



Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2006

CREC

Capitol Region Education Council

111 Charter Oak Avenue
Hartford, CT 06106
860-247-CREC
www.crec.org

**CAPITOL REGION EDUCATION COUNCIL
Hartford, Connecticut**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2006**



Capitol Region Education Council

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111 Charter Oak Avenue

Hartford, CT 06106

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*Prepared by:
Business Services Department*

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CAPITOL REGION EDUCATION COUNCIL

COMPREHENSIVE ANNUAL FINANCIAL REPORT

JUNE 30, 2006

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INTRODUCTORY SECTION



Capitol Region Education Council

Organizational Chart

2005 – 2006



CREC Council Representatives

Executive Director

Deputy Executive Director

General Director of Magnet Schools

Director of Student Services

Assistant Executive Director Finance & Operations

Choice Programs
 Community Education Services
 Institute of Teaching and Learning
 Interdistrict Grant Programs
 Technical Assistance and
 Brokering Services

East Hartford-Glastonbury
 Elementary Magnet School
 Great Path Academy
 Greater Hartford Academy of
 the Arts
 Greater Hartford Academy of
 Mathematics & Science
 Metropolitan Learning Center
 Montessori Magnet School
 Two Rivers Magnet Middle School
 University of Hartford Magnet School

Division of Grants & Development

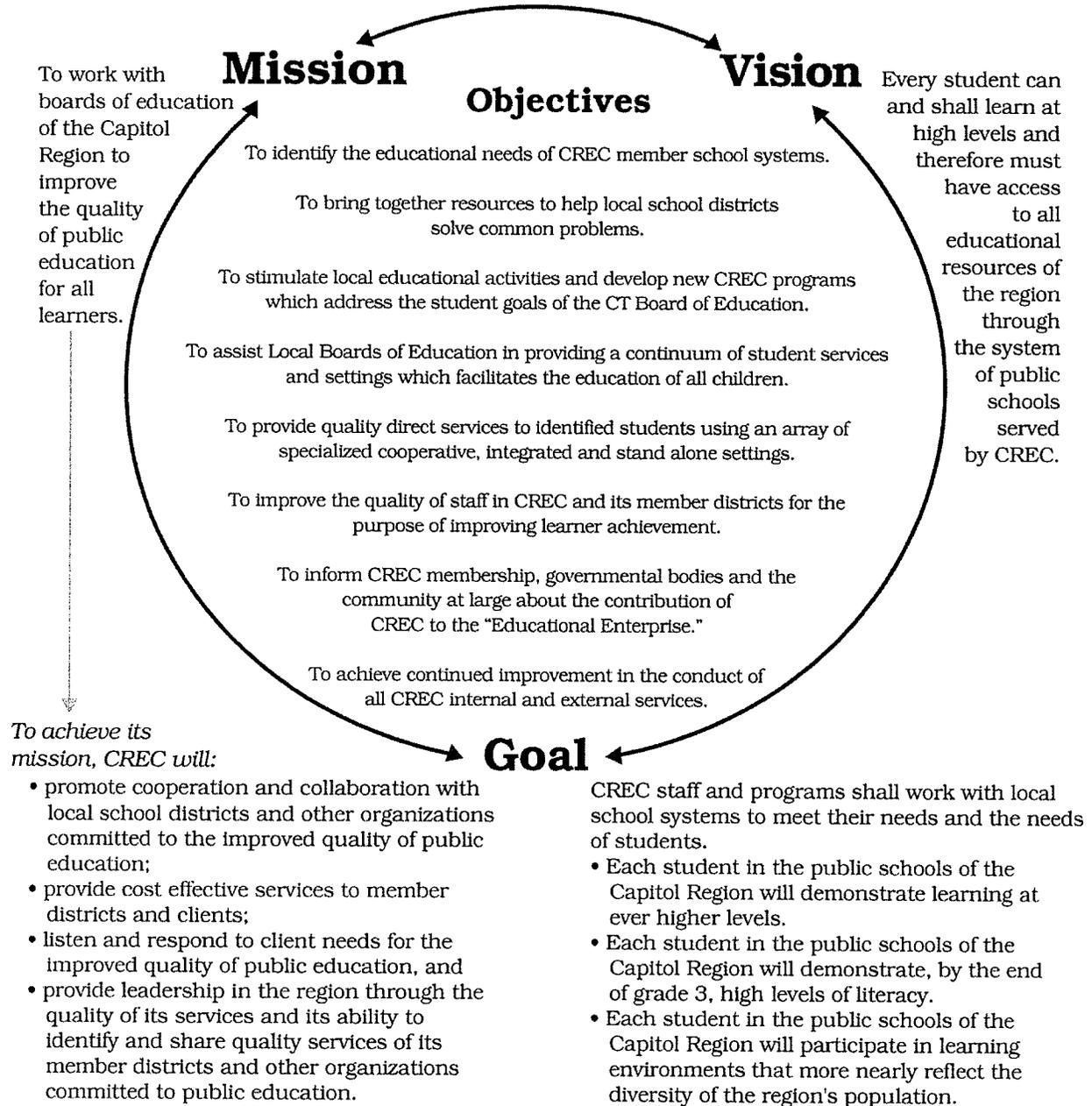
Early Childhood Services
 CT Migratory Children's Program
 Farmington Valley Diagnostic Center
 FVDC Extended Transition Program
 Health Services
 Integrated Program Models
 John J. Allison, Jr. Polaris Center
 Magnet Schools Special Education
 River Street Schools
 Soundbridge

Business Services
 Communications
 Division of Information Technology
 Services
 Division of Operations, Facilities and
 School Construction
 Human Resources



Capitol Region Education Council

Connecting People and Resources for Quality Education



Member Districts: Avon • Berlin • Bloomfield • Bolton • Bristol • Canton • Cromwell • East Granby • East Hartford • East Windsor • Ellington • Enfield Farmington • Glastonbury • Granby • Hartford • Hartland • Manchester • New Britain • New Hartford • Newington • Plainville • Portland • Region #10 Rocky Hill • Simsbury • Somers • Southington • South Windsor • Suffield • Vernon • West Hartford • Wethersfield • Windsor • Windsor Locks.

Revised: 8/98

2005-2006 Governance

Board of Directors

Berlin - John Richards
Bolton - John Hambrook
Canton - Frank Byus - Vice Chair
Enfield - Lynn Scull
Granby - Cal Heminway
Hartford - David MacDonald
Plainville - Becky Tyrrell - Chair
Region 10 - Beth Duffy
Simsbury - Lydia Tedone - Sec. / Treasurer
Southington - Jerry Belanger
West Hartford - Terry Schmitt

Council Representatives

Avon - Dr. Angela Shelton
Berlin - John M. Richards
Bloomfield - Shirley Thompson
Bolton - John Hambrook
Bristol - Christopher C. Wilson
Canton - Frank Byus
Cromwell - Shirley Banic
East Granby - Michaela Rosenberger
East Hartford - Karen S. Howe
East Windsor - Terri Willingham
Ellington - Ann Marie Hayes
Enfield - Joyce P. Hall
Farmington - Mary Grace Reed
Glastonbury - Elizabeth Rogan
Granby - Cal Heminway
Hartford - David McDonald
East Hartland - Amy Bourque
New Britain - Peter Kochol
Newington - Helen W. Nelson
Plainville - Becky Tyrrell
Portland - Honora Kenney
Region 10 - Beth Duffy
Burlington - Peter Turner
Rocky Hill - Charles McMonigle
Simsbury - Lydia Tedone
Somers - Joan Formeister
Southington - Jerry Belanger
Suffield - Lauren Life
Vernon - Amarjit Buttar
West Hartford - Terry Schmitt
Wethersfield - Janis K. Malec
Windsor Locks - Brenda Ives
Windsor - Doreen Richardson

Professional Advisory Board

Avon, Richard Kisiel
Berlin, Michael Cicchetti
Cromwell, Matt Bisceglia
East Granby, Christine Mahoney
East Hartford, Marion Martinez
Enfield, John Gallacher
Farmington, Robert Villanova
Hartford, Jacqueline Jacoby
Glastonbury, Alan Bookman
Granby, Gwen Van Dorp
New Britain, Doris Kurtz

(Professional Advisory Board continued)

New Hartford, Philip O'Reilly
Newington, Ernest Perlini
Plainville, Kathy Binkowski
Portland, Sally Doyen
Region 10, Paula Schwartz
Rocky Hill, Cam Vautour
Southington, Harvey Polansky
South Windsor, Robert Kozaczka
Suffield, John Reynolds
Windsor, Elizabeth Feser
Windsor Locks, Gregory Little

CREC Administration

Bruce E. Douglas, Ph.D.,
Executive Director

Colleen A. Palmer
Deputy Executive Director

Donald P. Walsh,
*Assistant Executive Director, Finance
& Operations*

Joe Townsley, Ed.D.,
General Director of Magnet Schools

Frances DiFiore,
*Assistant Director of Magnet Schools,
Director of Teaching & Learning*

Richard A. Cormier,
Director of Human Resources

Jacqueline L. Wasta,
Director, Student Services

Scott Nierendorf,
Director of Education Technology Services

Mark O'Donnell, Ph.D.,
Director, Grants Division

Linda L. Russell,
*Director, Technical Assistance &
Brokering Services*

Andrew Tyskiewicz,
*Director, Community Education,
Training and Employment Services*

Mary W. Forbes,
Director of Communications

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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, 2005

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.



Carla E. Perry

President

Jeffrey R. Emer

Executive Director



November 30, 2006

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, 2006. The purpose of the report is to provide citizens, member boards of education, investors, 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.

The Comprehensive Annual Financial Report is composed of three sections:

The Introductory Section contains the table of contents, a listing of principal officials, the organization chart of the Council, the Council mission and vision statement, the Government Finance Officers Association (*GFOA*) Certificate of Achievement for Excellence in Financial Reporting and this letter of transmittal.

The Financial Section contains the report of independent accountants, management's discussion and analysis, basic financial statements, including the notes to the financial statements, supplemental, combining and individual fund statements and schedules.

The Statistical Section contains comprehensive statistical data that relates to the financial condition of the entire governmental structure of CREC and includes various financial, economic, social and demographic data about CREC and its member towns.

REPORTING ENTITY

CREC is the oldest and largest of Connecticut's six Regional Educational Service Centers (RESCs). CREC serves 35 member public school districts of North Central Connecticut. CREC was established in 1966 as a grassroots effort of local school districts, organized under the provisions of the Connecticut General Statutes, Section 10-66 a.-n. CREC's mission is to improve the quality of public education through cooperative programs.

Pursuant to C.G.S. 10-66c, CREC, as a regional educational service center, is a body corporate and politic and, as such, 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 regulatory agency. Publicly elected board of education members

appointed by each member school district govern CREC. 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 operates a diverse range of offerings in education, health and human services. Some of the 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 statements include all of the funds and account groups of CREC.

ECONOMIC CONDITION AND OUTLOOK

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

Both the State and the local school districts, through their purchase of CREC's services, recognize the benefits of delivering educational services on a regional cooperative basis. CREC's history of providing essential services and the flexibility to develop and modify program offerings based on market factors will continue. Current economic conditions indicate the slow growth environment in which CREC has operated during recent years, but the services offered by CREC are still in demand. Traditional revenue growth is expected to remain steady in 2007 as the State of Connecticut, City of Hartford and other school districts utilizing CREC's services continue to address budgetary concerns. However, CREC will continue to anticipate and identify new initiatives to provide increased sales of services to school districts.

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 a primary focus. As a leader in promoting diversity, CREC's core beliefs, mission, goals and objectives have resulted in tangible progress toward achieving this goal in our region. We expect magnet school enrollment, the Choice Program, Interdistrict grants and other funding will continue to increase through 2007 and in future years as the State responds to the racial and ethnic isolation in the Capitol Region and as a response to the State's settlement of Sheff vs. O'Neill diversity case.

Eight CREC magnet schools will provide educational opportunities in the region during 2006-2007: the Metropolitan Learning Center (MLC) magnet school in Bloomfield; the East Hartford/Glastonbury Elementary Magnet (EHGEMS) in East Hartford; the Greater Hartford Academy of the Arts (GHAA) in Hartford; the Greater Hartford Academy of Math and Science (GHAMAS) in Hartford; the Montessori Magnet in Hartford; the Two Rivers Magnet Middle School in East Hartford; the Great Path Academy in Manchester; and the University of Hartford Magnet School in Hartford. Our magnet school enrollment is over 2,900 students in 2006-2007 and our magnet school budgets total \$33,911,095. In 2006-2007 Hartford Middle Magnet School will transition back to Hartford Public Schools as a host magnet school.

The Capitol Region Choice program served approximately 1,070 Hartford students who attended school in 27 CREC districts during the 2005-2006 school year. For the 2006-2007 school year, the Choice program will serve

approximately 1,092 Hartford students in 27 districts. CREC plans to continue to manage and expand the Choice Program in future years.

The Interdistrict grants program also continues to respond to racial and ethnic isolation in the Capitol Region and has 25 grants in 2006-2007 with awards totaling \$1,865,042.

CREC is coordinating the building project for the new East Hartford-Glastonbury Elementary Magnet School that has been approved for \$29.7 million. CREC was awarded the contract for project management for construction of this new school with an expected completion date of fall, 2008. The school's expected enrollment is 420 students.

The Learning Corridor is a 16-acre, 350,000 square foot campus comprised of four interdistrict public magnet schools. In addition to four magnet schools, the campus also includes a Commons Building (cafeteria, offices, gymnasium and pool), the Theater of Performing Arts and a parking garage. CREC currently manages this property under contract to the City of Hartford.

The State of Connecticut has increased the funding for the construction of magnet schools but has not increased the basic funding formula for operating them, leaving an increasing gap in predictable operating funds for existing magnet schools and future magnet schools. CREC is working with State legislators, the Connecticut Department of Education and magnet school stakeholders to address this issue. It is anticipated that a funding formula will be instituted in order to effectively operate magnet schools.

Program Growth:

Student Services Division:

River Street School, which provides services to children and adolescents with Autism and developmental disabilities, has recently renovated a building adjacent to the school. This has enabled the program to improve the services it provides to children and districts. Specifically, the Children's Therapy Specialists, located in the new building, provides occupational therapy services to children with extended hours on weekends and evenings. The new facility is also the home base for the program's outreach services. Plans for growth at Soundbridge, a program serving children with hearing impairments, include the development of services for adults with cochlear implants, transitional services for students entering college or the workforce, and a master's level program designed to certify new teachers of the hearing impaired. Soundbridge has applied to the State for additional funds to more than double the size of the school. The John J. Allison, Jr. Polaris Center is working to expand its mental health clinic to better serve students with social and emotional needs.

New initiatives for the Student Services Division include the development of a comprehensive early childhood department for CREC. Among other services, Student Services manages the Project Choice Early Beginnings (PCEB) Kindergarten program, where 75 Hartford kindergarteners attend school in suburban settings and teachers receive extra support and training in literacy from the BCEB staff. Student Services also recently opened the School for Young Children on Asylum Hill in collaboration with Hartford's Asylum Hill Congregational Church and Saint Joseph College. This program is now exploring ways to expand the number of children and families it serves.

Technical Assistance and Brokering Services Division:

TABS is expanding its services to teachers statewide in 2006-2007 by offering the first Connecticut Advanced Alternate Route to Certification Program in Special Education. Upon successful completion, the first cohort of teachers will gain this cross endorsement in the summer of 2008. TABS has also developed a new Master Instructional Coaches Academy in partnership with Kansas University, in which certified trainers are learning advanced skills to coach classroom teachers in various instructional and behavioral issues. A new Speech and

Language Assistant Program, in collaboration with SDE and higher education, is also under development. In addition, the division provides agency-wide professional development for CREC's administrators, faculty and staff.

Community Education Division:

The Division of Community Education addresses the needs of adults and families in the Capitol Region through its many community-based programs. Programs include pre-vocational and literacy training, English as a Second Language classes and family development initiatives. The Division's work bridges the gap between parents and schools and initiates intergenerational community projects. The Division is the sole provider for statewide professional development for Connecticut's 1,500 Adult Education teachers as well as the coordinator of several other professional development initiatives. Community Education enhances family members' career opportunities, thereby serving as an economic catalyst.

Choice Division:

The Choice Division plans to expand services to Choice students through increased counseling and academic support, thereby increasing the avenues for funding highly effective Interdistrict programs, and improved and enhanced Choice and Magnet School transportation services.

Grants and Development Division:

In 2005-2006, CREC's Grants and Development Division expanded to include another grant writer to raise private funds. The focus of that effort resulted in the opening of the School for Young Children on Asylum Hill, a collaboration between CREC, St. Joseph College and the Asylum Hill Congregational Church. The school will serve 44 students aged 6 weeks through 5 years. In 2006-2007, the Grants and Development Office will work to raise funds to meet the objective of reducing district tuition charges for CREC schools and programs. Grant coordinators in each division will work closely with Grants and Development staff to identify areas of greatest need and assist in the preparation of grant applications to address those needs.

Institute of Teaching and Learning:

The Institute of Teaching and Learning has increased its capacity to meet the needs of our districts as well as CREC's magnet schools by tailoring instruction for students in diverse classrooms. Our education specialists have provided services including workshop trainings, coaching program development, and on-site consultation. Specific areas include Differentiated Instruction, Response to Intervention, Classroom Walkthrough Training, and Supplemental Education Services (NCLB). Currently, the staff is developing breakout strand workshops in the areas of Bloom's Instructional Strategies and Student Engagement to complement Classroom Walkthrough training.

In 2006-2007, the Institute will sponsor two major conferences "What Works in School: Translating Research into Action" and "Professional Learning Communities".

Operations, Facilities and School Construction Division:

Construction work for the \$3.5 million purchase and renovation of 627 River Street, Windsor, CT finished in 2006. The building was totally renovated, allowing for efficient use of interior spaces. CREC has submitted a request to the State Department of Education for the expansion of the Soundbridge school.

The division introduced an Energy Savings offer to our districts in 2005-2006 and is working to expand that offer in 2006-2007.

Business Services:

CREC's Cooperative Purchasing offer to districts throughout Connecticut was expanded significantly in 2005-2006 and will continue to grow during 2006-2007. The program provides pre-bid volume discount opportunities in technology, school supplies and numerous other school products.

FINANCIAL INFORMATION

The management of CREC 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 are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. 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: (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

Single Audit:

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

As a 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, 2006 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 these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget as presented by the management of CREC and approved by the Board of Directors of CREC. The Business Services Division performs 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 new 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. The requirement has been complied with and the report of the independent accountants 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, 2005. This was thirteenth consecutive year that CREC has received this prestigious award. In order to be awarded a Certificate of Achievement, CREC must publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principals 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 it 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 all members of the division who assisted with the preparation of this report.

We are grateful to the Council's independent auditors, Scully & Wolf, LLP, for their professional assistance and advice during the course of this audit. We also thank CREC's Board of Directors and our Executive Director for their interest and support in planning and conducting the financial operations of CREC in a responsible and progressive manner.

Respectfully submitted,



Donald P. Walsh
Assistant Executive Director
Finance and Operations



Jeffrey E. Ivory
Comptroller

FINANCIAL SECTION



Scully & Wolf, LLP / Certified Public Accountants / Glastonbury, Connecticut 06033

INDEPENDENT AUDITORS' REPORT

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, 2006, 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.

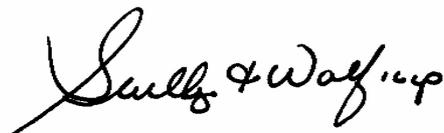
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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, 2006, and the respective changes in financial position and cash flows, where applicable, 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 October 20, 2006 on our consideration of the Capitol Region Education Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.

Management's discussion and analysis and budgetary comparison information on pages 3 through 10 and 38 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Capitol Region Education Council's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of 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, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink, appearing to read "Sulby & Wolf". The signature is written in a cursive, flowing style.

October 20, 2006

CAPITOL REGION EDUCATION COUNCIL

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2006

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, 2006. Readers should refer to the transmittal letter at the beginning of this report and the financial statements which immediately follow this section.

FINANCIAL HIGHLIGHTS

- The total cost of all of CREC's programs was \$102.5 million.
- The General Fund reported a fund balance this year of \$9.6 million, up from \$8.9 million last year.
- During the year, CREC's governmental revenues of \$102.1 million were \$2.5 million greater than expenses for governmental activities (before extraordinary items and transfers).
- CREC's net assets decreased by \$231 thousand as result of this year's operations. Specifically, our write off of the cancelled \$2.4 million New Britain Magnet School project negated the \$2.2 million increase of our other net assets. While net assets of our business-type activities decreased by \$355 thousand, net assets of our governmental activities increased by \$124 thousand.
- Overall, the growth in CREC's net assets (before extraordinary items) reflected increases in student enrollment and an increased demand for special education services.

OVERVIEW OF THE FINANCIAL STATEMENTS

The CAFR is CREC's annual financial report, containing introductory material, the basic financial statements, and additional statements and schedules with 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

The analysis of CREC as a whole is presented on Exhibit 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) as a whole and provide both short-term and long-term information about CREC's finances. Accounting methods used are similar to those of private sector companies. These two statements report CREC's net assets and changes in them. CREC's net assets, (the difference between assets and liabilities), is 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.

In the government-wide statements, 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 and charges. 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 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 (Exhibit III and IV)* – Most of CREC’s basic programs and services are reported in governmental funds, which 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 which 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 at the bottom of the governmental fund financial statements.

CREC operates 64 governmental programs. The individual programs are described and the 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 (Exhibit V and VII)* – Proprietary funds are reported in the same way as the government-wide statements. CREC has two types of proprietary funds:

CREC’s 16 enterprise funds (a type of proprietary fund) provide products and services directly to other RESCs, school districts and the public in exchange for fees. CREC identifies specific product and service needs within the community and establishes the 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 (the other type of proprietary fund) are created to provide goods or services to other CREC programs such as staff development and training, support staff services, a defined contribution plan, a self-funded health insurance plan and a self-funded unemployment compensation plan.

- *Fiduciary funds (Exhibit VIII and IX)* – Fiduciary funds are used to account for assets CREC holds for the benefit of parties outside the government 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 the assets reported in these funds are used for their intended purposes.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

CREC's combined net assets decreased \$231 thousand, or 0.3 percent, to \$66.8 million. The decline of CREC's financial position was due to a write off of the cancelled 1996 New Britain Early Childhood Magnet School project for \$2.4 million. Without this extraordinary item, net assets would have increased by \$2.2 million.

Table 1
Net Assets
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Current assets.....	\$22,563	\$22,301	\$ 869	\$ 96	\$23,432	\$22,397
Capital assets, net of accumulated depreciation	57,847	59,199	17	37	57,864	59,236
Total assets.....	80,410	81,500	886	133	81,296	81,633
Current liabilities	8,332	9,223	1,486	383	9,818	9,606
Long-term liabilities out- standing.....	4,650	4,973	18	13	4,668	4,986
Total liabilities.....	12,982	14,196	1,504	396	14,486	14,592
Net assets:						
Invested in capital assets, net of related debt.....	51,855	54,229	17	37	51,872	54,266
Restricted for:						
Trust purposes:						
Nonexpendable	17	17			17	17
Unrestricted	15,556	13,058	(635)	(300)	14,921	12,758
Total net assets.....	\$67,428	\$67,304	\$ (618)	\$(263)	\$66,810	\$67,041

Net assets of CREC's governmental activities increased 0.2 percent. This change is primarily attributable to an increase in cash and cash equivalents of \$2.1 million due to an increase in sales and services in the special education schools, a decrease in accounts payable and accrued liabilities and increased collection activity as evidenced by a \$740 thousand decrease in outstanding receivables.

The financial position of the business-type activities declined by \$355 thousand and was due primarily to lack of sales in training and conference attendance.

Unrestricted net assets – the part 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, changed from \$13.1 million at June 30, 2005 to \$15.6 million at June 30, 2006 due to growth in the governmental funds.

The net assets of business-type activities decreased by 135 percent, from \$263 thousand to a deficit of \$618 thousand. Unrestricted net assets decreased by \$335 thousand, due to loss of revenues experienced by several of the enterprise funds. New initiatives to provide technology, training, conference services and professional development training to the member school districts were adversely affected by decreases in State funding provided to CREC's customers.

Table 2
Changes In Net Assets
(in thousands)

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Revenues:						
Program revenues:						
Charges for services	\$ 48,920	\$41,234	\$2,351	\$1,905	\$ 51,271	\$43,139
Operating grants and contributions	51,163	51,731	166	8	51,329	51,739
Capital grants and contributions	1,183	1,424			1,183	1,424
General revenues:						
Grants and contributions not restricted to specific purposes	359	359			359	359
Unrestricted investment earnings	445	173			445	173
Total revenues	<u>102,070</u>	<u>94,921</u>	<u>2,517</u>	<u>1,913</u>	<u>104,587</u>	<u>96,834</u>
Program expenses:						
Education	94,321	88,144			94,321	88,144
Facilities	420	617			420	617
Administration	4,577	4,502			4,577	4,502
Interest on debt	242	265			242	265
Learning Corridor Theatre			73	86	73	86
Cooperative Purchasing			13	1	13	1
Regional Fingerprinting Services ...			62	66	62	66
Staff Development			15	9	15	9
BEST Services			1	3	1	3
Property Rental			18	27	18	27
CASBO Support Services			12	4	12	4
Conference Services			166	154	166	154
Technology Sale of Services			532	584	532	584
Farmington Valley Director				2		2
Technical Assistance and Brokering Services			876	194	876	194
Understanding By Design			41	155	41	155
Community Education			127	156	127	156
School Facility Services			326	388	326	388
School Improvement Center			653	394	653	394
Total program expenses	<u>99,560</u>	<u>93,528</u>	<u>2,915</u>	<u>2,223</u>	<u>102,475</u>	<u>95,751</u>
Increase (decrease) in net assets before extraordinary item and transfers	2,510	1,393	(398)	(310)	2,112	1,083
Extraordinary item	(2,343)				(2,343)	
Transfers	(43)	173	43	(173)		
Increase (decrease) in net assets	<u>\$ 124</u>	<u>\$ 1,566</u>	<u>\$ (355)</u>	<u>\$ (483)</u>	<u>\$ (231)</u>	<u>\$ 1,083</u>

The total cost of CREC's programs and services increased by 7 percent to \$102.5 million. The expenditures are primarily related to educating and providing services for CREC students and member districts. The administrative activities of CREC were 4.5 percent of total costs, compared to 4.7 percent the previous year. The most significant increases were in salaries (4.7 percent) and employee benefits (20.2 percent), an increase of \$6.3 million, largely from salary and benefits increases for teachers and paraprofessionals. A large part of the employee benefits (20.2 percent) increase was for teacher's retirement which the State of Connecticut ultimately supplies the revenue for.

Total expenses including "extraordinary items" i.e. (New Britain Early Childhood Magnet schools write off) exceeded revenues, decreasing net assets \$231 thousand over last year. Only governmental activities contributed to CREC's healthier financial position.

Governmental Activities

Governmental activities revenue increased by \$7.1 million, or 7.5 percent. Approximately 47.9 percent of revenues came from charges for services and approximately 50.1 percent came from operating grants and contributions. Both of these sources have been significant contributors to revenue in past fiscal years.

- Increased revenues in fiscal 2006 resulted from an increase in educational services provided to districts as well as enrollment growth in the magnet schools.
- Special education services increased revenues in 2006 by providing more services while controlling expenditures.
- Investment income increased from \$173 thousand in 2005 to \$445 thousand or 157 percent in 2006 due to an increase in interest rates, larger carrying balances and better collections on accounts receivable.

