

# Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2008



**CAPITOL REGION EDUCATION COUNCIL  
Hartford, Connecticut**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2008**



**Capitol Region Education Council**

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*Prepared by:  
Business Services Department*

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

**JUNE 30, 2008**

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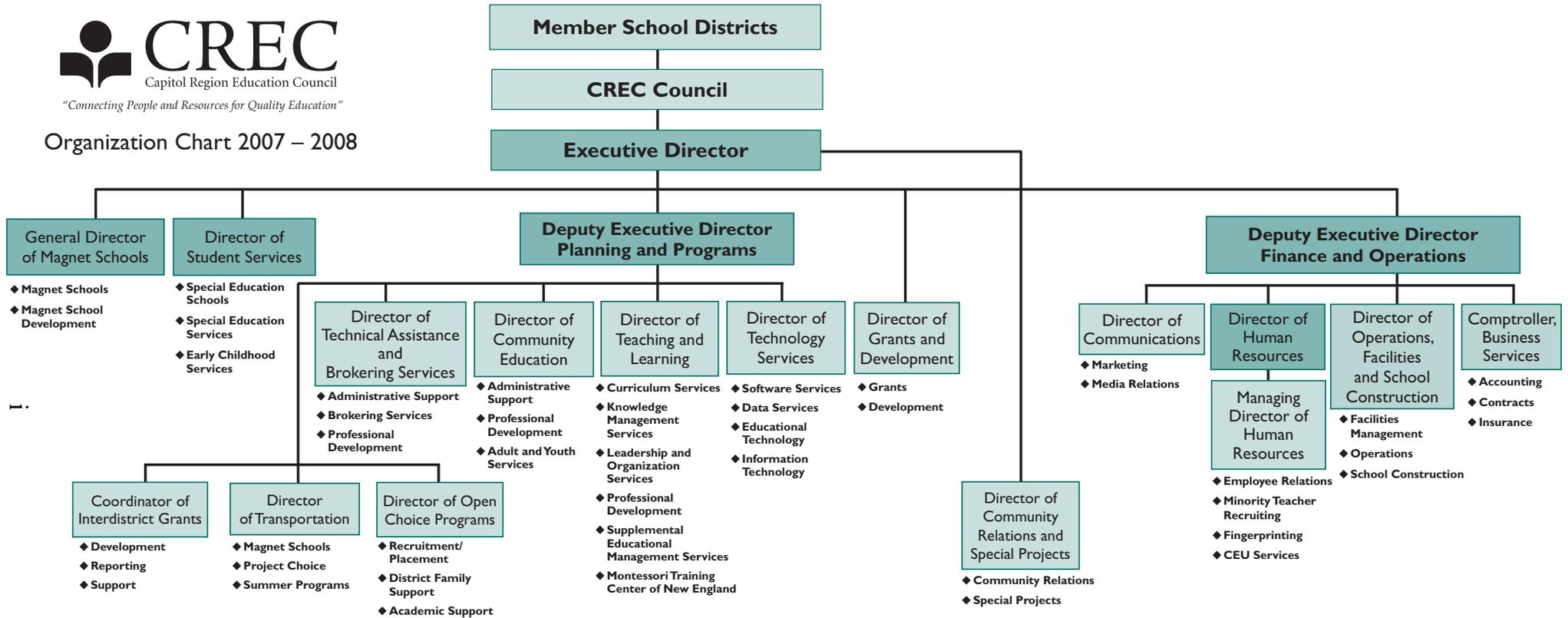
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# **Introductory Section**



Organization Chart 2007 – 2008





*Connecting People and Resources for Quality Education*



*To achieve its mission, CREC will:*

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

- CREC staff and programs shall work with local school systems to meet their needs and the needs of students.
- Each student in the public schools of the Capitol Region will demonstrate learning at ever higher levels.
  - Each student in the public schools of the Capitol Region will demonstrate, by the end of grade 3, high levels of literacy.
  - Each student in the public schools of the Capitol Region will participate in learning environments that more nearly reflect the diversity of the region's population.

## 2007-2008 Governance

### Board of Directors

Berlin - John Richards  
Bloomfield - Shirley Thompson  
Hartford - Israel Flores  
New Britain - Peter Kochol  
Plainville - Becky Tyrrell  
Rocky Hill - Charles McMonigle - Sec/Treasurer  
Region 10 - Beth Duffy - Vice Chair  
Simsbury - Lydia Tedone - Chair  
Southington - Jerry Belanger  
Suffield - Lauren Life

### Council Representatives

Avon - Dr. Angela Shelton  
Berlin - John M. Richards  
Bloomfield - Shirley Thompson  
Bolton - John Hambrook  
Bristol - Christopher C. Wilson  
Canton - Lou Daniels  
Cromwell - Shirley Banic  
East Granby - Michaela Rosenberger  
East Hartford - Karen Howe  
East Windsor - John Pica-Sneedden  
Ellington - William Harford  
Enfield - Joyce P. Hall  
Farmington - Mary Grace Reed  
Glastonbury - Kristi Vitelli  
Granby - Cal Heminway  
Hartford - Israel Flores  
Hartland - Amy Bourque  
Manchester - Geoff Luxenberg  
New Britain - Peter Kochol  
New Hartford - TBD  
Newington - Sharon Braverman  
Plainville - Becky Tyrrell  
Portland - Honora Kenney  
Region 10 - Beth Duffy  
Rocky Hill - Charles McMonigle  
Simsbury - Lydia Tedone  
Somers - Joan Formeister  
Southington - Jerry Belanger  
South Windsor - Sheila Appleton  
Suffield - Lauren Life  
Vernon - TBD  
West Hartford - Terry Schmitt  
Wethersfield - Tristan Stanziale  
Windsor Locks - Brenda Ives  
Windsor - Paul Panos

### Professional Advisory Board

Avon, Richard Kisiel  
Berlin, Michael Cicchetti  
Bolton, Mark Winzler  
Bristol, Philip Streifer  
East Granby, Christine Mahoney  
East Windsor, Timothy Howes  
Enfield, John Gallacher

### *(Professional Advisory Board continued)*

Farmington, Robert Villanova  
Hartford, Stephen Adamowski  
Glastonbury, Alan Bookman  
Granby, Gwen Van Dorp  
New Britain, Doris Kurtz  
New Hartford, Philip O'Reilly  
Newington, Ernest Perlini  
Plainville, Kathy Binkowski  
Portland, Sally Doyen  
Region 10, Paula Schwartz  
Southington, Joseph Erardi, Jr.  
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,  
*Deputy Executive Director for Finance  
and Operations*

Denise Gallucci,  
*General Director, Magnet Schools*

Richard A. Cormier,  
*Director of Human Resources*

Jacqueline L. Wasta,  
*Director, Student Services*

Dina Crowl,  
*Director of Teaching & Learning*

Douglas Casey,  
*Director of Technology Services*

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

George Dowaliby,  
*Director, Technical Assistance &  
Brokering Services*

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

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## Capitol Region Educational Council, Connecticut

For its Comprehensive Annual

Financial Report

for the Fiscal Year Ended

June 30, 2007

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.



*Oliver S. Cox*

President

*Jeffrey R. Emer*

Executive Director

December 8, 2008

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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, 2008. 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 auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

### **REPORTING ENTITY**

CREC is the oldest and largest of Connecticut's six regional educational service centers (RESCs). CREC 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 provides a diverse range of services 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 of CREC.

### **ECONOMIC CONDITION AND OUTLOOK**

The agency's economic condition is dependent upon the extent to which the primary customers (local boards of education and the State) continue 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.

Through their purchase of CREC's services, both the State and the local school districts recognize the benefits of delivering educational services on a regional, cooperative basis. While CREC's services will remain in demand, revenue is expected to decline in 2009 as the State of Connecticut, the City of Hartford and member school districts continue to address budgetary concerns caused by reduced revenues. However, CREC's tradition of providing essential services with the flexibility to develop and modify program offerings based on market factors will continue.

## **FUTURE PLANS**

### *Quality and Integrated Education:*

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

CREC has long held quality, integrated education as a primary focus. As a leader in promoting diversity, the application of CREC's core beliefs, mission, goals and objectives has resulted in tangible progress toward achieving this goal in our region. We expect that our magnet school enrollment, the Choice program, Interdistrict grants and other funding will continue to increase through 2009 and in future years, as the State responds to racial and ethnic isolation in the Capitol Region through the 2008 Settlement Agreement in *Sheff v. O'Neill*.

CREC's magnet school division has grown in 2008-2009 from eight to twelve schools: the Metropolitan Learning Center (MLC) magnet school in Bloomfield; the East Hartford/Glastonbury Elementary Magnet School (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; Two Rivers Magnet Middle School in East Hartford; Great Path Academy in Manchester; the University of Hartford Magnet School in Hartford; the Charter School for Young Children in Hartford; the International Magnet School for Global Citizenship in East Hartford; the Reggio Magnet School of the Arts in Avon and the CREC Public Safety Academy in Enfield, CT. Our magnet school enrollment is over 3,735 students in 2008-2009 and our magnet school budgets total \$58,458,442. The magnet school division will continue to grow and attract students by allowing them to focus on specific talents or interests, while studying a challenging core curriculum of language arts, mathematics, science, social studies and languages in a diverse environment.

The State of Connecticut has increased the funding for the construction of magnet schools, but has not adequately changed 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. We anticipate that a better funding formula will be instituted in the future in order to improve the operation of magnet schools.

The Capitol Region Choice program serves approximately 1,140 Hartford students who attend 130 schools in 27 CREC districts during the current 2008-2009 school year. CREC plans to continue to manage and expand the Choice Program in future years 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 through a regional approach. Included in Choice is an after-school academic remediation program targeting underperforming Choice students who attend schools in the Greater Hartford suburbs. The program is located at CREC's Coltsville facility. The goal of the program is to assist our Choice students in the development of academic skills to perform at or above level on the CMTs and CAPT tests which they take in their receiving schools.

The Interdistrict grants program continues to respond to racial and ethnic isolation in the Capitol Region through 22 awarded grants in 2008-2009 totaling \$1,924,460.

### *Student Services Division:*

River Street School, which provides services to children and adolescents with Autism and developmental disabilities, renovated a previously vacant facility adjacent to the school in 2006. After two years of occupancy in the new location, CREC has received funding from the State Department of Education for a significant portion of the renovation work that was done, which improved the services it provides to children and districts. Specifically, the additional space has allowed for an increase in highly specialized classrooms for children with significant behavioral concerns. The Children's Therapy Specialists, located in the new building, provide 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. Soundbridge, a program serving children with hearing impairments, has begun a major renovation and expansion of its Wethersfield facility. The addition, which will almost double its size, will provide space for added pre-school classrooms as well as a fourth audiology booth. There will be a new auditorium as well as improved and expanded space for the program's therapists and audiologists. Students working at Soundbridge as a part of their program of study for a master level teacher of the hearing impaired will have space for student group meetings and class work. The John J. Allison, Jr. Polaris Center has expanded its day school enrollment and eliminated its residential component. Polaris has also begun serving the educational needs of pre-adjudicated juveniles at three Hartford detention centers. Meanwhile, the Center has submitted a proposal to the State to renovate one of the residential houses to accommodate students from 10 member districts who may need a temporary, alternative education placement. This program should be up and running for the 2009-2010 school year.

We continue to expand and develop our capacity in the area of early childhood services. Currently, Student Services manages the Parent Aide and Birth to Three services. It also houses the Hartford Association for the Education of Young Children (HAEYC), which helps area day care providers with the accreditation process. The Project Choice Early Beginnings (PCEB) Kindergarten program supports more than 100 Hartford kindergarteners who attend school and after care programs in suburban settings. The suburban teachers receive extra support and training in literacy from the PCEB staff. The Charter School for Young Children on Asylum Hill, in collaboration with Hartford's Asylum Hill Congregational Church and Saint Joseph College, opened its doors in September to serve children ages three through "kindergarten". Plans on the horizon are for expansion through grade three and for a professional development center.

### *Technical Assistance and Brokering Services Division (TABS):*

CREC's Division of Technical Assistance and Brokering Services (TABS) continues to respond to the needs of districts in the region and around the state by providing high quality, timely, professional development, training and assistance, and other needed services.

TABS is in its third year of offering Connecticut's Advanced Alternate Route to Certification Program in Special Education. This exciting, innovative course of study provides training and practical experiences for certified teachers in order to earn a cross endorsement in special education. This program has been very successful, graduating approximately 25-30 teachers each year. There are already individuals expressing interest in the fourth group, scheduled to begin in June 2009.

There is an increasing call from districts for reviews of their programs. Districts that are interested in obtaining an independent review of their programs and services such as special education, RTI (Response to Intervention), secondary transition, early intervention, student achievement, and related services (i.e. speech and language) can come to CREC's TABS division. Staff meets with the board and/or district leadership to customize a program review to meet specific needs and address the questions of the district. CREC has a cadre of experienced educators with expertise in program review who, as a team, gather and analyze data to provide the district with recommendations that take into account national and state trends as well as legal requirements.

CREC's Special Service Support Team (SSST) has worked with State Department of Education to provide leadership in the state in the training of 30 RESC, SDE, and district staff on the COMPASS paraprofessional

training curriculum. This curriculum, developed by SSST, provides over 12 training modules that are aligned with the Connecticut state standards for paraprofessionals. Participants in the training attend three days of certification training from SSST staff that developed and have trained on the various modules. Since the participants became certified trainers in October, over 350 paraprofessionals across the state have been trained in the COMPASS modules. CREC SSST continues to partner with the SDE, developing additional modules in support of the department's efforts.

TABS continues to provide highly qualified, certified professionals to help public schools, private schools and special educational agencies meet their staffing needs. Currently, TABS provides seven districts and agencies with twenty-three full and part-time paraprofessionals, associate instructors and speech language pathology assistants. Interim administrators, psychologists, school social workers, and speech language pathologists are working in Portland, Lebanon, Tolland, South Windsor, and Simsbury. A TESOL teacher, art teacher, and special education teacher are assisting Newington, Unified School District#2, Riverview Hospital, and Rushford Academy students with their individual student needs.

In addition to interim service, TABS provides student evaluations in a number of related service areas. For the current school year (2008-09), TABS has contracts to conduct 75 evaluations in areas such as: assistive technology (AT) or augmentative alternative communication (AAC), vocational, occupational, bilingual speech language, bilingual psycho-educational or psychological assessments. These evaluations are conducted throughout the CREC region and elsewhere in Connecticut.

#### *Community Education Division:*

The Division of Community Education continues to address 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 dual role of providing direct service and professional development provides a unique combination of theory and practice. As the sole provider for statewide professional development for Connecticut's 1,500 Adult Education teachers, the division offers an annual comprehensive training schedule that includes other specialized initiatives such as the School to Career and Teaching American History projects. The work of the division continues to positively impact regional efforts for human resource development as it improves the lives of its citizens.

#### *Grants and Development Division:*

In 2007-2008, with the assistance of freelance grant writers, CREC's Division of Grants and Development increased its services to CREC districts. Several additional CREC districts have contracted with the division for grant writing assistance in 2008-2009. In 2008-2009, a cross divisional effort will also be made to present a proposal to major national foundations that have a mission to help close the achievement gap between urban and suburban students and between impoverished students and students from wealthier family backgrounds. CREC's relationships with corporate and private funders grew in 2007-2008 and will continue to grow in 2008-2009 as the division reaches out to this community of grantmakers to inform them of CREC's mission and CREC's capacity to develop and implement high quality programs for learners of all ages.

#### *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 providing multiple professional development opportunities to tailor instruction for students in diverse classrooms. Our education specialists provide services including workshop trainings, coaching program development and on-site consultation. Specific areas include Differentiated Instruction, Curriculum Development, Response to Intervention, Classroom Walkthrough Training, Supplemental Educational Services (NCLB), Data Driven Decision Making, Making Standards Work and Effective Teaching Strategies. We continue to provide numerous workshops in the region with national and local speakers in areas of professional learning that are important to our districts.

A Common Assessment Consortium (CAC) was established in the response to the needs of regional districts to develop standards-driven assessments. The overarching goal is to provide common tools for measuring progress toward standards that are also grade-level appropriate so that all students can achieve at high levels.

The Institute of Teaching and Learning continues our dynamic partnership with The Connecticut State Department of Education School Improvement Unit and the RESC Alliance to provide professional development and technical support to schools and districts that have been designated as needing improvement. This year the Institute will provide over 200 days of service to Hartford, East Hartford, and Manchester. The services requested include: data team training, facilitation, and support; looking at student work protocols; effective teaching strategies; and curriculum support.

*School Construction Division:*

CREC began to provide planning and project management services in 1996 to construct magnet schools. Our success in this area led to the development of our School Construction Division, which provides project management and related construction services to districts throughout Connecticut. To date, we have been the sole project manager/owner's representative on 12 projects comprising over \$150 million. We have also provided project management support on projects comprising an additional \$100 million.

We also provide many preliminary services for school construction projects such as facility audits; capital replacement plans; feasibility studies; educational specifications development; operations plans and grant applications.

Currently, our School Construction office continues its work with the Wallingford Vocational-Agricultural School Building Committee as its owner's representative. Our role as owner's representative is to manage the project to ensure adherence to the budget and schedule while maintaining the intent of the program requirements. The first phase of actual construction commenced with the moving of a 3600 square foot, 2-story brick barn. The second phase has commenced and the foundation is in place for the construction of a new, state-of-the-art Vo-Ag Center with greenhouses. We will be actively engaged in this project for the next 16 months.

The Soundbridge addition and renovation project has also commenced. This project is scheduled for completion by 2010.

We continue our work as owner's representative for the Carmen Arace Middle School renovation project in Bloomfield. This project is expected to cost \$28 million and will commence this fall.

We are continuing in our efforts to assist Goodwin College in the construction of the proposed Connecticut River Academy for Earth and Space Science on a site within the Riverside Drive campus location in East Hartford. This magnet school will be an exceptional math and science-based school with a strong emphasis on environmental and aeronautical disciplines. The intent of the curriculum will be to prepare students not only for continuing higher education, but as a direct path to career opportunities with Connecticut and regional employers.

We have successfully completed renovations of the start-up facilities for a new charter school and three new magnet schools, two of which are early childhood magnets. The third is a public safety-themed magnet school. The schools have been placed in East Hartford, Avon and Enfield, respectively. Our next efforts will be to secure SDE grants for the construction of permanent facilities and to find locations suitable for them.

Our school construction staff continues servicing surrounding districts that are either contemplating or actively engaged in school construction projects. Our services range from early master plan development, including education specifications and pre-construction services, to handling the entire construction process as an owner's representative. Our services also include verification of compliance with the educational program, financial reporting to the State Department of Education, project closeout, and final audit.

### *Technology Services Division:*

Technology Services has developed several new areas of service delivery in response to the evolving needs of our districts. To provide school leaders and teachers with more timely and relevant information about student performance, the division has leveraged its existing knowledge of data-driven decision making into professional development and consulting services for schools. On a broader scale, the division has aligned itself with key data-management system providers — such as Microsoft, PowerSchool, ProTraxx and Tyler — to provide volume purchasing discounts, contract negotiating, custom hosting, development, implementation and management services to districts in support of these systems.

In the area of information technology, the division has expanded its consulting services beyond operational support to more strategic areas of systems planning and development. The division has enabled districts to reduce their functional costs and operational risk by engaging CREC's Wide Area Network department in the provision of business continuity, monitoring, security, and network/server administration, including front line computer "break and fix" services.

The Technology Services division will continue to deepen the offerings it provides to schools, including "virtual chief information officer" services to empower districts with strategic vision in the latest IT best practices.

### *Business Services Division:*

CREC's Cooperative Purchasing offers districts a three-tiered program to save money. Locally, we bid on behalf of school districts for school, classroom, art and medical supplies, multi-purpose paper, assistive technology, audiovisual equipment and office machines. In Connecticut and other New England states, CREC also promotes the PEPPM technology savings program, which is part of a nationwide offer of over 300,000 technology items. CREC has also joined 22 other states, through the Association of Educational Purchasing Agencies (AEPA), to offer nationally bid items such as furniture, flooring, athletic surfaces, vehicles and roofing.

In an effort to increase service quality and reduce district costs, senior Business Services and Transportation staff developed a pilot service for a September, 2008 startup which is now providing special education students from participating districts with transportation to their out-of-district placement destinations.

### *Human Resources Division:*

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

## **FINANCIAL INFORMATION**

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 is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting standards. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: a) the cost of a control should not exceed the benefits likely to be derived, and b) the valuation of costs and benefits requires estimates and judgments by management.

**Single Audit:**

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

As part of CREC's single audit described above, tests are conducted to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that CREC has complied with applicable laws and regulations. The results of CREC's single audit for the fiscal year ended June 30, 2008 provided no instances of material weakness in the internal control structure or significant violations of applicable laws and regulations.

**Budgetary Controls:**

CREC maintains budgetary control at the program level. The objective of our budgetary control is to ensure compliance with legal provisions embodied in the annual appropriated budget, as presented by the management of CREC and approved by the Council. The Business Services division 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. This 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, 2007. This was the fifteenth 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 accounting principles generally accepted in the United States of America 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 our independent auditors, Blum, Shapiro & Company, P.C., for their professional assistance and advice during the course of this audit. We also thank the members of our Council and our executive director for their support in the planning and conduct of CREC's financial operations.

Respectfully submitted,



Donald P. Walsh  
Deputy Executive Director  
Finance and Operations



Jeffrey E. Ivory  
Comptroller

## **Financial Section**



## Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Capitol Region Education Council as of and for the year ended June 30, 2008, 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CREC's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Capitol Region Education Council as of June 30, 2008, 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 December 8, 2008 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, 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 conjunction with this report in considering the results of our audit.

Management's discussion and analysis on pages 3 through 10 and budgetary comparison information on page 40 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.

*Blum, Shapiro & Company, P.C.*

December 8, 2008

**CAPITOL REGION EDUCATION COUNCIL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2008**

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, 2008. 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 \$134 million.
- The General Fund reported a fund balance this year of \$11.2 million, up from \$10.8 million last year.
- During the year, CREC's governmental revenues of \$131.9 million were \$483 thousand greater than expenses for governmental activities (before transfers).
- CREC's net assets increased by \$546 thousand as result of this year's operations. While net assets of our business-type activities decreased by \$84 thousand, net assets of our governmental activities increased by \$630 thousand.
- Overall, the growth in CREC's net assets reflected increased demand for special education services, increased enrollment and a greater demand for CREC's services by school districts.

**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 Exhibits I and II. Exhibit I, the statement of net assets, and Exhibit II, the statement of activities, present comprehensive financial information about all of the activities of CREC (except fiduciary activities) 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) are one way to measure CREC's financial health, or financial status. Over time, increases or decreases in CREC's net assets are one indicator of whether its financial health is improving or declining.

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. 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 (Exhibits 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 included with the governmental fund financial statements.

CREC operates 74 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 (Exhibits V, VI and VII)* - Proprietary funds are reported in the same way as the government-wide statements. CREC has two types of proprietary funds:

CREC's 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 (Exhibits 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 increased \$546 thousand, or 0.8%, to \$67.9 million. The increase of CREC's financial position was due to continued strong demand for CREC services, which increased its ability to:

a) increase its current asset position with increases in cash and receivable balances and b) increased unrestricted net assets. Current assets were partially funded by an increase in current liabilities.

**TABLE 1**  
**NET ASSETS**  
**(In Thousands)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
Current assets	\$ 25,195	\$ 22,326	\$ 1,075	\$ 736	\$ 26,270	\$ 23,062
Capital assets, net of accumulated depreciation	54,546	56,652	9	13	54,555	56,665
Total assets	<u>79,741</u>	<u>78,978</u>	<u>1,084</u>	<u>749</u>	<u>80,825</u>	<u>79,727</u>
Current liabilities	6,110	5,920	1,958	1,539	8,068	7,459
Long-term liabilities outstanding	4,786	4,843	46	46	4,832	4,889
Total liabilities	<u>10,896</u>	<u>10,763</u>	<u>2,004</u>	<u>1,585</u>	<u>12,900</u>	<u>12,348</u>
Net Assets:						
Invested in capital assets, net of related debt	49,911	51,159	9	13	49,920	51,172
Restricted for:						
Trust purposes:						
Nonexpendable	17	17			17	17
Unrestricted	<u>18,917</u>	<u>17,039</u>	<u>(929)</u>	<u>(849)</u>	<u>17,988</u>	<u>16,190</u>
Total Net Assets	<u>\$ 68,845</u>	<u>\$ 68,215</u>	<u>\$ (920)</u>	<u>\$ (836)</u>	<u>\$ 67,925</u>	<u>\$ 67,379</u>

Net assets of CREC's governmental activities increased nine tenths of 1% and this reflects continued demand for services in the special education schools, investment income growth, lower than expected medical costs, and indirect revenue growth.

The financial position of the business-type activities net assets declined by 10% or \$84 thousand. On the revenue side, this was due to slower than expected sales in training for teachers, and in curriculum and professional development. On the expense side, increased expenses in technology training and the School Improvement Center (SIC) caused a combined net asset decrease of \$283 thousand. Other than technology training and SIC, the other enterprise funds increased their net assets by \$199 thousand, which helped offset the losses in overall business-type activities.

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 \$17 million at June 30, 2007 to \$18.9 million at June 30, 2008, due to strong growth in governmental funds as enrollment in CREC's schools continued to grow.

The unrestricted net assets of business-type activities decreased by \$80 thousand, or 9.4%, from a deficit of \$849 thousand to a deficit of \$929 thousand. This was due primarily to loss of revenue by the enterprise funds referenced above. Start-up costs for new initiatives to provide training, professional development, curriculum

assessment and conference services to member school districts were adversely impacted by decreases in district funding and attendance.

**TABLE 2**  
**CHANGES IN NET ASSETS**  
**(In Thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program revenues:						
Charges for services	\$ 58,689	\$ 50,200	\$ 2,592	\$ 2,853	\$ 61,281	\$ 53,053
Operating grants and contributions	72,011	50,100	154	118	72,165	50,218
Capital grants and contributions	427				427	
General revenues:						
Grants and contributions not restricted to specific programs	368	359			368	359
Unrestricted investment earnings	384	539			384	539
Total revenues	<u>131,879</u>	<u>101,198</u>	<u>2,746</u>	<u>2,971</u>	<u>134,625</u>	<u>104,169</u>
Program Expenses:						
Education	125,235	94,926			125,235	94,926
Facilities	908	731			908	731
Administration	5,031	4,639			5,031	4,639
Interest on debt	222	216			222	216
Montessori Training Center of New England			143	123	143	123
Learning Corridor Theatre			63	52	63	52
Cooperative purchasing			14	13	14	13
Regional fingerprinting services			74	80	74	80
Office of Communications			3	1	3	1
Staff development			2	3	2	3
BEST Services			19	4	19	4
Property rental			1	1	1	1
CASBO Support Services			10	13	10	13
Conference services			188	181	188	181
Technology sale of services			493	604	493	604
Technical assistance and brokering services			347	439	347	439
Community education			248	310	248	310
School facility services			283	273	283	273
School improvement center			795	991	795	991
Total program expenses	<u>131,396</u>	<u>100,512</u>	<u>2,683</u>	<u>3,088</u>	<u>134,079</u>	<u>103,600</u>
Change in net assets before transfers	483	686	63	(117)	546	569
Transfers	<u>147</u>	<u>101</u>	<u>(147)</u>	<u>(101)</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Net Assets	<u>\$ 630</u>	<u>\$ 787</u>	<u>\$ (84)</u>	<u>\$ (218)</u>	<u>\$ 546</u>	<u>\$ 569</u>

A significant part of the revenue increase above was due to the State of Connecticut contribution for teacher's retirement employee benefits which increased \$16.9 million from the previous year. Without the teacher retirement revenue, the increase in overall revenue was 13%. Expenditures also increased 13%, and that increase was primarily related to educating and providing services for CREC students and member districts. CREC's administrative activities represented 3.8% of total costs, compared to 4.5% the previous year. The increase in administrative activities from the previous year was 8.5%.

The most significant increases in government-wide expenditures were in salaries (10.5%) and employee benefits (11.9%) an increase of \$7.8 million (without the teachers' retirement correction). These costs were largely for teachers and paraprofessionals.

### ***Governmental Activities***

Governmental activities revenue increased by \$30.7 million, or 30.3%. Approximately 44.5% of revenues came from charges for services and approximately 54.6% came from operating grants and contributions.

- Special education services were the leading cause of growth in the agency.
- Increased student enrollment fueled the increase in revenues through higher student counts and higher tuitions. Revenue from operating grants also increased. Our expanding customer base and an increase in the services provided too many different agencies also provided growth.
- The Juvenile Detention Center, School Transportation Management Services and Summer Youth Employment were new programs that increased the revenue in Governmental Funds by \$3.9 million.

