the CREC Public Safety Academy in Enfield, the Medical Professions and Teacher Preparation Academy in Windsor, and the Discovery Academy in Hartford. In 2012-2013 the Greater Hartford Academy of the Arts Elementary school in Bloomfield, Greater Hartford Academy of the Arts Middle school in Hartford and Two Rivers Magnet High School in Hartford were opened. CREC magnet school enrollment has grown to over 6,300 students and our magnet school budgets total \$101,247,883. The Magnet Schools Division will continue to grow because of the market demand and benchmarks of the 2008 Sheff agreement. It will continue to retain and attract new students by allowing them to focus on specific talents or interests, while studying a challenging core curriculum of language arts, mathematics, science, social studies and languages in a diverse environment.

The CREC Magnet Schools Division is now in the third year of the Federal Magnet School Assistance Program. This grant for \$11.5 million supports magnet school development, recruitment and expansion in the region.

The Hartford Region Open Choice program continues to serve Hartford students attending schools in 28 suburban districts and suburban students attending schools in the city of Hartford. With funding provided by the Connecticut State Department of Education, the program serves 1,760 students, attending 130 schools in 29 districts for the 2012-2013 school year. Students in the program may remain in their district through high school graduation and are offered the opportunity to participate in all activities at their schools. Support

specialists, as advocates for program participants, work closely with districts to help ensure a successful transition and a positive and enriching educational experience for all students. The Early Beginnings program continues to support preschool and kindergarten children. Middle and high school students are able to take advantage of the Student Support Center, where certified teachers and mentors are available after school to provide assistance with academics, life skills challenges and a new videography program. Elementary and middle school students are encouraged to participate in the Open Choice Summer Academy, which offers exposure to science, math and language arts curriculum and weekly field trips. The Open Choice program initiated several new professional development opportunities for districts to take advantage of including a book club discussion, Welcoming Schools Initiative and the Summer Leadership Institute.

The Interdistrict grants program continues to respond to racial and ethnic isolation in the Capitol Region through 13 awarded grants in 2012-2013 totaling \$971,508.

Community Education Division:

The Community Education Division addresses the needs of adults and families in the Capitol Region and beyond through its operation of many community-based programs and by leading several statewide professional development initiatives.

Direct service programs provide job-embedded training combining technical and academic skills, GED and literacy training, English as a Second Language classes, family literacy, continuing education and programs for adults facing special challenges. The Division also delivers comprehensive training and technical assistance for Connecticut's adult educators, college transition programs, an organization for adult learners, K-12 career educators and history teachers, staff of non-profit organizations and corporate employees. The Division also serves as co-manager of the new Capital Region Adult Literacy Partnership. The work of the division extends throughout the region, the state, and beyond Connecticut's borders, with a diverse clientele from the public and private sectors.

Student Services Division:

The Student Services Division serves a diverse population of students and their families. While much of the effort has been to ensure the quality of existing programs, there has been significant expansion of programming and services over the past school year.

River Street School provides day and extended day and year services to students with autism and significant developmental delays, with a strong emphasis on applied behavioral analysis and a variety of support services based on individual student need. River Street's annex building, the Marcia Yulo Howard Center for Autism, houses classrooms for younger students transitioning to River Street School, the PASC (Program for the Assessment of Special Children), the Children's Therapy Services Clinic for children with sensory issues, and also contains the administrative offices for River Street's Autism Outreach program and the Integrated Program Models (IPM). The Outreach program expanded significantly to serve over 500 children throughout the state. River Street School also worked with the Bureau of Rehabilitation Services to provide job-embedded training to adults.

The Farmington Valley Diagnostic Center (FVDC) enhanced its transitional services for students and is providing additional opportunities for community internships and work experiences. In conjunction with the FVDC Advisory Committee, the Center continues to explore the feasibility of the expansion of services for students with social, emotional and behavioral concerns. This past summer, the Center expanded the summer school program to serve younger children in a second location in Simsbury. The Center will be relocated to a state of the art facility in Simsbury in January 2013.

The John J. Allison Jr. Polaris Center expanded the services in its Mental Health Outpatient Clinic to serve young adults ages 18-21 and adults. The Polaris School continues to provide high quality educational and therapeutic services for students with social, emotional and behavioral concerns. The Lincoln Academy served students from ten towns. In addition, the Center has started a new academy serving 5th year students in need of more job-embedded programming and skill development. All of the programs under the John J. Allison Jr. Polaris Center umbrella have developed a stronger focus on transition and job-related services, including a large catering business.

CREC continues to provide the educational program for the Hartford Juvenile Detention Center (JDC). CREC is working with the educational and residential programs of the JDC to implement Positive Behavioral Interventions and Supports (PBIS) in both settings.

Soundbridge continues to provide a continuum of services, including programs for young children who are hearing-impaired, in its state of the art facility, in public school classrooms, and through many consultation services for students in their local districts. In addition, Soundbridge provides audiological services, as well as maintenance of hearing technology, for students throughout the state. This past year, Soundbridge expanded its services to include audiological equipment rental to local school districts.

CREC's Birth to Three and Family Enrichment Programs continue to provide direct service to families and children in the Hartford area. Family Enrichment conducts parent education through instructional sessions and support groups. In response to a request from the Department of Developmental Services' Birth to Three Program, CREC expanded its Birth to Three Program capacity to serve an additional 100 infants and toddlers with special needs as well as their families. In addition, the Birth to Three Program sponsors professional development sessions for its staff and early interventionists throughout the region.

The Division of Student Services received a grant from the State Department of Bureau of Rehabilitation Services (BRS) to hire a Transition Resource Counselor to work with districts and families to prepare students for access to competitive employment, adult service agencies or community resources upon graduation.

Construction Division:

CREC continues to provide school districts with planning, project management, and construction-related services to construct magnet schools, a service which CREC began to offer in 1996. Market demand and CREC's track record have resulted in our growth in this service area. Our construction staff serves districts throughout Connecticut that are either contemplating or actively engaged in school construction projects. To date, we have served as the sole project manager/owner's representative on over 22 projects, comprising over \$700 million in project costs.

CREC's construction services range from early master plan development, including education specifications and pre-construction services, to handling the entire construction process as a project/program manager and/or owner's representative. Our services also provide for verification of compliance with the educational program, financial reporting to the State Department of Education, project closeout and final audit. Our other construction-related services include facility audits, capital replacement plans, feasibility studies, educational specifications development, operations plans, and grant applications.

The City of New London expanded our initial scope of services to now include project management services for both the Nathan Hale Elementary School and the Winthrop Elementary Magnet School. In addition, we recently were selected to be the project managers for West Haven's high school renovations and East Hampton's high school renovation projects.

We provided owners representative services to the Town of Glastonbury, as the Glastonbury-East Hartford Elementary Magnet School opened its permanent facility in August, 2012.

We continue to assist Goodwin College by providing project management services for the Connecticut River Academy, the Academy of Advanced Design and Technology, and their Early Childhood School. We also successfully completed our contractual obligations as owner's representative in Bloomfield for the Laurel School.

We have successfully completed renovations of both the start-up and expansion of facilities for ten magnet schools including the Public Safety Academy, Reggio Arts Magnet, International Magnet School for Global Citizenship, Medical Professions and Teacher Preparation Academy, Museum Academy, Academy of Aerospace & Engineering, Discovery Academy, Greater Hartford Academy of the Arts Middle School, Greater Hartford Academy of the Arts High School and Two Rivers Magnet High School. In addition, we oversee the permanent construction for the first seven schools mentioned above, which involves site acquisition, planning and zoning approval, design oversight, bidding, construction, and closeout. We have submitted grant applications to the State Department of Education for permanent school construction funding approval for the last three schools mentioned above.

Institute of Teaching and Learning:

The Institute of Teaching and Learning continues to provide many workshops, consultation services and consortium memberships to meet the needs of our partner districts. The diversely talented staff represents the spectrum of educational experience in all content areas and with all school age groups. Additionally, the staff is well-versed in both national and state initiatives that connect with local district school improvement plans. Apart from its many planned workshops, the Institute can tailor services to meet a school district's particular professional objectives.

Teaching and Learning consultants facilitate regional and content-specific curriculum councils. District leaders and department heads in the disciplines of science, math, and language arts meet monthly at CREC to network, share and deepen their knowledge of best practices, identify mutual needs and share resources. Additionally, a robust CREC Curriculum Council for assistant superintendents and curriculum directors meets monthly and is facilitated through CREC T&L.

The Institute's education specialists provide ongoing services to multiple districts in Greater Hartford, community-based preschool programs, and districts outside the Hartford area. Requests for services have included presentations for scheduled professional development days, program evaluations, on-site coaching and modeling for instructional strategies in the areas of literacy, numeracy, science, and Early Childhood education. The Institute also sponsors notable national and international speakers, educational authors and researchers for presentations throughout the school year.

The Institute continues to enjoy a dynamic partnership with the Connecticut State Department of Education and the Regional Education Service Centers (RESC) Alliance. The partnership provides direct professional development and technical support to schools and districts that have been designated as needing improvement. The services requested include: data team training and facilitation, support for using protocols to examine student work, implementing effective teaching strategies, differentiating instruction and curriculum development and school climate.

The Institute has provided leadership and fiscal management for the Connecticut System for Educator Evaluation and Development (SEED). It provides training to pilot districts and technical assistance to non-pilot districts in the development of teacher and administrator evaluation systems.

The Institute has been a leader with a rollout plan for the Common Core State Standards (CCSS). The CREC Common Assessment Consortium (CAC) was established in response to the needs of regional districts to develop standards-driven assessments. The overarching goal is to provide common tools for measuring progress toward the standards that are grade level appropriate, so that all students can achieve at high levels. CAC work and other professional development activities address the new state standards and the “Smarter Balance” performance based assessments.

Other work of the Institute includes initiatives for the RESC Minority Teacher Recruiting Alliance, Montessori teacher training, management of Title III activities for CREC districts, professional development for the Sheff Management Plan and Hartford Region Open Choice Programs, Youth and Family Development Projects and school turnaround efforts through our Office for School Transformation.

Technical Assistance and Brokering Services Division (TABS):

The Technical Assistance and Brokering Services Division continues to respond to the needs of non-profit organizations in the region and around the state by providing high quality, timely, professional learning opportunities, staffing and executive services. TABS is working with other CREC divisions to expand the customer base to non-profit and for-profit organizations nationally and internationally. In addition, TABS has been working to develop new products and services such as the National CREC Leadership Network, The Blueprint for IEP development training curriculum, a Program Review Manual, and training modules for teachers who work with special education ELL students.

TABS’ Special Services Support Team (SSST) is in its seventh year of offering Connecticut’s Advanced Alternate Route to Certification Program in Special Education and is approved by the State Department of Education to operate through 2014. This exciting, innovative course of study provides training and practical experiences for certified teachers in order to earn a cross endorsement in special education. This program has been very successful, with an average of 99% of the students completing the program.

Districts that are interested in obtaining an independent review of their programs and services, such as special education, RTI (Response to Intervention), secondary transition, early intervention, student achievement, and related services (i.e. speech and language) have sought assistance from CREC’s TABS division. We have provided over 44 reviews throughout Connecticut. TABS has also done feasibility studies for districts considering the reorganization of schools and programs. We have worked closely with five boards of education to provide data, facilitation and problem-solving support in determining school closures.

TABS continues to work with the State Department of Education to provide leadership in the training of RESC, SDE and district staff on the COMPASS paraprofessional training curriculum. Since the participants became certified trainers in October 2008, over 2,300 paraprofessionals across the state have been trained in the COMPASS modules. This year, we worked collaboratively with SDE to develop and provide training on a module to enhance instruction using Common Core Standards. The COMPASS modules have sold nationally and internationally.

We are in the fourth year of providing an Assistive Technology (AT) Consortium to Connecticut districts and organizations. Membership in the consortium allows the 10 districts currently enrolled to send three staff to six professional development training sessions, receive a quarterly newsletter, and be connected to online discussion groups. AT Consortium members also are entitled to borrow assistive technology equipment from the lending library. The assistive technology library continues to grow, thanks to support from the CT Assistive Technology Project and donations from private vendors. We now can offer iPads that are loaded with useful applications for students with disabilities.

As part of an initiative to assist districts in designing and implementing positive school climate, TABS' Support Team is providing training to 23 schools and over 70 staff on Positive Behavior Intervention Supports (PBIS). PBIS provides a framework for schools to use that reinforces positive student behavior through changes in school structure and staff behaviors. This is the fourth year of the program, and we have added alternate settings to our customer mix, such as USD 2 and the Juvenile Detention Center. Other professional learning opportunities that TABS provides this year include Leadership Networks on Scientific Research Based Interventions, Special Education and a new network this year for community leaders on School and Community Climate. TABS also provides training and coaching to districts on issues of special education, behavior, school climate, co-teaching, and leadership.

This year, we partnered with United Illuminating and CL&P to provide staffing to the Smart Living Center as well as energy efficiency training to teachers across the state. Twenty workshops will be conducted, and TABS will promote the many services available through the Smart Living Center and EESmarts programs.

TABS' REACT (Regional Assessment and Consultation Team) service continues to provide highly qualified, certified professionals to help public schools, private schools and special educational agencies meet their staffing needs. Currently, TABS provides 15 districts and agencies with over 45 full and part-time paraprofessionals, associate instructors and speech language pathology assistants. 18 interim administrators, paraprofessionals, transition coordinators, behavior specialists, occupational therapists, tutors, energy specialists, literacy coaches, and speech language pathologists are working for TABS in educational organizations across the state.

In addition to interim services, TABS continues to provide student evaluations in a number of related service areas. For the current school year (2012-13), TABS has contracts to conduct 25 evaluations in areas such as: assistive technology (AT) or augmentative alternative communication (AAC), vocational, occupational, bilingual speech language, bilingual psycho-educational or psychological assessments.

TABS continues to offer two online learning programs. Virtual Learning Academy provides over 80 courses for students in grades 2 through 12 to recover credits and stay on course for graduation. Students work at their own pace in their individual courses, and can take as many courses as needed throughout the year. Virtual High School offers over 140 AP, honors-level and career exploration courses to high school and gifted middle school students. These students interact with peers worldwide.

CREC's Office of Grants and Development, which is part of TABS, continues to serve school districts and organizations in their efforts to secure funding for a wide variety of programs. Currently, we continue to develop a cadre of grant writers and "vetters" who work on proposals for both CREC and districts across the state. CREC's relationships with corporate and private funders continues to grow through the work of the CREC Foundation. The Grants and Development Office seeks private funding for programs as well as support two annual campaigns for a Soundbridge lending library and magnet school sports program.

TABS continues to support the Connecticut Technical High School System by providing related services such as speech and language pathologists, clinical psychologists, psychiatrists, and occupational and physical therapists. We also coordinate most of their professional development, and develop and implement training such as Scientific Research Based Interventions (SRBI). We hire and provide GED examiners and tutors, technology specialists, and coordinate professional development and purchase materials and equipment for Department of Corrections.

Data, Analysis Research and Technology Division:

The *Data, Analysis Research and Technology Division (DART)* has expanded its delivery of services in response to evolving district needs. The division has launched a technology consortium that will help enable schools to maintain support and professional development services despite district budget cuts. Components of the consortium include shared professional development resources, volume software discounts, library of technology policies, and tools to foster regional growth and collaboration. Both directly and through the consortium, CREC specialists work with district leaders to integrate 21st Century skills into new and existing curriculum.

DART trainers can help align curriculum with state, national, and international student achievement and technology standards using the Curriculum Unit Revision Infusing Technology (CURIT) methodology. DART is also expanding its capacity to support the development of online and blended course design for “flipping the classroom,” which allows instructors to use class time for personalized, hands-on instruction, as well as supporting the rollout of iPads and iPods in the classroom, and “bring your own device” (BYOD) programs.

In the area of research and data analysis, DART staff helps develop research questions, conducts the necessary analyses, and writes focused final reports. DART provides support for analyzing, collecting, and reporting district and State assessment data, such as cohort performance numbers, academic growth, and vertical scale scores. Further, because sometimes a research or policy question cannot be answered with existing data, DART staff is trained in all aspects of survey design, implementation, and validation. A hands-on workshop called “Data Analysis for School Leaders” also provides building leaders with a framework for approaching school-level data. With respect to data system procurement and maintenance, significant improvements have occurred in the area of student and operational data collection, automation, and analysis. DART has aligned itself with key system providers - such as Microsoft, Naviance, Pearson, and ProTraxx - to provide volume purchasing discounts, contract negotiating, hosting, development, implementation, and management services to districts.

In the area of information technology, DART has expanded its consulting services beyond operational support to more strategic areas of systems planning and development. DART has conducted a number of extensive technology audits to assess districts’ readiness for integrating 21st-Century skills into the classroom while introducing ways to reduce operational risks and expenses. The IT team provides end-to-end as well as contract support for districts and non-profit organizations across the state, resulting in accolades and employee performance awards for outstanding service.

Business Services Division:

CREC’s Cooperative Purchasing effort continues to grow, offering school districts and other organizations a three-part program to save money and time. Locally, we bid on behalf of our clients for school, classroom, art and medical supplies, multi-purpose paper, audiovisual equipment and office machines, and HVAC filters and belts. In Connecticut and other New England states, CREC also promotes the PEPPM technology savings program, which is part of a nationwide offer of over 300,000 technology items. Finally, CREC has also joined 24 other states, through the Association of Educational Purchasing Agencies (AEPA), to offer nationally bid items such as athletic surfaces, copiers, custodial and kitchen supplies, and roofing. Schools, towns and other organizations purchase over \$22M annually through these programs.

Human Resources Division:

The Human Resources Division continues to serve districts with the Minority Teacher Recruiting Program, which places certified candidates on a year-round basis. Our annual Career Fair attracts students from area colleges and universities, veteran teachers, career changers and teachers who are relocating to Connecticut from other states.

FINANCIAL INFORMATION

CREC’s management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of CREC are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting standards. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: a) the cost of a control should not exceed the benefits likely to be derived, and b) the valuation of costs and benefits requires estimates and judgments by management.

Single Audit:

As a recipient of federal and state funds, CREC is required to undergo a single audit in conformance with: a) the provisions of the Federal Single Audit Act of 1984 as amended in 1996, b) the U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments and Non-Profit Organizations* and c) the Connecticut State Single Audit Act. Information related to these single audits, including the schedule of federal and state financial assistance, the findings and recommendations and auditors' reports on the internal control structure, and our compliance with applicable laws and regulations, is issued under separate cover and is not included in this report.

As part of CREC's single audit described above, tests are conducted to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that CREC has complied with applicable laws and regulations. The results of CREC's single audit for the fiscal year ended June 30, 2012 provided no instances of material weakness in the internal control structure or significant violations of applicable laws and regulations.

Budgetary Controls:

CREC maintains budgetary control at the program level. The objective of our budgetary control is to ensure compliance with legal provisions embodied in the annual appropriated budget, as presented by the management of CREC and approved by the Council. The Business Services Division supports CREC's management in budget administration. CREC maintains a formal encumbrance system during the course of the fiscal year. Outstanding encumbrances lapse at year-end and are not recorded as budgetary expenditures. They may be re-encumbered in the succeeding year as expenditures against the newly-adopted budget.

OTHER INFORMATION**Independent Audit:**

State statute requires an annual audit of the books of account, financial records and transactions of all CREC programs by independent certified public accountants appointed by the representative Council. This requirement has been complied with, and the independent auditor's report has been included in this report.

Awards and Acknowledgements:

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Capitol Region Education Council for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2011. This was the nineteenth consecutive year that CREC has received this award. In order to be awarded a Certificate of Achievement, CREC must publish an easily readable and efficiently organized CAFR that satisfies both accounting principles generally accepted in the United States and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting this CAFR to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the dedicated service of the staff of the Business Services Division. We wish to express our appreciation to them.

We are grateful to our independent auditors, Blum, Shapiro & Company, P.C., for their professional assistance and advice during the course of this audit.

Finally, we thank the members of our Council and our executive director for their support of CREC's financial operations.

Respectfully submitted,



Donald P. Walsh
Deputy Executive Director
Finance and Operations



Jeffrey E. Ivory
Comptroller

Financial Section



Accounting | Tax | Business Consulting

Independent Auditors' Report

To the Board of Directors and Council
Capitol Region Education Council
Hartford, Connecticut

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Capitol Region Education Council as of and for the year ended June 30, 2012, which collectively comprise the Capitol Region Education Council's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Capitol Region Education Council's management. Our responsibility is to express opinions on these financial statements based on our audit.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Capitol Region Education Council's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Capitol Region Education Council as of June 30, 2012 and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2012 on our consideration of the Capitol Region Education Council's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 10 and the budgetary comparison information on page 42 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who consider it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Capitol Region Education Council's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section 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 basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

Blum, Shapiro & Company, P.C.

December 10, 2012

**CAPITOL REGION EDUCATION COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012**

This section of the Capitol Region Education Council's (CREC) Comprehensive Annual Financial Report (CAFR) presents our discussion and analysis of the financial performance of CREC for the fiscal year ended June 30, 2012. Readers should refer to the transmittal letter at the beginning of this report and the financial statements that immediately follow this section.

FINANCIAL HIGHLIGHTS

- The total cost of CREC's programs was \$191.4 million.
- The General Fund reported a fund balance this year of \$19.2 million, up from \$14.4 million last year.
- During the year, CREC's governmental revenues of \$212 million were \$23.6 million greater than expenses for governmental activities (before transfers).
- CREC's net assets increased by \$23.8 million as a result of this year's operations. While net assets of our business-type activities increased by \$435 thousand, net assets of our governmental activities increased by nearly \$23.4 million.
- Overall, the growth in CREC's net assets reflected an increased magnet enrollment, demand by school districts for CREC's special education services and other specialized services, which include new programs.

OVERVIEW OF THE FINANCIAL STATEMENTS

The CAFR contains general introductory information, the basic financial statements, and additional financial, economic and demographic information.

The basic financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The first two statements are government-wide statements that provide both short-term and long-term information about CREC's overall financial health. The fund financial statements provide detailed information about the individual parts of CREC - its governmental, proprietary and fiduciary funds.

Government-Wide Financial Statements

CREC is analyzed as a whole in Exhibits I and II. Exhibit I, the Statement of Net Assets, and Exhibit II, the Statement of Activities, present comprehensive financial information about all of the activities of CREC (except fiduciary activities) and provide short-term and long-term information about CREC's finances. Accounting methods used are similar to those of private sector companies. These statements report CREC's net assets and changes in them. CREC's net assets (the difference between assets and liabilities) are one way to measure CREC's financial health, or financial status. Over time, increases or decreases in CREC's net assets are one indicator of whether its financial health is improving or declining.

CREC's funds are divided into two types of activities:

- *Governmental activities* - Most of CREC's basic services are reported here, including education, health and human services. CREC's major services include regional programs that provide education and related health services for children with disabilities in the least restrictive environment, magnet schools that promote integrated and quality education, and early childhood programs that provide intervention initiatives. Federal and state grants, contracts, tuition, and room and board charges finance most of these activities.
- *Business-type activities* - CREC provides products and services directly to the public and other governmental agencies in exchange for fees. CREC's business activities include technical assistance consulting services, technology services, training, school facility services, and teaching and learning professional development workshops.

Fund Financial Statements

The fund financial statements begin with Exhibit III, and provide detailed information about the major funds – not CREC as a whole. CREC establishes categories of funds comprised of many individual funds to help control and manage financial activities for particular purposes, such as the Grants and Contracts Fund, to show that it is meeting its legal responsibilities for using revenues such as grants received for education from the State Department of Education. CREC’s funds are divided into three categories: governmental, proprietary and fiduciary.

- *Governmental Funds (Exhibits III and IV)* - Most of CREC’s basic programs and services are reported in governmental funds, and the exhibits focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. A fund represents a group of related accounts that are segregated for specific activities or objectives. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed, short-term view of CREC’s general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are greater or fewer financial resources that can be spent in the near future to finance CREC’s programs. The relationship (or differences) between the information provided in the government-wide statements, where there is a longer term view, and the information presented in the governmental funds statements is described in a reconciliation included with the governmental fund financial statements.

CREC operates 82 governmental programs. The individual programs are described and their fund accounts are detailed in the Combining and Individual Fund Statements and Schedules section.

The CREC Council adopts an annual budget for each of its governmental programs. A budgetary comparison statement has been provided for the General Fund and the Special Revenue Fund to demonstrate compliance with the adopted budget.

- *Proprietary Funds (Exhibits V, VI and VII)* - Proprietary funds are reported in the same way as the government-wide statements. CREC has two types of proprietary funds:

CREC’s 15 enterprise funds provide products and services directly to other Regional Education Service Centers (RESA), school districts and the public in exchange for fees. CREC regularly identifies specific service needs within the community and then establishes a means of delivery and pricing. The enterprise funds are the same as the business-type activities reported in the government-wide statements, but provide more detail and additional information, such as cash flows.

Internal service funds are created to provide goods or services to other CREC programs, such as staff development and training, document reproduction, wide area network services, the defined contribution plan, a self-insured health insurance and workers’ compensation plan and a self-funded unemployment compensation plan.

- *Fiduciary Funds (Exhibit VIII)* - Fiduciary funds are used to account for assets CREC holds for the benefit of outside parties in a trustee or agency capacity. Examples of fiduciary funds are scholarship funds and student activities funds. These activities are excluded from CREC’s other financial statements, because CREC cannot use these assets to finance its operations. CREC is responsible for ensuring that these reported assets are used for their intended purposes.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

CREC's combined net assets increased \$23.8 million, or 29.1%, to \$105.6 million. This was due to greater demand for CREC services, which resulted in increased revenue as well as increased investment in capital assets. Current assets were also partially funded by an increase in current liabilities.

TABLE 1
NET ASSETS
(In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current assets	\$ 74,779	\$ 36,675	\$ 890	\$ 1,938	\$ 75,669	\$ 38,613
Capital assets, net of accumulated depreciation	78,795	62,272	26	14	78,821	62,286
Total assets	<u>153,574</u>	<u>98,947</u>	<u>916</u>	<u>1,952</u>	<u>154,490</u>	<u>100,899</u>
Current liabilities	43,186	12,089	617	2,088	43,803	14,177
Long-term liabilities outstanding	5,106	4,965			5,106	4,965
Total liabilities	<u>48,292</u>	<u>17,054</u>	<u>617</u>	<u>2,088</u>	<u>48,909</u>	<u>19,142</u>
Net Assets:						
Invested in capital assets, net of related debt	76,673	59,554	26	14	76,699	59,568
Restricted for:						
Trust purposes:						
Nonexpendable	17	17			17	17
Unrestricted	<u>28,592</u>	<u>22,322</u>	<u>273</u>	<u>(150)</u>	<u>28,865</u>	<u>22,172</u>
Total Net Assets	\$ <u>105,282</u>	\$ <u>81,893</u>	\$ <u>299</u>	\$ <u>(136)</u>	\$ <u>105,581</u>	\$ <u>81,757</u>

Net assets of CREC's governmental activities increased 28.6%, to \$105 million, which reflected an increase in net assets invested in capital assets net of related debt due in large part from construction, equipment and leasehold improvement in the magnet schools. Net assets of governmental activities without the capital assets increased \$6.9 million primarily due to higher magnet student enrollment and larger increases in special education services.

With regard to the financial position of the business-type activities, net assets increased by 312.6%, to \$299 thousand. This increase was primarily due to Construction Services, Cooperative Purchasing and the Virtual High School program. Almost all the other business-type activities increased their net assets through increased revenue.

Governmental unrestricted net assets, the portion of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements, increased from \$22.3 million at June 30, 2011 to \$28.6 million at June 30, 2012.

The unrestricted net assets of business-type activities increased by \$423 thousand, from a deficit of \$150 thousand to a surplus of \$273 thousand. This was due primarily to increased sales in construction services.

The adjusted revenues in governmental activities, net of the State of Connecticut contribution for teacher's retirement, was \$202 million this year and \$160.2 million last year, representing an increase of 26%. Expenses remained stable, and related primarily to educating and providing services for CREC students and member districts. CREC's administrative activities represented 2.83% of total costs.

TABLE 2
CHANGES IN NET ASSETS
(In Thousands)

	Governmental		Business-Type		Total	
	Activities		Activities			
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	\$ 73,261	\$ 65,444	\$ 3,043	\$ 2,906	\$ 76,304	\$ 68,350
Operating grants and contributions	108,671	99,498	77	78	108,748	99,576
Capital grants and contributions	29,897	1,761			29,897	1,761
General revenues:						
Grants and contributions not restricted to specific programs	226	217			226	217
Unrestricted investment earnings	69	42			69	42
Total revenues	<u>212,124</u>	<u>166,962</u>	<u>3,120</u>	<u>2,984</u>	<u>215,244</u>	<u>169,946</u>
Program Expenses:						
Education	182,121	152,266			182,121	152,266
Facilities	911	824			911	824
Administration	5,422	5,235			5,422	5,235
Interest on debt	87	114			87	114
Montessori Training Center of New England			159	176	159	176
Learning Corridor Theatre			93	74	93	74
Cooperative purchasing			50	32	50	32
Regional fingerprinting services			136	123	136	123
Property rental			1	1	1	1
CASBO Support Services			1	2	1	2
Conference services			186	196	186	196
Technology sale of services			367	383	367	383
Technical assistance and brokering services			222	202	222	202
Community education			201	143	201	143
School facility services			501	881	501	881
School improvement center			962	749	962	749
Total program expenses	<u>188,541</u>	<u>158,439</u>	<u>2,879</u>	<u>2,962</u>	<u>191,420</u>	<u>161,401</u>
Change in net assets before transfers	23,583	8,523	241	22	23,824	8,545
Transfers	<u>(194)</u>	<u>(286)</u>	<u>194</u>	<u>286</u>	<u>-</u>	<u>-</u>
Increase in Net Assets	<u>\$ 23,389</u>	<u>\$ 8,237</u>	<u>\$ 435</u>	<u>\$ 308</u>	<u>\$ 23,824</u>	<u>\$ 8,545</u>

The most significant increases in government-wide expenses were in salaries, which increased by \$10.6 million (13%) and other purchased services, which increased \$9.1 million (37.9%). These increased costs were for general wages for additional teachers and paraprofessionals in the expanding magnet school program, and transportation costs, which continues to increase because of the expansion of the Transportation Services program.

Governmental Activities

Governmental activities revenue increased by \$45.2 million, or 27%. Approximately 34.5% of revenues came from charges for services and approximately 65.3% came from operating and capital grants and contributions:

- An increase of 908 magnet students and related tuitions fueled the increase in revenues. New programs as well as growth in existing programs and magnet schools in 2012 included Aerospace/Greater Hartford Academy of Math and Science (\$4.4 million), Museum Academy (\$1.6 million), Public Safety Academy (\$2 million), Reggio Magnet School (\$1.4 million) and the Discovery Academy (\$2.8 million) programs, the division total together generated \$13 million in increased revenue.
- The River Street School (\$1.7 million) and John J. Allison Polaris Center (\$731 thousand) were primarily responsible for the growth of revenue in the Student Services Division.

Along with the increased revenues, governmental expenditures increased by \$30.1 million, or 19%. This increase was caused by expenditures for new and expanding programs, general increases in salaries and benefits, and higher utility and transportation costs.

Business-Type Activities

Revenues of CREC's business-type activities (see Table 2) increased by 4.6% (\$3.1 million in 2012 compared to \$3 million in 2011) and expenses decreased by 2.8%. Revenue exceeded expenses by \$435 thousand (after transfers). Construction Services, School Improvement Center, Cooperative Purchasing and Virtual High School expansion provided for the largest increase in business-type activities. We continue efforts to increase sales and lower expenses to make all services self-sufficient.

FUNDS FINANCIAL ANALYSIS

Governmental Funds

Governmental Funds (as presented on Exhibit III, the Balance Sheet) reported a combined fund balance of \$19.7 million, which increased from last year's \$14.7 million.

The net change in the fund balance of the General Fund was an increase of \$4.8 million. Program charges for leadership were \$1.9 million greater than expenditures, which increased the fund balance in the General Fund. The Magnet School Division had combined revenues exceeding expenditures of \$2.2 million providing the largest fund balance growth. The Public Safety Academy, Greater Hartford Academy of Math and Science/Academy of Aerospace & Engineering, Two Rivers Magnet Middle School, Museum Academy, International Magnet School for Global Citizenship, Medical Professions and Teacher Preparation Academy all contributed to increased fund balance. The Greater Hartford Academy of the Arts continues to have a negative fund balance due to its student enrollment and inefficient multi-site operations.

The Student Services Division, which operates all of CREC's special education schools and programs, had combined revenues exceeding expenditures of \$847 thousand, which also provided fund balance growth in the General Fund. River Street School and Integrated Program Models were the largest contributor to fund balance growth in this division because of increased needs for special education services.

The Grants and Contracts Fund had a net increase in fund balance of \$136 thousand. The gains in Related Services, the Special Services Support Team, CT Technical High Schools and Birth to Three totaled \$190 thousand, as a result of increased services and district sales. Two programs in the Grant and Contracts Fund were the major contributors to lower growth in fund balance, as a result of reduced grant revenue and increasing expenditures. The Choice program and Employment Training program decreased fund balance growth by \$95 thousand. State and local funds were not adequate to pay for the expenditures in these programs.

TABLE 3
GOVERNMENTAL FUND BALANCES
(In Thousands)

	Fund Balance June 30, 2012	Fund Balance June 30, 2011
General fund	\$ 19,186	\$ 14,428
Grants and contracts fund	(1,239)	(1,375)
Special revenue fund	1	
Capital projects funds	777	680
Debt service funds	934	934
Permanent fund	17	17
Totals	\$ 19,676	\$ 14,684

Budget versus Actual

An over-estimation of expenditures for both CREC’s transportation services accounted for the largest variance of \$1.7 million in the budget-versus-actual amounts. In the Student Services Division, \$1.2 million of CREC’s Coltsville facility’s actual expenses were charged directly to the River Street School cost center.

Original Budget versus Amended Budget

Expanding enrollments and increased grant revenue were major factors in the amended budget increases.

Capital Projects

The increase of \$97 thousand in fund balance was largely attributable to the special education schools fund balance allocation from the schools to Capital Projects as the buildings age and capital repairs increase. The most significant item in the Capital Projects Fund in fiscal year 2012 was the continued construction of seven magnet schools in the Hartford region. These construction projects will make up most of the Capital Projects fund activity in the coming years.

The Debt Service Fund and Permanent Fund remained relatively unchanged.

Proprietary Funds

Proprietary fund net assets were \$11.8 million at the end of fiscal 2012, an increase of \$2.5 million, or 27.1%. As previously mentioned, enterprise funds increased by \$435 thousand primarily due to School Construction Services, Cooperative Purchasing and the Virtual High School program revenues.

TABLE 4
PROPRIETARY FUND NET ASSETS
(In Thousands)

	<u>Balance</u> <u>June 30, 2012</u>	<u>Balance</u> <u>June 30, 2011</u>
Enterprise Fund	\$ 299	\$ (136)
Internal Service Fund	<u>11,549</u>	<u>9,458</u>
Totals	<u>\$ 11,848</u>	<u>\$ 9,322</u>

Net assets for the Internal Service Fund increased \$2.1 million, or 22.1%. This was mostly attributable to CREC's self-insurance fund, which realized a \$1.7 million increase in net income. Budgeted charges to CREC's programs for medical insurance remained flat, but due to the large increase in employees in the expanding magnet school programs, revenues grew. CREC's unemployment fund net assets increased \$280 thousand and the workers' compensation net income increased by \$145 thousand. Most of CREC's internal service funds net assets also increased because expenses were lower than anticipated.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2012, CREC had \$78.8 million invested in a broad range of capital assets, including land, buildings, vehicles and equipment (see Table 5). Capital assets net of depreciation increased by \$16.5 million, or 26.5%. Current year additions totaled \$20.2 million, which included land, leasehold and building improvements, technology, equipment and vehicles. Depreciation expense was \$3.7 million as of June 30, 2012. Magnet school construction, leasehold improvements in the magnet schools and furniture and equipment purchases were the primary causes for the increase in capital assets from the previous year.