Along with the increased revenues, governmental expenditures also increased by \$6 million, or 6.4 percent. The largest contributor to the increase in expenditures, other than the salaries and benefits mentioned above, was the acceptance of the property management contract for the Learning Corridor, which caused an increase of expenditures from \$502 thousand to \$3.7 million in 2006. With more students served, expenditures in the special education schools, magnet schools and the Choice program increased. As a result of an audit by SDE, the Choice program deficit was fully funded in 2005-2006, which was not the case in the previous year.

The largest budgetary variance in the general fund was at the Metropolitan Learning Center Magnet School (MLC). The budgeted salaries were \$318 thousand higher than actual expenditures, due to staffing changes.

Business-type Activities

Revenues of CREC's business-type activities (see Table 2) increased by 31.6 percent (\$2.5 million in 2006 compared to \$1.9 million in 2005) and expenses increased by 31.1 percent. Expenses exceeded revenues by \$398 thousand. The losses in the business-type activities were primarily attributable to smaller than anticipated participation by districts in conferences, workshops, training and professional development. Other factors included decreased sales for construction-related services and high start-up costs for new initiatives.

FUNDS FINANCIAL ANALYSIS

Governmental Funds

As CREC completed the year, its governmental funds (as presented in the balance sheet – Exhibit III) reported a combined fund balance of \$9.9 million, which increased from last year's \$9 million.

The General Fund had a net change in fund balance of \$701 thousand. River Street School had revenues that exceeded expenditures by \$474 thousand, due to the increase in sales and services for special education provided by the school. The Student Services division, which operates all the special education schools, had combined revenues exceeding expenditures of \$620 thousand. While enrollments grew, the magnet schools, in total, had an excess of expenditures over revenues of \$202 thousand, due to an increase in magnet transportation

costs and Learning Corridor costs. An inadequate State funding formula and lack of member districts' support of the magnet schools were the significant contributors that lowered fund balances at the magnet schools.

The Grants and Contracts Fund had a net increase in fund balance of \$100 thousand. Birth To Three, Connecticut Technical High Schools and Supplemental Services had combined revenues over expenditures of \$126 thousand; Related Services had a deficit of \$18 thousand. This accounts for most of gains and losses in the Grants and Contracts Fund. The Capital Projects Fund, Debt Service Fund and Permanent Fund all remained relatively unchanged.

	<u>Fund Balance June 30, 2006</u>	<u>Fund Balance July 1, 2005</u>
General fund	\$9,570	\$8,869
Grants and contracts fund	(335)	(435)
Capital projects fund	(399)	(405)
Debt service fund	998	984
Permanent fund	<u>17</u>	<u>17</u>
Totals	<u>\$9,851</u>	<u>\$9,030</u>

Capital Projects

The decrease of \$490 thousand in fund balance for the River Street Building and the pay off of the Early Childhood Magnet School were the two significant items in the Capital Project activity in fiscal 2006.

Proprietary Funds

Proprietary fund net assets were \$2.8 million at the end of fiscal 2006, an increase of \$31 thousand, or 1.1 percent. As mentioned, enterprise funds experienced a deficit of \$355 thousand due to training and conference initiatives that have struggled to maintain profitability.

	<u>Balance June 30, 2006</u>	<u>Balance July 1, 2005</u>
Enterprise Fund.....	\$ (618)	\$ (263)
Internal Service Fund	<u>3,457</u>	<u>3,071</u>
Totals	<u>\$2,839</u>	<u>\$2,808</u>

Net assets for the internal service fund increased \$386 thousand, or 12.6 percent, and this is primarily attributable to CREC's self-insurance fund, which realized net income of \$214 thousand and the CREC

unemployment fund's net income of \$164 thousand, as the payout of medical costs and employee benefits, respectively, were less than anticipated during the year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2006, CREC had \$57.8 million invested in a broad range of capital assets, including land, buildings, vehicles and equipment (see Table 5). Capital assets net of depreciation decreased 1.4 million over last year or 2.3 percent. However, capital assets net of depreciation were lower due to the write off of the Early Childhood Magnet School in New Britain, CT. Without this \$2.4 million dollar write off, capital assets net of depreciation would have increased by \$1.05 million overall. The additions to capital assets included technology equipment, vehicles, building improvements and the 627 River Street acquisition.

Table 5
Capital Assets at Year-end (Net of Depreciation)
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Land	\$ 2,225	\$ 2,225			\$ 2,225	\$ 2,225
Buildings and improvements.....	49,998	42,445			49,998	42,445
Vehicles.....	237	183			237	183
Furniture, fixtures and equipment....	2,046	2,243	\$17	\$37	2,063	2,280
Construction in progress	3,341	12,103			3,341	12,103
Totals	\$57,847	\$59,199	\$17	\$37	\$57,864	\$59,236

More detailed information about CREC's capital assets is presented in Note 1 and Note 6 to the financial statements.

Long-term debt

As of June 30, 2006 CREC had \$3.5 million in bonds and notes outstanding versus \$3.9 million last year – a decrease of 9.5 percent – as shown in Table 6.

Table 6
Outstanding Debt, at Year-end
(in thousands)

	Governmental Activities		Business-Type Activities		Totals	
	2006	2005	2006	2005	2006	2005
Bonds payable.....	\$3,380	\$3,730			\$3,380	\$3,730
Notes payable.....	147	167			147	167
Totals.....	\$3,527	\$3,897	\$-0-	\$-0-	\$3,527	\$3,897

The decrease in debt reflects the scheduled principal payments on CREC's outstanding bonds. No additional debt was assumed during the fiscal year. 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 9 to the Financial Statements.

Connecticut General Statutes (C.G.S.) Section 10-66c defines the borrowing authority for Regional Education Service Centers (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

As mentioned previously, State funding for magnet schools is inadequate. CREC was a member of a magnet school task force committee that sent suggestions seeking to rectify the inequities in the funding to the Governor's Educational Cost Sharing (ECS) committee.

CREC is working with the State Department of Education(SDE) to improve the operation and funding of the Choice Program. The State Office of Internal Audit conducted a review of the program and found no irregularities and, as a result, fully funded the Choice program in 2005-2006. Future funding, however, rests with SDE's list of priorities.

Recently, there has been a trend for districts to turn to CREC to provide services on a consulting basis, such as for curriculum development, early literacy, math and science partnerships and professional development for teachers, principals and administrators. CREC will continue to respond to these district needs.

CREC will continue to seek out collaborative opportunities with member districts and other organizations committed to the improved quality of public education.

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, Assistant Executive Director, Finance and Operations, CREC, 111 Charter Oak Avenue, Hartford, CT 06106.

Basic Financial Statements

CAPITOL REGION EDUCATION COUNCILSTATEMENT OF NET ASSETS
JUNE 30, 2006

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS:			
Current assets:			
Cash and cash equivalents.....	\$11,916,885	\$ 235,971	\$12,152,856
Investments.....	77,216		77,216
Receivables.....	10,357,715	627,141	10,984,856
Other.....	211,285	6,051	217,336
Noncurrent assets:			
Assets not being depreciated.....	5,566,004		5,566,004
Assets being depreciated, net.....	52,280,937	16,680	52,297,617
Total assets.....	80,410,042	885,843	81,295,885
LIABILITIES:			
Current liabilities:			
Accounts payable and accrued liabilities.....	4,647,075	88,130	4,735,205
Internal balances.....	(1,114,442)	1,114,442	
Unearned revenue.....	1,299,436	283,328	1,582,764
Bond anticipation notes payable.....	3,500,000		3,500,000
Noncurrent liabilities:			
Due within one year.....	1,230,763	17,775	1,248,538
Due in more than one year.....	3,419,474		3,419,474
Total liabilities.....	12,982,306	1,503,675	14,485,981
NET ASSETS:			
Invested in capital assets net of related debt.....	51,854,810	16,680	51,871,490
Restricted for:			
Trust purposes:			
Nonexpendable	17,000		17,000
Unrestricted.....	15,555,926	(634,512)	14,921,414
Total net assets.....	\$67,427,736	\$ (617,832)	\$66,809,904

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

CAPITOL REGION EDUCATION COUNCIL

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2006

FUNCTIONS/PROGRAMS	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	\$ 94,320,567	\$48,644,245	\$50,869,048	\$1,183,345	\$ 6,376,071		\$ 6,376,071
Facilities	420,598	14,638			(405,960)		(405,960)
Administration	4,577,274	261,063	293,890		(4,022,321)		(4,022,321)
Interest expenses	241,659				(241,659)		(241,659)
Total governmental activities	99,560,098	48,919,946	51,162,938	1,183,345	1,706,131		1,706,131
Business-type activities:							
Learning Corridor Theater	72,944	119,043			\$ 46,099		46,099
Cooperative Purchasing	12,987	5,016			(7,971)		(7,971)
Regional Fingerprinting Service	62,177	62,834			657		657
Staff Development	14,443	13,416			(1,027)		(1,027)
BEST Services	1,115	1,981			866		866
Property Rental	17,778	15,000			(2,778)		(2,778)
CASBO Support Services	12,044	14,048			2,004		2,004
Conference Services	165,777	153,191			(12,586)		(12,586)
Technology Sale of Services	531,965	268,541	160,952		(102,472)		(102,472)
Technical Assistance Brokering Service	876,142	629,908	5,665		(240,569)		(240,569)
Understanding By Design	41,251	31,350			(9,901)		(9,901)
Community Education	127,408	158,052			30,644		30,644
School Facility Services	325,887	317,864			(8,023)		(8,023)
School Improvement Center	653,356	560,572			(92,784)		(92,784)
Total business type activities	2,915,274	2,350,816	166,617		(397,841)		(397,841)
TOTAL	\$102,475,372	\$51,270,762	\$51,329,555	\$1,183,345	1,706,131	(397,841)	1,308,290
General revenues:							
Grants and contributions not restricted to specific programs					358,611		358,611
Unrestricted investment earnings					445,049		445,049
Extraordinary item - abandonment of capital asset ..					(2,342,765)		(2,342,765)
Transfers					(42,902)	42,902	
Total general revenues, extraordinary item, and transfers					(1,582,007)	42,902	(1,539,105)
Change in net assets					124,124	(354,939)	(230,815)
Net assets, July 1, 2005					67,303,612	(262,893)	67,040,719
Net assets, June 30, 2006					\$67,427,736	\$ (617,832)	\$66,809,904

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

CAPITOL REGION EDUCATION COUNCIL

GOVERNMENTAL FUNDS

BALANCE SHEET
JUNE 30, 2006

	GENERAL	GRANTS AND CONTRACTS FUNDS	RIVER STREET BUILDING	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>A S S E T S</u>					
Cash and cash equivalents	\$ 4,837,739	\$ 844,394	\$1,228,775	\$1,017,112	\$ 7,928,020
Investments	57,860			19,356	77,216
Receivables	5,646,795	2,289,156	2,002,537	411,612	10,350,100
Due from other funds	3,390,203				3,390,203
Other assets	186,687	5,151			191,838
TOTAL.....	<u>\$14,119,284</u>	<u>\$3,138,701</u>	<u>\$3,231,312</u>	<u>\$1,448,080</u>	<u>\$21,937,377</u>
<u>L I A B I L I T I E S A N D F U N D B A L A N C E S</u>					
Liabilities:					
Accounts payable and accrued liabilities	\$ 2,781,336	\$1,109,039	\$ 76,297	\$ 594	\$ 3,967,266
Due to other funds		1,789,465		486,296	2,275,761
Deferred revenue	1,768,251	575,556			2,343,807
Bond anticipation notes payable			3,500,000		3,500,000
Total liabilities.....	<u>4,549,587</u>	<u>3,474,060</u>	<u>3,576,297</u>	<u>486,890</u>	<u>12,086,834</u>
Fund balances (deficit):					
Reserved	72,756			1,014,984	1,087,740
Unreserved, reported in:					
General Fund.....	9,496,941				9,496,941
Special Revenue Funds.....		(335,359)			(335,359)
Capital Project Funds.....			(344,985)	(53,794)	(398,779)
Total fund balances (deficit).....	<u>9,569,697</u>	<u>(335,359)</u>	<u>(344,985)</u>	<u>961,190</u>	<u>9,850,543</u>
TOTAL.....	<u>\$14,119,284</u>	<u>\$3,138,701</u>	<u>\$3,231,312</u>	<u>\$1,448,080</u>	
Amounts reported for governmental activities in the statement of net assets are different because:					
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds...					57,747,979
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds..					1,046,871
Internal service funds are used by management to charge the cost of risk management to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.....					3,456,830
Long-term liabilities, including bonds payable, are not reported in the funds.....					(4,674,487)
Net assets of governmental activities (Exhibit I)					<u>\$67,427,736</u>

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

CAPITOL REGION EDUCATION COUNCIL

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2006

	GENERAL	GRANTS AND CONTRACTS FUNDS	RIVER STREET BUILDING	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Revenues:					
Tuition	\$22,238,773	\$ 20,126			\$ 22,258,899
Grants in aid	31,973,175	18,596,038	\$ 1,183,345		51,752,558
Room and board	3,769,709				3,769,709
Sales of services	21,223,487	2,423,300	7,942		23,654,729
Investment income	412,641			\$ 29,995	442,636
Other local revenues	178,840	119,888			298,728
Total revenues	79,796,625	21,159,352	1,191,287	29,995	102,177,259
Expenditures:					
Current:					
Salaries	45,048,306	6,453,008			51,501,314
Employee benefits	12,608,603	1,234,134			13,842,737
Purchased professional and technical services	3,500,679	1,982,475			5,483,154
Purchased property services	6,173,141	182,228			6,355,369
Other purchased services	5,146,263	9,867,090			15,013,353
Supplies	4,709,938	244,345			4,954,283
Property	853,262	47,715			900,977
Other objects	198,407	3,683			202,090
Debt service:					
Principal				366,350	366,350
Interest and fiscal charges				248,166	248,166
Capital outlay			2,481,682	500,000	2,981,682
Total expenditures	78,238,599	20,014,678	2,481,682	1,114,516	101,849,475
Excess (deficiency) of revenues over expenditures.....	1,558,026	1,144,674	(1,290,395)	(1,084,521)	327,784
Other financing sources (uses):					
Transfers in	1,215,986	17,785	800,000	1,095,045	3,128,816
Transfers out	(2,073,082)	(1,063,094)			(3,136,176)
Capital lease				500,000	500,000
Total other financing sources (uses)	(857,096)	(1,045,309)	800,000	1,595,045	492,640
Net change in fund balances.....	700,930	99,365	(490,395)	510,524	820,424
Fund balance (deficit), July 1, 2005.....	8,868,767	(434,724)	145,410	450,666	
Fund balance (deficit), June 30, 2006.....	\$ 9,569,697	\$ (335,359)	\$ (344,985)	\$ 961,190	
Amounts reported for governmental activities in the statement of activities (Exhibit II) are different because:					
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.					1,048,794
In the statement of activities, only the gain on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increases financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the asset sold. This is the amount of loss on the disposal of assets					(2,342,765)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds					(109,783)
Bonds proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which repayments exceed proceeds					294,819
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 governmental funds.					27,052
Internal service funds are used by management to charge the costs of risk management to individual funds. The net revenue (expense) of the internal service fund is reported with governmental activities (Exhibit VI)					385,583
Change in net assets of governmental activities (Exhibit II)					\$ 124,124

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

CAPITOL REGION EDUCATION COUNCILPROPRIETARY FUNDS

STATEMENT OF NET ASSETS

JUNE 30, 2006

	BUSINESS-TYPE ..ACTIVITIES.. NONMAJOR ENTERPRISE FUNDS	GOVERNMENTAL ..ACTIVITIES.. INTERNAL SERVICE FUND
ASSETS:		
Current:		
Cash and cash equivalents.....	\$ 235,971	\$3,988,865
Receivables, net.....	627,141	7,615
Other assets.....	6,051	19,447
Total current assets.....	869,163	4,015,927
Noncurrent assets:		
Capital assets, net of accumulated depreciation.....	16,680	98,962
Total assets.....	885,843	4,114,889
LIABILITIES:		
Current:		
Accounts payable and accrued liabilities.....	88,130	613,542
Due to other funds.....	1,114,442	
Deferred revenues.....	283,328	2,500
Current portion of obligations under capital lease.....		7,821
Current portion of compensated absences.....	17,775	30,743
Total current liabilities.....	1,503,675	654,606
Noncurrent liabilities:		
Obligations under capital lease.....		3,453
Total liabilities.....	1,503,675	658,059
NET ASSETS:		
Invested in capital assets, net of related debt.....	16,680	87,688
Unrestricted.....	(634,512)	3,369,142
Total net assets.....	\$ (617,832)	\$3,456,830

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

CAPITOL REGION EDUCATION COUNCILPROPRIETARY FUNDSSTATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2006

	BUSINESS-TYPE ..ACTIVITIES.. NONMAJOR ENTERPRISE FUNDS	GOVERNMENTAL ..ACTIVITIES.. INTERNAL SERVICE FUND
Operating revenues:		
Sales of services.....	\$2,344,080	\$10,154,877
Other local revenues.....	6,736	866,995
Total operating revenues.....	<u>2,350,816</u>	<u>11,021,872</u>
Operating expenses:		
Salaries.....	1,557,431	913,451
Employee benefits.....	313,557	8,662,538
Purchased professional and technical services.....	436,982	114,220
Purchased property services.....	9,672	54,732
Other purchased services.....	401,930	667,257
Supplies.....	168,548	28,992
Property.....	4,406	86,683
Depreciation.....	21,619	64,301
Other.....	1,129	370
Total operating expenses	<u>2,915,274</u>	<u>10,592,544</u>
Operating income (loss)	<u>(564,458)</u>	<u>429,328</u>
Nonoperating revenues (expenses):		
Investment income.....		2,413
Grants in aid.....	166,617	
Loss on disposal of capital assets.....		(10,616)
Total nonoperating revenues (expenses)	<u>166,617</u>	<u>(8,203)</u>
Income (loss) before transfers	(397,841)	421,125
Transfer in	155,794	4,458
Transfers out	<u>(112,892)</u>	<u>(40,000)</u>
Change in net assets	(354,939)	385,583
Total net assets, July 1, 2005	<u>(262,893)</u>	<u>3,071,247</u>
Total net assets, June 30, 2006	<u>\$ (617,832)</u>	<u>\$ 3,456,830</u>

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

CAPITOL REGION EDUCATION COUNCIL

EXHIBIT VII

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2006

	BUSINESS-TYPE ..ACTIVITIES.. NONMAJOR ENTERPRISE FUNDS	GOVERNMENTAL ..ACTIVITIES.. INTERNAL SERVICE FUND
Cash flow from (to) operating activities:		
Receipts from customers and users.....	\$ 2,386,639	\$11,064,194
Receipts from interfund services provided.....	357,562	
Payment to suppliers.....	(1,064,331)	(955,295)
Payment to employees.....	(1,897,919)	(9,460,710)
Payment for interfund services used.....	<u>(98,896)</u>	<u>(4,458)</u>
Net cash provided (used) by operating activities.....	<u>(316,945)</u>	<u>643,731</u>
Cash flows from (to) noncapital financing activities:		
Grants in aid.....	166,617	
Transfers from other funds.....	<u>42,902</u>	<u>(35,542)</u>
Net cash provided (used) by noncapital financing activities.....	<u>209,519</u>	<u>(35,542)</u>
Cash flows from (to) capital financing activities:		
Principal payments on obligations under capital lease.....		(7,204)
Additions to property, plant and equipment.....	<u>(1,140)</u>	<u>(17,106)</u>
Net cash provided (used) by capital and related financing activities.....	<u>(1,140)</u>	<u>(24,310)</u>
Cash flows from investing activities:		
Income on investments.....		<u>2,413</u>
Net increase (decrease) in cash and cash equivalents.....	(108,566)	586,292
Cash and cash equivalents, July 1, 2005.....	<u>344,537</u>	<u>3,402,573</u>
Cash and cash equivalents, June 30, 2006.....	<u>\$ 235,971</u>	<u>\$ 3,988,865</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss).....	\$ <u>(564,458)</u>	\$ <u>429,328</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation.....	21,619	64,301
Change in assets and liabilities:		
(Increase) decrease in accounts receivable.....	(27,502)	43,941
(Increase) decrease in other assets.....	1,314	5,016
Increase (decrease) in accounts payable and accrued liabilities.....	(75,056)	103,701
Increase (decrease) in compensated absences.....	5,147	(598)
Increase (decrease) in due to other funds.....	258,666	(4,458)
Increase (decrease) in deferred revenue.....	<u>63,325</u>	<u>2,500</u>
Total adjustments.....	<u>247,513</u>	<u>214,403</u>
Net cash provided by operating activities.....	\$ <u>(316,945)</u>	\$ <u>643,731</u>

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

CAPITOL REGION EDUCATION COUNCIL

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2006

	AGENCY FUNDS
<hr/>	
ASSETS:	
Cash and cash equivalents	\$318,621
Other assets	<u>1,345</u>
Total assets	<u>\$319,966</u>
LIABILITIES:	
Accounts payable	\$ 481
Fiduciary deposits	<u>319,485</u>
Total liabilities	<u>\$319,966</u>

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



CAPITOL REGION EDUCATION COUNCIL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2006

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.

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.

The various funds included in the financial statements are described below:

Governmental Funds

Governmental Funds are those through which most governmental functions typically are financed.

General Fund - the primary operating fund of CREC. This fund is used to account for all financial transactions and resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes. Programs included in Special Revenue Funds are programs funded by federal and state grants and programs operated under contract.

Debt Service Funds - Debt Service Funds are used to account for financial resources used for the servicing of general long-term debt.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition and/or construction of major capital facilities.

Permanent Funds - used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support CREC's programs.

Proprietary Funds

Proprietary funds are used to account for activities that are similar to those often found in the private sector. These funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. The following are CREC's proprietary funds:

Enterprise Funds - account for operations that are financed in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Internal Service Funds - account for the financing of goods or services provided by one department to other departments or agencies of CREC on a cost-reimbursement basis.

Fiduciary Funds

Fiduciary Funds are used to account for assets held by CREC in a trustee capacity or as an agent for individuals, private organizations, and other governments. Fiduciary funds are not included in the government-wide statements. The fiduciary funds are as follows:

Agency Funds - are custodial in nature (assets equal liabilities) and do not involve measurement of results of operation.

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 financial statements. 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 for this purpose. 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 have 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 CREC, 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 River Street Building Fund is used to account for acquisition and renovation of 627 River Street Building.

Additionally, CREC reports the following fund types:

The Enterprise Funds are used to account for operations that are financed through user charges. The Enterprise Funds include: Learning Corridor Theater, Cooperative Purchasing, Regional-Fingerprinting Services, Staff Development, BEST Services, Property Rental, Connecticut Association of School Business Officials, Conference Services, Technology Sale of Services, Farmington Valley Director, Student Services, Community Education, School Facility Services, School Improvement Center, Technical Assistance Brokering Services, Understanding by Design.

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 Staff Development, CREC Wide Area Network, Copy Center, Self-Insurance, CREC Unemployment, Support Services Cost Center 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, 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, and Montessori Magnet School.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and enterprise funds 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 certain CREC's functions because the 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. 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 producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary are charges to customers for services. Operating expenses for enterprise funds and internal service fund 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.

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.

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.

State statutes authorize CREC to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and certain other investments as described in Note 4.

Investments for CREC are reported 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 non-current 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. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

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 in excess of 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 assets 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.

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

<u>Assets</u>	<u>Years</u>
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 and sick pay 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 are 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. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

K. Deferred Revenue

Deferred revenues consist entirely of funds received in advance of expenditure-driven grants.

L. 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 are restricted because they 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”.

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

Reserved Fund Balance - A portion of fund balance that is not available for appropriation or is legally restricted by outside parties for use for a specific purpose.

Designated Fund Balance - Represents tentative management plans that are subject to change.

Unreserved Fund Balance - Serves as a measure of current available financial resources.

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds”. The details of this \$4,674,487 difference are as follows:

Bonds payable	\$3,380,000
Accrued interest payable	66,267
Notes payable	147,150
Capital leases payable	429,633
Compensated absences	<u>651,437</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	<u>\$4,674,487</u>

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense”. The details of this \$1,048,794 difference are as follows:

Capital outlay	\$ 3,322,964
Depreciation expense	<u>(2,274,170)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities.....	<u>\$ 1,048,794</u>

Another element of that reconciliation states that “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, however, 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 deferred and amortized in the statement of activities”. The details of this \$294,819 difference are as follows:

Debt issued or incurred:	
Capital lease financing	\$(500,000)
Principal repayments:	
General obligation debt	350,000
Capital leases	425,050
Notes payable.....	<u>19,769</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities.....	<u>\$ 294,819</u>

Another element of that reconciliation states that “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 governmental funds”. The details of this \$27,052 difference are as follows:

Compensated absences	\$20,545
Accrued interest.....	<u>6,507</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities.....	<u>\$27,052</u>

3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Budgets for General and Special Revenue Fund programs are authorized annually in accordance with procedures outlined in the Constitution by CREC. The procedures for establishing the budgetary data reflected in the basic 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).

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 (Non-GAAP Budgetary Basis) and Actual 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 14) 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, 2006 are presented below.

	General Fund GAAP Basis	Interprogram Elimination	Non Budgeted General Fund Programs	General Fund Non-GAAP Budgetary Basis
General Fund:				
Revenues and other financing sources	\$81,012,611	\$10,821,299	\$(9,788,465)	\$82,045,445
Expenditures and other financing uses.....	<u>80,311,681</u>	<u>10,821,299</u>	<u>(9,443,582)</u>	<u>81,689,398</u>
Net change in fund balance.....	<u>\$ 700,930</u>	<u>\$ - 0 -</u>	<u>\$ (344,883)</u>	<u>\$ 356,047</u>

B. Deficit Fund Equity

Fund balance and retained earnings deficits existed as of June 30, 2006 in the following funds/programs:

General Fund Programs:	
Grants and Development Office.....	\$176,876
Technology Services	\$15,975
Connecticut Academy of Educational Leaders	\$26
Project Literacy	\$87,214
Montessori Magnet School	\$428,301
GHA Math and Science Magnet School	\$568,527
Administrative Building Cost Center	\$52,983
Polaris Center	\$789,725
Greater Hartford Academy of the Arts.....	\$3,297
Magnet School Cost Center	\$191,062
Special Revenue Fund:	
Grants and Contracts Fund:	
Capitol Region Choice Program.....	\$499,725
Suburban Youth Programs	\$491
Entitlement Grants.....	\$219
Preschool Intervention Program.....	\$62,753
Employment Training Program.....	\$160,973
Early Education Programs.....	\$253
River Street Building	\$344,985
Capital Projects Funds:	
East Hartford Glastonbury Magnet Construction	\$53,457
Polaris Center Renovation	\$337
Enterprise Funds:	
Learning Corridor Theater	\$55,502
Regional Fingerprinting Services.....	\$9,712
Technology Sale of Services.....	\$485,046
Conference Services.....	\$6,866
Understanding By Design	\$94,355
Community Education.....	\$34,468
School Improvement Center.....	\$222,876

4. 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

The following is a summary of cash and cash equivalents at June 30, 2006:

Deposits:	
Demand accounts	\$ 1,641,860
Certificates of deposit	<u>77,216</u>
Total deposits	1,719,076
Petty cash	200
Cash equivalents:	
State Tax Exempt Proceeds Fund (TEPF)	13,480
Money Market.....	10,115,243
U.S. Treasury Bills.....	700,694
Less: Certificates of deposit classified as investments	<u>(77,216)</u>
TOTAL CASH AND CASH EQUIVALENTS	<u>\$12,471,477</u>

Deposits

At June 30, 2006 the carrying amount of CREC deposits, including \$77,216 of certificate of deposits classified as investments, was \$1,719,076 and the bank balance was \$5,450,837.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, CREC’s deposits may not be returned to it. CREC does not have a deposit policy for custodial credit risk. Of the June 30, 2006 bank balance, \$377,324 was covered by Federal Depository Insurance. 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. A minimum of \$507,351, based on June 30, 2006 deposits, was collateralized (collateral held by the pledging bank’s trust department is not in CREC’s name). The balance of deposits of \$4,566,162 was uninsured and uncollateralized.