Along with the increased revenues, governmental activities increased by \$30.9 million, or 30.7%. This increase was caused by expenditures for new programs, general increases in salaries and benefits, and higher utilities and transportation costs.

### ***Business-Type Activities***

Revenues of CREC's business-type activities (see Table 2) decreased by 7.6% (\$2.75 million in 2008 compared to \$2.97 million in 2007) and expenses decreased by 13.1%. Expenses were higher than revenue by \$84 thousand (after transfers). Business-type activities continued to struggle with lower revenues in 2008. Technology Sales of Service and the School Improvement Center are major programs in this fund. We continue efforts to increase sales and lower expenses to make these services self-sufficient.

## **FUNDS FINANCIAL ANALYSIS**

### ***Governmental Funds***

As CREC completed the year, its Governmental Funds (as presented on the balance sheet - Exhibit III) reported a combined fund balance of \$12.7 million, which increased from last year's \$11.6 million.

The General Fund had a net change in fund balance of \$342 thousand. Revenue growth in tuition and indirect charges were major contributors to the increased general fund net change in fund balance. The Student Services division, which operates all of CREC's special education schools, had combined revenues exceeding expenditures of \$349 thousand, much like last year. The Magnet School division expenditures were \$610 thousand higher than revenue. Increasing Learning Corridor costs and Magnet Transportation costs were the leading factors in the net loss in the Magnet Schools Division. The special education schools continue to provide general fund growth from increased sales of services to districts.

The Grants and Contracts Fund had a net decrease in fund balance of \$272 thousand. Many programs in the Grant and Contracts fund contributed to the net decrease in fund balance, due to slowing grant revenue and increasing expenditures. The Choice program and the Early Education Program, which includes the School for Young Children in Asylum Hill were the largest contributors (\$223 thousand) to the net loss for the fund. State funds were not high enough to pay for the expenditures in many of these programs. The Birth to Three program and the Department of Corrections professional development program were the largest contributors of \$25 thousand to the positive fund balance. However, many other programs decreased the fund balance in the Grants and Contract Fund.

**TABLE 3**  
**GOVERNMENTAL FUND BALANCES**  
**(In Thousands)**

	<u><b>Fund Balance</b></u> <u><b>June 30, 2008</b></u>	<u><b>Fund Balance</b></u> <u><b>July 1, 2007</b></u>
General fund	\$ 11,182	\$ 10,840
Grants and contracts fund	(633)	(361)
Special revenue fund	3	
Capital projects funds	1,204	101
Debt service funds	970	997
Permanent fund	<u>17</u>	<u>17</u>
Totals	<u>\$ 12,743</u>	<u>\$ 11,594</u>

***Capital Projects***

The increase of \$1.1 million in fund balance for the River Street program and the special education schools was the most significant item in Capital Projects Fund in fiscal 2008. The major Capital Projects' activity this year was the start of the expansion of the Soundbridge facility in Wethersfield. Fund balance allocation from the special education schools to Capital Projects is required as the buildings age and capital repairs increase.

The Debt Service Fund and Permanent Fund remained relatively unchanged.

***Proprietary Funds***

Proprietary fund net assets were \$4.7 million at the end of fiscal 2008, an increase of \$1.5 million, or 48.3%. As previously mentioned, enterprise funds experienced a deficit of \$84 thousand due to net losses in Technology Sale of Services and the School Improvement Center program.

**TABLE 4**  
**PROPRIETARY FUND NET ASSETS**  
**(In Thousands)**

	<u><b>Balance</b></u> <u><b>June 30, 2008</b></u>	<u><b>Balance</b></u> <u><b>July 1, 2007</b></u>
Enterprise Fund	\$ (919)	\$ (835)
Internal Service Fund	<u>5,591</u>	<u>3,986</u>
Totals	<u>\$ 4,672</u>	<u>\$ 3,151</u>

Net assets for the Internal Service Fund increased \$1.6 million, or 40.3%, and this is attributable to CREC's self-insurance fund, which realized a \$1.3 million increase in net income. Budgeted charges to CREC programs for medical insurance increased 10%, but the actual charges to the fund increased only 7.6%. CREC's unemployment net income increased \$101 thousand. CREC's employee benefit fund net income also increased \$138 thousand. All of CREC's internal service fund net assets increased for this year because expenses were less than anticipated.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

As of June 30, 2008, CREC had \$54.5 million invested in a broad range of capital assets, including land, buildings, vehicles and equipment (see Table 5). Capital assets net of depreciation decreased \$2.1 million, or 3.7%. The additions to capital assets included technology equipment, vehicles and building improvements. Current year additions were not enough to compensate for the \$3.1 million yearly depreciation expense, which was the primary reason for the decrease in capital assets from the previous year.

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

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$ 2,225	\$ 2,225	\$	\$	\$ 2,225	\$ 2,225
Buildings and improvements	50,431	52,404			50,431	52,404
Vehicles	262	341			262	341
Furniture, fixtures and equipment	1,138	1,620	9	13	1,147	1,633
Construction in progress	490	62			490	62
Total	<u>\$ 54,546</u>	<u>\$ 56,652</u>	<u>\$ 9</u>	<u>\$ 13</u>	<u>\$ 54,555</u>	<u>\$ 56,665</u>

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

### Long-Term Debt

As of June 30, 2008, CREC had \$2.7 million in bonds and notes outstanding versus \$3.1 million last year - a decrease of 12.7% as shown in Table 6.

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

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Bonds payable	\$ 2,620	\$ 3,000	\$	\$	\$ 2,620	\$ 3,000
Notes payable	114	131			114	131
Total	<u>\$ 2,734</u>	<u>\$ 3,131</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,734</u>	<u>\$ 3,131</u>

The decrease in debt reflects the scheduled principal payments on CREC's outstanding bonds and notes. 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 8 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**

State funding for magnet schools continues to be inadequate. Each year, supplemental funds have been provided by the State Department of Education (SDE) to operate the magnet schools. New parent choice legislation will help with enrollment goals, but will not provide the stable funding formula needed to operate magnet schools. CREC is working with state legislators, SDE and magnet school stakeholders to address this issue.

The Choice program and the Interdistrict Grants funding should continue through 2009 and thereafter as the State continues to respond to educational inequity in the Capitol Region. Future funding will continue to rely on State priorities.

CREC's continued financial strength is most evident in its special education schools, where traditional revenue growth is expected to remain steady. The flexibility to develop and modify programs in special education and fill district needs provides the largest growth opportunity for the agency.

### **REQUESTS FOR INFORMATION**

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

# **Basic Financial Statements**

## CAPITOL REGION EDUCATION COUNCIL

## STATEMENT OF NET ASSETS

JUNE 30, 2008

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets:			
Current assets:			
Cash and cash equivalents	\$ 13,234,202	\$ 237,889	\$ 13,472,091
Investments	82,493		82,493
Receivables	11,583,517	825,610	12,409,127
Other	294,962	11,175	306,137
Noncurrent assets:			
Capital assets not being depreciated	2,714,448		2,714,448
Capital assets, net of accumulated depreciation	51,830,977	9,434	51,840,411
Total assets	<u>79,740,599</u>	<u>1,084,108</u>	<u>80,824,707</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	5,487,063	89,206	5,576,269
Internal balances	(1,622,585)	1,622,585	-
Unearned revenue	1,245,609	245,708	1,491,317
Bond anticipation notes payable	1,000,000		1,000,000
Noncurrent liabilities:			
Due within one year	1,761,941	46,083	1,808,024
Due in more than one year	3,023,766		3,023,766
Total liabilities	<u>10,895,794</u>	<u>2,003,582</u>	<u>12,899,376</u>
Net Assets:			
Invested in capital assets, net of related debt	49,911,120	9,434	49,920,554
Restricted for trust purposes:			
Nonexpendable	17,000		17,000
Unrestricted	18,916,685	(928,908)	17,987,777
Total Net Assets	<u>\$ 68,844,805</u>	<u>\$ (919,474)</u>	<u>\$ 67,925,331</u>

The accompanying notes are an integral part of the financial statements

**CAPITOL REGION EDUCATION COUNCIL  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2008**

Function/Program Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
Education	\$ 125,234,993	\$ 58,383,246	\$ 71,691,856	\$ 426,866	\$ 5,266,975	\$	\$ 5,266,975
Facilities	908,034	43,473			(864,561)		(864,561)
Administration	5,030,665	262,227	260,755		(4,507,683)		(4,507,683)
Interest expense	222,054		58,320		(163,734)		(163,734)
Total governmental activities	<u>131,395,746</u>	<u>58,688,946</u>	<u>72,010,931</u>	<u>426,866</u>	<u>(269,003)</u>	<u>-</u>	<u>(269,003)</u>
Business-type activities:							
Montessori Training Center of New England	143,025	218,777				75,752	75,752
Learning Corridor Theater	63,100	91,634				28,534	28,534
Cooperative Purchasing	14,654	13,876				(778)	(778)
Regional Fingerprinting Services	73,854	94,312				20,458	20,458
Office of Communications	3,268	24,888				21,620	21,620
Staff Development	1,516	2,401				885	885
BEST Services	18,774	17,248				(1,526)	(1,526)
Property Rental	1,351					(1,351)	(1,351)
CASBO Support Services	9,696	13,485				3,789	3,789
Conference Services	188,270	210,833				22,563	22,563
Technology Sale of Services	492,553	303,109	154,299			(35,145)	(35,145)
Technical Assistance Brokering Service	347,238	369,501				22,263	22,263
Community Education	248,387	273,273				24,886	24,886
School Facility Services	282,674	301,656				18,982	18,982
School Improvement Center	795,021	657,307				(137,714)	(137,714)
Total business-type activities	<u>2,683,381</u>	<u>2,592,300</u>	<u>154,299</u>	<u>-</u>	<u>-</u>	<u>63,218</u>	<u>63,218</u>
Total	<u>\$ 134,079,127</u>	<u>\$ 61,281,246</u>	<u>\$ 72,165,230</u>	<u>\$ 426,866</u>	<u>(269,003)</u>	<u>63,218</u>	<u>(205,785)</u>
General revenues:							
Grants and contributions not restricted to specific programs					368,465		368,465
Unrestricted investment earnings					383,556		383,556
Transfers					147,243	(147,243)	-
Total general revenues and transfers					<u>899,264</u>	<u>(147,243)</u>	<u>752,021</u>
Change in net assets					630,261	(84,025)	546,236
Net Assets at Beginning of Year					<u>68,214,544</u>	<u>(835,449)</u>	<u>67,379,095</u>
Net Assets at End of Year					<u>\$ 68,844,805</u>	<u>\$ (919,474)</u>	<u>\$ 67,925,331</u>

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The accompanying notes are an integral part of the financial statements

**CAPITOL REGION EDUCATION COUNCIL**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**

**JUNE 30, 2008**

	<u>General Fund</u>	<u>Grants and Contracts Fund</u>	<u>River Street Building</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 4,472,615	\$ 792,530	\$ 549,215	\$ 1,282,223	\$ 7,096,583
Investments	61,886			20,607	82,493
Accounts receivable	7,736,927	2,246,491	1,424,051	70,197	11,477,666
Due from other funds	3,908,210				3,908,210
Other assets	288,919				288,919
Total Assets	<u>\$ 16,468,557</u>	<u>\$ 3,039,021</u>	<u>\$ 1,973,266</u>	<u>\$ 1,373,027</u>	<u>\$ 22,853,871</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable and accrued liabilities	\$ 3,513,072	\$ 1,228,156	\$ 25,054	\$ 4,400	\$ 4,770,682
Due to other funds		2,162,764		122,861	2,285,625
Deferred revenue	1,773,803	280,626			2,054,429
Bond anticipation notes payable			1,000,000		1,000,000
Total liabilities	<u>5,286,875</u>	<u>3,671,546</u>	<u>1,025,054</u>	<u>127,261</u>	<u>10,110,736</u>
Fund Balances:					
Reserved	34,384			986,695	1,021,079
Unreserved, reported in:					
General Fund	11,147,298				11,147,298
Special Revenue		(632,525)		2,376	(630,149)
Capital Projects			948,212	256,695	1,204,907
Total fund balances	<u>11,181,682</u>	<u>(632,525)</u>	<u>948,212</u>	<u>1,245,766</u>	<u>12,743,135</u>
Total Liabilities and Fund Balances	<u>\$ 16,468,557</u>	<u>\$ 3,039,021</u>	<u>\$ 1,973,266</u>	<u>\$ 1,373,027</u>	<u>\$ 22,853,871</u>

(Continued on next page)

## CAPITOL REGION EDUCATION COUNCIL

## BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2008

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

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

Fund balances - total governmental funds		\$ 12,743,135
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Governmental capital assets	\$ 77,399,389	
Less accumulated depreciation	<u>(22,936,044)</u>	
Net capital assets		54,463,345
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recorded in the funds:		
Receivable from the state for school construction projects		809,863
Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net assets.		
		5,590,810
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:		
Bonds payable		(2,620,000)
Interest payable on bonds		(34,358)
Notes payable		(114,450)
Compensated absences		(758,321)
Capital lease		<u>(1,235,219)</u>
Net Assets of Governmental Activities (Exhibit I)		<u>\$ 68,844,805</u>

The accompanying notes are an integral part of the financial statements

## CAPITOL REGION EDUCATION COUNCIL

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

FOR THE YEAR ENDED JUNE 30, 2008

	<u>General Fund</u>	<u>Grants and Contracts Funds</u>	<u>River Street Building</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Tuition	\$ 27,702,961	\$ 27,352	\$	\$	\$ 28,653,384
Grants in aid	52,276,967	15,490,760		923,071	67,767,727
Room and board	3,916,282				3,916,282
Sales of services	26,899,621	3,608,889			30,508,510
Investment income	353,394			27,419	380,813
Other local revenues	477,958	289,851			767,809
Total revenues	<u>111,627,183</u>	<u>19,416,852</u>	<u>-</u>	<u>950,490</u>	<u>131,994,525</u>
Expenditures:					
Current:					
Salaries	52,429,554	8,768,205			61,197,759
Employee benefits	31,879,109	1,794,279			33,673,388
Purchased professional and technical services	4,919,372	1,558,435			6,477,807
Purchased property services	6,545,777	146,364			6,692,141
Other purchased services	7,853,795	6,020,618			13,874,413
Supplies	5,723,969	297,379			6,021,348
Property	1,225,957	87,604			1,313,561
Other objects	101,472	3,136		481,817	586,425
Debt service:					
Principal				396,350	396,350
Interest and fiscal charges			49,679	196,858	246,537
Capital outlay			3,000	1,201,866	1,204,866
Total expenditures	<u>110,679,005</u>	<u>18,676,020</u>	<u>52,679</u>	<u>2,276,891</u>	<u>131,684,595</u>
Excess (Deficiency) of Revenues over Expenditures	<u>948,178</u>	<u>740,832</u>	<u>(52,679)</u>	<u>(1,326,401)</u>	<u>309,930</u>
Other Financing Sources (Uses):					
Transfers in	1,389,085	34,650	1,000,891	681,884	3,106,510
Transfers out	(1,995,448)	(1,047,207)			(3,042,655)
Capital lease				775,000	775,000
Total other financing sources (uses)	<u>(606,363)</u>	<u>(1,012,557)</u>	<u>1,000,891</u>	<u>1,456,884</u>	<u>838,855</u>
Net Change in Fund Balances	341,815	(271,725)	948,212	130,483	1,148,785
Fund Balances at Beginning of Year	<u>10,839,867</u>	<u>(360,800)</u>		<u>1,115,283</u>	<u>11,594,350</u>
Fund Balances at End of Year	<u>\$ 11,181,682</u>	<u>\$ (632,525)</u>	<u>\$ 948,212</u>	<u>\$ 1,245,766</u>	<u>\$ 12,743,135</u>

(Continued on next page)

## CAPITOL REGION EDUCATION COUNCIL

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

FOR THE YEAR ENDED JUNE 30, 2008

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

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ 1,148,785
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Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	1,021,290
Depreciation expense	(3,092,647)

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

School building grant receipts	(118,504)
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized and deferred in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Bond principal payments	380,000
Note principal payments	16,350
Capital lease payments	491,812
Capital lease financing	(775,000)

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

Compensated absences	(71,286)
Accrued interest	24,483

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

<u>1,604,978</u>
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Change in Net Assets of Governmental Activities (Exhibit II)	\$ <u><u>630,261</u></u>
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The accompanying notes are an integral part of the financial statements

**CAPITOL REGION EDUCATION COUNCIL**  
**STATEMENT OF NET ASSETS - PROPRIETARY FUNDS**  
**JUNE 30, 2008**

	<b>Business-Type Activities</b>				<b>Governmental Activities</b>
	<b>Enterprise Funds</b>				
	<b>Technology Sale of Services</b>	<b>School Improvement Center</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>	
<b>Assets:</b>					
<b>Current:</b>					
Cash and cash equivalents	\$ 1,000	\$	\$ 236,889	\$ 237,889	\$ 6,137,619
Receivable, net	116,444	140,662	568,504	825,610	105,851
Other assets		3,800	7,375	11,175	6,043
Total current assets	<u>117,444</u>	<u>144,462</u>	<u>812,768</u>	<u>1,074,674</u>	<u>6,249,513</u>
<b>Noncurrent assets:</b>					
Capital assets, net of accumulated depreciation	605		8,829	9,434	82,080
Total assets	<u>118,049</u>	<u>144,462</u>	<u>821,597</u>	<u>1,084,108</u>	<u>6,331,593</u>
<b>Liabilities:</b>					
<b>Current liabilities:</b>					
Accounts payable and accrued liabilities	22,565	21,539	45,102	89,206	682,023
Due to other funds	820,047	620,799	181,739	1,622,585	
Deferred revenues	7,274	20,161	218,273	245,708	1,043
Current portion of obligations under capital lease				-	15,189
Compensated absences	23,330	1,631	21,122	46,083	34,702
Total current liabilities	<u>873,216</u>	<u>664,130</u>	<u>466,236</u>	<u>2,003,582</u>	<u>732,957</u>
<b>Noncurrent liabilities:</b>					
Obligations under capital lease					7,826
Total liabilities	<u>873,216</u>	<u>664,130</u>	<u>466,236</u>	<u>2,003,582</u>	<u>740,783</u>
<b>Net Assets:</b>					
Invested in capital assets, net of related debt	605		8,829	9,434	59,065
Unrestricted	<u>(755,772)</u>	<u>(519,668)</u>	<u>346,532</u>	<u>(928,908)</u>	<u>5,531,745</u>
Total Net Assets	<u>\$ (755,167)</u>	<u>\$ (519,668)</u>	<u>\$ 355,361</u>	<u>\$ (919,474)</u>	<u>\$ 5,590,810</u>

The accompanying notes are an integral part of the financial statements

## CAPITOL REGION EDUCATION COUNCIL

STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET ASSETS - PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2008

	Business-Type Activities				Governmental Activities
	Enterprise Funds			Total	
	Technology Sale of Services	School Improvement Center	Nonmajor Enterprise Funds		
Operating Revenues:					
Sales of services	\$ 303,109	\$ 657,307	\$ 1,626,497	\$ 2,586,913	\$ 12,415,303
Other local revenues			5,387	5,387	1,250,012
Total operating revenues	303,109	657,307	1,631,884	2,592,300	13,665,315
Operating Expenses:					
Salaries	317,849	516,657	558,797	1,393,303	1,109,417
Employee benefits	104,162	70,749	130,381	305,292	10,046,769
Purchased professional and technical services	2,920	96,235	257,039	356,194	129,760
Purchased property services			22,411	22,411	50,865
Other purchased services	63,519	55,317	210,810	329,646	580,448
Supplies	2,138	52,594	190,579	245,311	33,130
Property	1,311	2,812	10,360	14,483	150,300
Depreciation	315		3,029	3,344	43,041
Other	339	657	12,401	13,397	2,738
Total operating expenses	492,553	795,021	1,395,807	2,683,381	12,146,468
Operating Income (Loss)	(189,444)	(137,714)	236,077	(91,081)	1,518,847
Nonoperating Revenues:					
Investment income					2,743
Grants in aid	154,299			154,299	
Total nonoperating revenues	154,299	-	-	154,299	2,743
Income (Loss) Before Transfers	(35,145)	(137,714)	236,077	63,218	1,521,590
Transfers In	30,000		94,355	124,355	153,668
Transfers Out	(93,544)	(47,004)	(131,050)	(271,598)	(70,280)
Change in Net Assets	(98,689)	(184,718)	199,382	(84,025)	1,604,978
Net Assets at Beginning of Year	(656,478)	(334,950)	155,979	(835,449)	3,985,832
Net Assets at End of Year	\$ (755,167)	\$ (519,668)	\$ 355,361	\$ (919,474)	\$ 5,590,810

The accompanying notes are an integral part of the financial statements

## CAPITOL REGION EDUCATION COUNCIL

## STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2008

	Business-Type Activities				Governmental Activities
	Enterprise Funds			Total	
	Technology Sale of Services	School Improvement Center	Nonmajor Enterprise Funds		
Cash Flows from Operating Activities:					
Receipts from customers and users	\$ 194,844	\$ 626,819	\$ 1,545,715	\$ 2,367,378	\$ 13,640,343
Receipts from interfund services provided	192,261	263,517	50,821	506,599	
Payments to suppliers	(58,122)	(243,133)	(779,205)	(1,080,460)	(999,982)
Payments to employees	(419,738)	(600,199)	(695,693)	(1,715,630)	(11,171,468)
Payments for interfund services used			(140,108)	(140,108)	
Net cash provided by (used in) operating activities	<u>(90,755)</u>	<u>47,004</u>	<u>(18,470)</u>	<u>(62,221)</u>	<u>1,468,893</u>
Cash Flows from Noncapital Financing Activities:					
Grants in aid	154,299			154,299	
Transfers from other funds	30,000		94,355	124,355	
Transfers out to other funds	(93,544)	(47,004)	(131,050)	(271,598)	83,388
Net cash provided by (used in) noncapital financing activities	<u>90,755</u>	<u>(47,004)</u>	<u>(36,695)</u>	<u>7,056</u>	<u>83,388</u>
Cash Flows from Capital and Related Financing Activities:					
Principal payments on obligations under capital lease				-	(18,047)
Additions to property, plant and equipment				-	(7,438)
Net cash used in capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(25,485)</u>
Cash Flows from Investing Activities:					
Interest on investments				-	2,743
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,743</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-	-	(55,165)	(55,165)	1,529,539
Cash and Cash Equivalents at Beginning of Year	<u>1,000</u>	<u>-</u>	<u>292,054</u>	<u>293,054</u>	<u>4,608,080</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 236,889</u>	<u>\$ 237,889</u>	<u>\$ 6,137,619</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Operating income (loss)	\$ (189,444)	\$ (137,714)	\$ 236,077	\$ (91,081)	\$ 1,518,847
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	315		3,029	3,344	43,041
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	(107,218)	(41,359)	(240,143)	(388,720)	(26,015)
(Increase) decrease in other assets		(3,800)	(1,138)	(4,938)	8,554
Increase (decrease) in accounts payable and accrued liabilities	7,475	(34,237)	(84,311)	(111,073)	(79,545)
Increase (decrease) in compensated absences	6,903	(10,274)	3,329	(42)	2,968
Increase (decrease) in due to other funds	192,261	263,517	(89,287)	366,491	
Increase (decrease) in deferred revenues	(1,047)	10,871	153,974	163,798	1,043
Total adjustments	<u>98,689</u>	<u>184,718</u>	<u>(254,547)</u>	<u>28,860</u>	<u>(49,954)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (90,755)</u>	<u>\$ 47,004</u>	<u>\$ (18,470)</u>	<u>\$ (62,221)</u>	<u>\$ 1,468,893</u>

The accompanying notes are an integral part of the financial statements

**CAPITOL REGION EDUCATION COUNCIL**  
**STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS**  
**JUNE 30, 2008**

	<u>Agency Funds</u>
Assets:	
Cash and cash equivalents	\$ 781,314
Other assets	<u>13,569</u>
Total Assets	<u>\$ 794,883</u>
Liabilities:	
Accounts payable	\$ 13,124
Fiduciary deposits	<u>781,759</u>
Total Liabilities	<u>\$ 794,883</u>

The accompanying notes are an integral part of the financial statements

# CAPITOL REGION EDUCATION COUNCIL

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### A. Reporting Entity

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

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

#### B. Government-Wide and Fund Financial Statements

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

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

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

**CAPITOL REGION EDUCATION COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2008**

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

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

*Capital Project Funds* - 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 and fiduciary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is

**CAPITOL REGION EDUCATION COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2008**

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incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. CREC considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal period. Interest associated with the current fiscal period is all considered to be susceptible to accrual and 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 the general government, except those required to be accounted for in another fund.

The *Grants and Contracts Fund* is used to account for the proceeds of various education programs.

The *River Street Building* is used to account for acquisition and renovation of 627 River Street Building.

CREC reports the following major proprietary funds:

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

The *School Improvement Center Fund* is used to account for the operation of a core set of key initiatives to leverage aspects of teaching and learning in order to promote student achievement, such as Classroom Walkthrough Training, Curriculum Assessment and Instructional Services and Standard Based Report Cards.

Additionally, CREC reports the following fund types:

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

## CAPITOL REGION EDUCATION COUNCIL

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2008

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The *Internal Service Funds* are used to account for operations that are financed on a cost reimbursement basis to programs within CREC's financial reporting entity. The Internal Service Funds include: CREC Staff Development, CREC Wide Area Network, Copy Center, Self Insurance, CREC Unemployment 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 are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. CREC has elected not to follow subsequent private-sector guidance.

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

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

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

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.

**CAPITOL REGION EDUCATION COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2008**

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**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 3.

Investments are stated at fair value.

**E. Receivables and Payables**

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

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

**F. 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 of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

**CAPITOL REGION EDUCATION COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2008**

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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 have matured, for example, as a result of employee resignations and retirements.

**I. Long-Term Obligations**

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

**J. 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. Unreserved fund balance serves as a measure of current available financial resources.

**K. 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.

**CAPITOL REGION EDUCATION COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**JUNE 30, 2008**

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

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

**2. 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 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 and Actual (Non-GAAP Budgetary Basis) presents comparisons of the legally adopted budget with actual data on a budgetary basis. Also, CREC does not recognize the contribution by the State of Connecticut for teachers' retirement (as discussed in Note 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

**CAPITOL REGION EDUCATION COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2008**

and other sources over expenditures and other uses for the General Fund for the year ended June 30, 2008 are presented below.

	<u>General Fund GAAP Basis</u>	<u>Interprogram Eliminations</u>	<u>Non-Budgeted CREC General Program</u>	<u>General Fund Non-GAAP Budgetary Basis</u>
General Fund:				
Revenues and other financing sources	\$ 113,016,268	\$ 11,363,001	\$ (27,633,298)	\$ 96,745,971
Expenditures and other financing uses	<u>112,674,453</u>	<u>11,363,001</u>	<u>(26,859,480)</u>	<u>97,177,974</u>
Net Change in Fund Balance	<u>\$ 341,815</u>	<u>\$ -</u>	<u>\$ (773,818)</u>	<u>\$ (432,003)</u>

**B. Deficit Fund Equity**

Fund balance and net asset deficits existed as of June 30, 2008 in the following funds/programs:

General Fund Programs:	
Grants and Development Office	\$ 269,942
Administrative Building Cost Center	253,866
Connecticut Academy of Educational Leaders	861
Project Literacy	79,456
Learning Corridor Cost Center	236,942
Montessori Magnet School	256,935
GHA of Math and Science Magnet School	648,966
University of Hartford Magnet School	12,699
Polaris Center	621,972
Magnet School Cost Center	613,812
Greater Hartford Academy of the Arts	115,651
Special Revenue Fund:	
Grants and Contracts Fund:	
Special Services Support Team Program	48,741
Related Services	1,255
Capitol Region Choice Program	610,453
Suburban Youth Programs	2,873
Entitlement Grants	218
Preschool Intervention Program	62,754
Employment Training Program	185,455
Early Education Programs	156,887
Capital Projects Funds:	
East Hartford/Glastonbury Magnet Construction	53,457
Technology Sale of Services	755,167

**CAPITOL REGION EDUCATION COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2008**

Enterprise Funds:	
Learning Corridor Theater	27,813
Conference Services	12,276
Community Education	19,460

**3. CASH, CASH EQUIVALENTS AND INVESTMENTS**

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

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

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

**A. Cash and Cash Equivalents**

The following is a summary of cash and cash equivalents at June 30, 2008:

Deposits:	
Certificates of deposit	\$ 82,493
Petty cash	200
Cash equivalents:	
State Tax Exempt Proceeds Fund (TEPF)	1,413
Money market	13,569,757
U.S. Treasury bills	682,035
Less certificates of deposit classified as investments	<u>(82,493)</u>
Total Cash and Cash Equivalents	<u>\$ 14,253,405</u>

**CAPITOL REGION EDUCATION COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2008**

**Deposits**

At June 30, 2008, the carrying amount of CREC's deposits was \$82,493, and the bank balance was \$3,167,982.