TABLE 5
CAPITAL ASSETS AT YEAR-END (Net of Depreciation)
(In Thousands)

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Land	\$ 10,008	\$ 2,225	\$	\$	\$ 10,008	\$ 2,225
Buildings and improvements	54,260	55,268			54,260	55,268
Vehicles	685	558			685	558
Furniture, fixtures and equipment	3,159	2,460	26	14	3,185	2,474
Construction in progress	<u>10,683</u>	<u>1,761</u>			<u>10,683</u>	<u>1,761</u>
Total	<u>\$ 78,795</u>	<u>\$ 62,272</u>	<u>\$ 26</u>	<u>\$ 14</u>	<u>\$ 78,821</u>	<u>\$ 62,286</u>

More detailed information about CREC's capital assets is presented in Note 1 and Note 5 to the financial statements.

Long-Term Debt

As of June 30, 2012, CREC had \$1.15 million in bonds and notes outstanding versus \$1.54 million last year, a decrease of 25.6% as shown in Table 6.

TABLE 6
OUTSTANDING DEBT, AT YEAR END
(In Thousands)

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Bonds payable	\$ 1,100	\$ 1,480	\$	\$	\$ 1,100	\$ 1,480
Notes payable	<u>49</u>	<u>65</u>	<u></u>	<u></u>	<u>49</u>	<u>65</u>
Total	<u>\$ 1,149</u>	<u>\$ 1,545</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,149</u>	<u>\$ 1,545</u>

The decrease in debt reflects the scheduled principal payments on CREC's outstanding bonds and notes. CREC maintains a "BBB" rating from Standard & Poor's for its general obligation bonds.

Additional information on CREC's long-term debt and obligations can be found in Note 8 to the Financial Statements.

Connecticut General Statutes (C.G.S.) Section 10-66c defines the borrowing authority for RESCs. CREC was established and organized as a RESC under the provisions of C.G.S. Section 10-66a.-n. The statute does not define any limitations on the level or amount of debt which a RESC may borrow.

FACTORS AFFECTING CREC'S FUTURE

CREC is working with state legislators, SDE officials and magnet school stakeholders to address issues in magnet school operation and a stable funding formula (including transportation funding) which is needed to operate its magnet schools properly.

The Choice program and the Interdistrict Grants funding should continue through 2013 and thereafter as the State continues to respond to educational inequities in the Capitol Region. Future funding will continue to rely on State's continued commitment to this issue.

CREC's continued financial strength is most evident in its special education school programs, where traditional revenue growth is expected to remain steady.

CREC's ability to develop and modify programs in special education, in school diversity and achievement, and in its general support of district needs, should provide continued growth for the agency.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of CREC's finances and to demonstrate CREC's accountability for the funds it receives to all readers of these statements. Questions concerning any of the information provided in this report, or requests for additional information, should be addressed to Donald P. Walsh, Deputy Executive Director, Finance and Operations, CREC, 111 Charter Oak Avenue, Hartford, CT 06106.

Basic Financial Statements

CAPITOL REGION EDUCATION COUNCIL

STATEMENT OF NET ASSETS

JUNE 30, 2012

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets:			
Current assets:			
Cash and cash equivalents	\$ 52,614,768	\$ 1,677,434	\$ 54,292,202
Investments	82,995		82,995
Receivables	18,587,759	654,131	19,241,890
Internal balances	1,466,121	(1,466,121)	-
Prepaid items	2,028,355	24,262	2,052,617
Noncurrent assets:			
Capital assets not being depreciated	20,691,650		20,691,650
Capital assets, net of accumulated depreciation	58,103,230	26,124	58,129,354
Total assets	<u>153,574,878</u>	<u>915,830</u>	<u>154,490,708</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	17,624,643	263,261	17,887,904
Unearned revenue	5,561,726	243,606	5,805,332
Bond anticipation notes payable	20,000,000		20,000,000
Compensated absences		110,188	110,188
Noncurrent liabilities:			
Due within one year	1,004,835		1,004,835
Due in more than one year	4,101,310		4,101,310
Total liabilities	<u>48,292,514</u>	<u>617,055</u>	<u>48,909,569</u>
Net Assets:			
Invested in capital assets, net of related debt	76,672,899	26,124	76,699,023
Restricted for trust purposes:			
Nonexpendable	17,000		17,000
Unrestricted	28,592,465	272,651	28,865,116
Total Net Assets	<u>\$ 105,282,364</u>	<u>\$ 298,775</u>	<u>\$ 105,581,139</u>

The accompanying notes are an integral part of the financial statements

**CAPITOL REGION EDUCATION COUNCIL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012**

Function/Program Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
Education	\$ 182,120,633	\$ 73,213,159	\$ 108,614,208	\$ 29,897,401	\$ 29,604,135	\$	\$ 29,604,135
Facilities	910,954	7,707	9,484		(893,763)		(893,763)
Administration	5,422,370	39,647			(5,382,723)		(5,382,723)
Interest expense	87,437		47,799		(39,638)		(39,638)
Total governmental activities	<u>188,541,394</u>	<u>73,260,513</u>	<u>108,671,491</u>	<u>29,897,401</u>	<u>23,288,011</u>	<u>-</u>	<u>23,288,011</u>
Business-type activities:							
Montessori Training Center of New England	158,939	185,823				26,884	26,884
Learning Corridor Theater	93,321	91,497				(1,824)	(1,824)
Cooperative Purchasing	49,754	94,025				44,271	44,271
Regional Fingerprinting Services	136,007	126,155				(9,852)	(9,852)
Property Rental	852					(852)	(852)
CASBO Support Services	1,023	2,053				1,030	1,030
Conference Services	185,364	53,480				(131,884)	(131,884)
Technology Sale of Services	367,263	156,769	76,549			(133,945)	(133,945)
Technical Assistance Brokering Service	221,460	232,016				10,556	10,556
Community Education	201,318	201,798				480	480
School Facility Services	501,112	891,680				390,568	390,568
School Improvement Center	962,139	1,008,032				45,893	45,893
Total business-type activities	<u>2,878,552</u>	<u>3,043,328</u>	<u>76,549</u>	<u>-</u>	<u>-</u>	<u>241,325</u>	<u>241,325</u>
Total	<u>\$ 191,419,946</u>	<u>\$ 76,303,841</u>	<u>\$ 108,748,040</u>	<u>\$ 29,897,401</u>	<u>23,288,011</u>	<u>241,325</u>	<u>23,529,336</u>
General revenues:							
Grants and contributions not restricted to specific programs					225,991		225,991
Unrestricted investment earnings					68,787		68,787
Transfers					(193,569)	193,569	-
Total general revenues and transfers					<u>101,209</u>	<u>193,569</u>	<u>294,778</u>
Change in net assets					23,389,220	434,894	23,824,114
Net Assets at Beginning of Year					<u>81,893,144</u>	<u>(136,119)</u>	<u>81,757,025</u>
Net Assets at End of Year					<u>\$ 105,282,364</u>	<u>\$ 298,775</u>	<u>\$ 105,581,139</u>

The accompanying notes are an integral part of the financial statements

CAPITOL REGION EDUCATION COUNCIL
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2012

	<u>General Fund</u>	<u>Grants and Contracts Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 34,924,535	\$ 1,737,832	\$ 3,557,521	\$ 40,219,888
Investments	65,514		17,481	82,995
Accounts receivable	10,696,408	3,543,717	4,070,467	18,310,592
Due from other funds	7,817,034			7,817,034
Prepaid items	<u>1,950,092</u>	<u>18,816</u>	<u>1,000</u>	<u>1,969,908</u>
Total Assets	<u>\$ 55,453,583</u>	<u>\$ 5,300,365</u>	<u>\$ 7,646,469</u>	<u>\$ 68,400,417</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 11,652,250	\$ 2,127,696	\$ 1,544,688	\$ 15,324,634
Due to other funds	1,145,574	1,974,906	4,372,707	7,493,187
Deferred revenue	3,469,727	2,436,495	375	5,906,597
Bond anticipation notes payable	<u>20,000,000</u>			<u>20,000,000</u>
Total liabilities	<u>36,267,551</u>	<u>6,539,097</u>	<u>5,917,770</u>	<u>48,724,418</u>
Fund Balances:				
Nonspendable	1,950,092	18,816	18,000	1,986,908
Restricted		1,099,089	933,944	2,033,033
Committed			1,531,854	1,531,854
Assigned	4,925,000		845	4,925,845
Unassigned	<u>12,310,940</u>	<u>(2,356,637)</u>	<u>(755,944)</u>	<u>9,198,359</u>
Total fund balances	<u>19,186,032</u>	<u>(1,238,732)</u>	<u>1,728,699</u>	<u>19,675,999</u>
Total Liabilities and Fund Balances	<u>\$ 55,453,583</u>	<u>\$ 5,300,365</u>	<u>\$ 7,646,469</u>	<u>\$ 68,400,417</u>

(Continued on next page)

CAPITOL REGION EDUCATION COUNCIL

BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2012

Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Assets:

Amounts reported for governmental activities in the statement of net assets
(Exhibit I) are different because of the following:

Fund balances - total governmental funds	\$ 19,675,999
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Governmental capital assets	\$ 112,112,371
Less accumulated depreciation	<u>(33,371,481)</u>
Net capital assets	78,740,890
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recorded in the funds:	
Receivable from the state for school construction projects	366,371
Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net assets.	
	11,549,159
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds payable	(1,100,000)
Interest payable on bonds	(10,313)
Notes payable	(49,050)
Compensated absences	(1,200,461)
Capital lease	(972,931)
Net OPEB Obligation	<u>(1,717,300)</u>
Net Assets of Governmental Activities (Exhibit I)	<u>\$ 105,282,364</u>

The accompanying notes are an integral part of the financial statements

CAPITOL REGION EDUCATION COUNCIL

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2012

	General Fund	Grants and Contracts Funds	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Tuition	\$ 28,738,030	\$ 21,405	\$	\$ 28,759,435
Grants in aid	96,086,211	23,273,435	17,591,819	136,951,465
Room and board	1,502,013			1,502,013
Sales of services	39,251,251	3,387,679		42,638,930
Investment income	68,721		66	68,787
Other local revenues	2,048,485	243,048		2,291,533
Total revenues	<u>167,694,711</u>	<u>26,925,567</u>	<u>17,591,885</u>	<u>212,212,163</u>
Expenditures:				
Current:				
Salaries	82,732,941	9,854,165		92,587,106
Employee benefits	30,225,747	2,225,058		32,450,805
Purchased professional and technical services	4,746,852	1,673,978		6,420,830
Purchased property services	10,171,661	134,307		10,305,968
Other purchased services	22,563,081	10,581,005		33,144,086
Supplies	7,371,222	638,717		8,009,939
Property	5,954,429	109,875		6,064,304
Other objects	128,372	13,355	885,313	1,027,040
Debt service:				
Principal			396,350	396,350
Interest and fiscal charges			90,999	90,999
Capital outlay			17,075,293	17,075,293
Total expenditures	<u>163,894,305</u>	<u>25,230,460</u>	<u>18,447,955</u>	<u>207,572,720</u>
Excess (Deficiency) of Revenues over Expenditures	<u>3,800,406</u>	<u>1,695,107</u>	<u>(856,070)</u>	<u>4,639,443</u>
Other Financing Sources (Uses):				
Transfers in	2,423,073	281,741	583,982	3,288,796
Transfers out	(1,465,075)	(1,840,794)	(110,635)	(3,416,504)
Capital lease			480,000	480,000
Total other financing sources (uses)	<u>957,998</u>	<u>(1,559,053)</u>	<u>953,347</u>	<u>352,292</u>
Net Change in Fund Balances	4,758,404	136,054	97,277	4,991,735
Fund Balances at Beginning of Year	<u>14,427,628</u>	<u>(1,374,786)</u>	<u>1,631,422</u>	<u>14,684,264</u>
Fund Balances at End of Year	<u>\$ 19,186,032</u>	<u>\$ (1,238,732)</u>	<u>\$ 1,728,699</u>	<u>\$ 19,675,999</u>

(Continued on next page)

CAPITOL REGION EDUCATION COUNCIL

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2012

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balances of Governmental Funds to the Statement of Activities:

Amounts reported for governmental activities in the statement of activities (Exhibit II) are different because:

Net change in fund balances - total governmental funds (Exhibit IV)	\$ 4,991,735
---	--------------

Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	20,178,399
Depreciation expense	(3,654,503)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, and revenues recognized in the funds are not reported in the statement of activities:

School building grant receipts	(87,980)
--------------------------------	----------

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized and deferred in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Bond principal payments	380,000
Note principal payments	16,350
Capital lease payments	679,006
Capital lease financing	(480,000)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Compensated absences	(164,336)
Accrued interest	3,562
Net OPEB expense	(563,900)

Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal services funds is reported with governmental activities.

<u>2,090,887</u>

Change in Net Assets of Governmental Activities (Exhibit II)	<u>\$ 23,389,220</u>
--	----------------------

The accompanying notes are an integral part of the financial statements

CAPITOL REGION EDUCATION COUNCIL
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
JUNE 30, 2012

	Business-Type Activities			Total	Governmental
	Enterprise Funds				Activities
	Technology	School	Nonmajor		Internal
	Sale of	Improvement	Enterprise		Service
	Services	Center	Funds		Funds
Assets:					
Current:					
Cash and cash equivalents	\$	\$	\$ 1,677,434	\$ 1,677,434	\$ 12,394,880
Accounts receivable	48,213	347,216	258,702	654,131	277,167
Due from other funds				-	1,145,574
Prepaid items		17,943	6,319	24,262	58,447
Total current assets	<u>48,213</u>	<u>365,159</u>	<u>1,942,455</u>	<u>2,355,827</u>	<u>13,876,068</u>
Noncurrent assets:					
Capital assets, net of accumulated depreciation	<u>426</u>	<u>6,112</u>	<u>19,586</u>	<u>26,124</u>	<u>53,990</u>
Total assets	<u>48,639</u>	<u>371,271</u>	<u>1,962,041</u>	<u>2,381,951</u>	<u>13,930,058</u>
Liabilities:					
Current liabilities:					
Accounts payable and accrued liabilities	11,829	99,893	151,539	263,261	2,289,696
Due to other funds	671,257	745,555	49,309	1,466,121	3,300
Deferred revenues	23,300	134,950	85,356	243,606	21,500
Compensated absences	<u>27,790</u>	<u>1,534</u>	<u>80,864</u>	<u>110,188</u>	<u>66,403</u>
Total liabilities	<u>734,176</u>	<u>981,932</u>	<u>367,068</u>	<u>2,083,176</u>	<u>2,380,899</u>
Net Assets:					
Invested in capital assets	426	6,112	19,586	26,124	53,990
Unrestricted	<u>(685,963)</u>	<u>(616,773)</u>	<u>1,575,387</u>	<u>272,651</u>	<u>11,495,169</u>
Total Net Assets	<u>\$ (685,537)</u>	<u>\$ (610,661)</u>	<u>\$ 1,594,973</u>	<u>\$ 298,775</u>	<u>\$ 11,549,159</u>

The accompanying notes are an integral part of the financial statements

CAPITOL REGION EDUCATION COUNCIL
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Business-Type Activities				Governmental Activities
	Enterprise Funds				
	Technology Sale of Services	School Improvement Center	Nonmajor Enterprise Funds	Total	
Operating Revenues:					
Sales of services	\$ 156,769	\$ 975,532	\$ 1,849,226	\$ 2,981,527	\$ 21,476,338
Other local revenues		32,500	29,301	61,801	2,569,969
Total operating revenues	<u>156,769</u>	<u>1,008,032</u>	<u>1,878,527</u>	<u>3,043,328</u>	<u>24,046,307</u>
Operating Expenses:					
Salaries	276,333	639,151	693,001	1,608,485	1,550,169
Employee benefits	77,147	111,732	166,492	355,371	19,429,068
Purchased professional and technical services	4,172	140,557	326,707	471,436	76,981
Purchased property services			52,813	52,813	55,962
Other purchased services	8,132	38,403	182,003	228,538	674,621
Supplies	845	23,383	102,820	127,048	41,666
Property		997	12,121	13,118	39,390
Depreciation	222	1,532	2,737	4,491	21,461
Other	412	6,384	10,456	17,252	241
Total operating expenses	<u>367,263</u>	<u>962,139</u>	<u>1,549,150</u>	<u>2,878,552</u>	<u>21,889,559</u>
Operating Income (Loss)	(210,494)	45,893	329,377	164,776	2,156,748
Nonoperating Revenues:					
Grants in aid	<u>76,549</u>			<u>76,549</u>	
Income (Loss) Before Transfers	(133,945)	45,893	329,377	241,325	2,156,748
Transfers In	216,281	111,239	268,373	595,893	3,459
Transfers Out	<u>(65,850)</u>	<u>(126,746)</u>	<u>(209,728)</u>	<u>(402,324)</u>	<u>(69,320)</u>
Change in Net Assets	16,486	30,386	388,022	434,894	2,090,887
Net Assets at Beginning of Year	<u>(702,023)</u>	<u>(641,047)</u>	<u>1,206,951</u>	<u>(136,119)</u>	<u>9,458,272</u>
Net Assets at End of Year	<u>\$ (685,537)</u>	<u>\$ (610,661)</u>	<u>\$ 1,594,973</u>	<u>\$ 298,775</u>	<u>\$ 11,549,159</u>

The accompanying notes are an integral part of the financial statements

CAPITOL REGION EDUCATION COUNCIL

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2012

	Business-Type Activities				Governmental Activities Internal Service Funds
	Enterprise Funds			Total	
	Technology Sale of Services	School Improvement Center	Nonmajor Enterprise Funds		
Cash Flows from Operating Activities:					
Receipts from customers and users	\$ 189,338	\$ 979,830	\$ 2,009,882	\$ 3,179,050	\$ 24,080,352
Receipts from interfund services provided			23,551	23,551	3,300
Payments to suppliers	(13,658)	(168,205)	(615,563)	(797,426)	(791,210)
Payments to employees	(355,064)	(751,207)	(823,866)	(1,930,137)	(20,464,094)
Payments for interfund services used	(47,596)	(43,449)		(91,045)	(453,146)
Net cash provided by (used in) operating activities	<u>(226,980)</u>	<u>16,969</u>	<u>594,004</u>	<u>383,993</u>	<u>2,375,202</u>
Cash Flows from Noncapital Financing Activities:					
Grants in aid	76,549			76,549	
Transfers from other funds	216,281	111,239	268,373	595,893	(9,214)
Transfers out to other funds	(65,850)	(126,746)	(209,728)	(402,324)	(69,320)
Net cash provided by (used in) noncapital financing activities	<u>226,980</u>	<u>(15,507)</u>	<u>58,645</u>	<u>270,118</u>	<u>(78,534)</u>
Cash Flows from Capital and Related Financing Activities:					
Additions to property, plant and equipment		(1,462)	(15,279)	(16,741)	(8,183)
Net Increase in Cash and Cash Equivalents	-	-	637,370	637,370	2,288,485
Cash and Cash Equivalents at Beginning of Year	-	-	1,040,064	1,040,064	10,106,395
Cash and Cash Equivalents at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,677,434</u>	<u>\$ 1,677,434</u>	<u>\$ 12,394,880</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Operating income (loss)	\$ (210,494)	\$ 45,893	\$ 329,377	\$ 164,776	\$ 2,156,748
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	222	1,532	2,737	4,491	21,461
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	16,769	(14,771)	236,064	238,062	38,695
(Increase) decrease in other assets		(17,943)		(17,943)	95,727
(Increase) decrease in due from other funds				-	(453,146)
Increase (decrease) in accounts payable and accrued liabilities	(97)	59,462	71,357	130,722	508,885
Increase (decrease) in compensated absences	(1,584)	(324)	35,627	33,719	8,182
Increase (decrease) in due to other funds	(47,596)	(43,449)	23,551	(67,494)	3,300
Increase (decrease) in deferred revenues	15,800	(13,431)	(104,709)	(102,340)	(4,650)
Total adjustments	<u>(16,486)</u>	<u>(28,924)</u>	<u>264,627</u>	<u>219,217</u>	<u>218,454</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (226,980)</u>	<u>\$ 16,969</u>	<u>\$ 594,004</u>	<u>\$ 383,993</u>	<u>\$ 2,375,202</u>

The accompanying notes are an integral part of the financial statements

CAPITOL REGION EDUCATION COUNCIL

STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

JUNE 30, 2012

	<u>Agency Funds</u>
Assets:	
Cash and cash equivalents	\$ 451,803
Other assets	530
	<u> </u>
Total Assets	\$ <u>452,333</u>
Liabilities:	
Accounts payable	\$ 1,692
Fiduciary deposits	450,641
	<u> </u>
Total Liabilities	\$ <u>452,333</u>

The accompanying notes are an integral part of the financial statements

CAPITOL REGION EDUCATION COUNCIL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Capitol Region Education Council (CREC) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant policies of CREC are described below.

A. Reporting Entity

The Capitol Region Education Council, a Regional Educational Service Center, was organized in 1966 under the provisions of the Connecticut General Statutes, Section 10-66a, as amended. CREC operates under a representative Council (one Council person from each member town) with a Board of Directors and an appointed Executive Director and provides the following services as authorized by statute: as a center for towns or regional boards of education to establish cooperative arrangements to provide special services, programs or activities to enable such boards to carry out the duties specified in the General Statutes.

Blended Component Unit - Capitol Region Education Council Foundation, Inc. (the Corporation) serves CREC and its members by providing financial and other support and it is governed by a Board of Directors comprised in majority by CREC's Board of Directors. The Corporation is reported as a special revenue fund.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of CREC. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by tuition, room and board and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

CAPITOL REGION EDUCATION COUNCIL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. CREC considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal period. Interest associated with the current fiscal period is all considered to be susceptible to accrual and has been recognized as revenues of the current fiscal period. In determining when to recognize intergovernmental revenues (grants and entitlements), the legal and contractual requirements of the individual programs are used as guidance. Revenues are recognized when the eligibility requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by CREC.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

CREC reports the following major governmental funds:

The *General Fund* is CREC's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Grants and Contracts Fund* is used to account for the proceeds of various education programs. The major source of revenue for this fund is state and federal assistance.

CREC reports the following major proprietary funds:

The *Technology Sale of Services Fund* is used to account for the operations of the Technology Center, which provides training on current business and education software of CREC staff and CREC districts.

The *School Improvement Center Fund* is used to account for the operation of a core set of key initiatives of teaching and learning to promote student achievement, such as Curriculum, Assessment and Instructional Services; Common Assessment Consortium; and Connecticut Accountability for Learning Initiatives.

CAPITOL REGION EDUCATION COUNCIL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2012

Additionally, CREC reports the following fund types:

The *Enterprise Funds* are used to account for the operations that are financed through user charges. The nonmajor Enterprise Funds include Montessori Training Center of New England, Learning Corridor Theater, Cooperative Purchasing, Regional Fingerprinting Services, Office of Communications, Staff Development, BEST Services, Property and Equipment Rental, CASBO Support Services, Conference Services, Technical Assistance Brokering Service, Community Education and Construction Services.

The *Internal Service Funds* are used to account for operations that are financed on a cost-reimbursement basis to programs within CREC's financial reporting entity. The Internal Service Funds include CREC Staff Development, CREC Wide Area Network, Copy Center, Self Insurance, CREC Unemployment, Workers' Compensation and Employee Benefit Fund.

The *Agency Funds* are used to account for assets held by CREC in an agent capacity for individuals, private organizations or other governments. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency Funds include RSS Equipment Escrow, River Street/Coltsville, Greater Hartford Academy of the Arts, Metropolitan Learning Center, Special Education Escrow, River Street School, Great Path Academy, Statewide RESCS Escrow, AAE/GHAMAS Escrow, Integrated Program Model, East Hartford/Glastonbury Magnet School Escrow, RESC Alliance Minority Recruiting, CREC Charter Oak Escrow, Polaris Student Activity, Choice Escrow, Two Rivers Escrow, Montessori Magnet School, IMS Escrow, Reggio Escrow, HASA Escrow and Discovery Academy Escrow.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. CREC has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

CAPITOL REGION EDUCATION COUNCIL

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2012

When both restricted and unrestricted resources are available for use, it is CREC's policy to use restricted resources first, then unrestricted resources as they are needed. Unrestricted resources are used in the following order: committed, assigned then unassigned.

D. Deposits and Investments

CREC's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are stated at fair value.

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

F. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

G. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$1,000 and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

CAPITOL REGION EDUCATION COUNCIL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

Property, plant and equipment of CREC is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	39
Building improvements	39
Land	Nondepreciable
Vehicles	7
Office equipment	7
Computer equipment	5
Machinery and equipment	7

H. Compensated Absences

Vacation benefits accumulate throughout the employment of an individual up to varying maximums. Earned vacation time accumulated by employees must be used in the subsequent year or it is forfeited. Employees in programs do not receive vacation pay for time not taken prior to the close of the program.

All vacation is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

I. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net assets.

J. Equity

Equity in the government-wide financial statements is defined as “net assets” and is classified in the following categories:

Invested in Capital Assets, Net of Related Debt - This component of net assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted Net Assets - Net assets restrictions are externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Assets - This component consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

CAPITOL REGION EDUCATION COUNCIL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2012

The equity of the fund financial statements is defined as “fund balance” and is classified in the following categories:

Nonspendable Fund Balance - This represents amounts that cannot be spent due to form (e.g., inventories and prepaid amounts).

Restricted Fund Balance - This represents amounts constrained for a specific purpose by external parties, such as grantors, creditors, contributors, or laws and regulations of their governments.

Committed Fund Balance - This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (Board of Directors and Council) by adoption of an ordinance prior to the end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned Fund Balance - For all governmental funds other than the General Fund, this represents any remaining positive amounts not classified as nonspendable, restricted or committed. For the General Fund, this includes amounts constrained for the intent to be used for a specific purpose by the Council that has been delegated authority to assign amounts by the CREC Constitution.

Unassigned Fund Balance - This represents fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Budgets for the General Fund and the Grants and Contracts Fund programs are authorized annually in accordance with procedures outlined in the CREC Constitution. The procedures for establishing the budgetary data reflected in the financial statements are as follows:

1. Program directors submit proposed operating budgets for the fiscal year to the Executive Director for approval and adjustment. The operating budgets include proposed expenditures and the means of financing those expenditures.
2. The adjusted budgets are submitted to the Board of Directors and Council where they are legally enacted through resolutions.
3. Program directors may modify budgets between line items within a program; however, any revisions that increase the total budgeted expenditures of any program must be approved by the Board of Directors and Council. The level of control at which expenditures may not legally exceed appropriations is the program level (i.e., Executive Director, Deputy Executive Director for the General Fund and Interdistrict Grants and Project Pact for the Special Revenue Funds).

CAPITOL REGION EDUCATION COUNCIL

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2012

The budgets are prepared on a modified accrual basis of accounting. On a budgetary basis, operating transfers in and out are classified as revenues and expenditures, respectively. All appropriations lapse at the end of the budget year. CREC has a formal purchase order system. CREC uses encumbrance accounting during the course of the year but cancels all unliquidated encumbrances prior to closing books.

Budgeted amounts are as originally adopted or as amended by the Board of Directors and Council. Supplemental appropriations were necessary during the year as new grants were received and new programs added.

The accompanying statement of revenues and expenditures - General Fund and Major Special Revenue Fund - budget and actual (non-GAAP budgetary basis) presents comparisons of the legally adopted budget with actual data on a budgetary basis. Also, CREC does not recognize the contribution by the State of Connecticut for teachers' retirement (as discussed in Note 13) for budgetary purposes. Since not all programs included in the General Fund financial statements are budgeted, a reconciliation of the resultant accounting basis entity differences in excess of revenues and other sources over expenditures and other uses for the General Fund for the year ended June 30, 2012 is presented below.

	<u>General Fund GAAP Basis</u>	<u>Interprogram Eliminations</u>	<u>Non-Budgeted CREC General Program</u>	<u>General Fund Non-GAAP Budgetary Basis</u>
General Fund:				
Revenues and other financing sources	\$ 170,117,784	\$ 20,596,065	\$ (18,424,530)	\$ 172,289,319
Expenditures and other financing uses	<u>165,359,380</u>	<u>20,596,065</u>	<u>(16,510,718)</u>	<u>169,444,727</u>
Net Change in Fund Balance	<u>\$ 4,758,404</u>	<u>\$ -</u>	<u>\$ (1,913,812)</u>	<u>\$ 2,844,592</u>

CAPITOL REGION EDUCATION COUNCIL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

B. Deficit Fund Equity

Fund balance and net asset deficits existed as of June 30, 2012 in the following funds/programs:

General Fund Programs:

Grants and Development Office	\$ 556,978
Administrative Building Cost Center	695,250
Minority Teacher Recruiting	44,240
Project Literacy	49,449
Learning Corridor Cost Center	614,774
Aerospace/GHAMAS Magnet School	114,458
Polaris Center	1,147,183
Magnet School Cost Center	836,377
Special Education Transportation	36,403
Greater Hartford Academy of the Arts	4,673,755
School Transportation Management Services	49,196
Reggio Magnet School for the Arts	1,892,692
Charter School for Young Children on Asylum Hill	1,058,612
Lincoln Academy	36,727
Discovery Academy	308,187

Special Revenue Fund:

Grants and Contracts Fund:

Capitol Region Choice Program	1,387,071
Suburban Youth Programs	2,875
Regional School Choice Office	679
Family Enrichment Services	57,149
Employment Training Program	451,722
Early Education Programs	442,935

Capital Projects Funds:

Soundbridge Construction	754,944
--------------------------	---------

Technology Sale of Services	685,537
-----------------------------	---------

School Improvement Center	610,661
---------------------------	---------

Enterprise Funds:

Learning Corridor Theater	2,507
Conference Services	37,478

These deficits will be covered by transfers from the General Fund.

CAPITOL REGION EDUCATION COUNCIL

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2012

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be made in a “qualified public depository” as defined by Statute, or, in amounts not exceeding the Federal Deposit Insurance Corporation insurance limit in an “out of state bank,” as defined by the Statutes, which is not a “qualified public depository.”

The Connecticut General Statutes (Section 7-400) permit CREC to invest in: 1) obligations of the United States and its agencies; 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof; and 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. Other provisions of the Statutes cover specific funds with particular investment authority.

The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF) and the State Tax Exempt Proceeds Fund (TEPF). These investment pools are under the control of the State Treasurer, with oversight provided by the Treasurer’s Cash Management Advisory Board, and are regulated under the State Statutes and subject to annual audit by the Auditors of Public Accounts. Investment yields are accounted for on an amortized-cost basis with an investment portfolio that is designed to attain a market-average rate of return throughout budgetary and economic cycles. Investors accrue interest daily based on actual earnings, less expenses and transfers to the designated surplus reserve, and the fair value of the position in the pool is the same as the value of the pool shares.

A. Cash and Cash Equivalents

Deposits

Deposit Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, CREC’s deposit will not be returned. CREC does not have a deposit policy for custodial credit risk. The deposit of public funds is controlled by the Connecticut General Statutes. Deposits may be placed with any qualified public depository that has a place of business in the State of Connecticut.

Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository’s risk based capital ratio.

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$57,161,617 of CREC’s bank balance of \$57,942,902 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 51,416,855
Uninsured and collateral held by the pledging bank’s trust department, not in the CREC’s name	<u>5,744,762</u>
Total Amount Subject to Custodial Credit Risk	<u><u>\$ 57,161,617</u></u>

CAPITOL REGION EDUCATION COUNCIL

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2012

Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2012, CREC's cash equivalents amounted to \$506,498 and all are U.S. government guaranteed obligations.

B. Investments

Investments as of June 30, 2012 in all funds are as follows:

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Fair Value</u>	<u>Investment Maturities (Years)</u>		
			<u>Less Than 1</u>	<u>1 - 10</u>	<u>More Than 10</u>
Interest-bearing investments:					
Certificates of deposit	*	\$ <u>82,995</u>	\$ <u>65,548</u>	\$ <u>17,447</u>	\$ <u>-</u>

* Subject to coverage by federal depository insurance and collateralization as described under "Deposits" above.

Interest Rate Risk - CREC's investments have maximum final stated maturities of 15 years, unless specific authority is given to exceed. To the extent possible, CREC will attempt to match its investments with anticipated cash flow requirements.

Credit Risk - Investments - As indicated above, State Statutes limit the investment options. CREC has an investment policy that allows the same type of investments as State Statutes.

Concentration of Credit Risk - CREC has no policy limiting an investment in any one issuer that is in excess of 5% of the CREC's total investments.

Custodial Credit Risk - Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to CREC or that sells investments to or buys them for CREC), CREC will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. CREC does not have a policy for custodial credit risk. At June 30, 2012, CREC did not have any uninsured and unregistered securities held by the counterparty, or by its trust department or agent, that were not in CREC's name.

CAPITOL REGION EDUCATION COUNCIL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

4. RECEIVABLES

Receivables as of year end for CREC's individual major funds and nonmajor, internal service, business-type activities and fiduciary funds in the aggregate are as follows:

	<u>General</u>	<u>Grants and Contracts Funds</u>	<u>Technology Sale of Services</u>	<u>School Improvement Center</u>	<u>Aggregate Remaining Funds</u>	<u>Total</u>
Receivables:						
Accounts	\$ 10,330,004	\$ 3,543,717	\$ 48,213	\$ 347,216	\$ 535,869	\$ 14,805,019
Intergovernmental	<u>366,404</u>				<u>4,070,467</u>	<u>4,436,871</u>
Total Receivables	<u>\$ 10,696,408</u>	<u>\$ 3,543,717</u>	<u>\$ 48,213</u>	<u>\$ 347,216</u>	<u>\$ 4,606,336</u>	<u>\$ 19,241,890</u>

Governmental funds report deferred revenue in connection with receivables that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
School Building Grant	\$ 366,371	\$
Grant drawdowns prior to meeting all eligibility requirements		2,436,495
Miscellaneous advance collections		<u>3,103,731</u>
Total Deferred/Unearned Revenue for Governmental Funds and Internal Service Funds	<u>\$ 366,371</u>	<u>\$ 5,540,226</u>

CAPITOL REGION EDUCATION COUNCIL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2012

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2012 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,224,925	\$ 7,783,250	\$	\$ 10,008,175
Construction in progress	1,760,797	8,922,678		10,683,475
Total capital assets not being depreciated	<u>3,985,722</u>	<u>16,705,928</u>	<u>-</u>	<u>20,691,650</u>
Capital assets being depreciated:				
Buildings and improvements	80,040,028	1,841,753		81,881,781
Vehicles	1,679,985	283,920		1,963,905
Furniture, fixtures and equipment	8,104,067	1,367,654	(1,470,881)	8,000,840
Total capital assets being depreciated	<u>89,824,080</u>	<u>3,493,327</u>	<u>(1,470,881)</u>	<u>91,846,526</u>
Less accumulated depreciation for:				
Buildings and improvements	(24,772,014)	(2,850,117)		(27,622,131)
Vehicles	(1,121,893)	(156,695)		(1,278,588)
Furniture, fixtures and equipment	(5,644,306)	(669,152)	1,470,881	(4,842,577)
Total accumulated depreciation	<u>(31,538,213)</u>	<u>(3,675,964)</u>	<u>1,470,881</u>	<u>(33,743,296)</u>
Total capital assets being depreciated, net	<u>58,285,867</u>	<u>(182,637)</u>	<u>-</u>	<u>58,103,230</u>
Governmental Activities Capital Assets, Net	<u>\$ 62,271,589</u>	<u>\$ 16,523,291</u>	<u>\$ -</u>	<u>\$ 78,794,880</u>
Business-type activities:				
Furniture, fixtures and equipment	\$ 88,947	\$ 16,741	\$ (13,355)	\$ 92,333
Less accumulated depreciation	<u>(75,073)</u>	<u>(4,491)</u>	<u>13,355</u>	<u>(66,209)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 13,874</u>	<u>\$ 12,250</u>	<u>\$ -</u>	<u>\$ 26,124</u>

Depreciation expense was charged to functions/programs of the government as follows:

Governmental activities:	
Education	\$ 3,532,098
Facilities	134,601
Administration	9,265
Total Depreciation Expense - Governmental Activities	<u>\$ 3,675,964</u>
Business-type activities:	
Technology Sale of Services	\$ 222
School Improvement Center	1,532
Learning Corridor Theater	693
Property and Equipment Rental	852
Construction Services	1,192
Total Depreciation Expense - Business-Type Activities	<u>\$ 4,491</u>

CAPITOL REGION EDUCATION COUNCIL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund loans generally are a result of negative equity in pooled cash. The composition of interfund balances as of June 30, 2012 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Grants and Contracts Fund	\$ 1,974,906
	Nonmajor Governmental Funds	4,372,707
	Technology Sale of Services	671,257
	School Improvement Center	745,555
	Nonmajor Enterprise Funds	49,309
	Internal Service Funds	3,300
Internal Service Funds	General Fund	<u>1,145,574</u>
Total		<u>\$ 8,962,608</u>

All balances are expected to be repaid within a year.