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, 2006 CREC’s cash equivalents amounted to \$10,829,417. The following table provides a summary of CREC’s cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations.

	<u>Standard and Poor’s</u>	<u>Moody’s</u>
State Tax Exempt Proceeds Fund (TEPF)*		
Columbia Treasury Reserves Fund.....	AAAm	Aaa
Treasury Obligations Fund	AAAm	Aaa

*Fund not rated

B. Investments

Investments as of June 30, 2006 in all funds are as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Interest Bearing Investments:		
Certificates of deposit*	<u>\$77,216</u>	0.40

*Subject to coverage by Federal Depository Insurance and collateralization as described under “Deposits” above.

Interest Rate Risk – CREC does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

5. 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:

	<u>General</u>	<u>Grants and Contracts Funds</u>	<u>River Street Building</u>	<u>Nonmajor Funds</u>	<u>Internal Service Funds</u>	<u>Business- Type Activities</u>	<u>Total</u>
Receivables:							
Accounts	\$4,599,924	\$2,289,156			\$7,615	\$627,141	\$ 7,523,836
Intergovernmental.....	<u>1,046,871</u>		<u>\$2,002,537</u>	<u>\$411,612</u>			<u>3,461,020</u>
Total receivables.....	<u>\$5,646,795</u>	<u>\$2,289,156</u>	<u>\$2,002,537</u>	<u>\$411,612</u>	<u>\$7,615</u>	<u>\$627,141</u>	<u>\$10,984,856</u>

Governmental funds report deferred revenue in connection with receivables for revenues 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	\$1,046,871	
Grant drawdowns prior to meeting all eligibility requirements..		\$1,296,936
Miscellaneous advance collections	<u> </u>	<u>2,500</u>
Total deferred/unearned revenue for governmental funds.....	<u>\$1,046,871</u>	<u>\$1,299,436</u>

6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2006 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			\$ 2,224,925
Construction in progress	12,102,658	\$ 2,404,858	\$(11,166,437)	<u>3,341,079</u>
Total capital assets, not being depreciated..	<u>14,327,583</u>	<u>2,404,858</u>	<u>(11,166,437)</u>	<u>5,566,004</u>
Capital assets, being depreciated:				
Buildings and improvements	54,804,831	9,001,230		63,806,061
Vehicles	762,251	161,903		924,154
Furniture, fixtures and equipment	6,178,307	595,751	(22,552)	<u>6,751,506</u>
Total capital assets being depreciated	<u>61,745,389</u>	<u>9,758,884</u>	<u>(22,552)</u>	<u>71,481,721</u>
Less accumulated depreciation for:				
Buildings and improvements	(12,359,419)	(1,449,210)		(13,808,629)
Vehicles	(579,400)	(107,291)		(686,691)
Furniture, fixtures and equipment	(3,935,430)	(781,970)	11,936	<u>(4,705,464)</u>
Total accumulated depreciation	<u>(16,874,249)</u>	<u>(2,338,471)</u>	<u>11,936</u>	<u>(19,200,784)</u>
Total capital assets, being depreciated, net.	<u>44,871,140</u>	<u>7,420,413</u>	<u>(10,616)</u>	<u>52,280,937</u>
Governmental activities capital assets, net..	<u>\$ 59,198,723</u>	<u>\$ 9,825,271</u>	<u>\$(11,177,053)</u>	<u>\$ 57,846,941</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Furniture, fixtures and equipment	\$ 428,872	\$ 1,140		\$ 430,012
Less accumulated depreciation.....	(391,713)	(21,619)		(413,332)
	<hr/>			
Business-type activities capital assets, net	<u>\$ 37,159</u>	<u>\$(20,479)</u>	<u>\$ - 0 -</u>	<u>\$ 16,680</u>

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

Governmental activities:	
Education	\$2,168,273
Facilities.....	42,987
Administration	<u>127,211</u>
Total depreciation expense - governmental activities	<u>\$2,338,471</u>
Business-type activities:	
Technical Assistance Brokering Service	\$ 1,203
Learning Corridor Theater	9,705
Staff Development	1,244
Property Rental	1,837
Technology Sale of Services.....	4,021
Community Education	1,909
School Facility Services	<u>1,700</u>
Total depreciation expense - business-type activities	<u>\$21,619</u>

7. 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, 2006 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Grants and Contracts Fund.....	\$1,789,465
	Nonmajor Governmental Funds.....	486,296
	Enterprise Funds	<u>1,114,442</u>
	TOTAL	<u>\$3,390,203</u>

All balances are expected to be repaid within a year.

Interfund transfers:

	Transfer In.....						
	General Fund	Grants and Contracts Fund	River Street Building Fund	Nonmajor Governmental Funds	Internal Service Funds	Enterprise Funds	Total
Transfer out:							
General Fund.....		\$17,785	\$800,000	\$1,095,045	\$4,458	\$155,794	\$2,073,082
Grants and Contracts Fund...	\$1,063,094						1,063,094
Internal Service Funds.....	40,000						40,000
Enterprise Funds	112,892						112,892
Total transfers out.....	<u>\$1,215,986</u>	<u>\$17,785</u>	<u>\$800,000</u>	<u>\$1,095,045</u>	<u>\$4,458</u>	<u>\$155,794</u>	<u>\$3,289,068</u>

Transfers are for regularly recurring operational transfers.

8. LEASES

Operating Leases

CREC conducts a major 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, 2006 was \$2,383,769.

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
Asset:	
Equipment	\$326,832
Building and Improvement.....	<u>145,816</u>
Total assets	<u>472,648</u>
Less: accumulated depreciation for:	
Equipment	(42,502)
Building and Improvement.....	<u>(2,857)</u>
Total accumulated depreciation.....	<u>(45,359)</u>
TOTAL	<u>\$427,289</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2006, were as follows:

	Governmental Activities
Year ending June 30:	
2007	\$166,543
2008	161,607
2009	94,464
2010	30,845
2011	<u>15,422</u>
Total minimum lease payments	468,881
Less: amount representing interest.....	<u>27,974</u>
Present value of minimum lease payments ...	<u>\$440,907</u>

9. LONG-TERM DEBT

General Obligation Bonds

Bonds represent a 20-year bond with a variable interest rate ranging from 4.5% to 6.75% due October 15, 2015. 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 is as follows:

	Governmental Activities	
	<u>Principal</u>	<u>Interest</u>
2007	\$ 380,000	\$ 214,470
2008	380,000	189,010
2009	380,000	163,550
2010	380,000	138,090
2011	380,000	112,630
2012-2016	<u>1,480,000</u>	<u>235,575</u>
TOTAL	<u>\$3,380,000</u>	<u>\$1,053,325</u>

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.

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

	Governmental Activities	
	<u>Principal</u>	<u>Interest</u>
2007	\$ 16,350	\$ 8,829
2008	16,350	7,848
2009	16,350	6,867
2010	16,350	5,886
2011	16,350	4,905
2012-2015	<u>65,400</u>	<u>9,810</u>
 TOTAL	 <u>\$147,150</u>	 <u>\$44,145</u>

In addition, CREC has a credit line agreement which provides for borrowings up to \$5,000,000 as a revolving line of credit, with interest charged at the London Interbank Offering Rate. There was no balance due at June 30, 2006. The agreement contains various financial covenants.

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2006, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable	\$3,730,000		\$ 350,000	\$3,380,000	\$ 380,000
Notes payable	166,919		19,769	147,150	16,350
Capital leases	373,161	\$ 500,000	432,254	440,907	152,233
Compensated absences.....	<u>703,323</u>	<u>682,180</u>	<u>703,323</u>	<u>682,180</u>	<u>682,180</u>
 Governmental activity long-term liabilities	 <u>\$4,973,403</u>	 <u>\$1,182,180</u>	 <u>\$1,505,346</u>	 <u>\$4,650,237</u>	 <u>\$1,230,763</u>
 Business-type activities:					
Compensated absences.....	<u>\$12,628</u>	<u>\$17,775</u>	<u>\$12,628</u>	<u>\$17,775</u>	<u>\$17,775</u>

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

Bond Anticipation Notes Payable

Bond anticipation notes payable activity for the year ended June 30, 2006 was as follows:

<u>Description</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate (%)</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reduction</u>	<u>Ending Balance</u>
Bond anticipation notes	11/15/04	11/15/05	3.00	\$700,000		\$700,000	\$ - 0 -
Bond anticipation notes	11/15/05	08/15/06	4.143	- 0 -	\$3,500,000		3,500,000
TOTAL				\$700,000	\$3,500,000	\$700,000	\$3,500,000

The notes have been issued to finance the renovation of River Street School Building.

10. 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, 2006 based on claims received subsequent to year-end within the allowable claim period. Claims of \$536,530 are reflected in the accrued expenses of the Internal Service Fund at June 30, 2006. 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 Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Accrued Liability Claim Payments</u>	<u>Accrued Liability End of Year</u>
2004-05	\$289,335	\$5,170,282	\$5,095,027	\$364,590
2005-06	\$364,590	\$6,377,940	\$6,206,000	\$536,530

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, 2006 were \$164,857. There was \$8,828 accrued as a liability at June 30, 2006 for expected claims.

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.

11. FUND BALANCE RESERVED

Fund balance reserved consists of the following:

Reserved for programmatic programs:	
General Fund	\$ 72,756
Reserved for purposes of trust:	
Narkin Scholarship – Permanent Fund	17,000
Reserved for Debt Service:	
Bond Issue Cost Center – Nonmajor Fund	<u>997,984</u>
 TOTAL	 <u><u>\$1,087,740</u></u>

12. 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.

13. OTHER POSTEMPLOYMENT BENEFITS

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, 2006, there were 544 plan members. Diversified Investment Advisors administer the retirement plan. Plan provisions and contribution requirements are established and maybe 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, 2006 were \$684,815 and \$2,194,596, respectively.

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

14. EMPLOYEE RETIREMENT SYSTEMS

Teachers participate in a contributory defined-benefit plan established under Chapter 167a of the Connecticut General Statutes and administered by the Connecticut State Teachers' Retirement Board. Full-time certified teachers are vested in the system after ten years of service in this state.

All certified teachers are eligible to participate in the plan and are required to contribute 7.25% of their annual earnings. 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 ten 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, 2006 was \$2,707,590 and is recognized in the governmental funds GAAP-basis statement of revenues, expenditures and changes in fund balances. For the year ended June 30, 2006, teachers of CREC contributed \$1,740,155 to the plan, and covered payroll for the year was \$24,002,138.

Effective July 1, 1989, 1% of the mandatory 7.25% contribution is placed into a fund from which retirees' health insurance premiums will be paid. This 1% contribution is no longer credited to the member's individual account and does not vest.

15. EXTRAORDINARY ITEM

During the fiscal year ended June 30, 1996, CREC entered into a contract for the construction of a Magnet School at an approximate cost of \$14,500,000. It was anticipated that the project would be funded with State bond funds. Construction of the facility was halted during November 1996, when the State funding was rescinded. Cost of \$2,342,765 had been incurred and reported as construction in progress. CREC was forced to stop construction of this project and the write-off of project costs is reported as extraordinary item – abandonment of the capital asset.

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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, 2006

	.....GENERAL FUND.....				.....GRANTS AND CONTRACTS FUND.....			
	....BUDGETED AMOUNTS....				....BUDGETED AMOUNTS....			
	ORIGINAL	FINAL	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	ORIGINAL	FINAL	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Revenues:								
Tuition.....	\$15,629,587	\$16,357,789	\$22,238,773	\$ 5,880,984	\$ 164,594	\$ 164,594	\$ 20,126	\$ (144,468)
Grants in aid.....	28,624,834	29,997,211	28,503,301	(1,493,910)	22,608,510	24,413,141	18,596,038	(5,817,103)
Room and board.....	4,784,310	4,784,310	3,769,709	(1,014,601)				
Sales of services.....	24,130,965	24,297,423	21,074,503	(3,222,920)	1,659,132	1,840,856	2,423,300	582,444
Investment income.....			2,013	2,013				
Other local revenues.....	295,898	295,898	178,840	(117,058)			119,888	119,888
Transfer in.....	6,509,670	6,910,760	6,278,306	(632,454)	126,189	139,035	17,785	(121,250)
Total revenues.....	79,975,264	82,643,391	82,045,445	(597,946)	24,558,425	26,557,626	21,177,137	(5,380,489)
Expenditures:								
Current:								
Special programs	73,908,454	76,175,491	75,395,828	779,663	24,558,425	26,557,626	21,077,772	5,479,854
Facilities	697,000	746,448	746,448					
Administration	5,369,810	5,721,452	5,547,122	174,330				
Total expenditures.....	79,975,264	82,643,391	81,689,398	953,993	24,558,425	26,557,626	21,077,772	5,479,854
Excess (deficiency) of revenues over expenditures.....	\$ - 0 -	\$ - 0 -	356,047	\$ 356,047	\$ - 0 -	\$ - 0 -	99,365	\$ 99,365
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			344,883					
TOTAL.....			\$ 700,930				\$ 99,365	

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Combining and Individual Fund Statements and Schedules

GENERAL FUND

GENERAL FUND

ADMINISTRATION PROGRAMS

CREC GENERAL - This program is used to account for administrative revenues and Council designated special purpose funds.

EXECUTIVE DIRECTOR - The office of the Executive Director supports the entire operation at the Capitol Region Education Council and the overall administration of the Council.

DEPUTY EXECUTIVE DIRECTOR - The office of the Deputy Executive Director is responsible for the supervision and continued development of CREC Divisions of Choice, Teaching and Learning, Technical Assistance and Brokering Services, Community Education and Technology Services.

BUSINESS SERVICES - Business Services, which includes the office of the Assistant 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, grants and budget management, loss prevention all 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 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 SERVICES - The Office of Communications endeavors to present a clear picture of CREC's activities and accomplishments for all constituencies. The office is responsible for producing CREC's Annual Report, as well as a host of other information and marketing materials, and is responsible for media relations.

STUDENT SERVICES - Student Services offers school districts special and alternative education services and develops new programs and services in these program areas.

TEACHING AND LEARNING SERVICES - Teaching and Learning Services provides services and support to local school districts and CREC schools in the areas of curriculum, instruction and school leadership.

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

TECHNOLOGY SERVICES - The Technology Services Division focuses on the delivery of coordinated technology services to CREC member districts and CREC programs. This division forms partnerships with business and industry to offer school districts a variety of technology options, including training and purchase of software, hardware, connectivity and internet services.

TECHNICAL ASSISTANCE BROKERING SERVICES - Technical Assistance and Brokering Services facilitates resource sharing among districts. Examples include shared computer technicians, technology specialists, and special education and related services' consultants.

FACILITIES

ADMINISTRATIVE BUILDING COST CENTER – The costs of operating the CREC's central administrative building 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 to support research on topics of importance to public school leaders.

INTERDISTRICT GRANT OFFICE - The Interdistrict Grant Office was established to direct, coordinate and develop interdistrict programs.

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

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 Hartford, 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 three CREC magnets and to the Hartford Magnet Middle School. 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, CT. As Connecticut's first interdistrict Montessori public magnet school, its mission is to provide a unique educational opportunity for children in a diverse learning environment.

EAST HARTFORD/GLASTONBURY MAGNET SCHOOL - The East Hartford/Glastonbury Magnet School meets CREC objectives and State goals by providing a model quality and integrated educational program that draws its students voluntarily from two diverse districts. The school emphasizes science, computer, and global education.

GREATER HARTFORD ACADEMY OF MATHEMATICS AND SCIENCE MAGNET SCHOOL - CREC manages and operates the Greater Hartford Academy of Mathematics and Science. The program is located at the Learning Corridor in Hartford, Connecticut. 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 - The Metropolitan Learning Center Magnet School (MLC) is a global studies magnet school located in Bloomfield, CT. The school features a unique curriculum, an extended school day, and extensive use of technology. The school serves close to 700 sixth through twelfth graders.

TWO RIVERS MAGNET MIDDLE SCHOOL - The Two Rivers Magnet Middle School is a science and technology magnet for 600 sixth, seventh and eighth grade students. The school serves five diverse communities in the region and is located in East Hartford at the convergence of the Connecticut and Hockanum rivers.

HARTFORD MAGNET MIDDLE SCHOOL - Located on the Learning Corridor campus, the Hartford Magnet Middle School (HMMS) serves 600 sixth through eighth grade students. Approximately 200 students come from suburban districts. The school's curriculum focuses on science, math and the arts.

UNIVERSITY OF HARTFORD MAGNET SCHOOL - University of Hartford Magnet School (UHMS) opened in September 2001. The school serves approximately 400 students. 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. 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. LEAs are often hard-pressed to provide the necessary resources at the local level, and most are unable to provide this type of program 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 Mental Retardation. The facilities provide residential services for twelve students attending the River Street School.

POLARIS CENTER - The Polaris Center serves residential and 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 centralized office services for curriculum and instruction, fiscal, pupil services, and facilities operations for the CREC Magnet Schools. The costs are charged back to the magnet schools.

INTEGRATED PROGRAM MODELS - The Integrated Program Models program 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 is providing specialized diagnostic and education services for children who are having difficulties in achieving success in their local school district. CREC is working in collaboration with local school districts in the Farmington Valley area to design effective strategies to increase student learning.

GREATER HARTFORD ACADEMY OF THE ARTS - The Greater Hartford Academy of the Arts teaches students vocal

and instrumental music, theater, dance and creative writing. In addition to the beneficial arts experience, the human understanding that develops among students relating to cultural similarities is a major outcome of the program. In the coming year, a relationship between the Academy and area universities will be developed to explore college credit and tuition abatement for Academy students.

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

GREAT PATH ACADEMY - Great Path Academy at Manchester Community College is a grade 11 and 12 high school that provides a learning environment supporting students from diverse backgrounds in developing academic and life skills values with a blend of both high school and college experiences. Currently the school serves approximately 84 students, from eight local school districts Bolton, Coventry, East Hartford, Ellington, Glastonbury, Hartford, Manchester and Tolland.

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CAPITOL REGION EDUCATION COUNCIL

GENERAL FUND

BALANCE SHEET - BY PROGRAM
JUNE 30, 2006

	.....ADMINISTRATION.....							
	CREC GENERAL	EXECUTIVE DIRECTOR	DEPUTY EXECUTIVE DIRECTOR	BUSINESS SERVICES	HUMAN RESOURCES	COMMUNICATIONS SERVICES	STUDENT SERVICES	TEACHING AND LEARNING SERVICES
<u>A S S E T S</u>								
Cash and cash equivalents		\$2,585	\$8,494	\$255,179	\$23,631	\$14,050	\$8,837	\$11,976
Investments								
Accounts receivable	\$1,046,871	5,827		400				250
Due from other funds	5,112,654							
Other assets				33,220	298			
TOTAL	<u>\$6,159,525</u>	<u>\$8,412</u>	<u>\$8,494</u>	<u>\$288,799</u>	<u>\$23,929</u>	<u>\$14,050</u>	<u>\$8,837</u>	<u>\$12,226</u>
<u>L I A B I L I T I E S A N D F U N D B A L A N C E</u>								
Liabilities:								
Accounts payable and accrued liabilities ..	\$ 378,633	\$5,987	\$8,165	\$276,810	\$12,468	\$12,145	\$4,846	\$ 3,979
Due to other funds								
Deferred revenue	<u>1,046,871</u>	<u>1,343</u>						
Total liabilities	<u>1,425,504</u>	<u>7,330</u>	<u>8,165</u>	<u>276,810</u>	<u>12,468</u>	<u>12,145</u>	<u>4,846</u>	<u>3,979</u>
Fund balance (deficit):								
Reserved for programmatic purposes	34,384							
Unreserved:								
Designated for future obligations	2,270,000							
Designated for debt obligations	800,000							
Designated for capital improvements	50,000							
Designated for legal	50,000							
Designated for venture capital	75,000							
Designated for payroll	1,000,000							
Undesignated	454,637	1,082	329	11,989	11,461	1,905	3,991	8,247
Total fund balance (deficit)	<u>4,734,021</u>	<u>1,082</u>	<u>329</u>	<u>11,989</u>	<u>11,461</u>	<u>1,905</u>	<u>3,991</u>	<u>8,247</u>
TOTAL	<u>\$6,159,525</u>	<u>\$8,412</u>	<u>\$8,494</u>	<u>\$288,799</u>	<u>\$23,929</u>	<u>\$14,050</u>	<u>\$8,837</u>	<u>\$12,226</u>

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CAPITOL REGION EDUCATION COUNCIL

GENERAL FUND

BALANCE SHEET - BY PROGRAM (CONTINUED)
JUNE 30, 2006

	.....ADMINISTRATION.....			..FACILITIES..	.SPECIAL PROGRAMS.	
	GRANTS AND DEVELOPMENT OFFICE	TECHNOLOGY SERVICES	TABS	TOTAL	ADMINISTRATIVE BUILDING COST CENTER	CONNECTICUT ACADEMY FOR EDUCATION LEADERS
<u>A S S E T S</u>						
Cash and cash equivalents			\$16,586	\$ 341,338		
Investments						
Accounts receivable	\$30,000			1,083,348	\$312	
Due from other funds				5,112,654		
Other assets			80	33,598	120	
TOTAL	<u>\$30,000</u>	<u>\$ - 0 -</u>	<u>\$16,666</u>	<u>\$6,570,938</u>	<u>\$432</u>	<u>\$-0-</u>
<u>L I A B I L I T I E S A N D F U N D B A L A N C E</u>						
Liabilities:						
Accounts payable and accrued liabilities ..	\$ 3,792		\$ 8,639	\$ 715,464	\$ 40,194	
Due to other funds	203,084	\$ 15,975		219,059	13,221	\$ 26
Deferred revenue				1,048,214		
Total liabilities	<u>206,876</u>	<u>15,975</u>	<u>8,639</u>	<u>1,982,737</u>	<u>53,415</u>	<u>26</u>
Fund balance (deficit):						
Reserved for programmatic purposes				34,384		
Unreserved:						
Designated for future obligations				2,270,000		
Designated for debt obligations				800,000		
Designated for capital improvements				50,000		
Designated for legal				50,000		
Designated for venture capital				75,000		
Designated for payroll				1,000,000		
Undesignated	(176,876)	(15,975)	8,027	308,817	(52,983)	(26)
Total fund balance (deficit)	<u>(176,876)</u>	<u>(15,975)</u>	<u>8,027</u>	<u>4,588,201</u>	<u>(52,983)</u>	<u>(26)</u>
TOTAL	<u>\$ 30,000</u>	<u>\$ - 0 -</u>	<u>\$16,666</u>	<u>\$6,570,938</u>	<u>\$ 432</u>	<u>\$-0-</u>

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CAPITOL REGION EDUCATION COUNCIL

GENERAL FUND

BALANCE SHEET - BY PROGRAM (CONTINUED)
JUNE 30, 2006

	.....SPECIAL PROGRAMS.....						
	INTERDISTRICT GRANT OFFICE	MINORITY TEACHER RECRUITING	PROJECT LITERACY	ALLIED HEALTH CAREER COLLABORATIVE	LEARNING CORRIDOR COST CENTER	MONTESSORI MAGNET SCHOOL	EAST HARTFORD/ GLASTONBURY MAGNET SCHOOL
<u>A S S E T S</u>							
Cash and cash equivalents	\$19,623			\$4,885	\$235,383		\$114,638
Investments							
Accounts receivable		\$3,500	\$27,214		191,031	\$137,233	
Due from other funds							
Other assets		299				215	490
TOTAL	<u>\$19,623</u>	<u>\$3,799</u>	<u>\$27,214</u>	<u>\$4,885</u>	<u>\$426,414</u>	<u>\$137,448</u>	<u>\$115,128</u>
<u>L I A B I L I T I E S A N D F U N D B A L A N C E</u>							
Liabilities:							
Accounts payable and accrued liabilities ..	\$ 2,997	\$ 613	\$ 5,451	\$ 125	\$334,885	\$ 55,310	\$ 12,767
Due to other funds		600	73,977			481,307	
Deferred revenue			35,000			29,132	40,002
Total liabilities	<u>2,997</u>	<u>1,213</u>	<u>114,428</u>	<u>125</u>	<u>334,885</u>	<u>565,749</u>	<u>52,769</u>
Fund balance (deficit):							
Reserved for programmatic purposes							
Unreserved:							
Designated for future obligations							
Designated for debt obligations							
Designated for capital improvements							
Designated for legal							
Designated for venture capital							
Designated for payroll							
Undesignated	16,626	2,586	(87,214)	4,760	91,529	(428,301)	62,359
Total fund balance (deficit)	<u>16,626</u>	<u>2,586</u>	<u>(87,214)</u>	<u>4,760</u>	<u>91,529</u>	<u>(428,301)</u>	<u>62,359</u>
TOTAL	<u>\$19,623</u>	<u>\$3,799</u>	<u>\$ 27,214</u>	<u>\$4,885</u>	<u>\$426,414</u>	<u>\$ 137,448</u>	<u>\$115,128</u>

CAPITOL REGION EDUCATION COUNCIL

GENERAL FUND

BALANCE SHEET - BY PROGRAM (CONTINUED)
JUNE 30, 2006

.....SPECIAL PROGRAMS.....							
	GH A OF MATH AND SCIENCE MAGNET SCHOOL	METROPOLITAN LEARNING CENTER MAGNET SCHOOL	TWO RIVERS MAGNET MIDDLE SCHOOL	HARTFORD MAGNET MIDDLE SCHOOL	UNIVERSITY OF HARTFORD MAGNET SCHOOL	SOUNDBRIDGE	RIVER STREET SCHOOL
<u>A S S E T S</u>							
Cash and cash equivalents		\$176,108	\$ 96,394	\$192,532		\$ 684,290	\$2,341,131
Investments						11,568	
Accounts receivable	\$71,864	74,827	146,945	22,752	\$448,009	480,477	1,404,152
Due from other funds							1,700,212
Other assets		172					78,505
TOTAL	<u>\$71,864</u>	<u>\$251,107</u>	<u>\$243,339</u>	<u>\$215,284</u>	<u>\$448,009</u>	<u>\$1,176,335</u>	<u>\$5,524,000</u>
<u>L I A B I L I T I E S A N D F U N D B A L A N C E</u>							
Liabilities:							
Accounts payable and accrued liabilities ..	\$ 27,592	\$202,325	\$ 73,087	\$215,284	\$119,716	\$ 108,089	\$ 443,436
Due to other funds	591,973				244,662		
Deferred revenue	20,826	10,246			50,000	22,795	
Total liabilities	<u>640,391</u>	<u>212,571</u>	<u>73,087</u>	<u>215,284</u>	<u>414,378</u>	<u>130,884</u>	<u>443,436</u>
Fund balance (deficit):							
Reserved for programmatic purposes							
Unreserved:							
Designated for future obligations							
Designated for debt obligations							
Designated for capital improvements							
Designated for legal							
Designated for venture capital							
Designated for payroll							
Undesignated	(568,527)	38,536	170,252		33,631	1,045,451	5,080,564
Total fund balance (deficit)	<u>(568,527)</u>	<u>38,536</u>	<u>170,252</u>		<u>33,631</u>	<u>1,045,451</u>	<u>5,080,564</u>
TOTAL	<u>\$ 71,864</u>	<u>\$251,107</u>	<u>\$243,339</u>	<u>\$215,284</u>	<u>\$448,009</u>	<u>\$1,176,335</u>	<u>\$5,524,000</u>