*Deposit 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, 2008 bank balance, \$382,493 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 \$308,549, based on June 30, 2008 deposits, was collateralized (collateral held by the pledging bank's trust department is not in CREC's name). The balance of deposits of \$2,476,940 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, 2008, CREC's cash equivalents amounted to \$14,253,205. 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.

	<b>Standard and Poor's</b>	<b>Moody's</b>
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, 2008 in all funds are as follows:

<b>Investment Type</b>	<b>Fair Value</b>	<b>Weighted Average Maturity (Years)</b>
Interest Bearing Investments:		
Certificates of deposit*	\$ 82,493	0.30

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

**CAPITOL REGION EDUCATION COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2008**

**4. RECEIVABLES**

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

	<u>General</u>	<u>Grants and Contracts Funds</u>	<u>River Street Building</u>	<u>Nonmajor Funds</u>	<u>Internal Service Funds</u>	<u>Technology Sales of Services</u>	<u>School Improvement Center</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>
Receivables:									
Accounts	\$ 6,927,064	\$ 2,246,491		\$ 70,197	\$ 105,851	\$ 116,444	\$ 140,662	\$ 568,504	\$ 10,175,213
Intergovernmental	<u>809,863</u>		<u>1,424,051</u>						<u>2,233,914</u>
Total Receivables	<u>\$ 7,736,927</u>	<u>\$ 2,246,491</u>	<u>\$ 1,424,051</u>	<u>\$ 70,197</u>	<u>\$ 105,851</u>	<u>\$ 116,444</u>	<u>\$ 140,662</u>	<u>\$ 568,504</u>	<u>\$ 12,409,127</u>

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

	<u>Unavailable</u>	<u>Unearned</u>
School Building Grant	\$ 809,863	\$
Grant drawdowns prior to meeting all eligibility requirements		280,626
Miscellaneous advance collections		<u>964,983</u>
Total Deferred/Unearned Revenue for Governmental Funds and Internal Service Funds	<u>\$ 809,863</u>	<u>\$ 1,245,609</u>

**CAPITOL REGION EDUCATION COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**JUNE 30, 2008**

**5. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2008 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	<u>62,657</u>	<u>426,866</u>		<u>489,523</u>
Total capital assets not being depreciated	<u>2,287,582</u>	<u>426,866</u>	<u>-</u>	<u>2,714,448</u>
Capital assets being depreciated:				
Buildings and improvements	67,352,840	352,661		67,705,501
Vehicles	1,076,174	13,298	(29,240)	1,060,232
Furniture, fixtures and equipment	<u>6,076,658</u>	<u>235,903</u>	<u>(20,345)</u>	<u>6,292,216</u>
Total capital assets being depreciated	<u>74,505,672</u>	<u>601,862</u>	<u>(49,585)</u>	<u>75,057,949</u>
Less accumulated depreciation for:				
Buildings and improvements	(14,949,170)	(2,325,250)		(17,274,420)
Vehicles	(735,215)	(92,207)	29,240	(798,182)
Furniture, fixtures and equipment	<u>(4,456,484)</u>	<u>(718,231)</u>	<u>20,345</u>	<u>(5,154,370)</u>
Total accumulated depreciation	<u>(20,140,869)</u>	<u>(3,135,688)</u>	<u>49,585</u>	<u>(23,226,972)</u>
Total capital assets being depreciated, net	<u>54,364,803</u>	<u>(2,533,826)</u>	<u>-</u>	<u>51,830,977</u>
Governmental Activities Capital Assets, Net	<u>\$ 56,652,385</u>	<u>\$ (2,106,960)</u>	<u>\$ -</u>	<u>\$ 54,545,425</u>
Business-type activities:				
Furniture, fixtures and equipment	\$ 145,333	\$	\$	\$ 145,333
Less accumulated depreciation	<u>(132,555)</u>	<u>(3,344)</u>		<u>(135,899)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 12,778</u>	<u>\$ (3,344)</u>	<u>\$ -</u>	<u>\$ 9,434</u>

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

Governmental activities:	
Education	\$ 2,884,825
Facilities	221,388
Administration	<u>29,475</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 3,135,688</u>
Business-type activities:	
Technology Sale of Services	\$ 315
Learning Corridor Theater	647
Property Rental	1,351
Community Education	783
School Facility Services	<u>248</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 3,344</u>

**CAPITOL REGION EDUCATION COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2008**

**6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Interfund loans generally are a result of negative equity in pooled cash. The composition of interfund balances as of June 30, 2008 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Grants and Contracts Fund	\$ 2,162,764
	Nonmajor Governmental Funds	122,861
	Technology Sale of Services	820,047
	School Improvement Center	620,799
	Nonmajor Enterprise Funds	<u>181,739</u>
<b>Total</b>		<b>\$ <u>3,908,210</u></b>

All balances are expected to be repaid within a year.

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

	<u>Transfers In</u>						<u>Total</u>
	<u>General Fund</u>	<u>Grants and Contracts Fund</u>	<u>River Street Building Fund</u>	<u>Nonmajor Governmental And Other Funds</u>	<u>Technology Sale of Services</u>	<u>Nonmajor Enterprise Funds</u>	
Transfers out:							
General Fund	\$	\$ 34,650	\$ 1,000,891	\$ 835,552	\$ 30,000	\$ 94,355	\$ 1,995,448
Grants and Contracts Fund	1,047,207						1,047,207
Internal Service Funds	70,280						70,280
Technology Sale of Services	93,544						93,544
School Improvement Center	47,004						47,004
Nonmajor Enterprise Funds	<u>131,050</u>						<u>131,050</u>
Total Transfers Out	<u>\$ 1,389,085</u>	<u>\$ 34,650</u>	<u>\$ 1,000,891</u>	<u>\$ 835,552</u>	<u>\$ 30,000</u>	<u>\$ 94,355</u>	<u>\$ 3,384,533</u>

**7. 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, 2008 was \$1,044,614.

**CAPITOL REGION EDUCATION COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2008**

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**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.

	<b>Governmental Activities</b>
Assets:	
Equipment	\$ 519,331
Building and improvement	432,876
Total assets	952,207
Less accumulated depreciation for:	
Equipment	(242,713)
Building and improvement	(38,628)
Total accumulated depreciation	(281,341)
 Total	 \$ 670,866

The future minimum lease obligations and the net present value of these payments as of June 30, 2008 were as follows:

<b>Year Ending June 30</b>	<b>Amount</b>
2009	\$ 614,620
2010	430,414
2011	196,413
2012	66,223
2013	24,722
	1,332,392
Total minimum lease payments	1,332,392
Less amount representing interest	(74,158)
	1,258,234
Present Value of Minimum Lease Payments	\$ 1,258,234

**8. 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.

**CAPITOL REGION EDUCATION COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2008**

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

	<b>Governmental Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2009	\$ 380,000	\$ 163,550
2010	380,000	138,090
2011	380,000	112,630
2012	380,000	87,075
2013	275,000	64,869
2014-2016	825,000	83,531
Total	\$ 2,620,000	\$ 649,745

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:

	<b>Governmental Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2009	\$ 16,350	\$ 6,867
2010	16,350	5,886
2011	16,350	4,905
2012	16,350	3,924
2013	16,350	2,943
2014-2015	32,700	2,943
Total	\$ 114,450	\$ 27,468

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, 2008. The agreement contains various financial covenants.

**CAPITOL REGION EDUCATION COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2008**

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2008 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable	\$ 3,000,000	\$	\$ (380,000)	\$ 2,620,000	\$ 380,000
Notes payable	130,800		(16,350)	114,450	16,350
Capital leases	993,093	775,000	(509,859)	1,258,234	572,568
Compensated absences	<u>718,769</u>	<u>793,023</u>	<u>(718,769)</u>	<u>793,023</u>	<u>793,023</u>
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 4,842,662</u>	<u>\$ 1,568,023</u>	<u>\$ (1,624,978)</u>	<u>\$ 4,785,707</u>	<u>\$ 1,761,941</u>
Business-Type Activities:					
Compensated absences	<u>\$ 46,125</u>	<u>\$ 46,083</u>	<u>\$ (46,125)</u>	<u>\$ 46,083</u>	<u>\$ 46,083</u>

For the governmental 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, 2008 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>Reductions</u>	<u>Ending Balance</u>
Bond anticipation notes	2/15/07	11/14/07	4.500	\$ 1,500,000	\$	\$ 1,500,000	\$ -
Bond anticipation notes	11/15/07	8/14/08	4.000	<u>                    </u>	<u>1,000,000</u>	<u>                    </u>	<u>1,000,000</u>
Total Outstanding				<u>\$ 1,500,000</u>	<u>\$ 1,000,000</u>	<u>\$ 1,500,000</u>	<u>\$ 1,000,000</u>

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

**9. RISK MANAGEMENT**

CREC self-insures its employee health coverage. The plan is administered by an insurance company that processes and pays all claims, which are limited by stop-loss agreements, from the plan bank account. CREC maintains a balance in the account sufficient to fund the maximum allowable withdrawal by the insurance company. Claims are accrued at June 30, 2008 based on claims received subsequent to year-end within the allowable claim period. Claims of \$592,670 are reflected in the accrued expenses of the Internal Service Fund at June 30, 2008. All claims are reflected in the statement of net assets as current liabilities.

**CAPITOL REGION EDUCATION COUNCIL**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**JUNE 30, 2008**

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:

		<b>Accrued Liability Beginning of Fiscal Year</b>		<b>Current Year Claims and Changes in Estimates</b>		<b>Accrued Liability Claim Payments</b>		<b>Accrued Liability End of Fiscal Year</b>
2006-07	\$	536,530	\$	6,966,873	\$	6,935,895	\$	567,508
2007-08		567,508		7,608,830		7,583,668		592,670

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, 2008 were \$116,932. There was \$5,357 accrued as a liability at June 30, 2008 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.

**10. FUND BALANCE RESERVED**

Fund balance reserved consists of the following:

Reserved for programmatic programs:		
General Fund	\$	34,384
Reserved for purposes of trust:		
Narkin Scholarship - Permanent Fund		17,000
Reserved for debt service:		
Bond Issue Cost Center - Nonmajor Fund		<u>969,695</u>
Total	\$	<u><u>1,021,079</u></u>

**CAPITOL REGION EDUCATION COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2008**

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**11. FUND BALANCE DESIGNATED**

A portion of unreserved fund balance of the General Fund is designated for specific purposes. Unreserved Designated Fund Balance consists of the following:

Designated for future obligations	\$ 2,500,000
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	<u>1,000,000</u>
Total	<u>\$ 4,475,000</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, 2008, there were 711 plan members. Diversified Investment Advisors administer the retirement plan. Plan provisions and contribution requirements are established and may be amended by the CREC Board.

Employer and plan member contributions are recognized in the period contributions are due. Employer and employee contributions for the year ended June 30, 2008 were \$816,597 and \$2,823,949, respectively.

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

**CAPITOL REGION EDUCATION COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2008**

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**14. EMPLOYEE RETIREMENT PLAN**

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

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

CREC withholds 7.25% of all certified teachers' annual earnings and transmits the funds to the State Teachers' Retirement Board. CREC does not contribute to the plan. Prior to July 1, 1989, teachers were vested in their contributions up to 5% of their earnings prior to five years of service. After five years of service teachers were fully vested in their own contributions. After 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, 2008 was \$20,093,213 and is recognized in the governmental funds GAAP-basis statement of revenues, expenditures and changes in fund balances. This contribution is significantly higher than in prior fiscal year. For the year ended June 30, 2008, teachers of CREC contributed \$1,991,816 to the plan, and covered payroll for the year was \$27,473,324.

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.

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

**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, 2008**

	General Fund				Grants and Contracts Fund			
	Budget Amounts		Actual	Variance Positive (Negative)	Budget Amounts		Actual	Variance Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Tuition	\$ 25,844,623	\$ 26,538,939	\$ 27,702,961	\$ 1,164,022	\$ 527,273	527,273	\$ 27,352	\$ (499,921)
Grants in aid	31,130,919	32,239,981	31,389,605	(850,376)	15,904,391	17,377,192	15,490,760	(1,886,432)
Room and board	4,163,296	4,163,296	3,916,282	(247,014)				-
Sales of services	30,094,802	32,374,492	26,899,621	(5,474,871)	3,239,008	3,457,547	3,608,889	151,342
Investment income			3,115	3,115				-
Other local revenues	124,120	130,775	477,958	347,183			289,851	289,851
Transfers in	6,374,150	6,374,406	6,356,429	(17,977)			34,650	34,650
Total revenues	97,731,910	101,821,889	96,745,971	(5,075,918)	19,670,672	21,362,012	19,451,502	(1,910,510)
Expenditures:								
Current:								
Special programs	91,014,610	95,090,282	90,551,383	4,538,899	19,670,672	21,362,012	19,723,227	1,638,785
Facilities	1,027,300	1,027,300	949,639	77,661				-
Administration	5,690,000	5,704,307	5,676,952	27,355				-
Total expenditures	97,731,910	101,821,889	97,177,974	4,643,915	19,670,672	21,362,012	19,723,227	1,638,785
Excess of Revenues over Expenditures	\$ -	\$ -	(432,003)	\$ (432,003)	\$ -	\$ -	(271,725)	\$ (271,725)
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			773,818					
Total			\$ 341,815				\$ (271,725)	

# **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 Deputy Executive Director, Finance and Operations and the Comptroller, manages the receipt, accounting, investment and expenditure of monetary resources and the acquisition, inventory and disposition of physical resources and facilities of CREC. Accounting services, accounts payable, payroll services, accounts receivable, grants and budget management and 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** - The division of Student Services manages several programs that offer highly specialized services for children with autism, adolescents experiencing emotional and/or behavioral difficulties, children with hearing impairment, and those students who are medically fragile. Additionally, this division offers a comprehensive array of early childhood services including work with children ages birth to three demonstrating developmental difficulties. We offer school based health clinics in magnet schools and a full array of mental health interventions. We provide educational services to pre-adjudicated adolescents at the three Hartford detention centers. Finally the Student Services Integrated Program Model program provides quality occupational therapy, physical therapy and speech therapy to districts and families in need.

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

**GRANTS AND DEVELOPMENT OFFICE** - Grants and Development identifies funding sources from grants, contracts, foundations and benefactors and provides leadership and technical assistance in the preparation of 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 offers a variety of training, technical assistance, and staffing services to assist school administrators and educators. We have the expertise to offer highly customized consultation to meet the specific needs of districts and agencies in Response to Intervention, student and program evaluations, special education and related services, online learning, staff brokering and other areas.

### **FACILITIES**

**ADMINISTRATIVE 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.

**JUVENILE DETENTION CENTER** - The Juvenile Detention Center program provides instruction for preadjudicated youth in three locations in Hartford. Students are placed in these detention centers while the courts determine their more permanent placement. The capacity of the three centers is approximately 100 students at a time with an average length of stay ranging from one or two days to three months.

**COLTSVILLE FACILITY** - CREC currently operates a 50,000 square foot facility located at 34 Sequassen Avenue in Hartford. This program fund includes all the rent, utilities and property services at this facility.

**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. The school's curriculum focuses on science, math and the arts. This program was transitioned over to the Hartford Public Schools.

**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, transportation 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 provides 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.

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

**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 (CCY), 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 10 through 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 111 students from eight local school districts, Bolton, Coventry, East Hartford, Ellington, Glastonbury, Hartford, Manchester and Tolland.

**SCHOOL TRANSPORTATION MANAGEMENT SERVICES** - CREC has recently been contracted by the Hartford Public Schools to manage its contracted transportation services to suburban students attending its other magnet schools. The budget for this service includes all expenses of that operation, for which we are reimbursed. The budget also includes our management fee.

**INTERNATIONAL MAGNET SCHOOL FOR GLOBAL CITIZENSHIP** - This school services preschool through kindergarten and will expand in the future. The school focuses on developing knowledgeable, inquiring and caring young people who help create a better and more peaceful world through intercultural understanding and respect.

**REGGIO MAGNET SCHOOL FOR THE ARTS** - This school services preschool through kindergarten and will expand in the future. The school is based on four guiding principals: children must have control over the direction of their learning; children must be able to learn through experiences of touching moving, listening, seeing and hearing; children have a relationship with other children and with material items in the world that children must be allowed to explore; and children must have endless ways and opportunities to express themselves.

**CAPITOL REGION EDUCATION COUNCIL  
GENERAL FUND  
BALANCE SHEET - BY PROGRAM  
JUNE 30, 2008**

**Administration**

	<b>CREC General</b>	<b>Executive Director</b>	<b>Deputy Executive Director</b>	<b>Business Services</b>	<b>Human Resources</b>	<b>Communications Services</b>	<b>Student Services</b>	<b>Institute of Teaching and Learning</b>
<b>ASSETS</b>								
Cash and cash equivalents	\$ 358,833	\$ 6,103	\$ 5,956	\$ 408,736	\$ 26,806	\$ 20,520	\$ 11,927	\$ 10,239
Investments								
Accounts receivable	821,276	3,131		726				
Due from other funds	6,561,496							
Other assets				14,513	299			
<b>Total Assets</b>	<b>\$ 7,741,605</b>	<b>\$ 9,234</b>	<b>\$ 5,956</b>	<b>\$ 423,975</b>	<b>\$ 27,105</b>	<b>\$ 20,520</b>	<b>\$ 11,927</b>	<b>\$ 10,239</b>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities:</b>								
Accounts payable and accrued liabilities	\$ 649,751	\$ 6,726	\$ 5,070	\$ 408,512	\$ 13,134	\$ 9,875	\$ 7,936	\$ 1,991
Due to other funds								
Deferred revenues	809,863							
<b>Total liabilities</b>	<b>1,459,614</b>	<b>6,726</b>	<b>5,070</b>	<b>408,512</b>	<b>13,134</b>	<b>9,875</b>	<b>7,936</b>	<b>1,991</b>
<b>Fund Balances:</b>								
Reserved for programmatic purposes	34,384							
<b>Unreserved:</b>								
Designated for future obligations	2,500,000							
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	1,772,607	2,508	886	15,463	13,971	10,645	3,991	8,248
<b>Total fund balances</b>	<b>6,281,991</b>	<b>2,508</b>	<b>886</b>	<b>15,463</b>	<b>13,971</b>	<b>10,645</b>	<b>3,991</b>	<b>8,248</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 7,741,605</b>	<b>\$ 9,234</b>	<b>\$ 5,956</b>	<b>\$ 423,975</b>	<b>\$ 27,105</b>	<b>\$ 20,520</b>	<b>\$ 11,927</b>	<b>\$ 10,239</b>

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**CAPITOL REGION EDUCATION COUNCIL  
GENERAL FUND  
BALANCE SHEET - BY PROGRAM (CONTINUED)  
JUNE 30, 2008**

	Administration			Total	Facilities	Special Programs		
	Grants and Development Office	Technology Services	Technical Assistance Brokering Services		Administrative Building Cost Center	Connecticut Academy for Educ. Leaders	Interdistrict Grant Office	Minority Teacher Recruiting
<b>ASSETS</b>								
Cash and cash equivalents	\$	\$	\$ 13,526	\$ 862,646	\$	\$	\$ 30,138	\$ 179,472
Investments								
Accounts receivable	15,110			840,243	8,317	190		5,240
Due from other funds				6,561,496				
Other assets			80	14,892	120			299
Total Assets	<u>\$ 15,110</u>	<u>\$ -</u>	<u>\$ 13,606</u>	<u>\$ 8,279,277</u>	<u>\$ 8,437</u>	<u>\$ 190</u>	<u>\$ 30,138</u>	<u>\$ 185,011</u>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable and accrued liabilities	\$ 5,910	\$	\$ 5,578	\$ 1,114,483	\$ 25,140	\$	\$ 2,523	\$ 149,431
Due to other funds	279,142			279,142	235,663	1,051		
Deferred revenues				809,863	1,500			33,137
Total liabilities	<u>285,052</u>	<u>-</u>	<u>5,578</u>	<u>2,203,488</u>	<u>262,303</u>	<u>1,051</u>	<u>2,523</u>	<u>182,568</u>
Fund Balances:								
Reserved for programmatic purposes				34,384				
Unreserved:								
Designated for future obligations				2,500,000				
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	(269,942)		8,028	1,566,405	(253,866)	(861)	27,615	2,443
Total fund balances	<u>(269,942)</u>	<u>-</u>	<u>8,028</u>	<u>6,075,789</u>	<u>(253,866)</u>	<u>(861)</u>	<u>27,615</u>	<u>2,443</u>
Total Liabilities and Fund Balances	<u>\$ 15,110</u>	<u>\$ -</u>	<u>\$ 13,606</u>	<u>\$ 8,279,277</u>	<u>\$ 8,437</u>	<u>\$ 190</u>	<u>\$ 30,138</u>	<u>\$ 185,011</u>

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**CAPITOL REGION EDUCATION COUNCIL  
GENERAL FUND  
BALANCE SHEET - BY PROGRAM (CONTINUED)  
JUNE 30, 2008**

	Special Programs						
	Juvenile Detention Center	Coltsville Facility	Project Literacy	Allied Health Career Collaborative	Learning Corridor Cost Center	Montessori Magnet School	East Hartford/ Glastonbury Magnet School
<b>ASSETS</b>							
Cash and cash equivalents	\$	\$ 18,664	\$	\$ 5,109	\$	\$	\$ 159,691
Investments							
Accounts receivable	694,300		40,800		151,834	250,616	
Due from other funds							
Other assets			395			4,130	
Total Assets	<u>\$ 694,300</u>	<u>\$ 18,664</u>	<u>\$ 41,195</u>	<u>\$ 5,109</u>	<u>\$ 151,834</u>	<u>\$ 254,746</u>	<u>\$ 159,691</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable and accrued liabilities	\$ 338,733	\$ 18,664	\$ 1,751	\$	\$ 267,809	\$ 45,933	\$ 21,725
Due to other funds	123,166		78,100		119,167	465,748	
Deferred revenues			40,800		1,800		28,543
Total liabilities	<u>461,899</u>	<u>18,664</u>	<u>120,651</u>	<u>-</u>	<u>388,776</u>	<u>511,681</u>	<u>50,268</u>
Fund Balances:							
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	232,401		(79,456)	5,109	(236,942)	(256,935)	109,423
Total fund balances	<u>232,401</u>	<u>-</u>	<u>(79,456)</u>	<u>5,109</u>	<u>(236,942)</u>	<u>(256,935)</u>	<u>109,423</u>
Total Liabilities and Fund Balances	<u>\$ 694,300</u>	<u>\$ 18,664</u>	<u>\$ 41,195</u>	<u>\$ 5,109</u>	<u>\$ 151,834</u>	<u>\$ 254,746</u>	<u>\$ 159,691</u>

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**CAPITOL REGION EDUCATION COUNCIL  
GENERAL FUND  
BALANCE SHEET - BY PROGRAM (CONTINUED)  
JUNE 30, 2008**

	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
<b>ASSETS</b>							
Cash and cash equivalents	\$	\$ 143,661	\$	\$ 1,817	\$	\$ 875,999	\$ 1,646,467
Investments						12,251	
Accounts receivable	26,139	176,592	362,326		496,083	364,592	1,620,788
Due from other funds							2,486,493
Other assets							88,331
Total Assets	<u>\$ 26,139</u>	<u>\$ 320,253</u>	<u>\$ 362,326</u>	<u>\$ 1,817</u>	<u>\$ 496,083</u>	<u>\$ 1,252,842</u>	<u>\$ 5,842,079</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable and accrued liabilities	\$ 31,719	\$ 75,698	\$ 127,981	\$ 1,817	\$ 179,408	\$ 137,599	\$ 340,842
Due to other funds	599,465		36,977		319,467		
Deferred revenues	43,921	32,191			9,907		40,000
Total liabilities	<u>675,105</u>	<u>107,889</u>	<u>164,958</u>	<u>1,817</u>	<u>508,782</u>	<u>137,599</u>	<u>380,842</u>
Fund Balances:							
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	(648,966)	212,364	197,368		(12,699)	1,115,243	5,461,237
Total fund balances	<u>(648,966)</u>	<u>212,364</u>	<u>197,368</u>	<u>-</u>	<u>(12,699)</u>	<u>1,115,243</u>	<u>5,461,237</u>
Total Liabilities and Fund Balances	<u>\$ 26,139</u>	<u>\$ 320,253</u>	<u>\$ 362,326</u>	<u>\$ 1,817</u>	<u>\$ 496,083</u>	<u>\$ 1,252,842</u>	<u>\$ 5,842,079</u>

(Continued on next page)

**CAPITOL REGION EDUCATION COUNCIL  
GENERAL FUND  
BALANCE SHEET - BY PROGRAM (CONTINUED)  
JUNE 30, 2008**

	Special Programs						
	Polaris Center	Magnet School Cost Center	Integrated Program Model	Farmington Valley Diagnostic Center	Special Education Transportation	Greater Hartford Academy of the Arts	Center for Creative Youth
<b>ASSETS</b>							
Cash and cash equivalents	\$	\$	\$ 44,511	\$ 156,474	\$ 1,280	\$	\$ 322,122
Investments							49,635
Accounts receivable	1,184,102	524,320	383,119	327,972		252,222	
Due from other funds							
Other assets	365					52,047	42,062
Total Assets	<u>\$ 1,184,467</u>	<u>\$ 524,320</u>	<u>\$ 427,630</u>	<u>\$ 484,446</u>	<u>\$ 1,280</u>	<u>\$ 304,269</u>	<u>\$ 413,819</u>
<b>LIABILITIES AND FUND BALANCES</b>							
45							
Liabilities:							
Accounts payable and accrued liabilities	\$ 153,296	\$ 232,379	\$ 57,135	\$ 18,084	\$ 1,280	\$ 79,887	\$ 10,965
Due to other funds	1,653,143	905,753				302,937	
Deferred revenues				297,884		37,096	368,033
Total liabilities	<u>1,806,439</u>	<u>1,138,132</u>	<u>57,135</u>	<u>315,968</u>	<u>1,280</u>	<u>419,920</u>	<u>378,998</u>
Fund Balances:							
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	(621,972)	(613,812)	370,495	168,478		(115,651)	34,821
Total fund balances	<u>(621,972)</u>	<u>(613,812)</u>	<u>370,495</u>	<u>168,478</u>	<u>-</u>	<u>(115,651)</u>	<u>34,821</u>
Total Liabilities and Fund Balances	<u>\$ 1,184,467</u>	<u>\$ 524,320</u>	<u>\$ 427,630</u>	<u>\$ 484,446</u>	<u>\$ 1,280</u>	<u>\$ 304,269</u>	<u>\$ 413,819</u>

(Continued on next page)

**CAPITOL REGION EDUCATION COUNCIL  
GENERAL FUND  
BALANCE SHEET - BY PROGRAM (CONTINUED)  
JUNE 30, 2008**

	<u>Special Programs</u>				<u>Total</u>	<u>Eliminations</u>	<u>Total</u>
	<u>Great Path Academy</u>	<u>School Transportation Management Services</u>	<u>International Magnet School for Global Citizenship</u>	<u>Reggio Magnet School for the Arts</u>			
<b>ASSETS</b>							
Cash and cash equivalents	\$ 24,564	\$	\$	\$	3,609,969	\$	\$ 4,472,615
Investments					61,886		61,886
Accounts receivable	27,132				6,888,367		7,736,927
Due from other funds					2,486,493	(5,139,779)	3,908,210
Other assets			76,639	9,639	273,907		288,919
Total Assets	<u>\$ 51,696</u>	<u>\$ -</u>	<u>\$ 76,639</u>	<u>\$ 9,639</u>	<u>\$ 13,320,622</u>	<u>\$ (5,139,779)</u>	<u>\$ 16,468,557</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable and accrued liabilities	\$ 12,512	\$	\$ 56,639	\$ 9,639	\$ 2,373,449	\$	\$ 3,513,072
Due to other funds			20,000		4,624,974	(5,139,779)	-
Deferred revenues	29,128				962,440		1,773,803
Total liabilities	<u>41,640</u>	<u>-</u>	<u>76,639</u>	<u>9,639</u>	<u>7,960,863</u>	<u>(5,139,779)</u>	<u>5,286,875</u>
Fund Balances:							
Reserved for programmatic purposes					-		34,384
Unreserved:							
Designated for future obligations					-		2,500,000
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	10,056				5,359,759		6,672,298
Total fund balances	<u>10,056</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,359,759</u>	<u>-</u>	<u>11,181,682</u>
Total Liabilities and Fund Balances	<u>\$ 51,696</u>	<u>\$ -</u>	<u>\$ 76,639</u>	<u>\$ 9,639</u>	<u>\$ 13,320,622</u>	<u>\$ (5,139,779)</u>	<u>\$ 16,468,557</u>