Interfund transfers are used to 1) to move revenues from the fund with collection authorization to the debt service funds as debt service principal and interest payments become due, and 2) to supplement revenues of other funds. The transfers that occurred during the year are as follows:

	<u>Transfers In</u>						<u>Total</u>
	<u>General Fund</u>	<u>Grants and Contracts Fund</u>	<u>Technology Sale of Services</u>	<u>School Improvement Center</u>	<u>Nonmajor Enterprise Funds</u>	<u>Nonmajor Governmental and Other Funds</u>	
Transfers out:							
General Fund	\$	\$ 281,741	\$ 216,281	\$ 111,239	\$ 268,373	\$ 587,441	\$ 1,465,075
Grants and Contracts Fund	1,840,794						1,840,794
Technology Sale of Services	65,850						65,850
School Improvement Center	126,746						126,746
Nonmajor Enterprise Funds	209,728						209,728
Nonmajor Governmental and Other Funds	179,955						179,955
Total Transfers Out	<u>\$ 2,423,073</u>	<u>\$ 281,741</u>	<u>\$ 216,281</u>	<u>\$ 111,239</u>	<u>\$ 268,373</u>	<u>\$ 587,441</u>	<u>\$ 3,888,148</u>

CAPITOL REGION EDUCATION COUNCIL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2012

7. LEASES

Operating Leases

CREC conducts a significant portion of its operations from leased facilities which include several schools or portions of schools, other educational facilities and office space. In addition, CREC leases copiers for use in various schools. The leases are classified as operating leases, which do not give rise to property rights or lease obligations. In most cases, management expects leases will be renewed or replaced by other leases in the normal course of business.

Rental expense for all operating leases, including facility leases with terms of one year or less, for the year ended June 30, 2012 was \$3,822,914.

Capital Leases

CREC leases computer equipment and building improvements under capital leases. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

	Governmental Activities
Assets:	
Equipment	\$ 1,489,295
Building and improvement	432,876
Total assets	1,922,171
Less accumulated depreciation for:	
Equipment	(823,442)
Building and improvement	(148,394)
Total accumulated depreciation	(971,836)
Total	\$ 950,335

The future minimum lease obligations and the net present value of these payments as of June 30, 2012 were as follows:

Year Ending June 30	Amount
2013	\$ 550,809
2014	292,393
2015	121,064
2016	43,105
2017	13,850
Total minimum lease payments	1,021,221
Less amount representing interest	(48,290)
Present Value of Minimum Lease Payments	\$ 972,931

CAPITOL REGION EDUCATION COUNCIL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2012

8. LONG-TERM DEBT

Bond Anticipation Notes

On June 13, 2012, CREC issued \$20,000,000 in bond anticipation notes bearing interest at 2% with a maturity date of March 7, 2013. These notes were issued to finance the ongoing school construction projects.

General Obligation Bonds

Bonds represent a 20-year bond with original outstanding amount of \$6,650,000 and with a variable interest rate ranging from 4.5% to 6.75% due October 15, 2015. The bond was issued for school building renovation. The bond is secured by the general revenue-raising powers of CREC, and payment will be provided by General Fund and Debt Service Fund revenues.

Annual debt service requirements to maturity for the general obligation bond are as follows:

	Governmental Activities	
	Principal	Interest
2013	\$ 275,000	\$ 64,969
2014	275,000	46,406
2015	275,000	27,844
2016	275,000	9,281
Total	\$ 1,100,000	\$ 148,500

Notes payable represent a 20-year mortgage payable due in annual installments of \$16,350 plus interest at 6% due in monthly installments through April 12, 2015. The loan with original amount of \$327,000 was issued to finance the purchase of a parking lot.

Annual debt service requirements to maturity for notes payable are as follows:

	Governmental Activities	
	Principal	Interest
2013	\$ 16,350	\$ 2,943
2014	16,350	1,962
2015	16,350	981
Total	\$ 49,050	\$ 5,886

In addition, CREC has a credit line agreement that provides for borrowings up to \$10,000,000 as a revolving line of credit, with interest charged at the London Interbank Offering Rate. There was no balance due at June 30, 2012. The agreement contains various financial covenants.

CAPITOL REGION EDUCATION COUNCIL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2012 was as follows:

	<u>Beginning Balance</u>		<u>Increases</u>		<u>Decreases</u>		<u>Ending Balance</u>		<u>Due Within One Year</u>
Governmental Activities:									
Bonds payable	\$ 1,480,000	\$		\$	(380,000)	\$	1,100,000	\$	275,000
Notes payable	65,400				(16,350)		49,050		16,350
Capital leases	1,171,937		480,000		(679,006)		972,931		522,082
Net OPEB obligation	1,153,400		563,900				1,717,300		
Compensated absences	<u>1,094,346</u>		<u>355,739</u>		<u>(183,221)</u>		<u>1,266,864</u>		<u>191,403</u>
Total Governmental Activities									
Long-Term Liabilities	<u>\$ 4,965,083</u>	\$	<u>1,399,639</u>	\$	<u>(1,258,577)</u>	\$	<u>5,106,145</u>	\$	<u>1,004,835</u>

For the governmental activities, compensated absences are generally liquidated by the General Fund.

9. RISK MANAGEMENT

CREC self-insures its employee health coverage. The plan is administered by an insurance company that processes and pays all claims, which are limited by stop-loss agreements, from the plan bank account. CREC maintains a balance in the account sufficient to fund the maximum allowable withdrawal by the insurance company. Claims are accrued at June 30, 2012 based on claims received subsequent to year-end within the allowable claim period. Claims of \$990,415 are reflected in the accrued expenses of the Internal Service Fund at June 30, 2012. All claims are reflected in the statement of net assets as current liabilities.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that has been incurred but not reported (IBNR). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs) and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example for salvage or subrogation, are another component of the claims liability estimate. Changes in the claims liability for the past two years are as follows:

		<u>Accrued Liability Beginning of Fiscal Year</u>		<u>Current Year Claims and Changes in Estimates</u>		<u>Accrued Liability Claim Payments</u>		<u>Accrued Liability End of Fiscal Year</u>
2010-11	\$	732,950	\$	14,232,297	\$	14,184,497	\$	780,750
2011-12		780,750		17,037,631		16,827,966		990,415

CAPITOL REGION EDUCATION COUNCIL

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2012

As of January 1, 1995, CREC self-insures its contributions to the State's unemployment fund. CREC maintains a balance in an account sufficient to fund expected unemployment claims. Claims paid through June 30, 2012 were \$456,933.

CREC purchases commercial insurance for other risks. There has been no reduction in insurance coverage and there have been no settlements that exceeded insurance coverage in the past three fiscal years.

10. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2012 are as follows:

	<u>General Fund</u>	<u>Grants and Contracts Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:				
Nonspendable:				
Prepays	\$ 1,950,092	\$ 18,816	\$ 1,000	\$ 1,969,908
Permanent fund			17,000	17,000
Restricted for:				
Education		1,099,089		1,099,089
Debt obligations			933,944	933,944
Committed to:				
School construction projects			1,531,854	1,531,854
Assigned to:				
Future obligations	2,950,000			2,950,000
Debt obligations	800,000			800,000
Capital improvements	50,000			50,000
Legal costs	50,000			50,000
Venture capital	75,000			75,000
Payroll	1,000,000			1,000,000
Education			845	845
Unassigned	<u>12,310,940</u>	<u>(2,356,637)</u>	<u>(755,944)</u>	<u>9,198,359</u>
Total Fund Balances	<u>\$ 19,186,032</u>	<u>\$ (1,238,732)</u>	<u>\$ 1,728,699</u>	<u>\$ 19,675,999</u>

CAPITOL REGION EDUCATION COUNCIL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

11. CONTINGENT LIABILITIES

There are various suits and claims pending against CREC, none of which, individually or in the aggregate, is believed by counsel to be likely to result in judgment or judgments that could materially affect CREC's financial position.

CREC has received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under terms of the grant. Based on prior experience, management believes such disallowances, if any, will not be material.

12. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

CREC provides medical, dental and life insurance benefits to eligible retirees and their spouses in accordance with Council resolutions and bargaining agreements. Teachers and certified administrators who retire directly from CREC and meet certain eligibility criteria may participate. CREC does not issue stand-alone financial statements for the other postemployment benefits program.

At January 1, 2012, plan membership consisted of the following:

	Retiree Health Plan
Retired members	10
Spouses of retired members	2
Active plan members	<u>582</u>
Total Participants	<u><u>594</u></u>

Funding Policy

CREC's funding and payment of postemployment benefits are accounted for in the Self Insurance Fund, an internal service fund on a pay-as-you-go basis. As of June 30, 2012, CREC has not established a trust fund to irrevocably segregate assets to fund the liability associated with the postemployment benefits, which would require the reporting of a trust fund in accordance with GASB guidelines. Retired plan members and beneficiaries currently receiving benefits are required to contribute 100% of the cost for medical coverage. Spouse coverage continues on the death of the retiree as COBRA benefit.

CAPITOL REGION EDUCATION COUNCIL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2012

Annual OPEB Cost and Net OPEB Obligations

CREC's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the CREC's annual OPEB cost for the year, the amount actually contributed to the plan and changes in the CREC's net OPEB obligation:

	Retiree Health Plan
Annual required contribution (ARC)	\$ 648,200
Interest on net OPEB obligation	46,100
Adjustment to annual required contribution	(64,100)
Annual OPEB cost	630,200
Contributions made	66,300
Increase in net OPEB obligation	563,900
Net OPEB obligation, beginning of year	1,153,400
Net OPEB Obligation, End of Year	\$ 1,717,300

CREC's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation (asset) for the fiscal years ended June 30, 2012 are presented below.

Fiscal Year Ended	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation
6/30/10	\$ 471,100	\$ 150,400	31.9%	\$ 715,800
6/30/11	622,600	185,000	29.7	1,153,400
6/30/12	630,200	66,300	10.2	1,717,300

CAPITOL REGION EDUCATION COUNCIL

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2012

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as accrual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented below, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Funded Ratio (a/b)	Covered Payroll (c)	UFAL as a % of Covered Payroll ((b-a)/c)
1/1/08	\$ -	\$ 3,767,000	0%	\$ 26,811,993	14.0%
1/1/10	-	4,737,000	0%	37,110,259	12.8
1/1/2012	-	5,569,000	0%	45,344,800	12.3

Schedule of Employer Contributions

Year Ended	Annual Required Contribution	Actual Contribution	Percentage Contributed
6/30/2010	\$ 477,300	\$ 150,400	31.5%
6/30/2011	633,800	185,000	29.2%
6/30/2012	648,200	66,300	10.2%

Projections for benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2010 actuarial valuation, the projected unit credit actuarial cost method was used. The annual required contribution (ARC) reflects a 30-year, open, level dollar amortization of the unfunded actuarial accrued liability (AAL). The actuarial assumptions include a 4.0% investment rate of return and an inflation rate of 3%. The annual healthcare cost trend rate is 10% initially, reduced by decrements of 1% per year to an ultimate rate of 5% for fiscal year 2015 and thereafter.

CAPITOL REGION EDUCATION COUNCIL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2012

13. EMPLOYEE RETIREMENT PLAN

Defined Contribution Pension Plan

The Capitol Region Education Council sponsors the CREC Savings and Retirement Plan, a 403(b) defined contribution pension plan established July 1, 1997 to provide benefits at retirement to all noncertified employees of CREC.

Plan members may elect to contribute up to the IRS maximum. CREC matches eligible member contributions up to 5% of covered salary. At June 30, 2012, there were 1,006 plan members. Diversified Investment Advisors administer the retirement plan. Plan provisions and contribution requirements are established and may be amended by the CREC Board.

Employer and plan member contributions are recognized in the period contributions are due. Employer and employee contributions for the year ended June 30, 2012 were \$1,194,379 and \$4,393,728, respectively.

Plan investments are participant directed. CREC has no fiduciary responsibility for the plan assets.

Teacher Retirement

Teachers participate in the State of Connecticut Teacher's Retirement System, a cost-sharing plan with a special funding situation, under Section 10.183 of the General Statutes of the State of Connecticut. This is a multiple employer PERS. A teacher is eligible to receive a normal retirement benefit if he or she has:

- Attained age 60 and has accumulated 20 years of credited service in the public schools of Connecticut, or;
- Attained any age and has accumulated 35 years of credited service, at least 25 years of which are service in the public schools of Connecticut.

CREC withholds 7.25% of all certified teachers' annual earnings and transmits the funds to the State Teachers' Retirement Board. CREC does not contribute to the plan. Prior to July 1, 1989, teachers were vested in their contributions up to 5% of their earnings prior to five years of service. After five years of service, teachers were fully vested in their own contributions. After 10 years of service, teachers are fully vested and entitled to a monthly pension benefit that is payable at the age of 60. The State of Connecticut contributes amounts based on the actuarial reserve basis described in C.G.S. Sections 10-183 b (7). The State's contribution to the plan on behalf of CREC for the fiscal year ended June 30, 2012 was \$9,962,511 and is recognized in the governmental funds GAAP-basis statement of revenues, expenditures and changes in fund balances. For the year ended June 30, 2012, teachers of CREC contributed \$3,557,756 to the plan, and covered payroll for the year was \$49,068,400.

The State of Connecticut Teacher Retirement System is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106.

This page is intentionally left blank.

**Required Supplementary
Information**

CAPITOL REGION EDUCATION COUNCIL
GENERAL FUND AND MAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED JUNE 30, 2012

	<u>General Fund</u>				<u>Grants and Contracts Fund</u>			
	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>			<u>Original</u>	<u>Final</u>		
Revenues:								
Tuition	\$ 26,823,701	\$ 27,256,706	\$ 28,738,030	\$ 1,481,324	\$	\$	\$ 21,405	\$ 21,405
Grants in aid	74,230,024	84,677,514	85,761,930	1,084,416	24,154,572	26,474,525	23,273,435	(3,201,090)
Room and board	1,478,751	1,478,751	1,502,013	23,262				-
Sales of services	45,430,122	47,522,679	39,251,251	(8,271,428)	2,914,913	3,636,173	3,387,679	(248,494)
Investment income			261	261				-
Other local revenues	271,785	271,785	2,048,485	1,776,700			243,048	243,048
Transfers in	11,351,879	12,378,902	14,987,349	2,608,447			281,741	281,741
Total revenues	159,586,262	173,586,337	172,289,319	(1,297,018)	27,069,485	30,110,698	27,207,308	(2,903,390)
Expenditures:								
Current:								
Special programs	152,417,510	166,352,585	162,241,696	4,110,889	27,069,485	30,110,698	27,071,254	3,039,444
Facilities	1,023,425	1,088,426	1,087,545	881				-
Administration	6,145,327	6,145,326	6,115,486	29,840				-
Total expenditures	159,586,262	173,586,337	169,444,727	4,141,610	27,069,485	30,110,698	27,071,254	3,039,444
Excess of Revenues over Expenditures	\$ <u>-</u>	\$ <u>-</u>	2,844,592	\$ <u>2,844,592</u>	\$ <u>-</u>	\$ <u>-</u>	136,054	\$ <u>136,054</u>
Budgetary excess of revenues over expenditures is different than GAAP net change in fund balance because: Revenues and expenditures for CREC General Program are not budgeted			<u>1,913,812</u>					
Total Net Change in Fund Balance - GAAP Basis			\$ <u>4,758,404</u>				\$ <u>136,054</u>	

This page is intentionally left blank.

**Combining and Individual
Fund Statements and Schedules**

General Fund

GENERAL FUND

ADMINISTRATION PROGRAMS

CREC GENERAL - This program accounts for administrative revenues and Council-designated special purpose funds.

EXECUTIVE DIRECTOR - The Executive Director directs the entire agency subject to the governance of its Council.

ASSISTANT EXECUTIVE DIRECTOR - The Assistant Executive Director is responsible for the supervision and continued development of CREC's divisions of Community Education, Institute of Teaching and Learning, Technical Assistance and Brokering Services, Instructional Technology and Grants.

BUSINESS SERVICES - Business Services, which includes the offices of the Deputy Executive Director, Finance and Operations and the Comptroller, manages the receipt, accounting, investment and expenditure of monetary resources and the acquisition, inventory and disposition of physical resources and facilities of CREC. Accounting services, accounts payable, payroll services, accounts receivable, treasury, grants and budget management and loss prevention operate under the direction of Business Services.

HUMAN RESOURCES - Human Resources provides all personnel services to employees and programs, including hiring, benefit and salary administration, record keeping, and employee policy and procedure administration. CREC's Human Resources division also provides hiring and interviewing training to CREC LEAs, with particular emphasis on the Americans with Disabilities Act and sexual harassment awareness.

COMMUNICATIONS - Communications promotes CREC's mission, initiatives and accomplishments to school districts and other agencies. The office is also responsible for the production of CREC's Annual Report, media relations and internal communications.

STUDENT SERVICES - Student Services manages programs that offer highly specialized services for children with autism, adolescents experiencing emotional and/or behavioral difficulties, children with hearing impairment, and students who are medically fragile. The division also offers an array of early childhood services, including services to children from birth to age three who demonstrate developmental difficulties. The division offers school-based health clinics in magnet schools, and an array of mental health interventions. It also oversees educational services to pre-adjudicated adolescents at the three Hartford detention centers. Finally, the Student Services' Integrated Program Model program provides high-quality occupational therapy, physical therapy and speech therapy to districts and families in need.

INSTITUTE OF TEACHING AND LEARNING - The Institute of Teaching and Learning provides services and support to local school districts and CREC schools in curriculum, instruction and school leadership.

GRANTS AND DEVELOPMENT OFFICE - Grants and Development identifies funding sources from grants, contracts, foundations and benefactors and provides leadership and technical assistance in the preparation of grant proposals internally and externally.

TECHNICAL ASSISTANCE BROKERING SERVICES - Technical Assistance and Brokering Services offers training, technical assistance and staffing services to assist school administrators and educators. The division provides highly customized consultation to meet the specific needs of districts and agencies in Response to Intervention, student and program evaluations, special education and related services, online learning, staff brokering and other areas.

FACILITIES

ADMINISTRATIVE BUILDINGS COST CENTER - The costs of operating CREC's central administrative buildings are met by rent paid on a proportionate basis by each of the programs using space at the facility.

SPECIAL PROGRAMS

CONNECTICUT ACADEMY FOR EDUCATIONAL LEADERS - The Connecticut Academy for Educational Leaders provides statewide professional development opportunities to central office administrators and supports research on topics of importance to public school leaders.

INTERDISTRICT GRANT OFFICE - The Interdistrict Grant Office directs, coordinates and develops interdistrict programs.

MINORITY TEACHER RECRUITING - The CREC Minority Teacher Recruiting program assists local school districts in increasing the diversity of their teacher/administrator staffs.

JUVENILE DETENTION CENTER - The Juvenile Detention Center program provides instruction for pre-adjudicated youth in three locations in Hartford. Students placed in these centers are held while the courts determine their longer-term placements. The combined capacity of the three centers is approximately 100 students at a time, with an average length of stay ranging from one or two days to three months.

COLTSVILLE FACILITY - CREC currently operates a 50,000 square foot facility located at 34 Sequassen Street, Hartford. This program fund includes all the rent, utilities and property services at this facility, which is used as an extension of the River Street School and for other CREC programs and administrative offices.

PROJECT LITERACY - Project Literacy is a comprehensive approach to the reduction of reading failure in young children. It includes three major components: Reading Recovery® training for teachers and teacher leaders, Supportive Environment Development and paraprofessional training.

ALLIED HEALTH CAREER COLLABORATIVE - CREC serves as a fiscal agent for a collaborative program sponsored by the Towns of Newington, Glastonbury and Farmington. The purpose of the program is to introduce students to opportunities available to them through a career in health.

LEARNING CORRIDOR COST CENTER - Services provided at the Learning Corridor campus are centralized, and costs are charged back to the Montessori Magnet School, Greater Hartford Academy of Math and Science and the Greater Hartford Academy of the Arts. These services represent facility and operation costs for the campus.

MONTESSORI MAGNET SCHOOL - CREC manages and operates the Montessori Magnet School at the Learning Corridor in Hartford. As Connecticut's first interdistrict Montessori public magnet school serving grades PK-6, its mission is to provide a unique educational opportunity for children in a diverse learning environment.

EAST HARTFORD/GLASTONBURY MAGNET SCHOOL - CREC manages and operates the East Hartford/Glastonbury Magnet School in East Hartford. This grade PK-5 school emphasizes science, computer and global education. The school will expand its enrollment when it occupies a new building in Glastonbury in the fall of 2012.

ACADEMY OF AEROSPACE AND ENGINEERING/GREATER HARTFORD ACADEMY OF MATH AND SCIENCE MAGNET SCHOOL - CREC manages and operates this grade 6-12 math/science-oriented magnet school at the Learning Corridor in Hartford and on the Berkin campus in Bloomfield, CT. The mission of the Academy is to provide, through state-of-the-art technology, educational experiences that expand the teaching and learning of science, mathematics and technology in the classroom.

METROPOLITAN LEARNING CENTER MAGNET SCHOOL - CREC manages and operates the Metropolitan Learning Center Magnet School (MLC) in Bloomfield. MLC serves grades 6-12 and specializes in global studies and features a unique curriculum, an extended school day and extensive use of technology.

TWO RIVERS MAGNET MIDDLE SCHOOL - CREC manages and operates the Two Rivers Magnet Middle School in East Hartford. Serving grades 6-8, the Two Rivers Magnet Middle School specializes in science and technology and serves five diverse communities in the Capitol Region and is located at the convergence of the Connecticut and Hockanum rivers.

CREC PUBLIC SAFETY ACADEMY - CREC manages and operates the CREC Public Safety Academy in Enfield. The school is the first of its kind in Connecticut, and was developed in partnership with state and local public safety agencies. This school serves grades 6-12 students. These students receive a rigorous academic curriculum and learn about careers in public safety from experts throughout the state. These careers include law enforcement, firefighting, emergency medical services, public safety communications and homeland security.

UNIVERSITY OF HARTFORD MAGNET SCHOOL - CREC manages and operates the University of Hartford Magnet School (UHMS) in Hartford. The curriculum focus for UHMS is the infusion of Dr. Howard Gardner's Theory of Multiple Intelligences into a PreK-fifth-grade school environment.

SOUNDBRIDGE - Soundbridge is a highly specialized auditory and oral program for hearing impaired children from birth to 21 years of age. The program serves children in 90 Connecticut towns, with more than two-thirds of the children served in their home districts. The program also operates an Early Childhood Learning Center for typical and hearing impaired three-to-five year olds.

RIVER STREET SCHOOL - River Street School offers highly specialized educational programming for students who require a very predictable, structured environment. The school responds to the needs of school districts that are hard-pressed to provide these resources locally, during the school year and over the summer. River Street serves autistic, developmentally delayed, learning disabled, pervasive developmentally delayed and behaviorally disordered students. The school also operates two residential facilities, both licensed by the State Department of Developmental Services. The residential facilities provide services for students attending the River Street School.

POLARIS CENTER - The John J. Allison Polaris Center serves day students with severe emotional and behavior problems, through comprehensive treatment services and special education at middle school and high school levels. Services include individual, group and family therapy, adventure-based experiences and a full range of therapeutic activities.

MAGNET SCHOOL COST CENTER - This program provides for the central office services required exclusively for the magnet schools. It includes the office of the Superintendent of Magnet Schools, curriculum and instruction services, pupil services, special education services, transportation, and facilities operations for the CREC Magnet Schools. These costs are allocated to the magnet schools.

INTEGRATED PROGRAM MODEL - The Integrated Program Model provides a transdisciplinary approach of special education services to students with physical, cognitive and/or behavioral disabilities. The classrooms are located in public school settings where students can interact with their typical peers.

FARMINGTON VALLEY DIAGNOSTIC CENTER - The Farmington Valley Diagnostic Center provides specialized diagnostic and education services for children who are having difficulties in achieving success in their local school districts. CREC works in collaboration with local school districts in the Farmington Valley area to design and provide effective strategies to increase student learning.

SPECIAL EDUCATION TRANSPORTATION - This program serves districts by transporting special education students to their out-of-district school destinations. The program objectives are to increase service quality and reduce district costs. This is achieved by pairing neighboring districts whose students go to the same out-of-district schools and providing CREC vehicles driven by well-trained CREC employees.

GREATER HARTFORD ACADEMY OF THE ARTS - CREC manages and operates the Greater Hartford Academy of the Arts at the Learning Corridor and the Sawtooth Building at Coltsville in Hartford. The Academy teaches grade 9-12 students vocal and instrumental music, theater, dance and creative writing. In addition to the beneficial arts experience, a major outcome of the program is the understanding that develops among students relating to cultural similarities. Relationships between the Academy and area universities have been developed to explore college credit and tuition abatement for Academy students.

CENTER FOR CREATIVE YOUTH - The Center for Creative Youth (CCY), located at Wesleyan University in Middletown, Connecticut, is an intensive, pre-college summer residential arts program that achieves quality and integrated education through a comprehensive multicultural curriculum. CCY is a national model program that has served thousands of students since 1977.

GREAT PATH ACADEMY - CREC manages and operates the Great Path Academy, located at Manchester Community College. Great Path is a grade 10 through 12 high school with a learning environment that provides students from diverse backgrounds with academic and life skills gained in a blend of high school and college experiences.

SCHOOL TRANSPORTATION MANAGEMENT SERVICES - This program centralizes the costs related to suburban transportation for the Hartford Public Magnet Schools.

INTERNATIONAL MAGNET SCHOOL FOR GLOBAL CITIZENSHIP - CREC manages and operates this school, which serves preschool through third grade students and will expand in the future to serve students in PK-grade 5. The school focuses on developing knowledgeable, inquiring and caring young people who help create a better and more peaceful world through intercultural understanding and respect.

REGGIO MAGNET SCHOOL OF THE ARTS - CREC manages and operates this school, which serves preschool through third grade students and will expand in the future to serve students in PK-grade 5. The school is based on four guiding principles: children must have control over the direction of their learning; children must be able to learn through experiences of touching, moving, listening, seeing and hearing; children have a relationship with other children and with material items in the world that children must be allowed to explore; and children must have endless ways and opportunities to express themselves.

CHARTER SCHOOL FOR YOUNG CHILDREN ON ASYLUM HILL - CREC managed and operated this charter school, which was the result of a collaborative effort involving SDE, the Asylum Hill Congregational Church, Saint Joseph's College and CREC. The school was developed to help meet the benchmarks of the 2008 Sheff Settlement Agreement. CREC operated the school and was accountable to its independent board of directors. The charter school was designed to educate children from preschool through grade 3. The program served 225 students from Hartford and its suburbs in an economically, racially and ethnically diverse setting. The charter school closed as of June 30, 2011 and reopened as the Museum Academy magnet school as of July 1, 2011.

LINCOLN ACADEMY - Working in collaboration with 10 local school districts, the Lincoln Academy provides short term, specialized diagnostic and education services for children who are having difficulty achieving success in their local school districts. The program serves up to 30 middle and high school-aged students at any one time. Students will participate in a 5.25 hour day of instructional, recreational and group activities. Individual, group and family counseling, as well as ongoing psychiatric consultation, is provided to the students.

MEDICAL PROFESSIONS AND TEACHER PREPARATION ACADEMY - CREC manages and operates the Medical Professions and Teacher Preparation Academy, which is located in Windsor. The Academy is designed to address the current and projected shortage areas in the medical and teaching professions. The Academy will expand in the future to serve students in grades 6-12 by Academy program offerings developed with the assistance of two partnering institutions, St. Francis Hospital and Medical Center and the University of Hartford.

DISCOVERY ACADEMY - CREC manages and operates the Discovery Academy, which opened in September 2011 serving preschool and kindergarten students, and, in the future, will serve PK-grade 5. The Academy focuses on developing strong foundational knowledge for students in four interrelated domains of STEM literacy: science, technology, engineering and mathematics.

MUSEUM ACADEMY - CREC manages and operates the Museum Academy (formerly The Charter School for Young Children on Asylum Hill) which opened July 1, 2011 and serves elementary school students and in the future, will serve PK-grade 5. The Academy focuses on providing a culturally diverse learning environment in collaboration with museums throughout the community.

GREATER HARTFORD ACADEMY OF THE ARTS ELEMENTARY SCHOOL - CREC will manage and operate this elementary school which in the future, will serve PK-grade 5 and open in the fall of 2012. The school will provide students with the opportunity to explore vocal and instrumental music, visual art, dance, theatre, creative writing and interdisciplinary arts.

GREATER HARTFORD ACADEMY OF THE ARTS MIDDLE SCHOOL - CREC will manage and operate this middle school which in the future, will serve grades 6-8 and open in the fall of 2012. The school will provide students with the opportunity to explore vocal and instrumental music, visual art, dance, theatre, creative writing and interdisciplinary arts.

TWO RIVERS MAGNET HIGH SCHOOL - CREC will manage and operate this high school, which, in the future, will serve grades 9-12 and open in the fall of 2012. The school will focus on environmental science and environmental engineering. Utilizing research-based teaching and learning practices in reading, mathematics, science and technology, students make interdisciplinary connections.

This page is intentionally left blank

**CAPITOL REGION EDUCATION COUNCIL
GENERAL FUND
BALANCE SHEET - BY PROGRAM
JUNE 30, 2012**

Administration

	<u>CREC General</u>	<u>Executive Director</u>	<u>Assistant Executive Director</u>	<u>Business Services</u>	<u>Human Resources</u>	<u>Communications Services</u>	<u>Student Services</u>	<u>Institute of Teaching and Learning</u>	<u>Grants and Development Office</u>
ASSETS									
Cash and cash equivalents	\$ 21,979,261	\$ 10,864	\$ 11,195	\$ 31,065	\$ 45,006	\$ 44,336	\$ 24,304	\$ 13,564	\$
Investments									
Accounts receivable	366,404	4,371					2,915		97
Due from other funds	8,912,884			365,842					
Prepaid items				44,693					
Total Assets	\$ 31,258,549	\$ 15,235	\$ 11,195	\$ 441,600	\$ 45,006	\$ 44,336	\$ 27,219	\$ 13,564	\$ 97
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued liabilities	\$ 282,498	\$ 8,646	\$ 9,017	\$ 364,059	\$ 27,006	\$ 20,240	\$ 12,006	\$ 5,066	\$ 8,916
Due to other funds									548,159
Deferred revenues	403,038	1,339		30,554					
Bond anticipation notes payable	20,000,000								
Total liabilities	20,685,536	9,985	9,017	394,613	27,006	20,240	12,006	5,066	557,075
Fund Balances:									
Nonspendable				44,693					
Assigned	4,925,000								
Unassigned	5,648,013	5,250	2,178	2,294	18,000	24,096	15,213	8,498	(556,978)
Total fund balances	10,573,013	5,250	2,178	46,987	18,000	24,096	15,213	8,498	(556,978)
Total Liabilities and Fund Balances	\$ 31,258,549	\$ 15,235	\$ 11,195	\$ 441,600	\$ 45,006	\$ 44,336	\$ 27,219	\$ 13,564	\$ 97

(Continued on next page)

**CAPITOL REGION EDUCATION COUNCIL
GENERAL FUND
BALANCE SHEET - BY PROGRAM (CONTINUED)
JUNE 30, 2012**

	<u>Administration</u>		<u>Facilities</u>		<u>Special Programs</u>				
	<u>Technical Assistance Brokering Services</u>	<u>Total</u>	<u>Administrative Building Cost Center</u>	<u>Connecticut Academy for Educ. Leaders</u>	<u>Interdistrict Grant Office</u>	<u>Minority Teacher Recruiting</u>	<u>Juvenile Detention Center</u>	<u>Coltsville Facility</u>	<u>Project Literacy</u>
ASSETS									
Cash and cash equivalents	\$ 9,955	\$ 22,169,550	\$ 43,724	\$ 1,492	\$ 38,247	\$ 6,624	\$ 666,608	\$ 32,137	\$
Investments									
Accounts receivable		373,787	1,578			1,650	526,365		
Due from other funds		9,278,726							
Prepaid items		44,693	4,364				396		
Total Assets	<u>\$ 9,955</u>	<u>\$ 31,866,756</u>	<u>\$ 49,666</u>	<u>\$ 1,492</u>	<u>\$ 38,247</u>	<u>\$ 8,274</u>	<u>\$ 1,193,369</u>	<u>\$ 32,137</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued liabilities	\$ 1,928	\$ 739,382	\$ 48,466	\$	\$ 3,041	\$ 46,554	\$ 85,820	\$ 32,137	\$ 1,347
Due to other funds		548,159	696,450						48,102
Deferred revenues		434,931				5,960			
Bond anticipation notes payable		20,000,000							
Total liabilities	<u>1,928</u>	<u>21,722,472</u>	<u>744,916</u>	<u>-</u>	<u>3,041</u>	<u>52,514</u>	<u>85,820</u>	<u>32,137</u>	<u>49,449</u>
Fund Balances:									
Nonspendable		44,693	4,364				396		
Assigned		4,925,000							
Unassigned	8,027	5,174,591	(699,614)	1,492	35,206	(44,240)	1,107,153		(49,449)
Total fund balances	<u>8,027</u>	<u>10,144,284</u>	<u>(695,250)</u>	<u>1,492</u>	<u>35,206</u>	<u>(44,240)</u>	<u>1,107,549</u>	<u>-</u>	<u>(49,449)</u>
Total Liabilities and Fund Balances	<u>\$ 9,955</u>	<u>\$ 31,866,756</u>	<u>\$ 49,666</u>	<u>\$ 1,492</u>	<u>\$ 38,247</u>	<u>\$ 8,274</u>	<u>\$ 1,193,369</u>	<u>\$ 32,137</u>	<u>\$ -</u>

(Continued on next page)

**CAPITOL REGION EDUCATION COUNCIL
GENERAL FUND
BALANCE SHEET - BY PROGRAM (CONTINUED)
JUNE 30, 2012**

Special Programs

	Allied Health Career Collaborative	Learning Corridor Cost Center	Montessori Magnet School	East Hartford/ Glastonbury Magnet School	Aerospace/ GHAMAS Magnet School	Metropolitan Learning Center Magnet School	Two Rivers Magnet Middle School	CREC Public Safety Academy
ASSETS								
Cash and cash equivalents	\$ 11,758	\$ 417,963	\$ 540,747	\$ 631,401	\$ 386,607	\$ 1,405,693	\$ 2,803,960	\$ 992,302
Investments								
Accounts receivable	2,000		172,667	6,203	113,819	117,458	162,024	218,428
Due from other funds								
Prepaid items				495	313,180			
Total Assets	\$ 13,758	\$ 417,963	\$ 713,414	\$ 638,099	\$ 813,606	\$ 1,523,151	\$ 2,965,984	\$ 1,210,730
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	\$	\$ 1,032,737	\$ 175,762	\$ 115,340	\$ 762,934	\$ 540,500	\$ 833,702	\$ 298,257
Due to other funds								
Deferred revenues	5,076		1,960	30,313	165,130	28,930		97,829
Bond anticipation notes payable								
Total liabilities	5,076	1,032,737	177,722	145,653	928,064	569,430	833,702	396,086
Fund Balances:								
Nonspendable				495	313,180			
Assigned								
Unassigned	8,682	(614,774)	535,692	491,951	(427,638)	953,721	2,132,282	814,644
Total fund balances	8,682	(614,774)	535,692	492,446	(114,458)	953,721	2,132,282	814,644
Total Liabilities and Fund Balances	\$ 13,758	\$ 417,963	\$ 713,414	\$ 638,099	\$ 813,606	\$ 1,523,151	\$ 2,965,984	\$ 1,210,730

(Continued on next page)