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CAPITOL REGION EDUCATION COUNCIL

GENERAL FUND

BALANCE SHEET - BY PROGRAM (CONTINUED)
JUNE 30, 2006

	.....SPECIAL PROGRAMS.....				
	POLARIS CENTER	MAGNET SCHOOL COST CENTER	INTEGRATED PROGRAM MODELS	FARMINGTON VALLEY DIAGNOSTIC CENTER	GREATER HARTFORD ACADEMY OF THE ARTS
<u>A S S E T S</u>					
Cash and cash equivalents			\$124,943	\$350,458	
Investments					
Accounts receivable	\$1,047,803		279,871	66,689	\$87,164
Due from other funds					
Other assets					800
TOTAL	<u>\$1,047,803</u>	<u>\$ - 0 -</u>	<u>\$404,814</u>	<u>\$417,147</u>	<u>\$87,964</u>
<u>L I A B I L I T I E S A N D F U N D B A L A N C E</u>					
Liabilities:					
Accounts payable and accrued liabilities ..	\$ 266,169	\$ 46,768	\$ 59,770	\$ 5,863	\$28,824
Due to other funds	1,571,359	144,294			54,012
Deferred revenue				242,806	8,425
Total liabilities	<u>1,837,528</u>	<u>191,062</u>	<u>59,770</u>	<u>248,669</u>	<u>91,261</u>
Fund balance (deficit):					
Reserved for programmatic purposes					
Unreserved:					
Designated for future obligations					
Designated for debt obligations					
Designated for capital improvements					
Designated for legal					
Designated for venture capital					
Designated for payroll					
Undesignated	(789,725)	(191,062)	345,044	168,478	(3,297)
Total fund balance (deficit)	<u>(789,725)</u>	<u>(191,062)</u>	<u>345,044</u>	<u>168,478</u>	<u>(3,297)</u>
TOTAL	<u>\$1,047,803</u>	<u>\$ - 0 -</u>	<u>\$404,814</u>	<u>\$417,147</u>	<u>\$87,964</u>

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CAPITOL REGION EDUCATION COUNCILGENERAL FUNDBALANCE SHEET - BY PROGRAM (CONTINUED)
JUNE 30, 2006

.....SPECIAL PROGRAMS.....					
	CENTER FOR CREATIVE YOUTH	GREAT PATH ACADEMY	TOTAL	INTERFUND ELIMINATIONS	TOTAL
<u>A S S E T S</u>					
Cash and cash equivalents	\$156,016		\$ 4,496,401		\$ 4,837,739
Investments	46,292		57,860		57,860
Accounts receivable		\$73,604	4,563,135		5,646,795
Due from other funds			1,700,212	\$(3,422,663)	3,390,203
Other assets	72,488		152,969		186,687
TOTAL	<u>\$274,796</u>	<u>\$73,604</u>	<u>\$10,970,577</u>	<u>\$(3,422,663)</u>	<u>\$14,119,284</u>
<u>L I A B I L I T I E S A N D F U N D B A L A N C E</u>					
Liabilities:					
Accounts payable and accrued liabilities ..	\$ 6,452	\$10,155	\$2,025,678		\$ 2,781,336
Due to other funds		28,173	3,190,383	\$(3,422,663)	
Deferred revenue	227,745	33,060	720,037		1,768,251
Total liabilities	<u>234,197</u>	<u>71,388</u>	<u>5,936,098</u>	<u>(3,422,663)</u>	<u>4,549,587</u>
Fund balance (deficit):					
Reserved for programmatic purposes	38,372		38,372		72,756
Unreserved:					
Designated for future obligations					2,270,000
Designated for debt obligations					800,000
Designated for capital improvements					50,000
Designated for legal					50,000
Designated for venture capital					75,000
Designated for payroll					1,000,000
Undesignated	2,227	2,216	4,996,107		5,251,941
Total fund balance (deficit)	<u>40,599</u>	<u>2,216</u>	<u>5,034,479</u>		<u>9,569,697</u>
TOTAL	<u>\$274,796</u>	<u>\$73,604</u>	<u>\$10,970,577</u>	<u>\$(3,422,663)</u>	<u>\$14,119,284</u>

CAPITOL REGION EDUCATION COUNCIL

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2006

	.....ADMINISTRATION.....							
	CREC GENERAL	EXECUTIVE DIRECTOR	DEPUTY EXECUTIVE DIRECTOR	BUSINESS SERVICES	HUMAN RESOURCES	COMMUNICATIONS SERVICES	STUDENT SERVICES	TEACHING AND LEARNING SERVICES
Revenues:								
Tuition								
Grants in aid	\$ 3,469,874							
Room and board								
Sales of services	148,984			\$ 5,263		\$ 203		\$ 300
Investment income	410,628							
Other local revenues		\$ 31,174		391				
Total revenues	4,029,486	31,174		5,654		203		300
Expenditures:								
Current:								
Salaries		189,164	\$ 174,559	1,252,604	\$ 479,486	130,208	\$ 232,973	21,371
Employee benefits	2,707,590	32,455	19,912	280,263	118,062	30,960	49,423	6,162
Purchased professional and technical services		2,350	6,382	476,874	10,154	18,518	11,565	20,470
Purchased property services		4,566		168	350			24,996
Other purchased services	45,725	16,804	39,600	172,603	39,086	15,243	8,449	15,294
Supplies		1,686	2,874	17,009	4,969	3,283	1,233	4,738
Property			3,131	3,720	11,275	3,679	2,123	303
Other uses of funds		11,995	1,177	14,020	1,594	549	1,098	284
Total expenditures	2,753,315	259,020	247,635	2,217,261	664,976	202,440	306,864	93,618
Excess (deficiency) of revenues over expenditures	1,276,171	(227,846)	(247,635)	(2,211,607)	(664,976)	(202,237)	(306,864)	(93,318)
Other financing sources (uses):								
Transfers in	5,758,979	241,084	285,886	3,109,226	722,424	222,265	335,516	94,818
Transfers out	(6,690,267)	(12,715)	(38,251)	(797,131)	(57,263)	(19,825)	(28,652)	(1,500)
Total other financing sources (uses) ..	(931,288)	228,369	247,635	2,312,095	665,161	202,440	306,864	93,318
Net change in fund balances	344,883	523		100,488	185	203		
Fund balance (deficit), July 1, 2005	4,389,138	559	329	(88,499)	11,276	1,702	3,991	8,247
Fund balance (deficit), June 30, 2006	\$ 4,734,021	\$ 1,082	\$ 329	\$ 11,989	\$ 11,461	\$ 1,905	\$ 3,991	\$ 8,247

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CAPITOL REGION EDUCATION COUNCIL

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2006

	.....ADMINISTRATION.....			..FACILITIES..	.SPECIAL PROGRAMS.	
	GRANTS AND DEVELOPMENT OFFICE	TECHNOLOGY SERVICES	TABS	TOTAL	ADMINISTRATIVE BUILDING COST CENTER	CONNECTICUT ACADEMY FOR EDUCATION LEADERS
Revenues:						
Tuition				\$ 3,469,874		
Grants in aid						
Room and board						
Sales of services	\$ 74,748			229,498		\$2,850
Investment income				410,628		
Other local revenues				31,565	\$ 14,638	
Total revenues	74,748			4,141,565	14,638	2,850
Expenditures:						
Current:						
Salaries	177,200	\$ 32,886	\$180,557	2,871,008	119,742	
Employee benefits	28,056	15,806	25,432	3,314,121	28,986	
Purchased professional and technical services	2,340	100	833	549,586	1,690	
Purchased property services				30,080	231,034	
Other purchased services	5,226	594	5,055	363,679	27,322	2,310
Supplies	1,396		4,380	41,568	120,742	
Property	1,892		2,067	28,190	20,145	
Other uses of funds	250		1,477	32,444	1,536	
Total expenditures	216,360	49,386	219,801	7,230,676	551,197	2,310
Excess (deficiency) of revenues over expenditures	(141,612)	(49,386)	(219,801)	(3,089,111)	(536,559)	540
Other financing sources (uses):						
Transfers in		86,292	288,114	11,144,604	678,076	
Transfers out	(10,000)	(36,111)	(68,313)	(7,760,028)	(195,251)	(540)
Total other financing sources (uses) ..	(10,000)	50,181	219,801	3,384,576	482,825	(540)
Net change in fund balances	(151,612)	795		295,465	(53,734)	
Fund balance (deficit), July 1, 2005	(25,264)	(16,770)	8,027	4,292,736	751	(26)
Fund balance (deficit), June 30, 2006	\$ (176,876)	\$ (15,975)	\$ 8,027	\$ 4,588,201	\$ (52,983)	\$ (26)

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CAPITOL REGION EDUCATION COUNCILGENERAL FUNDSTATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2006

	.....SPECIAL PROGRAMS.....						
	INTERDISTRICT GRANT OFFICE	MINORITY TEACHER RECRUITING	PROJECT LITERACY	ALLIED HEALTH CAREER COLLABORATIVE	LEARNING CORRIDOR COST CENTER	MONTESSORI MAGNET SCHOOL	EAST HARTFORD/ GLASTONBURY MAGNET SCHOOL
Revenues:							
Tuition						\$ 5,257	
Grants in aid					\$ 15,000	2,514,137	\$1,818,250
Room and board							
Sales of services	\$227,177	\$28,590	\$ 205,267	\$20,000	3,545,576	688,896	498,000
Investment income							
Other local revenues						186	
Total revenues	227,177	28,590	205,267	20,000	3,560,576	3,208,476	2,316,250
Expenditures:							
Current:							
Salaries	160,535	20,182	85	14,055	79,978	2,086,104	1,559,620
Employee benefits	46,996	2,341	6	1,359	20,551	478,323	289,586
Purchased professional and technical services	300		26,125			195,602	116,850
Purchased property services		292			1,693,772	371,894	170,837
Other purchased services	3,606	4,162	117,663	125	92,923	60,992	38,311
Supplies	993	23		1,018	1,829,234	53,640	69,928
Property						4,041	7,341
Other uses of funds			18,637			1,613	588
Total expenditures	212,430	27,000	162,516	16,557	3,716,458	3,252,209	2,253,061
Excess (deficiency) of revenues over expenditures	14,747	1,590	42,751	3,443	(155,882)	(43,733)	63,189
Other financing sources (uses):							
Transfers in							
Transfers out	(6,400)		(15,800)	(952)		(95,316)	(57,064)
Total other financing sources (uses) ..	(6,400)		(15,800)	(952)		(95,316)	(57,064)
Net change in fund balances	8,347	1,590	26,951	2,491	(155,882)	(139,049)	6,125
Fund balance (deficit), July 1, 2005	8,279	996	(114,165)	2,269	247,411	(289,252)	56,234
Fund balance (deficit), June 30, 2006	\$ 16,626	\$ 2,586	\$ (87,214)	\$ 4,760	\$ 91,529	\$ (428,301)	\$ 62,359

CAPITOL REGION EDUCATION COUNCIL

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2006

	.....SPECIAL PROGRAMS.....						
	GHA OF MATH AND SCIENCE MAGNET SCHOOL	METROPOLITAN LEARNING CENTER MAGNET SCHOOL	TWO RIVERS MAGNET MIDDLE SCHOOL	HARTFORD MAGNET MIDDLE SCHOOL	UNIVERSITY OF HARTFORD MAGNET SCHOOL	SOUNDBRIDGE	RIVER STREET SCHOOL
Revenues:							
Tuition						\$2,242,314	\$12,744,189
Grants in aid	\$1,402,140	\$5,876,154	\$5,108,748	\$2,838,838	\$4,044,358	203,064	
Room and board							1,251,621
Sales of services	588,000	1,515,949	2,430,487	43,644	1,622,973	1,984,009	4,032,068
Investment income						593	
Other local revenues		8,719	1,947		1,951	38,054	93
Total revenues	1,990,140	7,400,822	7,541,182	2,882,482	5,669,282	4,468,034	18,027,971
Expenditures:							
Current:							
Salaries	1,196,803	4,534,631	4,651,682	1,023,281	3,557,265	2,655,896	10,604,480
Employee benefits	180,194	807,396	878,914	144,761	784,355	637,541	2,555,711
Purchased professional and technical services	152,857	470,097	596,745	246,880	404,695	26,433	242,318
Purchased property services	248,837	545,324	470,215	11,460	395,347	261,289	767,111
Other purchased services	35,951	151,520	163,099	1,023,539	96,505	136,090	205,943
Supplies	53,581	415,144	492,369	280,179	237,486	90,472	468,619
Property	62,851	158,575	48,051	87,132	20,754	113,376	191,064
Other uses of funds	794	12,124	1,738	4,772	1,940	2,477	6,292
Total expenditures	1,931,868	7,094,811	7,302,813	2,822,004	5,498,347	3,923,574	15,041,538
Excess (deficiency) of revenues over expenditures	58,272	306,011	238,369	60,478	170,935	544,460	2,986,433
Other financing sources (uses):							
Transfers in						18,385	172,873
Transfers out	(46,974)	(181,482)	(173,280)	(60,478)	(127,222)	(458,913)	(2,685,494)
Total other financing sources (uses) ..	(46,974)	(181,482)	(173,280)	(60,478)	(127,222)	(440,528)	(2,512,621)
Net change in fund balances	11,298	124,529	65,089		43,713	103,932	473,812
Fund balance (deficit), July 1, 2005	(579,825)	(85,993)	105,163	- 0 -	(10,082)	941,519	4,606,752
Fund balance (deficit), June 30, 2006	\$ (568,527)	\$ 38,536	\$ 170,252	\$ - 0 -	\$ 33,631	\$1,045,451	\$ 5,080,564

CAPITOL REGION EDUCATION COUNCIL

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2006

	.....SPECIAL PROGRAMS.....				
	POLARIS CENTER	MAGNET SCHOOL COST CENTER	INTEGRATED PROGRAM MODELS	FARMINGTON VALLEY DIAGNOSTIC CENTER	GREATER HARTFORD ACADEMY OF THE ARTS
Revenues:					
Tuition	\$3,163,128		\$1,693,482	\$786,991	\$1,282,254
Grants in aid	190,324	\$1,495,200			2,055,198
Room and board	2,500,005				
Sales of services	187,142	1,072,429	2,051,148	9,875	98,709
Investment income					
Other local revenues	68,131				8,956
Total revenues	6,108,730	2,567,629	3,744,630	796,866	3,445,117
Expenditures:					
Current:					
Salaries	3,539,606	553,791	2,619,293	466,023	1,890,622
Employee benefits	952,701	184,788	641,103	117,313	436,986
Purchased professional and technical services	146,025	32,800	111,147	2,418	148,735
Purchased property services	102,490	16,613	74,980	109,742	639,328
Other purchased services	186,634	1,952,769	39,754	11,466	101,027
Supplies	392,626	9,819	21,227	17,253	86,871
Property	83,163	6,672	6,955	3,964	4,058
Other uses of funds	97,842	889			13,130
Total expenditures	5,501,087	2,758,141	3,514,459	728,179	3,320,757
Excess (deficiency) of revenues over expenditures	607,643	(190,512)	230,171	68,687	124,360
Other financing sources (uses):					
Transfers in			23,347		
Transfers out	(549,113)	(550)	(250,346)	(87,818)	(91,843)
Total other financing sources (uses) ..	(549,113)	(550)	(226,999)	(87,818)	(91,843)
Net change in fund balances	58,530	(191,062)	3,172	(19,131)	32,517
Fund balance (deficit), July 1, 2005	(848,255)	- 0 -	341,872	187,609	(35,814)
Fund balance (deficit), June 30, 2006	\$ (789,725)	\$ (191,062)	\$ 345,044	\$168,478	\$ (3,297)

CAPITOL REGION EDUCATION COUNCILGENERAL FUNDSTATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2006

.....SPECIAL PROGRAMS.....					
	CENTER FOR CREATIVE YOUTH	GREAT PATH ACADEMY	TOTAL	INTERFUND ELIMINATIONS	TOTAL
Revenues:					
Tuition	\$321,158		\$22,238,773		\$22,238,773
Grants in aid	314,734	\$627,156	28,503,301		31,973,175
Room and board	18,083		3,769,709		3,769,709
Sales of services	14,004	127,196	20,993,989		21,223,487
Investment income	1,420		2,013		412,641
Other local revenues	4,600		132,637		178,840
Total revenues	673,999	754,352	75,640,422		79,796,625
Expenditures:					
Current:					
Salaries	271,061	572,563	42,057,556		45,048,306
Employee benefits	20,480	84,091	9,265,496		12,608,603
Purchased professional and technical services	5,375	24,001	2,949,403		3,500,679
Purchased property services	32,496		5,912,027		6,173,141
Other purchased services	301,991	28,882	4,755,262		5,146,263
Supplies	9,271	17,875	4,547,628		4,709,938
Property	651	6,279	804,927		853,262
Other uses of funds	339	1,252	164,427		198,407
Total expenditures	641,664	734,943	70,456,726		78,238,599
Excess (deficiency) of revenues over expenditures	32,335	19,409	5,183,696		1,558,026
Other financing sources (uses):					
Transfers in			214,605	\$(10,821,299)	1,215,986
Transfers out	(30,108)	(19,409)	(4,939,102)	10,821,299	(2,073,082)
Total other financing sources (uses) ..	(30,108)	(19,409)	(4,724,497)		(857,096)
Net change in fund balances	2,227		459,199		700,930
Fund balance (deficit), July 1, 2005	38,372	2,216	4,575,280	- 0 -	8,868,767
Fund balance (deficit), June 30, 2006	\$ 40,599	\$ 2,216	\$ 5,034,479	\$ - 0 -	\$ 9,569,697

CAPITOL REGION EDUCATION COUNCIL

GENERAL FUND

SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED JUNE 30, 2006

	.....BUDGETED AMOUNTS.....			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
Revenues:				
Special Programs:				
Tuition	\$15,629,587	\$16,357,789	\$22,238,773	\$ 5,880,984
Grants in aid	28,624,834	29,997,211	28,503,301	(1,493,910)
Room and board	4,784,310	4,784,310	3,769,709	(1,014,601)
Sales of services	24,130,965	24,297,423	20,993,989	(3,303,434)
Investment income			2,013	2,013
Other local revenues	278,698	278,698	132,637	(146,061)
Transfers	694,190	694,190	214,605	(479,585)
Total special programs.....	74,142,584	76,409,621	75,855,027	(554,594)
Administration/Facilities:				
Sales of services			80,514	80,514
Other local revenues	17,200	17,200	46,203	29,003
Transfers	5,815,480	6,216,570	6,063,701	(152,869)
Total administration/facilities.....	5,832,680	6,233,770	6,190,418	(43,352)
Total revenues	79,975,264	82,643,391	82,045,445	(597,946)
Expenditures:				
Administration:				
Executive Director	272,084	272,084	271,735	349
Deputy Executive Director	285,886	285,886	285,886	
Business Services	2,662,750	3,014,392	3,014,392	
Human Resources	732,424	732,424	722,239	10,185
Communications Services	222,265	222,265	222,265	
Student Services	384,866	384,866	335,516	49,350
Teaching and Learning Services	147,327	147,327	95,118	52,209
Grants and Development Office	234,130	234,130	226,360	7,770
Technology Services	139,964	139,964	85,497	54,467
TABS Administration	288,114	288,114	288,114	
Total administration.....	5,369,810	5,721,452	5,547,122	174,330
Facilities:				
Administrative Building Cost Center	697,000	746,448	746,448	

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CAPITOL REGION EDUCATION COUNCIL
 GENERAL FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS), ETC.

		.....BUDGETED AMOUNTS.....			VARIANCE WITH
		ORIGINAL	FINAL	ACTUAL	FINAL BUDGET - POSTIVE (NEGATIVE)
Expenditures (continued):					
Special Programs:					
	Connecticut Academy for Education Leaders	\$ 3,240	\$ 3,240	\$ 2,850	\$ 390
	Interdistrict Grant Office	233,850	233,850	218,830	15,020
	Minority Teacher Recruiting	27,000	27,000	27,000	
	Project Literacy	194,500	194,500	178,316	16,184
	Allied Health Career Collaborative	20,000	20,000	17,509	2,491
	Learning Corridor	3,550,000	3,716,458	3,716,458	
	Montessori Magnet School	3,388,244	3,388,244	3,347,525	40,719
	East Hartford/Glastonbury Magnet School	2,344,475	2,344,475	2,310,125	34,350
	GHA Math and Science Magnet School	2,016,393	2,016,393	1,978,842	37,551
	Metropolitan Learning Center Magnet School	7,594,745	7,594,745	7,276,293	318,452
	Two Rivers Magnet School	7,093,191	7,476,093	7,476,093	
	Hartford Middle School	2,479,577	2,882,482	2,882,482	
	University of Hartford Magnet School	5,396,250	5,625,569	5,625,569	
	Soundbridge	4,401,429	4,401,429	4,382,487	18,942
	River Street School	17,478,950	17,727,032	17,727,032	
	Polaris Center	5,567,330	6,050,200	6,050,200	
	Magnet School Cost Center	2,404,190	2,758,691	2,758,691	
	Integrated Program Models	3,853,705	3,853,705	3,764,805	88,900
	Farmington Valley Diagnostic Center	911,000	911,000	815,997	95,003
	Greater Hartford Academy of the Arts	3,425,846	3,425,846	3,412,600	13,246
	Center for Creative Youth	728,850	728,850	671,772	57,078
	Great Path Academy	795,689	795,689	754,352	41,337
	Total special programs.....	73,908,454	76,175,491	75,395,828	779,663
	Total expenditures.....	79,975,264	82,643,391	81,689,398	953,993
	Excess of revenues over expenditures	\$ - 0 -	\$ - 0 -	356,047	\$ 356,047
Budgetary excess of revenues over expenditures is different then GAAP net change in fund balance because:					
Revenues and expenditures for CREC General Program are not budgeted. Net change in fund balance for					
CREC General program is.....					
				344,883	
	Net change in fund balance GAAP basis			\$ 700,930	

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SPECIAL REVENUE FUND

SPECIAL REVENUE FUND

GRANTS AND CONTRACTS FUND

ESEA GRANTS - Grants awarded by the State Department of Education (SDE) are used to fund a curriculum in place at two of CREC's special education programs as part of a Drug Free School program.

INTERDISTRICT GRANTS - A variety of special purpose SDE funded grants are received 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.

GHAMAS OUTREACH SCIENCE RESOURCE CENTER – GHAMAS Outreach Science Resource Center provides a summer program for Hartford and suburban students highly motivated in math and science, combining content with problem-solving skills in an integrated, interwoven curriculum. The Center also held a summer institute focused on food technologies and bacteriology for middle school teachers and on polymers and plastics for high school teachers.

RELATED SERVICES - Wide ranging services provided under State agency and local school district contracts coordination of special education and related services (diagnostics and consultation) for children and adults.

REGIONAL TECHNOLOGY TRAINING - The Regional Technology Training program is funded under a grant from the CT SDE's Technology Literacy Challenge Fund Grant. This provides a great range of technology training for CREC member districts.

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

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

SCHOOL FOR INTERNATIONAL STUDIES - The School for International Studies is a summer program in International Studies offered at St. Joseph's College.

CAPITOL REGION CHOICE PROGRAM - The Capitol Region Choice Program allows for the voluntary attendance of children in schools beyond their traditional attendance borders in an effort to reduce racial, ethnic and economic isolation.

SCHOOL TO CAREER INITIATIVES - School To Career Initiatives will 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 will allow CREC to disseminate guidance and curriculum materials to adult educators in the region.

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

SISTER SCHOOLS PROJECT - The Sister Schools Project 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.

CONNECTICUT MIGRATORY CHILDREN'S PROGRAM - The Connecticut Migratory Children's Program identifies children eligible for migrant services provided by the state. The students are children of migrant agricultural farm workers and fishers throughout the state. Once an educational need assessment is done, each child is placed in a proper educational setting. Further, an elaborate computer program is maintained to enable the child's school records to follow him or her wherever in the country the parents migrate.

ENTITLEMENT GRANTS - CREC was awarded Federal entitlement grants: Title I, Improving Basic Programs; Title IV, Safe and Drug Free Schools; and Title V, Innovative Education. All of the funds must be 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.

EDUCATION OF HOMELESS CHILDREN - A grant from the SDE provides funds to promote language and learning success of homeless preschool children. Literary activities are conducted at local shelters.

DEPARTMENT OF CORRECTIONS PROFESSIONAL DEVELOPMENT - A contract from the State Department of Corrections was received 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 education and deliver effective adult training and development across the state.

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

EQUAL SUMMER - EQUAL is a summer academic program that affords 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 as well as small grants from private foundations.

GRAUSTEIN FUND DISCOVERY GRANT - CREC serves as fiscal agent for awards from the William Caspar Graustein Memorial Fund. The Memorial Fund invests in building knowledge and engaging Discovery Grant participants in becoming "Learning Communities".

URBAN LEADERSHIP ACADEMY - The Urban Leadership Academy of Connecticut is a collaborative effort of CREC, the Connecticut State Department of Education, Central Connecticut State University, the University of Connecticut, the Connecticut Center for School Change, urban and "fringe" urban public school districts and the Connecticut Association of Schools. The goal is to accelerate the learning of all students by systemically improving the quality and effectiveness of the instruction in each classroom.

PRESCHOOL INTERVENTION PROGRAM - The Preschool Intervention Program identifies high-risk children early and provides programming and support to their families. PIP then assist's LEAs in the transition of those children into the public schools. A foundation of the program is a parent training program for young parents with children three to five years of age.

HARTFORD SCHOOL READINESS - This is a program created to provide spaces in accredited or approved school readiness programs for eligible children in school districts with severe need schools. In Fiscal Year 2005-2006, Hartford School Readiness Council (HSRC) received approximately \$4 million in State school readiness funds to offset the cost of providing preschool opportunities for Hartford children and their families. CREC served as the fiscal agent for the program until January when it transitioned to the City of Hartford.

BIRTH TO THREE - The Birth to Three program receives funds from the State Department of Mental Retardation to provide home based early intervention services to infants, toddlers and their families. The Birth to Three program collaborates not only with school districts, but also with health and social service agencies on behalf of the children/families served.

EMPLOYMENT TRAINING PROGRAM - A variety of special purpose funds from the SDE and the Federal Job Training Partnership Program are used to support efforts such as remedial reading instruction for students and training and placement of young adults in the human services field.

EARLY EDUCATION PROGRAMS - The new CREC Early Education initiative will work to support, coordinate, enhance, and expand the existing CREC Early Childhood programs. CREC recognizes that a significant number of children in the Greater Hartford towns 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 will work 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 has received a contract from Hartford Public Schools to provide supplemental services to students who attend three of Hartford's elementary schools: Milner, Moylan and Kinsella. CREC is approved by the State Department of Education as a service provider along with the rest of the RESC Alliance members. Highly qualified teachers and paraprofessionals from the CREC region teach small groups of students using research-based programs to improve verbal skills, vocabulary, and early reading behaviors. The program can support up to 75 students this year.