**CAPITOL REGION EDUCATION COUNCIL  
GENERAL FUND**

EXHIBIT A-2

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BY PROGRAM  
FOR THE YEAR ENDED JUNE 30, 2008**

**Administration**

	<b>CREC General</b>	<b>Executive Director</b>	<b>Deputy Executive Director</b>	<b>Business Services</b>	<b>Human Resources</b>	<b>Communications Services</b>	<b>Student Services</b>	<b>Institute of Teaching and Learning</b>
Revenues:								
Tuition	\$	\$	\$	\$	\$	\$	\$	\$
Grants in aid	20,887,362							
Room and board								
Sales of services				695	2,002	2,000		
Investment income	350,279							
Other local revenues		31,082		116				
<b>Total revenues</b>	<b>21,237,641</b>	<b>31,082</b>	<b>-</b>	<b>811</b>	<b>2,002</b>	<b>2,000</b>	<b>-</b>	<b>-</b>
Expenditures:								
Current:								
Salaries		227,338	216,573	1,348,945	575,865	141,989	259,357	83,590
Employee benefits	20,093,213	15,109	26,582	316,244	155,663	35,362	40,978	9,660
Purchased professional and technical services		100	6,242	571,339	6,444	2,209	10,116	570
Purchased property services		7,291		17,418				
Other purchased services	735,825	15,589	23,044	196,504	39,015	31,256	11,618	12,710
Supplies		2,152	2,851	27,283	5,655	3,074	1,605	736
Property			974	17,211	2,032	6,579	1,687	2,312
Other uses of funds		2,075	1,172	13,024	1,225	380	1,117	
<b>Total expenditures</b>	<b>20,829,038</b>	<b>269,654</b>	<b>277,438</b>	<b>2,507,968</b>	<b>785,899</b>	<b>220,849</b>	<b>326,478</b>	<b>109,578</b>
Excess (Deficiency) of Revenues over Expenditures	408,603	(238,572)	(277,438)	(2,507,157)	(783,897)	(218,849)	(326,478)	(109,578)
Other Financing Sources (Uses):								
Transfers in	6,395,657	303,491	345,934	2,775,415	847,139	239,084	357,114	115,579
Transfers out	(6,030,442)	(64,837)	(67,939)	(264,702)	(60,749)	(11,799)	(30,636)	(6,000)
<b>Total other financing sources (uses)</b>	<b>365,215</b>	<b>238,654</b>	<b>277,995</b>	<b>2,510,713</b>	<b>786,390</b>	<b>227,285</b>	<b>326,478</b>	<b>109,579</b>
<b>Net Change in Fund Balances</b>	<b>773,818</b>	<b>82</b>	<b>557</b>	<b>3,556</b>	<b>2,493</b>	<b>8,436</b>	<b>-</b>	<b>1</b>
<b>Fund Balances at Beginning of Year</b>	<b>5,508,173</b>	<b>2,426</b>	<b>329</b>	<b>11,907</b>	<b>11,478</b>	<b>2,209</b>	<b>3,991</b>	<b>8,247</b>
<b>Fund Balances at End of Year</b>	<b>\$ 6,281,991</b>	<b>\$ 2,508</b>	<b>\$ 886</b>	<b>\$ 15,463</b>	<b>\$ 13,971</b>	<b>\$ 10,645</b>	<b>\$ 3,991</b>	<b>\$ 8,248</b>

(Continued on next page)

**CAPITOL REGION EDUCATION COUNCIL  
GENERAL FUND**

EXHIBIT A-2

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BY PROGRAM (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2008**

	Administration			Facilities	Special Programs		
	Grants and Development Office	Technology Services	Technical Assistance Brokering Services	Administrative Building Cost Center	Connecticut Academy for Educ. Leaders	Interdistrict Grant Office	Minority Teacher Recruiting
			Total				
Revenues:							
Tuition	\$	\$	\$	\$	\$	\$	\$
Grants in aid			20,887,362				148,738
Room and board			-				
Sales of services	196,332		30,000	21,070	3,670	108,547	27,930
Investment income			350,279				
Other local revenues			31,198	22,403			
<b>Total revenues</b>	<b>196,332</b>	<b>-</b>	<b>30,000</b>	<b>21,499,868</b>	<b>43,473</b>	<b>3,670</b>	<b>176,668</b>
Expenditures:							
Current:							
Salaries	249,785		190,162	105,565		66,556	20,074
Employee benefits	46,207		36,678	29,802		23,521	3,202
Purchased professional and technical services	37,736		665			777	
Purchased property services				360,756			
Other purchased services	6,576		12,691	13,636	3,950	4,270	153,352
Supplies	2,487		2,855	163,281		698	38
Property	2,911		2,047	88,349			
Other uses of funds			1,208	692			
<b>Total expenditures</b>	<b>345,702</b>	<b>-</b>	<b>246,306</b>	<b>762,081</b>	<b>3,950</b>	<b>95,822</b>	<b>176,666</b>
Excess (Deficiency) of Revenues over Expenditures	(149,370)	-	(216,306)	(718,608)	(280)	12,725	2
Other Financing Sources (Uses):							
Transfers in	93,151	15,975	285,225	761,974			
Transfers out	(11,500)		(68,918)	(187,558)	(320)	(6,592)	
<b>Total other financing sources (uses)</b>	<b>81,651</b>	<b>15,975</b>	<b>216,307</b>	<b>574,416</b>	<b>(320)</b>	<b>(6,592)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(67,719)</b>	<b>15,975</b>	<b>1</b>	<b>737,200</b>	<b>(144,192)</b>	<b>(600)</b>	<b>2</b>
Fund Balances at Beginning of Year	(202,223)	(15,975)	8,027	5,338,589	(109,674)	(261)	2,441
Fund Balances at End of Year	\$ (269,942)	\$ -	\$ 8,028	\$ 6,075,789	\$ (253,866)	\$ (861)	\$ 2,443

(Continued on next page)

**CAPITOL REGION EDUCATION COUNCIL  
GENERAL FUND**

EXHIBIT A-2

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BY PROGRAM (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2008**

	Special Programs						
	Juvenile Detention Center	Coltsville Facility	Project Literacy	Allied Health Career Collaborative	Learning Corridor Cost Center	Montessori Magnet School	East Hartford/ Glastonbury Magnet School
Revenues:							
Tuition	\$ 894,720						
Grants in aid						3,190,083	2,199,046
Room and board							
Sales of services	1,030		73,999	19,999	3,574,851	954,685	535,480
Investment income							
Other local revenues					2,862		11,460
<b>Total revenues</b>	<b>895,750</b>	<b>-</b>	<b>73,999</b>	<b>19,999</b>	<b>3,577,713</b>	<b>4,144,768</b>	<b>2,745,986</b>
Expenditures:							
Current:							
Salaries	160,981		379	16,250	76,105	2,387,948	1,776,870
Employee benefits	90,870		28	1,418	17,098	563,397	334,670
Purchased professional and technical services	339,891		14,845		8,975	337,617	180,420
Purchased property services					1,629,392	410,889	8,412
Other purchased services	553		42,682	564	77,688	68,834	210,986
Supplies	486			48	2,092,721	74,073	50,022
Property					1,694	16,811	30,745
Other uses of funds	22		6,630		90	2,300	495
<b>Total expenditures</b>	<b>592,803</b>	<b>-</b>	<b>64,564</b>	<b>18,280</b>	<b>3,903,763</b>	<b>3,861,869</b>	<b>2,592,620</b>
Excess (Deficiency) of Revenues over Expenditures	302,947	-	9,435	1,719	(326,050)	282,899	153,366
Other Financing Sources (Uses):							
Transfers in							
Transfers out	(70,546)		(6,672)	(952)		(163,606)	(113,758)
<b>Total other financing sources (uses)</b>	<b>(70,546)</b>	<b>-</b>	<b>(6,672)</b>	<b>(952)</b>	<b>-</b>	<b>(163,606)</b>	<b>(113,758)</b>
Net Change in Fund Balances	232,401	-	2,763	767	(326,050)	119,293	39,608
Fund Balances at Beginning of Year	-	-	(82,219)	4,342	89,108	(376,228)	69,815
Fund Balances at End of Year	\$ 232,401	\$ -	\$ (79,456)	\$ 5,109	\$ (236,942)	\$ (256,935)	\$ 109,423

(Continued on next page)

**CAPITOL REGION EDUCATION COUNCIL  
GENERAL FUND**

EXHIBIT A-2

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BY PROGRAM (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2008**

	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	\$ 1,724,315	\$ 4,442	\$ 6,052,385	\$ -	\$ 4,595,955	\$ 2,591,224	\$ 15,164,566
Grants in aid		6,891,210			395,036		
Room and board							1,425,194
Sales of services	662,802	1,754,342	2,398,385		1,786,307	2,008,233	4,828,412
Investment income						1,374	
Other local revenues		4,249	31		51,265	48,682	138
<b>Total revenues</b>	<b>2,387,117</b>	<b>8,654,243</b>	<b>8,450,801</b>	<b>-</b>	<b>6,433,527</b>	<b>5,044,549</b>	<b>21,418,310</b>
Expenditures:							
Current:							
Salaries	1,393,231	5,235,123	4,922,465		3,854,545	2,901,155	12,850,717
Employee benefits	204,982	921,634	1,022,829		794,524	765,258	3,314,493
Purchased professional and technical services	225,911	577,427	728,601		467,615	44,485	396,417
Purchased property services	283,718	675,778	477,420		404,493	208,812	948,508
Other purchased services	83,994	192,131	98,383		71,366	182,844	203,110
Supplies	55,051	456,525	570,776		598,049	140,255	613,084
Property	57,885	102,478	245,949		78,008	214,059	178,189
Other uses of funds	713	13,064	8,320		3,184	475	4,723
<b>Total expenditures</b>	<b>2,305,485</b>	<b>8,174,160</b>	<b>8,074,743</b>	<b>-</b>	<b>6,271,784</b>	<b>4,457,343</b>	<b>18,509,241</b>
Excess (Deficiency) of Revenues over Expenditures	81,632	480,083	376,058	-	161,743	587,206	2,909,069
Other Financing Sources (Uses):							
Transfers in						15,306	186,075
Transfers out	(99,284)	(362,112)	(361,836)		(255,864)	(545,069)	(3,092,387)
<b>Total other financing sources (uses)</b>	<b>(99,284)</b>	<b>(362,112)</b>	<b>(361,836)</b>	<b>-</b>	<b>(255,864)</b>	<b>(529,763)</b>	<b>(2,906,312)</b>
Net Change in Fund Balances	(17,652)	117,971	14,222	-	(94,121)	57,443	2,757
Fund Balances at Beginning of Year	(631,314)	94,393	183,146	-	81,422	1,057,800	5,458,480
Fund Balances at End of Year	<u>\$ (648,966)</u>	<u>\$ 212,364</u>	<u>\$ 197,368</u>	<u>\$ -</u>	<u>\$ (12,699)</u>	<u>\$ 1,115,243</u>	<u>\$ 5,461,237</u>

(Continued on next page)

**CAPITOL REGION EDUCATION COUNCIL  
GENERAL FUND**

EXHIBIT A-2

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BY PROGRAM (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2008**

	Special Programs						
	Polaris Center	Magnet School Cost Center	Integrated Program Model	Farmington Valley Diagnostic Center	Special Education Transportation	Greater Hartford Academy of the Arts	Center for Creative Youth
Revenues:							
Tuition	\$ 4,543,078	\$	\$ 1,802,690	\$ 1,009,326	\$	\$ 1,388,596	\$ 304,319
Grants in aid	298,626	1,374,100				3,336,067	239,436
Room and board	2,443,646						47,442
Sales of services	133,450	3,097,834	2,065,281	1,370		428,054	14,907
Investment income							1,741
Other local revenues	26,778		186,578			76,719	15,595
<b>Total revenues</b>	<b>7,445,578</b>	<b>4,471,934</b>	<b>4,054,549</b>	<b>1,010,696</b>	<b>-</b>	<b>5,229,436</b>	<b>623,440</b>
Expenditures:							
Current:							
Salaries	4,694,009	1,267,763	2,687,402	538,044		2,985,858	211,863
Employee benefits	1,232,687	185,753	704,296	148,857		565,198	42,306
Purchased professional and technical services	117,425	374,472	113,223	9,709		272,479	9,360
Purchased property services	105,400	66,589	68,388	111,285		759,416	1,812
Other purchased services	117,085	2,878,568	44,320	13,887		185,715	309,551
Supplies	484,716	86,518	23,038	26,627		175,473	8,915
Property	18,384	7,169	3,574	34,425		112,101	384
Other uses of funds	22,554	6,352				8,800	445
<b>Total expenditures</b>	<b>6,792,260</b>	<b>4,873,184</b>	<b>3,644,241</b>	<b>882,834</b>	<b>-</b>	<b>5,065,040</b>	<b>584,636</b>
Excess (Deficiency) of Revenues over Expenditures	653,318	(401,250)	410,308	127,862	-	164,396	38,804
Other Financing Sources (Uses):							
Transfers in			14,967				
Transfers out	(621,315)	(21,500)	(399,824)	(127,862)		(218,162)	(33,712)
<b>Total other financing sources (uses)</b>	<b>(621,315)</b>	<b>(21,500)</b>	<b>(384,857)</b>	<b>(127,862)</b>	<b>-</b>	<b>(218,162)</b>	<b>(33,712)</b>
Net Change in Fund Balances	32,003	(422,750)	25,451	-	-	(53,766)	5,092
Fund Balances at Beginning of Year	(653,975)	(191,062)	345,044	168,478	-	(61,885)	29,729
Fund Balances at End of Year	\$ (621,972)	\$ (613,812)	\$ 370,495	\$ 168,478	\$ -	\$ (115,651)	\$ 34,821

(Continued on next page)

**CAPITOL REGION EDUCATION COUNCIL  
GENERAL FUND**

EXHIBIT A-2

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BY PROGRAM (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2008**

	Special Programs				Total	Eliminations	Total
	Great Path Academy	School Transportation Management Services	International Magnet School for Global Citizenship	Reggio Magnet School for the Arts			
Revenues:							
Tuition	\$	\$	\$	\$	27,702,961	\$	\$ 27,702,961
Grants in aid	944,608				31,389,605		52,276,967
Room and board					3,916,282		3,916,282
Sales of services	338,989	1,828,965			26,647,522		26,899,621
Investment income					3,115		353,394
Other local revenues					424,357		477,958
<b>Total revenues</b>	<b>1,283,597</b>	<b>1,828,965</b>	<b>-</b>	<b>-</b>	<b>90,083,842</b>	<b>-</b>	<b>111,627,183</b>
Expenditures:							
Current:							
Salaries	929,163	53,884			49,030,385		52,429,554
Employee benefits	131,933	4,657			11,073,611		31,879,109
Purchased professional and technical services	64,302				4,283,951		4,919,372
Purchased property services					6,160,312		6,545,777
Other purchased services	41,074	1,770,424			6,755,331		7,853,795
Supplies	54,877				5,511,990		5,723,969
Property					1,101,855		1,225,957
Other uses of funds	2,412				80,579		101,472
<b>Total expenditures</b>	<b>1,223,761</b>	<b>1,828,965</b>	<b>-</b>	<b>-</b>	<b>83,998,014</b>	<b>-</b>	<b>110,679,005</b>
Excess (Deficiency) of Revenues over Expenditures	59,836	-	-	-	6,085,828	-	948,178
Other Financing Sources (Uses):							
Transfers in					216,348	(11,363,001)	1,389,085
Transfers out	(51,996)				(6,553,369)	11,363,001	(1,995,448)
<b>Total other financing sources (uses)</b>	<b>(51,996)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,337,021)</b>	<b>-</b>	<b>(606,363)</b>
Net Change in Fund Balances	7,840	-	-	-	(251,193)	-	341,815
Fund Balances at Beginning of Year	2,216	-	-	-	5,610,952	-	10,839,867
Fund Balances at End of Year	\$ 10,056	\$ -	\$ -	\$ -	\$ 5,359,759	\$ -	\$ 11,181,682

**CAPITOL REGION EDUCATION COUNCIL  
GENERAL FUND  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2008**

EXHIBIT A-3

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues:				
Special Programs:				
Tuition	\$ 25,844,623	\$ 26,538,939	\$ 27,702,961	\$ 1,164,022
Grants in aid	30,787,769	31,882,779	31,389,605	(493,174)
Room and board	4,163,296	4,163,296	3,916,282	(247,014)
Sales of services	30,094,802	32,374,492	26,647,522	(5,726,970)
Investment income			3,115	3,115
Other local revenues	124,120	130,775	424,357	293,582
Transfers			216,348	216,348
Total special programs	<u>91,014,610</u>	<u>95,090,281</u>	<u>90,300,190</u>	<u>(4,790,091)</u>
Administration/Facilities:				
Grants in aid	343,150	357,202		(357,202)
Sales of services			252,099	252,099
Other local revenues			53,601	53,601
Transfers	6,374,150	6,374,406	6,140,081	(234,325)
Total administration/facilities	<u>6,717,300</u>	<u>6,731,608</u>	<u>6,445,781</u>	<u>(285,827)</u>
Total revenues	<u>97,731,910</u>	<u>101,821,889</u>	<u>96,745,971</u>	<u>(5,075,918)</u>
Expenditures:				
Administration:				
Executive Director	334,491	334,491	334,491	-
Deputy Executive Director	345,935	345,935	345,377	558
Business Services	2,772,415	2,772,670	2,772,670	-
Human Resources	847,140	847,140	846,648	492
Communications Services	239,085	239,085	232,648	6,437
Student Services	376,980	376,980	357,114	19,866
Institute of Teaching and Learning	115,580	115,580	115,578	2
Grants and Development Office	343,150	357,202	357,202	-
Technical Assistance Brokering Services	315,224	315,224	315,224	-
Total administration	<u>5,690,000</u>	<u>5,704,307</u>	<u>5,676,952</u>	<u>27,355</u>
Facilities:				
Administrative Building Cost Center	<u>1,027,300</u>	<u>1,027,300</u>	<u>949,639</u>	<u>77,661</u>

(Continued on next page)

**CAPITOL REGION EDUCATION COUNCIL  
GENERAL FUND**

EXHIBIT A-3

**SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Special Programs:				
Connecticut Academy for Education				
Leaders	\$ 3,520	\$ 4,270	\$ 4,270	\$ -
Interdistrict Grant Office	95,180	119,600	102,414	17,186
Minority Teacher Recruiting	28,000	209,875	176,666	33,209
Juvenile Detention Center	716,330	716,330	663,349	52,981
Coltsville Facility	1,115,500	1,115,500		1,115,500
Project Literacy	73,400	73,400	71,236	2,164
Allied Health Career Collaborative	20,000	20,000	19,232	768
Learning Corridor Cost Center	3,630,845	3,903,763	3,903,763	-
Montessori Magnet School	3,755,050	4,025,475	4,025,475	-
East Hartford/Glastonbury Magnet School	2,677,500	2,706,378	2,706,378	-
GHA Math and Science Magnet School	2,324,910	2,404,769	2,404,769	-
Metropolitan Learning Center Magnet School	8,655,050	8,655,050	8,536,272	118,778
Two Rivers Magnet Middle School	8,470,350	8,470,350	8,436,579	33,771
University of Hartford Magnet School	6,092,520	6,527,648	6,527,648	-
Soundbridge	4,874,290	5,002,412	5,002,412	-
River Street School	21,318,700	21,601,628	21,601,628	-
Polaris Center	7,315,450	7,413,575	7,413,575	-
Magnet School Cost Center	4,152,330	4,894,684	4,894,684	-
Integrated Program Model	4,398,075	4,398,075	4,044,065	354,010
Farmington Valley Diagnostic Center	891,655	1,010,696	1,010,696	-
Greater Hartford Academy of the Arts	3,940,650	5,283,202	5,283,202	-
Center for Creative Youth	782,845	782,845	618,348	164,497
Great Path Academy	1,207,460	1,275,757	1,275,757	-
School Transportation Management Services	4,475,000	4,475,000	1,828,965	2,646,035
Total special programs	<u>91,014,610</u>	<u>95,090,282</u>	<u>90,551,383</u>	<u>4,538,899</u>
 Total expenditures	<u>97,731,910</u>	<u>101,821,889</u>	<u>97,177,974</u>	<u>4,643,915</u>
 Deficiency of Revenues over Expenditures	\$ <u>-</u>	\$ <u>-</u>	(432,003)	\$ <u>(432,003)</u>
 Budgetary deficiency of revenues over expenditures is different than GAAP net change in fund balance:				
Revenue and expenditures for CREC General Program are not budgeted. Net change in fund balance for CREC General program is.			<u>773,818</u>	
 Net Change in Fund Balance - GAAP Basis			\$ <u>341,815</u>	

## **Special Revenue Fund**

## **SPECIAL REVENUE FUND**

### **GRANTS AND CONTRACTS FUND**

**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.

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

**RELATED SERVICES** - Professional development, staffing and other services are provided for state agency programs. In addition, services provided to local school districts include diagnostic services, extensive staff brokering and grant coordination.

**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 DEVELOPMENT** - 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.

**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.

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

**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. This year marked the closing of the program in Connecticut.

**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.

**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."

**PRESCHOOL INTERVENTION PROGRAM** - The Preschool Intervention Program (PIP) identifies high-risk children early and provides programming and support to their families. PIP then assists 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 ASSOCIATION FOR THE EDUCATION OF YOUNG CHILDREN (HAEYC)** - This program is a local membership organization of the National Association for the Education of Young Children. HAEYC provides training opportunities, educational events and resources to members and to the general early childhood teacher community.

**BIRTH TO THREE** - The Birth to Three program receives funds from the State Department of 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 is 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.

**CAPITOL REGION EDUCATION COUNCIL  
SPECIAL REVENUE FUND  
BALANCE SHEET - BY PROGRAM  
JUNE 30, 2008**

EXHIBIT B-1

**Grants and Contracts Fund**

	<b>Interdistrict Grants</b>	<b>Project PACT</b>	<b>Teaching American History</b>	<b>GHAMAS Outreach Science Resource Center</b>	<b>Special Services Support Team</b>	<b>Related Services</b>	<b>Regional Technology Training</b>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 284,740	\$ 53,104	\$	\$ 49	\$	\$	\$ 21,035
Accounts receivable	<u>2,272</u>	<u></u>	<u>63,780</u>	<u></u>	<u>332,464</u>	<u>465,102</u>	<u></u>
Total Assets	<u>\$ 287,012</u>	<u>\$ 53,104</u>	<u>\$ 63,780</u>	<u>\$ 49</u>	<u>\$ 332,464</u>	<u>\$ 465,102</u>	<u>\$ 21,035</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable and accrued liabilities	\$ 253,384	\$ 53,104	\$ 14,040	\$	\$ 14,461	\$ 51,876	\$ 21,035
Due to other funds			49,740		351,587	388,417	
Deferred revenues	<u>30,151</u>	<u></u>	<u></u>	<u></u>	<u>15,157</u>	<u>26,064</u>	<u></u>
Total liabilities	283,535	53,104	63,780	-	381,205	466,357	21,035
Fund Balances:							
Unreserved, undesignated	<u>3,477</u>	<u>-</u>	<u>-</u>	<u>49</u>	<u>(48,741)</u>	<u>(1,255)</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 287,012</u>	<u>\$ 53,104</u>	<u>\$ 63,780</u>	<u>\$ 49</u>	<u>\$ 332,464</u>	<u>\$ 465,102</u>	<u>\$ 21,035</u>

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**CAPITOL REGION EDUCATION COUNCIL  
SPECIAL REVENUE FUND  
BALANCE SHEET - BY PROGRAM (CONTINUED)  
JUNE 30, 2008**

EXHIBIT B-1

**Grants and Contracts Fund**

	<b>Connecticut Technical High Schools</b>	<b>Summer Youth Employment</b>	<b>Capitol Region Choice Program</b>	<b>School to Career Initiatives</b>	<b>Suburban Youth Programs</b>	<b>Pupil Partners</b>	<b>Connecticut Migratory Children's Program</b>
<b>ASSETS</b>							
Cash and cash equivalents	\$	\$ 17,261	\$	\$ 192,192	\$	\$ 19,214	\$ 5,798
Accounts receivable	82,280		15,000	7,109	51,410		
<b>Total Assets</b>	<b>\$ 82,280</b>	<b>\$ 17,261</b>	<b>\$ 15,000</b>	<b>\$ 199,301</b>	<b>\$ 51,410</b>	<b>\$ 19,214</b>	<b>\$ 5,798</b>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable and accrued liabilities	\$ 2,080	\$ 10,946	\$ 357,114	\$ 170,355	\$ 3,959	\$ 15,057	\$ 30
Due to other funds	33,137		224,832		50,324		
Deferred revenues			43,507	28,620			
<b>Total liabilities</b>	<b>35,217</b>	<b>10,946</b>	<b>625,453</b>	<b>198,975</b>	<b>54,283</b>	<b>15,057</b>	<b>30</b>
Fund Balances:							
Unreserved, undesignated	47,063	6,315	(610,453)	326	(2,873)	4,157	5,768
<b>Total Liabilities and Fund Balances</b>	<b>\$ 82,280</b>	<b>\$ 17,261</b>	<b>\$ 15,000</b>	<b>\$ 199,301</b>	<b>\$ 51,410</b>	<b>\$ 19,214</b>	<b>\$ 5,798</b>

(Continued on next page)

**CAPITOL REGION EDUCATION COUNCIL  
SPECIAL REVENUE FUND  
BALANCE SHEET - BY PROGRAM (CONTINUED)  
JUNE 30, 2008**

EXHIBIT B-1

**Grants and Contracts Fund**

	<u>Entitlement Grants</u>	<u>Department of Corrections Professional Development</u>	<u>Community Education</u>	<u>Metacomet Ridge Academy</u>	<u>EQUAL Summer</u>	<u>Graustein Fund Discovery Grant</u>	<u>Preschool Intervention Program</u>
<b>ASSETS</b>							
Cash and cash equivalents	\$	\$ 25,218	\$	\$ 19,615	\$ 28,858	\$	\$
Accounts receivable	164,086	22,540	439,704		135		
Total Assets	<u>\$ 164,086</u>	<u>\$ 47,758</u>	<u>\$ 439,704</u>	<u>\$ 19,615</u>	<u>\$ 28,993</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable and accrued liabilities	\$ 21,639	\$ 9,032	\$ 35,387	\$ 19,615	\$ 1,433	\$	\$ 5,113
Due to other funds	142,665		395,157				56,247
Deferred revenues		15,420	1,177		25,663		1,394
Total liabilities	164,304	24,452	431,721	19,615	27,096	-	62,754
Fund Balances:							
Unreserved, undesignated	(218)	23,306	7,983	-	1,897	-	(62,754)
Total Liabilities and Fund Balances	<u>\$ 164,086</u>	<u>\$ 47,758</u>	<u>\$ 439,704</u>	<u>\$ 19,615</u>	<u>\$ 28,993</u>	<u>\$ -</u>	<u>\$ -</u>

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**CAPITOL REGION EDUCATION COUNCIL  
SPECIAL REVENUE FUND  
BALANCE SHEET - BY PROGRAM (CONTINUED)  
JUNE 30, 2008**

EXHIBIT B-1

**Grants and Contracts Fund**

	<u>Hartford Association for the Education of Young Children</u>	<u>Birth to Three</u>	<u>Employment Training Program</u>	<u>Early Education Programs</u>	<u>Supplemental Services</u>	<u>Total</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 22,357	\$ 13,502	\$	\$	\$ 89,587	\$ 792,530
Accounts receivable	<u>15,760</u>	<u>264,515</u>	<u>130,406</u>	<u>58,962</u>	<u>130,966</u>	<u>2,246,491</u>
Total Assets	<u>\$ 38,117</u>	<u>\$ 278,017</u>	<u>\$ 130,406</u>	<u>\$ 58,962</u>	<u>\$ 220,553</u>	<u>\$ 3,039,021</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable and accrued liabilities	\$ 38,117	\$ 33,644	\$ 11,701	\$ 32,489	\$ 52,545	\$ 1,228,156
Due to other funds			301,147	169,511		2,162,764
Deferred revenues		<u>54,000</u>	<u>3,013</u>	<u>13,849</u>	<u>22,611</u>	<u>280,626</u>
Total liabilities	38,117	87,644	315,861	215,849	75,156	3,671,546
Fund Balances:						
Unreserved, undesignated	<u>-</u>	<u>190,373</u>	<u>(185,455)</u>	<u>(156,887)</u>	<u>145,397</u>	<u>(632,525)</u>
Total Liabilities and Fund Balances	<u>\$ 38,117</u>	<u>\$ 278,017</u>	<u>\$ 130,406</u>	<u>\$ 58,962</u>	<u>\$ 220,553</u>	<u>\$ 3,039,021</u>

**CAPITOL REGION EDUCATION COUNCIL  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BY PROGRAM  
FOR THE YEAR ENDED JUNE 30, 2008**