**CAPITOL REGION EDUCATION COUNCIL
GENERAL FUND
BALANCE SHEET - BY PROGRAM (CONTINUED)
JUNE 30, 2012**

	Special Programs								
	University of Hartford Magnet School	Soundbridge	River Street School	Polaris Center	Magnet School Cost Center	Integrated Program Model	Farmington Valley Diagnostic Center	Special Education Transportation	Greater Hartford Academy of the Arts
ASSETS									
Cash and cash equivalents	\$ 735,248	\$ 295	\$ 7,211	\$ 3,839	\$ 1,921,363	\$ 842,829	\$ 248,719	\$	\$ 8,337
Investments		12,847							
Accounts receivable	337,698	190,453	1,223,772	686,410	150,494	278,999	155,711	111,630	213,034
Due from other funds		839,281	10,187,178						
Prepaid items					104,000				42,309
Total Assets	\$ 1,072,946	\$ 1,042,876	\$ 11,418,161	\$ 690,249	\$ 2,175,857	\$ 1,121,828	\$ 404,430	\$ 111,630	\$ 263,680
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued liabilities	\$ 321,861	\$ 279,756	\$ 1,445,117	\$ 164,641	\$ 1,409,507	\$ 73,188	\$ 16,713	\$ 48,945	\$ 356,495
Due to other funds				1,668,658				99,088	4,580,940
Deferred revenues	13,808	3,872		4,133	1,602,727		387,717		
Bond anticipation notes payable									
Total liabilities	335,669	283,628	1,445,117	1,837,432	3,012,234	73,188	404,430	148,033	4,937,435
Fund Balances:									
Nonspendable					104,000				42,309
Assigned									
Unassigned	737,277	759,248	9,973,044	(1,147,183)	(940,377)	1,048,640		(36,403)	(4,716,064)
Total fund balances	737,277	759,248	9,973,044	(1,147,183)	(836,377)	1,048,640	-	(36,403)	(4,673,755)
Total Liabilities and Fund Balances	\$ 1,072,946	\$ 1,042,876	\$ 11,418,161	\$ 690,249	\$ 2,175,857	\$ 1,121,828	\$ 404,430	\$ 111,630	\$ 263,680

(Continued on next page)

**CAPITOL REGION EDUCATION COUNCIL
GENERAL FUND
BALANCE SHEET - BY PROGRAM (CONTINUED)
JUNE 30, 2012**

	Special Programs							
	Center for Creative Youth	Great Path Academy	School Transportation Management Services	International Magnet School for Global Citizenship	Reggio Magnet School of the Arts	Charter School for Young Children on Asylum Hill	Lincoln Academy	Medical Professions and Teacher Prep Academy
ASSETS								
Cash and cash equivalents	\$ 500	\$ 257,222	\$	\$	\$	\$	\$	\$ 269,008
Investments	52,667							
Accounts receivable	18,138	52,518	4,650,587	124,242	227,628		164,511	195,424
Due from other funds	404,553			1,316,779				
Prepaid items				906	1,087,509			57,710
Total Assets	<u>\$ 475,858</u>	<u>\$ 309,740</u>	<u>\$ 4,650,587</u>	<u>\$ 1,441,927</u>	<u>\$ 1,315,137</u>	<u>\$ -</u>	<u>\$ 164,511</u>	<u>\$ 522,142</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	\$ 5,740	\$ 306,335	\$ 177,392	\$ 213,310	\$ 1,504,351	\$	\$ 17,976	\$ 205,949
Due to other funds			4,522,391		1,703,478	1,058,612	183,262	
Deferred revenues	430,343			18,452				12,754
Bond anticipation notes payable								
Total liabilities	<u>436,083</u>	<u>306,335</u>	<u>4,699,783</u>	<u>231,762</u>	<u>3,207,829</u>	<u>1,058,612</u>	<u>201,238</u>	<u>218,703</u>
Fund Balances:								
Nonspendable				906	1,087,509			57,710
Assigned								
Unassigned	39,775	3,405	(49,196)	1,209,259	(2,980,201)	(1,058,612)	(36,727)	245,729
Total fund balances	<u>39,775</u>	<u>3,405</u>	<u>(49,196)</u>	<u>1,210,165</u>	<u>(1,892,692)</u>	<u>(1,058,612)</u>	<u>(36,727)</u>	<u>303,439</u>
Total Liabilities and Fund Balances	<u>\$ 475,858</u>	<u>\$ 309,740</u>	<u>\$ 4,650,587</u>	<u>\$ 1,441,927</u>	<u>\$ 1,315,137</u>	<u>\$ -</u>	<u>\$ 164,511</u>	<u>\$ 522,142</u>

(Continued on next page)

**CAPITOL REGION EDUCATION COUNCIL
GENERAL FUND
BALANCE SHEET - BY PROGRAM (CONTINUED)
JUNE 30, 2012**

	<u>Special Programs</u>					<u>Total</u>	<u>Eliminations</u>	<u>Total</u>
	<u>Discovery Academy</u>	<u>Museum Academy</u>	<u>Greater Hartford Academy of the Arts Elementary School</u>	<u>Greater Hartford Academy of the Arts Middle School</u>	<u>Two Rivers Magnet High School</u>			
ASSETS								
Cash and cash equivalents	\$ 259	\$ 480,892	\$	\$	\$	\$ 12,711,261	\$	\$ 34,924,535
Investments						65,514		65,514
Accounts receivable	138,171	81,009				10,321,043		10,696,408
Due from other funds						12,747,791	(14,209,483)	7,817,034
Prepaid items	124,706	69,714	69,179	22,536	8,395	1,901,035		1,950,092
Total Assets	<u>\$ 263,136</u>	<u>\$ 631,615</u>	<u>\$ 69,179</u>	<u>\$ 22,536</u>	<u>\$ 8,395</u>	<u>\$ 37,746,644</u>	<u>\$ (14,209,483)</u>	<u>\$ 55,453,583</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	\$ 184,213	\$ 123,048	\$ 54,319	\$ 20,536	\$ 6,879	\$ 10,864,402	\$	\$ 11,652,250
Due to other funds	227,541		14,860	2,000	1,516	14,110,448	(14,209,483)	1,145,574
Deferred revenues	159,569	66,223				3,034,796		3,469,727
Bond anticipation notes payable								20,000,000
Total liabilities	<u>571,323</u>	<u>189,271</u>	<u>69,179</u>	<u>22,536</u>	<u>8,395</u>	<u>28,009,646</u>	<u>(14,209,483)</u>	<u>36,267,551</u>
Fund Balances:								
Nonspendable	124,706	69,714	69,179	22,536	8,395	1,901,035		1,950,092
Assigned						-		4,925,000
Unassigned	(432,893)	372,630	(69,179)	(22,536)	(8,395)	7,835,963		12,310,940
Total fund balances	<u>(308,187)</u>	<u>442,344</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,736,998</u>	<u>-</u>	<u>19,186,032</u>
Total Liabilities and Fund Balances	<u>\$ 263,136</u>	<u>\$ 631,615</u>	<u>\$ 69,179</u>	<u>\$ 22,536</u>	<u>\$ 8,395</u>	<u>\$ 37,746,644</u>	<u>\$ (14,209,483)</u>	<u>\$ 55,453,583</u>

**CAPITOL REGION EDUCATION COUNCIL
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Administration</u>								
	<u>CREC General</u>	<u>Executive Director</u>	<u>Assistant Executive Director</u>	<u>Business Services</u>	<u>Human Resources</u>	<u>Communications Services</u>	<u>Student Services</u>	<u>Institute of Teaching and Learning</u>	<u>Grants and Development Office</u>
Revenues:									
Tuition	\$	\$	\$	\$	\$	\$	\$	\$	\$
Grants in aid	10,324,281								
Room and board									
Sales of services				2,432		872	2,915	241	
Investment income	68,460								
Other local revenues		28,643		4,544					
Total revenues	10,392,741	28,643	-	6,976	-	872	2,915	241	-
Expenditures:									
Current:									
Salaries		237,788	173,868	1,817,947	617,236	185,662	120,294	94,722	133,214
Employee benefits	9,962,511	18,692	17,323	490,955	173,604	41,711	25,629	13,439	37,830
Purchased professional and technical services		549	1,649	502,632	16,965	2,255	11,891	1,350	10,907
Purchased property services		7,878	174	21,523	430		79		
Other purchased services	54,932	5,873	7,093	193,738	21,352	24,437	14,266	6,848	8,415
Supplies		981	3,278	28,203	3,905	3,962	3,333	1,109	3,637
Property			827	117,200	3,272	8,864	2,353	2,801	
Other uses of funds		7,082	1,774	24,737	1,540	516	1,068	103	595
Total expenditures	10,017,443	278,843	205,986	3,196,935	838,304	267,407	178,913	120,372	194,598
Excess (Deficiency) of Revenues over Expenditures	375,298	(250,200)	(205,986)	(3,189,959)	(838,304)	(266,535)	(175,998)	(120,131)	(194,598)
Other Financing Sources (Uses):									
Transfers in	8,031,789	332,500	308,655	3,458,035	971,947	285,986	217,578	134,484	139,535
Transfers out	(6,493,275)	(80,977)	(102,669)	(261,050)	(133,424)	(13,951)	(37,810)	(14,103)	(50)
Total other financing sources (uses)	1,538,514	251,523	205,986	3,196,985	838,523	272,035	179,768	120,381	139,485
Net Change in Fund Balances	1,913,812	1,323	-	7,026	219	5,500	3,770	250	(55,113)
Fund Balances at Beginning of Year	8,659,201	3,927	2,178	39,961	17,781	18,596	11,443	8,248	(501,865)
Fund Balances at End of Year	\$ 10,573,013	\$ 5,250	\$ 2,178	\$ 46,987	\$ 18,000	\$ 24,096	\$ 15,213	\$ 8,498	\$ (556,978)

(Continued on next page)

**CAPITOL REGION EDUCATION COUNCIL
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Administration</u>		<u>Facilities</u>	<u>Special Programs</u>					
	<u>Technical Assistance Brokering Services</u>	<u>Total</u>	<u>Administrative Building Cost Center</u>	<u>Connecticut Academy for Educ. Leaders</u>	<u>Interdistrict Grant Office</u>	<u>Minority Teacher Recruiting</u>	<u>Juvenile Detention Center</u>	<u>Coltsville Facility</u>	<u>Project Literacy</u>
Revenues:									
Tuition	\$	\$ -	\$	\$	\$	\$	\$ 1,599,646	\$	\$
Grants in aid		10,324,281	9,484			313,181			
Room and board		-							
Sales of services		6,460	7,682		993	14,760	1,992		54,000
Investment income		68,460							
Other local revenues		33,187	25						
Total revenues	-	10,432,388	17,191	-	993	327,941	1,601,638	-	54,000
Expenditures:									
Current:									
Salaries	79,977	3,460,708	82,836		43,313	58,092	1,136,434		7,040
Employee benefits	17,691	10,799,385	33,298		20,873	14,223	241,561		2,581
Purchased professional and technical services	1,053	549,251	1,560		156	23,843	17,256		16,460
Purchased property services	73	30,157	439,129				3,777		
Other purchased services	6,202	343,156	45,099		666	209,316	10,918		2,139
Supplies	2,509	50,917	168,324		2,932	588	20,100		
Property	2,335	137,652	155,595				17,190		
Other uses of funds	1,454	38,869	630		829		1,218		1,520
Total expenditures	111,294	15,410,095	926,471	-	68,769	306,062	1,448,454	-	29,740
Excess (Deficiency) of Revenues over Expenditures	(111,294)	(4,977,707)	(909,280)	-	(67,776)	21,879	153,184	-	24,260
Other Financing Sources (Uses):									
Transfers in	190,094	14,070,603	947,102		67,812				
Transfers out	(78,800)	(7,216,109)	(161,074)		(36)	(21,879)	(174,243)		(5,400)
Total other financing sources (uses)	111,294	6,854,494	786,028	-	67,776	(21,879)	(174,243)	-	(5,400)
Net Change in Fund Balances	-	1,876,787	(123,252)	-	-	-	(21,059)	-	18,860
Fund Balances at Beginning of Year	8,027	8,267,497	(571,998)	1,492	35,206	(44,240)	1,128,608	-	(68,309)
Fund Balances at End of Year	\$ 8,027	\$ 10,144,284	\$ (695,250)	\$ 1,492	\$ 35,206	\$ (44,240)	\$ 1,107,549	\$ -	\$ (49,449)

(Continued on next page)

**CAPITOL REGION EDUCATION COUNCIL
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012**

	Special Programs							
	Allied Health Career Collaborative	Learning Corridor Cost Center	Montessori Magnet School	East Hartford/ Glastonbury Magnet School	Aerospace/ GHAMAS Magnet School	Metropolitan Learning Center Magnet School	Two Rivers Magnet Middle School	CREC Public Safety Academy
Revenues:								
Tuition	\$	\$	\$	\$	\$	\$	\$	\$
Grants in aid			3,828,482	2,749,627	7,507,072	7,857,616	7,201,732	5,004,427
Room and board								
Sales of services	16,922		1,398,500	651,974	3,020,773	2,548,911	3,272,528	2,407,298
Investment income								
Other local revenues				150	95,618	3,660		146,869
Total revenues	16,922	-	5,226,982	3,401,751	10,623,463	10,410,187	10,474,260	7,558,594
Expenditures:								
Current:								
Salaries	14,248		2,961,436	2,133,774	4,586,563	6,254,787	5,399,627	3,438,749
Employee benefits	1,568		671,042	502,726	993,014	1,265,725	1,179,570	672,120
Purchased professional and technical services		2,366	95,653	47,328	297,695	348,657	352,261	374,427
Purchased property services		1,079,160	31,646	251,350	413,187	688,964	566,363	956,881
Other purchased services	18	70,592	71,313	29,572	149,958	183,621	358,734	150,126
Supplies		1,093,590	144,174	54,894	383,989	522,902	471,795	484,017
Property		2,952	79,755	13,628	2,013,174	103,822	625,914	264,065
Other uses of funds		365	2,842	1,758	2,085	21,193	4,109	
Total expenditures	15,834	2,249,025	4,057,861	3,035,030	8,839,665	9,389,671	8,958,373	6,340,385
Excess (Deficiency) of Revenues over Expenditures	1,088	(2,249,025)	1,169,121	366,721	1,783,798	1,020,516	1,515,887	1,218,209
Other Financing Sources (Uses):								
Transfers in		2,353,510					300	
Transfers out	(1,088)		(939,344)	(316,132)	(1,101,339)	(930,884)	(968,837)	(593,467)
Total other financing sources (uses)	(1,088)	2,353,510	(939,344)	(316,132)	(1,101,339)	(930,884)	(968,537)	(593,467)
Net Change in Fund Balances	-	104,485	229,777	50,589	682,459	89,632	547,350	624,742
Fund Balances at Beginning of Year	8,682	(719,259)	305,915	441,857	(796,917)	864,089	1,584,932	189,902
Fund Balances at End of Year	\$ 8,682	\$ (614,774)	\$ 535,692	\$ 492,446	\$ (114,458)	\$ 953,721	\$ 2,132,282	\$ 814,644

(Continued on next page)

**CAPITOL REGION EDUCATION COUNCIL
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012**

	Special Programs								
	University of Hartford Magnet School	Soundbridge	River Street School	Polaris Center	Magnet School Cost Center	Integrated Program Model	Farmington Valley Diagnostic Center	Special Education Transportation	Greater Hartford Academy of the Arts
Revenues:									
Tuition	\$	\$	\$	\$	\$	\$	\$	\$	\$
Grants in aid	4,840,478	2,177,907	19,042,840	3,374,324	9,707,929	1,072,201	1,001,988		79,607
Room and board		527,688	1,492,313	155,576					6,418,676
Sales of services	2,280,898	2,877,740	7,097,138	281,709	47,480	1,988,697	1,300	503,930	3,205,407
Investment income		55							
Other local revenues	172,908	156,740	5,904	350,216	60,103	86,993			171,859
Total revenues	7,294,284	5,740,130	27,638,195	4,161,825	9,815,512	3,147,891	1,003,288	503,930	9,875,549
Expenditures:									
Current:									
Salaries	4,444,886	3,513,340	16,159,981	2,641,087	3,170,482	2,288,507	564,387	620,210	5,793,992
Employee benefits	920,763	952,684	4,758,566	756,108	408,652	575,441	166,905	252,141	1,711,925
Purchased professional and technical services	155,033	29,808	455,528	152,761	571,321	18,781	10,795	6,520	123,894
Purchased property services	361,720	208,087	1,029,918	92,561	36,930	53,114	138,003	49,612	879,158
Other purchased services	73,150	221,794	138,874	51,742	8,507,815	26,895	6,406	54,150	120,194
Supplies	405,067	160,834	710,625	332,267	83,489	15,799	26,120	226,335	556,614
Property	34,857	321,468	1,051,395	17,283	52,200	721	809	118,193	116,410
Other uses of funds	5,592	46	6,285	3,108	20,229		150	1,107	3,235
Total expenditures	6,401,068	5,408,061	24,311,172	4,046,917	12,851,118	2,979,258	913,575	1,328,268	9,305,422
Excess (Deficiency) of Revenues over Expenditures	893,216	332,069	3,327,023	114,908	(3,035,606)	168,633	89,713	(824,338)	570,127
Other Financing Sources (Uses):									
Transfers in		92,499	26,165	311,042	3,934,291	280,408		934,845	
Transfers out	(615,058)	(566,290)	(2,670,648)	(410,424)	(898,685)	(89,178)	(89,713)	(125,493)	(1,599,866)
Total other financing sources (uses)	(615,058)	(473,791)	(2,644,483)	(99,382)	3,035,606	191,230	(89,713)	809,352	(1,599,866)
Net Change in Fund Balances	278,158	(141,722)	682,540	15,526	-	359,863	-	(14,986)	(1,029,739)
Fund Balances at Beginning of Year	459,119	900,970	9,290,504	(1,162,709)	(836,377)	688,777	-	(21,417)	(3,644,016)
Fund Balances at End of Year	\$ 737,277	\$ 759,248	\$ 9,973,044	\$ (1,147,183)	\$ (836,377)	\$ 1,048,640	\$ -	\$ (36,403)	\$ (4,673,755)

(Continued on next page)

**CAPITOL REGION EDUCATION COUNCIL
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012**

	Special Programs							
	Center for Creative Youth	Great Path Academy	School Transportation Management Services	International Magnet School for Global Citizenship	Reggio Magnet School of the Arts	Charter School for Young Children on Asylum Hill	Lincoln Academy	Medical Professions and Teacher Prep Academy
Revenues:								
Tuition	\$ 389,517	\$	\$	\$	\$	\$	\$	\$
Grants in aid	148,000	2,757,552	11,614,065	3,346,331	3,320,655			3,416,705
Room and board	9,700							
Sales of services	5,081	947,311	12,437	1,467,324	1,417,994		483,665	1,296,964
Investment income	206							
Other local revenues	92,017	238,280		127,119	102,184			46,352
Total revenues	644,521	3,943,143	11,626,502	4,940,774	4,840,833	-	483,665	4,760,021
Expenditures:								
Current:								
Salaries	243,460	2,252,401	758,635	2,400,205	2,721,642		362,515	1,923,993
Employee benefits	39,118	500,955	59,398	625,939	664,535		85,873	457,144
Purchased professional and technical services	38,544	41,562		100,596	142,574		6,434	345,665
Purchased property services	1,003	162,709	102	532,916	522,005		13,528	817,529
Other purchased services	281,990	442,675	10,790,923	48,143	43,592		4,632	54,277
Supplies	4,892	160,720	357	162,976	391,229		14,129	262,355
Property	580	31,951		60,476	242,156		6,482	132,246
Other uses of funds	50	1,794		8,452	518			450
Total expenditures	609,637	3,594,767	11,609,415	3,939,703	4,728,251	-	493,593	3,993,659
Excess (Deficiency) of Revenues over Expenditures	34,884	348,376	17,087	1,001,071	112,582	-	(9,928)	766,362
Other Financing Sources (Uses):								
Transfers in								
Transfers out	(34,678)	(348,376)	(66,283)	(544,844)	(479,720)		(41,602)	(360,694)
Total other financing sources (uses)	(34,678)	(348,376)	(66,283)	(544,844)	(479,720)	-	(41,602)	(360,694)
Net Change in Fund Balances	206	-	(49,196)	456,227	(367,138)	-	(51,530)	405,668
Fund Balances at Beginning of Year	39,569	3,405	-	753,938	(1,525,554)	(1,058,612)	14,803	(102,229)
Fund Balances at End of Year	\$ 39,775	\$ 3,405	\$ (49,196)	\$ 1,210,165	\$ (1,892,692)	\$ (1,058,612)	\$ (36,727)	\$ 303,439

(Continued on next page)

**CAPITOL REGION EDUCATION COUNCIL
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012**

	Special Programs					Total	Eliminations	Total
	Discovery Academy	Museum Academy	Greater Hartford Academy of the Arts Elementary School	Greater Hartford Academy of the Arts Middle School	Two Rivers Magnet High School			
Revenues:								
Tuition	\$	\$	\$	\$	\$	\$ 28,738,030	\$	\$ 28,738,030
Grants in aid	2,100,029	2,936,625				85,752,446		96,086,211
Room and board						1,502,013		1,502,013
Sales of services	641,104	1,292,279				39,237,109		39,251,251
Investment income						261		68,721
Other local revenues	57,609	100,692				2,015,273		2,048,485
Total revenues	2,798,742	4,329,596	-	-	-	157,245,132	-	167,694,711
Expenditures:								
Current:								
Salaries	1,284,282	2,011,329				79,189,397		82,732,941
Employee benefits	378,753	513,161				19,393,064		30,225,747
Purchased professional and technical services	275,192	144,931				4,196,041		4,746,852
Purchased property services	363,467	448,685				9,702,375		10,171,661
Other purchased services	39,147	31,454				22,174,826		22,563,081
Supplies	291,826	167,366				7,151,981		7,371,222
Property	226,077	127,378				5,661,182		5,954,429
Other uses of funds	812	1,126				88,873		128,372
Total expenditures	2,859,556	3,445,430	-	-	-	147,557,739	-	163,894,305
Excess (Deficiency) of Revenues over Expenditures	(60,814)	884,166	-	-	-	9,687,393	-	3,800,406
Other Financing Sources (Uses):								
Transfers in	561					8,001,433	(20,596,065)	2,423,073
Transfers out	(247,934)	(441,822)				(14,683,957)	20,596,065	(1,465,075)
Total other financing sources (uses)	(247,373)	(441,822)	-	-	-	(6,682,524)	-	957,998
Net Change in Fund Balances	(308,187)	442,344	-	-	-	3,004,869	-	4,758,404
Fund Balances at Beginning of Year	-	-	-	-	-	6,732,129	-	14,427,628
Fund Balances at End of Year	\$ (308,187)	\$ 442,344	\$ -	\$ -	\$ -	\$ 9,736,998	\$ -	\$ 19,186,032

**CAPITOL REGION EDUCATION COUNCIL
GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012**

EXHIBIT A-3

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Special Programs:				
Tuition	\$ 26,823,701	\$ 27,256,706	\$ 28,738,030	\$ 1,481,324
Grants in aid	74,230,024	84,677,514	85,752,446	1,074,932
Room and board	1,478,751	1,478,751	1,502,013	23,262
Sales of services	45,430,122	47,522,679	39,237,109	(8,285,570)
Investment income			261	261
Other local revenues	271,785	271,785	2,015,273	1,743,488
Transfers	4,183,128	5,145,151	8,001,433	2,856,282
Total special programs	<u>152,417,511</u>	<u>166,352,586</u>	<u>165,246,565</u>	<u>(1,106,021)</u>
Administration/Facilities:				
Grants in aid			9,484	9,484
Sales of services			14,142	14,142
Other local revenues			33,212	33,212
Transfers	7,168,751	7,233,751	6,985,916	(247,835)
Total administration/facilities	<u>7,168,751</u>	<u>7,233,751</u>	<u>7,042,754</u>	<u>(190,997)</u>
Total revenues	<u>159,586,262</u>	<u>173,586,337</u>	<u>172,289,319</u>	<u>(1,297,018)</u>
Expenditures:				
Administration:				
Executive Director	362,520	362,520	359,820	2,700
Assistant Executive Director	308,655	308,655	308,655	-
Business Services	3,458,037	3,458,037	3,457,985	52
Human Resources	971,947	971,947	971,728	219
Communications Services	281,487	281,487	281,358	129
Student Services	217,578	217,578	216,723	855
Institute of Teaching and Learning	134,484	134,484	134,475	9
Grants and Development Office	220,525	220,525	194,648	25,877
Technical Assistance Brokering Services	190,094	190,093	190,094	(1)
Total administration	<u>6,145,327</u>	<u>6,145,326</u>	<u>6,115,486</u>	<u>29,840</u>
Facilities:				
Administrative Building Cost Center	<u>1,023,425</u>	<u>1,088,426</u>	<u>1,087,545</u>	<u>881</u>

(Continued on next page)

CAPITOL REGION EDUCATION COUNCIL
GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012

EXHIBIT A-3

	Budget Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Special Programs:				
Interdistrict Grant Office	\$ 95,534	\$ 95,534	\$ 68,805	\$ 26,729
Minority Teacher Recruiting	333,313	333,313	327,941	5,372
Juvenile Detention Center	1,681,530	1,681,530	1,622,697	58,833
Coltsville Facility	1,242,030	1,242,030		1,242,030
Project Literacy	54,000	54,000	35,140	18,860
Allied Health Career Collaborative	23,000	23,000	16,922	6,078
Learning Corridor Cost Center	2,249,184	2,249,184	2,249,025	159
Montessori Magnet School	4,468,635	5,001,876	4,997,205	4,671
East Hartford/Glastonbury Magnet School	3,369,326	3,425,451	3,351,162	74,289
Aerospace/GHAMAS Magnet School	8,177,411	10,261,917	9,941,004	320,913
Metropolitan Learning Center Magnet School	9,880,044	10,331,167	10,320,555	10,612
Two Rivers Magnet Middle School	9,380,692	10,149,697	9,927,210	222,487
CREC Public Safety Academy	5,862,091	6,942,983	6,933,852	9,131
University of Hartford Magnet School	6,294,262	7,021,254	7,016,126	5,128
Soundbridge	5,520,826	5,975,826	5,974,351	1,475
River Street School	27,040,349	27,040,349	26,981,820	58,529
Polaris Center	4,184,656	4,459,808	4,457,341	2,467
Magnet School Cost Center	12,528,598	15,122,501	13,749,803	1,372,698
Integrated Program Model	3,069,000	3,069,000	3,068,436	564
Farmington Valley Diagnostic Center	1,078,120	1,078,120	1,003,288	74,832
Special Education Transportation	1,297,500	1,454,670	1,453,761	909
Greater Hartford Academy of the Arts	10,397,717	10,905,288	10,905,288	-
Center for Creative Youth	667,235	667,235	644,315	22,920
Great Path Academy	4,037,643	4,122,818	3,943,143	179,675
School Transportation Management Services	10,400,000	12,000,000	11,675,698	324,302
International Magnet School for Global Citizenship	4,175,087	4,520,915	4,484,547	36,368
Reggio Magnet School of the Arts	4,612,717	5,209,065	5,207,971	1,094
Lincoln Academy	536,168	536,168	535,195	973
Medical Professions	3,801,634	4,383,051	4,354,353	28,698
Discovery Center	2,438,246	3,107,490	3,107,490	-
Museum Academy	3,520,962	3,887,345	3,887,252	93
Total special programs	<u>152,417,510</u>	<u>166,352,585</u>	<u>162,241,696</u>	<u>4,110,889</u>
Total expenditures	<u>159,586,262</u>	<u>173,586,337</u>	<u>169,444,727</u>	<u>4,141,610</u>
Excess of Revenues over Expenditures	\$ <u>-</u>	\$ <u>-</u>	2,844,592	\$ <u>2,844,592</u>
Budgetary excess of revenues over expenditures is different than GAAP net change in fund balance: Revenue and expenditures for CREC General Program are not budgeted. Net change in fund balance for CREC General program is:			<u>1,913,812</u>	
Net Change in Fund Balance - GAAP Basis			\$ <u>4,758,404</u>	

Special Revenue Fund

SPECIAL REVENUE FUND

GRANTS AND CONTRACTS FUND

INTERDISTRICT GRANTS - CREC receives a variety of special purpose SDE funded grants to promote and support collaborative cooperative efforts among CREC member towns.

PROJECT PACT - Project PACT (Perkins Access Consultation Team) provides consortium members with services that improve vocational programs in the area of technology education for all students, including those who are disadvantaged, have disabilities or have limited English proficiency.

TEACHING AMERICAN HISTORY - The Teaching American History program, funded under the Elementary and Secondary Education Act, is designed to raise student achievement by improving teachers' knowledge, understanding and appreciation of American history. CREC's initiative includes partnerships with school districts (Bolton, East Hartford, Manchester, Plainville, Regional District 10, Vernon and West Hartford), the University of Connecticut (the History Department, Neag School of Education and the Thomas J. Dodd Research Center), as well as a number of local museums and historical societies.

MAGNET SCHOOLS ASSISTANCE PROGRAM - CREC was awarded a three-year \$11.5 million grant in 2010 to serve as lead agency for the Magnet Schools Assistance Program (MSAP). It is a consortium grant in partnership with the Hartford Public Schools, the State Department of Education and Goodwin College for the purpose of developing or restructuring eight (8) magnet schools in the Capitol Region. Funds are to be used primarily for activities associated with school startup, including curriculum and professional development, marketing, outreach and recruitment and partnership development.

SPECIAL SERVICES SUPPORT TEAM - Services provided by this program include consultation, training and staff development to State agencies and local school districts in special education and regular education initiatives.

RELATED SERVICES - Professional development, staffing and other services are provided for state agency programs. In addition, diagnostic services and grant coordination services are also provided.

CONNECTICUT TECHNICAL HIGH SCHOOLS PROFESSIONAL DEVELOPMENT - This program is supported by a three-year contract from the Department of Education to provide professional development to the State Technical High Schools.

SUMMER YOUTH EMPLOYMENT - CREC Summer Youth Employment Program serves students in the Greater Hartford area from July to August. This program focuses on project-based initiatives and service learning projects in partnership with other agencies.

CAPITOL REGION CHOICE PROGRAM - The Capitol Region Choice Program enables the voluntary attendance of children in schools beyond their traditional attendance borders in an effort to reduce racial, ethnic and economic isolation. This program includes administration and transportation costs.

SCHOOL TO CAREER INITIATIVES - School To Career Initiatives provide support to CREC school districts and others in the implementation of regional planning, school-based coordination, professional development, marketing and data collection. The Federal implementation funds received from the SDE allow CREC to disseminate guidance and curriculum materials to adult educators in the region.

SUBURBAN YOUTH PROGRAMS - Capital Workforce Partners funds CREC to serve in-school and out-of-school youth between the ages of 14 and 21 under the Workforce Investment Act.

PUPIL PARTNERS - Pupil Partners provides grant awards to schools whose proposals create partnerships between urban and suburban classrooms and/or schools for an integrated experience with a curricular focus.

ENTITLEMENT GRANTS ARRA FUNDS - CREC was awarded Federal ARRA entitlement grants: Title I, Improving Basic Programs; Title II-D Improving Technology; a National School Lunch Equipment Assistance Grant; and an Enhancing Education Through Technology Grant. The funds are to be used to improve student achievement and help close the achievement gap through teacher quality, assessment standards, school improvements and data systems.

ENTITLEMENT GRANTS FUNDS - CREC was awarded Federal entitlement grants: Title I, Improving Basic Programs; Title II-A, Teacher and Principal Training. The funds are used to reach one or more of five goals designed to improve student performance that the State Board of Education has adopted as part of the No Child Left Behind Act of 2001.

DEPARTMENT OF CORRECTIONS PROFESSIONAL DEVELOPMENT - A contract from the State Department of Corrections was awarded to provide a comprehensive program of professional development and training to faculty and administrators of the Unified School District Number 1.

COMMUNITY EDUCATION - Community Education provides leadership, training and consulting services to improve the quality of adult education throughout Connecticut.

METACOMET RIDGE ACADEMY - Metacomet Ridge Academy brings together high school students from ten school districts to collaborate on an interdisciplinary study of the Metacomet Ridge, a unique geological asset that has played a significant role in the economic, social, political and historical development of Connecticut.

EQUAL SUMMER - EQUAL is a summer academic program that afforded students the opportunity to study one of three distinct curricula within a student population that is racially, ethnically and socioeconomically integrated. Funding is through an Interdistrict Cooperative Grant and small grants from private foundations.

REGIONAL SCHOOL CHOICE OFFICE - The State Department of Education has awarded CREC a contract to assist with the development and implementation of the major components of the Sheff Comprehensive Management Plan (CMP). Items in the plan include marketing, transportation, the magnet school lottery, surveys, a parent intake center and professional development.

FAMILY ENRICHMENT PROGRAM - Family Enrichment Program provides home-based family education and case management services to Hartford families who can benefit from a variety of services. The program serves families who have children between the ages of birth to 18 years old.

HARTFORD ASSOCIATION FOR THE EDUCATION OF YOUNG CHILDREN (HAEYC) - This program is a local membership organization of the National Association for the Education of Young Children. HAEYC provides training opportunities, educational events and resources to members and to the general early childhood teacher community.

BIRTH TO THREE - The Birth to Three program receives funds from the State Department of Developmental Services to provide home-based early intervention services to infants, toddlers and their families. The Birth to Three program collaborates with school districts and health and social service agencies on behalf of the children/families served.

EMPLOYMENT TRAINING PROGRAM - CREC uses a variety of special purpose funds from SDE and the Federal Job Training Partnership Program to support efforts such as remedial reading instruction for students and to train and place young adults in the human services field.

EARLY EDUCATION PROGRAMS - The CREC Early Education initiative works to support, coordinate, enhance and expand the existing CREC Early Childhood programs. CREC recognizes that a significant number of children in Greater Hartford do not have the benefit of high-quality early childhood educational experiences, and these children enter kindergarten with developmental and learning deficits that are difficult or impossible to overcome. With this in mind, CREC's Early Education initiative works in partnership with the Connecticut State Department of Education, the U.S. Department of Education, local school districts and community agencies to improve existing services and support the establishment of early education centers that will expand the opportunities for all children in need of these programs.

SUPPLEMENTAL SERVICES - CREC received a contract to create an Early Childhood Assessment and develop high-quality assessments for all K-2 students for language arts, mathematics and science that are age appropriate, valid, reliable, and align with the Connecticut Grade Level Expectations (GLEs). In addition, CREC received a contract to support the new Teacher Education and Mentoring (TEAM) program by developing the professional growth modules, delivering training for mentors and other district personnel; and providing technical assistance in creating TEAM infrastructures.