OPENING DOORS - This grant from the U.S. Department of Labor provides CREC, as an intermediary agency, the ability to assist six local community-based organizations as career development centers. CREC helps the selected sub-grantees to build capacity in delivering job search, career exploration, job acquisition, and English as a Second Language services to their local constituencies. The sub-grantees represent Hartford and New Britain. The grant provides the ability to decentralize some of the services of the One Stop Career Centers, administered by the Capital Workforce Partners.

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CAPITOL REGION EDUCATION COUNCIL

SPECIAL REVENUE FUND

BALANCE SHEET - BY PROGRAM
JUNE 30, 2006

	.....GRANTS AND CONTRACTS FUND.....							
	ESEA GRANTS	INTERDISTRICT GRANTS	PROJECT PACT	TEACHING AMERICAN HISTORY	GHAMAS OUTREACH SCIENCE RESOURCE CENTER	RELATED SERVICES	REGIONAL TECHNOLOGY TRAINING	CONNECTICUT TECHNICAL HIGH SCHOOLS
<u>A S S E T S</u>								
Cash and cash equivalents		\$154,157	\$90,887		\$80,081			
Accounts receivable		26,400		\$102,509		\$1,039,508		\$409,126
Other assets		455						4,133
TOTAL	\$ - 0 -	\$181,012	\$90,887	\$102,509	\$80,081	\$1,039,508	\$ - 0 -	\$413,259
<u>L I A B I L I T I E S</u>								
<u>A N D</u>								
<u>F U N D B A L A N C E S</u>								
Liabilities:								
Accounts payable and accrued liabilities		\$161,297	\$90,887	\$ 41,632	\$ 150	\$ 217,708		\$ 54,072
Due to other funds				60,877		571,110		319,265
Deferred revenue		14,862			79,931	242,535		
Total liabilities		176,159	90,887	102,509	80,081	1,031,353		373,337
Fund balance (deficit):								
Unreserved:								
Undesignated		4,853				8,155		39,922
TOTAL	\$ - 0 -	\$181,012	\$90,887	\$102,509	\$80,081	\$1,039,508	\$ - 0 -	\$413,259

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CAPITOL REGION EDUCATION COUNCILSPECIAL REVENUE FUNDBALANCE SHEET - BY PROGRAM (CONTINUED)
JUNE 30, 2006

.....GRANTS AND CONTRACTS FUND.....								
	SUMMER YOUTH EMPLOYMENT	SCHOOL FOR INTERNATIONAL STUDIES	CAPITOL REGION CHOICE PROGRAM	SCHOOL TO CAREER INITIATIVES	SUBURBAN YOUTH PROGRAMS	SISTER SCHOOLS PROJECT	CONNECTICUT MIGRATORY CHILDREN'S PROGRAM	ENTITLEMENT GRANTS
<u>A S S E T S</u>								
Cash and cash equivalents	\$6,742			\$59,829		\$18,990	\$34,860	\$85,523
Accounts receivable			\$581	4,245	\$37,171			
Other assets							150	
TOTAL	<u>\$6,742</u>	<u>\$ - 0 -</u>	<u>\$581</u>	<u>\$64,074</u>	<u>\$37,171</u>	<u>\$18,990</u>	<u>\$35,010</u>	<u>\$85,523</u>
<u>L I A B I L I T I E S</u> <u>A N D</u> <u>F U N D B A L A N C E S</u>								
Liabilities:								
Accounts payable and accrued liabilities	\$ 427		\$ 237,171	\$49,845	\$ 6,665	\$14,834	\$ 3,085	
Due to other funds			263,135		30,997			
Deferred revenue				13,904			30,600	\$85,742
Total liabilities	427		500,306	63,749	37,662	14,834	33,685	85,742
Fund balance (deficit):								
Unreserved:								
Undesignated	6,315		(499,725)	325	(491)	4,156	1,325	(219)
TOTAL	<u>\$6,742</u>	<u>\$ - 0 -</u>	<u>\$ 581</u>	<u>\$64,074</u>	<u>\$37,171</u>	<u>\$18,990</u>	<u>\$35,010</u>	<u>\$85,523</u>

CAPITOL REGION EDUCATION COUNCIL

SPECIAL REVENUE FUND

BALANCE SHEET - BY PROGRAM (CONTINUED)
JUNE 30, 2006

.....GRANTS AND CONTRACTS FUND.....							
	EDUCATION OF HOMELESS CHILDREN	DEPARTMENT OF CORRECTIONS PROFESSIONAL DEVELOPMENT	COMMUNITY EDUCATION	METACOMET RIDGE ACADEMY	EQUAL SUMMER	GRAUSTEIN FUND DISCOVERY GRANT	URBAN LEADERSHIP ACADEMY
<u>A S S E T S</u>							
Cash and cash equivalents				\$23,571	\$31,451	\$15,670	\$5,723
Accounts receivable	\$41,991	\$244,857			1,310	7,424	
Other assets		338					
TOTAL	<u>\$ - 0 -</u>	<u>\$41,991</u>	<u>\$245,195</u>	<u>\$23,571</u>	<u>\$32,761</u>	<u>\$23,094</u>	<u>\$5,723</u>
<u>L I A B I L I T I E S</u> <u>A N D</u> <u>F U N D B A L A N C E S</u>							
Liabilities:							
Accounts payable and accrued liabilities		\$12,396	\$105,611	\$23,571	\$ 6,606	\$ 620	\$5,723
Due to other funds		20,397	119,087				
Deferred revenue					24,258	19,724	
Total liabilities		32,793	224,698	23,571	30,864	20,344	5,723
Fund balance (deficit):							
Unreserved:							
Undesignated		9,198	20,497		1,897	2,750	
TOTAL	<u>\$ - 0 -</u>	<u>\$41,991</u>	<u>\$245,195</u>	<u>\$23,571</u>	<u>\$32,761</u>	<u>\$23,094</u>	<u>\$5,723</u>

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CAPITOL REGION EDUCATION COUNCIL

SPECIAL REVENUE FUND

BALANCE SHEET - BY PROGRAM (CONTINUED)
JUNE 30, 2006

.....GRANTS AND CONTRACTS FUND.....

	PRESCHOOL INTERVENTION PROGRAM	HARTFORD SCHOOL READINESS	BIRTH TO THREE	EMPLOYMENT TRAINING PROGRAM	EARLY EDUCATION PROGRAMS	SUPPLEMENTAL SERVICES	OPENING DOORS	TOTAL
<u>A S S E T S</u>								
Cash and cash equivalents			\$132,385			\$103,390	\$1,135	\$ 844,394
Accounts receivable			96,055	\$174,943	\$59,916	43,120		2,289,156
Other assets					75			5,151
TOTAL	\$ - 0 -	\$ - 0 -	\$228,440	\$174,943	\$59,991	\$146,510	\$1,135	\$3,138,701
<u>L I A B I L I T I E S</u> <u>A N D</u> <u>F U N D B A L A N C E S</u>								
Liabilities:								
Accounts payable and accrued liabilities	\$ 3,789		\$ 25,646	\$ 8,340	\$32,187	\$ 5,642	\$1,135	\$1,109,039
Due to other funds	58,964			317,576	28,057			1,789,465
Deferred revenue			54,000	10,000				575,556
Total liabilities	62,753		79,646	335,916	60,244	5,642	1,135	3,474,060
Fund balance (deficit):								
Unreserved:								
Undesignated	(62,753)		148,794	(160,973)	(253)	140,868		(335,359)
TOTAL	\$ - 0 -	\$ - 0 -	\$228,440	\$ 174,943	\$59,991	\$146,510	\$1,135	\$3,138,701

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CAPITOL REGION EDUCATION COUNCIL

SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2006

	GRANTS AND CONTRACTS FUND.....							
	ESEA GRANTS	INTERDISTRICT GRANTS	PROJECT PACT	TEACHING AMERICAN HISTORY	GHAMAS OUTREACH SCIENCE RESOURCE CENTER	RELATED SERVICES	REGIONAL TECHNOLOGY TRAINING	CONNECTICUT TECHNICAL HIGH SCHOOLS
Revenues:								
Tuition		\$ 900						
Grants in aid		1,490,443	\$110,749	\$278,091	\$222,920	\$1,188,090		\$1,043,731
Sales of services						1,880,626		
Other local revenues								
Total revenues		1,491,343	110,749	278,091	222,920	3,068,716		1,043,731
Expenditures:								
Current:								
Salaries		253,264	17,885	41,524	108,393	1,630,990		47,083
Employee benefits		20,128	3,880	11,990	10,237	266,738		12,337
Purchased professional and technical services		132,321	3,980	79,326	28,118	777,130		464,976
Purchased property services		755						
Other purchased services		987,001	70,470	115,553	57,874	61,239		409,011
Supplies		11,741		9,169	14,385	44,420		125
Property		347	9,260					
Other objects						384		
Total expenditures		1,405,557	105,475	257,562	219,007	2,780,901		933,532
Excess (deficiency) of revenues over expenditure		85,786	5,274	20,529	3,913	287,815		110,199
Other financing sources (uses):								
Transfers in								
Transfers out	\$ (2,921)	(85,786)	(5,274)	(20,529)	(3,913)	(306,333)	\$(1,544)	(86,512)
Total other financing sources (uses)	(2,921)	(85,786)	(5,274)	(20,529)	(3,913)	(306,333)	(1,544)	(86,512)
Net change in fund balances	(2,921)					(18,518)	(1,544)	23,687
Fund balance (deficit), July 1, 2005 .	2,921	4,853				26,673	1,544	16,235
Fund balance (deficit), June 30, 2006	\$ - 0 -	\$ 4,853	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ 8,155	\$ - 0 -	\$ 39,922

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CAPITOL REGION EDUCATION COUNCILSPECIAL REVENUE FUNDSTATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2006

.....GRANTS AND CONTRACTS FUND.....								
	SUMMER YOUTH EMPLOYMENT	SCHOOL FOR INTERNATIONAL STUDIES	CAPITOL REGION CHOICE PROGRAM	SCHOOL TO CAREER INITIATIVES	SUBURBAN YOUTH PROGRAMS	SISTER SCHOOLS PROJECT	CONNECTICUT MIGRATORY CHILDREN'S PROGRAM	ENTITLEMENT GRANTS
Revenues:								
Tuition								
Grants in aid	\$49,291		\$3,684,211	\$303,414	\$188,328	\$80,057	\$251,604	\$114,980
Sales of services								
Other local revenues								
Total revenues	49,291		3,684,211	303,414	188,328	80,057	251,604	114,980
Expenditures:								
Current:								
Salaries	40,901		566,124	107,232	117,880		150,885	16,165
Employee benefits	4,188		107,374	28,344	25,111		34,057	970
Purchased professional and technical services			10,263	184	17,629	15,000	4,613	52,586
Purchased property services			16,613				21,359	
Other purchased services	343		2,912,868	138,172	9,815	58,253	5,772	
Supplies	1,585		72,271	798	10,133	19	1,541	
Property			1,011				15,998	
Other objects								
Total expenditures	47,017		3,686,524	274,730	180,568	73,272	234,225	69,721
Excess (deficiency) of revenues over expenditure	2,274		(2,313)	28,684	7,760	6,785	17,379	45,259
Other financing sources (uses):								
Transfers in								
Transfers out	(2,274)	\$ (936)	(1,767)	(28,684)	(7,760)	(6,785)	(17,379)	(45,259)
Total other financing sources (uses)	(2,274)	(936)	(1,767)	(28,684)	(7,760)	(6,785)	(17,379)	(45,259)
Net change in fund balances		(936)	(4,080)					
Fund balance (deficit), July 1, 2005 ..	6,315	936	(495,645)	325	(491)	4,156	1,325	(219)
Fund balance (deficit), June 30, 2006	\$ 6,315	\$ -0-	\$ (499,725)	\$ 325	\$ (491)	\$ 4,156	\$ 1,325	\$ (219)

CAPITOL REGION EDUCATION COUNCILSPECIAL REVENUE FUNDSTATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2006

.....GRANTS AND CONTRACTS FUND.....							
	EDUCATION OF HOMELESS CHILDREN	DEPARTMENT OF CORRECTIONS PROFESSIONAL DEVELOPMENT	COMMUNITY EDUCATION	METACOMET RIDGE ACADEMY	EQUAL SUMMER	GRAUSTEIN FUND DISCOVERY GRANT	URBAN LEADERSHIP ACADEMY
Revenues:							
Tuition					\$ 3,787		
Grants in aid		\$128,818	\$1,744,614	\$73,875	120,349	\$25,357	
Sales of services		2,000	349,912			1,000	
Other local revenues							
Total revenues		130,818	2,094,526	73,875	124,136	26,357	
Expenditures:							
Current:							
Salaries		91,507	1,160,730	28,535	62,542		
Employee benefits		11,119	228,035	2,781	6,019		
Purchased professional and technical services		4,124	278,618	19,619	13,615	14,160	
Purchased property services			19,551				
Other purchased services		2,910	218,085	12,702	33,031	10,434	
Supplies		4,408	28,362	3,976		14	
Property			2,000				
Other objects			1,763				
Total expenditures		114,068	1,937,144	67,613	115,207	24,608	
Excess (deficiency) of revenues over expenditure		16,750	157,382	6,262	8,929	1,749	
Other financing sources (uses):							
Transfers in							
Transfers out	\$ (3,869)	(14,546)	(157,382)	(6,262)	(8,929)	(1,749)	\$ (3,576)
Total other financing sources (uses)	(3,869)	(14,546)	(157,382)	(6,262)	(8,929)	(1,749)	(3,576)
Net change in fund balances	(3,869)	2,204					(3,576)
Fund balance (deficit), July 1, 2005 .	3,869	6,994	20,497	- 0 -	1,897	2,750	3,576
Fund balance (deficit), June 30, 2006	\$ - 0 -	\$ 9,198	\$ 20,497	\$ - 0 -	\$ 1,897	\$ 2,750	\$ - 0 -

(Continued) - 3.

CAPITOL REGION EDUCATION COUNCILSPECIAL REVENUE FUNDSTATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2006

.....GRANTS AND CONTRACTS FUND.....								
	PRESCHOOL INTERVENTION PROGRAM	HARTFORD SCHOOL READINESS	BIRTH TO THREE	EMPLOYMENT TRAINING PROGRAM	EARLY EDUCATION PROGRAMS	SUPPLEMENTAL SERVICES	OPENING DOORS	TOTAL
Revenues:								
Tuition				\$ 15,439				\$ 20,126
Grants in aid	\$310,771	\$4,471,802	\$1,400,580	433,488	\$750,305	\$ 95,936	\$34,234	18,596,038
Sales of services			10,285		59,877	119,600		2,423,300
Other local revenues			119,888					119,888
Total revenues	310,771	4,471,802	1,530,753	448,927	810,182	215,536	34,234	21,159,352
Expenditures:								
Current:								
Salaries	187,491	88,895	947,920	255,805	386,433	112,905	31,919	6,453,008
Employee benefits	67,475	17,245	228,117	70,513	65,561	9,600	2,315	1,234,134
Purchased professional and technical services	930	3,500	33,581	21,479	5,135	1,588		1,982,475
Purchased property services	25,000		26,749	64,201		8,000		182,228
Other purchased services	7,652	4,353,412	62,489	7,811	314,966	17,227		9,867,090
Supplies	2,723		4,082	13,533	9,984	11,076		244,345
Property				2,006	17,093			47,715
Other objects	25			321	1,190			3,683
Total expenditures	291,296	4,463,052	1,302,938	435,669	800,362	160,396	34,234	20,014,678
Excess (deficiency) of revenues over expenditure	19,475	8,750	227,815	13,258	9,820	55,140		1,144,674
Other financing sources (uses):								
Transfers in				17,785				17,785
Transfers out	(19,475)	(8,750)	(157,192)	(30,042)	(12,277)	(15,389)		(1,063,094)
Total other financing sources (uses)	(19,475)	(8,750)	(157,192)	(12,257)	(12,277)	(15,389)		(1,045,309)
Net change in fund balances			70,623	1,001	(2,457)	39,751		99,365
Fund balance (deficit), July 1, 2005 ..	(62,753)	- 0 -	78,171	(161,974)	2,204	101,117	- 0 -	(434,724)
Fund balance (deficit), June 30, 2006	<u>\$(62,753)</u>	<u>\$ - 0 -</u>	<u>\$ 148,794</u>	<u>\$(160,973)</u>	<u>\$ (253)</u>	<u>\$140,868</u>	<u>\$ - 0 -</u>	<u>\$ (335,359)</u>

CAPITOL REGION EDUCATION COUNCIL

SPECIAL REVENUE FUND

SCHEDULES OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED JUNE 30, 2006

	.....BUDGETED AMOUNTS.....			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
Grants and Contracts Fund				
<u>ESEA GRANTS</u>				
Revenues:				
Transfers		\$2,921		\$(2,921)
Total expenditures		2,921	\$ 2,921	
Excess of Revenues over Expenditures	\$ - 0 -	\$- 0 -	\$(2,921)	\$(2,921)
<u>INTERDISTRICT GRANTS</u>				
Revenues:				
Grants in aid.....	\$1,508,832	\$1,508,832	\$1,491,343	\$(17,489)
Total expenditures	1,508,832	1,508,832	1,491,343	17,489
Excess of Revenues over Expenditures	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -
<u>PROJECT PACT</u>				
Revenues:				
Grants in aid.....	\$97,640	\$125,335	\$110,749	\$(14,586)
Total expenditures	97,640	125,335	110,749	14,586
Excess of Revenues over Expenditures	\$- 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -
<u>TEACHING AMERICAN HISTORY</u>				
Revenues:				
Grants in aid.....	\$343,440	\$343,440	\$278,091	\$(65,349)
Total expenditures	343,440	343,440	278,091	65,349
Excess of Revenues over Expenditures	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -

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CAPITOL REGION EDUCATION COUNCIL
 SPECIAL REVENUE FUND
 SCHEDULES OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS), ETC.

	.....BUDGETED AMOUNTS.....			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
<u>GHAMAS OUTREACH SCIENCE RESOURCE CENTER</u>				
Revenues:				
Grants in aid.....	\$310,064	\$310,064	\$222,920	\$ (87,144)
Total expenditures	<u>310,064</u>	<u>310,064</u>	<u>222,920</u>	<u>87,144</u>
Excess of Revenues over Expenditures	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>
<u>RELATED SERVICES</u>				
Revenues:				
Grants in aid.....	\$ 990,162	\$1,409,234	\$1,188,090	\$ (221,144)
Sales of services.....	<u>1,566,961</u>	<u>1,678,000</u>	<u>1,880,626</u>	<u>202,626</u>
Total revenues	<u>2,557,123</u>	<u>3,087,234</u>	<u>3,068,716</u>	<u>(18,518)</u>
Total expenditures	<u>2,557,123</u>	<u>3,087,234</u>	<u>3,087,234</u>	
Excess of Revenues over Expenditures	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ (18,518)</u>	<u>\$ (18,518)</u>
<u>REGIONAL TECHNOLOGY TRAINING</u>				
Revenues:				
Transfers.....		\$1,544		\$ (1,544)
Total expenditures		<u>1,544</u>	<u>\$ 1,544</u>	
Excess of Revenues over Expenditures	<u>\$ - 0 -</u>	<u>\$- 0 -</u>	<u>\$ (1,544)</u>	<u>\$ (1,544)</u>
<u>CONNECTICUT TECHNICAL HIGH SCHOOLS</u>				
Revenues:				
Grants in aid.....	\$300,000	\$1,020,044	\$1,043,731	\$23,687
Total expenditures	<u>300,000</u>	<u>1,020,044</u>	<u>1,020,044</u>	
Excess of Revenues over Expenditures	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ 23,687</u>	<u>\$23,687</u>

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CAPITOL REGION EDUCATION COUNCIL
 SPECIAL REVENUE FUND
 SCHEDULES OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS), ETC.

	.....BUDGETED AMOUNTS.....			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
<u>SUMMER YOUTH EMPLOYMENT</u>				
Revenues:				
Grants in aid.....	\$61,220	\$61,220	\$49,291	\$(11,929)
Total expenditures	61,220	61,220	49,291	11,929
Excess of Revenues over Expenditures	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>
<u>SCHOOL FOR INTERNATIONAL STUDIES</u>				
Revenues:				
Transfers.....		\$936		\$(936)
Total expenditures		936	\$ 936	
Excess of Revenues over Expenditures	<u>\$ - 0 -</u>	<u>\$-0-</u>	<u>\$ (936)</u>	<u>\$(936)</u>
<u>CAPITOL REGION CHOICE PROGRAM</u>				
Revenues:				
Grants in aid.....	\$3,221,840	\$3,731,000	\$3,684,211	\$(46,789)
Total expenditures	<u>3,221,840</u>	<u>3,731,000</u>	<u>3,688,291</u>	<u>42,709</u>
Excess of Revenues over Expenditures	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ (4,080)</u>	<u>\$(4,080)</u>
<u>SCHOOL TO CAREER INITIATIVES</u>				
Revenues:				
Grants in aid.....	\$463,760	\$463,760	\$303,414	\$(160,346)
Total expenditures	<u>463,760</u>	<u>463,760</u>	<u>303,414</u>	<u>160,346</u>
Excess of Revenues over Expenditures	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>
<u>SUBURBAN YOUTH PROGRAMS</u>				
Revenues:				
Grants in aid.....	\$220,600	\$220,600	\$188,328	\$(32,272)
Total expenditures	<u>220,600</u>	<u>220,600</u>	<u>188,328</u>	<u>32,272</u>
Excess of Revenues over Expenditures	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>

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CAPITOL REGION EDUCATION COUNCIL
 SPECIAL REVENUE FUND
 SCHEDULES OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS), ETC.

	.....BUDGETED AMOUNTS.....			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
<u>SISTER SCHOOLS PROJECT</u>				
Revenues:				
Grants in aid.....	\$63,668	\$80,057	\$80,057	
Total expenditures	63,668	80,057	80,057	
Excess of Revenues over Expenditures	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>
<u>CONNECTICUT MIGRATORY CHILDREN'S PROGRAM</u>				
Revenues:				
Grants in aid.....	\$280,815	\$280,815	\$251,604	\$(29,211)
Total expenditures	280,815	280,815	251,604	29,211
Excess of Revenues over Expenditures	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>
<u>ENTITLEMENT GRANTS</u>				
Revenues:				
Grants in aid.....	\$965,793	\$965,793	\$114,980	\$(850,813)
Total expenditures	965,793	965,793	114,980	850,813
Excess of Revenues over Expenditures	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>
<u>EDUCATION OF HOMELESS CHILDREN</u>				
Revenues:				
Transfers.....		\$3,869		\$(3,869)
Total expenditures		3,869	\$ 3,869	
Excess of Revenues over Expenditures	<u>\$ - 0 -</u>	<u>\$ -0-</u>	<u>\$(3,869)</u>	<u>\$(3,869)</u>

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CAPITOL REGION EDUCATION COUNCIL
 SPECIAL REVENUE FUND
 SCHEDULES OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS), ETC.

	.....BUDGETED AMOUNTS.....			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
<u>DEPARTMENT OF CORRECTIONS PROFESSIONAL DEVELOPMENT</u>				
Revenues:				
Grants in aid.....	\$160,000	\$160,000	\$128,818	\$(31,182)
Sales of services.....			2,000	2,000
Total revenues	160,000	160,000	130,818	(29,182)
Total expenditures	160,000	160,000	128,614	31,386
Excess of Revenues over Expenditures	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ 2,204</u>	<u>\$ 2,204</u>
<u>COMMUNITY EDUCATION</u>				
Revenues:				
Grants in aid.....	\$2,123,804	\$2,236,075	\$1,744,614	\$(491,461)
Sales of services.....	22,566	22,566	349,912	327,346
Total revenues	2,146,370	2,258,641	2,094,526	(164,115)
Total expenditures	<u>2,146,370</u>	<u>2,258,641</u>	<u>2,094,526</u>	<u>164,115</u>
Excess of Revenues over Expenditures	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>
<u>METACOMET RIDGE ACADEMY</u>				
Revenues:				
Grants in aid.....	\$73,875	\$73,875	\$73,875	
Total expenditures	73,875	73,875	73,875	
Excess of Revenues over Expenditures	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>
<u>EQUAL SUMMER</u>				
Revenues:				
Tuition.....	\$136,028	\$136,028	\$120,349	\$(15,679)
Grants in aid.....	2,972	2,972	3,787	815
Total revenues	139,000	139,000	124,136	(14,864)
Total expenditures	<u>139,000</u>	<u>139,000</u>	<u>124,136</u>	<u>14,864</u>
Excess of Revenues over Expenditures	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>

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CAPITOL REGION EDUCATION COUNCIL
 SPECIAL REVENUE FUND
 SCHEDULES OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS), ETC.

	.....BUDGETED AMOUNTS.....			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
<u>GRAUSTEIN FUND DISCOVERY GRANT</u>				
Revenues:				
Tuition.....	\$74,260	\$74,260	\$25,357	\$ (48,903)
Grants in aid.....			1,000	1,000
Total revenues	74,260	74,260	26,357	(47,903)
Total expenditures	74,260	74,260	26,357	47,903
Excess of Revenues over Expenditures	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>
<u>URBAN LEADERSHIP ACADEMY</u>				
Revenues:				
Transfers.....		\$3,576		\$ (3,576)
Total expenditures		3,576	\$ 3,576	
Excess of Revenues over Expenditures	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ (3,576)</u>	<u>\$ (3,576)</u>
<u>PRESCHOOL INTERVENTION PROGRAM</u>				
Revenues:				
Grants in aid.....	\$317,795	\$317,795	\$310,771	\$ (7,024)
Total expenditures	317,795	317,795	310,771	7,024
Excess of Revenues over Expenditures	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>
<u>HARTFORD SCHOOL READINESS</u>				
Revenues:				
Grants in aid.....	\$8,092,415	\$8,092,415	\$4,471,802	\$ (3,620,613)
Total expenditures	8,092,415	8,092,415	4,471,802	3,620,613
Excess of Revenues over Expenditures	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>

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CAPITOL REGION EDUCATION COUNCIL
 SPECIAL REVENUE FUND
 SCHEDULES OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS), ETC.

	.....BUDGETED AMOUNTS.....			VARIANCE WITH
	ORIGINAL	FINAL	ACTUAL	FINAL BUDGET - POSITIVE (NEGATIVE)
<u>BIRTH TO THREE</u>				
Revenues:				
Grants in aid.....	\$1,559,555	\$1,559,555	\$1,400,580	\$(158,975)
Sales of services.....			10,285	10,285
Other local revenues.....			119,888	119,888
Total revenues	1,559,555	1,559,555	1,530,753	(28,802)
Total expenditures	1,559,555	1,559,555	1,460,130	99,425
Excess of Revenues over Expenditures	\$ - 0 -	\$ - 0 -	\$ 70,623	\$ 70,623
<u>EMPLOYMENT TRAINING PROGRAM</u>				
Revenues:				
Grants in aid.....	\$449,188	\$449,188	\$433,488	\$(15,700)
Tuition.....	161,622	161,622	15,439	(146,183)
Transfers.....			17,785	17,785
Total revenues	610,810	610,810	466,712	(144,098)
Total expenditures	610,810	610,810	465,711	145,099
Excess of Revenues over Expenditures	\$ - 0 -	\$ - 0 -	\$ 1,001	\$ 1,001
<u>EARLY EDUCATION PROGRAMS</u>				
Revenues:				
Grants in aid.....	\$800,610	\$800,610	\$750,305	\$(50,305)
Sales of services.....	49,605	49,605	59,877	10,272
Total revenues	850,215	850,215	810,182	(40,033)
Total expenditures	850,215	850,215	812,639	37,576
Excess of Revenues over Expenditures	\$ - 0 -	\$ - 0 -	\$ (2,457)	\$ (2,457)

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CAPITOL REGION EDUCATION COUNCIL
 SPECIAL REVENUE FUND
 SCHEDULES OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS), ETC.