**Grants and Contracts Fund**

	<u>Interdistrict Grants</u>	<u>Project PACT</u>	<u>Teaching American History</u>	<u>GHAMAS Outreach Science Resource Center</u>	<u>Special Services Support Team</u>	<u>Related Services</u>	<u>Regional Technology Training</u>
Revenues:							
Tuition	\$ 725						
Grants in aid	1,391,333	\$ 36,669	\$ 492,382	\$	\$ 25,000	\$ 669,905	\$
Sales of services					1,251,294	1,088,804	
Other local revenues	5,099						
Total revenues	<u>1,397,157</u>	<u>36,669</u>	<u>492,382</u>	<u>-</u>	<u>1,276,294</u>	<u>1,758,709</u>	<u>-</u>
Expenditures:							
Current:							
Salaries	164,071	951	75,697		780,204	1,006,934	
Employee benefits	12,240	225	23,849		167,117	242,266	
Purchased professional and technical services	132,013		144,300		124,562	310,232	
Purchased property services	4,350				150		
Other purchased services	1,002,926	27,935	178,690		126,629	25,582	
Supplies	9,637	5,812	14,054		20,038	26,130	
Property					4,134		
Other objects					704	60	
Total expenditures	<u>1,325,237</u>	<u>34,923</u>	<u>436,590</u>	<u>-</u>	<u>1,223,538</u>	<u>1,611,204</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>71,920</u>	<u>1,746</u>	<u>55,792</u>	<u>-</u>	<u>52,756</u>	<u>147,505</u>	<u>-</u>
Other Financing Sources (Uses):							
Transfers in					34,650		
Transfers out	(73,296)	(1,746)	(55,792)		(103,998)	(170,389)	
Total other financing sources (uses)	<u>(73,296)</u>	<u>(1,746)</u>	<u>(55,792)</u>	<u>-</u>	<u>(69,348)</u>	<u>(170,389)</u>	<u>-</u>
Net Change in Fund Balances	(1,376)	-	-	-	(16,592)	(22,884)	-
Fund Balances at Beginning of Year	4,853	-	-	49	(32,149)	21,629	-
Fund Balances at End of Year	<u>\$ 3,477</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49</u>	<u>\$ (48,741)</u>	<u>\$ (1,255)</u>	<u>\$ -</u>

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**CAPITOL REGION EDUCATION COUNCIL  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BY PROGRAM (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2008**

**Grants and Contracts Fund**

	<u>Connecticut Technical High Schools</u>	<u>Summer Youth Employment</u>	<u>Capitol Region Choice Program</u>	<u>School to Career Initiatives</u>	<u>Suburban Youth Programs</u>	<u>Pupil Partners</u>	<u>Connecticut Migratory Children's Program</u>
Revenues:							
Tuition	\$ 348,394	\$ 1,223,183	\$ 4,774,285	\$ 455,980	\$ 199,414	\$ 100,000	\$ 6,593
Grants in aid				5,000			
Sales of services							
Other local revenues			60,200				
Total revenues	<u>348,394</u>	<u>1,223,183</u>	<u>4,834,485</u>	<u>460,980</u>	<u>199,414</u>	<u>100,000</u>	<u>6,593</u>
Expenditures:							
Current:							
Salaries	53,252	1,112,846	928,039	140,962	107,193	6,000	2,516
Employee benefits	17,016	81,200	191,883	33,817	26,125	740	460
Purchased professional and technical services	117,999	414	97,737	42,035	21,061	4,795	1,099
Purchased property services			14,102		1,055		
Other purchased services	106,353	12,048	3,601,551	152,906	15,001	81,040	230
Supplies	690	8,979	48,567	13,560	13,911		(179)
Property			33,500	41,768			
Other objects							
Total expenditures	<u>295,310</u>	<u>1,215,487</u>	<u>4,915,379</u>	<u>425,048</u>	<u>184,346</u>	<u>92,575</u>	<u>4,126</u>
Excess (Deficiency) of Revenues over Expenditures	<u>53,084</u>	<u>7,696</u>	<u>(80,894)</u>	<u>35,932</u>	<u>15,068</u>	<u>7,425</u>	<u>2,467</u>
Other Financing Sources (Uses):							
Transfers in							
Transfers out	<u>(46,064)</u>	<u>(7,696)</u>	<u>(23,274)</u>	<u>(35,931)</u>	<u>(17,450)</u>	<u>(7,424)</u>	
Total other financing sources (uses)	<u>(46,064)</u>	<u>(7,696)</u>	<u>(23,274)</u>	<u>(35,931)</u>	<u>(17,450)</u>	<u>(7,424)</u>	<u>-</u>
Net Change in Fund Balances	7,020	-	(104,168)	1	(2,382)	1	2,467
Fund Balances at Beginning of Year	<u>40,043</u>	<u>6,315</u>	<u>(506,285)</u>	<u>325</u>	<u>(491)</u>	<u>4,156</u>	<u>3,301</u>
Fund Balances at End of Year	<u>\$ 47,063</u>	<u>\$ 6,315</u>	<u>\$ (610,453)</u>	<u>\$ 326</u>	<u>\$ (2,873)</u>	<u>\$ 4,157</u>	<u>\$ 5,768</u>

(Continued on next page)

**CAPITOL REGION EDUCATION COUNCIL  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BY PROGRAM (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2008**

**Grants and Contracts Fund**

	<u>Entitlement Grants</u>	<u>Department of Corrections Professional Development</u>	<u>Community Education</u>	<u>Metacommet Ridge Academy</u>	<u>EQUAL Summer</u>	<u>Graustein Fund Discovery Grant</u>	<u>Preschool Intervention Program</u>
Revenues:							
Tuition	\$	\$	\$	\$	\$	\$	\$
Grants in aid	252,868	228,826	1,474,681	61,137	2,247		324,230
Sales of services			483,028		82,500		
Other local revenues					(3,285)		
					20,259		1,606
Total revenues	<u>252,868</u>	<u>228,826</u>	<u>1,957,709</u>	<u>61,137</u>	<u>101,721</u>	<u>-</u>	<u>325,836</u>
Expenditures:							
Current:							
Salaries	37,525	163,475	1,137,388	38,401	57,464		200,306
Employee benefits	3,230	18,766	267,276	3,234	5,024		70,046
Purchased professional and technical services	168,881	13,709	189,318	11,285	7,500		1,291
Purchased property services			1,860				21,536
Other purchased services	2,775	3,173	219,640	3,289	20,518		7,834
Supplies	3,635	120	23,917	390			5,315
Property			185				
Other objects			954		90		190
Total expenditures	<u>216,046</u>	<u>199,243</u>	<u>1,840,538</u>	<u>56,599</u>	<u>90,596</u>	<u>-</u>	<u>306,518</u>
Excess (Deficiency) of Revenues over Expenditures	<u>36,822</u>	<u>29,583</u>	<u>117,171</u>	<u>4,538</u>	<u>11,125</u>	<u>-</u>	<u>19,318</u>
Other Financing Sources (Uses):							
Transfers in							
Transfers out	<u>(36,821)</u>	<u>(19,968)</u>	<u>(127,023)</u>	<u>(4,538)</u>	<u>(11,125)</u>	<u>(2,750)</u>	<u>(19,319)</u>
Total other financing sources (uses)	<u>(36,821)</u>	<u>(19,968)</u>	<u>(127,023)</u>	<u>(4,538)</u>	<u>(11,125)</u>	<u>(2,750)</u>	<u>(19,319)</u>
Net Change in Fund Balances	1	9,615	(9,852)	-	-	(2,750)	(1)
Fund Balances at Beginning of Year	<u>(219)</u>	<u>13,691</u>	<u>17,835</u>	<u>-</u>	<u>1,897</u>	<u>2,750</u>	<u>(62,753)</u>
Fund Balances at End of Year	<u>\$ (218)</u>	<u>\$ 23,306</u>	<u>\$ 7,983</u>	<u>\$ -</u>	<u>\$ 1,897</u>	<u>\$ -</u>	<u>\$ (62,754)</u>

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**CAPITOL REGION EDUCATION COUNCIL  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BY PROGRAM (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2008**

**Grants and Contracts Fund**

	<u>Hartford Association for the Education of Young Children</u>	<u>Birth to Three</u>	<u>Employment Training Program</u>	<u>Early Education Programs</u>	<u>Supplemental Services</u>	<u>Total</u>
Revenues:						
Tuition	\$	\$	\$ 24,380	\$	\$	\$ 27,352
Grants in aid	76,150	1,620,162	618,182	678,090	350,796	15,490,760
Sales of services	141,337		25,302	472,409	145,000	3,608,889
Other local revenues	1,120	133,028	46,680	21,859		289,851
Total revenues	<u>218,607</u>	<u>1,753,190</u>	<u>714,544</u>	<u>1,172,358</u>	<u>495,796</u>	<u>19,416,852</u>
Expenditures:						
Current:						
Salaries	80,448	1,174,296	465,364	734,892	299,981	8,768,205
Employee benefits	20,877	264,888	95,268	204,873	43,859	1,794,279
Purchased professional and technical services	54,221	27,697	9,268	15,705	63,313	1,558,435
Purchased property services		25,284	67,772	10,255		146,364
Other purchased services	18,276	76,841	18,639	285,006	33,736	6,020,618
Supplies	15,320	3,584	34,913	20,088	28,898	297,379
Property	2,395	972	2,156	1,292	1,202	87,604
Other objects	90		485	563		3,136
Total expenditures	<u>191,627</u>	<u>1,573,562</u>	<u>693,865</u>	<u>1,272,674</u>	<u>470,989</u>	<u>18,676,020</u>
Excess (Deficiency) of Revenues over Expenditures	<u>26,980</u>	<u>179,628</u>	<u>20,679</u>	<u>(100,316)</u>	<u>24,807</u>	<u>740,832</u>
Other Financing Sources (Uses):						
Transfers in						34,650
Transfers out	<u>(26,980)</u>	<u>(163,996)</u>	<u>(46,308)</u>	<u>(18,958)</u>	<u>(26,361)</u>	<u>(1,047,207)</u>
Total other financing sources (uses)	<u>(26,980)</u>	<u>(163,996)</u>	<u>(46,308)</u>	<u>(18,958)</u>	<u>(26,361)</u>	<u>(1,012,557)</u>
Net Change in Fund Balances	-	15,632	(25,629)	(119,274)	(1,554)	(271,725)
Fund Balances at Beginning of Year	<u>-</u>	<u>174,741</u>	<u>(159,826)</u>	<u>(37,613)</u>	<u>146,951</u>	<u>(360,800)</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ 190,373</u>	<u>\$ (185,455)</u>	<u>\$ (156,887)</u>	<u>\$ 145,397</u>	<u>\$ (632,525)</u>

**CAPITOL REGION EDUCATION COUNCIL  
SPECIAL REVENUE FUND  
SCHEDULES OF REVENUES AND EXPENDITURES  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2008**

	Budget Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Grants and Contracts Fund</b>				
<b>Interdistrict Grants</b>				
Revenues:				
Grants in aid	\$ 1,484,445	\$ 1,484,445	\$ 1,391,333	\$ (93,112)
Tuition			725	725
Other local revenue			5,099	5,099
Total revenues	<u>1,484,445</u>	<u>1,484,445</u>	<u>1,397,157</u>	<u>(87,288)</u>
Total expenditures	<u>1,484,445</u>	<u>1,484,445</u>	<u>1,398,533</u>	<u>85,912</u>
Deficiency of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,376)</u>	<u>\$ (1,376)</u>
<b>Project PACT</b>				
Revenues:				
Grants in aid	\$ 100,000	\$ 100,000	\$ 36,669	\$ (63,331)
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>36,669</u>	<u>63,331</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Teaching American History</b>				
Revenues:				
Grants in aid	\$ 633,335	\$ 633,335	\$ 492,382	\$ (140,953)
Total expenditures	<u>633,335</u>	<u>633,335</u>	<u>492,382</u>	<u>140,953</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Special Services Support Team</b>				
Revenues:				
Grants in aid	\$	\$	\$ 25,000	\$ 25,000
Sales of services	1,254,000	1,327,539	1,251,294	(76,245)
Transfers			34,650	34,650
Total revenues	<u>1,254,000</u>	<u>1,327,539</u>	<u>1,310,944</u>	<u>(16,595)</u>
Total expenditures	<u>1,254,000</u>	<u>1,327,539</u>	<u>1,327,536</u>	<u>3</u>
Deficiency of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (16,592)</u>	<u>\$ (16,592)</u>

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**CAPITOL REGION EDUCATION COUNCIL  
SPECIAL REVENUE FUND  
SCHEDULES OF REVENUES AND EXPENDITURES  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2008**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Related Services</b>				
Revenues:				
Grants in aid	\$ 750,000	\$ 750,000	\$ 669,905	\$ (80,095)
Sales of services	1,056,390	1,056,390	1,088,804	32,414
Total revenues	<u>1,806,390</u>	<u>1,806,390</u>	<u>1,758,709</u>	<u>(47,681)</u>
Total expenditures	<u>1,806,390</u>	<u>1,806,390</u>	<u>1,781,593</u>	<u>24,797</u>
Deficiency of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (22,884)</u>	<u>\$ (22,884)</u>
<b>Connecticut Technical High Schools</b>				
Revenues:				
Grants in aid	\$ 600,000	\$ 600,000	\$ 348,394	\$ (251,606)
Total expenditures	<u>600,000</u>	<u>600,000</u>	<u>341,374</u>	<u>258,626</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,020</u>	<u>\$ 7,020</u>
<b>Summer Youth Employment</b>				
Revenues:				
Grants in aid	\$ 553,675	\$ 1,473,250	\$ 1,223,183	\$ (250,067)
Total expenditures	<u>553,675</u>	<u>1,473,250</u>	<u>1,223,183</u>	<u>250,067</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Capitol Region Choice Program</b>				
Revenues:				
Grants in aid	\$ 4,580,000	\$ 4,938,659	\$ 4,774,285	\$ (164,374)
Other local revenues			60,200	60,200
Total revenues	<u>4,580,000</u>	<u>4,938,659</u>	<u>4,834,485</u>	<u>(104,174)</u>
Total expenditures	<u>4,580,000</u>	<u>4,938,659</u>	<u>4,938,653</u>	<u>6</u>
Deficiency of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (104,168)</u>	<u>\$ (104,168)</u>

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**CAPITOL REGION EDUCATION COUNCIL  
SPECIAL REVENUE FUND  
SCHEDULES OF REVENUES AND EXPENDITURES  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>School to Career Initiatives</b>				
Revenues:				
Grants in aid	\$ 506,700	\$ 506,700	\$ 455,980	\$ (50,720)
Sales of services			5,000	5,000
Total revenues	<u>506,700</u>	<u>506,700</u>	<u>460,980</u>	<u>(45,720)</u>
Total expenditures	<u>506,700</u>	<u>506,700</u>	<u>460,979</u>	<u>45,721</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>
<b>Suburban Youth Programs</b>				
Revenues:				
Grants in aid	\$ 210,500	\$ 210,500	\$ 199,414	\$ (11,086)
Total expenditures	<u>210,500</u>	<u>210,500</u>	<u>201,796</u>	<u>8,704</u>
Deficiency of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,382)</u>	<u>\$ (2,382)</u>
<b>Pupil Partners</b>				
Revenues:				
Grants in aid	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>99,999</u>	<u>1</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>
<b>Connecticut Migratory Children's Program</b>				
Revenues:				
Grants in aid	\$ 9,825	\$ 9,825	\$ 6,593	\$ (3,232)
Total expenditures	<u>9,825</u>	<u>9,825</u>	<u>4,126</u>	<u>5,699</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,467</u>	<u>\$ 2,467</u>
<b>Entitlement Grants</b>				
Revenues:				
Grants in aid	\$ 150,780	\$ 252,867	\$ 252,868	\$ 1
Total expenditures	<u>150,780</u>	<u>252,867</u>	<u>252,867</u>	<u>-</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>

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**CAPITOL REGION EDUCATION COUNCIL  
SPECIAL REVENUE FUND  
SCHEDULES OF REVENUES AND EXPENDITURES  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Department of Corrections Professional Development</b>				
Revenues:				
Grants in aid	\$ 278,000	\$ 278,000	\$ 228,826	\$ (49,174)
Total expenditures	<u>278,000</u>	<u>278,000</u>	<u>219,211</u>	<u>58,789</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,615</u>	<u>\$ 9,615</u>
<b>Community Education</b>				
Revenues:				
Grants in aid	\$ 1,721,703	\$ 1,721,703	\$ 1,474,681	\$ (247,022)
Sales of services	499,242	499,242	483,028	(16,214)
Total revenues	<u>2,220,945</u>	<u>2,220,945</u>	<u>1,957,709</u>	<u>(263,236)</u>
Total expenditures	<u>2,220,945</u>	<u>2,220,945</u>	<u>1,967,561</u>	<u>253,384</u>
Deficiency of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,852)</u>	<u>\$ (9,852)</u>
<b>Metacomet Ridge Academy</b>				
Revenues:				
Grants in aid	\$ 61,137	\$ 61,137	\$ 61,137	\$ -
Total expenditures	<u>61,137</u>	<u>61,137</u>	<u>61,137</u>	<u>-</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>EQUAL Summer</b>				
Revenues:				
Tuition	\$	\$	\$ 2,247	\$ 2,247
Grants in aid	98,000	101,721	82,500	(19,221)
Other local revenues			16,974	
Total revenues	<u>98,000</u>	<u>101,721</u>	<u>101,721</u>	<u>(16,974)</u>
Total expenditures	<u>98,000</u>	<u>101,721</u>	<u>101,721</u>	<u>-</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (16,974)</u>

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**CAPITOL REGION EDUCATION COUNCIL  
SPECIAL REVENUE FUND  
SCHEDULES OF REVENUES AND EXPENDITURES  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2008**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Preschool Intervention Program</b>				
Revenues:				
Grants in aid	\$ 345,050	\$ 345,050	\$ 324,230	(20,820)
Other local revenues			1,606	1,606
Total revenues	<u>345,050</u>	<u>345,050</u>	<u>325,836</u>	<u>\$ (19,214)</u>
Total expenditures	<u>345,050</u>	<u>345,050</u>	<u>325,837</u>	<u>19,213</u>
Deficiency of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ (1)</u>
<b>Hartford Association for the Education of Young Children (HAEYC)</b>				
Revenues:				
Grants in aid	\$ 76,930	\$ 76,930	\$ 76,150	\$ (780)
Sales of services	148,380	148,380	141,337	(7,043)
			1,120	1,120
Total revenues	<u>225,310</u>	<u>225,310</u>	<u>218,607</u>	<u>(6,703)</u>
Total expenditures	<u>225,310</u>	<u>225,310</u>	<u>218,607</u>	<u>6,703</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Birth to Three</b>				
Revenues:				
Grants in aid	\$ 1,726,000	\$ 1,737,559	\$ 1,620,162	\$ (117,397)
Other local revenues			133,028	133,028
Total revenues	<u>1,726,000</u>	<u>1,737,559</u>	<u>1,753,190</u>	<u>15,631</u>
Total expenditures	<u>1,726,000</u>	<u>1,737,559</u>	<u>1,737,558</u>	<u>1</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,632</u>	<u>\$ 15,632</u>
<b>Employment Training Program</b>				
Revenues:				
Grants in aid and other local revenue	\$ 763,850	\$ 763,850	\$ 618,182	\$ (145,668)
Other local revenue			46,680	46,680
Tuition			24,380	24,380
Sales of services	137,965	137,965	25,302	(112,663)
Total revenues	<u>901,815</u>	<u>901,815</u>	<u>714,544</u>	<u>(187,271)</u>
Total expenditures	<u>901,815</u>	<u>901,815</u>	<u>740,173</u>	<u>161,642</u>
Deficiency of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (25,629)</u>	<u>\$ (25,629)</u>

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**CAPITOL REGION EDUCATION COUNCIL  
SPECIAL REVENUE FUND  
SCHEDULES OF REVENUES AND EXPENDITURES  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2008**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Early Education Programs</b>				
Revenues:				
Grants in aid	\$ 879,311	\$ 879,311	\$ 678,090	\$ (201,221)
Tuition	527,273	527,273		(527,273)
Sales of services	143,031	143,031	472,409	329,378
Other local revenue			21,859	21,859
Total revenues	<u>1,549,615</u>	<u>1,549,615</u>	<u>1,172,358</u>	<u>(377,257)</u>
Total expenditures	<u>1,549,615</u>	<u>1,549,615</u>	<u>1,291,632</u>	<u>257,983</u>
Deficiency of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (119,274)</u>	<u>\$ (119,274)</u>
<b>Supplemental Services</b>				
Revenues:				
Grants in aid	\$ 275,150	\$ 352,350	\$ 350,796	\$ (1,554)
Sales of services		145,000	145,000	-
Total revenues	<u>275,150</u>	<u>497,350</u>	<u>495,796</u>	<u>(1,554)</u>
Total expenditures	<u>275,150</u>	<u>497,350</u>	<u>497,350</u>	<u>-</u>
Deficiency of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,554)</u>	<u>\$ (1,554)</u>

**Nonmajor  
Governmental Funds**

## **NONMAJOR GOVERNMENTAL FUNDS**

### **CAPITAL PROJECTS FUND**

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

**EAST HARTFORD/GLASTONBURY MAGNET CONSTRUCTION** - Accounts 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.

**SOUNDBRIDGE CONSTRUCTION** - Accounts for renovation of the current Soundbridge school facility in Wethersfield, CT.

**POLARIS CENTER RENOVATION** - Accounts for site acquisition and renovation of a school facility for the Polaris Center Program.

**CAPITAL LEASE** - Accounts 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** - Accounts for service of the debt on property of the Council located at 111 Charter Oak Avenue, Hartford.

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

### **SPECIAL REVENUE FUND**

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

## CAPITOL REGION EDUCATION COUNCIL

NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET

JUNE 30, 2008

	Capital Projects Funds					
	Special Education Schools Capital Projects	East Hartford/ Glastonbury Magnet Construction	Soundbridge Construction	Polaris Center Renovation	Capital Lease	Total Capital Projects Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 310,152	\$ -	\$ -	\$ -	\$ -	\$ 310,152
Investments						-
Accounts receivable			70,197			70,197
Total Assets	<u>\$ 310,152</u>	<u>\$ -</u>	<u>\$ 70,197</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 380,349</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 4,400	\$ -	\$ -	\$ 4,400
Due to other funds		53,457	65,797			119,254
Total liabilities	<u>-</u>	<u>53,457</u>	<u>70,197</u>	<u>-</u>	<u>-</u>	<u>123,654</u>
Fund Balances:						
Reserved for purposes of trust						-
Reserved for debt service						-
Unreserved:						
Undesignated	310,152	(53,457)				256,695
Total fund balance	<u>310,152</u>	<u>(53,457)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>256,695</u>
Total Liabilities and Fund Balances	<u>\$ 310,152</u>	<u>\$ -</u>	<u>\$ 70,197</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 380,349</u>

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

JUNE 30, 2008

	Permanent Fund	Debt Service Funds			Special Revenues	Total Nonmajor Governmental Funds
	Narkin Scholarship Fund	Administration Center Parking Lot	Bond Issue Cost Center	Total Debt Service Funds	CREC Foundation Inc.	
<b>ASSETS</b>						
Cash and cash equivalents	\$		\$ 969,695	\$ 969,695	\$ 2,376	\$ 1,282,223
Investments		20,607		-		20,607
Accounts receivable				-		70,197
Total Assets	\$	<u>20,607</u>	\$ -	<u>\$ 969,695</u>	<u>\$ 2,376</u>	<u>\$ 1,373,027</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable and accrued liabilities	\$			\$ -		\$ 4,400
Due to other funds		3,607		-		122,861
Total liabilities		<u>3,607</u>	-	-	-	<u>127,261</u>
Fund Balances:						
Reserved for purposes of trust		17,000		-		17,000
Reserved for debt service			969,695	969,695		969,695
Unreserved:						
Undesignated				-	2,376	259,071
Total fund balance		<u>17,000</u>	-	<u>969,695</u>	<u>2,376</u>	<u>1,245,766</u>
Total Liabilities and Fund Balances	\$	<u>20,607</u>	\$ -	<u>\$ 969,695</u>	<u>\$ 2,376</u>	<u>\$ 1,373,027</u>

**CAPITOL REGION EDUCATION COUNCIL**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<b>Capital Projects Funds</b>					<b>Total Capital Projects Funds</b>
	<b>Special Education Schools Capital Projects</b>	<b>East Hartford/ Glastonbury Magnet Construction</b>	<b>Soundbridge Construction</b>	<b>Polaris Center Renovation</b>	<b>Capital Lease</b>	
Revenues:						
Grants in aid	\$	\$	\$ 426,866	\$	\$	\$ 426,866
Investment income						-
Total revenues	<u>-</u>	<u>-</u>	<u>426,866</u>	<u>-</u>	<u>-</u>	<u>426,866</u>
Expenditures:						
Current:						
Other objects						
Debt service:						
Principal						
Interest and fiscal charges						
Capital outlay			426,866		775,000	1,201,866
Total expenditures	<u>-</u>	<u>-</u>	<u>426,866</u>	<u>-</u>	<u>775,000</u>	<u>1,201,866</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(775,000)</u>	<u>(775,000)</u>
Other Financing Sources:						
Transfers in	155,076			337		155,413
Proceeds from capital lease					775,000	775,000
Total other financing sources	<u>155,076</u>	<u>-</u>	<u>-</u>	<u>337</u>	<u>775,000</u>	<u>930,413</u>
Net Change in Fund Balances	155,076	-	-	337	-	155,413
Fund Balances at Beginning of Year	<u>155,076</u>	<u>(53,457)</u>	<u>-</u>	<u>(337)</u>		<u>101,282</u>
Fund Balances at End of Year	<u>\$ 310,152</u>	<u>\$ (53,457)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 256,695</u>

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## CAPITOL REGION EDUCATION COUNCIL

## NONMAJOR GOVERNMENTAL FUNDS

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

FOR THE YEAR ENDED JUNE 30, 2008

	Permanent Fund	Debt Service Funds			Special Revenues	Total Nonmajor Governmental Funds
	Narkin Scholarship Fund	Administration Center Parking Lot	Bond Issue Cost Center	Total Debt Service Funds	CREC Foundation Inc.	
Revenues:						
Grants in aid	\$	\$	\$ 11,895	\$ 11,895	\$ 484,310	\$ 923,071
Investment income			27,419	27,419		27,419
Total revenues	<u>-</u>	<u>-</u>	<u>39,314</u>	<u>39,314</u>	<u>484,310</u>	<u>950,490</u>
Expenditures:						
Current:						
Other objects				-	481,817	481,817
Debt service:						
Principal		16,350	380,000	396,350		396,350
Interest and fiscal charges		7,848	189,010	196,858		196,858
Capital outlay				-		1,201,866
Total expenditures	<u>-</u>	<u>24,198</u>	<u>569,010</u>	<u>593,208</u>	<u>481,817</u>	<u>2,276,891</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>(24,198)</u>	<u>(529,696)</u>	<u>(553,894)</u>	<u>2,493</u>	<u>(1,326,401)</u>
Other Financing Sources:						
Transfers in		24,198	502,273	526,471		681,884
Proceeds from capital lease						775,000
Total other financing sources	<u>-</u>	<u>24,198</u>	<u>502,273</u>	<u>526,471</u>	<u>-</u>	<u>1,456,884</u>
Net Change in Fund Balances	-	-	(27,423)	(27,423)	2,493	130,483
Fund Balances at Beginning of Year	<u>17,000</u>	<u>-</u>	<u>997,118</u>	<u>997,118</u>	<u>(117)</u>	<u>1,115,283</u>
Fund Balances at End of Year	<u>\$ 17,000</u>	<u>\$ -</u>	<u>\$ 969,695</u>	<u>\$ 969,695</u>	<u>\$ 2,376</u>	<u>\$ 1,245,766</u>

**Nonmajor  
Enterprise Funds**

## **NONMAJOR ENTERPRISE FUNDS**

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

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

**COOPERATIVE PURCHASING** - The Cooperative Purchasing program provides a wide array of materials at very competitive best prices 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.