**CAPITOL REGION EDUCATION COUNCIL
SPECIAL REVENUE FUND
BALANCE SHEET - BY PROGRAM
JUNE 30, 2012**

	Grants and Contracts Fund								
	<u>Interdistrict Grants</u>	<u>Project PACT</u>	<u>Teaching American History</u>	<u>MSAP Grant</u>	<u>Special Services Support Team</u>	<u>Related Services</u>	<u>Connecticut Technical High Schools</u>	<u>Summer Youth Employment</u>	<u>Capitol Region Choice Program</u>
ASSETS									
Cash and cash equivalents	\$ 156,563	\$ 29,225	\$	\$	\$ 62,544	\$	\$	\$ 7,994	\$ 755,037
Accounts receivable	700		71,999	1,426,348	255,073	693,562	191,101		1,880
Prepaid items						1,657			14,206
Total Assets	<u>\$ 157,263</u>	<u>\$ 29,225</u>	<u>\$ 71,999</u>	<u>\$ 1,426,348</u>	<u>\$ 317,617</u>	<u>\$ 695,219</u>	<u>\$ 191,101</u>	<u>\$ 7,994</u>	<u>\$ 771,123</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued liabilities	\$ 58,941	\$ 29,225	\$ 23,594	\$ 988,189	\$ 89,425	\$ 57,392	\$ 27,361	\$ 1,009	\$ 252,375
Due to other funds			48,405	438,159		169,732	68,751		
Deferred revenues	94,843				140,578				1,905,819
Total liabilities	<u>153,784</u>	<u>29,225</u>	<u>71,999</u>	<u>1,426,348</u>	<u>230,003</u>	<u>227,124</u>	<u>96,112</u>	<u>1,009</u>	<u>2,158,194</u>
Fund Balances:									
Nonspendable						1,657			14,206
Restricted	3,479				87,614	466,438	94,989	6,985	
Unassigned									(1,401,277)
Total fund balances	<u>3,479</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>87,614</u>	<u>468,095</u>	<u>94,989</u>	<u>6,985</u>	<u>(1,387,071)</u>
Total Liabilities and Fund Balances	<u>\$ 157,263</u>	<u>\$ 29,225</u>	<u>\$ 71,999</u>	<u>\$ 1,426,348</u>	<u>\$ 317,617</u>	<u>\$ 695,219</u>	<u>\$ 191,101</u>	<u>\$ 7,994</u>	<u>\$ 771,123</u>

(Continued on next page)

**CAPITOL REGION EDUCATION COUNCIL
SPECIAL REVENUE FUND
BALANCE SHEET - BY PROGRAM (CONTINUED)
JUNE 30, 2012**

Grants and Contracts Fund

	<u>School to Career Initiatives</u>	<u>Suburban Youth Programs</u>	<u>Pupil Partners</u>	<u>Entitlement Grants ARRA Funds</u>	<u>Entitlement Grants Funds</u>	<u>Department of Corrections Professional Development</u>	<u>Community Education</u>	<u>Metacomet Ridge Academy</u>	<u>EQUAL Summer</u>
ASSETS									
Cash and cash equivalents	\$ 78,479		\$ 4,157	\$ 4,835		\$ 2,305	\$ 71,864	\$ 51,676	\$ 49,301
Accounts receivable	130,716	81,501			324,216	26,475	117,868		
Prepaid items									
Total Assets	<u>\$ 209,195</u>	<u>\$ 81,501</u>	<u>\$ 4,157</u>	<u>\$ 4,835</u>	<u>\$ 324,216</u>	<u>\$ 28,780</u>	<u>\$ 189,732</u>	<u>\$ 51,676</u>	<u>\$ 49,301</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued liabilities	\$ 188,378	\$ 2,389		\$ 4,835	\$ 26,088	\$ 5,475	\$ 65,308	\$ 51,676	\$ 34,169
Due to other funds		72,665			259,314				
Deferred revenues	20,494	9,322					116,435		13,235
Total liabilities	<u>208,872</u>	<u>84,376</u>		<u>4,835</u>	<u>285,402</u>	<u>5,475</u>	<u>181,743</u>	<u>51,676</u>	<u>47,404</u>
Fund Balances:									
Nonspendable									
Restricted	323		4,157		38,814	23,305	7,989		1,897
Unassigned		(2,875)							
Total fund balances	<u>323</u>	<u>(2,875)</u>	<u>4,157</u>	<u>-</u>	<u>38,814</u>	<u>23,305</u>	<u>7,989</u>	<u>-</u>	<u>1,897</u>
Total Liabilities and Fund Balances	<u>\$ 209,195</u>	<u>\$ 81,501</u>	<u>\$ 4,157</u>	<u>\$ 4,835</u>	<u>\$ 324,216</u>	<u>\$ 28,780</u>	<u>\$ 189,732</u>	<u>\$ 51,676</u>	<u>\$ 49,301</u>

(Continued on next page)

**CAPITOL REGION EDUCATION COUNCIL
SPECIAL REVENUE FUND
BALANCE SHEET - BY PROGRAM (CONTINUED)
JUNE 30, 2012**

	Grants and Contracts Fund							
	Regional School Choice Office	Family Enrichment Services	Hartford Association for the Education of Young Children	Birth to Three	Employment Training Program	Early Education Programs	Supplemental Services	Total
ASSETS								
Cash and cash equivalents	\$ 48,021		\$ 55,252	\$ 198,818			\$ 161,761	\$ 1,737,832
Accounts receivable	6,189			150,527	33,499		32,063	3,543,717
Prepaid items							2,953	18,816
Total Assets	\$ 54,210	\$ -	\$ 55,252	\$ 349,345	\$ 33,499	\$ -	\$ 196,777	\$ 5,300,365
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	\$ 54,889	\$ 3,066	\$ 9,737	\$ 48,484	\$ 18,655	\$ 45,704	\$ 41,332	\$ 2,127,696
Due to other funds		54,083			466,566	397,231		1,974,906
Deferred revenues			45,515	54,067			36,187	2,436,495
Total liabilities	54,889	57,149	55,252	102,551	485,221	442,935	77,519	6,539,097
Fund Balances:								
Nonspendable							2,953	18,816
Restricted				246,794			116,305	1,099,089
Unassigned	(679)	(57,149)			(451,722)	(442,935)		(2,356,637)
Total fund balances	(679)	(57,149)	-	246,794	(451,722)	(442,935)	119,258	(1,238,732)
Total Liabilities and Fund Balances	\$ 54,210	\$ -	\$ 55,252	\$ 349,345	\$ 33,499	\$ -	\$ 196,777	\$ 5,300,365

**CAPITOL REGION EDUCATION COUNCIL
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2012**

Grants and Contracts Fund

	<u>Interdistrict Grants</u>	<u>Project PACT</u>	<u>Teaching American History</u>	<u>MSAP Grant</u>	<u>Special Services Support Team</u>	<u>Related Services</u>	<u>Connecticut Technical High Schools</u>	<u>Summer Youth Employment</u>	<u>Capitol Region Choice Program</u>
Revenues:									
Tuition	\$ 4,475								
Grants in aid	656,982	33,265	274,199	3,756,145	50,434	860,552	972,343	212,961	6,972,934
Sales of services	400				1,245,132	1,675,136			540
Other local revenues	1,220								78,121
Total revenues	<u>663,077</u>	<u>33,265</u>	<u>274,199</u>	<u>3,756,145</u>	<u>1,295,566</u>	<u>2,535,688</u>	<u>972,343</u>	<u>212,961</u>	<u>7,051,595</u>
Expenditures:									
Current:									
Salaries	23,619	5,014	37,555	730,745	1,020,104	1,217,532	65,192	182,871	1,433,092
Employee benefits	2,407	1,765	6,641	155,135	144,980	357,507	21,117	17,890	223,350
Purchased professional and technical services	8,700	16,270	110,445	46,813	63,044	485,292	409,896	33	62,215
Purchased property services								2,000	23,617
Other purchased services	532,002	3,350	82,355	2,432,202	69,419	8,107	340,740	2,592	4,940,254
Supplies	21,082	5,282	14,078	255,305	19,676	17,598	6,492	655	36,158
Property				3,955	7,744	19,305			12,717
Other objects				199	370	182			53
Total expenditures	<u>587,810</u>	<u>31,681</u>	<u>251,074</u>	<u>3,624,354</u>	<u>1,325,337</u>	<u>2,105,523</u>	<u>843,437</u>	<u>206,041</u>	<u>6,731,456</u>
Excess (Deficiency) of Revenues over Expenditures	<u>75,267</u>	<u>1,584</u>	<u>23,125</u>	<u>131,791</u>	<u>(29,771)</u>	<u>430,165</u>	<u>128,906</u>	<u>6,920</u>	<u>320,139</u>
Other Financing Sources (Uses):									
Transfers in	600				182,083	59,679			1,890
Transfers out	<u>(75,867)</u>	<u>(1,584)</u>	<u>(23,125)</u>	<u>(131,791)</u>	<u>(135,249)</u>	<u>(412,243)</u>	<u>(98,827)</u>	<u>(6,920)</u>	<u>(357,575)</u>
Total other financing sources (uses)	<u>(75,267)</u>	<u>(1,584)</u>	<u>(23,125)</u>	<u>(131,791)</u>	<u>46,834</u>	<u>(352,564)</u>	<u>(98,827)</u>	<u>(6,920)</u>	<u>(355,685)</u>
Net Change in Fund Balances	-	-	-	-	17,063	77,601	30,079	-	(35,546)
Fund Balances at Beginning of Year	<u>3,479</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,551</u>	<u>390,494</u>	<u>64,910</u>	<u>6,985</u>	<u>(1,351,525)</u>
Fund Balances at End of Year	<u>\$ 3,479</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,614</u>	<u>\$ 468,095</u>	<u>\$ 94,989</u>	<u>\$ 6,985</u>	<u>\$ (1,387,071)</u>

(Continued on next page)

**CAPITOL REGION EDUCATION COUNCIL
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012**

Grants and Contracts Fund

	<u>School to Career Initiatives</u>	<u>Suburban Youth Programs</u>	<u>Pupil Partners</u>	<u>Entitlement Grants ARRA Funds</u>	<u>Entitlement Grants Funds</u>	<u>Department of Corrections Professional Development</u>	<u>Community Education</u>	<u>Metacomet Ridge Academy</u>	<u>EQUAL Summer</u>
Revenues:									
Tuition	\$	\$	\$	\$	\$	\$	\$	\$	\$
Grants in aid	716,284	98,805		93,228	432,496	168,063	1,873,579	120,384	77,000
Sales of services	25,422				7,740		86,438		
Other local revenues		40,000			500				
Total revenues	741,706	138,805	-	93,228	440,736	168,063	1,960,017	120,384	77,000
Expenditures:									
Current:									
Salaries	117,325	63,337		51,669	121,866	107,041	792,421	61,670	20,406
Employee benefits	38,896	14,962		9,426	23,379	15,039	216,724	6,116	1,459
Purchased professional and technical services	42,254	33,015		14,416	77,053	13,068	177,160	10,500	750
Purchased property services	328						2,038		5,000
Other purchased services	425,082	15,377		275	34,760	521	631,725	22,133	14,721
Supplies	26,298	10,086		351	34,904	1,534	69,072	13,398	11,154
Property	29,637			16,810			850		
Other objects							405		
Total expenditures	679,820	136,777	-	92,947	291,962	137,203	1,890,395	113,817	53,490
Excess (Deficiency) of Revenues over Expenditures	61,886	2,028	-	281	148,774	30,860	69,622	6,567	23,510
Other Financing Sources (Uses):									
Transfers in	595	10,000					10,600		
Transfers out	(62,415)	(12,028)		(281)	(112,558)	(30,860)	(80,222)	(6,567)	(23,510)
Total other financing sources (uses)	(61,820)	(2,028)	-	(281)	(112,558)	(30,860)	(69,622)	(6,567)	(23,510)
Net Change in Fund Balances	66	-	-	-	36,216	-	-	-	-
Fund Balances at Beginning of Year	257	(2,875)	4,157	-	2,598	23,305	7,989	-	1,897
Fund Balances at End of Year	\$ 323	\$ (2,875)	\$ 4,157	\$ -	\$ 38,814	\$ 23,305	\$ 7,989	\$ -	\$ 1,897

(Continued on next page)

**CAPITOL REGION EDUCATION COUNCIL
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012**

Grants and Contracts Fund

	Regional School Choice Office	Family Enrichment Services	Hartford Association for the Education of Young Children	Birth to Three	Employment Training Program	Early Education Programs	Supplemental Services	Total
Revenues:								
Tuition	\$	\$	\$	\$	\$ 16,930	\$	\$	\$ 21,405
Grants in aid	1,693,640	130,514	158,143	1,507,041	267,847	1,422,757	723,839	23,273,435
Sales of services		3,712	1,845	10,073	290,098		41,143	3,387,679
Other local revenues			50	111,907	11,250			243,048
Total revenues	<u>1,693,640</u>	<u>134,226</u>	<u>160,038</u>	<u>1,629,021</u>	<u>586,125</u>	<u>1,422,757</u>	<u>764,982</u>	<u>26,925,567</u>
Expenditures:								
Current:								
Salaries	1,090,270	81,495	104,999	1,014,746	449,811	589,569	471,816	9,854,165
Employee benefits	365,055	29,388	21,596	278,476	109,692	107,602	56,456	2,225,058
Purchased professional and technical services	11,621	205	3,296	21,632	1,580	3,033	61,687	1,673,978
Purchased property services	20,000	7,000	296	26,486	43,751		3,791	134,307
Other purchased services	181,634	4,920	13,488	60,613	10,991	691,620	62,124	10,581,005
Supplies	8,453	938	359	6,010	15,676	21,354	42,804	638,717
Property	1,396			5,572		8,774	3,115	109,875
Other objects	8,650	50	234		90	103	3,019	13,355
Total expenditures	<u>1,687,079</u>	<u>123,996</u>	<u>144,268</u>	<u>1,413,535</u>	<u>631,591</u>	<u>1,422,055</u>	<u>704,812</u>	<u>25,230,460</u>
Excess (Deficiency) of Revenues over Expenditures	<u>6,561</u>	<u>10,230</u>	<u>15,770</u>	<u>215,486</u>	<u>(45,466)</u>	<u>702</u>	<u>60,170</u>	<u>1,695,107</u>
Other Financing Sources (Uses):								
Transfers in					16,294			281,741
Transfers out	(6,561)	(6,518)	(15,770)	(150,557)	(30,064)	(702)	(59,000)	(1,840,794)
Total other financing sources (uses)	<u>(6,561)</u>	<u>(6,518)</u>	<u>(15,770)</u>	<u>(150,557)</u>	<u>(13,770)</u>	<u>(702)</u>	<u>(59,000)</u>	<u>(1,559,053)</u>
Net Change in Fund Balances	-	3,712	-	64,929	(59,236)	-	1,170	136,054
Fund Balances at Beginning of Year	(679)	(60,861)	-	181,865	(392,486)	(442,935)	118,088	(1,374,786)
Fund Balances at End of Year	<u>\$ (679)</u>	<u>\$ (57,149)</u>	<u>\$ -</u>	<u>\$ 246,794</u>	<u>\$ (451,722)</u>	<u>\$ (442,935)</u>	<u>\$ 119,258</u>	<u>\$ (1,238,732)</u>

**CAPITOL REGION EDUCATION COUNCIL
SPECIAL REVENUE FUND
SCHEDULES OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Grants and Contracts Fund				
Interdistrict Grants				
Revenues:				
Grants in aid	\$ 693,482	\$ 693,482	\$ 656,982	\$ (36,500)
Tuition			4,475	4,475
Sales of service			400	400
Other local revenue			1,220	1,220
Transfers			600	600
Total revenues	<u>693,482</u>	<u>693,482</u>	<u>663,677</u>	<u>(29,805)</u>
Total expenditures	<u>693,482</u>	<u>693,482</u>	<u>663,677</u>	<u>29,805</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Project PACT				
Revenues:				
Grants in aid	\$ 30,000	\$ 33,265	\$ 33,265	\$ -
Total expenditures	<u>30,000</u>	<u>33,265</u>	<u>33,265</u>	<u>-</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Teaching American History				
Revenues:				
Grants in aid	\$ 388,333	\$ 388,333	\$ 274,199	\$ (114,134)
Total expenditures	<u>388,333</u>	<u>388,333</u>	<u>274,199</u>	<u>114,134</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
MSAP Grant				
Revenues:				
Grants in aid	\$ 3,870,307	\$ 3,870,307	\$ 3,756,145	\$ (114,162)
Total expenditures	<u>3,870,307</u>	<u>3,870,307</u>	<u>3,756,145</u>	<u>114,162</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Special Services Support Team				
Revenues:				
Grants in aid	\$ 1,243,313	\$ 1,466,064	\$ 50,434	\$ 50,434
Sales of services	1,243,313	1,466,064	1,245,132	(220,932)
Transfers			182,083	182,083
Total revenues	<u>1,243,313</u>	<u>1,466,064</u>	<u>1,477,649</u>	<u>11,585</u>
Total expenditures	<u>1,243,313</u>	<u>1,466,064</u>	<u>1,460,586</u>	<u>5,478</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,063</u>	<u>\$ 17,063</u>

(Continued on next page)

**CAPITOL REGION EDUCATION COUNCIL
SPECIAL REVENUE FUND
SCHEDULES OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012**

	Budget Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Related Services				
Revenues:				
Grants in aid	\$ 500,000	\$ 850,000	\$ 860,552	\$ 10,552
Sales of services	1,379,603	1,738,112	1,675,136	(62,976)
Transfers			59,679	59,679
Total revenues	<u>1,879,603</u>	<u>2,588,112</u>	<u>2,595,367</u>	<u>7,255</u>
Total expenditures	<u>1,879,603</u>	<u>2,588,112</u>	<u>2,517,766</u>	<u>70,346</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77,601</u>	<u>\$ 77,601</u>
Connecticut Technical High Schools				
Revenues:				
Grants in aid	\$ 400,000	\$ 942,263	\$ 972,343	\$ 30,080
Total expenditures	<u>400,000</u>	<u>942,263</u>	<u>942,264</u>	<u>(1)</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,079</u>	<u>\$ 30,079</u>
Summer Youth Employment				
Revenues:				
Grants in aid	\$ 194,500	\$ 219,926	\$ 212,961	\$ (6,965)
Total expenditures	<u>194,500</u>	<u>219,926</u>	<u>212,961</u>	<u>6,965</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Capitol Region Choice Program				
Revenues:				
Grants in aid	\$ 9,029,112	\$ 9,029,112	\$ 6,972,934	\$ (2,056,178)
Sales of services			540	540
Other local revenues			78,121	78,121
Transfers			1,890	1,890
Total revenues	<u>9,029,112</u>	<u>9,029,112</u>	<u>7,053,485</u>	<u>(1,975,627)</u>
Total expenditures	<u>9,029,112</u>	<u>9,029,112</u>	<u>7,089,031</u>	<u>1,940,081</u>
Deficiency of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (35,546)</u>	<u>\$ (35,546)</u>

(Continued on next page)

**CAPITOL REGION EDUCATION COUNCIL
SPECIAL REVENUE FUND
SCHEDULES OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
School to Career Initiatives				
Revenues:				
Grants in aid	\$ 355,000	\$ 922,201	\$ 716,284	\$ (205,917)
Sales of service			25,422	25,422
Transfers			595	595
Total revenues	<u>355,000</u>	<u>922,201</u>	<u>742,301</u>	<u>(179,900)</u>
Total expenditures	<u>355,000</u>	<u>922,201</u>	<u>742,235</u>	<u>179,966</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66</u>	<u>\$ 66</u>
Suburban Youth Programs				
Revenues:				
Sales of services	\$ 30,000	\$ 170,000	\$ -	\$ (170,000)
Grants in aid			98,805	98,805
Other local revenues			40,000	40,000
Transfers			10,000	10,000
Total revenues	<u>30,000</u>	<u>170,000</u>	<u>148,805</u>	<u>(21,195)</u>
Total expenditures	<u>30,000</u>	<u>170,000</u>	<u>148,805</u>	<u>21,195</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Entitlement Grants ARRA Funds				
Revenues:				
Grants in aid	\$ 93,228	\$ 93,228	\$ 93,228	\$ -
Total expenditures	<u>93,228</u>	<u>93,228</u>	<u>93,228</u>	<u>-</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Entitlement Grants				
Revenues:				
Grants in aid	\$ 423,581	\$ 423,581	\$ 432,496	\$ 8,915
Sales of services			7,740	7,740
Other local revenues			500	500
Total revenues	<u>423,581</u>	<u>423,581</u>	<u>440,736</u>	<u>17,155</u>
Total expenditures	<u>423,581</u>	<u>423,581</u>	<u>404,520</u>	<u>19,061</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,216</u>	<u>\$ 36,216</u>

(Continued on next page)

**CAPITOL REGION EDUCATION COUNCIL
SPECIAL REVENUE FUND
SCHEDULES OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Department of Corrections Professional Development				
Revenues:				
Grants in aid	\$ 230,000	\$ 230,000	\$ 168,063	\$ (61,937)
Total expenditures	<u>230,000</u>	<u>230,000</u>	<u>168,063</u>	<u>61,937</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Community Education				
Revenues:				
Grants in aid	\$ 1,729,453	\$ 2,187,322	\$ 1,873,579	\$ (313,743)
Sales of services			86,438	86,438
Transfers			10,600	10,600
Total revenues	<u>1,729,453</u>	<u>2,187,322</u>	<u>1,970,617</u>	<u>(216,705)</u>
Total expenditures	<u>1,729,453</u>	<u>2,187,322</u>	<u>1,970,617</u>	<u>216,705</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Metacomet Ridge Academy				
Revenues:				
Grants in aid	\$ 120,384	\$ 120,384	\$ 120,384	\$ -
Total expenditures	<u>120,384</u>	<u>120,384</u>	<u>120,384</u>	<u>-</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EQUAL Summer				
Revenues:				
Grants in aid	\$ 77,000	\$ 77,000	\$ 77,000	\$ -
Total expenditures	<u>77,000</u>	<u>77,000</u>	<u>77,000</u>	<u>-</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued on next page)

**CAPITOL REGION EDUCATION COUNCIL
SPECIAL REVENUE FUND
SCHEDULES OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012**

	Budget Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Regional School Choice Office				
Revenues:				
Grants in aid	\$ 1,800,000	\$ 1,800,000	\$ 1,693,640	\$ (106,360)
Total expenditures	<u>1,800,000</u>	<u>1,800,000</u>	<u>1,693,640</u>	<u>106,360</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Family Enrichment Services				
Revenues:				
Grants in aid	\$ 136,895	\$ 136,895	\$ 130,514	\$ (6,381)
Sales of services			3,712	3,712
Total revenues	<u>136,895</u>	<u>136,895</u>	<u>134,226</u>	<u>(2,669)</u>
Total expenditures	<u>136,895</u>	<u>136,895</u>	<u>130,514</u>	<u>6,381</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,712</u>	<u>\$ 3,712</u>
Hartford Association for the Education of Young Children (HAEYC)				
Revenues:				
Grants in aid	\$ 163,600	\$ 163,600	\$ 158,143	\$ (5,457)
Sales of services			1,845	1,845
Other local revenue			50	50
Total revenues	<u>163,600</u>	<u>163,600</u>	<u>160,038</u>	<u>(3,562)</u>
Total expenditures	<u>163,600</u>	<u>163,600</u>	<u>160,038</u>	<u>3,562</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Birth to Three				
Revenues:				
Grants in aid	\$ 1,601,390	\$ 1,601,390	\$ 1,507,041	\$ (94,349)
Sales of services			10,073	10,073
Other local revenues			111,907	111,907
Total revenues	<u>1,601,390</u>	<u>1,601,390</u>	<u>1,629,021</u>	<u>27,631</u>
Total expenditures	<u>1,601,390</u>	<u>1,601,390</u>	<u>1,564,092</u>	<u>37,298</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,929</u>	<u>\$ 64,929</u>

(Continued on next page)

**CAPITOL REGION EDUCATION COUNCIL
SPECIAL REVENUE FUND
SCHEDULES OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012**

	Budget Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Employment Training Program				
Revenues:				
Grants in aid	\$ 505,407	\$ 505,407	\$ 267,847	\$ (237,560)
Other local revenue			11,250	11,250
Tuition			16,930	16,930
Sales of services	261,997	261,997	290,098	28,101
Transfers			16,294	16,294
Total revenues	<u>767,404</u>	<u>767,404</u>	<u>602,419</u>	<u>(164,985)</u>
Total expenditures	<u>767,404</u>	<u>767,404</u>	<u>661,655</u>	<u>105,749</u>
Deficiency of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (59,236)</u>	<u>\$ (59,236)</u>
Early Education Programs				
Revenues:				
Grants in aid	\$ 1,217,500	\$ 1,422,757	\$ 1,422,757	\$ -
Total expenditures	<u>1,217,500</u>	<u>1,422,757</u>	<u>1,422,757</u>	<u>-</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Supplemental Services				
Revenues:				
Grants in aid	\$ 595,400	\$ 764,072	\$ 723,839	\$ (40,233)
Sales of services			41,143	41,143
Total revenues	<u>595,400</u>	<u>764,072</u>	<u>764,982</u>	<u>910</u>
Total expenditures	<u>595,400</u>	<u>764,072</u>	<u>763,812</u>	<u>260</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,170</u>	<u>\$ 1,170</u>

**Nonmajor
Governmental Funds**

NONMAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUND

SPECIAL EDUCATION SCHOOLS CAPITAL PROJECTS - Accounts for the special education schools' renovations.

PUBLIC SAFETY ACADEMY CONSTRUCTION - Accounts for the site acquisition and construction of a school facility for the Public Safety Academy. Eligible and recognized costs are reimbursable by an SDE facilities grant.

INTERNATIONAL MAGNET CONSTRUCTION - Accounts for the site acquisition and construction of a school facility for the International Magnet School for Global Citizenship. Eligible and recognized costs are reimbursable by an SDE facilities grant.

REGGIO MAGNET SCHOOL CONSTRUCTION - Accounts for the site acquisition and construction of a school facility for the Reggio Magnet School. Eligible and recognized costs are reimbursable by an SDE facilities grant.

SOUNDBRIDGE CONSTRUCTION - Accounts for renovation of the Soundbridge school facility in Wethersfield, Connecticut.

MEDICAL PROFESSIONS AND TEACHER PREPARATION ACADEMY CONSTRUCTION - Accounts for the site acquisition and construction of a school facility for the Medical Professions and Teacher Preparation Academy. Eligible and recognized costs are reimbursable by an SDE facilities grant.

RIVER STREET CONSTRUCTION - Accounts for site acquisition and renovation of a school facility for the River Street Program.

ACADEMY OF AEROSPACE AND ENGINEERING CONSTRUCTION - Accounts for the site acquisition and construction of a school facility for the Aerospace and Engineering Magnet School. Eligible and recognized costs are reimbursable by an SDE facilities grant.

MUSEUM ACADEMY CONSTRUCTION - Accounts for the site acquisition and construction of a school facility for the Museum Academy. Eligible and recognized costs are reimbursable by an SDE facilities grant.

DISCOVERY CENTER CONSTRUCTION - Accounts for the site acquisition and construction of a school facility for the Discovery Academy. Eligible and recognized costs are reimbursable by an SDE facilities grant.

CAPITAL LEASES - Accounts for CREC's capital leases.

PERMANENT FUND

NARKIN SCHOLARSHIP FUND - The Alvina Narkin Student Scholarship provides one yearly scholarship to students from CREC Soundbridge who are graduating from high school and are planning to go on to any post-secondary program.

DEBT SERVICE FUNDS

ADMINISTRATION CENTER PARKING LOT - Accounts for service of the debt on property of the Council located at 111 Charter Oak Avenue, Hartford.

BOND ISSUE COST CENTER - Accounts for the consolidated debt of the agency.

SPECIAL REVENUE FUND

CAPITOL REGION EDUCATION COUNCIL FOUNDATION INC. - The foundation supports CREC's public purpose of improving the quality of public education within Greater Hartford.

CAPITOL REGION EDUCATION COUNCIL

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2012

	Capital Projects Funds					
	Special Education Schools Capital Projects	Public Safety Academy Construction	International Magnet Construction	Reggio Magnet School Construction	Soundbridge Construction	Medical Professions and Teacher
ASSETS						
Cash and cash equivalents	\$ 777,759	\$	\$	\$	\$	\$
Investments						
Accounts receivable		1,730,357	652,780	1,447,579		239,751
Prepaid items						1,000
Total Assets	<u>\$ 777,759</u>	<u>\$ 1,730,357</u>	<u>\$ 652,780</u>	<u>\$ 1,447,579</u>	<u>\$ -</u>	<u>\$ 240,751</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$	\$ 162,059	\$ 16,401	\$ 241,712	\$ 33,638	\$
Due to other funds		1,568,298	636,379	1,205,867	721,306	240,751
Deferred revenues						
Total liabilities	<u>-</u>	<u>1,730,357</u>	<u>652,780</u>	<u>1,447,579</u>	<u>754,944</u>	<u>240,751</u>
Fund Balances:						
Nonspendable						1,000
Restricted						
Committed	777,759					
Assigned						
Unassigned					(754,944)	(1,000)
Total fund balance	<u>777,759</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(754,944)</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 777,759</u>	<u>\$ 1,730,357</u>	<u>\$ 652,780</u>	<u>\$ 1,447,579</u>	<u>\$ -</u>	<u>\$ 240,751</u>

(Continued on next page)

CAPITOL REGION EDUCATION COUNCIL
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)

JUNE 30, 2012

	Capital Projects Funds					Total Capital Projects Funds
	River Street Construction	Aerospace and Engineering Construction	Museum Academy Construction	Discovery Center Construction	Capital Lease	
ASSETS						
Cash and cash equivalents	\$ 754,095	\$ 194,654	\$ 468,879	\$ 427,345	\$ -	\$ 2,622,732
Investments						-
Accounts receivable						4,070,467
Prepaid items						1,000
Total Assets	\$ 754,095	\$ 194,654	\$ 468,879	\$ 427,345	\$ -	\$ 6,694,199
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ -	\$ 194,654	\$ 468,879	\$ 427,345	\$ -	\$ 1,544,688
Due to other funds						4,372,601
Deferred revenues						-
Total liabilities	-	194,654	468,879	427,345	-	5,917,289
Fund Balances:						
Nonspendable						1,000
Restricted						-
Committed	754,095					1,531,854
Assigned						-
Unassigned						(755,944)
Total fund balance	754,095	-	-	-	-	776,910
Total Liabilities and Fund Balances	\$ 754,095	\$ 194,654	\$ 468,879	\$ 427,345	\$ -	\$ 6,694,199

(Continued on next page)

CAPITOL REGION EDUCATION COUNCIL
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)

JUNE 30, 2012

	<u>Permanent Fund</u>	<u>Debt Service Funds</u>			<u>Special Revenues</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Narkin Scholarship Fund</u>	<u>Administration Center Parking Lot</u>	<u>Bond Issue Cost Center</u>	<u>Total Debt Service Funds</u>	<u>CREC Foundation Inc.</u>	
ASSETS						
Cash and cash equivalents	\$	\$	\$ 933,944	\$ 933,944	\$ 845	\$ 3,557,521
Investments	17,481			-		17,481
Accounts receivable				-		4,070,467
Prepaid items				-		1,000
Total Assets	<u>\$ 17,481</u>	<u>\$ -</u>	<u>\$ 933,944</u>	<u>\$ 933,944</u>	<u>\$ 845</u>	<u>\$ 7,646,469</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$	\$	\$	\$ -	\$	\$ 1,544,688
Due to other funds	106			-		4,372,707
Deferred revenues	375			-		375
Total liabilities	<u>481</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,917,770</u>
Fund Balances:						
Nonspendable	17,000					18,000
Restricted			933,944	933,944		933,944
Committed				-		1,531,854
Assigned				-	845	845
Unassigned				-		(755,944)
Total fund balance	<u>17,000</u>	<u>-</u>	<u>933,944</u>	<u>933,944</u>	<u>845</u>	<u>1,728,699</u>
Total Liabilities and Fund Balances	<u>\$ 17,481</u>	<u>\$ -</u>	<u>\$ 933,944</u>	<u>\$ 933,944</u>	<u>\$ 845</u>	<u>\$ 7,646,469</u>

CAPITOL REGION EDUCATION COUNCIL
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2012

	Capital Projects Funds					
	Special Education Schools Capital Projects	Public Safety Academy Construction	International Magnet Construction	Reggio Magnet School Construction	Soundbridge Construction	Medical Professions and Teacher
Revenues:						
Grants in aid	\$	\$ 3,692,605	\$ 3,040,639	\$ 4,096,303	\$	\$ 3,738,294
Investment income						
Total revenues	<u>-</u>	<u>3,692,605</u>	<u>3,040,639</u>	<u>4,096,303</u>	<u>-</u>	<u>3,738,294</u>
Expenditures:						
Current:						
Other objects						
Debt service:						
Principal						
Interest and fiscal charges						
Capital outlay		3,668,151	3,020,502	4,069,175		3,713,537
Total expenditures	<u>-</u>	<u>3,668,151</u>	<u>3,020,502</u>	<u>4,069,175</u>	<u>-</u>	<u>3,713,537</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>24,454</u>	<u>20,137</u>	<u>27,128</u>	<u>-</u>	<u>24,757</u>
Other Financing Sources (Uses):						
Transfers in	96,633				-	
Transfers out		(24,454)	(20,137)	(27,128)		(24,757)
Proceeds from capital lease						
Total other financing sources (uses)	<u>96,633</u>	<u>(24,454)</u>	<u>(20,137)</u>	<u>(27,128)</u>	<u>-</u>	<u>(24,757)</u>
Net Change in Fund Balances	96,633	-	-	-	-	-
Fund Balances at Beginning of Year	<u>681,126</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(754,944)</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 777,759</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (754,944)</u>	<u>\$ -</u>

(Continued on next page)

CAPITOL REGION EDUCATION COUNCIL
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2012

	Capital Projects Funds					
	River Street Construction	Aerospace and Engineering Construction	Museum Academy Construction	Discovery Center Construction	Capital Lease	Total Capital Projects Funds
Revenues:						
Grants in aid	\$	\$ 960,375	\$ 429,910	\$ 747,802	\$	\$ 16,705,928
Investment income						-
Total revenues	<u>-</u>	<u>960,375</u>	<u>429,910</u>	<u>747,802</u>	<u>-</u>	<u>16,705,928</u>
Expenditures:						
Current:						
Other objects						
Debt service:						
Principal						
Interest and fiscal charges						
Capital outlay		954,015	427,063	742,850	480,000	17,075,293
Total expenditures	<u>-</u>	<u>954,015</u>	<u>427,063</u>	<u>742,850</u>	<u>480,000</u>	<u>17,075,293</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>6,360</u>	<u>2,847</u>	<u>4,952</u>	<u>(480,000)</u>	<u>(369,365)</u>
Other Financing Sources (Uses):						
Transfers in						96,633
Transfers out		(6,360)	(2,847)	(4,952)		(110,635)
Proceeds from capital lease					480,000	480,000
Total other financing sources (uses)	<u>-</u>	<u>(6,360)</u>	<u>(2,847)</u>	<u>(4,952)</u>	<u>480,000</u>	<u>465,998</u>
Net Change in Fund Balances	-	-	-	-	-	96,633
Fund Balances at Beginning of Year	<u>754,095</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>680,277</u>
Fund Balances at End of Year	<u>\$ 754,095</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 776,910</u>

(Continued on next page)

CAPITOL REGION EDUCATION COUNCIL

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2012

	Permanent Fund	Debt Service Funds			Special Revenues	Total Nonmajor Governmental Funds
	Narkin Scholarship Fund	Administration Center Parking Lot	Bond Issue Cost Center	Total Debt Service Funds	CREC Foundation Inc.	
Revenues:						
Grants in aid	\$	\$	\$	\$ -	\$ 885,891	\$ 17,591,819
Investment income			66	66		66
Total revenues	<u>-</u>	<u>-</u>	<u>66</u>	<u>66</u>	<u>885,891</u>	<u>17,591,885</u>
Expenditures:						
Current:						
Other objects				-	885,313	885,313
Debt service:						
Principal		16,350	380,000	396,350		396,350
Interest and fiscal charges		3,924	87,075	90,999		90,999
Capital outlay				-		17,075,293
Total expenditures	<u>-</u>	<u>20,274</u>	<u>467,075</u>	<u>487,349</u>	<u>885,313</u>	<u>18,447,955</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>(20,274)</u>	<u>(467,009)</u>	<u>(487,283)</u>	<u>578</u>	<u>(856,070)</u>
Other Financing Sources (Uses):						
Transfers in		20,274	467,075	487,349		583,982
Transfers out				-		(110,635)
Proceeds from capital lease				-		480,000
Total other financing sources (uses)	<u>-</u>	<u>20,274</u>	<u>467,075</u>	<u>487,349</u>	<u>-</u>	<u>953,347</u>
Net Change in Fund Balances	-	-	66	66	578	97,277
Fund Balances at Beginning of Year	<u>17,000</u>	<u>-</u>	<u>933,878</u>	<u>933,878</u>	<u>267</u>	<u>1,631,422</u>
Fund Balances at End of Year	<u>\$ 17,000</u>	<u>\$ -</u>	<u>\$ 933,944</u>	<u>\$ 933,944</u>	<u>\$ 845</u>	<u>\$ 1,728,699</u>

**Nonmajor
Enterprise Funds**

NONMAJOR ENTERPRISE FUNDS

MONTESSORI TRAINING CENTER OF NEW ENGLAND (MTCNE) - This program was created to provide individuals the opportunity to become AMI (Association Montessori Internationale) certified teachers. The training center serves to promote education through the scientific discoveries of child development based on Maria Montessori's theories.