	.....BUDGETED AMOUNTS.....			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
<u>SUPPLEMENTAL SERVICES</u>				
Revenues:				
Grants in aid.....	\$105,100	\$105,100	\$ 95,936	\$(9,164)
Sales of services.....		70,685	119,600	48,915
Total revenues	105,100	175,785	215,536	39,751
Total expenditures	105,100	175,785	175,785	
Excess of Revenues over Expenditures	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ 39,751</u>	<u>\$39,751</u>
<u>OPENING DOORS</u>				
Revenues:				
Grants in aid.....	\$34,235	\$34,235	\$34,234	\$(1)
Total expenditures	34,235	34,235	34,234	1
Excess of Revenues over Expenditures	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$-0-</u>

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NONMAJOR GOVERNMENTAL FUNDS

NONMAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUND

EAST HARTFORD/GLASTONBURY MAGNET CONSTRUCTION – Used to account for site acquisition and construction of a school facility for the East Hartford/Glastonbury Magnet program. All eligible and recognized costs are fully reimbursable by an SDE facilities grant.

EARLY CHILDHOOD MAGNET CONSTRUCTION - Used to account for site acquisition of a school facility for the Early Education Magnet Program.

POLARIS CENTER RENOVATION - Used to account for site acquisition and renovation of a school facility for the Polaris Center Program.

CAPITAL LEASE – Used to account for CREC’s capital leases.

PERMANENT FUND

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

DEBT SERVICE FUNDS

ADMINISTRATION CENTER PARKING LOT - This fund is used to service the debt on property of the Council located at 111 Charter Oak Avenue, Hartford.

BOND ISSUE COST CENTER - This fund is used to account for the consolidated debt of the agency.

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CAPITOL REGION EDUCATION COUNCIL

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET
JUNE 30, 2006

	.....CAPITAL PROJECTS.....				
	EAST HARTFORD/ GLASTONBURY MAGNET CONSTRUCTION	EARLY CHILDHOOD MAGNET CONSTRUCTION	POLARIS CENTER RENOVATION	CAPITAL LEASE	TOTAL
<u>A S S E T S</u>					
Cash and cash equivalents		\$19,128			\$ 19,128
Investments					
Accounts receivable			\$411,612		411,612
TOTAL	<u>\$ - 0 -</u>	<u>\$19,128</u>	<u>\$411,612</u>	<u>\$ - 0 -</u>	<u>\$430,740</u>
<u>L I A B I L I T I E S</u> A N D <u>F U N D B A L A N C E S</u>					
Liabilities:					
Accounts payable and accrued liabilities					
Due to other funds	\$ 53,457	\$19,128	\$411,949		\$484,534
Total liabilities	<u>53,457</u>	<u>19,128</u>	<u>411,949</u>		<u>484,534</u>
Fund balances (deficit):					
Reserved for purposes of trust					
Reserved for debt service					
Unreserved:					
Undesignated	(53,457)		(337)		(53,794)
Total fund balance (deficit)	<u>(53,457)</u>		<u>(337)</u>		<u>(53,794)</u>
TOTAL	<u>\$ - 0 -</u>	<u>\$19,128</u>	<u>\$411,612</u>	<u>\$ - 0 -</u>	<u>\$430,740</u>

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CAPITOL REGION EDUCATION COUNCIL

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2006

	.PERMANENT.	.....DEBT SERVICE.....		TOTAL	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	NARKIN SCHOLARSHIP	ADMINISTRATION CENTER PARKING LOT	BOND ISSUE COST CENTER		
<u>A S S E T S</u>					
Cash and cash equivalents			\$997,984	\$997,984	\$1,017,112
Investments	\$19,356				19,356
Accounts receivable					411,612
TOTAL	<u>\$19,356</u>	<u>\$ - 0 -</u>	<u>\$997,984</u>	<u>\$997,984</u>	<u>\$1,448,080</u>
<u>L I A B I L I T I E S A N D F U N D B A L A N C E S</u>					
Liabilities:					
Accounts payable and accrued liabilities	\$ 594				\$ 594
Due to other funds	1,762				486,296
Total liabilities	2,356				486,890
Fund balances (deficit):					
Reserved for purposes of trust	17,000				17,000
Reserved for debt service			\$997,984	\$997,984	997,984
Unreserved:					
Undesignated					(53,794)
Total fund balance (deficit)	17,000		997,984	997,984	961,190
TOTAL	<u>\$19,356</u>	<u>\$ - 0 -</u>	<u>\$997,984</u>	<u>\$997,984</u>	<u>\$1,448,080</u>

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CAPITOL REGION EDUCATION COUNCILNONMAJOR GOVERNMENTAL FUNDSCOMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2006

	.....CAPITAL PROJECTS.....				
	EAST HARTFORD/ GLASTONBURY MAGNET CONSTRUCTION	EARLY CHILDHOOD MAGNET CONSTRUCTION	POLARIS CENTER RENOVATION	CAPITAL LEASE	TOTAL
Revenues:					
Investment income					
Expenditures:					
Debt service:					
Principal					
Interest and fiscal charges					
Capital outlay				\$ 500,000	\$ 500,000
Total expenditures				500,000	500,000
Excess (deficiency) of revenues over expenditures ..				(500,000)	(500,000)
Other financing sources:					
Transfers in		\$ 496,264			496,264
Proceeds from capital lease				500,000	500,000
Total other financing sources		496,264		500,000	996,264
Net change in fund balances		496,264			496,264
Fund balance (deficit), July 1, 2005	\$ (53,457)	(496,264)	\$ (337)		(550,058)
Fund balance (deficit), June 30, 2006	<u>\$ (53,457)</u>	<u>\$ - 0 -</u>	<u>\$ (337)</u>	<u>\$ - 0 -</u>	<u>\$ (53,794)</u>

CAPITOL REGION EDUCATION COUNCIL

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2006

	.PERMANENT.	.....DEBT SERVICE.....		TOTAL
	NARKIN SCHOLARSHIP	ADMINISTRATION CENTER PARKING LOT	BOND ISSUE COST CENTER	TOTAL NONMAJOR GOVERNMENTAL FUNDS
Revenues:				
Investment income			\$ 29,995	\$ 29,995
Expenditures:				
Debt service:				
Principal		\$ 16,350	350,000	366,350
Interest and fiscal charges		9,810	238,356	248,166
Capital outlay				500,000
Total expenditures		26,160	588,356	1,114,516
Excess (deficiency) of revenues over expenditures ...		(26,160)	(558,361)	(1,084,521)
Other financing sources:				
Transfers in		26,160	572,621	1,095,045
Proceeds from capital lease				500,000
Total other financing sources		26,160	572,621	1,595,045
Net change in fund balances			14,260	14,260
Fund balance (deficit), July 1, 2005	\$17,000		983,724	983,724
Fund balance (deficit), June 30, 2006	\$17,000	\$ - 0 -	\$ 997,984	\$ 997,984

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NONMAJOR PROPRIETARY FUNDS

ENTERPRISE FUNDS

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 - The Cooperative Purchasing program provides high quality materials at the best price to CREC schools and participating school systems by pooling districts' purchasing power.

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.

STAFF DEVELOPMENT - Curriculum and 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 RENTAL - CREC has secured tenants for the available office space at our River Street School Coltsville facility.

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 Administrative Office are made available to CREC programs and outside agencies. The financial activity is accounted for in this fund.

TECHNOLOGY SALE OF SERVICES - The Technology Center provides technology training on current business and education software to CREC staff and CREC districts. Partnerships with business and industry have been formed to provide coordinated technology service to CREC area school districts and CREC programs.

FARMINGTON VALLEY DIRECTOR - CREC coordinates the activities of the Farmington Valley Pupil Services and Special Services professional development group.

TECHNICAL ASSISTANCE BROKERING SERVICE - Used to account for the operations of a full-service educational brokering service providing technical assistance training and consultation to local school districts, State agencies and CREC programs.

UNDERSTANDING BY DESIGN – Understanding By Design is a curriculum development approach that is directed at improving districts curriculum design, student outcomes and teacher and administrator professional development.

STUDENT SERVICES - Student Services provides consultation to local school districts, state agencies, and CREC programs.

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

SCHOOL FACILITY SERVICES - CREC provides a host of school facility technical assistance services to local school districts. Some of these services include educational specification planning, SDE filings, architectural review assistance, budgeting and construction management and planning.

SCHOOL IMPROVEMENT CENTER – The School Improvement Center features a core set of key initiatives designed to leverage aspects of teaching and learning in order to promote student achievement. The key initiatives include Classroom Walkthrough Training, Curriculum Assessment and Instructional Services and Standard Based Report Cards.

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CAPITOL REGION EDUCATION COUNCIL

ENTERPRISE FUNDS

COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2006

	LEARNING CORRIDOR THEATER	COOPERATIVE PURCHASING	REGIONAL FINGERPRINTING SERVICES	STAFF DEVELOPMENT	BEST SERVICES	PROPERTY RENTAL	CASBO SUPPORT SERVICES	CONFERENCE SERVICES
ASSETS:								
Current:								
Cash and cash equivalents		\$32,034		\$56,197	\$17,473	\$34,176	\$ 6,875	
Accounts receivable	\$ 1,901	50	\$ 696		556	10,000	8,838	\$ 7,258
Other assets								6,051
Total current assets	1,901	32,084	696	56,197	18,029	44,176	15,713	13,309
Noncurrent:								
Capital assets (net)	2,584					9,046		
Total assets	4,485	32,084	696	56,197	18,029	53,222	15,713	13,309
LIABILITIES:								
Current:								
Accounts payable and accrued liabilities	2,513	7,000	1,248			13,148	4	4,120
Due to other funds	57,474		9,160					12,804
Deferred revenue								
Compensated absences								3,251
Total liabilities	59,987	7,000	10,408			13,148	4	20,175
NET ASSETS:								
Invested in capital assets, net of related debt	2,584					9,046		
Unrestricted	(58,086)	25,084	(9,712)	56,197	18,029	31,028	15,709	(6,866)
Total net assets	<u>\$ (55,502)</u>	<u>\$25,084</u>	<u>\$ (9,712)</u>	<u>\$56,197</u>	<u>\$18,029</u>	<u>\$40,074</u>	<u>\$15,709</u>	<u>\$ (6,866)</u>

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CAPITOL REGION EDUCATION COUNCILENTERPRISE FUNDS

COMBINING STATEMENT OF NET ASSETS (CONTINUED)

JUNE 30, 2006

	TECHNOLOGY SALE OF SERVICES	FARMINGTON VALLEY DIRECTOR	TECHNICAL ASSISTANCE BROKERING SERVICE	UNDERSTANDING BY DESIGN	STUDENT SERVICES	COMMUNITY EDUCATION	SCHOOL FACILITY SERVICES	SCHOOL IMPROVEMENT CENTER	TOTAL
ASSETS:									
Current:									
Cash and cash equivalents			\$ 89,216						\$ 235,971
Accounts receivable	\$ 107,282		25,460			\$ 21,745	\$ 286,845	\$ 156,510	627,141
Other assets									6,051
Total current assets	107,282		114,676			21,745	286,845	156,510	869,163
Noncurrent:									
Capital assets (net)	3,172					1,878			16,680
Total assets	110,454		114,676			23,623	286,845	156,510	885,843
LIABILITIES:									
Current:									
Accounts payable and accrued liabilities	17,711		6,619	\$ 853		25,742	6,645	2,527	88,130
Due to other funds	459,850			93,502		24,573	183,287	273,792	1,114,442
Deferred revenue	113,565		62,838			7,000		99,925	283,328
Compensated absences	4,374					776	6,232	3,142	17,775
Total liabilities	595,500		69,457	94,355		58,091	196,164	379,386	1,503,675
NET ASSETS:									
Invested in capital assets, net of related debt	3,172					1,878			16,680
Unrestricted	(488,218)		45,219	(94,355)		(36,346)	90,681	(222,876)	(634,512)
Total net assets	\$ (485,046)	\$ - 0 -	\$ 45,219	\$ (94,355)	\$ - 0 -	\$ (34,468)	\$ 90,681	\$ (222,876)	\$ (617,832)

CAPITOL REGION EDUCATION COUNCILENTERPRISE FUNDSCOMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2006

	LEARNING CORRIDOR THEATER	COOPERATIVE PURCHASING	REGIONAL FINGERPRINTING SERVICES	STAFF DEVELOPMENT	BEST SERVICES	PROPERTY RENTAL	CASBO SUPPORT SERVICES	CONFERENCE SERVICES
Operating revenues:								
Sales of services	\$ 118,993	\$ 5,016	\$ 61,019	\$13,416	\$ 1,981	\$15,000	\$14,048	\$148,320
Other local revenues	50		1,815					4,871
Total operating revenues.....	119,043	5,016	62,834	13,416	1,981	15,000	14,048	153,191
Operating expenses:								
Salaries	22,348		18,929	10,220	950	8,484	1,695	75,679
Employee benefits	10,420		2,207	780	66	648	127	25,689
Purchased professional and technical services	8,936	5,000					910	380
Purchased property services	4,368					5,304		
Other purchased services	1,021	7,987	38,769	1,804	99	1,505	8,838	3,129
Supplies	13,262		2,272	395			474	60,900
Property	2,884							
Depreciation	9,705			1,244		1,837		
Other								
Total operating expenses.....	72,944	12,987	62,177	14,443	1,115	17,778	12,044	165,777
Operating income (loss)	46,099	(7,971)	657	(1,027)	866	(2,778)	2,004	(12,586)
Nonoperating revenue:								
Grants in aid								
Income before transfers	46,099	(7,971)	657	(1,027)	866	(2,778)	2,004	(12,586)
Transfers in								
Transfers out								(5,356)
Change in net assets	46,099	(7,971)	657	(1,027)	866	(2,778)	2,004	(17,942)
Total net assets, July 1, 2005	(101,601)	33,055	(10,369)	57,224	17,163	42,852	13,705	11,076
Total net assets (deficit), June 30, 2006 .	\$ (55,502)	\$25,084	\$ (9,712)	\$56,197	\$18,029	\$40,074	\$15,709	\$ (6,866)

CAPITOL REGION EDUCATION COUNCIL

ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2006

	TECHNOLOGY SALE OF SERVICES	FARMINGTON VALLEY DIRECTOR	TECHNICAL ASSISTANCE BROKERING SERVICE	UNDERSTANDING BY DESIGN	STUDENT SERVICES	COMMUNITY EDUCATION	SCHOOL FACILITY SERVICES	SCHOOL IMPROVEMENT CENTER	TOTAL
Operating revenues:									
Sales of services	\$ 268,541		\$ 629,908	\$ 31,350		\$158,052	\$317,864	\$ 560,572	\$2,344,080
Other local revenues									6,736
Total operating revenues.....	268,541		629,908	31,350		158,052	317,864	560,572	2,350,816
Operating expenses:									
Salaries	313,389		338,925	27,029		37,162	223,909	478,712	1,557,431
Employee benefits	80,473		67,067	5,700		13,892	43,136	63,352	313,557
Purchased professional and technical services	72,343		268,286	30		601	43,123	37,373	436,982
Purchased property services									9,672
Other purchased services	59,823		199,027	4,396		23,517	13,850	38,165	401,930
Supplies	1,916		805	4,096		48,505	169	35,754	168,548
Property						1,522			4,406
Depreciation	4,021		1,203			1,909	1,700		21,619
Other			829			300			1,129
Total operating expenses.....	531,965		876,142	41,251		127,408	325,887	653,356	2,915,274
Operating income (loss)	(263,424)		(246,234)	(9,901)		30,644	(8,023)	(92,784)	(564,458)
Nonoperating revenue:									
Grants in aid	160,952		5,665						166,617
Income before transfers	(102,472)		(240,569)	(9,901)		30,644	(8,023)	(92,784)	(397,841)
Transfers in	20,000	\$ 94	135,700						155,794
Transfers out	(3,100)		(25,000)	(3,000)	\$ (14,402)	(21,860)	(15,000)	(25,174)	(112,892)
Change in net assets	(85,572)	94	(129,869)	(12,901)	(14,402)	8,784	(23,023)	(117,958)	(354,939)
Total net assets, July 1, 2005	(399,474)	(94)	175,088	(81,454)	14,402	(43,252)	113,704	(104,918)	(262,893)
Total net assets (deficit), June 30, 2006 .	<u>\$(485,046)</u>	<u>\$-0-</u>	<u>\$ 45,219</u>	<u>\$(94,355)</u>	<u>\$ - 0 -</u>	<u>\$(34,468)</u>	<u>\$ 90,681</u>	<u>\$(222,876)</u>	<u>\$(617,832)</u>

CAPITOL REGION EDUCATION COUNCIL

ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2006

	LEARNING CORRIDOR THEATER	COOPERATIVE PURCHASING	REGIONAL FINGERPRINTING SERVICES	STAFF DEVELOPMENT	BEST SERVICES	PROPERTY RENTAL	CASBO SUPPORT SERVICES	CONFERENCE SERVICES
Cash flows from operating activities:								
Cash received from customers and users	\$132,018	\$10,323	\$ 62,930	\$ 13,551	\$ 2,917	\$ 20,000	\$ 9,483	\$151,681
Cash received from interfund services provided			672					12,804
Cash payments to suppliers	(36,191)	(5,987)	(42,336)	(2,295)	(99)	(21,528)	(10,218)	(65,395)
Cash payments to employees	(35,570)		(21,466)	(11,000)	(1,058)	(6,775)	(1,822)	(102,284)
Cash payments for interfund services used	(59,117)							
Net cash provided (used) by operating activities	1,140	4,336	(200)	256	1,760	(8,303)	(2,557)	(3,194)
Cash flows from (to) noncapital financing activities:								
Grants in aid								
Transfers from (to) other funds								(5,356)
Net cash provided (used) by noncapital financing activities								(5,356)
Cash flows from capital and related financing activities:								
Additions to property, plant and equipment .	(1,140)							
Net increase (decrease) in cash and cash equivalents		4,336	(200)	256	1,760	(8,303)	(2,557)	(8,550)
Cash and cash equivalents, July 1, 2005		27,698	200	55,941	15,713	42,479	9,432	8,550
Cash and cash equivalents, June 30, 2006	\$ - 0 -	\$32,034	\$ - 0 -	\$ 56,197	\$17,473	\$ 34,176	\$ 6,875	\$ - 0-
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES								
Operating income (loss)	\$ 46,099	\$ (7,971)	\$ 657	\$ (1,027)	\$ 866	\$ (2,778)	\$2,004	\$ (12,586)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:								
Depreciation	9,705			1,244		1,837		
Change in assets and liabilities:								
(Increase) decrease in accounts receivable	12,975	5,307	96	135	936	5,000	(4,565)	(1,510)
(Increase) decrease in other assets								(1,044)
Increase (decrease) in accounts payable and accrued liabilities	(8,522)	7,000	(1,625)	(96)	(42)	(12,362)	4	(2,519)
Increase (decrease) in compensated absences								1,661
Increase (decrease) in due to other funds	(59,117)		672					12,804
Increase (decrease) in deferred revenues .								
Total adjustments	(44,959)	12,307	(857)	1,283	894	(5,525)	(4,561)	9,392
Net cash provided (used) by operating activities	\$ 1,140	\$ 4,336	\$ (200)	\$ 256	\$1,760	\$ (8,303)	\$ (2,557)	\$ (3,194)

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CAPITOL REGION EDUCATION COUNCIL

ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2006

	TECHNOLOGY SALE OF SERVICES	FARMINGTON VALLEY DIRECTOR	TECHNICAL ASSISTANCE BROKERING SERVICE	UNDERSTANDING BY DESIGN	STUDENT SERVICES	COMMUNITY EDUCATION	SCHOOL FACILITY SERVICES	SCHOOL IMPROVEMENT CENTER	TOTAL
Cash flows from operating activities:									
Cash received from customers and users	\$ 269,280		\$ 685,111	\$ 37,050		\$181,080	\$ 293,978	\$ 517,237	\$ 2,386,639
Cash received from interfund services provided	104,426			18,118			58,667	162,875	357,562
Cash payments to suppliers	(147,508)		(479,111)	(18,360)		(65,426)	(58,927)	(110,950)	(1,064,331)
Cash payments to employees	(405,050)		(402,271)	(33,808)		(54,109)	(278,718)	(543,988)	(1,897,919)
Cash payments for interfund services used		\$ (94)				(39,685)			(98,896)
Net cash provided (used) by operating activities	(178,852)	(94)	(196,271)	3,000		21,860	15,000	25,174	(316,945)
Cash flows from (to) noncapital financing activities:									
Grants in aid	160,952		5,665						166,617
Transfers from (to) other funds	16,900	94	110,700	(3,000)	\$ (14,402)	(21,860)	(15,000)	(25,174)	42,902
Net cash provided (used) by noncapital financing activities	177,852	94	116,365	(3,000)	(14,402)	(21,860)	(15,000)	(25,174)	209,519
Cash flows from capital and related financing activities:									
Additions to property, plant and equipment									(1,140)
Net increase (decrease) in cash and cash equivalents	(1,000)		(79,906)		(14,402)				(108,566)
Cash and cash equivalents, July 1, 2005	1,000		169,122		14,402				344,537
Cash and cash equivalents, June 30, 2006	\$ - 0 -	\$ - 0 -	\$ 89,216	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ 235,971
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES									
Operating income (loss)	\$ (263,424)		\$ (246,234)	\$ (9,901)		\$ 30,644	\$ (8,023)	\$ (92,784)	\$ (564,458)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:									
Depreciation	4,021		1,203			1,909	1,700		21,619
Change in assets and liabilities:									
(Increase) decrease in accounts receivable	(101,376)		140,273	6,675		17,228	(23,886)	(84,790)	(27,502)
(Increase) decrease in other assets						300		2,058	1,314
Increase (decrease) in accounts payable and accrued liabilities	(25,091)		(6,443)	(10,917)		5,037	(13,287)	(6,193)	(75,056)
Increase (decrease) in compensated absences	477					627	(171)	2,553	5,147
Increase (decrease) in due to other funds	104,426	\$ (94)		18,118		(39,685)	58,667	162,875	258,666
Increase (decrease) in deferred revenues	102,115		(85,070)	(975)		5,800		41,455	63,325
Total adjustments	84,572	(94)	49,963	12,901		(8,784)	23,023	117,958	247,513
Net cash provided (used) by operating activities	\$ (178,852)	\$ (94)	\$ (196,271)	\$ 3,000	\$ - 0 -	\$ 21,860	\$ 15,000	\$ 25,174	\$ (316,945)

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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 - An Internal Service Fund developed for centralizing organization wide technology costs and allocating 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.

SUPPORT SERVICES COST CENTER - The Support Services Cost Center includes the support and clerical services staff positions housed at CREC Central.

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

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CAPITOL REGION EDUCATION COUNCILINTERNAL SERVICE FUNDSCOMBINING STATEMENT OF NET ASSETS
JUNE 30, 2006

	CREC STAFF DEVELOPMENT	CREC WIDE AREA NETWORK	COPY CENTER	SELF- INSURANCE	CREC UNEMPLOYMENT	SUPPORT SERVICES COST CENTER	EMPLOYEE BENEFIT FUND	TOTAL
ASSETS:								
Current:								
Cash and cash equivalents	\$67,917	\$123,395	\$159,848	\$1,892,233	\$987,613		\$757,859	\$3,988,865
Accounts receivable		3,978		3,637				7,615
Other assets			19,447					19,447
Total current assets.....	67,917	127,373	179,295	1,895,870	987,613		757,859	4,015,927
Noncurrent:								
Capital assets (net)		96,187	2,775					98,962
Total assets.....	67,917	223,560	182,070	1,895,870	987,613		757,859	4,114,889
LIABILITIES:								
Current:								
Accounts payable and accrued liabilities	1,600	45,411	6,823	544,029	15,679			613,542
Deferred revenue	2,500							2,500
Current portion of obligations under capital lease			7,821					7,821
Current portion of compensated absences		21,872	1,873	6,998				30,743
Total current liabilities.....	4,100	67,283	16,517	551,027	15,679			654,606
Noncurrent:								
Obligations under capital lease			3,453					3,453
Total liabilities.....	4,100	67,283	19,970	551,027	15,679			658,059
NET ASSETS:								
Invested in capital assets, net of related debt .		96,187	(8,499)					87,688
Unrestricted	63,817	60,090	170,599	1,344,843	971,934		757,859	3,369,142
Total net assets.....	\$63,817	\$156,277	\$162,100	\$1,344,843	\$971,934	\$ - 0 -	\$757,859	\$3,456,830

CAPITOL REGION EDUCATION COUNCILINTERNAL SERVICE FUNDSCOMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2006

	CREC STAFF DEVELOPMENT	CREC WIDE AREA NETWORK	COPY CENTER	SELF- INSURANCE	CREC UNEMPLOYMENT	SUPPORT SERVICES COST CENTER	EMPLOYEE BENEFIT FUND	TOTAL
Operating revenues:								
Sales of services	\$92,113	\$1,520,742	\$210,740	\$7,292,645	\$330,772		\$707,865	\$10,154,877
Other local revenues				866,995				866,995
Total operating revenues.....	92,113	1,520,742	210,740	8,159,640	330,772		707,865	11,021,872
Operating expenses:								
Salaries	3,301	597,409	34,098	278,643				913,451
Employee benefits	543	137,621	4,358	7,645,504	164,857		709,655	8,662,538
Purchased professional and technical services ...	41,195	67,250		3,555	2,220			114,220
Purchased property services		36,455	17,854	423				54,732
Other purchased services	48,196	531,676	77,107	10,278				667,257
Supplies	515	2,843	16,254	9,380				28,992
Property		86,055	628					86,683
Depreciation		30,674	33,627					64,301
Other				370				370
Total operating expenses.....	93,750	1,489,983	183,926	7,948,153	167,077		709,655	10,592,544
Operating income (loss)	(1,637)	30,759	26,814	211,487	163,695		(1,790)	429,328
Nonoperating revenue:								
Income on investments				2,413				2,413
Loss on disposal of capital assets			(10,616)					(10,616)
Total nonoperating revenue.....			(10,616)	2,413				(8,203)
Income (loss) before transfers	(1,637)	30,759	16,198	213,900	163,695		(1,790)	421,125
Transfers in (out)			(40,000)			\$ 4,458		(35,542)
Change in net assets	(1,637)	30,759	(23,802)	213,900	163,695	4,458	(1,790)	385,583
Total net assets, July 1, 2005	65,454	125,518	185,902	1,130,943	808,239	(4,458)	759,649	3,071,247
Total net assets, June 30, 2006	\$63,817	\$ 156,277	\$162,100	\$1,344,843	\$971,934	\$ - 0 -	\$757,859	\$ 3,456,830

CAPITOL REGION EDUCATION COUNCIL

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2006

	CREC STAFF DEVELOPMENT	CREC WIDE AREA NETWORK	COPY CENTER	SELF- INSURANCE	CREC UNEMPLOYMENT	SUPPORT SERVICES COST CENTER	EMPLOYEE BENEFIT FUND	TOTAL
Cash flows from (to) operating activities:								
Cash received from customers and users	\$ 94,613	\$1,561,110	\$ 206,621	\$ 8,163,213	\$ 330,772		\$ 707,865	\$11,064,194
Cash payments to suppliers	(88,306)	(717,920)	(109,711)	(36,582)	(2,776)			(955,295)
Cash payments to employees	(3,844)	(758,595)	(37,647)	(7,761,050)	(164,857)		(734,717)	(9,460,710)
Cash payments for interfund services used						\$ (4,458)		(4,458)
Net cash provided (used) by operating activities	2,463	84,595	59,263	365,581	163,139	(4,458)	(26,852)	643,731
Cash flows from noncapital financing activities:								
Transfers from (to) other funds			(40,000)			4,458		(35,542)
Cash flows from (to) capital and related financing activities:								
Principal payments on obligations under capital lease			(7,204)					(7,204)
Additions to property, plant and equipment		(17,106)						(17,106)
Net cash provided (used) for capital and related financing activities		(17,106)	(7,204)					(24,310)
Cash flows from investing activities:								
Interest on investments				2,413				2,413
Net increase (decrease) in cash and cash equivalents	2,463	67,489	12,059	367,994	163,139		(26,852)	586,292
Cash and cash equivalents, July 1, 2005	65,454	55,906	147,789	1,524,239	824,474		784,711	3,402,573
Cash and cash equivalents, June 30, 2006	\$ 67,917	\$ 123,395	\$ 159,848	\$ 1,892,233	\$ 987,613	\$ - 0 -	\$ 757,859	\$ 3,988,865
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES								
Operating income (loss)	\$ (1,637)	\$ 30,759	\$26,814	\$211,487	\$163,695		\$ (1,790)	\$429,328
Adjustments to reconcile operating income to net cash provided (used) by operating activities:								
Depreciation		30,674	33,627					64,301
Change in assets and liabilities:								
(Increase) decrease in accounts receivable		40,368		3,573				43,941
(Increase) decrease in other assets			(4,119)	9,135				5,016
Increase (decrease) in accounts payable and accrued liabilities	1,600	(14,505)	1,068	141,156	(556)		(25,062)	103,701
Increase (decrease) in compensated absences		(2,701)	1,873	230				(598)
Increase (decrease) in due to other funds						\$ (4,458)		(4,458)
Increase (decrease) in deferred revenues	2,500							2,500
Total adjustments	4,100	53,836	32,449	154,094	(556)	(4,458)	(25,062)	214,403
Net cash provided (used) by operating activities	\$ 2,463	\$ 84,595	\$59,263	\$365,581	\$163,139	\$ (4,458)	\$ (26,852)	\$643,731

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

GREATER HARTFORD ACADEMY OF MATHEMATICS AND SCIENCE MAGNET SCHOOL - 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 - Funds held on behalf of the students of the school.