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

**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.

**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.

**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.

## CAPITOL REGION EDUCATION COUNCIL

NONMAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF NET ASSETS

JUNE 30, 2008

	<u>Montessori Training Center of New England</u>	<u>Learning Corridor Theater</u>	<u>Cooperative Purchasing</u>	<u>Regional Fingerprinting Services</u>	<u>Office of Communications</u>	<u>Staff Development</u>	<u>BEST Services</u>	<u>Property Rental</u>
Assets:								
Current:								
Cash and cash equivalents	\$ 62,287	\$	\$ 22,011	\$ 10,015	\$ 16,900	\$ 74,072	\$ 9,818	\$ 32,401
Accounts receivable	121,009	12,313	350	1,740	8,317		7,911	
Other assets								
Total current assets	<u>183,296</u>	<u>12,313</u>	<u>22,361</u>	<u>11,755</u>	<u>25,217</u>	<u>74,072</u>	<u>17,729</u>	<u>32,401</u>
Noncurrent:								
Capital assets, net		1,290						6,344
Total assets	<u>183,296</u>	<u>13,603</u>	<u>22,361</u>	<u>11,755</u>	<u>25,217</u>	<u>74,072</u>	<u>17,729</u>	<u>38,745</u>
Liabilities:								
Current:								
Accounts payable and accrued liabilities	3,294	1,352		537			450	22
Due to other funds		40,064						
Deferred revenue	107,035							
Compensated absences								
Total current liabilities	<u>110,329</u>	<u>41,416</u>	<u>-</u>	<u>537</u>	<u>-</u>	<u>-</u>	<u>450</u>	<u>22</u>
Net Assets:								
Invested in capital assets, net of related debt		1,290						6,344
Unrestricted	<u>72,967</u>	<u>(29,103)</u>	<u>22,361</u>	<u>11,218</u>	<u>25,217</u>	<u>74,072</u>	<u>17,279</u>	<u>32,379</u>
Total Net Assets	<u>\$ 72,967</u>	<u>\$ (27,813)</u>	<u>\$ 22,361</u>	<u>\$ 11,218</u>	<u>\$ 25,217</u>	<u>\$ 74,072</u>	<u>\$ 17,279</u>	<u>\$ 38,723</u>

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**CAPITOL REGION EDUCATION COUNCIL**  
**NONMAJOR ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF NET ASSETS (CONTINUED)**

**JUNE 30, 2008**

	<u>CASBO Support Services</u>	<u>Conference Services</u>	<u>Technical Assistance Brokering Service</u>	<u>Understanding By Design</u>	<u>Community Education</u>	<u>School Facility Services</u>	<u>Total</u>
Assets:							
Current:							
Cash and cash equivalents	\$ 9,385	\$	\$	\$	\$	\$	\$ 236,889
Accounts receivable	8,726	14,580	170,869		55,944	166,745	568,504
Other assets		5,625			1,750		7,375
Total current assets	<u>18,111</u>	<u>20,205</u>	<u>170,869</u>	<u>-</u>	<u>57,694</u>	<u>166,745</u>	<u>812,768</u>
Noncurrent:							
Capital assets, net					265	930	8,829
Total assets	<u>18,111</u>	<u>20,205</u>	<u>170,869</u>	<u>-</u>	<u>57,959</u>	<u>167,675</u>	<u>821,597</u>
Liabilities:							
Current:							
74 Accounts payable and accrued liabilities		3,932	5,791		22,121	7,603	45,102
Due to other funds		25,097	12,646		38,175	65,757	181,739
Deferred revenue			91,065		13,298	6,875	218,273
Compensated absences		3,452			3,825	13,845	21,122
Total current liabilities	<u>-</u>	<u>32,481</u>	<u>109,502</u>	<u>-</u>	<u>77,419</u>	<u>94,080</u>	<u>466,236</u>
Net Assets:							
Invested in capital assets, net of related debt					265	930	8,829
Unrestricted	<u>18,111</u>	<u>(12,276)</u>	<u>61,367</u>	<u>-</u>	<u>(19,725)</u>	<u>72,665</u>	<u>346,532</u>
Total Net Assets	<u>\$ 18,111</u>	<u>\$ (12,276)</u>	<u>\$ 61,367</u>	<u>\$ -</u>	<u>\$ (19,460)</u>	<u>\$ 73,595</u>	<u>\$ 355,361</u>

**CAPITOL REGION EDUCATION COUNCIL**  
**NONMAJOR ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN FUND NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<b>Montessori Training Center of New England</b>	<b>Learning Corridor Theater</b>	<b>Cooperative Purchasing</b>	<b>Regional Fingerprinting Services</b>	<b>Office of Communications</b>	<b>Staff Development</b>	<b>Best Services</b>	<b>Property Rental</b>
Operating Revenues:								
Sales of services	\$ 213,927	\$ 91,634	\$ 13,876	\$ 94,312	\$ 24,888	\$ 2,401	\$ 17,248	\$ -
Other local revenues	4,850							
Total operating revenues	<u>218,777</u>	<u>91,634</u>	<u>13,876</u>	<u>94,312</u>	<u>24,888</u>	<u>2,401</u>	<u>17,248</u>	<u>-</u>
Operating Expenses:								
Salaries	75,527	22,575		14,103			15,051	
Employee benefits	18,545	11,912		1,994		63	607	
Purchased professional and technical services	100	150	6,250					
Purchased property services	6,862	8,349		7,200				
Other purchased services	12,415	1,725	7,791	50,210	3,268	1,234	3,116	
Supplies	14,034	13,701	10	347		219		
Property	3,983	4,041						
Depreciation		647						1,351
Other	11,559		603					
Total operating expenses	<u>143,025</u>	<u>63,100</u>	<u>14,654</u>	<u>73,854</u>	<u>3,268</u>	<u>1,516</u>	<u>18,774</u>	<u>1,351</u>
Income (Loss) Before Transfers	75,752	28,534	(778)	20,458	21,620	885	(1,526)	(1,351)
Transfers In								
Transfers Out	<u>(16,454)</u>	<u>(10,812)</u>			<u>(818)</u>		<u>(290)</u>	
Change in Net Assets	59,298	17,722	(778)	20,458	20,802	885	(1,816)	(1,351)
Net Assets at Beginning of Year	<u>13,669</u>	<u>(45,535)</u>	<u>23,139</u>	<u>(9,240)</u>	<u>4,415</u>	<u>73,187</u>	<u>19,095</u>	<u>40,074</u>
Net Assets and End of Year	<u>\$ 72,967</u>	<u>\$ (27,813)</u>	<u>\$ 22,361</u>	<u>\$ 11,218</u>	<u>\$ 25,217</u>	<u>\$ 74,072</u>	<u>\$ 17,279</u>	<u>\$ 38,723</u>

(Continued on next page)

## CAPITOL REGION EDUCATION COUNCIL

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

**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>CASBO Support Services</u>	<u>Conference Services</u>	<u>Technical Assistance Brokering Service</u>	<u>Understanding By Design</u>	<u>Community Education</u>	<u>School Facility Services</u>	<u>Total</u>
Operating Revenues:							
Sales of services	\$ 13,485	\$ 210,296	\$ 369,501	\$ -	\$ 273,273	\$ 301,656	\$ 1,626,497
Other local revenues		537					5,387
Total operating revenues	<u>13,485</u>	<u>210,833</u>	<u>369,501</u>	<u>-</u>	<u>273,273</u>	<u>301,656</u>	<u>1,631,884</u>
Operating Expenses:							
Salaries	3,389	79,409	43,399		100,478	204,866	558,797
Employee benefits	259	28,387	4,647		21,730	42,237	130,381
Purchased professional and technical services		200	229,120		4,011	17,208	257,039
Purchased property services							22,411
Other purchased services	5,417	3,620	69,128		37,667	15,219	210,810
Supplies	631	76,654	755		83,718	510	190,579
Property Depreciation					783	2,336	10,360
Other			189			248	3,029
Total operating expenses	<u>9,696</u>	<u>188,270</u>	<u>347,238</u>	<u>-</u>	<u>248,387</u>	<u>282,674</u>	<u>1,395,807</u>
Income (Loss) Before Transfers	3,789	22,563	22,263	-	24,886	18,982	236,077
Transfers In				94,355			94,355
Transfers Out	(4,332)	(12,000)	(27,658)		(25,030)	(33,656)	(131,050)
Change in Net Assets	(543)	10,563	(5,395)	94,355	(144)	(14,674)	199,382
Net Assets at Beginning of Year	<u>18,654</u>	<u>(22,839)</u>	<u>66,762</u>	<u>(94,355)</u>	<u>(19,316)</u>	<u>88,269</u>	<u>155,979</u>
Net Assets and End of Year	<u>\$ 18,111</u>	<u>\$ (12,276)</u>	<u>\$ 61,367</u>	<u>\$ -</u>	<u>\$ (19,460)</u>	<u>\$ 73,595</u>	<u>\$ 355,361</u>

**CAPITOL REGION EDUCATION COUNCIL**  
**NONMAJOR ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<b>Montessori Training Center of New England</b>	<b>Learning Corridor Theater</b>	<b>Cooperative Purchasing</b>	<b>Regional Fingerprinting Services</b>	<b>Office of Communications</b>	<b>Staff Development</b>	<b>BEST Services</b>	<b>Property Rental</b>
Cash Flows from Operating Activities:								
Cash received from customers and users	\$ 182,003	\$ 101,083	\$ 13,876	\$ 94,762	\$ 15,446	\$ 2,401	\$ 10,585	\$ 10,000
Cash received from interfund services provided								
Cash payments to suppliers	(49,313)	(27,230)	(16,554)	(60,668)	(3,268)	(1,453)	(3,116)	(11,178)
Cash payments to employees	(92,302)	(34,398)		(15,840)		(63)	(15,208)	(245)
Cash payments for interfund services used		(28,643)		(8,439)				
Net cash provided by (used in) operating activities	<u>40,388</u>	<u>10,812</u>	<u>(2,678)</u>	<u>9,815</u>	<u>12,178</u>	<u>885</u>	<u>(7,739)</u>	<u>(1,423)</u>
Cash Flows from Noncapital Financing Activities:								
Transfers from other funds								
Transfers to other funds	(16,454)	(10,812)			(818)		(290)	
Net cash provided by (used in) noncapital financing activities	<u>(16,454)</u>	<u>(10,812)</u>	<u>-</u>	<u>-</u>	<u>(818)</u>	<u>-</u>	<u>(290)</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	23,934	-	(2,678)	9,815	11,360	885	(8,029)	(1,423)
Cash and Cash Equivalents at Beginning of Year	<u>38,353</u>	<u>-</u>	<u>24,689</u>	<u>200</u>	<u>5,540</u>	<u>73,187</u>	<u>17,847</u>	<u>33,824</u>
Cash and Cash Equivalents at End of Year	<u>\$ 62,287</u>	<u>\$ -</u>	<u>\$ 22,011</u>	<u>\$ 10,015</u>	<u>\$ 16,900</u>	<u>\$ 74,072</u>	<u>\$ 9,818</u>	<u>\$ 32,401</u>
77 Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:								
Operating income (loss)	\$ 75,752	\$ 28,534	\$ (778)	\$ 20,458	\$ 21,620	\$ 885	\$ (1,526)	\$ (1,351)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:								
Depreciation		647						1,351
Change in assets and liabilities:								
(Increase) decrease in accounts receivable	(121,009)	9,449		450	(8,317)		(6,663)	10,000
(Increase) decrease in other assets								
Increase (decrease) in accounts payable and accrued liabilities	1,410	825	(1,900)	(2,654)			450	(11,423)
Increase (decrease) in compensated absences								
Increase (decrease) in due to other funds		(28,643)		(8,439)				
Increase (decrease) in deferred revenues	84,235				(1,125)			
Total adjustments	<u>(35,364)</u>	<u>(17,722)</u>	<u>(1,900)</u>	<u>(10,643)</u>	<u>(9,442)</u>	<u>-</u>	<u>(6,213)</u>	<u>(72)</u>
Net Cash Provided by (Used In) Operating Activities	<u>\$ 40,388</u>	<u>\$ 10,812</u>	<u>\$ (2,678)</u>	<u>\$ 9,815</u>	<u>\$ 12,178</u>	<u>\$ 885</u>	<u>\$ (7,739)</u>	<u>\$ (1,423)</u>

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**CAPITOL REGION EDUCATION COUNCIL**  
**NONMAJOR ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2008**

	<b>CASBO Support Services</b>	<b>Conference Services</b>	<b>Technical Assistance Brokering Service</b>	<b>Understanding By Design</b>	<b>Community Education</b>	<b>School Facility Services</b>	<b>Total</b>
Cash Flows from Operating Activities:							
Cash received from customers and users	\$ 17,318	\$ 206,067	\$ 275,462	\$	\$ 284,140	\$ 332,572	\$ 1,545,715
Cash received from interfund services provided			12,646		38,175		50,821
Cash payments to suppliers	(6,048)	(78,976)	(294,285)		(183,236)	(43,880)	(779,205)
Cash payments to employees	(3,648)	(110,789)	(47,837)		(124,696)	(250,667)	(695,693)
Cash payments for interfund services used		(4,302)		(94,355)		(4,369)	(140,108)
Net cash provided by (used in) operating activities	<u>7,622</u>	<u>12,000</u>	<u>(54,014)</u>	<u>(94,355)</u>	<u>14,383</u>	<u>33,656</u>	<u>(18,470)</u>
Cash Flows from Noncapital Financing Activities:							
Transfers from other funds				94,355			94,355
Transfers to other funds	(4,332)	(12,000)	(27,658)		(25,030)	(33,656)	(131,050)
Net cash provided by (used in) noncapital financing activities	<u>(4,332)</u>	<u>(12,000)</u>	<u>(27,658)</u>	<u>94,355</u>	<u>(25,030)</u>	<u>(33,656)</u>	<u>(36,695)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	3,290	-	(81,672)	-	(10,647)	-	(55,165)
Cash and Cash Equivalents at Beginning of Year	<u>6,095</u>	<u>-</u>	<u>81,672</u>	<u>-</u>	<u>10,647</u>	<u>-</u>	<u>292,054</u>
Cash and Cash Equivalents at End of Year	<u>\$ 9,385</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 236,889</u>
78 Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:							
Operating income (loss)	\$ 3,789	\$ 22,563	\$ 22,263	\$	\$ 24,886	\$ 18,982	\$ 236,077
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation					783	248	3,029
Change in assets and liabilities:							
(Increase) decrease in accounts receivable	3,833	(4,766)	(144,730)		(2,431)	24,041	(240,143)
(Increase) decrease in other assets		612			(1,750)		(1,138)
Increase (decrease) in accounts payable and accrued liabilities		(1,502)	5,116		(59,733)	(14,900)	(84,311)
Increase (decrease) in compensated absences		(605)			1,155	2,779	3,329
Increase (decrease) in due to other funds		(4,302)	12,646	(94,355)	38,175	(4,369)	(89,287)
Increase (decrease) in deferred revenues			50,691		13,298	6,875	153,974
Total adjustments	<u>3,833</u>	<u>(10,563)</u>	<u>(76,277)</u>	<u>(94,355)</u>	<u>(10,503)</u>	<u>14,674</u>	<u>(254,547)</u>
Net Cash Provided by (Used In) Operating Activities	<u>\$ 7,622</u>	<u>\$ 12,000</u>	<u>\$ (54,014)</u>	<u>\$ (94,355)</u>	<u>\$ 14,383</u>	<u>\$ 33,656</u>	<u>\$ (18,470)</u>

## **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.

**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.

## CAPITOL REGION EDUCATION COUNCIL

INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET ASSETS

JUNE 30, 2008

	<u>CREC Staff Development</u>	<u>CREC Wide Area Network</u>	<u>Copy Center</u>	<u>Self Insurance</u>	<u>CREC Unemployment</u>	<u>Employee Benefit Fund</u>	<u>Total</u>
Assets:							
Current:							
Cash and cash equivalents	\$ 63,833	\$ 298,455	\$ 186,527	\$ 3,460,195	\$ 1,235,776	\$ 892,833	\$ 6,137,619
Accounts receivable		77,416		28,435			105,851
Other assets			6,043				6,043
Total current assets	<u>63,833</u>	<u>375,871</u>	<u>192,570</u>	<u>3,488,630</u>	<u>1,235,776</u>	<u>892,833</u>	<u>6,249,513</u>
Noncurrent:							
Capital assets, net		76,031	6,049				82,080
Total assets	<u>63,833</u>	<u>451,902</u>	<u>198,619</u>	<u>3,488,630</u>	<u>1,235,776</u>	<u>892,833</u>	<u>6,331,593</u>
Liabilities:							
Current:							
Accounts payable and accrued liabilities		69,170	3,823	600,735	8,295		682,023
Deferred revenue				1,043			1,043
Current portion of obligations under capital lease		15,189					15,189
Current portion of compensated absences		28,860	2,171	3,671			34,702
Total current liabilities	<u>-</u>	<u>113,219</u>	<u>5,994</u>	<u>605,449</u>	<u>8,295</u>	<u>-</u>	<u>732,957</u>
Noncurrent:							
Obligations under capital lease		7,826					7,826
Total liabilities	<u>-</u>	<u>121,045</u>	<u>5,994</u>	<u>605,449</u>	<u>8,295</u>	<u>-</u>	<u>740,783</u>
Net Assets:							
Invested in capital assets, net of related debt		53,016	6,049				59,065
Unrestricted	<u>63,833</u>	<u>277,841</u>	<u>186,576</u>	<u>2,883,181</u>	<u>1,227,481</u>	<u>892,833</u>	<u>5,531,745</u>
Total Net Assets	<u>\$ 63,833</u>	<u>\$ 330,857</u>	<u>\$ 192,625</u>	<u>\$ 2,883,181</u>	<u>\$ 1,227,481</u>	<u>\$ 892,833</u>	<u>\$ 5,590,810</u>

**CAPITOL REGION EDUCATION COUNCIL**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>CREC Staff Development</u>	<u>CREC Wide Area Network</u>	<u>Copy Center</u>	<u>Self Insurance</u>	<u>CREC Unemployment</u>	<u>Employee Benefit Fund</u>	<u>Total</u>
Operating Revenues:							
Sales of services	\$ 107,587	\$ 1,527,299	\$ 240,418	\$ 9,360,415	\$ 222,189	\$ 957,395	\$ 12,415,303
Other local revenues	1,500			1,248,512			1,250,012
Total operating revenues	<u>109,087</u>	<u>1,527,299</u>	<u>240,418</u>	<u>10,608,927</u>	<u>222,189</u>	<u>957,395</u>	<u>13,665,315</u>
Operating Expenses:							
Salaries	27,029	773,329	49,034	260,025			1,109,417
Employee benefits	2,117	196,297	14,197	8,897,923	116,932	819,303	10,046,769
Purchased professional and technical services	19,439	63,058		42,583	4,680		129,760
Purchased property services		19,493	30,532	840			50,865
Other purchased services	57,352	357,352	89,496	76,248			580,448
Supplies	3,134	1,157	18,463	10,376			33,130
Property		146,118	3,738	444			150,300
Depreciation		40,357	2,684				43,041
Other				2,738			2,738
Total operating expenses	<u>109,071</u>	<u>1,597,161</u>	<u>208,144</u>	<u>9,291,177</u>	<u>121,612</u>	<u>819,303</u>	<u>12,146,468</u>
Operating Income (Loss)	16	(69,862)	32,274	1,317,750	100,577	138,092	1,518,847
Nonoperating Revenue:							
Income on investments				2,743			2,743
Income (Loss) Before Transfers	16	(69,862)	32,274	1,320,493	100,577	138,092	1,521,590
Transfers in (out)		99,748	(16,360)				83,388
Change in Net Assets	16	29,886	15,914	1,320,493	100,577	138,092	1,604,978
Net Assets at Beginning of Year	<u>63,817</u>	<u>300,971</u>	<u>176,711</u>	<u>1,562,688</u>	<u>1,126,904</u>	<u>754,741</u>	<u>3,985,832</u>
Net Assets at End of Year	<u>\$ 63,833</u>	<u>\$ 330,857</u>	<u>\$ 192,625</u>	<u>\$ 2,883,181</u>	<u>\$ 1,227,481</u>	<u>\$ 892,833</u>	<u>\$ 5,590,810</u>

**CAPITOL REGION EDUCATION COUNCIL**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<b>CREC Staff Development</b>	<b>CREC Wide Area Network</b>	<b>Copy Center</b>	<b>Self Insurance</b>	<b>CREC Unemployment</b>	<b>Employee Benefit Fund</b>	<b>Total</b>
Cash Flows from Operating Activities:							
Cash received from customers and users	\$ 109,087	\$ 1,522,485	\$ 240,418	\$ 10,588,769	\$ 222,189	\$ 957,395	\$ 13,640,343
Cash payments to suppliers	(74,008)	(654,314)	(145,510)	(107,072)	(19,078)		(999,982)
Cash payments to employees	(29,146)	(979,238)	(64,157)	(9,168,049)	(111,575)	(819,303)	(11,171,468)
Net cash provided by (used in) operating activities	<u>5,933</u>	<u>(111,067)</u>	<u>30,751</u>	<u>1,313,648</u>	<u>91,536</u>	<u>138,092</u>	<u>1,468,893</u>
Cash Flows from Noncapital Financing Activities:							
Transfers to other funds	-	99,748	(16,360)	-	-	-	83,388
Cash Flows from Capital and Related Financing Activities:							
Principal payments on obligations under capital lease		(14,594)	(3,453)				(18,047)
Additions to property, plant and equipment		(6,257)	(1,181)				(7,438)
Net cash used in capital and related financing activities	-	<u>(20,851)</u>	<u>(4,634)</u>	-	-	-	<u>(25,485)</u>
Cash Flows from Investing Activities:							
Interest on investments	-	-	-	2,743	-	-	2,743
Net Increase (Decrease) in Cash and Cash Equivalents	5,933	(32,170)	9,757	1,316,391	91,536	138,092	1,529,539
Cash and Cash Equivalents at Beginning of Year	<u>57,900</u>	<u>330,625</u>	<u>176,770</u>	<u>2,143,804</u>	<u>1,144,240</u>	<u>754,741</u>	<u>4,608,080</u>
Cash and Cash Equivalents at End of Year	<u>\$ 63,833</u>	<u>\$ 298,455</u>	<u>\$ 186,527</u>	<u>\$ 3,460,195</u>	<u>\$ 1,235,776</u>	<u>\$ 892,833</u>	<u>\$ 6,137,619</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:							
Operating income (loss)	\$ 16	\$ (69,862)	\$ 32,274	\$ 1,317,750	\$ 100,577	\$ 138,092	\$ 1,518,847
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation		40,357	2,684				43,041
Change in assets and liabilities:							
(Increase) decrease in accounts receivable		(4,814)		(21,201)			(26,015)
(Increase) decrease in other assets	5,917		2,637				8,554
Increase (decrease) in accounts payable and accrued liabilities		(83,512)	(7,521)	20,529	(9,041)		(79,545)
Increase (decrease) in compensated absences		6,764	677	(4,473)			2,968
Increase (decrease) in deferred revenues				1,043			1,043
Total adjustments	<u>5,917</u>	<u>(41,205)</u>	<u>(1,523)</u>	<u>(4,102)</u>	<u>(9,041)</u>	<u>-</u>	<u>(49,954)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 5,933</u>	<u>\$ (111,067)</u>	<u>\$ 30,751</u>	<u>\$ 1,313,648</u>	<u>\$ 91,536</u>	<u>\$ 138,092</u>	<u>\$ 1,468,893</u>

## **Fiduciary Funds**

## **FIDUCIARY FUNDS**

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

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

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

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

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

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

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

**STATEWIDE RESCS** - 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 ESCROW** - Student Activity funds held on behalf of the students of the Academy to be used to further special activities at the school.

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

**EAST HARTFORD/GLASTONBURY MAGNET SCHOOL ESCROW** - 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.

## CAPITOL REGION EDUCATION COUNCIL

FIDUCIARY FUNDS  
COMBINING BALANCE SHEET

JUNE 30, 2008

	<u>RSS Equipment Escrow</u>	<u>River Street/ Coltsville</u>	<u>Greater Hartford Academy of the Arts</u>	<u>Metropolitan Learning Center</u>	<u>Special Education Escrow</u>	<u>River Street School</u>	<u>Great Path Academy</u>	<u>Statewide RESCS Escrow</u>	<u>GHAMAS Escrow</u>
Assets:									
Cash and cash equivalents	\$ 5,865	\$ 4,234	\$ 99,480	\$ 17,996	\$ 464,897	\$ 143,658	\$ 1,139	\$	\$ 1,154
Other assets	<u>3,003</u>							<u>10,566</u>	
Total Assets	<u>\$ 8,868</u>	<u>\$ 4,234</u>	<u>\$ 99,480</u>	<u>\$ 17,996</u>	<u>\$ 464,897</u>	<u>\$ 143,658</u>	<u>\$ 1,139</u>	<u>\$ 10,566</u>	<u>\$ 1,154</u>
Liabilities:									
Accounts payable	\$	\$	\$ 2,515	\$	\$	\$	\$	\$ 10,566	\$ 43
Fiduciary deposits	<u>8,868</u>	<u>4,234</u>	<u>96,965</u>	<u>17,996</u>	<u>464,897</u>	<u>143,658</u>	<u>1,139</u>		<u>1,111</u>
Total Liabilities	<u>\$ 8,868</u>	<u>\$ 4,234</u>	<u>\$ 99,480</u>	<u>\$ 17,996</u>	<u>\$ 464,897</u>	<u>\$ 143,658</u>	<u>\$ 1,139</u>	<u>\$ 10,566</u>	<u>\$ 1,154</u>

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

**JUNE 30, 2008**

	<u>Integrated Program Model</u>	<u>East Hartford/ Glastonbury Magnet School Escrow</u>	<u>RESC Alliance Minority Recruiting</u>	<u>CREC Charter Oak Escrow</u>	<u>Polaris Student Activity</u>	<u>Choice Escrow</u>	<u>Two Rivers Escrow</u>	<u>Montessori Magnet School</u>	<u>Total</u>
Assets:									
Cash and cash equivalents	\$ 235	\$ 2,502	\$ 744	\$ 199	\$ 1,862	\$ 1,463	\$ 23,702	\$ 12,184	\$ 781,314
Other assets									13,569
Total Assets	<u>\$ 235</u>	<u>\$ 2,502</u>	<u>\$ 744</u>	<u>\$ 199</u>	<u>\$ 1,862</u>	<u>\$ 1,463</u>	<u>\$ 23,702</u>	<u>\$ 12,184</u>	<u>\$ 794,883</u>
Liabilities:									
Accounts payable	\$	\$	\$	\$	\$	\$	\$	\$	\$ 13,124
Fiduciary deposits	<u>235</u>	<u>2,502</u>	<u>744</u>	<u>199</u>	<u>1,862</u>	<u>1,463</u>	<u>23,702</u>	<u>12,184</u>	<u>781,759</u>
Total Liabilities	<u>\$ 235</u>	<u>\$ 2,502</u>	<u>\$ 744</u>	<u>\$ 199</u>	<u>\$ 1,862</u>	<u>\$ 1,463</u>	<u>\$ 23,702</u>	<u>\$ 12,184</u>	<u>\$ 794,883</u>

## CAPITOL REGION EDUCATION COUNCIL

## AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN  
ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2008

	<u>Balance</u> <u>July 1, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2008</u>
<b>ASSETS</b>				
Cash and Cash Equivalents:				
RSS Equipment Escrow	\$ 7,589	\$	\$ 1,724	\$ 5,865
River Street/Coltsville	1,070	3,164		4,234
Greater Hartford Arts Academy	85,333	53,619	39,472	99,480
Metropolitan Learning Center	16,107	13,699	11,810	17,996
Special Education Escrow	277,827	308,804	121,734	464,897
River Street School	120,982	45,973	23,297	143,658
Great Path Academy	631	508		1,139
Statewide RESCS Escrow	8,880	53,550	62,430	-
GHAMAS Escrow	1,154	43	43	1,154
Integrated Program Model	235			235
East Hartford/Glastonbury Magnet School Escrow	1,914	1,482	894	2,502
RESC Alliance Minority Recruiting	2,626		1,882	744
CREC Charter Oak Escrow	199			199
Polaris Student Activity	1,862			1,862
Choice Escrow	1,331	132		1,463
Two Rivers Escrow	25,098		1,396	23,702
Montessori Magnet School	8,908	3,846	570	12,184
	<u>561,746</u>	<u>484,820</u>	<u>265,252</u>	<u>781,314</u>
Total cash and cash equivalents				
Other Assets:				
RSS Equipment Escrow		3,003		3,003
GHAMAS Escrow		10,566		10,566
	<u>-</u>	<u>13,569</u>	<u>-</u>	<u>13,569</u>
Total other assets				
Total Assets	<u>\$ 561,746</u>	<u>\$ 498,389</u>	<u>\$ 265,252</u>	<u>\$ 794,883</u>

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## CAPITOL REGION EDUCATION COUNCIL

## AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN  
ASSETS AND LIABILITIES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2008