LEARNING CORRIDOR THEATER - The Theater of the Performing Arts was built at the Learning Corridor and is part of the Greater Hartford Academy of the Arts complex. The Theater has many performances given by professional/visiting artists.

COOPERATIVE PURCHASING - CREC's Cooperative Purchasing Program pools district purchasing power - statewide and nationally - to offer aggressive, pre-bid prices on a wide array of supplies and equipment to participating school districts throughout Connecticut and, to a lesser extent, other states.

REGIONAL FINGERPRINTING SERVICES - A law enacted in 1994 requires Connecticut school districts to fingerprint all new hires for state and national criminal history checks. CREC provides a fingerprinting service to its member districts.

OFFICE OF COMMUNICATIONS - This office helps our divisions communicate effectively with internal and external audiences and also offers its writing, editing, public relations, marketing, advertising and graphic design services to external clients.

STAFF DEVELOPMENT - Staff Development provides professional development opportunities, training and technical assistance to the educators in CREC's 35 districts. Revenue is provided by sales of program services.

BEST SERVICES - Funds collected are used to support the training of school district teachers as part of the Beginning Educators Support Training program.

PROPERTY AND EQUIPMENT RENTAL - CREC has tenants renting available office space at some of its facilities. Equipment rental is also provided to programs.

CONNECTICUT ASSOCIATION OF SCHOOL BUSINESS OFFICIALS (CASBO) - CREC provides administrative and financial support services to the Connecticut Association of School Business Officials.

CONFERENCE SERVICES - Conference facilities and the CREC cafeteria at the CREC Central facility are made available to CREC programs and outside agencies. The related financial activity is accounted for in this fund.

TECHNICAL ASSISTANCE BROKERING SERVICES - This fund is used to account for the general provision of services TABS provides outside the scope of technical assistance and brokering. This fund currently includes online student services, employee assistance to districts and study skills programs for students.

COMMUNITY EDUCATION - The division of Community Education provides leadership, training and consulting services to improve the quality of adult education and deliver effective adult educator training and development across the state.

CONSTRUCTION SERVICES - CREC provides school construction-related technical assistance to school districts throughout Connecticut. These services include the development of educational specifications, planning, SDE filings, architectural review assistance, budgeting and construction program management. This fund also provides services to internal CREC construction projects.

CAPITOL REGION EDUCATION COUNCIL

NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET ASSETS

JUNE 30, 2012

	<u>Montessori Training Center of New England</u>	<u>Learning Corridor Theater</u>	<u>Cooperative Purchasing</u>	<u>Regional Fingerprinting Services</u>	<u>Office of Communications</u>	<u>Staff Development</u>	<u>BEST Services</u>
Assets:							
Current:							
Cash and cash equivalents	\$ 143,912	\$	\$ 111,014	\$ 44,158	\$ 25,755	\$ 74,072	\$ 20,666
Accounts receivable	44,300	10,693	1,076	2,580			
Prepaid items							
Total current assets	<u>188,212</u>	<u>10,693</u>	<u>112,090</u>	<u>46,738</u>	<u>25,755</u>	<u>74,072</u>	<u>20,666</u>
Noncurrent:							
Capital assets, net		3,001					
Total assets	<u>188,212</u>	<u>13,694</u>	<u>112,090</u>	<u>46,738</u>	<u>25,755</u>	<u>74,072</u>	<u>20,666</u>
Liabilities:							
Current:							
Accounts payable and accrued liabilities	12,835	5,770	195	6,489			
Due to other funds		10,431					
Deferred revenue	56,494						
Compensated absences							
Total current liabilities	<u>69,329</u>	<u>16,201</u>	<u>195</u>	<u>6,489</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Assets:							
Invested in capital assets, net of related debt		3,001					
Unrestricted	<u>118,883</u>	<u>(5,508)</u>	<u>111,895</u>	<u>40,249</u>	<u>25,755</u>	<u>74,072</u>	<u>20,666</u>
Total Net Assets	<u>\$ 118,883</u>	<u>\$ (2,507)</u>	<u>\$ 111,895</u>	<u>\$ 40,249</u>	<u>\$ 25,755</u>	<u>\$ 74,072</u>	<u>\$ 20,666</u>

(Continued on next page)

CAPITOL REGION EDUCATION COUNCIL

NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET ASSETS (CONTINUED)

JUNE 30, 2012

	<u>Property and Equipment Rental</u>	<u>CASBO Support Services</u>	<u>Conference Services</u>	<u>Technical Assistance Brokering Service</u>	<u>Community Education</u>	<u>Construction Services</u>	<u>Total</u>
Assets:							
Current:							
Cash and cash equivalents	\$ 32,399	\$ 25,513	\$	\$ 276,949	\$ 81,968	\$ 841,028	\$ 1,677,434
Accounts receivable			3,245	20,445	19,423	156,940	258,702
Prepaid items			6,319				6,319
Total current assets	<u>32,399</u>	<u>25,513</u>	<u>9,564</u>	<u>297,394</u>	<u>101,391</u>	<u>997,968</u>	<u>1,942,455</u>
Noncurrent:							
Capital assets, net	<u>2,312</u>					<u>14,273</u>	<u>19,586</u>
Total assets	<u>34,711</u>	<u>25,513</u>	<u>9,564</u>	<u>297,394</u>	<u>101,391</u>	<u>1,012,241</u>	<u>1,962,041</u>
Liabilities:							
Current:							
Accounts payable and accrued liabilities	20		5,408	6,126	37,815	76,881	151,539
Due to other funds			38,878				49,309
Deferred revenue					28,862		85,356
Compensated absences			2,756		2,439	75,669	80,864
Total current liabilities	<u>20</u>	<u>-</u>	<u>47,042</u>	<u>6,126</u>	<u>69,116</u>	<u>152,550</u>	<u>367,068</u>
Net Assets:							
Invested in capital assets, net of related debt	2,312					14,273	19,586
Unrestricted	<u>32,379</u>	<u>25,513</u>	<u>(37,478)</u>	<u>291,268</u>	<u>32,275</u>	<u>845,418</u>	<u>1,575,387</u>
Total Net Assets	<u>\$ 34,691</u>	<u>\$ 25,513</u>	<u>\$ (37,478)</u>	<u>\$ 291,268</u>	<u>\$ 32,275</u>	<u>\$ 859,691</u>	<u>\$ 1,594,973</u>

CAPITOL REGION EDUCATION COUNCIL

**NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS**

FOR THE YEAR ENDED JUNE 30, 2012

	<u>Montessori Training Center of New England</u>	<u>Learning Corridor Theater</u>	<u>Cooperative Purchasing</u>	<u>Regional Fingerprinting Services</u>	<u>Office of Communications</u>	<u>Staff Development</u>	<u>BEST Services</u>
Operating Revenues:							
Sales of services	\$ 185,823	\$ 91,355	\$ 94,025	\$ 126,155	\$	\$	\$
Other local revenues		142					
Total operating revenues	<u>185,823</u>	<u>91,497</u>	<u>94,025</u>	<u>126,155</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating Expenses:							
Salaries	86,212	36,008	20,104	47,798			
Employee benefits	8,757	11,247	2,765	19,465			
Purchased professional and technical services	30,762		11,991				
Purchased property services	4,938	23,966		7,200			
Other purchased services	18,902	551	11,063	60,879			
Supplies	2,483	12,035	585	665			
Property Depreciation		8,821 693	1,077				
Other	6,885		2,169				
Total operating expenses	<u>158,939</u>	<u>93,321</u>	<u>49,754</u>	<u>136,007</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income (Loss) Before Transfers	26,884	(1,824)	44,271	(9,852)	-	-	-
Transfers In	8,000	805					
Transfers Out	<u>(25,577)</u>	<u>(10,316)</u>	<u>(246)</u>				
Change in Net Assets	9,307	(11,335)	44,025	(9,852)	-	-	-
Net Assets at Beginning of Year	<u>109,576</u>	<u>8,828</u>	<u>67,870</u>	<u>50,101</u>	<u>25,755</u>	<u>74,072</u>	<u>20,666</u>
Net Assets and End of Year	<u>\$ 118,883</u>	<u>\$ (2,507)</u>	<u>\$ 111,895</u>	<u>\$ 40,249</u>	<u>\$ 25,755</u>	<u>\$ 74,072</u>	<u>\$ 20,666</u>

(Continued on next page)

CAPITOL REGION EDUCATION COUNCIL
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2012

	<u>Property and Equipment Rental</u>	<u>CASBO Support Services</u>	<u>Conference Services</u>	<u>Technical Assistance Brokering Service</u>	<u>Community Education</u>	<u>Construction Services</u>	<u>Total</u>
Operating Revenues:							
Sales of services	\$	\$ 2,053	\$ 53,480	\$ 232,016	\$ 172,639	\$ 891,680	\$ 1,849,226
Other local revenues					29,159		29,301
Total operating revenues	<u>-</u>	<u>2,053</u>	<u>53,480</u>	<u>232,016</u>	<u>201,798</u>	<u>891,680</u>	<u>1,878,527</u>
Operating Expenses:							
Salaries		710	91,393	24,490	79,952	306,334	693,001
Employee benefits		54	22,778	7,490	37,119	56,817	166,492
Purchased professional and technical services			250	154,801	27,999	100,904	326,707
Purchased property services					2,559	14,150	52,813
Other purchased services		259	2,995	34,664	35,216	17,474	182,003
Supplies			65,675	15	18,473	2,889	102,820
Property Depreciation	852		2,223			1,192	2,737
Other			50			1,352	10,456
Total operating expenses	<u>852</u>	<u>1,023</u>	<u>185,364</u>	<u>221,460</u>	<u>201,318</u>	<u>501,112</u>	<u>1,549,150</u>
Income (Loss) Before Transfers	(852)	1,030	(131,884)	10,556	480	390,568	329,377
Transfers In			99,105	30,425	19,403	110,635	268,373
Transfers Out		(1,021)		(8,942)	(16,976)	(146,650)	(209,728)
Change in Net Assets	(852)	9	(32,779)	32,039	2,907	354,553	388,022
Net Assets at Beginning of Year	<u>35,543</u>	<u>25,504</u>	<u>(4,699)</u>	<u>\$ 259,229</u>	<u>29,368</u>	<u>505,138</u>	<u>1,206,951</u>
Net Assets and End of Year	<u>\$ 34,691</u>	<u>\$ 25,513</u>	<u>\$ (37,478)</u>	<u>\$ 291,268</u>	<u>\$ 32,275</u>	<u>\$ 859,691</u>	<u>\$ 1,594,973</u>

CAPITOL REGION EDUCATION COUNCIL

NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2012

	Montessori Training Center of New England	Learning Corridor Theater	Cooperative Purchasing	Regional Fingerprinting Services	Office of Communications	Staff Development	BEST Services
Cash Flows from Operating Activities:							
Cash received from customers and users	\$ 208,739	95,943	93,399	124,715	\$	\$	\$
Cash received from interfund services provided		3,019					
Cash payments to suppliers	(63,193)	(42,196)	(27,543)	(68,653)			
Cash payments to employees	(94,969)	(47,255)	(22,869)	(67,263)			
Net cash provided by (used in) operating activities	<u>50,577</u>	<u>9,511</u>	<u>42,987</u>	<u>(11,201)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows from Noncapital Financing Activities:							
Transfers from other funds	8,000	805					
Transfers to other funds	(25,577)	(10,316)	(246)				
Net cash provided by (used in) noncapital financing activities	<u>(17,577)</u>	<u>(9,511)</u>	<u>(246)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:							
Additions to property, plant and equipment							
Net Increase in Cash and Cash Equivalents	33,000	-	42,741	(11,201)	-	-	-
Cash and Cash Equivalents at Beginning of Year	<u>110,912</u>	<u>-</u>	<u>68,273</u>	<u>55,359</u>	<u>25,755</u>	<u>74,072</u>	<u>20,666</u>
Cash and Cash Equivalents at End of Year	<u>\$ 143,912</u>	<u>\$ -</u>	<u>\$ 111,014</u>	<u>\$ 44,158</u>	<u>\$ 25,755</u>	<u>\$ 74,072</u>	<u>\$ 20,666</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:							
Operating income (loss)	\$ 26,884	\$ (1,824)	\$ 44,271	\$ (9,852)	\$	\$	\$
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation		693					
Change in assets and liabilities:							
(Increase) decrease in accounts receivable	72,616	4,446	(626)	(1,440)			
Increase (decrease) in accounts payable and accrued liabilities	777	3,177	(658)	91			
Increase (decrease) in compensated absences							
Increase (decrease) in due to other funds		3,019					
Increase (decrease) in deferred revenues	(49,700)						
Total adjustments	<u>23,693</u>	<u>11,335</u>	<u>(1,284)</u>	<u>(1,349)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 50,577</u>	<u>\$ 9,511</u>	<u>\$ 42,987</u>	<u>\$ (11,201)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued on next page)

CAPITOL REGION EDUCATION COUNCIL
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Property and Equipment Rental</u>	<u>CASBO Support Services</u>	<u>Conference Services</u>	<u>Technical Assistance Brokering Service</u>	<u>Community Education</u>	<u>Construction Services</u>	<u>Total</u>
Cash Flows from Operating Activities:							
Cash received from customers and users	\$	\$ 5,439	\$ 65,632	\$ 227,651	\$ 156,454	\$ 1,031,910	\$ 2,009,882
Cash received from interfund services provided			20,532				23,551
Cash payments to suppliers	(5)	(259)	(70,875)	(186,336)	(58,283)	(98,220)	(615,563)
Cash payments to employees		(764)	(114,394)	(31,980)	(118,160)	(326,212)	(823,866)
Net cash provided by (used in) operating activities	<u>(5)</u>	<u>4,416</u>	<u>(99,105)</u>	<u>9,335</u>	<u>(19,989)</u>	<u>607,478</u>	<u>594,004</u>
Cash Flows from Noncapital Financing Activities:							
Transfers from other funds			99,105	30,425	19,403	110,635	268,373
Transfers to other funds		(1,021)		(8,942)	(16,976)	(146,650)	(209,728)
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>(1,021)</u>	<u>99,105</u>	<u>21,483</u>	<u>2,427</u>	<u>(36,015)</u>	<u>58,645</u>
Cash Flows from Capital and Related Financing Activities:							
Additions to property, plant and equipment						(15,279)	(15,279)
Net Increase in Cash and Cash Equivalents	(5)	3,395	-	30,818	(17,562)	556,184	637,370
Cash and Cash Equivalents at Beginning of Year	<u>32,404</u>	<u>22,118</u>	<u>-</u>	<u>246,131</u>	<u>99,530</u>	<u>284,844</u>	<u>1,040,064</u>
Cash and Cash Equivalents at End of Year	<u>\$ 32,399</u>	<u>\$ 25,513</u>	<u>\$ -</u>	<u>\$ 276,949</u>	<u>\$ 81,968</u>	<u>\$ 841,028</u>	<u>\$ 1,677,434</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:							
Operating income (loss)	\$ (852)	\$ 1,030	\$ (131,884)	\$ 10,556	\$ 480	\$ 390,568	\$ 329,377
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation	852					1,192	2,737
Change in assets and liabilities:							
(Increase) decrease in accounts receivable		3,386	12,152	(15)	5,315	140,230	236,064
Increase (decrease) in accounts payable and accrued liabilities	(5)		318	3,144	25,964	38,549	71,357
Increase (decrease) in compensated absences			(223)		(1,089)	36,939	35,627
Increase (decrease) in due to other funds			20,532				23,551
Increase (decrease) in deferred revenues				(4,350)	(50,659)		(104,709)
Total adjustments	<u>847</u>	<u>3,386</u>	<u>32,779</u>	<u>(1,221)</u>	<u>(20,469)</u>	<u>216,910</u>	<u>264,627</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (5)</u>	<u>\$ 4,416</u>	<u>\$ (99,105)</u>	<u>\$ 9,335</u>	<u>\$ (19,989)</u>	<u>\$ 607,478</u>	<u>\$ 594,004</u>

This page is intentionally left blank.

Internal Service Funds

INTERNAL SERVICE FUNDS

CREC STAFF DEVELOPMENT - Funds contributed by all CREC operating programs that support a coordinated internal staff development program for all CREC staff members.

CREC WIDE AREA NETWORK - This fund centralizes organization-wide technology costs and allocates costs to the internal users of these services.

COPY CENTER - The CREC Copy Center offers a variety of services including copying, offset printing, mailing and assembly of printed materials to CREC programs, interested school systems and nonprofit organizations.

SELF INSURANCE - CREC's employee health insurance is primarily provided by a self-insured fund administered by Blue Cross/Blue Shield of Connecticut. This program accounts for all CREC health insurance activity and is responsible for maintaining the required reserves to provide health insurance coverage.

CREC UNEMPLOYMENT - The CREC Unemployment Fund is a self-funded program to cover unemployment compensation costs incurred by the agency. CREC funds its unemployment claims to the State Unemployment Compensation Fund under the reimbursement method as opposed to the taxable method.

WORKERS' COMPENSATION - The Workers' Compensation Fund is a self-insured program to cover workers' compensation costs incurred by the agency. This program started on July 1, 2010 and accounts for all CREC workers compensation activity. It funds the required reserves and excess insurance coverage.

EMPLOYEE BENEFIT FUND - CREC sponsors the CREC 403(b) Retirement Plan, which was established July 1, 1997. It provides benefits at retirement to all noncertified employees of CREC. CREC matches eligible member contributions up to 5% of covered salary.

CAPITOL REGION EDUCATION COUNCIL

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS

JUNE 30, 2012

	<u>CREC Staff Development</u>	<u>CREC Wide Area Network</u>	<u>Copy Center</u>	<u>Self Insurance</u>	<u>CREC Unemployment</u>	<u>Workers' Compensation</u>	<u>Employee Benefit Fund</u>	<u>Total</u>
Assets:								
Current:								
Cash and cash equivalents	\$ 293,932	\$ 110,946	\$ 202,533	\$ 9,170,213	\$ 1,367,533	\$	\$ 1,249,723	\$ 12,394,880
Accounts receivable		270,285		6,882				277,167
Due from other funds						1,145,574		1,145,574
Prepaid items			8,447			50,000		58,447
Total current assets	<u>293,932</u>	<u>381,231</u>	<u>210,980</u>	<u>9,177,095</u>	<u>1,367,533</u>	<u>1,195,574</u>	<u>1,249,723</u>	<u>13,876,068</u>
Noncurrent:								
Capital assets, net		41,612	12,378					53,990
Total assets	<u>293,932</u>	<u>422,843</u>	<u>223,358</u>	<u>9,177,095</u>	<u>1,367,533</u>	<u>1,195,574</u>	<u>1,249,723</u>	<u>13,930,058</u>
Liabilities:								
Current:								
Accounts payable and accrued liabilities	16,036	78,773	4,124	1,009,764	85,695	1,057,308	37,996	2,289,696
Due to other funds				3,300				3,300
Deferred revenue	21,500							21,500
Compensated absences		64,954	1,449					66,403
Total liabilities	<u>37,536</u>	<u>143,727</u>	<u>5,573</u>	<u>1,013,064</u>	<u>85,695</u>	<u>1,057,308</u>	<u>37,996</u>	<u>2,380,899</u>
Net Assets:								
Invested in capital assets, net of related debt		41,612	12,378					53,990
Unrestricted	<u>256,396</u>	<u>237,504</u>	<u>205,407</u>	<u>8,164,031</u>	<u>1,281,838</u>	<u>138,266</u>	<u>1,211,727</u>	<u>11,495,169</u>
Total Net Assets	<u>\$ 256,396</u>	<u>\$ 279,116</u>	<u>\$ 217,785</u>	<u>\$ 8,164,031</u>	<u>\$ 1,281,838</u>	<u>\$ 138,266</u>	<u>\$ 1,211,727</u>	<u>\$ 11,549,159</u>

CAPITOL REGION EDUCATION COUNCIL
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2012

	CREC Staff Development	CREC Wide Area Network	Copy Center	Self Insurance	CREC Unemployment	Workers' Compensation	Employee Benefit Fund	Total
Operating Revenues:								
Sales of services	\$ 206,381	\$ 1,761,823	\$ 233,435	\$ 16,039,667	\$ 742,179	\$ 1,221,943	\$ 1,270,910	\$ 21,476,338
Other local revenues	43,468			2,526,501				2,569,969
Total operating revenues	<u>249,849</u>	<u>1,761,823</u>	<u>233,435</u>	<u>18,566,168</u>	<u>742,179</u>	<u>1,221,943</u>	<u>1,270,910</u>	<u>24,046,307</u>
Operating Expenses:								
Salaries	42,339	1,141,255	45,690	255,998		64,887		1,550,169
Employee benefits	7,164	333,817	13,066	16,490,093	456,933	899,505	1,228,490	19,429,068
Purchased professional and technical services	2,510	16,586		43,914	5,699	8,272		76,981
Purchased property services		23,336	30,436	2,190				55,962
Other purchased services	82,358	377,042	95,231	15,930		104,060		674,621
Supplies	5,182	284	17,548	18,374		278		41,666
Property		38,166		1,224				39,390
Depreciation		20,526	935					21,461
Other				241				241
Total operating expenses	<u>139,553</u>	<u>1,951,012</u>	<u>202,906</u>	<u>16,827,964</u>	<u>462,632</u>	<u>1,077,002</u>	<u>1,228,490</u>	<u>21,889,559</u>
Income (Loss) Before Transfers	110,296	(189,189)	30,529	1,738,204	279,547	144,941	42,420	2,156,748
Transfers In	2,200			1,259				3,459
Transfers Out	<u>(27,776)</u>	<u>(26,900)</u>	<u>(13,910)</u>	<u>(734)</u>				<u>(69,320)</u>
Change in Net Assets	84,720	(216,089)	16,619	1,738,729	279,547	144,941	42,420	2,090,887
Net Assets at Beginning of Year	<u>171,676</u>	<u>495,205</u>	<u>201,166</u>	<u>6,425,302</u>	<u>1,002,291</u>	<u>(6,675)</u>	<u>1,169,307</u>	<u>9,458,272</u>
Net Assets at End of Year	<u>\$ 256,396</u>	<u>\$ 279,116</u>	<u>\$ 217,785</u>	<u>\$ 8,164,031</u>	<u>\$ 1,281,838</u>	<u>\$ 138,266</u>	<u>\$ 1,211,727</u>	<u>\$ 11,549,159</u>

CAPITOL REGION EDUCATION COUNCIL

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2012

	CREC Staff Development	CREC Wide Area Network	Copy Center	Self Insurance	CREC Unemployment	Workers' Compensation	Employee Benefit Fund	Total
Cash Flows from Operating Activities:								
Cash received from customers and users	\$ 245,199	\$ 1,804,430	\$ 233,435	\$ 18,562,256	\$ 742,179	\$ 1,221,943	\$ 1,270,910	\$ 24,080,352
Cash received from interfund services provided				3,300				3,300
Cash payments to suppliers	(102,451)	(463,495)	(117,651)	(74,800)	(5,699)	(65,110)	37,996	(791,210)
Cash payments to employees	(48,435)	(1,448,822)	(58,842)	(16,541,437)	(434,381)	(703,687)	(1,228,490)	(20,464,094)
Cash payments for interfund services used						(453,146)		(453,146)
Net cash provided by (used in) operating activities	<u>94,313</u>	<u>(107,887)</u>	<u>56,942</u>	<u>1,949,319</u>	<u>302,099</u>	<u>-</u>	<u>80,416</u>	<u>2,375,202</u>
Cash Flows from Noncapital Financing Activities:								
Transfers from other funds	2,200		(12,673)	1,259				(9,214)
Transfers to other funds	(27,776)	(26,900)	(13,910)	(734)				(69,320)
Net cash provided by (used in) noncapital financing activities	<u>(25,576)</u>	<u>(26,900)</u>	<u>(26,583)</u>	<u>525</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(78,534)</u>
Cash Flows from Capital and Related Financing Activities:								
Additions to property, plant and equipment		(8,183)						(8,183)
Net Increase (Decrease) in Cash and Cash Equivalents	68,737	(142,970)	30,359	1,949,844	302,099	-	80,416	2,288,485
Cash and Cash Equivalents at Beginning of Year	<u>225,195</u>	<u>253,916</u>	<u>172,174</u>	<u>7,220,369</u>	<u>1,065,434</u>	<u>-</u>	<u>1,169,307</u>	<u>10,106,395</u>
Cash and Cash Equivalents at End of Year	<u>\$ 293,932</u>	<u>\$ 110,946</u>	<u>\$ 202,533</u>	<u>\$ 9,170,213</u>	<u>\$ 1,367,533</u>	<u>\$ -</u>	<u>\$ 1,249,723</u>	<u>\$ 12,394,880</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:								
Operating income (loss)	\$ 110,296	\$ (189,189)	\$ 30,529	\$ 1,738,204	\$ 279,547	\$ 144,941	\$ 42,420	\$ 2,156,748
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:								
Depreciation		20,526	935					21,461
Change in assets and liabilities:								
(Increase) decrease in accounts receivable		42,607		(3,912)				38,695
(Increase) decrease in other assets	21,060		27,167			47,500		95,727
(Increase) decrease in due from other funds						(453,146)		(453,146)
Increase (decrease) in accounts payable and accrued liabilities	(32,393)	9,395	(1,401)	212,031	22,552	260,705	37,996	508,885
Increase (decrease) in compensated absences		8,774	(288)	(304)				8,182
Increase (decrease) in due to other funds				3,300				3,300
Increase (decrease) in deferred revenues	(4,650)							(4,650)
Total adjustments	<u>(15,983)</u>	<u>81,302</u>	<u>26,413</u>	<u>211,115</u>	<u>22,552</u>	<u>(144,941)</u>	<u>37,996</u>	<u>218,454</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 94,313</u>	<u>\$ (107,887)</u>	<u>\$ 56,942</u>	<u>\$ 1,949,319</u>	<u>\$ 302,099</u>	<u>\$ -</u>	<u>\$ 80,416</u>	<u>\$ 2,375,202</u>

Fiduciary Funds

FIDUCIARY FUNDS

RIVER STREET SCHOOL EQUIPMENT ESCROW - Earnings from activities for equipment and contributions from others held by CREC on behalf of the River Street School.

RIVER STREET SCHOOL-COLTSVILLE - Earnings from student activity projects and contributions from others held by CREC on behalf of the River Street School students at Coltsville.

GREATER HARTFORD ACADEMY OF THE ARTS - Student activity funds held on behalf of the students of the Academy to be used to further special activities at the school.

METROPOLITAN LEARNING CENTER - Funds earned by the students of MLC from special projects, held by CREC to be used to finance future projects and activities.

SPECIAL EDUCATION ESCROW - Funds held on behalf of member districts for special education.

RIVER STREET SCHOOL - Earnings from student activity projects and contributions from others held by CREC on behalf of the River Street School students.

GREAT PATH ACADEMY - Funds held on behalf of the students of the school.

STATEWIDE RESCS ESCROW - Funds held by CREC as fiduciary of the CT RESC Alliance to be used to support joint activities.

ACADEMY OF AEROSPACE AND ENGINEERING/GREATER HARTFORD ACADEMY OF MATHEMATICS AND SCIENCE MAGNET SCHOOL ESCROW - Student activity funds held on behalf of the students of the Academy to be used to further special activities at the school.

INTEGRATED PROGRAM MODEL - Student activity funds held on behalf of the students of the program.

EAST HARTFORD/GLASTONBURY MAGNET SCHOOL ESCROW - Student activity funds held on behalf of the students of the school.

RESC ALLIANCE MINORITY RECRUITING - Member district funds, held by CREC, used to further the Minority Recruiting Program.

CREC CHARTER OAK ESCROW - Funds contributed by CREC staff housed in the Central Administrative Building are used to support monthly staff activities.

POLARIS STUDENT ACTIVITY FUND - Funds held on behalf of the students of the Polaris Center.

CHOICE ESCROW - Funds held on behalf of the students of the Choice program.

TWO RIVERS ESCROW - Student activity funds held on behalf of the students of the school.

MONTESSORI MAGNET SCHOOL - Student activity funds held on behalf of the students of the school.

INTERNATIONAL MAGNET SCHOOL FOR GLOBAL CITIZENSHIP ESCROW - Student activity funds held on behalf of the students of the school.

REGGIO MAGNET SCHOOL OF THE ARTS ESCROW - Student activity funds held on behalf of the students of the school.

HARTFORD AREA SUPERINTENDENTS' ASSOCIATION - Activity funds held on behalf of the local superintendents association.

DISCOVER ACADEMY ESCROW - Student activity funds held on behalf of the students of the school.

CAPITOL REGION EDUCATION COUNCIL

FIDUCIARY FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2012

	<u>RSS Equipment Escrow</u>	<u>River Street/ Coltsville</u>	<u>Greater Hartford Academy of the Arts</u>	<u>Metropolitan Learning Center</u>	<u>Special Education Escrow</u>	<u>River Street School</u>	<u>Great Path Academy</u>	<u>Statewide RESCS Escrow</u>	<u>AAE/ GHAMAS Escrow</u>	<u>Integrated Program Model</u>	<u>East Hartford/ Glastonbury Magnet School Escrow</u>
Assets:											
Cash and cash equivalents	\$ 11,940	\$ 16,375	\$ 59,156	\$ 22,963	\$ 108,531	\$ 132,298	\$	\$	\$ 9,639	\$ 235	\$ 2,773
Other assets											
Total Assets	<u>\$ 11,940</u>	<u>\$ 16,375</u>	<u>\$ 59,156</u>	<u>\$ 22,963</u>	<u>\$ 108,531</u>	<u>\$ 132,298</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,639</u>	<u>\$ 235</u>	<u>\$ 2,773</u>
Liabilities:											
Accounts payable	\$	\$	\$	\$	\$	\$	\$ 291	\$ 976	\$	\$	\$
Fiduciary deposits	<u>11,940</u>	<u>16,375</u>	<u>59,156</u>	<u>22,963</u>	<u>108,531</u>	<u>132,298</u>	<u>(291)</u>	<u>(976)</u>	<u>9,639</u>	<u>235</u>	<u>2,773</u>
Total Liabilities	<u>\$ 11,940</u>	<u>\$ 16,375</u>	<u>\$ 59,156</u>	<u>\$ 22,963</u>	<u>\$ 108,531</u>	<u>\$ 132,298</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,639</u>	<u>\$ 235</u>	<u>\$ 2,773</u>

CAPITOL REGION EDUCATION COUNCIL
FIDUCIARY FUNDS
COMBINING BALANCE SHEET (CONTINUED)

JUNE 30, 2012

	RESC Alliance Minority Recruiting	CREC Charter Oak Escrow	Polaris Student Activity	Choice Escrow	Two Rivers Escrow	Montessori Magnet School	IMS Escrow	Reggio Escrow	HASA Escrow	Discovery Academy Escrow	Total
Assets:											
Cash and cash equivalents	\$ 744	\$ 4,334	\$ 6,625	\$ 189	\$ 31,043	\$ 11,681	\$	\$ 6,550	\$ 26,411	\$ 316	\$ 451,803
Other assets										530	530
Total Assets	\$ 744	\$ 4,334	\$ 6,625	\$ 189	\$ 31,043	\$ 11,681	\$ -	\$ 6,550	\$ 26,411	\$ 846	\$ 452,333
Liabilities:											
Accounts payable	\$	\$	\$ 351	\$	\$	\$	\$ 74	\$	\$	\$	\$ 1,692
Fiduciary deposits	744	4,334	6,274	189	31,043	11,681	(74)	6,550	26,411	846	450,641
Total Liabilities	\$ 744	\$ 4,334	\$ 6,625	\$ 189	\$ 31,043	\$ 11,681	\$ -	\$ 6,550	\$ 26,411	\$ 846	\$ 452,333

CAPITOL REGION EDUCATION COUNCIL

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2012

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2012</u>
ASSETS				
Cash and Cash Equivalents:				
RSS Equipment Escrow	\$ 11,515	\$ 425	\$	\$ 11,940
River Street/Coltsville	18,001	700	2,326	16,375
Greater Hartford Arts Academy	72,110	64,821	77,775	59,156
Metropolitan Learning Center	20,905	2,300	242	22,963
Special Education Escrow	46,160	208,848	146,477	108,531
River Street School	137,666	13,787	19,155	132,298
Great Path Academy	6,143	291	6,434	-
Statewide RESCS Escrow	(6,667)	64,976	58,309	-
AAE/GHAMAS Escrow	11,746	1,330	3,437	9,639
Integrated Program Model	235			235
East Hartford/Glastonbury Magnet School Escrow	3,109	60	396	2,773
RESC Alliance Minority Recruiting	744			744
CREC Charter Oak Escrow	3,266	1,068		4,334
Polaris Student Activity	4,514	3,759	1,648	6,625
Choice Escrow	4	185		189
Two Rivers Escrow	23,802	7,241		31,043
Montessori Magnet School	15,251	922	4,492	11,681
IMS Escrow	(74)	74		-
Reggio Escrow	580	7,889	1,919	6,550
HASA Escrow	14,031	18,025	5,645	26,411
Discovery Academy Escrow		845	529	316
	<u>383,041</u>	<u>397,546</u>	<u>328,784</u>	<u>451,803</u>
Total cash and cash equivalents				
Other Assets:				
Discovery Academy Escrow		530		530
	<u>383,041</u>	<u>398,076</u>	<u>328,784</u>	<u>452,333</u>
Total Assets	<u>\$ 383,041</u>	<u>\$ 398,076</u>	<u>\$ 328,784</u>	<u>\$ 452,333</u>

(Continued on next page)

CAPITOL REGION EDUCATION COUNCIL

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2012

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2012</u>
LIABILITIES				
Accounts Payable:				
Statewide RESCS Escrow	\$	\$ 976	\$	\$ 976
Polaris Student Activity		351		351
Great Path Academy		291		291
IMS Escrow		74		74
Total accounts payable	<u>-</u>	<u>1,692</u>	<u>-</u>	<u>1,692</u>
Fiduciary Deposits:				
RSS Equipment Escrow	11,515	425		11,940
River Street/Coltsville	18,001	700	2,326	16,375
Greater Hartford Academy of the Arts	72,110	64,821	77,775	59,156
Metropolitan Learning Center	20,905	2,300	242	22,963
Special Education Escrow	46,160	208,848	146,477	108,531
River Street School	137,666	13,787	19,155	132,298
Great Path Academy	6,143		6,434	(291)
Statewide RESCS Escrow	(6,667)	64,000	58,309	(976)
AAE/GHAMAS Escrow	11,746	1,330	3,437	9,639
Integrated Program Model	235			235
East Hartford/Glastonbury Magnet School Escrow	3,109	60	396	2,773
RESC Alliance Minority Recruiting	744			744
CREC Charter Oak Escrow	3,266	1,068		4,334
Polaris Student Activity	4,514	3,408	1,648	6,274
Choice Escrow	4	185		189
Two Rivers Escrow	23,802	7,241		31,043
Montessori Magnet School	15,251	922	4,492	11,681
IMS Escrow	(74)			(74)
Reggio Escrow	580	7,889	1,919	6,550
HASA Escrow	14,031	18,025	5,645	26,411
Discovery Academy Escrow		1,375	529	846
Total fiduciary deposits	<u>383,041</u>	<u>396,384</u>	<u>328,784</u>	<u>450,641</u>
Total Liabilities	<u>\$ 383,041</u>	<u>\$ 398,076</u>	<u>\$ 328,784</u>	<u>\$ 452,333</u>

This page is intentionally left blank.

**Capital Assets Used in the
Operation of Governmental Funds**

**CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS**

The following schedules present only the capital asset balances related to governmental funds. The assets are reported at historical cost or estimated historical cost.

CREC's capitalization policy requires the recording of capital assets with original cost of \$1,000 or more and an estimated useful life in excess of two years. Provision for depreciation is not included in the schedules.

This page is intentionally left blank.