RESC ALLIANCE MINORITY RECRUITING - Member district funds, held by CREC, to be 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 - Funds held on behalf of the students of the school.

MONTESSORI MAGNET SCHOOL - Funds held on behalf of the students of the school.

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CAPITOL REGION EDUCATION COUNCIL

FIDUCIARY FUNDS

COMBINING BALANCE SHEET
JUNE 30, 2006

	RSS EQUIPMENT ESCROW	RIVERSTREET/ COLTSVILLE	GREATER HARTFORD ACADEMY OF THE ARTS	METROPOLITAN LEARNING CENTER	SPECIAL EDUCATION ESCROW	RIVER STREET SCHOOL	GREAT PATH ACADEMY	STATEWIDE RESCS ESCROW	GHAMAS ESCROW
ASSETS:									
Cash and cash equivalents	\$4,809	\$1,020	\$62,191	\$11,504	\$75,152	\$99,526	\$464	\$32,837	\$1,251
Other assets								1,345	
Total assets	<u>\$4,809</u>	<u>\$1,020</u>	<u>\$62,191</u>	<u>\$11,504</u>	<u>\$75,152</u>	<u>\$99,526</u>	<u>\$464</u>	<u>\$34,182</u>	<u>\$1,251</u>
LIABILITIES:									
Accounts payable	\$4,809	\$1,020	\$62,191	\$11,504	\$75,152	\$99,526	\$464	\$34,182	\$1,251
Fiduciary deposits									
Total liabilities	<u>\$4,809</u>	<u>\$1,020</u>	<u>\$62,191</u>	<u>\$11,504</u>	<u>\$75,152</u>	<u>\$99,526</u>	<u>\$464</u>	<u>\$34,182</u>	<u>\$1,251</u>

CAPITOL REGION EDUCATION COUNCIL

FIDUCIARY FUNDS

COMBINING BALANCE SHEET (CONTINUED)
 JUNE 30, 2006

	INTERGRATED 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	TOTAL
ASSETS:									
Cash and cash equivalents	\$235	\$2,776	\$7,181	\$199	\$1,862	\$1,175	\$11,278	\$5,161	\$318,621
Other assets									1,345
Total assets	<u>\$235</u>	<u>2,776</u>	<u>\$7,181</u>	<u>\$199</u>	<u>\$1,862</u>	<u>\$1,175</u>	<u>\$11,278</u>	<u>\$5,161</u>	<u>\$319,966</u>
LIABILITIES:									
Accounts payable							\$ 481		\$ 481
Fiduciary deposits	\$235	\$2,776	\$7,181	\$199	\$1,862	\$1,175	10,797	\$5,161	319,485
Total liabilities	<u>\$235</u>	<u>\$2,776</u>	<u>\$7,181</u>	<u>\$199</u>	<u>\$1,862</u>	<u>\$1,175</u>	<u>\$11,278</u>	<u>\$5,161</u>	<u>\$319,966</u>

CAPITOL REGION EDUCATION COUNCILAGENCY FUNDSCOMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2006

	BALANCE JULY 1, 2005	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2006
<u>A S S E T S</u>				
Cash and cash equivalents:				
RSS Equipment Escrow		\$ 4,809		\$ 4,809
River Street/Coltsville		1,020		1,020
Greater Hartford Arts Academy	\$ 52,709	129,322	\$119,840	62,191
Metropolitan Learning Center	19,856	13,248	21,600	11,504
Special Education Escrow	27,242	142,370	94,460	75,152
River Street School	85,604	29,132	15,210	99,526
Great Path Academy	675	5,004	5,215	464
Statewide RESCS Escrow	42,809	43,345	53,317	32,837
GHAMAS Escrow	1,517		266	1,251
Integrated Program Model		235		235
East Hartford/Glastonbury Magnet School Escrow	2,907	863	994	2,776
RESC Alliance Minority Recruit	7,661		480	7,181
CREC Charter Oak Escrow	32	5,750	5,583	199
Polaris Student Activity	1,862			1,862
Choice Escrow	1,127	168	120	1,175
Two Rivers Escrow	26,120	7,538	22,380	11,278
Montessori Magnet School	1,760	5,736	2,335	5,161
Total cash and cash equivalents	271,881	388,540	341,800	318,621
Other assets:				
Statewide RESCS Escrow	3,190		1,845	1,345
TOTAL	\$275,071	\$388,540	\$343,645	\$319,966

CAPITOL REGION EDUCATION COUNCIL
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES, ETC.

	BALANCE JULY 1, 2005	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2006
<u>L I A B I L I T I E S</u>				
Accounts payable:				
Greater Hartford Academy of the Arts	\$ 30,339		\$ 30,339	
Metropolitan Learning Center	9,935		9,935	
Statewide RESCS Escrow	7,590		7,590	
River Street School	750		750	
Two Rivers Escrow	18,828		18,347	\$ 481
Total accounts payable	67,442		66,961	481
Fiduciary deposits:				
RSS Equipment Escrow		\$ 4,809		4,809
River Street/Coltsville		1,020		1,020
Greater Hartford Arts Academy	22,370	129,322	89,501	62,191
MLC Escrow	9,921	13,248	11,665	11,504
Special Education Escrow	27,242	142,370	94,460	75,152
River Street School	84,854	29,132	14,460	99,526
Great Path Academy	675	5,004	5,215	464
Statewide RESCS Escrow	38,409	43,345	47,572	34,182
GHAMAS Escrow	1,517		266	1,251
Integrated Program Model		235		235
East Hartford/Glastonbury Magnet School Escrow	2,907	863	994	2,776
RESC Alliance Minority Recruit	7,661		480	7,181
CREC Charter Oak Escrow	32	5,750	5,583	199
Polaris Student Activity	1,862			1,862
Choice Escrow	1,127	168	120	1,175
Two Rivers Escrow	7,292	7,538	4,033	10,797
Montessori Magnet School	1,760	5,736	2,335	5,161
Total fiduciary deposits	207,629	388,540	276,684	319,485
TOTAL	\$275,071	\$388,540	\$343,645	\$319,966

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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.

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CAPITOL REGION EDUCATION COUNCILCAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDSCOMPARATIVE SCHEDULE BY SOURCE
JUNE 30, 2006 AND 2005

	2006	2005
Governmental funds capital assets:		
Land.....	\$ 2,224,925	\$ 2,224,925
Buildings and improvements.....	63,806,061	54,804,831
Vehicles.....	924,154	762,251
Furniture, fixtures and equipment.....	6,443,680	5,865,035
Construction in progress.....	<u>3,341,079</u>	<u>12,102,658</u>
TOTAL.....	<u>\$76,739,899</u>	<u>\$75,759,700</u>
Investments in governmental funds capital assets by source:		
General Fund.....	\$31,728,440	\$30,856,877
Special Revenue Fund.....	123,293	76,750
Capital Projects Fund.....	<u>44,888,166</u>	<u>44,826,073</u>
TOTAL.....	<u>\$76,739,899</u>	<u>\$75,759,700</u>

CAPITOL REGION EDUCATION COUNCILCAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDSSCHEDULE BY FUNCTION AND ACTIVITY
JUNE 30, 2006

	TOTAL	LAND	BUILDINGS AND IMPROVEMENTS	VEHICLES	FURNITURE, FIXTURES AND EQUIPMENT	CONSTRUCTION IN PROGRESS
Education	\$72,049,240	\$1,892,925	\$60,529,341	\$909,719	\$5,380,876	\$3,336,379
Facilities	3,901,298	332,000	3,276,720	14,435	278,143	
Administration	789,361				784,661	4,700
TOTAL.....	<u>\$76,739,899</u>	<u>\$2,224,925</u>	<u>\$63,806,061</u>	<u>\$924,154</u>	<u>\$6,443,680</u>	<u>\$3,341,079</u>

CAPITOL REGION EDUCATION COUNCILCAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDSSCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2006

	GOVERNMENTAL FUNDS CAPITAL ASSETS			GOVERNMENTAL FUNDS CAPITAL ASSETS
	JULY 1, 2005	ADDITIONS	DELETIONS	JUNE 30, 2006
Education	\$71,238,559	\$3,153,446	\$(2,342,765)	\$72,049,240
Facilities	3,743,091	158,207		3,901,298
Administration	778,050	11,311		789,361
TOTAL	<u>\$75,759,700</u>	<u>\$3,322,964</u>	<u>\$(2,342,765)</u>	<u>\$76,739,899</u>

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STATISTICAL SECTION

Statistical Section Information

The objectives of statistical section information are to provide financial statement users with additional historical perspective, context, and detail to assist in using the information in the financial statements, notes to financial statements, and required supplementary information to understand and assess economic condition.

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.

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CAPITOL REGION EDUCATION COUNCILNET ASSETS BY COMPONENT
LAST FOUR FISCAL YEARS

	.....FISCAL YEAR.....			
	2006	2005	2004	2003
Governmental activities:				
Invested in capital assets, net of related debt.....	\$51,855	\$54,229	\$54,212	\$49,973
Restricted.....	17	17	17	
Unrestricted.....	15,556	13,058	11,509	11,430
Total governmental activities net assets	67,428	67,304	65,738	61,403
Business-type activities:				
Invested in capital assets, net of related debt.....	17	37	45	75
Unrestricted.....	(635)	(300)	175	475
Total business-type activities net assets	(618)	(263)	220	550
Primary government:				
Invested in capital assets, net of related debt.....	51,872	54,266	54,257	50,048
Restricted.....	17	17	17	
Unrestricted.....	14,921	12,758	11,684	11,905
Total primary government net assets	\$66,810	\$67,041	\$65,958	\$61,953

Notes:

- (1) Schedule prepared on the accrual basis of accounting
- (2) CREC began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

CAPITOL REGION EDUCATION COUNCILCHANGES IN NET ASSETS
LAST FOUR FISCAL YEARS

(thousands)

	FISCAL YEAR.....			
	2006	2005	2004	2003
Expenses:				
Governmental activities:				
Education	\$ 94,321	\$88,144	\$79,591	\$69,789
Facilities	420	617	513	482
Administration	4,577	4,502	4,902	5,716
Interest on debt	242	265	294	317
Total governmental activities expenses	99,560	93,528	85,300	76,304
Business-type activities:				
Learning Corridor Theater	73	86	9	65
Cooperative Purchasing	13	1	5	6
Regional Fingerprinting Service	62	66	49	60
Staff Development	15	9	4	9
BEST Services	1	3	2	29
Property Rental	18	27	47	35
CASBO Support Services	12	4	8	10
Conference Services	166	154	143	128
Technology Sale of Services	532	584	1,740	1,219
Farmington Valley Director		2	7	6
Technical Assistance Brokering Service	876	194	257	2,502
Understanding By Design	41	155	123	
Community Education	127	156	222	170
School Facility Services	326	388	330	174
School Improvement Center	653	394	136	64
Total business-type activities expense	2,915	2,223	3,082	4,477
Total primary government expenses	102,475	95,751	88,382	80,781
Program revenues:				
Governmental activities:				
Charges for services	48,920	41,234	36,988	32,958
Operating grants and contributions	51,163	51,731	46,964	38,880
Capital grants and contributions	1,183	1,424	5,219	4,816
Total governmental activities program revenues	101,266	94,389	89,171	76,654

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CAPITOL REGION EDUCATION COUNCIL
 CHANGES IN NET ASSETS
 LAST FOUR FISCAL YEARS

	(thousands)			
	.....FISCAL YEAR.....			
	2006	2005	2004	2003
Business-type activities:				
Charges for services	\$ 2,351	\$ 1,905	\$ 2,793	\$ 3,393
Operating grants and contributions	166	8	15	1,330
Total business-type activities program revenues	<u>2,517</u>	<u>1,913</u>	<u>2,808</u>	<u>4,723</u>
Total primary government program revenues	<u>103,783</u>	<u>96,302</u>	<u>91,979</u>	<u>81,377</u>
Net (expense) revenue:				
Governmental activities	1,706	861	3,871	350
Business-type activities	(398)	(310)	(274)	246
Total primary government net expense	<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	359	359	336	374
Unrestricted investment earnings	445	173	72	101
Extraordinary items	(2,343)			
Transfers	(43)	173	56	32
Total governmental activities	<u>(1,582)</u>	<u>705</u>	<u>464</u>	<u>507</u>
Business-type activities:				
Transfers	43	(173)	(56)	(32)
Total business-type activities	<u>43</u>	<u>(173)</u>	<u>(56)</u>	<u>(32)</u>
Total primary government	<u>(1,539)</u>	<u>532</u>	<u>408</u>	<u>475</u>
Changes in net assets:				
Governmental activities	124	1,566	4,335	857
Business-type activities	(355)	(483)	(330)	214
Total primary government	<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
 (2) CREC began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

CAPITOL REGION EDUCATION COUNCILFUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

(thousands)

	FISCAL YEAR									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
General Fund:										
Reserved	\$ 73	\$ 73	\$ 34	\$ 64	\$ 59	\$ 55	\$ 74	\$ 81	\$ 43	\$ 76
Unreserved	9,497	8,796	8,474	8,242	8,163	8,223	6,381	5,793	5,223	4,318
Total general fund	<u>\$9,570</u>	<u>\$8,869</u>	<u>\$8,508</u>	<u>\$8,306</u>	<u>\$8,222</u>	<u>\$8,278</u>	<u>\$6,455</u>	<u>\$5,874</u>	<u>\$5,266</u>	<u>\$4,394</u>
All other governmental funds:										
Reserved	\$1,015	\$1,001	\$1,173	\$1,166	\$ 1,156	\$ 4,879	\$ 4,810	\$ 1,027	\$ 938	\$ 1,032
Unreserved, reported in:										
Special revenue funds	(335)	(435)	(40)	63	251	289	93	(144)	(116)	(89)
Capital projects funds	(399)	(405)	(668)	(968)	(1,480)	(1,089)	(1,096)	(1,188)	(1,777)	(1,784)
Total all other governmental funds	<u>\$ 281</u>	<u>\$ 161</u>	<u>\$ 465</u>	<u>\$ 261</u>	<u>\$ (73)</u>	<u>\$ 4,079</u>	<u>\$ 3,807</u>	<u>\$ (305)</u>	<u>\$ (955)</u>	<u>\$ (841)</u>

Note: Schedule prepared on the modified accrual basis of accounting

CAPITOL REGION EDUCATION COUNCIL
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (thousands)

	.....FISCAL YEAR.....									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Revenues:										
Tuition	\$ 22,259	\$20,092	\$18,268	\$16,402	\$15,287	\$13,471	\$11,450	\$11,148	\$11,203	\$11,304
Grants in aid	51,752	51,588	49,381	44,139	47,431	61,748	32,424	18,579	10,310	14,341
Room and board	3,770	3,443	3,249	3,387	3,338	3,368	2,909	2,693	2,262	2,262
Sales of services	23,655	19,429	18,380	12,808	10,027	8,721	6,754	6,730	5,246	4,343
Investment income	442	171	71	100	273	765	366	237	334	257
Other local revenues	299	598	340	388	279	356	308	421	329	333
Total revenues	102,177	95,321	89,689	77,224	76,635	88,429	54,211	39,808	29,684	32,840
Expenditures:										
Current:										
Special Programs	93,179	87,025	77,331	66,579	67,405	62,618	38,814	33,814	24,357	23,553
Facilities/Service Center	551	494	429	422	527	482	568	368	355	344
Administration	4,523	5,826	5,727	5,560	4,920	4,234	3,692	3,392	3,225	3,225
Debt service	615	628	666	668	690	695	757	781	930	6,206
Capital outlay	2,982	1,479	6,278	3,626	7,325	18,431	6,073	332	109	2,289
Total expenditures	101,850	95,452	90,431	76,855	80,867	86,460	49,904	38,687	28,976	35,617
Excess of revenue over (under) expenditures .	327	(131)	(742)	369	(4,232)	1,969	4,307	1,121	708	(2,777)
Other financing sources (uses):										
Transfers in	3,129	2,086	2,063	2,359	1,782	893	2,298	8,522	7,866	8,452
Transfers out	(3,136)	(1,898)	(1,974)	(2,327)	(1,758)	(840)	(2,261)	(8,484)	(7,717)	(8,095)
Proceeds from debt obligation						34	41			
Proceeds from capital lease	500		1,059			26	308			
Total other financing sources (uses)	493	188	1,148	32	24	113	386	38	149	357
Net change in fund balances	\$ 820	\$ 57	\$ 406	\$ 401	\$(4,208)	\$2,082	\$ 4,693	\$ 1,159	\$ 857	\$(2,420)
Debt service as a percentage of noncapital expenditures	0.6%	0.7%	0.8%	0.9%	0.9%	1.0%	1.7%	2.0%	3.2%	18.6%

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>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Avon	\$437,309	\$481,966	\$287,738	\$237,440	\$115,008
Berlin	522,508	656,446	416,350	270,458	118,132
Bloomfield	1,219,140	1,240,087	952,805	899,317	806,127
Bolton	184,853	121,533	173,844	244,299	250,286
Bristol	855,628	748,631	689,744	693,221	646,595
Canton	63,987	19,236	58,937	80,490	68,932
Cromwell	152,856	118,882	82,005	104,993	115,550
East Granby	256,843	274,519	341,212	307,498	229,210
East Hartford	1,050,230	943,432	1,019,097	604,779	268,155
East Windsor	447,139	265,786	241,724	226,832	271,258
Ellington	296,438	340,514	336,036	285,382	287,854
Enfield	581,976	723,830	746,835	573,644	467,918
Farmington	411,680	525,976	717,752	510,099	363,947
Glastonbury	1,409,111	1,159,214	1,002,993	912,324	683,133
Granby	192,777	169,498	236,501	158,568	228,059
Hartford	6,192,910	5,896,757	6,905,135	6,480,270	3,468,348
Hartland	262	53	53	0	642
Manchester	1,369,700	1,194,006	1,182,086	921,369	492,702
New Britain	1,119,261	751,186	698,036	720,051	721,271
New Hartford	94,900	125,456	167,824	110,814	50,230
Newington	652,861	706,047	542,713	494,962	334,596
Plainville	399,922	436,041	349,471	561,156	606,671
Portland	114,652	106,250	92,133	88,290	84,468
Rocky Hill	412,417	405,982	293,357	346,006	223,814
Simsbury	1,123,970	1,018,849	762,672	739,135	464,341
Somers	180,533	156,169	151,862	119,838	180,080
South Windsor	910,679	938,524	793,328	486,828	141,007
Southington	989,059	708,844	975,011	1,042,358	774,517
Suffield	290,053	151,732	134,340	124,834	105,675
Vernon	1,173,871	876,976	991,024	1,007,655	840,534
West Hartford	659,329	433,626	599,118	478,771	483,636
Wethersfield	603,541	832,737	879,956	755,510	781,385
Windsor	1,309,246	1,211,639	1,147,698	1,056,167	914,578
Windsor Locks	505,339	663,143	655,450	503,820	454,431
Regional District #10	215,162	126,625	167,894	158,561	125,404
Revenue from Member Boards of Education	\$26,400,142	\$24,530,192	\$24,792,734	\$22,305,739	\$16,168,494
 Other Sources					
Other LEAs and Agencies	\$40,185,024	\$32,117,168	\$27,136,440	\$28,387,576	\$37,611,783
State Grants	43,796,048	45,194,842	43,482,466	33,623,423	28,672,984
Federal Grants	3,852,366	4,309,424	4,878,619	3,896,112	3,552,223
Other Special Revenues	1,316,367	971,145	681,659	930,690	713,586
Revenue from Other Sources	\$89,149,805	\$82,592,579	\$76,179,184	\$66,837,801	\$70,550,576
Total Revenues	\$115,549,947	\$107,122,771	\$100,971,918	\$89,143,540	\$86,719,070

Source: Capitol Region Education Council Business Services Department

TABLE 6

CAPITOL REGION EDUCATION COUNCILPRINCIPAL REVENUE PAYERS
2006 AND 1997

CLIENTS	2006	1997
Hartford	6,192,910	3,672,508
Springfield	1,486,646	477,713
Glastonbury	1,409,111	553,939
Manchester	1,369,700	619,888
Windsor	1,309,246	358,901
Bloomfield	1,219,140	317,087
Vernon	1,173,871	72,656
Simsbury	1,123,970	183,798
New Britain	1,119,261	586,859
East Hartford	1,050,230	300,226
Southington	989,059	447,147
South Windsor	910,679	382,490
Middletown	878,103	395,028
Bristol	855,628	457,825
West Hartford	659,329	461,626
Newington	652,861	345,244
Wethersfield	603,541	304,639

CAPITOL REGION EDUCATION COUNCIL
 RATIOS OF OUTSTANDING DEBT BY TYPE
 LAST TEN FISCAL YEARS
 (thousands, except for capita)

FISCAL YEAR	.....GOVERNMENTAL ACTIVITIES.....			TOTAL PRIMARY GOVERNMENT	PROGRAM ENROLLMENT	DEBT PER CAPITA
	GENERAL OBLIGATION BONDS	NOTES PAYABLE	CAPITAL LEASES			
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
2002	4,760	260	113	5,133	2,057	2.50
2001	5,095	292	163	5,550	1,533	3.62
2000	5,415	285	298	5,998	1,196	5.02
1999	5,725	305	17	6,047	845	7.16
1998	6,035	374	12	6,421	583	11.01
1997	6,345	435	5	6,785	574	11.82

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Notes: Details regarding CREC's outstanding debt can be found in the notes to the financial statements.

**Capitol Region Education Council
CREC Member Data**

	2000 Population	Population Growth 1990-2000	Number of Public Schools	Education Reference Group (ERG)	Public School Enrollment as a Percent of Town Population	% of Students Eligible for Free/Reduced- Priced Meals
Connecticut						
1 Avon	15,832	13.6%	5	A	20.7%	1.8%
2 Berlin	18,215	8.5%	5	D	18.1%	5.7%
3 Bloomfield	19,587	0.5%	6	F	11.9%	38.1%
4 Bolton	5,017	9.7%	2	C	18.6%	10.1%
5 Bristol	60,062	-1.0%	15	H	14.6%	27.4%
6 Canton	8,840	6.9%	4	C	19.0%	3.1%
7 Cromwell	12,871	4.8%	3	E	14.8%	10.5%
8 East Granby	4,745	10.3%	4	C	18.5%	1.0%
9 East Hartford	49,575	-1.7%	14	H	15.3%	49.5%
10 East Windsor	9,818	-2.6%	3	G	15.5%	19.4%
11 Ellington	12,921	15.4%	5	C	18.5%	5.0%
12 Enfield	45,212	-0.7%	12	F	14.4%	21.4%
13 Farmington	23,641	14.7%	7	B	18.3%	4.6%
14 Glastonbury	31,876	14.2%	8	B	20.6%	3.3%
15 Granby	10,347	10.4%	5	B	21.5%	1.9%
16 Hartford	121,578	-13.0%	40	I	17.8%	>95%
17 Hartland	2,012	7.8%	1	E	11.6%	1.7%
18 Manchester	54,740	6.0%	13	F	13.2%	31.8%
19 New Britain	71,538	-5.2%	14	I	14.9%	62.3%
20 Newington	29,306	0.3%	7	D	15.5%	10.5%
21 New Hartford	6,088	5.5%	3	C	10.1%	4.1%
22 Plainville	17,328	-0.4	5	G	15.0%	16.1%
23 Portland	8,732	3.7%	5	E	16.1%	9.0%
24 Region 10	16,473	34.4%	4	C	16.5%	2.4%
25 Rocky Hill	17,966	8.5%	5	D	13.6%	6.2%
26 Simsbury	23,234	5.5%	7	A	21.6%	3.4%
27 Somers	10,417	14.4%	3	C	16.5%	2.8%
28 South Windsor	24,412	10.5%	7	B	20.5%	5.5%
29 Southington	39,728	3.1%	11	D	16.9%	7.1%
30 Suffield	13,552	18.6%	4	C	18.4%	4.5%
31 Vernon	28,063	-6.0%	7	F	14.1%	24.6%
32 West Hartford	63,589	5.8%	15	B	15.4%	12.1%
33 Wethersfield	26,271	2.4%	7	D	14.0%	10.8%
34 Windsor	28,237	1.5%	7	D	15.1%	26.9%
35 Windsor Locks	12,043	-2.5%	4	F	15.8%	18.8%
Totals	943,866		267			

Source: State of Connecticut Department of Education Division of Grant Services. Strategic School Profiles 04-05.