	<u>Balance</u> <u>July 1, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2008</u>
<b>LIABILITIES</b>				
Accounts Payable:				
Greater Hartford Academy of the Arts	\$ 1,616	\$ 899	\$	\$ 2,515
River Street School	2,250		2,250	-
Statewide RESCS Escrow	4,800	5,766		10,566
GHAMAS Escrow		43		43
Two Rivers Escrow	16		16	-
	<u>8,682</u>	<u>6,708</u>	<u>2,266</u>	<u>13,124</u>
Fiduciary Deposits:				
RSS Equipment Escrow	7,589	3,003	1,724	8,868
River Street/Coltsville	1,070	3,164		4,234
Greater Hartford Academy of the Arts	83,717	52,720	39,472	96,965
Metropolitan Learning Center	16,107	13,699	11,810	17,996
Special Education Escrow	277,827	308,804	121,734	464,897
River Street School	118,732	45,973	21,047	143,658
Great Path Academy	631	508		1,139
Statewide RESCS Escrow	4,080	58,350	62,430	-
GHAMAS Escrow	1,154		43	1,111
Integrated Program Model	235			235
East Hartford/Glastonbury Magnet School Escrow	1,914	1,482	894	2,502
RESC Alliance Minority Recruiting	2,626		1,882	744
CREC Charter Oak Escrow	199			199
Polaris Student Activity	1,862			1,862
Choice Escrow	1,331	132		1,463
Two Rivers Escrow	25,082		1,380	23,702
Montessori Magnet School	8,908	3,846	570	12,184
	<u>553,064</u>	<u>491,681</u>	<u>262,986</u>	<u>781,759</u>
Total fiduciary deposits				
	<u>553,064</u>	<u>491,681</u>	<u>262,986</u>	<u>781,759</u>
Total Liabilities	\$ <u>561,746</u>	\$ <u>498,389</u>	\$ <u>265,252</u>	\$ <u>794,883</u>

**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.

**CAPITOL REGION EDUCATION COUNCIL**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**COMPARATIVE SCHEDULE BY SOURCE**

**JUNE 30, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
Governmental Funds Capital Assets:		
Land	\$ 2,224,925	\$ 2,224,925
Buildings and improvements	67,705,501	67,352,840
Vehicles	1,060,232	1,076,174
Furniture, fixtures and improvements	5,919,208	5,711,088
Construction in progress	<u>489,523</u>	<u>62,657</u>
Total	<u>\$ 77,399,389</u>	<u>\$ 76,427,684</u>
Investments in Governmental Funds Capital Assets by Source:		
General Fund	\$ 31,832,273	\$ 31,418,154
Special Revenue Fund	252,084	121,364
Capital Projects Fund	<u>45,315,032</u>	<u>44,888,166</u>
Total	<u>\$ 77,399,389</u>	<u>\$ 76,427,684</u>

## CAPITOL REGION EDUCATION COUNCIL

## CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

## SCHEDULE BY FUNCTION AND ACTIVITY

JUNE 30, 2008

	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Vehicles</u>	<u>Furniture, Fixtures and Equipment</u>	<u>Construction in Progress</u>	<u>Total</u>
Education	\$ 1,892,925	\$ 64,044,935	\$ 1,045,797	\$ 5,024,525	\$ 489,523	\$ 72,497,705
Facilities	332,000	3,660,566	14,435	288,464		4,295,465
Administration				606,219		606,219
Total	<u>\$ 2,224,925</u>	<u>\$ 67,705,501</u>	<u>\$ 1,060,232</u>	<u>\$ 5,919,208</u>	<u>\$ 489,523</u>	<u>\$ 77,399,389</u>

## CAPITOL REGION EDUCATION COUNCIL

## CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

## SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY

## FOR THE YEAR ENDED JUNE 30, 2008

	<b>Governmental Funds Capital Assets July 1, 2007</b>	<b>Additions</b>	<b>Deductions</b>	<b>Governmental Funds Capital Assets June 30, 2008</b>
Education	\$ 71,844,229	\$ 703,061	\$ (49,585)	\$ 72,497,705
Facilities	3,993,248	302,217		4,295,465
Administration	<u>590,207</u>	<u>16,012</u>		<u>606,219</u>
Total	<u>\$ 76,427,684</u>	<u>\$ 1,021,290</u>	<u>\$ (49,585)</u>	<u>\$ 77,399,389</u>

# **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.

**CAPITOL REGION EDUCATION COUNCIL**

**NET ASSETS BY COMPONENT  
LAST SIX FISCAL YEARS**

(In Thousands)

	<b>FISCAL YEAR</b>					
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b>Governmental activities:</b>						
Invested in capital assets, net of related debt	\$ 49,911	\$ 51,159	\$ 51,855	\$ 54,229	\$ 54,212	\$ 49,973
Restricted	17	17	17	17	17	
Unrestricted	<u>18,917</u>	<u>17,039</u>	<u>15,556</u>	<u>13,058</u>	<u>11,509</u>	<u>11,430</u>
<b>Total Governmental Activities Net Assets</b>	<u>\$ 68,845</u>	<u>\$ 68,215</u>	<u>\$ 67,428</u>	<u>\$ 67,304</u>	<u>\$ 65,738</u>	<u>\$ 61,403</u>
<b>Business-type activities:</b>						
Invested in capital assets, net of related debt	\$ 9	\$ 13	\$ 17	\$ 37	\$ 45	\$ 75
Unrestricted	<u>(929)</u>	<u>(849)</u>	<u>(635)</u>	<u>(300)</u>	<u>175</u>	<u>475</u>
<b>Total Business-Type Activities Net Assets</b>	<u>\$ (920)</u>	<u>\$ (836)</u>	<u>\$ (618)</u>	<u>\$ (263)</u>	<u>\$ 220</u>	<u>\$ 550</u>
<b>Primary government:</b>						
Invested in capital assets, net of related debt	\$ 49,920	\$ 51,172	\$ 51,872	\$ 54,266	\$ 54,257	\$ 50,048
Restricted	17	17	17	17	17	
Unrestricted	<u>17,988</u>	<u>16,190</u>	<u>14,921</u>	<u>12,758</u>	<u>11,684</u>	<u>11,905</u>
<b>Total Primary Government Net Assets</b>	<u>\$ 67,925</u>	<u>\$ 67,379</u>	<u>\$ 66,810</u>	<u>\$ 67,041</u>	<u>\$ 65,958</u>	<u>\$ 61,953</u>

Notes:

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

(2) CREC began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2003.

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

TABLE 2

	FISCAL YEAR					
	2008	2007	2006	2005	2004	2003
<b>Expenses:</b>						
<b>Governmental activities:</b>						
Education	\$ 125,235	\$ 94,926	\$ 94,321	\$ 88,144	\$ 79,591	\$ 69,789
Facilities	908	731	420	617	513	482
Administration	5,031	4,639	4,577	4,502	4,902	5,716
Interest on debt	222	216	242	265	294	317
Total governmental activities expenses	<u>131,396</u>	<u>100,512</u>	<u>99,560</u>	<u>93,528</u>	<u>85,300</u>	<u>76,304</u>
<b>Business-type activities:</b>						
Montessori Training Center of New England	143	123				
Learning Corridor Theater	63	52	73	86	9	65
Cooperative Purchasing	14	13	13	1	5	6
Regional Fingerprinting Service	74	80	62	66	49	60
Office of Communications	3	1				
Staff Development	2	3	15	9	4	9
BEST Services	19	4	1	3	2	29
Property Rental	1	1	18	27	47	35
CASBO Support Services	10	13	12	4	8	10
Conference Services	188	181	166	154	143	128
Technology Sale of Services	493	604	532	584	1,740	1,219
Farmington Valley Director				2	7	6
Technical Assistance Brokering Service	347	439	876	194	257	2,502
Understanding By Design			41	155	123	
Community Education	248	310	127	156	222	170
School Facility Services	283	273	326	388	330	174
School Improvement Center	795	991	653	394	136	64
Total business-type activities expense	<u>2,683</u>	<u>3,088</u>	<u>2,915</u>	<u>2,223</u>	<u>3,082</u>	<u>4,477</u>
<b>Total Primary Government Expenses</b>	<u>\$ 134,079</u>	<u>\$ 103,600</u>	<u>\$ 102,475</u>	<u>\$ 95,751</u>	<u>\$ 88,382</u>	<u>\$ 80,781</u>
<b>Program revenues:</b>						
<b>Governmental activities:</b>						
Charges for services	\$ 58,689	\$ 50,200	\$ 48,920	\$ 41,234	\$ 36,988	\$ 32,958
Operating grants and contributions	72,011	50,100	51,163	51,731	46,964	38,880
Capital grants and contributions	427		1,183	1,424	5,219	4,816
Total governmental activities program revenues	<u>131,127</u>	<u>100,300</u>	<u>101,266</u>	<u>94,389</u>	<u>89,171</u>	<u>76,654</u>
<b>Business-type activities:</b>						
Charges for services	2,592	2,853	2,351	1,905	2,793	3,393
Operating grants and contributions	154	118	166	8	15	1,330
Total business-type activities program revenues	<u>2,746</u>	<u>2,971</u>	<u>2,517</u>	<u>1,913</u>	<u>2,808</u>	<u>4,723</u>
<b>Total Primary Government Program Revenues</b>	<u>\$ 133,873</u>	<u>\$ 103,271</u>	<u>\$ 103,783</u>	<u>\$ 96,302</u>	<u>\$ 91,979</u>	<u>\$ 81,377</u>
<b>Net (expense) revenue:</b>						
Governmental activities	\$ (269)	\$ (212)	\$ 1,706	\$ 861	\$ 3,871	\$ 350
Business-type activities	63	(117)	(398)	(310)	(274)	246
<b>Total Primary Government Net (Expense) Revenue</b>	<u>\$ (206)</u>	<u>\$ (329)</u>	<u>\$ 1,308</u>	<u>\$ 551</u>	<u>\$ 3,597</u>	<u>\$ 596</u>
<b>General revenues and other changes in net assets:</b>						
<b>Governmental activities:</b>						
Grants and contributions not restricted to specific purposes	\$ 368	\$ 359	\$ 359	\$ 359	\$ 336	\$ 374
Unrestricted investment earnings	384	539	445	173	72	101
Extraordinary items			(2,343)			
Transfers	147	101	(43)	173	56	32
Total governmental activities	<u>899</u>	<u>999</u>	<u>(1,582)</u>	<u>705</u>	<u>464</u>	<u>507</u>
<b>Business-type activities:</b>						
Transfers	(147)	(101)	43	(173)	(56)	(32)
Total business-type activities	<u>(147)</u>	<u>(101)</u>	<u>43</u>	<u>(173)</u>	<u>(56)</u>	<u>(32)</u>
<b>Total Primary Government</b>	<u>\$ 752</u>	<u>\$ 898</u>	<u>\$ (1,539)</u>	<u>\$ 532</u>	<u>\$ 408</u>	<u>\$ 475</u>
<b>Changes in net assets:</b>						
Governmental activities	\$ 630	\$ 787	\$ 124	\$ 1,566	\$ 4,335	\$ 857
Business-type activities	(84)	(218)	(355)	(483)	(330)	214
<b>Total Primary Government</b>	<u>\$ 546</u>	<u>\$ 569</u>	<u>\$ (231)</u>	<u>\$ 1,083</u>	<u>\$ 4,005</u>	<u>\$ 1,071</u>

Notes:

- (1) Schedule prepared on the accrual basis of accounting.
- (2) CREC began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2003.

CAPITOL REGION EDUCATION COUNCIL

TABLE 3

FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(In Thousands)

	FISCAL YEAR									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
General Fund:										
Reserved	\$ 34	\$ 34	\$ 73	\$ 73	\$ 34	\$ 64	\$ 59	\$ 55	\$ 74	\$ 81
Unreserved	11,147	10,805	9,497	8,796	8,474	8,242	8,163	8,223	6,381	5,793
Total General Fund	<u>\$ 11,181</u>	<u>\$ 10,839</u>	<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>
All other governmental funds:										
Reserved	\$ 987	\$ 1,014	\$ 1,015	\$ 1,001	\$ 1,173	\$ 1,166	\$ 1,156	\$ 4,879	\$ 4,810	\$ 1,027
Unreserved, reported in:										
Special revenue funds	(630)	(361)	(335)	(435)	(40)	63	251	289	93	(144)
Capital projects funds	1,205	101	(399)	(405)	(668)	(968)	(1,480)	(1,089)	(1,096)	(1,188)
Total All Other Governmental Funds	<u>\$ 1,562</u>	<u>\$ 754</u>	<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>

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

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

	FISCAL YEAR									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Revenues:										
Tuition	\$ 28,653	\$ 24,881	\$ 22,259	\$ 20,092	\$ 18,268	\$ 16,402	\$ 15,287	\$ 13,471	\$ 11,450	\$ 11,148
Grants in aid	67,768	46,153	51,752	51,588	49,381	44,139	47,431	61,748	32,424	18,579
Room and board	3,916	4,195	3,770	3,443	3,249	3,387	3,338	3,368	2,909	2,693
Sales of services	30,509	25,218	23,655	19,429	18,380	12,808	10,027	8,721	6,754	6,730
Investment income	381	537	442	171	71	100	273	765	366	237
Other local revenues	768	330	299	598	340	388	279	356	308	421
Total revenues	<u>131,995</u>	<u>101,314</u>	<u>102,177</u>	<u>95,321</u>	<u>89,689</u>	<u>77,224</u>	<u>76,635</u>	<u>88,429</u>	<u>54,211</u>	<u>39,808</u>
Expenditures:										
Current:										
Special Programs	103,156	90,594	90,471	87,025	77,331	66,579	67,405	62,618	38,814	33,814
Facilities/Service Center	762	673	551	494	429	422	527	482	568	368
Administration	25,919	7,843	7,231	5,826	5,727	5,560	4,920	4,234	3,692	3,392
Debt service:										
Principal	396	396	367	356	371	351	351	336	370	379
Interest	247	223	248	272	295	317	339	359	387	402
Capital outlay	1,205	780	2,982	1,479	6,278	3,626	7,325	18,431	6,073	332
Total expenditures	<u>131,685</u>	<u>100,509</u>	<u>101,850</u>	<u>95,452</u>	<u>90,431</u>	<u>76,855</u>	<u>80,867</u>	<u>86,460</u>	<u>49,904</u>	<u>38,687</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>310</u>	<u>805</u>	<u>327</u>	<u>(131)</u>	<u>(742)</u>	<u>369</u>	<u>(4,232)</u>	<u>1,969</u>	<u>4,307</u>	<u>1,121</u>
Other Financing Sources (Uses):										
Transfers in	3,107	2,540	3,129	2,086	2,063	2,359	1,782	893	2,298	8,522
Transfers out	(3,043)	(2,382)	(3,136)	(1,898)	(1,974)	(2,327)	(1,758)	(840)	(2,261)	(8,484)
Proceeds from debt obligation								34	41	
Proceeds from capital lease	775	780	500		1,059			26	308	
Total other financing sources (uses)	<u>839</u>	<u>938</u>	<u>493</u>	<u>188</u>	<u>1,148</u>	<u>32</u>	<u>24</u>	<u>113</u>	<u>386</u>	<u>38</u>
Net Change in Fund Balances	<u>\$ 1,149</u>	<u>\$ 1,743</u>	<u>\$ 820</u>	<u>\$ 57</u>	<u>\$ 406</u>	<u>\$ 401</u>	<u>\$ (4,208)</u>	<u>\$ 2,082</u>	<u>\$ 4,693</u>	<u>\$ 1,159</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>0.5%</u>	<u>0.6%</u>	<u>0.6%</u>	<u>0.7%</u>	<u>0.8%</u>	<u>0.9%</u>	<u>0.9%</u>	<u>1.0%</u>	<u>1.8%</u>	<u>2.1%</u>

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

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

<u>Member Boards of Education</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Avon	\$ 411,644	\$ 432,721	\$ 437,309	\$ 481,966	\$ 287,738
Berlin	602,847	512,471	522,508	656,446	416,350
Bloomfield	1,080,427	1,247,505	1,219,140	1,240,087	952,805
Bolton	445,621	293,054	184,853	121,533	173,844
Bristol	949,988	915,772	855,628	748,631	689,744
Canton	86,471	177,844	63,987	19,236	58,937
Cromwell	70,232	136,558	152,856	118,882	82,005
East Granby	308,632	275,928	256,843	274,519	341,212
East Hartford	1,231,268	910,516	1,050,230	943,432	1,019,097
East Windsor	640,913	622,158	447,139	265,786	241,724
Ellington	408,981	333,729	296,438	340,514	336,036
Enfield	706,461	645,983	581,976	723,830	746,835
Farmington	815,686	498,101	411,680	525,976	717,752
Glastonbury	1,723,785	1,480,456	1,409,111	1,159,214	1,002,993
Granby	238,508	208,631	192,777	169,498	236,501
Hartford	11,748,752	8,503,666	6,192,910	5,896,757	6,905,135
Hartland	195	872	262	53	53
Manchester	2,103,398	1,729,777	1,369,700	1,194,006	1,182,086
New Britain	1,155,155	1,054,410	1,119,261	751,186	698,036
New Hartford	25,227	21,955	94,900	125,456	167,824
Newington	599,836	715,973	652,861	706,047	542,713
Plainville	500,873	597,783	399,922	436,041	349,471
Portland	163,000	173,460	114,652	106,250	92,133
Rocky Hill	465,500	441,104	412,417	405,982	293,357
Simsbury	1,067,371	880,541	1,123,970	1,018,849	762,672
Somers	318,045	295,063	180,533	156,169	151,862
South Windsor	839,836	806,468	910,679	938,524	793,328
Southington	1,350,307	1,138,220	989,059	708,844	975,011
Suffield	502,231	426,362	290,053	151,732	134,340
Vernon	1,098,644	1,141,140	1,173,871	876,976	991,024
West Hartford	803,273	706,950	659,329	433,626	599,118
Wethersfield	631,898	669,057	603,541	832,737	879,956
Windsor	1,692,897	1,262,231	1,309,246	1,211,639	1,147,698
Windsor Locks	525,145	592,509	505,339	663,143	655,450
Regional District #10	355,341	197,232	215,162	126,625	167,894
<b>Revenue from Member Boards of Education</b>	<b>35,668,388</b>	<b>30,046,200</b>	<b>26,400,142</b>	<b>24,530,192</b>	<b>24,792,734</b>
<b><u>Other Sources</u></b>					
Other LEAs and Agencies	63,781,900	42,379,052	39,430,868	32,117,168	27,136,440
State Grants	43,520,547	38,926,479	44,431,612	45,194,842	43,482,466
Federal Grants	3,802,135	3,062,660	3,970,958	4,309,424	4,878,619
Other Special Revenues	1,636,212	1,610,331	1,316,367	971,145	681,659
<b>Revenue from Other Sources</b>	<b>112,740,794</b>	<b>85,978,522</b>	<b>89,149,805</b>	<b>82,592,579</b>	<b>76,179,184</b>
<b>Total Revenues</b>	<b>\$ 148,409,182</b>	<b>\$ 116,024,722</b>	<b>\$ 115,549,947</b>	<b>\$ 107,122,771</b>	<b>\$ 100,971,918</b>

Source: Capitol Region Education Council Business Services Department

## CAPITOL REGION EDUCATION COUNCIL

## PRINCIPAL REVENUE PAYERS

## CURRENT YEAR AND NINE YEARS AGO

Clients	2008	1999
Hartford	\$ 11,748,752	\$ 2,194,779
Manchester	2,103,398	640,055
Glastonbury	1,723,785	479,640
Windsor	1,692,897	616,089
Middletown	1,419,780	349,237
Southington	1,350,307	573,270
East Hartford	1,231,268	173,283
Springfield	1,185,323	570,862
New Britain	1,155,155	442,286
Vernon	1,098,644	232,938
Bloomfield	1,080,427	300,173
Simsbury	1,067,371	416,083
Bristol	949,988	444,159
South Windsor	839,836	240,146
Farmington	815,686	123,753
West Hartford	803,273	294,448
Enfield	706,461	354,411
East Windsor	640,913	99,738
Wethersfield	631,898	364,500
Berlin	602,847	134,496
Newington	599,836	475,696

## CAPITOL REGION EDUCATION COUNCIL

## RATIOS OF OUTSTANDING DEBT BY TYPE

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

Fiscal Year	Governmental Activities			Total Primary Government	Program Enrollment	Debt Per Capita
	General Obligation Bonds	Notes Payable	Capital Leases			
2008	\$ 2,620	\$ 114	\$ 1,258	\$ 3,992	3,395	1.18 %
2007	3,000	131	993	4,124	3,361	1.23
2006	3,380	147	441	3,968	3,251	1.22
2005	3,730	167	373	4,270	3,228	1.32
2004	4,070	197	719	4,986	3,040	1.64
2003	4,425	229	88	4,742	2,719	1.74
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

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

## CAPITOL REGION EDUCATION COUNCIL

## CREC MEMBER DATA

	<b>2000 Population</b>	<b>Population Growth 1990-2000</b>	<b>Number of Public Schools</b>	<b>District Reference Group (DRG)</b>	<b>Public School Enrollment as a Percent of Town Population</b>	<b>% of Students Eligible for Free/Reduced- Priced Meals</b>
Connecticut						
1 Avon	15,832	13.6%	5	B	21.9%	2.3%
2 Berlin	18,215	8.5%	5	D	17.7%	5.8%
3 Bloomfield	19,587	0.5%	7	G	11.3%	44.1%
4 Bolton	5,017	9.7%	2	C	18.1%	6.2%
5 Bristol	60,062	(1.0)%	15	G	14.6%	29.9%
6 Canton	8,840	6.9%	4	C	19.2%	3.5%
7 Cromwell	12,871	4.8%	4	D	15.4%	10.5%
8 East Granby	4,745	10.3%	4	D	19.5%	1.3%
9 East Hartford	49,575	(1.7)%	14	H	15.1%	49.4%
10 East Windsor	9,818	(2.6)%	3	F	14.9%	19.7%
11 Ellington	12,921	15.4%	5	C	19.2%	4.4%
12 Enfield	45,212	(0.7)%	12	F	14.0%	23.4%
13 Farmington	23,641	14.7%	7	B	17.8%	4.9%
14 Glastonbury	31,876	14.2%	8	B	21.0%	3.8%
15 Granby	10,347	10.4%	5	B	22.0%	3.4%
16 Hartford	121,578	(13.0)%	39	I	17.7%	70.3%
17 Hartland	2,012	7.8%	1	E	10.9%	0.9%
18 Manchester	54,740	6.0%	13	G	12.5%	34.6%
19 New Britain	71,538	(5.2)%	15	I	14.9%	62.7%
20 Newington	29,306	0.3%	7	D	15.4%	14.9%
21 New Hartford	6,088	5.5%	3	C	9.8%	3.4%
22 Plainville	17,328	(0.4)%	5	F	15.0%	17.8%
23 Portland	8,732	3.7%	5	E	16.5%	9.9%
24 Regional District #10	16,473	34.4%	4	C	16.9%	3.1%
25 Rocky Hill	17,966	8.5%	5	D	14.0%	6.2%
26 Simsbury	23,234	5.5%	7	B	21.3%	3.8%
27 Somers	10,417	14.4%	3	C	16.5%	4.8%
28 South Windsor	24,412	10.5%	7	B	20.3%	5.7%
29 Southington	39,728	3.1%	11	D	17.2%	7.7%
30 Suffield	13,552	18.6%	4	C	19.0%	4.5%
31 Vernon	28,063	(6.0)%	7	G	13.4%	25.7%
32 West Hartford	63,589	5.8%	16	B	15.6%	14.3%
33 Wethersfield	26,271	2.4%	7	D	14.3%	10.4%
34 Windsor	28,237	1.5%	7	D	14.5%	27.3%
35 Windsor Locks	12,043	(2.5)%	4	F	15.6%	20.5%
Totals	<u>943,866</u>		<u>270</u>			

Source: State of Connecticut Department of Education Division of Grant Services. Strategic School Profiles 06-07.

## CAPITOL REGION EDUCATION COUNCIL

## PER PUPIL EXPENSE

	Net Expense Per Pupil 2008	Net Expense Per Pupil 2007	Net Expense Per Pupil 2006	Net Expense Per Pupil 2005	Net Expense Per Pupil 2004	Net Expense Per Pupil 2003	Net Expense Per Pupil 2002	Net Expense Per Pupil 2001	Net Expense Per Pupil 2000
Avon	\$ 10,822	\$ 10,301	\$ 10,216	\$ 9,874	\$ 9,301	\$ 9,447	\$ 8,875	\$ 8,376	\$ 8,086
Berlin	11,222	10,618	9,786	9,172	8,555	8,755	8,291	7,962	7,509
Bloomfield	14,712	13,855	12,855	12,464	11,548	11,017	10,172	10,050	9,137
Bolton	13,196	12,030	11,328	10,914	10,194	9,761	9,300	8,673	8,101
Bristol	10,991	10,606	9,973	9,570	9,105	8,477	8,310	8,016	7,712
Canton	11,993	11,116	10,480	9,937	9,440	9,065	8,574	8,205	7,645
Cromwell	11,936	11,620	10,793	10,067	9,482	9,516	9,125	8,647	8,082
East Granby	13,447	12,158	11,828	11,316	10,800	9,939	8,998	9,227	8,542
East Hartford	11,109	10,481	10,119	10,067	9,421	9,058	8,810	8,450	7,978
East Windsor	11,536	10,343	9,464	8,907	8,466	8,495	7,614	7,643	7,745
Ellington	10,165	9,842	9,574	9,227	8,982	8,518	8,195	7,758	7,437
Enfield	11,430	10,861	10,012	9,440	9,335	9,024	8,940	8,557	8,117
Farmington	11,868	11,338	10,513	9,566	9,199	9,056	8,540	8,167	7,654
Glastonbury	11,210	10,519	9,778	9,271	8,699	8,446	8,023	7,675	7,456
Granby	11,119	10,446	9,933	9,493	8,999	8,754	8,460	7,846	7,782
Hartford	15,717	15,448	14,365	13,236	12,366	12,151	12,136	11,312	10,995
Hartland	12,903	12,175	11,845	11,173	9,987	10,285	8,671	8,257	7,579
Manchester	12,960	12,025	11,201	10,320	10,003	9,618	9,055	8,927	8,188
New Britain	11,654	10,824	10,603	10,430	10,070	9,913	9,855	8,987	8,352
New Hartford	11,886	11,498	10,848	10,293	10,153	9,568	9,325	8,566	8,478
Newington	11,881	11,301	10,602	10,101	9,434	8,991	8,499	8,036	8,176
Plainville	12,456	11,655	10,951	10,598	10,142	9,723	9,105	8,921	8,265
Portland	12,056	11,289	11,343	10,504	9,918	9,280	8,767	8,522	7,898
Regional District #10	10,593	10,184	9,572	9,352	8,877	8,683	8,226	8,095	7,862
Rocky Hill	11,431	10,766	10,331	10,095	9,507	9,121	8,989	8,681	8,319
Simsbury	11,739	11,222	10,422	9,933	9,522	9,084	8,513	8,239	7,592
Somers	10,796	10,085	9,516	9,151	8,639	8,501	8,350	8,108	7,753
South Windsor	11,162	10,540	9,904	9,514	8,793	8,634	8,288	7,734	7,398
Southington	11,099	10,731	10,415	9,892	9,461	8,940	8,434	8,568	7,795
Suffield	10,820	10,133	9,439	8,957	8,400	8,147	7,563	7,225	6,906
Vernon	12,098	11,664	11,126	10,401	10,154	9,705	9,480	9,059	8,564
West Hartford	11,939	11,476	10,842	10,302	9,783	9,434	8,851	8,595	8,488
Wethersfield	11,861	11,234	10,767	10,254	9,371	9,182	8,843	8,472	8,293
Windsor	12,598	11,845	11,372	10,873	10,398	9,906	9,422	8,318	8,079
Windsor Locks	13,274	12,562	11,163	10,715	10,246	10,063	9,055	8,094	7,438