CAPITOL REGION EDUCATION COUNCIL

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

COMPARATIVE SCHEDULE BY SOURCE

JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Governmental Funds Capital Assets:		
Land	\$ 10,008,175	\$ 2,224,925
Buildings and improvements	81,881,781	80,040,028
Vehicles	1,963,905	1,679,985
Furniture, fixtures and improvements	7,611,439	7,699,117
Construction in progress	<u>10,683,475</u>	<u>1,760,797</u>
Total	<u>\$ 112,148,775</u>	<u>\$ 93,404,852</u>
Investments in Governmental Funds Capital Assets by Source:		
General Fund	\$ 9,373,552	\$ 10,881,079
Special Revenue Fund	201,792	258,821
Capital Projects Fund	<u>102,573,431</u>	<u>82,264,952</u>
Total	<u>\$ 112,148,775</u>	<u>\$ 93,404,852</u>

CAPITOL REGION EDUCATION COUNCIL

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

SCHEDULE BY FUNCTION AND ACTIVITY

JUNE 30, 2012

	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Vehicles</u>	<u>Furniture, Fixtures and Equipment</u>	<u>Construction in Progress</u>	<u>Total</u>
Education	\$ 9,676,175	\$ 78,173,076	\$ 1,930,665	\$ 6,888,991	\$ 10,683,475	\$ 107,352,382
Facilities	332,000	3,704,616	33,240	298,654		4,368,510
Administration		4,089		423,794		427,883
Total	<u>\$ 10,008,175</u>	<u>\$ 81,881,781</u>	<u>\$ 1,963,905</u>	<u>\$ 7,611,439</u>	<u>\$ 10,683,475</u>	<u>\$ 112,148,775</u>

CAPITOL REGION EDUCATION COUNCIL

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY

FOR THE YEAR ENDED JUNE 30, 2012

	Governmental Funds Capital Assets July 1, 2011	Additions	Deductions	Governmental Funds Capital Assets June 30, 2012
Education	\$ 88,591,469	\$ 20,124,546	\$ (1,363,633)	\$ 107,352,382
Facilities	4,335,962	39,095	(6,547)	4,368,510
Administration	<u>477,421</u>	<u>14,757</u>	<u>(64,295)</u>	<u>427,883</u>
Total	<u>\$ 93,404,852</u>	<u>\$ 20,178,398</u>	<u>\$ (1,434,475)</u>	<u>\$ 112,148,775</u>

This page is intentionally left blank.

Statistical Section

Statistical Section Information

The objectives of statistical section information are to provide financial statement users with historical context and detail, to assist in the use of the information contained in the financial statements, the notes to the financial statements and the required supplementary information.

Statistical section information is presented in the following categories:

- *Financial trends information* is intended to assist users in understanding and assessing how financial position has changed over time.
- *Revenue capacity information* is intended to assist users in understanding and assessing the factors affecting the ability to generate *own-source revenues* (property taxes, charges for services, etc.).
- *Debt capacity information* is intended to assist users in understanding and assessing debt burden and the ability to issue additional debt.
- *Demographic and economic information* is intended 1) to assist users in understanding the socioeconomic environment and 2) to provide information that facilitates comparisons of financial statement information over time and among governments.
- *Operating information* is intended to provide contextual information about operations and resources to assist readers in using financial statement information to understand and assess economic condition.

The accompanying tables are presented in the above order. Refer to the Table of Contents for applicable page number locations.

Sources: Unless otherwise noted, the information in the tables is derived from the comprehensive annual financial reports for the relevant year.

**CAPITOL REGION EDUCATION COUNCIL
NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS**

(In Thousands)

		FISCAL YEAR									
		2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental activities:											
	Invested in capital assets, net of related debt	\$ 76,673	\$ 59,554	\$ 56,113	\$ 55,600	\$ 49,911	\$ 51,159	\$ 51,855	\$ 54,229	\$ 54,212	\$ 49,973
	Restricted	17	17	17	17	17	17	17	17	17	
	Unrestricted	<u>28,592</u>	<u>22,322</u>	<u>17,526</u>	<u>17,688</u>	<u>18,917</u>	<u>17,039</u>	<u>15,556</u>	<u>13,058</u>	<u>11,509</u>	<u>11,430</u>
	Total Governmental Activities Net Assets	\$ <u>105,282</u>	\$ <u>81,893</u>	\$ <u>73,656</u>	\$ <u>73,305</u>	\$ <u>68,845</u>	\$ <u>68,215</u>	\$ <u>67,428</u>	\$ <u>67,304</u>	\$ <u>65,738</u>	\$ <u>61,403</u>
Business-type activities:											
16	Invested in capital assets, net of related debt	\$ 26	\$ 14	\$ 12	\$ 8	\$ 9	\$ 13	\$ 17	\$ 37	\$ 45	\$ 75
	Unrestricted	<u>273</u>	<u>(150)</u>	<u>(456)</u>	<u>(759)</u>	<u>(929)</u>	<u>(849)</u>	<u>(635)</u>	<u>(300)</u>	<u>175</u>	<u>475</u>
	Total Business-Type Activities Net Assets	\$ <u>299</u>	\$ <u>(136)</u>	\$ <u>(444)</u>	\$ <u>(751)</u>	\$ <u>(920)</u>	\$ <u>(836)</u>	\$ <u>(618)</u>	\$ <u>(263)</u>	\$ <u>220</u>	\$ <u>550</u>
Primary government:											
	Invested in capital assets, net of related debt	\$ 76,699	\$ 59,568	\$ 56,125	\$ 55,608	\$ 49,920	\$ 51,172	\$ 51,872	\$ 54,266	\$ 54,257	\$ 50,048
	Restricted	17	17	17	17	17	17	17	17	17	
	Unrestricted	<u>28,865</u>	<u>22,172</u>	<u>17,070</u>	<u>16,929</u>	<u>17,988</u>	<u>16,190</u>	<u>14,921</u>	<u>12,758</u>	<u>11,684</u>	<u>11,905</u>
	Total Primary Government Net Assets	\$ <u>105,581</u>	\$ <u>81,757</u>	\$ <u>73,212</u>	\$ <u>72,554</u>	\$ <u>67,925</u>	\$ <u>67,379</u>	\$ <u>66,810</u>	\$ <u>67,041</u>	\$ <u>65,958</u>	\$ <u>61,953</u>

Notes:

(1) Schedule prepared on the accrual basis of accounting.

**CAPITOL REGION EDUCATION COUNCIL
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(In Thousands)**

	FISCAL YEAR									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Expenses:										
Governmental activities:										
Education	\$ 182,121	\$ 152,266	\$ 132,199	\$ 126,040	\$ 125,235	\$ 94,926	\$ 94,321	\$ 88,144	\$ 79,591	\$ 69,789
Facilities	911	824	736	796	908	731	420	617	513	482
Administration	5,422	5,235	5,116	5,354	5,031	4,639	4,577	4,502	4,902	5,716
Interest on debt	87	114	148	149	222	216	242	265	294	317
Total governmental activities expenses	<u>188,541</u>	<u>158,439</u>	<u>138,199</u>	<u>132,339</u>	<u>131,396</u>	<u>100,512</u>	<u>99,560</u>	<u>93,528</u>	<u>85,300</u>	<u>76,304</u>
Business-type activities:										
Montessori Training Center of New England	159	176	158	241	143	123				
Learning Corridor Theater	93	74	48	76	63	52	73	86	9	65
Cooperative Purchasing	50	32	28	19	14	13	13	1	5	6
Regional Fingerprinting Service	136	123	95	89	74	80	62	66	49	60
Staff Development					2	3	15	9	4	9
BEST Services				15	19	4	1	3	2	29
Property Rental	1	1	1	1	1	1	18	27	47	35
CASBO Support Services	1	2	3	6	10	13	12	4	8	10
Conference Services	186	196	193	201	188	181	166	154	143	128
Technology Sale of Services	367	383	356	306	493	604	532	584	1,740	1,219
Farmington Valley Director								2	7	6
Technical Assistance Brokering Service	222	202	211	300	347	439	876	194	257	2,502
Understanding By Design							41	155	123	
Community Education	201	143	177	205	248	310	127	156	222	170
School Facility Services	501	881	564	309	283	273	326	388	330	174
School Improvement Center	962	749	724	839	795	991	653	394	136	64
Total business-type activities expense	<u>2,879</u>	<u>2,962</u>	<u>2,558</u>	<u>2,607</u>	<u>2,683</u>	<u>3,088</u>	<u>2,915</u>	<u>2,223</u>	<u>3,082</u>	<u>4,477</u>
Total Primary Government Expenses	<u>\$ 191,420</u>	<u>\$ 161,401</u>	<u>\$ 140,757</u>	<u>\$ 134,946</u>	<u>\$ 134,079</u>	<u>\$ 103,600</u>	<u>\$ 102,475</u>	<u>\$ 95,751</u>	<u>\$ 88,382</u>	<u>\$ 80,781</u>
Program revenues:										
Governmental activities:										
Charges for services:										
Education	\$ 73,213	\$ 65,377	\$ 61,538	\$ 60,747	\$ 58,383	\$ 50,013	\$ 48,644	\$ 41,074	\$ 36,633	\$ 32,266
Other activities	48	67	81	208	306	187	276	160	355	692
Operating grants and contributions	108,671	99,498	74,329	70,327	72,011	50,100	51,163	51,731	46,964	38,880
Capital grants and contributions	29,897	1,761	2,463	4,803	427		1,183	1,424	5,219	4,816
Total governmental activities program revenues	<u>211,829</u>	<u>166,703</u>	<u>138,411</u>	<u>136,085</u>	<u>131,127</u>	<u>100,300</u>	<u>101,266</u>	<u>94,389</u>	<u>89,171</u>	<u>76,654</u>
Business-type activities:										
Charges for services	3,043	2,906	2,538	2,833	2,592	2,853	2,351	1,905	2,793	3,393
Operating grants and contributions	77	78	158	174	154	118	166	8	15	1,330
Total business-type activities program revenues	<u>3,120</u>	<u>2,984</u>	<u>2,696</u>	<u>3,007</u>	<u>2,746</u>	<u>2,971</u>	<u>2,517</u>	<u>1,913</u>	<u>2,808</u>	<u>4,723</u>
Total Primary Government Program Revenues	<u>\$ 214,949</u>	<u>\$ 169,687</u>	<u>\$ 141,107</u>	<u>\$ 139,092</u>	<u>\$ 133,873</u>	<u>\$ 103,271</u>	<u>\$ 103,783</u>	<u>\$ 96,302</u>	<u>\$ 91,979</u>	<u>\$ 81,377</u>
Net (expense) revenue:										
Governmental activities	\$ 23,288	\$ 8,264	\$ 212	\$ 3,746	\$ (269)	\$ (212)	\$ 1,706	\$ 861	\$ 3,871	\$ 350
Business-type activities	241	22	138	400	63	(117)	(398)	(310)	(274)	246
Total Primary Government Net (Expense) Revenue	<u>\$ 23,529</u>	<u>\$ 8,286</u>	<u>\$ 350</u>	<u>\$ 4,146</u>	<u>\$ (206)</u>	<u>\$ (329)</u>	<u>\$ 1,308</u>	<u>\$ 551</u>	<u>\$ 3,597</u>	<u>\$ 596</u>
General revenues and other changes in net assets:										
Governmental activities:										
Grants and contributions not restricted to specific purposes	\$ 226	\$ 217	\$ 296	\$ 368	\$ 368	\$ 359	\$ 359	\$ 359	\$ 336	\$ 374
Unrestricted investment earnings	69	42	12	115	384	539	445	173	72	101
Extraordinary items							(2,343)			
Transfers	(194)	(286)	(169)	232	147	101	(43)	173	56	32
Total governmental activities	<u>101</u>	<u>(27)</u>	<u>139</u>	<u>715</u>	<u>899</u>	<u>999</u>	<u>(1,582)</u>	<u>705</u>	<u>464</u>	<u>507</u>
Business-type activities:										
Transfers	194	286	169	(232)	(147)	(101)	43	(173)	(56)	(32)
Total business-type activities	<u>194</u>	<u>286</u>	<u>169</u>	<u>(232)</u>	<u>(147)</u>	<u>(101)</u>	<u>43</u>	<u>(173)</u>	<u>(56)</u>	<u>(32)</u>
Total Primary Government	<u>\$ 295</u>	<u>\$ 259</u>	<u>\$ 308</u>	<u>\$ 483</u>	<u>\$ 752</u>	<u>\$ 898</u>	<u>\$ (1,539)</u>	<u>\$ 532</u>	<u>\$ 408</u>	<u>\$ 475</u>
Changes in net assets:										
Governmental activities	\$ 23,389	\$ 8,237	\$ 351	\$ 4,461	\$ 630	\$ 787	\$ 124	\$ 1,566	\$ 4,335	\$ 857
Business-type activities	435	308	307	168	(84)	(218)	(355)	(483)	(330)	214
Total Primary Government	<u>\$ 23,824</u>	<u>\$ 8,545</u>	<u>\$ 658</u>	<u>\$ 4,629</u>	<u>\$ 546</u>	<u>\$ 569</u>	<u>\$ (231)</u>	<u>\$ 1,083</u>	<u>\$ 4,005</u>	<u>\$ 1,071</u>

Notes:

(1) Schedule prepared on the accrual basis of accounting.

CAPITOL REGION EDUCATION COUNCIL

TABLE 3

FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(In Thousands)

	FISCAL YEAR									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Fund:										
Reserved	\$	\$	\$ 34	\$ 34	\$ 34	\$ 34	\$ 73	\$ 73	\$ 34	\$ 64
Unreserved			11,015	11,335	11,147	10,805	9,497	8,796	8,474	8,242
Nonspendable	1,950	128								
Assigned	4,925	4,860								
Unassigned	12,311	9,439								
Total General Fund	\$ 19,186	\$ 14,427	\$ 11,049	\$ 11,369	\$ 11,181	\$ 10,839	\$ 9,570	\$ 8,869	\$ 8,508	\$ 8,306
All other governmental funds:										
Reserved	\$	\$	\$ 958	\$ 985	\$ 987	\$ 1,014	\$ 1,015	\$ 1,001	\$ 1,173	\$ 1,166
Unreserved, reported in:										
Special revenue funds			(1,258)	(970)	(630)	(361)	(335)	(435)	(40)	63
Capital projects funds			760	1,076	1,205	101	(399)	(405)	(668)	(968)
Nonspendable	37	123								
Restricted	2,033	1,807								
Committed	1,532	1,435								
Assigned	1									
Unassigned	(3,113)	(3,109)								
Total All Other Governmental Funds	\$ 490	\$ 256	\$ 460	\$ 1,091	\$ 1,562	\$ 754	\$ 281	\$ 161	\$ 465	\$ 261

Note: Schedule prepared on the modified accrual basis of accounting.

CAPITOL REGION EDUCATION COUNCIL
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(In Thousands)

	FISCAL YEAR									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Revenues:										
Tuition	\$ 28,759	\$ 28,129	\$ 27,526	\$ 28,930	\$ 28,653	\$ 24,881	\$ 22,259	\$ 20,092	\$ 18,268	\$ 16,402
Grants in aid	136,951	99,529	75,506	73,515	67,768	46,153	51,752	51,588	49,381	44,139
Room and board	1,502	1,545	1,441	1,740	3,916	4,195	3,770	3,443	3,249	3,387
Sales of services	42,639	36,041	32,858	31,108	30,509	25,218	23,655	19,429	18,380	12,808
Investment income	69	42	12	112	381	537	442	171	71	100
Other local revenues	2,292	1,795	1,506	1,279	768	330	299	598	340	388
Total revenues	<u>212,212</u>	<u>167,081</u>	<u>138,849</u>	<u>136,684</u>	<u>131,995</u>	<u>101,314</u>	<u>102,177</u>	<u>95,321</u>	<u>89,689</u>	<u>77,224</u>
Expenditures:										
Current:										
Special Programs	173,674	148,445	125,660	120,088	103,156	90,594	90,471	87,025	77,331	66,579
Facilities/Service Center	926	831	746	804	762	673	551	494	429	422
Administration	15,410	12,070	11,154	10,724	25,919	7,843	7,231	5,826	5,727	5,560
Debt service:										
Principal	396	396	396	396	396	396	367	356	371	351
Interest	91	118	144	170	247	223	248	272	295	317
Capital outlay	17,075	2,347	2,398	5,704	1,205	780	2,982	1,479	6,278	3,626
Total expenditures	<u>207,572</u>	<u>164,207</u>	<u>140,498</u>	<u>137,886</u>	<u>131,685</u>	<u>100,509</u>	<u>101,850</u>	<u>95,452</u>	<u>90,431</u>	<u>76,855</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>4,640</u>	<u>2,874</u>	<u>(1,649)</u>	<u>(1,202)</u>	<u>310</u>	<u>805</u>	<u>327</u>	<u>(131)</u>	<u>(742)</u>	<u>369</u>
Other Financing Sources (Uses):										
Transfers in	3,289	3,153	2,624	2,005	3,107	2,540	3,129	2,086	2,063	2,359
Transfers out	(3,417)	(3,427)	(2,720)	(1,735)	(3,043)	(2,382)	(3,136)	(1,898)	(1,974)	(2,327)
Proceeds from capital lease	480	575	795	649	775	780	500		1,059	
Total other financing sources (uses)	<u>352</u>	<u>301</u>	<u>699</u>	<u>919</u>	<u>839</u>	<u>938</u>	<u>493</u>	<u>188</u>	<u>1,148</u>	<u>32</u>
Net Change in Fund Balances	<u>\$ 4,992</u>	<u>\$ 3,175</u>	<u>\$ (950)</u>	<u>\$ (283)</u>	<u>\$ 1,149</u>	<u>\$ 1,743</u>	<u>\$ 820</u>	<u>\$ 57</u>	<u>\$ 406</u>	<u>\$ 401</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>0.3%</u>	<u>0.3%</u>	<u>0.4%</u>	<u>0.4%</u>	<u>0.5%</u>	<u>0.6%</u>	<u>0.6%</u>	<u>0.7%</u>	<u>0.8%</u>	<u>0.9%</u>

Note: Schedule prepared on the modified accrual basis of accounting.

**CAPITOL REGION EDUCATION COUNCIL
REVENUE BY SOURCE
ALL FUND TYPES**

<u>Member Boards of Education</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Avon	\$ 651,844	\$ 548,712	\$ 579,641	\$ 509,459	\$ 411,644
Berlin	629,152	742,160	726,204	657,617	602,847
Bloomfield	1,239,409	1,139,277	1,140,537	1,195,271	1,080,427
Bolton	223,071	225,870	284,310	341,121	445,621
Bristol	1,469,510	936,771	977,271	1,053,757	949,988
Canton	216,982	158,256	203,650	109,770	86,471
Cromwell	194,919	138,847	158,573	92,149	70,232
East Granby	295,638	264,326	313,790	242,423	308,632
East Hartford	2,534,687	2,496,924	1,843,998	1,737,077	1,231,268
East Windsor	676,268	633,544	807,616	784,166	640,913
Ellington	785,844	714,953	580,350	469,247	408,981
Enfield	1,210,901	937,047	958,631	985,477	706,461
Farmington	1,130,747	1,038,033	748,938	866,012	815,686
Glastonbury	2,267,880	2,280,294	2,013,650	1,855,129	1,723,785
Granby	331,702	296,598	301,230	356,496	238,508
Hartford	12,560,787	11,259,478	10,084,944	9,709,037	11,748,752
Hartland	8,615	795	48	47	195
Manchester	2,772,705	2,113,986	1,922,503	2,201,824	2,103,398
New Britain	3,254,495	2,857,201	2,048,833	1,539,669	1,155,155
New Hartford	61,174	149,434	108,282	34,142	25,227
Newington	1,085,962	994,352	893,253	824,313	599,836
Plainville	410,035	498,222	398,034	441,249	500,873
Portland	211,394	110,652	118,385	231,044	163,000
Rocky Hill	792,657	683,043	734,365	526,987	465,500
Simsbury	1,608,598	1,146,014	1,611,403	1,111,469	1,067,371
Somers	580,707	594,394	473,200	402,289	318,045
South Windsor	1,539,400	1,429,102	1,147,482	1,158,877	839,836
Southington	2,354,062	2,287,214	2,160,268	1,484,531	1,350,307
Suffield	923,902	856,628	648,704	693,565	502,231
Vernon	1,251,977	1,301,144	1,093,255	892,226	1,098,644
West Hartford	1,996,819	1,512,521	1,360,541	780,713	803,273
Wethersfield	1,653,503	1,579,678	1,605,587	1,063,339	631,898
Windsor	927,056	2,288,517	2,577,284	1,963,023	1,692,897
Windsor Locks	2,671,224	572,338	458,985	435,466	525,145
Regional District #10	357,633	437,340	391,081	187,447	355,341
Revenue from Member Boards of Education	<u>50,881,259</u>	<u>45,223,666</u>	<u>41,474,825</u>	<u>36,936,428</u>	<u>35,668,388</u>
<u>Other Sources</u>					
Other LEAs and Agencies	63,284,540	53,949,072	46,852,209	50,892,112	63,781,900
State Grants	114,197,251	84,486,594	63,233,476	62,181,044	43,520,547
Federal Grants	8,314,740	5,544,364	4,394,233	3,899,042	3,802,135
Other Special Revenues	2,700,557	2,189,685	1,902,252	1,612,148	1,636,212
Revenue from Other Sources	<u>188,497,088</u>	<u>146,169,715</u>	<u>116,382,170</u>	<u>118,584,346</u>	<u>112,740,794</u>
Total Revenues	<u>\$ 239,378,347</u>	<u>\$ 191,393,381</u>	<u>\$ 157,856,995</u>	<u>\$ 155,520,774</u>	<u>\$ 148,409,182</u>

Source: Capitol Region Education Council Business Services Department

CAPITOL REGION EDUCATION COUNCIL

PRINCIPAL REVENUE PAYERS

CURRENT YEAR AND NINE YEARS AGO

<u>Clients</u>	<u>2012</u>	<u>2003</u>
Hartford	\$ 12,560,787	\$ 6,480,270
New Britain	3,254,495	720,051
Manchester	2,772,705	921,369
Windsor	2,671,224	1,056,167
East Hartford	2,534,687	604,779
Southington	2,354,062	1,042,358
Glastonbury	2,267,880	912,324
West Hartford	1,996,819	478,771
Wethersfield	1,653,503	755,510
Simsbury	1,608,598	739,135
South Windsor	1,539,400	486,828
Bristol	1,469,510	693,221
Vernon	1,251,977	1,007,655
Bloomfield	1,239,409	899,317
Enfield	1,210,901	573,644
Farmington	1,130,747	510,099
Newington	1,085,962	494,962
Windsor Locks	927,056	503,820
Suffield	923,902	124,834

CAPITOL REGION EDUCATION COUNCIL

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS
(In Thousands, Except per Capita)

Fiscal Year	Governmental Activities			Total Primary Government	Program Enrollment	Debt Per Capita
	General Obligation Bonds	Notes Payable	Capital Leases			
2012	\$ 1,100	\$ 49	\$ 973	\$ 2,122	5,976	0.36 %
2011	1,480	65	1,172	2,717	5,071	0.54
2010	1,860	82	1,314	3,256	4,472	0.73
2009	2,240	98	1,240	3,578	4,008	0.89
2008	2,620	114	1,258	3,992	3,395	1.18
2007	3,000	131	993	4,124	3,361	1.23
2006	3,380	147	441	3,968	3,251	1.22
2005	3,730	167	373	4,270	3,228	1.32
2004	4,070	197	719	4,986	3,040	1.64
2003	4,425	229	88	4,742	2,719	1.74

CAPITOL REGION EDUCATION COUNCIL

CREC MEMBER DATA

	2000 Population	Population Growth 1990-2000	Number of Public Schools	District Reference Group (DRG)
Connecticut				
1 Avon	15,832	13.6%	5	B
2 Berlin	18,215	8.5%	5	D
3 Bloomfield	19,587	0.5%	7	G
4 Bolton	5,017	9.7%	2	C
5 Bristol	60,062	(1.0)%	14	G
6 Canton	8,840	6.9%	4	C
7 Cromwell	12,871	4.8%	4	D
8 East Granby	4,745	10.3%	4	D
9 East Hartford	49,575	(1.7)%	14	H
10 East Windsor	9,818	(2.6)%	3	F
11 Ellington	12,921	15.4%	6	C
12 Enfield	45,212	(0.7)%	12	F
13 Farmington	23,641	14.7%	7	B
14 Glastonbury	31,876	14.2%	9	B
15 Granby	10,347	10.4%	5	B
16 Hartford	121,578	(13.0)%	48	I
17 Hartland	2,012	7.8%	1	E
18 Manchester	54,740	6.0%	13	G
19 New Britain	71,538	(5.2)%	15	I
20 Newington	29,306	0.3%	7	D
21 New Hartford	6,088	5.5%	3	C
22 Plainville	17,328	(0.4)%	5	F
23 Portland	8,732	3.7%	5	E
24 Regional District #10	16,473	34.4%	4	C
25 Rocky Hill	17,966	8.5%	5	D
26 Simsbury	23,234	5.5%	7	B
27 Somers	10,417	14.4%	3	C
28 South Windsor	24,412	10.5%	7	B
29 Southington	39,728	3.1%	11	D
30 Suffield	13,552	18.6%	4	C
31 Vernon	28,063	(6.0)%	7	G
32 West Hartford	63,589	5.8%	16	B
33 Wethersfield	26,271	2.4%	7	D
34 Windsor	28,237	1.5%	7	D
35 Windsor Locks	12,043	(2.5)%	4	F
Totals	943,866		280	

Source: State of Connecticut Department of Education CEDaR. Data Tables 10-11.

CAPITOL REGION EDUCATION COUNCIL

TOTAL POPULATION BY TOWN

FISCAL YEARS 2002 TO 2011

Town	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Avon	18,113	18,145	17,357	17,328	17,333	17,342	17,209	16,992	16,709	16,346
Berlin	19,881	19,901	20,467	20,364	20,254	20,137	19,590	19,471	19,322	19,116
Bloomfield	20,502	20,525	20,696	20,727	20,693	20,643	20,581	20,414	19,803	19,794
Bolton	4,974	4,977	5,155	5,117	5,116	5,142	5,170	5,173	5,199	5,154
Bristol	60,525	60,510	61,027	60,927	60,911	61,258	61,353	60,994	60,722	60,541
Canton	10,300	10,337	10,125	10,104	10,086	10,081	9,932	9,603	9,413	9,061
Cromwell	14,037	14,038	13,669	13,600	13,552	13,540	13,594	13,520	13,471	13,370
East Granby	5,152	5,155	5,210	5,155	5,122	5,082	5,058	5,018	4,977	4,910
East Hartford	51,293	51,318	48,634	48,571	48,697	48,934	49,173	49,416	49,596	49,650
East Windsor	11,170	11,201	11,041	10,822	10,617	10,563	10,447	10,261	10,185	10,095
Ellington	15,582	15,679	14,829	14,568	14,426	14,370	14,217	14,141	13,952	13,571
Enfield	44,686	44,635	45,259	44,895	45,011	45,297	45,441	45,567	45,539	45,379
Farmington	25,361	25,368	25,144	25,116	25,084	25,040	24,941	24,682	24,507	24,189
Glastonbury	34,454	34,467	33,353	33,263	33,169	33,077	33,089	32,852	32,789	32,575
Granby	11,291	11,292	11,220	11,219	11,215	11,187	11,088	10,989	10,869	10,696
Hartford	124,867	124,744	124,060	124,062	124,563	124,699	124,397	125,053	124,387	124,558
Hartland	2,116	2,114	2,087	2,079	2,077	2,090	2,082	2,078	2,068	2,053
Manchester	58,287	58,354	56,388	56,385	55,857	55,738	55,572	55,563	55,390	55,084
New Britain	73,261	73,253	70,548	70,486	70,664	70,855	71,254	71,832	71,572	71,589
New Hartford	6,929	6,994	6,763	6,728	6,736	6,794	6,746	6,662	6,548	6,413
Newington	30,586	30,599	29,818	29,699	29,619	29,586	29,676	29,646	29,695	29,623
Plainville	17,730	17,724	17,284	17,221	17,193	17,312	17,382	17,371	17,461	17,407
Portland	9,530	9,522	9,577	9,551	9,537	9,595	9,543	9,340	9,264	9,125
Regional District #10	14,917	14,980	14,774	14,710	14,707	14,749	14,668	14,478	14,303	14,069
Rocky Hill	19,723	19,754	18,827	18,852	18,808	18,835	18,760	18,620	18,528	18,305
Simsbury	23,528	23,507	23,648	23,615	23,659	23,660	23,656	23,460	23,496	23,421
Somers	11,433	11,469	11,215	10,984	10,850	10,888	10,877	10,888	10,870	10,608
Southington	43,103	43,130	42,534	42,250	42,142	42,249	42,077	41,723	41,397	40,943
South Windsor	25,729	25,751	26,258	25,966	25,940	26,030	25,985	25,586	25,270	24,846
Suffield	15,747	15,789	15,163	15,136	15,104	15,127	14,704	14,539	14,217	14,021
Vernon	29,139	29,205	30,182	29,839	29,620	29,672	29,491	29,338	29,206	28,718
West Hartford	63,317	63,362	60,852	60,495	60,486	60,794	61,173	61,392	61,424	61,365
Wethersfield	26,690	26,695	25,767	25,719	25,781	26,057	26,220	26,358	26,398	26,390
Windsor	29,067	29,060	29,014	28,851	28,754	28,703	28,778	28,652	28,565	28,519
Windsor Locks	12,507	12,502	12,517	12,495	12,491	12,444	12,411	12,333	12,256	12,237
Total CREC Membership	985,527	986,056	970,462	966,899	965,874	967,570	966,335	964,005	959,368	953,741

Source: State of Connecticut Department of Health - Estimated Population.

CAPITOL REGION EDUCATION COUNCIL

PER PUPIL EXPENSE

	Net Expense Per Pupil 2012	Net Expense Per Pupil 2011	Net Expense Per Pupil 2010	Net Expense Per Pupil 2009	Net Expense Per Pupil 2008	Net Expense Per Pupil 2007	Net Expense Per Pupil 2006	Net Expense Per Pupil 2005	Net Expense Per Pupil 2004	Net Expense Per Pupil 2003
Avon	\$ 12,918	\$ 12,159	\$ 11,585	\$ 11,282	\$ 10,822	\$ 10,301	\$ 10,216	\$ 9,874	\$ 9,301	\$ 9,447
Berlin	13,710	12,909	12,504	12,063	11,222	10,618	9,786	9,172	8,555	8,755
Bloomfield	17,343	17,254	16,432	15,881	14,712	13,855	12,855	12,464	11,548	11,017
Bolton	14,424	14,136	14,228	13,908	13,196	12,030	11,328	10,914	10,194	9,761
Bristol	12,619	12,259	12,138	11,652	10,991	10,606	9,973	9,570	9,105	8,477
Canton	13,196	12,561	12,583	12,006	11,993	11,116	10,480	9,937	9,440	9,065
Cromwell	12,850	12,784	12,698	12,000	11,936	11,620	10,793	10,067	9,482	9,516
East Granby	15,775	14,894	14,166	14,067	13,447	12,158	11,828	11,316	10,800	9,939
East Hartford	11,771	11,903	11,422	11,709	11,109	10,481	10,119	10,067	9,421	9,058
East Windsor	14,920	14,647	12,909	12,828	11,536	10,343	9,464	8,907	8,466	8,495
Ellington	10,969	10,716	10,545	10,595	10,165	9,842	9,574	9,227	8,982	8,518
Enfield	12,369	12,079	11,815	11,741	11,430	10,861	10,012	9,440	9,335	9,024
Farmington	14,103	13,163	12,620	11,968	11,868	11,338	10,513	9,566	9,199	9,056
Glastonbury	13,008	12,489	12,072	11,608	11,210	10,519	9,778	9,271	8,699	8,446
Granby	12,430	12,145	11,780	11,709	11,119	10,446	9,933	9,493	8,999	8,754
Hartford	17,793	17,941	17,531	16,202	15,717	15,448	14,365	13,236	12,366	12,151
Hartland	13,944	13,983	13,995	13,382	12,903	12,175	11,845	11,173	9,987	10,285
Manchester	14,404	13,654	13,392	13,163	12,960	12,025	11,201	10,320	10,003	9,618
New Britain	11,630	13,020	12,144	11,910	11,654	10,824	10,603	10,430	10,070	9,913
New Hartford	13,513	13,420	12,432	12,401	11,886	11,498	10,848	10,293	10,153	9,568
Newington	14,405	13,955	13,418	12,491	11,881	11,301	10,602	10,101	9,434	8,991
Plainville	14,031	13,455	13,147	12,915	12,456	11,655	10,951	10,598	10,142	9,723
Portland	12,937	12,676	11,971	12,159	12,056	11,289	11,343	10,504	9,918	9,280
Regional District #10	12,198	11,354	11,345	11,080	10,593	10,184	9,572	9,352	8,877	8,683
Rocky Hill	12,878	12,656	12,170	11,710	11,431	10,766	10,331	10,095	9,507	9,121
Simsbury	13,503	13,012	12,660	12,181	11,739	11,222	10,422	9,933	9,522	9,084
Somers	12,496	12,463	11,807	11,386	10,796	10,085	9,516	9,151	8,639	8,501
South Windsor	14,732	13,802	12,734	12,048	11,162	10,540	9,904	9,514	8,793	8,634
Southington	12,232	12,502	12,119	11,587	11,099	10,731	10,415	9,892	9,461	8,940
Suffield	12,754	12,566	12,238	11,859	10,820	10,133	9,439	8,957	8,400	8,147
Vernon	12,960	13,895	12,509	12,812	12,098	11,664	11,126	10,401	10,154	9,705
West Hartford	13,075	12,797	12,476	12,325	11,939	11,476	10,842	10,302	9,783	9,434
Wethersfield	13,476	13,057	12,964	12,948	11,861	11,234	10,767	10,254	9,371	9,182
Windsor	15,424	14,925	14,395	13,393	12,598	11,845	11,372	10,873	10,398	9,906
Windsor Locks	15,278	15,195	15,024	14,032	13,274	12,562	11,163	10,715	10,246	10,063

Source: State of Connecticut Department of Education Division of Grants Services website - unaudited

CAPITOL REGION EDUCATION COUNCIL

CREC MEMBER TOWNS AVERAGE DAILY MEMBERSHIP (ADM) - PUBLIC SCHOOL PUPILS

FISCAL YEARS 2003 TO 2012

<u>Town</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Avon	3,538	3,585	3,617	3,574	3,596	3,513	3,400	3,315	3,265	3,086
Berlin	3,079	3,167	3,219	3,267	3,313	3,323	3,410	3,426	3,414	3,355
Bloomfield	2,374	2,406	2,530	2,557	2,630	2,701	2,735	2,767	2,755	2,715
Bolton	828	829	839	845	869	922	941	942	969	996
Bristol	8,637	8,762	8,784	8,913	9,038	9,100	9,107	9,073	9,051	9,017
Canton	1,772	1,811	1,793	1,784	1,730	1,734	1,693	1,669	1,631	1,632
Cromwell	2,035	2,020	2,050	2,011	1,983	1,997	1,969	1,931	1,891	1,854
East Granby	890	924	939	906	914	938	903	892	896	896
East Hartford	8,142	8,027	8,009	7,918	8,064	8,358	8,363	8,144	8,198	8,243
East Windsor	1,369	1,397	1,476	1,526	1,556	1,616	1,635	1,662	1,653	1,628
Ellington	2,766	2,733	2,670	2,662	2,628	2,561	2,521	2,487	2,418	2,394
Enfield	5,918	6,052	6,215	6,399	6,436	6,580	6,716	6,792	6,860	6,953
Farmington	4,045	4,128	4,143	4,168	4,178	4,231	4,260	4,393	4,343	4,232
Glastonbury	6,826	6,991	6,999	7,036	7,021	6,931	6,879	6,802	6,732	6,555
Granby	2,148	2,206	2,259	2,205	2,261	2,258	2,233	2,214	2,203	2,163
Hartford	21,057	20,995	21,318	21,725	22,323	22,407	22,946	23,411	24,054	24,188
Hartland	319	319	317	337	339	351	359	379	392	378
Manchester	7,246	7,504	7,498	7,480	7,430	7,608	7,666	7,907	7,979	7,993
New Britain	11,011	10,856	10,874	10,814	10,982	11,224	11,249	11,171	11,070	10,930
New Hartford	1,136	1,131	1,146	1,157	1,142	1,156	1,150	1,179	1,154	1,176
Newington	4,477	4,501	4,504	4,525	4,552	4,578	4,587	4,612	4,599	4,641
Plainville	2,443	2,503	2,552	2,525	2,606	2,633	2,638	2,628	2,645	2,670
Portland	1,420	1,444	1,471	1,464	1,448	1,471	1,423	1,445	1,437	1,463
Regional District #10	2,694	2,770	2,810	2,829	2,823	2,809	2,804	2,731	2,705	2,639
Rocky Hill	2,621	2,626	2,674	2,640	2,626	2,606	2,563	2,488	2,489	2,503
Simsbury	4,733	4,819	4,926	4,961	4,967	4,991	5,063	5,053	5,035	5,017
Somers	1,613	1,620	1,634	1,702	1,707	1,716	1,724	1,722	1,731	1,712
Southington	6,790	6,843	6,826	6,817	6,882	6,871	6,801	6,771	6,743	6,676
South Windsor	4,506	4,684	4,808	4,965	5,084	5,190	5,238	5,161	5,277	5,154
Suffield	2,426	2,407	2,441	2,440	2,500	2,496	2,441	2,385	2,376	2,267
Vernon	3,751	3,771	3,738	3,638	3,757	3,802	3,849	3,989	4,023	4,017
West Hartford	10,439	10,450	10,315	10,111	9,997	10,130	9,995	9,935	9,853	9,732
Wethersfield	3,838	3,929	3,946	3,966	3,921	3,946	3,855	3,801	3,771	3,675
Windsor	4,074	4,152	4,272	4,461	4,560	4,651	4,655	4,696	4,714	4,699
Windsor Locks	1,861	1,891	1,917	1,972	1,964	2,038	2,072	2,063	2,028	2,050
Total CREC Membership	<u>152,820</u>	<u>154,254</u>	<u>155,529</u>	<u>156,300</u>	<u>157,827</u>	<u>159,437</u>	<u>159,843</u>	<u>160,036</u>	<u>160,354</u>	<u>159,299</u>