**Capitol Region Education Council
Per Pupil Expense**

	Net Expense Per Pupil 2006	Net Expense Per Pupil 2005	Net Expense Per Pupil 2004	Net Expense Per Pupil 2003	Net Expense Per Pupil 2002	Net Expense Per Pupil 2001	Net Expense Per Pupil 2000	Net Expense Per Pupil 1999
Avon	\$10,236	\$9,874	\$9,301	\$9,447	\$8,875	\$8,376	\$8,086	\$8,209
Berlin	9,773	9,172	8,555	8,755	8,291	7,962	7,509	7,147
Bloomfield	12,830	12,464	11,548	11,017	10,172	10,050	9,137	8,937
Bolton	11,328	10,914	10,194	9,761	9,300	8,673	8,101	7,835
Bristol	9,972	9,570	9,105	8,477	8,310	8,016	7,712	7,702
Canton	10,468	9,937	9,440	9,065	8,574	8,205	7,645	7,285
Cromwell	10,708	10,067	9,482	9,516	9,125	8,647	8,082	7,682
East Granby	11,838	11,316	10,800	9,939	8,998	9,227	8,542	8,350
East Hartford	10,119	10,067	9,421	9,058	8,810	8,450	7,978	7,487
East Windsor	9,465	8,907	8,466	8,495	7,614	7,643	7,745	7,020
Ellington	9,511	9,227	8,982	8,518	8,195	7,758	7,437	7,293
Enfield	10,012	9,440	9,335	9,024	8,940	8,557	8,117	7,585
Farmington	10,524	9,566	9,199	9,056	8,540	8,167	7,654	7,217
Glastonbury	9,778	9,271	8,699	8,446	8,023	7,675	7,456	7,274
Granby	9,935	9,493	8,999	8,754	8,460	7,846	7,782	7,517
Hartford	14,784	13,236	12,366	12,151	12,136	11,312	10,995	10,493
Hartland	11,845	11,173	9,987	10,285	8,671	8,257	7,579	6,926
Manchester	11,199	10,320	10,003	9,618	9,055	8,927	8,188	7,835
New Britain	10,591	10,430	10,070	9,913	9,855	8,987	8,352	7,984
New Hartford	10,842	10,293	10,153	9,568	9,325	8,566	8,478	7,886
Newington	10,601	10,101	9,434	8,991	8,499	8,036	8,176	7,863
Plainville	10,951	10,598	10,142	9,723	9,105	8,921	8,265	8,109
Portland	11,343	10,504	9,918	9,280	8,767	8,522	7,898	7,936
Region 10	9,572	9,352	8,877	8,683	8,226	8,095	7,862	7,532
Rocky Hill	10,352	10,095	9,507	9,121	8,989	8,681	8,319	7,967
Simsbury	10,424	9,933	9,522	9,084	8,513	8,239	7,592	7,416
Somers	9,516	9,151	8,639	8,501	8,350	8,108	7,753	7,485
South Windsor	9,885	9,514	8,793	8,634	8,288	7,734	7,398	7,204
Southington	10,415	9,892	9,461	8,940	8,434	8,568	7,795	7,654
Suffield	9,446	8,957	8,400	8,147	7,563	7,225	6,906	6,964
Vernon	10,983	10,401	10,154	9,705	9,480	9,059	8,564	8,414
West Hartford	10,842	10,302	9,783	9,434	8,851	8,595	8,488	8,304
Wethersfield	10,715	10,254	9,371	9,182	8,843	8,472	8,293	8,202
Windsor	11,372	10,873	10,398	9,906	9,422	8,318	8,079	7,615
Windsor Locks	11,131	10,715	10,246	10,063	9,055	8,094	7,438	7,106

Source: State of Connecticut Department of Education Division of Grants Services-web site

**Capitol Region Education Council
Total Population by Town
Fiscal Years 2000 to 2005**

<u>Town</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Avon	17,209	16,992	16,709	16,346	16,323	15,832
Berlin	19,590	19,471	19,322	19,116	18,281	18,215
Bloomfield	20,581	20,414	19,803	19,794	19,134	19,587
Bolton	5,170	5,173	5,199	5,154	5,140	5,017
Bristol	61,353	60,994	60,722	60,541	60,026	60,062
Canton	9,932	9,603	9,413	9,061	9,162	8,840
Cromwell	13,594	13,520	13,471	13,370	13,080	12,871
East Granby	5,058	5,018	4,977	4,910	4,880	4,745
East Hartford	49,173	49,416	49,596	49,650	49,734	49,575
East Windsor	10,447	10,261	10,185	10,095	9,958	9,818
Ellington	14,217	14,141	13,952	13,571	13,145	12,921
Enfield	45,441	45,567	45,539	45,379	44,987	45,212
Farmington	24,941	24,682	24,507	24,189	23,969	23,641
Glastonbury	33,089	32,852	32,789	32,575	32,985	31,876
Granby	11,088	10,989	10,869	10,696	10,721	10,347
Hartford	124,397	125,053	124,387	124,558	123,850	124,121
Hartland	2,082	2,078	2,068	2,053	1,993	2,012
Manchester	55,572	55,563	55,390	55,084	54,680	54,740
New Britain	71,254	71,832	71,572	71,589	71,665	71,538
New Hartford	6,746	6,662	6,548	6,413	6,202	6,088
Newington	29,676	29,646	29,695	29,623	29,349	29,306
Plainville	17,382	17,371	17,461	17,407	17,335	17,328
Portland	9,543	9,340	9,264	9,125	9,293	8,732
Regional District #10	14,668	14,478	14,303	14,069	13,744	13,473
Rocky Hill	18,760	18,620	18,528	18,305	17,683	17,966
Simsbury	23,656	23,460	23,496	23,421	23,740	23,234
Somers	10,877	10,888	10,870	10,608	10,502	10,417
Southington	42,077	41,723	41,397	40,943	40,227	39,728
South Windsor	25,985	25,586	25,270	24,846	24,773	24,412
Suffield	14,704	14,539	14,217	14,021	13,990	13,552
Vernon	29,491	29,338	29,206	28,718	27,861	28,063
West Hartford	61,173	61,392	61,424	61,365	61,578	61,070
Wethersfield	26,220	26,358	26,398	26,390	26,262	26,271
Windsor	28,778	28,652	28,565	28,519	27,731	28,237
Windsor Locks	12,411	12,333	12,256	12,237	11,919	12,043
Total CREC Membership	<u>966,335</u>	<u>964,005</u>	<u>959,368</u>	<u>953,741</u>	<u>945,902</u>	<u>940,890</u>

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

Capitol Region Education Council
CREC Member Towns Average Daily Membership (Adm) - Public School Pupils
Fiscal Years 2000 to 2006

TABLE 11

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<u>Town</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Avon	3,400	3,315	3,265	3,086	2,988	2,900	2,714
Berlin	3,410	3,426	3,414	3,355	3,381	3,345	3,319
Bloomfield	2,735	2,767	2,755	2,715	2,764	2,720	2,780
Bolton	941	942	969	996	976	953	940
Bristol	9,107	9,073	9,051	9,017	8,978	8,930	8,732
Canton	1,693	1,669	1,631	1,632	1,637	1,587	1,549
Cromwell	1,969	1,931	1,891	1,854	1,847	1,793	1,818
East Granby	903	892	896	896	903	836	856
East Hartford	8,363	8,144	8,198	8,243	8,106	8,014	7,867
East Windsor	1,635	1,662	1,653	1,628	1,628	1,551	1,558
Ellington	2,521	2,487	2,418	2,394	2,330	2,313	2,262
Enfield	6,716	6,792	6,860	6,953	6,843	6,866	6,889
Farmington	4,260	4,393	4,343	4,232	4,192	4,135	4,060
Glastonbury	6,879	6,802	6,732	6,555	6,406	6,199	5,983
Granby	2,233	2,214	2,203	2,163	2,093	2,038	1,927
Hartford	22,946	23,411	24,054	24,188	24,320	24,501	24,126
Hartland	359	379	392	378	405	400	409
Manchester	7,666	7,907	7,979	7,993	7,959	7,756	7,855
New Britain	11,249	11,171	11,070	10,930	10,837	10,413	10,339
New Hartford	1,150	1,179	1,154	1,176	1,156	1,168	1,118
Newington	4,587	4,612	4,599	4,641	4,524	4,460	4,317
Plainville	2,638	2,628	2,645	2,670	2,701	2,681	2,721
Portland	1,423	1,445	1,437	1,463	1,451	1,393	1,413
Regional District #10	2,804	2,731	2,705	2,639	2,633	2,548	2,535
Rocky Hill	2,563	2,488	2,489	2,503	2,432	2,445	2,415
Simsbury	5,063	5,053	5,035	5,017	4,998	4,887	4,748
Somers	1,724	1,722	1,731	1,712	1,663	1,619	1,581
Southington	6,801	6,771	6,743	6,676	6,688	6,620	6,546
South Windsor	5,238	5,161	5,277	5,154	5,083	5,024	4,918
Suffield	2,441	2,385	2,376	2,267	2,220	2,157	2,148
Vernon	3,849	3,989	4,023	4,017	4,068	4,133	4,121
West Hartford	9,995	9,935	9,853	9,732	9,608	9,444	9,084
Wethersfield	3,855	3,801	3,771	3,675	3,607	3,487	3,470
Windsor	4,655	4,696	4,714	4,699	4,608	4,704	4,556
Windsor Locks	2,072	2,063	2,028	2,050	2,104	2,107	2,107
Total CREC Membership	<u>159,843</u>	<u>160,036</u>	<u>160,354</u>	<u>159,299</u>	<u>158,137</u>	<u>156,127</u>	<u>153,781</u>

Source: State of Connecticut Department of Education Division of Grants Services-web site

Capitol Region Education Council

Program Enrollment Summary

PROGRAM	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
River Street School	178	165	157	150	148	136	139	118	115	111
Soundbridge	59	64	65	69	75	70	87	67	74	74
Integrated Program Model	32	31	32	35	33	35	36	46	46	47
Polaris Center	68	56	65	53	51	48	89	63	72	87
Farmington Valley Diagnostic Center	16	17	11	13	10					
East Hartford/Glastonbury Magnet School	249	258	258	259	277	279	290	283	276	255
Great Path Academy	84	83								
Greater Hartford Academy of the Arts	393	387	380	325	313	251	208	180		
Greater Hartford Academy of Math & Science	202	204	211	199	175	148				
Metropolitan Learning Center	675	681	573	500	384	287	197	88		
Montessori Magnet School	331	305	295	264	250	219	150			
Two Rivers Magnet Middle School	583	594	598	425						
Tunxis Middle College High School				76	81	60				
University of Hartford Magnet School	381	383	395	351	260					
TOTAL	3,251	3,228	3,040	2,719	2,057	1,533	1,196	845	583	574

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

(Details provided on following pages)

Capitol Region Education Council
 River Street School
 Student Enrollment by LEA (Continued)

LEA	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
Avon	1	1	1	1						
Berlin	3	4		1			1	1	1	1
Bloomfield	4	4	3	3	4	4	3	1	1	2
Bolton										
Bristol	4	4	4	4	4	3	2		3	3
Canton										
Cromwell					1	2	2	2	2	2
East Granby	1	1	2	1	1		1			
East Hartford	1	1	1	1	1	1				
East Windsor	2	1	1	1	1	1	1	1	2	2
Ellington	1	1	1	1	1	1				
Enfield	6	7	9	8	5	4	6	5	3	2
Farmington	2	1	3	3	3	3	3	1	1	1
Glastonbury	5	5	4	4	6	3	3	2		
Granby									1	1
Hartford	5	8	8	13	12	10	12	12	15	17
Hartland										
Manchester	3	5	4	3	3	6	10	8	8	5
New Britain	4	2	2	1	3	4	2	2	2	3
New Hartford	1	1	1	1						
Newington	4	4	3	2	2	2	2	2	2	2
Plainville	2	2	3	3	3	3	3	2	2	2
Portland					1	1	1		1	1
Rocky Hill	2	2	1							
Simsbury	3	2	3	3	1	1	1			
Somers	2	2	2	2	3	6	6	4	4	4
South Windsor	3	3	1			5				
Southington	3	2	3	3	3	2	1	3	4	5
Suffield	2	2	3	1	1					
Vernon	6	5	5	5	4	2	3	2	1	
West Hartford	5	3	4	3	3	2	2	4	5	6
Wethersfield	3	3	5	5	4	3	3	3	3	3
Windsor	10	7	7	7	7	4	9	5	5	5
Windsor Locks	4	4	3	3	3	6	4	3	3	3
Region #10										
Non-Member LEAs	86	78	70	67	68	63	58	53	46	41

TOTAL 178 165 157 150 148 136 139 118 115 111

(Continued on following page)

Capitol Region Education Council

Soundbridge
Student Enrollment by LEA (Continued)

LEA	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
Avon										
Berlin	1	3	2	2						
Bloomfield	4	5	5	4	3	3	2			
Bristol	3	5	6	5	5	6	6	3	3	3
Canton										
Cromwell										
East Granby		1	1	1	1					
East Hartford	3	1	2	1	1	1	1	1	1	2
East Windsor										
Ellington										
Enfield	2	2	2	2	2	2	3	1	2	2
Farmington										
Glastonbury	1	1				1	1	1	2	3
Granby										
Hartford	7	8	11	14	14	13	18	13	15	15
Hartland										
Manchester	3	1	1		2	4	5	5	7	8
New Britain	6	4	4	5	5	3	3	4	3	3
New Hartford										
Newington	4	4	4	4	4	5	6	4	3	3
Plainville										
Portland								1	1	1
Rocky Hill	2	2	2	2	2	2	2	3	4	3
Simsbury	3	3	3	2	3	3	3	3	3	3
Somers										
South Windsor	1	1	1	2	2	2	2	3	3	3
Southington	1	3	2	2	3	4	5	3	5	4
Suffield						1				
Vernon							2	2	1	1
West Hartford				2	2	2	2			1
Wethersfield	6	6	6	6	5	5	6	4	3	3
Windsor					1					
Windsor Locks	1	1	1	1	1	1				
Region #10	1									
Non-Member LEAs	10	13	12	14	19	12	20	16	18	16

TOTAL 59 64 65 69 75 70 87 67 74 74

(Continued on following page)

Capitol Region Education Council
Integrated Program Model
 Student Enrollment by LEA (Continued)

LEA	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
Avon										
Berlin	1	1	1	1	1		1	1	1	1
Bloomfield			1	1	1					
Bolton				1		1	2	2		
Bristol									2	2
Canton										
Cromwell										
East Granby										
East Hartford								1	1	1
East Windsor										
Ellington	1	1	1	1	1	1				
Enfield										
Farmington	1	1	1	1						
Glastonbury								2	2	2
Granby										
Hartford	3	2	2	2	2	3	3	4	4	4
Hartland										
Manchester								1	1	1
New Britain	1	1								
New Hartford			1							
Newington										
Plainville	3	3	2	2	3	5	6	10	8	6
Portland	1	1	1	1	1	1	1	1	1	1
Rocky Hill	1	1	1	2	1	1	1	1	1	1
Simsbury				1	1	1	1	1	1	1
Somers										
South Windsor										
Southington									1	1
Suffield										
Vernon	1	1	1	4	4	4				
West Hartford										
Wethersfield					1				1	1
Windsor								2	2	2
Windsor Locks	1	1		1					1	
Region #10	1									
Non-Member LEAs	19	18	20	17	17	18	21	20	19	23

TOTAL 32 31 32 35 33 35 36 46 46 47

(Continued on following page)

Capitol Region Education Council
Polaris Center
Student Enrollment by LEA (Continued)

LEA	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
Avon										
Berlin	2					1	1	1	1	
Bloomfield	1	1	1	3	2	2	2		1	2
Bolton	1				1					
Bristol		1	2	2		2	1	1		
Canton										
Cromwell			1	1	1					
East Granby			1	1						
East Hartford	2	2	1	3	1		1		1	1
East Windsor	1		1	1	3		1			
Ellington		1	1			1	1	1		
Enfield	1	2	1		1	1			1	
Farmington										
Glastonbury		1						1	2	2
Granby			1	1	2	1	1			
Hartford	16	13	14	6	10	7	16	25	28	34
Hartland										
Manchester	7	1	7	4	2	2				4
New Britain	8	3	6	4	4	4	10	3	6	7
New Hartford										
Newington	2	1		1			1		1	1
Plainville					1					
Portland							1			1
Rocky Hill				1		1	2			1
Simsbury										1
Somers		1								1
South Windsor	1	2	2		1	1	3	2	2	
Southington				1	2					1
Suffield										
Vernon	3	1	1		2	1			1	
West Hartford	1		1	1	2	3	6	1	5	6
Wethersfield					1		1	1	2	1
Windsor	1	2	2	2	1		1	2	1	1
Windsor Locks		1								1
Region #10										
Non-Member LEAs	21	23	22	21	13	21	40	25	20	22

TOTAL 68 56 65 53 51 48 89 63 72 87

(Continued on following page)

Capitol Region Education Council

Farmington Valley Diagnostic Center
Student Enrollment by LEA (Continued)

LEA	2005	2004	2003	2002	2001
Avon	2	3		1	
Berlin					
Bloomfield			1		
Bolton					
Bristol					
Canton				1	2
Cromwell					
East Granby		1	1		
East Hartford					
East Windsor					
Ellington					
Enfield					
Farmington	2	4	2	2	
Glastonbury					
Granby		3	2		
Hartford					
Hartland					
Manchester					
New Britain					1
New Hartford					
Newington					
Plainville	2		1	2	2
Portland					
Rocky Hill					
Simsbury	6	5	1	2	1
Somers					
South Windsor					
Southington	1	1	1	2	1
Suffield					
Vernon					
West Hartford					1
Wethersfield					
Windsor					
Windsor Locks				1	1
Region #10	3		2	2	1
Non-Member LEAs					

TOTAL 16 17 11 13 10

(Continued on following page)

TABLE 12

Capitol Region Education Council
 East Hartford/Glastonbury Magnet School
 Student Enrollment by LEA (Continued)

LEA	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
Avon										
Berlin										
Bloomfield										
Bolton										
Bristol										
Canton										
Cromwell										
East Granby										
East Hartford	134	151	149	155	173	169	178	161	150	137
East Windsor										
Ellington										
Enfield										
Farmington										
Glastonbury	115	107	109	104	104	110	112	122	126	118
Granby										
Hartford										
Hartland										
Manchester										
New Britain										
New Hartford										
Newington										
Plainville										
Portland										
Rocky Hill										
Simsbury										
Somers										
South Windsor										
Southington										
Suffield										
Vernon										
West Hartford										
Wethersfield										
Windsor										
Windsor Locks										
Region #10										
Non-Member LEAs										

TOTAL 249 258 258 259 277 279 290 283 276 255

(Continued on following page)

Capitol Region Education Council

Great Path Academy
Student Enrollment by LEA (Continued)

LEA	2005	2004
Avon		
Berlin		
Bloomfield		
Bolton	4	6
Bristol		
Canton		
Cromwell		
East Granby		
East Hartford	22	20
East Windsor		
Ellington	5	4
Enfield		
Farmington		
Glastonbury	12	12
Granby		
Hartford	14	14
Hartland		
Manchester	15	17
New Britain		
New Hartford		
Newington		
Plainville		
Portland		
Rocky Hill		
Simsbury		
Somers		
South Windsor		
Southington		
Suffield		
Vernon		
West Hartford		
Wethersfield		
Windsor		
Windsor Locks		
Region #10		
Non-Member LEAs	12	10

TOTAL 84 83

(Continued on following page)

Capitol Region Education Council

Greater Hartford Academy of the Arts
Student Enrollment by LEA (Continued)

LEA	2005	2004	2003	2002	2001	2000	1999	1998
Avon	4	3	3	3	3	4	1	2
Berlin	3	2						
Bloomfield	3	8	7	7	10	2	3	3
Bolton	6	4	5	5	3	1	2	2
Bristol	2	2	2	2	4	4	1	1
Canton	12	12	8	3	2	1	1	1
Cromwell	3	2	6	2	4	3	4	3
East Granby	2	2	3	2	2	3		1
East Hartford	8	5	6	5	6	4	4	6
East Windsor	1	3	4	1	2	2	3	
Ellington	5	2			3	4	3	3
Enfield	5	10	10	10	9	7	5	1
Farmington	5	5	5	4	4	6	7	6
Glastonbury	25	21	25	23	13	12	7	4
Granby	6	9	9	12	11	6	7	1
Hartford	53	63	69	52	63	50	42	47
Hartland								
Manchester	12	12	12	10	15	9	10	4
New Britain	17	13	16	18	14	13	5	
New Hartford	1	1						
Newington	16	14	17	14	9	9	7	8
Plainville	1	1		1	1			
Portland	5	3		1	1			
Rocky Hill	22	19	15	12	10	4	4	3
Simsbury	21	22	19	12	9	9	6	4
Somers						2		
South Windsor	7	6	7	8	6	3	2	
Southington	10	12	14	15	15	6	6	2
Suffield	6	6	4	2	2	2	2	2
Vernon	5	6	5	3	2	1	2	2
West Hartford	19	27	25	20	17	13	11	11
Wethersfield	15	14	10	8	7	5	4	2
Windsor	12	8	8	6	3	4	3	2
Windsor Locks	9	9	9	8	9	9	2	3
Region #10	2	2	1	1	5	6	7	6
Non-Member LEAs	70	62	56	55	49	50	48	50

TOTAL 393 387 380 325 313 251 208 180

(Continued on following page)

Capitol Region Education Council

Greater Hartford Academy of Math & Science
Student Enrollment by LEA (Continued)

LEA	2005	2004	2003	2002	2001	2000
Avon	3	2	1			
Berlin						
Bloomfield	10	10	12	10	10	10
Bolton	2	2	2	2	1	
Bristol						
Canton	1	1				
Cromwell						
East Granby						
East Hartford						
East Windsor						
Ellington	9	7	5	3		
Enfield						
Farmington	6	8	8	8	6	8
Glastonbury	3		5	4	4	5
Granby	6	6	3	4	3	3
Hartford	56	64	77	71	63	48
Hartland						
Manchester	20	21	20	21	22	20
Marlborough	2		1	2		
New Britain	16	16	14	16	15	12
New Hartford						
Newington	8	8	9	8	7	8
Plainville						
Portland						
Rocky Hill	24	24	26	22	16	10
Simsbury	8	8	8	5	7	4
Somers						
South Windsor						
Southington	4	4	4	5	5	4
Suffield	3					
Vernon	2	2	2			
West Hartford	3	1	2	2		
Wethersfield	8	8	5	9	8	6
Windsor	7	9	6	7	8	10
Windsor Locks						
Region #10						
Non-Member LEAs	1	3	1			

TOTAL 202 204 211 199 175 148

Capitol Region Education Council

Metropolitan Learning Center
Student Enrollment by LEA (Continued)

LEA	2005	2004	2003	2002	2001	2000	1999	1998
Avon								
Berlin								
Bloomfield	138	134	105	92	71	55	37	18
Bolton								
Bristol								
Canton								
Cromwell								
East Granby								
East Hartford								
East Windsor	41	44	38	29	23	16	14	5
Ellington								
Enfield	38	41	33	28	17	14	9	
Farmington								
Glastonbury								
Granby								
Hartford	197	191	173	149	111	87	60	29
Hartland								
Manchester								
New Britain								
New Hartford								
Newington								
Plainville								
Portland								
Rocky Hill								
Simsbury								
Somers								
South Windsor								
Southington								
Suffield								
Vernon								
West Hartford								
Wethersfield								
Windsor	200	203	160	147	116	81	59	27
Windsor Locks	61	68	64	55	46	34	18	9
Region #10								
Non-Member LEAs								

TOTAL 675 681 573 500 384 287 197 88

(Continued on following page)

Capitol Region Education Council
 Montessori Magnet School
 Student Enrollment by LEA (Continued)

LEA	2005	2004	2003	2002	2001	2000	1999
Avon							1
Berlin	1						
Bloomfield	31	30	29	32	33	27	27
Bolton			1	1			
Bristol							
Canton		1	2	2			1
Cromwell	2	2					
East Granby							
East Hartford	26	21	19	13	14	14	10
East Windsor	1						
Ellington	2	2	2	2	2		
Enfield				1	1	1	1
Farmington					1	1	
Glastonbury			1			2	3
Granby							
Hartford	164	147	137	132	123	104	74
Hartland							
Manchester	12	17	14	12	9	8	4
Middletown	2	4	2	2			
New Britain	8	9	9	6	8	7	5
New Hartford							
Newington	4	3	4	4	2	1	
Plainville	1	1	1				
Portland							
Rocky Hill	4	3	5	1	1		
Simsbury					2	1	
Somers							
South Windsor		1		1	1		
Southington	1	1	1	1	1	1	
Suffield							
Vernon			1	2	2	3	3
West Hartford	9	8	13	9	10	9	4
Wethersfield	9	8	4	1	1	1	
Windsor	44	45	49	41	32	33	12
Windsor Locks	1						
Region #10	1			1	2	2	1
Region #17					1	1	
Non-Member LEAs	8	2	1		5	4	4

TOTAL 331 305 295 264 250 219 150

(Continued on following page)

Capitol Region Education Council
 Two Rivers Magnet Middle School
 Student Enrollment by LEA (Continued)

LEA	2005	2004	2003	2002
Avon				
Berlin				
Bloomfield				
Bolton				
Bristol				
Canton				
Cromwell				
East Granby				
East Hartford	137	132	130	93
East Windsor				
Ellington				
Enfield				
Farmington				
Glastonbury	80	94	92	71
Granby				
Hartford	138	128	135	90
Hartland				
Manchester	141	128	132	92
New Britain				
New Hartford				
Newington				
Plainville				
Portland				
Rocky Hill				
Simsbury				
Somers				
South Windsor	87	112	109	79
Southington				
Suffield				
Vernon				
West Hartford				
Wethersfield				
Windsor				
Windsor Locks				
Region #10				
Non-Member LEAs				

TOTAL 583 594 598 425

Capitol Region Education Council

University of Hartford Magnet Magnet School
Student Enrollment by LEA (Continued)

LEA	2005	2004	2003	2002	2001
Avon	32	31	25	22	10
Berlin					
Bloomfield	11	11	16	14	9
Bolton					
Bristol					
Canton					
Cromwell					
East Granby					
East Hartford					
East Windsor					
Ellington					
Enfield					
Farmington	19	24	30	26	22
Glastonbury					
Granby					
Hartford	209	209	205	179	141
Hartland					
Manchester					
New Britain					
New Hartford					
Newington					
Plainville					
Portland					
Rocky Hill					
Simsbury	38	32	29	30	24
Somers					
South Windsor	2	2	2		
Southington					
Suffield					
Vernon					
West Hartford	41	42	50	51	33
Wethersfield	29	32	38	29	21
Windsor					
Windsor Locks					
Region #10					
Non-Member LEAs					

TOTAL 381 383 395 351 260

**Capitol Region Education Council
Tuition Rates per Student**

PROGRAM NAME	2006	2005	2004	2003	2002	2001	2000	1999
River Street Day Program	\$46,942	\$44,708	\$42,578	\$40,550	\$39,066	\$37,563	\$36,206	\$35,151
River Street Extended Day Program								
Summer	3,432	3,269	3,113	2,965	2,856	2,746	2,647	2,570
Group Home Regular	12,412	11,821	11,258	10,722	10,329	9,932	9,573	9,294
Academic Regular	15,293	14,565	13,872	13,211	12,727	12,238	11,796	11,452
Riverstreet Summer Program	4,446	4,235	4,034	3,841	3,701	3,559	3,430	3,330
Soundbridge Program								
Full Day	33,953	31,732	29,732	27,658	26,341	24,850	23,952	23,254
Half Day	18,477	17,268	15,268	14,203	13,527	12,761	12,300	11,942
Integrated Program Model	57,153	51,957	47,234	44,144	41,256	36,836	32,889	30,423
Integrated Program Model Summer Program	9,402	8,395	7,495	6,692	6,254	5,584	4,986	4,617
Polaris Center	45,058	42,912	40,869	38,923	37,498	35,712	34,422	33,419

Source: Capitol Region Education Council Business Services Department.

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