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

## CAPITOL REGION EDUCATION COUNCIL

## TOTAL POPULATION BY TOWN

## FISCAL YEARS 2000 TO 2007

<u>Town</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Avon	17,333	17,342	17,209	16,992	16,709	16,346	16,323	15,832
Berlin	20,254	20,137	19,590	19,471	19,322	19,116	18,281	18,215
Bloomfield	20,693	20,643	20,581	20,414	19,803	19,794	19,134	19,587
Bolton	5,116	5,142	5,170	5,173	5,199	5,154	5,140	5,017
Bristol	60,911	61,258	61,353	60,994	60,722	60,541	60,026	60,062
Canton	10,086	10,081	9,932	9,603	9,413	9,061	9,162	8,840
Cromwell	13,552	13,540	13,594	13,520	13,471	13,370	13,080	12,871
East Granby	5,122	5,082	5,058	5,018	4,977	4,910	4,880	4,745
East Hartford	48,697	48,934	49,173	49,416	49,596	49,650	49,734	49,575
East Windsor	10,617	10,563	10,447	10,261	10,185	10,095	9,958	9,818
Ellington	14,426	14,370	14,217	14,141	13,952	13,571	13,145	12,921
Enfield	45,011	45,297	45,441	45,567	45,539	45,379	44,987	45,212
Farmington	25,084	25,040	24,941	24,682	24,507	24,189	23,969	23,641
Glastonbury	33,169	33,077	33,089	32,852	32,789	32,575	32,985	31,876
Granby	11,215	11,187	11,088	10,989	10,869	10,696	10,721	10,347
Hartford	124,563	124,699	124,397	125,053	124,387	124,558	123,850	124,121
Hartland	2,077	2,090	2,082	2,078	2,068	2,053	1,993	2,012
Manchester	55,857	55,738	55,572	55,563	55,390	55,084	54,680	54,740
New Britain	70,664	70,855	71,254	71,832	71,572	71,589	71,665	71,538
New Hartford	6,736	6,794	6,746	6,662	6,548	6,413	6,202	6,088
Newington	29,619	29,586	29,676	29,646	29,695	29,623	29,349	29,306
Plainville	17,193	17,312	17,382	17,371	17,461	17,407	17,335	17,328
Portland	9,537	9,595	9,543	9,340	9,264	9,125	9,293	8,732
Regional District #10	14,707	14,749	14,668	14,478	14,303	14,069	13,744	13,473
Rocky Hill	18,808	18,835	18,760	18,620	18,528	18,305	17,683	17,966
Simsbury	23,659	23,660	23,656	23,460	23,496	23,421	23,740	23,234
Somers	10,850	10,888	10,877	10,888	10,870	10,608	10,502	10,417
Southington	42,142	42,249	42,077	41,723	41,397	40,943	40,227	39,728
South Windsor	25,940	26,030	25,985	25,586	25,270	24,846	24,773	24,412
Suffield	15,104	15,127	14,704	14,539	14,217	14,021	13,990	13,552
Vernon	29,620	29,672	29,491	29,338	29,206	28,718	27,861	28,063
West Hartford	60,486	60,794	61,173	61,392	61,424	61,365	61,578	61,070
Wethersfield	25,781	26,057	26,220	26,358	26,398	26,390	26,262	26,271
Windsor	28,754	28,703	28,778	28,652	28,565	28,519	27,731	28,237
Windsor Locks	12,491	12,444	12,411	12,333	12,256	12,237	11,919	12,043
Total CREC Membership	<u>965,874</u>	<u>967,570</u>	<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 2008

<u>Town</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Avon	3,596	3,513	3,400	3,315	3,265	3,086	2,988	2,900	2,714
Berlin	3,313	3,323	3,410	3,426	3,414	3,355	3,381	3,345	3,319
Bloomfield	2,630	2,701	2,735	2,767	2,755	2,715	2,764	2,720	2,780
Bolton	869	922	941	942	969	996	976	953	940
Bristol	9,038	9,100	9,107	9,073	9,051	9,017	8,978	8,930	8,732
Canton	1,730	1,734	1,693	1,669	1,631	1,632	1,637	1,587	1,549
Cromwell	1,983	1,997	1,969	1,931	1,891	1,854	1,847	1,793	1,818
East Granby	914	938	903	892	896	896	903	836	856
East Hartford	8,064	8,358	8,363	8,144	8,198	8,243	8,106	8,014	7,867
East Windsor	1,556	1,616	1,635	1,662	1,653	1,628	1,628	1,551	1,558
Ellington	2,628	2,561	2,521	2,487	2,418	2,394	2,330	2,313	2,262
Enfield	6,436	6,580	6,716	6,792	6,860	6,953	6,843	6,866	6,889
Farmington	4,178	4,231	4,260	4,393	4,343	4,232	4,192	4,135	4,060
Glastonbury	7,021	6,931	6,879	6,802	6,732	6,555	6,406	6,199	5,983
Granby	2,261	2,258	2,233	2,214	2,203	2,163	2,093	2,038	1,927
Hartford	22,323	22,407	22,946	23,411	24,054	24,188	24,320	24,501	24,126
Hartland	339	351	359	379	392	378	405	400	409
Manchester	7,430	7,608	7,666	7,907	7,979	7,993	7,959	7,756	7,855
New Britain	10,982	11,224	11,249	11,171	11,070	10,930	10,837	10,413	10,339
New Hartford	1,142	1,156	1,150	1,179	1,154	1,176	1,156	1,168	1,118
Newington	4,552	4,578	4,587	4,612	4,599	4,641	4,524	4,460	4,317
Plainville	2,606	2,633	2,638	2,628	2,645	2,670	2,701	2,681	2,721
Portland	1,448	1,471	1,423	1,445	1,437	1,463	1,451	1,393	1,413
Regional District #10	2,823	2,809	2,804	2,731	2,705	2,639	2,633	2,548	2,535
Rocky Hill	2,626	2,606	2,563	2,488	2,489	2,503	2,432	2,445	2,415
Simsbury	4,967	4,991	5,063	5,053	5,035	5,017	4,998	4,887	4,748
Somers	1,707	1,716	1,724	1,722	1,731	1,712	1,663	1,619	1,581
Southington	6,882	6,871	6,801	6,771	6,743	6,676	6,688	6,620	6,546
South Windsor	5,084	5,190	5,238	5,161	5,277	5,154	5,083	5,024	4,918
Suffield	2,500	2,496	2,441	2,385	2,376	2,267	2,220	2,157	2,148
Vernon	3,757	3,802	3,849	3,989	4,023	4,017	4,068	4,133	4,121
West Hartford	9,997	10,130	9,995	9,935	9,853	9,732	9,608	9,444	9,084
Wethersfield	3,921	3,946	3,855	3,801	3,771	3,675	3,607	3,487	3,470
Windsor	4,560	4,651	4,655	4,696	4,714	4,699	4,608	4,704	4,556
Windsor Locks	1,964	2,038	2,072	2,063	2,028	2,050	2,104	2,107	2,107
Total CREC Membership	<u>157,827</u>	<u>159,437</u>	<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 website

**CAPITOL REGION EDUCATION COUNCIL  
PROGRAM ENROLLMENT SUMMARY**

100

PROGRAM	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
River Street School	190	185	178	165	157	150	148	136	139	118
Soundbridge	61	57	59	64	65	69	75	70	87	67
Integrated Program Model	26	32	32	31	32	35	33	35	36	46
Polaris Center	89	82	68	56	65	53	51	48	89	63
Farmington Valley Diagnostic Center	32	15	16	17	11	13	10			
East Hartford/Glastonbury Magnet School	257	255	249	258	258	259	277	279	290	283
Great Path Academy	111	89	84	83						
Greater Hartford Academy of the Arts	424	412	393	387	380	325	313	251	208	180
Greater Hartford Academy of Math & Science	211	232	202	204	211	199	175	148		
Metropolitan Learning Center	676	681	675	681	573	500	384	287	197	88
Montessori Magnet School	331	330	331	305	295	264	250	219	150	
Two Rivers Magnet Middle School	581	609	583	594	598	425				
Tunxis Middle College High School						76	81	60		
University of Hartford Magnet School	406	382	381	383	395	351	260			
<b>TOTAL</b>	<b>3,395</b>	<b>3,361</b>	<b>3,251</b>	<b>3,228</b>	<b>3,040</b>	<b>2,719</b>	<b>2,057</b>	<b>1,533</b>	<b>1,196</b>	<b>845</b>

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	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Avon	1	1	1	1	1	1				
Berlin	4	4	3	4		1			1	1
Bloomfield	7	6	4	4	3	3	4	4	3	1
Bolton	1	1								
Bristol	5	5	4	4	4	4	4	3	2	
Canton		1								
Cromwell		1					1	2	2	2
East Granby	1	1	1	1	2	1	1		1	
East Hartford			1	1	1	1	1	1		
East Windsor	4	3	2	1	1	1	1	1	1	1
Ellington	3	1	1	1	1	1	1	1		
Enfield	7	6	6	7	9	8	5	4	6	5
Farmington	2		2	1	3	3	3	3	3	1
Glastonbury	7	7	5	5	4	4	6	3	3	2
Granby										
Hartford	4	3	5	8	8	13	12	10	12	12
Hartland										
Manchester	6	7	3	5	4	3	3	6	10	8
New Britain	2	2	4	2	2	1	3	4	2	2
New Hartford			1	1	1	1				
Newington	3	4	4	4	3	2	2	2	2	2
Plainville		2	2	2	3	3	3	3	3	2
Portland							1	1	1	
Rocky Hill	2	2	2	2	1					
Simsbury	4	3	3	2	3	3	1	1	1	
Somers	3	3	2	2	2	2	3		6	6
South Windsor	3	3	3	3	1			5		
Southington	5	3	3	2	3	3	3	2	1	3
Suffield	5	4	2	2	3	1	1			
Vernon	6	6	6	5	5	5	4	2	3	2
West Hartford	4	5	5	3	4	3	3	2	2	4
Wethersfield	2	2	3	3	5	5	4	3	3	3
Windsor	10	9	10	7	7	7	7	4	9	5
Windsor Locks	1	3	4	4	3	3	3	6	4	3
Region #10	1									
Non-Member LEAs	87	87	86	78	70	67	68	63	58	53

TOTAL 190 185 178 165 157 150 148 136 139 118

(Continued on following page)

## CAPITOL REGION EDUCATION COUNCIL

## SOUNDBRIDGE

Student Enrollment by LEA (Continued)

LEA	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Avon										
Berlin			1	3	2	2				
Bloomfield		3	4	5	5	4	3	3	2	
Bristol	6	5	3	5	6	5	5	6	6	3
Canton										
Cromwell										
East Granby				1	1	1	1			
East Hartford	3	3	3	1	2	1	1	1	1	1
East Windsor										
Ellington										
Enfield			2	2	2	2	2	2	3	1
Farmington										
Glastonbury			1	1				1	1	1
Granby										
Hartford	6	6	7	8	11	14	14	13	18	13
Hartland										
Manchester	1	1	3	1	1		2	4	5	5
New Britain	4	5	6	4	4	5	5	3	3	4
New Hartford										
Newington	3	4	4	4	4	4	4	5	6	4
Plainville	1	1								
Portland										1
Rocky Hill		2	2	2	2	2	2	2	2	3
Simsbury		1	3	3	3	2	3	3	3	3
Somers										
South Windsor	1		1	1	1	2	2	2	2	3
Southington	4	3	1	3	2	2	3	4	5	3
Suffield								1		
Vernon									2	2
West Hartford						2	2	2	2	
Wethersfield	5	4	6	6	6	6	5	5	6	4
Windsor	1						1			
Windsor Locks	1	1	1	1	1	1	1	1		
Region #10			1							
Non-Member LEAs	25	18	10	13	12	14	19	12	20	16
TOTAL	61	57	59	64	65	69	75	70	87	67

(Continued on following page)

## CAPITOL REGION EDUCATION COUNCIL

INTEGRATED PROGRAM MODEL  
Student Enrollment by LEA (Continued)

LEA	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Avon										
Berlin	1	1	1	1	1	1	1		1	1
Bloomfield					1	1	1			
Bolton						1		1	2	2
Bristol										
Canton	1	1								
Cromwell										
East Granby										
East Hartford		1								1
East Windsor										
Ellington				1	1	1	1	1		
Enfield										
Farmington				1	1	1				
Glastonbury										2
Granby										
Hartford	1	1	3	2	2	2	2	3	3	4
Hartland										
Manchester										1
New Britain	3	1	1	1						
New Hartford					1					
Newington										
Plainville	2	3	3	3	2	2	3	5	6	10
Portland		1	1	1	1	1	1	1	1	1
Rocky Hill		1	1	1	1	2	1	1	1	1
Simsbury						1	1	1	1	1
Somers										
South Windsor										
Southington										
Suffield										
Vernon		1	1	1	1	4	4	4		
West Hartford										
Wethersfield							1			
Windsor										2
Windsor Locks			1	1		1				
Region #10			1							
Non-Member LEAs	18	21	19	18	20	17	17	18	21	20
TOTAL	26	32	32	31	32	35	33	35	36	46

(Continued on following page)

## CAPITOL REGION EDUCATION COUNCIL

POLARIS CENTER  
Student Enrollment by LEA (Continued)

LEA	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Avon										
Berlin	1		2					1	1	1
Bloomfield	1	2	1	1	1	3	2	2	2	
Bolton	1	1	1				1			
Bristol	1	2		1	2	2		2	1	1
Canton										
Cromwell					1	1	1			
East Granby					1	1				
East Hartford	1		2	2	1	3	1		1	
East Windsor	2	4	1		1	1	3		1	
Ellington				1	1			1	1	1
Enfield	1	1	1	2	1		1	1		
Farmington										
Glastonbury	3			1						1
Granby	1	1			1	1	2	1	1	
Hartford	24	25	16	13	14	6	10	7	16	25
Hartland										
Manchester	9	4	7	1	7	4	2	2		
New Britain	7	7	8	3	6	4	4	4	10	3
New Hartford										
Newington			2	1		1			1	
Plainville		1					1			
Portland									1	
Rocky Hill						1		1	2	
Simsbury		1								
Somers				1						
South Windsor	2		1	2	2		1	1	3	2
Southington						1	2			
Suffield										
Vernon	1	1	3	1	1		2	1		
West Hartford	1	1	1		1	1	2	3	6	1
Wethersfield							1		1	1
Windsor	4	1	1	2	2	2	1		1	2
Windsor Locks	3	3		1						
Region #10							1			
Non-Member LEAs	26	27	21	23	22	21	13	21	40	25
TOTAL	89	82	68	56	65	53	51	48	89	63

(Continued on following page)

**CAPITOL REGION EDUCATION COUNCIL**

**FARMINGTON VALLEY DIAGNOSTIC CENTER**

Student Enrollment by LEA (Continued)

LEA	2007	2006	2005	2004	2003	2002	2001
Avon	5	2	2	3		1	
Berlin							
Bloomfield					1		
Bolton							
Bristol							
Canton	1	2				1	2
Cromwell							
East Granby	3	1		1	1		
East Hartford							
East Windsor							
Ellington							
Enfield							
Farmington	4	2	2	4	2	2	
Glastonbury							
Granby		2		3	2		
Hartford	1						
Hartland							
Manchester							
New Britain							1
New Hartford							
Newington							
Plainville	4	3	2		1	2	2
Portland							
Rocky Hill							
Simsbury	8	2	6	5	1	2	1
Somers							
South Windsor							
Southington	2		1	1	1	2	1
Suffield							
Vernon							
West Hartford							1
Wethersfield							
Windsor							
Windsor Locks						1	1
Region #10	4	1	3		2	2	1
Non-Member LEAs	0						

TOTAL 32 15 16 17 11 13 10

(Continued on following page)

**CAPITOL REGION EDUCATION COUNCIL**

**EAST HARTFORD/GLASTONBURY MAGNET SCHOOL**

Student Enrollment by LEA (Continued)

LEA	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Avon										
Berlin										
Bloomfield										
Bolton										
Bristol										
Canton										
Cromwell										
East Granby										
East Hartford	133	137	134	151	149	155	173	169	178	161
East Windsor										
Ellington										
Enfield										
Farmington										
Glastonbury	124	118	115	107	109	104	104	110	112	122
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	257	255	249	258	258	259	277	279	290	283

(Continued on following page)

## CAPITOL REGION EDUCATION COUNCIL

**GREAT PATH ACADEMY**  
Student Enrollment by LEA (Continued)

LEA	2007	2006	2005	2004
Avon				
Berlin				
Bloomfield	2			
Bolton	5	7	4	6
Bristol				
Canton				
Cromwell				
East Granby				
East Hartford	27	20	22	20
East Windsor				
Ellington		3	5	4
Enfield				
Farmington				
Glastonbury	15	12	12	12
Granby	1	5		
Hartford	19	14	14	14
Hartland				
Manchester	24	16	15	17
New Britain				
New Hartford				
Newington				
Plainville				
Portland				
Rocky Hill				
Simsbury				
Somers				
South Windsor	2			
Southington				
Suffield				
Vernon				
West Hartford				
Wethersfield				
Windsor	1			
Windsor Locks	1			
Region #10				
Non-Member LEAs	14	12	12	10

TOTAL                    111                    89                    84                    83

(Continued on following page)

## CAPITOL REGION EDUCATION COUNCIL

## GREATER HARTFORD ACADEMY OF THE ARTS

Student Enrollment by LEA (Continued)

LEA	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Avon	5	6	4	3	3	3	3	4	1	2
Berlin	8	4	3	2						
Bloomfield	2	4	3	8	7	7	10	2	3	3
Bolton		2	6	4	5	5	3	1	2	2
Bristol		2	2		2	2	4	1	1	1
Canton	11	10	12	12	8	3	2	1		1
Cromwell	4	6	3	2	6	2	4	3	4	3
East Granby	2	2	2	2	3	2	2	3		1
East Hartford	7	7	8	5	6	5	6	4	4	6
East Windsor			1	3	4	1	2	2	3	
Ellington	6	5	5	2			3	4	3	3
Enfield	7	5	5	10	10	10	9	7	5	1
Farmington	7	4	5	5	5	4	4	6	7	6
Glastonbury	19	19	25	21	25	23	13	12	7	4
Granby	6	4	6	9	9	12	11	6	7	1
Hartford	63	59	53	63	69	52	63	50	42	47
Hartland	2	2								
Manchester	17	13	12	12	12	10	15	9	10	4
New Britain	11	18	17	13	16	18	14	13	5	
New Hartford	1		1	1						
Newington	11	12	16	14	17	14	9	9	7	8
Plainville			1			1	1			
Portland	4	3	5	3		1	1			
Rocky Hill	26	24	22	19	15	12	10	4	4	3
Simsbury	28	27	21	22	19	12	9	9	6	4
Somers								2		
South Windsor	4	7	7	6	7	8	6	3	2	
Southington	15	16	10	12	14	15	15	6	6	2
Suffield	7	6	6	6	4	2	2	2	2	2
Vernon	8	4	5	6	5	3	2	1	2	2
West Hartford	26	25	19	27	25	20	17	13	11	11
Wethersfield	20	15	15	14	10	8	7	5	4	2
Windsor	15	11	12	8	8	6	3	4	3	2
Windsor Locks	4	6	9	9	9	8	9	9	2	3
Region #10	0	3	2	2	1	1	5	6	7	6
Non-Member LEAs	78	81	70	62	56	55	49	50	48	50

TOTAL	424	412	393	387	380	325	313	251	208	180
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(Continued on following page)

**CAPITOL REGION EDUCATION COUNCIL**  
**GREATER HARTFORD ACADEMY OF MATH & SCIENCE**  
 Student Enrollment by LEA (Continued)

LEA	2007	2006	2005	2004	2003	2002	2001	2000
Avon	6	6	3	2	1			
Berlin								
Bloomfield	10	11	10	10	12	10	10	10
Bolton			2	2	2	2	1	
Bristol								
Canton	3	3	1	1				
Cromwell								
East Granby								
East Hartford								
East Windsor								
Ellington	2	5	9	7	5	3		
Enfield								
Farmington	7	8	6	8	8	8	6	8
Glastonbury		1	3		5	4	4	5
Granby	13	10	6	6	3	4	3	3
Hartford	49	62	56	64	77	71	63	48
Hartland								
Manchester	21	21	20	21	20	21	22	20
Marlborough			2		1	2		
New Britain	15	16	16	16	14	16	15	12
New Hartford								
Newington	9	11	8	8	9	8	7	8
Plainville								
Portland								
Rocky Hill	24	27	24	24	26	22	16	10
Simsbury	9	10	8	8	8	5	7	4
Somers								
South Windsor								
Southington	12	10	4	4	4	5	5	4
Suffield	6	3	3					
Vernon			2	2	2			
West Hartford	4	3	3	1	2	2		
Wethersfield	13	13	8	8	5	9	8	6
Windsor	6	8	7	9	6	7	8	10
Windsor Locks								
Region #10								
Non-Member LEAs	2	4	1	3	1			
TOTAL	211	232	202	204	211	199	175	148

(Continued on following page)

**CAPITOL REGION EDUCATION COUNCIL**

**METROPOLITAN LEARNING CENTER**

Student Enrollment by LEA (Continued)

LEA	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Avon										
Berlin										
Bloomfield	136	141	138	134	105	92	71	55	37	18
Bolton										
Bristol										
Canton										
Cromwell										
East Granby										
East Hartford	9									
East Windsor	40	46	41	44	38	29	23	16	14	5
Ellington										
Enfield	40	43	38	41	33	28	17	14	9	
Farmington										
Glastonbury										
Granby										
Hartford	209	200	197	191	173	149	111	87	60	29
Hartland										
Manchester	5									
New Britain	1									
New Hartford										
Newington										
Plainville										
Portland										
Rocky Hill										
Simsbury										
Somers										
South Windsor										
Southington										
Suffield										
Vernon	1									
West Hartford										
Wethersfield										
Windsor	168	186	200	203	160	147	116	81	59	27
Windsor Locks	67	65	61	68	64	55	46	34	18	9
Region #10										
Non-Member LEAs										
<b>TOTAL</b>	<b>676</b>	<b>681</b>	<b>675</b>	<b>681</b>	<b>573</b>	<b>500</b>	<b>384</b>	<b>287</b>	<b>197</b>	<b>88</b>

(Continued on following page)

**CAPITOL REGION EDUCATION COUNCIL**

**MONTESSORI MAGNET SCHOOL**  
Student Enrollment by LEA (Continued)

LEA	2007	2006	2005	2004	2003	2002	2001	2000	1999
Avon	2	1							1
Berlin	1	1	1						
Bloomfield	25	29	31	30	29	32	33	27	27
Bolton					1	1			
Bristol									
Canton				1	2	2			1
Cromwell	2	2	2	2					
East Granby									
East Hartford	28	25	26	21	19	13	14	14	10
East Windsor			1						
Ellington	1	2	2	2	2	2	2		
Enfield		1				1		1	1
Farmington	1						1	1	
Glastonbury		1			1			2	3
Granby									
Hartford	174	166	164	147	137	132	123	104	74
Hartland									
Manchester	10	12	12	17	14	12	9	8	4
Middletown		2	2	4	2	2			
New Britain	10	10	8	9	9	6	8	7	5
New Hartford	1	2							
Newington	2	2	4	3	4	4	2	1	
Plainville	1	1	1	1	1				
Portland									
Rocky Hill	5	5	4	3	5	1	1		
Simsbury	1	1					2	1	
Somers									
South Windsor	1	2		1		1	1		
Southington	2	1	1	1	1	1	1	1	
Suffield									
Vernon					1	2	2	3	3
West Hartford	7	10	9	8	13	9	10	9	4
Wethersfield	13	11	9	8	4	1	1	1	
Windsor	34	36	44	45	49	41	32	33	12
Windsor Locks			1						
Region #10	0	1	1			1	2	2	1
Non-Member LEAs	10	6	8	2	1		6	4	4
<b>TOTAL</b>	<b>331</b>	<b>330</b>	<b>331</b>	<b>305</b>	<b>295</b>	<b>264</b>	<b>250</b>	<b>219</b>	<b>150</b>

(Continued on following page)

## CAPITOL REGION EDUCATION COUNCIL

## TWO RIVERS MAGNET MIDDLE SCHOOL

Student Enrollment by LEA (Continued)

LEA	2007	2006	2005	2004	2003	2002
Avon						
Berlin						
Bloomfield	2					
Bolton						
Bristol						
Canton						
Cromwell						
East Granby						
East Hartford	144	153	137	132	130	93
East Windsor						
Ellington						
Enfield	1					
Farmington						
Glastonbury	67	72	80	94	92	71
Granby						
Hartford	146	146	138	128	135	90
Hartland						
Manchester	141	151	141	128	132	92
New Britain	4					
New Hartford						
Newington						
Plainville						
Portland						
Rocky Hill						
Simsbury						
Somers						
South Windsor	73	87	87	112	109	79
Southington						
Suffield						
Vernon						
West Hartford						
Wethersfield	1					
Windsor						
Windsor Locks						
Region #10						
Non-Member LEAs	2					
TOTAL	581	609	583	594	598	425

(Continued on following page)

## CAPITOL REGION EDUCATION COUNCIL

## UNIVERSITY OF HARTFORD MAGNET SCHOOL

Student Enrollment by LEA (Continued)

LEA	2007	2006	2005	2004	2003	2002	2001
Avon	27	29	32	31	25	22	10
Berlin							
Bloomfield	17	15	11	11	16	14	9
Bolton							
Bristol							
Canton							
Cromwell							
East Granby							
East Hartford	8						
East Windsor							
Ellington							
Enfield	1						
Farmington	25	19	19	24	30	26	22
Glastonbury							
Granby							
Hartford	202	205	209	209	205	179	141
Hartland							
Manchester	2						
New Britain	4						
New Hartford							
Newington	1						
Plainville							
Portland							
Rocky Hill							
Simsbury	27	30	38	32	29	30	24
Somers							
South Windsor			2	2	2		
Southington							
Suffield							
Vernon							
West Hartford	54	47	41	42	50	51	33
Wethersfield	31	37	29	32	38	29	21
Windsor							
Windsor Locks	7						
Region #10							
Non-Member LEAs							

TOTAL	406	382	381	383	395	351	260
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## CAPITOL REGION EDUCATION COUNCIL

## TUITION RATES PER STUDENT

Program Name	2008	2007	2006	2005	2004	2003	2002	2001
River Street Day Program	\$ 51,754	\$ 49,289	\$ 46,942	\$ 44,708	\$ 42,578	\$ 40,550	\$ 39,066	\$ 37,563
River Street Extended Day Program Summer	3,784	3,604	3,432	3,269	3,113	2,965	2,856	2,746
Group Home Regular	13,684	13,033	12,412	11,821	11,258	10,722	10,329	9,932
Academic Regular	16,861	16,058	15,293	14,565	13,872	13,211	12,727	12,238
Riverstreet Summer Program	4,902	4,668	4,446	4,235	4,034	3,841	3,701	3,559
Soundbridge Program Full Day	38,044	36,669	33,953	31,732	29,732	27,658	26,341	24,850
Half Day	20,703	19,955	18,477	17,268	15,268	14,203	13,527	12,761
Integrated Program Model	69,155	62,868	57,153	51,957	47,234	44,144	41,256	36,836
Integrated Program Model Summer Program	12,434	10,812	9,402	8,395	7,495	6,692	6,254	5,584
Polaris Center	49,677	47,311	45,058	42,912	40,869	38,923	37,498	35,712

**CAPITOL REGION EDUCATION COUNCIL**  
**WORKFORCE ANALYSIS**  
**NUMBER OF EMPLOYEES LAST EIGHT YEARS**

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Job Categories								
Officials and managers	100	84	82	76	77	67	74	60
Professionals	511	504	487	497	448	448	319	269
Technicians	76	74	72	76	75	68	136	128
Office and clerical	86	82	81	79	80	78	78	66
Operatives (semi-skilled)	9	9	9	8	8	9	10	9
Service workers	325	315	276	282	274	180	158	154
Total Workforce Analysis	<u>1,107</u>	<u>1,068</u>	<u>1,007</u>	<u>1,018</u>	<u>962</u>	<u>850</u>	<u>775</u>	<u>686</u>

Source: CREC's Human Resource Department

## CAPITOL REGION EDUCATION COUNCIL

## CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Education:									
Land	\$ 1,892,925	\$ 1,892,925	\$ 1,892,925	\$ 1,892,925	\$ 2,171,178	\$ 2,171,178	\$ 2,171,178	\$ 2,171,178	\$ 2,171,178
Buildings and improvements	64,044,935	63,985,134	60,529,341	51,681,596	52,418,497	52,282,372	51,689,327	20,438,129	20,424,045
Vehicles	1,045,797	1,061,739	909,719	747,816	864,380	769,287	769,287	474,039	396,995
Furniture, fixtures and equipment	5,024,525	4,841,774	5,380,876	4,818,264	4,073,652	2,872,151	3,589,895	3,001,735	5,033,707
Construction in progress	489,523	62,657	3,336,379	12,097,958	10,640,432	5,623,531	2,981,072	27,157,656	8,726,371
Facilities:									
Land	332,000	332,000	332,000	332,000	332,000	332,000	332,000	332,000	332,000
Buildings and improvements	3,660,566	3,367,706	3,276,720	3,123,235	3,123,235	3,123,235	3,124,220	3,124,220	3,124,220
Vehicles	14,435	14,435	14,435	14,435	3,085	3,085	3,085	3,285	3,285
Furniture, fixtures and equipment	288,464	279,107	278,143	273,421	249,248	215,660	1,246,047	1,242,804	1,551,932
Administration:									
Buildings and improvements							2,961	2,961	
Vehicles								24,490	24,490
Furniture, fixtures and equipment	606,219	590,207	784,661	773,350	686,648	627,627	585,578	474,728	376,969
Construction in progress			4,700	4,700					
Total	<u>\$ 77,399,389</u>	<u>\$ 76,427,684</u>	<u>\$ 76,739,899</u>	<u>\$ 75,759,700</u>	<u>\$ 74,562,355</u>	<u>\$ 68,020,126</u>	<u>\$ 66,494,650</u>	<u>\$ 58,447,225</u>	<u>\$ 42,165,192</u>