Source: State of Connecticut Department of Education Division of Grants Services website

**CAPITOL REGION EDUCATION COUNCIL
PROGRAM ENROLLMENT SUMMARY**

PROGRAM	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Discovery Academy	150									
East Hartford/Glastonbury Magnet School	259	262	261	251	257	255	249	258	258	259
Farmington Valley Diagnostic Center	24	21	25	16	32	15	16	17	11	13
Great Path Academy	246	283	234	165	111	89	84	83		
Greater Hartford Academy of the Arts	639	620	616	507	424	412	393	387	380	325
Academy of Aerospace & Engineering and Greater Hartford Academy of Math and Science	568	410	348	283	211	232	202	204	211	199
Integrated Program Model	5	5	9	24	26	32	32	31	32	35
International Magnet School for Global Citizenship	311	244	182	125						
Lincoln Academy	8	9	3							
Medical Professions and Teaching Preparation Academy	279	179								
Metropolitan Learning Center	719	711	713	683	676	681	675	681	573	500
Montessori Magnet School	350	337	336	332	331	330	331	305	295	264
Museum Academy	271									
Polaris Center	47	47	53	68	89	82	68	56	65	53
Public Safety Academy	389	293	216	105						
Reggio Magnet School of the Arts	284	255	173	152						
River Street School	205	204	204	198	190	185	178	165	157	150
Soundbridge	97	103	89	98	61	57	59	64	65	69
Two Rivers Magnet Middle School	684	658	592	589	581	609	583	594	598	425
Tunxis Middle College High School										76
University of Hartford Magnet School	441	430	418	412	406	382	381	383	395	351
TOTAL	<u>5,976</u>	<u>5,071</u>	<u>4,472</u>	<u>4,008</u>	<u>3,395</u>	<u>3,361</u>	<u>3,251</u>	<u>3,228</u>	<u>3,040</u>	<u>2,719</u>

Source: Capitol Region Education Council Business Services Department-Enrollment October 1

(Details provided on following pages)

CAPITOL REGION EDUCATION COUNCIL

Discovery Academy
Student Enrollment by LEA (Continued)

<u>LEA</u>	<u>2011</u>
Avon	1
Berlin	1
Bloomfield	4
Bolton	2
Bristol	4
Canton	2
Cromwell	
East Granby	
East Hartford	11
East Windsor	
Ellington	1
Enfield	4
Farmington	3
Glastonbury	1
Granby	
Hartford	48
Hartland	
Manchester	10
New Britain	5
New Hartford	
Newington	3
Plainville	4
Portland	
Rocky Hill	5
Simsbury	
Somers	
South Windsor	5
Southington	2
Suffield	
Vernon	
West Hartford	9
Wethersfield	10
Windsor	5
Windsor Locks	1
Region #10	
Non-Member LEAs	<u>9</u>
TOTAL	<u><u>150</u></u>

(Continued on following page)

CAPITOL REGION EDUCATION COUNCIL

EAST HARTFORD/GLASTONBURY MAGNET SCHOOL

Student Enrollment by LEA (Continued)

LEA	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Avon										
Berlin										
Bloomfield										
Bolton										
Bristol										
Canton										
Cromwell										
East Granby										
East Hartford	128	124	134	136	133	137	134	151	149	155
East Windsor										
Ellington										
Enfield										
Farmington										
Glastonbury	106	123	120	115	124	118	115	107	109	104
Granby										
Hartford	23	12	7							
Hartland										
Manchester										
New Britain										
New Hartford										
Newington										
Plainville		1								
Portland										
Rocky Hill										
Simsbury										
Somers										
South Windsor	2	2								
Southington										
Suffield										
Vernon										
West Hartford										
Wethersfield										
Windsor										
Windsor Locks										
Region #10										
Non-Member LEAs										
TOTAL	259	262	261	251	257	255	249	258	258	259

(Continued on following page)

TABLE 12

CAPITOL REGION EDUCATION COUNCIL
FARMINGTON VALLEY DIAGNOSTIC CENTER
 Student Enrollment by LEA (Continued)

LEA	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Avon	3		2	1	5	2	2	3		1
Berlin										
Bloomfield									1	
Bolton										
Bristol										
Canton		2	4		1	2				1
Cromwell										
East Granby		1	1		3	1		1	1	
East Hartford										
East Windsor										
Ellington										
Enfield										
Farmington	2	6	1	4	4	2	2	4	2	2
Glastonbury										
Granby		1	2			2		3	2	
Hartford					1					
Hartland										
Manchester										
New Britain										
New Hartford										
Newington										
Plainville	1	1	2	3	4	3	2		1	2
Portland										
Rocky Hill										
Simsbury	4	4	5	4	8	2	6	5	1	2
Somers										
South Windsor										
Southington	10	2	4	1	2		1	1	1	2
Suffield				1						
Vernon										
West Hartford										
Wethersfield										
Windsor										
Windsor Locks										1
Region #10	4	4	4	2	4	1	3		2	2
Non-Member LEAs					0					
TOTAL	24	21	25	16	32	15	16	17	11	13

(Continued on following page)

CAPITOL REGION EDUCATION COUNCIL

GREAT PATH ACADEMY
Student Enrollment by LEA (Continued)

<u>LEA</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Avon								
Berlin	1	1						
Bloomfield	12	17	6	2	2			
Bolton		4	7	7	5	7	4	6
Bristol								
Canton								
Cromwell								
East Granby								
East Hartford	45	37	27	23	27	20	22	20
East Windsor	2	2						
Ellington			3			3	5	4
Enfield	1							
Farmington								
Glastonbury	4	5	7	15	15	12	12	12
Granby		2	3	1	1	5		
Hartford	67	114	103	59	19	14	14	14
Hartland								
Manchester	67	43	32	22	24	16	15	17
New Britain	4	9	6	4				
New Hartford								
Newington			2	3				
Plainville								
Portland								
Rocky Hill								
Simsbury				1				
Somers	1							
South Windsor	7	10	9	6	2			
Southington		1						
Suffield								
Vernon	5	7	1	2				
West Hartford	1	1	1					
Wethersfield	10	3						
Windsor	4	5	4	1	1			
Windsor Locks		2	1		1			
Region #10								
Non-Member LEAs	<u>15</u>	<u>20</u>	<u>22</u>	<u>19</u>	<u>14</u>	<u>12</u>	<u>12</u>	<u>10</u>
Total	<u>246</u>	<u>283</u>	<u>234</u>	<u>165</u>	<u>111</u>	<u>89</u>	<u>84</u>	<u>83</u>

(Continued on following page)

TABLE 12

CAPITOL REGION EDUCATION COUNCIL

GREATER HARTFORD ACADEMY OF THE ARTS
Student Enrollment by LEA (Continued)

LEA	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Avon	13	9	8	8	5	6	4	3	3	3
Berlin	23	26	16	7	8	4	3	2		
Bloomfield	2	4	3	3	2	4	3	8	7	7
Bolton	3	3	3	3		2	6	4	5	5
Bristol	12	10	5	3		2	2		2	2
Canton	11	5	4	7	11	10	12	12	8	3
Cromwell	7	2	4	2	4	6	3	2	6	2
East Granby		2	3	1	2	2	2	2	3	2
East Hartford	15	9	18	15	7	7	8	5	6	5
East Windsor	3	1	4	2			1	3	4	1
Ellington	4	4	4	6	6	5	5	2		
Enfield	7	6	7	6	7	5	5	10	10	10
Farmington	11	11	14	9	7	4	5	5	5	4
Glastonbury	18	26	28	22	19	19	25	21	25	23
Granby	11	12	13	8	6	4	6	9	9	12
Hartford	203	200	167	114	63	59	53	63	69	52
Hartland	1		2		2	2				
Manchester	9	11	14	20	17	13	12	12	12	10
New Britain	23	22	26	11	11	18	17	13	16	18
New Hartford	2	1	2	2	1		1	1		
Newington	16	15	8	8	11	12	16	14	17	14
Plainville	3	4	2	2			1			1
Portland	9	10	7	3	4	3	5	3		1
Rocky Hill	8	12	19	22	26	24	22	19	15	12
Simsbury	27	12	25	25	28	27	21	22	19	12
Somers	1	1	1	1						
South Windsor	10	7	9	5	4	7	7	6	7	8
Southington	33	29	21	12	15	16	10	12	14	15
Suffield	10	9	5	5	7	6	6	6	4	2
Vernon	7	12	13	10	8	4	5	6	5	3
West Hartford	25	27	31	27	26	25	19	27	25	20
Wethersfield	11	17	19	20	20	15	15	14	10	8
Windsor	5	9	11	13	15	11	12	8	8	6
Windsor Locks	8	5	6	4	4	6	9	9	9	8
Region #10	5	5	5	2		3	2	2	1	1
Non-Member LEAs	83	82	89	99	78	81	70	62	56	55
TOTAL	639	620	616	507	424	412	393	387	380	325

(Continued on following page)

CAPITOL REGION EDUCATION COUNCIL

ACADEMY OF AEROSPACE & ENGINEERING AND GREATER HARTFORD ACADEMY OF MATH & SCIENCE

Student Enrollment by LEA (Continued)

LEA	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Avon	6	4	4	6	6	6	3	2	1	
Berlin	13	7		2						
Bloomfield	6	5	8	9	10	11	10	10	12	10
Bolton	1						2	2	2	2
Bristol	14	5	1	1						
Canton	3	4	5	4	3	3	1	1		
Cromwell	1	2	1	1						
East Granby	3	1	1							
East Hartford	20	10	2							
East Windsor	1	2	1	1						
Ellington	8	3	4	6	2	5	9	7	5	3
Enfield	10	1	3	1						
Farmington	13	12	9	8	7	8	6	8	8	8
Glastonbury	6	5	6	4		1	3		5	4
Granby	10	9	9	11	13	10	6	6	3	4
Hartford	171	117	114	87	49	62	56	64	77	71
Hartland										
Manchester	24	15	18	17	21	21	20	21	20	21
New Britain	34	22	16	12	15	16	16	16	14	16
New Hartford										
Newington	24	21	17	11	9	11	8	8	9	8
Plainville	5	4	3	1						
Portland	4	4	4	4						
Rocky Hill	37	31	31	25	24	27	24	24	26	22
Simsbury	3	4	7	8	9	10	8	8	8	5
Somers	1									
South Windsor	2	2	1							
Southington	31	25	23	12	12	10	4	4	4	5
Suffield	10	12	9	12	6	3	3			
Vernon	6	4	4	1			2	2	2	
West Hartford	21	18	12	10	4	3	3	1	2	2
Wethersfield	23	19	11	13	13	13	8	8	5	9
Windsor	14	10	7	8	6	8	7	9	6	7
Windsor Locks	5	3	2							
Region #10	3	1	3	1						
Non-Member LEAs	35	28	12	7	2	4	3	3	2	2
TOTAL	568	410	348	283	211	232	202	204	211	199

(Continued on following page)

TABLE 12

CAPITOL REGION EDUCATION COUNCIL

INTEGRATED PROGRAM MODEL
Student Enrollment by LEA (Continued)

LEA	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Avon										
Berlin					1	1	1	1	1	1
Bloomfield									1	1
Bolton										1
Bristol				1						
Canton				1	1	1				
Cromwell										
East Granby						1				
East Hartford										
East Windsor										
Ellington								1	1	1
Enfield										
Farmington								1	1	1
Glastonbury										
Granby										
Hartford				1	1	1	3	2	2	2
Hartland										
Manchester										
New Britain	2	1	1	3	3	1	1	1		
New Hartford									1	
Newington										
Plainville	1	2	1	2	2	3	3	3	2	2
Portland				1		1	1	1	1	1
Rocky Hill						1	1	1	1	2
Simsbury			1							1
Somers										
South Windsor										
Southington										
Suffield										
Vernon						1	1	1	1	4
West Hartford										
Wethersfield	1	1	1							
Windsor										
Windsor Locks							1	1		1
Region #10							1			
Non-Member LEAs	1	1	5	15	18	21	19	18	20	17
TOTAL	5	5	9	24	26	32	32	31	32	35

(Continued on following page)

TABLE 12

CAPITOL REGION EDUCATION COUNCIL

INTERNATIONAL MAGNET SCHOOL FOR GLOBAL CITIZENSHIP

Student Enrollment by LEA (Continued)

<u>LEA</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Avon				
Berlin	3	3		1
Bloomfield	3			
Bolton	1			
Bristol	3			1
Canton	1			
Cromwell	2	1	1	1
East Granby				
East Hartford	43	31	14	8
East Windsor	1			1
Ellington	13	5	2	
Enfield	3	2	2	1
Farmington			1	1
Glastonbury	28	34	27	13
Granby				
Hartford	107	88	78	60
Hartland				
Manchester	23	15	5	5
New Britain	1	1	1	1
New Hartford				
Newington	4	4	5	4
Plainville	1			
Portland	1	1	2	2
Rocky Hill	3	1	3	4
Simsbury				
Somers				
South Windsor	18	14	13	5
Southington				
Suffield				
Vernon	10	10	7	5
West Hartford	5	2	2	5
Wethersfield	11	11	5	4
Windsor	1	1		
Windsor Locks				
Region #10				
Non-Member LEAs	<u>25</u>	<u>20</u>	<u>14</u>	<u>3</u>
TOTAL	<u><u>311</u></u>	<u><u>244</u></u>	<u><u>182</u></u>	<u><u>125</u></u>

(Continued on following page)

TABLE 12

CAPITOL REGION EDUCATION COUNCIL

LINCOLN ACADEMY

Student Enrollment by LEA (Continued)

<u>LEA</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Avon			
Berlin			
Bloomfield			
Bolton			
Bristol			
Canton			
Cromwell			
East Granby			
East Hartford	1	2	
East Windsor			
Ellington			
Enfield			
Farmington			
Glastonbury	1	1	
Granby			
Hartford			
Hartland			
Manchester		2	2
New Britain			
New Hartford			
Newington		1	
Plainville			
Portland			
Rocky Hill			
Simsbury			
Somers			
South Windsor	3	2	
Southington			
Suffield			
Vernon			
West Hartford			
Wethersfield			
Windsor			
Windsor Locks			
Region #10			
Non-Member LEAs	<u>3</u>	<u>1</u>	<u>1</u>
TOTAL	<u><u>8</u></u>	<u><u>9</u></u>	<u><u>3</u></u>

(Continued on following page)

TABLE 12

CAPITOL REGION EDUCATION COUNCIL

MEDICAL PROFESSIONS AND TEACHING PREPARATION ACADEMY
Student Enrollment by LEA (Continued)

<u>LEA</u>	<u>2011</u>	<u>2010</u>
Avon		
Berlin	1	3
Bloomfield	10	6
Bolton		
Bristol	2	3
Canton		
Cromwell		
East Granby		
East Hartford	24	10
East Windsor	1	
Ellington	3	
Enfield	18	7
Farmington	1	1
Glastonbury	3	1
Granby	2	
Hartford	81	70
Hartland		
Manchester	14	9
New Britain	45	31
New Hartford		
Newington	5	4
Plainville	2	2
Portland		
Rocky Hill	2	2
Simsbury	2	
Somers	2	
South Windsor	9	4
Southington		1
Suffield	3	1
Vernon	6	7
West Hartford	8	8
Wethersfield	2	2
Windsor	14	
Windsor Locks	4	2
Region #10		
Non-Member LEAs	<u>15</u>	<u>5</u>
TOTAL	<u><u>279</u></u>	<u><u>179</u></u>

(Continued on following page)

TABLE 12

CAPITOL REGION EDUCATION COUNCIL

METROPOLITAN LEARNING CENTER

Student Enrollment by LEA (Continued)

LEA	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Avon										
Berlin										
Bloomfield	117	129	141	138	136	141	138	134	105	92
Bolton										
Bristol	3	1								
Canton		1								
Cromwell										
East Granby	7	3	2	1						
East Hartford	34	27	24	4	9					
East Windsor	43	42	47	42	40	46	41	44	38	29
Ellington	2	1	1	1						
Enfield	64	58	43	42	40	43	38	41	33	28
Farmington										
Glastonbury		1								
Granby	3	1	2							
Hartford	188	207	214	221	209	200	197	191	173	149
Hartland										
Manchester	7	3	2	1	5					
New Britain	25	21	12	6	1					
New Hartford										
Newington	1									
Plainville	1	1								
Portland										
Rocky Hill										
Simsbury	1	2	2	1						
Somers										
South Windsor	1			1						
Southington										
Suffield	1	1	1	1						
Vernon	2	2	1		1					
West Hartford	8	3	4	8						
Wethersfield	3	3	3	2						
Windsor	154	152	150	150	168	186	200	203	160	147
Windsor Locks	50	51	63	64	67	65	61	68	64	55
Region #10		1								
Non-Member LEAs	4		1							
TOTAL	719	711	713	683	676	681	675	681	573	500

(Continued on following page)

TABLE 12

CAPITOL REGION EDUCATION COUNCIL

MONTESSORI MAGNET SCHOOL
 Student Enrollment by LEA (Continued)

LEA	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Avon		2	2	2	2	1				
Berlin		2	2	2	1	1	1			
Bloomfield	13	14	15	17	25	29	31	30	29	32
Bolton									1	1
Bristol	7	3	1	2						
Canton								1	2	2
Cromwell	5	4	3	2	2	2	2	2		
East Granby										
East Hartford	18	22	27	27	28	25	26	21	19	13
East Windsor	1	2	1	1			1			
Ellington	4	3	1	1	1	2	2	2	2	2
Enfield	1	2				1				1
Farmington	3		2		1					
Glastonbury	2	3	1	1		1			1	
Granby										
Hartford	149	145	158	168	174	166	164	147	137	132
Hartland										
Manchester	10	13	9	8	10	12	12	17	14	12
New Britain	18	17	13	11	10	10	8	9	9	6
New Hartford	1	1	1	1	1	2				
Newington	11	11	3	2	2	2	4	3	4	4
Plainville	3	4	4	3	1	1	1	1	1	
Portland										
Rocky Hill	3	4	6	7	5	5	4	3	5	1
Simsbury	3	3	2	1	1	1				
Somers	2									
South Windsor	4	3	1	1	1	2		1		1
Southington	1	1	2	2	2	1	1	1	1	1
Suffield										
Vernon	4	4	4	4					1	2
West Hartford	14	11	16	11	7	10	9	8	13	9
Wethersfield	14	14	13	12	13	11	9	8	4	1
Windsor	23	23	29	32	34	36	44	45	49	41
Windsor Locks							1			
Region #10	3	3			0	1	1			1
Non-Member LEAs	33	23	20	14	10	8	10	6	3	2
TOTAL	350	337	336	332	331	330	331	305	295	264

(Continued on following page)

TABLE 12

CAPITOL REGION EDUCATION COUNCIL

MUSEUM ACADEMY

Student Enrollment by LEA (Continued)

LEA	2011
Avon	2
Berlin	2
Bloomfield	10
Bolton	2
Bristol	2
Canton	
Cromwell	1
East Granby	
East Hartford	17
East Windsor	2
Ellington	
Enfield	4
Farmington	2
Glastonbury	2
Granby	
Hartford	121
Hartland	
Manchester	6
New Britain	5
New Hartford	
Newington	12
Plainville	4
Portland	3
Rocky Hill	3
Simsbury	
Somers	2
South Windsor	
Southington	2
Suffield	
Vernon	
West Hartford	27
Wethersfield	5
Windsor	21
Windsor Locks	1
Region #10	
Non-Member LEAs	13
TOTAL	271

(Continued on following page)

CAPITOL REGION EDUCATION COUNCIL

POLARIS CENTER
Student Enrollment by LEA (Continued)

LEA	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Avon										
Berlin					1		2			
Bloomfield	1	2	1	1	1	2	1	1	1	3
Bolton			1	2	1	1	1			
Bristol					1	2		1	2	2
Canton										
Cromwell	1	1							1	1
East Granby									1	1
East Hartford			2	1	1		2	2	1	3
East Windsor	3	1	2	1	2	4	1		1	1
Ellington		1						1	1	
Enfield					1	1	1	2	1	
Farmington			1							
Glastonbury			1	3	3			1		
Granby				2	1	1			1	1
Hartford	18	17	22	27	24	25	16	13	14	6
Hartland										
Manchester			3	9	9	4	7	1	7	4
New Britain	5	3	4	7	7	7	8	3	6	4
New Hartford										
Newington	3	1		2			2	1		1
Plainville						1				
Portland										
Rocky Hill										1
Simsbury		1				1				
Somers								1		
South Windsor		2	1	1	2		1	2	2	
Southington	1	1								1
Suffield										
Vernon	2	4	4	1	1	1	3	1	1	
West Hartford			1		1	1	1		1	1
Wethersfield			2	1						
Windsor		1	3	5	4	1	1	2	2	2
Windsor Locks					3	3		1		
Region #10			1							
Non-Member LEAs	13	12	4	5	26	27	21	23	22	21
TOTAL	47	47	53	68	89	82	68	56	65	53

(Continued on following page)

CAPITOL REGION EDUCATION COUNCIL

PUBLIC SAFETY ACADEMY

Student Enrollment by LEA (Continued)

<u>LEA</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Avon				
Berlin				
Bloomfield	15	12	3	
Bolton	1	1	1	1
Bristol	2	2		
Canton	2			
Cromwell				
East Granby	1	1	2	
East Hartford	38	39	19	4
East Windsor	8	9	5	4
Ellington	1	1	4	1
Enfield	68	44	33	17
Farmington	1	1		
Glastonbury	4	4	3	1
Granby	3	3	1	
Hartford	152	112	100	63
Hartland				
Manchester	16	9	8	5
New Britain	16	5	4	
New Hartford				
Newington	2	2	1	
Plainville	4	2	1	
Portland	1			
Rocky Hill	1	1		
Simsbury	1	1		
Somers				
South Windsor	2	2	6	3
Southington	1	1		
Suffield				
Vernon	15	13	5	2
West Hartford	3	3	1	
Wethersfield	4	3	4	1
Windsor	12	11	6	
Windsor Locks	9	5	6	2
Region #10				
Non-Member LEAs	<u>6</u>	<u>6</u>	<u>3</u>	<u>1</u>
TOTAL	<u>389</u>	<u>293</u>	<u>216</u>	<u>105</u>

(Continued on following page)

CAPITOL REGION EDUCATION COUNCIL

REGGIO MAGNET SCHOOL OF THE ARTS

Student Enrollment by LEA (Continued)

LEA	2011	2010	2009	2008
Avon	28	28	22	22
Berlin		1	1	1
Bloomfield	3	2		
Bolton				
Bristol	13	9	3	3
Canton	9	12	11	4
Cromwell				
East Granby				
East Hartford	6	5	3	4
East Windsor				
Ellington				
Enfield				
Farmington	9	8	6	11
Glastonbury				
Granby				
Hartford	149	131	82	58
Hartland	1			
Manchester	2	1		
New Britain	4	2	4	3
New Hartford	9	2	2	3
Newington				1
Plainville	1	2		
Portland				
Rocky Hill				
Simsbury	7	13	18	17
Somers				
South Windsor				
Southington	3	4	3	3
Suffield				
Vernon	3	3		
West Hartford	11	15	15	15
Wethersfield			2	2
Windsor	2	1		1
Windsor Locks				
Region #10	8	8		1
Non-Member LEAs	16	8	1	3
TOTAL	284	255	173	152

(Continued on following page)

CAPITOL REGION EDUCATION COUNCIL

RIVER STREET SCHOOL
 Student Enrollment by LEA (Continued)

LEA	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Avon	1	1	1	1	1	1	1	1	1	1
Berlin	2	4	1	4	4	4	3	4		1
Bloomfield	2	2	3	5	7	6	4	4	3	3
Bolton	1	1	1	1	1	1				
Bristol	5	3	5	5	5	5	4	4	4	4
Canton						1				
Cromwell						1				
East Granby	1	1	1	1	1	1	1	1	2	1
East Hartford		1	1	2			1	1	1	1
East Windsor	1	1	2	3	4	3	2	1	1	1
Ellington	2	2	3	3	3	1	1	1	1	1
Enfield	2	4	5	7	7	6	6	7	9	8
Farmington	4	3	2	2	2		2	1	3	3
Glastonbury	10	11	9	9	7	7	5	5	4	4
Granby		1	1							
Hartford	12	14	13	9	4	3	5	8	8	13
Hartland										
Manchester	8	5	5	8	6	7	3	5	4	3
New Britain	8	8	7	3	2	2	4	2	2	1
New Hartford	1	1	1				1	1	1	1
Newington	4	4	4	3	3	4	4	4	3	2
Plainville						2	2	2	3	3
Portland	1									
Rocky Hill	2	1	1	2	2	2	2	2	1	
Simsbury	4	3	2	4	4	3	3	2	3	3
Somers	5	4	3	3	3	3	2	2	2	2
South Windsor	5	3	3	4	3	3	3	3	1	
Southington	5	6	7	5	5	3	3	2	3	3
Suffield	6	5	6	6	5	4	2	2	3	1
Vernon	5	6	5	5	6	6	6	5	5	5
West Hartford	7	5	5	3	4	5	5	3	4	3
Wethersfield	3	4	5	2	2	2	3	3	5	5
Windsor	3	9	10	10	10	9	10	7	7	7
Windsor Locks		2		1	1	3	4	4	3	3
Region #10		1	2	1	1					
Non-Member LEAs	95	88	90	86	87	87	86	78	70	67
TOTAL	205	204	204	198	190	185	178	165	157	150

(Continued on following page)

TABLE 12

CAPITOL REGION EDUCATION COUNCIL

SOUNDBRIDGE

Student Enrollment by LEA (Continued)

LEA	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Avon										
Berlin	3	1		2			1	3	2	2
Bloomfield						3	4	5	5	4
Bolton										
Bristol	4	4	4	6	6	5	3	5	6	5
Canton										
Cromwell	2									
East Granby								1	1	1
East Hartford	4	3	2	3	3	3	3	1	2	1
East Windsor										
Ellington	1	1								
Enfield	1	1					2	2	2	2
Farmington			1							
Glastonbury		2		1			1	1		
Granby										
Hartford	1	4	5	6	6	6	7	8	11	14
Hartland										
Manchester		1	2	1	1	1	3	1	1	
New Britain	2	4	4	2	4	5	6	4	4	5
New Hartford										
Newington	8	6	9	9	3	4	4	4	4	4
Plainville	2	1	1	1	1	1				
Portland	2									
Rocky Hill	4	8	4	4		2	2	2	2	2
Simsbury						1	3	3	3	2
Somers										
South Windsor		2	2	1	1		1	1	1	2
Southington	2	4	4	4	4	3	1	3	2	2
Suffield										
Vernon	1	1	1							
West Hartford										2
Wethersfield	38	33	28	33	5	4	6	6	6	6
Windsor	4	4	3	3	1					
Windsor Locks	1	1	1	1	1	1	1	1	1	1
Region #10							1			
Non-Member LEAs	17	21	18	21	25	18	10	13	12	14
TOTAL	97	103	89	98	61	57	59	64	65	69

(Continued on following page)

TABLE 12

CAPITOL REGION EDUCATION COUNCIL

TWO RIVERS MAGNET MIDDLE SCHOOL

Student Enrollment by LEA (Continued)

LEA	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Avon										
Berlin	3	2								
Bloomfield	3	3	3	3	2					
Bolton	2	3	4							
Bristol	1	1		2						
Canton										
Cromwell		1								
East Granby										
East Hartford	207	185	132	133	144	153	137	132	130	93
East Windsor										
Ellington										
Enfield	9	8	3	2	1					
Farmington										
Glastonbury	21	33	48	67	67	72	80	94	92	71
Granby										
Hartford	105	123	161	157	146	146	138	128	135	90
Hartland										
Manchester	196	172	130	131	141	151	141	128	132	92
New Britain	39	28	16	6	4					
New Hartford										
Newington	1	1								
Plainville	2	1	1							
Portland	4	3	5							
Rocky Hill	3	2	2	1						
Simsbury	2									
Somers										
South Windsor	40	57	69	83	73	87	87	112	109	79
Southington	4	2	1	1						
Suffield	1	1								
Vernon	7	9	4							
West Hartford	3	3	4							
Wethersfield	5	2	2	1	1					
Windsor	6	1	1							
Windsor Locks	1	1								
Region #10			1							
Non-Member LEAs	19	16	5	2	2					
TOTAL	684	658	592	589	581	609	583	594	598	425

(Continued on following page)

TABLE 12

CAPITOL REGION EDUCATION COUNCIL

UNIVERSITY OF HARTFORD MAGNET SCHOOL

Student Enrollment by LEA (Continued)

LEA	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Avon	13	16	23	24	27	29	32	31	25	22
Berlin	4	2	1							
Bloomfield	10	12	13	16	17	15	11	11	16	14
Bolton										
Bristol	5	5	2							
Canton	1	1	1	1						
Cromwell	2									
East Granby										
East Hartford	13	16	9	9	8					
East Windsor	1									
Ellington		1								
Enfield	5	6	1	1	1					
Farmington	20	22	21	25	25	19	19	24	30	26
Glastonbury										
Granby										
Hartford	167	168	186	205	202	205	209	209	205	179
Hartland										
Manchester	4	4	1	2	2					
New Britain	37	33	23	7	4					
New Hartford										
Newington	3	2		1	1					
Plainville	3	3	1							
Portland	2	1								
Rocky Hill			1							
Simsbury	23	16	24	25	27	30	38	32	29	30
Somers										
South Windsor	4	3					2	2	2	
Southington	4	3	2							
Suffield	2	1								
Vernon	11	11	6							
West Hartford	59	57	58	56	54	47	41	42	50	51
Wethersfield	26	27	30	33	31	37	29	32	38	29
Windsor	6	8	8	6	7					
Windsor Locks			1							
Region #10	2	3	2							
Non-Member LEAs	14	9	4	1						
TOTAL	441	430	418	412	406	382	381	383	395	351

CAPITOL REGION EDUCATION COUNCIL

TUITION RATES PER STUDENT

Program Name	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
River Street Day Program	\$ 58,212	\$ 58,212	\$ 56,516	\$ 54,341	\$ 51,754	\$ 49,289	\$ 46,942	\$ 44,708	\$ 42,578	\$ 40,550
River Street Extended Day Program Summer	4,339	4,256	4,132	3,973	3,784	3,604	3,432	3,269	3,113	2,965
Group Home Regular	15,713	15,403	14,944	14,368	13,684	13,033	12,412	11,821	11,258	10,722
Academic Regular	19,343	18,963	18,412	17,704	16,861	16,058	15,293	14,565	13,872	13,211
River Street Summer Program	5,620	5,510	5,352	5,147	4,902	4,668	4,446	4,235	4,034	3,841
Soundbridge Program Full Day	43,782	42,594	41,744	39,756	38,044	36,669	33,953	31,732	29,732	27,658
Half Day	23,638	22,950	22,500	21,531	20,703	19,955	18,477	17,268	15,268	14,203
Integrated Program Model	109,543	109,543	91,285	76,070	69,155	62,868	57,153	51,957	47,234	44,144
Integrated Program Model Summer Program	22,307	22,307	18,589	14,299	12,434	10,812	9,402	8,395	7,495	6,692
Polaris Center	58,113	56,417	54,247	52,161	49,677	47,311	45,058	42,912	40,869	38,923

123

Source: Capitol Region Education Council Business Services Department

CAPITOL REGION EDUCATION COUNCIL

WORKFORCE ANALYSIS

NUMBER OF EMPLOYEES LAST TEN YEARS

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Job Categories:										
Officials and managers	129	119	99	107	105	100	84	82	76	77
Professionals	764	659	614	639	603	511	504	487	497	448
Technicians	118	110	78	77	80	76	74	72	76	75
Office and clerical	100	98	88	87	88	86	82	81	79	80
Operatives (semi-skilled)	8	8	8	7	7	9	9	9	8	8
Service workers	435	380	353	389	345	325	315	276	282	274
Total Workforce Analysis	<u>1,554</u>	<u>1,374</u>	<u>1,240</u>	<u>1,306</u>	<u>1,228</u>	<u>1,107</u>	<u>1,068</u>	<u>1,007</u>	<u>1,018</u>	<u>962</u>

Source: CREC's Human Resource Department

CAPITOL REGION EDUCATION COUNCIL

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Education:											
Land	\$ 9,676,175	\$ 1,892,925	\$ 1,892,925	\$ 1,892,925	\$ 1,892,925	\$ 1,892,925	\$ 1,892,925	\$ 1,892,925	\$ 2,171,178	\$ 2,171,178	\$ 2,171,178
Buildings and improvements	78,173,076	76,359,973	67,113,954	66,059,698	64,044,935	63,985,134	60,529,341	51,681,596	52,418,497	52,282,372	51,689,327
Vehicles	1,930,665	1,630,345	1,464,195	1,241,764	1,045,797	1,061,739	909,719	747,816	864,380	769,287	769,287
Furniture, fixtures and equipment	6,888,991	6,931,029	5,226,655	5,389,902	5,024,525	4,841,774	5,380,876	4,818,264	4,073,652	2,872,151	3,589,895
Construction in progress	10,683,475	1,760,797	6,842,058	5,292,089	489,523	62,657	3,336,379	12,097,958	10,640,432	5,623,531	2,981,072
Facilities:											
Land	332,000	332,000	332,000	332,000	332,000	332,000	332,000	332,000	332,000	332,000	332,000
Buildings and improvements	3,704,616	3,680,055	3,669,966	3,669,966	3,660,566	3,367,706	3,276,720	3,123,235	3,123,235	3,123,235	3,124,220
Vehicles	33,240	49,640	33,240	14,435	14,435	14,435	14,435	14,435	3,085	3,085	3,085
Furniture, fixtures and equipment	298,654	294,756	294,756	298,841	288,464	279,107	278,143	273,421	249,248	215,660	1,246,047
Administration:											
Buildings and improvements	4,089										2,961
Vehicles											
Furniture, fixtures and equipment	423,794	473,332	463,663	579,360	606,219	590,207	784,661	773,350	686,648	627,627	585,578
Construction in progress							4,700	4,700			
Total	<u>\$ 112,148,775</u>	<u>\$ 93,404,852</u>	<u>\$ 87,333,412</u>	<u>\$ 84,770,980</u>	<u>\$ 77,399,389</u>	<u>\$ 76,427,684</u>	<u>\$ 76,739,899</u>	<u>\$ 75,759,700</u>	<u>\$ 74,562,355</u>	<u>\$ 68,020,126</u>	<u>\$ 66,494,650</u>